

Condensed Interim Financial Information
for the Three months ended March 31, 2014

Pursuit of 
Excellence

Corporate Information

Board of Directors

Mueen Afzal
Chairman and Non-Executive Director

Graeme Amey
Managing Director and CEO

Mobasher Raza
Deputy Managing Director and
Finance Director

Tajamal Shah
Legal Director

Lt. Gen. (Retd.) Ali Kuli Khan Khattak
(Non-Executive Director)

Syed Asif Shah
(Non-Executive Director)

Abid Niaz Hasan
(Non-Executive Director)

Brendan Brady
(Non-Executive Director)

Felicio Ferraz
(Non-Executive Director)

Audit Committee

Abid Niaz Hasan
Lt. Gen. (Retd.) Ali Kuli Khan Khattak
Syed Asif Shah
Umar Mansoor (Secretary)

Company Secretary

Ayesha Rafique

Registered Office

Pakistan Tobacco Company Limited
Silver Square, Plot No. 15, F-11 Markaz,
Islamabad-44000.
Telephone: +92 (051) 2083200, 2083201
Fax: +92 (051) 2224216
Web: www.ptc.com.pk

Factories

Akora Khattak Factory
P.O. Akora Khattak
Tehsil and District Nowshera,
Khyber Pakhtunkhwa
Telephone: +92 (0923) 561561-72
Fax: +92 (0923) 561502

Jhelum Factory
G.T. Road, Kala Gujran
Jhelum
Telephone: +92 (0544) 646500-7
Fax: +92 (0544) 646524

Bankers

Citibank N.A.
Deutsche Bank
Habib Bank Limited
HSBC Bank Middle East Limited
MCB Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Ltd.
United Bank Limited

Auditors

A.F. Ferguson & Co.
Chartered Accountants
3rd Floor, PIA Building
49 Blue Area, P.O. Box 3021
Islamabad-44000
Telephone: +92 (051) 2273457-60
Fax: +92 (051) 2277924

Share Registrar

FAMCO Associates (Pvt.) Ltd.
8-F, Near Hotel Faran, Nursery, Block 6,
P.E.C.H.S, Shahrah-e-Faisal,
Karachi
Ph: +92 (021) 34380101-2

Directors' Review

The Directors present the performance of Pakistan Tobacco Company Limited (PTC) for the first quarter ended March 31, 2014.

The Company has shown notable performance in Q1'14 despite external challenges including high energy costs, unstable security environment and inflation. PTC was able to grow its market share and volume in Q1'14 attributed to effective marketing spend and strong brand portfolio.

Key financial indicators of PTC for Q1 2014 are:

	Rs (million)	
	Jan - Mar, 2014	Jan - Mar, 2013
Gross Turnover	26,883	22,424
Net Turnover	9,190	7,746
Cost Of Sales	6,045	5,027
Gross Profit	3,145	2,719
Operating Profit	1,897	1,675
Profit Before Tax – PBT	1,884	1,673
Profit After Tax – PAT	1,243	1,088
Earnings Per Share – EPS (Rs)	4.87	4.26

PTC registered growth in Gross Turnover vs. SPLY on account of sales volume increase & carry over impact of price increase taken in June 2013. The volume growth is attributed to marketing investments behind our Value for Money brands i.e. Capstan by Pall Mall Original (CbPMO) and Gold Flake. Key marketing initiatives included limited edition pack for CbPMO and equity reinforcement campaign for Gold Flake Style.

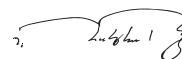
Cost of sales are 16.8% higher vs. SPLY attributed to inflationary increase in raw material prices and higher sales volumes. Continuous focus on cost controls through productivity initiatives has resulted in Gross Profit growth during Q1'14 as compared to last year.

