



PHILIP MORRIS  
(PAKISTAN) LIMITED

## QUARTERLY REPORT

For the third quarter ended September 30, 2016  
(Un-audited)



# QUARTERLY REPORT

For the third quarter ended September 30, 2016  
(Un-audited)



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## COMPANY INFORMATION

### BOARD OF DIRECTORS

KAMRAN Y. MIRZA		(Chairman)
ALEXANDER REISCH	(From April 19, 2016)	(Chief Executive)
ALEJANDRO PASCHALIDES	(Until April 19, 2016)	(Chief Executive)
HEE KYUNG YUN	(From June 01, 2016)	
DANIEL FAHRNY	(Until May 31, 2016)	
NICOLAS FLOROS		
JOSEPH ZIOMEK	(Until January 31, 2016)	
ANTON STANKOV	(From February 1, 2016)	
CHARLES BENDOTTI		
LT. GEN. (R) TARIQ KHAN	(From March 2, 2016)	

### COMPANY SECRETARY

FAIZA KAPADIA RAFFAY

### AUDIT COMMITTEE

LT. GEN. (R) TARIQ KHAN	(From March 2, 2016)	(Chairman)
HEE KYUNG YUN	(From June 01, 2016)	
DANIEL FAHRNY	(Until May 31, 2016)	
NICOLAS FLOROS		

### HUMAN RESOURCE & REMUNERATION COMMITTEE

CHARLES BENDOTTI		(Chairman)
ALEXANDER REISCH	(From April 19, 2016)	
ALEJANDRO PASCHALIDES	(Until April 19, 2016)	
HEE KYUNG YUN	(From June 01, 2016)	
DANIEL FAHRNY	(Until May 31, 2016)	
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. PLOT NO. 14-17, EXPORT PROCESSING ZONE, KARACHI
2. E/15, S.I.T.E., KOTRI, DISTRICT: DADU (SINDH)
3. QUADIRABAD, DISTRICT: SAHIWAL
4. ISMAILA, DISTRICT: SWABI

### SHARE REGISTRAR

THK ASSOCIATES (PVT.) LTD.  
SECOND FLOOR, STATE LIFE BUILDING - 3  
DR. ZIAUDDIN AHMED ROAD, KARACHI - 75530

Website : [www.philipmorriskarachi.com.pk](http://www.philipmorriskarachi.com.pk)

Email : [pmpk.info@pmi.com](mailto:pmpk.info@pmi.com)



## DIRECTORS' REVIEW

The Directors are pleased to report on the Company's performance for the nine months period ended September 30, 2016.

The Company's gross turnover showed a slight decrease of 3.81% compared to the same period in 2015 primarily attributable to the decline in volumes partially off-set by higher selling prices. At the same time other expenses decreased, mainly due to one-off restructuring costs charged in 2015. The Company recorded a profit before tax of PKR 1,319 million for the nine months, compared to a loss before tax of PKR 421 million for the same period in 2015. However mainly due to pre-budget loading during the second quarter and an alarming increase in illicit trade, the Company's sales volume has declined resulting in a loss during this quarter.

The share of legitimate tobacco industry continues to shrink due to the growth of low price duty unpaid tobacco products, which is triggering an accelerated consumer down trading. Excise-driven price increases further drive the price differential between the tax-paid and low price duty-unpaid tobacco products, thus creating an unfair competition for the legitimate tobacco industry. The Company is actively supporting all Government policies to address this issue.

Despite recommendation of the inter-ministerial committee 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. Instead, the Ministry Of Health continues to extend the implementation of the SRO on a monthly basis which creates uncertainty for the business.

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 18,868 million, as compared to PKR 20,240 million in the same period in 2015, a decrease of 6.78%.

The Company issued the first tranche of 750,000,000 Class A Preference Shares of PKR 10 each to the Holding Company and Associated Undertaking. Furthermore, the Company has recently received PKR 2,964 million as an advance against issuance of second tranche of Preference Shares as approved by the shareholders of the Company in the Extraordinary General Meeting held on October 28, 2015. The injection of funds will help the Company in improving its manufacturing facilities and equipment for better productivity and improved product quality.

The management team continues to be committed to improving the overall performance of the Company by 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 very 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,

**KAMRAN Y. MIRZA**  
Chairman

Karachi: October 27, 2016



## ڈائریکٹرز رپورٹ

ڈائریکٹرز 30 ستمبر 2016 کو اختتام پذیر ہونے والے 9 ماہ کے عرصے میں کمپنی کی کارکردگی کی رپورٹ پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔

اس عرصے کے مجموعی کاروباری حجم گزشتہ سال کے اسی عرصہ کے مقابلے میں 3.81 فیصد کی معمولی کمی دیکھنے میں آئی ہے۔ اس کمی کی وجہ بڑھتی ہوئی قیمت فروخت ہے جس سے ہمارا کاروباری حجم کسی حد تک متاثر ہوا ہے۔ دوسری جانب 2015 میں تنظیم نو کی لاگت بکثت عائد کیے جانے کی وجہ سے دیگر اخراجات میں کمی واقع ہوئی ہے۔ کمپنی نے اس عرصے میں ٹیکس سے قبل 1,319 ملین روپے کا منافع حاصل کیا ہے جس کا موازنہ گزشتہ سال کے اسی عرصے سے کیا جائے تو معلوم ہوتا ہے کہ اس دوران ٹیکس سے قبل 421 ملین روپے کا نقصان ہوا تھا۔ تاہم دوسری سہ ماہی میں پری بجٹ لوڈنگ اور غیر قانونی سگریٹ کے کاروبار میں پریشان کن اضافہ کی وجہ سے کمپنی کے بلز حجم میں کمی واقع ہوئی ہے جس کی وجہ سے اس سہ ماہی میں نقصان ہوا ہے۔

تباہی کم قیمت اور غیر ٹیکس ادا شدہ مصنوعات میں اضافے کی وجہ سے قانونی سگریٹ انڈسٹری کے حجم میں بتدریج کمی واقع ہو رہی ہے۔ بڑھتی ہوئی ایکسائز ڈیوٹی کی وجہ سے ٹیکس ادا شدہ اور کم قیمت کی غیر ٹیکس ادا شدہ مصنوعات کے مابین قیمت کا فرق بڑھ گیا ہے جس سے قانونی مصنوعات کیلئے مقابلے کا غیر صحیح مندانہ ماحول پیدا ہو گیا ہے۔ کمپنی اس مسئلہ کے حل کیلئے حکومت کی پالیسیوں کی بھرپور حمایت جاری رکھے ہوئے ہے۔

جولائی 2015 میں بین الاقوامی کمیٹی کی جانب سے تمام سگریٹ برانڈز کی ڈیوٹی کے 85 فیصد کی بجائے 50 فیصد پر صحت کے تصویری انتہاء کے شائع ہونے کے فیصلہ پر تاحال کوئی پیش رفت نہیں ہوئی ہے جبکہ وزارت صحت اس حوالے سے انڈسٹری کو ہر مہینے کے اختتام پر 85 فیصد SRO کی نئی توسیع جاری کر دیتی ہے۔ اس توسیع سے نہ صرف آپریٹرز بلکہ کاروبار کا مستقبل کا عمومی رجحان متعین کرنے میں دشواری کا سامنا ہوتا ہے اور کاروبار غیر یقینی صورت حال سے دوچار ہو جاتا ہے۔

اس عرصے کے دوران کمپنی نے حکومتی خزانہ میں ایکسائز ٹیکس، بیلز ٹیکس اور دیگر سرکاری محصولات کی مد میں گزشتہ سال کی اسی عرصے کے دوران جمع کرائے جانے والے 20,240 ملین روپے کے مقابلے میں 6.78 فیصد کمی کے ساتھ 18,868 ملین روپے جمع کرائے ہیں۔

کمپنی نے لوڈنگ کمپنوں اور شلک انڈر ٹینگ کو کلاس اے کے 750 ملین تریجیمی شیئرز بحساب 10 روپے فی شیئر کی پہلی قسط جاری کی۔ اس کے علاوہ کمپنی 28 اکتوبر 2015 کو منعقد ہونے والی غیر معمولی جنرل میٹنگ میں کمپنی کے شیئرز ہولڈرز کی جانب سے منظور شدہ 2,964 ملین روپے، بطور ایڈوانس برائے تریجیمی شیئرز کی دوسری قسط، حال ہی میں وصول ہوئے ہیں۔ یہ سرمایہ کمپنی کیلئے موثر پیداواری یونٹس اور جدید آلات کے ذریعے بہتر پیداوار اور معیاری مصنوعات کے حصول میں مددگار ثابت ہو گا۔

دستیاب عالمی وسائل کو بروئے کار لاتے ہوئے منجمنٹ 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 پرعزم 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 اعتماد اور حمایت پر تہہ دل سے مشکور ہوں۔

