



KHYBER TOBACCO
COMPANY LIMITED

FOSTERING GROWTH THROUGH INNOVATION

ANNUAL REPORT 2023



ABOUT THIS

The Khyber Tobacco Company Limited (KTC) Annual Report 2023 (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 06, 2023.

Our Report covers the period from July 1, 2022 to June 30, 2023 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, 2023 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.

SCOPE AND BOUNDARY



KHYBER TOBACCO
COMPANY LIMITED

FORWARD LOOKING STATEMENT

Our Report covers the period from July 1, 2022 to June 30, 2023 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, 2023 with relevant comparative information. The Financial Statements consistently comply with the requirements of:

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EXTERNAL ASSURANCES / REVIEWS

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

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KHYBER TOBACCO
COMPANY LIMITED



HIGHLIGHTS

EARNINGS PER SHARE

FOR THE FINANCIAL
YEAR ENDED 2023

Rs. 288.68

CONTRIBUTION TO NATIONAL EXCHEQUER

Rs. 3,195
Million

RETURN ON EQUITY

52.67%

CURRENT RATIO

1:33

23RD

TOP EXPORTER OF LISTED COMPANIES IN PAKISTAN

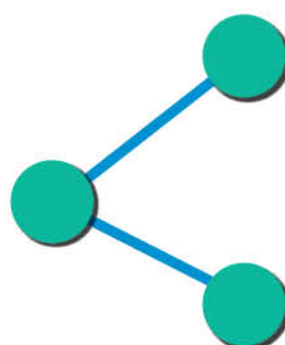
'23 Vs '22

Sales Revenue	(Rupees in Million)
- Local Sales	(Rupees in Million)
- Export Sales	(Rupees in Million)
Profit/(Loss) After Tax	(Rupees in Million)
Earning/(Loss) Per Share	(Rupees per Share)
Shareholder's Equity	(Rupees in Million)
Return on Equity	(%)
Current Ratio	

2023	2022	23 vs 22
11,378.14	4,418.91	6,959.22
5,132.32	3,196.25	1,936.07
6,245.82	1,222.67	5,023.15
1,998.40	315.45	1,682.95
288.68	65.62	223.06
3,793.94	1,764.25	2,029.69
52.67	17.88	34.79
1.33	0.98	0.35

SALES
REVENUE

Rs. 11,378
Million



LOCAL SALES

Rs. 5,132 Million - 2023
Rs. 3,196 Million - 2022

EXPORT SALES

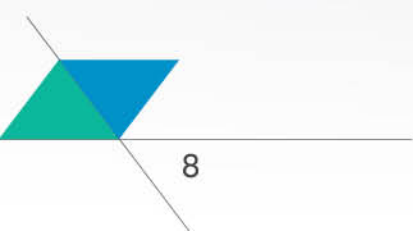
Rs. 6,246 Million - 2023
Rs. 1,223 Million - 2022

Our Vision

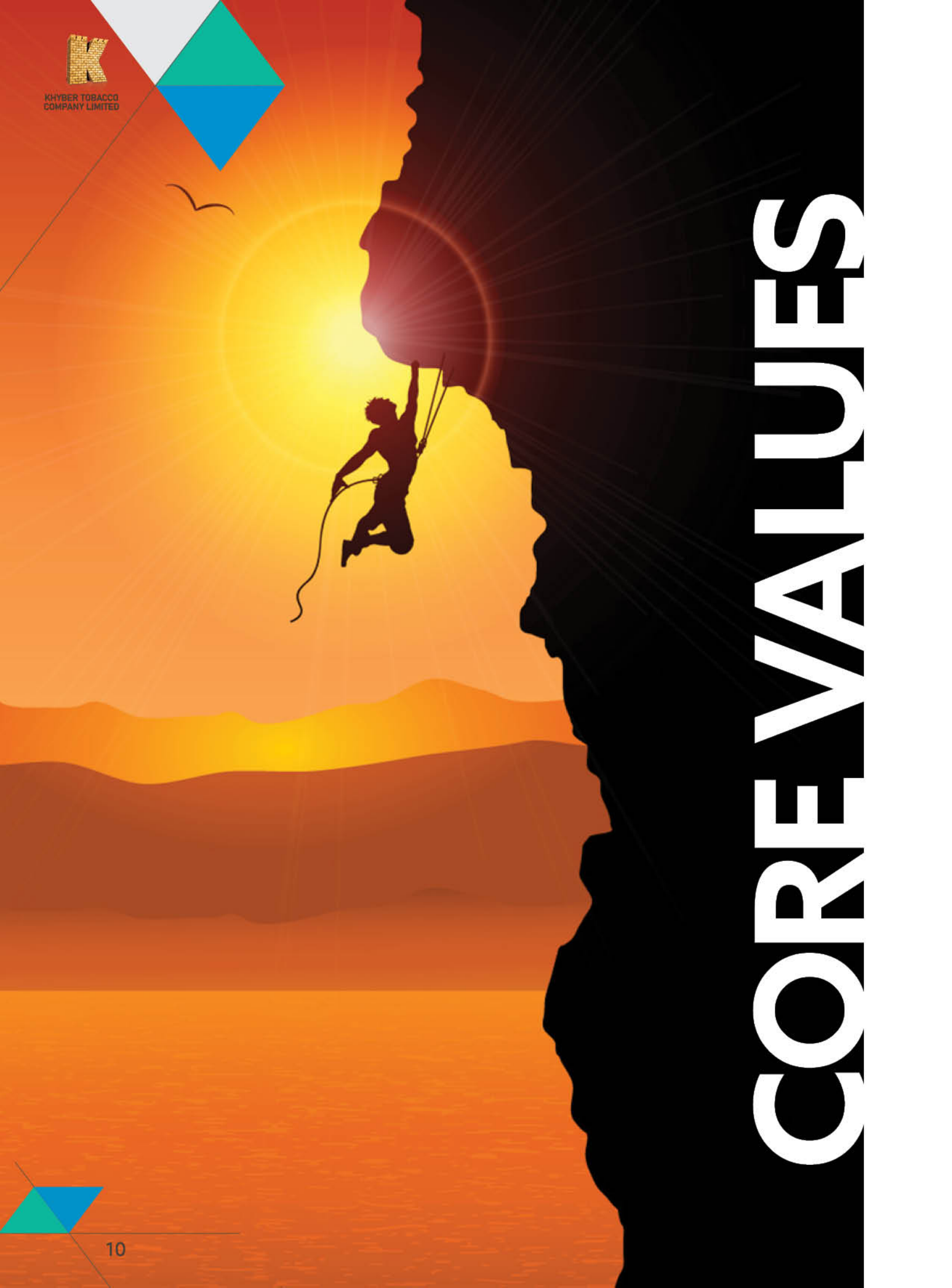
To outperform Nationally and Internationally and be on top through Teamwork, Quality, Brand Recognition and Customer Service.

Our Vision

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







CORE VALUES





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.

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.

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.

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.

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.



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE COMMITTEE

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

SENIOR MANAGEMENT

Mrs. Samera Irfan	Chief Executive
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KHYBER TOBACCO
COMPANY LIMITED

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

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

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.

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.

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.



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

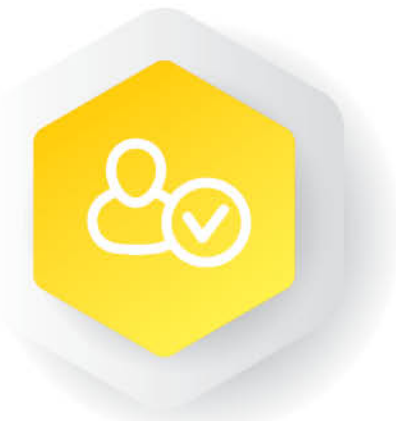
Currency Devaluation	Moderate	Increased cost base	Financial hedging to minimize exposure
		Lower operating margins	Operational synergies across value chain
		Pressure on profit growth	Cost savings initiatives
Material Price Sensitivity	Moderate	Increased cost base	Productivity initiatives
		Lower operating 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	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	Business Interruption	Business interruption plans
		Property loss	Evacuation plans and drills
		Employee safety	Safety equipment
		Financial loss	

SPECIFIC PROCESSES USED TO ESTABLISH AND MONITOR THE CULTURE OF THE COMPANY

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.



ENVIRONMENT PROTECTION

The cigarette manufacturing involves generation of the dust. To control these, KTC has installed state of the art, European origin dust control equipment. Dust from tobacco processing could be sequester and stored by trees & plants. As plants are considered lungs of the environment, a tree plant absorbs pollutant from the

surrounding atmosphere and purifies the air. Inorganic pollutants are emitted from Green Leaf Threshing Plant which have adverse environmental impact, if not controlled. These pollutants are subject to control limits, laid down by Environmental Protection Agency.



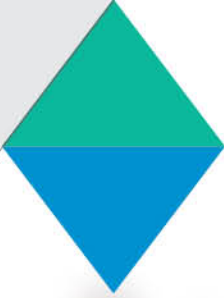


WHISTLEBLOWER POLICY

- 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.

// Suspected or actual occurrence(s) of illegal, unethical or inappropriate events (behaviors or practices) without retribution.

- 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.



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





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.

CORPORATE SOCIAL RESPONSIBILITY

Notwithstanding 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.

POLICY BRIEF & PURPOSE

Our Corporate Social Responsibility (CSR) company policy refers to our responsibility toward our environment and community. Our company's existence is not lonely. It's part of a bigger system of people, values, other organizations and nature. The social responsibility of a business is to give back to the world just as it gives to us. Our Corporate Social Responsibility (CSR) company policy outlines our efforts to give back to the world as it gives to us. We want to be a responsible business that meets the highest standards of ethics and professionalism.

SCOPE

This policy applies to our company and may also refer to suppliers and customers.

POLICY ELEMENTS

Our company's social responsibility falls under two categories: compliance and Proactiveness.

Compliance refers to our company's commitment to legality and willingness to observe community values.

Proactiveness is every initiative to promote human rights, help communities and protect our natural environment.



COMPLIANCE AND LEGALITY

Our company respects the law honor its internal policies and ensures that all its business operations are legitimate.

BUSINESS ETHICS

We will always conduct business with integrity and respect to human rights. We'll promote safety, fair dealing and respect towards the consumer anti-bribery and anti-corruption practices which are the examples of CSR. Our company recognizes the need to protect the natural environment. Keeping our environment clean and unpolluted is a benefit to all. We'll always follow best practices when disposing garbage and using chemical substances. Stewardship will also play an important role.

HUMAN RIGHTS

Our company is dedicated to protecting human rights. We are a committed equal opportunity employer and will abide by all fair labor practices. We'll ensure that our activities do not directly or indirectly violate human rights in the country (e.g. forced labor).

DONATIONS AND AID

Our company may preserve a budget to make monetary donations aiming to Promote the arts, education and community events and alleviate those in need.

VOLUNTEERING

Our company will encourage its employees to volunteer. They can volunteer through programs organized internally or externally. Our company may sponsor volunteering events from other organizations.

PRESERVING THE ENVIRONMENT

Apart from legal obligations, our company will proactively protect the environment.

