



# Rising through Adversity

UN-AUDITED ACCOUNTS  
DECEMBER 31, 2021



KHYBER TOBACCO COMPANY LIMITED



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## CORPORATE INFORMATION

### Board of Directors

Mrs. Samera Irfan	Chief Executive/ Executive Director
Mr. Rahat Ullah	Chairman/Non-Executive Director
Mr. Pir Waris Shah	Non-Executive Director
Mr. Pir Farhan Shah	Executive Director
Mr. Zia Ur Rehman	Non-Executive Director
Mr. Hazrat Bilal	Non-Executive Director
Mr. Khalil Ur Rehman	Non-Executive Director

### Audit Committee

Mr. Khalil Ur Rehman	Chairman
Mr. Zia Ur Rehman	Member
Mr. Rahat Ullah	Member
Mr. Pir Farhan Shah	Secretary

### Human Resource Committee

Mr. Pir Waris Shah	Chairman
Mr. Pir Farhan Shah	Member
Mr. Zia Ur Rehman	Secretary

### Senior Management

Mrs. Samera Irfan	Chief Executive
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### Company Secretary

Mr. Pir Farhan Shah

### Bankers

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

### Share Registrar

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

### External Auditors

Yousaf Adil & Co.  
Chartered Accountants  
Telephone: +92-937-844668,844639

### Registered Office

Khyber Tobacco Company Limited  
Nowshera Road, Mardan  
Fax: +92-937-843329

### Internal Auditors

Shahid Ahmad & Co.  
Chartered Accountants

The Board of Directors present you the brief report together with the financial information of the Company reviewed by the statutory auditors, for the half year ended December 31, 2021.

Financial Highlights	Jul-Dec 2021	Jul-Dec 2020
	Rs. in Millions	
Gross turnover	1,705.09	1,572.24
Turnover-net	708.14	683.48
Cost of sales	613.69	557.60
Gross profit	94.45	125.88
Profit (Loss) before taxation	(80.67)	(5.24)
Profit (Loss) for the period	(103.22)	(7.47)

The above results indicate that the overall revenue increased by 8% as compared to the corresponding period of the last year. The gross profit has decreased by 25 % i.e. from Rs. 125.88 million to Rs. 94.45 million as compared to the corresponding period last year and loss before taxation has increased by 1439% i.e. from Rs. (5.24) million to loss before taxation of Rs. (80.67) million as compared to the corresponding period last year, the increase in overall turnover is mainly due to increase in sale of both local cigarettes and tobacco. The increase in cost of production is mainly due price hike during the period under consideration as compared to the corresponding period which leads to decrease in gross profit. The situation has adversely affected the EPS and the loss per share is Rs. (21.47) as compared to loss per share of Rs (1.55) as reported in the corresponding period.

## FUTURE OUTLOOK

As part of the strategy, the Company is looking at both local and foreign market to increase the future revenue. Your Company is very hopeful to revive good revenue from local sales and export of tobacco. The Company is confident that we can take these markets to the next level with experience. As the technology is continuously evolving, the Company is also continuously upgrading their skills and is aligned with the technological enhancements and rapid changes in the industry.

With about 5% of its revenues being from export, the company has become more competitive with the recent devaluation and expects to further strengthen its engagement in the international markets. Your Company is investing heavily to acquire modern and state of the art making and packing machines to improve the quality of its products and has therefore acquired low cost financing from its directors.

## ACKNOWLEDGEMENT

The Board takes this opportunity to thank the Company's valued customers, bankers and other stakeholders for their corporation and support. The Board greatly appreciates hard work and dedication of all employees of the..

