

BEYOND BORDERS, ELEVATING VALUE

ANNUAL REPORT 2026



KTC
KHYBER TOBACCO COMPANY



ABOUT THIS REPORT

The Khyber Tobacco Company Limited (KTC) Annual Report 2026 (the Report) integrates the following sections:

- Company Overview
- Chairman Reviews
- Directors' Report
- Statement of Compliance with CCG
- Financial Statements
- Shareholders' Information

The Report is structured to assist our readers in assessing our business by providing information about state of affairs, performance and the outlook of KTC. It fairly addresses the material matters pertaining to the long term sustainability of the Company and its integrated performance. This Report comprises of strategic and operational review by the Board of Directors which encompasses financial reviews and analyses, overview of governance, risk management and internal control frameworks.

Our value creating business model supported by the outputs, outcomes and impacts of various forms of capitals associated with business activities, and how we look forward towards business opportunities, has also been explained. The Board has endorsed and authorized the release of their report on October 05, 2026.

Scope and Boundary

Our Report covers the period from July 1, 2025 to June 30, 2026 and subsequent events up to the issuance of this report have also been explained in various sections of the Report. Operational and financial analyses and reviews are carried out by extracting financial information from the Audited Financial Statements for the year ended June 30, 2026 with relevant comparative information. The Financial Statements consistently comply with the requirements of:

- International Financial Reporting Standards (IFRS)
- Companies Act, 2017 and other applicable regulations

Chairman's Review, Directors' Report, and other information contained in this Report have been structured in compliance with the requirements of Companies Act 2017, CCG, Listing Regulations of the Pakistan Stock Exchange (PSX) and other local and international good governance practices as promoted by ICAP / ICMAP, and PSX etc.

Forward Looking Statement

This Report includes 'Forward Looking Statement' which addresses our expected future business and financial performance / condition, sources of information and assumption used for projections / forecasts and our future course of action to manage the risks and capitalize on opportunities (known and unknown). Such statements are valid only for the date of publication.

External Assurances / Reviews

Description of the Report	External Reviews / Assurances
Review Report on the Statement of Compliance with the Code of Corporate Governance	Yousuf Adil Chartered Accountants
Independent Auditor's Report on the Audit of Financial Statements	Yousuf Adil Chartered Accountants

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PASHTO SECTION 125

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FINANCIAL HIGHLIGHTS

LOSS FOR THE YEAR

Rs. (1,021)
Million

TOTAL ASSETS

Rs. 19,740
Million

CONTRIBUTION TO NATIONAL EXCHEQUER

Rs. 8,790
Million

SHAREHOLDERS' EQUITY

Rs. 2,678
Million

		2026	2025	26 vs 25
Sales Revenue	(Rupees in Million)	9,325.55	9,890.70	(565.15)
- Local Sales	(Rupees in Million)	2,953.15	2,656.73	296.41
- Export Sales	(Rupees in Million)	6,372.40	7,233.97	(861.57)
Profit/(Loss) After Tax	(Rupees in Million)	(1,020.71)	274.65	(1,295.36)
Earning/(Loss) Per Share	(Rupees per Share)	(147.45)	39.67	(187.12)
Shareholder's Equity	(Rupees in Million)	2,678.24	2,935.30	(257.06)
Return on Equity	(%)	(38.11)	9.36	(47.47)
Current Ratio		0.97	1.04	(0.07)

DEBT EQUITY
RATIO

6.37

FIXED ASSET
TURNOVER

2.95Times

EARNINGS
PER SHARE

Rs. (147.45)



OUR VISION

To outperform nationally and internationally and be on top through teamwork, quality, brand recognition and customer service.



OUR MISSION

To expand the presence of our brands and operations globally through a network of reliable partners, suppliers and distributors.



CORE VALUES



Leadership

- We lead from the front and have a clear vision where we are going.
- Our leaders are role models who listen, coach, develop and recognize talent.
- We promote an open and diverse culture where individuals are empowered to contribute to the best of their potential.
- We believe in setting trends rather than following the conventional methods of business.
- We work together to achieve collective results.

Passion to Win

- We are determined to deliver the best.
- We dare our people to take risks and accept challenges.
- We have a compelling desire to excel with knowledge, experience and dedication.
- We have a compelling desire to excel with knowledge, experience and dedication.
- We combine our spirit and energy to continuously raise our expectations.

Ownership

- We are one family.
- We take charge of responsibilities towards our principals, business, customers and communities.
- We hold ourselves accountable for whatever we do.
- Our processes, systems and decisions are based on input from concerned stakeholders.

Integrity

- Be honest and straightforward to everyone.
- Always try to do the right things.
- Our respect to individuals drives success.
- We help our communities live a better life.
- We operate within the spirit of law and encourage transparency.

Trust

- We build confidence in our people, principals, customers and brands by fulfilling commitments.
- We believe our people work best when they are empowered.
- We value the capabilities and intentions of all stakeholders.
- We ensure consistent quality of service at all ends.
- We encourage fairness and respect the opinion and emotions of others.

CODE OF CONDUCT

Khyber Tobacco Co. Ltd. is committed to conducting its business with the highest degree of integrity, ethics, and compliance with all applicable laws and regulations. This Code of Conduct applies to all employees, officers, and directors of the Company and sets forth the fundamental principles and policies that guide our actions and decisions. Our reputation is our most valuable asset, and it is the responsibility of every individual associated with the Company to uphold these standards.

Compliance with Laws & Responsible Marketing

Strict Legal Adherence

We will comply with all applicable local, national, and international laws and regulations governing our industry, including but not limited to those related to taxation, marketing, sales, packaging, and environmental protection.

Responsible Product Marketing

- We strictly prohibit any marketing, advertising, or promotional activities that target minors.
- We will not engage in any sponsorship or branding activities that are designed to appeal to youth.
- All marketing communications must be truthful, accurate, and must not make unsubstantiated health claims.
- We will clearly and prominently display mandated health warnings on all product packaging and in all permissible marketing materials.

Fair Dealing & Anti-Corruption

Zero Tolerance for Bribery and Corruption

We prohibit any form of bribery, kickbacks, or corrupt practices. This includes offering, giving, soliciting, or receiving any item of value to influence the action of any government official, political party, or business partner.

Fair Competition

We are committed to fair competition and will comply with all applicable antitrust and competition laws. We will not engage in anti-competitive practices such as price-fixing, market allocation, or bid-rigging.

Health, Safety & Environment

Workplace Safety

We are dedicated to providing a safe and healthy work environment for all our employees, and will comply with all occupational health and safety laws and regulations.

Environmental Stewardship

We are committed to minimizing our environmental impact by promoting resource efficiency, reducing waste, and managing emissions and water usage responsibly. We will work with our supply chain partners to encourage sustainable agricultural and business practices.

Conflicts of Interest

Employees must avoid any situation where their personal interests conflict, or appear to conflict, with the interests of the Company. A conflict of interest arises when an employee's personal activities or relationships influence, or appear to influence, their ability to make objective decisions in the best interest of the Company. All potential conflicts must be disclosed to a manager or the Compliance Officer.

CODE OF CONDUCT

Confidentiality & Data Privacy

Employees must safeguard the confidential and proprietary information of the Company, including trade secrets, business strategies, and financial data. This obligation continues even after employment ends. We are also committed to protecting the personal data of our employees, customers, and business partners in accordance with applicable privacy laws.

Respect in the Workplace

We are committed to a work environment that is free from harassment, discrimination, and intimidation. We value diversity and provide equal opportunity in all aspects of employment. We prohibit discrimination based on race, color, religion, gender, age, national origin, disability, or any other protected status.

Reporting & Accountability

Reporting Violations

All employees have a responsibility to report any known or suspected violations of this Code or any applicable law. Reports can be made to a manager, the HR Department, or through the confidential and anonymous reporting channel.

Non-Retaliation

The Company prohibits retaliation against any individual who, in good faith, reports a possible violation or participates in an investigation.

Consequences for Violations

Violations of this Code will result in disciplinary action, up to and including termination of employment, and may also lead to legal action.



KHYBER TOBACCO COMPANY LIMITED

Khyber Tobacco, a prominent player in the tobacco industry, initiated its tobacco operations in 1954. Since its inception, the company has made significant strides in establishing itself as a key competitor.

As a responsible corporate entity, Khyber Tobacco has demonstrated its commitment to the region it operates in, particularly in Khyber Pakhtunkhwa (KPK). It proudly holds the distinction of being one of the highest taxpayers in KPK, contributing significantly to the region's economic development and public services.

Khyber Tobacco's accomplishments extend beyond its national borders. It holds the esteemed title of being the largest award-winning tobacco exporter in Pakistan, a testament to its international presence and reputation for producing high-quality tobacco products.

The Company's expansive reach and distribution network ensures that its products are readily available to consumers throughout the country, underlining its commitment to meeting the diverse tobacco needs of its customers.

In summary, Khyber Tobacco's journey since 1954 has positioned it as a formidable force in the tobacco industry, competing with multinational giants, contributing significantly to KPK's tax revenue, earning international acclaim as an award-winning tobacco exporter, and maintaining a robust network of distributors to serve the Pakistani market.

CORPORATE INFORMATION

Board of Directors

Ms. Samera Irfan

Chief Executive / Executive Director

Mr. Rahat Ullah

Chairman/ Non Executive Director

Mr. Pir Waris Shah

Non Executive Director

Barrister Shahzad Javed Panni

Independent Director

Mr. Zia Ur Rehman

Non Executive Director

Ms. Sonia Farooq

Independent Director

Mr. Khalil Ur Rehman

Executive Director

Audit Committee

Barrister Shahzad Javed Panni

Chairman

Mr. Khalil Ur Rehman

Member

Mr. Rahat Ullah

Member

Mr. Zia Ur Rehman

Secretary

Human Resource Committee

Ms. Sonia Farooq

Chairperson

Mr. Pir Farhan Shah

Member

Mr. Zia Ur Rehman

Secretary

Senior Management

Ms. Samera Irfan

Chief Executive

Company Secretary

Mr. Amin Ullah

Share Registrar

CDC

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

Bankers

Askari Bank Limited

MCB Bank Limited

Habib Metropolitan Bank Limited

Habib Bank Limited

Bank of Punjab

Bank of Khyber

Bank Alfalah Limited

Samba Bank Limited

Registered Office

**Khyber Tobacco
Company Limited**

Nowshera Road, Mardan

Tel: +92-937-844668, 844639

Fax: +92-937-843329

External Auditors

Yousuf Adil

Chartered Accountants

Internal Auditors

Shahid Ahmad & Co.

Chartered Accountants



KHYBER TOBACCO COMPANY LTD

PRODUCT PORTFOLIO

GOLD STREET

INTERNATIONAL

GOLD STREET INTERNATIONAL

King Size, Relock

Gold Street International was founded with a singular mission: to create an aspirational brand that blends style with substance. The company is dedicated to using imported blends and international standard sticks, ensuring the infusion of the finest tobacco. This attention to detail and commitment to quality means our customers receive products that are both luxurious and premium. Gold Street International is more than just a brand; it represents a lifestyle for those who seek to express their individuality, appreciate the finest things in life, and strive for excellence in everything they do.

== GOLD STREET ==
CLASSIC

GOLD STREET CLASSIC

King Size, Relock

The Classic brand name embodies class and prestige. Classic combines quality with expertise, using premium crops to create a rich signature blend that delivers an exceptional taste and smoking experience. With high-grade tobacco and a premium filter, it has become the preferred choice for discerning smokers.

EXPORT PORTFOLIO

TOP
TOBACCO
EXPORTS
ACHIEVED

68.3 %
of Total Sales

In 2026, Khyber Tobacco exported goods worth PKR 6.37 billion (2025: PKR 7.23 billion), equal to 68.3% of net sales. Asia (62.9%) and Europe (32.6%) remained the principal destination regions. Strategic diversification and market expansion are critical for future growth.

Region	Value (PKR m)	% of Total Exports
Asia	4,008.5	62.9%
Europe	2,079.6	32.6%
South America	251.8	4.0%
North America	32.5	0.5%
Total Exports	6,372.4	100%

Product Portfolio Breakdown

[Information to be inserted]

Product-wise export volumes for 2026 (tobacco, cut tobacco, FCV scraps and cigarettes) are not available in the financial statements and are to be provided by management.

ASIA 62.9%

PKR 4.01 Billion

EUROPE 32.6%

PKR 2.08 Billion

SOUTH AMERICA 4.0%

PKR 252 Million

Export values are taken from Note 23.1 to the financial statements (gross sales by primary geographical market). Country-wise export data for 2026 is not disclosed in the financial statements.

STATEMENT OF ETHICS & BUSINESS PRACTICES

All employees of Khyber Tobacco Company Limited, hereinafter called KTC, shall:-

Business / Work Ethics

- Respect fellow colleagues and work as a team. They shall at all times be courteous and not let any personal differences affect their work. They will treat every customer of KTC with respect and courtesy.
- Ensure good attendance and punctuality. For any absence during working hours, they shall obtain written permission of their immediate supervisor. They shall not absent themselves from their duties, nor leave their station over night, without having first obtained the permission of the competent authority.
- Maintain a standard of personal hygiene and dress appropriately for attendance at work. Their appearance must inspire confidence and convey a sense of professionalism.
- As personal responsibility, safeguard both the tangible and intangible assets of KTC that are under their personal control and shall not use KTC assets for their personal benefits except where permitted by KTC. They shall not use any KTC facilities including a telephone to promote trade union activities, or carry weapons into KTC premises unless authorized by the management, or carry on trade union activities during office hours, or subject KTC officials to physical harassment.

- Fulfill their responsibilities to fellow employees, by helping in maintaining a healthy and productive work environment and shall not engage in the selling, manufacturing, distributing and using any illegal substance or being under the influence of illegal drugs while at work.
- Ensure strict adherence to all health and safety policies as may be implemented from time to time by KTC.
- Intimate the Human Resource department of any changes in the personal circumstances relating to their employment or benefits.
- Guarantee in their private capacity the pecuniary obligation of another person or agree to indemnify in such capacity any person from loss.

Professionalism

- Serve KTC honestly and faithfully and shall strictly serve KTC's affairs and the affairs of its constituents. They shall endeavor to promote the interest and goodwill of KTC and shall show courtesy and attention in all transactions / correspondence with officers of the Government, Banks & Financial Institutions, other establishments dealing with KTC, KTC's constituents and the general public.





- Disclose and assign to KTC all interests in any invention, improvement, discovery or work of authorship that they may make or conceive and which may arise out of their employment with KTC. If their employment is terminated, all rights to the property and information generated or obtained as part of their employment relationship will remain the exclusive property of KTC.

Confidentiality

- Maintain the privacy and confidentiality of all the information acquired during the course of professional activities and refrain from disclosing the same unless otherwise required by statutory authorities / law. All such information will remain as a trust and will only be used for the purpose for which it is intended and will not be used for the personal benefits of any individual(s). Inside information about KTC's customers / affairs shall not be used for their own gain or for that of others either directly or indirectly.

Abidance of Laws / Rules

- Conform to and abide by the KTC rules and obey all lawful orders and directives which may from time to time be given by any person or persons under whose jurisdiction, superintendence or control they may for the time being, be placed. They shall comply with and observe all applicable laws, regulations and KTC policies.
- Not bring or attempt to bring any political or other pressure / influence directly or indirectly to bear on the authorities / superior officers or indulge in derogatory

pamphleteering, contribute or write letters to the news papers, anonymously or in their own name with an intent to induce the authority / superior officers to act in a manner inconsistent with rules, in respect of any matter relating to appointment, promotion, transfer, punishment, retirement or for any other conditions of service of employment.

Integrity

- Conduct themselves with the highest standards of ethics, professional integrity and dignity in all dealings with the public, clients, employees, and not engage in acts discreditable to KTC, the profession and the nation. If they become aware of any irregularity that might affect the interests of KTC, they shall inform the senior management immediately.
- Maintain all books, data, information and records with scrupulous integrity, reporting in an accurate and timely manner all transactions / reports.
- Avoid all such circumstances in which there is conflict of personal interest, or may appear to be in conflict, with the interests of KTC or its stakeholders.
- Not use their employment status to seek personal gain from those doing business or seeking to do business with KTC, nor accept any such gain if offered. They shall not accept any gift, favor, entertainment or other benefits the size or frequency of which exceeds normal business contacts from a constituent or a subordinate employee of KTC or from persons likely to have dealings with KTC and candidates for employment in KTC.

RISK MANAGEMENT POLICY

BCR Risk & Risk Management

As challenges in our operating landscape continue to intensify the proactive identification and management of risks become vital in ensuring that the Company is able to deliver sustainable stakeholder value. Effective risk identification, monitoring and mitigation processes are embedded in the Company's daily operations through a comprehensive framework comprising monitoring processes, internal controls' and relevant stakeholder engagement mechanisms, has been successful in nurturing a risk culture, which balances risk and growth considerations.

Statement from Board of Directors

The Board is responsible for determining the risk appetite that the Company is willing to take to achieve its strategic objectives and for maintaining sound risk management and internal control systems. KTC's risk management and internal controls framework is aimed at safeguarding shareholders' investment, the Company's assets as well as evaluating and managing risks that may impede achievement of the Company's objectives.

Risk Governance

The Board of Directors is responsible for determining the nature and extent of the significant risks the Company is willing to take to achieve its strategic objectives. The Board is supported by the Board Audit Committee in discharging its risk management related responsibilities which regularly reviews the effectiveness of the Company's risk management processes and internal control systems. The Company's risk profile is also monitored through the internal reporting mechanisms of the Company.

Risk Identification

During the year, a robust assessment of the principal risks faced by the Company has been carried out including those that would impact its business model, performance, brands, assets, solvency and employees. Financial and non-financial risks are identified at a functional level, with inputs from relevant employees. This is carried out through team discussions and brainstorming sessions, which facilitate participation and value addition by employees across the Company.

Assessment and Evaluation

Elaborate risk registers are used to assess and evaluate the risks in detail. Each identified risk is assessed and then categorised under one of the three levels (high / medium low) in terms of the likelihood of its occurrence and the severity of its potential impact. Tolerance levels and trigger points are also defined for each identified risk.

Risk Management

Following the identification of key risks faced by the Company, the respective functions develop elaborate strategies and plans to mitigate the impacts of these risks. The responsibility for managing each identified risk rests with the head of each function (risk owners), who reports regularly on the progress and effectiveness of the risk mitigation plans. Additionally, the potential impact of global trends and risks are also captured through input from the Risk Management process, which can be used to identify improvements in internal controls and risk mitigation plans in line with global best practices and experiences.



Monitoring

Risks are monitored at multiple levels in the Organisation including at functional level, Executive Committee, Board Audit Committee and Board level. Identified risks, the risk registers, mitigation plans, and performance of each risk mitigation plan are evaluated at these levels throughout the year.

Key Sources of Uncertainty & Risks and Mitigating Strategies

"Key sources of uncertainty emanate from the challenging environment the Company operates in. Changes in political, social, technological, economic or legal factors also lead to risks, which the Company might be exposed to. The Company actively monitors its risk universe to pro-actively manage and mitigate various risk exposures.

The following section details key risks that the Board believes could have the most significant impact on the Company's ability to create value. Some of these major risks are outside the control of KTC and other factors besides those listed below may affect the Company's performance. Some risks may be unknown at present; others which are currently immaterial, could emerge as material risks in the future."



RISK & OPPORTUNITY REPORT

Risk Description	Level	Impact	Mitigating Strategy
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Strategic Risks

Illicit trade and counterfeit manufacturing	High	Volume loss and profitability	Active engagement with Government/ law enforcement agencies to highlight the issue and its impact on the legal industry
		Erosion of brand value	
		Investment in trade marketing activities is undermined	
Economic Conditions	Moderate	Direct impact on consumer buying power	Brands across consumer segment with minimum price
		Down trading to illicit brands	
		Reduced legal industry volumes	

Financial Risks

Currency Devaluation	Moderate	Increased cost base	Financial hedging to minimize exposure
		Lower operating margins	Operational synergies across value chain
		Pressure on profit growth	Cost savings initiatives
			Physical hedging options
Material Price Sensitivity	Moderate	Increased cost base	Productivity initiatives
		Lower operating margins	Substitutes
		Pressure on profit growth	Alternative suppliers

Operational Risks

Accidents at workplace	Low	Injury to employees or Contracted Workforce	Strict compliance with EH&S regulations, standards and protocols
		Damage to Company's reputation	Health and safety training courses
		Employee dissatisfaction	Environmental, Health & Safety assessment
		Business Interruption	Safety equipment Incident reporting
Employee turnover	Low	Loss of key talent	Market competitive remuneration
		Low employee morale	International career opportunities
		Employee dissatisfaction	Development and growth opportunities
		Reduced operational effectiveness	Conducive and safe work environment Favourable employee policies
Natural disasters	Low	Business Interruption	Business interruption plans
		Property loss	Evacuation plans and drills
		Employee safety	Safety equipment
		Financial loss	



CULTURE FRAMEWORK: ESTABLISHMENT & OVERSIGHT

Culture Establishment

Culture is the collective values, norms and beliefs of an organization. Our core values are the foundation of our business. A culture that promotes equality, fairness, health, safety, diversity and innovation, among others. These values are established and maintained over the years by Founders, the governing Boards, Higher management and employees. We maintain a collaborative, inclusive, non-discriminative and safe work culture, and provide equal opportunities to all employees. We have a 'Zero Tolerance' policy towards any kind of discrimination and harassment at the workplace based on the applicable laws and our internal directives. Our Codes of Business Conduct lays down acceptable professional behavior expected from our internal and external stakeholders

Culture Monitoring

A formal code of conduct, encompassing all our cultural values, duly approved by the BOD is in place and communicated at all levels in the Company. Adherence to this code of conduct is compulsory for each and every employee of the Company.

BOARD'S POLICY ON DIVERSITY

(ANTI- HARASSMENT POLICY & GENDER DIVERSITY POLICY)

Not with standing our legal obligations, KTC is committed to challenging discrimination and promoting social inclusion and equality of opportunity in the form of age, gender, and ethnicity, physical and mental ability. As per recent legal developments, Board has approved an Anti-Harassment Policy, which regardless of position of employees, is applicable to all employees while giving necessary facilities; company discourages any sort of discrimination at workplace and provides equal opportunities to all.

GRIEVANCE POLICY

KTC in order to be has designated an investors section on website to handle Investor Relations & Grievance. The Company has a designated email ID as well as an online Complaint Form at its website for the Shareholders to lodge a complaint or query with the Management. Shareholders can also lodge a complaint or query using telephone, fax or conventional mail. This is to ensure that grievances notified by the shareholders are handled and resolved efficiently at appropriate level within shortest possible time frame.



WHISTLEBLOWER POLICY

1. The Whistleblower should promptly report the suspected or actual event to his/her supervisor.
2. If the Whistleblower would be uncomfortable or otherwise reluctant to report to his/her supervisor, then the Whistleblower could report the event to the next highest or another level of management, including to an appropriate Board committee or member.
3. The Whistleblower can report the event with his/her identity or anonymously.
4. The Whistle blower shall receive no retaliation or retribution for a report that was provided in good faith – that was not done primarily with malice to damage another or the organization.
5. A Whistleblower who makes a report that is not done in good faith is subject to discipline, including termination of the Board or employee relationship, or other legal means to protect the reputation of the organization and members of its Board and staff.
6. Anyone who retaliates against the Whistleblower (who reported an event in good faith) will be subject to discipline, including termination of Board or employee status.
7. Crimes against person or property, such as assault, rape, burglary, etc., should immediately be reported to local law enforcement personnel.
8. Supervisors, managers and/or Board members who receive the reports must promptly act to investigate and/or resolve the issue.
9. The Whistleblower shall receive a report within five business days of the initial report, regarding the investigation, disposition or resolution of the issue.
10. If the investigation of a report, that was done in good faith and investigated by internal personnel, is not to the Whistleblower's satisfaction, then he/she has the right to report the event to the appropriate legal or investigative agency.
11. The identity of the Whistleblower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement, in which case members of the organization are subject to subpoena.

ENERGY POLICY

Khyber Tobacco Company Limited (KTC) is conscious that natural energy resources are not only scarce but also very precious and need to be optimally utilized. Ever-increasing environmental consciousness as well as market competition demands enhancement of energy efficiency and energy conservation where possible.

Energy conservation positively impacts environment and goes a long way in reducing greenhouse gases and other hazardous emissions. KTC is committed to produce quality products by employing economical energy efficient processes and equipment.

It is our goal to reduce energy consumption where possible by regular monitoring and up gradation. In our economic and development strategies, we focus on initiatives that will use energy resources more efficiently. KTC believes in setting realistic targets pertaining Energy Policy to energy efficiency and conservation and review them periodically to ensure sustainable growth.

KTC is committed to comply with all applicable legal requirements in respect of energy efficiency, conservation and its reporting.

GREEN ENERGY INITIATIVE

Energy efficiency is a key component in our strategy to increase the sustainability of our operations.

There is a specific need for us to use an alternative energy source to generate electricity since the country is facing acute power shortage, and using solar energy can go way beyond reducing carbon emissions.

The Photovoltaic (PV) cells in the panel collect the sunlight and convert it into electricity. Solar has an infinite source of energy and is guaranteed to be available for centuries. And as long as the sun continues to shine, we will always be able to reap the benefits by generating clean, green energy.



CORPORATE SOCIAL RESPONSIBILITY

Khyber Tobacco Co. Ltd. demonstrates its commitment to corporate citizenship through a strategic and impactful CSR program. Our initiatives are carefully designed to address critical environmental and social needs, with a focus on creating sustainable, long-term benefits for the communities we operate in and minimizing our ecological footprint.

Environmental Stewardship: Tree Plantation

As part of our commitment to environmental conservation and combating deforestation, Khyber Tobacco has initiated a large-scale tree plantation drive across the Khyber Pakhtunkhwa region. This program focuses on planting native, climate-resilient species to improve air quality, enhance biodiversity, and contribute to soil conservation. We actively engage local communities in these efforts to ensure the survival and growth of the saplings, fostering a shared sense of environmental responsibility and creating a lasting green legacy for future generations.

Employee Welfare & Community Health: On-Site Water Purification Plant

Demonstrating a core commitment to employee welfare, Khyber Tobacco has installed a state-of-the-art water purification plant within our factory premises. This initiative guarantees all employees access to a consistent and reliable source of safe, clean drinking water. By directly addressing the risk of waterborne diseases, this facility plays a crucial role in safeguarding employee health, enhancing workplace well-being, and supporting productivity, thereby fulfilling a fundamental need for our workforce.

Sustainable Operations: Extension in Solar Energy

To reduce our carbon footprint and transition towards cleaner energy sources, Khyber Tobacco is undertaking a significant extension of its solar energy infrastructure at our manufacturing facilities. By investing in expanded solar panel installations, we aim to power a substantial portion of our operational energy needs with renewable sources. This initiative not only mitigates our environmental impact by reducing reliance on fossil fuels but also enhances our operational efficiency and long-term energy security, aligning our business goals with global sustainability standards.

Waste Management within Factory Premises

Within our factory premises, we have implemented a rigorous and systematic waste management protocol. This system is designed to minimize our environmental impact through the principles of Reduce, Reuse, and Recycle. We have segregated waste streams to ensure proper disposal and are exploring innovative methods to repurpose industrial by-products. Our goal is to achieve a circular economy within our operations, significantly reducing landfill waste and promoting a culture of environmental responsibility among our employees.



Humanitarian Aid: Medical Relief in Buner Flood

In swift response to the devastating floods in Buner, Khyber Tobacco mobilized immediate medical relief efforts. We deployed mobile medical camps staffed with qualified doctors and paramedics to the affected areas, providing emergency consultations, essential medicines, and water purification tablets to prevent the outbreak of disease. This targeted humanitarian intervention provided critical healthcare support to displaced and vulnerable families, reflecting our core value of standing with our communities in times of crisis.





CHAIRMAN'S REVIEW

The year ended June 30, 2026 was a challenging one for Khyber Tobacco Company Limited ("the Company"), which recorded a net loss for the year. The details of the Company's performance are set out in the Directors' Report and the financial statements.

At your Company, we strongly believe in the importance of giving back to the communities we serve. Sustainability is a key focus of everything we do, and we are proud to be at the forefront of the Environment, Social & Governance (ESG) movement. Shareholders now evaluate companies based on their ESG performance, as it provides insight into potential sustainability risks and helps them devise investment strategies. As one of the early adopters of corporate social responsibility (CSR) in Pakistan, your Company has embarked on a memorable journey towards embracing ESG.

At your Company, we prioritize responsible and ethical behavior in all aspects of our operations. This serves as the basis for our culture and values. We believe that strong governance is essential for achieving sustainable, long-term growth. By upholding these principles, we can reach our goals and make ongoing progress.

Like other developing economies, the recent events have had a negative impact on our economy. The political instability has only added to the fragility of the situation. To address the current account deficit, the State Bank of Pakistan is taking measures to address the economy.

We are grateful to have the opportunity to fulfill our shareholders' need for sustained income during these inflationary times. The Company in the year under review contributed an amount of Rs. 8.79 billion in the form of Federal Excise Duty, Sales tax, and other levies.

Future Outlook

We are confident that the current situation will improve further. Sales of cigarettes and tobacco in the local and international markets are expected to increase, leading to visible improvement in next year's results. Additionally, I may add that the Company is not experiencing any liquidity issues and does not require external financing.

The economic indicators of the Country are likely to show promising signs in the near future. It is hoped that the Government shall take necessary steps on an urgent basis to boost tobacco exports and reduce regulatory duties on imports of raw materials for the industry to continue and sustain the economic momentum.

The Management is closely monitoring the challenges faced by the Company and will take all steps necessary to safeguard the interests of its shareholders as well as to capitalize on growth opportunities through its product line. Your Company is committed to good Corporate Governance.

Acknowledgment

I am pleased to report that the Board acknowledges its responsibility concerning the Corporate & Financial Reporting Framework. The Board is also cognizant of its strategic role in achieving the Company's key objectives and is focused on enriching the returns of its shareholders and other stakeholders, and shall continue contributing through a sustained supply of premium quality products to its valued customers.

As Chairman of the Board, I express my appreciation for the dedication to duty and professional conduct of the employees of the Company, as well as for shareholders and stakeholders for their support. I thank the bankers of the Company for the understanding and the cooperation they have extended and, last but not least, express gratitude towards our loyal and confident customers. All combined efforts have been instrumental in sustaining the Company's operations against all odds. We all pray for a peaceful, progressive and prosperous Pakistan.



Rahat Ullah
Chairman



DIRECTORS' REPORT

On behalf of the Board of Directors of Khyber Tobacco Company Limited, I take great pleasure in presenting the 71st Annual Report and the audited financial statements, along with the auditors' report thereon, for the year ended June 30, 2026.

The Company's Financial Results

The financial performance of the Company for the year ended June 30, 2026, as compared to the year ended June 30, 2025, has been as follows:

Production and Sales

PRODUCT	UNIT OF MEASUREMENT	PRODUCTION		SALE	
		2026	2025	2026	2025
RE-DRIED TOBACCO	KGS	5,097,082	9,733,836	4,159,845	3,913,630
CUT TOBACCO	KGS	1,586,135	1,879,201	607,850	382,970
CIGARETTES	STICKS (In Million)	933.82	1,522	1,031.24	1,446.8

Economic Overview

Pakistan is committed to achieving macroeconomic stabilization and moving towards sustainable and inclusive growth. There are challenges, but the determination to address them is strong. The Government is actively working to resolve long-standing issues that have hindered progress and prosperity in various sectors of the economy. Addressing external account vulnerability and fiscal mismanagement, which directly impact inflation, are central to the corrective policy actions being implemented. It is hoped that as these measures are put in place and developed, the difficulties faced by companies will be reduced.

Production and Sales Review

The Company's production and sales performance for the year ended June 30, 2026, compared with the previous year ended June 30, 2025, is summarized below.

Re-Dried Tobacco

Production decreased significantly by 47.6% to 5,097,082 Kgs in 2026 from 9,733,836 Kgs in 2025. **Sales** volume increased by 6.3% to 4,159,845 Kgs in 2026, up from 3,913,630 Kgs in the prior year, despite the drop in production.

Cut Tobacco

Production decreased by 15.6% to 1,586,135 Kgs in 2026 from 1,879,201 Kgs in 2025. **Sales** volume increased by 58.7%

to 607,850 Kgs in 2026 from 382,970 Kgs in 2025.

Cigarettes

Production decreased by 38.6% to 933.82 million sticks in 2026 from 1,522 million sticks in 2025. **Sales** volume decreased by 28.7%, from 1,446.8 million sticks in 2025 to 1,031.24 million sticks in 2026.