COMMUNITY

Our company may initiate and support community investment and educational programs. For example, it may begin partnerships with vendors for constructing public buildings. It can provide support to nonprofit organizations or movements to promote cultural and economic development of global and local communities.

// Proactiveness is every initiative to promote human rights, help communities and protect our natural environment.



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.





KHYBER TOBACCO
COMPANY LIMITED

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.



HUMAN RESOURCE & REMUNERATION POLICY

For the Board of Directors, Board Committees, Executive Directors, Board appointees and Senior Management

OBJECTIVE:

This policy aims to set out the requirements and methodology of the determination of remuneration of the Board of Directors, the Board Committees, the Executive Directors, the Board Appointees and members of the Senior Management.

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

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. 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 creating value addition.

The BoD shall ensure that the prevailing level of remuneration of the BoD does not 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

No single member of the BoD shall determine his/her own remuneration.

REMUNERATION OF THE BOARD COMMITTEES MEMBERS

The Board of Directors (BoD) may, from time to time, determine and approve the remuneration of the members of the Board Committees for attending Board Committee meetings. Such level of remuneration shall be appropriate and commensurate with the level of responsibility and expertise offered by the members of the Board Committees, and shall be aimed at attracting and retaining members needed to govern the Board Committees successfully, and creating value addition

The BoD shall ensure that the prevailing level of remuneration of the Board Committee members does not any time compromise the independence of independent members of the Board Committees.

Members of the Board Committees may also be paid all travel/hotel/ancillary expenses related to their attendance of Board Committee meetings.

The BoD may further determine and approve additional remuneration for any member of the Board Committees for performing additional services, including holding of office of Chairman of a Board Committee.

REMUNERATION OF THE EXECUTIVE DIRECTORS

Chief Executive Officer

The remuneration of the Chief Executive Officer ("CEO"), in addition to ancillary benefits, and any amendments thereof, shall be determined and approved by the BoD, on the recommendation of the HRRC.

Other Executive Directors

The remuneration of the Executive Directors, in addition to ancillary benefits, and any amendments thereof, shall be determined and approved by the BoD, on the recommendation of the HRRC and the CEO.

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.



SWOT ANALYSIS

Strength



EFFICIENT MANAGEMENT

- Deployment of resources to create valued product and utilization of resources to achieve cost benefit economies
- Favorable Return on capital
- Favorable productivity rates

MARKETING EFFICIENCY

- Technical and economic efficiency
- Physical marketing facilities(transportation and storage)

GEOGRAPHICALLY DIVERSIFIED

- In order to reduce the overall risk and improve returns. This method can be used by company to limit and manage risk
- KTC has expanded its business internationally and hence established growth opportunities in global market
- Well established sales & marketing teams with clear KPI's

CONTROL OVER TOBACCO LEAF

- Properly packed and safely transportation from purchase centers
- Purchase of high quality tobacco
- Strong presence in tobacco cultivation area
- Well established brands
- Composite Units
- Efficient supply chain management

Weakness



WASTAGE IN MATERIAL IN PRODUCTION

- Shortage of skill to handle new technology
- Learning curve with new technology

ECONOMIES OF SCALE IN PRODUCTION

- Delay delivery of raw materials
- High inflationary effects
- Price inelasticity due to competition in local market
- Risk of breakdown of machines due to unavailability of imported spare parts



Opportunity



GROWING DEMAND OF CIGARETTES DESPITE ANTI-SMOKING CAMPAIGN

- Increase in production volume due to TNT implementation

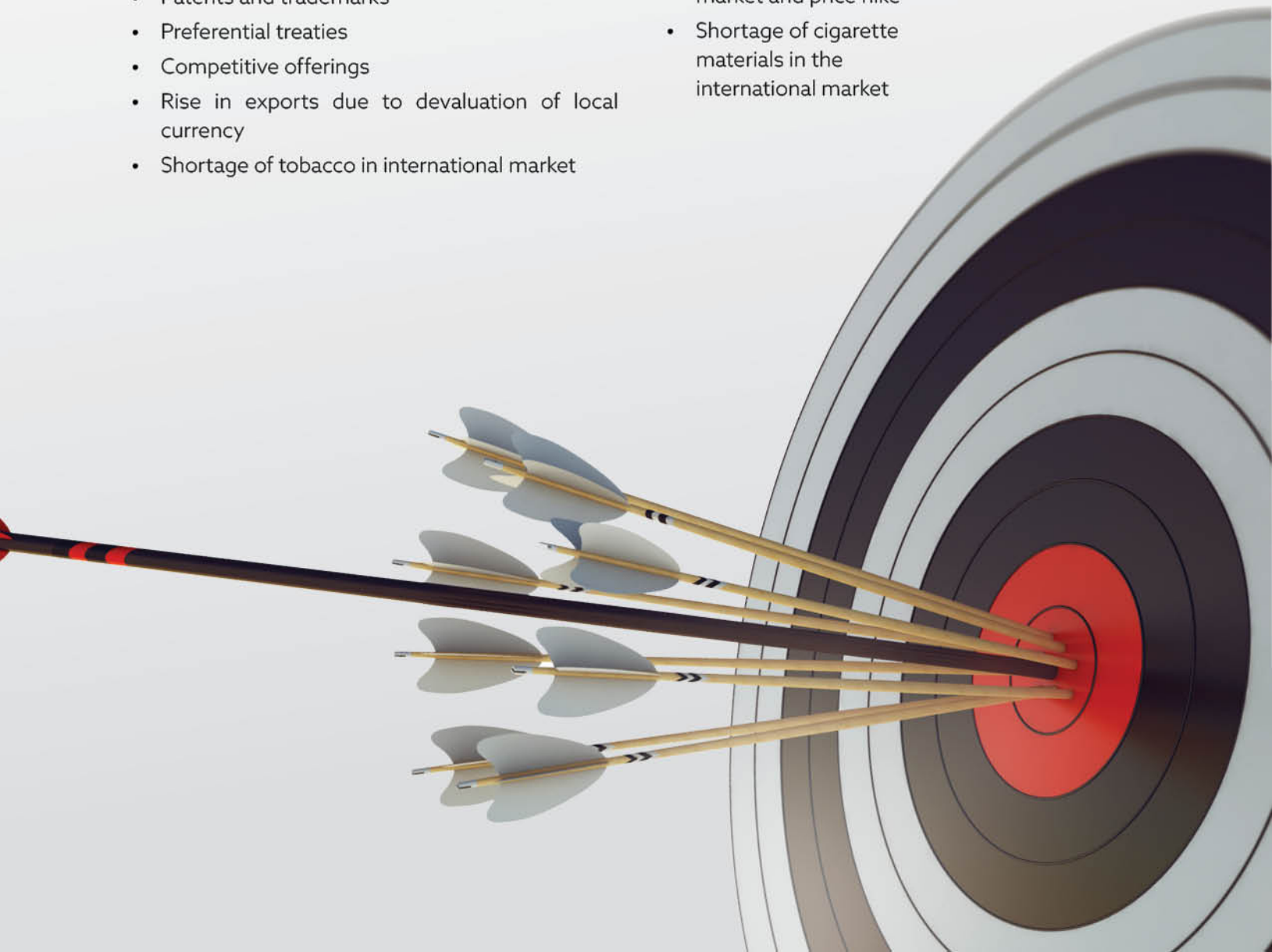
POTENTIAL FOR EXPORT

- Patents and trademarks
- Preferential treaties
- Competitive offerings
- Rise in exports due to devaluation of local currency
- Shortage of tobacco in international market

Threats



- Competition In the local market
- Increasing know how of cigarettes hazards
- Rising Taxes
- High Inflation and increase in input costs
- Increase in energy cost
- Easy availability of counterfeit and cotraband cigarettes
- Shortage of tobacco in the local market and price hike
- Shortage of cigarette materials in the international market





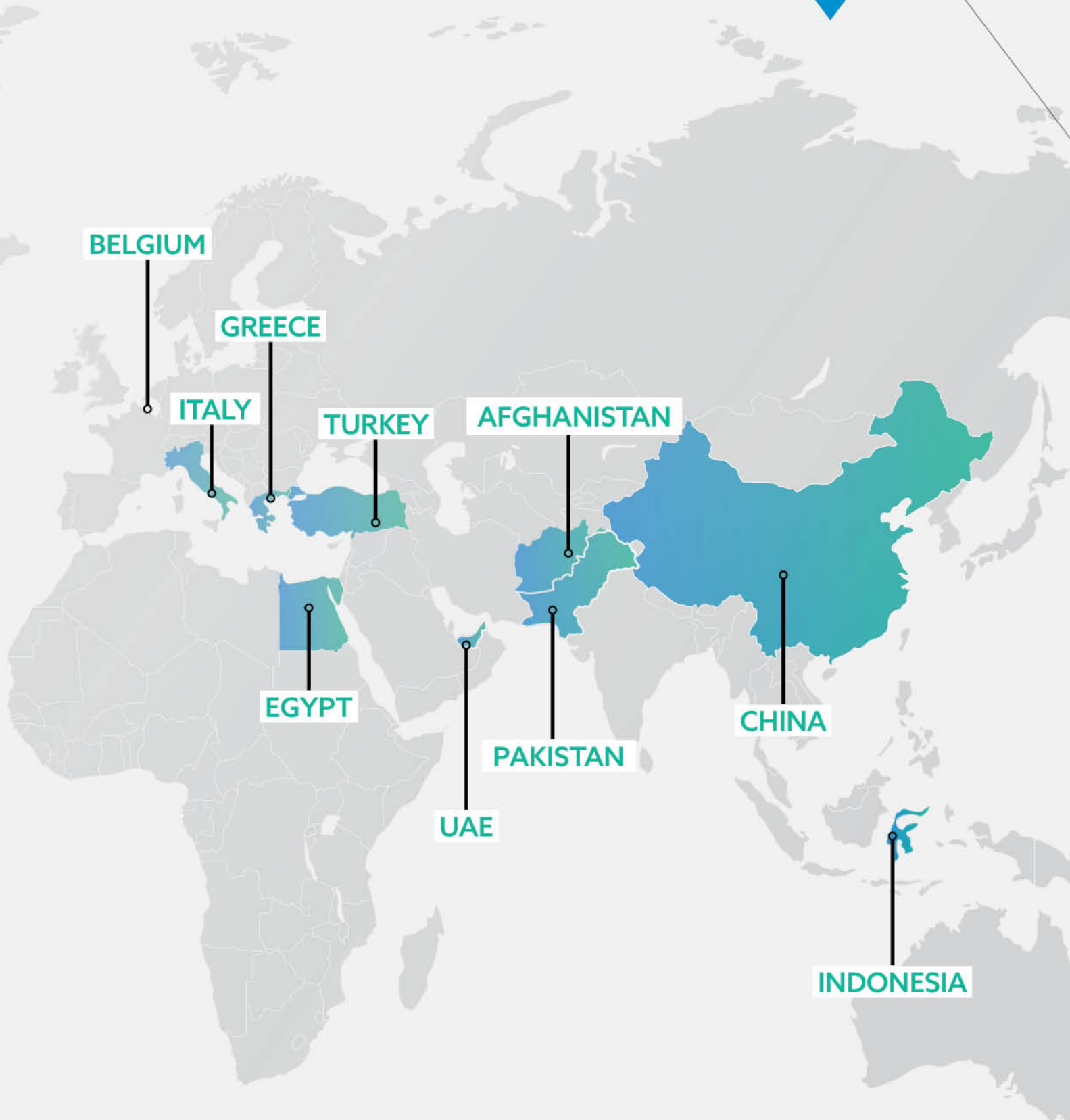
Export Portfolio

9 Export Destinations

1. China
2. Turkey
3. UAE
4. Egypt
5. Indonesia
6. Italy
7. Greece
8. Belgium
9. Afghanistan



KHYBER TOBACCO
COMPANY LIMITED



CHAIRMAN'S REVIEW

I am pleased with the performance of Khyber Tobacco Company Limited ("the Company") for the year ended June 30, 2023.