On behalf of the Board

**Mrs. Samera Irfan**  
Chief Executive Officer

**Pir Farhan Shah**  
Company Secretary

28 February 2021

ہے۔ آپ کی کمپنی ملکی سطح پر فروخت اور تمباکو کی برآمد میں اضافے کے ذریعے بہتر آمدنی حاصل کرنے کے لئے پر امید ہے۔ کمپنی پر امید ہے کہ اپنے تجربے کو بروئے خاطر لاتے ہوئے ہم ان منڈیوں میں اپنے قدم جمالیں گے۔ ٹیکنالوجی میں مسلسل جدت کے باعث کمپنی مستقل بنیادوں پر اپنی مہارتوں میں اضافہ کر رہی ہے اور صنعت میں تیز رفتار تبدیلیوں اور ٹیکنالوجی میں جدت کو ملحوظ خاطر رکھ رہی ہے۔

برآمدات سے 5 فی صد آمدنی کے ساتھ کمپنی حالیہ بے قدری سے نبرد آزما ہو رہی ہے اور امید رکھتی ہے کہ وہ بین الاقوامی منڈیوں کے ساتھ مضبوط رابطے استوار کرے گی۔ آپ کی کمپنی جدید اور عالمی معیار کی آرٹ میکنگ اور پیکنگ مشینیں حاصل کر رہی ہے تاکہ وہ اپنی مصنوعات کے معیار کو بہتر کر سکے لہذا کمپنی نے اپنے ڈائریکٹرز سے کم لاگت پر فنڈز حاصل کئے ہیں۔

انظہار تشکر

بورڈ اس موقع پر کمپنی کے معزز صارفین، بینکرز اور دیگر اسٹیک ہولڈرز کے تعاون اور حمایت کے لئے شکر گزار ہے۔ بورڈ تمام ملازمین کی انتھک محنت اور جذبہ کو بھی سراہتا ہے۔

28 فروری، 2022ء



پیفرحان شاہ  
کمپنی سیکریٹری



مسز سمیرا عرفان  
چیف ایگزیکٹو آفیسر

مخانب بورڈ

بورڈ آف ڈائریکٹرز 31 دسمبر 2021ء کو اختتام پذیر شہابی کے لئے آپ کو جامع رپورٹ اور مجاز آڈیٹرز کی نظر ثانی شدہ کمپنی کی مالیاتی معلومات پیش کرتے ہیں۔

### مالیاتی نتائج

مالیاتی تفصیلات	جولائی-دسمبر 2021ء	جولائی-دسمبر 2020ء
	ملین روپوں میں	
مجموعی آمدنی	1,705.09	1,572.24
خالص آمدنی	708.14	683.48
سیلز پر لاگت	613.69	557.60
مجموعی منافع	94.45	125.88
نفع (نقصان) بمعدہ ٹیکسیشن	(80.67)	(5.24)
مذکورہ مدت میں نفع (نقصان)	(103.22)	(7.47)

مذکورہ بالا نتائج ظاہر کرتے ہیں کہ مجموعی آمدنی میں گذشتہ برس کی نسبت 8 فی صد اضافہ ریکارڈ ہوا۔ مجموعی منافع میں گذشتہ برس کی اسی مدت کی نسبت 25 فی صد یعنی 125.88 ملین روپے سے 94.45 ملین روپے کمی واقع ہوئی۔ خسارہ علاوہ ٹیکسیشن میں بھی گذشتہ برس کی نسبت 1439 فی صد یعنی (5.24) ملین روپے سے (80.67) ملین روپے اضافہ ریکارڈ ہوا۔ مجموعی آمدنی میں اضافہ سگریٹ اور تمباکو کی ملکی سطح پر فروخت میں اضافے سے منسوب کیا جاتا ہے۔ گذشتہ برس کی اسی مدت کی نسبت زیر جائزہ مدت کے دوران قیمتوں میں اضافے کے باعث پیداواری لاگت میں اضافہ ہوا جو نفع میں کمی کی بڑی وجہ ثابت ہوئی۔ ان حالات نے فی حصص آمدنی پر برے اثرات مرتب کئے اور فی حصص خسارہ گذشتہ برس کی اسی مدت میں (1.55) روپے کی نسبت (21.47) روپے ریکارڈ ہوا۔

مستقبل کا منظر نامہ

مستقبل میں آمدنی میں اضافے کے لئے کمپنی نے ملکی وغیر ملکی منڈیوں تک رسائی کے لئے حکمت عملی ترتیب دی

# INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Khyber Tobacco Company Limited

## Report on review of Condensed Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Khyber Tobacco Company Limited** ("the Company") as at December 31, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as of and for the six-month period ended December 31, 2021 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income along with related notes for the three-month period ended December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2021.

