



REACHING NEW AVENUES

UN-AUDITED ACCOUNTS
DECEMBER 31, 2022
KHYBER TOBACCO COMPANY LIMITED

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Board of Directors

Mrs. Samera Irfan	Chief Executive/ Executive Director
Mr. Rahat Ullah	Chairman/Non-Executive Director
Mr. Zia Ur Rehman	Non-Executive Director
Ms. Sonia Farooq	Independent Director
Mr. Shahzad Javed Panni	Independent Director
Mr. Khalil Ur Rehman	Non-Executive Director
Mr. Pir Waris Shah	Non-Executive Director

Audit Committee

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

Human Resource Committee

Mr. Pir Waris Shah	Chairman
Ms. Sonia Farooq	Member
Mr. Zia Ur Rehman	Secretary

Senior Management

Mrs. Samera Irfan	Chief Executive
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Company Secretary

Mr. Pir Farhan Shah

Bankers

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

Share Registrar

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

External Auditors

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

Registered Office

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

Internal Auditors

Shahid Ahmad & Co.
Chartered Accountants

The Board of Directors present you the brief report together with the financial information of the Company reviewed by the statutory auditors, for the half year ended December 31, 2022.

Key financial indicators for the period under review are as below:

Financial Highlights	Jul-Dec 2022	Jul-Dec 2021
	Rs. in Millions	
Turnover – gross	4,693.5	1,705.09
Turnover – net	3,053.11	708.14
Cost of sales	1,915.92	613.69
Gross profit	1,137.19	94.45
Profit (Loss) before taxation	723.34	(80.67)
Profit (Loss) for the period	639.00	(103.22)

The Company continued to focus on enhancing productivity across its value chain by ensuring effective cost management, lean operations, and modernization of machinery infrastructure. As a result of KTC's export initiative the current period resulted increase in Gross turnover up to Rs.4.693 billion during the period under review. KTC export initiatives have significant potential to grow in the coming years generating additional valuable foreign currency inflows.

Increase in Export sale is evident from increase in net sales of Rs. 3.053 billion during the period under review as compared to net sales of Rs. 708.14 Million of corresponding period last year. Management is continuously endeavouring to expand its local market by adding new customers to its existing customer base.

Profit before taxation for the period under review stood at Rs. 723.34 million as compared to the corresponding period last year Loss before tax of Rs. (80.67). Profit after tax for the period under review stood at Rs. 639.00 million as compared to corresponding period last year Loss after tax of Rs. (103.22).

Profit per share for the period under review stood at Rs. 110.77 as compared to the corresponding period last year Loss per share of Rs. (21.47).

FUTURE OUTLOOK

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

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

ACKNOWLEDGEMENT

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

The composition of the Board is as follows:

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

On behalf of the Board



Mrs. Samera Irfan
Chief Executive Officer

01 March 2023.



Rahat Ullah
Chairman

مستقبل کا منظر نامہ

حکمت عملی کے مطابق، مستقبل میں اپنی آمدنی میں اضافے کی غرض سے کمپنی مقامی اور غیر ملکی منڈیوں میں قدم جمانے کی نلگ ودو کر رہی ہے۔ آپ کی کمپنی مقامی سطح پر فروخت اور تبا کو کی برآمد سے خاطر خواہ آمدنی حاصل کرنے کے لئے پرامید ہے۔ کمپنی پر اعتماد ہے کہ ہم اپنے تجربے کو ملحوظ خاطر لاکر مارکیٹ کو بلند یوں تک پہنچا دیں گے۔ نیکانا لوجی میں لگا تار جدت کے باعث کمپنی بھی اپنے مہارت میں مسلسل اضافہ کر رہی ہے اور تکنیکی جدت اور صنعت میں تیز رفتا رتدیلیوں سے مکمل مطابقت رکھ رہی ہے۔

