

# FOSTERING GROWTH THROUGH INNOVATION

ANNUAL REPORT 2023



KHYBER TOBACCO COMPANY LIMITED



# ABOUT THIS REPORT

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.

## SCOPE AND BOUNDARY

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.

## FORWARD LOOKING STATEMENT

This Report includes 'Forward Looking Statement' which addresses our expected future business and financial performance / condition, sources of information and assumption used for projections / forecasts and our future course of action to manage the risks and capitalize on opportunities (known and unknown). Such statements are valid only for the date of publication.

## EXTERNAL ASSURANCES / REVIEWS

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

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## PATTERN OF SHAREHOLDING 136

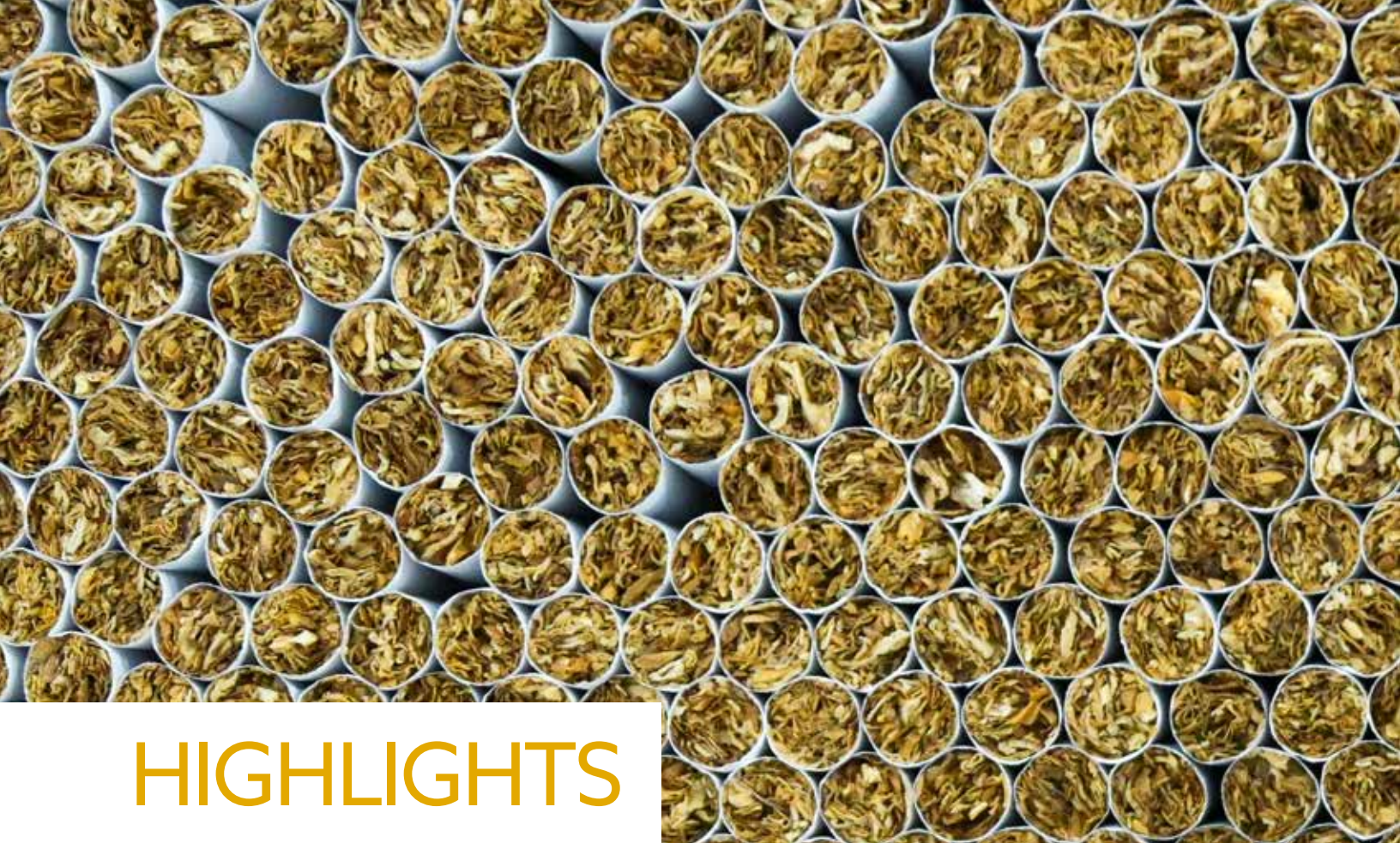
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# HIGHLIGHTS

## EARNINGS PER SHARE

FOR THE FINANCIAL  
YEAR ENDED 2023

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**Rs. 288.68**

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## CONTRIBUTION TO NATIONAL EXCHEQUER

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**Rs. 3,195**  
Million

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## RETURN ON EQUITY

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**52.67%**

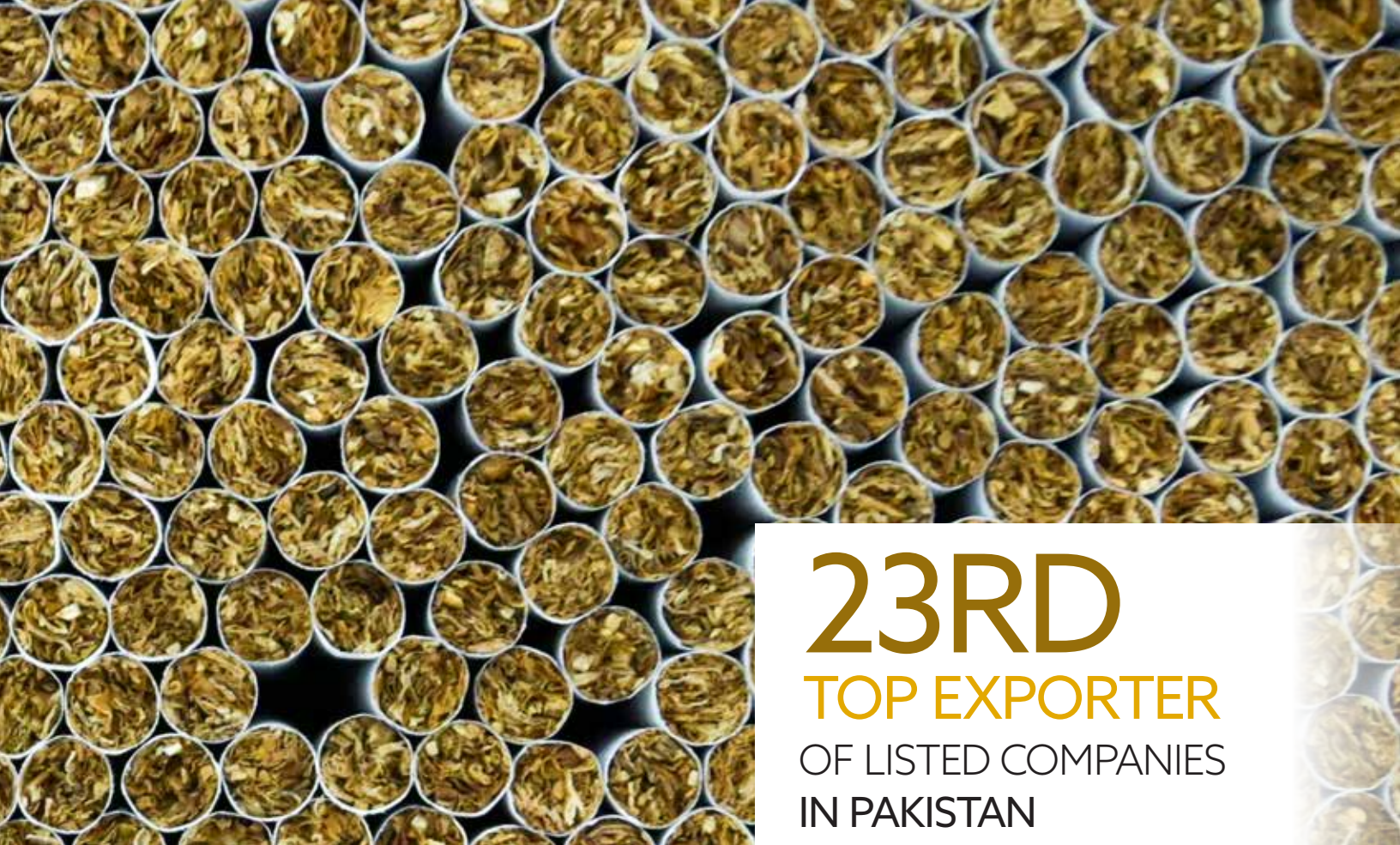
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## CURRENT RATIO

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# 23RD

## TOPEXPORTER

OF LISTED COMPANIES  
IN PAKISTAN

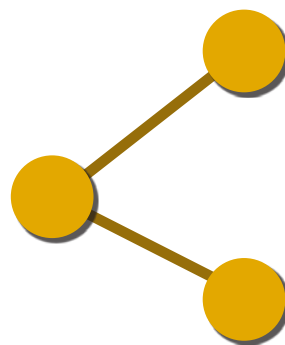
'23 Vs '22

		2023	2022	23 vs 22
Sales Revenue	(Rupees in Million)	11,378.14	4,418.91	6,959.22
- Local Sales	(Rupees in Million)	5,132.32	3,196.25	1,936.07
- Export Sales	(Rupees in Million)	6,245.82	1,222.67	5,023.15
Profit/(Loss) After Tax	(Rupees in Million)	1,998.40	315.45	1,682.95
Earning/(Loss) Per Share	(Rupees per Share)	288.68	65.62	223.06
Shareholder's Equity	(Rupees in Million)	3,793.94	1,764.25	2,029.69
Return on Equity	(%)	52.67	17.88	34.79
Current Ratio		1.33	0.98	0.35

**SALES  
REVENUE**

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**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.

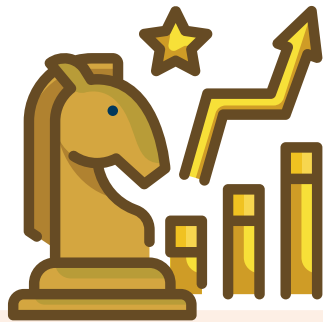
## Our Mission

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





# CORE VALUES



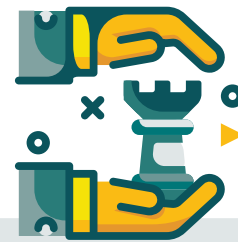
## LEADERSHIP

- We lead from the front and have a clear vision where we are going.
- Our leaders are role models who listen, coach, develop and recognize talent.
- We promote an open and diverse culture where individuals are empowered to contribute to the best of their potential.
- We believe in setting trends rather than following the conventional methods of business.
- We work together to achieve collective results.



## PASSION TO WIN

- We are determined to deliver the best.
- We dare our people to take risks and accept challenges.
- We have a compelling desire to excel with knowledge, experience and dedication.
- We have a compelling desire to excel with knowledge, experience and dedication.
- We combine our spirit and energy to continuously raise our expectations.



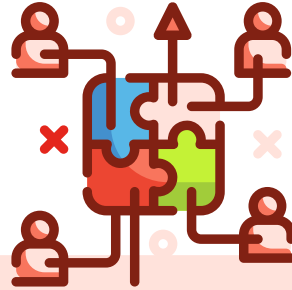
## OWNERSHIP

- We are one family.
- We take charge of responsibilities towards our principals, business, customers and communities.
- We hold ourselves accountable for whatever we do.
- Our processes, systems and decisions are based on input from concerned stakeholders.



## INTEGRITY

- Be honest and straightforward to everyone.
- Always try to do the right things.
- Our respect to individuals drives success.
- We help our communities live a better life.
- We operate within the spirit of law and encourage transparency.



## TRUST

- We build confidence in our people, principals, customers and brands by fulfilling commitments.
- We believe our people work best when they are empowered.
- We value the capabilities and intentions of all stakeholders.
- We ensure consistent quality of service at all ends.
- We encourage fairness and respect the opinion and emotions of others.

# 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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## COMPANY SECRETARY

Mr. Pir Farhan Shah
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## **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 overnight, without having first obtained the permission of the competent authority.
- Maintain a standard of personal hygiene and dress appropriately for attendance at work. Their appearance must inspire confidence and convey a sense of professionalism.
- As personal responsibility, safeguard both the tangible and intangible assets of KTC that are under their personal control and shall not use KTC assets for their personal benefits except where permitted by KTC. They shall not use any KTC facilities including a telephone to promote trade union activities, or carry weapons into KTC premises unless authorized by the management, or carry on trade union activities during office hours, or subject KTC officials to physical harassment.
- Fulfill their responsibilities to fellow employees, by helping in maintaining a healthy and productive work environment and shall not engage in the selling, manufacturing, distributing and using any illegal substance or being under the influence of illegal drugs while at work.
- Ensure strict adherence to all health and safety policies as may be implemented from time to time by KTC.
- Intimate the Human Resource department of any changes in the personal circumstances relating to their employment or benefits.
- Guarantee in their private capacity the pecuniary obligation of another person or agree to indemnify in such capacity any person from loss.

## Professionalism

- Serve KTC honestly and faithfully and shall strictly serve KTC's affairs and the affairs of its constituents. They shall endeavor to promote the interest and goodwill of KTC and shall show courtesy and attention in all transactions / correspondence with officers of the Government, Banks & Financial Institutions, other establishments dealing with KTC, KTC's constituents and the general public.
- Disclose and assign to KTC all interests in any invention, improvement, discovery or work of authorship that they may make or conceive and which may arise out of their employment with KTC. If their employment is terminated, all rights to the property and information generated or obtained as part of their employment relationship will remain the exclusive property of KTC.

## Confidentiality

- Maintain the privacy and confidentiality of all the information acquired during the course of professional activities and refrain from disclosing the same unless otherwise required by statutory authorities / law. All such information will remain as a trust and will only be used for the purpose for which it is intended and will not be used for the personal benefits of any individual(s). Inside information about KTC's customers / affairs shall not be used for their own gain or for that of others either directly or indirectly.

## Abidance of Laws / Rules

- Conform to and abide by the KTC rules and obey all lawful orders and directives which may from time to time be given by any person or persons under whose jurisdiction, superintendence or control they may for the time being, be placed. They shall comply with and observe all applicable laws, regulations and KTC policies.
- Not bring or attempt to bring any political or other pressure / influence directly or indirectly to bear on the authorities / superior officers or indulge in derogatory pamphleteering, contribute or write letters to the news papers, anonymously or in their own name with an intent to induce the authority / superior officers to act in a manner inconsistent with rules, in respect of any matter relating to appointment, promotion, transfer, punishment, retirement or for any other conditions of service of employment.

## Integrity

- Conduct themselves with the highest standards of ethics, professional integrity and dignity in all dealings with the public, clients, employees, and not engage in acts discreditable to KTC, the profession and the nation. If they become aware of any irregularity that might affect the interests of KTC, they shall inform the senior management immediately.
- Maintain all books, data, information and records with scrupulous integrity, reporting in an accurate and timely manner all transactions / reports.
- Avoid all such circumstances in which there is conflict of personal interest, or may appear to be in conflict, with the interests of KTC or its stakeholders.
- Not use their employment status to seek personal gain from those doing business or seeking to do business with KTC, nor accept any such gain if offered. They shall not accept any gift, favor, entertainment or other benefits the size or frequency of which exceeds normal business contacts from a constituent or a subordinate employee of KTC or from persons likely to have dealings with KTC and candidates for employment in KTC.

# RISK MANAGEMENT POLICY

## BCR RISK & RISK MANAGEMENT

As challenges in our operating landscape continue to intensify the proactive identification and management of risks become vital in ensuring that the Company is able to deliver sustainable stakeholder value. Effective risk identification, monitoring and mitigation processes are embedded in the Company's daily operations through a comprehensive framework comprising monitoring processes, internal controls' and relevant stakeholder engagement mechanisms, has been successful in nurturing a risk culture, which balances risk and growth considerations.

## STATEMENT FROM BOARD OF DIRECTORS

The Board is responsible for determining the risk appetite that the Company is willing to take to achieve its strategic objectives and for maintaining sound risk management and internal control systems. KTC's risk management and internal controls framework is aimed at safeguarding shareholders' investment, the Company's assets as well as evaluating and managing risks that may impede achievement of the Company's objectives.

## RISK GOVERNANCE

The Board of Directors is responsible for determining the nature and extent of the significant risks the Company is willing to take to achieve its strategic objectives. The Board is supported by the Board Audit Committee in discharging its risk management related responsibilities which regularly reviews the effectiveness of the Company's risk management processes and internal control systems. The Company's risk profile is also monitored through the internal reporting mechanisms of the Company.

## RISK IDENTIFICATION

During the year, a robust assessment of the principal risks faced by the Company has been carried out including those that would impact its business model, performance, brands, assets, solvency and employees. Financial and non-financial risks are identified at a functional level, with inputs from relevant employees. This is carried out through team discussions and brainstorming sessions, which facilitate participation and value addition by employees across the Company.





## ASSESSMENT AND EVALUATION

Elaborate risk registers are used to assess and evaluate the risks in detail. Each identified risk is assessed and then categorised under one of the three levels (high / medium low) in terms of the likelihood of its occurrence and the severity of its potential impact. Tolerance levels and trigger points are also defined for each identified risk.

## RISK MANAGEMENT

Following the identification of key risks faced by the Company, the respective functions develop elaborate strategies and plans to mitigate the impacts of these risks. The responsibility for managing each identified risk rests with the head of each function (risk owners), who reports regularly on the progress and effectiveness of the risk mitigation plans. Additionally, the potential impact of global trends and risks are also captured through input from the Risk Management process, which can be used to identify improvements in internal controls and risk mitigation plans in line with global best practices and experiences.

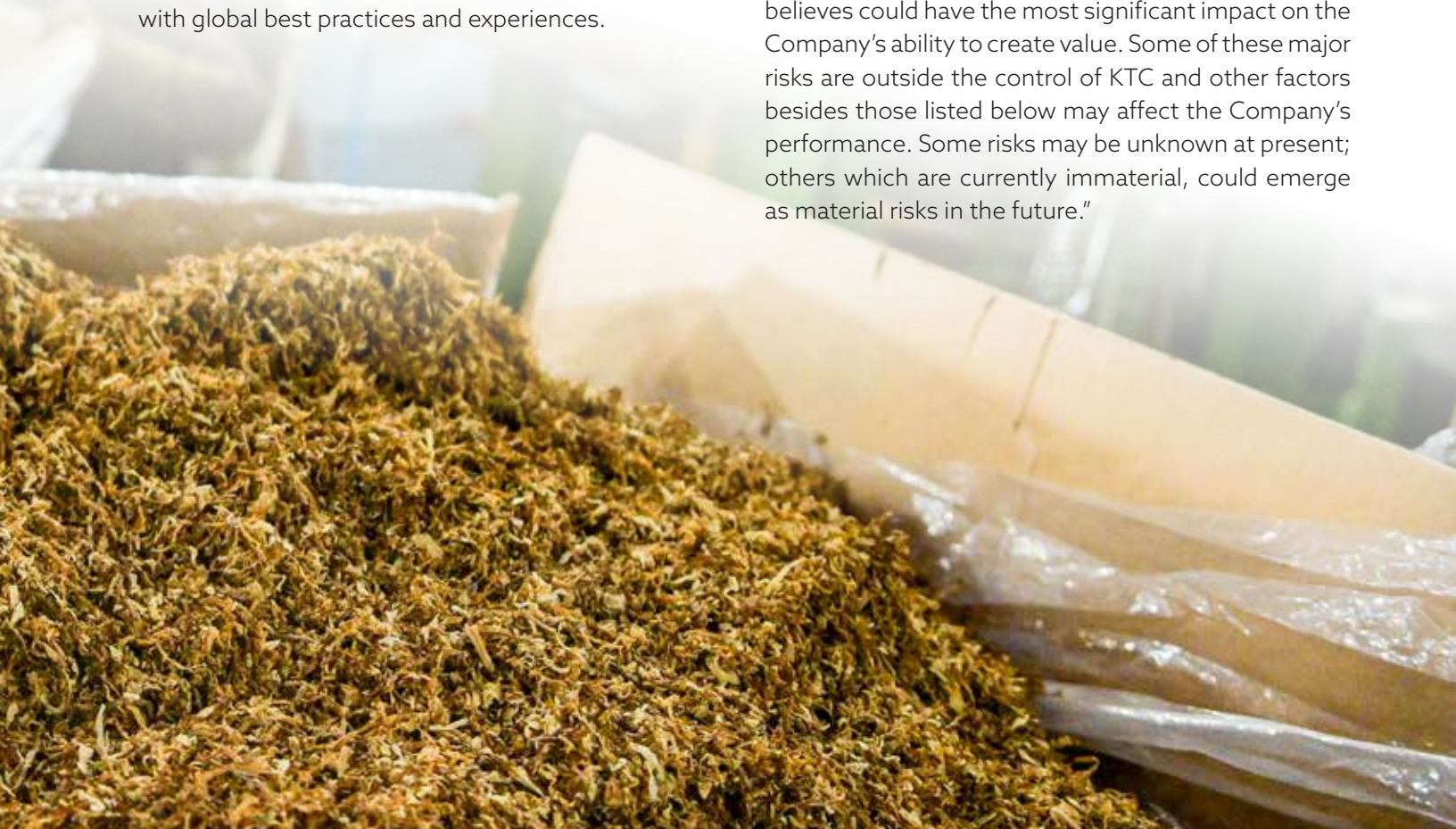
## MONITORING

Risks are monitored at multiple levels in the Organisation including at functional level, Executive Committee, Board Audit Committee and Board level. Identified risks, the risk registers, mitigation plans, and performance of each risk mitigation plan are evaluated at these levels throughout the year.

