

BEYOND BORDERS, ELEVATING VALUE

ANNUAL REPORT 2025



KTC
KHYBER TOBACCO COMPANY



ABOUT THIS REPORT

The Khyber Tobacco Company Limited (KTC) Annual Report 2025 (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 01, 2025.

Scope and Boundary

Our Report covers the period from July 1, 2024 to June 30, 2025 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, 2025 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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FINANCIAL HIGHLIGHTS

PROFIT ACHIEVED

Rs. 275
Million

TOTAL ASSETS

Rs. 16,723
Million

CONTRIBUTION TO NATIONAL EXCHEQUER

Rs. 9,640
Million

SHAREHOLDERS' EQUITY

Rs. 2,935
Million

		2025	2024	25 vs 24
Sales Revenue	(Rupees in Million)	9,890.70	3,113.76	6,776.94
- Local Sales	(Rupees in Million)	2,656.73	2,278.41	378.33
- Export Sales	(Rupees in Million)	7,233.97	835.35	6,398.61
Profit/(Loss) After Tax	(Rupees in Million)	274.65	(1,022.00)	1,296.65
Earning/(Loss) Per Share	(Rupees per Share)	39.67	(147.63)	187.31
Shareholder's Equity	(Rupees in Million)	2,935.30	2,696.44	238.86
Return on Equity	(%)	9.36	(37.90)	47.26
Current Ratio		1.04	1.01	0.03

DEBT EQUITY
RATIO

4.7

FIXED ASSET
TURNOVER

3.56 Times

EARNINGS
PER SHARE

Rs. 39.67



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. Sameera 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. Sameera Irfan

Chief Executive

Company Secretary

Mr. Pir Farhan Shah

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**

78.5 %
of Total Sales

In 2025, Khyber Tobacco exported PKR 7.23 billion worth of goods, with unmanufactured tobacco dominating sales (99.5%). Exports are highly concentrated in key markets like the UAE and Greece, while cigarettes export remain a minor segment. Strategic diversification and market expansion are critical for future growth.

Category	Value (PKR)	% of Total Exports
Total Tobacco Exports	7,198,380,310	99.5%
Total Cigarette Exports	35,588,337	0.5%
Grand Total	7,233,968,647	100%

Product Portfolio Breakdown

Product	Volume (Units)
Redried Tobacco Primary revenue driver	3.88 million Kgs
Cut Tobacco Supplementary product	0.33 million Kgs
FCV Scraps By-product utilization	0.48 million Kgs
Cigarettes Minimal finished goods export	1.48 thousand Ctn

UAE 46%

PKR 3.31 Billion



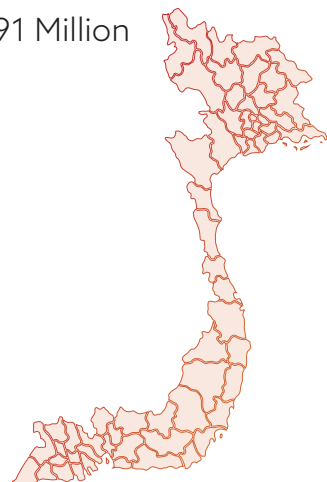
GREECE 22.9%

PKR 1.65 Billion



VIETNAM 9.6%

PKR 691 Million



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
Employee turnover	Low		Incident reporting
		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
Natural disasters	Low		Favourable employee policies
		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

I am pleased with the performance of Khyber Tobacco Company Limited ("the Company") for the year ended June 30, 2025.

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. 9.64 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 gratitude towards our loyal and confident customers. All combined efforts have been instrumental in the company's healthy growth 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 70th Annual Report and the audited financial statements along with the auditors' report thereon for the year ending June 30, 2025.

The Company's Financial Results

The financial performance of the Company for the year ended 30 June 2025, as compared to the year ended 30 June 2024, has been as follows;

Production and Sales

PRODUCT	UNIT OF MEASUREMENT	PRODUCTION		SALE	
		2025	2024	2025	2024
RE-DRIED TOBACCO	KGS	9,733,836	5,512,983	3,913,630	574,350
CUT TOBACCO	KGS	1,879,201	1,063,613	382,970	33,645
CIGARETTES	STICKS (In Million)	1,522	635	1,447	661

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 into place and developed, the difficulties faced by the Companies will be reduced.

Production Highlights

During the year under review, production of cut tobacco increased by 815,580 kilograms compared to the previous year. Additionally, the production of cigarettes also increased by 887 million sticks compared to last year.

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.

DIRECTORS' REPORT

Operational Highlights

Throughout the year, your Company remained steadfast in its commitment to enhancing productivity and efficiency across its entire value chain. Key operational initiatives that have been taken included:

Cost Management: Rigorous cost management strategies were implemented, ensuring that resources were utilized optimally to maintain competitiveness in challenging economic conditions.

Lean Operations: KTC embraced lean principles to streamline processes, eliminate waste, and improve overall operational efficiency. This lean approach helped us to make use of the most available resources.

Modernization of Machinery: Investment in the modernization of machinery infrastructure has been a focal point. This step allowed us to keep pace with technological advancements and enhance the quality and efficiency of our operations.

Export Growth: During the reporting period, there has been a significant increase in the demand for Pakistani tobacco in the international market, resulting in high export orders for the Company from its foreign customers. The Company has taken initiatives to increase export sales in 2025 FY, expecting to lead a notable increase in export orders and valuable foreign exchange inflows.

Sales Performance: Our commitment to growth extends to both local and international markets. This is evident as the company has secured more export and local sales orders in the 2024-2025 fiscal year.

Net Sales: Net Sales surged to Rs. 9,890.70 million, a more than three-fold increase from the Rs. 3,113.7 million recorded last year. This growth was achieved through expanded sales in local and international markets.

Financial Performance

I am pleased to report that financial performance demonstrates the positive outcomes of these efforts:

Profit Before Taxation: The Company reported a Profit Before Taxation of Rs. 414.32 million for the year ending June 30, 2025, a significant improvement from a loss of Rs. 1,018.09 million in the previous fiscal year.

Profit After Taxation: The Company reported a profit of Rs. 274.64 million for the year ending June 30, 2025, a strong recovery from a loss of Rs. 1,021.99 million in the prior year.

Earnings Per Share (EPS): The Company reported a profit per share of Rs. 39.67 for the year ending June 30, 2025, rebounding from a loss per share of Rs. 147.63 the previous year.

Balance Sheet: The company's capital and reserves as of June 30, 2025, increased by Rs. 238.85 million. This represents a significant recovery from the previous fiscal year. The increase in capital and reserves is primarily due to economic and political stability, low inflation rates, and more export orders during the current reporting period.

Plant Performance

The Company remains committed to upgrading its plant and machinery across all departments. However, it's 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.



DIRECTORS' REPORT

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.

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 laser-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.

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. 47.79 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 on 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, with six serving as non-executive directors and one as an executive director. To uphold best governance practices, we maintain a clear separation between the positions of Chairman and Chief Executive Officer.

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

In our 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. This function diligently ensures compliance with Company policies and promptly reports any observed deviations to the Audit Committee, reinforcing our commitment to accountability and transparency.

BOARD OF DIRECTORS MEETINGS

Legally, the Board is required to meet at least once in each quarter to monitor the Company's performance aimed at 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	No. of meetings attended
Ms. 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 Executive Director	4
Ms. Sonia Farooq Independent Director	4
Barrister Shahzad Javed Panni Independent Director	4



DIRECTORS' REPORT

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 undermentioned committees, comprising of members given below:

Audit Committee	HR and Remuneration Committee
Barrister Shahzad Javed Panni (Chairman)	Ms. Sonia Farooq (Chairperson)
Mr. Khalil Ur Rehman (Member)	Mr. Pir Waris Shah (Member)
Mr. Rahat Ullah (Member)	Mr. Zia Ur Rehman (Secretary)
Mr. Zia Ur Rehman (Secretary)	

- Such level of remuneration shall be appropriate and commensurate with the level of responsibility and expertise offered by the members of the BoD and shall be aimed at attracting and retaining members needed to govern the Company successfully and create value addition.
- The BoD shall ensure that the prevailing level of remuneration of the BoD does not at any time compromise the independence of independent members of the BoD.
- Members of the BoD may also be paid all travel/ hotel/ancillary expenses related to:
 - a) attendance of Board Meeting(s);
 - b) attendance of General Body Meetings; and/or
 - c) Business of the Company.

Remuneration Policy of Members of the Board of Directors

The Board has a formal policy and transparent procedures for the remuneration of directors by the Act and the regulations thereunder; the significant features of the policy are as under:

- The Board of Directors ("BoD") shall, from time to time, determine and approve the remuneration of the members of the BoD for attending Board Meetings.

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 diligently complies with the provisions of best practices outlined in the Code of Corporate Governance, with particular emphasis on the independence of non-executive directors. Moreover, we diligently adhere 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 meticulously prepared and duly approved by the Board. Furthermore, significant policies required under the Code of Corporate Governance have been crafted, and reviewed by the Board, and will be officially approved in due course.

Auditors

Following the 70th 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, 2025, is part of the annual report. Please refer to the same for a detailed breakdown.

Trading of Company Shares

We are pleased to report that the Directors, Chief Executive, Chief Financial Officer, the Secretary, and their spouses, as well as minor children, have not engaged in any trading activities related to 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 the domains of cigarettes and tobacco, with a strong focus on re-dried tobacco due to 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 yield handsome profits.

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. However, our persistent efforts to overcome these hurdles are beginning to yield positive results. 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 working on improving our processing capabilities. Our management has invested in upgrading the Primary Production Department (PPD), Cigarette Making Department (CMD), and 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 extended support.

Our success story would not have been possible without the steadfast support of our shareholders and all stakeholders, including our suppliers, customers, local community, and our dedicated and hardworking employees. We wholeheartedly acknowledge the tireless efforts of our 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 1, 2025
Mardan,
Khyber Pakhtunkhwa

OTHER CORPORATE GOVERNANCE

Stakeholders' Engagement

At KTC, 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. Concerns were expressed regarding the Company's financial performance and reported losses.

Mr. Muhammad Ahsan Maqbool Ranjha, Senior Manager Finance, explained that a decline in export demand and a significant rise in raw tobacco prices had adversely affected revenues and profitability. He further assured that management is taking necessary measures to address these challenges and improve the Company's financial performance.

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 corporate section has been designated to ensure that grievances/ complaints of the investors are heard and redressed, in a quick and efficient manner. Mechanism of lodging any complaint/issues is detailed on the website of the Company.

Designated contact numbers and email address of the Company / Regulator is disseminated among investor 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 about his interest in any contract, agreement or appointment etc (if any). Any conflict of interest relating to members of Board of directors is dealt as per provisions of Companies Act, 2017 and 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 necessary arrangements to ensure that the remaining directors complete the prescribed training within the stipulated timeframe.

OTHER CORPORATE GOVERNANCE

The Company intends to fully comply with all regulatory requirements pertaining to the Directors' Training Program and aims to ensure that all directors complete their training by the end of the year 2026.

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 systematic backup of the record on daily basis for protection of data and its recovery in case of any catastrophe.

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 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 quarterly basis fulfilling the requirements of section 208 of the Companies Act, 2017.

Access Of Shareholders On Company's Website

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

Share Price Sensitivity

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

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, 2025**

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

The composition of the Board of Directors is as follows:

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

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.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
3. 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;
4. 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;
5. 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;
6. 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;
7. The board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

STATEMENT OF COMPLIANCE

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

8. The following five (06) directors and head of accounts have obtained certification under the Directors' Training Program;

1. Mr. Zia Ur Rehman
2. Ms. Sonia Farooq
3. Ms. Sameera Irfan
4. Mr. Pir Waris Shah
5. Mr. Khalil Ur Rehman
6. Mr. Ahsan Maqbool Ranjha
(Head of accounts)
7. Barrister Shahzad Javed Panni

9. 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.

10. 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.

11. The board has formed committees comprising of members given below:

a. Audit Committee

- Barrister Shahzad Javed Panni,
Independent Director (Chairman)
- Mr. Rahat Ullah,
Non-Executive Director (Member)
- Mr. Zia Ur Rehman,
Non-Executive Director (Member)
- Mr. Khalil Ur Rehman,
Executive Director (Member)

b. Human Resource & Remuneration Committee

- Ms. Sonia Farooq,
Independent Director (Chairperson)
- Mr. Pir Waris Shah,
Non-Executive Director (Member)
- Mr. Zia Ur Rehman,
Non-Executive Director (Member)

12. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

13. 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, 2025.

b. HR and Remuneration Committee:

One meeting during the financial year ended June 30, 2025.

14. 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.

15. 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;

16. 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;
17. We confirm that all requirements of the regulations 3, 6, 7, 8, 32 and 36 of the Regulations have been complied with.
18. 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	Board's Performance Evaluation and General Meeting Proceedings Regulation 10(3)(v) encourages an external evaluation of the Board's performance at least once every three years.	Currently, the Board has not assigned the task of evaluation of the Board's performance to any external party. As the regulations encourage to have external evaluation at least every three year so the Board will consider assigning this task in future.	10(3)(v)

STATEMENT OF COMPLIANCE

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

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 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), 31(6)

Mardan

Dated: 01 October, 2025



Mr. Rahat Ullah

Chairman

NOTICE OF 70TH ANNUAL GENERAL MEETING

Notice is hereby given that the 70th Annual General Meeting of the members of Khyber Tobacco Company Limited will be held on Friday, 24th October 2025 at 10.30 a.m. at Company 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, 2025 together with the Chairman's Review, Directors' and Auditors' Reports thereon.
2. To appoint Auditors for the year ending 30 June 2026 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 till the next Annual General Meeting.
3. To transact any other business with the permission of the Chair.

By Order of the Board



Pir Farhan Shah

Company Secretary

01 October, 2025

Notes:

1. CLOSURE OF SHARE TRANSFER BOOKS:

The Share Transfer Books of the Company will remain closed from 17th October 2025 to 24th October 2025 (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 16th October, 2025 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.

NOTICE OF 70TH ANNUAL GENERAL MEETING

3. GUIDELINES FOR CDC ACCOUNT HOLDERS:

Attendance of members who have deposited their shares into 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 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 OF PHYSICAL COPY:

The financial statements of the Company for the year ended June 30, 2025 along with reports have been placed at the website of the Company and can be down loaded 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:

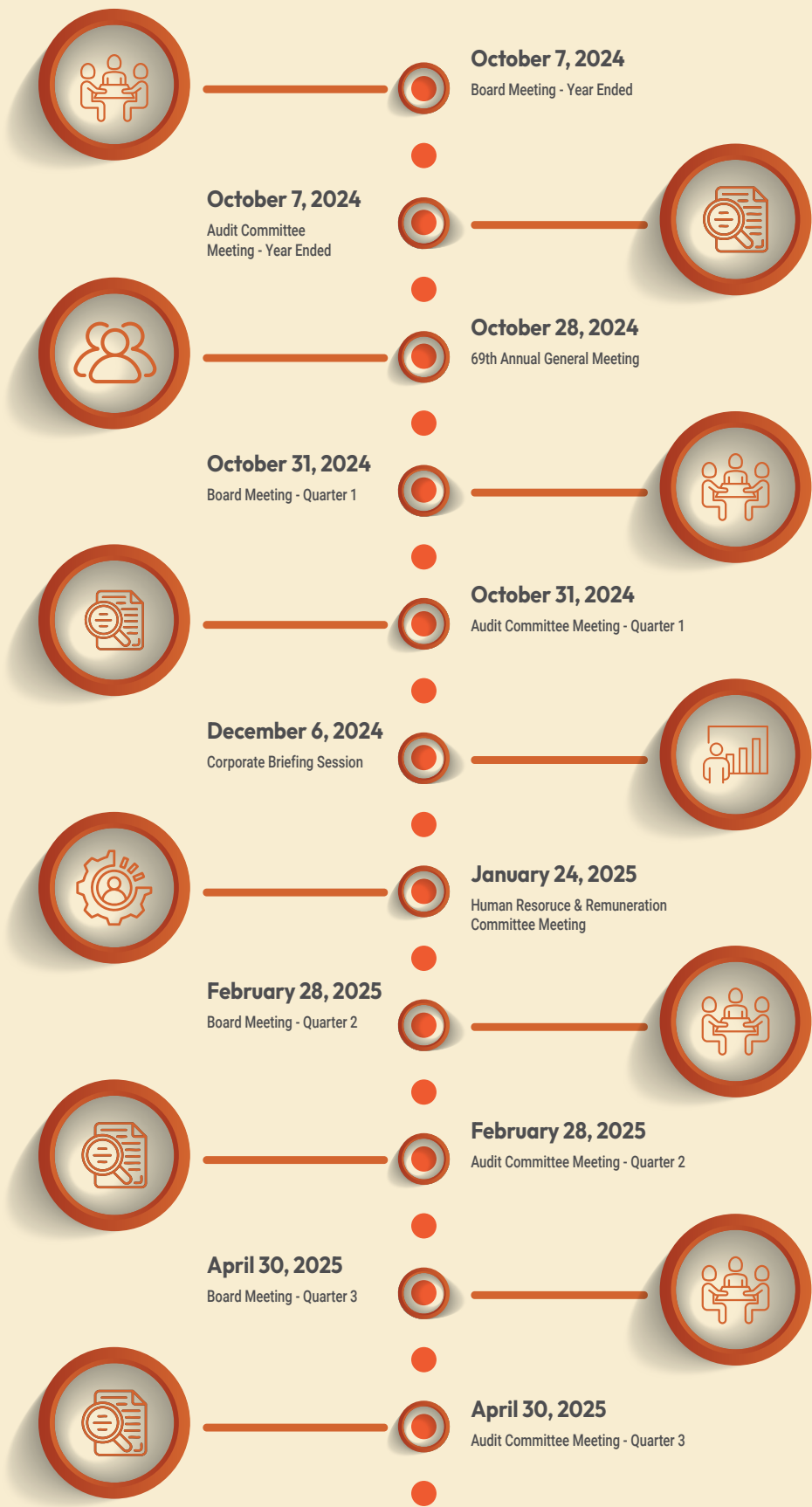
The Company law allows transmission of annual audited financial statement together with various reports along with notice of annual general meeting to its members electronically. Members who wish to avail this facility may convey their email addresses to the Company at email address info@khybertobacco.com

7. PARTICIPATION THROUGH VIDEO CONFERENCE:

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



CALENDAR OF MAJOR EVENTS



FINANCIAL PERFORMANCE OF SIX YEARS & VALUE ADDITION



FINANCIAL PERFORMANCE

		2025	2024	2023	2022	2021	2020
Financial Performance-Profitability							
Gross Profit Margin	%	17.94	5.01	37.28	32.55	13.52	17.39
Net Profit Margin	%	2.78	(32.82)	26.88	21.62	(2.21)	2.11
Return on equity	%	9.36	(37.90)	52.67	17.88	(5.58)	2.97
Operating Performance-Liquidity							
Total Asset Turnover	Time	0.68	0.31	1.10	0.54	0.40	0.82
Fixed Asset Turnover	Time	3.56	1.12	3.10	1.45	1.11	2.56
Inventory Turnover	Time	0.97	0.74	2.61	1.16	1.22	2.26
Inventory Turnover	Days	374.47	494.85	139.99	314.98	300.17	161.33
Receivable turnover	Time	8.58	2.26	6.83	5.21	4.31	5.80
Receivable turnover	Days	42.55	161.56	53.42	70.08	84.68	62.96
Payable Turnover	Time	1.34	1.55	2.06	2.30	2.33	5.35
Payable Turnover	Days	272.67	235.14	177.26	158.82	156.46	68.21
Current Ratio	Time	1.04	1.01	1.33	0.98	0.97	1.51
Quick Ratio	Time	0.26	0.32	0.87	0.47	0.49	0.89
Capital Market/Capital Structure Analysis							
Earning per share (pre tax)	Rs	59.85	(140.65)	306.84	85.36	(17.28)	8.74
Earning per share (after tax)	Rs	39.67	(147.63)	288.68	65.62	(14.28)	8.02
Debt: equity	Rs	4.70	3.55	1.07	2.20	1.77	1.00