Government Regulations

In 2022, the Government took significant steps to regulate the tobacco industry by introducing a Track and Trace System, which has been vigorously enforced. At Khyber Tobacco Company Limited (KTC), we ensured full compliance with the Track & Trace System. It is noteworthy that the Government is extending this system to cover other product categories related to tobacco and nicotine. In this regard, a Statutory Regulatory Order (SRO) has been issued.

Operational Highlights

During the year under review, the Company recorded net revenue of Rs. 9.326 billion, compared with Rs. 9.891 billion in the preceding year, representing a decrease of approximately 5.7%.

The Company's gross profit declined substantially from Rs. 1.775 billion in 2025 to Rs. 131.117 million in 2026. The significant reduction in gross margin, together with operating and other expenses, resulted in an operating loss of Rs. 729.625 million, compared with an operating profit of Rs. 983.576 million in the preceding year.

DIRECTORS' REPORT

After accounting for other income, other expenses and finance costs, the Company reported a loss before tax of Rs. 972.099 million, compared with a profit before tax of Rs. 414.330 million in 2025.

After accounting for taxation and minimum tax differential, the Company incurred a net loss of Rs. 1.021 billion, compared with a net profit of Rs. 274.648 million in the preceding year.

Consequently, the loss per share stood at Rs. 147.45, compared with earnings per share of Rs. 39.67 in 2025.

Balance Sheet

The financial position of Khyber Tobacco Company Limited strengthened in terms of its overall asset base, with total assets increasing by 18.0% to Rs. 19.74 billion during 2026. Property, plant and equipment increased by 30.9%, reflecting continued investment in the Company's operational assets. Current assets increased by 16.0%, mainly due to a significant increase in taxes refundable to Rs. 3.25 billion and trade debts to Rs. 1.57 billion. Inventory remained broadly stable at Rs. 10.55 billion.

However, liquidity came under pressure during the year. Cash and bank balances declined significantly from Rs. 1.31 billion to Rs. 78.5 million, while current liabilities increased by 23.4% to Rs. 16.54 billion. Consequently, working capital moved from a positive Rs. 472 million to a deficit of Rs. 457 million, and the current ratio declined from 1.04:1 to 0.97:1. Total equity decreased by 8.8% to Rs. 2.68 billion, despite the increase in revaluation surplus on property, plant and equipment. Trade and other payables increased by 24.7%, requiring continued focus on working capital and cash-flow management.

Overall, the Company maintained a stronger asset base but faced increased liquidity and working-capital pressure during 2026. Management remains focused on recovery of refundable taxes and receivables, efficient inventory management, cash-flow optimization and timely settlement of liabilities.

Plant Performance

The Company remains committed to upgrading its plant and machinery across all departments. However, it is important to note that our existing machinery, while being actively maintained and upgraded, operates below its capacity, since it depends on the demand for different products. Significant efforts have been directed toward enhancing our cigarette-making and packing processes to elevate the quality of our brand offerings.

Despite these challenges, we are pleased to report that during the year under review, our installed plant and machinery continued to operate satisfactorily.

Quality Assurance

Quality is a paramount focus for the Company. We maintain a strong emphasis on efficiency and quality consciousness throughout our operations. Stringent quality control procedures are rigorously applied to ensure that we meet our quality objectives. Our commitment to quality extends to continuous improvement efforts, allowing us to stay aligned with evolving industry standards.

Marketing

In a fiercely competitive landscape, both locally and internationally, our management remains dedicated to the development of our brand presence. This commitment extends to our local and international markets. While we have made progress in boosting our export sales, we recognize the need for further growth. We are optimistic that our ongoing efforts will yield more substantial results shortly, allowing us to once again realize lucrative revenues from exports.

Challenges persist in the export market, primarily related to meeting stringent quality requirements. As a result, our export focus has primarily revolved around re-dried and cut tobacco. We continue to intensify our efforts to elevate quality standards and establish a solid market presence for our re-dried and cut tobacco products in regions such as the United Arab Emirates, South Africa, Germany, Belgium, Turkey, Egypt, and Greece.

Health, Safety, and Environment

The Company places the highest priority on the health and safety of our invaluable personnel, who are integral to our operations. We actively promote safe behavior through initiatives such as safety meetings, incident reporting, safety audits, good housekeeping practices, and rigorous hygiene controls.

Environmental protection is another core commitment. We ensure that our facilities consistently comply with established environmental quality standards. Furthermore, we are actively engaged in meeting the stringent environmental quality standards set by the Environment Protection Authority of Pakistan.

Social Responsibility

As a responsible corporate citizen, the Company is deeply committed to its social responsibilities, particularly towards the local community. We take immense pride in our active participation in the development and welfare of the underprivileged, especially in areas affected by energy crises and law and order challenges. Our preference for providing job opportunities to residents in such areas contributes significantly to their social upliftment.

DIRECTORS' REPORT

Key Operating and Financial Data

A summary of the Company's key operating and financial data for the past six years is attached to these financial statements, offering stakeholders valuable insights into our historical performance.

Dividend

The Directors have not recommended any dividend for the year under review.

Human Capital

Our human resource strategy is focused on maximizing the return on investment in our organization's human capital. Our approach seeks to minimize financial risk by aligning the supply of skilled and qualified individuals with the capabilities of our current workforce. This alignment with our ongoing and future business plans and requirements ensures that we not only maximize returns but also secure our future survival and success.

Gender Pay Gap Statement

In compliance with SECP Circular No. 10 of 2024, the Company discloses the following gender pay gap for the year ended June 30, 2026:

Particulars	2026
Mean gender pay gap	(137.7) %
Median gender pay gap	(189.3) %
Male employees (number)	494
Female employees (number)	4

Gap = (average male pay - average female pay) ÷ average male pay.
Based on monthly gross salary for June 2026 (498 employees). A negative figure means average female pay exceeds average male pay. Female employees are 0.8% of the workforce and hold management and professional positions, so the gap reflects the composition of a very small group.

Employee Retirement Benefits

We operate an unfunded gratuity scheme for all permanent employees of the Company. In the current financial year, we have created a provision of Rs. 42.28 million in our accounts to cover employee benefits.

Corporate Governance

Our unwavering commitment to best practices in corporate governance is the bedrock of our business operations. We adhere to a comprehensive set of processes, customs, and policies that enable us to direct and control management activities with a strong sense of

business acumen, objectivity, accountability, and integrity. This commitment extends to achieving long-term strategic goals aimed at satisfying shareholders, creditors, employees, customers, and suppliers. Furthermore, we rigorously adhere to the highest ethical standards and fully comply with all applicable legal and regulatory requirements.

The Statement of Compliance with the Code of Corporate Governance Regulations is attached to these financial statements, underscoring our dedication to transparency and good governance.

The Board

Our Board comprises seven members, of whom six are non-executive directors (including two independent directors) and one is an executive director. To uphold best governance practices, we maintain a clear separation between the positions of Chairman and Chief Executive Officer.

Board composition	Number
Total directors	7
Male	5
Female	2

Category	Names
Independent Directors	Mr. Shahzad Javed Panni Mrs. Sonia Farooq
Executive Director	Mrs. Sameera Irfan
Non-Executive Directors	Mr. Rahat Ullah Mr. Pir Waris Shah Mr. Zia Ur Rehman Mr. Khalil Ur Rehman
Female Directors	Mrs. Sameera Irfan Mrs. Sonia Farooq

Our Directors are acutely aware of the trust placed in them by our shareholders and the responsibility to ensure the smooth operation of the Company while safeguarding its assets.

In pursuit of consistency and standardization, the Board has formulated formal policies to govern our business conduct. To monitor adherence to these policies, we maintain an independent Internal Audit function, which ensures compliance with Company policies and promptly reports any observed deviations to the Audit Committee, reinforcing our commitment to accountability and transparency.

DIRECTORS' REPORT

Board of Directors Meetings

The Board is required to meet at least once in each quarter to monitor the Company's performance and ensure effective and timely accountability of its management.

Four (04) meetings of the Board of Directors were held during the year, and the attendance of each Director is given below. The Directors of the Company did not have any personal interest in decisions taken by the Board in these meetings.

Directors' Attendance

Name of Director	Meetings attended
Mrs. Sameera Irfan Chief Executive	4
Mr. Rahat Ullah Non-Executive Director	4
Mr. Pir Waris Shah Non-Executive Director	4
Mr. Zia Ur Rehman Non-Executive Director	3
Mr. Khalil Ur Rehman Non-Executive Director	4
Mrs. Sonia Farooq Independent Director	4
Mr. Shahzad Javed Panni Independent Director	4

Committees of the Board

To ensure effective implementation of a sound internal control system and compliance with the Code of Corporate Governance, the Board has constituted the following committees:

Audit Committee

Mr. Shahzad Javed Panni (Chairman)
Mr. Khalil Ur Rehman (Member)
Mr. Rahat Ullah (Member)
Mr. Zia Ur Rehman (Secretary)

HR and Remuneration Committee

Mrs. Sonia Farooq (Chairperson)
Mr. Pir Waris Shah (Member)
Mr. Zia Ur Rehman (Secretary)

Remuneration Policy of Members of the Board of Directors

The Board has a formal policy and transparent procedures for the remuneration of Directors in accordance with the Companies Act, 2017 and the regulations thereunder. The significant features of the policy are as follows:

- The Board of Directors ("BoD") shall, from time to time, determine and approve the remuneration of its members for attending Board meetings.
- The level of remuneration shall be appropriate and commensurate with the responsibility and expertise offered by the members of the BoD, and aimed at attracting and retaining the members needed to govern the Company successfully and create value.
- The BoD shall ensure that the prevailing level of remuneration does not at any time compromise the independence of its independent members.
- Members of the BoD may also be paid all travel, hotel and ancillary expenses related to: (a) attendance of Board meetings; (b) attendance of General Body meetings; and/or (c) business of the Company.

Corporate Governance

The Company is unwavering in its commitment to maintaining high standards of corporate governance. We understand that upholding business integrity is paramount to instilling confidence among all our stakeholders. The Board of Directors is fully accountable to our shareholders for ensuring good corporate governance practices. Our management complies with the best practices outlined in the Code of Corporate Governance, with particular emphasis on the independence of non-executive directors, and adheres to the listing regulations of the Pakistan Stock Exchange. Our vision and mission statements, core values, and statements of ethics and business practices have been prepared and approved by the Board. Significant policies required under the Code of Corporate Governance have been drafted and reviewed by the Board, and will be formally approved in due course.

Auditors

Following the 71st Annual General Meeting, our auditors, M/s Yousuf Adil, Chartered Accountants, have retired. Both the Audit Committee and the Board of Directors have jointly recommended the reappointment of M/s Yousuf Adil, Chartered Accountants, as auditors of the Company until the next Annual General Meeting.

Pattern of Shareholding

The Pattern of Shareholding as of June 30, 2026 forms part of this Annual Report. Please refer to it for a detailed breakdown.

Trading of Company Shares

We are pleased to report that the Directors, Chief Executive, Chief Financial Officer, the Company Secretary, and their

DIRECTORS' REPORT

spouses and minor children have not engaged in any trading of the shares of the Company.

Future Prospects

Looking ahead, our management remains dedicated to expanding our presence in both local and foreign markets, particularly in cigarettes and tobacco, with a strong focus on re-dried tobacco given its demand in international markets. We anticipate a robust performance in both the tobacco and cigarette export sectors in the upcoming financial year, which is poised to reduce the loss.

While tobacco export has been a key driver of profitability, we acknowledge the challenges in the export market, including rising costs, cultivation of non-recommended tobacco varieties by Pakistani farmers, and increased levels of Non-Tobacco Related Material (NTRM) in tobacco. Our persistent efforts to overcome these hurdles are beginning to yield positive results, and we remain optimistic that the Company will achieve its targets to boost export sales in the forthcoming year.

Quality Enhancement

To remain competitive in the global arena, we are continuously improving our processing capabilities. Management has invested in upgrading the Primary Production Department (PPD), the Cigarette Making Department (CMD) and the Cigarettes Packing Department to enhance the quality of re-dried tobacco and cigarettes. The ability to produce superior-quality products positions us to expand both local and

international sales through enhanced brand recognition and customer loyalty.

Acknowledgments

In closing, on behalf of the Board, I extend our heartfelt gratitude to our valued customers for their unwavering trust in our products. We are committed to expanding our brand portfolio while maintaining the highest quality standards. We also express our appreciation to our vendors, distributors and financial institutions for their continued support.

Our success would not have been possible without the steadfast support of our shareholders and all stakeholders, including our suppliers, customers, the local community, and our dedicated and hardworking employees. We acknowledge the tireless efforts of the Company's management, our esteemed Board of Directors, and staff at all levels. Their dedication and hard work have been instrumental in achieving the financial and operational results outlined in this report.

On behalf of the Board



Sameera Irfan
Chief Executive



Rahat Ullah
Chairman

Date: October 05, 2026
Mardan, Khyber Pakhtunkhwa

OTHER CORPORATE GOVERNANCE

Stakeholders' Engagement

At KTC, we engage to understand and respond to our legitimate stakeholder concerns. Our key stakeholders are:

- Shareholders
- Customers
- Suppliers
- Banks
- Employees
- General public
- Government and Regulatory Authorities

The frequency of engagements is based on business needs and corporate requirements as specified by the Code of Corporate Governance, or as contracted, under defined procedures.

Issues Raised at Previous Year's AGM

In line with the Listed Companies (Code of Corporate Governance) Regulations, 2019, shareholders were provided an opportunity to raise queries during the last Annual General Meeting, the 70th AGM held on October 24, 2025.

[Company Secretary to insert the queries raised by shareholders at the 70th AGM and the responses given by management.]

Addressing Investors' Grievances

The interest of small investors and minority shareholders is of prime importance to the Company. In order to keep a vigilant eye and to provide a platform to the investors for voicing their concerns, a team under the corporate section has been designated to ensure that grievances / complaints of the investors are heard and redressed in a quick and efficient manner. The mechanism of lodging any complaint / issue is detailed on the website of the Company.

Designated contact numbers and email address of the Company / Regulator are disseminated among investors through Company broadcasts.

Board Members' Conflict of Interest

Following the guidelines of the Code of Conduct, every Director on the Board is required to disclose his interest in any contract, agreement or appointment etc. (if any). Any conflict of interest relating to members of the Board of Directors is dealt with as per provisions of the Companies

Act, 2017 and the rules and regulations of SECP and Pakistan Stock Exchange. However, no conflict among the members was raised during the year.

Directors' Training Programme

In compliance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Company remains committed to ensuring that its Board members are well-equipped with the requisite knowledge of governance, regulatory frameworks and best corporate practices.

Several directors of the Company have already completed the mandatory Directors' Training Program (DTP) from institutions duly approved by the Securities and Exchange Commission of Pakistan (SECP). The Company is making the necessary arrangements to ensure that the remaining directors complete the prescribed training within the timeframe permitted by the Regulations.

Safeguarding of Records of the Company

KTC effectively ensures the safety of records. All records are retained as long as they are required to meet legal, administrative, operational and other requirements of the Company. Furthermore, the Company keeps a systematic backup of the record on a daily basis for protection of data and its recovery in case of any catastrophe.

Access of Shareholders on Company's Website

All our shareholders and the general public can visit the Company's website www.khybertobacco.com which has a dedicated section for investors containing information related to annual, half yearly and quarterly financial statements and to have a glance at shareholders' related information.

Share Price Sensitivity

The Company disseminates all material and price sensitive information to the Pakistan Stock Exchange (PSX) through the Pakistan Unified Corporate Action Reporting System (PUCARS).

OTHER CORPORATE GOVERNANCE

Information Technology (IT)

Governance Policy

KTC has implemented an IT Governance Policy. The Policy forms the operating guidelines for securing the Company's IT resources and also reduces the Company's exposure to information practices that may compromise data availability, confidentiality and integrity.

Related Party Transactions

All transactions with related parties are reviewed and approved by the Board on a quarterly basis, fulfilling the requirements of section 208 of the Companies Act, 2017.

Operating Segments

The financial statements have been prepared on the basis of a single reportable segment.

Capital Management Policy

The Company's policy is to maintain a strong capital base so as to maintain investor, creditors' and market confidence and to sustain future development of the business. The Board of Directors of the Company monitors the return on capital, which the Company defines as net profit after tax divided by the total shareholders' equity. The Board of Directors also determines the level of dividends to ordinary shareholders.

There were no changes to the Company's approach to capital management during the year and the Company was not subject to externally imposed capital requirements.

**STATEMENT OF COMPLIANCE
WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

Name of Company: **KHYBER TOBACCO COMPANY LIMITED**

Year ended: **June 30, 2026**

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

Gender	Number
Male	5
Female	2

2. The composition of the Board of Directors is as follows:

Category	Names
Independent Directors	Ms. Sonia Farooq Mr. Shahzad Javed Panni
Executive Director	Ms. Samera Irfan Mr. Pir Waris Shah
Non-Executive Directors	Mr. Zia Ur Rehman Mr. Khalil Ur Rehman Mr. Rahat Ullah
Female Directors	Ms. Sonia Farooq Ms. Samera Irfan

The Company didn't round up independent director's fraction as one because the existing independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board;
8. The board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The following five (05) directors and head of accounts have obtained certification under the Directors' Training Program;
 - 1- Mr. Zia Ur Rehman
 - 2- Ms. Sonia Farooq
 - 3- Ms. Samera Irfan
 - 4- Mr. Pir Waris Shah
 - 5- Mr. Ahsan Maqbool (Head Of Accounts)
 - 6- Mr. Shahzad Javed Panni
10. Position of CFO remained vacant during the year. The board has approved appointment of Head of Internal Audit and Company Secretary, including its remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. The financial statements of the Company were duly endorsed by the Chief Executive Officer and two directors. Position of chief financial officer remained vacant during the year and no endorsement of financial statements has been made by him.
12. The board has formed committees comprising of members given below:
 - a. Audit Committee

• Mr. Shahzad Javed Panni, Independent Director	(Chairman)
• Mr. Rahat Ullah, Non-Executive Director	(Member)
• Mr. Zia Ur Rehman, Non-Executive Director	(Secretary)
• Mr. Khalil Ur Rehman, Non-Executive Director	(Member)
 - b. Human Resource & Remuneration Committee

• Ms. Sonia Farooq, Independent Director	(Chairman)
• Mr. Pir Waris Shah, Non-Executive Director	(Member)
• Mr. Zia Ur Rehman, Non-Executive Director	(Secretary)
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
 - a. Audit Committee: Four meetings during the financial year ended June 30, 2026.
 - b. HR and Remuneration Committee: One meeting during the financial year ended June 30, 2026.
15. The board has outsourced the internal audit function to Shahid Ahmed & Co. who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, head of internal audit, Company secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the regulations 3, 6, 7, 8, 32 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirement, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No	Non-Mandatory Requirement	Explanation	Regulation No.
1	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee.	29
2	Risk Management Committee The Board may constitute the Risk Management committee of such number and class of directors as it may deem appropriate in its circumstances to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and the Company's Internal Auditor, performs the requisite functions and apprises the board accordingly.	30
3	Sustainability Committee The Company may constitute a sustainability committee comprising of such number and class of directors as it may deem appropriate in the circumstances to carry out a review of effectiveness of actions taken for sustainability of the Company.	Currently, the board has not constituted a sustainability committee and the functions of the sustainability committee are currently being led by Human Resource committee of the Company.	10, 10(A)
4	Training for Female Executive and Head of Department Regulation 19(3) encourages training for at least one female executive and one head of department annually under the Directors' Training Program (effective July 2020).	Due to operational priorities during the year, the required training could not be arranged. The Company will consider appropriate nominations in the future.	19(3)
5	Training of All Directors Regulation 19(1)(iii) encourages all directors on boards should have acquired the prescribed certification under any director training program offered by institutions that meet the criteria specified by commission and approved by it.	The training requirement for one directors could not be fulfilled due to the unavailability of suitable training arrangements within the relevant period. The Company is in the process of making the necessary arrangements to ensure completion of the required training.	19(1)(iii)
6	Board's Performance Evaluation and General Meeting Proceedings Regulation 10(3)(v) encourages formal and effective mechanism for annual evaluation of the Board's performance.	The Board has not put in place mechanism for evaluation of board's own performance. As the regulations encourage annual evaluation, the Board will consider assigning this task in future.	10(3)(v)

Sr. No.	Mandatory Requirement	Explanation	Regulation
1	Chief Financial Officer The position of Chief Financial Officer has remained vacant during the year and the board has not made appointment there against as required by the Regulations. The financial statements are endorsed by a director in place of Chief Financial Officer.	Currently, the Board has not appointed a Chief Financial Officer (CFO) as required under Code. The Company operates with a lean executive structure. The Company has considered candidates for this position however, due to non - availability of appropriate candidate this position is still vacant. As an interim arrangement, the responsibilities and functions of the CFO have been assigned to the Head of Accounts & Finance, who is overseeing the financial affairs of the Company until formal appointment is made.	13, 20, 22, 25, 26,27, 28(6)(iv)



Mardan
Dated: October 05, 2026

Mr. Rahat Ullah
Chairman

NOTICE OF 71ST ANNUAL GENERAL MEETING

Notice is hereby given that the 71st Annual General Meeting of the members of Khyber Tobacco Company Limited will be held on **Wednesday, 28th October 2026 at 11:00 a.m.** at the Company's registered office, Nowshera Road, Mardan, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2026, together with the Chairman's Review, Directors' and Auditors' Reports thereon.
2. To appoint Auditors for the year ending 30 June 2027 and to fix their remuneration. The Audit Committee and the Board of Directors have recommended M/s Yousuf Adil, Chartered Accountants, to be appointed as auditors of the Company until the next Annual General Meeting.
3. To transact any other business with the permission of the Chair.

By Order of the Board

07 October 2026



Amin Ullah

Company Secretary

Notes

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from 22nd October 2026 to 28th October 2026 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, at the close of business on 21st October 2026 will be in time to determine the above-mentioned entitlement.

2. Participation in the Annual General Meeting

A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy, and such proxy will have the right to attend, speak and vote in place of that member. Forms of proxy must be lodged with the Secretary of the Company at the registered office of the Company not less than 48 hours before the time of the Meeting.

3. Guidelines for CDC Account Holders

Attendance of members who have deposited their shares into the Central Depository Company of Pakistan Limited shall be in accordance with the following:

a) For attending the meeting: (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting. (ii) In case of corporate entities, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

b) For appointing proxies: (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per regulations, shall submit the proxy form as per the above requirement. (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. (iii) Attested copies of CNIC or the passport of the beneficial owner and of the proxy shall be furnished with the proxy form. (iv) The proxy shall produce his/her original CNIC or original passport at the time of meeting. (v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted (unless it has been provided earlier) along with the proxy form to the Company.

4. Change of Address

Members are requested to promptly notify any change in their addresses to our Share Registrar, M/s CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi.

5. Placement of Accounts on Website / Obtaining a Physical Copy

The financial statements of the Company for the year ended June 30, 2026, along with reports, have been placed on the website of the Company and can be downloaded

NOTICE OF AGM

from www.khybertobacco.com. Members who desire to have a physical copy of the annual accounts may write to the Company Secretary and obtain the same from him.

6. Transmission of Annual Financial Statements Electronically

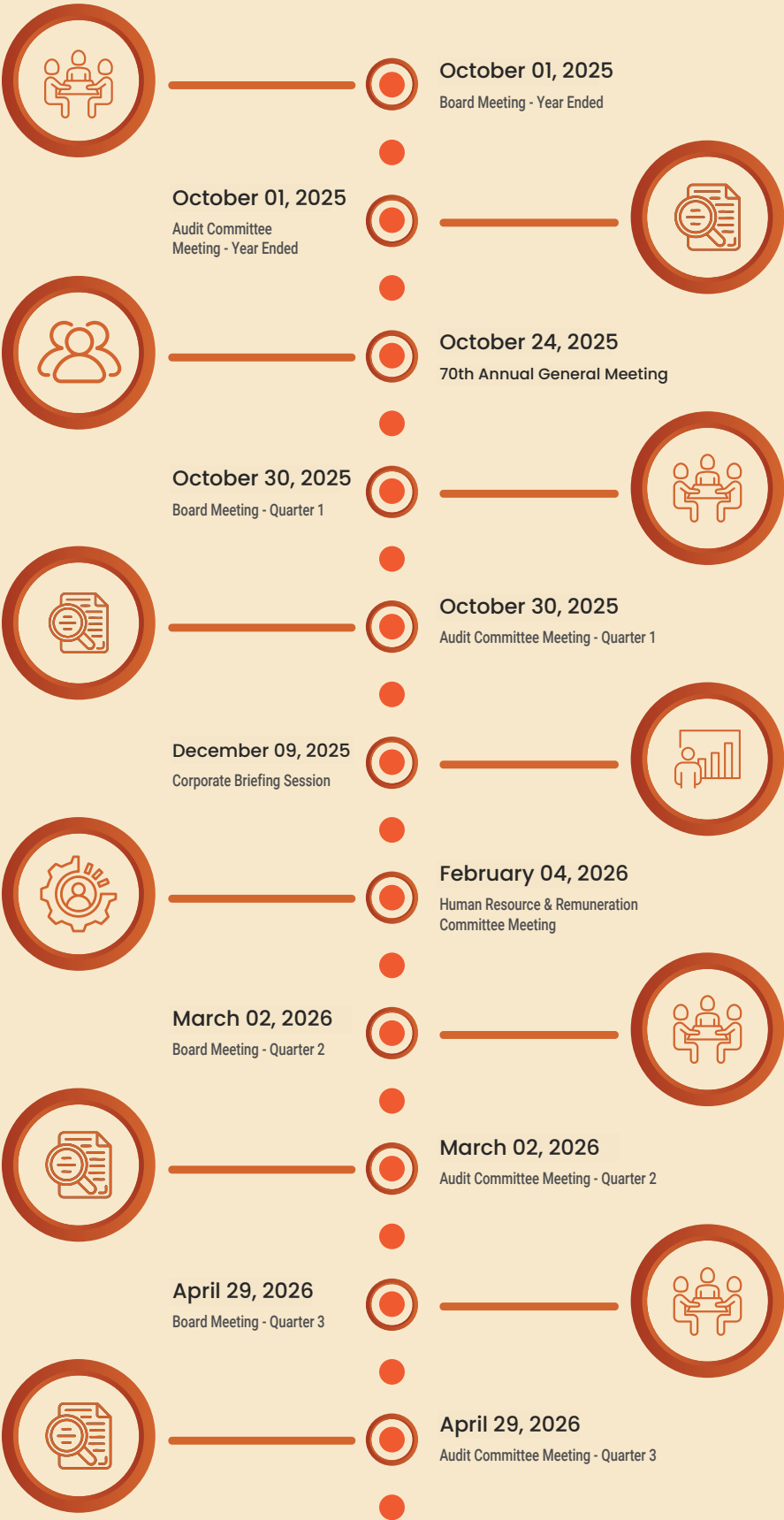
The Company law allows transmission of annual audited financial statements, together with various reports, along with the notice of annual general meeting to its members electronically. Members who wish to avail this facility may

convey their email addresses to the Company at info@khybertobacco.com.

7. Participation through Video Conference

If the Company receives consent from members holding 10% or more shareholding, residing in a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of the meeting, the Company will arrange a video conference facility. The format of the request form may be downloaded from the Company website mentioned above.

CALENDAR OF MAJOR EVENTS



FINANCIAL PERFORMANCE OF SIX YEARS & VALUE ADDITION



FINANCIAL PERFORMANCE

		2026	2025	2024	2023	2022	2021
Financial Performance–Profitability							
Gross Profit Margin	%	1.41	17.94	5.01	37.28	32.55	13.52
Net Profit Margin	%	(10.95)	2.78	(32.82)	26.88	21.62	(2.21)
Return on equity	%	(38.11)	9.36	(37.90)	52.67	17.88	(5.58)
Operating Performance–Liquidity							
Total Asset Turnover	Time	0.51	0.68	0.31	1.10	0.54	0.40
Fixed Asset Turnover	Time	2.95	3.56	1.12	3.10	1.45	1.11
Inventory Turnover	Time	0.88	0.97	0.74	2.61	1.16	1.22
Inventory Turnover	Days	414.68	374.47	494.85	139.99	314.98	300.17
Receivable turnover	Time	7.38	8.58	2.26	6.83	5.21	4.31
Receivable turnover	Days	49.43	42.55	161.56	53.42	70.08	84.68
Payable Turnover	Time	0.70	1.34	1.55	2.06	2.30	2.33
Payable Turnover	Days	522.16	272.67	235.14	177.26	158.82	156.46
Current Ratio	Time	0.97	1.04	1.01	1.33	0.98	0.97
Quick Ratio	Time	0.33	0.26	0.32	0.87	0.47	0.49
Capital Market/Capital Structure Analysis							
Earning per share (pre tax)	Rs	(140.42)	59.85	(140.65)	306.84	85.36	(17.28)
Earning per share (after tax)	Rs	(147.45)	39.67	(147.63)	288.68	65.62	(14.28)
Debt: equity	Times	6.37	4.70	3.55	1.07	2.20	1.77

Ratios for 2021 to 2025 are as published in the Annual Report 2025; 2026 ratios are computed from the audited financial statements for the year ended June 30, 2026 on the same basis (turnover ratios on average balances; return on equity on closing equity). Earnings per share (pre tax) is stated before final and revenue taxes.

	2026	2025	2024	2023	2022	2021
Rupees in Million						
Summary of Balance sheet						
Share Capital	69.23	69.23	69.23	69.23	48.07	48.07
Shareholders' funds/Equity	2,678.24	2,935.30	2,696.44	3,793.94	1,764.25	1,230.96
Capital employed	2,678.24	2,935.30	2,696.44	3,793.94	1,764.25	1,230.96
Property, plant & Equipment	3,584.46	2,737.48	2,824.48	2,744.66	2,043.14	1,379.78
Long term assets	28.03	20.99	30.98	6.24	4.95	1,384.54
Current assets	16,078.87	13,866.60	9,255.37	5,094.99	3,602.37	2,026.89
Summary of Profit and Loss						
Sale	9,325.55	9,890.70	3,113.76	7,434.55	2,464.71	1,216.04
Gross Profit	131.12	1,774.82	155.98	2,771.80	802.27	164.35
Operating Profit/(Loss)	(729.63)	983.58	(467.94)	2,179.47	532.75	(26.93)
Profit/(Loss) before tax	(972.10)	414.33	(973.64)	2,124.15	410.35	(83.08)
Profit/(Loss) after tax	(1,020.71)	274.65	(1,022.00)	1,998.40	315.45	(68.65)
Summary of Cash Flows						
Net cash flow from operating activities	(1,224.98)	388.61	(557.37)	2,686.49	204.30	236.63
Net cash flow from investing activities	(52.63)	(186.16)	(372.98)	(909.50)	(508.74)	(665.32)
Net cash flow from financing activities	48.49	154.41	788.56	(1,369.86)	425.50	905.40
Changes in cash and cash equivalents	(1,229.12)	356.86	(141.79)	407.12	121.07	476.71
Cash and cash equivalents- Year end	78.51	1,311.26	944.69	1,086.48	679.36	558.29

Profit/(loss) before tax is before final and revenue taxes (2026: minimum tax differential Rs 116.57 million). 2025 cash flows agree with the comparatives in the 2026 financial statements (foreign currency translation, 2026: Rs (3.62) million; 2025: Rs 9.72 million, is shown separately and excluded from the net change). Current assets were captioned 'Net Current Assets' in earlier reports.

