

# Reimagined Horizons

## HALF YEARLY REPORT

Un-Audited Accounts December 31, 2024

**KTC**

KHYBER TOBACCO COMPANY



# CORPORATE INFORMATION

## Board of Directors

Mrs. Samera Irfan  
Mr. Rahat Ullah  
Mr. Pir Waris Shah  
Barrister Shahzad Javed Panni  
Mr. Zia Ur Rehman  
Mrs. Sonia Farooq  
Mr. Khalil Ur Rehman

Chief Executive/ Executive Director  
Chairman/Non-Executive Director  
Non-Executive Director  
Independent Director  
Non-Executive Director  
Independent Director  
Non-Executive Director

## Audit Committee

Barrister Shahzad Javed Panni  
Mr. Khalil Ur Rehman  
Mr. Rahat Ullah  
Mr. Zia Ur Rehman

Chairman  
Member  
Member  
Secretary

## Human Resource Committee

Mrs. Sonia Farooq  
Mr. Pir Waris Shah  
Mr. Zia Ur Rehman

Chairman  
Member  
Secretary

## Senior Management

Mrs. Samera Irfan

Chief Executive

## Company Secretary

Mr. Pir Farhan Shah

## Bankers

National Bank of Pakistan  
MCB Bank Limited  
Askari Bank Limited  
Habib Metropolitan Bank Limited  
Habib Bank Limited  
Samba Bank Limited

## Share Registrar

CDC  
Share Registrar Services Limited  
CDC House, 99-B, Block B  
S.M.C.H.S., Main Shahreh e Faisal  
Karachi

## External Auditors

Yousuf Adil  
Chartered Accountants

## Registered Office

Khyber Tobacco Company Limited  
Nowshera Road, Mardan  
Telephone: +92-937-844636,844639  
Fax: +92-937-844639

## Internal Auditors

Shahid Ahmad & Co.  
Chartered Accountants

A close-up photograph of a person wearing a dark blue, textured suit jacket and a matching tie. The person is holding a white document or folder, which is the central focus of the image. The background is dark and out of focus.

# **DIRECTORS' REVIEW**

# DIRECTORS' REVIEW

I am pleased to present the Half-Yearly Report of Khyber Tobacco Company Limited for the period ending on December 31, 2024. The first half of the financial year has been marked by significant achievements, robust financial performance, and strategic progress, despite the challenging global economic environment.

## FINANCIAL RESULTS

FINANCIAL HIGHLIGHTS	Jul-Dec 2024	Jul-Dec 2023
	RS. IN MILLIONS	
Gross turnover	1,065.27	3,337.74
Turnover-net	4,884.13	956.80
Cost of sales	4,381.32	1,550.68
Gross profit/(Loss)	502.81	(593.35)
Profit (Loss) before taxation	(1,54.69)	(1,064.82)
Profit (Loss) for the period	(162.57)	(1,061.46)

Pakistan's economy, although on a recovery path, continued to face challenges during the period under review. Despite significant easing in headline inflation and a reduction in current account deficit, the economic environment remains tough, with businesses grappling with high input costs and weak consumer demand. Foreign and domestic debt servicing costs remain a key burden in the short to medium term. Looking ahead, while fiscal consolidation efforts and external account improvements offer hope, Pakistan's economy continues to be restrained with real GDP growth estimated at 3.2 percent for FY 2024/25 amid ongoing domestic vulnerabilities and structural challenges.

The Six months under review were marked by very challenging macroeconomic conditions that impacted both consumers and businesses. As the economy moves forward, the ongoing reforms and efforts to stabilize the macroeconomic environment are expected to unlock new avenues for growth, enabling businesses to thrive and contribute to the nation's upward trajectory. The Company continued to focus on enhancing productivity across its value chain by ensuring effective cost management, lean operations, and modernization of machinery infrastructure.

Export sales is evident from an increase in net sales of Rs. 4,884.13 Million during the period under review as compared to net sales of Rs. 956.80 Million in the corresponding period last year. Management is continuously endeavoring to expand its local market by adding new customers to its existing customer base.

Loss before taxation for the period under review stood at Rs. (154.69) million as compared to the corresponding period last year Loss before tax of Rs. (1,064.82). Loss after tax for the period under review stood at Rs. (162.57) million as compared to the corresponding period last year Loss after tax of Rs. (1,061.46).

Loss per share for the period under review stood at Rs. (23.48) as compared to the corresponding period last year's Loss per share of Rs. Rs. (153.33).

## FUTURE OUTLOOK

The Company remains cautiously optimistic and is well-positioned to navigate challenges related to technology, operational efficiencies, and low sales and production:

- Continued focus on cost optimization and operational efficiency.
- Strategic investments in technology and infrastructure to drive productivity.
- Exploring new markets and opportunities for growth both nationally and internationally.
- Strengthening relationships with customers, suppliers, and other stakeholders.

