



PHILIP MORRIS
(PAKISTAN) LIMITED

QUARTERLY REPORT

For the third quarter ended September 30, 2017
(Un-audited)

QUARTERLY REPORT

For the third quarter ended September 30, 2017
(Un-audited)



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COMPANY INFORMATION

BOARD OF DIRECTORS

| | |
|-------------------------|-------------------|
| KAMRAN Y. MIRZA | (Chairman) |
| ALEXANDER REISCH | (Chief Executive) |
| HANNAH HEEKYUNG YUN | |
| JOAO MANUEL | |
| ANTON STANKOV | |
| EE WON CHEN | |
| LT. GEN. (R) TARIQ KHAN | |

COMPANY SECRETARY

FAIZA KAPADIA RAFFAY

AUDIT COMMITTEE

| | |
|-------------------------|------------|
| LT. GEN. (R) TARIQ KHAN | (Chairman) |
| HANNAH HEEKYUNG YUN | |
| EE WON CHEN | |

HUMAN RESOURCE & REMUNERATION COMMITTEE

| | |
|---------------------|-------------|
| JOAO MANUEL | (Chairman) |
| ALEXANDER REISCH | |
| HANNAH HEEKYUNG YUN | |
| C. DAVID ESCARDA | (Secretary) |

AUDITORS

A. F. FERGUSON & CO.
Chartered Accountants

BANKERS

UNITED BANK LIMITED
STANDARD CHARTERED BANK PAKISTAN LIMITED
MCB BANK LIMITED
HABIB BANK LIMITED
CITI BANK N.A.
DEUTSCHE BANK A.G.
FAYSAL BANK LIMITED

REGISTERED OFFICE

19TH FLOOR, THE HARBOUR FRONT, DOLMEN CITY, HC-3, BLOCK-4, CLIFTON, KARACHI-75600

FACTORIES

1. E/15, S.I.T.E., KOTRI, DISTRICT: DADU (SINDH)
2. G.T ROAD, QUADIRABAD, DISTRICT: SAHIWAL (PUNJAB)
3. LEAF DIVISION COMPLEX, 22ND KM, MARDAN SWABI ROAD, MARDAN (KPK)
4. PLOT NO. 14-17, EXPORT PROCESSING ZONE, WEST SITE TOWN, KARACHI (NON-OPERATIONAL)

SHARE REGISTRAR

THK ASSOCIATES (PVT.) LTD.
FIRST FLOOR, 40-C, BLOCK-6,
P.E.C.H.S, KARACHI - 75400

Website : www.philipmorriskpakistan.com.pk

Email : pmpk.info@pmi.com



DIRECTORS' REVIEW

The Directors of the Company would like to report on the Company's performance for the nine months period ended September 30, 2017.

During the period, the Company's gross turnover decreased by 33.0% compared to the same period during 2016, attributable to the decline in sales volumes for the first five months of 2017 partially offset by the improvement of sales volume in Q3'17 after the introduction of the third excise tax tier. At the same time, the Company managed to reduce its Distribution, Marketing & Administration expenses by 9.4% as compared to same period last year. The Company recorded an Operating Profit before tax of PKR 391 million for the nine months period ended, compared to an Operating Profit before tax of PKR 1,665 million for the same period in 2016.

After the implementation of third excise tax tier in 2017/18 federal budget and improved enforcement efforts to curb illicit trade the Company saw a recovery of volumes which is evident in its results for the third quarter in which the Company made a Profit before tax of PKR 786 million compared to a Loss before tax of PKR 881 million for the same period during 2016. The Company is actively supporting all government policies and actions to address the issue of smuggled and non-tax paid cigarettes.

Despite recommendation of the inter-ministerial committee ("IMC") in July 2015 to reduce the Graphical Health Warning to 50%, the Ministry of Health has not yet revised the 85% GHW regulations ("SRO") to reflect the committee's recommendation.

The tax paid industry is engaged with relevant Government authorities to implement the IMC decision.

During the period, the Company's contribution to the National Exchequer, in the form of excise tax, sales tax and other government levies, was PKR 11,429 million, as compared to PKR 18,868 million for the same period in 2016, a result of the decline of shipments for the period and introduction of the third excise tier. However, the Company believes that in the long run, the third tier will provide a wider and more sustainable base for the growth of government revenues which would have seen a significant decline had the third tier not been introduced.

The management team continues to be committed to improving the overall performance of the Company by leveraging the new fiscal structure, utilizing global resources, pursuing initiatives such as new strategic marketing activities, continuous improvements in product quality, process and operational efficiency, and resource utilization and allocation. Growing our gross margin and controlling the cost base remain key objectives for improving the Company's profitability in a continually challenging environment.

On behalf of the Board of Directors, I would like to express my gratitude and appreciation to all our employees, shareholders, business partners and other institutions for their continued trust and support.