The engagement partner on the review resulting in this independent auditor's review report is Rana M. Usman Khan.



### Chartered Accountants

Lahore

Date: February 28, 2022

UDIN: RR202110088UcHu0NexF



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# FINANCIAL STATEMENTS

# CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT DECEMBER 31, 2021

	(Un-audited) December 31, 2021 Rupees	(Audited) June 30, 2021 Rupees
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	48,073,640	48,073,640
Unappropriated profit	883,345,281	967,360,313
General reserves	3,312,465	3,312,465
Revaluation surplus on property, plant and equipment - net of tax	193,007,368	212,209,916
	<b>1,127,738,754</b>	1,230,956,334
<b>NON-CURRENT LIABILITIES</b>		
Staff retirement benefits	49,214,276	43,642,581
Deferred taxation-net	67,869,363	54,296,223
	<b>117,083,639</b>	97,938,804
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,194,192,823	989,472,227
Accrued markup on loan from sponsors and directors	56,734,654	31,258,491
Unclaimed dividend	16,177,683	16,407,772
Provision for taxation	8,772,124	17,196,344
Loan from sponsors and directors - unsecured	1,278,400,000	1,045,400,000
	<b>2,554,277,284</b>	2,099,734,834
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,799,099,677</b>	3,428,629,972

## CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

		(Un-audited) December 31, 2021 Rupees	(Audited) June 30, 2021 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	<b>1,564,981,301</b>	1,379,775,858
Intangible assets	8	-	-
Long term deposits		<b>4,947,411</b>	4,767,411
		<b>1,569,928,712</b>	1,384,543,269
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		<b>327,661</b>	26,881,360
Stock in trade	7	<b>1,355,057,777</b>	999,308,866
Trade debts	8	<b>151,284,923</b>	177,744,981
Advances and prepayments		<b>303,418,870</b>	132,454,876
Income tax refundable		<b>132,001,727</b>	109,800,220
Advance income tax		<b>14,580,493</b>	39,603,620
Cash and bank balances		<b>272,499,514</b>	558,292,780
		<b>2,229,170,965</b>	2,044,086,703
<b>TOTAL ASSETS</b>		<b>3,799,099,677</b>	3,428,629,972



Chief Executive



Director



Director

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

	Note	Quarter ended		Half year ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Rupees					
Revenue from contracts with customers	10	<b>456,590,843</b>	330,700,233	<b>708,144,680</b>	683,481,134
Cost of sales	11	<b>(391,677,795)</b>	(303,876,363)	<b>(613,691,626)</b>	(557,600,652)
<b>Gross profit</b>		<b>64,913,047</b>	26,823,871	<b>94,453,054</b>	125,880,482
Selling and distribution expenses		<b>(19,179,691)</b>	(13,678,123)	<b>(35,771,717)</b>	(24,755,899)
Administrative expenses		<b>(38,156,168)</b>	(41,039,707)	<b>(78,845,506)</b>	(77,570,134)
Other expenses		<b>(2,523,460)</b>	(7,844,817)	-	(9,097,779)
Other income		<b>(3,518,325)</b>	1,153,846	<b>2,077,475</b>	1,153,846
Operating profit / (loss)		<b>1,535,403</b>	(34,584,931)	<b>(18,086,694)</b>	15,610,516
Finance costs		<b>(37,051,029)</b>	(15,785,043)	<b>(62,579,853)</b>	(20,853,418)
<b>Loss before taxation</b>		<b>(35,515,626)</b>	(50,369,974)	<b>(80,666,547)</b>	(5,242,902)
Taxation		<b>21,661,383</b>	9,473,796	<b>(22,551,033)</b>	(2,225,220)
<b>Loss for the period</b>		<b>(13,854,243)</b>	(40,896,178)	<b>(103,217,580)</b>	(7,468,122)
<b>Earnings per share - basic and diluted</b>	12	<b>(2.88)</b>	(8.51)	<b>(21.47)</b>	(1.55)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