### Acknowledgments.

On behalf of the Board, I would like to express my gratitude to our shareholders, customers, business partners, and employees for their unwavering support and dedication. It is their collective efforts that have enabled the Company to deliver a resilient performance in these challenging times. We remain committed to creating long-term value for all our stakeholders and look forward to building on this momentum in the coming months.

The composition of the Board is as follows:

CATEGORY	NAMES
Independent Directors	1) Barrister Shahzad Javed Panni 2) Ms. Sonia Farooq
Executive Directors	1) Ms. Samera Irfan
Non-executive Director	1) Mr. Zia Ur Rehman 2) Mr. Rahat Ullah 3) Barrister Shahzad Javed Panni 4) Mr. Khalil Ur Rehman 5) Mr. Rahat Ullah
Female Directors	1) Ms. Samera Irfan 2) Ms. Sonia Farooq



Mr. Rahat Ullah  
28 February 2025.

On behalf of the Board



Mrs. Samera Irfan  
Chief Executive Officer



Pir Farhan Shah  
Company Secretary

The image shows a close-up, slightly blurred view of a financial statement document. The document contains various tables and charts, including a bar chart with blue bars. A prominent blue rounded rectangle is overlaid on the center of the page, containing the text "FINANCIAL STATEMENT" in white, bold, uppercase letters. The background is a warm, golden-brown color, suggesting a light source from the top left.

# FINANCIAL STATEMENT

KHYBER TOBACCO COMPANY LIMITED  
 CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2024

	NOTE	(UN-AUDITED) DECEMBER 31, 2024 RUPEES	(AUDITED) JUNE 30, 2024 RUPEES
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		69,226,040	69,226,040
Unappropriated profit		2,187,371,410	2,342,162,638
Revenue reserves		3,312,465	3,312,465
Revaluation surplus on property, plant and equipment		273,958,080	281,742,430
		<b>2,533,867,995</b>	<b>2,696,443,573</b>
<b>Non-current liabilities</b>			
Staff retirement benefits		131,841,034	120,231,933
Lease liability		107,459,794	133,674,327
Deferred taxation		174,135,580	179,827,028
		<b>413,436,408</b>	<b>433,733,288</b>
<b>Current liabilities</b>			
Current portion of lease liabilities		144,308,377	144,308,377
Trade and other payables	4	15,151,634,288	15,151,634,288
Loan from sponsors and directors - unsecured	5	1,062,835,638	1,062,835,638
Accrued markup on loan from sponsors - unsecured		346,507,445	346,507,445
Unclaimed dividend		16,669,221	16,669,221
Provision for levy and taxation		60,689,790	60,689,790
		16,782,644,759	16,782,644,759
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,729,949,162</b>	<b>19,729,949,162</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		
<b>ASSETS</b>			
Property, plant and equipment	7	2,848,050,393	2,824,478,195
Right of use asset	8	122,759,305	147,311,167
Long term deposits		26,592,760	30,980,190
		<b>2,997,402,458</b>	<b>3,002,769,552</b>
<b>Current assetst</b>			
Stock in trade	9	12,858,407,419	6,313,346,604
Stores, spares and loose tools		22,265,558	26,877,660
Trade debts	10	1,686,310,475	1,348,738,777
Advances, prepayments and other receivables		453,923,220	523,352,898
Prepaid levy		37,503,058	16,344,998
Advance income tax		202,832,710	82,025,802
Cash and bank balances		1,471,304,264	944,685,195
		16,732,546,704	9,255,371,934
<b>TOTAL ASSETS</b>		<b>19,729,949,162</b>	<b>12,258,141,486</b>

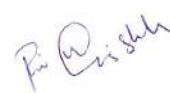
The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR

KHYBER TOBACCO COMPANY LIMITED  
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

	NOTE	SIX MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
		DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
		-----RUPEES-----			
Revenue from contracts with customers	11	4,884,132,011	956,809,453	3,640,830,903	385,405,502
Cost of sales	12	(4,381,322,163)	(1,550,161,476)	(2,796,566,306)	(935,889,067)
<b>Gross profit / (loss)</b>		502,809,848	(593,352,023)	844,264,597	(550,483,565)
Selling and distribution expenses		(189,024,477)	(110,551,149)	(127,438,383)	(49,018,219)
Administrative expenses		(188,307,769)	(158,659,057)	(67,874,975)	(74,225,579)
Impairment loss on financial assets		(35,519,386)	(51,733,120)	(35,519,386)	-
Other expenses		(30,093,319)	(26,707,315)	(30,093,319)	(26,707,315)
Operating profit / (loss)		59,864,897	(941,002,664)	583,338,534	(700,434,678)
Finance costs		(167,080,273)	(113,414,412)	(110,323,445)	(84,940,374)
<b>(Loss) / profit before levies and income tax</b>		(107,215,376)	(1,054,417,076)	473,015,089	(785,375,052)
Minimum tax		(47,480,283)	(10,402,358)	(47,480,283)	13,272,642
<b>(Loss) / profit before income tax</b>		(154,695,659)	(1,064,819,434)	425,534,806	(772,102,410)
Taxation		(7,879,919)	3,357,239	224,916,530	12,129,647
<b>(Loss) / profit for the period</b>		(162,575,578)	(1,061,462,196)	650,451,336	(759,972,763)
<b>Earnings per share -</b>					
<b>basic and diluted</b>		<b>(23.48)</b>	<b>(153.33)</b>	<b>93.96</b>	<b>(109.78)</b>