VERTICAL ANALYSIS

Rs. in Million

	2026		2025		2024		2023		2022		2021	
	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%
Profit and Loss Account												
Net Sales	9,326	100	9,891	100	3,114	100	7,435	100	2,465	100	1,216	100
Cost of Sales	9,194	99	8,116	82	2,958	95	4,663	63	1,662	67	1,052	87
Gross Profit	131	1	1,775	18	156	5	2,772	37	802	33	164	13
Administrative Expenses	348	4	362	4	340	11	237	3	149	6	126	10
Distribution Cost	465	5	325	3	206	7	293	4	118	5	55	5
Other Operating Expenses	99	1	366	4	317	10	62	1	3	0	10	1
Operating Profit	(781)	(8)	722	7	(707)	(23)	2,179	29	533	22	(27)	(2)
Finance Cost	213	2	329	3	270	9	455	6	161	7	75	6
Other Operating Income	22	0	21	0	3	0	399	5	38	2	19	2
Profit before Taxation	(972)	(10)	414	4	(974)	(31)	2,124	29	410	17	(83)	(7)
Taxation	49	1	140	1	48	2	126	2	95	4	(14)	(1)
Profit for the Year	(1,021)	(11)	275	3	(1,022)	(33)	1,998	27	315	13	(69)	(6)
Balance Sheet												
Share Capital & Reserves	2,678	14	2,935	18	2,696	22	3,794	49	1,764	31	1,231	36
Non-Current Liabilities	527	3	393	2	434	4	194	3	210	4	98	3
Current Liabilities	16,536	84	13,395	80	9,128	74	3,732	48	3,677	65	2,083	61
Total Equity and Liabilities	19,740	100	16,723	100	12,258	100	7,720	100	5,650	100	3,411	100
Non-Current Assets	3,662	19	2,857	17	3,003	24	2,751	36	2,048	36	1,385	41
Current Assets	16,079	81	13,867	83	9,255	76	4,969	64	3,602	64	2,027	59
Total Assets	19,740	100	16,723	100	12,258	100	7,720	100	5,650	100	3,411	100

Profit and loss items are expressed as a percentage of net sales; balance sheet items as a percentage of total assets (total equity and liabilities). Other operating expenses include expected credit loss and other expenses. Taxation for 2026 includes the minimum tax differential of Rs 116.57 million, net of the taxation credit of Rs 67.95 million. The 2021 finance cost (75), profit before taxation (83) and profit for the year (69) have been corrected from the amounts shown in Annual Report 2025 (54, 62 and 48) to agree with the six-year summary and the 2021 financial statements.

HORIZONTAL ANALYSIS

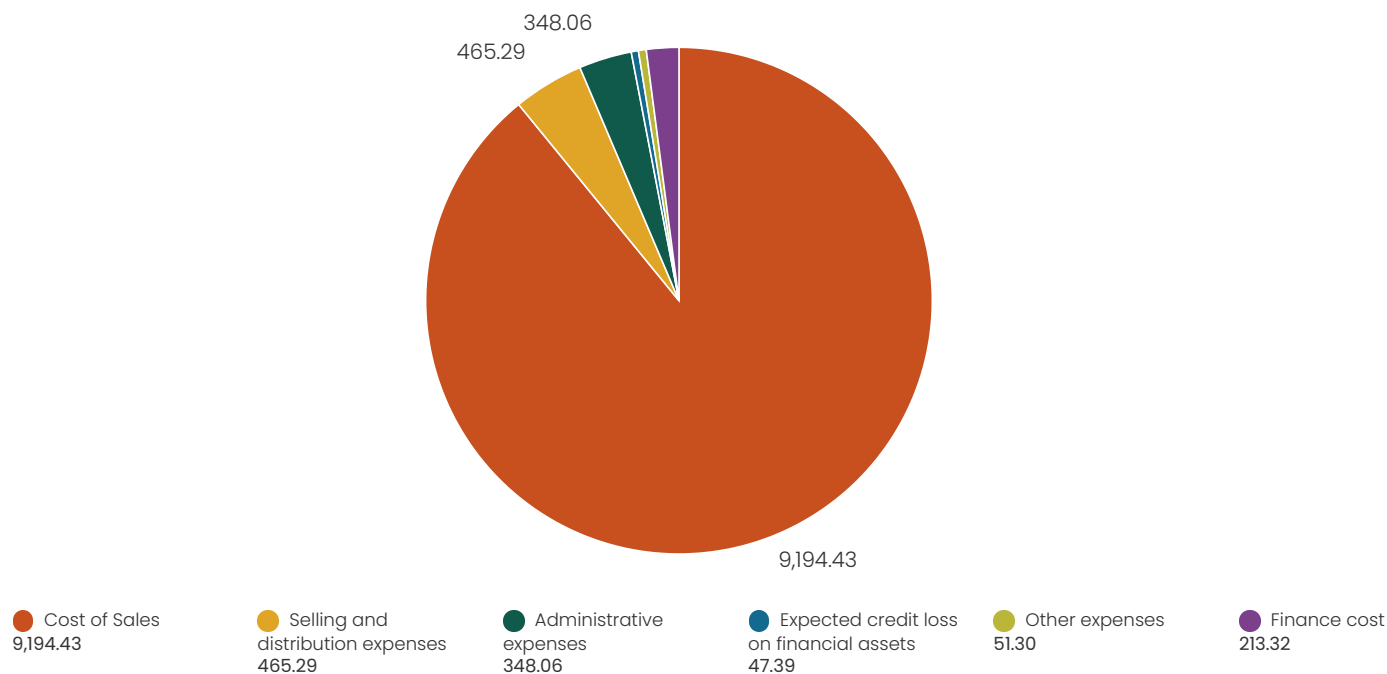
Rs. in Million

	2026		2025		2024		2023		2022		2021	
	Rs	Index	Rs	Index	Rs	Index	Rs	Index	Rs	Index	Rs	Index
Profit and Loss Account												
Net Sales	9,326	767	9,891	813	3,114	256	7,435	611	2,465	203	1,216	100
Cost of Sales	9,194	874	8,116	771	2,958	281	4,663	443	1,662	158	1,052	100
Gross Profit	131	80	1,775	1,082	156	95	2,772	1,690	802	489	164	100
Administrative Expenses	348	276	362	287	340	270	237	188	149	118	126	100
Distribution Cost	465	846	325	591	206	375	293	533	118	215	55	100
Other Operating Expenses	99	987	366	3,660	317	3,170	62	620	3	30	10	100
Operating Profit	(781)	n/m	722	n/m	(707)	n/m	2,179	n/m	533	n/m	(27)	n/m
Finance Cost	213	284	329	439	270	360	455	607	161	215	75	100
Other Operating Income	22	117	21	111	3	16	399	2,100	38	200	19	100
Profit before Taxation	(972)	n/m	414	n/m	(974)	n/m	2,124	n/m	410	n/m	(83)	n/m
Taxation	49	n/m	140	n/m	48	n/m	126	n/m	95	n/m	(14)	n/m
Profit for the Year	(1,021)	n/m	275	n/m	(1,022)	n/m	1,998	n/m	315	n/m	(69)	n/m
Balance Sheet												
Share Capital & Reserves	2,678	218	2,935	238	2,696	219	3,794	308	1,764	143	1,231	100
Non-Current Liabilities	527	537	393	401	434	443	194	198	210	214	98	100
Current Liabilities	16,536	794	13,395	643	9,128	438	3,732	179	3,677	177	2,083	100
Total Equity and Liabilities	19,740	579	16,723	490	12,258	359	7,720	226	5,650	166	3,411	100
Non-Current Assets	3,662	264	2,857	206	3,003	217	2,751	199	2,048	148	1,385	100
Current Assets	16,079	793	13,867	684	9,255	457	4,969	245	3,602	178	2,027	100
Total Assets	19,740	579	16,723	490	12,258	359	7,720	226	5,650	166	3,411	100

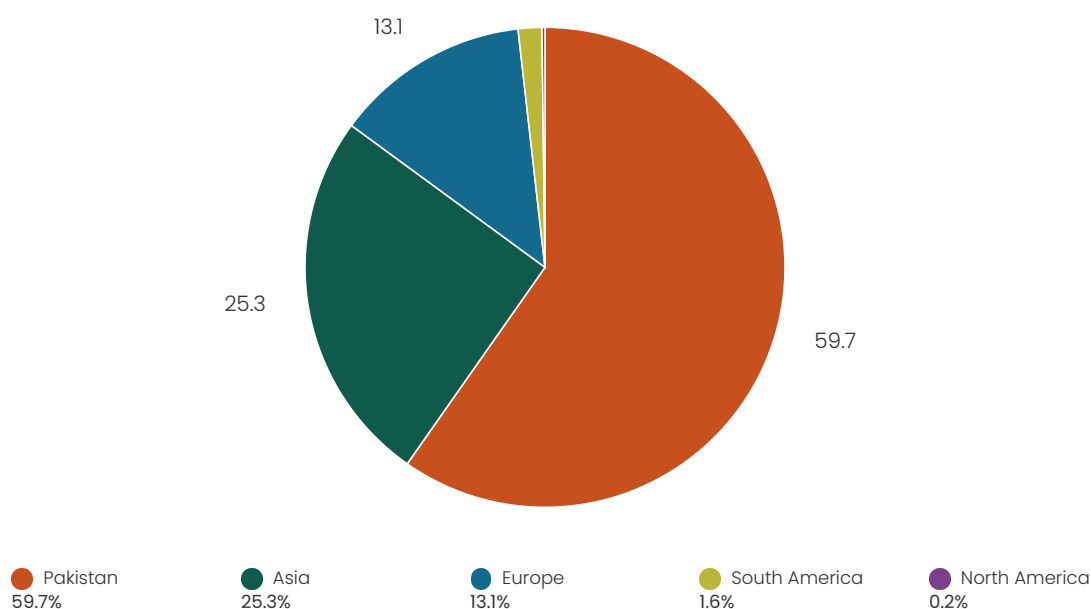
Index: 2021 = 100. n/m = not meaningful (negative base year or change of sign). Figures in Rs million, rounded. 2021 comparatives corrected as noted under the vertical analysis.

PROFIT / LOSS ANALYSIS & SALES BREAKUP ANALYSIS

Profit / Loss Analysis (Rs in Million)



Breakup of Sales (%)



Profit / loss analysis shows the distribution of the cost of sales, operating expenses and finance cost for the year ended June 30, 2026 (total Rs 10,319.80 million against net sales of Rs 9,325.55 million). Breakup of sales is by primary geographical market on gross revenue of Rs 15,826.02 million (Note 23.1 to the financial statements).

CASH FLOW ANALYSIS

The Company's cash flows were under severe pressure during the year, reflecting the net loss and the heavy payment of taxes and levies on the large stock of tobacco held. Cash generated from operations of Rs. 2.036 billion, supported by an increase in trade and other payables of Rs. 2.750 billion, was more than absorbed by tax and levy payments of Rs. 3.261 billion.

As a result, cash and bank balances declined from Rs. 1.311 billion to Rs. 78.5 million, and the Company relied on sponsors' financing and trade credit to fund its operations.

Net Cash Used in Operating Activities

2026: (Rs. 1,224,983,340) | **2025:** + Rs. 388,605,871 | **Change:** Decrease of Rs. 1,613,589,211

This represents a reversal from a cash inflow to a significant cash outflow, a swing of about Rs. 1.614 billion. Cash flow before working capital changes remained positive at Rs. 546.6 million, but payments of sales tax and excise duty (Rs. 2.546 billion; 2025: Rs. 0.573 billion), income tax (Rs. 428.1 million) and tobacco cess (Rs. 253.4 million) exceeded the cash generated from operations.

Net Cash Used in Investing Activities

2026: (Rs. 52,630,583) | **2025:** (Rs. 186,164,804) | **Change:** Decrease in outflow of Rs. 133,534,221

Cash used in investing activities was reduced by 71.7%. Additions to property, plant and equipment were limited to Rs. 45.6 million (2025: Rs. 200.1 million) and long term deposits and prepayments increased by Rs. 7.0 million, as the Company conserved cash.

Net Cash Generated from Financing Activities

2026: + Rs. 48,489,008 | **2025:** + Rs. 154,414,289 | **Change:** Decrease in inflow of Rs. 105,925,281

Financing inflow decreased by about 68.6%. It comprised further loans of Rs. 111.0 million received from sponsors, less repayments of Rs. 60.0 million and lease rentals of Rs. 2.5 million. Loans from sponsors outstanding at the year end were Rs. 1,113.8 million.

Overall Implication

The comparative figures show a sharp deterioration in the Company's cash position between 2025 and 2026. The primary driver is the net cash outflow from operating activities, caused by the loss for the year and the settlement of sales tax, excise duty and cess obligations, while Rs. 1.233 billion of cash and bank balances was utilised during the year. Restoring operating cash flow, converting inventory and tax refunds into cash and reducing reliance on sponsors' funding remain the Company's priorities for 2027.

FREE CASH FLOW

	2025-26	2024-25
(Rupees in '000)		
Net cash (used in) / provided by operating activities	(1,224,983)	388,606
Less: Capital additions (property, plant and equipment)	(45,595)	(200,055)
Add: Net debt issued	-	-
FCF Total	(1,270,578)	188,551

Free cash flow is stated as net cash from operating activities less additions to property, plant and equipment. Earlier reports presented the net change in cash under this heading; prior-year (2021-2024) capital expenditure was not available for the recomputation.

SUMMARY OF CASH FLOW STATEMENT FOR LAST 6 YEARS

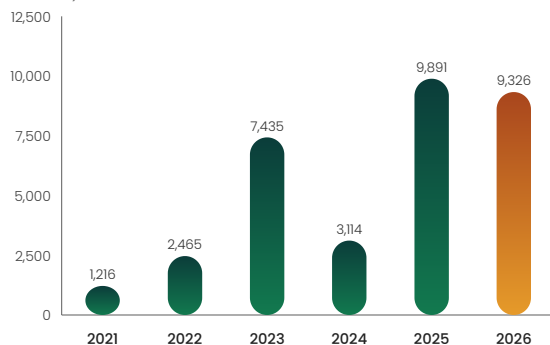
	2026	2025	2024	2023	2022	2021
(Rupees in '000)						
(Loss) / profit before taxation	(1,088,668)	414,330	(1,018,100)	2,124,153	410,355	(83,077)
Net cash flow from operating activities	(1,224,983)	388,606	(557,369)	2,686,486	204,302	236,630
Net cash flow from investing activities	(52,631)	(186,165)	(372,979)	(909,503)	(508,736)	(665,319)
Net cash generated from financing activities	48,489	154,414	788,555	(1,369,864)	425,500	905,400
Net (decrease) / increase in cash and cash equivalents	(1,229,125)	356,855	(141,793)	407,119	121,066	476,712
Foreign currency translation (loss) / gain	(3,623)	9,720	-	-	-	-
Cash and cash equivalents at beginning of the period	1,311,261	944,685	1,086,478	679,359	558,293	81,581
Cash and cash equivalents at end of the period	78,513	1,311,261	944,685	1,086,478	679,359	558,293



GRAPHICAL ANALYSIS

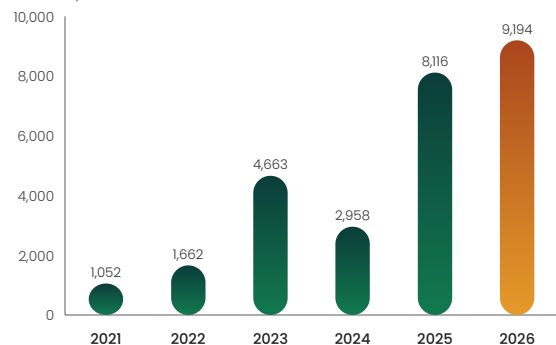
Net Sales

(Rs in million)



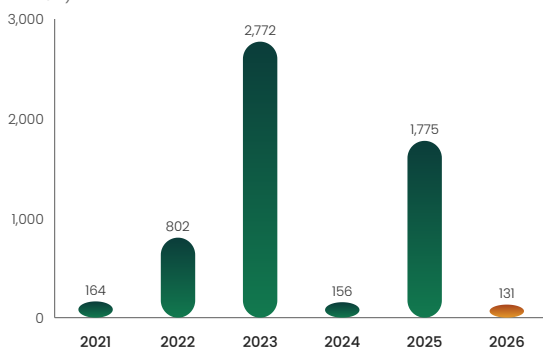
Cost of Sales

(Rs in million)



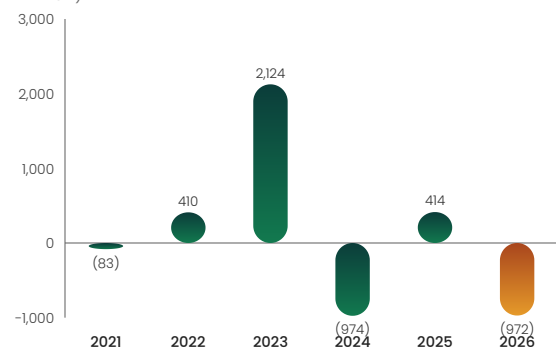
Gross Profit

(Rs in million)



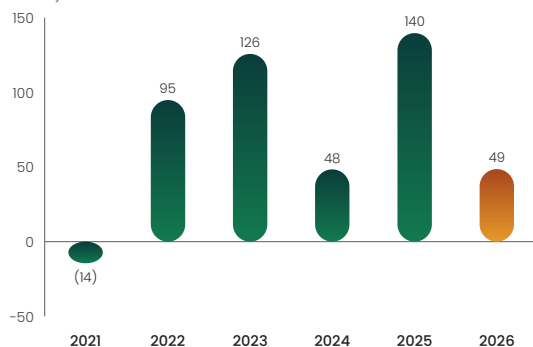
Profit Before Tax

(Rs in million)



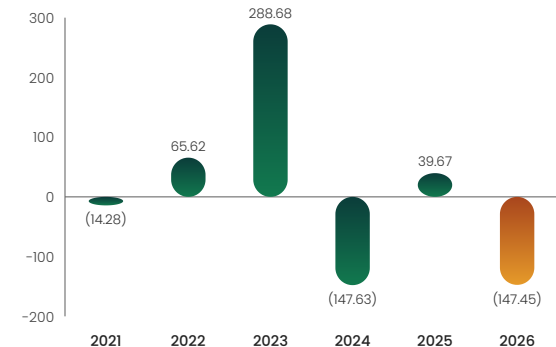
Taxation

(Rs in million)



Earning Per Share - after tax

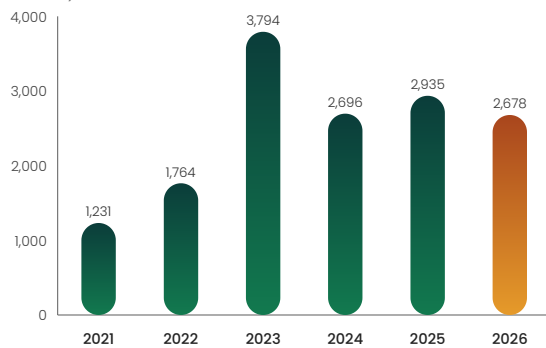
(Rs)



Profit before tax is stated before final and revenue taxes; taxation for 2026 includes the minimum tax differential, net of the taxation credit. 2021-2025 are as published in earlier annual reports.

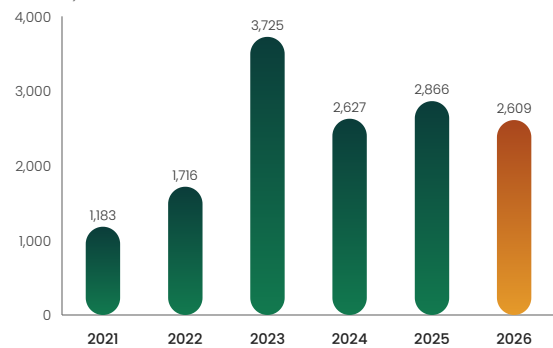
Shareholders' Equity

(Rs in million)



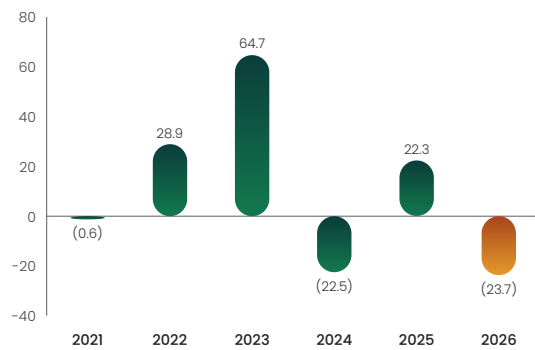
Reserves

(Rs in million)



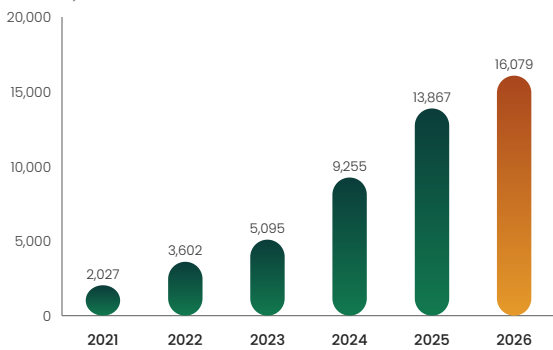
Return on Capital Employed

(%)



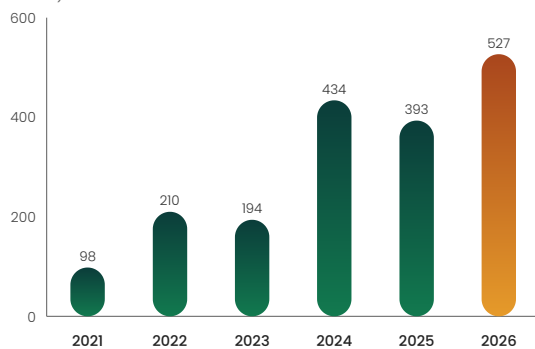
Current Assets

(Rs in million)



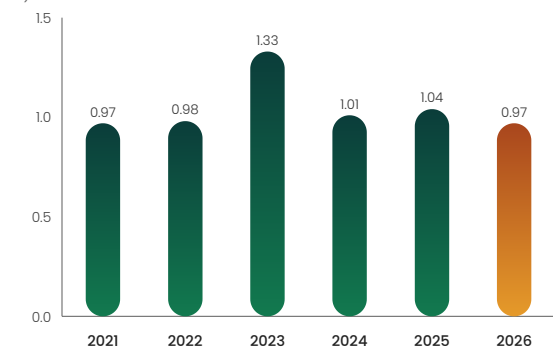
Long Term Liabilities

(Rs in million)



Current Ratio

(Times)



Return on capital employed = (profit before tax and final taxes + finance cost) ÷ (shareholders' equity + non-current liabilities).

PESTEL ANALYSIS



Political

Government Revenue Dependency:

The government has a paradoxical relationship with the tobacco industry; it implements strict regulations to curb consumption but remains heavily reliant on the sector for tax revenue through Federal Excise Duty (FED) and Sales Tax.

Regulatory Pressure & FED Hikes:

The Federal Board of Revenue (FBR) frequently announces significant increases in Federal Excise Duty (FED) during annual budgets. This is the single most critical political risk, directly compressing profit margins and making legal products less competitive against illicit trade.

Provincial Autonomy:

Post-18th Amendment, health and law enforcement are provincial subjects. This leads to a fragmented regulatory environment, with varying levels of enforcement on sales to minors, advertising bans, and illicit trade control across different provinces like Khyber Pakhtunkhwa and Punjab.

International Trade Policies:

Policies governing trade with neighboring countries (e.g., Afghanistan, China) and import/export regulations can affect the cost of imported raw materials and the viability of Khyber's export sales strategy.

Political Stability:

Broader political instability in Pakistan can result in inconsistent economic policies, frequent changes in regulatory priorities, and disruptions that hinder long-term strategic planning and investment.



Economic

High Inflation & Reduced Disposable Income:

Soaring inflation erodes consumer purchasing power. This often leads to "downtrading," where consumers switch to cheaper, legal brands or, more detrimentally, to the illicit, untaxed cigarette market, directly impacting Khyber's volume.

Currency Exchange Rate Volatility:

Fluctuations in the Pakistani Rupee significantly impact the cost of imported inputs (e.g., packaging, filters) and the profitability of export sales, which are a key growth area for the company.

Illicit Cigarette Trade:

A massive informal market (estimated to be a significant portion of the total volume) poses an existential threat. Fueled by high taxation and weak enforcement, illicit trade severely undercuts legal companies and steals market share.

Interest Rates:

High-interest rates increase the cost of capital for business expansion, modernizing machinery, or funding working capital requirements, potentially delaying strategic investments.



Social

Growing Health Consciousness:

Increasing public awareness of the severe health hazards associated with smoking is a long-term threat to the industry, leading to a gradual decline in social acceptance and potential reduction in consumer base.

Demographics:

Pakistan has a large and growing youth population. While this represents a potential market, it also attracts intense regulatory and social scrutiny focused on preventing underage smoking.

Changing Lifestyles and Norms:

Urbanization, rising literacy rates, and global cultural influences are gradually shifting social norms away from tobacco consumption, particularly among the middle and upper classes.

CSR Scrutiny:

As a tobacco manufacturer, Khyber faces heightened skepticism regarding its Corporate Social Responsibility (CSR) initiatives. Programs must be meticulously designed to avoid accusations of "social washing" and must be completely detached from brand promotion.



Technological

Production Efficiency:

Investing in advanced manufacturing technologies—such as automation, IoT sensors, and data analytics on production lines—is critical to improve operational efficiency, reduce costs, and maintain consistent product quality.

Supply Chain & Traceability:

Implementing robust track-and-trace technologies (e.g., as part of FBR's potential mandates) is essential to combat counterfeiting, ensure tax compliance, and secure the supply chain from infiltration by illicit products.

Alternative Nicotine Products:

The global trend towards Reduced-Risk Products (RRPs) like e-cigarettes and heated tobacco devices presents a significant disruptive threat and a potential long-term opportunity, depending on how the regulatory framework for these products evolves in Pakistan.

Agricultural Technology (AgriTech):

Leveraging technology to support contracted farmers—through disease-resistant seeds, efficient irrigation techniques, and soil management—can secure a supply of high-quality raw tobacco and improve sustainability credentials.



Environment

Environmental Impact of Cultivation:

Tobacco farming is resource-intensive, requiring substantial amounts of water and wood for curing, which can contribute to local water scarcity and deforestation. Khyber faces pressure to promote sustainable agricultural practices among its growers.

Waste Management & Pollution:

Cigarette butt litter is a persistent environmental pollutant. The company may face increasing pressure to adopt more eco-friendlier packaging and contribute to post-consumer waste management initiatives.

Climate Change:

Changes in weather patterns, including irregular rainfall and temperature shifts, can directly affect tobacco crop yields, quality, and costs, introducing volatility into the supply chain.

Energy Consumption:

Manufacturing operations are energy-intensive. Rising energy costs and stakeholder pressure to reduce the carbon footprint necessitate investments in energy-efficient technologies and the exploration of renewable energy sources.



Legal

Stringent Advertising Bans:

Comprehensive laws prohibit direct advertising, promotion, and sponsorship (TAPS), severely restricting traditional marketing channels and forcing reliance on point-of-sale visibility and regulatory-compliant corporate communication.

Mandatory Health Warnings:

Legal requirements for large, graphic health warnings on packaging impact brand identity and can act as a deterrent to consumption. These warnings are subject to becoming larger and more stringent over time.

Age Restrictions & Sales Laws:

Strict laws prohibit the sale of tobacco products to minors. Ensuring compliance through retailer training and enforcement is critical to avoid legal penalties and reputational damage.

Intellectual Property (IP) Enforcement:

Strong protection and enforcement of trademark and copyright laws are vital for Khyber to combat counterfeiting and protect the integrity of its brands.

Litigation Risk:

While currently less prevalent than in Western nations, the potential for public health litigation against tobacco companies remains a latent long-term legal threat in Pakistan.

SWOT ANALYSIS



Strength

Operational Excellence

- Efficient resource deployment and cost optimization strategies leading to strong economies of scale
- Consistently favorable return on capital employed (ROCE) and productivity metrics
- Advanced production capabilities and manufacturing expertise

Supply Chain Dominance

- Direct control over premium tobacco leaf sourcing and quality assurance
- Secure and efficient transportation logistics from procurement to production
- Robust storage infrastructure ensuring product quality maintenance

Strategic Market Position

- Successful geographic diversification reducing market-specific risks
- Established growth platforms in international markets
- Strong brand portfolio with significant consumer recognition

Financial Performance

- Stable revenue streams with healthy profit margins
- Efficient capital structure and financial management



Weaknesses

Production Limitations

- Suboptimal material utilization rates leading to avoidable wastage
- Workforce skill gaps affecting operational efficiency
- Reliance on legacy production systems and methodologies

Supply Chain Vulnerabilities

- Inconsistent raw material delivery schedules impacting production planning
- Limited scalability in current operational framework

Technological Gap

- Delayed adoption of industry 4.0 technologies and automation
- Need for comprehensive business process re-engineering

Strategic Implications

Leverage Strengths to Capitalize on Opportunities:

Utilize operational excellence and supply chain capabilities to drive international expansion and product innovation.

Address Weaknesses to Mitigate Threats:

Accelerate digital transformation and process optimization to counter rising costs and regulatory pressures.



Opportunities

Market Expansion

- Growing demand in emerging international markets
- Potential for product portfolio diversification and premiumization
- Leveraging trade agreements for competitive advantage

Operational Enhancement

- Digital transformation of supply chain and manufacturing processes
- Implementation of advanced analytics for demand forecasting
- Adoption of sustainable and energy-efficient technologies

Strategic Initiatives

- Capitalizing on intellectual property assets through licensing
- Developing innovative reduced-risk product categories
- Enhancing export competitiveness through quality leadership



Threats

Regulatory Pressures

- Increasingly stringent tobacco control regulations
- Escalating taxation and fiscal burdens
- Expanding restrictions on marketing and promotions

Market Challenges

- Intensifying competition in domestic and international markets
- Growing health consciousness affecting consumption patterns
- Illicit trade and counterfeit products undermining market share

Economic Headwinds

- Persistent inflationary pressures impacting costs
- Volatility in energy and input prices
- Currency exchange fluctuations affecting export competitiveness

Operational Risks

- Increased regulatory enforcement and compliance requirements
- Supply chain disruptions due to geopolitical factors
- Changing consumer preferences and demographic shifts

Key Strategic Focus Areas:

1. Export market development and diversification
2. Operational efficiency enhancement through technology adoption
3. Portfolio innovation and premium segment development
4. Robust compliance and risk management framework
5. Sustainable sourcing and manufacturing practices

STATEMENT OF VALUE ADDITION

Revenue
14,475



Purchases
8,558



Wealth
Delivered
5,917

Rs in million

2026

To Employees	529
To Government	6,627
To Society	2

2026

To Providers of Capital	213
Retained in the Company	(1,454)

DUPONT ANALYSIS



		2026	2025	2024	2023	2022	2021
Net Profit Margin	%	(10.95)	2.78	(32.82)	26.88	21.62	(5.65)
Return on Equity	%	(38.11)	9.36	(37.90)	52.67	17.88	(5.58)
Total Asset Turnover	Time	0.47	0.68	0.31	1.11	0.54	0.40
Equity Multiplier	Time	7.37	5.70	4.55	2.07	3.20	2.77

Profitability Deteriorated

Net profit margin moved from a positive 2.78% in 2025 to (10.95)% in 2026, as gross profit fell from Rs 1,775 million to Rs 131 million and the Company incurred a net loss of Rs 1,021 million.

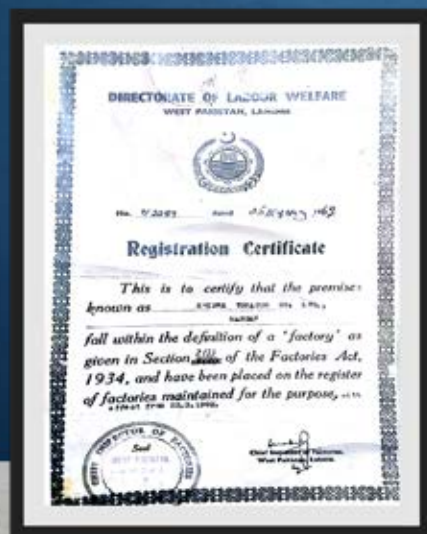
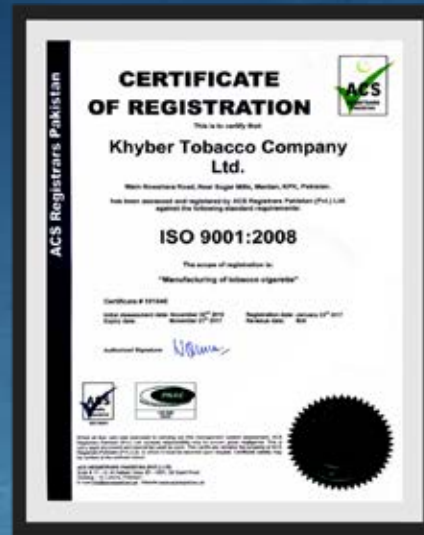
Asset Utilisation Declined

Total asset turnover declined from 0.68x to 0.47x as net sales fell 5.7% while total assets rose 18.0%, mainly on higher stock in trade, trade debts and taxes refundable.