## KEY SOURCES OF UNCERTAINTY & RISKS AND MITIGATING STRATEGIES

“Key sources of uncertainty emanate from the challenging environment the Company operates in. Changes in political, social, technological, economic or legal factors also lead to risks, which the Company might be exposed to. The Company actively monitors its risk universe to pro-actively manage and mitigate various risk exposures.

The following section details key risks that the Board believes could have the most significant impact on the Company’s ability to create value. Some of these major risks are outside the control of KTC and other factors besides those listed below may affect the Company’s performance. Some risks may be unknown at present; others which are currently immaterial, could emerge as material risks in the future.”



# RISK & OPPORTUNITY REPORT

Risk Description	Level	Impact	Mitigating Strategy
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## Strategic Risks

Illicit trade and counterfeit manufacturing	High	Volume loss and profitability	Active engagement with Government/ law enforcement agencies to highlight the issue and its impact on the legal industry
		Erosion of brand value	
		Investment in trade marketing activities is undermined	
Economic Conditions	Moderate	Direct impact on consumer buying power	Brands across consumer segment with minimum price
		Down trading to illicit brands	
		Reduced legal industry volumes	

## Financial Risks

Currency Devaluation	Moderate	Increased cost base	Financial hedging to minimize exposure
		Lower operating margins	Operational synergies across value chain
		Pressure on profit growth	Cost savings initiatives Physical hedging options
Material Price Sensitivity	Moderate	Increased cost base	Productivity initiatives
		Lower operating margins	Substitutes
		Pressure on profit growth	Alternative suppliers

## Operational Risks

Accidents at workplace	Low	Injury to employees or Contracted Workforce	Strict compliance with EH&S regulations, standards and protocols
		Damage to Company's reputation	Health and safety training courses
		Employee dissatisfaction	Environmental, Health & Safety assessment
		Business Interruption	Safety equipment Incident reporting
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 Favourable employee policies
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 sequestered 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 Whistleblower shall receive no retaliation or retribution for a report that was provided in good faith – that was not done primarily with malice to damage another or the organization.
5. A Whistleblower who makes a report that is not done in good faith is subject to discipline, including termination of the Board or employee relationship, or other legal means to protect the reputation of the organization and members of its Board and staff.
6. Anyone who retaliates against the Whistleblower (who reported an event in good faith) will be subject to discipline, including termination of Board or employee status.
7. Crimes against person or property, such as assault, rape, burglary, etc., should immediately be reported to local law enforcement personnel.
8. Supervisors, managers and/or Board members who receive the reports must promptly act to investigate and/or resolve the issue.
9. The Whistleblower shall receive a report within five business days of the initial report, regarding the investigation, disposition or resolution of the issue.
10. If the investigation of a report, that was done in good faith and investigated by internal personnel, is not to the Whistleblower's satisfaction, then he/she has the right to report the event to the appropriate legal or investigative agency.
11. The identity of the Whistleblower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement, in which case members of the organization are subject to subpoena.



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

# BOARD'S POLICY ON DIVERSITY

## (ANTI- HARASSMENT POLICY & GENDER DIVERSITY POLICY)

Not with standing our legal obligations, KTC is committed to challenging discrimination and promoting social inclusion and equality of opportunity in the form of age, gender, and ethnicity, physical and mental ability. As per recent legal developments, Board has approved an Anti-Harassment Policy, which regardless of position of employees, is applicable to all employees while giving necessary facilities; company discourages any sort of discrimination at workplace and provides equal opportunities to all.

## GRIEVANCE POLICY

KTC in order to be has designated an investors section on website to handle Investor Relations & Grievance. The Company has a designated email ID as well as an online Complaint Form at its website for the Shareholders to lodge a complaint or query with the Management. Shareholders can also lodge a complaint or query using telephone, fax or conventional mail. This is to ensure that grievances notified by the shareholders are handled and resolved efficiently at appropriate level within shortest possible time frame





# CORPORATE SOCIAL RESPONSIBILITY

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.

## 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.



# 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

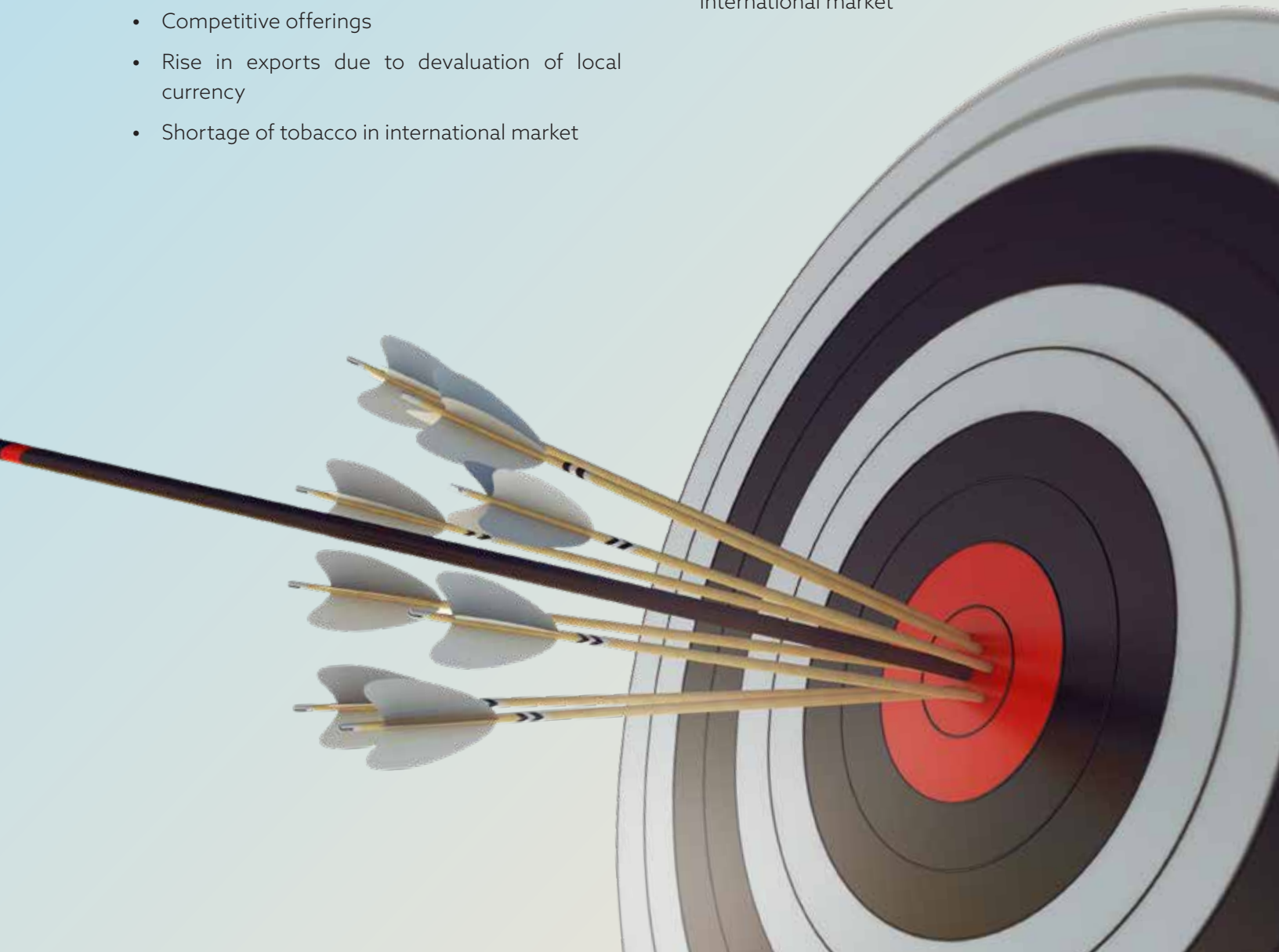
- Increase in production volume due to TNT implementation

### 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



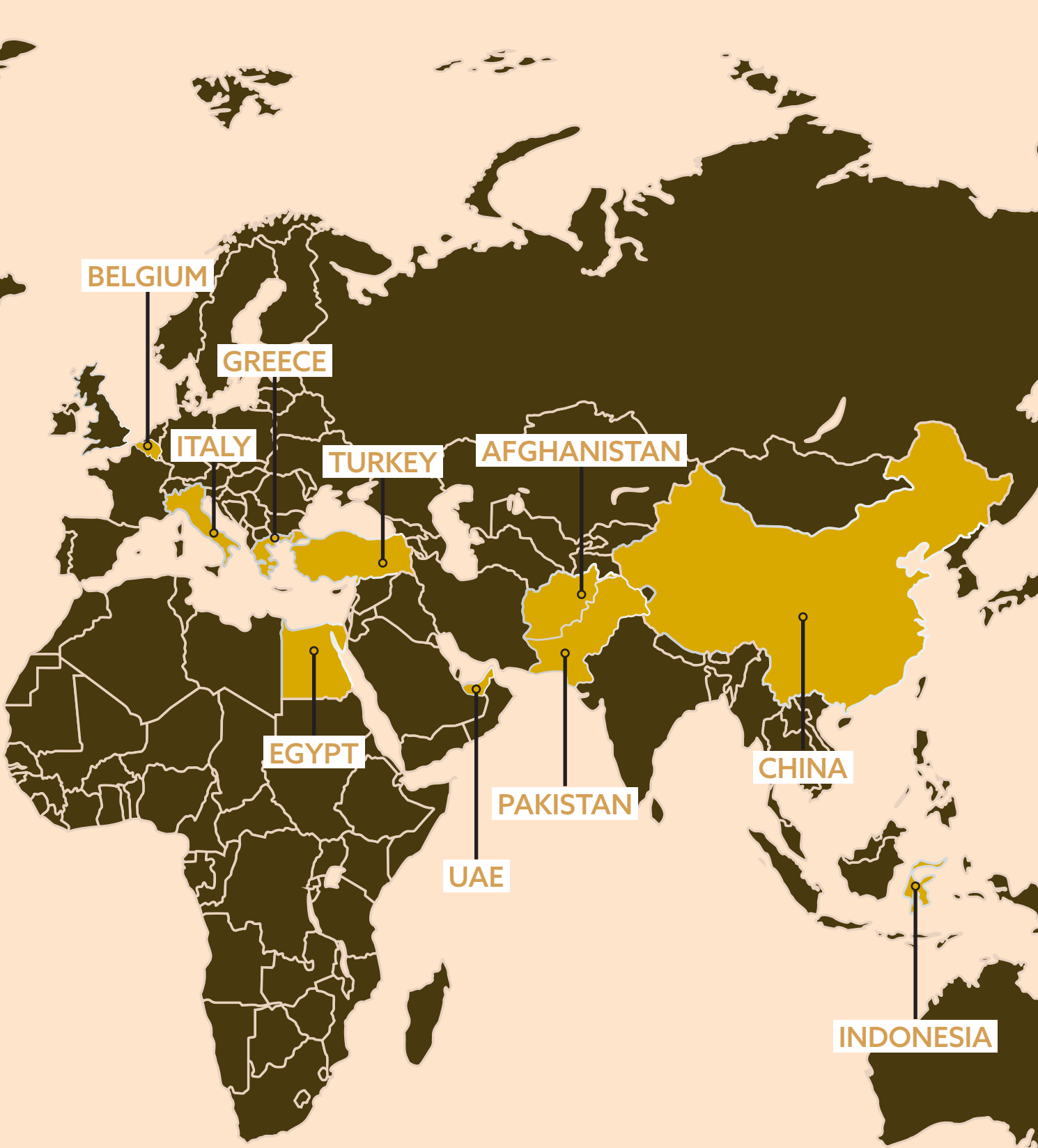
# EXPORT PORTFOLIO



## 9 Export Destinations

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





BELGIUM

GREECE

ITALY

TURKEY

AFGHANISTAN

EGYPT

UAE

PAKISTAN

CHINA

INDONESIA



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

# DIRECTORS' REPORT

hurdles are beginning to yield positive results. We remain optimistic that the company will achieve its targets to boost export sales in the forthcoming year.

## QUALITY ENHANCEMENT

To remain competitive in the global arena, we are continuously working on improving our processing capabilities. Our management has invested in upgrading the Primary Production Department (PPD), Cigarette Making Department (CMD) and Cigarettes Packing Department to enhance the quality of re-dried tobacco and cigarettes. The ability to produce superior-quality products positions us to expand both local and international sales through enhanced brand recognition and customer loyalty.

## ACKNOWLEDGMENTS

In closing, on behalf of the Board, I extend our heartfelt gratitude to our valued customers for their unwavering trust in our products. We are committed to expanding our brand portfolio while maintaining the highest quality standards. We also express our appreciation to our vendors, distributors, and financial institutions for their extended support.

Our success story would not have been possible without the steadfast support of our shareholders and all stakeholders, including our suppliers, customers, local community, and our dedicated and hardworking employees. We 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.

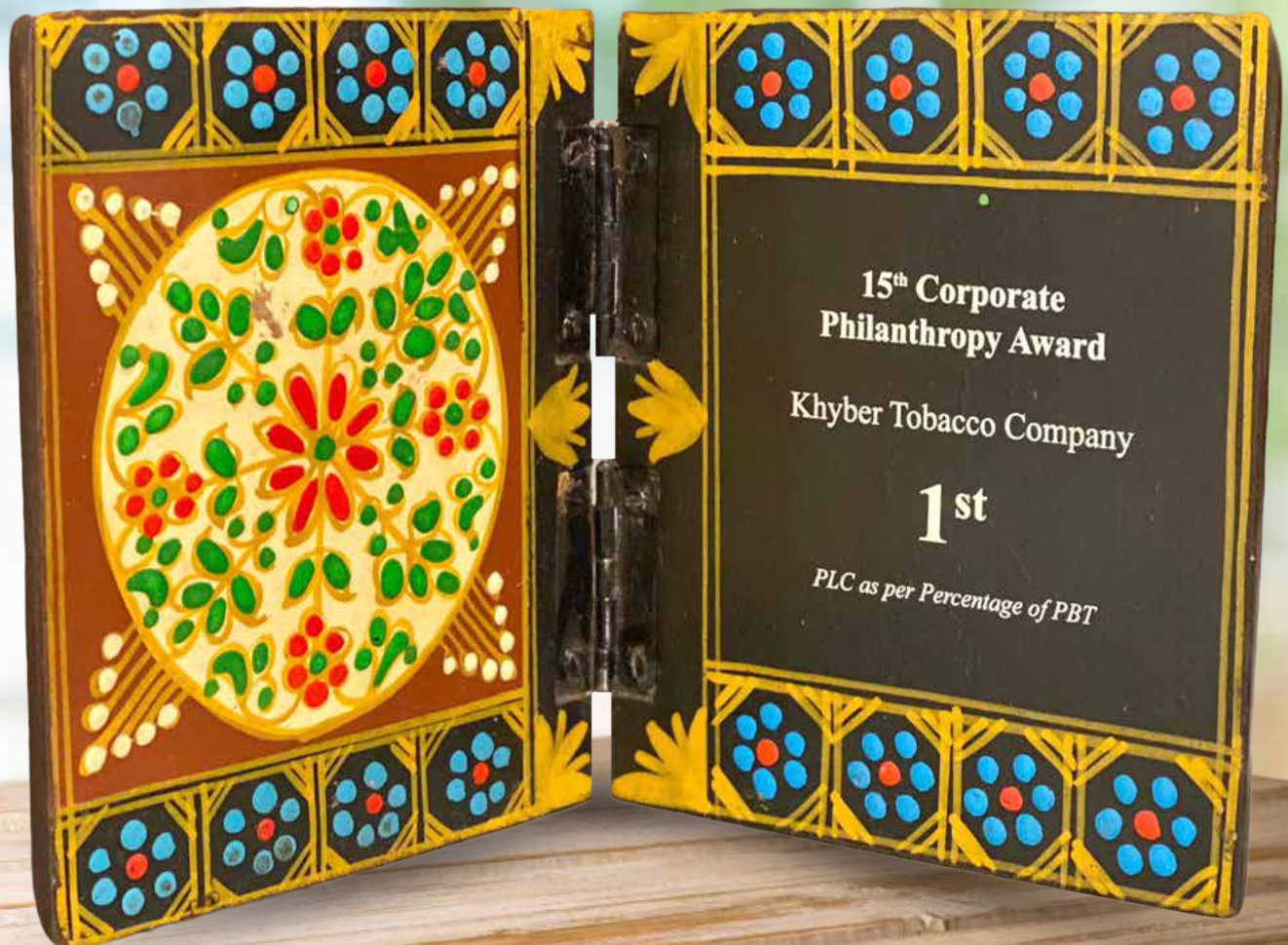
**On behalf of the  
Board of Directors**



**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.





# OTHER CORPORATE GOVERNANCE

## STAKEHOLDERS' ENGAGEMENT

At KTC, engage to understand and respond to our legitimate stakeholder concerns. Our key stakeholders are:

- Shareholders
- Customers
- Suppliers
- Banks
- Employees
- General public
- Government and Regulatory Authorities

The frequency of engagements is based on business needs and corporate requirements as specified by the Code of Corporate Governance, or as contracted, under defined procedures.

## ISSUES RAISED AT PREVIOUS YEAR'S AGM

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.