**Chief Executive**



**Director**



**Director**

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Quarter ended		Half year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	<b>Rupees</b>			
Loss for the period	<b>(13,854,243)</b>	(40,896,178)	<b>(103,217,580)</b>	(7,468,122)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(13,854,243)</b>	(40,896,178)	<b>(103,217,580)</b>	(7,468,122)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



**Chief Executive**



**Director**



**Director**

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

## FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Issued, subscribed and paid up capital	Reserves			Total	
	Capital reserves		Revenue reserves		
	Revaluation surplus on property, plant and equipment - net of tax	General reserve	Unappropriated profit		-
<b>Rupees</b>					
48,073,640	251,498,354	3,312,465	995,587,814	1,298,472,273	
-	-	-	(7,468,122)	(7,468,122)	
-	-	-	(7,468,122)	(7,468,122)	
-	(18,617,628)	-	18,617,628	-	
48,073,640	232,880,726	3,312,465	1,006,737,320	1,291,004,151	
-	-	-	(61,178,208)	(61,178,208)	
-	-	-	1,130,391	1,130,391	
-	-	-	(60,047,817)	(60,047,817)	
-	(20,670,810)	-	20,670,810	-	
<b>48,073,640</b>	<b>212,209,916</b>	<b>3,312,465</b>	<b>967,360,313</b>	<b>1,230,956,334</b>	
-	-	-	(103,217,580)	(99,044,647)	
-	-	-	(103,217,580)	(99,044,647)	
-	-	-	13,509,135	-	
-	(5,693,413)	-	5,693,413	-	
<b>48,073,640</b>	<b>193,007,368</b>	<b>3,312,465</b>	<b>883,345,281</b>	<b>1,127,738,754</b>	

**Balance at July 01, 2020 (Audited)**

**Total comprehensive income for the half year ended December 31, 2020**

Loss for the half year ended December 31, 2020

Other comprehensive income for the half year ended December 31, 2020

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

**Balance at December 31, 2020 (Un-audited)**

**Total comprehensive income for the half year ended June 30, 2021**

Loss for the half year ended December 31, 2021

Other comprehensive income for the half year ended December 31, 2021

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

**Balance at June 30, 2021 (Audited)**

**Total comprehensive income for the half year ended December 31, 2021**

Loss for the half year ended December 31, 2021

Other comprehensive income for the half year ended December 31, 2021

Transfer from surplus on revaluation of property, plant and equipment:  
-on account of incremental depreciation - net of tax  
-on account of disposal - net of tax