بورڈ آف ڈائریکٹرز کی جانب سے

کامران یوسف مرزا

چیئرمین

بتاریخ: 27 اکتوبر 2016



## CONDENSED INTERIM BALANCE SHEET (Un-audited)

**AS AT SEPTEMBER 30, 2016**

		September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
(Rupees in thousand)			
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
<b>FIXED ASSETS</b>			
Property, plant and equipment	4	8,456,738	8,025,683
Intangibles		<u>14,182</u>	<u>22,708</u>
		8,470,920	8,048,391
Investment in a subsidiary company	5	1	1
Long term deposits and prepayments		41,486	37,452
Deferred taxation	6	<u>285,319</u>	<u>937,354</u>
		8,797,726	9,023,198
<b>CURRENT ASSETS</b>			
Stores and spares - net		425,303	491,672
Stock in trade - net	7	7,856,841	8,468,495
Trade debts - net		-	95,928
Advances		30,349	52,960
Prepayments		86,982	215,757
Other receivables		21,399	26,253
Income tax - net		859,806	798,593
Staff retirement benefits		78,657	60,155
Cash and bank balances		<u>188,262</u>	<u>74,610</u>
		9,547,599	10,284,423
<b>TOTAL ASSETS</b>		<u>18,345,325</u>	<u>19,307,621</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital	8	<u>12,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital			
- Ordinary shares	8	615,803	615,803
- Preference shares	8	7,500,000	-
Advance against issuance of preference shares	9	2,964,000	-
Transaction cost on issuance of preference shares - net of tax		<u>(30,591)</u>	-
		11,049,212	615,803
Reserves		6,191,168	6,201,852
Unappropriated loss		<u>(3,509,052)</u>	<u>(4,168,328)</u>
<b>TOTAL EQUITY</b>		<u>13,731,328</u>	<u>2,649,327</u>
<b>CURRENT LIABILITIES</b>			
Short term borrowings	10	1,563,354	13,538,365
Trade and other payables		2,385,976	3,053,270
Accrued mark-up on short term borrowings		61,318	66,659
Sales tax and excise duty payable		<u>603,349</u>	-
<b>TOTAL LIABILITIES</b>		4,613,997	16,658,294
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>18,345,325</u>	<u>19,307,621</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

**ALEXANDER REISCH**  
Chief Executive

**ANTON STANKOV**  
Director

Karachi: October 27, 2016



## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)

### FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2016

	Note	Quarter ended		Nine months period ended	
		September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
(Rupees in thousand)					
Turnover - net	12	1,090,699	1,450,149	10,908,609	11,413,059
Cost of sales	13	1,064,951	1,382,156	6,013,088	7,272,703
Gross profit		25,748	67,993	4,895,521	4,140,356
Distribution and marketing expenses		601,871	804,801	2,158,145	2,406,703
Administrative expenses		339,741	349,032	1,010,860	1,042,274
Other expenses	14	(52,397)	(9,071)	156,041	627,466
Other income		(48,450)	(146,163)	(94,933)	(236,135)
		840,765	998,599	3,230,113	3,840,308
Operating (loss) / profit		(815,017)	(930,606)	1,665,408	300,048
Finance cost and bank charges		65,552	342,101	346,554	720,927
(Loss) / profit before taxation		(880,569)	(1,272,707)	1,318,854	(420,879)
Taxation	15	4,699	(241,521)	659,578	(97,685)
(Loss) / profit after taxation		(885,268)	(1,031,186)	659,276	(323,194)
(Rupees)					
Earnings / (loss) per share					
- Basic	16.1	(14.40)	(16.75)	10.21	(5.25)
- Diluted	16.2	(14.40)	(16.75)	10.12	(5.25)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

**ALEXANDER REISCH**  
Chief Executive

**ANTON STANKOV**  
Director

Karachi: October 27, 2016



## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2016

	Issued, subscribed and paid-up capital	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	Sub-total Reserves	Unappropriated loss	Total	
	Ordinary shares	Preference shares								
----- (Rupees in thousand) -----										
<b>Balance as at January 1, 2015</b>	615,803	-	-	-	6,347,000	16,025	(136,658)	6,226,367	(2,853,320)	3,988,850
<i>Transactions with owners</i>										
<i>Share based payments</i>										
- expense	-	-	-	-	-	4,364	-	4,364	-	4,364
- recharge	-	-	-	-	-	(19,453)	-	(19,453)	-	(19,453)
	-	-	-	-	-	(15,089)	-	(15,089)	-	(15,089)
<i>Total comprehensive loss</i>										
Loss after taxation for the nine months period ended September 30, 2015	-	-	-	-	-	-	-	-	(323,194)	(323,194)
	-	-	-	-	-	-	-	-	(323,194)	(323,194)
<b>Balance as at September 30, 2015</b>	615,803	-	-	-	6,347,000	936	(136,658)	6,211,278	(3,176,514)	3,650,567
<b>Balance as at January 1, 2016</b>	615,803	-	-	-	6,347,000	6,392	(151,540)	6,201,852	(4,168,328)	2,649,327
<i>Transactions with owners</i>										
<i>Advance against issuance of preference shares</i>										
	-	-	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 loss</i>										
Profit after taxation for the nine months period ended September 30, 2016	-	-	-	-	-	-	-	-	659,276	659,276
	-	-	-	-	-	-	-	-	659,276	659,276
<b>Balance as at September 30, 2016</b>	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