Leverage Increased

The equity multiplier rose from 5.70x to 7.37x: equity fell to Rs 2,678 million while total assets rose to Rs 19,740 million, funded mainly by trade and other payables and sponsors' loans. Return on equity was (38.11)% (2025: 9.36%).

For 2026 the multiplier and turnover are computed on closing balances so that net profit margin × asset turnover × equity multiplier agrees with return on equity. 2021–2025 are as published.

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ACHIEVEMENTS & CERTIFICATES





KTC ON MEDIA

Call to implement track & trace system

By Our Correspondent April 08, 2023

Islamabad: "It is in the interest of tobacco industry that the Track and Trace system shall be implemented flawlessly to control counterfeiting and the Federal Excise Duty (FED) evasion in the country," says Samera Irfan, the CEO of Khyber Tobacco Company.

Samera Irfan welcomed the recent announcement by Prime Minister to expedite Track and Trace installation in all cigarette factories within two weeks. She stated, "This is the best and most efficient way to stop counterfeit products and FED evasion. Khyber Tobacco is the first ever national tobacco company to have already implemented Track and Trace across its sales and production."

She also commented on the poor implementation of orders on the ground level, stating, "These steps including Track and Trace and FED are inevitable to increase tax collection from the tobacco sector. However, what is required is the implementation of these orders by the administrators in a true sense."

At a high-level meeting in Islamabad, Prime Minister Shehbaz Sharif directed that the automatic Track and Trace system be installed in all cigarette factories within two weeks. He emphasized that law enforcement agencies should provide all possible support to the Federal Board of Revenue (FBR) to prevent the smuggling and sale of illegal cigarettes. The Prime Minister also expressed concern over cross-border cigarette smuggling and directed the posting of officers with a good reputation at border crossings.

Ms. Irfan requested the government to improve border controls to discourage non-duty paid smuggled cigarettes, especially at the border with Azad Jammu Kashmir, which is the most popular point of cross-border cigarette smuggling. The chairman of FBR, Asim Ahmad, has already informed the Senate Standing Committee on Finance that the FBR made 811 seizures in which 81 million sticks of smuggled cigarettes were seized during 2022-23.

She insisted that all tobacco manufacturers should implement Track and Trace. Track and Trace is a system used to monitor and track the movement of goods, products, or people throughout a supply chain or transportation process, utilising technologies such as barcodes, RFID tags, GPS tracking, and other types of sensors to collect data.



Khyber Tobacco Company
344 followers
2mo

Proud moment for Khyber Tobacco Company 🏆!

We are thrilled to announce that we have been honored with the Best Exports Performance Award from FPCCI. This prestigious recognition is a testament to our team's hard work, dedication, and commitment to excellence.

A big thank you to all our amazing employees and stakeholders who have contributed to our success. Together, we will continue to raise the bar and progress!

#AwardWinners #ExportingExcellence #KhyberTobacco #ProudMoment #teamwork #dedication

BUSINESS RECORDER

FOUNDED BY N. A. JI BAKSHI

Jul 27, 2023

KTC receives award for 'best export performance'

RECORDER REPORT PUBLISHED JULY 26, 2023



Governors of Khyber Pakhtunkhwa and Sindh gave Khyber Tobacco Company CEO Samera Irfan the prestigious award for Best Export Performance in a well-attended ceremony.

For nearly 60 years, KTC has worked to ensure that clients get superior-quality tobacco products at a competitive price, says a press release. It says that the company is located in the centre of Pakistan's tobacco-growing region and is the largest tobacco company. It has won several export awards and medals over the years. KTC is known for exporting threshed stripe-dried tobacco, cut tobacco blends and manufactured cigarettes to UAE, South and West Africa, Sri Lanka, Jordan and many more countries.

KTC, with its fully integrated production facility and years of expertise, has been able to use Pakistan-produced tobacco to manufacture products that meet international standards. KTC is also the third largest cigarette manufacturer of Pakistan and was the first company to implement the Track and Trace system for cigarettes. KTC is listed on the Pakistan Stock Exchange and has exported millions of dollars of tobacco in the last

The establishment of KTC coincided with tobacco cultivation in Pakistan in the 1950s. FCV, Rustica (WP), and DAC are the three types of tobacco usually used to produce cigarettes. FCV is mainly

BUSINESS & FINANCE PRINT 2023-07-20

'First-ever' woman CEO of tobacco company prime example in Pakistan: experts

Recorder Report Published July 20, 2023

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ISLAMABAD: A woman chief executive officer (CEO) of a tobacco company has set an example in Pakistan by competing with international and multinational companies through her innovative ideas and policies.

Experts told *Business Recorder* that the corporate regulators need to remain geared toward promoting women's inclusion in the corporate sector as well as facilitating easier access to finance and investment opportunities for women. This requires digitization reforms and measures to improve the ease of doing business to facilitate women by



Meet the CEO
By Discover Pakistan TV



KTC ON MEDIA



INK OF THE PAST



Minutes of the First Annual General Meeting of the Shareholders
of the Khyber Tobacco Company Limited, Mardan held at the
Registered Office of the Company at 10 A.M. on Thursday the
12th April 1956.

The following shareholders were present and shareholders marked
(*) only were qualified to vote.

(As per list attached)

The meeting began punctually at 10 A.M.

Prince M. Namuk was proposed to the Chair by Col. Sairab Hayat
Khan and seconded by Mr. Vajid Mahmood. Prince M. Namuk then
took the chair and read out the entire agenda before the meeting.
Each item of the agenda was then taken up serially.

1. On behalf of the Board of Directors of the Company, Mr. Vajid
Mahmood read out the Report of the Directors to the meeting and
proposed the following amendment:

That on page 6 para 4 the words "extremely favourable to
the Company" be deleted and the words "mutually advantageous
to the Company and to the distributors" be substituted.

This amendment was seconded by Mr. Hussain Mian.

Col. Sairab Hayat Khan then translated the Directors' Report in
Pashto to the meeting. The audited accounts were then presented.
The report of the Auditors was read by Syed Fazal Karim and
translated in Pashto and also all the items of the audited account
were read and translated in Pashto.

Mr. Mohammad Yusuf, a shareholder, wanted an item of Rs. 7336/5/6
regarding care-meters to be explained. This was done to his
satisfaction. Another shareholder enquired about the remunerations
of the Managing Agents and this point was also satisfactorily
explained.

It was resolved that the following resolution be passed

"This meeting of the shareholders of the Company do
hereby approve and adopt the Report as presented by
the Board of Directors of the Company and the audited
accounts as certified by the auditors Messrs S. Rasool &
Co. upto 15th February 1956".

This resolution was put to vote by the Chairman and passed
unanimously.



The first chairperson, Prince Şehzade Mahmud Namik

THE COMPANIES ORDINANCE 1984

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

KHYBER TOBACCO COMPANY

LIMITED

PRELIMINARY

1. The regulations contained in Table A in the First
Schedule to the Companies Ordinance 1984, shall not apply
to the Company and the following shall be the Articles of
the Company.

2. In these Articles unless there be something in the
subject or context inconsistent therewith:-

"These Articles" means these Articles of
Association as originally framed or
as from time to time altered by
Special Resolution.

"The Ordinance" means the Companies Ordinance
1984.

"The Company" means the above-named Company.

"The Directors" means the Board of Directors
for the time being of the Company.

"The Register" means the Register of Members
to be kept pursuant to Section 147 of the
Ordinance.

"The Seal" means the Common Seal of the Company.

201, Madison Avenue

NEW YORK 16, N.Y.

U.S.A.

to the attention of Harry A. Hooper Esq.

Dear Mr. Hooper,

I was very happy to hear your voice again and to know that
you are back in New York and dealing directly with our concern
and giving top priority for the achievement of the KHYBER
FACTORY.

In this connection I would like to thank you for your letters
of October 18th and would look forward to receiving further

ARTICLES OF AGREEMENT made at Mardan this 12th day of
February, in the year 1955, between KHYBER TOBACCO COMPANY LIMITED,
a public joint stock company incorporated under the Companies Act,
and having its registered office in Mardan, N.W.F.P. hereinafter
called Party No. 1, (which expression shall wherever the context so
requires or admits of be deemed to include Khyber Tobacco Co. Ltd.,
its successors and assigns) of one part, and ATTUCK AGENCIES LIMITED,
a private company limited by shares, incorporated under the Companies
Act, and having its registered office at McLeod Road, Karachi,
hereinafter called Party No. 2 (which expression shall wherever the
context so requires or admits of be deemed to include their successors
and assigns and the persons named and/or other person or persons
for the time being constituting the said company, not withstanding
any change in the constitution or in the name of style of the
said company, its executors, administrators, successors and assigns)
of the other part.

WHEREAS the following resolution was passed at the promoter
directors' meeting of the Khyber Tobacco Co. Ltd. held on the
18th October, 1954 viz. "That the Attuck Agencies Ltd. be and are
hereby appointed Managing Agents of the Company in terms of the
draft Managing Agency Agreement submitted to the meeting and which
for the purpose of identification has been endorsed with the signatures
of the Chairman of the Board of Directors of the Company and

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Khyber Tobacco Company Limited

**Review Report on the Statement of Compliance contained in
Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Khyber Tobacco Company Limited** (the Company) for the year ended June 30, 2026, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the note reference where these are stated in the Statement of Compliance;

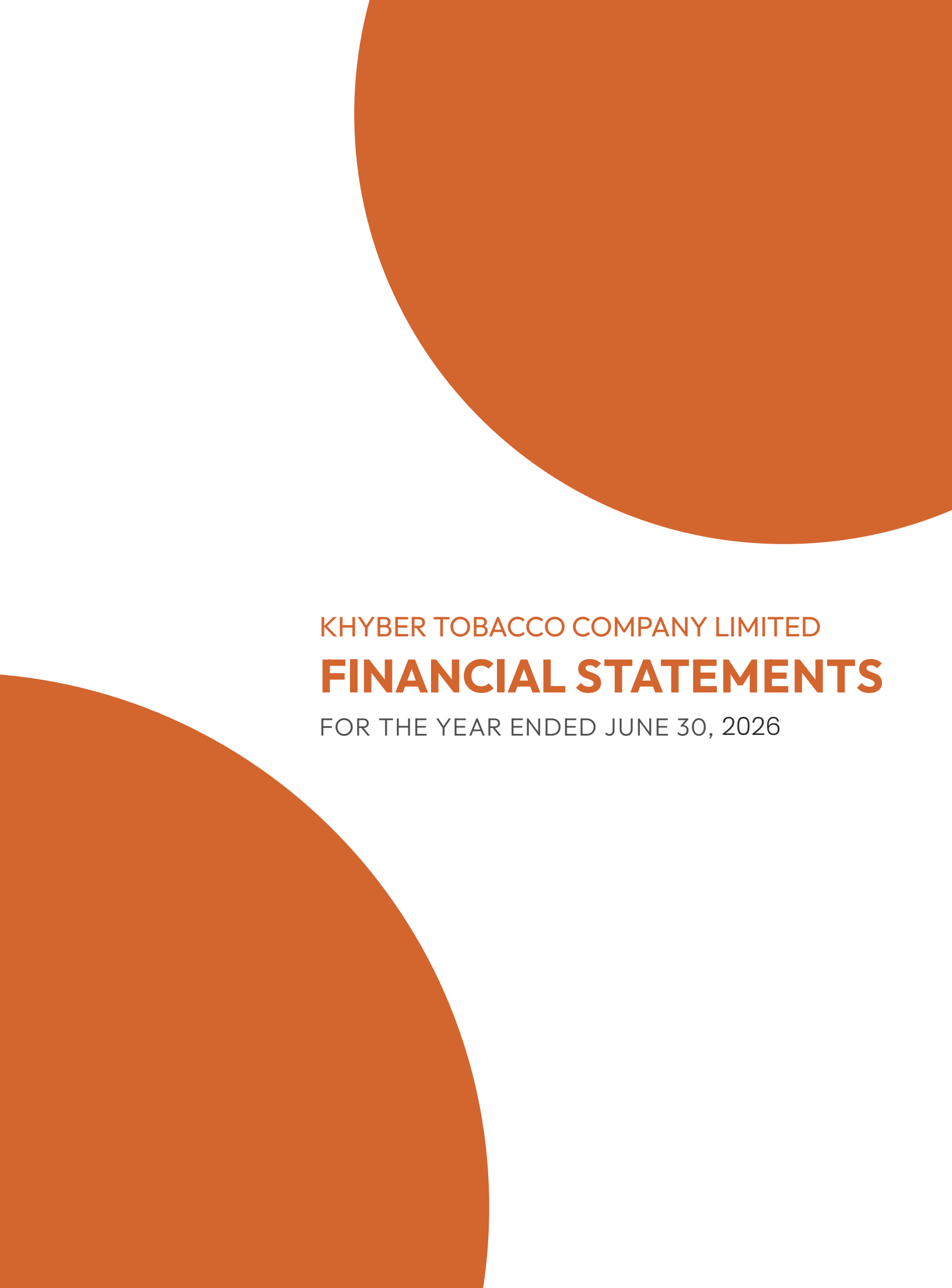
S. No.	Note Reference	Description
i.	10,11	The position of Chief Financial Officer has remained vacant during the year, and the board has not made appointment there against as required by the Regulations. The Board has represented that efforts are being made to appoint a suitably qualified candidate and the matter is under active consideration.


Chartered Accountants

Place: Lahore

Date: October 07, 2026

UDIN: CR202610180aVQmPszZ5



KHYBER TOBACCO COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

INDEPENDENT AUDITOR'S REPORT

To the members of Khyber Tobacco Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Khyber Tobacco Company Limited (the Company), which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Revenue Recognition	
The Company's sales comprise revenue from the local and export sale of cigarettes and raw tobacco which has been disclosed in note 23 to the financial statements.	Our audit procedures to evaluate revenue recognition, amongst others, included the following: We evaluated the appropriateness of the Company's revenue recognition accounting policy by comparing the policy disclosed in the financial statements with



Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods or on date of bill of lading and at transaction price net of trade discounts (note 5.12). We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on transfer of control to the customers in line with the accounting policy adopted and may not have been recognized in the appropriate period.	the principles and requirements of IFRS 15, obtaining an understanding of the Company's revenue streams and reviewing selected customer contracts to assess whether the policy appropriately reflects the timing and basis of revenue recognition upon transfer of control to customers; - On sample basis, selected local sales transactions and match them with FBR invoice and relevant bulky passes and for export transactions we agree sales transactions with commercial invoice, goods declaration notes and bill of lading to ensure that the control of goods has been transferred; - Performed cut-off procedures regarding sales recorded immediately before and after year end. For local sales, verified bulky passes and for export, matched the recorded revenue with date of bill of lading to ensure revenue is recognized in the correct accounting period in accordance with IFRS 15.
2. Valuation of stock in trade	
Refer to note 18 to the financial statements and note 5.2 for the policy of stock in trade. Stock in trade forms a significant part of the Company's assets. As at June 30, 2026, the carrying amount of the Company's stock in trade is 53% of total assets amounting to Rs 10,552 million. We identified valuation of stock in trade as a key audit matter as it involves significant management judgement with respect to weighted average costs and determination of net realizable value.	In this respect, we performed the following audit procedures: - Evaluated the Company's accounting policy for stock in trade in accordance with IAS 2 by assessing the measurement basis (lower of cost and NRV), the weighted average cost formula, the inclusion of purchase cost, import duties, conversion cost, including re-computation of weighted average cost on a sample basis; - On a sample basis, verified purchase vouchers, supplier invoices, goods declaration notes, bank advice, duty challans and overhead computation for purchase of raw materials and the production costs to ensure the cost of stock in trade is stated at correct amount; - Obtained an understanding of management's NRV process, including the data used (price list, cost sheets and aging report) and how the estimates are reviewed and approved. Assessed the reasonableness of the key estimates by agreeing future selling price net of excise duty, sales tax and discounts to approved price list and actual sales invoices;



	• On sample basis, compared the year end weighted average cost of finished goods with sales invoices raised subsequent to the year-end net of FED, sales tax and trade discount. For items with no subsequent sales, compared cost to approve price lists to assess whether any adjustments were required to carrying value of inventories in accordance with the policy; • For valuation of goods in transit, verified the purchase orders, commercial invoices, bill of lading, letter of credits, bank advice, and subsequent goods declaration notes on sample basis to ensure that it is recorded correctly on cost; • Assessed the adequacy of disclosures related to valuation of stock in trade in the financial statements in accordance with the requirements of IAS 2.
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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance opinion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could



reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;





YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No Zakat was deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Yousuf Adil
Chartered Accountants

Lahore
Date: October 07, 2026
UDIN: AR2026101805LHGFaPBZ

KHYBER TOBACCO COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	6	69,226,040	69,226,040
Unappropriated profit		1,584,513,269	2,626,110,411
Revaluation surplus on property, plant and equipment	7	1,024,496,275	239,962,935
		2,678,235,584	2,935,299,386
LIABILITIES			
NON CURRENT LIABILITIES			
Employee retirement benefits	8	210,615,825	151,537,799
Deferred taxation	9	315,903,030	163,570,530
Lease liabilities	10	-	78,148,710
		526,518,855	393,257,039
CURRENT LIABILITIES			
Current portion of lease liabilities	10	282,923,710	182,650,617
Trade and other payables	11	14,601,096,017	11,705,346,768
Unclaimed dividend		16,647,518	16,658,510
Loan from sponsors - unsecured	12	1,113,835,638	1,062,835,638
Accrued markup on loan from sponsors-un-secured	13	404,625,692	257,686,132
Provision for taxation and levy		116,569,380	169,536,474
		16,535,697,955	13,394,714,139
CONTINGENCIES AND COMMITMENTS			
	14		
TOTAL EQUITY AND LIABILITIES		19,740,452,394	16,723,270,564
NON CURRENT ASSETS			
Property, plant and equipment	15	3,584,457,048	2,737,476,813
Right of use asset	16	49,103,721	98,207,445
Long term advances, deposits and prepayments	17	28,025,410	20,989,802
		3,661,586,179	2,856,674,060
CURRENT ASSETS			
Stock in trade	18	10,552,438,144	10,339,543,438
Stores, spare parts and loose tools		41,341,057	23,143,300
Trade debts	19	1,568,556,311	957,260,888
Advances, prepayments and other receivables	20	216,384,384	313,465,546
Taxes refundable	21	3,252,027,236	430,835,050
Advance income tax		369,605,906	491,087,443
Cash and bank balances	22	78,513,177	1,311,260,839
		16,078,866,215	13,866,596,504
TOTAL ASSETS		19,740,452,394	16,723,270,564

The annexed notes from 1 to 41 form an integral part of these financial statements.

ya

Joseph

CHIEF EXECUTIVE OFFICER

Pr. Qir

DIRECTOR

TMS

DIRECTOR

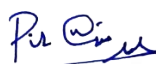
KHYBER TOBACCO COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
Revenue from contracts with customers - net	23	9,325,550,467	9,890,703,179
Cost of sales	24	(9,194,433,472)	(8,115,882,823)
Gross profit		131,116,995	1,774,820,356
Administrative expenses	25	(348,058,672)	(362,227,990)
Selling and distribution expenses	26	(465,292,106)	(324,607,318)
Expected credit loss on financial assets	19.1	(47,391,365)	(104,409,538)
		(860,742,143)	(791,244,846)
Operating (loss) / profit		(729,625,148)	983,575,510
Other income	27	22,149,933	20,722,615
		(707,475,215)	1,004,298,125
Other expenses	28	(51,303,396)	(261,301,753)
Finance cost	29	(213,320,434)	(328,666,716)
		(264,623,830)	(589,968,469)
(Loss) / profit before final and revenue taxes		(972,099,045)	414,329,656
Minimum tax differential	30	(116,569,381)	-
(Loss) / profit before income tax		(1,088,668,426)	414,329,656
Taxation	31	67,954,366	(139,681,602)
(Loss) / profit for the year		(1,020,714,060)	274,648,054
Earnings per share - basic and diluted	32	(147.45)	39.67

The annexed notes from 1 to 41 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR

KHYBER TOBACCO COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	2026 Rupees	2025 Rupees
(Loss) / profit for the year	(1,020,714,060)	274,648,054
Items that will not be reclassified subsequently to profit or loss:		
Surplus arise during the year due to revaluation	1,093,839,739	-
Related deferred tax	(317,213,524)	-
Impact of change in tax rate on revaluation surplus	23,551,164	(22,268,797)
Remeasurement loss on defined benefit obligation	(39,744,448)	(21,832,006)
Related deferred tax	3,217,327	8,308,562
Other comprehensive income for the year	763,650,258	(35,792,241)
Total comprehensive income for the year	(257,063,802)	238,855,813

The annexed notes from 1 to 41 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR

KHYBER TOBACCO COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

Balance as at July 01, 2024

Total comprehensive income for the year

Profit for the year

Other comprehensive income for the year

Transfer from surplus on revaluation of property, plant and equipment - net of tax

- on account of incremental depreciation

- on account of disposal

Transfer from general reserves to unappropriated profit

Balance as at June 30, 2025

Total comprehensive income for the year

Loss for the year

Other comprehensive income for the year

Transfer from surplus on revaluation of property, plant and equipment - net of tax

- on account of incremental depreciation

- on account of disposal

Balance as at June 30, 2026

The annexed notes from 1 to 41 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

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DIRECTOR

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DIRECTOR

Share capital	Reserves				Total
	Capital reserves	Revenue reserves		Total	
	Revaluation surplus on property, plant and equipment	General reserves	Unappropriated profit		
-----Rupees-----					
69,226,040	281,742,430	3,312,465	2,342,162,638	2,696,443,573	
-	-	-	274,648,054	274,648,054	
-	(22,268,797)	-	(13,523,444)	(35,792,241)	
-	(22,268,797)	-	261,124,610	238,855,813	
-	(15,329,075)	-	15,329,075	-	
-	(4,181,623)	-	4,181,623	-	
-	(19,510,698)	-	19,510,698	-	
-	-	(3,312,465)	3,312,465	-	
69,226,040	239,962,935	-	2,626,110,411	2,935,299,386	
-	-	-	(1,020,714,060)	(1,020,714,060)	
-	800,177,379	-	(36,527,121)	763,650,258	
-	800,177,379	-	(1,057,241,181)	(257,063,802)	
-	(15,644,039)	-	15,644,039	-	
-	-	-	-	-	
-	(15,644,039)	-	15,644,039	-	
69,226,040	1,024,496,275	-	1,584,513,269	2,678,235,584	

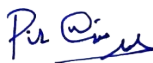
KHYBER TOBACCO COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

		2026 Rupees	2025 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before income tax		(1,088,668,426)	414,329,656
Adjustments for:			
Depreciation on property, plant and equipment	15.2	292,454,479	280,149,074
Depreciation on right of use asset	16	49,103,723	49,103,722
Minimum tax differential	30	116,569,381	-
Provision for employee retirement benefits	8.1	42,282,413	47,796,923
Provision for tobacco development cess		400,902,072	483,283,803
Trade payables / accrued liabilities written back	27	(11,002,521)	(2,260,936)
Advance to supplier written off	28	-	93,189,789
Provision for net realisable value		460,726,414	28,087,025
Loss on disposal of property, plant and equipment	28	-	3,007,500
Expected credit loss on financial assets	19.1	47,391,365	104,409,538
Provision for royalty		13,290,273	3,355,530
Exchange loss / (gain)	28	10,270,645	(23,631,067)
Provision for workers' profit participation fund		-	28,937,945
Provision for workers' welfare fund		-	9,815,176
Finance cost	29	213,320,434	328,666,716
		1,635,308,678	1,433,910,738
Cash flows from operating activities before working capital changes		546,640,252	1,848,240,394
Effect on cash flows due to working capital changes			
Increase in stock in trade		(673,621,120)	(4,054,283,859)
(Increase) / decrease in store, spare parts and loose tools		(18,197,757)	3,734,360
(Increase) / decrease in trade debts		(665,334,686)	300,979,130
Decrease in advances, prepayments and other receivables		97,081,162	10,197,981
Increase in trade and other payables		2,749,702,230	3,979,776,979
		1,489,629,829	240,404,591
Net cash generated from operations		2,036,270,081	2,088,644,985
Employee retirement benefits paid	8.1	(22,948,835)	(38,323,063)
Income tax paid		(428,145,319)	(446,828,225)
Sales tax and excise duty paid		(2,546,005,970)	(573,087,318)
Tobacco cess paid		(253,401,216)	(417,270,926)
Finance cost paid		(10,752,081)	(182,046,514)
Workers' Welfare Fund paid		-	(42,483,068)
		(3,261,253,421)	(1,700,039,114)
Net cash (used in) / generated from operating activities		(1,224,983,340)	388,605,871
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(45,594,975)	(200,055,192)
Proceeds from disposal of property, plant and equipment		-	3,900,000
Long term deposits and prepayments		(7,035,608)	9,990,388
Net cash used in investing activities		(52,630,583)	(186,164,804)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of loan from sponsors		111,000,000	161,800,000
Repayment of loan from sponsors		(60,000,000)	-
Dividend paid		(10,992)	(10,711)
Lease rentals paid		(2,500,000)	(7,375,000)
Net cash generated from financing activities		48,489,008	154,414,289
Net (decrease) / increase in cash and cash equivalents (A+B+C)		(1,229,124,915)	356,855,356
Cash and cash equivalents at beginning of the year		1,311,260,839	944,685,195
Foreign currency translation (loss) / gain		(3,622,747)	9,720,288
Cash and cash equivalents at end of the year	22	78,513,177	1,311,260,839

The annexed notes from 1 to 41 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR

KHYBER TOBACCO COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

1 THE COMPANY AND ITS OPERATIONS

1.1 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. The area covered by the Company's production facilities is 279,844 square feet.

1.2 The Company incurred net loss of Rs. 1,021 million during the year. The current liabilities exceed the current assets by Rs. 457.13 million. The Company has incurred losses in current year and in financial year 2024 and continues to face liquidity challenges, primarily arising from its working capital requirements and the availability of sufficient funds to meet its obligations as they fall due. To address its liquidity requirements, the Company is relying heavily on financial support through loans from its sponsors. Management is also actively exploring opportunities in foreign markets to expand its customer base for tobacco and improve the Company's financial performance and cash flows.

Based on these factors, management has a reasonable expectation that the Company has and will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements of the Company have been prepared on a going concern basis, which assumes that the Company will be able to discharge its liabilities.

1.3 These financial statements are presented in Pakistani rupees, which is the Company's functional and presentation currency.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

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

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

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

2.2 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30,

The following standards, amendments and interpretations are effective for the year ended June 30, 2026. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

2.2.1 Standards or Interpretations with no significant impact

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability

Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Convenants

Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements

2.3 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

**Effective from accounting period beginning
on or after:**

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	January 01, 2026
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements	January 01, 2026
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 20 Regulatory Assets and Regulatory Liabilities

3 SIGNIFICANT ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

3.1 Employee retirement benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Provisions are made annually to cover the obligation under the scheme on the basis of actuarial valuation and are charged to profit or loss in note 8. The calculation require assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration and discount rate used to derive present value of defined benefit obligation. The assumptions are determined by independent actuaries on annual basis.

3.2 Property, plant and equipment

The Company reviews the useful lives of property, plant and equipment on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment, if any.

3.3 Revaluation of fixed assets

Revaluation of fixed assets is carried out by independent professional valuer. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values. The frequency of revaluation depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.

3.4 Impairment on financial assets

When measuring ECL the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

3.5 Taxation

The Company takes into account the current income tax laws and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

3.6 Contingencies

The Company has disclosed its contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the reporting date. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at the reporting date.

The accounting policies, significant judgements, estimates and assumptions used by the management in preparation of these financial information are the same as those applied in preparation of audited annual financial statements for the year ended 30 June 2025.

4 ACCOUNTING CONVENTION

These financial statements have been prepared under the historical cost convention except for:

- buildings on lease hold land, plant and machinery and furnitures and fixtures
- recognition of certain employee retirement benefits at present value

5 MATERIAL ACCOUNTING POLICY INFORMATION

5.1 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses except for the buildings on leasehold land, plant and machinery, and furniture and fittings which are stated at revalued amounts less accumulated depreciation thereon and accumulated impairment loss, if any. Items of CWIP are stated at cost less impairment loss, if any. These costs are transferred to respective items of property, plant and equipment when available for intended use. Assets' residual values, if significant, and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date. When parts of an item of property, plant and equipment have different useful lives, they are recognized as separate items of property, plant and equipment.

Subsequent costs are recognized as separate asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land, buildings, plant machinery and equipment are recognized, net of tax, in other comprehensive income and accumulated in revaluation surplus in statement of changes in equity. To the extent that increase reverses a decrease previously recognized in profit or loss, the increase is first recognized in profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognized in statement of profit or loss. When revalued assets are sold, the amounts included in the surplus on revaluation of property, plant and equipment are transferred to unappropriated profit.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow for more than one year then the amount is capitalized to the Company.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight line method over their estimated useful lives, and is generally recognized in statement of profit or loss at rates given in note 15 to these financial statements. Full month depreciation is charged in the month of addition while no depreciation is charged in the month of disposal or derecognition.

Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight line method over their estimated useful lives, and is generally recognized in statement of profit or loss at rates given in note 15 to these financial statements. Full month depreciation is charged in the month of addition while no depreciation is charged in the month of disposal or derecognition.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if

Capital work-in-progress

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

Stores, spare parts and loose tools

Stores and spares are valued principally at weighted average cost. Impairment provision is recognized against items determined to be obsolete and / or not expected to be used up future. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

5.2 Stock in trade

These are valued at the lower of cost and net realizable value, except for items in transit. Cost is computed applying the following bases:

- | | |
|-------------------|--------------------------|
| - Raw material | - weighted average cost. |
| - Work-in-process | - weighted average cost. |
| - Finished goods | - weighted average cost. |

Stock in transit are valued at invoice value plus other charges incurred thereon up to the statement of financial position date. Waste stock are valued at lower of cost or net realizable value.

Weighted average cost in relation to work-in-process and finished goods includes cost of direct material, direct labour and a proportion of manufacturing overheads based on normal capacity.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

5.3 Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

5.3.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

a) Debt instruments measured at amortized cost

Debt instruments that meet the following conditions are measured subsequently at amortized cost.

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortized cost and effective interest method

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

b) Debt instruments measured at fair value through other comprehensive income (FVTOCI):

Debt instruments that meet specified conditions and are measured subsequently at fair value through other comprehensive income (FVTOCI).

c) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

d) Financial assets measured subsequently at fair value through profit or loss (FVTPL)

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognizes lifetime ECL for trade debts using simplified approach. The expected credit losses on these financial assets are determined using probability based estimation of future expected cash flows under different scenarios, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money, where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Write-off policy

The Company writes off financial assets when there is information indicating that the amount is not recoverable due to the conflict in invoices with customer. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognized in profit or loss.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

5.3.2 Financial liabilities

Subsequent measurement of financial liabilities

- contingent consideration of an acquirer in a business combination,
- held-for-trading, or
- designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

Subsequently the financial liabilities are measured using the effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

5.4 Off setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position, if the Company has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.5 Trade debts and other receivables

Trade receivables and other receivables are initially recognized at fair value, which is usually the original invoiced amount and subsequently carried at amortized cost using the effective interest method less allowance for expected credit loss.

5.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark-up arrangements. In the statement of financial position, finances under mark-up arrangements are included in current liabilities.

5.7 Foreign currencies

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used. Gains and losses arising on retranslation and settlement are included in statement of profit or loss for the period.

5.8 Trade and other payables

Liability for trade and other payables are measured at amortized cost of the consideration to be paid in the future for goods and services received.

5.9 Employee benefits

Defined benefit plan

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Provisions are made annually to cover the obligation under the schemes on the basis of actuarial valuation and are charged to statement of profit or loss for the year. The assumptions are determined by independent actuary. The amount recognized in the statement of financial position represents the present value of defined benefit obligations using the projected unit credit actuarial valuation method. Actuarial gains / losses arising from the actuarial valuation are recognized immediately and are presented in other comprehensive income. Details of the scheme are given in note 8 to the financial statements.

5.10 Provisions

Provisions are recognized in the statement of financial position when the Company has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

5.11 Right-of-use-assets

The Company recognizes a right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right of use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right of use assets are depreciated on a straight-line basis over the lease term.

5.12 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit after tax attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

5.13 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable on the following basis:

- Revenue from local sale of goods is recognized at the point in time when the control of the goods is transferred to the customer, generally on delivery of the goods and at transaction price net of trade discounts.
- Revenue from the export sale of goods is recognized at the point in time when the customer obtains control over the goods dependent on the relevant incoterms of shipment. Generally, it is on the date of bill of lading or at the time of delivery of goods to the destination port.