On behalf of the Board of Directors,

ALEXANDER REISCH
Chief Executive

KAMRAN Y. MIRZA
Chairman

Dated: October 27, 2017



ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 30 ستمبر 2017 کو اختتام پذیر ہونے والے 9 ماہ کے عرصے میں کمپنی کی کارکردگی کی رپورٹ پیش کر رہے ہیں۔ اس عرصے کے مجموعی کاروباری حجم میں گزشتہ سال کے اسی عرصہ کے مقابلے میں 33% کی نمایاں کمی دیکھنے میں آئی ہے۔ اس کی بڑی وجہ سال 2017 کے پہلے پانچ ماہ میں سبز حجم میں کمی تھی جسے سال کی تیسری سہ ماہی کے دوران تیسرے درجہ کا ایکسائز ٹیکس متعارف کرنے کی بدولت سبز حجم میں اضافے نے کافی حد تک پورا کیا۔ ساتھ ہی کمپنی نے گزشتہ سال کے اسی عرصہ کے دوران کے مقابلے میں ڈسٹری بیوٹن، مارکیٹنگ اور انتظامی اخراجات کی مد میں 9.4% کی کمی کی۔ کمپنی نے 9 ماہ کے اس عرصہ کے اختتام تک قبل از ٹیکس 391 ملین روپے کا آپریٹنگ منافع ریکارڈ کیا ہے جس کا موازنہ گزشتہ سال کے اسی عرصے سے کیا جائے تو معلوم ہوتا ہے کہ اس دوران قبل از ٹیکس 1,665 ملین روپے کا آپریٹنگ منافع حاصل کیا گیا تھا۔ 2017/18 کے وفاقی بجٹ میں ایکسائز ٹیکس کے تیسرے درجہ کے نفاذ اور سگریٹ کی غیر قانونی تجارت کی روک تھام کے حوالے سے موثر اقدامات کی بدولت کمپنی نے اپنے حجم میں اضافہ ریکارڈ کیا ہے۔ اس اضافہ کا عکس تیسری سہ ماہی کے نتائج میں عیاں ہے جس میں کمپنی نے قبل از ٹیکس 786 ملین روپے کا منافع حاصل کیا تھا۔ اس کا موازنہ 2016 کے اسی عرصہ سے کیا جائے تو معلوم ہوتا ہے کہ کمپنی کو اس دوران قبل از ٹیکس 881 ملین روپے کا نقصان ہوا تھا۔ کمپنی سبگل اور غیر ٹیکس ادا شدہ سگریٹوں کے مسئلے پر حکومت کی تمام پالیسیوں کی بھرپور حمایت جاری رکھے ہوئے ہے۔

جولائی 2015 میں بین الوزارتی کمیٹی کی تمام سگریٹ برانڈز کی ڈیوٹن پر صحت کے تصویری انتہاء کے سائز کو کم کر کے 50% پر لانے کی سفارش کے باوجود وزارت صحت نے 85% کے SRO پر کوئی نظر ثانی نہیں کی ہے۔ قانونی سگریٹ انڈسٹری بین الوزارتی کمیٹی کے فیصلہ کے نفاذ کیلئے متعلقہ حکام سے رابطہ میں ہے۔

اس عرصے کے دوران کمپنی نے قومی خزانہ میں وفاقی ایکسائز ٹیکس، سبز ٹیکس اور دیگر حکومتی محصولات کی مد میں 11,429 ملین روپے جمع کرائے جو کہ 2016 کے اسی عرصے کے دوران 18,868 ملین روپے تھے۔ اس کی بنیادی وجوہات اس عرصہ کے دوران شپنٹ کی کمی اور ایکسائز ٹیکس کے تیسرے درجے کا متعارف کرنا ہیں۔ تاہم کمپنی سمجھتی ہے کہ طویل مدت میں ایکسائز ٹیکس کا یہ تیسرا درجہ اضافی حکومتی محصولات کے حوالے سے وسیع اور مستحکم بنیاد فراہم کرنے کا باعث بنے گا۔ اور اگر یہ تیسرا درجہ متعارف نہ کروایا جاتا تو حکومتی محصولات میں نمایاں کمی دیکھنے میں آسکتی تھی۔

دستیاب عالمی وسائل کو بروئے کار لاتے ہوئے مینجمنٹ ٹیم کمپنی کی مجموعی کارکردگی کو مزید بہتر بنانے، مارکیٹنگ کی جدید حکمت عملی سمیت مزید مواقع کی تلاش، مصنوعات کی بہتر کوالٹی کے حصول، مستحکم طریقہ کار اور آپریشنل کارکردگی کے ساتھ وسائل کے بہتر استعمال اور موثر تقرری کیلئے پُر عزم ہے۔ کٹھن حالات کے باوجود اپنے مجموعی منافع کو بڑھانا اور اخراجات پر قابو پانا کمپنی کے منافع میں اضافہ کے بنیادی عوامل رہیں گے۔ بورڈ آف ڈائریکٹرز کی جانب سے میں اپنے تمام ملازمین، شیئرز ہولڈرز، کاروباری شراکت داروں اور دیگر اداروں کا ان کے مسلسل اعتماد اور حمایت پر تہ دل سے مشکور ہوں۔

بورڈ آف ڈائریکٹرز کی جانب سے

ایلیکٹریٹرز رپورٹ
سی ای او

کامران یوسف مرزا
چیئر مین

تاریخ: 27 اکتوبر 2017ء



CONDENSED INTERIM BALANCE SHEET (Un-audited)