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

**ALEXANDER REISCH**  
Chief Executive

**ANTON STANKOV**  
Director

Karachi: October 27, 2016



## CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)

**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2016**

	Note	Nine months period ended	
		September 30, 2016	September 30, 2015
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	18	3,225,177	(598,724)
Staff retirement gratuity paid		(54,970)	(56,145)
Finance cost paid		(364,795)	(441,066)
Income taxes paid		(73,629)	(166,187)
Long term deposits and prepayments		(4,034)	(1,767)
<b>Net cash provided by operating activities</b>		<b>2,727,749</b>	<b>(1,263,889)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditures		(1,104,322)	(1,064,718)
Acquisition of intangible		-	(9,966)
Proceeds from disposal of items of property, plant and equipment		27,986	109,104
Profit received on savings accounts		4,812	9,730
<b>Net cash used in investing activities</b>		<b>(1,071,524)</b>	<b>(955,850)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Preference shares issued		7,500,000	-
Advance received against issuance of preference shares		2,964,000	-
Transaction cost on issuance of preference shares paid		(43,701)	-
Dividend paid for prior years		(761)	(235)
Proceeds of loan from associated undertaking		12,580,400	13,243,250
Repayment of loan from associated undertaking		(19,910,500)	(12,141,500)
<b>Net cash used in financing activities</b>		<b>3,089,438</b>	<b>1,101,515</b>
Net increase in cash and cash equivalent during the period		<b>4,745,663</b>	<b>(1,118,224)</b>
Cash and cash equivalents at the beginning of the period		<b>(6,120,755)</b>	<b>(2,494,388)</b>
Cash and cash equivalents at the end of the period	19	<b>(1,375,092)</b>	<b>(3,612,612)</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

**ALEXANDER REISCH**  
Chief Executive

**ANTON STANKOV**  
Director

Karachi: October 27, 2016



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

### FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2015

#### 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 Ordinance, 1984) 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 These condensed interim financial statements of the Company for the nine months period ended September 30, 2016 have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting which comprises of the International Accounting Standard 34, 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In cases where requirements differ, the provisions of or directives issued under the Ordinance shall prevail. These condensed interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2015 as they provide an update of reported information in those financial statements.

2.2 The consolidated financial statements of the group comprising the Company and its subsidiary, Laksonpremier Tobacco Company (Private) Limited, have not been prepared due to the exemption granted by the Securities & Exchange Commission of Pakistan (the SECP) vide its letter No. EMD/233/619/2002-2159 dated May 4, 2016 from the requirement of Section 237 of the Ordinance. 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 of the subsidiary are stated in note 5.

2.3 The comparative balance sheet presented in these condensed interim financial statements as at December 31, 2015 has been extracted from the audited financial statements of the Company for the year then ended (December 2015 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, 2015 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.

2.4.1 Standards and amendments to approved accounting standards which become effective during the nine months period ended September 30, 2016:



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

There were certain new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have no significant effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

- 2.4.2 Amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after January 1, 2017:

There are certain amendments to approved accounting standards that are mandatory for accounting periods of the Company beginning on or after January 1, 2017 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

- 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 2015 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 2015 financial statements.
- 3.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the December 2015 financial statements.



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

### 4. PROPERTY, PLANT AND EQUIPMENT

	Note	September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
(Rupees in thousand)			
Operating property, plant and equipment	4.1 to 4.4	6,908,469	6,368,729
Capital work-in-progress	4.5	1,537,055	1,650,223
Major capital spares and stand-by equipment		<u>11,214</u>	<u>6,731</u>
		<u><u>8,456,738</u></u>	<u><u>8,025,683</u></u>
<b>4.1 Operating property, plant and equipment</b>			
Book value at the beginning of the period / year		6,368,729	5,383,968
Additions / transfers from CWIP during the period / year		<u>1,213,450</u>	<u>2,277,553</u>
		<u>7,582,179</u>	<u>7,661,521</u>
Disposals during the period / year - net book value		(6,565)	(216,567)
Write offs during the period / year - net book value		(4,510)	(164)
Impairment during the period / year - net book value		(6,824)	(209,666)
Depreciation charge during the period / year		<u>(655,811)</u>	<u>(866,395)</u>
		<u>(673,710)</u>	<u>(1,292,792)</u>
Book value at the end of the period / year		<u><u>6,908,469</u></u>	<u><u>6,368,729</u></u>
<b><u>Nine months period ended</u></b>			
<b>September 30, 2016 (Un-audited)      September 30, 2015 (Un-audited)</b>			
<b>(Rupees in thousand)</b>			
<b>4.2 Additions during the period</b>			
Buildings on freehold land		136,060	294,606
Plant and machinery		901,813	1,301,038
Furniture and fixtures		9,451	94,983
Office equipment		9,955	-
Vehicles		13,483	84,712
Buildings and leasehold improvements		3,640	-
Power and other installations		24,747	195,822
Computer equipment		114,301	63,376
		<u>1,213,450</u>	<u>2,034,537</u>
<b>4.3 Disposals during the period - net book value</b>			
Plant and machinery		4,959	63
Furniture and fixtures		401	-
Vehicles		1,205	58,286
Power and other installations		-	128
		<u>6,565</u>	<u>58,477</u>
<b>4.4 Depreciation charge during the period</b>			
		<u>655,811</u>	<u>620,451</u>



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

	September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
4.5 Capital work-in-progress	(Rupees in thousand)	
Civil works	12,981	110,077
Plant and machinery	861,008	1,101,133
Power and other installations	376,557	286,657
Furniture and fixtures	87,190	54,039
Computer equipment pending installation	174,095	61,321
Advance to suppliers and contractors	25,224	36,996
	<u>1,537,055</u>	<u>1,650,223</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, 2016 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, 2016 amounted to Rs Nil, in accordance with its unaudited condensed interim financial statements for the nine months period ended September 30, 2016.