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](http://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





# 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	<b>Nomination Committee</b> 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	<b>Risk Management Committee</b> 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	<b>Chief Financial Officer</b> 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:

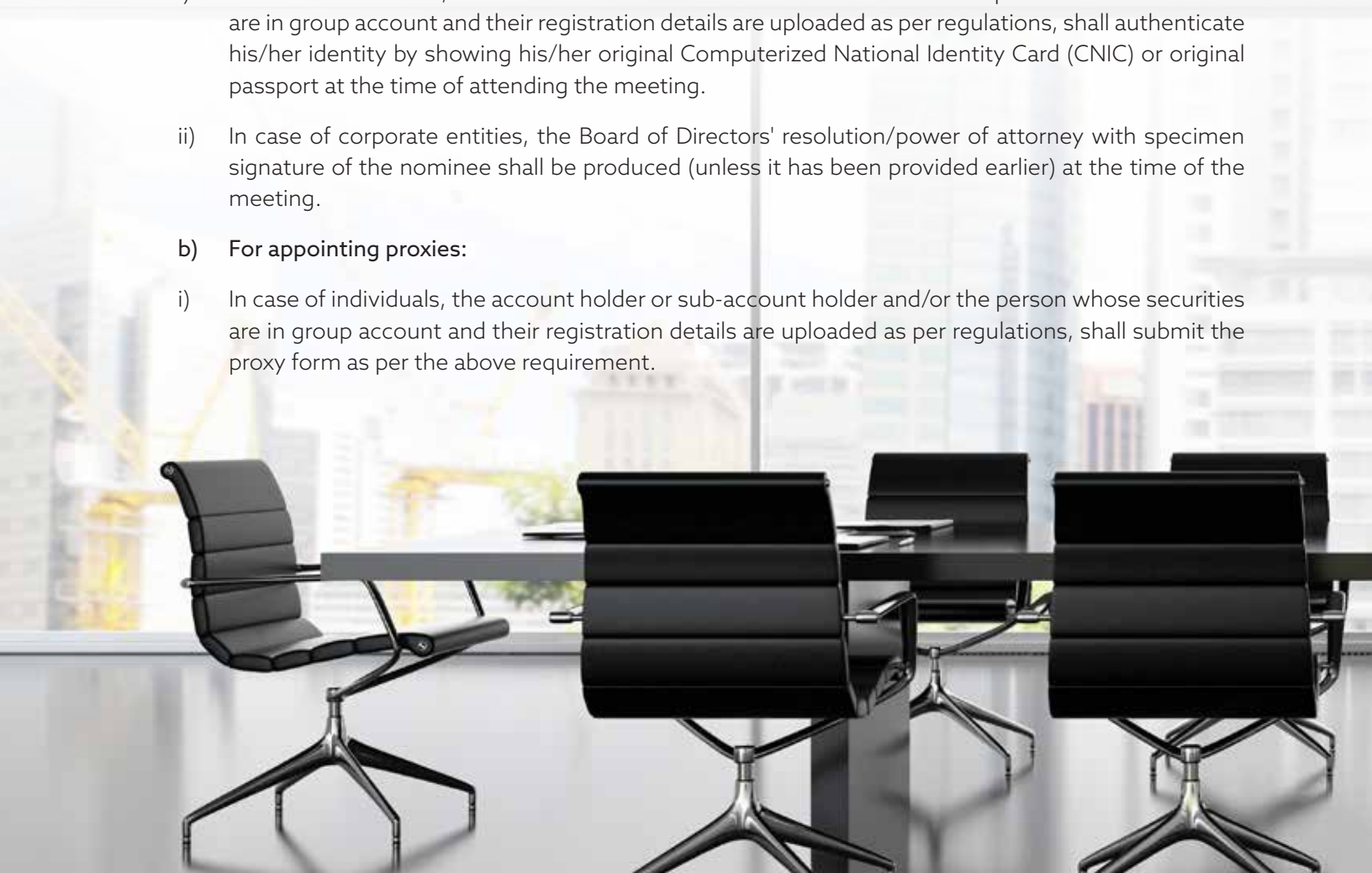
Attendance of members who have deposited their shares into Central Depository Company of Pakistan Limited shall be in accordance with the following;

#### 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](http://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



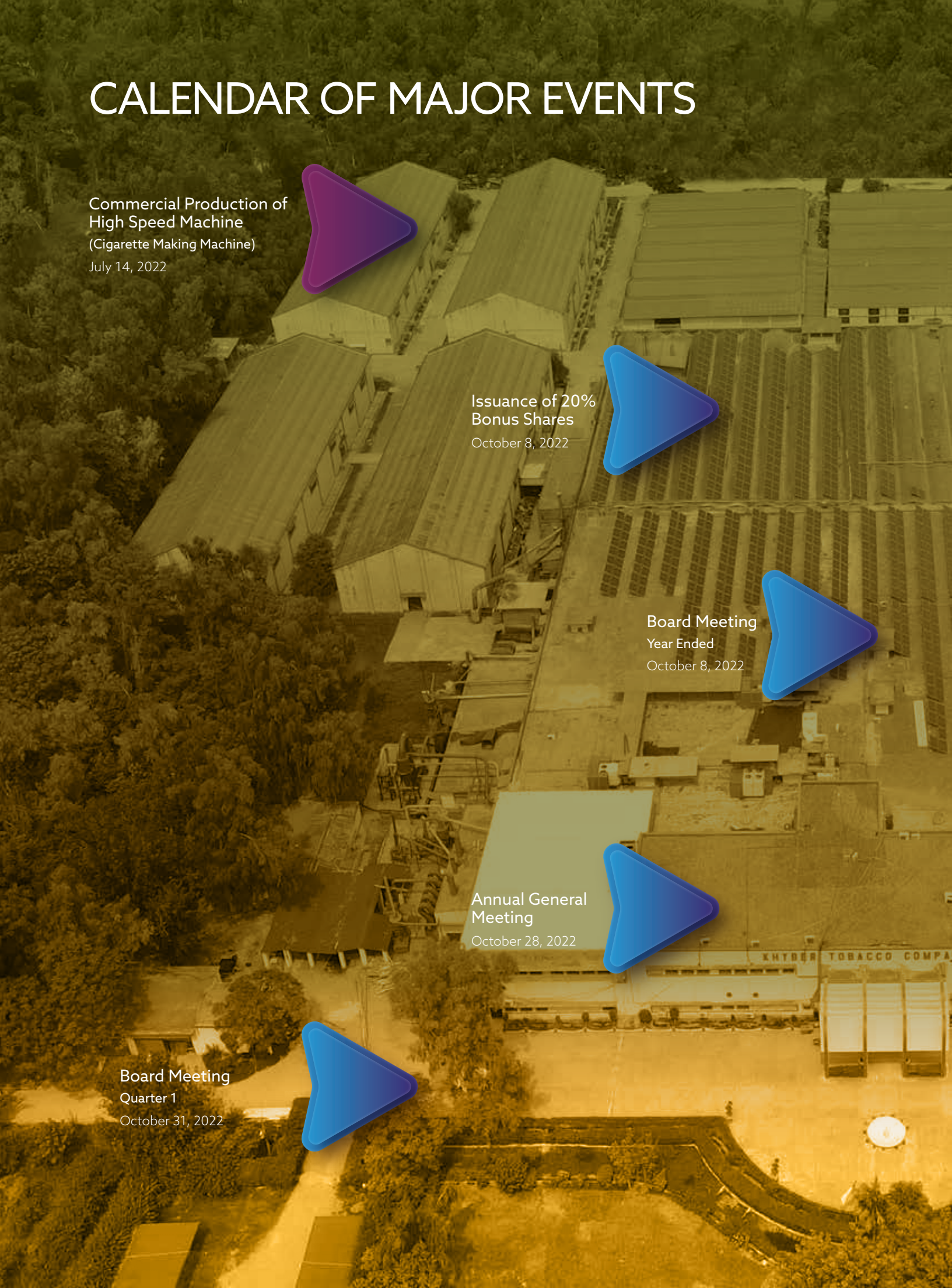
Board Meeting  
Year Ended  
October 8, 2022




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
<b>Financial Performance- Profitability</b>							
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
<b>Operating Performance- Liquidity</b>							
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
<b>Capital Market/Capital Structure Analysis</b>							
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					
<b>Summary of Balance sheet</b>						
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
<b>Summary of Profit and Loss</b>						
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
<b>Summary of Cash Flows</b>						
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
<b>Profit and Loss Account</b>				
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
<b>Gross Profit</b>	<b>2,771.80</b>	<b>37.28</b>	<b>802.27</b>	<b>32.55</b>
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
<b>Operating Profit</b>	<b>2,179.47</b>	<b>29.32</b>	<b>532.75</b>	<b>21.62</b>
Finance Cost	454.51	6.11	160.77	6.52
Other Operating Income	399.20	5.37	38.37	1.56
<b>Profit before Taxation</b>	<b>2,124.15</b>	<b>28.57</b>	<b>410.35</b>	<b>16.65</b>
Taxation	125.75	1.69	94.91	3.85
<b>Profit for the Year</b>	<b>1,998.40</b>	<b>26.88</b>	<b>315.45</b>	<b>12.80</b>
<b>Balance Sheet</b>				
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
<b>Total Equity and Liabilities</b>	<b>7,719.82</b>	<b>100.00</b>	<b>5,650.46</b>	<b>100.00</b>
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
<b>Total Assets</b>	<b>7,719.82</b>	<b>100.00</b>	<b>5,650.46</b>	<b>100.00</b>

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
<b>164.35</b>	<b>13.52</b>	<b>318.04</b>	<b>17.39</b>	<b>177.56</b>	<b>16.59</b>	<b>494.86</b>	<b>43.96</b>
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
<b>(26.93)</b>	<b>(2.21)</b>	<b>47.01</b>	<b>2.57</b>	<b>(56.77)</b>	<b>(5.30)</b>	<b>247.87</b>	<b>22.02</b>
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
<b>(62.28)</b>	<b>(5.12)</b>	<b>42.01</b>	<b>2.30</b>	<b>(58.52)</b>	<b>(5.47)</b>	<b>284.13</b>	<b>25.24</b>
(14.43)	(1.19)	3.48	0.19	2.96	0.28	84.27	7.49
<b>(47.84)</b>	<b>(3.93)</b>	<b>38.54</b>	<b>2.11</b>	<b>(61.48)</b>	<b>(5.74)</b>	<b>199.86</b>	<b>17.75</b>
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
<b>3,411.43</b>	<b>100.00</b>	<b>2,602.33</b>	<b>100.00</b>	<b>1,866.57</b>	<b>100.00</b>	<b>1,934.58</b>	<b>100.00</b>
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
<b>3,411.43</b>	<b>100.00</b>	<b>2,602.33</b>	<b>100.00</b>	<b>1,866.57</b>	<b>100.00</b>	<b>1,934.58</b>	<b>100.00</b>

# HORIZONTAL ANALYSIS

	Rs	2023	Rs	2022
<b>Profit and Loss Account</b>				
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
<b>Gross Profit</b>	<b>2,771.80</b>	<b>560.11</b>	<b>802.27</b>	<b>162.12</b>
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
<b>Operating Profit</b>	<b>2,179.47</b>	<b>879.29</b>	<b>532.75</b>	<b>214.94</b>
Finance Cost	454.51	4,747.87	160.77	1,679.45
Other Operating Income	399.20	870.89	38.37	83.71
<b>Profit before Taxation</b>	<b>2,124.15</b>	<b>747.59</b>	<b>410.35</b>	<b>144.42</b>
Taxation	125.75	149.23	94.91	112.62
<b>Profit for the Year</b>	<b>1,998.40</b>	<b>999.88</b>	<b>315.45</b>	<b>157.83</b>
<b>Balance Sheet</b>				
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
<b>Total Equity and Liabilities</b>	<b>7,719.82</b>	<b>399.04</b>	<b>5,650.46</b>	<b>292.08</b>
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
<b>Total Assets</b>	<b>7,719.82</b>	<b>399.04</b>	<b>5,650.46</b>	<b>292.08</b>

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
<b>164.35</b>	<b>33.21</b>	<b>318.04</b>	<b>64.27</b>	<b>177.56</b>	<b>35.88</b>	<b>494.86</b>	<b>100.00</b>
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
<b>(26.93)</b>	<b>(10.87)</b>	<b>47.01</b>	<b>18.97</b>	<b>(56.77)</b>	<b>(22.90)</b>	<b>247.87</b>	<b>100.00</b>
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
<b>(83.08)</b>	<b>(29.24)</b>	<b>42.01</b>	<b>14.79</b>	<b>(58.52)</b>	<b>(20.60)</b>	<b>284.13</b>	<b>100.00</b>
(14.43)	(17.13)	3.48	4.12	2.96	3.51	84.27	100.00
<b>(68.65)</b>	<b>(34.35)</b>	<b>38.54</b>	<b>19.28</b>	<b>(61.48)</b>	<b>(30.76)</b>	<b>199.86</b>	<b>100.00</b>
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
<b>3,411.43</b>	<b>176.34</b>	<b>2,602.33</b>	<b>134.52</b>	<b>1,866.57</b>	<b>96.48</b>	<b>1,934.58</b>	<b>100.00</b>
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
<b>3,411.43</b>	<b>176.34</b>	<b>2,602.33</b>	<b>134.52</b>	<b>1,866.57</b>	<b>96.48</b>	<b>1,934.58</b>	<b>100.00</b>

# QUARTERLY ANALYSIS

FOR THE YEAR ENDED 30 JUNE 2023

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

## QUARTERLY ANALYSIS OF TAXES PAID TO GOVT EXCHEQUER

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



# 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
<b>ROE</b>	<b>%age 52.67</b>

## 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	-	-	-	-	-	-
<b>FCF Total</b>	<b>407,119,337</b>	<b>121,066,067</b>	<b>476,711,585</b>	<b>(189,550,090)</b>	<b>200,878,420</b>	<b>(5,903,866)</b>

## SUMMARY OF CASH FLOW STATEMENT FOR LAST 6 YEARS

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

# 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.



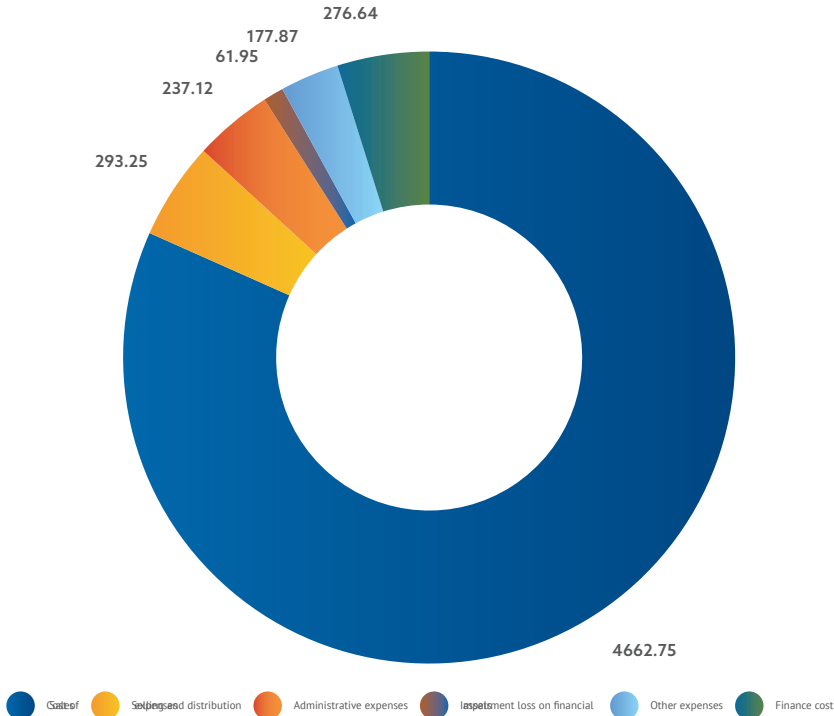


# STATEMENT OF VALUE ADDITION

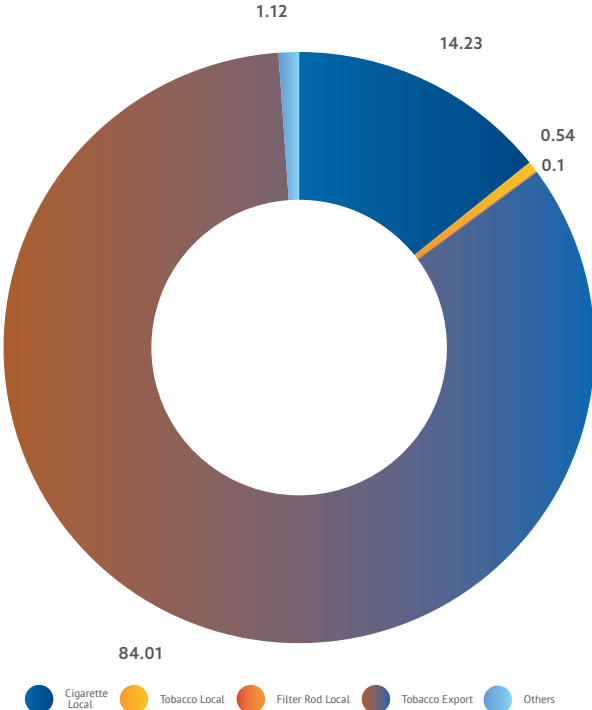
	2023		2022	
<b>WEALTH GENERATED</b>	Rupees	%	Rupees	%
Gross sales	11,378,136,547	100%	4,418,912,216	100%
<b>WEALTH DISTRIBUTED</b>				
Bought in material and services	4,300,065,559	37.79%	1,400,093,735	31.68%
<b>To employees</b>				
Salaries, Benefits and other costs	371,733,451	3.27%	259,087,621	5.86%
<b>To Government</b>				
Income tax, sales tax, FED and others	4,012,438,740	35.26%	1,935,011,487	43.79%
<b>To Society</b>				
Donations	2,400,000	0.02%	426,371	0.01%
<b>To Providers of Capital</b>				
Dividend	-	0.00%	-	0.00%
<b>To Company</b>				
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.

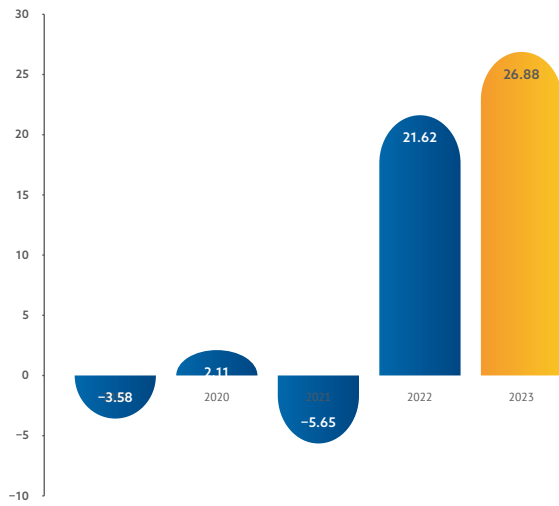




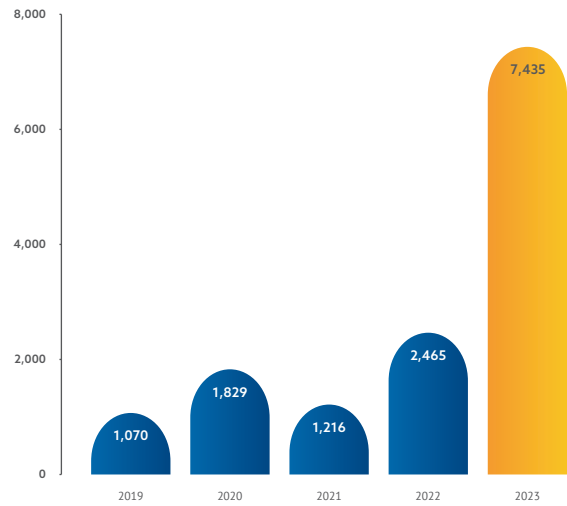


# GRAPHICAL ANALYSIS

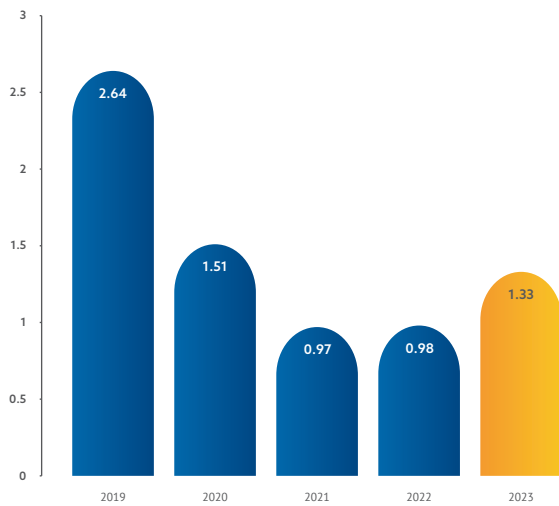
### Net Profit Margin (Percentage)



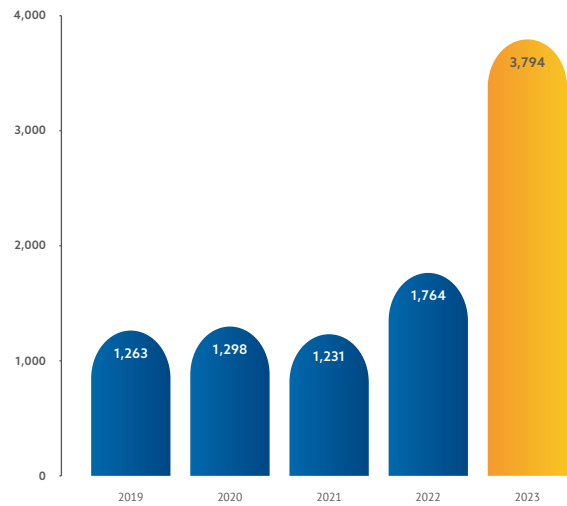
### Net sales (Rs. In Million)