AS AT SEPTEMBER 30, 2017

| | | September 30, 2017 | December 31, 2016 |
|----------------------------------------------------------------|------|--------------------------|--------------------------|
| | Note | (Un-audited) | (Audited) |
| | | (Rupees in thousand) | |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| FIXED ASSETS | | | |
| Property, plant and equipment | 4 | 8,001,849 | 8,487,261 |
| Intangibles | | <u>21,862</u> | <u>29,909</u> |
| | | 8,023,711 | 8,517,170 |
| Investment in a subsidiary company | 5 | 1 | 1 |
| Long term deposits and prepayments | | 46,365 | 39,762 |
| Deferred taxation | 6 | <u>700,373</u> | <u>761,323</u> |
| | | 8,770,450 | 9,318,256 |
| CURRENT ASSETS | | | |
| Stores and spares - net | | 251,192 | 379,229 |
| Stock in trade - net | 7 | 8,149,601 | 7,273,187 |
| Trade debts - net | | 37,372 | 1,523 |
| Advances | | 46,583 | 33,278 |
| Prepayments | | 63,964 | 92,828 |
| Other receivables | | 76,613 | 210,304 |
| Income tax - net | | 575,594 | 578,775 |
| Staff retirement benefits | | 42,041 | 31,538 |
| Cash and bank balances | | <u>614,611</u> | <u>108,093</u> |
| | | 9,857,571 | 8,708,755 |
| TOTAL ASSETS | | <u><u>18,628,021</u></u> | <u><u>18,027,011</u></u> |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised capital | | <u><u>12,000,000</u></u> | <u><u>12,000,000</u></u> |
| Issued, subscribed and paid-up capital | | | |
| - Ordinary shares | | 615,803 | 615,803 |
| - Preference shares | | 10,464,000 | 10,464,000 |
| Transaction cost on issuance of preference shares - net of tax | | <u>(33,911)</u> | <u>(33,911)</u> |
| | | 11,045,892 | 11,045,892 |
| Reserves | | 6,124,102 | 6,137,315 |
| Accumulated loss | | <u>(3,486,662)</u> | <u>(3,593,171)</u> |
| TOTAL EQUITY | | <u><u>13,683,332</u></u> | <u><u>13,590,036</u></u> |
| CURRENT LIABILITIES | | | |
| Short term running finance | | - | 1,338,557 |
| Trade and other payables | | 3,753,809 | 2,643,360 |
| Accrued mark-up on short term running finance | | 8,762 | 7,249 |
| Sales tax and excise duty payable | | <u>1,182,118</u> | <u>447,809</u> |
| TOTAL LIABILITIES | | 4,944,689 | 4,436,975 |
| TOTAL EQUITY AND LIABILITIES | | <u><u>18,628,021</u></u> | <u><u>18,027,011</u></u> |
| CONTINGENCIES AND COMMITMENTS | 8 | | |

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


ALEXANDER REISCH
 Chief Executive


ANTON STANKOV
 Director

Karachi: October 27, 2017



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

| | | Quarter ended | | Nine months period ended | |
|-------------------------------------|------|-----------------------|-----------------------|--------------------------|-----------------------|
| | Note | September 30, 2017 | September 30, 2016 | September 30, 2017 | September 30, 2016 |
| ----- (Rupees in thousand)----- | | | | | |
| Turnover - net | 9 | 4,234,272 | 1,090,699 | 8,419,787 | 10,908,609 |
| Cost of sales | 10 | 2,327,290 | 1,064,951 | 5,170,706 | 6,013,088 |
| Gross profit | | 1,906,982 | 25,748 | 3,249,081 | 4,895,521 |
| Distribution and marketing expenses | | 742,677 | 601,871 | 1,903,658 | 2,158,145 |
| Administrative expenses | | 354,198 | 339,741 | 968,761 | 1,010,860 |
| Other expenses | 11 | 50,109 | (52,397) | 85,203 | 156,041 |
| Other income | | (43,654) | (48,450) | (99,468) | (94,933) |
| | | 1,103,330 | 840,765 | 2,858,154 | 3,230,113 |
| Operating profit / (loss) | | 803,652 | (815,017) | 390,927 | 1,665,408 |
| Finance cost and bank charges | | 17,649 | 65,552 | 82,720 | 346,554 |
| Profit / (loss) before taxation | | 786,003 | (880,569) | 308,207 | 1,318,854 |
| Taxation | 12 | 243,261 | 4,699 | 228,915 | 659,578 |
| Profit / (loss) after taxation | | 542,742 | (885,268) | 79,292 | 659,276 |
| ----- (Rupees) ----- | | | | | |
| Earnings / (loss) per share | | | | | |
| - Basic | 13.1 | 8.81 | (14.40) | 1.29 | 10.21 |
| - Diluted | 13.2 | 8.29 | (14.40) | 1.21 | 10.12 |

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

ALEXANDER REISCH
Chief Executive

ANTON STANKOV
Director

Karachi: October 27, 2017



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

| | Issued, subscribed and paid-up capital | Preference shares | Advance against issuance of preference shares | Transaction cost on issuance of preference shares - net of tax | General reserve | Reserve for share based payments | Re-measurement of staff retirement gratuity plan | Subtotal Reserves | Unappropriated (Loss) | Total |
|---------------------------------------------------------------------------|----------------------------------------|-------------------|-----------------------------------------------|----------------------------------------------------------------|-----------------|----------------------------------|--------------------------------------------------|-------------------|-----------------------|------------|
| | Ordinary shares | | | | | | | | | |
| ----- (Rupees in thousand) ----- | | | | | | | | | | |
| Balance as at January 1, 2016 | 615,803 | - | - | - | 6,347,000 | 6,392 | (151,540) | 6,201,852 | (4,168,328) | 2,649,327 |
| <i>Transactions with owners</i> | | | | | | | | | | |
| Advance against issuance of preference shares | - | - | 10,464,000 | - | - | - | - | - | - | 10,464,000 |
| Issuance of preference shares | - | 7,500,000 | (7,500,000) | - | - | - | - | - | - | - |
| Transaction cost on issuance of preference shares - net of tax | - | - | - | (30,591) | - | - | - | - | - | (30,591) |
| | - | 7,500,000 | 2,964,000 | (30,591) | - | - | - | - | - | 10,433,409 |
| <i>Share based payments</i> | | | | | | | | | | |
| - expense | - | - | - | - | - | 7,626 | - | 7,626 | - | 7,626 |
| - recharge | - | - | - | - | - | (18,310) | - | (18,310) | - | (18,310) |
| | - | - | - | - | - | (10,684) | - | (10,684) | - | (10,684) |
| <i>Total comprehensive income</i> | | | | | | | | | | |
| Profit after taxation for the nine months period ended September 30, 2016 | - | - | - | - | - | - | - | - | 659,276 | 659,276 |
| | - | - | - | - | - | - | - | - | 659,276 | 659,276 |
| Balance as at September 30, 2016 | 615,803 | 7,500,000 | 2,964,000 | (30,591) | 6,347,000 | (4,292) | (151,540) | 6,191,168 | (3,509,052) | 13,731,328 |
| Balance as at January 1, 2017 | 615,803 | 10,464,000 | - | (33,911) | 6,347,000 | 6,498 | (216,183) | 6,137,315 | (3,593,171) | 13,590,036 |
| <i>Share based payments</i> | | | | | | | | | | |
| - expense | - | - | - | - | - | 9,339 | - | 9,339 | - | 9,339 |
| - recharge | - | - | - | - | - | (22,552) | - | (22,552) | - | (22,552) |
| | - | - | - | - | - | (13,213) | - | (13,213) | - | (13,213) |
| Reversal of unclaimed dividend-note 17 | - | - | - | - | - | - | - | - | 27,217 | 27,217 |
| <i>Total comprehensive income</i> | | | | | | | | | | |
| Profit after taxation for the nine months period ended September 30, 2017 | - | - | - | - | - | - | - | - | 79,292 | 79,292 |
| | - | - | - | - | - | - | - | - | 79,292 | 79,292 |
| Balance as at September 30, 2017 | 615,803 | 10,464,000 | - | (33,911) | 6,347,000 | (6,715) | (216,183) | 6,124,102 | (3,486,662) | 13,683,332 |