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, 2015.

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.

### 6. DEFERRED TAXATION

	September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
	(Rupees in thousand)	
Deferred tax liability on taxable temporary differences:		
Tax depreciation allowance	(594,554)	(585,814)
Deferred tax asset on deductible temporary differences:		
Accrual for employees compensated absences	658	2,696
Amortisation of intangible	19	99
Unutilised tax losses and credit	853,800	1,457,432
Provision for spares	20,094	49,283
Provision for obsolete stocks	4,493	12,845
Provision for doubtful debts	809	813
	<u>879,873</u>	<u>1,523,168</u>
Deferred tax asset	<u>285,319</u>	<u>937,354</u>



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

- 6.1 The accumulated tax losses of the Company as at September 30, 2016 aggregated Rs 4,580.387 million (December 31, 2015: Rs 4,921.432 million) in respect of which the Company has recognised deferred tax asset amounting to Rs 853.800 million (December 31, 2015: Rs 1,457.432 million). The Company carries out periodic assessment 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 taxable profits. Any significant change in the key assumptions may have an effect on the realisability of the deferred tax asset.

### 7. STOCK IN TRADE - net

	Note	September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
(Rupees in thousand)			
Raw and packing materials	7.1 to 7.3	<b>7,028,499</b>	7,934,418
Work-in-process		<u>161,901</u>	<u>74,011</u>
Finished goods	7.2	<b>681,882</b>	503,983
		<b>7,872,282</b>	8,512,412
Provision for obsolete stocks		<u>(15,441)</u>	<u>(43,917)</u>
		<b><u>7,856,841</u></b>	<b><u>8,468,495</u></b>

- 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 18.513 million (December 31, 2015: Rs 111.636 million).
- 7.3 During the current period, the Company has written off raw & packing material aggregating Rs 29.965 million (December 31, 2015: Rs 44.490 million) and finished goods aggregating Rs 16.17 million (December 31, 2015: Rs 17.971 million).



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

**8. SHARE CAPITAL**

8.1 Authorised capital

September 30, 2016 (Number of shares)	December 31, 2015 (Number of shares)		September 30, 2016 (Un-audited) (Rupees in thousand)	December 31, 2015 (Audited) (Rupees in thousand)
<u>1,200,000,000</u>	<u>100,000,000</u>	Shares of Rs 10 each	<u>12,000,000</u>	<u>1,000,000</u>

8.2 Issued, subscribed and paid-up capital

September 30, 2016 (Number of shares)	December 31, 2015 (Number of shares)		September 30, 2016 (Un-audited) (Rupees in thousand)	December 31, 2015 (Audited) (Rupees in thousand)
		Ordinary shares of		
		Rs 10 each fully		
		paid in cash		
5,541,429	5,541,429		55,414	55,414
		Ordinary shares of		
		Rs 10 each issued		
		as fully paid bonus		
		shares		
47,722,912	47,722,912		477,229	477,229
		Ordinary shares of		
		Rs 10 each issued		
		for consideration		
		other than cash		
<u>8,316,000</u>	<u>8,316,000</u>		<u>83,160</u>	<u>83,160</u>
<u>61,580,341</u>	<u>61,580,341</u>		<u>615,803</u>	<u>615,803</u>

8.2.2 Preference shares

		Preference shares of		
		Rs 10 each fully paid		
		in cash (note 8.4 and 8.5)		
<u>750,000,000</u>	<u>-</u>		<u>7,500,000</u>	<u>-</u>
<u>750,000,000</u>	<u>-</u>		<u>7,500,000</u>	<u>-</u>

8.3 As at September 30, 2016, the number of ordinary shares of Rs 10 each held by Philip Morris Investments B.V. (the parent company) and Philip Morris Brands S.a.r.l., both subsidiaries of Philip Morris International Inc., were 47,819,356 and 12,316,061 respectively (December 31, 2015: 47,819,356 and 12,316,061 respectively).



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

8.4 During the current period, the Company has received Rs 10,464 million against irredeemable, non-voting, non-cumulative and convertible class A preference shares at the price of Rs 10 per share otherwise than by way of rights issue, from Philip Morris Investments B.V., and Philip Morris Brands S.a.r.l., in the ratio of 79.52% and 20.48% respectively. As at September 30, 2016, 596,400,000 & 153,600,000 shares were credited in the Central Depository Company (CDC) accounts of Philip Morris Investments B.V. & Philip Morris Brands S.a.r.l. respectively, while the remaining amount of Rs 2,964 million received from Philip Morris Investments B.V. & Philip Morris Brands S.a.r.l., is being classified as 'advance against issuance of preference shares' as at September 30, 2016. The Company is in the process to submit the necessary documents to CDC against the second tranche received from Philip Morris Investments B.V. and Philip Morris Brands S.a.r.l. for issuance of shares.