PTC contributed Rs.18.6bn during Q1'14 (20% higher contribution vs. SPLY) to the National Exchequer in the form of excise duty, sales tax, customs duties and income tax. Government revenue continues to be under threat due to continuous growth of illicit sector. Furthermore, economic pressures and declining disposable income promote consumer down trading from legitimate brands to duty evaded low priced brands. Better enforcement and corrective actions by the Government can help curtail the growth of illicit sector in the economy.

PTC operates in a difficult environment that challenges the sustainable growth of our business. Despite these challenges, the Company remains committed to enhance shareholder value through prudent spend behind our brands and people.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Condensed Interim Profit and Loss Account (Unaudited)


for the three months ended March 31, 2014

	Note	Jan - March 2014	Rs '000 Jan - March 2013
Gross turnover		26,883,110	22,423,592
Excise duties		(13,642,943)	(11,471,006)
Sales tax		(4,050,162)	(3,206,279)
Net turnover		9,190,005	7,746,307
Cost of sales	4	(6,044,668)	(5,026,968)
Gross profit		3,145,337	2,719,339
Selling and distribution expenses		(685,914)	(597,493)
Administrative expenses		(448,791)	(331,722)
Other operating expenses	5	(150,446)	(136,537)
Other operating income		36,889	20,985
		(1,248,262)	(1,044,767)
Operating profit		1,897,075	1,674,572
Finance income		17,533	13,155
Finance cost		(31,020)	(14,816)
Net finance cost		(13,487)	(1,661)
Profit before income tax		1,883,588	1,672,911
Income tax expense - current		(643,282)	(614,219)
- deferred		3,144	28,946
		(640,138)	(585,273)
Profit for the period		1,243,450	1,087,638
Earnings per share - (Rupees)		4.87	4.26

The annexed notes 1 to 14 are an integral part of this condensed interim financial information.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Condensed Interim Statement of Comprehensive Income (Unaudited)


for the three months ended March 31, 2014

	Jan - March 2014	Rs '000 Jan - March 2013
Profit for the three months	1,243,450	1,087,638
Other comprehensive income for the three months	-	-
Total comprehensive income for the three months	1,243,450	1,087,638

The annexed notes 1 to 14 are an integral part of this condensed interim financial information.



Graeme Amey
Managing Director and CEO




Mobasher Raza
Finance Director

Condensed Interim Balance Sheet (Unaudited)

as at March 31, 2014

	Note	March 31, 2014	Rs '000 December 31, 2013
Non current assets			
Property, plant and equipment	6	7,020,010	7,084,521
Long term investment in subsidiary company	7	5,000	5,000
Long term loans		58	75
Long term deposits and prepayments		33,486	21,478
		7,058,554	7,111,074
Current assets			
Stock-in-trade		7,893,050	9,166,367
Stores and spares		555,309	488,213
Trade debts		679	764
Loans and advances		80,156	89,579
Short term prepayments		160,642	78,889
Other receivables	8	434,879	435,055
Cash and bank balances		3,257,422	60,128
		12,382,137	10,318,995
Current liabilities			
Trade and other payables	9	10,698,021	7,724,746
Short term running finance	10	-	2,436,445
Finance lease obligation		92,572	92,559
Accrued interest / mark-up		20,376	27,048
Current income tax liability		664,288	429,901
		11,475,257	10,710,699
Net current assets / (liabilities)		906,880	(391,704)
Non current liabilities			
Deferred income tax liability		(1,010,975)	(1,014,118)
Finance lease obligation		(298,801)	(293,044)
		(1,309,776)	(1,307,162)
Net assets		6,655,658	5,412,208
Share capital and reserves			
Authorised share capital 300,000,000 ordinary shares of Rs 10 each		3,000,000	3,000,000
Issued, subscribed and paid-up capital 255,493,792 ordinary shares of Rs 10 each		2,554,938	2,554,938
Revenue reserves		4,100,720	2,857,270
Shareholders' equity		6,655,658	5,412,208
Contingencies and commitments	11		

The annexed notes 1 to 14 are an integral part of this condensed interim financial information.