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


ALEXANDER REISCH
 Chief Executive


ANTON STANKOV
 Director

Karachi: October 27, 2017



CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

| | Note | Nine months period ended September 30, September 30, 2017 2016 (Rupees in thousand) | |
|---------------------------------------------------------------------|------|----------------------------------------------------------------------------------------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 15 | 2,449,611 | 3,225,177 |
| Staff retirement gratuity paid | | (55,119) | (54,970) |
| Finance cost paid | | (81,207) | (364,795) |
| Income taxes paid | | (164,781) | (73,629) |
| Long term deposits and prepayments | | (6,603) | (4,034) |
| Net cash generated from operating activities | | 2,141,901 | 2,727,749 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure | | (354,659) | (1,104,322) |
| Acquisition of intangibles | | (4,290) | - |
| Proceeds from disposal of items of property, plant and equipment | | 60,878 | 27,986 |
| Profit received on savings accounts | | 1,245 | 4,812 |
| Net cash used in investing activities | | (296,826) | (1,071,524) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Preference shares issued | | - | 7,500,000 |
| Advance received against issue of preference shares | | - | 2,964,000 |
| Transaction cost on issuance of preference shares paid | | - | (43,701) |
| Dividend paid for prior years | | - | (761) |
| Proceeds of loans obtained from associated undertaking | | 2,097,000 | 12,580,400 |
| Repayment of loans to associated undertaking | | (2,097,000) | (19,910,500) |
| Net cash generated from financing activities | | - | 3,089,438 |
| Net increase in cash and cash equivalent during the period | | 1,845,075 | 4,745,663 |
| Cash and cash equivalents at the beginning of the period | | (1,230,464) | (6,120,755) |
| Cash and cash equivalents at the end of the period | 16 | 614,611 | (1,375,092) |

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

ALEXANDER REISCH
Chief Executive

ANTON STANKOV
Director

Karachi: October 27, 2017



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2017

1. THE COMPANY AND ITS OPERATIONS

Philip Morris (Pakistan) Limited (the Company) was incorporated in Pakistan on February 10, 1969 as a public limited company under the Companies Act, 1913 (now Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange (PSX). The principal activity of the Company is manufacturing and sale of cigarettes and tobacco. Its registered office is situated at 19th Floor, The Harbour Front, Dolmen City, HC - 3, Block 4, Clifton, Karachi, Pakistan.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

- 2.1 During the period, Companies Act, 2017 has been promulgated with effect from May 30, 2017. However, as per the requirements of circular no. 23 of 2017 (ref # CLD/CCD/PR(11)/2017) dated October 4, 2017 issued by the SECP and the clarification obtained from the SECP by the Institute of Chartered Accountants of Pakistan, companies whose financial year and interim periods close on or before December 31, 2017, shall prepare their annual and interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, this condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting which comprise International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

- 2.2 The consolidated financial statements of the group comprising the Company and its subsidiary, Laksonpremier Tobacco Company (Private) Limited, have not been prepared in view of the exemption granted by the Securities & Exchange Commission of Pakistan (the SECP) vide its letter No. EMD/233/619/2002/658 dated February 10, 2017 from the requirement of Section 237 of the Companies Ordinance, 1984 (now repealed). The exemption is, however, subject to the condition that any material and relevant details of the aforesaid subsidiary shall be prominently disclosed by the Company.

In accordance with the requirements of the said exemption, financial highlights and other matter of the subsidiary are disclosed in note 5 to these condensed interim financial statements.

- 2.3 The comparative balance sheet presented in these condensed interim financial statements as at December 31, 2016 has been extracted from the audited financial statements of the Company for the year then ended (December 2016 financial statements). The comparative profit and loss account, statement of changes in equity and cash flow statement for the nine months period ended September 30, 2016 have been extracted from the condensed interim financial statements of the Company for the nine months period then ended.
- 2.4 New standards, amendments to approved accounting standards and new interpretations.



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) Continued

- 2.4.1 Standards and amendments to approved accounting standards which became effective during the nine months period ended September 30, 2017:

There were certain new amendments to the approved accounting standards which became effective during the nine months period ended September 30, 2017 but were considered not to be relevant or have any significant effect on the Company's financial reporting and are, therefore not disclosed in these condensed interim financial statements.

- 2.4.2 New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2018:

There are certain new standards and amendments to the approved accounting standards that will be effective for the Company's annual accounting periods beginning on or after January 1, 2018. However these amendments will not have a significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements. Further, the new standards are adopted by the SECP effective July 1, 2018. In addition to the foregoing, the Companies Act 2017 which is not effective on these condensed interim financial statements, has added certain disclosure requirements which will be applicable in the future.