	2025	2024	2023	2022	2021	2020
	Rupees in Million					
Summary of Balance sheet						
Share Capital	69.23	69.23	69.23	48.07	48.07	48.07
Shareholder's funds/Equity	2,935.30	2,696.44	3,793.94	1,764.25	1,230.96	1,298.47
Capital employed	2,935.30	2,696.44	3,793.94	1,764.25	1,230.96	1,298.47
Property, plant & Equipment	2,737.48	2,824.48	2,744.66	2,043.14	1,379.78	818.90
Long term assets	20.99	30.98	6.24	4.95	1,384.54	823.55
Net Current Assets	13,866.60	9,255.37	5,094.99	3,602.37	2,026.89	1,778.78
Summary of Profit and Loss						
Sale	9,890.70	3,113.76	7,434.55	2,464.71	1,216.04	1,828.70
Gross Profit	1,774.82	155.98	2,771.80	802.27	164.35	318.04
Operating Profit/(Loss)	983.58	(467.94)	2,179.47	532.75	(26.93)	61.93
Profit/(Loss) before tax	414.33	(973.64)	2,124.15	410.35	(83.08)	42.01
Profit/(Loss) after tax	274.65	(1,022.00)	1,998.40	315.45	(68.65)	38.54
Summary of Cash Flows						
Net cash flow from operating activities	398.33	(557.37)	2,686.49	204.30	236.63	(43.32)
Net cash flow from investing activities	(186.16)	(372.98)	(909.50)	(508.74)	(665.32)	(286.23)
Net cash flow from financing activities	154.41	788.56	(1,369.86)	425.50	905.40	140.00
Changes in cash and cash equivalents	366.58	(141.79)	407.12	121.07	476.71	(189.55)
Cash and cash equivalents- Year end	1,311.26	944.69	1,086.48	679.36	558.29	81.58



VERTICAL ANALYSIS

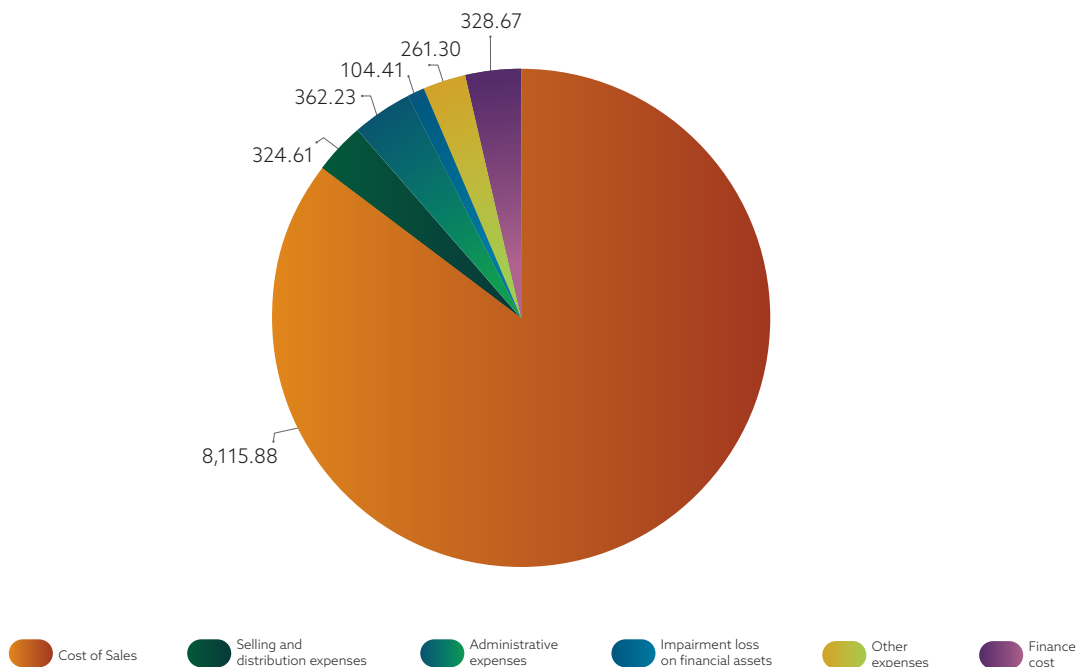
Rs. in Million	2025		2024		2023		2022		2021		2020	
	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%
Profit and Loss Account												
Net Sales	9,891	100	3,114	100	7,435	100	2,465	100	1,216	100	1,829	100
Cost of Sales	8,116	82	2,958	95	4,663	63	1,662	67	1,052	86	1,511	83
Gross Profit	1,775	18	156	5	2,772	37	802	33	164	14	318	17
Administrative Expenses	362	4	340	11	237	3	149	6	126	10	137	7
Distribution Cost	325	3	206	7	293	4	118	5	55	5	102	6
Other Operating Expenses	366	4	317	10	62	1	3	0	10	1	32	2
Operating Profit	722	7	(707)	(23)	2,179	29	533	22	(27)	(2)	47	3
Finance Cost	329	3	270	9	455	6	161	7	54	4	20	1
Other Operating Income	21	0	3	0	399	5	38	2	19	2	15	1
Profit before Taxation	414	4	(974)	(31)	2,124	29	410	17	(62)	(5)	42	2
Taxation	140	1	48	2	126	2	95	4	(14)	(1)	3	0
Profit for the Year	275	3	(1,022)	(33)	1,998	27	315	13	(48)	(4)	39	2
Balance Sheet												
Share Capital & Reserves	2,935	18	2,696	22	3,794	49	1,764	31	1,231	36	1,298	50
Non-Current Liabilities	393	2	434	4	194	3	210	4	98	3	123	5
Current Liabilities	13,395	80	9,128	74	3,732	48	3,677	65	2,083	61	1,181	45
Total Equity and Liabilities	16,723	100	12,258	100	7,720	100	5,650	100	3,411	100	2,602	100
Non-Current Assets	2,857	17	3,003	24	2,751	36	2,048	36	1,385	41	824	32
Current Assets	13,867	83	9,255	76	4,969	64	3,602	64	2,027	59	1,779	68
Total Assets	16,723	100	12,258	100	7,720	100	5,650	100	3,411	100	2,602	100

HORIZONTAL ANALYSIS

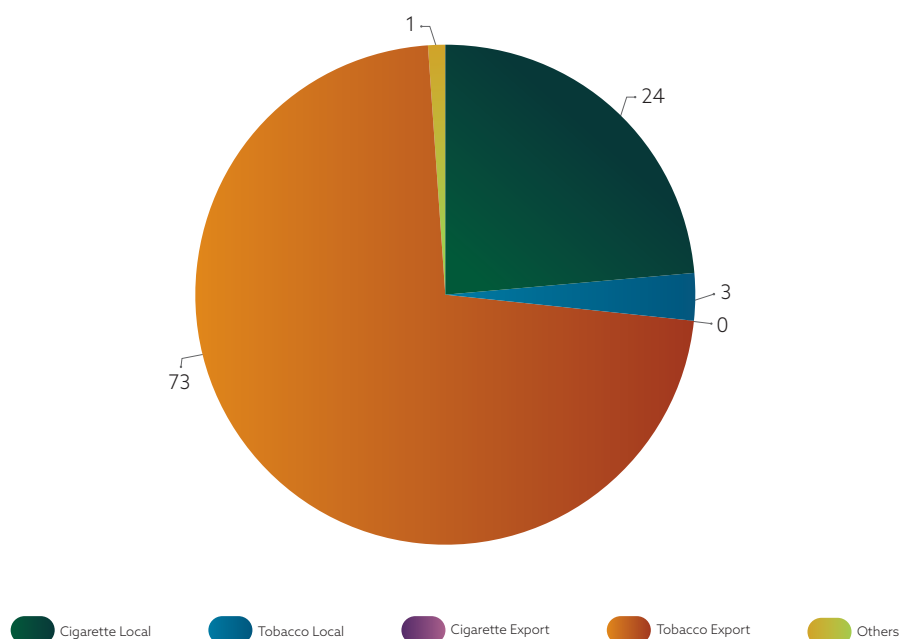
Rs. in Million	2025		2024		2023		2022		2021		2020	
	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%
Profit and Loss Account												
Net Sales	9,891	541	3,114	170	7,435	407	2,465	135	1,216	66	1,829	100
Cost of Sales	8,116	537	2,958	196	4,663	309	1,662	110	1,052	70	1,511	100
Gross Profit	1,775	558	156	49	2,772	872	802	252	164	52	318	100
Administrative Expenses	362	265	340	248	237	173	149	109	126	92	137	100
Distribution Cost	325	319	206	203	293	288	118	116	55	54	102	100
Other Operating Expenses	366	1,132	317	979	62	192	3	8	10	31	32	100
Operating Profit	722	1,536	(707)	(1,504)	2,179	4,636	533	1,133	(27)	(57)	47	100
Finance Cost	329	1,650	270	1,356	455	2,282	161	807	75	376	20	100
Other Operating Income	21	139	3	22	399	2,677	38	257	19	126	15	100
Profit before Taxation	414	986	(974)	(2,317)	2,124	5,056	410	977	(83)	(198)	42	100
Taxation	140	4,019	48	1,391	126	3,618	95	2,730	(14)	(415)	3	100
Profit for the Year	275	713	(1,022)	(2,652)	1,998	5,186	315	819	(69)	(178)	39	100
Balance Sheet												
Share Capital & Reserves	2,935	226	2,696	208	3,794	292	1,764	136	1,231	95	1,298	100
Non-Current Liabilities	393	320	434	353	194	157	210	170	98	80	123	100
Current Liabilities	13,395	1,134	9,128	773	3,732	316	3,677	311	2,083	176	1,181	100
Total Equity and Liabilities	16,723	643	12,258	471	7,720	297	5,650	217	3,411	131	2,602	100
Non-Current Assets	2,857	347	3,003	365	2,751	334	2,048	249	1,385	168	824	100
Current Assets	13,867	780	9,255	520	4,969	279	3,602	203	2,027	114	1,779	100
Total Assets	16,723	643	12,258	471	7,720	297	5,650	217	3,411	131	2,602	100

PROFIT / LOSS ANALYSIS & SALES BREAKUP ANALYSIS

Profit / Loss Analysis (Rs in Million)



Breakup of Sales (%)



QUARTERLY ANALYSIS

	(Rupees in Million)				
	Q1	Q2	Q3	Q4	Total
Turnover-net	1,243	3,641	3,963	1,043	9,891
Cost of sales	(1,585)	(2,834)	(3,106)	(591)	(8,116)
Gross profit	(341)	807	857	452	1,775
Administrative expenses	(120)	(68)	(166)	(8)	(362)
Selling and Distribution cost	(62)	(127)	(31)	(104)	(325)
Impairment loss on financial assets	-	(36)	-	(69)	(104)
Other expenses	-	(30)	(5)	(226)	(261)
Finance cost	(57)	(110)	(6)	(156)	(329)
Other operating income	-	-	11	10	21
(Loss) / profit before income tax, final tax and minimum tax differential	(580)	436	660	(102)	414
Minimum tax	-	(47)	-	-	-
Profit (Loss) before taxation	(580)	388	660	(54)	414
Taxation	(233)	225	(108)	(24)	(140)
Profit (Loss) for the period	(813)	613	552	(78)	275
Earnings (Loss) per share - basic and diluted	(117.45)	88.60	79.79	(11.27)	39.67

QUARTERLY ANALYSIS - TAXATION & DUTIES, PRODUCTION AND SALES

Taxes and Duties, Production and Sales	Q1	Q2	Q3	Q4	Annual
Sales Tax - (Rs. in Million)	668.68	373.26	200.33	97.54	1,339.81
Sales Tax - KPRA - (Rs. in Million)	2.76	7.09	6.29	3.88	20.02
Federal excise Duty - (Rs. in Million)	2,999.81	1,814.53	1,654.66	1,174.01	7,643.02
Income Tax - (Rs. in Million)	61.11	19.32	93.63	53.77	227.83
Cess-Provincial - (Rs. in Million)	39.15	157.61	20.00	175.75	392.51
Cess-Pakistan Tobacco Board (PTB) - (Rs. in Million)	1.87	-	-	14.94	16.81
QUARTERLY ANALYSIS 2024-2025					
Tobacoo Production-(Kg)	4,217,923	5,521,975	-	-	9,739,898
Cigarette Production-(Carton)-Local	61,817	37,908	24,313	26,703	150,741
Cigarette Production-(Carton)-Export	-	469	1,023	-	1,492
Tobacoo Sale Export-(Kg)	376,125	1,909,565	2,222,060	185,850	4,693,600
Tobacoo Sale Local-(Kg)	34,000	22,596	12,121	226,834	295,551
Cigarette Sale-(Carton)-Local	52,082	34,998	32,672	23,154	142,906
Cigarette Sale-(Carton)-Export	-	468	1,016	-	1,484

QUARTERLY ANALYSIS REVIEW

Production

During the first quarter of the year 2025, the production of cigarette cartons, along with processed tobacco, showed an increase compared to the corresponding period of the previous year (2024). This growth indicates improved operational efficiency and higher demand in both the domestic and export markets, reflecting a positive trend in the company's manufacturing performance.

Sales

Sales for the first quarter of 2025 showed significant growth compared to the same period in 2024. This positive performance was primarily driven by a strategic increase in export volumes and enhanced efficiency within our local sales operations. The combined effect of these factors has resulted in a strong start to the fiscal year.

Turnover & Other Income

Operationally, the business performed strongly in the first quarter of 2025. Sales reached Rs 1.24 billion, a significant increase from Rs 571 million in the Same Quarter Last Year. This robust growth was driven by a strategic focus on increasing exports and enhancing local sales efficiency. A key operational achievement was the significant reduction of inventory that had been carried over from 2024, improving cash flow and operational health.

Production

During the second quarter of the year 2025, the production of cigarette cartons, along with processed tobacco, showed an increase compared to the corresponding period of the previous year (2024). This growth indicates improved operational efficiency and higher demand in both the domestic and export markets, reflecting a positive trend in the company's manufacturing performance.

Sales

The Company's sales of both tobacco and cigarette cartons substantially increased during the second quarter of 2025 as compared to the corresponding quarter of the previous year. An overall increase of 273% in sales activity was recorded during the second quarter of FY 2025, reflecting improved production levels and stronger market demand relative to the same period in FY 2024.

Turnover & Other Income

Operationally, the business performed strongly in the second quarter of 2025. Sales reached Rs 3.64 billion, a significant increase from Rs 385.40 million in the Same Quarter Last Year. This robust growth was driven by a strategic focus on increasing exports and enhancing local sales efficiency. A key operational achievement was the significant reduction of inventory that had been carried over from 2024, improving cash flow and operational health.

Production

During the third quarter of the year 2025, the production of cigarette cartons, along with processed tobacco, showed an increase compared to the corresponding period of the previous year 2024. This growth indicates improved operational efficiency and higher demand in both the domestic and export markets, reflecting a positive trend in the company's manufacturing performance.

Sales

The Company's sales of both tobacco and cigarette cartons substantially increased during the third quarter of 2025 as compared to the corresponding quarter of the previous year, 2024. An overall increase of 109% in sales activity was recorded during the third quarter of FY 2025, reflecting improved production levels and stronger market demand relative to the same period in FY 2024.

Turnover & Other Income

Operationally, the business performed strongly in the third quarter of 2025. Sales reached Rs 3.96 billion, a significant increase from Rs 1.89 billion in the Same Quarter Last Year. This robust growth was driven by a strategic focus on increasing exports and enhancing local sales efficiency. A key operational achievement was the significant reduction of inventory that had been carried over from 2024, improving cash flow and operational health. An increase in Other income recorded at 86% as compared to the third quarter last year, 2024.

Production

During the Fourth quarter of the year 2025, the production of cigarette cartons, along with processed tobacco, both for local sales and export, showed an increase compared to the corresponding period of the previous year, 2024. This growth indicates improved operational efficiency and higher demand in both the domestic and export markets, reflecting a positive trend in the company's manufacturing performance.

Sales

The Company's sales of both tobacco and cigarette cartons substantially increased by 299% during the fourth quarter of 2025 as compared to the corresponding quarter of the previous year, 2024. An overall increase in sales activity was recorded during the third quarter of FY 2025, reflecting improved production levels and stronger market demand relative to the same period in FY 2024.

Turnover & Other Income

Operationally, the business performed strongly in the fourth quarter of 2025. Sales reached Rs 1.04 billion, a significant increase from Rs 261.29 million in the Same Quarter Last Year. This robust growth was driven by a strategic focus on increasing exports and enhancing local sales efficiency. A key operational achievement was the significant reduction of inventory that had been carried over from 2024, improving cash flow and operational health. An increase in other income was recorded at 86% as compared to the third quarter of last year, 2024.

Operating Costs

While the first quarter of 2025 saw a remarkable surge in sales to Rs. 1.24 billion (from Rs. 571 million in Q1 2024), the Cost of Sales increased to Rs. 1.58 billion (from Rs. 618 million in the corresponding quarter last year). A significant portion of the sales revenue was generated through the strategic clearance of high-cost inventory carried over from 2024. While this impacted the gross margin for the quarter, it was a key operational success that has improved cash flow and reduced carrying costs. The company faced increased utility costs, reflecting broader market-wide inflationary pressures.

Profit / (Loss)

During the first quarter of 2025, the Company recorded a Net Loss of Rs. (813.06) million, as compared to a Net Loss of Rs. (249.75) million in the corresponding quarter of 2024. The increase in net loss was primarily attributable to higher inventory costs, increased financial charges on interest-bearing liabilities, and an additional Rs. 40 million in administrative expenses incurred during the quarter. These factors collectively contributed to the decline in overall profitability as compared to the previous year's corresponding period.

Operating Costs

The second quarter of 2025 witnessed a significant increase in overall operating costs, rising to Rs. 3.20 billion from Rs. 1.17 billion in the corresponding quarter of 2024. This sharp escalation of 174% was primarily attributable to the strategic clearance of high-cost inventory carried over from the previous year. The decision to liquidate this inventory, although increasing the cost of sales during the period, was aimed at optimizing inventory levels, improving cash flow, and positioning the Company for more cost-efficient operations in subsequent quarters.

Profit / (Loss)

In contrast, the second quarter of 2025 demonstrated a significant turnaround in performance. Sales rose sharply to Rs. 3.64 billion, a substantial increase from Rs. 385.40 million in the corresponding quarter of 2024 — an overall 273% growth in sales activity. This strong performance was driven by a strategic focus on expanding exports and enhancing local sales efficiency, supported by improved operational execution.

Operating Costs

The third quarter of 2025 witnessed a significant increase in overall operating costs, rising to Rs. 3.314 billion from Rs. 1.06 billion in the corresponding quarter of 2024. This sharp escalation of 223% was primarily attributable to the strategic clearance of high-cost inventory carried over from the previous year. The decision to liquidate this inventory, although increasing the cost of sales during the period, was aimed at optimizing inventory levels, improving cash flow, and positioning the Company for more cost-efficient operations in subsequent quarters.