Graeme Amey
Managing Director and CEO


Mobasher Raza
Finance Director

Condensed Interim Cash Flow Statement (Unaudited)

for the three months ended March 31, 2014

	March 31, 2014	Rs '000 March 31, 2013
Cash flows from operating activities		
Cash receipts from customers	26,883,195	22,423,472
Cash paid to Government for Federal excise duty, Sales tax and other levies	(16,045,742)	(14,584,272)
Cash paid to suppliers, employees and others	(4,508,153)	(4,859,523)
Finance cost paid	(37,692)	(45,319)
Cash paid as royalty	(122,262)	(104,730)
Income tax paid	(408,895)	(468,829)
Other cash receipts	13,326	7,341
	5,773,777	2,368,140
Cash flows from investing activities		
Additions in property, plant and equipment	(137,320)	(45,057)
Proceeds from disposal of property, plant and equipment	3,575	8,820
Finance income received	17,533	13,155
	(116,212)	(23,082)
Cash flows from financing activities		
Dividends paid	(53)	(2,136)
Finance lease payments	(23,773)	(15,463)
	(23,826)	(17,599)
Increase in cash and cash equivalents	5,633,739	2,327,459
Cash and cash equivalents at January 1	(2,376,317)	(1,098,742)
Cash and cash equivalents at March 31	3,257,422	1,228,717
Cash and cash equivalents comprise:		
Cash and bank balances	3,257,422	1,228,717
	3,257,422	1,228,717

The annexed notes 1 to 14 are an integral part of this condensed interim financial information.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Condensed Interim Statement of Changes in Equity (Unaudited)

as at March 31, 2014

	Share capital	Revenue reserves	Rs '000 Total
Balance at January 1, 2013	2,554,938	1,552,462	4,107,400
Total comprehensive income for the three months	-	1,087,638	1,087,638
Balance at March 31, 2013	2,554,938	2,640,100	5,195,038
Balance at January 1, 2014	2,554,938	2,857,270	5,412,208
Total comprehensive income for the three months	-	1,243,450	1,243,450
Balance at March 31, 2014	2,554,938	4,100,720	6,655,658

The annexed notes 1 to 14 are an integral part of this condensed interim financial information.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

for the three months ended March 31, 2014

1. Legal status and operations

Pakistan Tobacco Company Limited (the Company) is a public listed company incorporated in Pakistan on November 18, 1947 under the Companies Act, 1913 (now the Companies Ordinance, 1984) and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The Company is a subsidiary of British American Tobacco (Investments) Limited, United Kingdom, whereas its ultimate parent company is British American Tobacco p.l.c, United Kingdom. The registered office of the Company is situated at Silver Square, Plot No. 15, F-11 Markaz, Islamabad. The Company is engaged in the manufacture and sale of cigarettes.

2. Basis of preparation

This condensed interim financial information of the Company for the three months period ended March 31, 2014 has been prepared in accordance with the requirements of the International Accounting Standard 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.

3. Accounting policies

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended December 31, 2013.

4. Cost of sales

	Jan - March 2014	Rs '000 Jan - March 2013
Raw materials consumed		
Opening stock of raw materials and work in process	7,558,214	6,177,047
Raw material purchases and expenses	3,458,638	2,869,785
Closing stock of raw materials and work in process	(6,275,323)	(4,892,516)
	4,741,529	4,154,316
Excise duty, Customs duty and Tobacco development cess	232,592	194,725
Royalty	122,845	108,475
Production overheads	957,275	811,618
Cost of goods manufactured	6,054,241	5,269,134
Cost of finished goods:		
Opening stock	1,608,153	1,048,254
Closing stock	(1,617,726)	(1,290,420)
	(9,573)	(242,166)
	6,044,668	5,026,968

Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

for the three months ended March 31, 2014

	Jan- March 2014	Rs '000 Jan-March 2013
5. Other operating expenses		
Workers' Profit Participation Fund	101,168	89,933
Workers' Welfare Fund	38,612	35,810
Bank charges and fees	10,149	10,649
Provision for doubtful debts	-	120
Interest paid to Workers' Profit Participation Fund	517	25
	150,446	136,537