- 2.5 The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the December 2016 financial statements. These condensed interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2016 as they provide an update of reported information in those financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

- 3.1 The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 3.2 During the preparation of these condensed interim financial statements, significant judgments made by management in applying the Company's accounting policies and key sources of estimation were the same as those applied in the Company's December 2016 financial statements.
- 3.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the December 2016 financial statements.



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) Continued

4. PROPERTY, PLANT AND EQUIPMENT

| | Note | September 30, 2017 (Un-audited) | December 31, 2016 (Audited) |
|---------------------------------------------|------------|---------------------------------------|-----------------------------------|
| (Rupees in thousand) | | | |
| Operating property, plant and equipment | 4.1 to 4.4 | 7,555,204 | 7,657,261 |
| Capital work-in-progress (CWIP) | 4.5 | 446,645 | 822,576 |
| Major capital spares and stand-by equipment | | - | 7,424 |
| | | <u>8,001,849</u> | <u>8,487,261</u> |

4.1 Operating property, plant and equipment

| | | |
|----------------------------------------------------------|----------------|------------------|
| Book value at the beginning of the period / year | 7,657,261 | 6,368,729 |
| Additions / transfers from CWIP during the period / year | <u>738,014</u> | <u>2,278,607</u> |
| | 8,395,275 | 8,647,336 |

| | | |
|------------------------------------------------------|------------------|------------------|
| Disposals during the period / year - net book value | (19,110) | (27,441) |
| Write offs during the period / year - net book value | (19,023) | (5,246) |
| Impairment during the period / year - net book value | (366) | (60,644) |
| Depreciation charge during the period / year | <u>(801,572)</u> | <u>(896,744)</u> |
| | (840,071) | (990,075) |

| | | |
|--------------------------------------------|------------------|------------------|
| Book value at the end of the period / year | <u>7,555,204</u> | <u>7,657,261</u> |
|--------------------------------------------|------------------|------------------|

Nine months period ended

| | September 30, 2017 (Un-audited) | September 30, 2016 (Un-audited) |
|----------------------|---------------------------------------|---------------------------------------|
| (Rupees in thousand) | | |

4.2 Additions / transfers from CWIP during the period

| | | |
|--------------------------------------|----------------|------------------|
| Buildings on freehold land | 109,318 | 136,060 |
| Plant and machinery | 255,894 | 901,813 |
| Furniture and fixtures | 36,320 | 9,451 |
| Office equipment | - | 9,955 |
| Vehicles | 6,645 | 13,483 |
| Buildings and leasehold improvements | 49,677 | 3,640 |
| Power and other installations | 111,884 | 24,747 |
| Computer equipment | 168,276 | 114,301 |
| | <u>738,014</u> | <u>1,213,450</u> |



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) Continued

| | | Nine months period ended | |
|-----|----------------------------------------------|---------------------------------|---------------------------|
| | | September 30, 2017 | September 30, 2016 |
| | | (Un-audited) | (Un-audited) |
| | | (Rupees in thousand) | |
| 4.3 | Disposals during the period - net book value | | |
| | Land | 3,295 | - |
| | Buildings on freehold land | 8,425 | - |
| | Plant and machinery | - | 4,959 |
| | Furniture and fixtures | - | 401 |
| | Vehicles | 7,390 | 1,205 |
| | | <u>19,110</u> | <u>6,565</u> |
| 4.4 | Depreciation charge during the period | <u>801,572</u> | <u>655,811</u> |
| | | September 30, 2017 | December 31, 2016 |
| | | (Un-audited) | (Audited) |
| | | (Rupees in thousand) | |
| 4.5 | Capital work-in-progress | | |
| | Civil works | 23,589 | 22,886 |
| | Plant and machinery | 326,975 | 324,384 |
| | Power and other installations | 21,127 | 295,340 |
| | Furniture and fixtures | 26,294 | 96,727 |
| | Computer equipment pending installation | 47,218 | 51,965 |
| | Advance to suppliers and contractors | 1,442 | 31,274 |
| | | <u>446,645</u> | <u>822,576</u> |

5. INVESTMENT IN A SUBSIDIARY COMPANY

This represents the cost of 103 fully paid ordinary shares of Rs 10 each in Laksonpremier Tobacco Company (Private) Limited. Out of such 103 shares, two shares are in the name of the nominees. The profit and loss accounts of the subsidiary company for the nine months period ended September 30, 2017 amounted to Rs Nil resulting in an accumulated loss of Rs 1,030 as at that date. The net assets of the subsidiary company as at September 30, 2017 amounted to Rs Nil, in accordance with its unaudited condensed interim financial statements for the nine months period ended September 30, 2017.

The auditors of the subsidiary company have expressed an unmodified audit opinion on the financial statements of the subsidiary company for the year ended December 31, 2016

The audited financial statements of the subsidiary company are available for inspection at the Company's registered office and are available to the members on request without any cost.



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) Continued

6. DEFERRED TAXATION

| | September 30, 2017 (Un-audited) | December 31, 2016 (Audited) |
|----------------------------------------------------------|---------------------------------------|-----------------------------------|
| | (Rupees in thousand) | |
| Deferred tax liability on taxable temporary differences: | | |
| Tax depreciation allowance | (710,056) | (726,001) |
| Deferred tax asset on deductible temporary differences: | | |
| Accrual for employees compensated absences | 1,116 | 2,131 |
| Amortisation of intangible | 474 | - |
| Unutilised tax losses and credit | 1,374,006 | 1,448,262 |
| Provision for spares | 23,745 | 20,513 |
| Provision for obsolete stocks | 10,254 | 15,609 |
| Provision for doubtful debts | 834 | 809 |
| | 1,410,429 | 1,487,324 |
| Deferred tax asset | <u>700,373</u> | <u>761,323</u> |

- 6.1 The accumulated tax losses of the Company as at September 30, 2017 aggregated Rs 4,580.019 million (December 31, 2016: Rs 4,909.884 million) in respect of which the Company has recognised deferred tax asset amounting to Rs 1,374.006 million (December 31, 2016: Rs 1,448.262 million). The existing unutilized tax losses refers to tax depreciation which can be utilized for an indefinite period against future profits. The Company carries out periodic assessments to determine the benefit of these losses that the Company would be able to set off against the taxable profits in future years. The amount of this benefit has been determined based on the projected taxable profits of the Company for future years. The determination of projected taxable profits are most sensitive to certain key assumptions such as volume of cigarettes, gross margin percentage and inflation rates which have been considered in the preparation of these projected taxable profits. Any significant change in the key assumptions may have an effect on the realisability of the deferred tax asset.



