

KHYBER TOBACCO COMPANY LIMITED

QUARTERLY FINANCIAL STATEMENTS

(Un -audited)

SEPTEMBER 30, 2025

DIRECTORS' REVIEW

The Directors of the Company are pleased to present the condensed Interim Financial Information (un-audited) of the company for the First Quarter ended 30 September 2025.

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

Financial Highlights	Jul-Set 2025	Jul-Set 2024	%
	Rs. in Millions		
TURNOVER -Gross	3,003.55	4,662.23	-36%
Turnover-net	1,581.64	1,243.30	27%
Cost of sales	1,318.17	1,584.76	-17%
Gross profit	263.46	(341.45)	177%
Profit (Loss) before taxation	39.12	(580.23)	107%
Profit (Loss) for the period	36.97	(813.03)	105%

Economic Overview

Pakistan's economy, though showing signs of recovery, continued to face multiple challenges during the quarter under review. While inflation eased and the current account deficit narrowed, high input costs and weak consumer demand persisted. The burden of both domestic and external debt servicing remains significant. Although fiscal discipline and external account improvements offer optimism, real GDP growth continues to remain constrained in the short term.

Industry Overview

The tobacco industry in Pakistan remains under severe pressure due to the extensive presence of illicit, duty-evaded cigarette sales, which have expanded further following a sharp increase in Federal Excise Duty (FED). This measure has widened the price gap between duty-paid and non-duty-paid products, shifting consumer demand towards cheaper illicit brands. The illicit segment now represents an estimated 58% of the total market, adversely impacting legitimate manufacturers and national revenue collection.

Operational and Financial Performance

Net sales revenue during the quarter stood at Rs. 1,581.64 million, reflecting an improvement compared to Rs. 1,243.30 million in the corresponding period last year. The gross profit of Rs. 263.46 million marks a significant turnaround from the gross loss of Rs. 341.45 million in the same quarter of 2024, mainly due to better pricing and cost management in local sales.

The Company continues to strengthen its market vigilance through on-spot detection of counterfeit products and awareness initiatives involving Law Enforcement Agencies (LEAs), retailers, and consumers. The Board appreciates the Government's ongoing enforcement actions and encourages sustained efforts to ensure a level playing field for legitimate industry participants.

The Earnings Per Share (EPS) for the period was Rs. 5.34 (Profit) (basic and diluted) compared to Rs. 117.45 (loss) in the corresponding quarter last year.

Future Outlook:

The management is certain that the situation will turn around in the near future. Local cigarette and tobacco sales have improved slightly prior to period end and I am confident that the results of the next quarter will show visible improvements in cigarette sales. However, if the export trend is not restored, the liquidity position of the company may suffer.

Acknowledgment:

The board would like to thank and appreciate its employees, customers, and strategic partners for their dedication, commitment, and contribution in these challenging times. The board also extends its gratitude to our suppliers, banks, and shareholders for their unwavering support and cooperation.

The composition of the Board is as follows:

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


Pir Farhan Shah
Company Secretary

ON BEHALF OF THE BOARD




Sameera Irfan
Chief Executive Officer

30 October 2025

KHYBER TOBACCO COMPANY LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	Note	30 Sept 2025 Rupees	30 June 2025 Rupees		Note	30 Sept 2025 Rupees	30 June 2025 Rupees
SHARE CAPITAL AND RESERVES				NON CURRENT ASSETS			
Issued, subscribed and paid up share capital (ordi)nary shares of Rs. 10 each		69,226,040.00	69,226,040	Property, plant and equipment	4	2,696,915,335.00	2,737,476,813
Unappropriated Profit		2,667,427,811.00	2,626,110,412	Right of Use Asset		98,207,444.00	98,207,445
Revenue reserves		-	-	Long term deposits		21,289,802.00	20,989,802
surplus on revaluation of property-Plant and Equipment-net of tax		235,617,371.00	239,962,935			2,816,412,581.00	2,856,674,060
		2,972,271,222.00	2,935,299,387				
NON CURRENT LIABILITIES				CURRENT ASSETS			
Employee benefits		162,523,394.00	151,537,799	Stock in trade		15,524,762,269.79	10,339,543,438
Lease liability		78,148,710.00	78,148,710	Trade debts		2,386,859,203.12	957,260,888
Deferred tax liabilities-net		151,682,030.00	163,570,529	Advances, prepayments and other receivables		232,654,913.00	313,465,546
		392,354,134.00	393,257,038	Stores Spare Parts and Other inventory		33,252,549.00	23,143,300
CURRENT LIABILITIES				Advance income tax		528,004,007.00	491,087,443
Lease Liability-current		182,650,617.00	182,650,617.00	Taxes refundable		430,835,050.00	430,835,050
Trade and other payables		17,458,389,383.00	11,705,346,768	Cash and bank balances		709,567,836.00	1,311,260,839
Unclaimed dividend		16,658,510.00	16,658,510			19,845,935,827.91	13,866,596,504
Loan From Director		1,153,835,638.00	1,062,835,638				
Accrued markup on loan from sponsors-un-secured		316,652,430.88	257,686,132.00				
Provision for Taxation		169,536,474.00	169,536,474				
		19,297,723,053	13,394,714,139				
		<u>22,662,348,408.88</u>	<u>16,723,270,564</u>			<u>22,662,348,408.91</u>	<u>16,723,270,564</u>