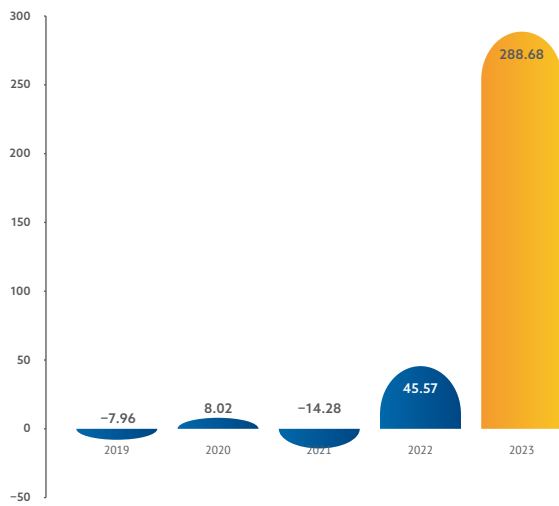
### Current Ratio (Times)



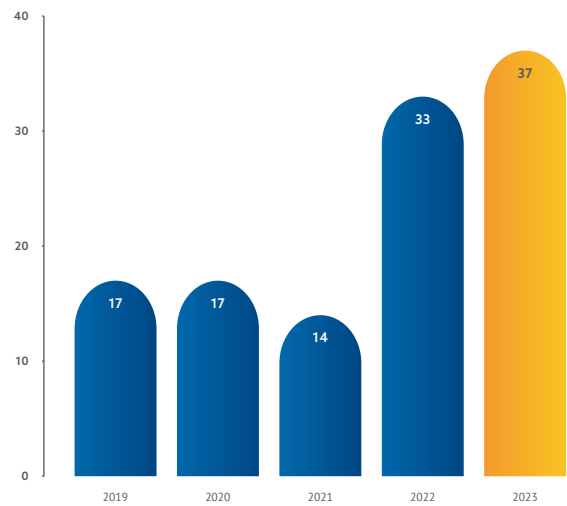
### Shareholder's Equity (Rs. In Million)



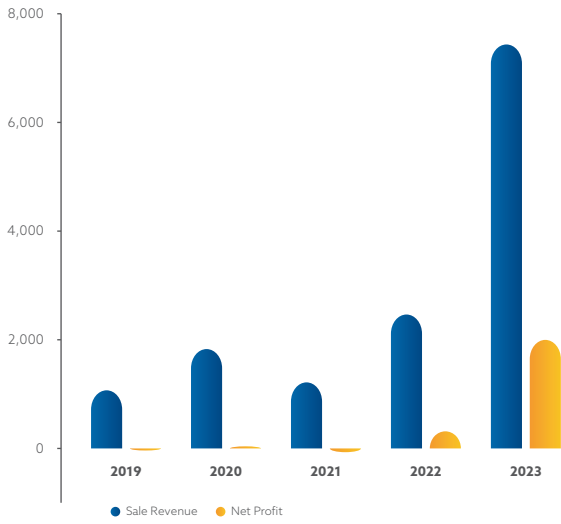
### Earning Per Share after tax (Rs)



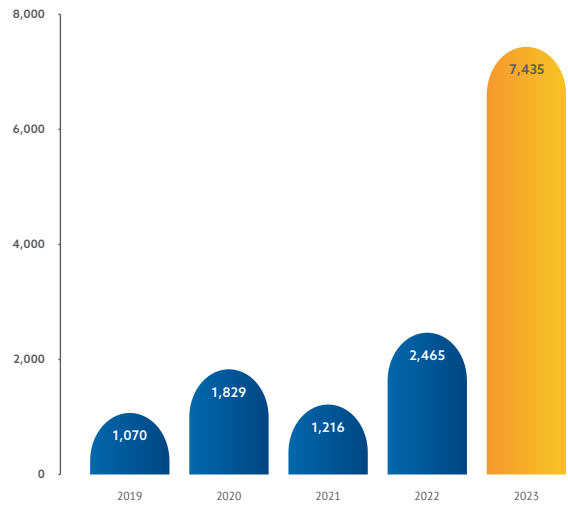
### Gross Profit Margin (Percentage)



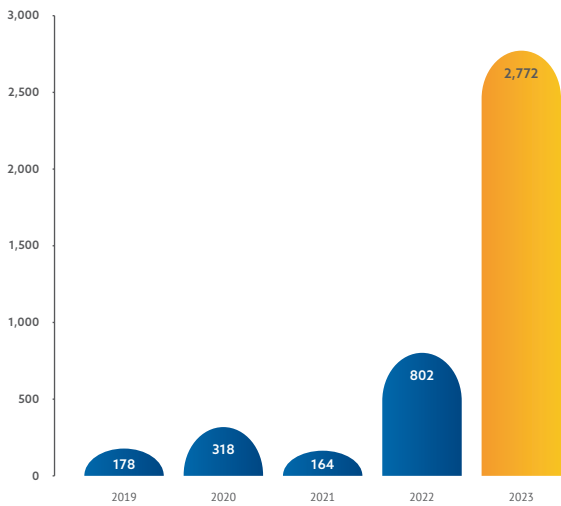
Sales Revenue vs Profit for the Year



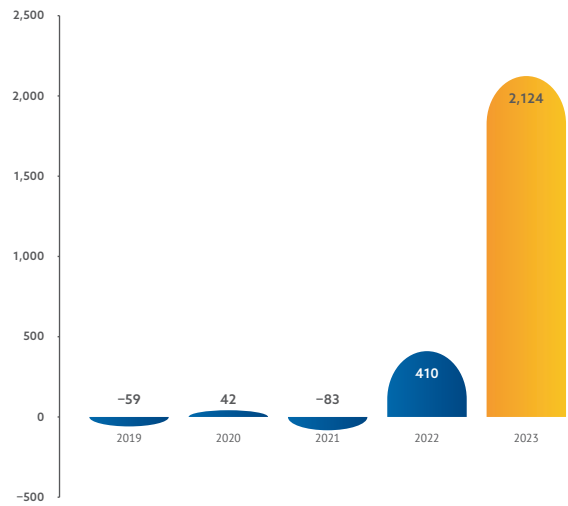
Net sales (Rs. in Million)



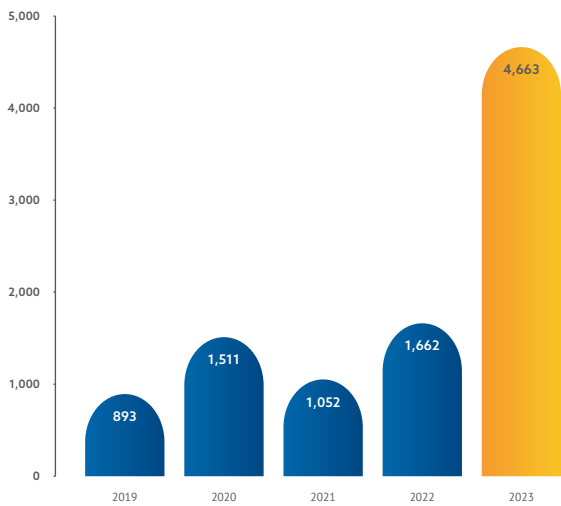
Gross Profit (Rs. in Million)



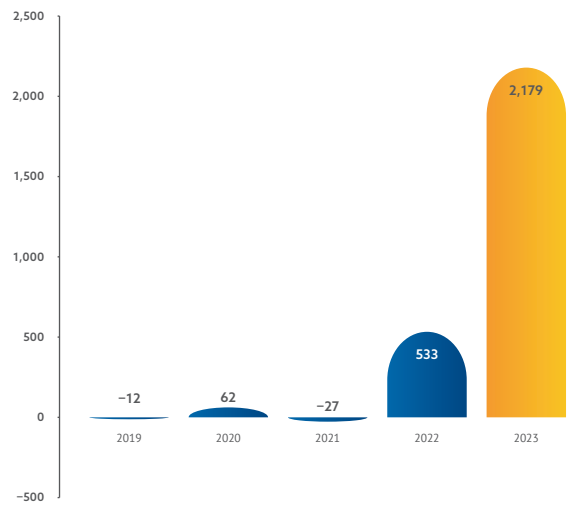
Profit before tax (Rs. in Million)



Cost of Sales (Rs. in Million)

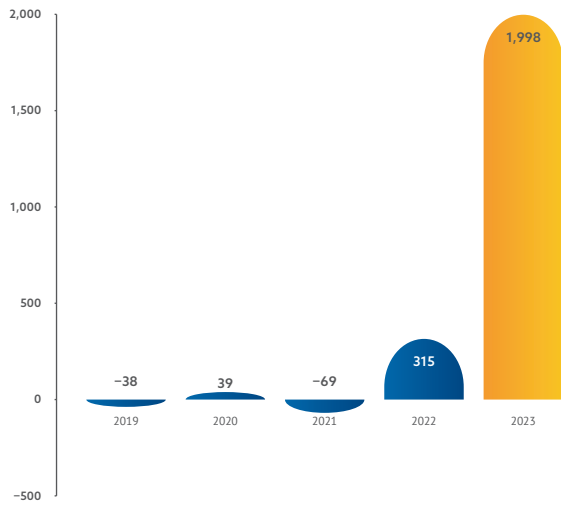


Operating Profit (Rs. in Million)

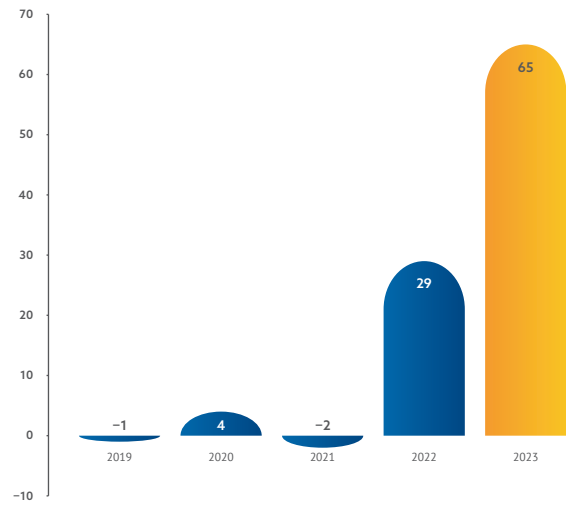


# GRAPHICAL ANALYSIS

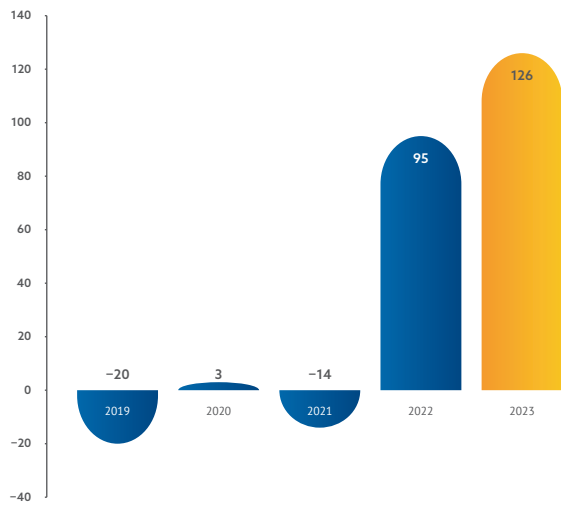
Profit after tax (Rs. in Million)



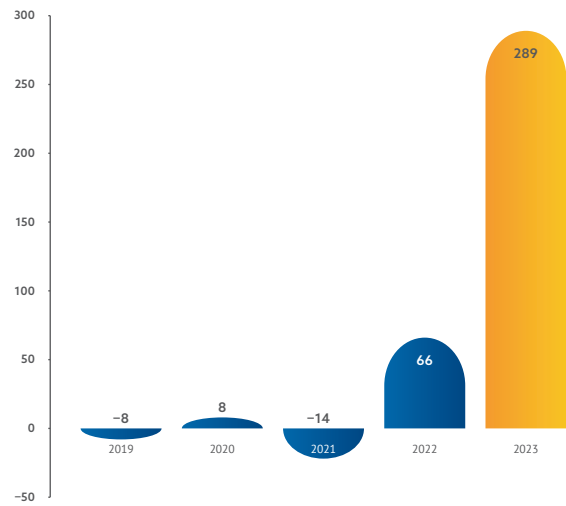
Return on Capital Employed (Percentage)



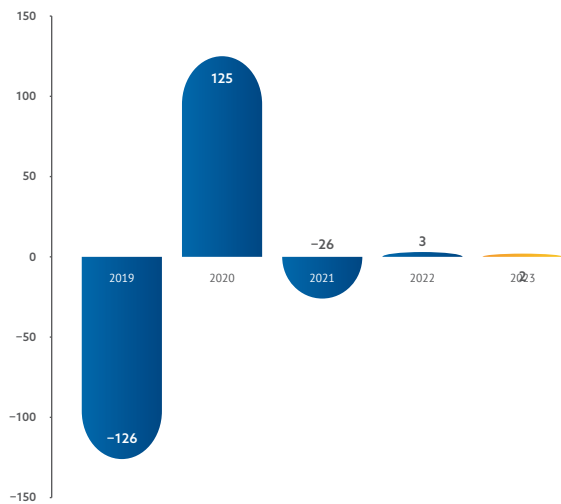
Taxation (Rs. in Million)



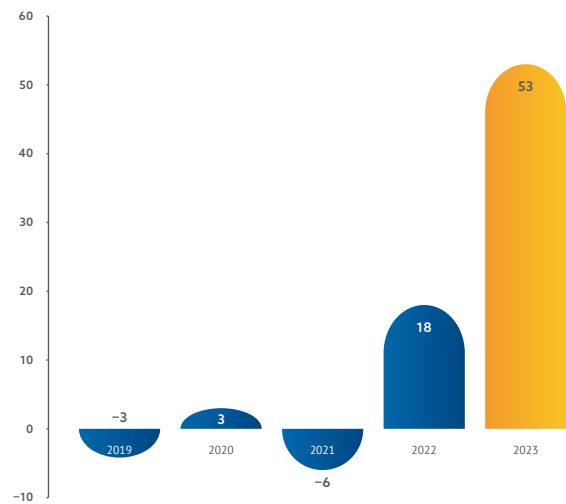
Earning Per Share (Rs. in Million)



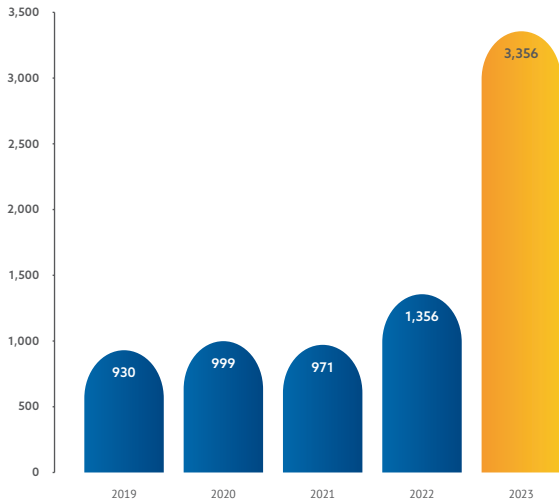
Price Earning Ratio (Percentage)



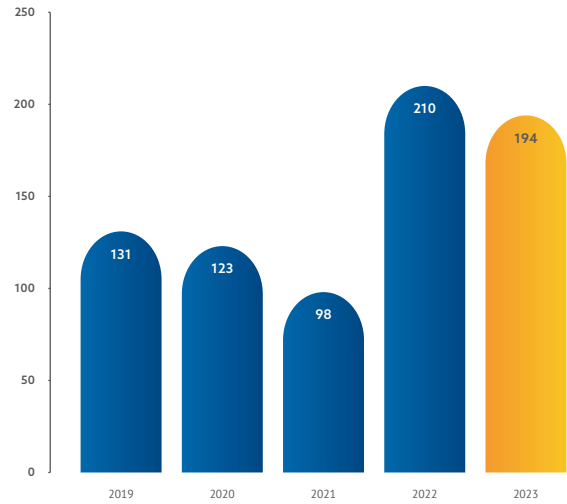
Return on Equity (Percentage)



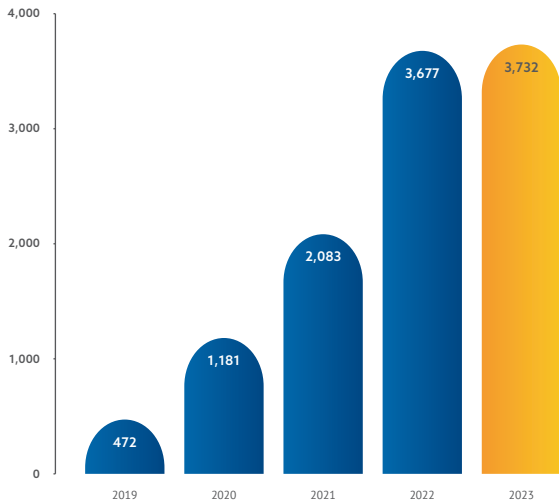
Reserves (Rs. in Million)



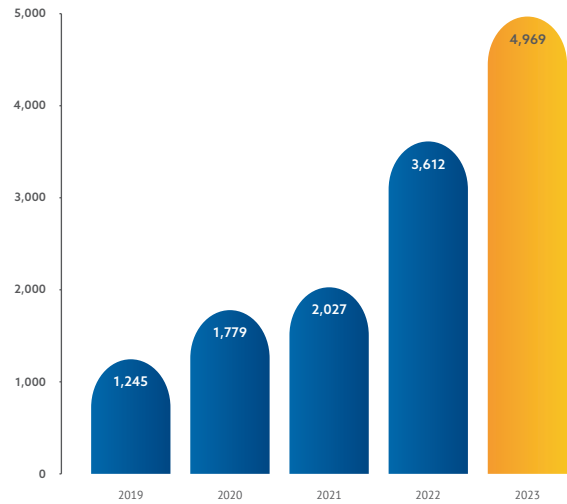
Long Term Liabilities (Rupees in Million)



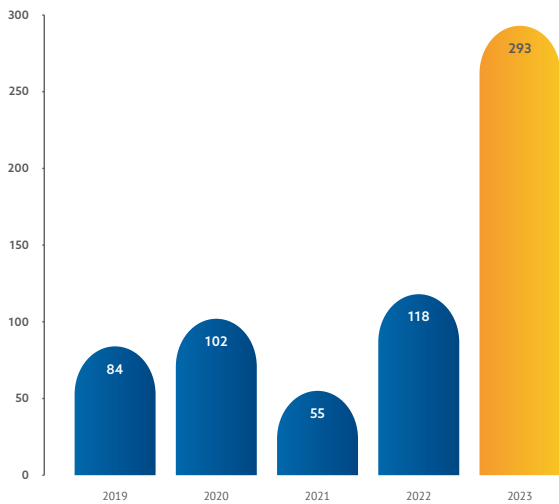
Current Liabilities (Rs. in Million)



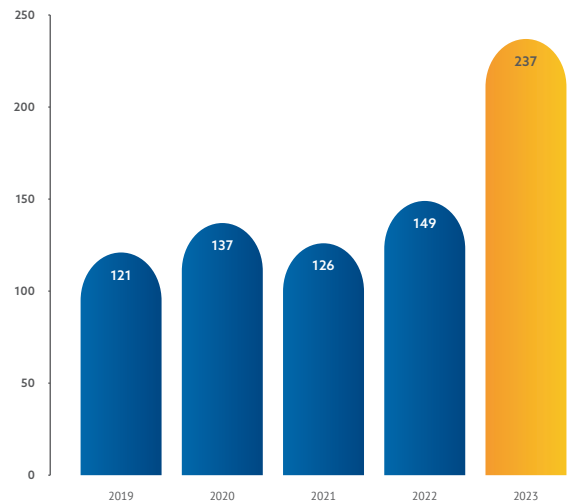
Current Assets (Rs. in Million)



Selling & Distribution Expense (Rs. in Million)



Administrative Expense (Rs. in Million)





**SAMSONS AGRI FARMS**

*Think Green*

# SAMSONS AGRI FARMS

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.



Proud moment for Khyber Tobacco Company 🏆!

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

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

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

## BUSINESS RECORDER

Jul 27, 2023

### KTC receives award for 'best export performance'

RECORDER REPORT PUBLISHED JULY 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

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

Recorder Report Published July 26, 2023

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

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



Meet the CEO  
By Discover Pakistan TV



# INK OF THE PAST



Minutes of the First Annual General Meeting of the Shareholders of the Khyber Tobacco Company Limited, Mardan held at the Registered Office of the Company at 10 A.M. on Thursday the 12th April 1956.

---

The following shareholders were present and shareholders marked (\*) only were qualified to vote.

(As per list attached)

The meeting began punctually at 10 A.M.

Prince M. Namuk was proposed in the Chair by Col. Sairab Hayat Khan and seconded by Mr. Vajid Mahmood. Prince M. Namuk then took the chair and read out the entire agenda before the meeting. Each item of the agenda was then taken up serially.