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) Continued

7. STOCK IN TRADE - net

| | Note | September 30, 2017 (Un-audited) | December 31, 2016 (Audited) |
|-------------------------------|------------|---------------------------------------|-----------------------------------|
| (Rupees in thousand) | | | |
| Raw and packing materials | 7.1 to 7.3 | 7,669,250 | 6,992,580 |
| Work-in-process | | 159,247 | 124,732 |
| Finished goods | 7.2 | 355,284 | 209,516 |
| | | <u>8,183,781</u> | <u>7,326,828</u> |
| Provision for obsolete stocks | | (34,180) | (53,641) |
| | | <u>8,149,601</u> | <u>7,273,187</u> |

7.1 Includes impact of seasonal purchases on account of harvest of tobacco crop during the months of July to September.

7.2 Includes raw & packing material in transit aggregating Rs 37.504 million (December 31, 2016: Rs 160.723 million).

7.3 During the current period, the Company has written off provision against raw & packing material aggregating Rs 43.667 million (December 31, 2016: Rs 33.640 million) and finished goods aggregating Rs 0.657 million (December 31, 2016: Rs 15.180 million).

8. CONTINGENCIES AND COMMITMENTS

8.1 Guarantees

Indemnities given to banks for guarantees issued in the normal course of business aggregated Rs 69.565 million (December 31, 2016: Rs 69.565 million).

8.2 Commitments

| | September 30, 2017 (Un-audited) | December 31, 2016 (Audited) |
|-----------------------------------------------------|---------------------------------------|-----------------------------------|
| (Rupees in thousand) | | |
| Capital expenditure contracted for but not incurred | <u>178,641</u> | <u>181,680</u> |
| Letters of credit | <u>11,944</u> | <u>-</u> |



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) Continued

8.3 Contingencies

8.3.1 There is no significant change in the status of the cases set out in note 19.2.1, 19.2.4, 19.2.5 and 19.2.6 to the December 2016 financial statements.

8.3.2 Further to the matter stated in note 19.2.2 to the December 2016 financial statements, during the period, Commissioner Inland Revenue (Appeals-II) issued an order dated September 05, 2017 through which disallowances amounting to Rs 161.009 million were deleted whereas disallowances of Rs 49.118 million were set aside to Department for further consideration. The company is in coordination with tax authorities for favourable outcome on the matter.

8.3.3 Further to the matter stated in note 19.2.3 to the December 2016 financial statements, during the period, Commissioner Inland Revenue (Appeals-II) issued an order dated September 05, 2017 through which disallowances amounting to Rs 90.592 million were deleted whereas disallowances of Rs 105.280 million were set aside to Department for further consideration. The company is in coordination with tax authorities for favourable outcome on the matter.

8.3.4 Large Tax Payers Unit (LTU), Karachi issued two orders to the Company dated July 13, 2017 and one order dated October 16, 2017 alleging non-payment of duty on cigarettes. Through these orders, LTU demanded an amount aggregating to Rs 1,765.169 million for alleged evasion of excise duty, sales tax and penalties which the Company believes to be unfounded.

The Company has filed appeal before Commissioner Inland Revenue (Appeals) (CIR-A) for first two orders for which hearing has been held and order is awaited. The Company is in the process of filing appeal with CIR-A for the order dated October 16, 2017.

The Company's management believes that it has sufficient documentary evidence to prove that it has discharged payment of all due duties and taxes in a timely manner and as such, ultimate decision in the appeal process will be in its favour. Accordingly, a provision has not been recognised in these condensed interim financial statements.



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) Continued

9. TURNOVER - net

| | Quarter ended | | Nine months period ended | |
|----------------------|----------------------|--------------------|--------------------------|--------------------|
| | September 30, 2017 | September 30, 2016 | September 30, 2017 | September 30, 2016 |
| | (Un-audited) | (Un-audited) | (Un-audited) | (Un-audited) |
| | (Rupees in thousand) | | | |
| Gross turnover | 9,056,865 | 3,957,925 | 20,158,364 | 30,107,395 |
| Less: Trade discount | 235,908 | 184,579 | 684,406 | 563,666 |
| Sales tax | 1,376,543 | 635,920 | 3,022,068 | 4,558,874 |
| Excise duty | 3,210,142 | 2,046,727 | 8,032,103 | 14,076,246 |
| | 4,822,593 | 2,867,226 | 11,738,577 | 19,198,786 |
| | 4,234,272 | 1,090,699 | 8,419,787 | 10,908,609 |