5.14 Leases

Leases are recognized as right-of-use assets with corresponding lease liabilities at the date on which leased assets are available for use by the Company except for leases of short term or low value. At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a year of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain different terms and conditions.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease liability is initially measured at the present value of the lease payments over the year of lease term and that are not paid at the commencement date, discounted using interest rate implicit in the lease or the Company's incremental borrowing rate.

Lease payments include fixed payments less any lease incentive receivable, variable lease payment that are based on an index or a rate which are initially measured using the index or rate as at the commencement date, amounts expected to be payable by the Company under residual value guarantees, the exercise price of a purchase option if

the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease if the lease term reflects the lessee exercising that option. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payments. A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The lease liability is remeasured when the Company reassesses the reasonable certainty of exercising the extension or termination option upon occurrence of either a significant event or a significant change in circumstances, or when there is a change in assessment of an option to purchase underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payment. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss and other comprehensive income if the carrying amount of right-of-use asset has been reduced to zero.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, it is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

The right-of-use asset is initially measured at an amount equal to the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which the asset is located.

The right-of-use asset is subsequently measured at cost model. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient of not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of Twelve months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight line basis over the lease term.

5.15 Levy

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- (a) those outflows of resources that are within the scope of other standards.
- (b) fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy includes revenue taxes, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised in prepaid assets as 'prepaid assets'.

Revenue taxes

Revenue taxes includes amount representing :

- a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation and;
- b) minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax streams taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over revenue taxes shall be treated as current income tax expense falling under the scope of IAS 12.

Final Taxes

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

5.16 Taxation

Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred

Deferred tax liability is recognized for all taxable temporary differences while deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profits will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities on temporary differences are measured at the rates applicable during the year for current tax, deferred tax assets and liabilities are calculated under the "Approach - B" as per the 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' issued by The Institute of Chartered Accountants of Pakistan (ICAP).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the statement of financial position date.

5.17 Contract liabilities

Contract liability is measured at the fair value of the consideration received for goods that are not yet delivered to customers.

5.18 Foreign currencies

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the statement of financial position date except where forward exchange contracts have been entered into for repayment of liabilities in that case, the rates contracted for are used. Gains and losses arising on retranslation are included in statement of profit or loss for the year.

5.19 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

5.20 Borrowings

Loans and borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Finance cost is accounted for on an accrual basis and are included in mark-up accrued on loans to the extent of amount remaining unpaid, if any.

5.21 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company;
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measure with sufficient reliability.

5.22 Provisions

Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

5.23 Loan from sponsors

Loans obtained from the sponsors are initially recognised at fair value, net of directly attributable transaction costs, where applicable. Subsequently, the loans are measured at amortised cost using the effective interest rate method. Finance costs, including the effect of the effective interest rate, are recognised in profit or loss over the period of the loan.

Where the loan carries a fixed contractual interest rate, the fixed rate is considered in determining the effective interest rate at initial recognition and is subsequently applied over the expected term of the loan.

6	SHARE CAPITAL			
6.1	Authorized share capital			
	2026	2025	2026	2025
	Number of shares		Rupees	Rupees
	60,000,000	60,000,000	600,000,000	600,000,000
	Ordinary shares of Rs. 10 each			
6.2	Issued, subscribed and paid up share capital			
	2026	2025		
	Number of shares			
	497,500	497,500	4,975,000	4,975,000
	6,425,104	6,425,104	64,251,040	64,251,040
	6,922,604	6,922,604	69,226,040	69,226,040
	Ordinary shares of Rs. 10 each issued			
	Ordinary shares of Rs. 10 each issued as fully paid bonus shares			
6.3	All the ordinary shares rank equally with regard to the company's residual assets. Holders of these shares are entitled to dividends from time to time and are entitled to one vote per share at general meetings of the Company.			
6.4	The general reserves are used from time to time to transfer profits from un-appropriated profit. There is no policy of regular transfer. General reserves are not usable for profit distribution.			
6.5	Capital management			
	The Company's policy is to maintain a strong capital base so as to maintain investor, creditors and market confidence and to sustain future development of the business. The Board of Directors of the Company monitors the return on capital, which the Company defines as net profit after tax divided by the total shareholders' equity. The Board of Directors also determines the level of dividends to ordinary shareholders.			
7	REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT			
			2026	2025
			Rupees	Rupees
	Balance at the beginning of the year		371,146,618	398,626,474
	Surplus arising on property, plant and equipment recognized during the year		1,093,839,739	-
			1,464,986,357	398,626,474
	Surplus transferred to unappropriated profit:			
	- on account of incremental depreciation - net of tax		(15,644,039)	(15,329,075)
	- on account of disposal - net of tax		-	(4,181,623)
	- related deferred tax		(6,389,819)	(7,969,158)
			(22,033,858)	(27,479,856)
			1,442,952,499	371,146,618
	Related deferred tax liability			
	On revaluation surplus as on July 01		(131,183,683)	(116,884,044)
	On account of surplus arisen during the year		(317,213,524)	-
	Impact of change in tax rate		23,551,164	(22,268,797)
	Effect due to incremental depreciation		6,389,819	7,969,158
			(418,456,224)	(131,183,683)
			1,024,496,275	239,962,935
7.1	This represents revaluation surplus on revaluation of buildings on leasehold land, plant and machinery and furniture			
		Note	2026	2025
			Rupees	Rupees
8	EMPLOYEE RETIREMENT BENEFITS			
	Net defined benefit liability	8.1	210,615,825	151,537,799

8.1 Net defined benefit liability

Company operates an unfunded gratuity scheme of its employees, details of which are as follows:

Movement in the defined benefit liability

Balance at beginning of the year	151,537,799	120,231,933
Charge for the year	42,282,413	47,796,923
Benefits paid during the year	(22,948,835)	(38,323,063)
Remeasurement loss / (gain)	39,744,448	21,832,006
Balance at the end of the year	<u>210,615,825</u>	<u>151,537,799</u>

8.2 Movement in the present value of defined benefit liability is as follows:

Present value of defined benefit liability at beginning of the year	151,537,799	120,231,933
Current service cost	24,774,490	33,647,067
Interest cost	17,507,923	14,149,856
Benefits paid	(22,948,835)	(38,323,063)
Remeasurement loss / (gain)	39,744,448	21,832,006
Present value of defined benefit liability at end of the year	<u>210,615,825</u>	<u>151,537,799</u>

8.3 Expense recognized in profit or loss account is as follows

Current service cost	24,774,490	33,647,067
Interest cost	17,507,923	14,149,856
	<u>42,282,413</u>	<u>47,796,923</u>

8.4 Charge for the year has been allocated as follows

Cost of sales	24,893,516	27,846,981
Administrative expenses	12,027,379	15,187,973
Selling and distribution cost	5,361,518	4,761,969
	<u>42,282,413</u>	<u>47,796,923</u>

8.5 Remeasurement chargeable to other comprehensive income

Remeasurement loss on defined benefit obligation	<u>39,744,448</u>	<u>21,832,006</u>
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8.6 Key actuarial assumptions

The latest actuarial valuation was carried out, on June 30, 2026, using projected unit credit method with the following assumptions:

	2026 Percentage	2025 Percentage
The following were the principal actuarial assumptions at the reporting date :		
Discount rate	12.25%	12.50%
Future salary growth	12.25%	12.50%
Employee turnover rate	Moderate	Moderate
Mortality rate	SLIC 2001-2005 mortality table	
Withdrawal rate	Age dependent withdrawal table	

The rates assumed were based on the SLIC 2001-2005 ultimate mortality tables. The table given in Annexure 4 shows the death rates per thousand per annum at each age. This is the latest table available in the country and is being used for most actuarial calculations.

8.7 Maturity profile of the defined benefit obligation

At June 30, 2026 the weighted-average duration of defined benefit obligation was 12.42 years (2025: 11.81 years).

	2026 Rupees	2025 Rupees
8.8 Distribution of timing of benefit payments (time in years)		
Year 1	11,529,547	14,249,350
Year 2	3,956,514	5,310,650
Year 3	39,713,326	36,278,599
Year 4 & onwards	<u>1,214,713,345</u>	<u>1,241,659,633</u>

8.9 Sensitivity Analysis

For changes of 100 basis points, present value of defined benefit obligation as at June 30, 2026 would have been as

	Defined Benefit Obligation		
	Changes in assumptions	Increase in assumptions	Decrease in assumptions
	%	Rupees	
Discount rate	1.0%	190,724,270	234,358,247
Future salary growth	1.0%	235,001,831	189,877,736

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

8.10 Estimated expense for next year

The Expected Expense for the next one year works out to Rs. 55.76 million. This is the amount by which the Company needs to increase its provision for the next one year.

8.11 Risk associated with defined benefit plan

Salary risk (linked to inflation risk)

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic risks

Mortality risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

8.12 Funding

The net defined benefit liability in respect of gratuity scheme is unfunded.

9 DEFERRED TAXATION

	Note	2026 Rupees	2025 Rupees
Deferred taxation	9.1	315,903,030	163,570,530

9.1 This comprises the following:

Deferred tax liability on taxable temporary differences arising in respect of:

Property, plant and equipment	241,761,332	277,982,919
Revaluation surplus	418,456,225	131,183,683
Right of use asset	14,240,079	34,372,606
	674,457,636	443,539,208

Deferred tax asset on deductible temporary differences arising in respect of:

Allowance for expected credit losses	(72,928,445)	(71,430,111)
Employee retirement benefits	(61,078,589)	(53,038,230)
Lease liability	(82,047,876)	(91,279,764)
Unabsorbed tax depreciation	(142,499,697)	(64,220,573)
	(358,554,607)	(279,968,678)
	315,903,030	163,570,530

9.2 Movement in temporary differences during the year

	Balance as at July 01, 2025	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2026
Rupees				
Taxable temporary differences				
Property, plant and equipment	277,982,919	(36,221,587)	-	241,761,332
Right of use asset	34,372,606	(20,132,527)	-	14,240,079
Revaluation surplus	131,183,683	(6,389,818)	293,662,360	418,456,225
	443,539,208	(62,743,932)	293,662,360	674,457,636

Deductible temporary differences

Allowance for expected credit	(71,430,111)	(1,498,334)	-	(72,928,445)
Lease liability	(91,279,764)	9,231,888	-	(82,047,876)
Unabsorbed tax depreciation	(64,220,573)	(78,279,124)	-	(142,499,697)
Provision for employee	(53,038,230)	(4,823,032)	(3,217,327)	(61,078,589)
	(279,968,678)	(75,368,602)	(3,217,327)	(358,554,607)
	<u>163,570,530</u>	<u>(138,112,534)</u>	<u>290,445,033</u>	<u>315,903,030</u>

	Balance as at July 01, 2024	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2025
Rupees				

Taxable temporary differences

Property, plant and equipment	225,388,532	52,594,387	-	277,982,919
Right of use	42,720,238	(8,347,632)	-	34,372,606
Revaluation surplus	116,884,044	(7,969,158)	22,268,797	131,183,683
	384,992,814	36,277,597	22,268,797	443,539,208

Deductible temporary differences

Allowance for expected credit	(49,447,821)	(21,982,290)	-	(71,430,111)
Lease liability	(67,639,372)	(23,640,392)	-	(91,279,764)
Unabsorbed tax depreciation	(53,211,332)	(11,009,241)	-	(64,220,573)
Provision for employee retirement benefits	(34,867,261)	(9,862,407)	(8,308,562)	(53,038,230)
	(205,165,786)	(66,494,330)	(8,308,562)	(279,968,678)
	<u>179,827,028</u>	<u>(30,216,733)</u>	<u>13,960,235</u>	<u>163,570,530</u>

9.3 Year wise breakup of unrecognized tax credits

Tax year	2026 Rupees	2025 Rupees
2024	28,480,069	28,480,069
2026	116,569,381	-
	<u>145,049,450</u>	<u>28,480,069</u>

9.4 Year wise breakup of unrecognized business losses

Tax year	2026 Rupees	2025 Rupees
2024	147,285,267	147,285,267
2026	572,905,932	-
	<u>720,191,199</u>	<u>147,285,267</u>

9.5 Deferred tax assets relating to unused tax credits and business losses have not been recognised, as it is not probable that sufficient taxable profits will be available in the foreseeable future against which these balances can be utilised.

			2026 Rupees	2025 Rupees
10	Lease Liabilities			
	Liability against right of use asset	10.1	282,923,710	260,799,327
	Current portion of liability against right of use asset		(282,923,710)	(182,650,617)
			<u>-</u>	<u>78,148,710</u>
10.1	Movement of liability against right of use asset is as follows:			
	Opening balance		260,799,327	233,239,214
	Interest on unwinding of liability against right of	29	24,624,383	34,935,113
	Payments during the year		(2,500,000)	(7,375,000)
	Closing balance		<u>282,923,710</u>	<u>260,799,327</u>
10.2	Maturity analysis of liability against right of use asset is as follows:			
	Less than one year		292,790,000	207,275,000
	One to five years		-	88,015,000
	Total undiscounted liability against right of use		<u>292,790,000</u>	<u>295,290,000</u>
	Impact of discounting on liability against right of		(9,866,290)	(34,490,673)
			<u>282,923,710</u>	<u>260,799,327</u>
10.3	The lease liability pertains to lease of building with plant and machinery obtained from Samsons Re-Drying & Processing Company (Pvt) Limited and land from Mr. Waseem-ur-Rehman (sponsor). Both are the related parties of			
		Note	2026 Rupees	2025 Rupees
11	TRADE AND OTHER PAYABLES			
	Trade creditors	11.1	12,446,893,054	10,421,759,913
	Accrued liabilities		56,288,448	59,701,660
	Advance from customers	11.2	1,264,781,788	547,878,736
	Workers' Profit Participation Fund	11.3	391,180,505	360,176,095
	Workers' Welfare Fund		10,004,562	10,004,562
	Withholding income taxes		63,725,440	55,718,851
	Withholding sales taxes		7,131,724	4,497,613
	Sales tax and excise duty		-	45,386,699
	Tobacco development cess	11.4	324,451,487	176,950,631
	Royalty provision	11.5	31,045,781	17,755,508
	Others		5,593,228	5,516,500
			<u>14,601,096,017</u>	<u>11,705,346,768</u>
11.1	These includes balance payable to Samsons Re-Drying & Processing Company (Pvt) Limited amounting to Rs. 656 Million (2025: Rs 1033 Million) which is a related party of the Company.			
11.2	Advance from customers of Rs. 365.10 million received in previous year (2025: Rs. 606.80 million) has been adjusted against sales.			
			2026 Rupees	2025 Rupees
11.3	Movement in Workers' Profit Participation Fund			
	Balance at beginning of the year		360,176,095	272,175,965
	Interest on funds utilized in the company's business		31,004,410	59,062,185
	Payments made during the year		-	-
			<u>391,180,505</u>	<u>331,238,150</u>
	Allocation for the year		-	28,937,945
	Balance at the end of the year		<u>391,180,505</u>	<u>360,176,095</u>
11.4	Movement of Tobacco development cess			
	Balance at beginning of the year		176,950,631	110,937,754
	Charged during the year	24.1.1	400,902,072	483,283,803
	Payments made during the year		(253,401,216)	(417,270,926)
	Balance at the end of the year		<u>324,451,487</u>	<u>176,950,631</u>

		2026 Rupees	2025 Rupees
11.5	Royalty provision		
	Balance at beginning of the year	17,755,508	14,399,978
	Charge for the	13,290,273	3,355,530
	Payment	-	-
	Balance at end of the year	<u>31,045,781</u>	<u>17,755,508</u>
12	LOAN FROM SPONSORS - UNSECURED		
	Loan from sponsors - unsecured	<u>1,113,835,638</u>	<u>1,062,835,638</u>
12.1	Movement in loan from sponsors		
	At the beginning of the year	1,062,835,638	901,035,638
	Received during the year	111,000,000	161,800,000
	Repaid during the year	(60,000,000)	-
	At the end of the year	<u>1,113,835,638</u>	<u>1,062,835,638</u>
	This loan is for meeting the working capital requirements of the Company. The loan carries interest at 1 Year Kibor + 2%. The loan is payable on demand of the sponsors. If borrower defaults on its payment and fails to cure said default within a reasonable amount of time, lender will have the option to declare the entire remaining amount of principle and any accrued interest immediately due and payable. The loan if becoming payable or even otherwise shall be convertible into ordinary shares of the Company with mutual consent of both parties. However the decision of board of directors of the Company shall be considered final in this regard.		
13	ACCRUED MARKUP ON LOAN FROM SPONSORS-UN-SECURED		
	Accrued markup on loan from sponsors-un-	<u>404,625,692</u>	<u>257,686,132</u>
14	CONTINGENCIES AND COMMITMENTS		
	Commitments:		
	Letter of credit against imports	127,144,402	106,650,769
	Short term lease rentals	400,000	6,525,696
	Letters of guarantee issued by bank	11,508,600	1,200,000
		<u>139,053,002</u>	<u>114,376,465</u>
	Contingencies:		
i	For tax year 2018, Deputy Commissioner Inland Revenue (DCIR) Peshawar has passed an assessment order on June 30, 2020 under section 161/205 of the Income Tax Ordinance 2001 (ITO, 2001) for alleged claims of not withholding income taxes on payment of certain expenses and ordered to pay Rs. 27.91 million. The Company filed appeal against the order before CIRA Peshawar on July 29, 2020 and the matter is pending for adjudication. The management, based on legal opinion, is confident that the eventual decision will be in favor of the Company.		
ii	For tax year 2019, Deputy Commissioner Inland Revenue (DCIR) Peshawar passed an assessment order bearing number 100000202294584 dated July 30, 2024 under section 122(1) of the Income Tax Ordinance 2001 and whereby taxable income was increased by Rs. 314 million through disallowance of various expenses. Being aggrieved by the assessment, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), Peshawar. The ATIR, vide its order No. ITA No. 535/PB/2024 dated July 1, 2025, decided the matter substantially in favor of the Company, confirming a tax demand of Rs. 12.23 million and remanding the issue relating to withholding tax amounting to Rs. 38.6 million to the tax authorities for further verification. Subsequently, pursuant to the appeal effect order dated June 1, 2026, the DCIR reduced the Company's tax refunds by Rs. 12.23 million. Based on the legal opinion, management is confident that the withholding tax matter will be decided in favor of the Company. Accordingly, no provision has been recognized in the financial statements in respect of the withholding tax liability of Rs. 38.6 million.		

- iii For tax year 2020, DCIR Peshawar passed an assessment order bearing number 100000202680320 dated August 02, 2024 under section 122(1) of the ITO 2001 and assessed Rs.1,559 million by disallowing various expenses including advertisement, gratuity, discount on cigarette sales, export sales ,stocks and adding loan from sponsors into taxable income. Being aggrieved by the assessment order, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), Peshawar. The ATIR, vide its order No. ITA No. 536/PB/2024 dated July 1, 2025, decided the matter substantially in favor of the Company, confirming a tax demand of Rs. 9.66 million and remanding the matter relating to withholding tax amounting to Rs. 21.98 million to the tax authorities for further verification. Subsequently, pursuant to the appeal effect order dated June 1, 2026, the DCIR reduced the Company's tax refunds by Rs. 9.66 million in respect of the confirmed demand. Based on the legal opinion, management is confident that the matter relating to withholding tax of Rs. 21.98 million will be decided in favor of the Company. Accordingly, no provision has been recognized in the financial statements in respect of this matter.
- iv For tax year 2021, the Additional Commissioner Inland Revenue (ACIR), Islamabad, passed an assessment order bearing No. 149068327 dated March 30, 2023, under section 122(5A) of the Income Tax Ordinance, 2001, whereby taxable income was increased by Rs. 271.78 million through the disallowance of various expenses and adjustments, including advertisement expenses, gratuity, discounts on cigarette sales, bad debts, and loans from sponsors. Being aggrieved by the assessment order, the Company filed an appeal before the Commissioner Inland Revenue (Appeals), Islamabad, on April 26, 2023. Pursuant to the enactment of the Tax Laws (Amendment) Act, 2025, the appeal was transferred to the Appellate Tribunal Inland Revenue (ATIR). The Honorable Tribunal has admitted the appeal for regular hearing, and the matter is currently pending adjudication. Based on the legal opinion, management is confident that the matter will be decided in favor of the Company. Accordingly, no provision has been recognized in the financial statements in respect of this matter.
- v For tax year 2023, the Deputy Commissioner Inland Revenue (DCIR), Peshawar, passed an assessment order bearing No. 100000202680321 dated August 2, 2024, under section 122(1) of the Income Tax Ordinance, 2001, whereby taxable income was increased by Rs. 1,175 million through the disallowance and adjustment of various items, including Workers' Welfare Fund (WWF), Workers' Profit Participation Fund (WPPF), purchases, and opening stock. Being aggrieved by the assessment order, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), Peshawar. The ATIR, vide its order No. 537/PB/2024 dated July 10, 2025, remanded the matter to the DCIR for fresh proceedings, with directions to consider the Company's submissions and provide adequate opportunity of being heard. Based on the legal opinion, management is confident that the matter will be decided in favor of the Company. Accordingly, no provision has been recognized in the financial statements in respect of this matter.
- vi The Collector of Customs filed an appeal before the Customs Appellate Tribunal Inland Revenue (ATIR) No.202/CU/IB/2024 against Khyber Tobacco Company on February 13, 2024 for non-payment of duties and taxes amounting Rs.68.8 million relevant from the tax period July 2023 to June 2024, on certain imports challenging the use of certificate of EFS for other imports. The custom ATIR has decided the matter against the company, following which the company filed an appeal before the Peshawar High Court. Based on legal opinion, the management is confident that the eventual decision will favor the company.
- vii The Deputy Commissioner Inland Revenue (DCIR), Peshawar, passed an assessment order dated July 18, 2019, under the Federal Excise Act, 2005 and the Sales Tax Act, 1990, raising a demand of Rs. 376.2 million against the Company in respect of alleged non-payment of taxes and duties. Being aggrieved by the assessment order, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIRA], which was decided against the Company. Subsequently, the Company filed a second appeal before the Appellate Tribunal Inland Revenue (ATIR) on August 19, 2019. The ATIR also decided the matter against the Company. Thereafter, the Company challenged the ATIR's decision before the Peshawar High Court. The matter is currently pending adjudication before the Peshawar High Court. Based on the legal opinion, management is confident that the matter will be decided in favor of the Company. Accordingly, no provision has been recognized in the financial statements in respect of this matter.
- viii The Deputy Commissioner Inland Revenue (DCIR), Peshawar, passed an assessment order dated January 29, 2018, under the Federal Excise Act, 2005 and the Sales Tax Act, 1990, raising a demand of Rs. 27.80 million against the Company in respect of alleged non-payment of taxes and duties. Being aggrieved by the assessment order, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIRA], Peshawar, which was decided against the Company. Subsequently, the Company filed a second appeal before the Appellate Tribunal Inland Revenue (ATIR), which also decided the matter against the Company. Thereafter, the Company challenged the ATIR's decision before the Peshawar High Court. The matter is currently pending adjudication before the Peshawar High Court. Based on the legal opinion, management is confident that the matter will be decided in favor of the Company. Accordingly, no provision has been recognized in the financial statements in respect of this matter.

- ix The Deputy Commissioner Inland Revenue (DCIR) passed an assessment order bearing Sales Tax Reference No. 11/2023 dated January 16, 2024, whereby a tax demand, including penalties, amounting to Rs. 136.12 million was raised against the Company in respect of the supply of unmanufactured tobacco, treating such supply as subject to sales tax. Being aggrieved by the assessment order, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIRA], which decided the matter against the Company. Subsequently, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). The ATIR set aside the demand on the basis that the sale of unmanufactured tobacco is exempt from sales tax. Thereafter, the DCIR challenged the ATIR's decision before the Peshawar High Court. The matter is currently pending adjudication before the Peshawar High Court. Based on the legal opinion, management is confident that the matter will be decided in favor of the Company. Accordingly, no provision has been recognized in the financial statements in respect of this matter.
- x The Deputy Commissioner Inland Revenue (DCIR) passed an assessment order bearing Sales Tax Reference No. 81-P/2024, whereby a tax demand, including penalties, amounting to Rs. 37.75 million was raised against the Company in respect of the supply of unmanufactured tobacco, treating such supply as subject to sales tax. Being aggrieved by the assessment order, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIRA], which decided the matter against the Company. Subsequently, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). The ATIR set aside the demand on the basis that the sale of unmanufactured tobacco is exempt from sales tax. Thereafter, the ACIR challenged the ATIR's decision before the Peshawar High Court. The matter is currently pending adjudication before the Peshawar High Court. Based on the legal opinion, management is confident that the matter will be decided in favor of the Company. Accordingly, no provision has been recognized in the financial statements in respect of this matter.
- xi The Assistant Commissioner Inland Revenue (ACIR), Peshawar, passed Assessment Order No. 26/2027 dated July 13, 2026, under the Federal Excise Act, 2005, raising a demand of Rs. 423.94 million against the Company for the tax period December 2024, along with a penalty of Rs. 21.19 million. The demand arose from the allegation that the Company had adjusted Federal Excise Duty (FED) without valid supporting documentation. Being aggrieved by the assessment order, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIRA], Peshawar. The matter is currently pending adjudication. Based on the legal opinion, management is confident that the matter will be decided in favor of the Company. Accordingly, no provision has been recognized in the financial statements in respect of this matter.
- xii The Additional Collector, Khyber Pakhtunkhwa Revenue Authority (KPRA), passed Assessment Order No. 157/2026 dated May 6, 2026, under the Khyber Pakhtunkhwa Sales Tax on Services Act, 2022, raising a tax liability, including penalty, amounting to Rs. 39.86 million against the Company for the tax period from July 2021 to June 2024. The demand arose on the grounds that the Company, in its capacity as a withholding agent, allegedly failed to withhold and deposit sales tax on various services availed by it. Being aggrieved by the assessment order, the Company filed an appeal before the Appellate Tribunal Sales Tax on Services (ATSTS), Khyber Pakhtunkhwa. The matter is currently pending adjudication. Based on the legal opinion, management is confident that the matter will be decided in favor of the Company. Accordingly, no provision has been recognized in the financial statements in respect of this matter.
- xiii The Assistant Commissioner Inland Revenue (ACIR), Peshawar, passed Assessment Order No. 07/2027 dated July 29, 2026, under the Sales Tax Act, 1990, whereby input tax amounting to Rs. 66.47 million was disallowed and declared recoverable from the Company for the tax period 2023–24, along with penalty and default surcharge under serial No. 5 of Column (2) of the Table to section 33 of the Sales Tax Act, 1990. Being aggrieved by the assessment order, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIRA]. The matter is currently pending adjudication. Based on the legal opinion, management is confident that the matter will be decided in favor of the Company. Accordingly, no provision has been recognized in the financial statements in respect of this matter.
- xiv For sales tax period 2017–18, the Deputy Commissioner Inland Revenue (DCIR), Peshawar, passed an assessment order under the Federal Excise Act, 2005, bearing Reference No. 36 dated March 3, 2020, whereby an amount of Rs. 14.74 million was assessed as recoverable from the Company, along with penalty and default surcharge amounting to Rs. 73.7 million, in respect of alleged non-payment of taxes and duties. Being aggrieved by the assessment order, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIRA], who remanded the matter to the DCIR for reassessment vide Order No. 33/2021 dated December 12, 2022. Subsequent to the year-end, the DCIR issued an appeal effect order bearing Reference No. C. No. ST/69 dated July 12, 2024, whereby a demand of Rs. 14.74 million was raised against the Company. Being aggrieved by the said order, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), where the matter is currently pending for adjudication. Based on the legal opinion, management is confident that the matter will be decided in favor of the Company. Accordingly, no provision has been recognized in the financial statements in respect of this matter.

- xv The Deputy Commissioner Inland Revenue (DCIR), Peshawar, passed an assessment order bearing No. 33/2017 dated August 23, 2017, under the Federal Excise Act, 2005 and the Sales Tax Act, 1990, raising a demand of Rs. 9.51 million against the Company in respect of alleged non-payment of taxes and duties. Being aggrieved by the assessment order, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIRA], which was decided against the Company. Subsequently, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which decided the matter in favor of the Company vide order No. STA No. 190/PB/2021 dated September 4, 2024. Subsequently, the DCIR/Department challenged the decision of the ATIR before the Peshawar High Court, where the matter is currently pending adjudication. Based on the legal opinion, management is confident that the matter will be decided in favor of the Company. Accordingly, no provision has been recognized in the financial statements in respect of this matter.
- xvi For sales tax period 2021–22, the Deputy Commissioner Inland Revenue (DCIR), Peshawar, passed an assessment order in Original No. 10/2023 dated January 1, 2025, under section 11 of the Sales Tax Act, 1990, whereby an amount of Rs. 4.79 million was assessed as recoverable from the Company, along with penalty and default surcharge amounting to Rs. 23.9 million, in respect of alleged non-payment of taxes and duties. Being aggrieved by the assessment order, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIRA]. The Commissioner Inland Revenue (Appeals) remanded the matter to the Deputy Commissioner Inland Revenue for fresh proceedings. As at the reporting date, the appeal effect order has not yet been issued. Based on the legal opinion, management is confident that the matter will be decided in favor of the Company. Accordingly, no provision has been recognized in the financial statements in respect of this matter.
- xvii For sales tax period 2017-18, the Deputy Commissioner Inland Revenue (DCIR), Peshawar, passed an assessment order dated January 17, 2019, under the Federal Excise Act, 2005 and the Sales Tax Act, 1990, raising a demand of Rs. 3.99 million against the Company in respect of alleged non-payment of taxes and duties. Being aggrieved by the assessment order, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIRA], Peshawar, which decided the matter in favor of the Company. Subsequently, the Department filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), Peshawar, on August 30, 2019. The matter is currently pending adjudication before the ATIR. Based on the legal opinion, management is confident that the matter will be decided in favor of the Company. Accordingly, no provision has been recognized in the financial statements in respect of this matter.

15 PROPERTY, PLANT AND EQUIPMENT

Operating assets
Capital work-in-process

Note	2026 Rupees	2025 Rupees
15.1	3,584,457,048	2,425,781,468
15.4	-	311,695,345
	<u>3,584,457,048</u>	<u>2,737,476,813</u>

15.1 OPERATING ASSETS

COST / REVALUED AMOUNTS

Balance as at July 01, 2024
Additions
Disposals
Balance as at June 30, 2025
Balance as at July 01, 2025
Additions
Elimination due to revaluation
Surplus on revaluation during the year
Balance as at June 30, 2026

ACCUMULATED DEPRECIATION

Balance as at July 01, 2024
Charge for the year
Disposals

Balance as at June 30, 2025

Balance as at July 01, 2025
Charge for the year
Elimination due to revaluation
Balance as at June 30, 2026

Carrying value - June 2026

Carrying value - June 2025

Rate of depreciation per annum

Buildings on leasehold land	Plant and machinery	Tools and electrical appliances	Furniture and fittings	Office equipment	Vehicles	Total
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Rupees-----

269,560,087	2,561,267,504	113,299,148	2,408,950	3,828,440	61,252,549	3,011,616,678
1,322,530	194,683,347	1,390,644	-	437,321	405,400	198,239,242
-	(9,000,000)	-	-	-	-	(9,000,000)
<u>270,882,617</u>	<u>2,746,950,851</u>	<u>114,689,792</u>	<u>2,408,950</u>	<u>4,265,761</u>	<u>61,657,949</u>	<u>3,200,855,920</u>
270,882,617	2,746,950,851	114,689,792	2,408,950	4,265,761	61,657,949	3,200,855,920
21,279,998	312,644,354	3,890,513	103,130	1,732,325	17,640,000	357,290,320
(69,384,025)	(854,086,768)	-	(875,596)	-	-	(924,346,389)
160,094,910	932,901,563	-	843,266	-	-	1,093,839,739
<u>382,873,500</u>	<u>3,138,410,000</u>	<u>118,580,305</u>	<u>2,479,750</u>	<u>5,998,086</u>	<u>79,297,949</u>	<u>3,777,639,590</u>

34,534,178	365,461,169	56,246,054	433,476	3,690,620	36,652,381	497,017,878
17,328,974	241,146,284	10,289,378	216,806	78,882	11,088,750	280,149,074
-	(2,092,500)	-	-	-	-	(2,092,500)

51,863,152	604,514,953	66,535,432	650,282	3,769,502	47,741,131	775,074,452
51,863,152	604,514,953	66,535,432	650,282	3,769,502	47,741,131	775,074,452
17,520,873	249,571,815	10,555,546	225,314	829,451	13,751,480	292,454,479
(69,384,025)	(854,086,768)	-	(875,596)	-	-	(924,346,389)
-	-	77,090,978	-	4,598,953	61,492,611	143,182,542
<u>382,873,500</u>	<u>3,138,410,000</u>	<u>41,489,327</u>	<u>2,479,750</u>	<u>1,399,133</u>	<u>17,805,338</u>	<u>3,584,457,048</u>
219,019,465	2,142,435,898	48,154,360	1,758,668	496,259	13,916,818	2,425,781,468

7.14%	10%	10%	10%	30%	20%
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	Note	2026 Rupees	2025 Rupees
15.2 Depreciation on property, plant and equipment has been allocated as follows;			
Cost of sales	24	274,134,734	265,179,318
Administrative expenses	25	18,319,745	14,969,756
		<u>292,454,479</u>	<u>280,149,074</u>

- 15.3 Buildings on leasehold land, plant and machinery and furniture and fittings of the Company has been revalued as at June 30, 2026 by "Unicorn International Surveyors" (UIS) which is independent valuer not connected with the Company. UIS is on panel of Pakistan Banks Association as 'Any Amount' asset valuator. It is also on the panel of State Bank of Pakistan, possesses appropriate qualification and recent experience in fair value measurements. The management of the Company believes that fair values are not materially different from revalued amounts determined by the valuers. Valuation was carried out by an independent valuer, under the market value basis. This revaluation resulted in a net surplus of Rs. 776.63 million.