1. On behalf of the Board of Directors of the Company, Mr. Vajid Mahmood read out the Report of the Directors to the meeting and proposed the following amendment:

That on page 6 para 4 the words "extremely favourable to the Company" be deleted and the words "mutually advantageous to the Company and to the distributors" be substituted.

This amendment was seconded by Mr. Hussain Mizani.

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

Mr. Mohammed Yousuf, a shareholder, wanted an item of Rs. 7336/5/6 regarding curio-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. Hassel & Co. upto 15th February 1956".

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

15/4/56

J.



THE FIRST CHAIRPERSON, PRINCE ŞEHZADE MAHMUD NAMIK

THE COMPANIES ORDINANCE 1984

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

KHYBER TOBACCO COMPANY

LIMITED

PRELIMINARY

1. The regulations contained in Table A in the First Schedule to the Companies Ordinance 1984, shall not apply to the Company and the following shall be the Articles of the Company.

2. In these Articles unless there be something in the subject or context inconsistent therewith :-

"These Articles" means these Articles of Association as originally framed or as from time to time altered by Special Resolution.

"The Ordinance" means the Companies Ordinance 1984.

"The Company" means the above-named Company.

"The Directors" means the Board of Directors for the time being of the Company.

"The Register" means the Register of Members to be kept pursuant to Section 147 of the Ordinance.

"The Seal" means the Common Seal of the Company.

201, Madison Avenue

NEW YORK 16, N.Y.

U.S.A.

to the attention of Harry A. Hooper Esq.

Dear Mr. Hooper,

I was very happy to hear your voice again and to know that you are back in New York and dealing directly with our concern and giving top priority for the achievement of the KHYBER FACTORY.

In this connection I would like to thank you for your letters of October 18th and would look forward to receiving further

ARTICLES OF AGREEMENT made at Mardan this 12th day of February, in the year 1955, between KHYBER TOBACCO COMPANY LIMITED, a public joint stock company incorporated under the Companies Act, and having its registered office in Mardan, N.W.F.P. hereinafter called party No. 1, (which expression shall wherever the context so requires or admits of be deemed to include Khyber Tobacco Co. Ltd., its successors and assigns) of one part, and ATTUCK AGENCIES LIMITED, a private company limited by shares, incorporated under the Companies Act, and having its registered office at McLeod Road, Karachi, hereinafter called Party No. 2 (which expression shall wherever the context so requires or admits of be deemed to include their successors and assigns and the persons named and/or other person or persons for the time being constituting the said company, not withstanding any change in the constitution or in the name of style of the said company, its executors, administrators, successors and assigns) of the other part.

WHEREAS the following resolution was passed at the promoter directors' meeting of the Khyber Tobacco Co. Ltd. held on the 18th October, 1954 viz. "That the Attuck Agencies Ltd. be and are hereby appointed Managing Agents of the Company in terms of the draft Managing Agency Agreement submitted to the meeting and which for the purpose of identification has been endorsed with the signatures of the promoter directors on the behalf of the administration and

# INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF KHYBER TOBACCO COMPANY LIMITED

## REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Khyber Tobacco Company Limited (the Company) for the year ended June 30, 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.

*Rana M Usman Khan*

Chartered Accountants

Engagement Partner: Rana M Usman Khan

Lahore

Date: October 06, 2023

UDIN: CR202310088cQUCoMlqN

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KHYBER TOBACCO COMPANY LIMITED

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the annexed financial statements of Khyber Tobacco Company Limited (the Company), which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of the profit, its comprehensive loss, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
<p><b>Revenue Recognition</b></p> <p>The Company's sales comprise of revenue from the local and export sale of cigarettes and raw tobacco which has been disclosed in note 21 to the financial statements.</p> <p>Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods or on date of bill of lading and at transaction price net of trade discounts (note 5.12).</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on transfer of control to the customers in line with the accounting policy adopted and may not have been recognized in the appropriate period.</p>	<p>Our audit procedures to evaluate revenue recognition, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and assessing the design and implementation and operating effectiveness of relevant controls around recognition of revenue;</li> <li>• Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards;</li> <li>• Checked on a sample basis whether the recorded local and export sales transactions are based on satisfaction of performance obligation (i.e. dispatch of goods and after issue of gate passes for local sales and shipment of goods for export sales);</li> <li>• Testing timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents; and</li> <li>• Evaluated the adequacy and appropriateness of disclosures made in the financial statements.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance opinion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF KHYBER TOBACCO COMPANY LIMITED

going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that ordinance.

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



Chartered Accountants

**Lahore**

**Date:** 06-10-2023

**UDIN:** AR202310088sSAy1oXR

# STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

		2023	2022
	Note	Rupees	Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	6	69,226,040	48,073,640
Unappropriated profit		3,352,438,743	1,352,674,467
Revenue reserves	6.4	3,312,465	3,312,465
Revaluation surplus on property, plant and equipment	7	368,963,006	360,188,752
		<b>3,793,940,254</b>	<b>1,764,249,324</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Employee retirement benefits	8	87,810,788	63,028,927
Deferred tax liabilities	9	105,942,415	146,529,103
		<b>193,753,203</b>	<b>209,558,030</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	3,614,916,768	2,161,578,213
Unclaimed dividend		16,171,291	16,177,683
Loan from sponsors - unsecured	11	101,035,638	1,470,900,000
Provision for taxation		-	27,993,619
		<b>3,732,123,697</b>	<b>3,676,649,515</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,719,817,154</b>	<b>5,650,456,869</b>



		2023	2022
	Note	Rupees	Rupees
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	13	2,744,656,198	2,043,137,650
Long term deposits	14	6,237,411	4,947,411
		<b>2,750,893,609</b>	2,048,085,061
<b>CURRENT ASSETS</b>			
Stock in trade	15	1,706,636,284	1,869,976,979
Stores, spare parts and loose tools		19,357,351	16,353,232
Trade debts	16	1,407,685,764	768,673,257
Advances, prepayments and other receivables	17	746,341,728	255,309,493
Advance income tax	18	2,424,234	-
Cash and bank balances	19	1,086,478,184	679,358,847
		<b>4,968,923,545</b>	3,589,671,808
Non-current assets classified as held for sale	20	-	12,700,000
<b>TOTAL ASSETS</b>		<b>7,719,817,154</b>	5,650,456,869

The annexed notes from 1 to 40 form an integral part of these financial statements



Chief Executive



Director



Director

# STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
	Note	Rupees	Rupees
<b>Revenue from contracts with customers - net</b>	<b>21</b>	<b>7,434,547,887</b>	2,464,709,131
Cost of sales	<b>22</b>	<b>(4,662,752,405)</b>	(1,662,443,302)
<b>Gross profit</b>		<b>2,771,795,482</b>	802,265,829
Administrative expenses	<b>23</b>	<b>(237,124,008)</b>	(149,215,846)
Selling and distribution expenses	<b>24</b>	<b>(293,248,789)</b>	(117,652,462)
Impairment loss on financial assets	<b>16</b>	<b>(61,954,517)</b>	(2,642,973)
		<b>(592,327,314)</b>	(269,511,281)
<b>Operating profit</b>		<b>2,179,468,168</b>	532,754,548
Other income	<b>25</b>	<b>399,196,718</b>	48,632,739
		<b>2,578,664,886</b>	581,387,287
Other expenses	<b>26</b>	<b>(177,871,122)</b>	(40,726,675)
Finance cost	<b>27</b>	<b>(276,640,353)</b>	(130,306,078)
		<b>(454,511,475)</b>	(171,032,753)
<b>Profit before taxation</b>		<b>2,124,153,411</b>	410,354,534
Taxation	<b>28</b>	<b>(125,752,554)</b>	(94,905,749)
<b>Profit for the year</b>		<b>1,998,400,857</b>	315,448,785
Earnings per share - basic and diluted	<b>29</b>	<b>288.68</b>	45.57

The annexed notes from 1 to 40 form an integral part of these financial statements



Chief Executive



Director



Director

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
Profit for the year	1,998,400,857	315,448,785
<b>Items that will not be reclassified to profit or loss:</b>		
Surplus on revaluation of property, plant and equipment	-	277,159,799
Impact of change in tax rate on revaluation surplus	39,503,113	-
Remeasurement loss on post retirement benefits liability	(8,984,073)	(8,510,471)
Related deferred tax	771,033	(49,048,921)
	31,290,073	219,600,407
<b>Total comprehensive income for the year</b>	<b>2,029,690,930</b>	535,049,192

The annexed notes from 1 to 40 form an integral part of these financial statements



Chief Executive



Director



Director

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2023

	Reserves				Total
	Share capital	Capital reserves	Revenue reserves		
		Revaluation surplus on property, plant and equipment	General reserves	Unappropriated profit	
<b>Rupees</b>					
<b>Balance as at July 01, 2021</b>	48,073,640	212,209,916	3,312,465	967,360,313	1,230,956,334
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	-	315,448,785	315,448,785
Other comprehensive income for the year	-	226,354,676	-	(8,510,471)	217,844,205
	-	226,354,676	-	306,938,314	533,292,990
Transfer from surplus on revaluation of property, plant and equipment - net of tax					
- on account of incremental depreciation	-	(72,332,596)	-	72,332,596	-
- on account of disposal	-	(6,043,244)	-	6,043,244	-
	-	(78,375,840)	-	78,375,840	-
<b>Balance as at June 30, 2022</b>	48,073,640	360,188,752	3,312,465	1,352,674,467	1,764,249,324
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	-	1,998,400,857	1,998,400,857
Other comprehensive income for the year	-	39,503,113	-	(8,213,040)	31,290,073
	-	39,503,113	-	1,990,187,817	2,029,690,930
Transfer from surplus on revaluation of property, plant and equipment - net of tax					
- on account of incremental depreciation	-	(20,319,913)	-	20,319,913	-
- on account of disposal	-	(10,408,946)	-	10,408,946	-
	-	(30,728,859)	-	30,728,859	-
<b>Transactions with owners</b>					
Shares issued as fully paid bonus shares	21,152,400	-	-	(21,152,400)	-
<b>Balance as at June 30, 2023</b>	<b>69,226,040</b>	<b>368,963,006</b>	<b>3,312,465</b>	<b>3,352,438,743</b>	<b>3,793,940,254</b>

The annexed notes from 1 to 40 form an integral part of these financial statements



Chief Executive



Director



Director

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
Note	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		410,354,534
Profit before taxation	2,124,153,411	
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	168,355,772	136,330,997
Provision for staff retirement benefits	5,147,539	13,816,423
Provision for WPPF written back	-	43,023,439
Accrued liabilities written back	3,025,824)	-
Advance from customer written back	3,375,000)	-
Advance to supplier written off	560,343	53,885
Write off sales tax not to be claimed	9,035,649	-
Gain on disposal of property, plant and equipment	1,671,651)	-
Impairment loss on financial assets	61,954,517	(2,642,973)
Exchange gain) / loss	371,124,243)	10,259,833
Finance cost	76,640,353	130,306,078
	142,497,455	331,147,682
Cash flows from operating activities before working capital changes	2,266,650,866	741,502,216
<b>Effect on cash flows due to working capital changes</b>		
Decrease / increase) in stock in trade	163,340,695	(870,668,113)
(Increase) / decrease in store and spares	3,004,119)	(11,776,387)
(Increase) / decrease in trade debts	67,888,264)	(590,928,276)
(Increase) / decrease in advances and prepayments	491,592,578)	(10,597,704)
Decrease / increase in advance income tax	-	19,896,698
Increase / decrease) in trade and other payables	1,405,184,515	957,800,445
	806,040,249	(506,273,337)
<b>Cash generated from / used in) operations</b>	3,072,691,115	235,228,879
Gratuity paid	(9,349,751)	(2,940,548)
Income tax paid	(106,578,551)	(23,522,402)
Finance cost paid	(257,598,255)	(2,164,658)
WWF paid	(12,671,798)	(2,069,374)
Unclaimed dividend paid	(6,392)	(230,089)
	(386,204,747)	(30,927,071)
<b>Net cash generated from operating activities</b>	2,686,486,368	204,301,808
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(908,212,669)	(525,040,742)
Security deposits	(1,290,000)	(180,000)
Proceeds from sale of property, plant and equipment	-	16,485,001
<b>Net cash used in investing activities</b>	(909,502,669)	(508,735,741)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt of loan	33,000,000	471,500,000
Repayment of loan	(1,402,864,362)	(46,000,000)
<b>Net cash generated from financing activities</b>	(1,369,864,362)	425,500,000
<b>Net increase in cash and cash equivalents</b>	407,119,337	121,066,067
<b>Cash and cash equivalents at beginning of the year</b>	679,358,847	558,292,780
<b>Cash and cash equivalents at end of the year</b>	19 1,086,478,184	679,358,847

The annexed notes from 1 to 40 form an integral part of these financial statements



Chief Executive



Director



Director

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## 1 THE COMPANY AND ITS OPERATIONS

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

**1.2** These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

## 2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

### 2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 2.2 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

#### 2.2.1 Standards or Interpretations with no significant impact

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts – cost of fulfilling a contract

Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)

### 2.3 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**Effective from  
accounting period  
beginning on or after:**

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - Deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IAS 12 'Income taxes' - International Tax Reform – Pillar Two Model Rules	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosure' - Supplier Finance Arrangements	January 01, 2024
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

### 3 SIGNIFICANT ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## **Employee retirement benefits**

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Provisions are made annually to cover the obligation under the scheme on the basis of actuarial valuation and are charged to income. The calculation require assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration and discount rate used to derive present value of defined benefit obligation. The assumptions are determined by independent actuaries on annual basis.

## **Property, plant and equipment**

The Company reviews the useful lives of property, plant and equipment on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment, if any.

## **Revaluation of fixed assets**

Revaluation of fixed assets is carried out by independent professional valuer. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values. The frequency of revaluation depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.

## **Impairment on financial assets**

When measuring ECL the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

## **Taxation**

The Company takes into account the current income tax laws and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

## **Contingencies**

The Company has disclosed its contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the reporting date. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at the reporting date.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

The accounting policies, significant judgements, estimates and assumptions used by the management in preparation of these financial information are the same as those applied in preparation of audited annual financial statements for the year ended 30 June 2022.

## 4 ACCOUNTING CONVENTION

These financial statements have been prepared under the historical cost convention except for:

- buildings on lease hold land, plant and machinery and furnitures and fixtures
- recognition of certain employee retirement benefits at present value

## 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 5.1 Property, plant and equipment

#### Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses except for the buildings on leasehold land, plant and machinery, and furniture and fittings which are stated at revalued amounts less accumulated depreciation thereon and accumulated impairment loss, if any. Items of CWIP are stated at cost less impairment loss, if any. These costs are transferred to respective items of property, plant and equipment when available for intended use. Assets' residual values, if significant, and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date. When parts of an item of property, plant and equipment have different useful lives, they are recognized as separate items of property, plant and equipment.

Subsequent costs are recognized as separate asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land, buildings, plant machinery and equipment are recognized, net of tax, in other comprehensive income and accumulated in revaluation surplus in statement of changes in equity. To the extent that increase reverses a decrease previously recognized in profit or loss, the increase is first recognized in profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognized in statement of profit or loss. When revalued assets are sold, the amounts included in the surplus on revaluation of property, plant and equipment are transferred to retained earnings.

#### Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow for more than one year then the amount is capitalized to the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight line method over their estimated useful lives, and is generally recognized in statement of profit or loss at rates given in note 13 to these financial statements. Full month depreciation is charged in the month of addition while no depreciation is charged in the month of disposal or derecognition.

Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit. Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight line method over their estimated useful lives, and is generally recognized in statement of profit or loss at rates given in note 13 to these financial statements. Full month depreciation is charged in the month of addition while no depreciation is charged in the month of disposal or derecognition.

Depreciation on additions to property, plant and equipment is charged on pro rata basis from the date on which the item of property, plant and equipment is acquired or capitalized while no depreciation is charged from the date on which property, plant and equipment is disposed off / derecognized.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## 5.2 Stock in trade

These are valued at the lower of cost and net realizable value, except for items in transit and waste stock. Cost is computed applying the following bases:

- |                   |                          |
|-------------------|--------------------------|
| - Raw material    | - weighted average cost. |
| - Work-in-process | - weighted average cost. |
| - Finished goods  | - weighted average cost. |

Stock in transit are valued at invoice value plus other charges incurred thereon up to the statement of financial position date. Waste stock are valued at lower of cost or net realizable value.

Weighted average cost in relation to work-in-process and finished goods includes cost of direct material, direct labour and a proportion of manufacturing overheads based on normal capacity.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

## 5.3 Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

## 5.3.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

### Classification of financial assets

#### a) Debt instruments measured at amortized cost

Debt instruments that meet the following conditions are measured subsequently at amortized cost.

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Amortized cost and effective interest method

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

#### b) Debt instruments measured at fair value through other comprehensive income (FVTOCI):

Debt instruments that meet specified conditions and are measured subsequently at fair value through other comprehensive income (FVTOCI).

#### c) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

#### d) Financial assets measured subsequently at fair value through profit or loss (FVTPL)

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## **Impairment of financial assets**

The Company recognizes a loss allowance for expected credit losses on debt instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognizes lifetime ECL for trade debts using simplified approach. The expected credit losses on these financial assets are determined using probability based estimation of future expected cash flows under different scenarios, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money, where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

## **Write-off policy**

The Company writes off financial assets when there is information indicating that the amount is not recoverable due to the conflict in invoices with customer. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognized in profit or loss.

## **Derecognition of financial assets**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

### **5.3.2 Financial liabilities**

#### **Subsequent measurement of financial liabilities**

- contingent consideration of an acquirer in a business combination,
- held-for-trading, or
- designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

Subsequently the financial liabilities are measured using the effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## **Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

## **5.4 Off setting of financial assets and financial liabilities**

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position, if the Company has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

## **5.5 Long term deposits**

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

## **5.6 Trade debts and other receivables**

Trade receivables and other receivables are initially recognized at fair value, which is usually the original invoiced amount and subsequently carried at amortized cost using the effective interest method less allowance for ECL.

## **5.7 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark-up arrangements. In the statement of financial position, finances under mark-up arrangements are included in current liabilities.

## **5.8 Trade and other payables**

Liability for trade and other payables are measured at amortized cost of the consideration to be paid in the future for goods and services received.

## **5.9 Employee benefits**

### **Defined benefit plan**

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Provisions are made annually to cover the obligation under the schemes on the basis of actuarial valuation and are charged to statement of profit or loss for the year. The assumptions are determined by independent actuary. The amount recognized in the statement of financial position represents the present value of defined benefit obligations using the projected unit credit actuarial valuation method. Actuarial gains / losses arising from the actuarial valuation are recognized immediately and are presented in other comprehensive income. Details of the scheme are given in note 8 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## 5.10 Provisions

Provisions are recognized in the statement of financial position when the Company has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

## 5.11 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit after tax attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

## 5.12 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable on the following basis:

- Revenue from local sale of goods is recognized at the point in time when the control of the goods is transferred to the customer, generally on delivery of the goods and at transaction price net of trade discounts.
- Revenue from the export sale of goods is recognized at the point in time when the customer obtains control over the goods dependent on the relevant incoterms of shipment. Generally, it is on the date of bill of lading or at the time of delivery of goods to the destination port.

## 5.13 Taxation

### Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

### Deferred

Deferred tax liability is recognized for all taxable temporary differences while deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profits will be available against which such temporary differences and tax losses can be utilized. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of "Technical Release - 27" of the Institute of Chartered Accountants of Pakistan.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the statement of financial position date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## **5.14 Contract liabilities**

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

## **5.15 Foreign currencies**

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the statement of financial position date except where forward exchange contracts have been entered into for repayment of liabilities in that case, the rates contracted for are used. Gains and losses arising on retranslation are included in statement of profit or loss for the year.

## **5.16 Dividend distribution**

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

## **5.17 Borrowings**

Loans and borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Finance cost is accounted for on an accrual basis and are included in mark-up accrued on loans to the extent of amount remaining unpaid, if any.