10. COST OF SALES

| | Quarter ended | | Nine months period ended | |
|------------------------------------------|----------------------|--------------------|--------------------------|--------------------|
| | September 30, 2017 | September 30, 2016 | September 30, 2017 | September 30, 2016 |
| | (Un-audited) | (Un-audited) | (Un-audited) | (Un-audited) |
| | (Rupees in thousand) | | | |
| Raw and packing material consumed | | | | |
| Opening stock | 6,099,555 | 5,970,433 | 6,992,580 | 7,934,418 |
| Purchases, redrying and related expenses | 3,263,612 | 2,104,182 | 4,481,501 | 3,739,035 |
| | 9,363,167 | 8,074,615 | 11,474,081 | 11,673,453 |
| Closing stock | (7,669,250) | (7,028,499) | (7,669,250) | (7,028,499) |
| | 1,693,917 | 1,046,116 | 3,804,831 | 4,644,954 |
| Government levies | 8,242 | 4,361 | 17,277 | 20,932 |
| Manufacturing expenses | 518,795 | 451,600 | 1,529,934 | 1,613,218 |
| | 2,220,954 | 1,502,077 | 5,352,042 | 6,279,104 |
| Work-in-process | | | | |
| Opening stock | 128,242 | 101,503 | 124,732 | 74,011 |
| Closing stock | (159,247) | (161,901) | (159,247) | (161,901) |
| Sale of waste | (453) | (834) | (1,053) | (9,914) |
| | (31,458) | (61,232) | (35,568) | (97,804) |
| Cost of goods manufactured | 2,189,496 | 1,440,845 | 5,316,474 | 6,181,300 |
| Finished goods | | | | |
| Opening stock | 493,078 | 305,988 | 209,516 | 503,983 |
| Finished goods purchased | - | - | - | 9,687 |
| Closing stock | (355,284) | (681,882) | (355,284) | (681,882) |
| | 137,794 | (375,894) | (145,768) | (168,212) |
| | 2,327,290 | 1,064,951 | 5,170,706 | 6,013,088 |



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) Continued

11. OTHER EXPENSES

| | Quarter ended | | Nine months period ended | | |
|-----------------------------------------------------------------|---------------|----------------------|--------------------------|--------------------|--------------------|
| | Note | September 30, 2017 | September 30, 2016 | September 30, 2017 | September 30, 2016 |
| | | (Un-audited) | (Un-audited) | (Un-audited) | (Un-audited) |
| | | (Rupees in thousand) | | | |
| Employee separation costs | | 5,945 | 10,279 | 20,745 | 36,514 |
| Impairment charge on items of property, plant and equipment 4.1 | | 366 | - | 366 | 6,824 |
| Loss on disposal of property plant and equipment | | - | - | 2,769 | 2,601 |
| Worker's Profit Participation Fund | | 16,570 | (57,771) | 16,570 | 60,478 |
| Worker's Welfare Fund | | 6,628 | (23,109) | 6,628 | 24,190 |
| Exchange loss - net | | 11,509 | 13,095 | 21,239 | 13,095 |
| Miscellaneous expenses | | 9,091 | 5,109 | 16,886 | 12,339 |
| | | 50,109 | (52,397) | 85,203 | 156,041 |

12. TAXATION

| | Note | Quarter ended | | Nine months period ended | |
|-----------------------------|------|----------------------|--------------------|--------------------------|--------------------|
| | | September 30, 2017 | September 30, 2016 | September 30, 2017 | September 30, 2016 |
| | | (Un-audited) | (Un-audited) | (Un-audited) | (Un-audited) |
| | | (Rupees in thousand) | | | |
| Current | | | | | |
| - for the period | | 56,393 | (78,687) | 68,562 | 18,805 |
| - for the prior period 12.1 | | - | - | 99,400 | (23,678) |
| | | <u>56,393</u> | <u>(78,687)</u> | <u>167,962</u> | <u>(4,873)</u> |
| Deferred | | 186,868 | 83,386 | 60,953 | 664,451 |
| | | <u>243,261</u> | <u>4,699</u> | <u>228,915</u> | <u>659,578</u> |

- 12.1 The Finance Act, 2017 has introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax shall not apply in case of a public company which distributes at least 40% of its after tax profits till the due date of filing of return. The Company has provided for the tax amount in these condensed interim financial statements.



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) Continued

13. EARNINGS PER SHARE -BASIC AND DILUTED

| | Quarter ended September 30, 2017 (Un-audited) | | Nine months period ended September 30, 2016 (Un-audited) | |
|-------------------------------------------------------------------------|-----------------------------------------------------|------------|----------------------------------------------------------------|------------|
| | 2017 (Un-audited) | | 2016 (Un-audited) | |
| | (Rupees in thousand) | | | |
| 13.1 Basic earnings / (loss) per share | | | | |
| Profit / (loss) for the period after taxation | 542,742 | (885,268) | 79,292 | 659,276 |
| Less: transaction cost on issuance of preference shares - net of tax | - | (1,719) | - | (30,591) |
| | 542,742 | (886,987) | 79,292 | 628,685 |
| | (Number of shares) | | | |
| Weighted average number of ordinary shares | 61,580,341 | 61,580,341 | 61,580,341 | 61,580,341 |
| | (Rupees) | | | |
| Earning / (loss) per share – basic | 8.81 | (14.40) | 1.29 | 10.21 |
| 13.2 Diluted earnings / (loss) per share | | | | |
| | (Rupees in thousand) | | | |
| Profit / (loss) for the period after taxation | 542,742 | (885,268) | 79,292 | 659,276 |
| | (Number of shares) | | | |
| Weighted average number of ordinary shares | 61,580,341 | 61,580,341 | 61,580,341 | 61,580,341 |
| Adjustment for convertible preference shares | 3,912,490 | 5,197,583 | 3,912,490 | 3,578,794 |
| | 65,492,831 | 66,777,924 | 65,492,831 | 65,159,135 |
| | (Rupees) | | | |
| Earning / (loss) per share – diluted | 8.29 | (14.40) | 1.21 | 10.12 |