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. Despite these challenges, your Company has been able to achieve a post-tax profit of Rs. 1,998.4 million due to efficient operations, with the export of tobacco driving this success.

We are grateful to have the opportunity to fulfill our shareholders' need for sustained income during these inflationary times. As a result of our outstanding performance, the Company is pleased to announce a final cash dividend of Rs 1.00 per share, in addition to the interim 20% bonus shares that have already been issued.

The Company in the year under review contributed an amount of Rs. 3.195 billion in the form of Federal Excise Duty, Sales tax, Income tax, and other levies.

FUTURE OUTLOOK

We are confident that the current situation will improve soon. 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



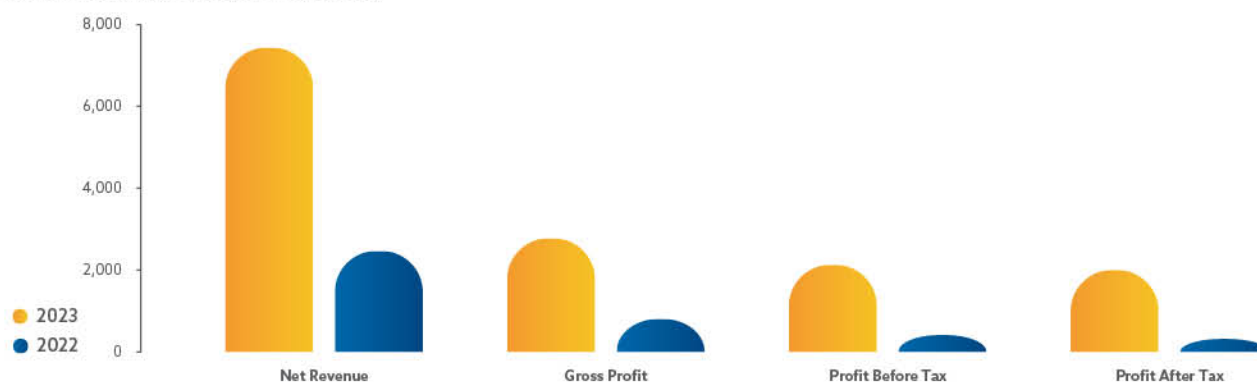
Rahat Ullah
Chairman

DIRECTORS' REPORT

I on behalf of the Board of Directors of Khyber Tobacco Company Limited take great pleasure in presenting the 68th Annual Report and the audited financial statements along with the auditors' report thereon for the year ended June 30, 2023.

THE COMPANY'S FINANCIAL RESULTS

The financial performance of the Company for the year ended 30 June 2023 as compared to the year ended 30 June 2022 has been as follows;



Production and Sales

PRODUCT	UNIT OF MEASUREMENT	PRODUCTION		SALE	
		2023	2022	2023	2022
RE-DRIED TOBACCO	KGS	6,508,107	1,764,426	6,471,719	1,626,260
CUT TOBACCO	KGS	1,988,686	1,098,700	341,881	285,100
CIGARETTES	STICKS (In Million)	1,301.11	901.46	1,121.04	892.82

Economic Overview

Amidst a global economic slowdown in 2022-23, Pakistan confronted a series of formidable economic challenges. Domestically, political uncertainty and natural disasters intensified the strain on the domestic economy, leading to double-digit inflation, currency devaluation, and a decline in foreign exchange reserves. To address the current account deficit, the State Bank of Pakistan implemented import restrictions, which adversely affected manufacturing activity and triggered multiple price increases, further squeezing consumers' disposable income.

Production Highlights

During the year under review, we are pleased to report that our production of cut tobacco increased marginally by 0.889 million kilograms compared to the previous year. Additionally, the production of cigarettes surged to 1,301.11 million sticks, up from 901.46 million sticks in the preceding 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.



OPERATIONAL HIGHLIGHTS

Throughout the year, your Company remained steadfast in its commitment to enhance productivity and efficiency across its entire value chain. Key operational initiatives that has 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 of 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

One of our notable achievements during the reporting period has been the achievement of substantial growth in exports. These initiatives yielded a remarkable increase in exports, amounting to 1,013.8 million units. This growth underscores the significant potential we see in expanding our presence in international markets, generating valuable foreign exchange inflows.

Sales Performance

Our dedication to growth extended to both local and international markets. This commitment is evident in achievement of our financial results:

Net Sales

Substantial increase in net sales has been achieved, reaching Rs. 7,434.5 million during the reporting period as compared to Rs. 2,464 million in the previous year. This growth reflects our success in increasing both local sales and exports.

FINANCIAL PERFORMANCE

Our financial performance demonstrates the positive outcomes of these efforts:

Profit Before Taxation

For the year ending on June 30, 2023, KTC achieved a profit before taxation of Rs. 2,124.15 million, a notable improvement compared to Rs. 410.35 million in the prior fiscal year.

Profit After Taxation

The Company's profit after taxation for the year ending on June 30, 2023, amounted to Rs. 1,998.4 million, reflecting growth from the previous fiscal year's figure of Rs. 315.44 million.

Earnings Per Share (EPS)

The earnings per share for the year ending on June 30, 2023, stood at Rs. 288.68 compared to the previous year's EPS of Rs. 65.62, showcasing the company's enhanced profitability.

Balance Sheet

The capital and reserves of the Company have witnessed significant growth, reflecting the Company's strong financial performance. As on June 30, 2023, the total increase in capital and reserves stands at Rs. 3,793.9 million, marking a substantial increase compared to the previous fiscal year, where the figure was Rs. 1,764.2 million.

DIRECTORS' REPORT

This impressive rise in capital and reserves can be primarily attributed to the Company's robust profitability during the current reporting period. Company's ability to generate profits has not only strengthened its financial foundation but also positioned the Company for sustained growth and stability in the future.

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 optimal levels due to its age and limited capacity. 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 the Philippines.

HEALTH, SAFETY, AND ENVIRONMENT

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

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

SOCIAL RESPONSIBILITY

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

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

We are fortunate to be in a position to contribute towards fulfilling our shareholders' needs for sustained income in these inflationary times, therefore based on outstanding results, a final dividend of Rs 1.00 per share, is being announced in addition to interim 20 % bonus shares.

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. 25.14 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.

DIRECTORS' REPORT

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
1. Mrs. Samera Irfan Chief Executive	4
2. Mr. Rahat Ullah Non-Executive Director	4
3. Mr. Pir Farhan Shah Executive Director	2
4. Mr. Pir Waris Shah Non-Executive Director	4
5. Mr. Zia Ur Rehman Non-Executive Director	3
6. Mr. Hazrat Bilal Non-Executive Director	2
7. Mr. Khalil Ur Rehman Non-Executive Director	4
8. Mrs. Sonia Farooq* Independent Director	1
9. Mr. Shahzad Javed Panni* Independent Director	1

* Only one meeting held after appointment as director.

COMMITTEES OF THE BOARD

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

REMUNERATION POLICY OF MEMBERS OF THE BOARD OF DIRECTORS

The Board has a formal policy and transparent procedures for the remuneration of directors 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.
- 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.

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 68th Annual General Meeting, our auditors, M/s Yousuf Adil & Co. Chartered Accountants have retired. Both the Audit Committee and the Board of Directors have jointly recommended the reappointment of M/s Yousuf Adil & Co. Chartered Accountants as auditors of the company until the next Annual General Meeting.

PATTERN OF SHAREHOLDING

The Pattern of Shareholding as of June 30, 2023, is part of the annual report, 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.

DIRECTORS' REPORT

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 whole heartedly acknowledge the tireless efforts of our Company's management, 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 of Directors**

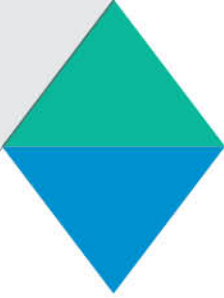


Samera Irfan
Chief Executive

CSR AWARD

Khyber Tobacco, a socially responsible corporation, actively participates in Corporate Social Responsibility (CSR) initiatives aimed at addressing pressing issues such as floods. Through their dedicated efforts, they provide immediate aid, focus on rehabilitation, and enhance community resilience in the face of natural disasters. Their commitment to social welfare and environmental stewardship has been widely acknowledged; they were honored with the Corporate Philanthropy Award by Pakistan Center of Philanthropy and secured the top position in recognition of their impactful CSR initiatives.





FREE MEDICAL CAMP AT MULTAN



Samsons Group of Companies' Post

Samsons Group of Companies
31,017 followers
11mo

Samsons Group of Companies conducted an awareness session on Breast Cancer by inviting Pink Ribbon Pakistan. As a socially responsible company, Samsons Group makes sure to continuously work for the betterment of its employees as well as aware them for their well-being and good health. 🌸 🧡

#work #health #pakistan #breastcancerawarenessmonth2022
#pinkribbon





SAMSONS GROUP OF COMPANIES



Samsons Group of Companies is a fast-growing FMCG with advanced system and respectful culture, where every employee is treated like a family member. Samsons has been engaged in different industrial concerns over some time. The quality of service that Samsons Group provides through its diversified business locally and around the globe is outstanding.

The Group is engaged in Tobacco, FMCG, Tourism, Textiles, Education, Hospitality, etc. The Group has extended its operations worldwide with an established distribution network in parts of Eastern Europe, South and West Africa, Central and South Asia and the Middle East.

The Group has been operational since a few decades and placed among the top-rated Companies. We have been earning the best exporter award for the last few years.

Our Tobacco Companies have a stronghold in the market due to the wide variety of flavors and blends that we provide. On both, National and international level, we have a strong position in the Tobacco industry.

Samsons is on continuous growth due to its clear vision and high potential.







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

Apart from general clarifications requested by the shareholders about the Company's financial performance and published financial statements during the 67th Annual General Meeting held on October 28, 2022, no significant issue was raised.

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.

OTHER CORPORATE GOVERNANCE

Designated contact numbers and email address of the Company / Regulator is disseminated among investor through company broadcasts.