Had there been no revaluation, the carrying amount of revalued assets would have been as follows;

	Cost Rupees	Accumulated depreciation Rupees	Carrying value Rupees
Buildings on leasehold land	36,417,090	4,648,914	31,768,176
Plant and machinery	2,997,873,636	949,456,295	2,048,417,341
Furniture and fittings	2,015,432	1,390,197	625,235
30 June 2026	<u>3,036,306,158</u>	<u>955,495,407</u>	<u>2,080,810,751</u>

	Cost Rupees	Accumulated depreciation Rupees	Carrying value Rupees
Buildings on leasehold land	15,137,092	3,562,260	11,574,832
Plant and machinery	2,685,229,282	705,439,421	1,979,789,861
Furniture and fittings	1,912,302	1,209,582	702,720
30 June 2025	<u>2,702,278,676</u>	<u>710,211,263</u>	<u>1,992,067,413</u>

- 15.3.1 Forced Sales Value(FSV) of buildings on leasehold land, plant and machinery and furniture & fittings were Rs. 287.15 million, Rs. 2,196.8 million and 1.736 million respectively as at June 30, 2026. The revalued amounts has been measured under level 3 of the IFRS 13.

	Note	2026 Rupees	2025 Rupees
15.4 CAPITAL WORK IN PROGRESS			
Plant and machinery	15.4.1	-	311,695,345
Building	15.4.2	-	-
		<u>-</u>	<u>311,695,345</u>
15.4.1 Plant and machinery			
Opening		311,695,345	309,879,396
Additions		949,009	178,925,022
Transfer to property, plant, and equipment		(312,644,354)	(177,109,073)
		<u>-</u>	<u>311,695,345</u>
15.4.2 Building			
Opening		-	-
Additions		21,279,998	-
Transfer to property, plant, and equipment		(21,279,998)	-
		<u>-</u>	<u>-</u>
16 RIGHT OF USE ASSET			
Cost			
Opening		196,414,888	196,414,888
Addition during the year		-	-
		<u>196,414,888</u>	<u>196,414,888</u>
Accumulated depreciation			
Opening balance		98,207,444	49,103,722
Charge for the year	24	49,103,723	49,103,722
		<u>147,311,167</u>	<u>98,207,444</u>
Book value at year end		<u>49,103,721</u>	<u>98,207,445</u>

- 16.2 The Company has lease contracts of its Green Leaf Thrasher Machine, Warehouses and Hing Lid Packer Machine. Lease terms are made for fixed period, subject to renewal upon mutual consent of both parties. Where applicable, the Company seeks to include extension and termination options to provide operational flexibility. Lease terms are negotiated on individual basis and contain a wide range of different terms and conditions. Management exercise significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

		2026 Rupees	2025 Rupees
17	LONG TERM ADVANCES, DEPOSITS AND PREPAYMENTS		
	Advances to suppliers	8,990,000	-
	Deposit with Sui Northern Gas Pipelines Limited	6,058,152	6,058,151
	Other deposits	12,977,258	13,197,260
	Non-current portion of prepaid insurance	-	1,734,391
		<u>28,025,410</u>	<u>20,989,802</u>
17.1	This includes refundable security deposit amounting to Rs 10 million (2025: Rs. 10 million) paid to Samson Re-drying Processing Company (Pvt) Limited for acquiring the building with plant and machinery on lease.		
18	STOCK IN TRADE		
		2026 Rupees	2025 Rupees
	Raw and packing material	10,865,454,488	10,065,282,184
	Work in process	56,710,506	-
	Finished goods	75,185,282	338,853,829
	Stock in transit	80,406,857	-
		<u>11,077,757,133</u>	<u>10,404,136,013</u>
	Less: provision for net realisable value	(525,318,989)	(64,592,575)
		<u>10,552,438,144</u>	<u>10,339,543,438</u>
18.1	Stock in transit comprises of:		
	Tow in transit at import stage	10,474,956	-
	Tobacco in transit for export	69,931,901	-
		<u>80,406,857</u>	<u>-</u>
18.2	Provision for net realisable value is made against the raw material and finished goods. The provision recorded for raw material amounts to Rs. 518.17 million (2025: nil) and provision for finished goods amounts to Rs. 7.15 million (2025: 64.60 million). The amount charged to the profit or loss in respect of raw material written down to their net realisable values is Rs. 502.63 million (2025: nil). The reversal of net realisable value in profit or loss in respect of finished goods is Rs. 41 million (2025: charge of Rs. 28.09 million).		
19	TRADE DEBTS		
		2026 Rupees	2025 Rupees
	Local - unsecured	1,499,839,612	1,161,346,918
	Foreign - unsecured	320,194,094	-
		<u>1,820,033,706</u>	<u>1,161,346,918</u>
	Allowance for expected credit losses	(251,477,395)	(204,086,030)
		<u>1,568,556,311</u>	<u>957,260,888</u>
19.1	Movement in allowance for expected credit losses		
	Balance at beginning of the year	204,086,030	170,509,727
	Expected credit loss recognised during the year	47,391,365	104,409,538
	Written off during the year	-	(70,833,235)
	Balance at end of the year	<u>251,477,395</u>	<u>204,086,030</u>
20	ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES		
	Advances to suppliers	61,865,964	85,373,530
	Advances against letter of credit	127,144,403	106,650,769
	Advance to collector of customs	-	89,751,723
	Prepaid insurance	9,858,053	20,167,510
	Bank guarantee margin	11,508,600	-
	Other receivables	6,007,364	11,522,014
		<u>216,384,384</u>	<u>313,465,546</u>
21	TAXES REFUNDABLE		
	Income tax refundable	477,849,640	159,910,836
	Sales tax refundable	110,869,506	-
	Federal excise duty refundable	2,663,308,090	270,924,214
		<u>3,252,027,236</u>	<u>430,835,050</u>

		2026 Rupees	2025 Rupees
22 CASH AND BANK BALANCES	Note		
Cash in hand		501,104	1,713,414
Cash at bank - current accounts			
- Foreign currency		1,787,330	687,680,124
- Local currency		76,224,743	621,867,301
		78,012,073	1,309,547,425
		<u>78,513,177</u>	<u>1,311,260,839</u>
23 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET			
Gross sales - own manufacturing			
- Local		8,102,562,973	11,900,310,543
- Export	23.1	6,372,401,580	7,233,968,640
		14,474,964,553	19,134,279,183
Gross local sales - trading		1,351,056,056	204,374,756
Total gross revenue		15,826,020,609	19,338,653,939
Government levies			
- Excise duty		4,990,434,000	7,340,720,750
- Sales tax		1,235,806,036	1,803,570,913
		6,226,240,036	9,144,291,663
Less: Discounts		274,230,106	303,659,097
		<u>9,325,550,467</u>	<u>9,890,703,179</u>
23.1 Disaggregation of Revenue			
In the following table, revenue from contracts with customer is disaggregated by primary geographical markets, major products and service line and timing of revenue recognition.			
Primary Geographical Markets	Note	2026 Rupees	2025 Rupees
Pakistan		9,453,619,029	12,104,685,299
Asia		4,008,478,054	4,800,669,586
Europe		2,079,578,079	1,314,890,474
Africa		-	770,170,674
South America		251,813,232	-
North America		32,532,215	348,237,906
		<u>15,826,020,609</u>	<u>19,338,653,939</u>
Major products			
Tobacco		8,198,715,326	11,782,735,073
Cigarettes		7,616,496,352	7,483,897,666
Wrapping material		10,808,931	72,021,200
		<u>15,826,020,609</u>	<u>19,338,653,939</u>
24 COST OF SALES			
Raw and packing material consumed	24.1	8,159,919,388	7,375,962,800
Salaries, wages and other benefits		313,686,047	314,806,552
Fuel and power		137,092,827	208,721,433
Stores and spares consumed		59,195,947	48,327,697
Repair and maintenance		4,636,580	3,954,563
Royalty	24.2	13,290,273	3,355,530
Short term lease rental		3,531,336	12,830,887
Depreciation		274,134,734	314,283,040
Depreciation on right of use asset		49,103,722	-
Insurance		17,210,376	9,488,671
Others		13,115,662	-
		9,044,916,892	8,291,731,173
Opening work in process	18	-	-
Closing work in process		(56,710,506)	-
		(56,710,506)	-
Opening finished stock	18	274,261,254	98,412,904
Closing finished stock		(68,034,168)	(274,261,254)
		206,227,086	(175,848,350)
Cost of sales		<u>9,194,433,472</u>	<u>8,115,882,823</u>

		2026 Rupees	2025 Rupees
24.1 Raw and packing materials consumed	Note		
Opening balance - raw and packing material		10,065,282,184	6,071,638,700
Opening balance - stock in transit		-	143,295,000
Raw and packing material purchases	24.1.1	8,522,330,674	11,226,311,284
Closing balance - raw and packing material		(10,347,286,613)	(10,065,282,184)
Closing balance - Transit		(80,406,857)	-
		<u>8,159,919,388</u>	<u>7,375,962,800</u>
24.1.1 Raw and packing material purchases and expenses			
Raw and packing material		8,036,593,845	10,631,432,512
Tobacco development cess		400,902,072	483,283,803
Consultancy charges		55,860,180	54,794,528
Freight in charges		28,974,577	56,800,441
		<u>8,522,330,674</u>	<u>11,226,311,284</u>
24.2 Details of royalty expense is as follows :			
National Tobacco Industries (Private) Limited (NTI)	24.3	2,103,750	2,863,680
Walton Tobacco Company (Private) Limited (WTC)	24.3	198,693	491,850
KT&G Corporation	24.3 & 24.4	10,987,830	-
		<u>13,290,273</u>	<u>3,355,530</u>
24.3	There is no relationship between KTC and these parties other than ordinary course of business. Registered address of WTC is Chitterpari, Mirpur, Azad Kashmir, NTI is Mora Seedha Bhimber, Azad Kashmir and KT&G is 71 beotkkot-gil, Daedeok-gu, Daejeon, Korea.		
24.4	This royalty expense pertains to the "Pine Passion SKY" brand licensed by KT&G Corporation, Korea. The expense has been recognized on a provisional basis, under accrual concept of accounting, in accordance with the Company's best understanding of the Memorandum of Understanding (MoU) executed between the Company and KT&G. The expense will be actualized upon finalization of the definitive agreement between the parties.		
25 ADMINISTRATIVE EXPENSES	Note	2026 Rupees	2025 Rupees
Salaries, wages and other benefits		148,124,852	171,698,091
Fuel and power		35,676,227	53,286,526
Communication		14,880,075	14,659,885
Travelling		21,133,668	15,003,268
Printing and stationery		3,743,621	6,104,545
Depreciation		18,319,745	14,969,756
Legal and professional		11,189,970	11,071,689
Auditors' remuneration	25.1	4,023,000	3,503,141
Director's fee		1,000,000	1,000,000
Repair and maintenance		3,472,500	3,235,567
Insurance		12,398,842	10,490,420
Short term lease rentals		1,340,000	1,872,040
Advertisement		-	1,319,507
Donations	25.2	2,400,000	2,200,000
Staff mess		25,042,027	15,683,869
Gardening and pest		12,343,730	4,786,210
Others		32,970,415	31,343,476
		<u>348,058,672</u>	<u>362,227,990</u>
25.1 Auditors' remuneration includes following :			
Audit services			
Annual audit fee		2,000,000	1,829,520
Half yearly review fee		1,000,000	795,143
Out of pocket expenses		300,000	265,885
Other certification charges		475,000	458,438
Sales tax		248,000	154,155
		<u>4,023,000</u>	<u>3,503,141</u>
25.2	This amount has been paid to Pak School and College System Mardan, which is owned by Mr. Wasim ur Rehman, a major shareholder of the Company.		

		2026 Rupees	2025 Rupees
26	SELLING AND DISTRIBUTION EXPENSES		
	Salaries, wages and other benefits	66,779,258	53,833,447
	Customs, clearance and freight on export	171,973,610	156,135,622
	Freight on local sale	25,902,376	30,952,511
	Research	49,400,000	36,575,938
	Promotion / advertisement	102,436,862	14,029,800
	Training and consultancy	48,800,000	33,080,000
		<u>465,292,106</u>	<u>324,607,318</u>
27	OTHER INCOME		
	Trade payables/accrued liabilities written back	11,002,521	2,260,936
	Rental income earned	720,000	1,820,000
	Sale of scrap	10,427,412	2,730,900
	Exchange gain	-	13,910,779
		<u>22,149,933</u>	<u>20,722,615</u>
28	OTHER EXPENSES		
	Workers' Profit Participation Fund (WPPF)	-	28,937,945
	Workers' Welfare Fund	-	9,815,176
	Advances written off	-	93,189,789
	Write off sales tax not to be claimed	-	8,494,726
	Loss on disposal of property, plant and equipment	-	3,007,500
	Sales tax / federal excise duty written off	19,439,690	117,856,617
	Late payment surcharge	21,593,061	-
	Exchange loss	10,270,645	-
		<u>51,303,396</u>	<u>261,301,753</u>
29	FINANCE COST		
	Bank charges	10,752,081	20,246,513
	Interest on Workers' Profit Participation Fund	31,004,410	59,062,185
	Interest on loan from sponsors	146,939,560	214,422,905
	Interest on unwinding of lease	24,624,383	34,935,113
		<u>213,320,434</u>	<u>328,666,716</u>
30	MINIMUM TAX DIFFERENTIAL		
	Turnover tax	<u>116,569,381</u>	<u>-</u>
31	TAXATION		
	Current:		
	- For the year	-	169,536,474
	- Prior year	70,158,168	361,861
		<u>70,158,168</u>	<u>169,898,335</u>
	Deferred	(138,112,534)	(30,216,733)
		<u>(67,954,366)</u>	<u>139,681,602</u>
31.1	Relationship between accounting profit and tax expense is as follows:	2026 %	2025 %
	Applicable tax rate	29.00	29.00
	Super tax	-	11.03
	Prior year adjustment	6.44	0.09
	Impact of rate change	(2.58)	-
	Deferred tax not booked on Current year tax loss	(15.26)	-
	Deferred tax on unabsorbed tax depreciation	(7.19)	-
	Impact of minimum tax	(3.11)	-
	Impact of permanent differences	(0.34)	-
	Impact of expenses not deductible for tax purposes	-	10.97
	Income chargeable at different rate	-	(0.05)
	Unused tax losses and tax credits	-	(10.07)
	Others	(13.22)	(7.29)
		<u>(6.24)</u>	<u>33.66</u>

32 EARNINGS PER SHARE - BASIC AND DILUTED

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2026 Rupees	2025 Rupees
(Loss) / profit attributable to ordinary shareholders	(1,020,714,060)	274,648,054
Weighted-average number of ordinary shares at year end	6,922,604	6,922,604
Basic earnings per share	(147.45)	39.67

33 CAPACITY AND PRODUCTION

	2026	2025
Available capacity (million cigarettes per annum)	9,288	9,288
Actual production (million cigarettes)	933	1,522

- 33.1 There has been no change in the available production capacity (million cigarettes per annum). However, the actual production of cigarettes has been decreased in the current year due to the decrease in market demand.

34 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit.

34.1 Credit risk and concentration of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

The Company is exposed to credit risk from its operating activities primarily for trade debts.

34.1.1 Counterparties

The Company conducts transactions with the following major types of counterparties for its financial assets at amortized cost:

Trade debts

Trade debts are essentially due from both foreign and local customers against sale of cigarettes and semi-processed and processed tobacco. The Company does not expect these counterparties to fail to meet their obligations. The majority of sales to the Company's customers are made on specific terms. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for local customers. Outstanding customer receivables are regularly monitored.

Banks

The Company limits its exposure to credit risk by conducting transactions only with reputable banking entities that have minimum "A" credit rating. The table below shows bank balance held with counterparties at reporting date:

Bank	Rating		Rating agency	2026	2025
	Short term	Long term		Rupees	Rupees
Habib Bank Limited	A1+	AAA	JCR-VIS	11,740,078	46,587,896
National Bank of Pakistan	A1+	AAA	JCR-VIS	841,127	841,127
MCB Bank Limited	A1+	AAA	PACRA	50,264,917	117,323,490
Samba Bank Limited	A1+	AA	PACRA	2,173	2,173
Habib Metropolitan Bank	A1+	AAA	PACRA	251,677	572,335,106
The Bank of Punjab	A1+	AAA	PACRA	-	24,863,131
Askari Bank Limited	A1+	AAA	PACRA	11,137,546	251,634,212
Bank Al Habib Limited	A1+	AAA	PACRA	457,019	
Bank Alfalah Limited	A1+	AAA	PACRA	3,244,576	19,687,195
Bank of Khyber	A1	AA-	PACRA	72,960	17,528,004
				78,012,073	1,050,802,334

34.1.2 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Financial assets:	2026 Rupees	2025 Rupees
Trade debts	1,568,556,311	957,260,888
Bank balances	78,012,073	1,050,802,334
Advances, prepayments and other receivables	6,007,364	11,522,014
Long term deposits	19,035,410	20,989,802
	1,671,611,158	2,040,575,038

Trade debts consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of trade debts, where appropriate. The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. At June 30, 2026 the Company had approximately 20 (2025: 19) major local customers that owed at least Rs. 15.86 million each and accounted for approximately 82% (2025 : 75%) of local trade debts. Export debts amounting to Rs. 320.19 Million (2025 : nil) are unsecured.

34.1.3 Impairment losses

	Expected credit losses		Aging of trade debts	
	2026 Rupees	2025 Rupees	2026 Rupees	2025 Rupees
Not past due	-	-	962,565,825	329,417,114
Past due upto 12 months	48,172,273	19,461,934	625,201,880	515,914,039
Over 12 months	203,305,122	184,624,096	232,266,001	316,015,765
	251,477,395	204,086,030	1,820,033,706	1,161,346,918

The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

	2026 Rupees	2025 Rupees
Balance as at July 01	204,086,030	170,509,727
Written off during the year	-	(70,833,235)
Impairment losses on financial assets	47,391,365	104,409,538
Balance as at June 30	251,477,395	204,086,030

Based on age analysis, relationship with customers and past experience the management does not expect any party to fail to meet their obligations. The management believes that trade debts are considered good and hence no impairment allowance is required other than record above.

The allowance in respect of trade debts are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off against the financial asset directly.

34.2 Liquidity risk management

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves.

34.2.1 Liquidity table

The following table details the Company's remaining contractual maturity for its financial liabilities at amortized cost.

Carrying amount and contractual cash flows of trade and other financial liabilities are approximately same.

	2026 Rupees	2025 Rupees
Maturity up to one year		
Trade and other payables	12,534,227,283	10,499,217,081
Unclaimed dividend	16,647,518	16,658,510
Loan from sponsors	1,113,835,638	1,062,835,638
Accrued markup on loan from sponsors	404,625,692	257,686,132
	<u>14,069,336,131</u>	<u>11,836,397,361</u>

34.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

34.3.1 Foreign currency risk management

Pak Rupee (PKR) is the functional currency of the Company and as a result currency exposure arises from transactions and balances in currencies other than PKR. The Company's potential currency exposure comprise;

- Transactional exposure in respect of non functional currency monetary items.
- Transactional exposure in respect of non functional currency expenditure and revenues.

The potential currency exposures are discussed below;

Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to PKR equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Transactional exposure in respect of non functional currency expenditure and revenues

Certain operating and capital expenditure is incurred by the Company in currencies other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Company. These currency risks are managed as a part of overall risk management strategy.

Exposure to foreign currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	2026 USD	2025 USD
Cash and Bank	6,428	2,424,824
Trade debts	1,151,570	-

Commitments outstanding at year end is Rs.127 million (2025: Rs. 106 million) relating to letter of credits for imports.

The following significant exchange rates applied during the year:

Rupees per USD	2026	2025
Average rate	280.83	280.87
Reporting date rate	278.05	283.60

Sensitivity analysis

A 10 percent weakening of the Pak Rupee against the USD at June 30, 2026 would have decreased profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2025.

	2026 Rupees	2025 Rupees
Increase / (decrease) in statement of profit / loss	<u>(102,071,406)</u>	<u>27,464,805</u>

A 10 percent strengthening of the Pak Rupee against the USD at June 30, 2026 would have had the equal but opposite effect on USD to the amounts shown above, on the basis that all other variables remain constant.

34.3.2 Interest rate risk

The interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. Sensitivity to interest rate risk arises from mismatches of financial assets and liabilities that mature in a given period.

Profile

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

Floating rate instruments

	2026 Rupees	2025 Rupees
Loan from sponsors	1,113,835,638	1,062,835,638

Fair value sensitivity analysis for floating rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in floating interest rates, with all other variables held constant, of the Company's profit before tax (through the impact on finance cost).

	Increase / (decrease) in basis points	Decrease / (increase) of profit
	Points	Rupees
2026	+ (-) 200	22,276,713
2025	+ (-) 200	28,460,235

34.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. The effects of changes in fair value of such investments made by Company, on the future profits are not considered to be material in the overall context of these financial statements.

34.3.4 Financial Instruments by category

The accounting policies for financial instruments have been applied for the items below:

	2026 Rupees	2025 Rupees
Assets as per statement of financial position - at amortized cost		
Trade debts	1,568,556,311	957,260,888
Cash and bank balances	78,513,177	1,311,260,839
Long term deposits	28,025,410	20,989,802
	<u>1,675,094,898</u>	<u>2,289,511,529</u>
Liabilities as per statement of financial position- at amortized cost		
Trade and other	12,534,227,283	10,499,217,081
Unclaimed dividend	16,647,518	16,658,510
Loan from sponsors and directors - unsecured	1,113,835,638	1,062,835,638
Accrued markup on loan from sponsors	404,625,692	257,686,132
	<u>14,069,336,131</u>	<u>11,836,397,361</u>

35 FAIR VALUE MEASUREMENT 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.

36 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, directors and close family members, companies with common directorship, executives, key management personnel and major shareholders of the Company. Balances are disclosed in relevant notes.

- 36.1 Following are the related parties with whom the Company has entered into transactions during the year and balance as at year end other than Remuneration of key management personnel which is disclosed in note 36 of these financial statements.

Name	Basis of relationship	Nature	2026 Rupees	2025 Rupees
		Payment for tobacco purchased	383,097,025	-
Samsons Re-drying and Processing Company	Associated Undertaking	Tobacco Purchases	-	707,461,232
		Payment for lease	2,500,000	5,000,000
		Loan received	111,000,000	158,800,000
Mr. Wasim ur Rehman	Sponsor	Loan repaid	60,000,000	-
		Markup expense	144,092,480	213,985,207
Mr. Khalil ur Rehman	Sponsor	Loan received	-	3,000,000
		Markup expense	2,847,080	437,698
Blue Ocean Management Consultants	Associated Undertaking	Tobacco consultancy services	53,980,315	46,073,562
		Staff Training services	48,800,000	33,080,000
Samson Agri Farms	Associated Undertaking	Advance received	150,000,000	-
		Advance repaid	150,000,000	-

- 36.2 Following are the related parties with whom the Company has agreement in place.

Name	Basis of relationship	Shareholding % age
Mrs. Samera Irfan	Chief Executive Officer	0.04%
Mr. Shahzad Javed Panni	Independent-director	0.04%
Mr. Zia Ur Rehman	Director	0.10%
Mr. Khalil Ur Rehman	Director	0.21%
Mr. Rahat Ullah	Chairman	0.05%
Mr. Pir Waris Shah	Director	0.21%
Mrs. Sonia Farooq	Director	0.04%
Mr. Wasim ur Rehman	Sponsor	64.33%
Mr. Sami ur Rehman	Sponsor	0.21%
Blue Ocean Management Consultants	Associated Undertaking	0.00%
Samson General Trading UAE	Associated Undertaking	0.00%
Samson Agri Farms	Associated Undertaking	0.00%
Samson Redrying and Processing (Private) Limited	Associated Undertaking	0.00%

- 36.3 The company entered in to transactions with all its related parties in the ordinary course of business at prevailing market rates.

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged for remuneration including benefits and perquisites, to chief executive officer, directors and executive were as follows:

	Chief Executive Officer	Director	Executives
	Rupees		
30-Jun-26			
Managerial remuneration	3,600,000	914,400	176,862,882

Number of persons	1	1	57
	Chief Executive Officer	Director	Executives
	Rupees		
30-Jun-25			
Managerial remuneration	3,600,000	228,600	145,706,880
Number of persons	1	1	57

- 37.1 No allowances other than remuneration are given to chief executive, directors and executives.
- 37.2 No remuneration and meeting fee has been paid to non executive directors.
- 37.3 Meeting fee amounting to Rs. 600,000 and 400,000 has been paid to independent directors Mr. Shahzad Javed Panni and Mrs. Sonia Farooq respectively.
- 37.4 Executive means an employee whose basic salary exceeds Rs. 1.20 million (2025: Rs. 1.20 million) during the year.
- 38 **CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**

	Balance as at July 01, 2025	Amount charged / received during the year	Amount repaid during the year	Balance as at June 30, 2026
	Rupees			
Loan from sponsors - unsecured	1,062,835,638	111,000,000	60,000,000	1,113,835,638
Accrued markup on loan from sponsors - unsecured	257,686,132	146,939,560	-	404,625,692
Lease liability	260,799,327	24,624,383	2,500,000	282,923,710
Unclaimed dividend	16,658,510	-	10,992	16,647,518
	1,597,979,607	282,563,943	62,510,992	1,818,032,558
		2026 (Number)	2025 (Number)	

39 **NUMBER OF PERSONS EMPLOYED**

Employees at year end	496	575
Average employees during the year	536	585
Factory employees at the year end	434	460
Average factory employees during the year	447	460

40 **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on

41 **GENERAL**

Figures in these financial statements have been rounded off to the nearest rupee except otherwise disclosed.

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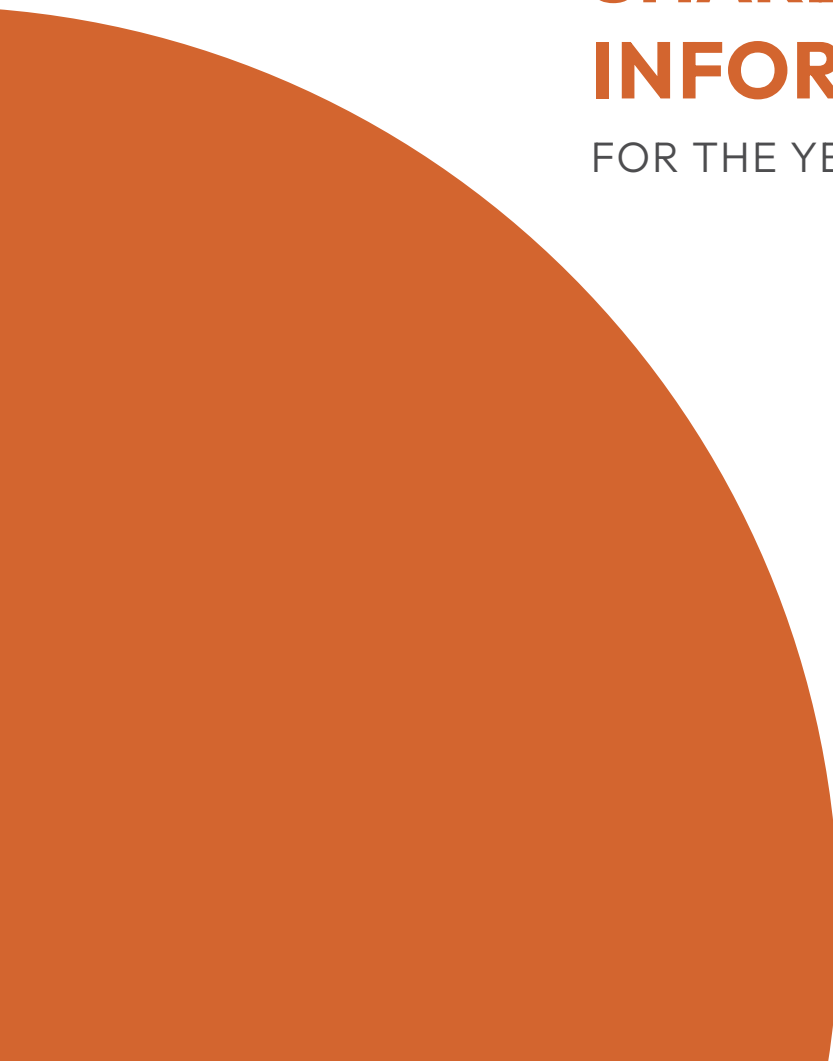
CHIEF EXECUTIVE OFFICER

[Signature]

DIRECTOR

[Signature]

DIRECTOR



KHYBER TOBACCO COMPANY LIMITED

**SHAREHOLDERS'
INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2026

PATTERN OF SHAREHOLDING

AS ON JUNE 30, 2026

No of Shareholders	Shareholdings' Slab			Total Shares Held
474	1	to	100	15,556
345	101	to	500	84,791
167	501	to	1000	119,928
268	1001	to	5000	602,651
57	5001	to	10000	389,576
22	10001	to	15000	294,052
7	15001	to	20000	116,508
3	20001	to	25000	66,256
4	25001	to	30000	108,793
2	35001	to	40000	75,337
1	40001	to	45000	44,976
2	65001	to	70000	134,568
1	110001	to	115000	112,872
1	120001	to	125000	125,000
1	175001	to	180000	178,110
1	2210001	to	2215000	2,212,420
1	2240001	to	2245000	2,241,210
1,357				6,922,604

CATEGORIES OF SHAREHOLDING

AS ON JUNE 30, 2026

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
MR. KHALIL UR REHMAN	1	14,400	0.21
MR. PIR WARIS SHAH	1	14,400	0.21
MR. RAHAT ULLAH	1	3,600	0.05
MR. ZIA UR RAHMAN	1	7,200	0.10
MRS. SAMERA IRFAN	1	3,060	0.04
MR. SHAHZAD JAVED PANNI	1	2,500	0.04
MRS. SONIA FAROOQ	1	2,500	0.04
Associated Companies, undertakings and related parties	-	-	-
NIT and ICP	1	1,606	0.02
Government Sector	1	67,608	0.98
Banks Development Financial Institutions, Non-Banking Financial Institutions	-	-	-
Insurance Companies	1	1,663	0.02
Mutual Funds	1	125,000	1.81
General Public			
a. Local	1,320	6,615,739	95.57
b. Foreign	12	25,775	0.37
Foreign Companies	-	-	-
Others	14	37,553	0.54
Totals	1,357	6,922,604	100.00

Share holders holding 5% or more	Shares Held	Percentage
MR. WASEEM-UR-RAHMAN	4,453,630	64.33

Khyber Tobacco Company Limited
Statement of Free Float of Shares

In accordance with Regulation No. 5.7.2 (b) (ii) of Pakistan Stock Exchange Limited, we provide the Free Float of share of our Company as hereunder;

	30/09/2025	31/12/2025	31/03/2026	30/06/2026
Total Outstanding Shares	6,922,604	6,922,604	6,922,604	6,922,604
Less: Government Holdings	-	-	-	-
Less: Shares held by Directors/Sponsors/Senior Management Officers and their associates	-	-	-	-
Less: Shares in Physical form	5,936,963	5,934,272	5,930,002	5,925,359
Less: Shares held by Associate Companies/Group Companies (Cross Holding)	-	-	-	-
Less: Shares issued under Employees Stock Option Schemes that cannot be sold in the open market in normal course	-	-	-	-
Less: Treasury Shares	-	-	-	-
Less: Any other category that are barred from selling at the review date	-	-	-	-
Free Float	985,641	988,332	992,602	997,245



Company Secretary




Chief Executive



+92-9378-4463-6
+92-9378-4463-9

 www.khybertobacco.com
 connect@khybertobacco.com
NTN NO: 2257984-2

**INDEPENDENT REASONABLE ASSURANCE REPORT
ON STATEMENT OF FREE FLOAT OF SHARES**

To the Chief Executive of Khyber Tobacco Company Limited

1. Introduction

We have been engaged to perform a reasonable assurance engagement on the annexed Statement of Free Float of Shares (the Statement) of Khyber Tobacco Company Limited (the Company) as of September 30, 2025, December 31, 2025, March 31, 2026 and June 30, 2026.