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) Continued

14. RELATED PARTIES DISCLOSURES

- 14.1 Related parties comprise of Philip Morris Investments B.V., (the parent company) and Philip Morris Brands Sarl, related group undertakings, subsidiary company - Laksonpremier Tobacco Company (Private) Limited, staff retirement funds and members of the key management personnel. Transactions with related parties are as follows:

| Relationship | Nature of transaction | Nine months period ended | |
|--------------------------|--------------------------------------------------------|--------------------------|--------------------|
| | | September 30, 2017 | September 30, 2016 |
| | | (Un-audited) | (Un-audited) |
| | | (Rupees in thousand) | |
| Associated undertakings | Sale of goods and service | 515,658 | 311,569 |
| | Purchase of goods and service | 156,823 | 225,830 |
| | Loans received | 2,097,000 | 12,580,400 |
| | Loans repaid / adjusted | 2,097,000 | 19,910,500 |
| | Mark-up on short term borrowings | 3,197 | 24,605 |
| | Advance received against issuance of preference shares | - | 10,464,000 |
| | Issuance of preference shares | - | 7,500,000 |
| | Royalty charges | 45,447 | 35,411 |
| | Share based payment expense | 9,339 | 7,626 |
| | Share based payment recharge | 22,552 | 18,310 |
| Staff retirement plans | Contribution to gratuity fund | 55,118 | 54,974 |
| | Contribution to provident fund | 54,632 | 55,776 |
| Key management personnel | Remuneration and benefits - note 14.1.1 and 14.1.4 | 4,248 | 5,824 |

The Company enters into transactions with related parties on the basis of mutually agreed terms.

- 14.1.1 The Company considers its chief executive and directors as key management personnel.
- 14.1.2 The chief executive and executive directors are provided with free use of the company maintained cars.
- 14.1.3 Certain executives are on secondment from the group undertakings and no remuneration is charged to the Company in respect of those executives.
- 14.1.4 The two independent directors were paid directors' fee of Rs 2.4 million during the period (September 30, 2016: Rs 2.4 million).



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) Continued

14.2 Balance outstanding with related parties are as follows:

| | September 30, 2017 (Un-audited) | December 31, 2016 (Audited) |
|---------------------------------------------|---------------------------------------|-----------------------------------|
| | (Rupees in thousand) | |
| Current assets | | |
| Associated undertakings - Trade debts | 792 | - |
| Associated undertakings - Other receivables | 52,417 | 203,407 |
| Staff retirement plans | 42,041 | 31,538 |
| | <u>95,250</u> | <u>234,945</u> |
| Current liabilities | | |
| Associated undertakings | 1,214,090 | 297,908 |
| Staff retirement plans | 15,628 | - |
| | <u>1,229,718</u> | <u>297,908</u> |
| Investment in subsidiary company | See note 5 | |

15. CASH GENERATED FROM OPERATIONS

| | Notes | Nine months period ended | |
|----------------------------------------------------------------------------------------|-------|---------------------------------------|---------------------------------------|
| | | September 30, 2017 (Un-audited) | September 30, 2016 (Un-audited) |
| | | (Rupees in thousand) | |
| Profit/(Loss) before taxation | | 308,207 | 1,318,854 |
| Adjustments for: | | | |
| Depreciation | | 801,572 | 655,811 |
| Amortisation | | 11,077 | 8,526 |
| Intangibles written off | | 1,260 | - |
| Staff retirement gratuity expense | | 44,616 | 36,468 |
| Expenses arising from equity-settled share-based payment plan | | 9,339 | 7,626 |
| Provision for obsolete stocks | | 24,863 | 17,659 |
| Stores and spares written off | | 104,860 | 103,097 |
| Impairment charge on items of property, plant and equipment | | 366 | 6,824 |
| Profit on savings accounts | | (1,245) | (4,812) |
| Unrealised exchange loss - others | | 18,725 | 46,016 |
| Exchange loss / (gain) on loans from an associated undertaking - net | | 5,200 | (12,900) |
| Profit on disposal of items of property, plant and equipment | | (41,768) | (21,421) |
| Property, plant and equipment written off | | 19,023 | 4,510 |
| Finance cost other than exchange (gain) / loss on loans from an associated undertaking | | 77,520 | 359,454 |
| Working capital changes | 15.1 | <u>1,065,996</u> | <u>699,465</u> |
| | | <u>2,449,611</u> | <u>3,225,177</u> |



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited) Continued

15.1 Working capital changes

| | Nine months period ended | |
|----------------------------------------------|--------------------------|--------------------|
| | September 30, 2017 | September 30, 2016 |
| | (Un-audited) | (Un-audited) |
| | (Rupees in thousand) | |
| (Increase) / decrease in current assets | | |
| Stores and spares - net | 23,177 | (36,728) |
| Stock in trade - net | (901,277) | 565,519 |
| Trade debts - net | (35,849) | 95,928 |
| Advances | (13,305) | 22,611 |
| Prepayments | 28,864 | 128,775 |
| Other receivables | 133,691 | 4,854 |
| | <u>(764,699)</u> | <u>780,959</u> |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 1,096,386 | (684,843) |
| Sales tax and excise payable | 734,309 | 603,349 |
| | <u>1,830,695</u> | <u>(81,494)</u> |
| | <u>1,065,996</u> | <u>699,465</u> |

16. CASH AND CASH EQUIVALENT

| | | |
|----------------------------|----------------|--------------------|
| Cash and bank balances | 614,611 | 188,262 |
| Short term running finance | - | (1,563,354) |
| 16.1 | <u>614,611</u> | <u>(1,375,092)</u> |

16.1 These include bank balances maintained under mark up arrangement.

17. The Board of Directors of the company on their meeting held on March 10, 2017 resolved that under article 124 of the Articles of Association of the Company, the unclaimed dividend liability amounting to Rs 27.217 million be forfeited and therefore, the liability is reversed in these condensed interim financial statements.

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 27, 2017 by the Board of Directors of the Company.

19. GENERAL

19.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

ALEXANDER REISCH
Chief Executive

ANTON STANKOV
Director

Karachi: October 27, 2017



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