## **5.18 Leases**

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## 6 SHARE CAPITAL

### 6.1 Authorized share capital

2023	2022		2023	2022
Number of shares			Rupees	
<b>60,000,000</b>	60,000,000	Ordinary shares of Rs 10 each	<b>600,000,000</b>	600,000,000

### 6.2 Issued, subscribed and paid up share capital

2023	2022		2023	2022
Number of shares			Rupees	
<b>497,500</b>	497,500	Ordinary shares of Rs. 10 each issued for cash	<b>4,975,000</b>	4,975,000
<b>6,425,104</b>	4,309,864	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	<b>64,251,040</b>	43,098,640
<b>6,922,604</b>	4,807,364		<b>69,226,040</b>	48,073,640

#### 6.2.1 Movement in Issued, subscribed and paid up share capital

Balance at the beginning of the year	48,073,640	48,073,640
Bonus shares issued during the year	21,152,400	-
Balance at the end of the year	<b>69,226,040</b>	48,073,640

**6.3** All the ordinary shares rank equally with regard to the company's residual assets. Holders of these shares are entitled to dividends from time to time and are entitled to one vote per share at general meetings of the company.

**6.4** The general reserves are used from time to time to transfer profits from un-appropriated profit. There is no policy of regular transfer. General reserves are not usable for profit distribution.

### 6.5 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditors and market confidence and to sustain future development of the business. The Board of Directors of the Company monitors the return on capital, which the Company defines as net profit after tax divided by the total shareholders' equity. The Board of Directors also determines the level of dividends to ordinary shareholders.

The Company manages capital by maintaining gearing ratio at certain levels. This ratio is calculated as long-term borrowings divided by total capital. Total capital is calculated as 'equity' shown in the statement of financial position plus long-term borrowings. The gearing ratio is as follows:

	2023	2022
	Rupees	Rupees
Long term borrowings	-	-
Total equity	<b>3,987,693,457</b>	1,973,807,354
<b>Total capital</b>	<b>3,987,693,457</b>	1,973,807,354
<b>Gearing ratio</b>	<b>0%</b>	<b>0%</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
		Rupees	Rupees
<b>7</b>	<b>REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT</b>		
	Opening balance as on July 01	455,458,502	283,267,591
	Surplus arising on property, plant and equipment recognized during the year	-	277,159,799
		455,458,502	560,427,390
	<b>Surplus transferred to unappropriated profit:</b>		
	- on account of incremental depreciation - net of tax	(20,319,913)	(72,332,596)
	- on account of disposal - net of tax	(10,408,946)	(6,043,244)
	- related deferred tax	(4,175,425)	(26,593,048)
		(34,904,284)	(104,968,888)
		420,554,218	455,458,502
	<b>Related deferred tax liability</b>		
	On revaluation surplus as on July 01	(95,269,750)	(71,057,675)
	Recognized in OCI	-	(50,805,123)
	Impact of change in tax rate	39,503,113	-
	Effect due to incremental depreciation	4,175,425	26,593,048
		(51,591,212)	(95,269,750)
		368,963,006	360,188,752

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

		2023	2022
		Rupees	Rupees
<b>8</b>	<b>EMPLOYEE RETIREMENT BENEFITS</b>		
	Net defined benefit liability	87,810,788	63,028,927
<b>8.1</b>	<b>Net defined benefit liability</b>		
	Company operates an unfunded gratuity scheme of its employees, details of which are as follows:		
	<b>Movement in the defined benefit liability</b>		
	Balance at beginning of the year	63,028,927	43,642,581
	Charge for the year	25,147,539	13,816,423
	Benefits paid during the year	(9,349,751)	(2,940,548)
	Remeasurement loss	8,984,073	8,510,471
	Balance at the end of the year	87,810,788	63,028,927

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
<b>8.2</b>	<b>Movement in the present value of defined benefit liability is as follows:</b>		
	Present value of defined benefit liability as at July 01	<b>63,028,927</b>	43,642,581
	Current service cost	<b>17,269,742</b>	9,493,762
	Interest cost	<b>7,877,797</b>	4,322,661
	Benefits paid	<b>(9,349,751)</b>	(2,940,548)
	Remeasurement loss	<b>(8,984,073)</b>	(8,510,471)
	Present value of defined benefit liability as at June 30	<b>87,810,788</b>	63,028,927
<b>8.3</b>	<b>Expense recognized in profit or loss account is as follows</b>		
	Current service cost	<b>17,269,742</b>	9,493,762
	Interest cost	<b>7,877,797</b>	4,322,661
		<b>25,147,539</b>	13,816,423
<b>8.4</b>	<b>Charge for the year has been allocated as follows</b>		
	Cost of sales	<b>13,329,947</b>	9,584,400
	Administrative expenses	<b>8,798,859</b>	3,415,686
	Selling and distribution cost	<b>3,018,733</b>	816,337
		<b>25,147,539</b>	13,816,423
<b>8.5</b>	<b>Remeasurement chargeable to other comprehensive income</b>		
	Remeasurement (gain) / loss on defined benefit obligation	<b>(8,984,073)</b>	(8,510,471)

## 8.6 Key actuarial assumptions

The latest actuarial valuation was carried out, on June 30, 2023, using projected unit credit method with the following assumptions:

	2023 Percentage	2022 Percentage
<b>The following were the principal actuarial assumptions at the reporting date :</b>		
Discount rate	<b>15.75%</b>	13.50%
Future salary growth	<b>15.75%</b>	13.50%
Employee turnover rate	<b>Moderate</b>	Moderate
Mortality rate	<b>SLIC 2001-2005 mortality table</b>	
Withdrawal rate	<b>Age dependent withdrawal table</b>	

The rates assumed were based on the SLIC 2001-2005 ultimate mortality tables. The table given in Annexure 4 shows the death rates per thousand per annum at each age. This is the latest table available in the country and is being used for most actuarial calculations.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## Maturity profile of the defined benefit obligation

At June 30, 2023 the weighted-average duration of defined benefit obligation was 12.37 years (2022: 12.79 years).

	2023 Rupees	2022 Rupees
Distribution of timing of benefit payments (time in years)		
0 to 1 year	9,747,320	6,690,282
1 to 2 years	2,715,148	1,941,337
2 to 5 years	18,463,171	11,746,431
Above 5 years	1,454,492,606	547,472,237

## 8.7 Sensitivity Analysis

For changes of 100 basis points, present value of defined benefit obligation as at June 30, 2023 would have been as follows:

	Defined Benefit Obligation		
	Changes in assumptions	Increase in assumptions	Decrease in assumptions
	%	Rupees	
Discount rate	1%	57,076,177	70,134,088
Future salary growth	1%	70,326,687	56,822,843

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

## 8.8 Risk associated with defined benefit plan

### Salary risk (linked to inflation risk)

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

### Demographic risks

#### Mortality risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

#### Withdrawal risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

## 8.9 Funding

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
<b>9 DEFERRED TAX LIABILITIES</b>	<b>9.1</b>	<b>105,942,415</b>	146,529,103
<b>9.1 This comprises the following:</b>			
<b>Deferred tax liability on taxable temporary differences arising in respect of:</b>			
Property, plant and equipment (at cost)		93,321,669	71,937,984
Revaluation surplus		50,308,845	93,987,387
		143,630,514	165,925,371
<b>Deferred tax asset on deductible temporary differences arising in respect of:</b>			
Allowance for expected credit loss		(11,115,446)	(6,389,761)
Provision for employee benefits		(10,504,375)	(13,006,507)
Tax credit		(16,068,278)	-
		(37,688,099)	(19,396,268)
		105,942,415	146,529,103

## 9.2 Movement in temporary differences during the year

	Balance as at July 01, 2022	Expense/ (Income) Recognized in profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2023
	Rupees			
<b>Taxable temporary differences</b>				
Property, plant and equipment	71,937,984	21,383,685	-	93,321,669
Revaluation surplus	93,987,387	(4,175,429)	(39,503,113)	50,308,845
	165,925,371	17,208,256	(39,503,113)	143,630,514
<b>Deductible temporary differences</b>				
Allowance for expected credit losses	(6,389,761)	(4,725,685)	-	(11,115,446)
Provision for employee retirement benefits	(13,006,507)	3,273,165	(771,033)	(10,504,375)
Tax credit	-	(16,068,278)	-	(16,068,278)
	(19,396,268)	(17,520,798)	(771,033)	(37,688,099)
	146,529,103	(312,542)	(40,274,146)	105,942,415

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Balance as at July 01, 2021	Expense/ (Income) Recognized in profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2022
Rupees				
<b>Taxable temporary differences</b>				
Property, plant and equipment	36,461,600	35,476,384	-	71,937,984
Revaluation surplus	71,057,675	(27,875,411)	50,805,123	93,987,387
	107,519,275	7,600,973	50,805,123	165,925,371
<b>Deductible temporary differences</b>				
Allowance for expected credit losses	(7,104,451)	714,690	-	(6,389,761)
Provision for employee retirement benefits	(10,947,742)	(302,563)	(1,756,202)	(13,006,507)
Unused losses and credits	(20,062,919)	20,062,919	-	-
Tax credit	(15,107,940)	15,107,940	-	-
	(53,223,052)	35,582,986	(1,756,202)	(19,396,268)
	54,296,223	43,183,959	49,048,921	146,529,103

		2023	2022
	Note	Rupees	Rupees
<b>10 TRADE AND OTHER PAYABLES</b>			
Trade creditors		<b>2,223,004,977</b>	1,431,130,705
Accrued liabilities		<b>37,274,559</b>	56,821,758
Accrued markup on loan from sponsors and directors		<b>175,252,785</b>	156,210,687
Advance from customers	<b>10.1</b>	<b>402,916,335</b>	234,776,165
Workers' Profit Participation Fund	<b>10.2</b>	<b>216,838,722</b>	81,273,193
Workers' Welfare Fund		<b>42,672,454</b>	12,671,798
Withholding taxes		<b>49,634,736</b>	20,522,794
Sales tax and excise duty		<b>304,683,922</b>	65,319,911
Tobacco development cess		<b>65,705,879</b>	23,316,742
Royalty		<b>13,358,630</b>	21,064,039
Other payables		<b>83,573,769</b>	58,470,421
		<b>3,614,916,768</b>	2,161,578,213

**10.1** Advance from customers of Rs. 140.12 million received in previous year (2022: Rs. 222.30 million) has been adjusted against sales.

	2023	2022
	Rupees	Rupees
<b>10.2 Movement in Workers' Profit Participation Fund</b>		
Balance at beginning of the year	<b>81,273,193</b>	74,804,948
Interest on funds utilized in the Company's business	<b>20,944,102</b>	3,189,224
Payment during the year	-	(18,759,354)
	<b>102,217,295</b>	59,234,818
Allocation for the year	<b>114,621,427</b>	22,038,375
Balance at end of the year	<b>216,838,722</b>	81,273,193

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
<b>11</b>	<b>LOAN FROM SPONSORS AND DIRECTORS - UNSECURED</b>		
	Interest bearing	<b>101,035,638</b>	1,470,900,000
<b>11.1</b>	<b>Interest bearing</b>		
	At the beginning of the year	<b>1,470,900,000</b>	1,014,400,000
	Received during the year	<b>33,000,000</b>	456,500,000
	Repaid during the year	<b>(1,402,864,362)</b>	-
	At the end of the year	<b>101,035,638</b>	1,470,900,000

## Loan from sponsors and directors - unsecured

This loan is for meeting the working capital requirements of the company. The loan carries interest at **Average KIBOR + 2%**. If borrower default on its payment and fails to cure said default within a reasonable amount of time lender will have the option to declare the entire remaining amount of principle and any accrued interest immediately due and payable. The loan if becoming payable or even otherwise shall be convertible into ordinary share of the company with mutual consent of both parties. However the decision of BOD of the Company shall be considered final in this regard.

	Note	2023 Rupees	2022 Rupees
<b>12</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
	<b>Commitments:</b>		
	Letter of credit against import of machinery and packing material	-	498,161,420
	Short term lease rentals	<b>6,525,696</b>	5,975,745
	Letter of guarantee issued by bank on behalf of the Company	<b>46,900,000</b>	900,000
		<b>53,425,696</b>	505,037,165

## Contingencies:

- i Deputy Commissioner Inland Revenue, Corporate Zone II, Regional Tax Office, Peshawar passed assessment order under assessment order no. 33/2017 on 23 August 2017 under Federal Excise Act 2005 and Sales Tax Act 1990 amounting to Rs. 9.51 million against the Company in lieu of alleged claims of non payment of taxes and duties. The Company has filed appeal against the order before the Commissioner Inland Revenue (Appeals) Peshawar December 11, 2018 and adjudication of the same is pending. The management, based on legal opinion, is confident that the eventual decision will be in favor of the Company.
- ii Deputy Commissioner Inland Revenue, Corporate Zone II, Regional Tax Office, Peshawar passed assessment order on July 18, 2019 under Federal Excise Act 2005 and Sales Tax Act 1990 amounting to Rs. 376.2 million against the company in lieu of alleged claims of non payment of taxes and duties. The Company has filed the appeal against the order before the Commissioner Appeals-1 Islamabad and the matter was decided against the Company. The Company has filed second

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

appeal against the order before the Appellate Tribunal Inland Revenue Islamabad on September 08, 2022 and the matter is still pending adjudication. The management, based on legal opinion, is confident that the eventual decision will be in favor of the Company.

- iii Deputy Commissioner Inland Revenue, Corporate Zone II, Regional Tax Office, Peshawar passed an assessment order on January 29, 2018 under Federal Excise Act 2005 and Sales Tax Act 1990 amounting to Rs. 27.80 million against the Company in lieu of alleged claims of non payment of taxes and duties. The Company had filed appeal against the order before the Appellate Tribunal Inland Revenue Peshawar on August 30, 2019 and the matter is still pending adjudication. The management, based on legal opinion, is confident that the eventual decision will be in favor of the Company.
- iv Deputy Commissioner Inland Revenue, Corporate Zone II, Regional Tax Office, Peshawar passed an assessment order on June 30, 2020 under section 161/205 of the Income Tax Ordinance 2001 for alleged claims of not withholding income taxes on payment of certain expenses and ordered to pay Rs. 27.91 million. The Company filed appeal against the order before Commissioner Inland Revenue (Appeals) Peshawar and the matter is pending adjudication. The management, based on legal opinion, is confident that the eventual decision will be in favor of the Company.
- v Deputy Commissioner Inland Revenue, Corporate Zone II, Regional Tax Office, Peshawar passed an assessment order on January 17, 2019 under Federal Excise Act, 2005 and Sales Tax Act, 1990 amounting jointly to Rs. 3.99 million against the Company in lieu of alleged claims of non payment of taxes and duties. The Company filed appeal against the order before Commissioner Inland Revenue (Appeals) Peshawar and the matter was decided in favor of the Company. The Commissioner Corporate Zone Regional Tax Office Peshawar filed an appeal before Appellate Tribunal Inland Revenue Peshawar on August 30, 2019 and the matter is pending adjudication. The management, based on legal opinion, is confident that the eventual decision will be in favor of the Company.
- vi Additional Commissioner Inland Revenue, Zone I, Large Taxpayers Office, Islamabad passed an assessment order number 149068327 related to tax year 2021 on March 30, 2023 under section 122(5A) of the Income Tax Ordinance 2001 amounting to Rs.271.78 million disallowing various expenses including advertisement, gratuity, discount on cigarette sales, bad debts and adding loan from sponsors into taxable income. The company filed an appeal against the assessment order with the Commissioner Appeals Inland Revenue (Appeals) on April 26, 2023 and the matter is pending adjudication. Based on legal opinion, the management is confident that the eventual decision will favor the company.

		2023	2022
	Note	Rupees	Rupees
<b>13</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	Operating assets	2,722,351,683	1,578,526,686
	Capital work-in-process	-	442,306,449
	Capital stores	22,304,515	22,304,515
		<b>2,744,656,198</b>	2,043,137,650

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

13.1	Rupees								Total
	Buildings on leasehold land	Plant and machinery	Tools and electrical appliances	Furniture and fittings	Office equipment	Vehicles	Capital work in progress		
<b>COST / REVALUED AMOUNTS</b>									
	Balance at July 01, 2021	278,141,310	913,990,409	60,069,179	3,122,456	3,586,440	30,262,440	592,522,008	1,881,694,242
	Additions	139,783	92,383,249	44,268,579	134,734	80,000	-	388,034,397	525,040,742
	Disposals	-	(18,937,003)	-	-	-	(5,485,000)	-	(24,422,003)
	Transfers	-	538,249,956	-	-	-	-	(538,249,956)	-
	Assets classified as held for sale	-	(12,700,000)	-	-	-	-	-	(12,700,000)
	Elimination due to revaluation	(143,305,299)	(419,860,960)	-	(2,003,683)	-	-	-	(565,169,942)
	Revaluation surplus	130,459,206	145,584,350	-	1,116,243	-	-	-	277,159,799
	Balance at June 30, 2022	265,435,000	1,238,710,001	104,337,758	2,369,750	3,666,440	24,777,440	442,306,449	2,081,602,838
	<b>Balance at July 01, 2022</b>	<b>265,435,000</b>	<b>1,238,710,001</b>	<b>104,337,758</b>	<b>2,369,750</b>	<b>3,666,440</b>	<b>24,777,440</b>	<b>442,306,449</b>	<b>2,081,602,838</b>
	Additions	4,125,087	32,316,800	4,057,623	39,200	162,000	36,312,215	831,199,744	908,212,669
	Disposals	-	(38,860,349)	-	-	-	-	-	(38,860,349)
	Transfers	-	1,273,506,193	-	-	-	-	(1,273,506,193)	-
	<b>Balance at June 30, 2023</b>	<b>269,560,087</b>	<b>2,505,672,645</b>	<b>108,395,381</b>	<b>2,408,950</b>	<b>3,828,440</b>	<b>61,089,655</b>	<b>-</b>	<b>2,950,955,158</b>
<b>ACCUMULATED DEPRECIATION</b>									
	Balance at July 01, 2021	125,428,921	325,952,641	29,764,294	1,716,540	3,293,728	15,762,260	-	501,918,384
	Charge for the year	17,876,379	105,230,753	6,765,415	287,144	312,692	5,858,614	-	136,330,997
	Disposals	-	(11,322,434)	-	-	-	(987,300)	-	(12,309,734)
	Elimination due to revaluation	(143,305,300)	(419,860,960)	-	(2,003,684)	-	-	-	(565,169,944)
	Balance at June 30, 2021	-	-	36,529,709	-	3,606,420	20,633,574	-	60,769,703
	<b>Balance at July 01, 2022</b>	<b>-</b>	<b>-</b>	<b>36,529,709</b>	<b>-</b>	<b>3,606,420</b>	<b>20,633,574</b>	<b>-</b>	<b>60,769,703</b>
	Charge for the year	17,212,246	136,261,435	9,624,282	216,670	40,460	5,000,678	-	168,355,772
	Disposals	-	(522,000)	-	-	-	-	-	(522,000)
	<b>Balance at June 30, 2023</b>	<b>17,212,246</b>	<b>135,739,435</b>	<b>46,153,991</b>	<b>216,670</b>	<b>3,646,880</b>	<b>25,634,252</b>	<b>-</b>	<b>228,603,475</b>
	<b>Carrying value - June 2023</b>	<b>252,347,841</b>	<b>2,369,933,210</b>	<b>62,241,390</b>	<b>2,192,280</b>	<b>181,561</b>	<b>35,455,403</b>	<b>-</b>	<b>2,722,351,683</b>
	<b>Carrying value - June 2022</b>	<b>265,435,000</b>	<b>1,238,710,001</b>	<b>67,808,049</b>	<b>2,369,750</b>	<b>60,020</b>	<b>4,143,866</b>	<b>442,306,449</b>	<b>2,020,833,135</b>
	<b>Rate of depreciation per annum</b>	<b>7.14%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>30%</b>	<b>20%</b>		
13.2	<b>Disposal of property, plant and equipment having book value exceeding Rs. 500,000:</b>								
	<b>Particulars of assets</b>	<b>Buyer</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Book value</b>	<b>Sale proceeds</b>	<b>Gain/(loss)</b>	<b>Relationship</b>	
	<b>2023</b>								
	Stamper & Labeling Machine	Paramount Tobacco Swabi	4,060,349	-	4,060,349	3,800,000	(260,349)	None	
	Cig Making and Wrapping Machine	Malang Taj Lahore	34,800,000	522,000	34,278,000	24,910,000	(9,368,000)	None	
	<b>June 30, 2022</b>		<b>38,860,349</b>	<b>522,000</b>	<b>38,338,349</b>	<b>28,710,000</b>	<b>(9,628,349)</b>		
	June 30, 2022								
	MG HS (CAR)	Muhammad Hamid Jamil	5,485,000	987,300	4,497,700	4,583,334	85,634	COO	
	Two Cig Making Machines	CM Tobacco Industries	18,937,003	11,322,434	7,614,569	11,000,000	3,385,431	None	
			24,422,003	12,309,734	12,112,269	15,583,334	3,471,065		



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
	Note	Rupees	Rupees
<b>13.3</b>	Depreciation on property, plant and equipment has been allocated as follows;		
	Cost of sales	159,595,550	126,681,723
	Administrative expenses	8,760,222	9,649,274
		<b>168,355,772</b>	<b>136,330,997</b>

**13.4** During the year, buildings on leasehold land, plant and machinery and furniture and fittings of the Company has been revalued as at June 30, 2022 by "Unicorn International Surveyors" (UIS) which is independent valuer not connected with the Company. UIC is on panel of Pakistan Banks Association as 'Any Amount' asset valuator. It is also on the panel of State Bank of Pakistan, possesses appropriate qualification and recent experience in fair value measurements. The management of the Company believes that fair values are not materially different from revalued amounts determined by the valuers. Valuation was carried out by an independent valuer, under the market value basis. This revaluation resulted in a net surplus of Rs. 277.15 million.