Profit / (Loss)

The third quarter of 2025 resulted in a net profit of Rs. 552.32 million. While this represents a profitable period, it marks a significant 46% decrease compared to the strong profit of Rs. 804.35 million reported in the third quarter of 2024. This contraction in profitability is primarily attributed to strategic internal investments in human resources and sales infrastructure, coupled with a significant one-off tax impact, rather than a decline in core operational performance.

Operating Costs

Operating Costs of sales in the fourth quarter increased by 5% as compared to last year and stood at Rs 1.15 billion due to an increase in sales. Also, distribution cost increased by 15% compared to FQLY 2024.

Profit / (Loss)

The fourth quarter of 2025 culminated in a net loss of Rs. (77.98) million. While this represents an unprofitable period, it marks a dramatic and positive 90% improvement compared to the substantial net loss of Rs. (816.62) million in the fourth quarter of 2024. This near-break-even performance underscores a successful year-long turnaround, with the minor Q4 loss being driven by continued strategic investments rather than operational failure.

CASH FLOW ANALYSIS

The company's cash flows serve as a testament to the robustness and effectiveness of its operations, with a particular emphasis on its exceptionally efficient working capital management systems and processes.

The company's cash flow position improved significantly in 2025, primarily due to a major reversal in operating activities. This reduced its reliance on external financing.

Net Cash Generated from Operating Activities

2025: + Rs. 398,326,159 | **2024:** (Rs. 557,369,136) | **Change:** Increase of Rs. 955,695,295

This represents a complete reversal from a substantial cash outflow to a significant cash inflow. The swing of nearly Rs. 956 million indicates that the company's core business operations generated positive cash in 2025, unlike the previous year where operations consumed cash.

Net Cash Generated from Investing Activities

2025: (Rs. 186,164,804) | **2024:** (Rs. 372,979,179) | **Change:** Decrease in Outflow of Rs. 186,814,375

Cash used for investing activities was reduced by 50% in 2025. The company deployed fewer financial resources towards investments in 2025 compared to 2024.

Net Cash Generated from Financing Activities

2025: + Rs. 154,414,289 | **2024:** + Rs. 788,555,326 | **Change:** Decrease in Inflow of Rs. 634,141,037

The net cash generated from financing activities decreased by approximately 80% in 2025. This indicates a significantly lower reliance on external sources of cash, such as borrowing or equity issuance, compared to the previous year.

Overall Implication

The comparative figures demonstrate a clear shift in the company's cash flow management between 2024 and 2025. The primary driver of this change is the major improvement in cash generated from operating activities. Consequently, the company required substantially less cash from financing activities in 2025 to support its operations and investment needs.

FREE CASH FLOW

	2024-2025	2023-2024	2022-23	2021-22	2020-21	2019-20
(Rupees in '000)						
Net cash provided by operating activities	398,326	(583,689)	2,686,486	204,302	236,630	(43,323)
Less: Capital additions & Investment	(31,751)	441,896	(2,279,367)	(83,236)	240,081	(146,227)
Add: Net Debt Issued	-	-	-	-	-	-
FCF Total	366,575	(141,793)	407,119	121,066	476,712	(189,550)

SUMMARY OF CASH FLOW STATEMENT FOR LAST 6 YEARS

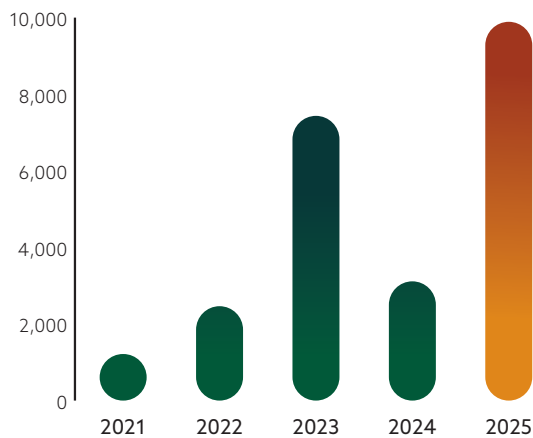
	2025	2024	2023	2022	2021	2020
(Rupees in '000)						
Profit / (loss) before taxation	414,330	(1,018,100)	2,124,153	410,355	(83,077)	42,013
Net cash flow from operating activities	398,326	(557,369)	2,686,486	204,302	236,630	(43,323)
Net cash flow from investing activities	(186,165)	(372,979)	(909,503)	(508,736)	(665,319)	(286,227)
Net cash generated from financing activities	154,414	788,555	(1,369,864)	425,500	905,400	140,000
Net increase/(decrease) in cash and cash equivalents	366,576	(141,793)	407,119	121,066	476,712	(189,550)
Cash and cash equivalents at beginning of the period	944,685	1,086,478	679,359	558,293	81,581	271,131
Cash and cash equivalents at end of the period	1,311,261	944,685	1,086,478	679,359	558,293	81,581



GRAPHICAL ANALYSIS

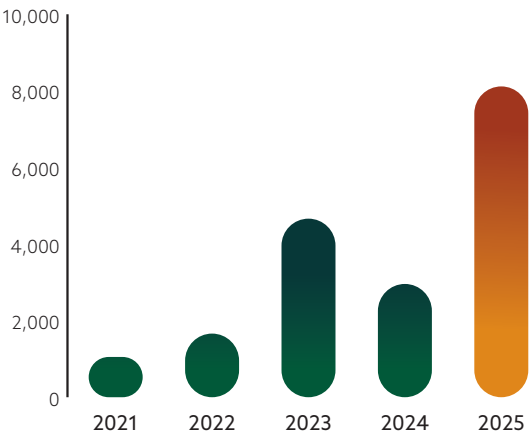
Net Sales

(Rs in million)



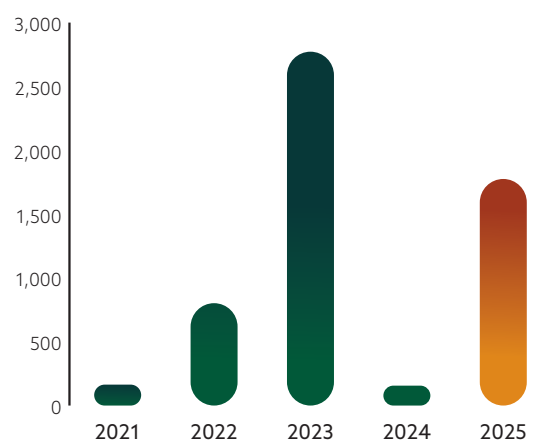
Cost of Sales

(Rs in million)



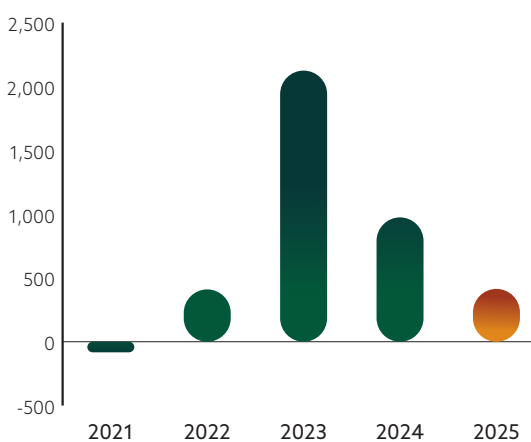
Gross Profit

(Rs in million)



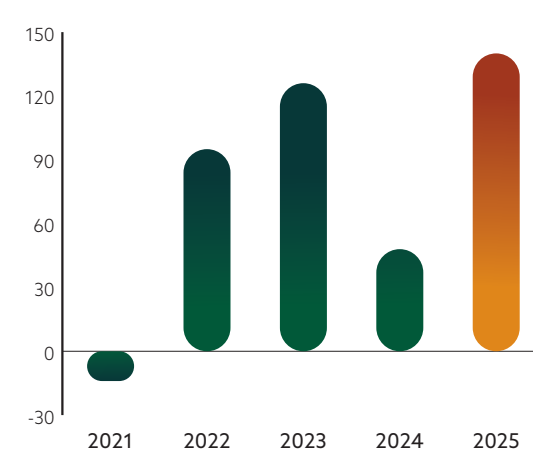
Profit Before Tax

(Rs in million)



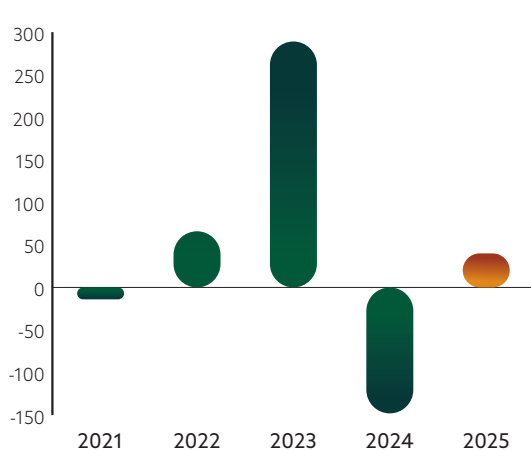
Taxation

(Rs in million)



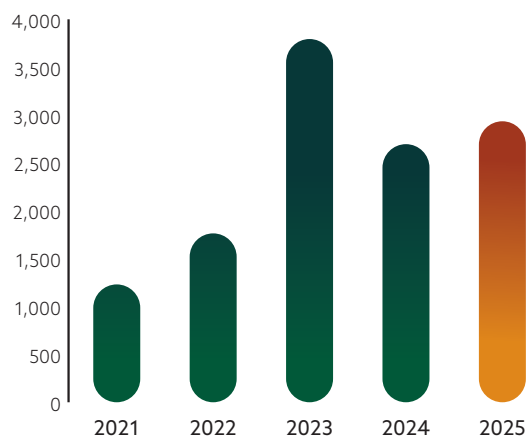
Earning Per Share - after tax

(Rs)



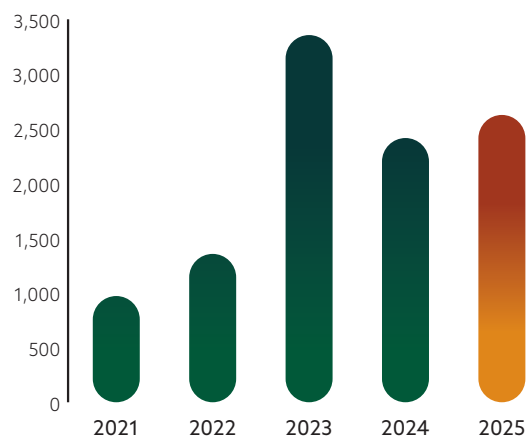
Shareholders' Equity

(Rs in million)



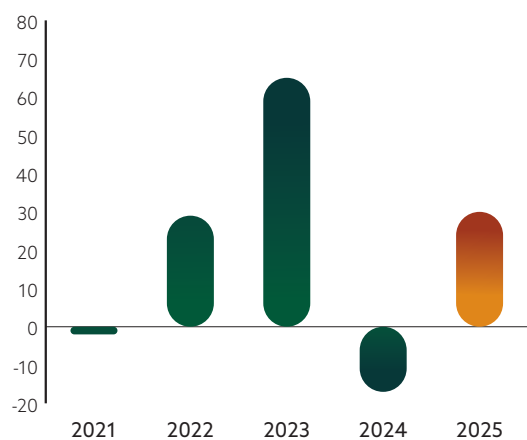
Reserves

(Rs in million)



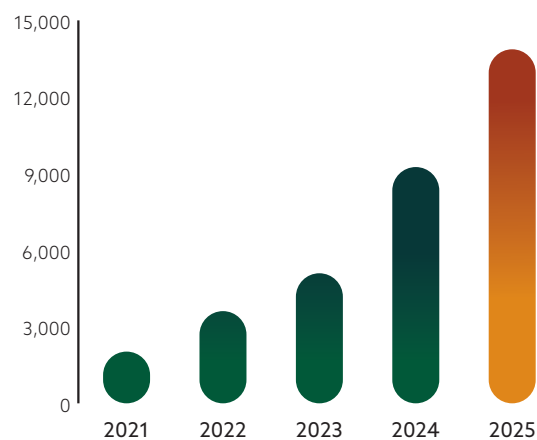
Return on Capital Employed

(Rs in million)



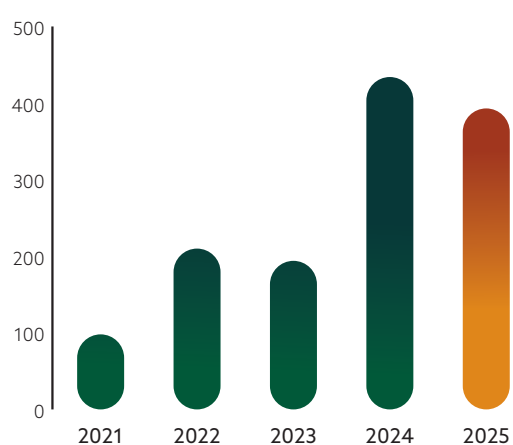
Current Assets

(Rs in million)



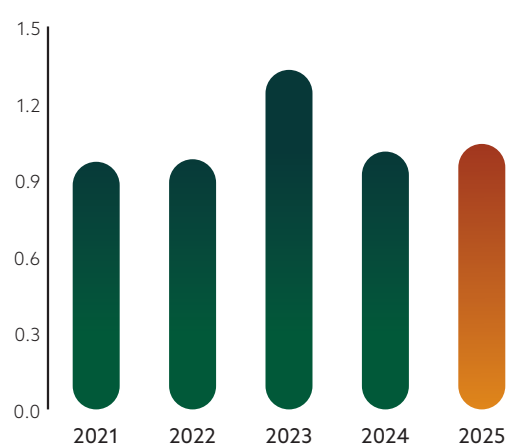
Long Term Liabilities

(Rs in million)



Current Ratio

(Times)



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
19,134



Purchases
7,487



Wealth
Delivered
11,647

Rs in million

2025

To Employees	540
To Government	9,635
To Society	2

2025

To Providers of Capital	-
Retained in the Company	1,140

DUPONT ANALYSIS



		2025	2024	2023	2022	2021	2020
Net Profit Margin	%	2.78	(32.82)	26.88	21.62	(5.65)	2.11
Return on Equity	%	9.36	(37.90)	52.67	17.88	(5.58)	2.97
Total Asset Turnover	Time	0.68	0.31	1.11	0.54	0.40	0.82
Equity Multiplier	Time	5.70	4.55	2.07	3.20	2.77	2.00

Profitability Restoration

The most significant achievement was the turnaround from a -32.82% net profit margin in 2024 to a positive 2.78% in 2025, indicating the company has stabilized its core operations after a period of severe distress.

Concerning Leverage Increase

The equity multiplier escalated from 4.55x to 5.70x, indicating the company has significantly increased its debt load to finance operations and generate returns.

Operational Efficiency Improvement

Asset turnover more than doubled from 0.31x to 0.68x, showing better utilization of company assets and improved sales generation relative to the asset base.

ACHIEVEMENTS & CERTIFICATES





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.

SUNDAY 8 PM 2023-07-02

'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



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

Jul 27, 2023

KTC receives award for 'best export performance'

RECORDER REPORT PUBLISHED JULY 20, 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 strips/re-dried tobacco, cut tobacco-blends and manufactured cigarettes to UAE, South and West Africa, Sri Lanka, Jordan and many more countries.

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



Meet the CEO
By Discover Pakistan TV

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 Nizami.

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 Fazel Karim and translated in Pashto and also all the items of the audited account were read and translated in Pashto.

Mr. Mohammed Yousuf, a shareholder, wanted an item of Rs. 7336/5/6 regarding cars-motors 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. Hassel & 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 thereof and the members of the administration 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, 2025, 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, 2025.

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.



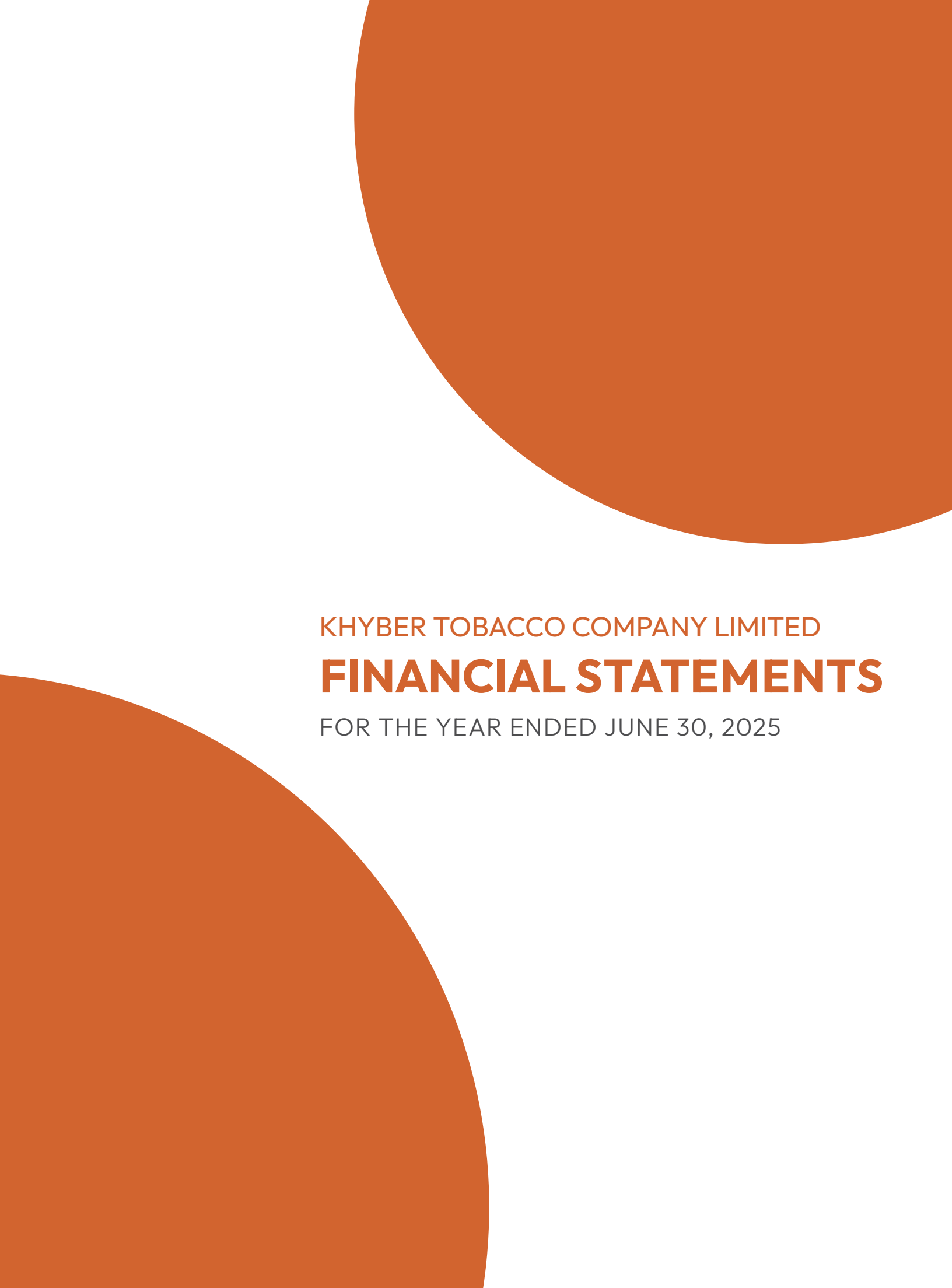
Chartered Accountants

Engagement Partner: Muhammad Sufyan

Place: Lahore

Date: October 03, 2025

UDIN: CR202510180M9vRjWZ3b



KHYBER TOBACCO COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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 30 June 2025, 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 30 June 2025 and of the profit, 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 of revenue from the local and export sale of cigarettes and raw tobacco which has been disclosed in note 23 to the financial statements. 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.	Our audit procedures to evaluate revenue recognition, amongst others, included the following: • Obtaining an understanding of the process relating to recording of the revenue from contracts with customers; • Assessed the appropriateness of the Company's accounting policies for appropriate period of revenue recognition and compliance of those policies with the IFRS 15; • Checked on a sample basis whether the recorded local and export sales transactions are based on transfer of control of goods to customers (i.e. dispatch of goods and after issue of gate passes for local sales and shipment of goods for export sales);
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, 2025, the carrying amount of the Company's stock in trade is 61.83% of total assets amounting to Rs 10,339 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: • Assessed appropriateness of the Company's accounting policies for valuation of stock in trade at net realizable value (NRV) and compliance of those policies with IAS - 02; • On a sample basis, verified supporting documents for purchases of raw materials and the production costs to ensure the cost of stock in trade; • Obtained an understanding and assessed reasonableness of the management's process for determination of net realizable value (NRV) and the key estimates used, including future selling prices, future costs to complete and costs necessary to make the sales and their basis; • Compared the NRV, on a sample basis, to the carrying value of stock in trade 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 supporting documents on sample basis to ensure that it is recorded on cost; • Assessed the adequacy of disclosures related to valuation of stock in trade in the financial statements.