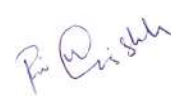
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CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR

KHYBER TOBACCO COMPANY LIMITED  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

	SIX MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
	-----RUPEES-----			
(Loss) / profit for the period	(162,575,578)	(1,061,462,196)	650,451,336	(759,972,763)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(162,575,578)</b>	<b>(1,061,462,196)</b>	<b>650,451,336</b>	<b>(759,972,763)</b>

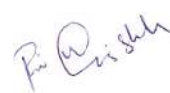
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CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR

KHYBER TOBACCO COMPANY LIMITED  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

	SIX MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
	-----RUPEES-----			
(Loss) / profit for the period	(162,575,578)	(1,061,462,196)	650,451,336	(759,972,763)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(162,575,578)</b>	<b>(1,061,462,196)</b>	<b>650,451,336</b>	<b>(759,972,763)</b>

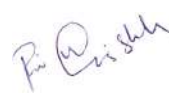
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CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR

KHYBER TOBACCO COMPANY LIMITED  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

	ISSUED, SUBSCRIBED AND PAID UP CAPITAL	RESERVES			TOTAL
		CAPITAL RESERVES	REVENUE RESERVES	UNAPPROPRIATED PROFIT	
	REVALUATION SURPLUS	GENERAL RESERVE			
-----RUPEES-----					
<b>Balance at July 01, 2023 (Audited)</b>	69,226,040	368,963,006	3,312,465	3,352,438,743	3,793,940,254
<b>Total comprehensive income for the six months ended December 31, 2023</b>	-	-	-	(1,061,462,196)	(1,061,462,196)
Profit for the six months ended December 31, 2023	-	-	-	-	-
Other comprehensive income for the six months ended December 31, 2023	-	-	-	(1,061,462,196)	(1,061,462,196)
Transfer from surplus on revaluation of property, plant and equipment -on account of incremental depreciation - net of tax	-	(9,833,530)	-	9,833,530	-
<b>Transactions with owners</b>					
Final dividend at Re 1 per share	-	-	-	(6,922,604)	(6,922,604)
<b>Balance at December 31, 2023 (Un-audited)</b>	69,226,040	359,129,476	3,312,465	2,293,887,473	2,725,555,454
<b>Balance at July 01, 2024 (Audited)</b>	69,226,040	281,742,430	3,312,465	2,342,162,638	2,696,443,573
<b>Total comprehensive income for the six months ended December 31, 2024</b>	-	-	-	(162,575,578)	(162,575,578)
Profit for the six months ended December 31, 2024	-	-	-	-	-
Other comprehensive income for the six months ended December 31, 2024	-	-	-	(162,575,578)	(162,575,578)
Transfer from surplus on revaluation of property, plant and equipment -on account of incremental depreciation - net of tax	-	(7,784,350)	-	7,784,350	-
<b>Balance at December 31, 2024 (Un-audited)</b>	69,226,040	273,958,080	3,312,465	2,187,371,410	2,533,867,995

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR

KHYBER TOBACCO COMPANY LIMITED  
 CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