کمپنی اپنی آمدنی کا %51 برآمدات سے حاصل کرتی ہے لہذا کمپنی روپے کی قدر میں حالیہ کمی سے مقابلہ کرنے کے قابل ہوگی ہے اور امید رکھتی ہے کہ وہ بین الاقوامی منڈیوں میں اپنے حیثیت کو مزید مضبوط بنا لے گی۔ آپ کی کمپنی اپنی مصنوعات کے معیار میں بہتر کے لئے عالمی معیار کی جدید ترین صنعتی و پیکنگ مشینری حاصل کرنے کے بھاری سرمایہ داری کر رہی ہے لہذا کمپنی نے اپنے ڈائریکٹرز سے کم لاگت قرضے حاصل کرنے ہیں۔

اظہار تشکر


بورڈ اس موقع پر تعاون اور حمایت کے لئے کمپنی کے معزز صارفین، بینکرز اور دیگر اسٹیک ہولڈرز کا تہ دل سے شکر یہ ادا کرتا ہے۔ بورڈ کمپنی کے ملازمین کی انتھک محنت اور جذبہ کو سراہتا ہے۔

01 مارچ 2023ء



راحت اللہ
چیرمین

منجانب بورڈ آف ڈائریکٹرز



مسز میز رازا
چیف ایگزیکٹو آفیسر

بورڈ آف ڈائریکٹرز 31 دسمبر 2022ء کو اختتام پذیر نصف سال کے لئے کمپنی کے قانونی آڈیٹرز کی نظر ثانی شدہ مالیاتی معلومات معلومات کے ہمراہ جامع رپورٹ ازراہ سرت پیش کرتے ہیں۔
مالیاتی نتائج

جولائی - دسمبر 2021	جولائی - دسمبر 2022	مالیاتی اشاریے
ملین روپوں میں		
1,705.09	4,693.5	کل ٹرن اور
708.14	3,053.11	ٹرن اوور - خالص
613.69	1,915.92	فروخت پر لاگت
94.45	1,137.19	کل منافع
(80.67)	723.34	نفع (نقصان) بعد ٹیکسیشن
(103.22)	639.00	نفع (نقصان) علاوہ ٹیکسیشن

کمپنی لاگت کے مؤثر انتظام، کم لاگت امور اور مشینری انفراسٹرکچر میں جدت کو یقینی بنا کر اپنی پیداوار بڑھانے کے لئے اچھے اہم شعبوں پر پورے توجہ دے رہی ہے۔ خیر ٹوٹیکو کمپنی کے برآمدی اقدامات کے باعث زیر جائزہ مدت کے دوران کل ٹرن اور میں 4,693.5 ملین روپے اضافہ ریکارڈ ہوا۔ برآمدات کی بابت KTC کے اقدامات کے اثرات آئندہ برسوں میں کمپنی کے ممکنہ منافع پر مرتب ہوں گے اور اس کے نتیجے میں غیر ملکی کرنسی کی آمد میں اضافہ ہوگا۔

گذشتہ برس کی اسی مدت میں 708.14 ملین روپے خالص سیلز کی نسبت زیر جائزہ مدت کے دوران برآمدی فروخت میں اضافہ کمپنی کی 3,053 ملین روپے کی خالص سیلز سے عیاں ہے۔ انتظامیہ اپنے حالیہ صارفین کی تعداد میں اضافہ کر کے مقامی مارکیٹ میں توسیع کے لئے مسلسل کوششیں کر رہی ہے۔

زیر جائزہ مدت کے دوران نفع بعد ٹیکسیشن 723.34 ملین روپے رہا جبکہ گذشتہ برس کی اسی مدت میں کمپنی کو (80.67) روپے خسارہ بعد ٹیکسیشن برداشت کرنا پڑا تھا۔ گذشتہ برس کی اسی مدت میں (103.22) روپے خسارہ علاوہ ٹیکس کے مقابلے میں زیر جائزہ مدت کے دوران کمپنی نے 639 ملین روپے منافع علاوہ ٹیکس ریکارڈ کیا۔