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

KHYBER TOBACCO COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2025

		Sept 30, 2025	Sept 30, 2024
		-----Rupees-----	
Revenue from contracts with customers - net	Note 5	1,581,637,724	1,243,301,108
Cost of sales	6	<u>(1,318,174,405)</u>	<u>(1,584,755,857)</u>
Gross profit		263,463,319	(341,454,749)
Administrative expenses		(140,838,644)	(120,432,794)
Selling and Distribution cost		(40,224,567)	(61,586,094)
Impairment loss on financial assets		-	-
Other expenses		-	-
Finance cost		(59,318,987)	(56,756,828)
		<u>(240,382,198)</u>	<u>(238,775,715)</u>
Other operating income		16,034,111	-
Operating (loss) / profit		<u>39,115,232</u>	<u>(580,230,465)</u>
(Loss) / profit before income tax, final tax and minimum tax dif		39,115,232	(580,230,465)
Final tax and minimum tax differential		-	-
		<u>39,115,232</u>	<u>(580,230,465)</u>
Taxation		(2,143,397)	(232,796,449)
Profit (Loss) for the period		<u><u>36,971,835</u></u>	<u><u>(813,026,914)</u></u>
Earnings per share - basic and diluted		5.34	(117.45)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

KHYBER TOBACCO COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	Sept 30, 2025	Sept 30, 2024
	<u>Rupees</u>	
Profit / (Loss) for the period	36,971,835	(813,026,914)
Items that will not be reclassified to profit or loss:		
Surplus on revaluation of property, plant and equipment	-	-
Impact of change in tax rate on revaluation surplus	-	-
Remeasurement gain/(loss) on post retirement benefits liability	-	-
Related deferred tax	-	-
Total comprehensive income for the period	36,971,835	(813,026,914)


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

KHYBER TOBACCO COMPANY LIMITED
CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2025

Balance at 01 July 2024

Total comprehensive income/(loss) for the period

Profit/(loss) for the period

Other comprehensive income for the period

Surplus on revaluation of property, plant and equipment

- on account of incremental depreciation

- on account of disposal

Transfer from general reserves to unappropriated profit

Other comprehensive loss for the year

Balance at 30 Sept 2024

Balance at 01 July 2025

Total comprehensive income/(loss) for the period

Profit/(loss) for the period

Audit Adjustment

Other comprehensive income for the period

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

- on account of incremental depreciation

- on account of disposal

Final dividend at Re 1 per share

Transactions with owners

Shares issued as fully paid bonus shares

Balance at 30 Sept 2025

SHARE CAPITAL AND RESERVES					
Share capital	General reserve	Revaluation surplus	Reserves for issuance of bonus shares	Unappropriated profit	Total
Rupees					
69,226,040	3,312,465	281,742,430		2,342,162,638	2,696,443,573
-	-	-	-	(813,026,914)	(813,026,914)
-	-	-	-	-	-
-	-	(35,830,807)	-	35,830,807	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(35,830,807)	-	(777,196,106)	(813,026,914)
69,226,040	3,312,465	245,911,623	-	1,564,966,532	1,883,416,659
69,226,040	-	239,962,935	-	2,626,110,412	2,935,299,387
-	-	-	-	36,971,835.00	36,971,835
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(4,345,564.00)	-	4,345,564.00	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(4,345,564)	-	41,317,399	36,971,835
69,226,040	-	235,617,371	-	2,667,427,811	2,972,271,222