	SIX MONTHS PERIOD ENDED	
	DECEMBER 31, 2024 RUPEES	DECEMBER 31, 2023 RUPEES
<b>Cash flows from operating activities</b>		
Loss before taxation	(154,695,659)	(1,064,819,434)
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	135,566,714	134,196,645
Depreciation on right of use asset	24,551,861	18,508,080
Minimum tax deferral	47,480,283	10,402,358
Provision for staff retirement benefits	24,908,276	18,838,589
Unrealized exchange loss	3,606,394	5,457,070
Advances written off	26,486,925	21,250,245
Impairment loss on financial assets	35,519,386	51,733,120
Finance costs	167,080,273	113,414,412
	<b>465,200,112</b>	<b>373,800,519</b>
<b>Cash flows from operating activities before working capital changes</b>	310,504,453	(691,018,915)
<b>Effect on cash flow due to working capital changes</b>		
Decrease/(increase) in stores, spares parts and loose tools	4,612,102	(26,587,338)
Increase in stock in trade	(6,545,060,815)	(4,798,936,375)
(Increase)/decrease in trade debts	(372,104,899)	794,032,269
Decrease /(increase) in advances and prepayments	41,956,568	(267,508,486)
Increase in trade and other payables	7,290,331,133	4,476,449,567
	419,734,089	177,449,637
	730,238,542	(513,569,278)
<b>Cash generated from / (used in) operating activities</b>		
Income tax paid	(162,741,033)	(52,285,580)
Levy's paid	(21,158,060)	-
Staff retirement benefits paid	(13,299,175)	(642,985)
Workers' Welfare Fund paid	(5,000,000)	-
Finance costs paid	(4,863,330)	(13,774,941)
<b>Net cash generated from / (used in) operating activities</b>	523,176,944	(580,272,784)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(159,138,911)	(28,799,196)
Security deposits	4,387,430	(907,500)
<b>Net cash used in investing activities</b>	(154,751,481)	(29,706,696)
<b>Cash flows from financing activities</b>		
Dividend paid	-	(3,775,743)
Loans from sponsors and directors	161,800,000	600,000,000
<b>Net cash generated from financing activities</b>	161,800,000	596,224,257
<b>Net increase / (decrease) in cash and cash equivalents</b>	530,225,463	(13,755,223)
Exchange loss on foreign currency accounts	(3,606,394)	(5,457,070)
Cash and cash equivalents at beginning of the period	944,685,195	1,086,478,184
<b>Cash and cash equivalents at end of the period</b>	<b>1,471,304,264</b>	<b>1,067,265,891</b>

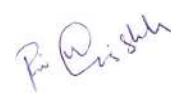
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CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR

KHYBER TOBACCO COMPANY LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

## 1 LEGAL STATUS AND OPERATIONS

Khyber Tobacco Company Limited (" the Company ") is a public limited company incorporated in Pakistan on October 15, 1954 under the Companies Act, 1913 (now the Companies Act, 2017) and is listed on the Pakistan Stock Exchange Limited. The Company is engaged in the manufacture and sale of cigarettes and tobacco. The Company's registered office and production plant is situated at Nowshera Road, Mardan.

## 2 STATEMENT OF COMPLIANCE

**2.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2** These condensed interim financial statements do not include all of the information required for the full financial statements and, therefore, these should be read in conjunction with annual audited financial statements for the year ended June 30, 2024. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2024, whereas comparative condensed statement of profit or loss and other comprehensive income, comparative condensed statement of changes in equity and comparative statement of cash flows are stated from un-audited condensed interim financial statements for the half year ended December 31, 2023.

**2.3** These condensed interim financial statements are being submitted to the shareholders as required by Section 237 of the Companies Act, 2017.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computation adopted in preparation of these condensed interim financial statements are the same as those applied in preparation of the annual audited financial statements of the Company for the year ended June 30, 2024.

### 3.1 Financial risk management

The Company's financial risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2024.

### 3.2 Fair value of financial assets and liabilities

The carrying value of financial assets and financial liabilities reported in these condensed interim financial statements approximates their fair values.

### 3.3 Estimates and judgements

Estimates and judgements made by management in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2024.

	(UN-AUDITED) DECEMBER 31, 2024 RUPEES	(AUDITED) JUNE 30, 2024 RUPEES
<b>4 TRADE AND OTHER PAYABLES</b>		
Trade creditors	12,664,076,784	6,351,371,057
Accrued liabilities	54,586,038	53,278,301
Advance from customers	1,391,237,791	702,575,720
Workers' Profit Participation Fund	302,972,675	272,175,965
Workers' Welfare Fund	37,672,454	42,672,454
Withholding taxes	39,343,366	36,385,185
Sales tax and excise duty	323,606,579	248,751,850
Tobacco development cess	321,293,143	110,937,754
Royalty	16,845,458	14,399,978
	<b>15,151,634,288</b>	<b>7,832,548,264</b>

## 5 LOAN FROM SPONSORS AND DIRECTORS

**5.1** During the period, the Company obtained a loan of Rs. 161.8 million from its sponsors/directors, comprising various tranches at an agreed interest rate of KIBOR plus 2%. The loan is provided for a period of 12 months from the date of receipt, with interest payable within 60 days after the end of each quarter, subject to extension at the Company's option. Repayments are applied first against interest payable and then against the principal amount. The Company has the option to draw down up to a maximum of Rs. 1 billion under this loan facility.

## 6 CONTINGENCIES AND COMMITMENTS

### 6.1 Contingencies:

In addition to the contingencies reported in annual audited financial statements for the year ended June 30, 2024 there are no additional contingencies.