2. Applicable Criteria

The criteria against which the Statement is assessed is Regulation No. 5.7.2(b) (ii) of Pakistan Stock Exchange Limited Regulations (PSX Regulations) which requires every Listed company/modaraba/mutual fund to submit directly to Pakistan Stock Exchange (PSX) an annual Free-Float Certificate duly verified by the auditor along with the annual audited accounts as prescribed under regulation 5.6.9(a) of the PSX Regulations.

3. Management's Responsibility for the Statement

Management is responsible for the preparation of the Statement as of September 30, 2025, December 31, 2025, March 31, 2026 and June 30, 2026 in accordance with the applicable criteria. This responsibility includes maintaining adequate records and internal controls as determined necessary to enable the preparation of the Statement such that it is free from material misstatement, whether due to fraud or error.

4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies System of Quality Management ("SOQM"), as required by The Institute of Chartered Accountants of Pakistan's ("ICAP") and in accordance with the International Standard on Quality Management ISQM 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" (ISQM 1) issued by the International Auditing and Assurance Standards Board (IAASB) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our Responsibility and Summary of Work Performed

Our responsibility is to carry out an independent reasonable assurance engagement and to express an opinion as to whether the Statement is prepared in accordance with the applicable criteria, based on the procedures we have performed and the evidence we have obtained.





We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than Audits or Reviews of Historical Financial Statements' (ISAE 3000) (Revised) issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain reasonable level of assurance about whether the Statement is free from material misstatement. A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the free float of shares related information in the statement. The nature, timing and extent of procedures selected depend on the practitioner's judgement, including the assessment of the risks of material misstatements, whether due to fraud or error, in the Statement. In making those risk assessments, we considered internal control relevant to the company's preparation of the Statement. A reasonable assurance engagement also includes assessing the applicable criteria used and significant estimates made by management, as well as, evaluating the overall presentation of the Statement.

We have carried out the procedures considered necessary for the purpose of providing reasonable assurance on the Statement. Our assurance procedure performed included verification of information in the Statement with the underlying data and record comprising of central Depository Company statements, forms submitted by company with the Securities and Exchange commission of Pakistan relating to its pattern of shareholding and other related information. Verification that the computation of free float of shares is in accordance with the PSX Regulations also forms part of our assurance procedures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for the opinion.

6. Opinion

In our opinion, the Statement as of September 30, 2025, December 31, 2025, March 31, 2026 and June 30, 2026 is prepared, in all material respects, in accordance with the PSX Regulations.

7. Restrictions on use and distribution

This report is issued in relation to the requirement stipulated under Regulation No 5.7.2(b) (ii) of the PSX Regulations and is not to be used or distributed for any other purpose. This report is restricted to the facts stated herein and the attachment

Yours truly


Chartered Accountants

Place: Lahore
Dated: October 07, 2026

CONFIRMATION OF CDC's NOMINEE HOLDING IN MEMBERS' /
CERTIFICATE HOLDERS' REGISTER

Chief Compliance Officer
Central Depository Company of Pakistan Limited
CDC House, 99-B, Block-B
S.M.C.H.S. Main Shahra-e-Faisal Karachi

Dear Sir,

In compliance with CDC Regulation No. 13.7.1, we are writing to confirm as follows:

Financial Year End	30/06/2026
Name of Auditor	M/S. YOUSUF ADIL -CHARTERED ACCOUNTANTS
Security Name	KHYBER TOBACCO COMPANY LIMITED
Security Symbol	KHTC

	Note	Number of Securities
Balance at the end of period / year in the CDC's Nominee Holding in Members' / Certificate holders' Register	N-1	997,245
Balance of book entry security in the Central Depository Register at the end of period / year	N-2	997,245
Difference, if any		0

N-1: Movement in the CDC's Nominee Holding in Members' / Certificate holders' Register Number of Securities

Balance at the beginning of the year in the CDC's Nominee Holding in Members' / Certificate holders' Register	985,551
Add: Additions during the period / year	11,694
Less: Deletions during the period / year	0
Balance at the end of year / period in the CDC's Nominee Holding in Members' / Certificate holders' Register	997,245

N-2: Movement in the Central Depository Register Number of Securities

Balance at the beginning of the year in the Central Depository Register	985,551
Add: Additions during the period / year	11,694
Less: Deletions during the period / year	0
Balance at the end of year / period in the Central Depository Register	997,245

Reason for Difference and discrepancy (if any):

Regards,

Authorized Signatory (As) / Company Secretary



This reconciliation would be stamped, signed and dated by the External Auditor here



+92-9378-4463-6
+92-9378-4463-9

www.khybertobacco.com
connect@khybertobacco.com
NTN NO: 2257984-2



YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

134-A, Abu Bakar Block
New Garden Town
Lahore
Pakistan

Tel: +92 (0) 42 3591 3595-7
www.yousufadil.com

KTC / 0276
October 05, 2026

The Company Secretary
Khyber Tobacco Company Limited
Nowshera Mardan Road
Mardan

Dear Sir,

CERTIFICATE ON RTA RECONCILIATION AS REQUIRED UNDER CDC REGULATION NO. 13.7.1

We have been requested to provide you with a certificate on the annexed RTA Reconciliation of Shares (the Reconciliation) for Khyber Tobacco Company Limited for the year ended June 30, 2026 as required under CDC Regulation No. 13.7.1.

Scope of Certificate

We are required to review the number of book-entry securities held on the Central Depository Register at the beginning of financial year, movements during the year and closing balance at the end of financial year and to review the number of such securities recorded in the name of CDC on the Nominee Register of the Company at the beginning of financial year, movements during the year and closing balance at the end of financial year.

Management Responsibility

It is the management's responsibility to provide the Reconciliation for the year ended June 30, 2026 in compliance with the requirements of the Regulation 13.7.1 of the CDC Regulations.

Auditors' Responsibility

Our responsibility is to certify the compliance of the requirement of CDC Regulation No.13.7.1 in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan.

Our verification procedures include obtaining such evidence and explanations about the information as contained in the Reconciliation. We believe that the evidence we have obtained as at June 30, 2026 is sufficient and appropriate to provide a basis for the certification. Our verification was limited to the procedures as mentioned below;

- Reviewing the number of book-entry security held on the Central Depository Register at the beginning of financial year, movements during the year and closing balance at the end of financial year;
- Reviewing the number of such securities recorded in the name of CDC on the Nominee Register of the Company at the beginning of financial year, movements during the year and closing balance at the end of financial year; and
- In case of any difference, verify the reason for such difference and report the discrepancy.

ISO 27001 Certified Since 2017
Karachi | Islamabad | Lahore

Certificate

Based on procedures mentioned above, we certify that the Reconciliation statement of the balance of Nominee shareholding of CDC in the Members' Register of the Company as at June 30, 2026, has been prepared in all material respects, in accordance with CDC Regulation No. 13.7.1 and scope of work agreed above.

Restriction on use and distribution

This certificate is issued in relation to the requirement of CDC Regulation No. 13.7.1 and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the attachments.

Yours truly


Chartered Accountants



FORM OF PROXY

71st Annual General Meeting
Khyber Tobacco Company Limited

I/We _____
of _____

Being a member (s) of Khyber Tobacco Company Limited holding Ordinary Shares hereby appoint Mr./Mrs./Miss _____ of _____ or failing him/her of _____ as my /our proxy in my/our absence to attend and vote for me / us and on my/ our behalf at the Annual General Meeting of the Company to be held on Wednesday, October 28, 2026 at 11:00 a.m. and /or any adjournment thereof.

As witness my/our hand/seal this _____ day of _____ 2026.

Signed by _____

In the presence of _____

Folio No.	CDC Account No.	
	Participant ID	Account No.

Signature on Five Rupees
Revenue Stamps

The signature should agree with the
specimen registered with the Company

Important:

1. This proxy form duly completed and signed must be received at the registered office of the company, Nowshera Road Mardan not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.

In addition to above the following requirements have to be met:

- i. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
- ii. The proxy shall produce his original CNIC or original passport at the time of the meeting.
- iii. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier along with proxy form to the company)



خبر توبېکو کمپني ليمیټډ د پراکسي فارم

اهم خبری!

- ۱- پراکسي فارم به مکمل وي او لاس ليک به پرې وي او د کمپني دفتر نوبنار روډ مردان ته ۴۸ گېنټو کښې به دننه د اجلاس نه مخکښې لېرلي شي
 - ۲- که چرې يو ممبر د يو نه زيات د پراکسي تفرري کوي او يا کمپني سره د يو دستاويز نه ئي زيات جمع کړي وي نو دا به خلاف قانون ګرځولې شي
- د بره ذکرې شوي نکتو سره دا لاندې اضافي ضروري غوښتنې هم شاملې کيږي
- ۱- د مالک او پراکسي کمپيوټرائزډ شناختي کارډ دوه تصديق شوې کاپي يا د پاسپورټ کاپي به د فارم سره جمع کيږي
 - ۲- د اجلاس په وخت به پراکسي خپل اصل کمپيوټرائزډ شناختي کارډ يا پاسپورټ به پيش کوي
 - ۳- د کارپوريت ادارو په صورت کښې به د بورډ آف ډائريکټرز قرارداد/مختيار نامه سره د فارم او د پراکسي فارم به جمعي کولي شي

خبر توبېکو کمپني ليمیټډ د پراکسي فارم

۷۱ م کلني عامي غونډه

زۀ _____

د _____

د خبر توبېکو کمپني د ممبر په حيث _____

عام حصه دار، نامزد کوم محترم/ محترمه _____

د _____ وروکوم _____

د _____ زما يا زمونږ د پراکسي په توگه چې زما يا زمونږ په غېر

موجودگي کښي په اجلاس کښي زما يا زمونږ له اړخه برخه واخلي، ووت واچوي کوم اجلاس چې د

جمعي په ورځ په ۲۸م اکتوبر ۲۰۲۶ کيږي او يا بل تاريخ پورې ځنډيږي

زما يا زمونږ مهر _____ ورځ او نېټه _____ ۲۰۲۶

لاس ليک _____

د گواهانو په موجودگي کښي _____

د پنځو روپو
مالياتي اسټامپ
باندې دستخط

دستخطي به د
کمپني د رجسټرډ
فارم سره به
راضی وي

سي ډي سي اکاؤنټ نمبر		فوليو نمبر
حصه اخستونکي آني ډي نمبر	اکاؤنټ نمبر	

خبر توبېکو کمپني ليمیټډ

۶۷م کلني عامې غونډې اطلاع

iv- د غونډې په وخت به پراکسي خپل کمپيوټرائزډ شناختي کارډ ضرور وړاندې کوي

v- د کارپوریت ادارو په صورت کې به، د غونډې په وخت د بورډ آف ډائریکټر قرارداد/مختیار نامه سره به یو دستخط شوي د نامزد کونکي فارم وي چې هغې کې به د کارپوریت له اړخه د ووت او په غونډه کې د برخې اخستلو تفصیل وي او هم دغسې به دې سره د پراکسي فارم هم وي (تر څو چې مخکې وړاندې شوي نه وي)

۴- د پتي Address بدلېدل

ممبرانو ته خواست کولې شي چې که چېرې د دوي په پتو Addresses کې څه بدلون وي نو زر تر زره دې زمونږ شئیر رجسټرار سي ډي سي رجسټرار سروسز لیمیتډ سي ډي سي هاؤس ۹۹ بي بلاک ایس ایم سي ایچ مین شاهراه فیصل کراچي ته ولیږلې شي

۵- په ویب پاڼه Website د اکاؤنټس لگول او یا کاپي حاصلول

د کمپنۍ د مالي تفصیلات د تېر مالي کال ۳۰م جون ۲۰۲۶ سره د رپورټونو د کمپنۍ په افیشل ویب سائیت www.khybertobacco.com لگولې شوي دي که کوم یو ممبر خواهش لري چې دغه تفصیلات وگوري نو کتلې شي او که کوم یو ممبر بره ذکر کړي شوي تفصیل په د کاپي شکل کې اخستل غواړي نو د کمپنۍ سکرټري ته لیکلې خواست وکړي هغه ته به کاپي میلاو شي

۶- د کلني مالیاتي حساب کتاب په الیکټرانک توگه ترسیل

د کمپنۍ قانون د کلني ادب شوي مالیاتي سټیټمنټ او مختلف رپورټونو سره سره په کلني عامه غونډه کې د نوټس سره په الیکټرانک توگه منتقل کیدو اجازت ورکوي. کوم ممبران چې د دې سهولت نه فائده اخستل غواړي هغوي خپل اي ميل اډريسز رالیرلي شي

۷: د ویدیو کانفرنس په ذریعه برخه اخستل

که چېرې کمپنۍ ته د غونډې د نېټې نه کم از کم ۱۰ ورځې مخکې د ویدیو کانفرنس په ذریعه په غونډه کې کېدون کولو له پاره په جغرافیایي لري اوسیدونکي ۱۰ فیصده حصه دار ممبرانو په رضا مندی سره کمپنۍ د دغه سهولت بندوبست کولې شي د دې دپاره د درخواست نمونه د ویب سائیت نه ډاؤن لوډ کولې شي

۲. په کلنی عامه غونډه کېنې برخه اخستل

د کمپنۍ ممبر په عامه غونډه کېنې د برخې اخستلو او د ووت ورکولو حقدار دے او دغه یو ممبر د خپل پراکسي (یو بل کس) په ذریعه هم د برخې اخستلو او د ووت ورکولو حقدار دے او په عامه غونډه کېنې برخې سره سره بحث کېنې هم برخه اخستلې شي د دې دپاره به د غونډې نه وړاندې په ۴۸ گڼتو کېنې دننه سکرټري ته په رجسټرډ دفتر کېنې لیکلې فارم کېنې تفصیلات لیکي او هغه به جمع کوي

۳. د سی ډی سی د اکاؤنټ لرونکیو له پاره رهنمائی

سنټرل ډیپازټري کمپني آف پاکستان لمیتډ کېنې خپلو حصو جمع کولو والا ممبران یا غړي حاضري به د لاندې ورکړې شوې رهنمائی مطابق کيږي

A: په غونډه کېنې حاضري

i- د فرد (ممبر) د حاضري په صورت کېنې، اکاؤنټ لرونکې، یا سب اکاؤنټ لرونکې یا هغه کس د چا سيکیورتي چې په گروپ اکاؤنټ کېنې او د هغوي د رجسټريشن تفصیلات د قاعدې مطابق داخل وي د هغوي شناخت پېژندگلي به د اصلي کمپیوټرائزډ قامي شناختي کارډ یا د پاسپورټ په بنودولو به کولې شي

ii- د کارپوریت ادارو په صورت کېنې به، د غونډې په وخت د بورډ آف ډائریکټر قرارداد/مختیار نامه چې په هغې کېنې به د نامزد شوي کس لاس لیک وي (تر څو چې مخکېنې وړاندې شوي وي) پېش کولې شي

B: د نامزد شوي پراکسي له پاره

i- د فرد (ممبر) د حاضري په صورت کېنې، اکاؤنټ لرونکې، یا سب اکاؤنټ لرونکې یا هغه کس د چا سيکیورتي چې په گروپ اکاؤنټ کېنې او د هغوي د رجسټريشن تفصیلات به د قاعدې مطابق داخل وي- هغوي به د بره ذکر شوي تفصیلاتو په رڼا کېنې به د پراکسي فارم جمع کوي

ii- د پراکسي فارم باندې به د دوو گواهانو نومونه لاس لیک د هغوي د کمپیوټرائزډ شناختي کارډ نمبرې درج وي

iii- پراکسي فارم سره به د اصل مالک د کمپیوټرائزډ شناختي کارډ دوه تصدیق شوي نقولونه یا د پاسپورټ کاپي نتي وي

خبر توبېکو کمپني ليمیټډ

۶۷۰م کلني عامې غونډې اطلاع

اطلاع ورکړې شوې ده چې د خبر توبېکو کمپني ليمیټډ کلنۍ غونډه به د روانې مياشتې په ۲۸مه نېټه جمعې په ورځ په ورځ ۲۰۲۶ د ورځې ۱۱:۰۰ بجې د کمپنۍ په رجسټر شوي دفتر نوبار روډ مردان کښې کيږي چې په دې کښې به د لاندې ايجنډې مطابق بحث کيږي

عامې معاملې:

۱. د کمپنۍ د تېر کال يعني ۳۰م جون ۲۰۲۶ پورې مالي حساب کتاب وصولول، په هغې غور کول او بيا په هغې د چيېرمېن نظرثاني کول د ډائريکټرز او آډيټرز رپورټس ورکول.
۲. ۳۰ جون ۲۰۲۶ د ختميدونکې کال له پاره د آډيټران ټاکل او د هغوي دپاره د اجرت او معاوضې تعين کول، آډيټ کمېټۍ او بورډ آف ډائريکټرز د ښاغلي يوسف عادل (چارټرډ اکاؤنټنټ) سفارش کړې دے چې د راروان کال د کلنۍ عامې غونډې پورې دې د کمپنۍ آډيټران وټاکي. - د غونډې د صدر په اجازت سره به په عامه غونډه کښې به نور معاملات هم د بحث موضوع جوړيږي

د بورډ حکمنامه

۷ م اکتوبر ۲۰۲۶

پير فرحان شاه

کمپني سکريټري

نوټس:

۱. د حصص د منتقلي د کتاب بندېدل :

د کمپنۍ د حصص ټرانسفر شئير کتاب به د ۲۲م اکتوبر ۲۰۲۶ نه تر ۲۸م اکتوبر ۲۰۲۶ پورې بند وي (دواړه ورځې پکښې شاملې دي) د کمپنۍ د شئير ټرانسفرز سروس ليمیټډ په دفتر کښې موصول شوې ټرانسفرز، سي ډي سي هائوس ۹۹ بي بلاک بي ايس ايم سي ايچ شاهراه فيصل کراچۍ د کاروبار بندش او په ۳۱م اکتوبر ۲۰۲۶ به د بره ذکر کړي شوو حقونو تعين کولی شي



PASHTO SECTION

مختار نامہ - پراکسی فارم

71 ویں سالانہ جنرل اجلاس خیبر ٹوبیکو کمپنی لمیٹڈ

میں / ہم _____ سکند _____ بحیثیت ممبر (رکن) خیبر ٹوبیکو کمپنی لمیٹڈ اور
حامل _____ عام حصص، جناب / محترمہ _____ سکند
_____ یا ان کی غیر حاضری کی صورت میں جناب / محترمہ _____ سکند
_____ کو اپنی / ہماری غیر موجودگی میں اپنی / ہماری جانب سے بروز بدھ، 28 اکتوبر 2026ء کو صبح 11:00 بجے خیبر ٹوبیکو کمپنی لمیٹڈ، نوشہرہ
روڈ، مردان میں منعقد ہونے والے 71 ویں سالانہ اجلاس عام میں شرکت کرنے اور حق رائے دہی استعمال کرنے کے لئے، یا اس کے کسی بھی التواء کی صورت میں، بطور مختار /
نمائندہ مقرر کرتا / کرتی ہوں / کرتے ہیں۔
بطور گواہ میرے / ہمارے ہاتھ / مہر سے آج بتاریخ _____ ماہ _____ 2026ء کو دستخط کئے گئے۔ دستخط کنندہ: _____
ان کی موجودگی میں: _____

سی ڈی سی اکاؤنٹ نمبر		فولیو نمبر
پارٹیشن آئی ڈی نمبر	اکاؤنٹ نمبر	

دستخط پانچ روپے بائیت کے ریونیو ٹکٹ

دستخط حصص کنندہ
(دستخط کا کپڑی میں رجسٹرڈ نمونے کے ہو بہو ہونا ضروری ہے)

ضروری ہدایات:

- مختار نامہ (پراکسی فارم) اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل مکمل کوائف اور دستخط کے ساتھ کمپنی کے رجسٹرڈ آفس، نوشہرہ روڈ، مردان میں جمع کرانا ضروری ہے۔
- اگر کوئی رکن ایک سے زائد پراکسی مقرر کرتا ہے اور ایک رکن کی جانب سے پراکسی کی ایک سے زیادہ دستاویزات کمپنی کے پاس جمع کرائی جاتی ہیں تو ایسی تمام دستاویزات کا عدم تصدیق کی جائیں گی۔
- مذکورہ بالا ہدایات کے علاوہ درج ذیل ضروری شرائط بھی پوری کرنا لازمی ہیں:
- مختار نامہ (پراکسی فارم) کے ہمراہ بینیفیشل اونرز اور پراکسی کے کمپیوٹر انڈومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوں گی۔
- پراکسی کو اجلاس کے وقت اپنا اصل کمپیوٹر انڈومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- کارپوریٹ ادارہ ہونے کی صورت میں، بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد / پاور آف اٹارنی بمعہ نمونہ دستخط ہمراہ مختار نامہ (پراکسی فارم) کمپنی کو جمع کرانا ہوں گے (بشرطیکہ اس سے قبل پراکسی فارم کے ہمراہ کمپنی کو فراہم نہ کئے گئے ہوں)۔



نوٹس برائے 71 واں سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ خیبر ٹوبیکو کمپنی لمیٹڈ کے ممبران کا 71 واں سالانہ اجلاس عام بروز بدھ، 28 اکتوبر 2026ء کو صبح 11:00 بجے کمپنی کے رجسٹرڈ آفس، نوشہرہ روڈ، مردان میں درج ذیل امور کی انجام دہی کے لئے منعقد ہوگا:

عمومی امور

- 30 جون 2026ء کو اختتام پذیر سال کے لئے کمپنی کے پڑتال شدہ مالیاتی اسٹیٹمنٹس، بمعہ چیئرمین کا تجزیہ، ڈائریکٹرز اور آڈیٹرز کی رپورٹس وصول کرنا، ان پر غور کرنا اور انہیں منظور کرنا۔
- 30 جون 2027ء کو اختتام پذیر ہونے والے سال کے لئے آڈیٹرز مقرر کرنا اور ان کا معاوضہ طے کرنا۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کو آئندہ سالانہ اجلاس عام تک کمپنی کے آڈیٹرز کے طور پر مقرر کرنے کی سفارش کی ہے۔
- چیئر کی اجازت سے کوئی دیگر امور انجام دینا۔

محکم بورڈ

07 اکتوبر 2026ء

امین اللہ
کمپنی سیکریٹری

نوٹس

1- شیئر ٹرانسفر بکس کی بندش

کمپنی کی شیئر ٹرانسفر بکس 22 اکتوبر 2026ء تا 28 اکتوبر 2026ء (دونوں دن شامل) بند رہیں گی۔ کمپنی کے شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-بی، بلاک "بی"، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کے دفتر میں 21 اکتوبر 2026ء کو کاروبار کے اختتام تک موصول ہونے والی درست ٹرانسفرز مذکورہ استحقاق کے تعین کے لئے بروقت تصور ہوں گی۔

2- سالانہ اجلاس عام میں شرکت

کمپنی کا وہ ممبر جو اجلاس میں شرکت اور رائے دہی کا حق رکھتا ہے، پر کسی مقرر کرنے کا حق رکھتا ہے، اور ایسے پر کسی کو اس ممبر کی جگہ اجلاس میں شرکت کرنے، خطاب کرنے اور ووٹ دینے کا حق حاصل ہوگا۔ مختار نامہ (پر کسی فارم) اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں کمپنی سیکریٹری کے پاس جمع کرانے ہوں گے۔

3- سی ڈی سی اکاؤنٹ ہولڈرز کے لئے ہدایات

جن ممبران نے اپنے حصص سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ میں جمع کرائے ہیں، ان کی حاضری درج ذیل کے مطابق ہوگی:

(الف) اجلاس میں شرکت کے لئے: (i) انفرادی افراد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکوریٹیز گروپ اکاؤنٹ میں ہیں اور جن کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل

نوٹس برائے 71 واں سالانہ اجلاس عام

پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کرے گا۔ (ii) کارپوریٹ اداروں کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمعہ نامزد شخص کے نمونہ دستخط اجلاس کے وقت پیش کی جائے گی (بشرطیکہ یہ پہلے فراہم نہ کی گئی ہو)۔

(ب) پراکسی مقرر کرنے کے لئے: (i) انفرادی افراد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور جن کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، مندرجہ بالا تقاضے کے مطابق پراکسی فارم جمع کرائے گا۔ (ii) پراکسی فارم پر دو گواہوں کی نواہی ہوگی جن کے نام، پتے اور CNIC نمبرز فارم پر درج ہوں گے۔ (iii) مینیفیسٹل اونر اور پراکسی کے CNIC یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ہمراہ فراہم کی جائیں گی۔ (iv) پراکسی اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرے گا۔ (v) کارپوریٹ ادارے کی صورت میں، کارپوریٹ ادارے کی نمائندگی اور ووٹ دینے کے لئے نامزد شخص کے نمونہ دستخط بمعہ بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی پراکسی فارم کے ہمراہ کمپنی کو جمع کرائی جائے گی (بشرطیکہ یہ پہلے فراہم نہ کی گئی ہو)۔

4- پتے کی تبدیلی

ممبران سے درخواست ہے کہ اپنے پتوں میں کسی بھی تبدیلی سے ہمارے شیئرز رجسٹرار، میسرز سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-بی، بلاک "بی"، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کو فوری طور پر آگاہ کریں۔

5- اکاؤنٹس کی ویب سائٹ پر دستیابی / بارڈر کا پی کا حصول

30 جون 2026ء کو اختتام پذیر سال کے لئے کمپنی کے مالیاتی اسٹیٹمنٹس بمعہ رپورٹس کمپنی کی ویب سائٹ پر دستیاب ہیں اور www.khybertobacco.com سے ڈاؤن لوڈ کئے جاسکتے ہیں۔ جو ممبران سالانہ اکاؤنٹس کی بارڈر کا پی حاصل کرنا چاہتے ہیں وہ کمپنی سیکریٹری کو تحریری درخواست دے کر اس سے حاصل کر سکتے ہیں۔

6- سالانہ مالیاتی اسٹیٹمنٹس کی برقی ترسیل

کمپنی قانون ممبران کو سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس بمعہ مختلف رپورٹس اور سالانہ اجلاس عام کے نوٹس کی الیکٹرانک ترسیل کی اجازت دیتا ہے۔ جو ممبران اس سہولت سے فائدہ اٹھانا چاہتے ہیں وہ اپنے ای میل ایڈریس کمپنی کو info@khybertobacco.com پر ارسال کر سکتے ہیں۔

7- ویڈیو کانفرنس کے ذریعے شرکت

اگر کمپنی کو اجلاس کی تاریخ سے کم از کم 10 دن قبل کسی جغرافیائی مقام پر مقیم 10 فیصد یا اس سے زائد شیئرز ہولڈنگ کے حامل ممبران کی جانب سے ویڈیو کانفرنس کے ذریعے اجلاس میں شرکت کی رضامندی موصول ہوتی ہے تو کمپنی ویڈیو کانفرنس کی سہولت کا انتظام کرے گی۔ درخواست فارم کا فارمیٹ کمپنی کی مذکورہ ویب سائٹ سے ڈاؤن لوڈ کیا جاسکتا ہے۔

ڈائریکٹرز کی رپورٹ

برائے سال مختتمہ 30 جون 2026ء

غیر ٹوبیکو کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے میں 30 جون 2026ء کو اختتام پذیر سال کے لئے 71 ویں سالانہ رپورٹ اور پڑتال شدہ مالیاتی اسٹیٹمنٹس بمعہ آڈیٹرز رپورٹ ازراہ مسرت پیش کرتا ہوں۔

کمپنی کے مالیاتی نتائج

30 جون 2025ء کو اختتام پذیر سال کی نسبت 30 جون 2026ء کو اختتام پذیر سال کے لئے کمپنی کی مالیاتی کارکردگی حسب ذیل ہے:

پیداوار اور فروخت

فروخت		پیداوار		بیمائش کی اکائی	پروڈکٹ
2025ء	2026ء	2025ء	2026ء		
3,913,630	4,159,845	9,733,836	5,097,082	کلوگرام	ری ڈرائیڈ ٹوبیکو
382,970	607,850	1,879,201	1,586,135	کلوگرام	کٹ ٹوبیکو
1,446.8	1,031.24	1,522	933.82	سٹنکس (ملین میں)	سگریٹ

اقتصادی جائزہ

پاکستان کی اقتصادی استحکام اور پائیدار و جامع نمو حاصل کرنے کے لئے پرعزم ہے۔ مشکلات موجود ہیں لیکن ان سے نبرد آزما ہونے کا جذبہ بہت مضبوط ہے۔ حکومت دیرینہ مسائل کو حل کرنے کے لئے سرگرمی سے کام کر رہی ہے جنہوں نے معیشت کے متعدد شعبوں میں ترقی اور خوشحالی کی راہ میں رکاوٹیں ڈال رکھی ہیں۔ بیرونی کھاتوں کی کمزوری اور مالیاتی بدانتظامی، جن کے افراط زر پر براہ راست اثرات مرتب ہوتے ہیں، سے نبرد آزما ہونا نافذ کئے جانے والے اصلاحی پالیسی اقدامات کا مرکزی نقطہ ہے۔ امید کی جاتی ہے کہ جوہریہ اقدامات نافذ اور مستحکم ہو جائیں گے تو کمپنیوں کو درپیش مشکلات کم ہو جائیں گی۔

پیداوار اور فروخت کا جائزہ

30 جون 2026ء کو اختتام پذیر سال کے لئے کمپنی کی پیداوار اور فروخت کی کارکردگی کا گزشتہ سال مختتمہ 30 جون 2025ء سے موازنہ ذیل میں پیش کیا گیا ہے۔

ری ڈرائیڈ ٹوبیکو

پیداوار 47.6 فیصد کی نمایاں کمی کے ساتھ 2025ء میں 9,733,836 کلوگرام سے کم ہو کر 2026ء میں 5,097,082 کلوگرام رہی۔ پیداوار میں کمی کے باوجود فروخت کا حجم 6.3 فیصد اضافے کے ساتھ گزشتہ برس کے 3,913,630 کلوگرام سے بڑھ کر 2026ء میں 4,159,845 کلوگرام ہو گیا۔

کٹ ٹوبیکو

پیداوار 15.6 فیصد کمی کے ساتھ 2025ء میں 1,879,201 کلوگرام سے کم ہو کر 2026ء میں 1,586,135 کلوگرام رہی۔ فروخت کا حجم 58.7 فیصد اضافے کے ساتھ 2025ء میں 382,970 کلوگرام سے بڑھ کر 2026ء میں 607,850 کلوگرام ہو گیا۔

ڈائریکٹرز کی رپورٹ

سگریٹ

ید اوار 38.6 فیصد کمی کے ساتھ 2025ء میں 1,522 ملین سٹیکس سے کم ہو کر 2026ء میں 933.82 ملین سٹیکس رہی۔ فروخت کا حجم 28.7 فیصد کمی کے ساتھ 2025ء میں 1,446.8 ملین سٹیکس سے کم ہو کر 2026ء میں 1,031.24 ملین سٹیکس رہا۔

حکومتی ضوابط

سال 2022ء میں حکومت نے ٹریک اینڈ ٹریس سسٹم متعارف کروا کر ٹوبیکو انڈسٹری کو ریگولیٹ کرنے کی جانب نمایاں اقدامات کئے، جس کا بھرپور نفاذ کیا گیا ہے۔ خیر ٹوبیکو کمپنی لمیٹڈ (KTC) میں ہم نے ٹریک اینڈ ٹریس سسٹم کی مکمل تعمیل کو یقینی بنایا۔ قابل ذکر امر یہ ہے کہ حکومت تمباکو اور نیکوٹین سے منسوب دیگر مصنوعات پر بھی اس سسٹم کو لاگو کر رہی ہے۔ اس بابت قانونی ریگولیٹری آرڈر (SRO) بھی جاری کیا گیا ہے۔