BOARD MEMBERS' CONFLICT OF INTEREST

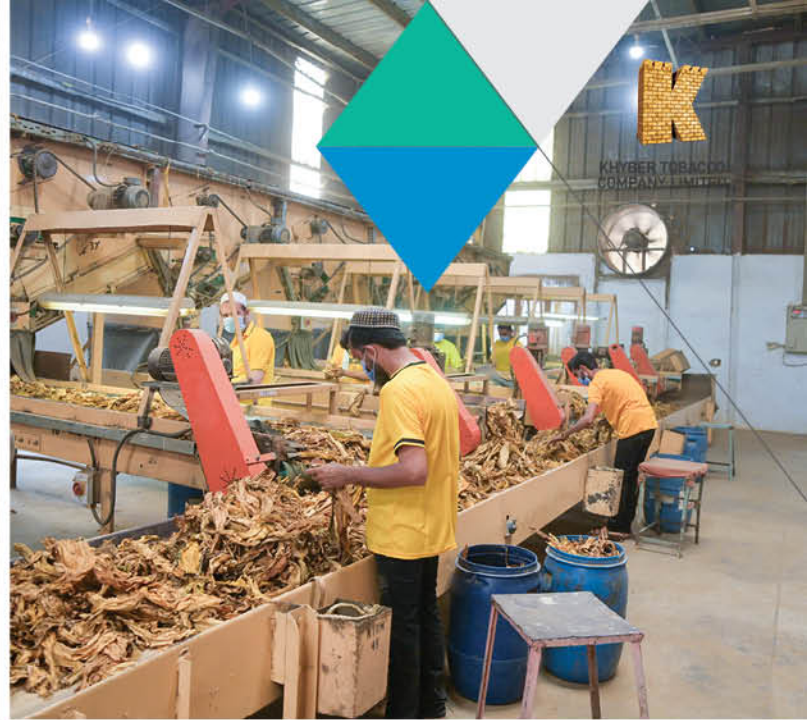
Following the guidelines of the code of conduct, every Director on the Board is required to disclose about his interest in any contract, agreement or appointment etc (if any). Any conflict of interest relating to members of Board of directors is dealt as per provisions of Companies Act, 2017 and rules and regulations of SECP and Pakistan Stock Exchange. However, no conflict among the members was raised during the year.

DIRECTORS TRAINING PROGRAMME

The Company ensures that it congregates requirements of Securities & Exchange Commission of Pakistan (SECP) and meets the terms of criteria of Directors' Training Program (DTP) by attaining certification. As the election of directors was held as at February 16, 2023, the remaining two (02) director shall obtain certification under the DTP in due course of time.

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.



ACHIEVEMENTS & CERTIFICATES





EDUCATION SECTOR

We at SAMSONS Group of Companies are committed to bringing change in the education sector by imparting quality education to the next generation of the country. Been engaged in the education sector for the past 15 years, SAMSONS Group has built an infrastructure of schools, aiming to improve the standard and quality of education.

The SAMSONS Education vertical owns and operates ten schools in Pakistan. SAMSONS has provided high quality education to thousands of children to realize their potential, for over 14 years.





STATEMENT OF COMPLIANCE

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

Name of Company: KHYBER TOBACCO COMPANY LIMITED

Year Ended: June 30, 2023

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

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

Gender	Number
Male	5
Female	2

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

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

The Company couldn't round up independent director's fraction as one because 0.33 is not equal to one. Further, the existing independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations

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

9. The following five (05) directors have obtained certification under the Directors' Training Program;

- 1- Mr. Zia Ur Rehman
- 2- Ms. Sonia Farooq
- 3- Ms. Samera Irfan
- 4- Mr. Pir Waris Shah
- 5- Mr. Khalil Ur Rehman

As the election of directors was held as at February 16, 2023, the remaining two (02) director shall obtain certification under the DTP in due course of time.

10. Position of CFO remained vacant during the year. The board has approved appointment of Head of Internal Audit, including its remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. The financial statements of the Company were duly endorsed by the Company Secretary in place of CFO, before approval of the Board;

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

a. Audit Committee

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

b. Human Resource & Remuneration Committee

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

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

14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:

a. Audit Committee: Four meetings during the financial year ended June 30, 2023

b. HR and Remuneration Committee: One meeting during the financial year ended June 30, 2023.

15. The board has outsourced the internal audit function to Shahid Ahmed & Co. who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of

STATEMENT OF COMPLIANCE

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

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, chief financial officer, head of internal audit, company secretary or director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirement, other than regulations 3,6,7,8,27,32,33 and 36 are below:

Sr. No	Non-Mandatory Requirement	Explanation	Regulation No.
1	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee.	29(1)
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(1)
3	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.	Currently, the board has not appointed any CFO as per the Requirement who shall perform duties as per the Code	20, 25, 26



Mr. Rahat Ullah
Chairman

Mardan
October 06, 2023

NOTICE OF 68TH ANNUAL GENERAL MEETING

Notice is hereby given that the 68th Annual General Meeting of the members of Khyber Tobacco Company Limited will be held on Saturday , 28th October 2023 at 11.00 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, 2023 together with the Chairman's Review, Directors' and Auditors' Reports thereon.
2. To appoint Auditors for the year ending 30 June 2024 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 approve the final cash dividend @ Rs. 01 per share i.e.10 % for the year ended 30 June 2023 as recommended by the Board of Directors.
4. To transact any other business with the permission of the Chair.

In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following weblink and QR enabled code:

<https://www.khybertobacco.com/financial-statements/>



By Order of the Board



Pir Farhan Shah

Company Secretary

Mardan

October 06, 2023

NOTICE OF 68TH ANNUAL GENERAL MEETING

NOTES:

1. Closure of Share Transfer books:

The Share Transfer Books of the Company will remain closed from 21st October 2023 to 28th October 2023 (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 20th October, 2023 will be in time to determine the above mentioned entitlement.

2. Participation in the Annual General meeting:

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

3. Guidelines for CDC Accountholders:

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 subaccount 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, 2023 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.

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 down loaded from Company website mentioned above.

MALAM JABBA SKI RESORT



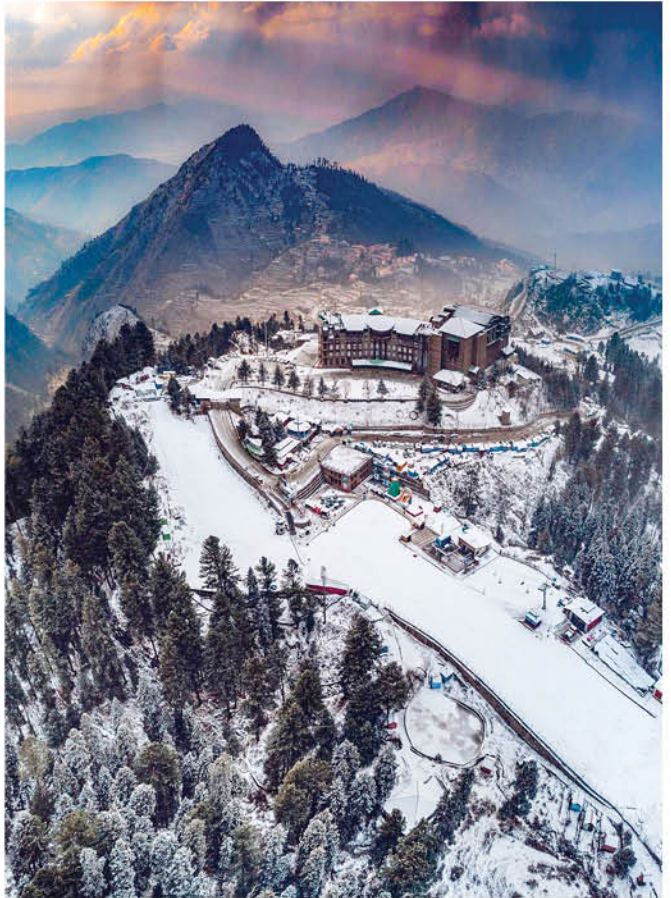
Inauguration: Malam Jabba Ski Resort was officially inaugurated in September 2016, marking a significant addition to the region's tourism and recreational offerings.

Location and Elevation: The resort is nestled at a picturesque vantage point, perched at an impressive altitude of 9,200 feet above sea level. This elevated location provides visitors with not only a delightful escape from the ordinary but also an opportunity to experience the stunning natural beauty of the Swat and Shangla valleys.

Recreational Activities: Malam Jabba Ski Resort is more than just a scenic spot; it's a hub for adventure and leisure. Visitors can indulge in the thrilling sport of skiing on the resort's well-maintained slopes. Additionally, the resort offers a range of local specialties, providing a delightful culinary experience that complements the natural beauty of the area.

Breathtaking Scenery: One of the resort's main attractions is the breathtaking view it affords. As guests explore the surroundings or engage in winter sports, they are treated to panoramic vistas of the Swat and Shangla valleys. This majestic scenery makes Malam Jabba Ski Resort an unforgettable destination for those seeking both adventure and natural beauty.





CALENDAR OF MAJOR EVENTS

Commercial Production of
High Speed Machine
(Cigarette Making Machine)
July 14, 2022

Issuance of 20%
Bonus Shares
October 8, 2022

Board Meeting
Year Ended
October 8, 2022

Annual General
Meeting
October 28, 2022

Board Meeting
Quarter 1
October 31, 2022

Extra Ordinary General Meeting
(Election of Directors)
February 16, 2023

Board Meeting
Quarter 2
March 1, 2023

Board Meeting
Quarter 3
April 29, 2023

Issuance of 20%
Bonus Shares
April 29, 2023

Commercial Production
High Speed Machine
(Cigarette Packing Machine)
June 07, 2023

FINANCIAL PERFORMANCE

		2023	2022	2021	2020	2019	2018
Financial Performance- Profitability							
Gross Profit Margin	%	37.28	32.55	13.52	17.39	16.59	43.96
Net Profit Margin	%	26.88	21.62	(2.21)	2.11	(3.58)	17.75
Return on equity	%	52.67	17.88	(5.58)	2.97	(3.03)	14.87
Operating Performance- Liquidity							
Total Asset Turnover	Time	1.11	0.54	0.40	0.82	0.56	0.62
Fixed Asset Turnover	Time	3.10	1.45	1.11	2.56	1.66	1.69
Inventory Turnover	Time	2.61	1.16	1.22	2.26	1.32	0.99
Inventory Turnover	Days	139.99	314.98	300.17	161.33	275.60	367.80
Receivable turnover	Time	6.83	5.21	4.31	5.80	3.92	3.03
Receivable turnover	Days	53.42	70.08	84.68	62.96	93.23	120.54
Payable Turnover	Time	2.06	2.30	2.33	5.35	6.55	5.96
Payable Turnover	Days	177.26	158.82	156.46	68.21	55.73	61.24
Current Ratio		1.33	0.98	0.97	1.51	2.64	2.94
Quick Ratio		0.87	0.47	0.49	0.89	1.36	1.20
Capital Market/Capital Structure Analysis							
Earning per share (pre tax)	Rs	306.84	85.36	(17.28)	8.74	(12.17)	59.10
Earning per share (after tax)	Rs	288.68	65.62	(14.28)	8.02	(7.96)	41.57
Debt: equity	Rs	1.03	2.20	1.77	1.00	0.48	0.44