	NOTE	(UN-AUDITED) DECEMBER 31, 2024 RUPEES	(AUDITED) JUNE 30, 2024 RUPEES
<b>6.2 Commitments:</b>			
Letter of credit against import of tobacco		112,844,487	220,386,948
Short term lease rentals		6,525,696	6,525,696
Letters of guarantee issued by bank / insurance company		<b>6,046,900,000</b>	<b>6,046,900,000</b>
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	<b>7.1</b>	2,399,785,642	220,386,948
Capital work-in-progress	<b>7.2</b>	448,264,751	6,525,696
		<b>2,848,050,393</b>	<b>6,046,900,000</b>

	(UN-AUDITED) DECEMBER 31, 2024 RUPEES	(AUDITED) JUNE 30, 2024 RUPEES
<b>7.1 Operating assets</b>		
Opening carrying value	2,514,598,799	2,722,351,684
<b>Additions during the period / year</b>		
Plant and machinery	19,191,981	55,594,859
Tools and equipment	1,136,676	4,903,767
Vehicles	397,900	162,894
Office equipment	27,000	-
	20,753,557	60,661,520
Depreciation charged during the period / year	(135,566,714)	(268,414,405)
	<b>2,399,785,642</b>	<b>2,514,598,799</b>
<b>7.2 Capital work-in-progress</b>		
Opening	309,879,396	-
Additions	157,577,336	309,879,396
Transfer to property plant and equipment	(19,191,981)	-
	<b>448,264,751</b>	<b>309,879,396</b>

<b>8 RIGHT OF USE ASSET</b>		
Opening carrying value	147,311,166	-
Additions during the period / year	-	196,414,888
Depreciation charged during the period / year	(24,551,861)	(49,103,722)
Closing carrying value	<b>122,759,305</b>	<b>147,311,166</b>

**8.1** The right of use assets comprise GLT plant, HLP cigarette packing machine and land & building, leased from Samsons Redrying and Processing (Private) Limited, Paramount Tobacco Company and Mr. Waseem Ur Rehman, respectively. These assets have a 4 year lease term each, with rentals payable of Rs.50 million per annum, Rs. 0.125 million per month and Rs. 1.25 million in respect GLT, HLP and Land & building respectively.

	(UN-AUDITED) DECEMBER 31, 2024 RUPEES	(AUDITED) JUNE 30, 2024 RUPEES
<b>9 STOCK IN TRADE</b>		
Raw and packing material	12,252,609,497	6,071,638,700
Stock in transit	252,503,257	143,295,000
Work in process	25,748,694	-
Finished goods	327,545,971	98,412,904
	<b>12,858,407,419</b>	<b>6,313,346,604</b>

**9.1** Finished goods include items costing Rs. 299.7 million (30 June 2024: 134.9 million) valued at net realisable value of Rs.268.17 million (30 June 2024: 98.4 million), with NRV loss amounting to Rs. 31.57 million (30 June 2024: 36.51 million).

	<b>(UN-AUDITED) DECEMBER 31, 2024 RUPEES</b>	<b>(AUDITED) JUNE 30, 2024 RUPEES</b>
<b>10 TRADE DEBTS</b>		
Local - unsecured	1,391,424,131	1,451,702,927
Foreign - unsecured	500,915,457	67,545,577
Allowance for expected credit losses	(206,029,113)	(170,509,727)
	<b>1,686,310,475</b>	<b>1,348,738,777</b>

### 10.1 Allowance for expected credit losses

Opening	170,509,727	92,918,999
For the period / year	35,519,386	77,590,728
Closing	<b>206,029,113</b>	<b>170,509,727</b>

	-----UN-AUDITED-----			
	SIX MONTHS PERIOD ENDED DECEMBER 31, 2024		THREE MONTHS PERIOD ENDED DECEMBER 31, 2024	
	DECEMBER 31, 2023	DECEMBER 31, 2023	DECEMBER 31, 2023	DECEMBER 31, 2023
	-----RUPEES-----			
<b>11 REVENUE FROM CONTRACTS WITH CUSTOMERS</b>				
Gross turnover				
- Local	7,309,131,644	2,714,641,581	2,937,442,170	1,264,460,396
- Export	3,343,620,013	623,103,973	3,053,079,653	235,012,067
	0,652,751,657	3,337,745,554	5,990,521,823	1,499,472,463
Government levies				
- Excise duty	(4,509,320,640)	(1,948,647,561)	(1,814,530,840)	(910,791,486)
- Sales tax	(1,101,128,004)	(412,427,600)	(442,506,600)	(194,073,255)
	(5,610,448,644)	(2,361,075,161)	(2,257,037,440)	(1,104,864,741)
Discounts	(158,171,002)	(19,860,940)	(92,653,480)	(9,202,220)
	<b>4,884,132,011</b>	<b>956,809,453</b>	<b>3,640,830,903</b>	<b>385,405,502</b>