8.5 The conversion option is exercisable by the holder at any time after the 10th anniversary of the issue date but not later than the 15th anniversary. At the 15th anniversary all the unconverted class A preference shares will mandatorily be converted into ordinary shares of the Company. The proceeds received against the aforementioned preference shares, shall be converted fully or partially, at the conversion ratio defined in the terms of agreement.

The holders are entitled to a non-cumulative dividend subject to available distributable profits, as declared by the Board from time to time, at a maximum rate of KIBOR + 1% spread on the face value of the shares.

These have been treated as part of equity on the following basis:

- The shares were issued under the provisions of section 86 of the Ordinance read with section 90 of the Ordinance and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.
- The issue of the shares were duly approved by the members of the Company at the Extra Ordinary General Meeting held on October 28, 2015.
- The requirements of the Ordinance takes precedence over the requirements of the approved accounting standards as applicable in Pakistan.
- The preference shareholders have the right to convert these shares into ordinary shares.



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

### 9. ADVANCE AGAINST ISSUANCE OF PREFERENCE SHARES

	Note	September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
		(Rupees in thousand)	
Advance received against issuance of preference shares	8.4	10,464,000	-
Less: preference shares issued	8.4	<u>7,500,000</u>	<u>-</u>
		<u>2,964,000</u>	<u>-</u>

### 10. SHORT TERM BORROWINGS

Secured			
Running finance under mark-up arrangements		1,563,354	6,195,365
Unsecured			
Loans from an associated undertaking		<u>-</u>	<u>7,343,000</u>
		<u>1,563,354</u>	<u>13,538,365</u>

### 11. CONTINGENCIES AND COMMITMENTS

#### 11.1 Guarantees

Indemnities given to banks for guarantees issued in the normal course of business aggregated Rs 104.565 million (December 31, 2015: Rs 133.193 million).

#### 11.2 Commitments

	September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
	(Rupees in thousand)	
Capital expenditure contracted for but not incurred	<u>459,612</u>	<u>581,294</u>
Letters of credit	<u>99,715</u>	<u>251,287</u>

#### 11.3 Contingencies

11.3.1 There is no significant change in the status of the cases set out in note 19.3.1, 19.3.2, 19.3.4 to the December 2015 financial statements.

11.3.2 In relation to the assessment relating to tax year 2011 (accounting year December 31, 2010) for the original tax demand of Rs 100.927 million, during the period a rectification order dated April 14, 2016 for Rs 43.137 million has been received by the Company, thus reducing the tax demand to Rs 57.790 million. In respect of the aggregate demand of Rs 57.790 million the management has filed an appeal with the tax authorities and is confident that the ultimate decision of the appeal shall be in its favour.



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

11.3.3 Further to the matter stated in note 19.3.5 to the December 2015 financial statements, the Company on May 11, 2016, received a ruling in its favor from Appellate Tribunal Inland Revenue, which has cancelled and set aside the tax authorities' demand ("Tribunal Order"). In August 2016, the tax authorities filed a reference appeal at the High Court. As per law, tax authorities can only raise legal arguments and no factual arguments under the references. Company management believes that the probability of loss is remote on the basis that the demand of the tax authorities is set aside by the Tribunal Order and the appeal has been decided in Company's favour after considering full facts and legal questions. On September 23, 2016 a hearing was fixed in the matter, however it was adjourned and the Court has not yet issued notices to Company hence, no new date of hearing has been set. As the Order is set aside, the Company will withdraw the High Court suit, which is now infructuous on the next date of hearing.

11.3.4 The audit of the Company for the tax year 2014 (accounting year ended December 31, 2013) has been selected through Random Computer Ballot. The Deputy Commissioner Inland Revenue (DCIR) issued a notice to obtain information or evidence under section 176(1) of the Income Tax Ordinance, 2001 dated October 26, 2015, in response to which, all requested information was furnished by the Company. Subsequently, the DCIR issued a show cause notice under section 122(9) dated June 27, 2016 and showed intention to disallow certain expenses aggregating to Rs 131.085 million. Thereafter, the DCIR passed an order dated June 28, 2016 under section 122(1) of the Income Tax Ordinance, 2001 confirming the disallowance of the aforementioned expenses. The management has filed an appeal before the CIR - Appeals against the order.

The management is confident that the ultimate decision shall be in its favour, therefore, a provision has not been recognised against the aforementioned disallowances deductions in these condensed interim financial statements.