INDEPENDENT AUDITOR'S REPORT

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 a 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 to 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;
- 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

Muhammad Sufyan

Chartered Accountants

Lahore

Date: October 03, 2025

UDIN: AR2025101802CwmsLnKO

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

		2025	2024
	Note	Rupees	Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	6	69,226,040	69,226,040
Unappropriated profit		2,626,110,411	2,342,162,638
General reserves	6.4	-	3,312,465
Revaluation surplus on property, plant and equipment	7	239,962,935	281,742,430
		2,935,299,386	2,696,443,573
LIABILITIES			
NON CURRENT LIABILITIES			
Employee retirement benefits	8	151,537,799	120,231,933
Deferred taxation	9	163,570,530	179,827,028
Lease liabilities	10	78,148,710	133,674,327
		393,257,039	433,733,288
CURRENT LIABILITIES			
Current portion of lease liabilities	10	182,650,617	99,564,887
Trade and other payables	11	11,705,346,768	7,832,548,264
Unclaimed dividend		16,658,510	16,669,221
Loan from sponsors - unsecured	12	1,062,835,638	901,035,638
Accrued markup on loan from sponsors-un-secured	13	257,686,132	233,616,169
Provision for taxation and levy		169,536,474	44,530,446
		13,394,714,139	9,127,964,625
CONTINGENCIES AND COMMITMENTS			
	14		
TOTAL EQUITY AND LIABILITIES		16,723,270,564	12,258,141,486

		2025	2024
	Note	Rupees	Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	15	2,737,476,813	2,824,478,195
Right of use asset	16	98,207,445	147,311,167
Long term deposits and prepayments	17	20,989,802	30,980,190
		2,856,674,060	3,002,769,552
CURRENT ASSETS			
Stock in trade	18	10,339,543,438	6,313,346,604
Stores, spare parts and loose tools		23,143,300	26,877,660
Trade debts	19	957,260,888	1,348,738,777
Advances, prepayments and other receivables	20	313,465,546	416,853,316
Taxes refundable	21	430,835,050	106,499,582
Prepaid levy		-	16,344,998
Advance income tax		491,087,443	82,025,802
Cash and bank balances	22	1,311,260,839	944,685,195
		13,866,596,504	9,255,371,934
TOTAL ASSETS		16,723,270,564	12,258,141,486

The annexed notes from 1 to 42 form an integral part of these financial statements.



CEO



DIRECTOR



DIRECTOR

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
	Note	Rupees	Rupees
Revenue from contracts with customers - net	23	9,890,703,179	3,113,760,068
Cost of sales	24	(8,115,882,823)	(2,957,784,962)
Gross profit		1,774,820,356	155,975,106
Administrative expenses	25	(362,227,990)	(339,972,971)
Selling and distribution expenses	26	(324,607,318)	(206,347,167)
Impairment loss on financial assets	19.1	(104,409,538)	(77,590,728)
		(791,244,846)	(623,910,866)
Operating profit / (loss)		983,575,510	(467,935,760)
Other income	27	20,722,615	3,246,824
		1,004,298,125	(464,688,936)
Other expenses	28	(261,301,753)	(238,968,580)
Finance cost	29	(328,666,716)	(269,978,815)
		(589,968,469)	(508,947,395)
Profit / (loss) before final and revenue taxes		414,329,656	(973,636,331)
Final tax and minimum tax differential	30	-	(44,463,206)
Profit / (loss) before income tax		414,329,656	(1,018,099,537)
Taxation	31	(139,681,602)	(3,897,489)
Profit / (loss) for the year		274,648,054	(1,021,997,026)
Earnings per share - basic and diluted	32	39.67	(147.63)

The annexed notes from 1 to 42 form an integral part of these financial statements.



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DIRECTOR



DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	Rupees	Rupees
Profit / (loss) for the year	274,648,054	(1,021,997,026)
Items that will not be reclassified subsequently to profit or loss:		
Impact of change in tax rate on revaluation surplus	(22,268,797)	(71,651,878)
Remeasurement (loss) / gain on defined benefit obligation	(21,832,006)	1,362,833
Related deferred tax	8,308,562	1,731,994
Other comprehensive loss for the year	(35,792,241)	(68,557,051)
Total comprehensive income for the year	238,855,813	(1,090,554,077)

The annexed notes from 1 to 42 form an integral part of these financial statements.



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DIRECTOR



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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

	Share capital	Reserves			Total
		Capital reserves	Revenue reserves		
		Revaluation surplus on property, plant and equipment	General reserves	Unappropriated profit	
Balance as at July 01, 2023	69,226,040	368,963,006	3,312,465	3,352,438,743	3,793,940,254
Total comprehensive income for the year					
Loss for the year	-	-	-	(1,021,997,026)	(1,021,997,026)
Other comprehensive income for the year	-	(71,651,878)	-	3,094,827	(68,557,051)
	-	(71,651,878)	-	(1,018,902,199)	(1,090,554,077)
Transfer from surplus on revaluation of property, plant and equipment - net of tax					
- on account of incremental depreciation	-	(15,568,698)	-	15,568,698	-
	-	(15,568,698)	-	15,568,698	-
Transactions with owners:					
-Dividend distributed during the year	-	-	-	(6,942,604)	(6,942,604)
Balance as at June 30, 2024	69,226,040	281,742,430	3,312,465	2,342,162,638	2,696,443,573
Total comprehensive income for the year					
Profit for the year	-	-	-	274,648,054	274,648,054
Other comprehensive income for the year	-	(22,268,797)	-	(13,523,444)	(35,792,241)
	-	(22,268,797)	-	261,124,610	238,855,813
Transfer from surplus on revaluation of property, plant and equipment - net of tax					
- on account of incremental depreciation	-	(15,329,075)	-	15,329,075	-
- on account of disposal	-	(4,181,623)	-	4,181,623	-
	-	(19,510,698)	-	19,510,698	-
Transfer from general reserves to unappropriated profit	-	-	(3,312,465)	3,312,465	-
Balance as at June 30, 2025	69,226,040	239,962,935	-	2,626,110,411	2,935,299,386

The annexed notes from 1 to 42 form an integral part of these financial statements.



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DIRECTOR



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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

	2025 Rupees	2024 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before income tax	414,329,656	(1,018,099,537)
Adjustments for:		
Depreciation on property, plant and equipment	280,149,074	268,414,404
Depreciation on right of use asset	49,103,722	49,103,722
Final tax and minimum tax differential	-	44,463,206
Provision for staff retirement benefits	47,796,923	38,936,080
Accrued liabilities written back	(2,260,936)	(3,246,824)
Advance to supplier written off	93,189,789	65,012,237
Loss on disposal of property, plant and equipment	3,007,500	-
Impairment loss on financial assets	104,409,538	77,590,728
Exchange (gain)/loss	(13,910,779)	21,739,923
Provision for workers' profit participation fund	28,937,945	-
Provision for workers' welfare fund	9,815,176	-
Finance cost	328,666,716	269,978,815
	928,904,668	831,992,291
Cash flows from operating activities before working capital changes	1,343,234,324	(186,107,246)
Effect on cash flows due to working capital changes		
(Increase) / decrease in stock in trade	(4,026,196,834)	(4,606,710,320)
Increase in store and spares	3,734,360	(7,520,309)
Increase in trade debts	300,979,130	(40,383,664)
Decrease / (Increase) in advances and prepayments	10,197,981	161,223,417
Increase in trade and other payables	4,049,145,386	4,350,796,588
	337,860,023	(142,594,288)
Cash (used in) / generated from operations	1,681,094,347	(328,701,534)
Gratuity paid	(38,323,063)	(5,152,102)
Income tax paid	(446,828,225)	(21,064,763)
Levy's paid	-	(16,344,998)
Sales tax and excise duty paid	(573,087,318)	-
Finance cost paid	(182,046,514)	(186,105,739)
Workers' Welfare Fund paid	(42,483,068)	-
	(1,282,768,188)	(228,667,602)
Net cash generated / (used in) from operating activities	398,326,159	(557,369,136)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(200,055,192)	(348,236,400)
Proceeds from disposal of property, plant and equipment		3,900,000	-
Long term deposits and prepayments		9,990,388	(24,742,779)
Net cash used in investing activities		(186,164,804)	(372,979,179)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of loan from sponsors		161,800,000	800,000,000
Dividend paid		(10,711)	(6,444,674)
Lease rentals paid		(7,375,000)	(5,000,000)
Net cash generated from financing activities		154,414,289	788,555,326
Net (decrease) / increase in cash and cash equivalents (A+B+C)		366,575,644	(141,792,989)
Cash and cash equivalents at beginning of the year		944,685,195	1,086,478,184
Cash and cash equivalents at end of the year	22	1,311,260,839	944,685,195

The annexed notes from 1 to 42 form an integral part of these financial statements.



CEO



DIRECTOR



DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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 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:

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives 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, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. 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 Covenants

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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 to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 17 - Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2027
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

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

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 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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.

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.

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 2024.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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 appropriate.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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 Long term deposits

Long term deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in non-current assets for having maturities greater than 12 months after the reporting date. Initially they are recognized at fair value and subsequently stated at amortized cost.

5.6 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 ECL.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

5.7 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.

5.8 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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

5.12 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.

5.13 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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.

5.14 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.

5.15 Contract liabilities

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

5.16 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

5.17 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.

5.18 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.

5.19 Leases

The Company assesses whether contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re measurements of the lease liability.

The lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in the statement of profit or loss if the carrying amount of the right of use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

6 SHARE CAPITAL

6.1 Authorized share capital

	2025	2024		2025	2024
	Number of shares			Rupees	Rupees
	60,000,000	60,000,000	Ordinary shares of Rs. 10 each	600,000,000	600,000,000

6.2 Issued, subscribed and paid up share capital

	2025	2024		2025	2024
	Number of shares			Rupees	
	497,500	497,500	Ordinary shares of Rs. 10 each issued for cash	4,975,000	4,975,000
	6,425,104	6,425,104	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	64,251,040	64,251,040
	6,922,604	6,922,604		69,226,040	69,226,040

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

7 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

	2025	2024
	Rupees	Rupees
Balance at the beginning of the year	398,626,474	420,554,218
Surplus transferred to unappropriated profit:		
- on account of incremental depreciation - net of tax	(15,329,075)	(15,568,698)
- on account of disposal - net of tax	(4,181,623)	-
- related deferred tax	(7,969,158)	(6,359,046)
	(27,479,856)	(21,927,744)
	371,146,618	398,626,474
Related deferred tax liability		
On revaluation surplus as on July 01	(116,884,044)	(51,591,212)
Impact of change in tax rate	(22,268,797)	(71,651,878)
Effect due to incremental depreciation	7,969,158	6,359,046
	(131,183,683)	(116,884,044)
	239,962,935	281,742,430

7.1 This represents revaluation surplus on revaluation of buildings on leasehold land, plant and machinery and furniture and fittings.

		2025	2024
	Note	Rupees	Rupees
8 EMPLOYEE RETIREMENT BENEFITS			
Net defined benefit liability	8.1	151,537,799	120,231,933
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		120,231,933	87,810,788
Charge for the year		47,796,923	38,936,080
Benefits paid during the year		(38,323,063)	(5,152,102)
Remeasurement (gain) / loss		21,832,006	(1,362,833)
Balance at the end of the year		151,537,799	120,231,933

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
		Rupees	Rupees
8.2	Movement in the present value of defined benefit liability is as follows:		
	Present value of defined benefit liability as at July 01	120,231,933	87,810,788
	Current service cost	33,647,067	25,511,609
	Interest cost	14,149,856	13,424,471
	Benefits paid	(38,323,063)	(5,152,102)
	Remeasurement loss / (gain)	21,832,006	(1,362,833)
	Present value of defined benefit liability as at June 30	151,537,799	120,231,933
8.3	Expense recognized in profit or loss account is as follows		
	Current service cost	33,647,067	25,511,609
	Interest cost	14,149,856	13,424,471
		47,796,923	38,936,080
8.4	Charge for the year has been allocated as follows		
	Cost of sales	27,846,981	22,270,786
	Administrative expenses	15,187,973	12,689,620
	Selling and distribution cost	4,761,969	3,975,674
		47,796,923	38,936,080
8.5	Remeasurement chargeable to other comprehensive income		
	Remeasurement loss / (gain) on defined benefit obligation	21,832,006	(1,362,833)
8.6	Key actuarial assumptions		

The latest actuarial valuation was carried out, on June 30, 2025, using projected unit credit method with the following assumptions:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	Percentage	Percentage
The following were the principal actuarial assumptions at the reporting date :		
Discount rate	12.50%	14.00%
Future salary growth	12.50%	14.00%
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.

Maturity profile of the defined benefit obligation

At June 30, 2025 the weighted-average duration of defined benefit obligation was 11.81 years (2024: 12.10 years).

	2025	2024
	Rupees	Rupees
Distribution of timing of benefit payments (time in years)		
0 to 1 year	14,249,350	9,480,583
1 to 2 years	5,310,650	3,828,960
2 to 5 years	36,278,599	27,188,535
Above 5 years	1,241,659,633	1,341,737,340

8.7 Sensitivity Analysis

For changes of 100 basis points, present value of defined benefit obligation as at June 30, 2025 would have been as follows:

	Defined Benefit Obligation		
	Changes in assumptions	Increase in assumptions	Decrease in assumptions
	%	Rupees	
Discount rate	1.0%	108,876,660	133,785,508
Future salary growth	1.0%	134,152,903	108,393,409

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

8.8 Estimated expense for next year

The Expected Expense for the next one year works out to Rs. 49,001,587. This is the amount by which the Company needs to increase its provision for the next one year.

8.9 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.

8.10 Funding

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

9 DEFERRED TAXATION

		2025	2024
	Note	Rupees	Rupees
Deferred taxation	9.1	163,570,530	179,827,028
9.1 This comprises the following:			
Deferred tax liability on taxable temporary differences arising in respect of:			
Property, plant and equipment		277,982,919	225,388,532
Revaluation surplus		131,183,683	116,884,044
Right of use asset		34,372,606	42,720,238
		443,539,208	384,992,814
Deferred tax asset on deductible temporary differences arising in respect of:			
Allowance for expected credit losses		(71,430,111)	(49,447,821)
Employee retirement benefits		(53,038,230)	(34,867,261)
Lease Liability		(91,279,764)	(67,639,372)
Unabsorbed tax depreciation		(64,220,573)	(53,211,332)
		(279,968,678)	(205,165,786)
		163,570,530	179,827,028

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

9.2 Movement in temporary differences during the year

	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 asset	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 losses	(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)
	179,827,028	(30,216,733)	13,960,235	163,570,530
Rupees				
	Balance as at July 01, 2023	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2024
Taxable temporary differences				
Property, plant and equipment	92,039,302	133,349,230	-	225,388,532
Right of use Asset	-	42,720,238	-	42,720,238
Revaluation surplus	51,591,212	(6,359,046)	71,651,878	116,884,044
	143,630,514	169,710,422	71,651,878	384,992,814
Deductible temporary differences				
Allowance for expected credit losses	(11,115,446)	(38,332,375)	-	(49,447,821)
Lease liability	-	(67,639,372)	-	(67,639,372)
Unabsorbed tax depreciation	-	(53,211,332)	-	(53,211,332)
Provision for employee retirement benefits	(10,504,375)	(22,630,892)	(1,731,994)	(34,867,261)
Tax credit	(16,068,278)	16,068,278	-	-
	(37,688,099)	(165,745,693)	(1,731,994)	(205,165,786)
	105,942,415	3,964,729	69,919,884	179,827,028

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

			2025	2024
	Note		Rupees	Rupees
10	Lease Liabilities			
	Liability against Right of use Asset	10.1	260,799,327	233,239,214
	Current portion of liability against right of use asset		(182,650,617)	(99,564,887)
			78,148,710	133,674,327
10.1	Movement of liability against right of use asset is as follows:			
	Opening balance		233,239,214	-
	Liability against right of use asset recognized during the year		-	196,414,888
	Interest on unwinding of liability against right of use asset	29	34,935,113	41,824,326
	Payments during the year		(7,375,000)	(5,000,000)
	Closing balance		260,799,327	233,239,214
10.2	Maturity analysis of liability against right of use asset is as follows:			
	Less than one year		207,275,000	134,500,000
	One to five years		88,015,000	168,165,000
	Total undiscounted liability against right of use asset as at June 30		295,290,000	302,665,000
	Impact of discounting on liability against right of use asset		(34,490,673)	(69,425,786)
			260,799,327	233,239,214
10.3	The lease liability contains building with plant and machinery taken on lease from Samsons Re-Drying & Processing Company (Pvt) Limited and land from Waseem-ur-Rehman (sponsor). Both are the related party of Khyber Tobacco Company Limited.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024	
	Note	Rupees	Rupees	
11	TRADE AND OTHER PAYABLES			
	Trade creditors	11.1	10,421,759,913	6,351,371,057
	Accrued liabilities		59,701,660	53,278,301
	Advance from customers	11.2	547,878,736	702,575,720
	Workers' Profit Participation Fund	11.3	360,176,095	272,175,965
	Workers' Welfare Fund		10,004,562	42,672,454
	Withholding taxes		55,718,851	36,385,185
	Sales tax and excise duty		49,884,312	248,751,850
	Tobacco development cess	11.4	176,950,631	110,937,754
	Royalty		17,755,508	14,399,978
	Others		5,516,500	-
			11,705,346,768	7,832,548,264

11.1 These includes balance payable to Samsons Re-Drying & Processing Company (Pvt) Limited amounting to Rs. 1,033 Million (2024: Rs 926 Million) which is a related party of the Company

11.2 Advance from customers of Rs. 606.80 million received in previous year (2024: Rs. 216.20 million) has been adjusted against sales.