**Transactions with owners of the Company**

**Distributions**

Final dividend for the year ended 30 June 2019 @ Rs. 8.31 per share

**Balance at December 31, 2021 (Un-audited)**



**Chief Executive**



**Director**



**Director**

# CONDENSED INTERIM CASH FLOW STATEMENT [UNAUDITED]

## FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended	
	December 31, 2021	December 31, 2020
	Rupees	Rupees
<b>Cash flows from operating activities</b>		
Loss before taxation	(80,666,547)	(5,242,902)
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	57,959,134	43,165,584
Provision for staff retirement benefits	6,873,895	4,703,156
Gain on disposal of property, plant and equipment	(2,077,475)	-
Exchange loss	-	527,485
Finance costs	62,579,853	20,853,418
	<b>125,335,407</b>	<b>69,249,643</b>
<b>Cash flows from operating activities before working capital changes</b>	<b>44,668,860</b>	<b>64,006,741</b>
<b>Effect on cash flow due to working capital changes</b>		
Decrease in stores, spares parts and loose tools	26,553,700	-
Increase in stock in trade	(355,748,911)	(345,710,148)
Decrease in trade debts	26,460,058	267,593,207
Increase in advances and prepayments	(170,963,994)	(104,236,138)
Decrease in advance duty	-	73,355,084
Increase in trade and other payables	142,140,743	109,332,245
	<b>(331,558,404)</b>	<b>334,250</b>
<b>Cash generated from / (used) in operating activities</b>	<b>(286,889,544)</b>	<b>64,340,991</b>
Income tax paid	(4,117,691)	(15,555,001)
Staff retirement benefits paid	(1,302,200)	(258,000)
Finance costs paid	(575,488)	(13,807,063)
<b>Net cash generated (used in) / generated from operating activities</b>	<b>(292,884,923)</b>	<b>34,720,927</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(229,995,954)	(50,184,339)
Proceeds from disposal of property, plant and equipment	4,497,700	-
Security deposits	(180,000)	-
<b>Net cash used in investing activities</b>	<b>(225,678,254)</b>	<b>(50,184,339)</b>
<b>Cash flows from financing activities</b>		
Dividend payment	(230,089)	(544,868)
Loans from sponsors and directors	233,000,000	254,000,000
<b>Net cash generated from financing activities</b>	<b>232,769,911</b>	<b>253,455,132</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(285,793,266)</b>	<b>237,991,720</b>
Cash and cash equivalents at beginning of the period	558,292,780	81,581,195
<b>Cash and cash equivalents at end of the period</b>	<b>272,499,514</b>	<b>319,572,915</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Director

**1. LEGAL STATUS AND OPERATIONS**

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

**2. STATEMENT OF COMPLIANCE**

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

- International Accounting Standard 34: 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

The Companies Act, 2017 was enacted on May 30, 2017 and came into force at once. Subsequently, Securities and Exchange Commission of Pakistan has notified through Circular No. 23 dated October 04, 2017 that companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Therefore, the Company has considered the requirements of the Companies Act, 2017 in the preparation of these condensed interim financial statements.

**2.2** These condensed interim financial statements do not include all of the information required for the full financial statements and, therefore, these should be read in conjunction with annual audited financial statements for the year ended June 30, 2021. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2021, whereas comparative condensed statement of profit or loss and other comprehensive income, comparative condensed statement of changes in equity and comparative statement of cash flows are stated from un-audited condensed interim financial statements for the half year ended December 31, 2021.

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

**3. ACCOUNTING POLICIES AND ESTIMATES**

The significant accounting policies and methods of computation adopted in preparation of these condensed interim financial statements are the same as those applied in preparation of the annual audited financial statements of the Company for the year ended June 30, 2021.

- revaluation of land

**3.1 Financial risk management**

The Company's financial risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2021.

**3.2 Fair value of financial assets and liabilities**

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

**3.3 Estimates and judgements**

Estimates and judgements made by management in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2021.



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED]  
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

	<b>Un-audited December 31, 2021 Rupees</b>	Audited June 30, 2021 Rupees
<b>4 TRADE AND OTHER PAYABLES</b>		
Creditors	<b>563,978,794</b>	396,443,342
Accrued liabilities	<b>118,954,821</b>	73,184,531
Contract liabilities	<b>227,053,516</b>	265,388,349
Workers' profit participation fund	<b>80,059,996</b>	82,719,311
Workers' welfare fund	<b>6,366,590</b>	6,366,590
Withholding tax payable	<b>22,579,617</b>	20,391,553
Sales tax and federal excise duty	<b>119,200,435</b>	115,477,254
Tobacco development cess	<b>34,864,275</b>	10,533,057
Royalty	<b>19,447,340</b>	16,896,800
Insurance	<b>62,751</b>	62,752
Punjab sales tax	<b>1,624,688</b>	2,008,688
	<b>1,194,192,823</b>	989,472,227

**5 CONTINGENCIES AND COMMITMENTS**

**5.1 Contingencies:**

**a) Litigation**

There is no significant change in the status of contingencies as disclosed in note 12 to the financial statements for the year ended June 30, 2021.