### 12. TURNOVER - net

	Quarter ended		Nine months period ended	
	September 30, 2016 (Un-audited)	September 30, 2015 (Un-audited)	September 30, 2016 (Un-audited)	September 30, 2015 (Un-audited)
	(Rupees in thousand)			
Gross turnover	<b>3,957,925</b>	4,399,357	<b>30,107,395</b>	31,299,892
Less: Trade discount	<b>184,579</b>	87,553	<b>563,666</b>	87,553
Sales tax	<b>635,920</b>	685,966	<b>4,558,874</b>	4,766,361
Excise duty	<b>2,046,727</b>	2,175,689	<b>14,076,246</b>	15,032,919
	<b>2,867,226</b>	2,949,208	<b>19,198,786</b>	19,886,833
	<b>1,090,699</b>	1,450,149	<b>10,908,609</b>	11,413,059



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

**13. COST OF SALES**

**Raw and packing material consumed**

	Quarter ended		Nine months period ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Note	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	(Rupees in thousand)			
<b>Raw and packing material consumed</b>				
Opening stock	5,970,433	5,391,917	7,934,418	7,287,025
Purchases, redrying and related expenses	2,104,182	3,603,499	3,739,035	6,273,767
	<b>8,074,615</b>	8,995,416	<b>11,673,453</b>	13,560,792
Closing stock	(7,028,499)	(7,569,298)	(7,028,499)	(7,569,298)
	<b>1,046,116</b>	1,426,118	<b>4,644,954</b>	5,991,494
Government levies	4,361	5,702	20,932	28,129
Manufacturing expenses	451,600	631,080	1,613,218	1,805,546
	<b>1,502,077</b>	2,062,900	<b>6,279,104</b>	7,825,169

**Work-in-process**

Opening stock	101,503	51,128	74,011	82,817
Closing stock	(161,901)	(50,891)	(161,901)	(50,891)
Sale of waste	(834)	(3,896)	(9,914)	(15,486)
	<b>(61,232)</b>	(3,659)	<b>(97,804)</b>	16,440
Cost of goods manufactured	<b>1,440,845</b>	2,059,241	<b>6,181,300</b>	7,841,609

**Finished goods**

Opening stock	305,988	646,026	503,983	646,492
Finished goods purchased	-	109,751	9,687	217,464
Closing stock	(681,882)	(1,432,862)	(681,882)	(1,432,862)
	<b>(375,894)</b>	(677,085)	<b>(168,212)</b>	(568,906)
	<b>1,064,951</b>	1,382,156	<b>6,013,088</b>	7,272,703

**14. OTHER EXPENSES**

Employee separation costs	10,279	15,814	36,514	518,400
Impairment charge on items of property, plant and equipment	4.1 -	33,649	6,824	91,965
Loss on disposal of plant and machinery	-	2,195	2,601	2,315
Worker's Profit Participation Fund	(57,771)	(45,797)	60,478	-
Worker's Welfare Fund	(23,109)	(18,319)	24,190	-
Exchange loss - net	13,095	-	13,095	-
Miscellaneous expenses	5,109	3,387	12,339	14,786
	<b>(52,397)</b>	(9,071)	<b>156,041</b>	627,466



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

### 15. TAXATION

	Quarter ended		Nine months period ended	
	September 30, 2016 (Un-audited)	September 30, 2015 (Un-audited)	September 30, 2016 (Un-audited)	September 30, 2015 (Un-audited)
	(Rupees in thousand)			
Current				
- for the period	(78,687)	41,749	18,805	49,581
- for the prior period	-	(8,573)	(23,678)	(8,573)
	<u>(78,687)</u>	<u>33,176</u>	<u>(4,873)</u>	<u>41,008</u>
Deferred	83,386	(274,697)	664,451	(138,693)
	<u>4,699</u>	<u>(241,521)</u>	<u>659,578</u>	<u>(97,685)</u>

### 16. EARNINGS PER SHARE

#### 16.1 Basic earnings / (loss) per share

Profit for the period after taxation	(885,268)	(1,031,186)	659,276	(323,194)
Less: transaction cost on issuance of preference shares - net of tax	(1,719)	-	(30,591)	-
	<u>(886,987)</u>	<u>(1,031,186)</u>	<u>628,685</u>	<u>(323,194)</u>

(Number of shares)

Weighted average number of ordinary shares in issue	<u>61,580,341</u>	61,580,341	<u>61,580,341</u>	61,580,341
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(Rupees)

Earning / (loss) per share – basic	<u>(14.40)</u>	<u>(16.75)</u>	<u>10.21</u>	<u>(5.25)</u>
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#### 16.2 Diluted earnings / (loss) per share

Profit / (loss) for the period after taxation	<u>(885,268)</u>	<u>(1,031,186)</u>	<u>659,276</u>	<u>(323,194)</u>
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(Number of shares)

Weighted average number of ordinary shares in issue	<u>61,580,341</u>	61,580,341	<u>61,580,341</u>	61,580,341
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Adjustment for convertible preference shares (note 16.3)	<u>5,197,583</u>	-	<u>3,578,794</u>	-
	<u>66,777,924</u>	<u>61,580,341</u>	<u>65,159,135</u>	<u>61,580,341</u>

(Rupees)

Earning / (loss) per share – diluted	<u>(14.40)</u>	<u>(16.75)</u>	<u>10.12</u>	<u>(5.25)</u>
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16.3 As the 'advance against issuance of preference shares' received during the current period is convertible into preference shares to be issued at par value, its impact has been considered while calculating 'earning per share - diluted'. The 'earning per share - diluted' calculation for 2015 is for presentation purposes with no impact to the 'earning per share - basic' due to absence of convertible preference shares in 2015.