	-----UN-AUDITED-----			
	SIX MONTHS PERIOD ENDED		THREE MONTHS PERIOD ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
	-----RUPEES-----			
<b>12 COST OF SALES</b>				
Raw and packing material consumed	4,078,717,772	1,280,657,393	2,539,517,672	335,081,857
Salaries wages and benefits	164,409,333	145,054,783	88,541,247	77,597,567
Fuel and power	202,290,200	79,550,432	141,698,729	1,696,071
Stores and spares consumed	19,261,372	19,722,487	14,709,386	299,852
Repair and maintenance	816,163	1,147,848	107,866	127,149
Royalty	2,445,480	795,603	2,445,480	287,823
Short term lease rental	9,131,973	23,294,750	5,937,494	19,425,064
Depreciation on property plant and equipment	128,117,574	126,640,374	64,458,634	63,736,464
Depreciation on right of use asset	24,551,861	18,508,080	24,551,861	18,508,080
Insurance	6,462,196	1,249,987	6,462,196	(1,680,492)
	4,636,203,924	1,696,621,737	2,887,822,345	515,079,435
Work in process :				
At beginning of period	-	-	2,753,688	39,074,398
At end of the period	(25,748,694)	(85,242,204)	(25,748,694)	(85,242,204)
	(25,748,694)	(85,242,204)	(22,995,006)	(46,167,806)
Cost of goods manufactured	4,610,455,230	1,611,379,533	2,864,827,339	468,911,629
Finished goods :				
At beginning of period	98,412,904	85,363,629	259,284,937	613,559,124
At end of the period	(327,545,971)	(146,581,686)	(327,545,971)	(146,581,686)
	(229,133,067)	(61,218,057)	(68,261,034)	466,977,438
	4,381,322,163	1,550,161,476	2,796,566,306	935,889,067

### 13 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, directors and their close family members, companies with common directorship, executives, key management personnel and major shareholders of the Company. Transactions and balances as at reporting date with the related parties are disclosed as follows:

			-----UN-AUDITED-----	
			SIX MONTHS PERIOD ENDED	
			DECEMBER 31, 2024	DECEMBER 31, 2023
			RUPEES	RUPEES
<b>Name of related party</b>	<b>Nature of relationship</b>	<b>Nature of transaction</b>		
Samsons Re-drying and Processing (Private) Limited	Associated Undertaking	Purchases Payable Lease of manufacturing facility (note 8)	706,632,444 1,560,946,502 92,540,398	578,106,000 944,317,532 148,064,637
Samsons Agri Farms	Common Ownership	Purchases	77,541,600	-
Key management personnel	Management	Remuneration and allowances	67,119,724	62,508,405
Waseem-ur-Rehman	Significant shareholder	Receipt of loan Markup on loan Lease of land (note 8) Receipt of loan	158,800,000 112,734,635 27,762,119 3,000,000	600,000,000 57,000,000 - -
Khalil-ur-Rehman	Non-Executive director	Markup on loan	156,641	-

## 14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred. As at December 31, 2024, the company has no financial instruments that falls into any of above category.

## 15 RECLASSIFICATION

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. Following reclassifications have been made during the period:

CATEGORY	RECLASSIFIED TO	REASON	RUPEES
Salaries wages and benefits	Raw and Material Consumed	For better presentation	9,590,417
Taxation	Minimum tax	For better presentation	10,402,358
Rent - Cost of sales	Administrative expenses	For better presentation	528,000

## 16 Accounting for minimum taxes and final taxes

The Institute of Chartered Accountants of Pakistan (ICAP) issued 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guide) in May 2024, which requires to classify certain amounts of tax paid under minimum and final tax regime separately as a levies instead of classifying under current tax. The Company applied Guide for the first time in the annual financial statements for the year ended June 30, 2024 and reported the change in accounting policy in note 3.1 of the annual financial statements for the year ended June 30, 2024. Accordingly, in these condensed interim financial statements, the Company has reclassified the levies as final tax from income tax amounts as stated below:

	SIX MONTHS PERIOD ENDED	
	DECEMBER 31, 2024 RUPEES	DECEMBER 31, 2023 RUPEES
	CURRENT CLASSIFICATION	PREVIOUS CLASSIFICATION
<b>Effect on statement of profit or loss:</b>		
Final tax and minimum tax differential	(10,402,358)	-
<b>Provision for taxation</b>		
Current - for the year	-	(10,402,358)
Deferred tax	3,357,239	3,357,239
	<b>(7,045,120)</b>	<b>(7,045,120)</b>

## 17 DATE OF AUTHORIZATION FOR ISSUE

This un-audited condensed interim financial statements was authorized for issue by the Board of Directors of the Company in their meeting held on \_\_\_\_\_.

## 18 GENERAL

Figures have been rounded off to the nearest rupee unless stated otherwise.



CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR

# INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Khyber Tobacco Company Limited  
Report on Review of Condensed Interim Financial Statements

## Introduction

We have reviewed the accompanying condensed interim statement of financial position of Khyber Tobacco Company Limited (the Company) as at December 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cashflows and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month period ended December 31, 2024 and related comparative information have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2024.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Sufyan.