	<b>Un-audited December 31, 2021 Rupees</b>	Audited June 30, 2021 Rupees
<b>b) Commitments:</b>		
Letters of credit against import of machinery and packing material	<b>742,355,983</b>	65,964,643
Short term lease rentals	<b>6,200,218</b>	6,200,218
Letters of guarantee issued by bank on behalf of the Company	-	900,000

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED]  
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

		<b>Un-audited December 31, 2021 Rupees</b>	<b>Audited June 30, 2021 Rupees</b>
<b>6</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	Operating assets	6.1 <b>822,251,411</b>	787,253,850
	Capital work in progress	6.2 <b>742,729,890</b>	592,522,008
		<b>1,564,981,301</b>	<b>1,379,775,858</b>
<b>6.1</b>	<b>Operating assets</b>		
	Opening carrying value	<b>787,253,850</b>	553,772,738
	<b>Additions during the period / year</b>		
	Buildings on leasehold land	-	2,721,204
	Plant and machinery	<b>63,156,705</b>	313,666,476
	Tools and equipment	<b>41,808,260</b>	3,511,536
	Furniture and fixtures	<b>24,000</b>	144,340
	Vehicles	<b>80,000</b>	17,377,860
	Office equipments	-	380,800
		<b>105,068,965</b>	337,802,216
	Carrying value of assets disposed off during the period / year		-
	Plant and machinery	<b>(7,614,570)</b>	-
	Vehicles	<b>(4,497,700)</b>	-
		<b>(12,112,270)</b>	-
	Depreciation charged during the period / year	<b>(57,959,134)</b>	(104,321,104)
		<b>822,251,411</b>	<b>787,253,850</b>
<b>6.2</b>	<b>Capital work in progress</b>		
	Opening carrying value	<b>592,522,008</b>	265,125,629
	<b>Additions during the period / year</b>		
	Plant and machinery	<b>150,207,882</b>	592,531,508
	<b>Capitalized during the period / year</b>		
	Plant and machinery	-	(265,135,129)
	Closing carrying value	<b>742,729,890</b>	592,522,008
<b>7</b>	<b>STOCK IN TRADE</b>		
	Raw material	<b>1,080,867,007</b>	693,149,193
	Packing and other material	<b>244,955,830</b>	296,071,239
	Work in process	<b>6,851,914</b>	-
	Finished goods	<b>22,383,026</b>	10,088,434
		<b>1,355,057,777</b>	<b>999,308,866</b>
<b>8</b>	<b>TRADE DEBTS</b>		
	Local - unsecured	<b>179,606,432</b>	206,066,490
	Allowance for expected credit losses	<b>(28,321,509)</b>	(28,321,509)
		<b>151,284,923</b>	<b>177,744,981</b>