	March 31, 2014	December 31, 2013
6. Property, plant and equipment		
Operating fixed assets - note 6.1	6,157,882	6,070,353
Capital work in progress	862,128	1,014,168
	7,020,010	7,084,521

	Three months ended	
	March 31, 2014	March 31, 2013
6.1 Movement in operating fixed assets		
Net book amount at January 1	6,070,353	5,518,995
Additions to the operating fixed assets		
Owned Assets		
Building	39,493	804
Plant and machinery	193,560	1,393
Vehicles	-	2,509
Office and household equipment	4,312	10,529
Furniture and fittings	-	283
Leased Assets		
Vehicles	52,412	26,076
	289,777	41,594
Book value of disposals of operating fixed assets		
Vehicles	(2,623)	(4,699)
Office and household equipment	(46)	(581)
	(2,669)	(5,280)
Depreciation charge for three months	(199,579)	(193,573)
Net book amount at March 31	6,157,882	5,361,736

7. Long term investment in subsidiary company

This represents 500,001 (2013: 500,001) fully paid ordinary shares of Rs 10 each in Phoenix (Private) Limited. The break up value of shares calculated by reference to net assets worked out to be Rs 10 per share based on audited financial statements for the year ended December 31, 2013. This is a wholly owned subsidiary of the Company which has not yet commenced commercial production.

Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

for the three months ended March 31, 2014

8. Other receivables

These include following balances due from related parties:

	March 31, 2014	Rs '000 December 31, 2013
Due from holding company / associated companies	18,906	48,209
Due from subsidiary company	20,021	20,021
Due from employees retirement benefit plans	352,342	346,737

9. Trade and other payables

These include following balances due to related parties:

Due to holding company / associated companies	703,548	628,305
Due to employees retirement benefit plans	281,364	266,291

10. Short term running finance

Short term finance facilities available under mark-up arrangements with banks amount to Rs 5,350 million (2013: Rs 5,350 million), out of which the amount unavailed at the period end was Rs 5,350 million (2013: Rs 2,914 million). These facilities are secured by hypothecation of stock-in-trade. The mark-up ranges between 10.23% and 10.68% (2013: 9.22% and 10.46%) per annum and is payable quarterly. The facilities are renewable on an annual basis.

	March 31, 2014	Rs '000 December 31, 2013
11. Contingencies and commitments		
11.1 Contingencies		
Claims and guarantees		
(i) Claims against the Company not acknowledged as debt	131,800	131,800
(ii) Guarantees issued by banks on behalf of the Company	189,447	179,447
11.2 Commitments		
(i) Capital expenditure commitments outstanding	846,544	-
(ii) Letters of credit outstanding	1,286,617	1,536,509

Selected notes to and forming part of the Condensed Interim Financial Information (Unaudited)

for the three months ended March 31, 2014

12. Transactions with related parties

	March 31, 2014	Rs '000 March 31, 2013
Purchase of goods and services		
Holding company	101,051	88,859
Associated companies	265,604	349,987
Sale of goods and services		
Holding company	-	3,361
Associated companies	1,868	22,762
Royalty charge		
Holding company	122,845	108,475
Contribution to retirement benefit plans by the Company		
Staff pension fund	7,344	17,333
Defined contribution pension fund	10,752	7,043
Employee gratuity fund	17,913	12,718
Management provident fund	14,002	11,997
Employee provident fund	3,309	3,151

13. Basis for presentation of interim financial information

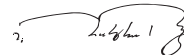
This condensed interim financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi, Lahore and Islamabad stock exchanges.