آپریشنل خلاصہ

زیر جائزہ سال کے دوران کمپنی نے 9.326 ارب روپے کی خالص آمدن (Net Revenue) ریکارڈ کی، جو گذشتہ برس کے 9.891 ارب روپے کے مقابلے میں تقریباً 5.7 فیصد کم ہے۔

کمپنی کا مجموعی منافع (Gross Profit) 2025ء میں 1.775 ارب روپے سے نمایاں کمی کے ساتھ 2026ء میں 131.117 ملین روپے رہ گیا۔ مجموعی مارجن میں نمایاں کمی کے ساتھ ساتھ آپرینٹنگ اور دیگر اخراجات کے باعث کمپنی کو 729.625 ملین روپے کا آپرینٹنگ خسارہ ہوا، جبکہ گذشتہ برس 983.576 ملین روپے کا آپرینٹنگ منافع حاصل ہوا تھا۔

دیگر آمدن، دیگر اخراجات اور مالیاتی لاگت کو شامل کرنے کے بعد کمپنی نے 972.099 ملین روپے کا خسارہ قبل از ٹیکس رپورٹ کیا، جبکہ 2025ء میں 414.330 ملین روپے کا منافع قبل از ٹیکس رپورٹ کیا گیا تھا۔

نیکسیشن اور کم از کم ٹیکس کے فرق (Minimum Tax Differential) کو شامل کرنے کے بعد کمپنی کو 1.021 ارب روپے کا خالص خسارہ ہوا، جبکہ گذشتہ برس 274.648 ملین روپے کا خالص منافع حاصل ہوا تھا۔

نتیجتاً، فی حصص خسارہ 147.45 روپے رہا، جبکہ 2025ء میں فی حصص آمدنی 39.67 روپے تھی۔

بیلنس شیٹ

مجموعی اثاثہ جاتی بنیاد کے لحاظ سے خیر ٹوبیکو کمپنی لمیٹڈ کی مالیاتی پوزیشن مستحکم ہوئی اور 2026ء کے دوران مجموعی اثاثہ جات 18.0 فیصد اضافے کے ساتھ 19.74 ارب روپے ہو گئے۔ پراپرٹی، پلانٹ اور آلات میں 30.9 فیصد اضافہ ہوا جو کمپنی کے آپریشنل اثاثوں میں مسلسل سرمایہ کاری کی عکاسی کرتا ہے۔ موجودہ اثاثہ جات (Current Assets) میں 16.0 فیصد اضافہ ہوا، جس کی بنیادی وجہ قابل واپسی ٹیکسز میں 3.25 ارب روپے اور تجارتی قرضہ جات (Trade Debts) میں 1.57 ارب روپے تک نمایاں اضافہ ہے۔ نوینٹری 10.55 ارب روپے پر تقریباً مستحکم رہی۔

ناہم، سال کے دوران لیکویڈیٹی دباؤ کا شکار رہی۔ نقد اور بینک بیلنس 1.31 ارب روپے سے نمایاں کمی کے ساتھ 78.5 ملین روپے رہ گیا، جبکہ موجودہ واجبات (Current Liabilities) 23.4 فیصد اضافے کے ساتھ 16.54 ارب روپے ہو گئے۔ نتیجتاً، ورکنگ کپٹل 472 ملین روپے کی مثبت سطح سے 457 ملین روپے کے خسارے میں چلا گیا اور کرنٹ ریشو 1.04:1 سے کم ہو کر 0.97:1 رہ گیا۔ پراپرٹی، پلانٹ اور آلات پر سرپلس از نو قدری (Revaluation Surplus) میں اضافے کے باوجود مجموعی ایکویٹی 8.8 فیصد کمی کے ساتھ 2.68 ارب روپے رہ گئی۔ تجارتی اور دیگر قابل ادائیگیوں (Trade and Other Payables) میں 24.7 فیصد اضافہ ہوا، جس کے باعث ورکنگ کپٹل اور کیش فلو کے انتظام پر مسلسل توجہ درکار ہے۔

ڈائریکٹرز کی رپورٹ

مجموعی طور پر، 2026ء کے دوران کمپنی نے مضبوط اثاثہ جاتی بنیاد برقرار رکھی، تاہم اسے لیکویڈیٹی اور ورکنگ کپٹل کے بڑھتے ہوئے دباؤ کا سامنا رہا۔ انتظامیہ قابل واپسی ٹیکمز اور وصولیوں کی بازیابی، انویسٹری کے موثر انتظام، کیش فلو کی بہتری اور واجبات کی بروقت ادائیگی پر توجہ مرکوز رکھے ہوئے ہے۔

پلانٹ کی کارکردگی

کمپنی اپنے تمام شعبوں میں پلانٹ اور مشینری کی تجدید کے لئے پرعزم ہے۔ البتہ، یہ امر قابل ذکر ہے کہ ہماری موجودہ مشینری، جس کی اچھی دیکھ بھال اور تجدید کی جارہی ہے، اپنی استعداد سے کم کام کر رہی ہے کیونکہ اس کا انحصار مختلف پروڈکٹس کی طلب پر ہے۔ سگریٹ کی تیاری اور پیکنگ کے عمل کو بہتر بنانے کی جانب واضح کوششیں لی گئیں تاکہ اپنے برانڈز کے معیار کو بڑھایا جاسکے۔

ان مشکلات کے باوجود، ہم ازراہ مسرت رپورٹ کرتے ہیں کہ زیر جائزہ سال کے دوران ہمارا نصب شدہ پلانٹ اور مشینری تسلی بخش کارکردگی کا مظاہرہ کرتے رہے۔

کوالٹی اشورنس

معیار کمپنی کی توجہ کا مرکز ہے۔ ہم اپنے آپریٹرز میں کارکردگی اور کوالٹی پر بھرپور زور دیتے ہیں۔ سخت کوالٹی کنٹرول طریقہ کار کا باقاعدگی سے اطلاق کیا جاتا ہے تاکہ یقینی بنایا جاسکے کہ ہم اپنے کوالٹی مقاصد کو حاصل کر لیں۔ کوالٹی کی جانب ہمارا عزم بہتری کی مسلسل کاوشوں کا احاطہ کرتا ہے جس سے ہمیں بدلتے ہوئے انڈسٹری معیارات سے ہم آہنگ رہنے میں مدد ملتی ہے۔

مارکیٹنگ

ملکی و بین الاقوامی سطح پر انتہائی مسابقتی ماحول میں ہماری انتظامیہ اپنے برانڈ کی موجودگی کو بڑھانے کے لئے پرعزم ہے۔ یہ عزم ہماری مقامی و بین الاقوامی منڈیوں تک وسیع ہے۔ اگرچہ ہم نے اپنی برآمدی فروخت بڑھانے میں پیش رفت کی ہے، تاہم ہمیں مزید نمو کی ضرورت کا ادراک ہے۔ ہم پر امید ہیں کہ ہماری جاری کوششیں جلد مزید ٹھوس نتائج دیں گی جس سے ہم ایک مرتبہ پھر برآمدات سے پرکشش آمدنی حاصل کرنے کے قابل ہو جائیں گے۔

سخت کوالٹی تقاضوں کو پورا کرنے کی بابت برآمدی منڈی میں چیلنجز موجود ہیں۔ نتیجتاً، برآمدات پر ہماری توجہ بنیادی طور پر ری ڈرائیڈ اور کٹ ٹوبیکو کی جانب رہی۔ ہم کوالٹی معیارات کو بلند کرنے اور متحدہ عرب امارات، جنوبی افریقہ، جرمنی، بیلجیم، ترکی، مصر اور یونان جیسے خطوں میں اپنے ری ڈرائیڈ اور کٹ ٹوبیکو کی ٹھوس مارکیٹ بنانے کی کوششوں کو مزید تیز کر رہے ہیں۔

صحت، حفاظت اور ماحولیات

کمپنی اپنے قابل قدر عملے کی صحت اور حفاظت کو اولین ترجیح دیتی ہے جو ہمارے آپریٹرز کا لازمی جزو ہیں۔ ہم سیفٹی اجلاس، واقعات کی رپورٹنگ، سیفٹی آڈٹس، بہتر ہاؤس لینگ طریقہ عمل اور سخت ہائی جین کنٹرولز جیسے اقدامات کے ذریعے محفوظ رویے کو فروغ دیتے ہیں۔

ماحولیاتی تحفظ ہمارا ایک اور بنیادی عزم ہے۔ ہم یقینی بناتے ہیں کہ ہماری تنصیبات مقررہ ماحولیاتی معیارات کی مسلسل تعمیل کریں۔ مزید برآں، ہم ادارہ تحفظ ماحولیات پاکستان (Environment Protection Authority of Pakistan) کے وضع کردہ سخت ماحولیاتی معیارات کو پورا کرنے کے لئے سرگرمی سے کام کر رہے ہیں۔

سماجی ذمہ داری

بطور ذمہ دار کاروباری شہری، کمپنی خصوصاً مقامی کمیونٹی کی جانب اپنی سماجی ذمہ داریوں کی انجام دہی کے لئے پرعزم ہے۔ ہم خصوصاً بجلی کے بحران اور امن و امان کے مسائل سے متاثرہ علاقوں میں پسماندہ افراد کی ترقی اور فلاح و بہبود میں اپنے فعال کردار پر فخر محسوس کرتے ہیں۔ ایسے علاقوں کے رہائشیوں کو ملازمت کے مواقع فراہم کرنے کی ہماری ترجیح ان کی سماجی بہتری میں نمایاں کردار ادا کرتی ہے۔

ڈائریکٹرز کی رپورٹ

اہم آپریٹنگ و مالیاتی ڈیٹا

گذشتہ چھ برس کے لئے کمپنی کے اہم آپریٹنگ و مالیاتی اعداد و شمار کا خلاصہ ان مالیاتی اسٹیٹمنٹس کے ساتھ منسلک ہے، جو اسٹیک ہولڈرز کو ہماری ماضی کی کارکردگی کے بارے میں قیمتی معلومات فراہم کرتا ہے۔

منافع منقسمہ

زیر جائزہ سال کے لئے ڈائریکٹرز نے کوئی منافع منقسمہ تجویز نہیں کیا۔

انسانی سرمایہ

ہماری ہیومن ریسورس حکمت عملی ہمارے ادارے کے انسانی سرمایہ پر سرمایہ کاری کے ثمرات کو زیادہ سے زیادہ کرنے پر مرکوز ہے۔ ہمارے طریق کار کا مقصد ہنرمند اور قابل افراد کی فراہمی کو اپنی موجودہ افرادی قوت کی صلاحیتوں سے ہم آہنگ کر کے مالیاتی خطرے کو کم ترین سطح پر لانا ہے۔ ہمارے جاری اور آئندہ کاروباری منصوبوں اور ضروریات کے ساتھ یہ ہم آہنگی یقینی بناتی ہے کہ ہم نہ صرف ثمرات میں اضافہ کریں بلکہ مستقبل میں اپنی بقا اور کامیابی کو بھی محفوظ بنائیں۔

صنعتی تنخواہ کے فرق کا بیان

ایس ای سی پی (SECP) کے سرکلر نمبر 10 بابت 2024ء کی تعمیل میں، کمپنی 30 جون 2026ء کو اختتام پذیر سال کے لئے صنعتی تنخواہ کا فرق حسب ذیل ظاہر کرتی ہے:

تفصیلات	2026ء
اوسط (Mean) صنعتی تنخواہ کا فرق	فیصد (137.7)
وسطانی (Median) صنعتی تنخواہ کا فرق	فیصد (189.3)
مرد ملازمین (تعداد)	494
خواتین ملازمین (تعداد)	4

فرق = (مرد ملازمین کی اوسط تنخواہ - خواتین ملازمین کی اوسط تنخواہ) ÷ مرد ملازمین کی اوسط تنخواہ۔ یہ حساب جون 2026ء کی ماہانہ مجموعی تنخواہ (498 ملازمین) کی بنیاد پر کیا گیا ہے۔ منفی عدد کا مطلب ہے کہ خواتین کی اوسط تنخواہ مردوں کی اوسط تنخواہ سے زیادہ ہے۔ خواتین ملازمین مجموعی افرادی قوت کا 0.8 فیصد ہیں اور انتظامی پیشہ ورانہ عہدوں پر فائز ہیں، لہذا یہ فرق ایک انتہائی مختصر گروپ کی ساخت کی عکاسی کرتا ہے۔

ملازمین کی ریٹائرمنٹ پر مراعات

ہم کمپنی کے تمام مستقل ملازمین کے لئے ان فنڈڈ گریجویٹی اسکیم چلاتے ہیں۔ رواں مالیاتی سال میں ہم نے ملازمین کی مراعات کا احاطہ کرنے کے لئے اپنے کھاتوں میں 42.28 ملین روپے کی پروویژن (Provision) تشکیل دی ہے۔

کاروباری نظم و ضبط

کاروباری نظم و ضبط کی بہترین عمل داری کے لئے ہمارا غیر متزلزل عزم ہمارے کاروباری امور کا ستون ہے۔ ہم طریق کار، روایات اور پالیسیوں کے جامع اصولوں کی پاسداری کرتے ہیں جو ہمیں کاروباری فہم و فراست، معروضیت، جوابدہی اور دیانتداری کے مضبوط احساس کے ساتھ انتظامی سرگرمیوں کی رہنمائی اور نگرانی کے قابل بناتے ہیں۔ یہ عزم ان طویل مدتی اسٹریجک اہداف کے حصول تک وسیع ہے جن کا مقصد شیئر ہولڈرز، قرض دہندگان، ملازمین، صارفین اور سپلائرز کو مطمئن کرنا ہے۔ علاوہ ازیں، ہم بلند ترین اخلاقی معیارات کی سختی سے پابندی کرتے ہیں اور تمام مروجہ قانونی و ریگولیٹری تقاضوں کی مکمل تعمیل کرتے ہیں۔

لوڈ آف کارپوریٹ گورننس ضوابط کی تعمیل کا بیان ان مالیاتی اسٹیٹمنٹس کے ساتھ منسلک ہے، جو شفافیت اور بہتر نظم و ضبط کے لئے ہمارے عزم کی عکاسی کرتا ہے۔

ڈائریکٹرز کی رپورٹ

بورڈ

ہمارا بورڈ سات اراکین پر مشتمل ہے، جن میں سے چھ نان ایگزیکٹو ڈائریکٹرز (بشمول دو خود مختار ڈائریکٹرز) اور ایک ایگزیکٹو ڈائریکٹر ہے۔ گورننس کی بہترین عمل داری کو یقینی بنانے کے لئے ہم چیئرمین اور چیف ایگزیکٹو آفیسر کے عہدوں میں واضح علیحدگی برقرار رکھتے ہیں۔

تعداد	بورڈ کی تشکیل
7	مجموعی ڈائریکٹرز
5	مرد
2	خواتین

نام	زمرہ
جناب شہزاد جاوید پنی محترمہ سونیا فاروق	خود مختار ڈائریکٹرز
محترمہ سمیرا عرفان	ایگزیکٹو ڈائریکٹر
جناب راحت اللہ جناب بیروارث شاہ جناب ضیا الرحمن جناب خلیل الرحمن	نان ایگزیکٹو ڈائریکٹرز
محترمہ سمیرا عرفان محترمہ سونیا فاروق	خواتین ڈائریکٹرز

ہمارے ڈائریکٹرز شیئر ہولڈرز کی جانب سے ان پر کئے گئے اعتماد اور کمپنی کے اثاثہ جات کی حفاظت کرتے ہوئے اس کے امور کی روانی کو یقینی بنانے کی ذمہ داری سے بخوبی آگاہ ہیں۔

نسل سلسل اور یکسانیت کے حصول کے لئے بورڈ نے ہمارے کاروباری طرز عمل کو منضبط کرنے کے لئے باضابطہ پالیسیاں وضع کی ہیں۔ ان پالیسیوں پر عمل درآمد کی نگرانی کے لئے ہم ایک خود مختار انٹرنل آڈٹ فنکشن برقرار رکھتے ہیں، جو کمپنی پالیسیوں کی تعمیل کو یقینی بناتا ہے اور سامنے آنے والے کسی بھی انحراف کی فوری طور پر آڈٹ لمیٹی کو رپورٹ کرتا ہے، تاکہ جوابدہی اور شفافیت کے ہمارے عزم کو تقویت ملے۔

بورڈ آف ڈائریکٹرز کے اجلاس

اپنی انتظامیہ کی موثر اور بروقت جوابدہی کو یقینی بنانے اور کمپنی کی کارکردگی کا جائزہ لینے کی خاطر بورڈ کے لئے ہر سہ ماہی میں کم از کم ایک مرتبہ اجلاس منعقد کرنا لازمی ہے۔ سال کے دوران بورڈ آف ڈائریکٹرز کے چار (04) اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری حسب ذیل ہے۔ ان اجلاسوں میں بورڈ کی جانب سے کئے گئے فیصلوں میں کمپنی کے ڈائریکٹرز کا کوئی ذاتی مفاد نہیں تھا۔

ڈائریکٹرز کی رپورٹ

ڈائریکٹرز کی حاضری

نام ڈائریکٹر	اجلاس میں حاضری
محترم سمیر عرفان چیف ایگزیکٹو	4
جناب راحت اللہ نان ایگزیکٹو ڈائریکٹر	4
جناب پیر وارث شاہ نان ایگزیکٹو ڈائریکٹر	4
جناب ضیا الرحمن نان ایگزیکٹو ڈائریکٹر	3
جناب خلیل الرحمن نان ایگزیکٹو ڈائریکٹر	4
محترمہ سونیا فاروق خود مختار ڈائریکٹر	4
جناب شہزاد جاوید بھٹی خود مختار ڈائریکٹر	4

بورڈ کی کمیٹیاں

مضبوط داخلی کنٹرول سسٹم کے موثر نفاذ اور کوڈ آف کارپوریٹ گورننس کی تعمیل کو یقینی بنانے کے لئے بورڈ نے درج ذیل کمیٹیاں تشکیل دی ہیں:

آڈٹ کمیٹی	ایچ آر اینڈ ریورسزیشن کمیٹی
جناب شہزاد جاوید بھٹی (چیرمین)	محترمہ سونیا فاروق (چیرمین)
جناب خلیل الرحمن (رکن)	جناب پیر وارث شاہ (رکن)
جناب راحت اللہ (رکن)	جناب ضیا الرحمن (سیکرٹری)
جناب ضیا الرحمن (سیکرٹری)	

بورڈ آف ڈائریکٹرز کے اراکین کی معاوضہ پالیسی

بورڈ کمپنیز ایکٹ 2017ء اور اس کے تحت ضوابط کے مطابق ڈائریکٹرز کے معاوضے کے لئے باضابطہ پالیسی اور شفاف طریقہ کار کا حامل ہے۔ پالیسی کی نمایاں خصوصیات حسب ذیل ہیں:

- بورڈ آف ڈائریکٹرز (BoD) وقتاً فوقتاً بورڈ اجلاسوں میں شرکت کے لئے اپنے اراکین کے معاوضے کا تعین اور منظوری دے گا۔
- معاوضے کی سطح BoD کے اراکین کی جانب سے پیش کی جانے والی ذمہ داری اور مہارت کے لحاظ سے مناسب اور ہم آہنگ ہوگی، اور اس کا مقصد کمپنی کو کامیابی سے چلانے اور قد پیداکرنے کے لئے درکار اراکین کو راغب کرنا اور برقرار رکھنا ہوگا۔
- BoD یقینی بنائے گا کہ معاوضے کی موجودہ سطح کسی بھی وقت اس کے خود مختار اراکین کی آزادی پر اثر انداز نہ ہو۔
- BoD کے اراکین کو درج ذیل کی بابت تمام سفری، رہائشی اور متعلقہ اخراجات بھی ادا کئے جاسکتے ہیں: (a) بورڈ اجلاسوں میں حاضری؛ (b) جنرل باڈی اجلاسوں میں حاضری؛ اور/یا (c) کمپنی کے امور۔

ڈائریکٹرز کی رپورٹ

کارپوریٹ گورننس

لمپنی کارپوریٹ گورننس کے اعلیٰ معیارات کو برقرار رکھنے کے لئے اپنے غیر متزلزل عزم پر کاربند ہے۔ ہمیں اور اک ہے کہ کاروباری دیانتداری کو برقرار رکھنا تمام اسٹیک ہولڈرز کا اعتماد قائم کرنے کے لئے نہایت اہم ہے۔ بورڈ آف ڈائریکٹرز بہتر کارپوریٹ گورننس طریق کار کو یقینی بنانے کے لئے ہمارے شیئر ہولڈرز کو مکمل طور پر جوابدہ ہے۔ ہماری انتظامیہ کوڈ آف کارپوریٹ گورننس میں درج بہترین طریق کار پر عمل کرتی ہے، جس میں نان ایگزیکٹو ڈائریکٹرز کی آزادی پر خاص زور دیا گیا ہے، اور پاکستان اسٹاک ایکسچینج کے لسٹنگ ضوابط کی پابندی کرتی ہے۔ ہمارے ویژن اور مشن کے بیانات، بنیادی اقدار، اور اخلاقیات و کاروباری طریق کار کے بیانات تیار کر کے بورڈ سے منظور کروائے گئے ہیں۔ کوڈ آف کارپوریٹ گورننس کے تحت درکار اہم پالیسیوں کے مسودے تیار کر کے بورڈ نے ان کا جائزہ لیا ہے، اور انہیں مقررہ وقت پر باضابطہ طور پر منظور کر لیا جائے گا۔

آڈیٹرز

71 ویں سالانہ اجلاس عام کے بعد ہمارے آڈیٹرز میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے مشترکہ طور پر آئندہ سالانہ اجلاس عام تک کمپنی کے آڈیٹرز کے طور پر میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کی ہے۔

شیئر ہولڈنگ کا پیٹرن

30 جون 2026ء تک شیئر ہولڈنگ کا پیٹرن اس سالانہ رپورٹ کا حصہ ہے۔ تفصیلی بریک ڈاؤن کے لئے براہ کرم اسے ملاحظہ کریں۔

لمپنی حصص میں تجارت

ہم ازراہ مسرت رپورٹ کرتے ہیں کہ ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکریٹری اور ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے حصص کی کوئی تجارت نہیں کی۔

مستقبل کے امکانات

مستقبل میں ہماری انتظامیہ ملکی و غیر ملکی منڈیوں میں اپنی موجودگی کو وسعت دینے کے لئے پرعزم ہے، خصوصاً سگریٹ اور ٹوبیکو میں، اور بین الاقوامی منڈیوں میں طلب کے پیش نظر ری ڈرائیڈ ٹوبیکو پر خصوصی توجہ دی جا رہی ہے۔ ہم آئندہ مالیاتی سال میں ٹوبیکو اور سگریٹ دونوں کے برآمدی شعبوں میں مضبوط کارکردگی کی توقع رکھتے ہیں، جس سے خسارے میں کمی متوقع ہے۔

اگرچہ ٹوبیکو کی برآمد منافع کا ایک اہم محرک رہی ہے، تاہم ہم برآمدی منڈی کے چیلنجز سے آگاہ ہیں، جن میں بڑھتی ہوئی لاگت، پاکستانی کسانوں کی جانب سے تمباکو کی غیر مجوزہ اقسام کی کاشت اور تمباکو میں غیر تمباکو مادے (NTRM) کی بڑھتی ہوئی سطح شامل ہیں۔ ان رکاوٹوں پر قابو پانے کے لئے ہماری مسلسل کوششیں مثبت نتائج دینا شروع ہو گئی ہیں، اور ہم پر امید ہیں کہ کمپنی آئندہ برس برآمدی فروخت بڑھانے کے اپنے اہداف حاصل کر لے گی۔

معیار میں اضافہ

عالمی سطح پر مسابقت برقرار رکھنے کے لئے ہم اپنی پروسیسنگ استعداد کو مسلسل بہتر بنا رہے ہیں۔ انتظامیہ نے ری ڈرائیڈ ٹوبیکو اور سگریٹ کے معیار کو بڑھانے کے لئے پرائمری پروڈکشن ڈیپارٹمنٹ (PPD)، سگریٹ میکینگ ڈیپارٹمنٹ (CMD) اور سگریٹ میکینگ ڈیپارٹمنٹ کی اپ گریڈیشن میں سرمایہ کاری کی ہے۔ اعلیٰ معیار کی مصنوعات بنانے کی صلاحیت برانڈ کی بہتر پہچان اور صارفین کی وفاداری کے ذریعے ہمیں ملکی و بین الاقوامی فروخت بڑھانے کے قابل بناتی ہے۔

ڈائریکٹرز کی رپورٹ

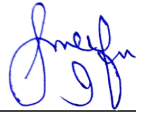
اظہارِ تشکر

آخر میں، بورڈ کی جانب سے میں اپنے معزز صارفین کا ہماری مصنوعات پر غیر متزلزل اعتماد کے لئے صدقِ دل سے شکریہ ادا کرتا ہوں۔ ہم اعلیٰ ترین معیار کو برقرار رکھتے ہوئے اپنے برانڈ پورٹ فولیو میں توسیع کے لئے پرعزم ہیں۔ ہم اپنے وینڈرز، ڈسٹری بیوٹرز اور مالیاتی اداروں کے مسلسل تعاون کا بھی شکریہ ادا کرتے ہیں۔ ہماری کامیابی ہمارے شیئر ہولڈرز اور تمام اسٹیک ہولڈرز بشمول سپلائرز، صارفین، مقامی کمیونٹی اور ہمارے پرعزم اور محنتی ملازمین کی مستقل معاونت کے بغیر ممکن نہ تھی۔ ہم کمپنی کی انتظامیہ، اپنے معزز بورڈ آف ڈائریکٹرز اور تمام سطحوں کے عملے کی انتھک کوششوں کا اعتراف کرتے ہیں۔ ان کی لگن اور محنت نے اس رپورٹ میں بیان کئے گئے مالیاتی و آپریشنل نتائج کے حصول میں اہم کردار ادا کیا ہے۔

منجانب بورڈ آف ڈائریکٹرز



راجت اللہ
چیئرمین



سمیرا عرفان
چیف ایگزیکٹو

تاریخ: 05 اکتوبر 2026ء
مردان، خیبر پختونخوا

چیرمین کا تجزیہ

30 جون 2026ء کو اختتام پذیر سال خیر ٹریڈیکو کمپنی لمیٹڈ ("کمپنی") کے لئے ایک مشکل سال رہا، جس میں کمپنی کو خالص خسارہ ہوا۔ کمپنی کی کارکردگی کی تفصیلات ڈائریکٹرز کی رپورٹ اور مالیاتی اسٹیٹمنٹس میں بیان کی گئی ہیں۔

آپ کی کمپنی میں ہم ان کمیونٹی کو کچھ لوٹانے کی اہمیت پر پختہ یقین رکھتے ہیں جن کی ہم خدمت کرتے ہیں۔ پائیداری ہمارے ہر کام کا کلیدی محور ہے، اور ہمیں ماحولیات، سماجی و گورننس (ESG) تحریک میں صف اول میں ہونے پر فخر ہے۔ شیئر ہولڈرز اب کمپنیوں کا جائزہ ان کی ESG کارکردگی کی بنیاد پر لیتے ہیں، کیونکہ اس سے پائیداری کے ممکنہ خطرات کا اندازہ ہوتا ہے اور انہیں سرمایہ کاری کی حکمت عملی وضع کرنے میں مدد ملتی ہے۔ پاکستان میں کارپوریٹ سماجی ذمہ داری (CSR) کو ابتدائی طور پر اپنانے والوں میں سے ایک کے طور پر، آپ کی کمپنی نے ESG کو اپنانے کی جانب ایک یادگار سفر کا آغاز کیا ہے۔

آپ کی کمپنی میں ہم اپنے آپریٹرز کے تمام پہلوؤں میں ذمہ دارانہ اور اخلاقی طرز عمل کو ترجیح دیتے ہیں۔ یہی ہماری ثقافت اور اقدار کی بنیاد ہے۔ ہمارا ماننا ہے کہ پائیدار اور طویل مدتی نمو کے حصول کے لئے مضبوط گورننس ناگزیر ہے۔ ان اصولوں پر کاربندہ کر ہم اپنے اہداف حاصل کر سکتے اور مسلسل پیش رفت کر سکتے ہیں۔

دیگر ترقی پذیر معیشتوں کی طرح، حالیہ واقعات نے ہماری معیشت پر منفی اثر ڈالا ہے۔ سیاسی عدم استحکام نے صورت حال کی نزاکت میں مزید اضافہ کیا ہے۔ کرنٹ اکاؤنٹ خسارے سے نمٹنے کے لئے اسٹیٹ بینک آف پاکستان معیشت کی بہتری کے لئے اقدامات کر رہا ہے۔

ہم شکر گزار ہیں کہ افراط زر کے ان دنوں میں ہمیں اپنے شیئر ہولڈرز کی مستقل آمدن کی ضرورت پوری کرنے کا موقع ملا۔ زیر جائزہ سال کے دوران کمپنی نے فیڈرل ایکسائز ڈیوٹی، سیلز ٹیکس اور دیگر محصولات کی مدد میں 8.79 ارب روپے کا حصہ ڈالا۔

مستقبل کا منظر نامہ

ہمیں یقین ہے کہ موجودہ صورت حال مزید بہتر ہوگی۔ مقامی اور بین الاقوامی منڈیوں میں سگریٹ اور تمباکو کی فروخت میں اضافے کی توقع ہے، جس سے آئندہ سال کے نتائج میں نمایاں بہتری آئے گی۔ مزید برآں، میں یہ بھی کہوں گا کہ کمپنی کو لیکویڈیٹی کا کوئی مسئلہ درپیش نہیں ہے اور اسے بیرونی فنانشنگ کی ضرورت نہیں۔ ملک کے معاشی اشاریوں سے مستقبل قریب میں امید افزا آثار ظاہر ہونے کا امکان ہے۔ امید کی جاتی ہے کہ حکومت تمباکو کی برآمدات کو فروغ دینے اور صنعت کے لئے خام مال کی درآمد پر ریگولیٹری ڈیویز کم کرنے کے لئے فوری طور پر ضروری اقدامات کرے گی تاکہ صنعت اپنا معاشی استحکام جاری اور برقرار رکھ سکے۔ انتظامیہ کمپنی کو درپیش چیلنج کی قریبی نگرانی کر رہی ہے اور شیئر ہولڈرز کے مفادات کے تحفظ کے ساتھ ساتھ اپنی پروڈکٹ لائن کے ذریعے نمو کے مواقع سے فائدہ اٹھانے کے لئے تمام ضروری اقدامات کرے گی۔ آپ کی کمپنی اچھی کارپوریٹ گورننس کے لئے پرعزم ہے۔

اظہارِ تشکر

مجھے یہ بتاتے ہوئے خوشی ہے کہ بورڈ کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک سے متعلق اپنی ذمہ داری کو تسلیم کرتا ہے۔ بورڈ کمپنی کے کلیدی مقاصد کے حصول میں اپنے اسٹریٹجک کردار سے بھی آگاہ ہے اور شیئر ہولڈرز اور دیگر اسٹیک ہولڈرز کے منافع کو بہتر بنانے پر مرکوز ہے، اور اپنے معزز صارفین کو اعلیٰ معیار کی مصنوعات کی مسلسل فراہمی کے ذریعے اپنا کردار ادا کرتا رہے گا۔

بطور چیرمین بورڈ، میں کمپنی کے ملازمین کی فرض شناسی اور پیشہ ورانہ طرز عمل کے ساتھ ساتھ شیئر ہولڈرز اور اسٹیک ہولڈرز کی معاونت پر ان کی تعریف کرتا ہوں۔ میں کمپنی کے بینکرز کی جانب سے دکھائی گئی فہم و فراست اور تعاون کا شکریہ ادا کرتا ہوں اور آخر میں اپنے وفادار اور پراعتماد صارفین کا بھی ممنون ہوں۔ تمام مشترکہ کوششیں تمام تر مشکلات کے باوجود کمپنی کے آپریٹرز کو برقرار رکھنے میں معاون ثابت ہوئیں۔ ہم سب پر امن، ترقی پسند اور خوشحال پاکستان کے لئے دعا گو ہیں۔



راحت اللہ
چیرمین



URDU SECTION

NOTES

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