		2025	2024
	Note	Rupees	Rupees
11.3	Movement in Workers' Profit Participation Fund		
	Balance at beginning of the year	272,175,965	216,838,722
	Interest on funds utilized in the company's business	59,062,185	55,337,243
	Payments made during the year	-	-
		331,238,150	272,175,965
	Allocation for the year	28,937,945	-
	Balance at the end of the year	360,176,095	272,175,965

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
	Note	Rupees	Rupees
11.4	Movement of Tobacco development Cess		
	Balance at beginning of the year	110,937,754	65,705,879
	Charged during the year 24.1.1	483,283,803	138,905,230
	Payments made during the year	(417,270,926)	(93,673,355)
	Balance at the end of the year	176,950,631	110,937,754
12	LOAN FROM SPONSORS - UNSECURED		
	Loan from sponsors - unsecured 12.1	1,062,835,638	901,035,638
12.1	Movement in loan from sponsors		
	At the beginning of the year	901,035,638	101,035,638
	Received during the year	161,800,000	800,000,000
	At the end of the year	1,062,835,638	901,035,638
This loan is for meeting the working capital requirements of the Company. The loan carries interest at 1 Year Kibor + 2%. 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		
		2025	2024
		Rupees	Rupees
	Accrued markup on loan from sponsors-un-secured	257,686,132	233,616,169
14	CONTINGENCIES AND COMMITMENTS		
	Commitments:		
	Letter of credit against imports	106,650,769	220,386,948
	Short term lease rentals	6,525,696	6,525,696
	Letters of guarantee issued by bank / insurance company	1,200,000	6,046,900,000
		114,376,465	6,273,812,644

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Contingencies:

- i** Deputy Commissioner Inland Revenue, Corporate Zone II, Regional Tax Office, Peshawar passed assessment order under assessment order no. 33/2017 on 23 August 2017 under Federal Excise Act 2005 and Sales Tax Act 1990 amounting to Rs. 9.51 million against the Company in lieu of alleged claims of non payment of taxes and duties. The Company has filed appeal against the order before the Commissioner Inland Revenue (Appeals) Peshawar (CIRA) on December 11, 2018 which has been decided against the Company and the Company has filed appeal in Appellant Tribunal Inland Revenue (ATIR) which has been decided in the favour of the Company via order no STA no 190/PB/20218 dated September 04, 2024 by ATIR. Afterwards FBR appealed in Peshawar high court and matter is still pending. Based on legal opinion company is confident that the eventual decision will be in favor of company.
- ii** Deputy Commissioner Inland Revenue, Corporate Zone II, Regional Tax Office, Peshawar passed assessment order on July 18, 2019 under Federal Excise Act 2005 and Sales Tax Act 1990 of Rs. 376.2 million against the Company in lieu of alleged claims of non payment of taxes and duties. The Company has filed an appeal against the order before the Commissioner Appeals which was decided against the Company. The Company has filled second appeal on August 19, 2019 against the order before the ATIR and ATIR decided the matter against company. Subsequently company filed an appeal against the order of ATIR in Peshawar High Court and the matter is still pending in Peshawar High Court. Based on legal opinion company is confident that the eventual decision will be in favor of company.
- iii** Deputy Commissioner Inland Revenue, Corporate Zone II, Regional Tax Office, Peshawar passed an assessment order on January 29, 2018 under Federal Excise Act 2005 and Sales Tax Act 1990 amounting to Rs. 27.80 million against the Company in in lieu of alleged claims of non payment of taxes and duties. The Company has filled the appeal against the order before the Commissioner Appeals Inland Revenue Peshawar and the matter was decided against the Company. The Company has filled second appeal against the order before the ATIR and ATIR decided the matter against company. Subsequently company filed an appeal against the order of ATIR in Peshawar high and the matter is still pending in Peshawar high court. The management, based on legal opinion, is confident that the eventual decision will be in favor of the Company.
- iv** For tax year 2018, DCIR Peshwar 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.
- v** For Sales tax period 2017-18, DCIR Peshwar passed an assessment order on January 17, 2019 under Federal Excise Act, 2005 and Sales Tax Act, 1990 of Rs. 3.99 million against the Company in lieu of alleged claims of non payment of taxes and duties. The Company filed appeal against the order before CIRA Peshawar and the matter was decided in

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

favor of the Company. Department has filed an appeal before ATIR Peshawar on August 30, 2019 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.

- vi** For the tax year 2021, Additional Commissioner Inland Revenue (ACIR) , Islamabad passed an assessment order number 149068327 on March 30, 2023 under section 122(5A) of the ITO 2001 of Rs.271.78 million disallowing various expenses including advertisement, gratuity, discount on cigarette sales, bad debts and adding loan from sponsors into taxable income. The Company filed an appeal against the assessment order with the CIRA ,Islamabad on April 26,2023 which is being transferred to ATIR due to enactment of the Tax Laws (Amendment) Act, 2024 and it is still pending in ATIR for adjudication. Based on legal opinion, the management is confident that the eventual decision will favor the company.
- vii** For the sales tax period 2021-22, DCIR Peshwar passed an assessment order in original no 10/2023 dated January 01, 2024 under section 11 of Sales Tax Act 1990 and assessed Rs. 4.79 million as recoverable from the Company along with penalty and default surcharge of amounting to Rs. 23.9 million in lieu of alleged claims of non payment of taxes and duties. The Company has filled the appeal against the order before the Commissioner Appeals and commissioner appeal remand back to Deputy Commissioner Inland revenue and no appeal effect has been issued yet.
- viii** For the sales tax period 2017-18, DCIR Peshwar passed an assessment order under Fedral Excise Act, 2005 bearing reference no 36 dated March 03, 2020 and assessed Rs. 14.74 million as recoverable from the Company along with the penalty and default surcharge of Rs. 73.7 in lieu of alleged claims of non payment of taxes and duties. Being aggrieved, Company has filed an appeal before the Commissioner Appeal who has remanded back the case vide order no 33/2021 dated December 12, 2022 to the deputy commissioner for reassessment. Subsequent to year end, DCIR has issued appeal effect order bearing reference no C.No.ST/69. dated July 12,2024 and demanded for 14.74 million.The Company has filed the appeal before ATIR and the case is pending in ATIR for adjudication. Based on legal opinion, the management is confident that the eventual decision will favor the company.
- ix** For tax year 2020, DCIR Peshawar passed an assessment order beiring number 100000202580320 on 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. The company filed an appeal against the assessment order with ATIR Peshawar on August 28, 2024 and the matter is pending for adjudication. Based on legal opinion, the management is confident that the eventual decision will favor the company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- x** For the tax year 2023, Deputy Commissioner Inland Revenue (DCIR), Peshawar passed an assesment order bearing number 100000202580321 on August 02, 2024 under section 122(1) of the Income Tax Ordinance 2001 and assessed Rs.1.175 billion by adding back WWF,WPPF,purchases and opening stock in taxable income. The company filed an appeal against the assessment order with ATIR Peshawar on August 28, 2024 and ATIR remand back the matter to Deputy commissioner inland revenue.Based on legal opinion, the management is confident that the eventual decision will favor the company.
- xi** For tax year 2019, Deputy Commissioner Inland Revenue (DCIR) Peshawar passed an assessment order bearing number 100000202294584 on July 30, 2024 under section 122(1) of the Income Tax Ordinance 2001 and assessed Rs.314 million by adding back various expenses into taxable income. The company filed an appeal against the assessment order with ATIR Peshawar on August 28, 2024 and the matter is pending for adjudication. Based on legal opinion, the management is confident that the eventual decision will favor the company.
- xii** 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 13 February, 2024 for non-payment of duties and taxes amounting Rs.68.8 million relevent from the tax period July 2023 to June 2024, on cetrain 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

15 PROPERTY, PLANT AND EQUIPMENT

	2025		2024	
	Note	Rupees	Rupees	Rupees
Operating assets	15.1	2,425,781,468	2,514,598,799	
Capital work-in-process	15.5	311,695,345	309,879,396	
		2,737,476,813	2,824,478,195	
15.1 OPERATING ASSETS				
				Total
COST / REVALUED AMOUNTS				
Balance as at July 01, 2023				2,950,955,158
Additions				60,661,520
Balance as at June 30, 2024				3,011,616,678
Balance as at July 01, 2024				3,011,616,678
Additions				198,239,242
Disposals				(9,000,000)
Balance as at June 30, 2025				3,200,855,920
ACCUMULATED DEPRECIATION				
Balance as at July 01, 2023				228,603,474
Charge for the year				268,414,404
Balance as at June 30, 2024				497,017,878
Balance as at July 01, 2024				497,017,878
Charge for the year				280,149,074
Disposals				(2,092,500)
Balance as at June 30, 2025				775,074,452
Carrying value - June 2025				2,425,781,468
Carrying value - June 2024				2,514,598,799
Rate of depreciation per annum				20%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

15.2 The following assets were disposed off during the year having net book value above Rs 0.5 million:

Particulars	Sold to	Cost / Revalued amount	Accumulated Depreciation	Book Value	Sales Proceeds	Gain/Loss	Relationship with the purchaser	Mode of Disposal
Wrapping Machine	Malang Taj	3,000,000	697,500	2,302,500	800,000	(1,502,500)	Third Party	Negotiation
Cellophane Machine	Malang Taj	3,000,000	697,500	2,302,500	800,000	(1,502,500)	Third Party	Negotiation
HLP Machin	Malang Taj	3,000,000	697,500	2,302,500	2,300,000	(2,500)	Third Party	Negotiation
		9,000,000	2,092,500	6,907,500	3,900,000	(3,007,500)		

	Note	2025 Rupees	2024 Rupees
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15.3 Depreciation on property, plant and equipment has been allocated as follows;

Cost of sales	24	265,179,318	253,539,041
Administrative expenses	25	14,969,756	14,875,363
		280,149,074	268,414,404

15.4 Buildings on leasehold land, plant and machinery and furniture and fittings of the Company has been revalued as at June 30, 2022 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. 277.15 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	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	2,702,278,676	710,211,263	1,992,067,413
	Cost Rupees	Accumulated depreciation Rupees	Carrying value Rupees
Buildings on leasehold land	13,814,562	2,667,493	11,147,069
Plant and machinery	2,500,724,835	478,565,487	2,022,159,348
Furniture and fittings	1,912,302	1,037,475	874,827
30 June 2024	2,516,451,699	482,270,455	2,034,181,244

15.4.1 Forced Sales Value(FSV) of buildings on leasehold land, plant and machinery and furniture & fittings were Rs. 66.35 million, Rs. 375.42 million and 0.71 million respectively as at June 30, 2022. The revalued amounts has been measured under level 3 of the IFRS 13.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
15.5	CAPITAL WORK IN PROGRESS	Rupees	Rupees
	Opening	309,879,396	-
	Additions	178,925,022	309,879,396
	Transfer to property plant and equipment	(177,109,073)	-
	Balance as at June 30	311,695,345	309,879,396
16	RIGHT OF USE ASSET		
	Cost		
	Opening	196,414,889	-
	Addition during the year	-	196,414,889
		196,414,889	196,414,889
	Accumulated depreciation		
	Opening balance	49,103,722	-
	Charge for the year	49,103,722	49,103,722
		98,207,444	49,103,722
	Book value at year end	98,207,445	147,311,167

The Company has lease contracts of its Green Leaf Thresher 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.

17 LONG TERM DEPOSITS AND PREPAYMENTS

		2025	2024
	Note	Rupees	Rupees
Sui Northern Gas Pipelines Limited		6,058,151	6,058,151
Non-current portion of prepaid insurance		1,734,391	12,244,779
Others	17.1	13,197,260	12,677,260
		20,989,802	30,980,190

17.1 The Long term deposit contains refundable security deposit amounting to Rs 10 million paid to Samson Re-drying Processing Company (Pvt) Limited for acquiring the building with plant and machinery on lease during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

18 STOCK IN TRADE

		2025	2024
	Note	Rupees	Rupees
Raw and packing material		10,065,282,184	6,071,638,700
Stock in transit		-	143,295,000
Finished goods		338,853,829	134,918,454
Less: provision for net realisable value	18.1	(64,592,575)	(36,505,550)
		10,339,543,438	6,313,346,604
18.1 Movement in provision for net realisable value			
Opening balance		36,505,550	-
Charge for the year		28,087,025	36,505,550
Closing balance		64,592,575	36,505,550

18.2 Provision for net realisable value is made against the finished goods.

19 TRADE DEBTS

		2025	2024
	Note	Rupees	Rupees
Local - unsecured		1,161,346,918	1,451,702,927
Foreign - unsecured		-	67,545,577
		1,161,346,918	1,519,248,504
Allowance for expected credit losses	19.1	(204,086,030)	(170,509,727)
		957,260,888	1,348,738,777
19.1 Movement in allowance for expected credit losses			
Balance at beginning of the year		170,509,727	92,918,999
Impairment losses recognized during the year		104,409,538	77,590,728
Written off during the year		(70,833,235)	-
Balance at end of the year		204,086,030	170,509,727

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
	Note	Rupees	Rupees
20	ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES		
	Advances to suppliers	85,373,530	143,741,631
	Advances against letter of credit	106,650,769	220,386,948
	Advance to collector of customs	89,751,723	-
	Prepaid insurance	20,167,510	10,519,161
	Other receivables	11,522,014	42,205,576
		313,465,546	416,853,316
21	TAXES REFUNDABLE		
	Income tax refundable	159,910,836	106,499,582
	Federal excise duty refundable	270,924,214	-
		430,835,050	106,499,582
22	CASH AND BANK BALANCES		
	Cash in hand	1,713,414	479,755
	Cash at bank - current accounts		
	- Foreign currency	687,680,124	325,105,078
	- Local currency	621,867,301	619,100,362
		1,309,547,425	944,205,440
		1,311,260,839	944,685,195
23	REVENUE FROM CONTRACTS WITH CUSTOMERS - NET		
		2025	2024
	Note	Rupees	Rupees
	Gross sales-own manufacturing		
	- Local	11,900,310,543	4,596,277,859
	- Export	7,233,968,640	835,354,533
	23.1	19,134,279,183	5,431,632,392
	Gross sales-trading	204,374,756	1,773,386,214
	Total gross revenue	19,338,653,939	7,205,018,606

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
	Note	Rupees	Rupees
Government levies			
- Excise duty		7,340,720,750	3,345,652,025
- Sales tax		1,803,570,913	711,785,913
		9,144,291,663	4,057,437,938
Less: Discounts		303,659,097	33,820,600
		9,890,703,179	3,113,760,068

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.

		2025	2024
	Note	Rupees	Rupees
Primary Geographical Markets			
Asia		4,800,669,586	835,354,533
Europe		1,314,890,474	-
Africa		770,170,674	-
North America		348,237,906	-
		7,233,968,640	835,354,533
Major products			
Tobacco		7,198,380,303	826,592,075
Cigarettes		35,588,337	8,762,458
		7,233,968,640	835,354,533

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

			2025	2024
	Note		Rupees	Rupees
24	COST OF SALES			
	Raw and packing material consumed	24.1	7,375,962,800	2,125,962,266
	Salaries, wages and other benefits		314,806,552	287,842,893
	Fuel and power		208,721,433	179,946,075
	Stores and spares consumed		48,327,697	49,202,410
	Repair and maintenance		3,954,563	4,335,755
	Royalty	24.2	3,355,530	1,048,809
	Short term lease rental		12,830,887	19,853,266
	Depreciation		314,283,040	302,642,763
	Insurance		9,488,671	-
			8,291,731,173	2,970,834,237
	Opening finished stock	18	98,412,904	85,363,629
	Closing finished stock	18	(274,261,254)	(98,412,904)
			(175,848,350)	(13,049,275)
	Cost of sales		8,115,882,823	2,957,784,962
24.1	Raw and packing materials consumed			
	Opening balance - raw and packing material		6,071,638,700	1,358,636,376
	Opening balance - stock in transit		143,295,000	262,636,279
	Raw and packing material purchases	24.1.1	11,226,311,284	6,719,623,311
	Closing balance - raw and packing material		(10,065,282,184)	(6,071,638,700)
	Closing balance - stock in transit		-	(143,295,000)
			7,375,962,800	2,125,962,266

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

24.1.1 Raw and packing material purchases and expenses

		2025	2024
	Note	Rupees	Rupees
Raw and packing material		10,631,432,512	6,533,539,282
Tobacco development cess		483,283,803	138,905,230
Consultancy charges		54,794,528	17,768,076
Freight in charges		56,800,441	29,410,723
		11,226,311,284	6,719,623,311
24.2 Details of royalty expense is as follows :			
National Tobacco Industries (Private) Limited (NTI)	24.3	2,863,680	2,314,920
Walton Tobacco Company (Private) Limited (WTC)	24.3	491,850	104,220
		3,355,530	2,419,140

24.3 There is no relationship other than ordinary course of business. Registered address of WTC and NTI is (Chitterpari, Mirpur, Azad Kashmir : Mora Seedha Bhimber, Azad Kashmir)

25 ADMINISTRATIVE EXPENSES

		2025	2024
	Note	Rupees	Rupees
Salaries, wages and other benefits		171,698,091	164,009,338
Fuel and power		53,286,526	46,646,809
Communication		14,659,885	5,922,753
Travelling		15,003,268	18,266,907
Printing and stationery		6,104,545	5,322,876
Depreciation		14,969,756	14,875,363
Legal and professional		12,071,689	14,011,634
Auditors' remuneration	25.1	3,503,141	3,301,414
Repair and maintenance		3,235,567	2,052,585
Insurance		10,490,420	11,379,379
Short term lease rentals		1,872,040	1,108,800
Advertisement		1,319,507	67,500
Donations	25.2	2,200,000	2,600,000
Others		51,813,555	50,407,613
		362,227,990	339,972,971

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
		Rupees	Rupees
25.1	Auditors' remuneration includes following :		
	Audit services		
	Annual audit fee	1,920,996	1,746,360
	Half yearly review fee	834,900	834,900
	Out of pocket expenses	265,885	238,794
	Other certification charges	481,360	481,360
		3,503,141	3,301,414
25.2	This amount has been paid to Pak School and College System Mardan, which is owned by Mr. Waseem ur Rehman, a major shareholder of the company.		
		2025	2024
26	SELLING AND DISTRIBUTION EXPENSES	Rupees	Rupees
	Salaries, wages and other benefits	53,833,447	51,384,334
	Customs, clearance and freight on export	156,135,622	50,214,967
	Freight on local sale	30,952,511	12,038,600
	Research	36,575,938	48,163,120
	Promotion / advertisement	14,029,800	17,546,146
	Training	33,080,000	27,000,000
		324,607,318	206,347,167
27	OTHER INCOME		
	Accrued liabilities written back	2,260,936	3,246,824
	Rental income earned	1,820,000	-
	Sale of scrap	2,730,900	-
	Exchange gain	13,910,779	-
		20,722,615	3,246,824

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
28	OTHER EXPENSES	Rupees	Rupees
	Workers' Profit Participation Fund (WPPF)	28,937,945	-
	Workers' Welfare Fund	9,815,176	-
	Advances written off	93,189,789	65,012,237
	Trade debts written off	-	-
	Write off sales tax not to be claimed	8,494,726	-
	Sales tax / federal excise duty written off	117,856,617	152,216,420
	Exchange loss	-	21,739,923
	Loss on disposal of property, plant and equipment	3,007,500	-
		261,301,753	238,968,580
29	FINANCE COST		
	Bank charges	20,246,513	13,235,746
	Interest on Workers' Profit Participation Fund	59,062,185	55,337,243
	Interest on loan from sponsors	214,422,905	159,581,500
	Interest on unwinding of liability against right of use asset	34,935,113	41,824,326
		328,666,716	269,978,815
30	FINAL TAX AND MINIMUM TAX DIFFERENTIAL		
	Final tax on receipts	-	15,983,137
	Minimum tax differential	-	28,547,309
		-	44,530,446
31	TAXATION		
	Current:		
	- For the year	169,536,474	-
	- Prior year	361,861	(67,240)
		169,898,335	(67,240)
	Deferred	(30,216,733)	3,964,729
		139,681,602	3,897,489

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

31.1 Relationship between accounting profit and tax expense is as follows:

	2025	2024
	%	%
Applicable tax rate	29.00	29.00
Super tax @ 8% / 0%	11.03	-
Prior year adjustment	0.09	(0.01)
Impact of rate change	-	(2.97)
Impact of expenses not deductible for tax purposes	10.97	(9.54)
Income chargeable at different rate	(0.05)	(6.94)
Unused tax losses and tax credits	(10.07)	-
Others	(7.29)	(9.25)
	33.66	29.00

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.