14. Date of authorisation

This condensed interim financial information has been authorised for issue by the Board of Directors of the Company on April 21, 2014.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Consolidated Condensed Interim Profit and Loss Account (Unaudited)

for the three months ended March 31, 2014

	Note	Jan - March 2014	Rs '000 Jan - March 2013
Gross turnover		26,883,110	22,423,592
Excise duties		(13,642,943)	(11,471,006)
Sales tax		(4,050,162)	(3,206,279)
Net turnover		9,190,005	7,746,307
Cost of sales	4	(6,044,668)	(5,026,968)
Gross profit		3,145,337	2,719,339
Selling and distribution expenses		(685,914)	(597,493)
Administrative expenses		(448,791)	(331,722)
Other operating expenses	5	(150,446)	(136,537)
Other operating income		36,889	20,985
		(1,248,262)	(1,044,767)
Operating profit		1,897,075	1,674,572
Finance income		17,533	13,155
Finance cost		(31,020)	(14,816)
Net finance cost		(13,487)	(1,661)
Profit before income tax		1,883,588	1,672,911
Income tax expense - current		(643,282)	(614,219)
- deferred		3,144	28,946
		(640,138)	(585,273)
Profit for the period		1,243,450	1,087,638
Earnings per share - (Rupees)		4.87	4.26

The annexed notes 1 to 13 are an integral part of this consolidated condensed interim financial information.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Consolidated Condensed Interim Statement of Comprehensive Income (Unaudited)


for the three months ended March 31, 2014

	Jan - March 2014	Rs '000 Jan - March 2013
Profit for the three months	1,243,450	1,087,638
Other comprehensive income for the three months	-	-
Total comprehensive income for the three months	1,243,450	1,087,638

The annexed notes 1 to 13 are an integral part of this consolidated condensed interim financial information.



Graeme Amey
Managing Director and CEO




Mobasher Raza
Finance Director

Consolidated Condensed Interim Balance Sheet (Unaudited)

as at March 31, 2014

	Note	March 31, 2014	Rs '000 December 31, 2013
Non current assets			
Property, plant and equipment	6	7,045,058	7,109,569
Long term loans		58	75
Long term deposits and prepayments		33,486	21,478
		7,078,602	7,131,122
Current assets			
Stock-in-trade		7,893,050	9,166,367
Stores and spares		555,309	488,213
Trade debts		679	764
Loans and advances		80,156	89,579
Short term prepayments		160,642	78,889
Other receivables	7	414,858	415,034
Cash and bank balances		3,257,422	60,128
		12,362,116	10,298,974
Current liabilities			
Trade and other payables	8	10,698,048	7,724,773
Short term running finance	9	-	2,436,445
Finance lease obligation		92,572	92,559
Accrued interest / mark-up		20,376	27,048
Current income tax liability		664,288	429,901
		11,475,284	10,710,726
Net current assets / (liabilities)		886,832	(411,752)
Non current liabilities			
Deferred income tax liability		(1,010,975)	(1,014,118)
Finance lease obligation		(298,801)	(293,044)
		(1,309,776)	(1,307,162)
Net assets		6,655,658	5,412,208
Share capital and reserves			
Authorised share capital 300,000,000 ordinary shares of Rs 10 each		3,000,000	3,000,000
Issued, subscribed and paid-up capital 255,493,792 ordinary shares of Rs 10 each		2,554,938	2,554,938
Revenue reserves		4,100,720	2,857,270
Shareholders' equity		6,655,658	5,412,208
Contingencies and commitments	10		

The annexed notes 1 to 13 are an integral part of this consolidated condensed interim financial information.