Had there been no revaluation, the carrying amount of revalued assets would have been as follows;

	Cost	Accumulated depreciation	Carrying value
	Rupees	Rupees	Rupees
Buildings on leasehold land	13,814,561	1,649,636	12,164,925
Plant and machinery	2,445,129,976	254,292,593	2,190,837,383
Furniture and fittings	1,912,302	865,368	1,046,934
<b>30 June 2023</b>	<b>2,460,856,839</b>	<b>256,807,597</b>	<b>2,204,049,242</b>
<b>30 June 2022</b>	1,177,384,598	146,568,000	1,030,816,598

**13.4.1** Forced Sales Value (FSV) of buildings on leasehold land, plant and machinery and furniture and fittings were Rs. 66.35 million, Rs. 375.42 million and 0.71 million respectively as at June 30, 2022. The revalued amounts has been measured under level 2 of the IFRS 13.

## 14 LONG TERM DEPOSITS

	2023	2022
	Rupees	Rupees
Sui Northern Gas Pipelines Limited	3,660,151	3,660,151
Others	2,577,260	1,287,260
	<b>6,237,411</b>	<b>4,947,411</b>

## 15 STOCK IN TRADE

Raw and packing material	1,358,636,376	1,662,524,906
Stock in transit	262,636,279	202,387,106
Finished stock	85,363,629	5,064,967
	<b>1,706,636,284</b>	<b>1,869,976,979</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
	Note	Rupees	Rupees
<b>16</b>	<b>TRADE DEBTS</b>		
	Local - unsecured	670,099,972	177,488,259
	Foreign - unsecured	830,504,791	622,149,480
		<b>1,500,604,763</b>	799,637,739
	Allowance for expected credit losses	16.1 (92,918,999)	(30,964,482)
		<b>1,407,685,764</b>	768,673,257
<b>16.1</b>	<b>Movement in allowance for expected credit losses</b>		
	Balance at begning of the year	30,964,482	28,321,509
	Impairment losses recognized during the year	61,954,517	2,642,973
	Balance at end of the year	<b>92,918,999</b>	30,964,482
<b>17</b>	<b>ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES</b>		
	Advances to suppliers	609,643,220	109,962,082
	Advances against letter of credit	3,006,117	13,345,684
	Prepaid insurance	539,583	-
	Other receivables	29,144,700	-
	Income tax refundable	104,008,108	132,001,727
		<b>746,341,728</b>	255,309,493
<b>18</b>	<b>PROVISION FOR TAXATION LESS ADVANCE TAX PAYMENTS</b>		
	Provision for the year	126,065,096	51,516,021
	Payment made during the year	(128,489,330)	(23,522,402)
	(Advance income tax) / provision for taxation	<b>(2,424,234)</b>	27,993,619
<b>19</b>	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	350,264	1,448,198
	Cash at bank - current accounts		
	- Foreign currency	310,460,179	83,199
	- Local currency	775,667,741	677,827,450
		<b>1,086,127,920</b>	677,910,649
		<b>1,086,478,184</b>	679,358,847

**20** Two cigarette making machines, one HLP machine, one cellophane machine and one wrapping machine have been classified as non-current assets held for sale as in previous year, in accordance with International Financial Reporting Standards "Non-Current Assets Held for Sale and Discontinued Operations" (IFRS - 5). However during the year these assets have been sold.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
	Note	Rupees	Rupees
<b>21</b>	<b>REVENUE FROM CONTRACTS WITH CUSTOMERS - NET</b>		
Gross sales			
- Local		5,132,318,392	3,196,246,172
- Export		6,245,818,155	1,222,666,044
		<b>11,378,136,547</b>	4,418,912,216
Government levies			
- Excise duty		3,132,870,644	1,482,213,745
- Sales tax		751,078,766	429,275,340
		<b>3,883,949,410</b>	1,911,489,085
Less: Discounts		59,639,250	42,714,000
		<b>7,434,547,887</b>	2,464,709,131
<b>22</b>	<b>COST OF SALES</b>		
Raw and packing material consumed	22.1	4,152,062,777	1,291,516,831
Salaries, wages and benefits		203,091,296	135,667,844
Fuel and power		146,712,294	50,408,245
Stores and spares consumed		59,583,711	40,640,845
Repair and maintenance		4,172,151	2,182,797
Royalty	22.2	2,419,140	4,697,490
Short term lease rental		11,245,891	3,727,091
Depreciation		159,595,550	126,681,723
Insurance		2,166,009	1,896,969
Others		2,002,248	-
<b>Cost of goods manufactured</b>		<b>4,743,051,067</b>	1,657,419,835
Opening finished stock		5,064,967	10,088,434
Closing finished stock		(85,363,629)	(5,064,967)
		<b>4,662,752,405</b>	1,662,443,302
<b>22.1</b>	<b>Raw and packing materials consumed</b>		
Opening balance - raw and packing material		1,662,524,906	989,220,432
Opening balance - stock in transit		202,387,106	-
Raw and packing material purchases		3,908,423,420	2,167,208,411
Closing balance - raw and packing material		(1,358,636,376)	(1,662,524,906)
Closing balance - stock in transit		(262,636,279)	(202,387,106)
		<b>4,152,062,777</b>	1,291,516,831

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
	Note	Rupees	Rupees
<b>22.2</b>	<b>Details of royalty expense is as follows :</b>		
	National Tobacco Industries (Private) Limited (NTI)	2,314,920	3,502,920
	Walton Tobacco Company (Private) Limited (WTC)	104,220	1,194,570
		<b>2,419,140</b>	<b>4,697,490</b>
<b>22.3</b>	There is no relationship other than ordinary course of business. Registered address of WTC and NTI is ( Chittar Parti, Mirpur, Azad Kashmir : Mora Seedha Bhimber, Azad Kashmir )		
		2023	2022
	Note	Rupees	Rupees
<b>23</b>	<b>ADMINISTRATIVE EXPENSES</b>		
	Salaries, wages and other benefits	125,623,704	87,341,428
	Fuel and power	10,010,238	8,230,558
	Communication	2,652,022	2,533,537
	Travelling	11,852,509	3,857,739
	Printing and stationery	5,988,227	2,315,169
	Depreciation	13.3 8,760,222	9,649,274
	Legal and professional	9,675,181	9,218,700
	Auditors' remuneration	23.1 3,172,350	2,605,735
	Repair and maintenance	1,042,696	785,600
	Short term lease rentals	1,251,450	1,977,794
	Advertisement	130,555	41,100
	Donations	23.2 2,400,000	426,371
	Others	54,564,854	20,232,841
		<b>237,124,008</b>	<b>149,215,846</b>
<b>23.1</b>	<b>Auditors' remuneration includes following :</b>		
	<b>Audit services</b>		
	Annual audit fee	1,746,360	1,455,300
	Half yearly review fee	834,900	695,750
	Out of pocket expenses	329,730	236,885
	Other certification charges	261,360	217,800
		<b>3,172,350</b>	<b>2,605,735</b>
<b>23.2</b>	This amount has been paid to Pak School and College System Mardan, which is owned by director of the Company Mr. Wasim ur Rehman.		

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	Rupees	Rupees
<b>24</b>	<b>SELLING AND DISTRIBUTION EXPENSES</b>	
Salaries, wages and other benefits-marketing	43,018,451	36,078,349
Customs, clearance and freight on export	176,067,082	37,539,886
Freight on local sale	13,031,000	9,929,400
Research	28,569,308	16,514,680
Promotion / advertisement	17,202,948	10,200,000
Training	15,360,000	7,390,147
	<b>293,248,789</b>	<b>117,652,462</b>
<b>25</b>	<b>OTHER INCOME</b>	
Gain on disposal of property, plant and equipment	1,671,651	5,609,300
Accrued liabilities written back	23,025,824	-
WPPF written back	-	43,023,439
Advance from customer written back	3,375,000	-
Exchange gain	371,124,243	-
	<b>399,196,718</b>	<b>48,632,739</b>
<b>26</b>	<b>OTHER EXPENSES</b>	
Workers' Profit Participation Fund (WPPF)	114,621,427	22,038,375
Workers' Welfare Fund	42,672,454	8,374,582
Advance to supplier written off	560,343	53,885
Write off sales tax not to be claimed	9,035,649	-
Federal excise duty written off	10,981,249	-
Exchange loss	-	10,259,833
	<b>177,871,122</b>	<b>40,726,675</b>
<b>27</b>	<b>FINANCE COST</b>	
Bank charges	13,991,049	2,164,658
Interest on Workers' Profit Participation Fund	20,944,102	3,189,224
Interest on loan from sponsors	241,705,202	124,952,196
	<b>276,640,353</b>	<b>130,306,078</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
		Rupees	Rupees
<b>28</b>	<b>TAXATION</b>		
	Current tax		
	- Current year	128,237,462	51,516,021
	- Prior year	(2,172,366)	205,769
		126,065,096	51,721,790
	Deferred tax	(312,542)	43,183,959
		125,752,554	94,905,749

## 28.1 Relationship between accounting profit and tax expense is as follows:

		2023	2022
		%	%
	Applicable tax rate	29.00	29.00
	Super tax @ 4% / 1%	4.00	1.00
	Prior year adjustment	(0.10)	(0.05)
	Income chargeable at different rate	(23.40)	(1.70)
	Unused tax losses and tax credits	(0.25)	(4.70)
	Others	(3.33)	(0.55)
		5.92	23.00

## 29 EARNINGS PER SHARE - BASIC AND DILUTED

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

		2023	2022
		Rupees	Rupees
	Profit attributable to ordinary shareholders	1,998,400,857	315,448,785
	Weighted-average number of ordinary shares at 30 June	6,922,604	6,922,604
	Basic earnings per share	288.68	45.57

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

## 30 CAPACITY AND PRODUCTION

		2023	2022
	Available capacity (million cigarettes per annum)	9,288	4,145
	Actual production (million cigarettes)	933	850

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

- 30.1** Actual production was sufficient to meet the market demand. Production capacity has been increased due to the installation of a new cigarette manufacturing machine during the year. This machine is connected to another new packing machine which is in the testing phase. Therefore, the available capacity could not be effectively used during the year.

## **31. FINANCIAL RISK MANAGEMENT**

The Company has exposure to the following risks from its use of financial instruments:

Credit risk

Liquidity risk

Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit.

### **31.1 Credit risk and concentration of credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

The Company is exposed to credit risk from its operating activities primarily for trade debts.

#### **31.1.1 Counterparties**

The Company conducts transactions with the following major types of counterparties for its financial assets at amortized cost:

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## Trade debts

Trade debts are essentially due from both foreign and local customers against sale of cigarettes and semi-processed and processed tobacco. The Company does not expect these counterparties to fail to meet their obligations. The majority of sales to the Company's customers are made on specific terms. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for local customers. Outstanding customer receivables are regularly monitored and any shipments to foreign customers are generally covered by letters of credit or other form of credit insurance.

## Banks

The Company limits its exposure to credit risk by conducting transactions only with reputable banking entities that have minimum "A" credit rating. The table below shows bank balance held with counterparties at reporting date:

Bank	Rating		Rating agency	2023	2022
	Short term	Long term		Rupees	Rupees
Habib Bank Limited	A-1+	AAA	JCR-VIS	197,016,475	22,635,915
National Bank Of Pakistan	A-1+	AAA	JCR-VIS	841,127	841,127
Mcb Bank Limited	A1+	AAA	PACRA	149,861,721	26,208,892
Samba Bank Limited	A-1	AA	JCR-VIS	2,199,065	52,399
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	23,540,680	-
Askari Bank Limited	A1+	AA+	PACRA	712,668,852	628,172,316
				<b>1,086,127,920</b>	677,910,649

### 31.1.2 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2023	2022
	Rupees	Rupees
<b>Financial assets:</b>		
Trade debts	1,407,685,764	768,673,257
Bank balances	1,086,127,920	679,358,847
Long term deposits	6,237,411	4,947,411
	<b>2,500,051,095</b>	1,452,979,515

Trade debts consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of trade debts, where appropriate. The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. At June 30, 2023 the Company had approximately 27 (2022: 15) major local customers that owed more than Rs. 2 million each and accounted for approximately 98% (2022 : 94%) of local trade debts. Export debts amounting to Rs. 6.24 billion (2022 : Rs. 622 million) are unsecured.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## 31.1.3 Impairment losses

	Expected credit losses		Aging of trade debts	
	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees
Not past due	-	-	471,766,748	635,609,362
Past due upto 12 months	63,426,136	6,333,229	999,345,152	139,397,124
Over 12 months	29,492,863	24,631,253	29,492,863	24,631,253
	<b>92,918,999</b>	30,964,482	<b>1,500,604,763</b>	799,637,739

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

	2023	2022
	Rupees	Rupees
Balance as at July 01	30,964,482	28,321,509
Impairment losses on financial assets	61,954,517	2,642,973
<b>Balance as at June 30</b>	<b>92,918,999</b>	30,964,482

Based on age analysis, relationship with customers and past experience the management does not expect any party to fail to meet their obligations. The management believes that trade debts are considered good and hence no impairment allowance is required other than record above.

The allowance in respect of trade debts are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off against the financial asset directly.

## 31.2 Liquidity risk management

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves.

### 31.2.1 Liquidity table

The following table details the Company's remaining contractual maturity for its financial liabilities at amortized cost.

Carrying amount and contractual cash flows of trade and other financial liabilities are approximately same.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	Rupees	Rupees
<b>Maturity up to one year</b>		
Trade and other payables	2,532,464,720	1,723,697,610
Unclaimed dividend	16,171,291	16,177,683
Loan from sponsors	101,035,638	1,470,900,000
	<b>2,649,671,649</b>	<b>3,210,775,293</b>

## 31.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

### 31.3.1 Foreign currency risk management

Pak Rupee (PKR) is the functional currency of the Company and as a result currency exposure arises from transactions and balances in currencies other than PKR. The Company's potential currency exposure comprise;

- Transactional exposure in respect of non functional currency monetary items.
- Transactional exposure in respect of non functional currency expenditure and revenues.

The potential currency exposures are discussed below;

#### Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to PKR equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

#### Transactional exposure in respect of non functional currency expenditure and revenues

Certain operating and capital expenditure is incurred by the Company in currencies other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Company. These currency risks are managed as a part of overall risk management strategy.

#### Exposure to foreign currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts:

	2023	2022
	USD	USD
Trade debts	2,895,172	3,061,813

Commitments outstanding at year end is Nil (2022: Rs. 498 million) relating to letter of credits for import of machinery.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

The following significant exchange rates applied during the year:

<b>Rupees per USD</b>	<b>2023</b>	2022
Average rate	<b>246.05</b>	206.00
Reporting date rate	<b>286.60</b>	205.50

## Sensitivity analysis

A 10 percent weakening of the Pak Rupee against the USD at June 30, 2023 would have decreased profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2022.

	<b>2023</b>	2022
	<b>Rupees</b>	Rupees
Decrease in statement of profit or loss	<b>199,840,086</b>	62,920,257

A 10 percent strengthening of the Pak Rupee against the USD at June 30, 2023 would have had the equal but opposite effect on USD to the amounts shown above, on the basis that all other variables remain constant.

### 31.3.2 Interest rate risk

The interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. Sensitivity to interest rate risk arises from mismatches of financial assets and liabilities that mature in a given period.

#### Profile

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

#### Floating rate instruments

	<b>2023</b>	2022
	<b>Rupees</b>	Rupees
<b>Financial liabilities</b>		
WPPF payable	<b>216,838,722</b>	81,273,193
Loan from sponsors	<b>101,035,638</b>	1,470,900,000
	<b>317,874,360</b>	1,552,173,193

#### Fair value sensitivity analysis for floating rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in floating interest rates, with all other variables held constant, of the Company's profit before tax (through the impact on finance cost).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Increase / (decrease) in basis points	Decrease / (increase) of profit
	Points	Rupees
<b>2023</b>	+ (-) 200	<b>6,357,487</b>
2022	+ (-) 200	30,932,711

### 31.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. The effects of changes in fair value of such investments made by Company, on the future profits are not considered to be material in the overall context of these financial statements.

### 31.3.4 Financial Instruments by category

The accounting policies for financial instruments have been applied for the items below:

	2023	2022
	Rupees	Rupees
<b>Assets as per statement of financial position - at amortized cost</b>		
Trade debts	<b>1,407,685,764</b>	768,673,257
Cash and bank balances	<b>1,086,478,184</b>	679,358,847
Long term deposits	<b>6,237,411</b>	4,947,411
	<b>2,500,401,359</b>	1,452,979,515
<b>Liabilities as per statement of financial position- at amortized cost</b>		
Trade and other payables	<b>2,532,464,720</b>	1,723,697,610
Unclaimed dividend	<b>16,171,291</b>	16,177,683
Loan from sponsors and directors - unsecured	<b>101,035,638</b>	1,470,900,000
	<b>2,649,671,649</b>	3,210,775,293

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## **32. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

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

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

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

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

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

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

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

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

## **33. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise of associated companies, directors and close family members, companies with common directorship, executives, key management personnel and major shareholders of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

**33.1** Following are the related parties with whom the Company has entered into transactions during the year and balance as at year end other than Remuneration of key management personnel which is disclosed in note 34 of these financial statements.

Name	Basis of relationship	Nature	2023	2022
			Rupees	Rupees
Samson Redrying and Processing (Private) Limited	Associated Undertaking	Sales	-	136,200,000
		Purchases	<b>337,279,550</b>	135,230,625
		Payable	-	299,194,234
Wasim ur Rehman	Ex Director	Loan received	<b>33,000,000</b>	278,500,000
		Loan payable	-	771,500,000
		Accrued Markup	<b>80,728,770</b>	80,728,770
		Markup Expense	<b>200,598,707</b>	59,268,443
Sami ur Rehman	Ex Director	Loan received	-	178,000,000
		Loan payable	-	669,400,000
		Accrued Markup	<b>75,481,917</b>	75,481,917
		Markup Expense	<b>170,447,663</b>	65,683,753
Khalil ur Rehman	Ex Director	Loan received	-	15,000,000
		Loan repaid	-	36,000,000
Rahat Ullah	Ex Director	Loan repaid	-	10,000,000

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

Name	Basis of relationship	Shareholding % age
Mrs. Samera Irfan	Chief Executive Officer	<b>0.04%</b>
MR. Pir Farhan Shah	Company Secretary	<b>0.42%</b>
Mr. Shahzad Javed Panni	Director	<b>0.04%</b>
Mr. Zia Ur Rehman	Director	<b>0.10%</b>
Mr. Khalil Ur Rehman	Director	<b>0.21%</b>
Mr. Rahat Ullah	Chairman	<b>0.05%</b>
Mr. Pir Waris Shah	Director	<b>0.21%</b>
Mrs. Sonia Farooq	Director	<b>0.04%</b>
Mr. Wasim ur Rehman	Ex Director	<b>64.33%</b>
Mr. Sami ur Rehman	Ex Director	<b>0.21%</b>
Samson Redrying and Processing (Private) Limited	Associated Undertaking	<b>0.00%</b>

**33.3** The company entered in to transactions with all its related parties in the ordinary course of business at prevailing market rates.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## 34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged for remuneration including benefits and perquisites, to chief executive officer, directors and executive were as follows:

	Chief Executive Officer	Directors	Executives
<b>June 30, 2023</b>	<b>Rupees</b>		
Managerial remuneration	<b>3,600,000</b>	<b>420,000</b>	<b>85,116,809</b>
Number of persons	<b>1</b>	<b>1</b>	<b>48</b>
<b>June 30, 2022</b>			
Managerial remuneration	3,600,000	420,000	82,545,732
Number of persons	1	1	41

**34.1** No allowances other than remuneration are given to chief executive, directors and executives.

**34.2** No remuneration and meeting fee has been paid to non executive directors.

**34.3** Executive means an employee whose basic salary exceeds Rs. 1.20 million (2022: Rs. 1.20 million) during the year.