	2023	2022	2021	2020	2019	2018
	Rupees in Million					
Summary of Balance sheet						
Share Capital	69.23	48.07	48.07	48.07	48.07	48.07
Shareholder's funds/Equity	3,793.94	1,764.25	1,230.96	1,298.47	1,262.99	1,343.91
Capital employed	3,793.94	1,764.25	1,230.96	1,298.47	1,262.99	1,343.91
Property, plant & Equipment	2,744.66	2,043.14	1,379.78	818.90	610.79	674.44
Long term assets	6.24	4.95	1,384.54	823.55	621.65	679.17
Net Current Assets	4,968.92	3,602.37	2,026.89	1,778.78	1,244.92	1,255.41
Summary of Profit and Loss						
Sale	7,434.55	2,464.71	1,216.04	1,828.70	1,070.17	1,125.70
Gross Profit	2,771.80	802.27	164.35	318.04	177.56	494.86
Operating Profit/(Loss)	2,179.47	532.75	(26.93)	61.93	(12.39)	293.71
Profit/(Loss) before tax	2,124.15	410.35	(83.08)	42.01	(58.52)	284.13
Profit/(Loss) after tax	1,998.40	315.45	(68.65)	38.54	(38.27)	199.86
Summary of Cash Flows						
Net cash flow from operating activities	2,686.49	204.30	236.63	(43.32)	261.76	86.44
Net cash flow from investing activities	(909.50)	(508.74)	(665.32)	(286.23)	(60.88)	(92.34)
Net cash flow from financing activities	(1,369.86)	425.50	905.40	140.00	-	-
Changes in cash and cash equivalents	407.12	121.07	476.71	(189.55)	200.88	(5.90)
Cash and cash equivalents- Year end	1,086.48	679.36	558.29	81.58	277.92	77.04

VERTICAL ANALYSIS

	Rs	2023	Rs	2022
Profit and Loss Account				
Net Sales	7,434.55	100.00	2,464.71	100.00
Cost of Sales	4,662.75	62.72	1,662.44	67.45
Gross Profit	2,771.80	37.28	802.27	32.55
Administrative Expenses	237.12	3.19	149.22	6.05
Distribution Cost	293.25	3.94	117.65	4.77
Other Operating Expenses	61.95	0.83	2.64	0.11
Operating Profit	2,179.47	29.32	532.75	21.62
Finance Cost	454.51	6.11	160.77	6.52
Other Operating Income	399.20	5.37	38.37	1.56
Profit before Taxation	2,124.15	28.57	410.35	16.65
Taxation	125.75	1.69	94.91	3.85
Profit for the Year	1,998.40	26.88	315.45	12.80
Balance Sheet				
Share Capital & Reserves	3,793.94	49.15	1,764.25	31.22
Non-Current Liabilities	193.75	2.51	209.56	3.71
Current Liabilities	3,732.12	48.34	3,676.65	65.07
Total Equity and Liabilities	7,719.82	100.00	5,650.46	100.00
Non-Current Assets	2,750.89	35.63	2,048.09	36.25
Current Assets	4,968.92	64.37	3,602.37	63.75
Total Assets	7,719.82	100.00	5,650.46	100.00

Rs	2021	Rs	2020	Rs	2019	Rs	2018
1,216.04	100.00	1,828.70	100.00	1,070.17	100.00	1,125.70	100.00
1,051.69	86.48	1,510.67	82.61	892.62	83.41	630.84	56.04
164.35	13.52	318.04	17.39	177.56	16.59	494.86	43.96
126.37	10.39	136.88	7.48	120.92	11.30	171.58	15.24
54.77	4.50	101.83	5.57	83.91	7.84	54.81	4.87
10.14	0.83	32.32	1.77	29.50	2.76	20.60	1.83
(26.93)	(2.21)	47.01	2.57	(56.77)	(5.30)	247.87	22.02
54.09	4.45	19.91	1.09	46.13	4.31	9.57	0.85
18.75	1.54	14.91	0.82	44.38	4.15	45.84	4.07
(62.28)	(5.12)	42.01	2.30	(58.52)	(5.47)	284.13	25.24
(14.43)	(1.19)	3.48	0.19	2.96	0.28	84.27	7.49
(47.84)	(3.93)	38.54	2.11	(61.48)	(5.74)	199.86	17.75
1,230.96	36.08	1,298.47	49.90	1,262.99	67.66	1,343.91	69.47
97.94	2.87	123.03	4.73	131.31	7.03	163.47	8.45
2,082.54	61.05	1,180.83	45.38	472.26	25.30	427.20	22.08
3,411.43	100.00	2,602.33	100.00	1,866.57	100.00	1,934.58	100.00
1,384.54	40.59	823.55	31.65	621.65	33.30	679.17	35.11
2,026.89	59.41	1,778.78	68.35	1,244.92	66.70	1,255.41	64.89
3,411.43	100.00	2,602.33	100.00	1,866.57	100.00	1,934.58	100.00

HORIZONTAL ANALYSIS

	Rs	2023	Rs	2022
Profit and Loss Account				
Net Sales	7,434.55	660.44	2,464.71	218.95
Cost of Sales	4,662.75	739.13	1,662.44	263.53
Gross Profit	2,771.80	560.11	802.27	162.12
Administrative Expenses	237.12	138.20	149.22	86.97
Distribution Cost	293.25	535.02	117.65	214.65
Other Operating Expenses	61.95	300.71	2.64	12.83
Operating Profit	2,179.47	879.29	532.75	214.94
Finance Cost	454.51	4,747.87	160.77	1,679.45
Other Operating Income	399.20	870.89	38.37	83.71
Profit before Taxation	2,124.15	747.59	410.35	144.42
Taxation	125.75	149.23	94.91	112.62
Profit for the Year	1,998.40	999.88	315.45	157.83
Balance Sheet				
Share Capital & Reserves	3,793.94	282.31	1,764.25	131.28
Non-Current Liabilities	193.75	118.53	209.56	128.19
Current Liabilities	3,732.12	873.62	3,676.65	860.64
Total Equity and Liabilities	7,719.82	399.04	5,650.46	292.08
Non-Current Assets	2,750.89	405.04	2,048.09	301.56
Current Assets	4,968.92	395.80	3,602.37	286.95
Total Assets	7,719.82	399.04	5,650.46	292.08

	Rs	2021	Rs	2020	Rs	2019	Rs	2018
	1,216.04	108.02	1,828.70	162.45	1,070.17	95.07	1,125.70	100.00
	1,051.69	166.71	1,510.67	239.47	892.62	141.50	630.84	100.00
	164.35	33.21	318.04	64.27	177.56	35.88	494.86	100.00
	126.37	73.65	136.88	79.77	120.92	70.47	171.58	100.00
	54.77	99.93	101.83	185.78	83.91	153.09	54.81	100.00
	10.14	49.22	32.32	156.87	29.50	143.19	20.60	100.00
	(26.93)	(10.87)	47.01	18.97	(56.77)	(22.90)	247.87	100.00
	74.89	782.32	19.91	208.02	46.13	481.88	9.57	100.00
	18.75	40.90	14.91	32.54	44.38	96.82	45.84	100.00
	(83.08)	(29.24)	42.01	14.79	(58.52)	(20.60)	284.13	100.00
	(14.43)	(17.13)	3.48	4.12	2.96	3.51	84.27	100.00
	(68.65)	(34.35)	38.54	19.28	(61.48)	(30.76)	199.86	100.00
	1,230.96	91.60	1,298.47	96.62	1,262.99	93.98	1,343.91	100.00
	97.94	59.91	123.03	75.26	131.31	80.33	163.47	100.00
	2,082.54	487.48	1,180.83	276.41	472.26	110.55	427.20	100.00
	3,411.43	176.34	2,602.33	134.52	1,866.57	96.48	1,934.58	100.00
	1,384.54	203.86	823.55	121.26	621.65	91.53	679.17	100.00
	2,026.89	161.45	1,778.78	141.69	1,244.92	99.16	1,255.41	100.00
	3,411.43	176.34	2,602.33	134.52	1,866.57	96.48	1,934.58	100.00



QUARTERLY ANALYSIS

FOR THE YEAR ENDED 30 JUNE 2023

	Q1 Rupees	Q2 Rupees	Q3 Rupees	Q4 Rupees	Total
Turnover-net	1,791,503,889	1,261,609,382	2,726,861,723	1,654,572,893	7,434,547,887
Cost of sales	(1,157,951,264)	(757,965,862)	(1,787,763,707)	(959,071,572)	(4,662,752,405)
Gross profit	633,552,625	503,643,520	939,098,016	695,501,321	2,771,795,482
Administrative expenses	(69,832,791)	(46,496,783)	(72,696,551)	(48,097,883)	(237,124,008)
Impairment loss on financial assets	-	-	-	(61,954,517)	(61,954,517)
Selling and Distribution cost	(56,350,053)	(78,171,413)	(35,656,797)	(123,070,526)	(293,248,789)
					-
Other expenses	(7,064,668)	(48,020,392)	(13,045,506)	(109,740,556)	(177,871,122)
Finance cost	(89,005,577)	(59,212,258)	(121,265,728)	(7,156,790)	(276,640,353)
					-
Other operating income	12,010,000	68,421,509	77,287,381	241,477,828	399,196,718
Profit (Loss) before taxation	423,309,536	340,164,183	773,720,815	586,958,877	2,124,153,411
Taxation	(17,762,684)	(66,577,884)	(99,692,367)	58,280,381	(125,752,554)
Profit (Loss) for the period	405,546,852	273,586,299	674,028,449	645,239,258	1,998,400,857
Earnings (Loss) per share - basic and diluted	84.36	47.43	116.84	93.21	288.68
					-
Tobacco Production-(Kg)	1,065,624	5,440,834	990,358	998,328	8,495,144
Tobacco Sale Export-(Kg)	-	2,773,841	2,980,474	975,404	6,729,719
Tobacco Sale Local-(Kg)	27,281	11,900	28,200	16,500	83,881
Cigarette Production-(Carton)	43,556	29,302	19,377	23,097	115,332
Cigarette Sale-(Carton)	29,550	32,903	27,078	18,564	108,095

QUARTERLY ANALYSIS OF TAXES PAID TO GOVT EXCHEQUER

	Q1 Rupees	Q2 Rupees	Q3 Rupees	Q4 Rupees	Total
Tax Head					
Sales Tax	81,446,483	125,716,974	15,961,796	75,590,654	298,715,907
Federal Excise Duty	452,718,750	780,512,000	604,203,560	1,059,652,225	2,897,086,535
Cess-Provincial	10,909,072	10,000,000	10,000,000	10,800,000	41,709,072
Cess-Pakistan Tobacco Board	7,840,920	17,092,438	-	5,061,791	29,995,149

OTHER STATEMENTS

ROE	(Net Profit/Revenues)*(Revenues/Total Assets)*(Total Assets/Shareholders Equity)
Net Profit/Revenue =	0.27
Revenues/Total Assets=	0.96
Total Assets/Shareholders Equity=	2.03
ROE	%age 52.67

FREE CASH FLOW STATEMENT FOR LAST 6 YEARS

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Net cash provided by operating activities	2,686,486,368	204,301,808	236,630,180	(43,322,740)	261,763,149	86,439,035
Less: Capital additions & Investment	(2,279,367,031)	(83,235,741)	240,081,405	(146,227,350)	(60,884,730)	(92,342,901)
Add: Net Debt Issued	-	-	-	-	-	-
FCF Total	407,119,337	121,066,067	476,711,585	(189,550,090)	200,878,420	(5,903,866)

SUMMARY OF CASH FLOW STATEMENT FOR LAST 6 YEARS

	2023	2022	2021	2020	2019	2018
Profit / (loss) before taxation	2,124,153,411	410,354,534	(83,077,291)	42,012,780	(58,520,783)	28,413,266
Net cash flow from operating activities	3,072,691,115	235,228,879	259,361,206	(43,322,740)	456,571,640	86,439,035
Net cash flow from investing activities	(909,502,669)	(508,735,741)	(665,318,595)	(286,227,350)	(60,884,729)	(92,342,901)
Net cash generated from financing activities	(1,369,864,362)	425,500,000	905,400,000	140,000,000	-	-
Net increase/(decrease) in cash and cash equivalents	407,119,337	121,066,067	476,711,585	(189,550,090)	200,878,419	(5,903,866)
Cash and cash equivalents at beginning of the period	679,358,847	558,292,780	81,581,195	271,131,285	77,042,866	82,946,732
Cash and cash equivalents at end of the period	1,086,478,184	679,358,847	558,292,780	81,581,195	277,921,285	77,042,866

CASH FLOWS ANALYSIS

FOR THE YEAR ENDED 30 JUNE 2023

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.