Graeme Amey
Managing Director and CEO


Mobasher Raza
Finance Director

Consolidated Condensed Interim Cash Flow Statement (Unaudited)

for the three months ended March 31, 2014

	March 31, 2014	Rs '000 March 31, 2013
Cash flows from operating activities		
Cash receipts from customers	26,883,195	22,423,472
Cash paid to Government for Federal excise duty, Sales tax and other levies	(16,045,742)	(14,584,272)
Cash paid to suppliers, employees and others	(4,508,153)	(4,859,523)
Finance cost paid	(37,692)	(45,319)
Cash paid as royalty	(122,262)	(104,730)
Income tax paid	(408,895)	(468,829)
Other cash receipts	13,326	7,341
	5,773,777	2,368,140
Cash flows from investing activities		
Additions in property, plant and equipment	(137,320)	(45,057)
Proceeds from disposal of property, plant and equipment	3,575	8,820
Finance income received	17,533	13,155
	(116,212)	(23,082)
Cash flows from financing activities		
Dividends paid	(53)	(2,136)
Finance lease payments	(23,773)	(15,463)
	(23,826)	(17,599)
Increase in cash and cash equivalents	5,633,739	2,327,459
Cash and cash equivalents at January 1	(2,376,317)	(1,098,742)
Cash and cash equivalents at March 31	3,257,422	1,228,717
Cash and cash equivalents comprise:		
Cash and bank balances	3,257,422	1,228,717
	3,257,422	1,228,717

The annexed notes 1 to 13 are an integral part of this consolidated condensed interim financial information.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Consolidated Condensed Interim Statement of Changes in Equity (Unaudited)

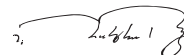
as at March 31, 2014

	Share capital	Revenue reserves	Rs '000 Total
Balance at January 1, 2013	2,554,938	1,552,462	4,107,400
Total comprehensive income for the three months	-	1,087,638	1,087,638
Balance at March 31, 2013	2,554,938	2,640,100	5,195,038
Balance at January 1, 2014	2,554,938	2,857,270	5,412,208
Total comprehensive income for the three months	-	1,243,450	1,243,450
Balance at March 31, 2014	2,554,938	4,100,720	6,655,658

The annexed notes 1 to 13 are an integral part of this consolidated condensed interim financial information.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director

Selected notes to and forming part of the Consolidated Condensed Interim Financial Information (Unaudited)

for the three months ended March 31, 2014

1. Legal status and operations

Pakistan Tobacco Company Limited (the Company) is a public listed company incorporated in Pakistan on November 18, 1947 under the Companies Act, 1913 (now the Companies Ordinance, 1984) and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The Company is a subsidiary of British American Tobacco (Investments) Limited, United Kingdom, whereas its ultimate parent company is British American Tobacco p.l.c, United Kingdom. The registered office of the Company is situated at Silver Square, Plot No. 15, F-11 Markaz, Islamabad. The Company is engaged in the manufacture and sale of cigarettes.

Phoenix (Private) Limited (PPL) is a private company incorporated on March 9, 1992 in Azad Jammu and Kashmir under the Companies Ordinance 1984. The registered office of the PPL is situated at Bun Khurma, Chichian Road, Mirpur, Azad Jammu and Kashmir. The objective for which PPL has been incorporated is to operate and manage an industrial undertaking in Azad Jammu and Kashmir to deal in tobacco products. PPL has not yet commenced its commercial operations.

For the purpose of this consolidated condensed financial information, the Company and its wholly owned subsidiary PPL is referred to as the Group.

2. Basis of preparation

This condensed interim financial information of the Group for the three months period ended March 31, 2014 has been prepared in accordance with the requirements of the International Accounting Standard 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.

3. Accounting policies

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended December 31, 2013.

4. Cost of sales

	Jan - March 2014	Rs'000 Jan - March 2013
Raw materials consumed		
Opening stock of raw materials and work in process	7,558,214	6,177,047
Raw material purchases and expenses	3,458,638	2,869,785
Closing stock of raw materials and work in process	(6,275,323)	(4,892,516)
	4,741,529	4,154,316
Excise duty, Customs duty and Tobacco development cess	232,592	194,725
Royalty	122,845	108,475
Production overheads	957,275	811,618
Cost of goods manufactured	6,054,241	5,269,134
Cost of finished goods:		
Opening stock	1,608,153	1,048,254
Closing stock	(1,617,726)	(1,290,420)
	(9,573)	(242,166)
	6,044,668	5,026,968