	2025	2024
	Rupees	Rupees
(Loss) / profit attributable to ordinary shareholders	274,648,054	(1,021,997,026)
Weighted-average number of ordinary shares at 30 June	6,922,604	6,922,604
Basic earnings per share	39.67	(147.63)

32.1 There is no dilution effect on earnings per share of the Company.

33 CAPACITY AND PRODUCTION

	2025	2024
Available capacity (million cigarettes per annum)	9,288	9,288
Actual production (million cigarettes)	1,522	631

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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	2025 Rupees	2024 Rupees
	Short term	Long term			
Habib Bank Limited	A-1+	AAA	JCR-VIS	46,587,896	112,701,753
National Bank Of Pakistan	A-1+	AAA	JCR-VIS	841,127	841,127
MCB Bank Limited	A1+	AAA	PACRA	117,323,490	47,669,512
Samba Bank Limited	A-1	AA	JCR-VIS	2,173	2,173
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	572,335,106	88,590,951
The Bank of Punjab	A1+	AA+	PACRA	24,863,131	99,999,666
Askari Bank Limited	A1+	AA+	PACRA	251,634,212	433,000,258
Bank Alfalah Limited	A1+	AAA	PACRA	19,687,195	-
Bank of Khyber	A1	A+	PACRA	17,528,004	-
				1,050,802,334	782,805,440

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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:	2025	2024
	Rupees	Rupees
Trade debts	957,260,888	1,348,738,777
Bank balances	1,050,802,334	782,805,440
Long term deposits	20,989,802	30,980,190
	2,029,053,024	2,162,524,407

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, 2025 the Company had approximately 19 (2024: 21) major local customers that owed atleast Rs. 12.61 million each and accounted for approximately 79% (2024 : 99%) of local trade debts. Export debts amounting to Rs. 8.63 Million (2024 : Rs. 67.60 million) are unsecured.

34.1.3 Impairment losses

	Expected credit losses		Aging of trade debts	
	2025	2024	2025	2024
	Rupees	Rupees	Rupees	Rupees
Not past due	-	-	329,417,114	77,268,120
Past due upto 12 months	19,461,934	69,223,696	515,914,039	1,340,694,353
Over 12 months	184,624,096	101,286,031	316,015,765	101,286,031
	204,086,030	170,509,727	1,161,346,918	1,519,248,504

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

	2025	2024
	Rupees	Rupees
Balance as at July 01	170,509,727	92,918,999
Written off during the year	(70,833,235)	-
Impairment losses on financial assets	104,409,538	77,590,728
Balance as at June 30	204,086,030	170,509,727

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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.

	2025	2024
	Rupees	Rupees
Maturity up to one year		
Trade and other payables	10,499,217,081	6,419,049,336
Unclaimed dividend	16,658,510	16,669,221
Loan from sponsors	1,062,835,638	901,035,638
Accrued markup on loan from sponsors	257,686,132	233,616,169
	11,836,397,361	7,570,370,364

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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:

	2025	2024
	USD	USD
Cash and Bank	2,424,824	1,166,087
Trade debts	-	243,705

Commitments outstanding at year end is 106 Million (2024: 220 Million) relating to letter of credits for imports.

The following significant exchange rates applied during the year:

Rupees per USD	2025	2024
Average rate	280.87	282.37
Reporting date rate	283.60	278.15

Sensitivity analysis

A 10 percent weakening of the Pak Rupee against the USD at June 30, 2025 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, 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	Rupees	Rupees
Increase in statement of profit / loss	27,464,805	102,199,703

A 10 percent strengthening of the Pak Rupee against the USD at June 30, 2025 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

	2025	2024
Financial liabilities	Rupees	Rupees
Loan from sponsors	1,062,835,638	901,035,638

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
2025	+ (-) 200	28,460,235
2024	+ (-) 200	23,464,232

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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:

	2025	2024
	Rupees	Rupees
Assets as per statement of financial position - at amortized cost		
Trade debts	957,260,888	1,348,738,777
Cash and bank balances	1,311,260,839	944,685,195
Long term deposits	20,989,802	30,980,190
	2,289,511,529	2,324,404,162
	2025	2024
	Rupees	Rupees
Liabilities as per statement of financial position- at amortized cost		
Trade and other payables	10,499,217,081	6,419,049,336
Unclaimed dividend	16,658,510	16,669,221
Loan from sponsors and directors - unsecured	1,062,835,638	901,035,638
Accrued markup on loan from sponsors	257,686,132	233,616,169
	11,836,397,361	7,570,370,364

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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	2025	2024
			Rupees	Rupees
Samsons Re-drying and Processing Company	Associated Undertaking	Purchases	707,461,232	624,799,450
		Payment for lease	5,000,000	5,000,000
Waseem ur Rehman	Sponsor	Loan received	158,800,000	800,000,000
		Markup expense	213,985,207	159,581,500
Khalil ur Rehman	Sponsor	Loan received	3,000,000	-
		Markup expense	437,698	-

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

Name	Basis of relationship	Shareholding %
Ms. Samera Irfan	Chief Executive Officer	0.04%
Mr. Pir Farhan Shah	Company Secretary	0.09%
Barrister 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%
Ms. Sonia Farooq	Director	0.04%
Mr. Waseem ur Rehman	Sponsor	64.33%
Mr. Sami ur Rehman	Sponsor	0.21%
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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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	Directors	Executives
Rupees			
June 30, 2025			
Managerial remuneration	3,600,000	228,600	145,706,880
Number of persons	1	1	57
June 30, 2024			
Managerial remuneration	3,600,000	420,000	139,945,280
Number of persons	1	1	56

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 Barrister Shahzad Javed Panni and Mrs. Sonia Farooq respectively.

37.4 Executive means an employee whose basic salary exceeds Rs. 1.20 million (2024: Rs. 1.20 million) during the year.

38 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Balance as at July 01, 2024	Amount charged / received during the year	Amount repaid during the year	Balance as at June 30, 2025
Rupees				
Loan from sponsors and directors - unsecured	901,035,638	161,800,000	-	1,062,835,638
Accrued markup on loan from sponsors - un-secured	233,616,169	214,422,905	190,352,942	257,686,132
Lease liability	233,239,214	34,935,113	7,375,000	260,799,327
Unclaimed dividend	16,669,221	-	10,711	16,658,510
	1,384,560,242	411,158,018	197,738,653	1,597,979,607

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

		2025 (Number)	2024 (Number)
39	NUMBER OF PERSONS EMPLOYED		
	Employees at year end	575	595
	Average employees during the year	585	597
	Factory employees at the year end	460	460
	Average factory employees during the year	460	460

40 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, prepayments and other receivables	Taxes refundable	For better presentation	106,499,582
Administrative expenses	Other expenses	For better presentation	71,142,075

41 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 **October 1, 2025**.

42 GENERAL

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



CEO



DIRECTOR



DIRECTOR

NOTES



KHYBER TOBACCO COMPANY LIMITED

**SHAREHOLDERS'
INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2025

PATTERN OF SHAREHOLDING

AS ON JUNE 30, 2025

No of Shareholders	Shareholdings' Slab			Total Shares Held
368	1	to	100	12,835
303	101	to	500	73,261
170	501	to	1000	122,807
285	1001	to	5000	637,271
65	5001	to	10000	435,262
23	10001	to	15000	301,866
4	15001	to	20000	63,751
4	20001	to	25000	86,956
4	25001	to	30000	108,793
2	35001	to	40000	75,337
2	65001	to	70000	134,568
1	175001	to	180000	178,110
1	235001	to	240000	238,157
1	2210001	to	2215000	2,212,420
1	2240001	to	2245000	2,241,210
1234				6,922,604

CATEGORIES OF SHAREHOLDING

AS ON JUNE 30, 2025

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
Ms. Sameera Irfan	1	3,060	0.04
Barrister Shahzad Javed Panni	1	2,500	0.04
Ms. 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	-	0	-
Insurance Companies	2	239,820	3.46
Mutual Funds	-	-	-
General Public			
a. Local	1205	6,526,456	94.28
b. Foreign	9	18,848	0.27
Foreign Companies	-	-	-
Others	9	20,606	0.30
Totals	1234	6,922,604	100.00

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

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;

	30/09/2024	31/12/2024	31/03/2025	30/06/2025
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	5,938,644	5,938,644	5,938,493	5,937,053
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	983,960	983,960	984,111	985,551

**Share in the physical form includes 69,214 held by Govt Sector in each of the 04 quarters mentioned above*

***Shares in the physical form also includes 4,501,290 shares held by Directors/Sponsors/Senior Management Officer and their associates in each of the 4 quarters mentioned above*



Pir Farhan Shah
Company Secretary



Sameera Irfan
Chief Executive

CDC'S NOMINEE HOLDING CERTIFICATE

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	30/06/2025
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	985,551
Balance of book entry security in the Central Depository Register at the end of period / year	N-2	985,551
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	983,156
Add: Additions during the period / year	2,395
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	985,551

N-2: Movement in the Central Depository Register

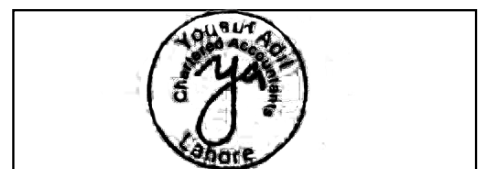
Number of Securities

Balance at the beginning of the year in the Central Depository Register	983,156
Add: Additions during the period / year	2,395
Less: Deletions during the period / year	0
Balance at the end of year / period in the Central Depository Register	985,551

Reason for Difference and discrepancy (if any):

Regards,

Authorized Signatory (ies) / Company Secretary





FORM OF PROXY

70th 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 Friday , October 24, 2025 at 10:30 a.m. and /or any adjournment thereof.

As witness my/our hand/seal this _____ day of _____ 2025.

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 توبکو کمپنی لیمیټډ د پراکسی فارم

اهم خبری!

- ۱- پراکسی فارم به مکمل وي او لاس لیک به پرې وي او د کمپنی دفتر نوبنار روډ مردان ته ۴۸ گېنټو کښې به دننه د اجلاس نه مخکښې لېرلي شي
 - ۲- که چرې یو ممبر د یو نه زیات د پراکسی تقرري کوي او یا کمپنی سره د یو دستاويز نه ئي زیات 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 پراکسی کمپیوټرائزډ شناختي کارډ دوه تصدیق شوي کاپي یا د پاسپورټ کاپي به د فارم سره جمع کيږي
 - ۲- د اجلاس په وخت به پراکسی خپل اصل کمپیوټرائزډ شناختي کارډ یا پاسپورټ به پیش کوي
 - ۳- د کارپوریټ ادارو په صورت کښې به د بورډ آف ډائریکټرز قرارداد/مختیار نامه سره د فارم او د پراکسی فارم به جمعي کولي شي

خبر توبېکو کمپني ليمیټډ د پراکسي فارم

۷۰ 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 کښې په اجلاس کښې زما يا زمونږ له اړخه برخه واخلي، ووت واچوي کوم اجلاس چې د

جمعي په ورځ په ۲۴م اکتوبر ۲۰۲۵ کيږي او يا بل تاريخ پورې ځنډيږي

زما يا زمونږ مهر _____ ورځ او نېټه _____ ۲۰۲۵

لاس ليک _____

د گواهانو په موجودگي کښې _____

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 کارپوريت ادارو په صورت کېنې به، د غونډې په وخت د بورډ آف ډائريکټر قرارداد/مختيار نامه سره به يو دستخط شوي د نامزد کونکي فارم وي چې هغې کېنې به د کارپوريت له اړخه د ووت او په غونډه کېنې د برخې اخستلو تفصيل وي او هم دغسې به دې سره د پراکسي فارم هم وي (تر څو چې مخکېنې وړاندې شوي نه وي)

۴- د پتي Address بدلېدل

ممبرانو ته خواست کولې شي چې که چېرې د دوي په پتو Addresses کېنې څه بدلون وي نو زر تر زره دې زمونږ شئير رجسټرار سي ډي سي رجسټرار سروسز ليمیټډ سي ډي سي هاؤس ۹۹ بي بلاک ايس ايم سي ايچ مين شاهراه فيصل کراچي ته وليږلي شي

۵- په ويب پاڼه Website د اکاؤنټس لگول او يا کاپي حاصلول

د کمپنۍ د مالي تفصيلات د تېر مالي کال ۳۰م جون ۲۰۲۵ سره د رپورټونو د کمپنۍ په افېشل ويب سائيټ www.khybertobacco.com لگولې شوي دي که کوم يو ممبر خواهش لري چې دغه تفصيلات وگوري نو کتلې شي او که کوم يو ممبر بره ذکر کړي شوي تفصيل په د کاپي شکل کېنې اخستل غواړي نو د کمپنۍ سکرټري ته ليکلې خواست وکړي هغه ته به کاپي ميلاو شي

۶- د کلني مالياتي حساب کتاب په اليکټرانک توگه ترسيل

د کمپنۍ قانون د کلني اډټ شوي مالياتي سټېټمنټ او مختلف رپورټونو سره سره په کلني عامه غونډه کېنې د نوټس سره په اليکټرانک توگه منتقل کيدو اجازت ورکوي. کوم ممبران چې د دې سهولت نه فائده اخستل غواړي هغوي خپل اي ميل اډريسز راليږلي شي

۷: د ويډيو کانفرنس په ذريعه برخه اخستل

که چېرې کمپنۍ ته د غونډې د نېټې نه کم از کم ۱۰ ورځې مخکېنې د ويډيو کانفرنس په ذريعه په غونډه کېنې گډون کولو له پاره په جغرافيايي لري اوسيدونکي ۱۰ فيصده حصه دار ممبرانو په رضا مندي سره کمپنۍ د دغه سهولت بندوبست کولې شي د دې دپاره د درخواست نمونه د ويب سائيټ 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 کمپنۍ آف پاکستان لمیتډ کېنې خپلو حصو جمع کولو والا ممبران یا غړي حاضرې به د لاندې ورکړې شوې رهنمائی مطابق کيږي

A: په غونډه کېنې حاضرې

i- د فرد (ممبر) د حاضرۍ په صورت کېنې، اکاؤنټ لرونکې، یا سب اکاؤنټ لرونکې یا هغه کس د چا سيکیورټي چې په گروپ اکاؤنټ کېنې او د هغوي د رجسټریشن 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 حاضرۍ په صورت کېنې، اکاؤنټ لرونکې، یا سب اکاؤنټ لرونکې یا هغه کس د چا سيکیورټي چې په گروپ اکاؤنټ کېنې او د هغوي د رجسټریشن 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 نقلونه یا د پاسپورټ کاپی نتي وي

خبر توبڪو ڪمپني ليمٽيڊ

۶۷۰ ڪلني عامي غونڊي اطلاع

اطلاع ورڪر ۽ شوي ده چي د خبر توبڪو ڪمپني ليمٽيڊ ڪلني غونڊه به د رواني مياشتي په ۲۴ مه نېټه جمعي په ورځ په ورځ ۲۰۲۵ د ورځي ۱۰:۳۰ بجي د ڪمپني په رجسټري شوي دفتر نوبار روډ مردان ڪنډي كيږي چي په دي ڪنډي به د لاندې ايجنډي مطابق بحث كيږي

عامي معاملي:

۱. د ڪمپني د تېر كال يعني ۳۰م جون ۲۰۲۵ پوري مالي حساب ڪتاب وصولول، په هغي غور كول او بيا په هغي د چيئرمين نظرثاني كول د ډائريڪٽرز او آډيٽرز رپورټس ورڪول.
۲. ۳۰ جون ۲۰۲۶ د ختميدونكي كال له پاره د آډيٽران ټاكل او د هغوي دپاره د اجرت او معاوضي تعين كول، آډيټ ڪمپني او بورډ آف ډائريڪٽرز د بناغلي يوسف عادل (چارٽرډ اكاؤنٽنٽ) سفارش كړي دے چي د راروان كال د ڪلني عامي غونډي پوري دي د ڪمپني آډيٽران وټاكي. - د غونډي د صدر په اجازت سره به په عامه غونډه ڪنډي به نور معاملات هم د بحث موضوع جوړيږي

د بورډ حڪمنامه

۱ م اكتوبر ۲۰۲۵

پير فرحان شاه

ڪمپني سكرٽري

نوٽيس:

۱. د حصص د منتقلي د ڪتاب بندېدل :

د ڪمپني د حصص ٽرانسفر شئير ڪتاب به د ۷۱ م اكتوبر ۲۰۲۵ نه تر ۲۴ م اكتوبر ۲۰۲۵ پوري بند وي (دواړه ورځي پکيني شاملې دي) د ڪمپني د شئير ٽرانسفرز سروس ليمٽيڊ په دفتر ڪنډي موصول شوي ٽرانسفرز، سي ډي سي هائوس ۹۹ بي بلاک بي ايس ايم سي ايچ شاهراه فيصل ڪراچي د کاروبار بندش او په ۶۱ م اكتوبر ۲۰۲۵ به د بره ذکر کړي شوو حقونو تعين کولي شي



PASHTO SECTION



مختارنامہ - پراکسی فارم

70 ویں سالانہ جنرل اجلاس

خیبر ٹو بیکو کمپنی لمیٹڈ

میں/ہم _____ سکنہ _____ بحیثیت ممبر (رکن) خیبر تبا کو کمپنی
 لمیٹڈ اور حامل _____ عام حصص، تقرری کرتا ہوں/کرتی
 ہوں/کرتے ہیں جناب/محترمہ _____ سکنہ _____ یا ان کی
 غیر حاضری کی صورت میں جناب/محترمہ _____ سکنہ _____ کو
 میرے/ہمارے ایماء پر روز جمعہ بتاریخ اکتوبر 24، 2025 کو خیبر ٹو بیکو کمپنی لمیٹڈ نوشہرہ روڈ مردان میں منعقد ہونے والے 70 واں سالانہ اجلاس میں عام حق رائے دہی استعمال کرنے یا کسی
 بھی التواء کی صورت میں بطور مختار نمائندہ پراکسی مقرر کرتا/کرتی ہوں/کرتے ہیں۔
 جیسا کہ میرے/ہمارے ہاتھ گواہ ہو _____ بتاریخ 2025 _____ کو دستخط کئے گئے _____ ان کی
 موجودگی میں _____

سی ڈی سی اکاؤنٹ نمبر	فولیو نمبر
پارٹیسپنٹ آئی ڈی نمبر	اکاؤنٹ نمبر

دستخط پانچ روپے مالیت کے ریونیو ٹکٹ

دستخط تھخص کنندہ

(دستخط کمپنی میں رجسٹرڈ نمونے کے ہو بہو بنانا ضروری ہے)

ضروری ہدایات:

- مختارنامہ (پراکسی فارم) اجلاس کے مقررہ وقت سے کم از کم ۴۸ گھنٹے قبل مکمل کوائف اور دستخط کے ساتھ کمپنی کے رجسٹرڈ آفس انک ہاؤس، مورگاہ، راولپنڈی میں جمع کرنا ضروری ہے۔
- اگر کوئی رکن ایک سے زائد پراکسی اختیار کرتا ہے اور پراکسی کے ایک سے زیادہ آلات کمپنی کے ساتھ ایک رکن کی طرف سے جمع کردی جاتی ہے تو پراکسی کے اس طرح کے آلات کو غلط تصور کیا جائے گا۔
 مذکورہ بالا ہدایات کے علاوہ درج ذیل ضروری شرائط بھی پوری کرنا لازمی ہیں۔
- مختارنامہ (پراکسی فارم) کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوں گی۔
- مختار (پراکسی) کو اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد/پاور آف اٹارنی بمعہ نمونہ دستخط ہمراہ مختارنامہ (پراکسی فارم) کمپنی کو جمع کرنا ہو گئے۔



The Secretary
Khyber Tobacco Company Limited
Nowshera Road, Mardan
KPK, Pakistan

AFFIX
CORRECT
POSTAGE

نوٹس برائے 70 واں سالانہ اجلاس عام

اطلاع کریں۔

.5

کھاتوں کی ویب سائٹ پر اشاعت/کاغذی نقل کا حصول

30 جون 2025ء کو اختتام پذیر سال کے لئے کمپنی کی مالیاتی اسٹیٹمنٹس کمپنی کی ویب سائٹ پر شائع کر دی گئی ہیں جنہیں www.khybertobacco.com سے ڈاؤن لوڈ کیا جاسکتا ہے۔ سالانہ کھاتوں کی کاغذی نقل حاصل کرنے کے خواہشمند اراکین کمپنی سیکریٹری کو درخواست دے سکتے ہیں اور ان سے مذکورہ نقل حاصل کر سکتے ہیں۔

.6

برقی ذرائع سے سالانہ مالیاتی اسٹیٹمنٹس کی ترسیل

کمپنی قوانین سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس بمعدہ رپورٹس اور سالانہ اجلاس عام کا نوٹس اپنے اراکین کو برقی انداز میں فراہم کرنے کی اجازت دیتا ہے۔ یہ سہولت حاصل کرنے کے خواہشمند اراکین کمپنی کے ای میل ایڈریس info@khybertobacco.com پر اپنے ای میل ایڈریس بھیج سکتے ہیں۔

.7

بذریعہ وڈیو کانفرنس شرکت

اگر کمپنی اجلاس کی تاریخ انعقاد سے 10 یوم قبل جغرافیائی مقام پر ہائش پذیرہ 10% یا زائد شیئرز ہولڈنگ کے مالک اراکین سے وڈیو کانفرنس کے ذریعے اجلاس میں شرکت کی درخواست موصول کرے تو کمپنی وڈیو کانفرنس سہولت کا بندوبست کرے گی۔ درخواست فارم کا متن کمپنی کی مذکورہ بالا ویب سائٹ سے ڈاؤن لوڈ کیا جاسکتا ہے۔

نوٹس برائے 70 واں سالانہ اجلاس عام

بذریعہ نوٹس بذمہ مطلع کیا جاتا ہے کہ خیبر ٹوبیکو لمیٹڈ کے اراکین کا 70 واں سالانہ اجلاس بروز جمعہ مورخہ 24 اکتوبر 2025ء صبح 10:30 بجے کمپنی کے رجسٹرڈ آفس واقع نوشہرہ روڈ مردان میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:

عمومی امور:

- 30 جون 2025ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس بمعہ چیئرمین کی جائزہ رپورٹ اور ڈائریکٹرز اور آڈیٹرز کی رپورٹ کو وصول کرنا، زیر غور لانا اور اپنانا:
- 30 جون 2026ء کو اختتام پذیر سال کے لئے آڈیٹرز کی تقرری کرنا اور ان کا معاوضہ طے کرنا۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے اگلے سالانہ اجلاس عام تک میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کی بطور کمپنی آڈیٹر تقرری کی سفارش کی ہے۔
- چیئرمین کی اجازت سے دیگر امور کو بروئے کار لانا۔

بحکم بورڈ

پیرفرحان شاہ

کمپنی سیکریٹری

لاہور: 10 اکتوبر، 2025ء

مندرجات:

- کتابوں کی بندش
کمپنی کی شیئرز اسٹافز Books 17 مورخہ 17 اکتوبر 2025ء تا 25 اکتوبر 2025ء (بشمول دونوں ایام) بند رہیں گی۔ کمپنی کے شیئرز رجسٹر اریسٹرسوسر لمیٹڈ CDC، 99-B، بلاک B، S.M.C.H.S مرکزی شاہراہ فیصل کراچی کو 16 اکتوبر 2025ء کو کاروبار بند ہونے تک باقاعدہ موصول ٹرانسفرز کو مذکورہ بالا اہلیت کے تعین کے لئے بروقت وصولی شمار کیا جائے گا۔
- سالانہ اجلاس عام میں شرکت
اجلاس میں شرکت اور ووٹ کرنے کا اہل رکن ایک پراکسی مقرر کر سکتا ہے اور یہ پراکسی اس رکن کی جانب سے اجلاس میں شرکت، خطاب اور ووٹ کرنے کا مجاز ہوگا۔ پراکسی فارم کمپنی کے رجسٹرڈ پتہ پر کمپنی سیکریٹری کو اجلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے موصول ہو جانا چاہئے۔
- CDC اکاؤنٹ ہولڈرز کے لئے ہدایات
سنٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ کے میں رکھے جانے والے حصص کے حامل اراکین کی حاضری مندرجہ ذیل انداز کے مطابق ہوگی:
(a) اجلاس میں شرکت کے لئے
سنٹرل ڈیپازٹری کمپنی (CDC) اکاؤنٹ ہولڈرز کو اس بابت سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ مندرجہ ذیل ہدایات پر بھی عمل کرنا ہوگا:
(a) اجلاس میں شرکت کے لئے
i. فرد واحد کی صورت میں اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈرز جن کی رجسٹریشن تفصیلات ضوابط کے تحت شائع کی گئی ہیں، کو اجلاس میں شرکت کے موقع پر اپنا اصلی کارآمد شناختی کارڈ یا اصلی پاسپورٹ پیش کر کے اپنی شناخت کرانا ہوگی۔
iii. کاروباری ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد شخص کے نمونہ کے دستخط اجلاس کے موقع پر پیش کرنا ہوگا (اگر پہلے فراہم نہ کیا گیا ہو)
(b) پراکسی کی تقرری کے لئے
i. فرد واحد کی صورت میں مذکورہ بالا تقاضوں کے مطابق اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈرز، جن کی تفصیلات ضوابط کے تحت شائع کی گئی ہوں، کو پراکسی فارم جمع کرنا ہوگا۔
ii. پراکسی فارم کی گواہی دو افراد دیں گے جن کے نام، پتے اور کارآمد شناختی کارڈ نمبرز فارم پر درج ہوں گے۔
iii. مستفید ہونے والے مالکان اور پراکسی کی کارآمد شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ہمراہ پیش کی جائیں گی۔
iv. اجلاس کے موقع پر پراکسی اپنا اصلی کارآمد شناختی کارڈ یا اصلی پاسپورٹ پیش کرے گا۔
iv. کاروباری ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نمونہ کے دستخط پراکسی فارم کے ہمراہ کمپنی کو جمع کرنا ہوگا (اگر پہلے فراہم نہ کیا گیا ہے)۔

4. پتہ میں تبدیلی

اپنے پتہ میں تبدیلی کی صورت میں اراکین سے التماس ہے کہ وہ ہمارے شیئرز رجسٹر اریسٹرسوسر لمیٹڈ CDC، 99-B، بلاک B، S.M.C.H.S.B مرکزی شاہراہ فیصل کراچی کو فی الفور

ڈائریکٹرز کی رپورٹ

برائے سال ختمہ 30 جون 2025ء

کارپوریٹ گورننس

کمپنی کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لئے اپنے غیر متزلزل عزم پر کاربند ہے۔ ہمیں ادراک ہے کہ کاروباری سہولیت اپنے تمام اسٹیک ہولڈرز میں اعتماد داخل کرنے کے لئے لازمی ہے۔ بورڈ آف ڈائریکٹرز بہتر کاروباری نظم و ضبط کو یقینی بنانے کے لئے ہمارے شیئرز ہولڈرز مکمل طور پر جواب دہ ہیں۔ ہماری انتظامیہ کوڈ آف کارپوریٹ گورننس میں درج میں بہترین اصولوں پر مستعدی سے عمل کرتی ہے جس میں نان ایگزیکٹو ڈائریکٹرز کی آزادی پر زور دیا گیا ہے۔ مزید برآں، ہم پاکستان اسٹاک ایکسچینج کے لسٹنگ ضوابط پر بھی سختی سے کاربند ہیں۔ ہمارے ویژن اور مشن، بنیادی اقدار اور اخلاقیات اور کاروباری امور کے اعلائیے بھرپور انداز میں تیار کئے جاتے ہیں بورڈ جن کی منظوری دیتا ہے۔ مزید برآں، کوڈ آف کارپوریٹ گورننس کے تحت درکار پالیسیاں تیار کی گئی ہیں بورڈ جن پر جائزہ لیتا ہے جنہیں مقررہ وقت میں منظور کر لیا جائے گا۔

آڈیٹرز

70 ویں سالانہ اجلاس عام کے اختتام پر ہمارے آڈیٹرز میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے اگلے سالانہ اجلاس عام تک کمیٹی کے آڈیٹرز کے طور پر میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کی ہے۔

شیئرز ہولڈنگ کا پیٹرن

30 جون 2025 تک شیئرز ہولڈنگ کا پیٹرن سالانہ رپورٹ کا حصہ ہے۔ براہ کرم اس کا تفصیلی بریک ڈاؤن ملاحظہ کریں۔

کمپنی حصص میں تجارت

ہم ازراہ سرت رپورٹ کرتے ہیں کہ ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانسئیل آفیسر، سیکریٹری اور ان کے جیون ساتھ اور نابالغ بچے کمپنی حصص کی تجارت کی سرگرمیوں میں شامل نہیں ہیں۔

مستقبل کے امکانات

مستقبل میں ہماری انتظامیہ خصوصاً سگریٹ اور ٹوبیکو کی غیر ملکی منڈیوں میں اپنی موجودگی کو وسیع کرنے کے جذبہ سے سرشار رہی، جس میں بین الاقوامی منڈیوں میں طلب کے باعث ریڈرائیڈ ٹوبیکو پروڈیو کیا گیا۔ ہم اگلے مالیاتی سال میں ٹوبیکو اور سگریٹ کے برآمدی شعبے میں ٹھوس کارکردگی کی توقع رکھتے ہیں جو خاطر خواہ منافع دینے کے لئے بالکل تیار ہے۔

چونکہ ٹوبیکو کی برآمد منافع کا اہم محرک ہے لہذا ہم بڑھتی لاگت، پاکستانی کسانوں کی جانب سے تباہی کی غیر مجوزہ اقسام کی کاشت اور تباہی کو میں غیر تباہی کو مادے (NTRM) کی بڑھتی ہوئی سطح جیسے برآمدی منڈی کے مسائل سے آگاہ ہیں۔ البتہ ان رکاوٹوں سے نبرد آزما ہونے کے لئے ہماری لگاتار کوششیں مثبت نتائج دے رہی ہیں۔ ہم پر امید ہیں کہ کمپنی آئندہ برس برآمدی فروخت کو بڑھانے کے لئے اپنے اہداف کو حاصل کر لے گی۔

معیاریں اضافہ

عالمی دھارے میں قائم رہنے کے لئے ہم اپنی پروڈیو سٹنگ اسٹنداد میں بہتری پر کام کر رہے ہیں۔ ہماری انتظامیہ نے پرائمری پروڈکشن ڈیپارٹمنٹ (PPD)، سگریٹ کی تیاری کا شعبہ (CMD) اور سگریٹ پیکنگ ڈیپارٹمنٹ میں بہتری کے لئے سرمایہ لگایا ہے تاکہ ریڈرائیڈ ٹوبیکو اور سگریٹ کے معیار کو بڑھایا جاسکے۔ اعلیٰ معیار کی مصنوعات تیار کرنے کی صلاحیت برائڈ کی پہچان اور صارف وفاداری میں اضافہ کے ذریعے ہمیں ملکی و غیر ملکی سطح پر فروخت بڑھانے میں مدد دے رہی ہے۔

اظہار تشکر

آخر میں، بورڈ کی جانب سے میں اپنے معزز صارفین کے ہماری مصنوعات پر غیر متزلزل اعتماد پر صدق دل سے شکریہ ادا کرتا ہوں۔ ہم اعلیٰ معیار کو برقرار رکھتے ہوئے اپنے برائڈ پورٹ فولیو میں توسیع کے لئے پرعزم ہیں۔ ہم اپنے ویبڈرز، ڈسٹری بیوٹرز اور مالیاتی اداروں کے وسیع تعاون کا بھی شکریہ ادا کرتے ہیں۔

ہماری کامیابی کی داستان ہمارے شیئرز ہولڈرز اور تمام اسٹیک ہولڈرز بشمول سپلائرز، صارفین، لوکل کمیونٹی اور پرجوش اور محنتی ملازمین کی لگاتار معاونت کے بغیر مکمل نہیں ہو سکتی تھی۔ ہم اپنی کمپنی کی انتظامیہ، بورڈ آف ڈائریکٹرز اور تمام شعبوں کے عمل کی ان تھک کوششوں کو بھی خراج تحسین پیش کرتے ہیں۔ ان کے جذبہ اور انتھک محنت نے رپورٹ ہڈ بیان کئے گئے مالیاتی و آپریشنل نتائج کے حصول میں اہم کردار ادا کیا ہے۔

منجانب بورڈ آف ڈائریکٹرز

سعید اعرافان

چیف ایگزیکٹو

30 جون 2025ء کو اختتام پذیر سال کے لئے

تسلل اور معیار کو حاصل کرنے کے لئے بورڈ نے ہمارے کاروباری عمل کی نگرانی کے لئے روایتی پالیسیاں وضع کی ہیں۔ ان پالیسیوں پر عمل درآمد کی نگرانی کے لئے ہم خود مختار انٹرئل آڈٹ فنکشن کو برقرار رکھتے ہیں۔ یہ فنکشن کمپنی پالیسیوں کی تعمیل کو یقینی بنانے اور سامنے آنے والے انحراف کی آڈٹ کمیٹی کو فوری رپورٹ کے لئے پرجوش انداز میں کام کرتا ہے تاکہ جواب دہی اور شفافیت کے ہمارے عزم کی تجدید ہو سکے۔

بورڈ آف ڈائریکٹرز کے اجلاس

قانوناً، اپنی انتظامیہ کی موثر اور بروقت جوابدہی کے لئے کمیٹی کی کارکردگی کا جائزہ لینے کی خاطر بورڈ کے لئے ہر سہ ماہی میں کم از کم ایک مرتبہ اجلاس منعقد کرنا لازمی ہے۔ رواں برس کے دوران بورڈ آف ڈائریکٹرز کے چار (04) اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری حسب ذیل ہے۔ اجلاس میں بورڈ کے فیصلوں میں کمیٹی کے ڈائریکٹرز کا کوئی ذاتی مفاد نہ ہے۔

ڈائریکٹرز کی حاضری

نام ڈائریکٹر	اجلاس میں حاضری
1. محترمہ سمیرا عرفان	4
چیف ایگزیکٹو	
2. جناب راحت اللہ	4
نان ایگزیکٹو ڈائریکٹر	
3. جناب پیروارث شاہ	4
نان ایگزیکٹو ڈائریکٹر	
4. جناب ضیا الرحمن	3
نان ایگزیکٹو ڈائریکٹر	
5. جناب خلیل الرحمن	4
نان ایگزیکٹو ڈائریکٹر	
6. محترمہ سونیا فاروق *	4
خود مختار ڈائریکٹر	
7. جناب شہزاد جاوید پٹی *	4
خود مختار ڈائریکٹر	

بورڈ کی کمیٹیاں

مربوط داخلی کنٹرول سسٹم کے موثر اطلاق اور کوڈ آف کارپوریٹ گورننس کی تعمیل کو یقینی بنانے کے لئے بورڈ نے مذکورہ زیریں کمیٹیاں تشکیل دی ہیں جن کے اراکین مندرجہ ذیل پر مشتمل ہیں:

آڈٹ کمیٹی	HR اینڈ ریورنیشن کمیٹی
جناب شہزاد جاوید پٹی (چیرمین)	محترمہ سونیا فاروق (چیئر مین)
جناب خلیل الرحمن (رکن)	جناب پیروارث شاہ (ایگزیکٹو ڈائریکٹر)
جناب راحت اللہ (رکن)	جناب ضیا الرحمن (سکیریٹری)
جناب ضیا الرحمن (سکیریٹری)	

بورڈ آف ڈائریکٹرز اراکین کی معاوضہ پالیسی

بورڈ ایکٹ اور اس کے ضوابط کے مطابق روایتی پالیسی اور شفاف طریقہ کار کے لئے ڈائریکٹرز کی معاوضہ پالیسی کا حامل ہے۔ پالیسی کی نمایاں خصوصیات حسب ذیل ہیں:

- بورڈ آف ڈائریکٹرز ("BOD") وقتاً فوقتاً بورڈ اجلاس میں شرکت کے لئے BOD اراکین کے معاوضہ کا تعین کرتا اور منظوری دیتا ہے۔
- معاوضے کی سطح BOD اراکین کی جانب سے پیش کی گئی خدمات اور تجربہ کی سطح سے ہم آہنگ ہوگی۔ جس کا مقصد کمیٹی کو چلانے کے لئے درکار اراکین کو کامیابی سے نائل اور برقرار رکھنا اور اضافی سہولیات دینا ہے۔
- BOD یقینی بنائے گا کہ BOD کے معاوضہ کی موجودہ سطح کسی بھی وقت BOD کے خود مختار اراکین کی آزادی پر سمجھوتہ نہیں کرے گی۔
- BOD کے اراکین کو مندرجہ ذیل کی بابت سفری/ رہائشی/ لازمی اخراجات بھی ادا کئے جاسکتے ہیں:

(a) بورڈ اجلاس میں حاضری؛

(b) جزل باڈی اجلاس میں حاضری؛ اور/ یا

(c) کمپنی امور

ڈائریکٹرز کی رپورٹ

برائے سال ختمہ 30 جون 2025ء

پلانٹ کی کارکردگی

کمپنی اپنے تمام شعبوں میں پلانٹ اور مشینری کی تجدید کے لئے پرعزم رہی۔ البتہ، یہ امر قابل ذکر ہے کہ ہماری موجودہ مشینری، جس کی اچھی دیکھ بھال اور تبدیلی 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 پیکیجنگ کے عمل کو وسعت دینے کی جانب واضح کوششیں کی گئیں تاکہ اپنی برانڈز کے معیار کو بڑھایا جاسکے۔ ان مشکلات کے باوجود، ہم ازراہ سرت رپورٹ کرتے ہیں کہ زیر جائزہ سال کے دوران ہمارا نصب پلانٹ اور مشینری تسلی بخش کارکردگی دکھا رہے ہیں۔

کوالٹی انشورنس

معیار کمپنی کا توجہ کا مرکز ہے۔ ہم اپنے آپریشنز میں کارکردگی اور کوالٹی پر بھرپور زور دیتے ہیں۔ یہ یقینی بنانے کے لئے مربوط کوالٹی کنٹرول اصولوں کا سختی سے اطلاق کیا گیا ہے تاکہ یقینی بنایا جاسکے کہ ہم اپنے کوالٹی مقاصد کو حاصل کر لیں۔ کوالٹی کی جانب ہمارا عزم بہتری کی لگاتار کوششوں کا احاطہ کرتی ہے جس سے بدلتے ہوئے انڈسٹری معیارات سے ہم آہنگ ہونے میں مدد ملی۔