1. NET CASH GENERATED FROM OPERATING ACTIVITIES

Cash flows from operating activities have displayed a consistently positive trajectory over the years. Notably, there has been a remarkable increase of 1215%, rising from Rs. 204 million in 2022 to Rs. 2.6 billion in 2023. This substantial growth can be primarily attributed to the upsurge in export sales, coupled with enhanced profitability and the successful implementation of an effective cash management strategy.

2. NET CASH GENERATED FROM INVESTING ACTIVITIES

In the year 2023, there was a net cash outflow resulting from investing activities. This outflow can be primarily attributed to the acquisition of a state-of-the-art packing machine, which amounted to Rs. 1 billion. (Rs. 508 million in 2022 vs Rs. 909 million in 2023).

3. NET CASH GENERATED FROM FINANCING ACTIVITIES

In the year 2023, there was a net cash outflow resulting from financing activities. This outflow can be primarily attributed to the repayment of loans to sponsors. In the corresponding year 2022, there was a net cash inflow from financing activities resulting from loans taken from sponsors (Rs. 425 million inflows in 2022 vs Rs. 1.3 billion outflows in 2023).

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;

	30/09/2022	31/12/2022	31/03/2023	30/06/2023
Total Outstanding Shares	4,807,364	5,768,836	5,768,836	6,922,604
Less: Government Holdings	-	-	-	-
Less: Shares held by Directors/Sponsors/ Senior Management Officers and their associates	-	-	-	-
Less: Shares in Physical form	4,231,050	5,056,951	5,033,599	6,010,202
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	576,314	711,885	735,237	912,402



Company Secretary



Chief Executive

SAMSONS TRUST HOSPITAL



SAMSONS Group of Companies through its hospital is providing quality healthcare facilities in the area of Mardan. Samsons Hospital provides access to quality healthcare facilities to people in Mardan and neighboring areas in order to improve the overall quality of life.

Samsons Hospital is an initiative to provide subsidized healthcare facilities, while maintaining quality standards for the improvement of the society as a whole.



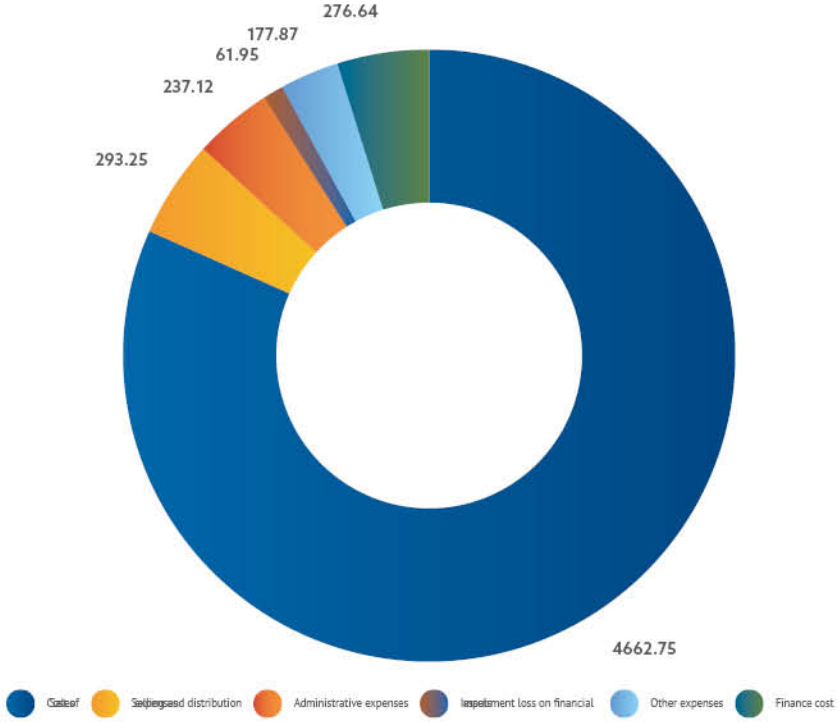


STATEMENT OF VALUE ADDITION

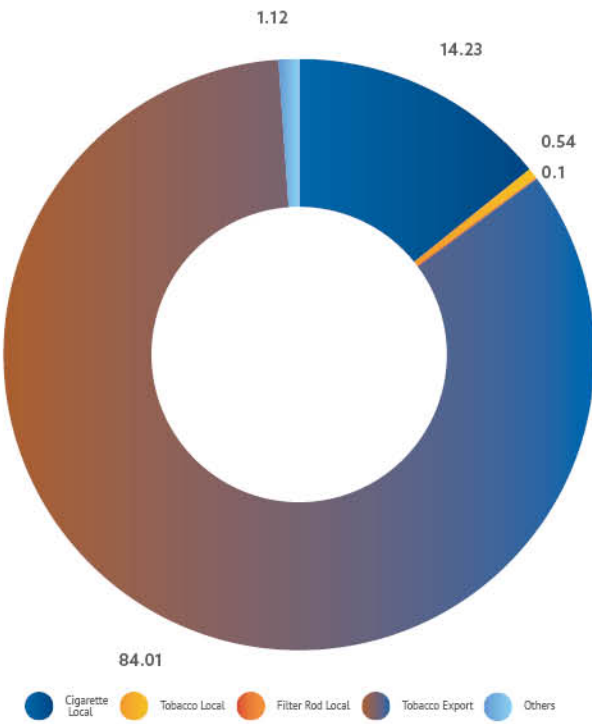
WEALTH GENERATED	2023		2022	
	Rupees	%	Rupees	%
Gross sales	11,378,136,547	100%	4,418,912,216	100%
WEALTH DISTRIBUTED				
Bought in material and services	4,300,065,559	37.79%	1,400,093,735	31.68%
To employees				
Salaries, Benefits and other costs	371,733,451	3.27%	259,087,621	5.86%
To Government				
Income tax, sales tax, FED and others	4,012,438,740	35.26%	1,935,011,487	43.79%
To Society				
Donations	2,400,000	0.02%	426,371	0.01%
To Providers of Capital				
Dividend	-	0.00%	-	0.00%
To Company				
Depreciation for the period	168,355,772	1.48%	136,330,998	3.09%
Retained Profit	2,523,143,025	22.18%	687,962,005	15.57%
	11,378,136,547	100%	4,418,912,217	100%

COST & SALES BREAKUP ANALYSIS

Breakup of Costs
(Rupees in Millions)



Breakup of Sales
(Percentage)





ITHFZ
MILLS LIMITED

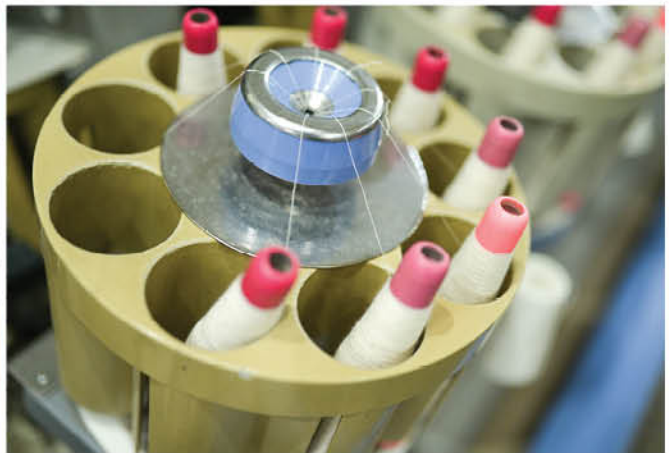
ITHFZ TEXTILE

ITHFZ Textile was founded in the year 2005, and it is situated in Gadoon Amazai.

Production Capacity: The Company boasts a substantial production capacity of 25,800 spindles. These spindles are utilized to manufacture high-quality yarn, renowned for its excellence in export markets.

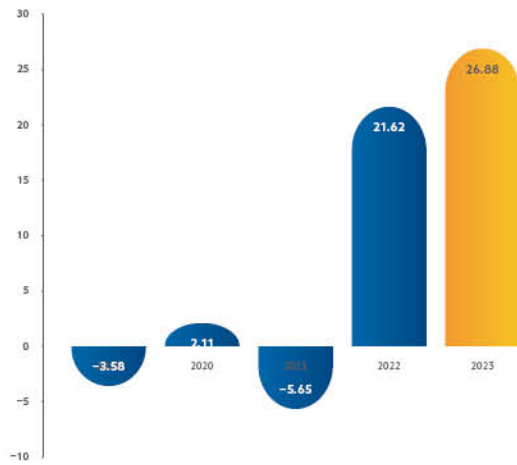
Technological Partnership: ITHFZ Textile is a prominent technological partner in collaboration with Reiter, a recognized industry leader. This partnership plays a pivotal role in maintaining and upholding stringent quality standards throughout the production process. The expertise and resources brought forth by this alliance are instrumental in ensuring that ITHFZ Textile consistently delivers top-notch products to its clients and remains at the forefront of the textile industry.