Selected notes to and forming part of the Consolidated Condensed Interim Financial Information (Unaudited)

for the three months ended March 31, 2014

	Jan- March 2014	Rs '000 Jan-March 2013
5. Other operating expenses		
Workers' Profit Participation Fund	101,168	89,933
Workers' Welfare Fund	38,612	35,810
Bank charges and fees	10,149	10,649
Provision for doubtful debts	-	120
Interest paid to Workers' Profit Participation Fund	517	25
	150,446	136,537
	March 31, 2014	December 31, 2013
6. Property, plant and equipment		
Operating fixed assets - note 6.1	6,161,246	6,073,717
Capital work in progress	883,812	1,035,852
	7,045,058	7,109,569
	March 31, 2014	March 31, 2013
6.1 Movement in operating fixed assets		
Net book amount at January 1	6,073,717	5,522,359
Additions to the operating fixed assets		
Owned Assets		
Building	39,493	804
Plant and machinery	193,560	1,393
Vehicles	-	2,509
Office and household equipment	4,312	10,529
Furniture and fittings	-	283
Leased Assets		
Vehicles	52,412	26,076
	289,777	41,594
Book value of disposals of operating fixed assets		
Vehicles	(2,623)	(4,699)
Office and household equipment	(46)	(581)
	(2,669)	(5,280)
Depreciation charge for three months	(199,579)	(193,573)
Net book amount at March 31	6,161,246	5,365,100

**Selected notes to and forming part of the Consolidated
Condensed Interim Financial Information (Unaudited)**
for the three months ended March 31, 2014

7. Other receivables

These include following balances due from related parties:

	March 31, 2014	Rs '000 December 31, 2013
Due from holding company / associated companies	18,906	48,209
Due from employees retirement benefit plans	352,342	346,737

8. Trade and other payables

These include following balances due to related parties:

Due to holding company / associated companies	703,548	628,305
Due to employees retirement benefit plans	281,364	266,291

9. Short term running finance

Short term finance facilities available under mark-up arrangements with banks amount to Rs 5,350 million (2013: Rs 5,350 million), out of which the amount unavailed at the period end was Rs 5,350 million (2013: Rs 2,914 million). These facilities are secured by hypothecation of stock-in-trade. The mark-up ranges between 10.23% and 10.68% (2013: 9.22% and 10.46%) per annum and is payable quarterly. The facilities are renewable on an annual basis.

	March 31, 2014	Rs '000 December 31, 2013
10. Contingencies and commitments		
10.1 Contingencies		
Claims and guarantees		
(i) Claims against the Company not acknowledged as debt	131,800	131,800
(ii) Guarantees issued by banks on behalf of the Company	189,447	179,447
10.2 Commitments		
(i) Capital expenditure commitments outstanding	846,544	-
(ii) Letters of credit outstanding	1,286,617	1,536,509

Selected notes to and forming part of the Consolidated Condensed Interim Financial Information (Unaudited)

for the three months ended March 31, 2014

11. Transactions with related parties	March 31, 2014	Rs '000 December 31, 2013
Purchase of goods and services		
Holding company	101,051	88,859
Associated companies	265,604	349,987
Sale of goods and services		
Holding company	-	3,361
Associated companies	1,868	22,762
Royalty charge		
Holding company	122,845	108,475
Contribution to retirement benefit plans by the Company		
Staff pension fund	7,344	17,333
Defined contribution pension fund	10,752	7,043
Employee gratuity fund	17,913	12,718
Management provident fund	14,002	11,997
Employee provident fund	3,309	3,151

12. Basis for presentation of interim financial information

This consolidated condensed interim financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi, Lahore and Islamabad stock exchanges.