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

### 17. RELATED PARTIES DISCLOSURES

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

Relationship	Nature of transaction	Nine months period ended	
		September 30, 2016 (Un-audited)	September 30, 2015 (Un-audited)
		(Rupees in thousand)	
Associated undertakings	Sale of goods and service	311,569	408,018
	Purchase of goods and service	225,830	411,070
	Loans received / roll forward	12,580,400	13,243,250
	Loans repaid / adjusted	19,910,500	12,141,500
	Mark-up on loan/short term borrowings	24,605	70,737
	Advance received against issuance of preference shares (note 9)	10,464,000	-
	Issuance of preference shares	7,500,000	-
	Royalty charges	35,411	32,894
	Share based payment expense	7,626	4,364
	Share based payment recharge	18,310	19,453
	Unrealised exchange loss on loans	-	266,250
Staff retirement benefit plans	Contribution to gratuity fund	54,974	68,819
	Contribution to provident fund	55,776	58,876
Key management personnel	Remuneration and benefits - note 17.1.1 and 17.1.4	5,824	14,215

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

- 17.1.1 The Company considers its chief executive and directors as key management personnel.
- 17.1.2 The chief executive and executive directors are provided with free use of the company maintained cars.
- 17.1.3 Certain executives are on secondment from the group undertakings and no remuneration is charged to the Company in respect of those executives.
- 17.1.4 The two independent directors were paid directors' fee of Rs 2.4 million during the period (September 30, 2015: Rs 2.4 million).



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

17.2 Balance outstanding with related parties are as follows:

	September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
(Rupees in thousand)		
<b>Trade debts</b>		
Group undertakings	-	788
<b>Other receivables</b>		
Group undertakings	19,892	10,138
<b>Trade and other payables</b>		
Group undertakings	178,259	288,232
Staff retirement plans	16,819	-
	195,078	288,232
<b>Short term borrowings</b>		
Loans from an associated undertaking	-	7,343,000
Investment in subsidiary company		See Note 5

		Nine months period ended	
Note	September 30, 2016 (Un-audited)	September 30, 2015 (Un-audited)	(Rupees in thousand)
<b>18. CASH GENERATED FROM OPERATIONS</b>			
	Profit/(Loss) before taxation	1,318,854	(420,879)
	Adjustments for:		
	Depreciation	655,811	620,451
	Amortisation	8,526	8,714
	Staff retirement gratuity expense	36,468	56,145
	Expenses arising from equity-settled share-based payment plan	7,626	4,364
	Provision for obsolete stocks	17,659	5,958
	Stock in trade written down to net realisable value	-	163,625
	Stores and spares written off	103,097	278,765
	Impairment charge on items of property, plant and equipment	6,824	91,965
	Profit on savings accounts	(4,812)	(9,730)
	Unrealised exchange (gain) / loss - others	46,016	50,623
	Exchange loss / (gain) on loans from an associated undertaking - net (Included in finance cost)	(12,900)	266,250
	Profit on disposal of items of property, plant and equipment	(21,421)	(50,627)
	Property, plant and equipment written off	4,510	-
	Finance cost other than exchange (gain) / loss on loans from an associated undertaking	359,454	454,677
18.1	Working capital changes	699,465	(2,119,025)
		3,225,177	(598,724)



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited-Note 2.2)  
Continued

	Note	Nine months period ended	
		September 30, 2016 (Un-audited)	September 30, 2015 (Un-audited)
(Rupees in thousand)			
18.1 Working capital changes			
(Increase) / decrease in current assets			
Stores and spares - net		(36,728)	(62,031)
Stock in trade - net		565,519	(1,259,554)
Trade debts - net		95,928	155,470
Advances		22,611	7,321
Prepayments		128,775	(138,657)
Other receivables		4,854	337,178
		<u>780,959</u>	<u>(960,273)</u>
(Decrease) / increase in current liabilities			
Trade and other payables		(684,843)	(381,659)
Sales tax and excise payable		603,349	(777,093)
		<u>(81,494)</u>	<u>(1,158,752)</u>
		<u>699,465</u>	<u>(2,119,025)</u>
<b>19. CASH AND CASH EQUIVALENT</b>			
Cash and bank balances		188,262	58,125
Short term borrowings - running finance under mark-up arrangements		(1,563,354)	(3,670,737)
	19.1	<u>(1,375,092)</u>	<u>(3,612,612)</u>

19.1 These include bank balances maintained under mark up arrangement.

**20. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on October 27, 2016 by the Board of Directors of the Company.

**21. GENERAL**

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

**ALEXANDER REISCH**  
Chief Executive

**ANTON STANKOV**  
Director

Karachi: October 27, 2016



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