گذشتہ برس کی اسی مدت میں (21.47) روپے خسارہ علاوہ ٹیکس کے مقابلے میں زیر جائزہ مدت کے دوران فی شخص منافع 110.77 روپے رہا۔

بورڈ کی ترکیب

بورڈ کی ترکیب حسب ذیل ہے:

کمیٹنگ	نام
آزاد ڈائریکٹرز	(1) مسز شہزاد جاوید پٹی (2) مس سونیا فاروق
ایگزیکٹو ڈائریکٹرز	(1) مس سیرا عرفان
نان-ایگزیکٹو ڈائریکٹرز	(1) مسز شہزاد جاوید پٹی (2) مسز ضیا الرحمن (3) مسز راحت اللہ (4) مسز پیروارث شاہ (5) مسز ثلیل الرحمن
خانوں ڈائریکٹرز	(1) مسز سمیرا عرفان (2) مس سونیا فاروق

To the members of Khyber Tobacco Company Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Khyber Tobacco Company Limited** ("the Company") as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as of and for the half year ended December 31, 2022 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income along with related notes for the quarter ended December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

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



Chartered Accountants

Lahore

Date: March 01, 2023

UDIN: RR202210088Jloza13Kp

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT DECEMBER 31, 2022

	(Un-audited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
EQUITY AND LIABILITIES		
EQUITY		
Share capital	57,688,370	48,073,640
Unappropriated profit	2,005,664,053	1,352,674,467
Revenue reserves	3,312,465	3,312,465
Surplus on revaluation of Property Plant and Equipment-net of tax	336,586,971	360,188,752
	2,403,251,859	1,764,249,324
NON-CURRENT LIABILITIES		
Staff retirement benefits	61,482,999	63,028,927
Deferred taxation-net	147,523,407	146,529,103
	209,006,406	209,558,030
CURRENT LIABILITIES		
Trade and other payables	3,365,598,103	2,161,578,213
Unclaimed dividend	16,177,683	16,177,683
Loan from sponsors and directors - unsecured	1,503,900,000	1,470,900,000
	4,885,675,786	3,648,655,896
TOTAL EQUITY AND LIABILITIES	7,497,934,051	5,622,463,250

CONTINGENCIES AND COMMITMENTS

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

		(Un-audited) 30 September 2022 Rupees	(Audited) 30 June 2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,758,633,462	2,020,833,135
Long term deposits		4,947,411	4,947,411
		2,763,580,873	2,025,780,546
CURRENT ASSETS			
Stock in trade	7	2,844,596,798	1,869,976,979
Stores, spares and loose tools		44,381,174	38,657,747
Trade debts	8	1,216,873,123	768,673,257
Advances and prepayments		396,357,061	123,307,766
Advance income tax - net		66,158,748	104,008,108
Non-current assets classified as held for sale		-	12,700,000
Cash and bank balances		165,986,274	679,358,847
		4,734,353,178	3,596,682,704
TOTAL ASSETS		7,497,934,051	5,622,463,250



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Note	Quarter ended		Half year ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		Rupees			
Revenue from contracts with customers	9	1,261,609,382	456,590,843	3,053,113,271	708,144,680
Cost of sales	10	(757,965,862)	(391,677,795)	(1,915,917,126)	(613,691,626)
Gross profit		503,643,520	64,913,048	1,137,196,145	94,453,054
Selling and distribution expenses		(78,171,413)	(19,179,691)	(134,521,466)	(41,677,817)
Administrative expenses		(46,496,783)	(38,156,168)	(116,329,574)	(72,939,406)
Impairment loss on financial assets		-	-	(40,130,616)	-
Other expenses		(48,020,392)	(2,523,460)	(55,085,060)	-
Other income		68,421,509	(3,518,325)	80,431,509	2,077,475
Operating profit / (loss)		399,376,441	1,535,403	871,560,938	(18,086,694)
Finance costs		(59,212,258)	(37,051,029)	(148,217,835)	(62,579,853)
Profit / (Loss) before taxation		340,164,183	(35,515,626)	723,343,103	(80,666,547)
Taxation		(66,577,884)	21,661,383	(84,340,568)	(22,551,033)
Profit / (Loss) for the period		273,586,299	(13,854,243)	639,002,535	(103,217,580)
Earnings per share - basic and diluted		47.43	(2.88)	110.77	(21.47)