Chartered Accountants

Lahore

Date: February 28, 2025

UDIN: RR202410180WxN8wDF0r

بورڈ کی ترکیب حسب ذیل ہے:

کیٹگری	نام
خود مختار ڈائریکٹرز	(1) جناب شہزاد جاوید پٹنی
	(2) مس سونیا فاروق
ایگزیکٹو ڈائریکٹرز	(1) مس سمیرا عرفان
نان ایگزیکٹو ڈائریکٹرز	(1) جناب ضیا الرحمن
	(2) جناب راحت اللہ
	(3) جناب شہزاد جاوید پٹنی
	(4) جناب خلیل الرحمن
	(5) جناب راحت اللہ
خاتون ڈائریکٹرز	(1) محترمہ سمیرا عرفان
	(2) مس سونیا فاروق

جناب راحت اللہ

28 فروری 2024ء



پیر فرحان شاہ  
کمپنی سیکریٹری



محترمہ سمیرا عرفان  
چیف ایگزیکٹو آفیسر

منجانب بورڈ

ہے۔

گذشتہ برس کی اسی مدت میں 956.80 ملین روپے کی نسبت زیر جائزہ مدت کے دوران خالص سیلز میں 4,881.13 ملین کا اضافہ برآمدی سطح پر بہتر فروخت کی ترجمانی کرتا ہے۔ انتظامیہ اپنے موجودہ صارفین میں نئے صارفین کو شامل کر کے لوکل مارکیٹ میں اپنے قدم مضبوط کرنے کی لگاتار کوشش کر رہی ہے۔

گذشتہ برس کی اس مدت میں (1,064.82) روپے کی نسبت زیر جائزہ مدت کے لئے خسارہ بمعہ ٹیکسیشن (154.69) ملین روپے رہا۔ جب کہ گذشتہ برس کی اس مدت میں (1,061.46) روپے کی نسبت زیر جائزہ مدت کے لئے خسارہ علاوہ ٹیکسیشن (162.57) ملین روپے رہا۔

گذشتہ برس کی اسی مدت میں فی حصص خسارہ (153.33) روپے کی نسبت زیر جائزہ مدت کے دوران (23.48) روپے ریکارڈ ہوا۔

### مستقبل کا منظر نامہ

کمپنی مندرجہ ذیل کاوشوں کے ذریعے ٹیکنالوجی، آپریشنل کارکردگی اور کم سیلز اور پیداوار کی بابت مسائل سے نبرد آزما ہونے کے لئے بالکل تیار اور پرامید ہے:

- لاگت میں ردوبدل اور آپریشنل کارکردگی پر بھرپور توجہ
- پیداوار بڑھانے کے لئے ٹیکنالوجی اور انفراسٹرکچر میں اسٹریٹجک سرمایہ کاری
- صارفین، سپلائرز اور دیگر اسٹیک ہولڈرز کے ساتھ تعلقات کی مضبوطی

### اظہار تشکر

بورڈ کی جانب سے میں اپنے شیئر ہولڈرز، صارفین، کاروباری شراکت داروں اور ملازمین کی غیر متزلزل سپورٹ اور جذبہ کے لئے شکریہ کا اظہار کرنا چاہتا ہوں۔ ان کی مجموعی کاوشوں سے ہی یہ ممکن ہوا ہے کہ کمپنی اس مشکل ترین وقت میں متاثر کن کارکردگی دکھانے میں کامیاب ہوئی ہے۔ ہم اپنے تمام اسٹیک ہولڈرز کے لئے طویل مدتی منافع بنانے کے لئے پرعزم اور آئندہ مہینوں میں اس رفتار کو بڑھانے کے لئے پرامید ہیں۔

## ڈائریکٹرز کا تجزیہ

31 دسمبر 2024ء کو اختتام پذیر دورانیہ کے لئے میں خیبر ٹو بیکو کمپنی لمیٹڈ کی نصف سالہ رپورٹ ازراہ مسرت پیش کرتا ہوں۔ مالیاتی سال کی پہلی ششماہی مشکل ترین عالمی اقتصادی ماحول کے باوجود نمایاں کامیابیوں، مستحکم مالیاتی کارکردگی اور اسٹریٹجک ترقی کو ظاہر کرتی ہے۔