مارکیٹنگ

ملکی و بین الاقوامی سطح پر انتہائی مسابقتی ماحول میں ہماری انتظامیہ اپنی برانڈ کی موجودگی کو بڑھانے کے لئے پرعزم ہے۔ یہ عزم ہماری مقامی و بین الاقوامی منڈیوں تک وسیع ہے۔ اپنی بہتر ایکسپورٹ سیکلز کے ساتھ ساتھ ہمیں مزید نمونہ ضرورت کا ادراک ہے۔ ہم پرامید ہیں کہ ہماری جاری کوششیں جلد مزید پائیدار نتائج دیں گی جس سے ہم ایک مرتبہ پھر برآمدات سے پرکشش آمدنی حاصل کرنے کے قابل ہو جائیں گے۔ سخت کوالٹی اصولوں کو پورا کرنے کی بات برآمدی منڈی میں چیلنجز موجود ہیں۔ نتیجتاً، برآمدات پر ہماری ترجیح ری ڈرائیڈ اور کٹ ٹوبیکو کی جانب رہی۔ ہم کوالٹی معیارات کو بڑھانے اور خطے یعنی متحدہ عرب امارات، جنوبی افریقہ، جرمنی، بیلجیم، ترکی، شام اور یونان 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 معزز عملے کی صحت اور حفاظت کو بہت زیادہ ترجیح دیتی ہے جو ہمارے آپریشنز کا لازمی جزو ہیں۔ ہم سیفٹی اجلاس، واقعات کی رپورٹنگ، سیفٹی آڈٹس، بہتر ہاؤس کیپنگ طریق عمل اور مربوط بائی جین کنٹرولز جیسے اقدامات کے ذریعے محفوظ رویہ کو فروغ دیتے ہیں۔

ماحولیاتی تحفظ ہمارا دوسرا بنیادی عزم ہے۔ ہم یقینی بناتے ہیں کہ ہماری سہولیات قائم ماحولیاتی اصولوں پر سختی سے کاربند ہیں۔ مزید برآں، ہم ادارہ ماحولیاتی تحفظ پاکستان کے وضع کردہ مربوط ماحولیاتی اصولوں کو پورا کرنے کے لئے چستی 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 بحران اور بد امنی سے متاثرہ علاقوں میں پسماندہ افراد کی فلاح و بہبود میں اپنے فعال کردار پر فخر محسوس کرتے ہیں۔ ایسے علاقوں کے رہائشیوں کو ملازمت کے مواقع فراہم کرنے کے لئے ہماری ترجیح ان کی سماجی فلاح میں نمایاں کردار ادا کرتی ہے۔

اہم آپریٹنگ و مالیاتی ڈیٹا

گذشتہ چھ برس کے لئے کمپنی کے اہم مالیاتی و آپریٹنگ اعداد و شمار کا خلاصہ ان مالیاتی اسٹیٹمنٹس کے ساتھ لف ہے جو اسٹیک ہولڈرز کو ہمارے ماضی کی کارکردگی کا بغور جائزہ لینے میں مدد کرتے ہیں۔

منافع منقسمہ

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

انسانی سرمایہ

ہماری ہیومن ریورس حکمت عملی ہمارے ادارے کے انسانی سرمایہ پر سرمایہ کاری کے نتائج کو بڑھانے پر مبنی ہے۔ ہمارے طریق عمل کا مقصد اپنی حالیہ افرادی قوت کی صلاحیتوں کو تربیت یافتہ اور قابل افراد کی سپلائی کے ساتھ ہم آہنگ کر کے مالیاتی خطرے کا 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 آمدنی میں اضافہ کرتے ہیں بلکہ مستقبل میں اپنی بقا اور کامیابی کو بھی محفوظ کرتے ہیں۔

ملازمین کی ریٹائرمنٹ پر مراعات

ہم کمپنی کے تمام مستقل ملازمین کے لئے ان فنڈ ڈگریجیو ایسکیم چلاتے ہیں۔ رواں مالیاتی سال میں ہم نے ملازمین کی مراعات کا احاطہ کرنے کے لئے اپنے کھاتوں میں 47.79 ملین روپے تفویض کئے ہیں۔

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 عمل، روایات اور پالیسیوں کے جامع اصولوں کی پاسداری کرتے ہیں جو کاروباری ذہانت، مقاصد، جوابدہی اور سہولیت کی مضبوط حس کے ساتھ ہماری کثرت و متنوع سرگرمیوں کو کنٹرول اور ڈائریکٹ کرنے کے قابل بناتے ہیں۔ یہ عزم طویل مدتی اسٹریٹجک اہداف کے حصول میں مددگار ثابت ہوتا ہے جس کا مقصد شیئر ہولڈرز، قرض داروں، ملازمین، صارفین اور سپلائرز کو مطمئن کرنا ہے۔ علاوہ ازیں، ہم بلند اخلاقی اصولوں کی سختی سے پابندی کرتے ہیں اور مربوط قانونی و ریگولیٹری تقاضوں کی تعمیل کرتے ہیں۔ کوڈ آف کارپوریٹ گورننس ضوابط کی تعمیل کا بیان ان مالیاتی اسٹیٹمنٹس کے ساتھ منسلک ہے جو شفافیت اور بہتر نظم و ضبط کے ہمارے عزم کی عکاسی کرتا ہے۔

بورڈ

ہمارا بورڈ ذات اراکین پر مشتمل ہے جس میں چھ نان ایگزیکٹو اور ایک ایگزیکٹو ڈائریکٹر ہے۔ گورننس کی بہترین عمل داری کو یقینی بنانے کے لئے ہم چیئر مین اور چیف ایگزیکٹو آفیسر کے عہدوں میں واضح فرق کو برقرار رکھتے ہیں۔

ہمارے ڈائریکٹرز شیئر ہولڈرز کی جانب سے ہم پر کئے گئے بھروسے اور اپنے اثاثہ جات کی حفاظت کی جانب کمپنی کے آپریشنز کی روانی کو یقینی بنانے کی ذمہ داری سے آگاہ ہیں۔

ڈائریکٹرز کی رپورٹ

برائے سال ختمہ 30 جون 2025ء

خیبر ٹوبیکو کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے میں 30 جون 2025ء کو اختتام پذیر سال کے لئے 70 ویں سالانہ رپورٹ اور ہڑتال شدہ مالیاتی اسٹیٹمنٹس بمعہ آڈیٹرز رپورٹ ازراہ مسرت پیش کرتا ہوں۔

کمپنی کے مالیاتی نتائج

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

پیداوار اور فروخت

پروڈکٹ	پیمائش کی اکائی	پیداوار		فروخت	
		2025ء	2024ء	2025ء	2024ء
ری ڈرائیڈ ٹوبیکو	کلوگرام	9,733,836	5,512,983	3,913,630	574,350
کٹ ٹوبیکو	کلوگرام	1,879,201	1,063,613	382,970	33,645
سگریٹ	سکس (ملین میں)	1,522	635	1,447	661

- اقتصادی جائزہ: پاکستان کی اقتصادی استحکام اور پائیدار نمو حاصل کرنے کے لئے پرعزم ہے۔ مشکلات موجود ہیں لیکن ان سے نبرد آزما ہونے کا جذبہ بہت مضبوط ہے۔ حکومت جاری طویل مدتی مسائل کو حل کرنے کے لئے جتنی سے کام کر رہی ہے جنہوں نے معیشت کے متعدد شعبوں میں ترقی اور خوشحالی رکاوٹیں ڈال رکھی ہیں۔ بیرونی محاذ پر کمزوری اور مالیاتی عدم انتظام، جنہوں نے افراط زر پر براہ راست اثرات مرتب کئے ہیں، سے نبرد آزما ہونا نافذ کئے جانے والے اصلاحی پالیسی اقدامات کا مرکزی نقطہ ہیں۔ امید کی جاتی ہے کہ جو بیرونی یہ اقدامات رواں اور وضع ہو جائیں گے تو کمپنیوں کو درپیش مشکلات کم ہو جائیں گی۔
- پیداوار کا خلاصہ: گذشتہ برس کی نسبت زیر جائزہ سال کے دوران، کٹ ٹوبیکو کی پیداوار میں 815,580 کلوگرام اضافہ ہوا۔ مزید برآں، سگریٹ کی پیداوار میں گذشتہ برس کی نسبت 887 ملین سکس بھی اضافہ ہوا۔
- حکومتی ضوابط: سال 2022ء میں، حکومت نے ٹریک اینڈ ٹریلس سسٹم کے تعارف سے ٹوبیکو انڈسٹری کو ریگولیٹ کرنے کی جانب نمایاں اقدامات کئے۔ خیبر ٹوبیکو کمپنی لمیٹڈ (KTC) میں ٹریک اینڈ ٹریلس سسٹم کی مکمل تعمیل کو یقینی بنایا۔ قابل ذکر مریہ ہے کہ حکومت تمباکو اور ٹکٹوں 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

- رواں برس کے دوران آپ کی کمپنی مکمل ویلیو چین میں پیداوار اور کارکردگی کو بڑھانے کے لئے اپنے عزم پر سختی سے کاربند رہی۔ کئے گئے اہم آپریشنل اقدامات مندرجہ ذیل ہیں:
- لاگت پر کنٹرول: لاگت کے انتظام کے لئے سخت حکمت عملی کا نفاذ کیا گیا تاکہ یقینی بنایا جاسکے کہ مشکل معاشی حالات میں مسابقتی ماحول کو برقرار رکھنے کے لئے وسائل کو بھرپور استعمال کیا جاسکے۔
- Lean آپریشنز: KTC نے طریق عمل کو آسان کرنے، ضیاع کو ختم کرنے اور مجموعی آپریشنل کارکردگی کو بہتر کرنے کے لئے مربوط اصولوں کو اپنایا ہے۔ اس طریق عمل نے تمام دستیاب وسائل کے استعمال میں مدد کی۔
- مشینری میں جدت: مشینری انفراسٹرکچر کی جدت کے لئے سرمایہ کاری مرکزی نقطہ رہی۔ اس اقدام نے تکنیکی جدت کی رفتار سے ہم آہنگ ہونے اور اپنے آپریشنز کی کوالٹی اور کارکردگی کو بڑھانے میں مدد کی۔
- برآمدات میں ترقی: رپورٹنگ دورانیہ میں، بین الاقوامی منڈی میں پاکستانی تمباکو کی طلب میں نمایاں اضافہ ہوا جس کے نتیجے میں غیر ملکی صارفین سے کمپنی کو بڑے برآمدی آرڈرز ملے۔ کمپنی نے مالیاتی سال 2025ء میں برآمدی فروخت میں اضافہ کے لئے اقدامات اٹھائے ہوئے اور توقع کی جاتی ہے کہ ایکسپورٹ آرڈرز اور گران قدر غیر ملکی زرمبادلہ کی آمد میں خاطر خواہ اضافہ ہوگا۔
- سیلز کارکردگی: ترقی کے لئے ہمارا عزم مقامی اور بین الاقوامی منڈیوں تک وسیع ہے۔ مالیاتی سال 2024-2025ء میں مقامی سیلز آرڈر سے زیادہ برآمدی آرڈرز کا حصول اس کی عکاسی کرتا ہے۔
- خالص سیلز: خالص سیلز 9,890.70 ملین روپے تک بڑھی جو گذشتہ برس میں 3,113.7 ملین روپے کے مقابلے میں تقریباً 3 گنا ہے۔ یہ نمو مقامی اور بین الاقوامی منڈیوں میں بھاری سیل سے حاصل ہوئی۔

مالیاتی کارکردگی

- میں ازراہ مسرت رپورٹ کرتا ہوں کہ مالیاتی کارکردگی مندرجہ ذیل اقدامات کے مثبت نتائج کی عکاسی کرتی ہے:
- نفع علاوہ ٹیکسیشن: کمپنی نے 30 جون 2025ء اختتام پذیر سال کے لئے 414.32 ملین روپے کا منافع علاوہ ٹیکسیشن رپورٹ کیا جو گذشتہ مالیاتی سال میں 1,018.09 ملین روپے خسارے کی نسبت نمایاں پیش رفت ہے۔
- نفع علاوہ ٹیکسیشن: کمپنی نے 30 جون 2025ء کو اختتام پذیر سال کے لئے 274.64 ملین روپے نفع رپورٹ کیا۔ جو گذشتہ برس میں 1,021.99 ملین روپے خسارے سے مضبوط بحالی کی عکاسی کرتا ہے۔
- فی حصص آمدنی (EPS): کمپنی نے 30 جون 2025ء کو اختتام پذیر سال کے لئے 39.67 روپے فی حصص منافع درج کیا جو گذشتہ برس میں 147.63 روپے فی حصص خسارہ سے مضبوط بحالی کی عکاسی کرتا ہے۔

بیلنس شیٹ

- 30 جون 2025ء تک کمپنی کے سرمایہ اور ذخائر میں 238.85 ملین روپے کا اضافہ ہوا۔ یہ گذشتہ مالیاتی سال کے مقابلے میں نمایاں پیش رفت کو ظاہر کرتا ہے۔ سرمایہ اور ذخائر میں اضافہ بنیادی طور پر رواں دورانیہ میں معاشی و سیاسی استحکام، افراط زر کی کم شرح اور مزید ایکسپورٹ آرڈرز کے باعث ممکن ہوا۔

چیرمین کا تجزیہ

میں 30 جون 2025 کو اختتام پذیر سال کے لئے خیر ٹوبیکو کمپنی لمیٹڈ ("کمپنی") کی کارکردگی سے مطمئن ہوں۔

آپ کی کمپنی میں ہم اپنی زیر خدمت کمیونٹی کو کچھ واپس دینے کی اہمیت پر پختگی سے یقین رکھتے ہیں۔ پائیداری ہماری سرگرمیوں کی توجہ کا مرکز ہے اور ہمیں ماحولیات، سماجیات اور گورننس (EVG) تحریک میں سر فہرست ہونے پر فخر ہے۔ اب شیئر ہولڈرز ESG کارکردگی کی بنیاد پر کمپنیوں کا جائزہ لیتے ہیں کیونکہ اس طرح انہیں ممکنہ پائیداری خطرات پر معلومات ملتی ہیں اور انہیں سرمایہ کاری حکمت عملیوں کو وضع کرنے میں مدد ملتی ہے۔ پاکستان میں کاروباری و سماجی ذمہ داری (CSR) کے کوآپنٹن والوں میں سر فہرست ہونے پر ہماری کمپنی ESG کو تسلیم کرنے کی جانب ایک یادگار سفر کو شروع کر رہی ہے۔

آپ کی کمپنی میں ہم اپنے آپریشنز کے تمام تر پہلوؤں میں ذمہ دار اخلاقی رویہ کو ترجیح دیتے ہیں۔ یہ ہماری ثقافت اور اقدار کی ایک بنیاد فراہم کرتا ہے۔ ہم یقین رکھتے ہیں کہ پائیدار اور طویل مدتی نمو حاصل کرنے کے لئے مضبوط نظم و ضبط نہایت ضروری ہے۔ ان اصولوں پر عمل پیرا ہو کر ہم اپنے اہداف حاصل کر سکتے ہیں اور ترقی کے سفر کو جاری رکھ سکتے ہیں۔

دیگر ترقی پذیر ممالک کی طرح حالیہ واقعات نے ہماری معیشت پر منفی اثرات مرتب کئے ہیں۔ سیاسی عدم استحکام نے حالات کو مزید ابتر کر دیا ہے۔ کرنٹ اکاؤنٹ خسارے سے نپٹنے کے لئے اسٹیٹ بینک آف پاکستان معیشت کو بہتر بنانے کی غرض سے اقدامات اٹھا رہا ہے۔

الحمد للہ ہمیں مہنگائی کے اس دور میں پائیدار آمدنی کی جانب اپنے شیئر ہولڈرز کی ضرورت کو پورا کرنے کا سنہری موقع ملا ہے۔ زیر جائزہ سال میں کمپنی نے فیڈرل ایکسائز ڈیوٹی، سیلز ٹیکس اور دیگر لیوی کی مد میں 9.64 بلین روپے کی خیر رقم قومی خزانے میں جمع کرائی ہے۔

مستقبل کا منظر نامہ

ہم پر امید ہے کہ موجودہ صورتحال مزید بہتر ہوگی۔ ملکی و غیر ملکی منڈیوں میں سگریٹ اور تباکو کی فروخت میں اضافہ متوقع ہے جو آئندہ برس کے نتائج میں نمایاں پیش رفت لائے گی۔ مزید برآں، میں واضح کرنا چاہتا ہوں کہ کمپنی کسی قسم کے لیکویڈٹی مسائل کا خدشہ نہ ہے اور نہ ہی اسے بیرونی قرضے درکار ہیں۔

امید ہے کہ ملک کے معاشی اشاریے مستقبل قریب میں بہتری کے آثار ظاہر کریں گے۔ امید کی جاتی ہے کہ حکومت تباکو کی برآمد بڑھانے اور انڈسٹری کے لئے درکار خام مال کی درآمد پر ریگولیٹری ڈیوٹیاں کم کرنے کے لئے فوری طور پر ضروری اقدامات کرے گی تاکہ معاشی استحکام کی رفتار کو جاری رکھا جاسکے۔

انتظامیہ کمپنی کو درپیش مسائل کا باریک بینی سے جائزہ لیتی ہے اور اپنی پروڈکٹس کے ذریعے اپنے شیئر ہولڈرز کے مفادات کے تحفظ اور ترقی کے مواقع سے بھرپور فائدہ اٹھانے کے لئے تمام ضروری اقدامات اٹھائے گی۔ آپ کی کمپنی بہتر کاروباری نظم و ضبط کے لئے پرعزم ہے۔

اظہار تشکر

میں ازراہ سرت رپورٹ کرتا ہوں کہ بورڈ کاروباری و مالیاتی رپورٹنگ فریم ورک کی بابت اپنی ذمہ داریوں کو تسلیم کرتا ہے۔ بورڈ بنیادی کمپنی مقاصد کو حاصل کرنے میں اپنے اسٹریٹجک کردار سے بھی بخوبی آگاہ ہے اور اپنے شیئر ہولڈرز اور دیگر اسٹیک ہولڈرز کی آمدنی اور کو بڑھانے پر بھرپور توجہ دے رہا ہے۔ بورڈ اپنے معزز صارفین کو اعلیٰ معیار کی مصنوعات کی پائیدار سپلائی کے ذریعے اس عمل میں اپنا کردار ادا کرے گا۔

بحیثیت چیئر مین بورڈ، میں کمپنی کے ملازمین کے فرائض اور پیشہ ورانہ طریق عمل کی جانب اُن کے جذبے اور شیئر ہولڈرز اور اسٹیک ہولڈرز کی سپورٹ کو خراج تحسین پیش کرنا چاہتا ہوں۔ میں مفاہمت اور تعاون کے لئے کمپنی کے بینکرز کا شکریہ ادا کرتا ہوں اور آخر میں اپنے وفادار اور پرامید صارفین کا بھی شکریہ ادا کرتا ہوں۔ مشکل حالات میں تمام مشترکہ کاوشیں کمپنی کی پائیدار نمو میں مددگار ثابت ہوئی ہیں۔ ہم پرامن، ترقی یافتہ اور خوشحال پاکستان کے لئے دعا گو ہیں۔

راحت اللہ

چیئر مین



URDU SECTION



Khyber Tobacco Company Limited

Nowshera Road, Mardan

Tel: +92-937-844668, 844639

Fax: +92-937-843329