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED] FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		Un-audited			
		Quarter ended		Half year ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		Rupees	Rupees	Rupees	Rupees
<b>9</b>	<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>				
	Gross turnover				
	- Local	<b>943,765,605</b>	713,850,313	<b>1,673,213,751</b>	1,363,403,893
	- Export	<b>19,966,882</b>	58,805,483	<b>31,873,646</b>	208,840,384
		<b>963,732,487</b>	772,655,796	<b>1,705,087,397</b>	1,572,244,277
	Government levies				
	- Excise duty	<b>(386,613,800)</b>	(336,875,800)	<b>(756,822,930)</b>	(678,425,800)
	- Sales tax	<b>(109,260,344)</b>	(93,117,263)	<b>(218,141,787)</b>	(187,496,843)
		<b>(495,874,144)</b>	(429,993,063)	<b>(974,964,717)</b>	(865,922,643)
	Discounts	<b>(11,267,500)</b>	(11,962,500)	<b>(21,978,000)</b>	(22,840,500)
		<b>456,590,843</b>	330,700,233	<b>708,144,680</b>	683,481,134
<b>10</b>	<b>COST OF SALES</b>				
	Raw and packing material consumed	<b>296,826,585</b>	236,154,488	<b>451,822,272</b>	425,983,221
	Salaries, wages and benefits	<b>33,183,490</b>	26,004,969	<b>67,953,197</b>	55,076,698
	Fuel and power	<b>13,263,383</b>	14,230,958	<b>28,367,354</b>	25,159,687
	Stores and spares consumed	<b>13,382,460</b>	(1,081,054)	<b>23,874,426</b>	22,384,305
	Repair and maintenance	<b>319,678</b>	1,830,479	<b>1,315,770</b>	2,582,771
	Royalty	<b>1,245,690</b>	1,240,635	<b>2,564,670</b>	2,243,235
	Rent	<b>1,940,774</b>	-	<b>2,083,755</b>	-
	Depreciation	<b>30,233,836</b>	21,555,696	<b>53,861,348</b>	39,633,697
	Insurance expense	<b>497,670</b>	460,973	<b>995,340</b>	923,276
		<b>390,893,565</b>	300,397,143	<b>632,838,132</b>	573,986,890
	<b>Work in Process :</b>				
	At beginning of period	<b>5,689,096</b>	12,087,491	-	3,856,473
	At end of the period	<b>(6,851,914)</b>	(7,866,594)	<b>(6,851,914)</b>	(7,866,594)
		<b>(1,162,818)</b>	4,220,897	<b>(6,851,914)</b>	(4,010,121)
	Cost of goods manufactured	<b>389,730,747</b>	304,618,040	<b>625,986,218</b>	569,976,769
	<b>Finished goods :</b>				
	At beginning of period	<b>24,330,074</b>	24,807,311	<b>10,088,434</b>	13,172,871
	At end of the period	<b>(22,383,026)</b>	(25,548,988)	<b>(22,383,026)</b>	(25,548,988)
		<b>1,947,048</b>	(741,677)	<b>(12,294,592)</b>	(12,376,117)
		<b>391,677,795</b>	303,876,363	<b>613,691,626</b>	557,600,652

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED] FOR THE HALF YEAR ENDED DECEMBER 31, 2021

## 11 TRANSACTIONS WITH RELATED PARTIES

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

	Name of related party	Nature of relationship	Nature of transaction	Un-Audited	
				Half year ended	
				December 31, 2021 Rupees	December 31, 2020 Rupees
	Key management personnel	Management	Remuneration and allowances	<b>39,617,450</b>	12,135,000
	Rahat Ullah	Director	Receipt of loan	-	10,000,000
	Khalil-ur-Rehman	Director	Receipt of loan	<b>15,000,000</b>	21,000,000
	Waseem-ur-Rehman	Ex-chief executive	Receipt of loan	<b>45,000,000</b>	223,000,000
	Sami-ur-Rehman	Associate	Receipt of loan	<b>173,000,000</b>	-
	Waseem-ur-Rehman	Ex-chief executive	Markup on loan	<b>26,000,673</b>	15,198,604
	Sami-ur-Rehman	Associate	Markup on loan	<b>30,230,490</b>	-
	Rahat Ullah	Director	Markup on loan	-	43,921

## 12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED] FOR THE HALF YEAR ENDED DECEMBER 31, 2021

## 13 RECLASSIFICATION

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

Reclassified from	Reclassified to	Reason	Rupees
Advances and prepayments	Income tax refundable	For better presentation	109,800,220
Advance income tax	Provision for taxation	For better presentation	17,196,344
Trade and other payables	Accrued markup on loan from sponsors and directors	For better presentation	31,258,491

## 14 DATE OF AUTHORIZATION FOR ISSUE

This un-audited condensed interim financial statements was authorized for issue by the Board of Directors of the Company in their meeting held on 28 February 2022.

## 15 GENERAL

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



Chief Executive



Director



Director





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