### مالیاتی نتائج

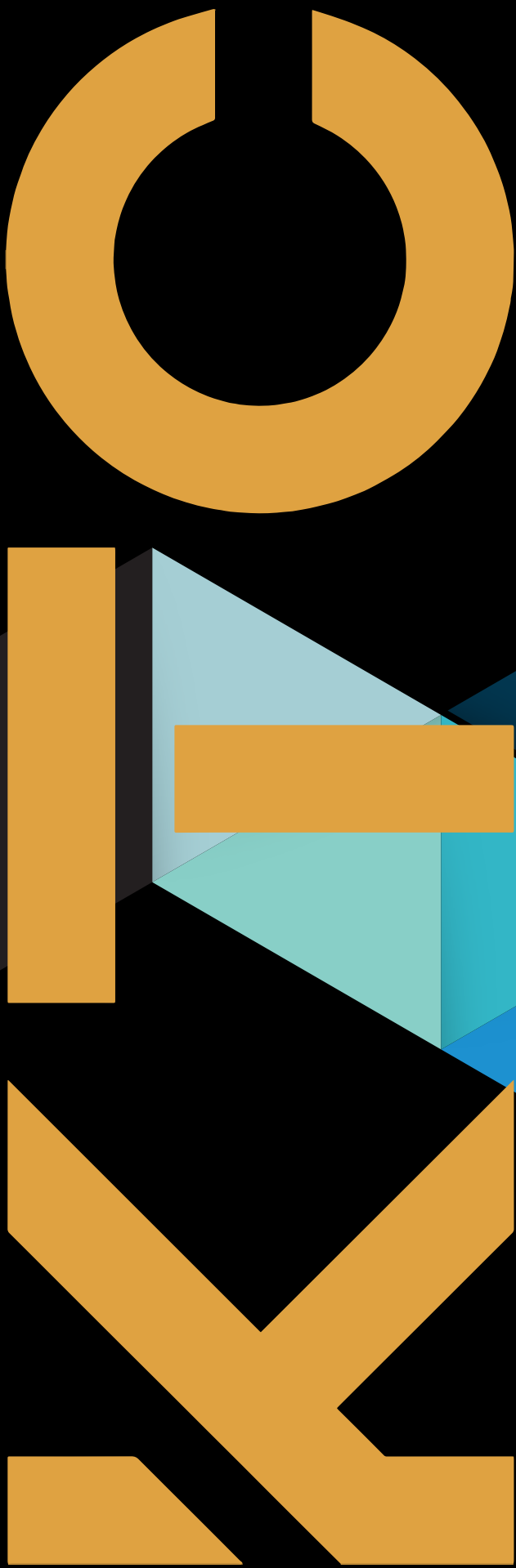
جولائی تا دسمبر 2023	جولائی تا دسمبر 2024	مالیاتی اشاریے
ملین روپوں میں		
3,337.74	1,065.27	مجموعی ٹرن اوور
956.80	4,884.13	ٹرن اوور - خالص
1,550.68	4,381.32	فروخت پر لاگت
(593.35)	502.81	کل نفع / (نقصان)
(1,064.82)	(154.69)	نفع (نقصان) بمعہ ٹیکسیشن
(1,061.46)	(162.57)	مذکورہ مدت کے لئے نفع (نقصان)

اگرچہ پاکستان کی معیشت بحالی کے راستے پر گامزن ہے لیکن زیر جائزہ مدت کے دوران پاکستان کو مشکلات کا سامنا کرنا پڑا۔ مہنگائی میں واضح کمی اور کرنٹ اکاؤنٹ خسارہ کم ہونے کے باوجود معاشی ماحول مشکل ترین رہا جس میں کاروبار کی پیداواری لاگت میں اضافہ اور صارفین کی طلب میں کمی جیسے عوامل شامل ہیں۔ ملکی وغیر ملکی قرضوں پر لاگت قلیل و طویل مدت کے لئے بہت بڑا بوجھ رہا۔ آگے بڑھتے ہوئے چونکہ مالیاتی استحکام کی کاوشیں اور بیرونی سطح پر بہتری امید دلاتی ہے لیکن جاری نقائص اور اسٹریکچرل چیلنجز کے باعث پاکستان کی معیشت مالیاتی سال 2024-2025 کے لئے 3.2 فی صد کی شرح نمو کے ساتھ مستقل رہے گی۔

زیر جائزہ ششماہی میں کئی اقتصادی حالات بھی مشکلات کا سماں پیش کر رہے ہیں جسے نے صارفین اور کاروبار کو بری طرح متاثر کیا ہے۔ معیشت میں بہتری ہونے پر جاری اصلاحات اور استحکام کی کوششوں سے کئی اقتصادی ماحول میں ترقی کی نئی راہیں کھلنے کی امید ہے جس سے کاروباری ماحول بہتر ہوگا اور ملک ترقی کی راہ پر گامزن ہوگا۔ کمپنی اپنی ویلیو چین میں پیداوار بڑھانے پر توجہ دے رہی ہے جس میں لاگت کے مؤثر انتظام، آپریشنز کی روانی اور مشینری انفراسٹرکچر میں جدت کو یقینی بنایا گیا

# Urdu Section





**KHYBER TOBACCO COMPANY**

**Khyber Tobacco Company**

📍 Nowshera Road Mardan, KP

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