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

KHYBER TOBACCO COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	Sept 30, 2025	Sept 30, 2024
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	39,115,232.27	(580,230,465)
Adjustments for:		
Depreciation	72,966,950.00	67,571,567
Final tax and minimum tax differential		
Provision for staff retirement benefits	14,802,790.00	10,707,422
Accrued liabilities written back	-	
Provision for workers' profit participation fund	-	
Advance to supplier written off	-	
Impairment loss on financial assets	-	
Exchange loss / (gain) on foreign transaction	-	
Provision for workers' welfare fund		
Provision for net realisable value		
Loss on disposal of property, plant and equipment		
Finance cost	59,318,986.88	1,501,932
	<u>147,088,726.88</u>	<u>79,780,921</u>
Cash flows from operating activities before working capital changes	186,203,959.14	(500,449,544)
Working capital changes		
<i>(Increase) / decrease in current assets</i>		
(Increase) / decrease in stock in trade	(5,185,218,831.79)	(7,034,494,927)
Stores, spare parts and loose tools	(10,109,249.00)	-
(Increase)/decrease in trade debts	(1,429,598,315.12)	(644,554,358)
Decrease / (Increase) in advances and prepayments	80,810,633.00	(88,964,136)
Taxes refundable	-	-
Advance income tax	(36,916,564.00)	82,025,802
trade and other payables	5,753,042,615.00	8,212,073,603
	<u>(827,989,711.91)</u>	<u>526,085,985</u>
Cash generated from operations	<u>(641,785,752.77)</u>	<u>25,636,441</u>
Gratuity paid	(3,817,195.00)	(5,834,108)
Income tax paid	(14,268,395.23)	
Levy's paid		
Sales tax and excise duty paid		
Lease rentals paid		
Finance cost paid	(352,688.00)	(1,501,932)
WWF/WPPF	-	
Dividend paid	-	
	<u>(18,438,278.23)</u>	<u>(7,336,040)</u>
Net cash generated from operating activities	<u>(660,224,031.00)</u>	<u>18,300,401</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(32,168,972)	(79,400,914)
Additions to Intangible Assets	-	-
Proceeds from disposal of property, plant and equipment	(300,000)	
Proceeds from sale of Fixed Asset	-	
Net cash used in investing activities	<u>(32,468,972)</u>	<u>(79,400,914)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loan-Unsecured	91,000,000	161,800,000
Lease rentals paid		-
Repayment of short term loan		
	<u>91,000,000</u>	<u>161,800,000</u>
Net increase (decrease) in cash and cash equivalents	<u>(601,693,003)</u>	<u>100,699,487</u>
Effects of exchange rates on cash and cash equivalents	-	
Cash and cash equivalents at beginning of the period	<u>1,311,260,839</u>	<u>944,685,195</u>
Cash and cash equivalents at end of the period	<u><u>709,567,836</u></u>	<u><u>1,045,384,682</u></u>

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

KHYBER TOBACCO COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2025

1. THE COMPANY AND ITS 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. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These financial Statements of the Company for the period ended 30 June 2025 has been prepared in accordance with approved accounting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprises of: International Financial Reporting Standards (IFRS), issued by International Accounting Standard Board (IASB) as notified under the companies Act 2017 and Provisions 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 provision of and directives issued under the Companies Act 2017 have been followed. Details of company's accounting policies are included in note 3.

These Financial Statements have been prepared under historical cost convention except for the Property, Plant and Equipment which measured at revalued cost. These Financial Statements are presented in Pak Rupees, which is the Company's functional currency. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

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

4. CONTINGENCIES AND COMMITMENTS

Contingencies and Commitments are the same as disclosed in the annual financial statements for the year ended June 30, 2025

PROPERTY, PLANT AND EQUIPMENT

Break up of Property, Plant and Equipment is as follows:

	Un-audited Sept 2025 Rupees	Audited 30-Jun 2025 Rupees
Operating Fixed Assets	2,696,915,335	2,737,476,813
Long term deposits	21,289,802	20,989,802
Right of Use Asset	98,207,444	98,207,445
	<u>2,816,412,581</u>	<u>2,856,674,060</u>

KHYBER TOBACCO COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2025

		THREE MONTHS	
		Sept	
		2025	2024
		Rupees	Rupees
5	TURNOVER - net		
	Gross turnover		
	- Local	1,797,432,680.02	4,371,689,474
	- Export	1,206,118,298.00	290,540,360
		3,003,550,978.02	4,662,229,834
	Government levies		
	- Excise duty	1,091,840,300.00	2,694,789,800
	- Sales tax	273,785,732.02	658,621,404
		1,365,626,032.02	3,353,411,204
	Discounts	56,287,222.00	65,517,522
		1,581,637,724.00	1,243,301,108
6	COST OF SALES		
	Raw and packing material consumed	1,015,356,713.69	1,539,200,100
	Salaries, wages and benefits	31,953,753.00	75,868,086
	Fuel and power	5,684,404.00	60,591,471
	Store and Inventory consumption	5,201,591.00	4,551,986
	Repair and maintenance	402,727.00	1,316,517
	Royalty	-	-
	Rent	3,675,731.75	3,194,479
	Depreciation	68,122,969.00	63,658,940
	Insurance	-	-
	Provision for net realisable value	-	-
	Tobacco Loading & Unloading	917,906.00	-
		1,131,315,795.44	1,748,381,579
	Opening work in process	-	-
	Closing work in process	(4,487,393.79)	(2,753,688)
	Cost of goods manufactured	1,126,828,401.65	1,745,627,891
	Opening finished stock	338,853,829.21	134,918,454
	Closing finished stock	(147,507,826.00)	(295,790,487)
		1,318,174,404.86	1,584,755,857

7 Date of authorisation for issue

This unaudited condensed interim financial statements was authorized for issue by the Board of Directors of the Company in their meeting held on 30/10/2025.

8 GENERAL

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

Chief Executive

Director