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



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME [UNAUDITED] FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Quarter ended		Half year ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	Rupees			
Profit / (Loss) for the period	273,586,299	(13,854,243)	639,002,535	(103,217,580)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	273,586,299	(13,854,243)	639,002,535	(103,217,580)

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



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Issued, subscribed and paid up capital	Reserves			Total
		Capital reserves	Revenue reserves		
			Revaluation surplus	General reserve	
		(Rupees)			
Balance at July 01, 2021 (Audited)	48,073,640	212,209,916	3,312,465	967,360,313	1,230,956,334
Total comprehensive income for the half year ended December 31, 2021					
Loss for the half year ended December 31, 2021	-	-	-	103,217,580	103,217,580
Other comprehensive income for the half year ended December 31, 2021	-	-	-	-	-
	-	-	-	103,217,580	103,217,580
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	13,509,135	-
- on account of incremental depreciation - net of tax	-	(13,509,135)	-	5,693,413	-
- on account of disposal - net of tax	-	(5,693,413)	-	-	-
Balance at December 31, 2021 (Un-audited)	48,073,640	193,007,368	3,312,465	1,089,780,441	1,334,173,914
Balance at July 01, 2022 (Audited)	48,073,640	360,188,752	3,312,465	1,352,674,467	1,764,249,324
Total comprehensive income for the half year ended December 31, 2022					
Profit for the half year ended December 31, 2022	-	-	-	639,002,535	639,002,535
Other comprehensive income for the half year ended December 31, 2022	-	-	-	-	-
	-	-	-	639,002,535	639,002,535
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	15,207,231	-
- on account of incremental depreciation - net of tax	-	(15,207,231)	-	8,394,550	-
- on account of disposal - net of tax	-	(8,394,550)	-	-	-
Transactions with owners					
Shares issued as fully paid bonus shares	9,614,730	-	-	(9,614,730)	-
Balance at December 31, 2022 (Un-audited)	57,688,370	336,586,971	3,312,465	2,005,664,053	2,403,251,859

Balance at July 01, 2021 (Audited)
Total comprehensive income for the half year ended December 31, 2021

Loss for the half year ended December 31, 2021

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

Transfer from surplus on revaluation of property, plant and equipment

- on account of incremental depreciation - net of tax

- on account of disposal - net of tax

Balance at December 31, 2021 (Un-audited)

Balance at July 01, 2022 (Audited)

Total comprehensive income for the half year ended December 31, 2022

Profit for the half year ended December 31, 2022

Other comprehensive income for the half year ended

December 31, 2022

Transfer from surplus on revaluation of property, plant and equipment

- on account of incremental depreciation - net of tax

- on account of disposal - net of tax

Transactions with owners

Shares issued as fully paid bonus shares

Balance at December 31, 2022 (Un-audited)

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



Chief Executive



Director



Director

CONDENSED INTERIM CASH FLOW STATEMENT [UNAUDITED]

FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Half year ended	
	December 31, 2022 Rupees	December 31, 2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	723,343,103	(80,666,547)
Adjustments for:		
Depreciation on property, plant and equipment	80,503,359	57,959,134
Provision for staff retirement benefits	7,649,379	6,873,895
Trade creditors written back	(6,925,352)	-
Gain on disposal of property, plant and equipment	(1,671,651)	(2,077,475)
Unrealized exchange gain	(10,850,361)	-
Impairment loss on financial assets	40,130,616	-
Finance costs	148,217,835	62,579,853
	257,053,825	125,335,407
Cash flows from operating activities before working capital changes	980,396,928	44,668,860
Effect on cash flow due to working capital changes		
<i>(Increase)/decrease in stores, spares parts and loose tools</i>		
Increase in stock in trade	(5,723,427)	26,553,700
(Increase)/decrease in trade debts	(974,619,819)	(355,748,911)
Increase in advances and prepayments	(448,199,866)	26,460,058
Increase in trade and other payables	(273,049,295)	(170,963,994)
	1,226,459,221	142,140,743
Cash generated from / (used in) operating activities	(475,133,186)	(331,558,404)
Income tax paid	505,263,742	(286,889,544)
Staff retirement benefits paid	(45,496,904)	(4,117,691)
Finance costs paid	(9,195,308)	(1,302,200)
	(201,972,768)	(575,488)
Net cash generated from / (used in) operating activities	248,598,762	(292,884,923)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(856,642,035)	(229,995,954)
Proceeds from disposal of property, plant and equipment	61,670,700	4,497,700
Security deposits	-	(180,000)
Net cash used in investing activities	(794,971,335)	(225,678,254)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(230,089)
Loans from sponsors and directors	33,000,000	233,000,000
	33,000,000	232,769,911
Net decrease in cash and cash equivalents	(513,372,573)	(285,793,266)
Cash and cash equivalents at beginning of the period	679,358,847	558,292,780
Cash and cash equivalents at end of the period	165,986,274	272,499,514

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



Chief Executive



Director



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED] FOR THE HALF YEAR ENDED DECEMBER 31, 2022

1 LEGAL STATUS AND OPERATIONS

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

2 STATEMENT OF COMPLIANCE

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

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

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

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

2.2 These condensed interim financial statements do not include all of the information required for the full financial statements and, therefore, these should be read in conjunction with annual audited financial statements for the year ended June 30, 2022. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2022, whereas comparative condensed statement of profit or loss and other comprehensive income, comparative condensed statement of changes in equity and comparative statement of cash flows are stated from un-audited condensed interim financial statements for the half year ended December 31, 2021.

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

3 ACCOUNTING POLICIES AND ESTIMATES

The significant accounting policies and methods of computation adopted in preparation of these condensed interim financial statements are the same as those applied in preparation of the annual audited financial statements of the Company for the year ended June 30, 2022.

3.1 Financial risk management

The Company's financial risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2022.

3.2 Fair value of financial assets and liabilities

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

3.3 Estimates and judgements

Estimates and judgements made by management in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2022.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED] FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Un-audited December 31, 2022 Rupees	Audited June 30, 2022 Rupees
4	TRADE AND OTHER PAYABLES	
Trade Creditors	2,157,521,969	1,431,130,705
Accrued liabilities	57,625,368	56,821,758
Accrued markup on loan from sponsors and directors	133,771,356	156,210,687
Advance from customers	541,247,068	234,776,165
Workers' Profit Participation Fund	128,153,198	81,273,193
Workers' Welfare Fund	22,428,725	12,671,798
Withholding taxes	17,630,017	20,522,794
Federal excise duty and sales tax	109,455,936	65,319,911
Tobacco development cess	86,509,932	23,316,742
Royalty	24,081,427	21,064,039
Other payables	87,173,107	58,470,421
	3,365,598,103	2,161,578,213

5 CONTINGENCIES AND COMMITMENTS

5.1 Contingencies:

a) As per note 13, paragraph no. 13 of the financial statements for the year ended June 30, 2022:

The Deputy Commissioner Inland Revenue(DCIR), Audit-I, Unit I, Range-I, LTO, Islamabad passed an order no. 06 of 2022 dated June 27, 2022 under Sales Tax Act 1990 of Rs. 100,023,615 against the Company in lieu of alleged claims of non payment of Sales Tax. The Company filed an appeal against the order before the Commissioner Inland Revenue (Appeals-I) dated July 27, 2022 and the matter is pending adjudication. The management, based on legal opinion, is confident that the eventual decision will be in favor of the Company.