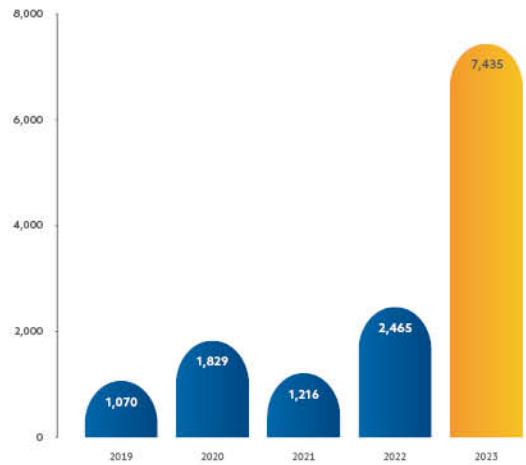


GRAPHICAL ANALYSIS

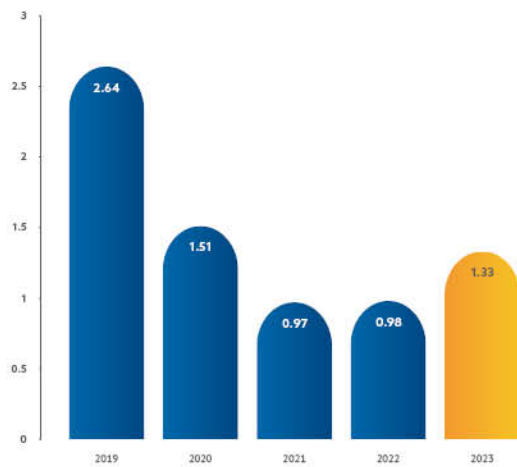
Net Profit Margin (Percentage)



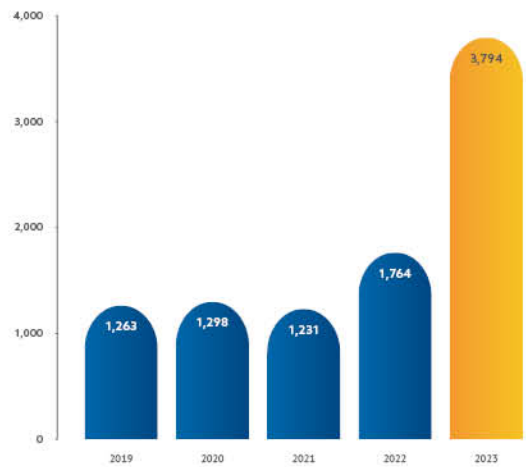
Net sales (Rs. In Million)



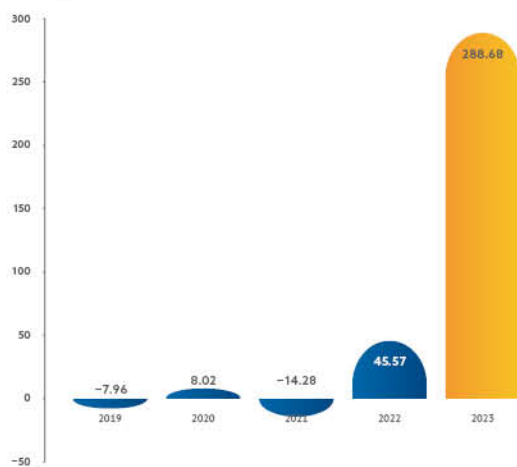
Current Ratio (Times)



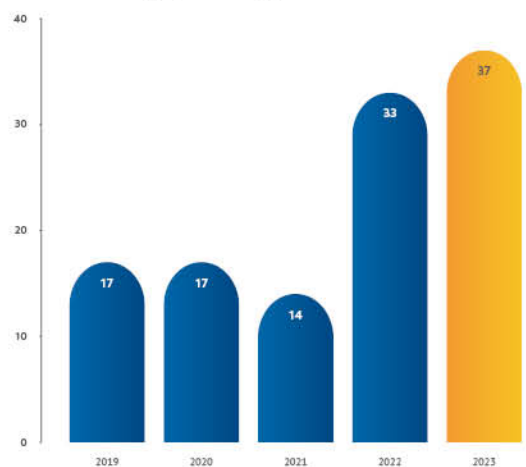
Shareholder's Equity (Rs. In Million)



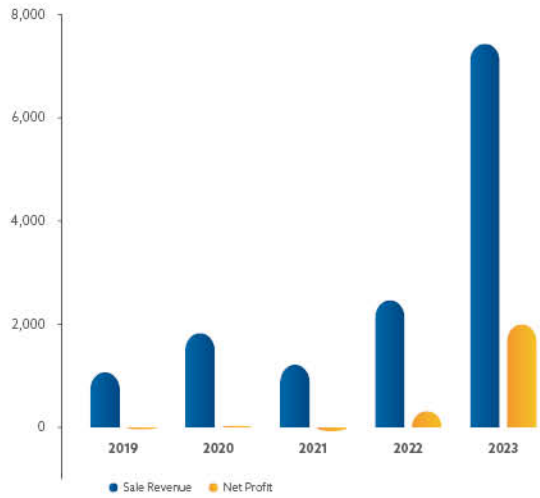
Earning Per Share after tax (Rs)



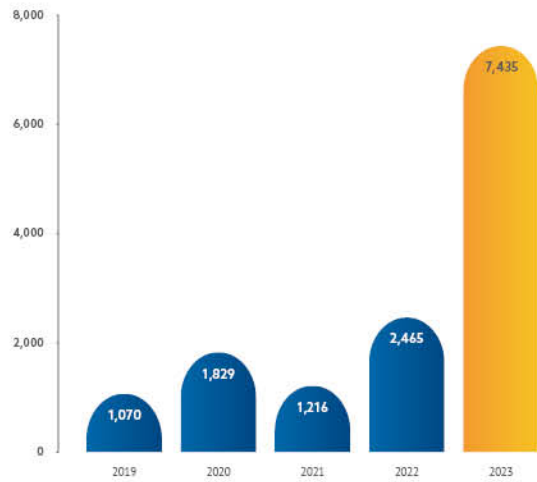
Gross Profit Margin (Percentage)



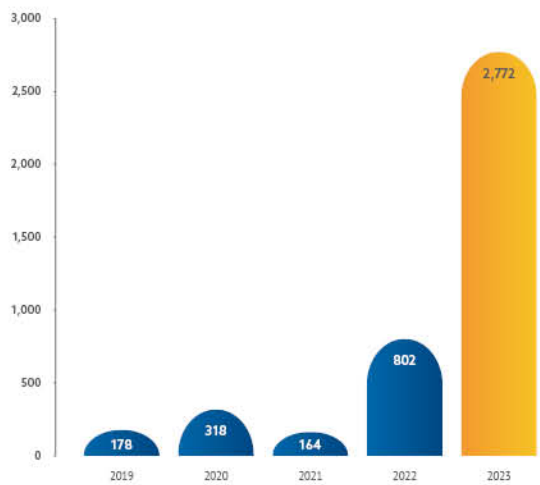
Sales Revenue vs Profit for the Year



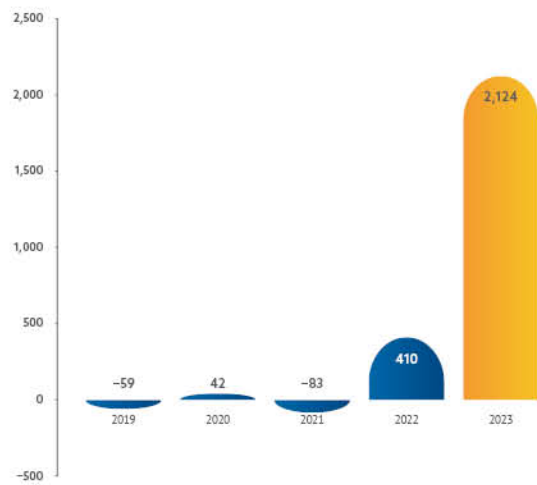
Net sales (Rs. in Million)



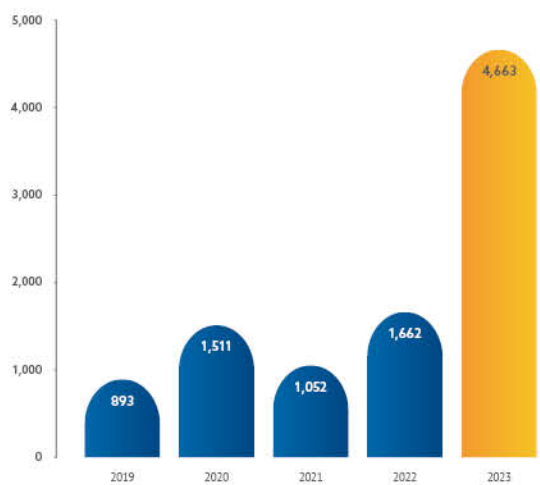
Gross Profit (Rs. in Million)



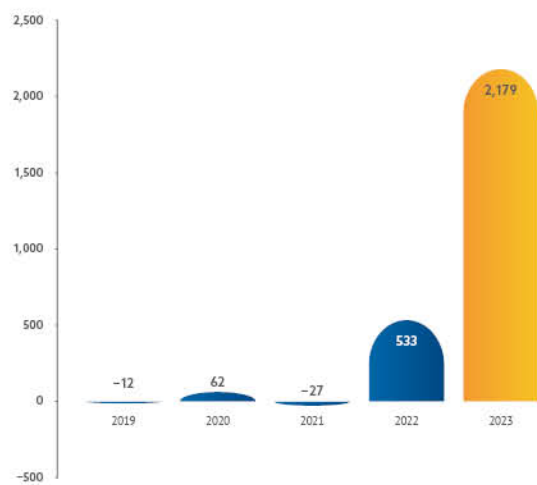
Profit before tax (Rs. in Million)



Cost of Sales (Rs. in Million)

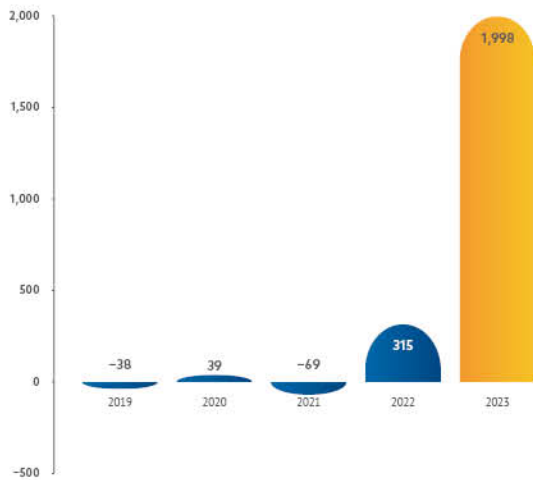


Operating Profit (Rs. in Million)

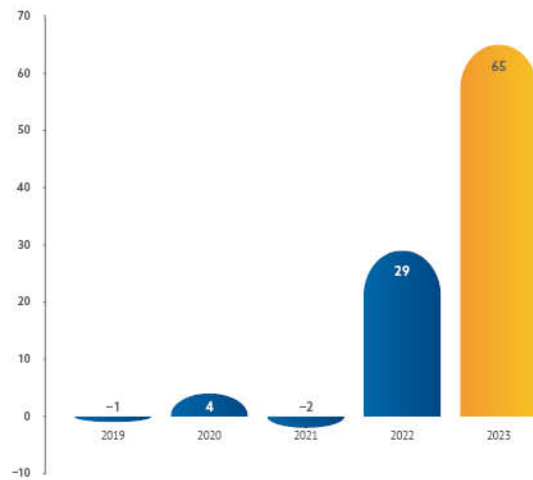


GRAPHICAL ANALYSIS

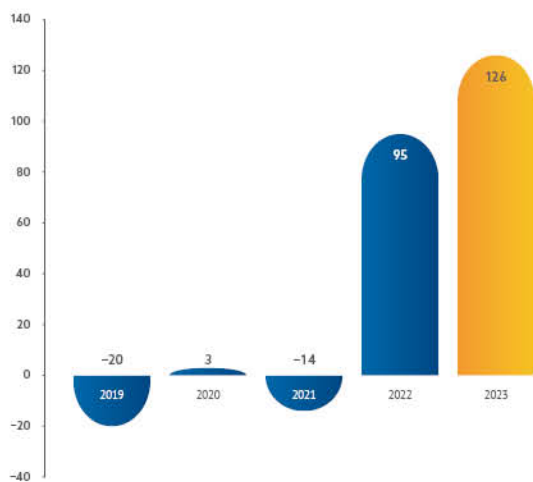
Profit after tax (Rs. in Million)