13. Date of authorisation

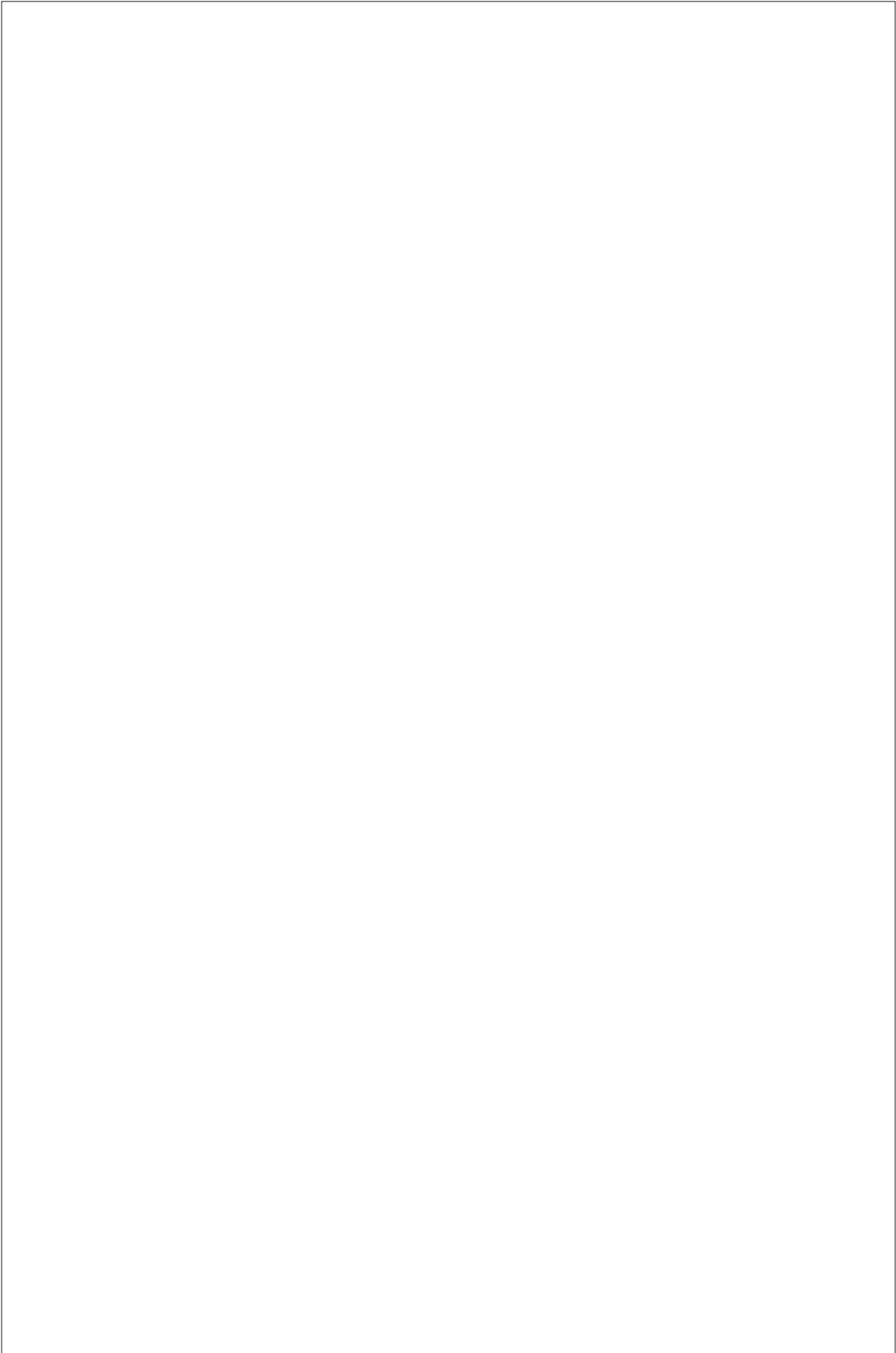
This consolidated condensed interim financial information has been authorised for issue by the Board of Directors of the Company on April 21, 2014.



Graeme Amey
Managing Director and CEO



Mobasher Raza
Finance Director



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