The above case has been decided in favor of the Company by the Commissioner Inland Revenue (Appeals-I) through the order no. 91/2022 dated December 30, 2022.

b) As per note 13, paragraph no. 13 in the financial statements for the year ended June 30, 2022:

Deputy Commissioner Inland Revenue, Corporate Zone II, Regional Tax Office, Peshawar passed an assessment order on March 03, 2020 under Federal Excise Act 2005 amounting to Rs. 88.45 million against the Company in lieu of alleged claims of non-payment of taxes and duties. The Company filed appeal against the order before Commissioner Inland Revenue (Appeals) Peshawar on June 14, 2020 and the matter is pending adjudication. The management, based on legal opinion, is confident that the eventual decision will be in favor of the Company.

The above case has been remanded back by the Commissioner Inland Revenue (Appeals) to the assessing officer through the order no. 168/2022 dated December 30, 2022 with directions to afford a final opportunity of being heard to the Company.

Further, there are no material changes in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2022.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

		Un-audited December 31, 2022	Audited June 30, 2022
	Note	Rupees	Rupees
5.2	Commitments:		
	Letters of credit against import of machinery and packing material	114,881,896	498,161,420
	Short term lease rentals	7,200,218	5,975,745
	Letters of guarantee issued by bank on behalf of the Company	900,000	900,000
6	PROPERTY, PLANT AND EQUIPMENT		
	Operating assets	6.1 1,666,372,301	1,578,526,686
	Capital work in progress	6.2 1,092,261,161	442,306,449
		2,758,633,462	2,020,833,135
6.1	Operating assets		
	Opening carrying value	1,578,526,686	787,253,850
	Additions during the period / year		
	Buildings on leasehold land	4,008,958	139,783
	Plant and machinery	175,527,953	630,633,205
	Tools and equipment	2,779,172	44,268,579
	Furniture and fixtures	39,200	134,734
	Vehicles	24,170,040	-
	Office equipment's	162,000	80,000
		206,687,323	675,256,301
	Carrying value of assets disposed off during the period / year		
	Plant and machinery	(38,338,349)	(7,614,569)
	Vehicles	-	(4,497,700)
		(38,338,349)	(12,112,269)
	Revaluation surplus	-	277,159,799
	Assets classified as held for sale	-	(12,700,000)
	Depreciation charged during the period / year	(80,503,359)	(136,330,997)
		1,666,372,301	1,578,526,686
6.2	Capital work in progress		
	Opening carrying value	442,306,449	592,522,008
	Additions during the period / year		
	Plant and machinery	825,285,565	388,034,397
	Capitalized during the period / year		
	Plant and machinery	(175,330,853)	(538,249,956)
	Closing carrying value	1,092,261,161	442,306,449

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED] FOR THE HALF YEAR ENDED DECEMBER 31, 2022

		Un-audited December 31, 2022 Rupees	Audited June 30, 2022 Rupees
7	STOCK IN TRADE		
	Raw and packing material	2,729,785,673	1,662,524,906
	Stock in transit	-	202,387,106
	Work in process	12,708,493	-
	Finished goods	102,102,632	5,064,967
		2,844,596,798	1,869,976,979
8	TRADE DEBTS		
	Local - unsecured	573,295,103	177,488,259
	Foreign - secured	714,673,118	622,149,480
	Allowance for expected credit losses	(71,095,098)	(30,964,482)
		1,216,873,123	768,673,257
8.1	Allowance for expected credit losses		
	Opening	30,964,482	28,321,509
	For the period / year	40,130,616	2,642,973
	Closing	71,095,098	30,964,482