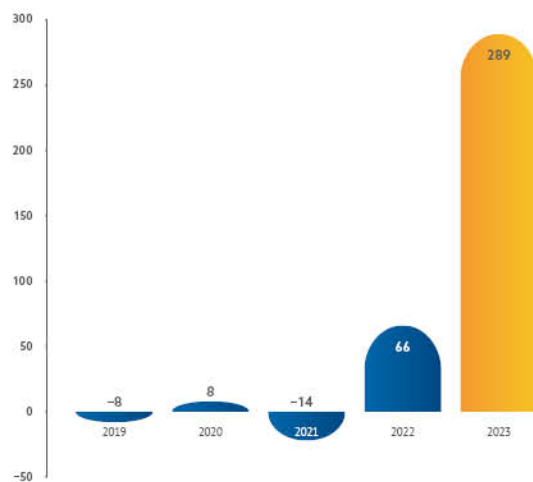
Return on Capital Employed (Percentage)



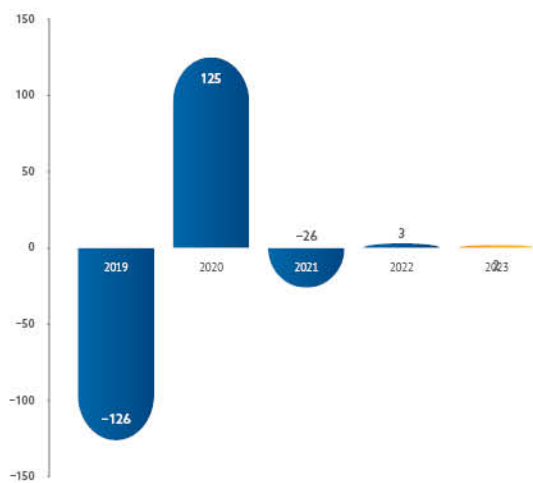
Taxation (Rs. in Million)



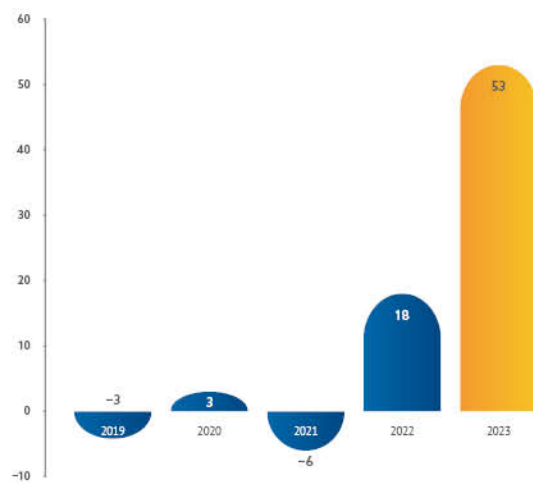
Earning Per Share (Rs. in Million)



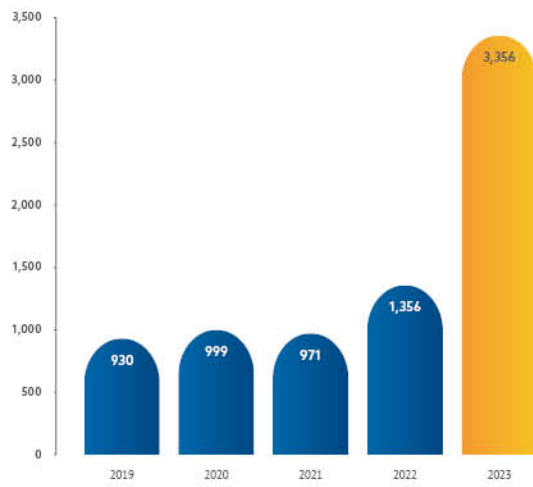
Price Earning Ratio (Percentage)



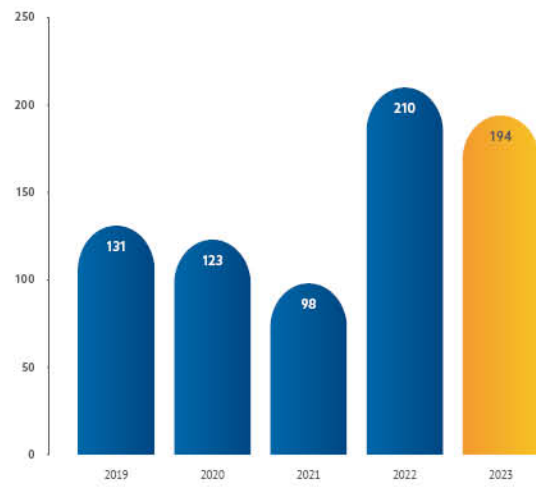
Return on Equity (Percentage)



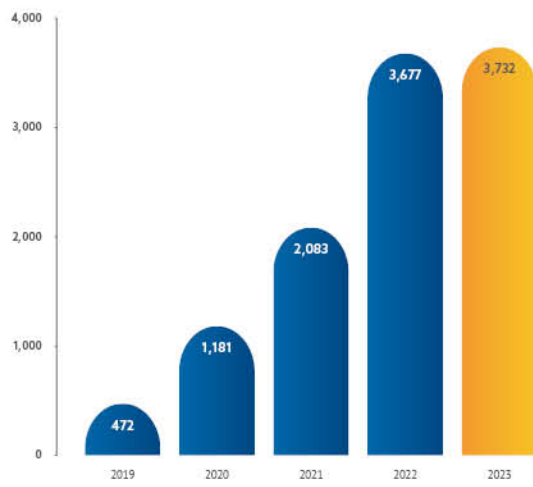
Reserves (Rs. in Million)



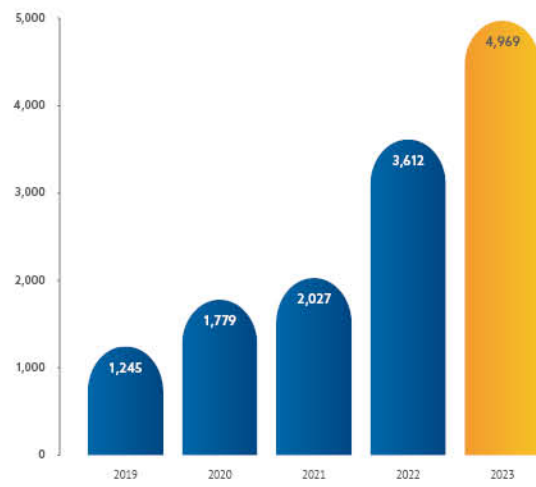
Long Term Liabilities (Rupees in Million)



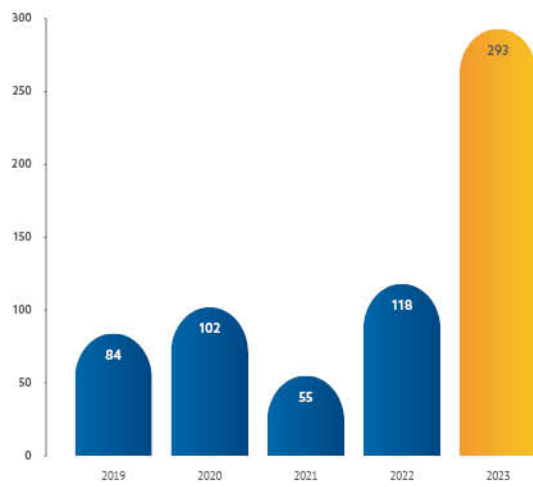
Current Liabilities (Rs. in Million)



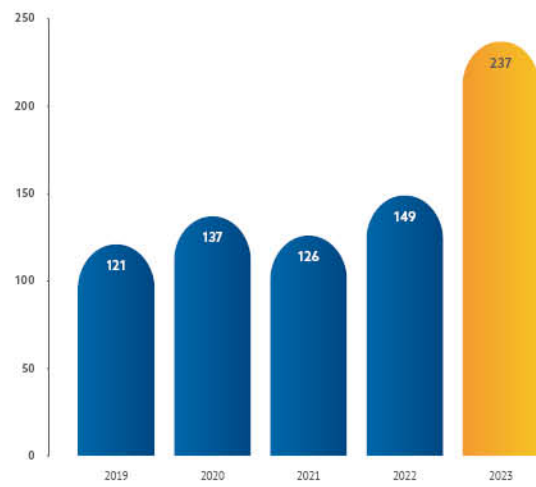
Current Assets (Rs. in Million)



Selling & Distribution Expense (Rs. in Million)



Administrative Expense (Rs. in Million)





SAMSONS AGRI FARMS

SAMSONS AGRI FARMS

Think Green

At Samson Agri Farms located in the regions of Rangpur and Multan, our primary objective is to create a peaceful and picturesque environment. This environment offers a breathtaking view of flourishing wheat crops. This beautiful scenery is made possible thanks to our advanced Valley Center Pivot systems, strategically installed on sandy and undulated terrains.

These systems efficiently manage water distribution and irrigation across our fields, ensuring the successful growth of the wheat crop. The combination of our cutting-edge technology and the natural landscape results in a harmonious and productive agricultural setting, which we take great pride in at Samson Agri Farms





KTC ON MEDIA

Call to implement track & trace system

By Our Correspondent | April 08, 2023

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

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

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

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

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

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



Khyber Tobacco Company
344 followers
2mo

Proud moment for Khyber Tobacco Company 🏆!

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

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

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

BUSINESS RECORDER

FOUNDED BY SA ZUBAIR

Jul 27, 2023

KTC receives award for 'best export performance'

RECORDER REPORT PUBLISHED JULY 26, 2023



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

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

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

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

BUSINESS & FINANCE | PRAET 2023-07-20

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

Recorder Report Published July 20, 2023

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3

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

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



Meet the CEO
By Discover Pakistan TV

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. Namouk was proposed to the Chair by Col. Sairab Hayat Khan and seconded by Mr. Vajid Mahmood. Prince M. Namouk 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. Husain Nizami.

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

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

It was resolved that the following resolution be passed

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

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



THE FIRST CHAIRPERSON, PRINCE SHEHZADE 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 16th 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, notwithstanding 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 promotor directors' meeting of the Khyber Tobacco Co. Ltd. held on the 18th October, 1954 viz. "That the Attock 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. For the record of the said meeting 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, 2023, 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, 2023.

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.

Yousuf Adil

Chartered Accountants

Engagement Partner: Rana M Usman Khan

Lahore

Date: October 06, 2023

UDIN: CR202310088cQUCoMIqN