-----Un-audited-----

		Quarter ended December 31, 2022	December 31, 2021	Half year ended December 31, 2022	December 31, 2021
Rupees					
9	REVENUE FROM CONTRACTS WITH CUSTOMERS				
	Gross turnover				
	- Local	1,223,108,664	943,765,605	2,278,114,820	1,673,213,751
	- Export	932,878,881	19,966,882	2,415,394,466	31,873,646
		2,155,987,545	963,732,487	4,693,509,286	1,705,087,397
	Government levies				
	- Excise duty	(707,608,185)	(386,613,800)	(1,280,665,185)	(756,822,930)
	- Sales tax	(168,673,328)	(109,260,344)	(325,381,680)	(218,141,787)
		(876,281,513)	(495,874,144)	(1,606,046,865)	(974,964,717)
	Discounts	(18,096,650)	(11,267,500)	(34,349,150)	(21,978,000)
		1,261,609,382	456,590,843	3,053,113,271	708,144,680

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

		-----Un-audited-----			
		Quarter ended		Half year ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		Rupees			
10	COST OF SALES				
	Raw and packing material consumed	563,467,889	296,826,585	1,709,974,576	451,822,272
	Salaries, wages and benefits	54,587,270	33,183,490	95,033,929	67,953,197
	Fuel and power	40,777,273	13,263,383	94,772,919	28,367,354
	Stores and spares consumed	16,520,306	13,382,460	29,552,811	23,874,426
	Repair and maintenance	709,803	319,678	1,795,706	1,315,770
	Royalty	2,433,206	1,245,690	3,017,388	2,564,670
	Rent	4,279,334	1,940,774	9,531,354	2,083,755
	Tobacco Loading and unloading	6,095,668	-	6,095,668	-
	Depreciation	41,264,762	30,233,836	74,943,958	53,861,348
	Insurance expense	503,879	497,670	944,975	995,340
		730,639,390	390,893,565	2,025,663,284	632,838,132
	Work in Process :				
	At beginning of period	19,291,315	5,689,096	-	-
	At end of the period	(12,708,493)	(6,851,914)	(12,708,493)	(6,851,914)
		6,582,822	(1,162,818)	(12,708,493)	(6,851,914)
	Cost of goods manufactured	737,222,212	389,730,747	2,012,954,791	625,986,218
	Finished goods :				
	At beginning of period	122,846,282	24,330,074	5,064,967	10,088,434
	At end of the period	(102,102,632)	(22,383,026)	(102,102,632)	(22,383,026)
		20,743,650	1,947,048	(97,037,665)	(12,294,592)
		757,965,862	391,677,795	1,915,917,126	613,691,626

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

11 TRANSACTIONS WITH RELATED PARTIES

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

Name of related party	Nature of relationship	Nature of transaction	-----Un-Audited----- Half year ended	
			December 31, 2022 Rupees	December 31, 2021 Rupees
Key management personnel	Management	Remuneration and allowances	47,417,450	39,617,450
Khalil-ur-Rehman	Director	Receipt of loan	-	15,000,000
Waseem-ur-Rehman	Ex-Chief Executive Officer	Receipt of loan	-	45,000,000
Sami-ur-Rehman	Associate	Receipt of loan	33,000,000	173,000,000
Waseem-ur-Rehman	Ex-Chief Executive Officer	Markup on loan	60,008,931	26,000,673
Sami-ur-Rehman	Associate	Markup on loan	72,316,444	30,230,490

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred. As at December 31, 2022, the company has no financial instruments that falls into any of above category.

13 RECLASSIFICATION

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

Reclassified from	Reclassified to	Reason	Rupees
Administrative expense	Selling and distribution expenses	For better presentation	5,906,100
Advances and prepayments	Advance Income tax	For better presentation	132,001,727
Provision for taxation	Advance Income tax	For better presentation	27,993,619

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

14 DATE OF AUTHORIZATION FOR ISSUE

This un-audited condensed interim financial statements was authorized for issue by the Board of Directors of the Company in their meeting held on March 1, 2023.

15 GENERAL

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



Chief Executive



Director



Director

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