	<b>2023</b>	2022
	<b>(Number)</b>	(Number)
<b>36 NUMBER OF PERSONS EMPLOYED</b>		
Employees at year end	<b>598</b>	460
Average employees during the year	<b>529</b>	416
Factory employees at the year end	<b>460</b>	227
Average factory employees during the year	<b>344</b>	201

## 37 RECLASSIFICATION

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

Reclassified from	Reclassified to	Reason	Rupees
Other income	Other expenses	For better presentation	10,259,833
Stores, spare parts and loose tools	Property, plant and equipment	For better presentation	22,304,515

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

## **38 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE**

The Board of Directors in its meeting held on October 6, 2023 announced an annual cash dividend of Rs.1 per share i.e. 10% (2022: Rs. Nil) for the year ended June 30, 2023. These financial statements do not reflect these appropriations which will be accounted for subsequent to period end.

## **39 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on October 6, 2023.

## **40 GENERAL**

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



Chief Executive



Director



Director



# SHAREHOLDERS' INFORMATION

# PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2023

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors and their spouse(s) and minor children</b>			
MRS. SAMERA IRFAN	1	3,060	0.04
MR. PIR FARHAN SHAH	1	29,001	0.42
MR. ZIA UR RAHMAN	1	7,200	0.10
MRS. SONIA FAROOQ	1	2,500	0.04
MR. KHALIL UR REHMAN	1	14,400	0.21
MR. RAHAT ULLAH	1	3,600	0.05
MR. PIR WARIS SHAH	1	14,400	0.21
MR. SHAHZAD JAVED PANNI	1	2,500	0.04
<b>Associated Companies, undertakings and related parties</b>			
	-	-	-
<b>NIT and ICP</b>	1	1,606.00	0.02
<b>Government Sector</b>	1	67,608	0.98
<b>Banks Development Financial Institutions, Non-Banking Financial Institutions</b>	-	0	-
<b>Insurance Companies</b>	3	239,820	3.46
<b>Mutual Funds</b>	-	-	-
<b>General Public</b>			
a. Local	1,149	6,317,951	91
b. Foreign	5	182,110	3
<b>Foreign Companies</b>	-	-	-
<b>Others</b>	11	36,848	1
<b>Totals</b>	<b>1,178</b>	<b>6,922,604</b>	<b>100</b>

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

# CDC NOMINEE HOLDINGS

CONFIRMATION OF CDC'S NOMINEE HOLDING IN MEMBERS' /  
CERTIFICATE HOLDERS' REGISTER

Chief Compliance Officer  
Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block-B  
S.M.C.H.S. Main Shahra-e-Faisal Karachi

Dear Sir,

In compliance with CDC Regulation No. 13.7.1, we are writing to confirm as follows:

<b>Financial Year End</b>	30/06/2023
<b>Name of Auditor</b>	YOUSUF ADIL CHARTERED ACCOUNTANTS
<b>Security Name</b>	KHYBER TOBACCO COMPANY LIMITED
<b>Security Symbol</b>	KHTC

	Note	Number of Securities
Balance at the end of period / year in the CDC's Nominee Holding in Members' / Certificate holders' Register	N-1	912,402
Balance of book entry security in the Central Depository Register at the end of period / year	N-2	912,402
Difference, if any		0

**N-1: Movement in the CDC's Nominee Holding in Members' / Certificate holders' Register** **Number of Securities**

Balance at the beginning of the year in the CDC's Nominee Holding in Members' / Certificate holders' Register	561,444
Add: Additions during the period / year	350,958
Less: Deletions during the period / year	0
Balance at the end of year / period in the CDC's Nominee Holding in Members' / Certificate holders' Register	912,402

**N-2: Movement in the Central Depository Register** **Number of Securities**

Balance at the beginning of the year in the Central Depository Register	561,444
Add: Additions during the period / year	350,958
Less: Deletions during the period / year	0
Balance at the end of year / period in the Central Depository Register	912,402

Reason for Difference and discrepancy (if any):

Regards,

**Authorized Signatory (ies) / Company Secretary**








# FORM OF PROXY

68th Annual General Meeting  
Khyber Tobacco Company Limited

I/We \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_ Being a  
member (s) of Khyber Tobacco Company Limited holding Ordinary Shares hereby appoint  
Mr./Mrs./Miss \_\_\_\_\_ of \_\_\_\_\_ or failing  
him/her Of \_\_\_\_\_ as my /our proxy in my/our absence to attend and vote for me / us and  
on my/ our behalf at the Annual General Meeting of the Company to be held on Saturday, October 28, 2023  
and /or any adjournment thereof.

As witness my/our hand/seal this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

Signed by \_\_\_\_\_

In the presence of \_\_\_\_\_

Folio No.	CDC Account No.	
	Participant ID	Account No.

**Important:**

1. This proxy form duly completed and signed must be received at the registered office of the company, Nowshera Road Mardan not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.

In addition to above the following requirements have to be met:

- i. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
- ii. The proxy shall produce his original CNIC or original passport at the time of the meeting.
- iii. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier along with proxy form to the company)



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

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CORRECT  
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# د پراکسي فارم

۶۸م کلني عامي غونډه

زه \_\_\_\_\_

د \_\_\_\_\_

د خيبر توبيکو کمپني د ممبر په حيث

عام حصه دار، نامزد کوم محترم/ محترمه \_\_\_\_\_

د \_\_\_\_\_ وروکوم \_\_\_\_\_

د \_\_\_\_\_ زما يا زمونږ د پراکسي په توگه چې زما يا زمونږ په غېر موجودگي کښي په اجلاس کښي زما يا زمونږ له اړخه برخه واخلي، ووت واچوي کوم اجلاس چې د خالي په ورځ په ۲۸م اکتوبر ۲۰۲۳ کيږي او يا بل تارپک پوري ځنډيږي

زما يا زمونږ مهر \_\_\_\_\_ ورځ او نېټه \_\_\_\_\_ ۲۰۲۳

لاس ليک \_\_\_\_\_

د گواهانو په موجودگي کښي \_\_\_\_\_

د پنځو روپو مالياتي  
اسټامپ باندې دستخط

دستخطي به د کمپني د  
رجسټرډ فارم سره به  
راضی وي

سي ډي سي اکاؤنټ نمبر		فوليو نمبر
حسه اخستونکي آني ډي نمبر	اکاؤنټ نمبر	

اهم خبري!

- ۱- پراکسي فارم به مکمل وي او لاس ليک به پرې وي او د کمپني دفتر نوبسار رود مردان ته ۴۸ گڼټو کښي به دننه د اجلاس نه مخکښي لېږلي شي
- ۲- که چېرې يو ممبر د يو نه زيات د پراکسي تقري کوي او يا کمپني سره د يو دستاويز نه ئي زيات جمع کړي وي نو دا به خلاف قانون گرځولي شي د بره ذکرې شوي نکتو سره دا لاندې اضافي ضروري غوښتنې هم شاملې کيږي
  - ۱- د مالک او پراکسي کمپيوټرانزد شناختي کارډ دوه تصديق شوي کاپي يا د پاسپورت کاپي
- به د فارم سره جمع کيږي
- ۲- د اجلاس په وخت به پراکسي خپل اصل کمپيوټرانزد شناختي کارډ يا پاسپورت به پيش کوي
- ۳- د کارپوريټ ادارو په صورت کښي به د بورډ آف ډائريکټرز قرارداد/مختيار نامه سره د فارم او د پراکسي فارم به جمعي کولي شي

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



## د ۶۸م کلني عامي غونډې اطلاع

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

د کمپنۍ د مالي تفصيلات د تېر مالي کال ۳۰م جون ۲۰۲۳ سره د رپورټونو د کمپنۍ په افېشل ويب سائيت [www.khybertobacco.com](http://www.khybertobacco.com) لگولي شوي دي که کوم يو ممبر خواهش لري چې دغه تفصيلات وگوري نو کتلې شي او که کوم يو ممبر بره ذکر کړې شوي تفصيل په د کاپي شکل کښي اخستل غواړي نو د کمپنۍ سکرټري ته ليکلي خواست وکړي هغه ته به کاپي ميلاو شي

### ۶. د کلني مالياتي حساب کتاب په اليکټرانک توگه ترسيل

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

### ۷. د ويډيو کانفرنس په ذريعه برخه اخستل

که چرې کمپنۍ ته د غونډې د نېټې نه کم از کم ۱۰ ورځي مخکښي د ويډيو کانفرنس په ذريعه په غونډه کښي گډون کولو له پاره په جغرافيايي لري اوسيدونکي ۱۰ فيصده حصه دار ممبرانو په رضا مندي سره کمپني د دغه سهولت بندوبست کولي شي د دې دپاره د درخواست نمونه د ويب سائيت نه داؤن لوډ کولي شي

### ۳- د سي دي سي د اکاؤنټ لرونکیو له پاره رهنمائي

سنټرل ډيپازيټري کمپني آف پاکستان لميټډ کبني خپلو حصو جمع کولو والا ممبران يا غړي حاضرې به د لاندې ورکړې شوي رهنمائي مطابق کيږي

#### A: په غونډه کبني حاضرې

i- د فرد (ممبر) د حاضرې په صورت کبني، اکاؤنټ لرونکې، يا سب اکاؤنټ لرونکې يا هغه کس د چا سيکيورټي چې په گروپ اکاؤنټ کبني او د هغوي د رجسټريشن تفصيلات د قاعدې مطابق داخل وي د هغوي شناخت پېژندگلي به د اصلي کمپيوټرائزډ قامي شناختي کارډ يا د پاسپورټ په بنودولو به کولي شي

ii- د کارپوريت ادارو په صورت کبني به، د غونډې په وخت د بورډ آف ډائريکټر قرارداد/مختيار نامه چې په هغې کبني به د نامزد شوي کس لاس ليک وي (تر څو چې مخکبني وړاندې شوي وي) پېش کولي شي

#### B: د نامزد شوي پراکسي له پاره

i- د فرد (ممبر) د حاضرې په صورت کبني، اکاؤنټ لرونکې، يا سب اکاؤنټ لرونکې يا هغه کس د چا سيکيورټي چې په گروپ اکاؤنټ کبني او د هغوي د رجسټريشن تفصيلات به د قاعدې مطابق داخل وي- هغوي به د بره ذکر شوي تفصيلاتو په رڼا کبني به د پراکسي فارم جمع کوي

ii- د پراکسي فارم باندې به د دوو گواهانو نومونه لاس ليک د هغوي د کمپيوټرائزډ شناختي کارډ نمبري درج وي

iii- پراکسي فارم سره به د اصل مالک د کمپيوټرائزډ شناختي کارډ دوه تصديق شوي نقلونه يا د پاسپورټ کاپي نتي وي

iv- د غونډې په وخت به پراکسي خپل کمپيوټرائزډ شناختي کارډ ضرور وړاندې کوي

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

#### ۴- د پتي Address بدلېدل

ممبرانو ته خواست کولي شي چې که چرې د دوي په پتو Addresses کبني څه بدلون وي نو زر تر زره دې زمونږ شنيور رجسټرار سي ډي سي رجسټرار سروسز لميټډ سي ډي سي هاؤس ۹۹ بي بلاک ايس ايم سي ايچ مين شاهراه فيصل کراچي ته وليږلي شي

# د ۶۸م کلني عامي غونډې اطلاع

اطلاع ورکړې شوې ده چې د خيبر توبېکو کمپني لمټيډ کلني غونډه به د رواني مياشتې په ۲۸مه نېټه ۲۰۲۳ د ورځې ۱۱ بجې د کمپني په رجسټرډ شوي دفتر نوبنار روډ مردان کښې کيږي چې په دې کښې به د لاندې ايجنډې مطابق بحث کيږي

## عام معاملات

۱. د کمپني د تېر کال يعني ۳۰م جون ۲۰۲۳ پوري مالي حساب کتاب وصولول، په هغې غور کول او بيا په هغې د چنبرمېن نظرثاني کول د ډائريکټرز او آډيټرز رپورټس ورکول.

۲. ۳۰ جون ۲۰۲۴ د ختميدونکې کال له پاره د آډيټران ټاکل او د هغوي دپاره د اجرت او معاوضې تعين کول، آډټ کمپني او بورډ آف ډائريکټرز د بناغلي يوسف عادل (چارټرډ اکاؤنټنټ) سفارش کړې د چې د راروان کال د کلني عامي غونډې پورې دې د کمپني آډيټران وټاکي.

۳. د بورډ آف ډائريکټرز د سفارشاتو په رڼا کښې به د تېر شوي کال ۳۰م جون ۲۰۲۳ کال دپاره د يوې حصې په حساب يعني ۱۰ فيصده د حتمي نغدي منافعې منظوري ورکولې شي

۴. د غونډې د صدر په اجازت سره به په عامه غونډه کښې به نور معاملات هم د بحث موضوع جوړيږي

د بورډ حکمنامه

۶م اکتوبر ۲۰۲۳

پير فرهان شاه

کمپني سکريټري

نوټس:

## ۱. د حصص د منتقلي کتاب بندېدل

د کمپني د حصص ټرانسفر شنير کتاب به د ۲۱م اکتوبر ۲۰۲۳ نه تر ۲۸م اکتوبر ۲۰۲۳ پوري بند وي (دواړه ورځې پکښې شاملې دي) د کمپني د شنير ټرانسفرز سروس ليميتډ په دفتر کښې موصول شوي ټرانسفرز، سي ډي سي هاؤس ۹۹ بي بلاک بي ايس ايم سي ايچ شاهراه فيصل کراچي د کاروبار بندش او په ۲۰م اکتوبر ۲۰۲۳ به د بره ذکر کړي شوو حقونو تعين کولې شي

## ۲. په کلني عامه غونډه کښې برخه اخستل

د کمپني ممبر په عامه غونډه کښې د برخې اخستلو او د ووت ورکولو حقدار د دې او دغه يو ممبر د خپل پراکسي (يو بل کس) په ذريعه هم د برخې اخستلو او د ووت ورکولو حقدار د دې او په عامه غونډه کښې برخې سره سره بحث کښې هم برخه اخستلې شي د دې دپاره به د غونډې نه وړاندې په ۴۸ گڼټو کښې دننه سکريټري ته په رجسټرډ دفتر کښې ليکلي فارم کښې تفصيلات ليکي او هغه به جمع کوي

# PASHTO SECTION

# مختارنامہ (پراکسی فارم)

68 ویں سالانہ جنرل اجلاس

خیبر ٹوبیکو کمپنی لیمیٹڈ

میں ہم \_\_\_\_\_ سکنہ \_\_\_\_\_ عسیت ممبر (رکن) خیبر تمباکو کمپنی  
لیمیٹڈ اور حامل \_\_\_\_\_ عام حصص، تفری کرتا ہوں، کرتی  
ہوں کرتے ہیں جناب محترمہ \_\_\_\_\_ سکنہ \_\_\_\_\_ یا ان کی  
غیر حاضری کی صورت میں جناب محترمہ \_\_\_\_\_ سکنہ \_\_\_\_\_ کو  
میرے اہم اہم پر بروز ہفتہ بتاریخ اکتوبر 28، 2023 کو خیبر ٹوبیکو کمپنی لیمیٹڈ نوشہرہ روڈ مردان میں منعقد ہونے والے 68 واں سالانہ اجلاس میں عام حق رائے دہی استعمال کرنے یا کسی  
بھی التواء کی صورت میں بطور مختار نمائندہ پراکسی مقرر کرتا کرتی ہوں کرتے ہیں۔  
جیسا کہ میرے اہم اہم ہاتھ گواہ ہو \_\_\_\_\_ بتاریخ 2023 \_\_\_\_\_ کو دستخط کئے گئے \_\_\_\_\_ ان کی  
موجودگی میں \_\_\_\_\_

سی ڈی سی اکاؤنٹ نمبر		فولیو نمبر
اکاؤنٹ نمبر	پارٹنر شپ آئی ڈی نمبر	

دستخط پانچ روپے مالیت کے ریونیوٹ

دستخط حصص کنندہ

(دستخط کا کپی میں رجسٹرڈ نمونے کے ہو بہو ہونا ضروری ہے)

ضروری ہدایات:

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



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

AFFIX  
CORRECT  
POSTAGE

# ڈائریکٹرز رپورٹ

## آڈیٹرز

آڈیٹرز مینسز یوسف عادل اینڈ کو، چارٹرڈ اکاؤنٹنٹس اڑستھویں (68 ویں) سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے مشترکہ طور پر اگلے سالانہ اجلاس عام تک مینسز یوسف عادل اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی بطور کمپنی آڈیٹرز دوبارہ تقرری کی سفارش کی ہے۔

## شیئر ہولڈنگ کا پیٹرن

30 جون 2023ء کو شیئر ہولڈنگ کا پیٹرن بمعہ کوڈ آف کارپوریٹ گورننس کے تحت اظہار ان مالیاتی اسٹیٹمنٹس کے ساتھ منسلک ہے۔ براہ کرم تفصیلی بریک ڈاؤن کے لئے منسلک مالیاتی اسٹیٹمنٹس ملاحظہ کریں۔

## کمپنی حصص میں تجارت

ہم ازراہ کرم رپورٹ کرتے ہیں کہ ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانسینشل آفیسر، سیکریٹری اور ان کے جیون ساتھی اور کم سن بچے کمپنی حصص کی تجارت میں شامل نہیں ہوئے۔

## مستقبل کے امکانات

آگے کی طرف نظر دوڑائیں تو انتظامیہ سگریٹ اور تمباکو خصوصاً ری ڈرائیڈ تمباکو کی فروخت کے لئے مقامی اور غیر ملکی منڈیوں پر توجہ دے رہی ہے کیونکہ غیر ملکی منڈیوں میں اس کی بہت مانگ ہے۔ ہم اگلے مالیاتی سال کے دوران تمباکو اور سگریٹ کے برآمدی شعبے میں اچھی کارکردگی کی توقع رکھتی ہے جس کی بدولت کمپنی خاطر خواہ منافع حاصل کرنے میں کامیاب ہو جائے گی۔ تمباکو کی برآمد گزشتہ چند برسوں میں کمپنی کے منافع کا اہم ذریعہ رہا ہے۔ تاہم، برآمدی منڈیوں میں پاکستانی تمباکو کی طلب کئی مسائل کا شکار ہے جس کی بنیادی وجہ لاگت میں اضافہ، پاکستانی کسانوں کی جانب سے تمباکو کی غیر منظور شدہ اقسام کی کاشت اور ٹوباکو انڈسٹری میں نان ٹوبیکو سے متعلق مواد (NTRM) کی شرح میں اضافہ شامل ہیں۔ کمپنی پاکستانی تمباکو کی برآمد میں رکاوٹوں پر قابو پانے کے لئے کوشاں ہے اور آخر کار کمپنی کی یہ کوششیں کامیاب ثابت ہوئی ہیں۔ ہم پر امید ہیں کہ آئندہ برس کمپنی برآمدی فروخت کے اہداف حاصل کرنے میں کامیاب ہو جائے گی۔

## معیار میں اضافہ

انتظامیہ پروسیدنگ کے معیار کو بہتر کرنے کے لئے مسلسل کوشش کر رہی ہے تاکہ بین الاقوامی حریفوں سے مقابلہ کیا جاسکے جس کو مد نظر رکھتے ہوئے انتظامیہ نے پرائمری پروڈکشن ڈیپارٹمنٹ (PPD) اور سگریٹ میکانگ ڈیپارٹمنٹ (CMD) کو اپ گریڈ کیا ہے تاکہ ری ڈرائیڈ تمباکو اور سگریٹ کا معیار مزید بہتر کیا جاسکے۔ معیاری مصنوعات کی تیاری کمپنی کو مقامی و بین الاقوامی فروخت میں توسیع کے قابل بنائے گی جس میں برانڈ کی پہچان اور صارفین کی وفاداری کو بہتر بنانے کا عمل شامل ہے۔

## اظہار تشکر

آخر میں، بورڈ کی جانب سے میں اپنی مصنوعات پر اپنے معزز صارفین کے مسلسل بھروسہ کا شکر ادا کرتا ہوں۔ ہم اپنی برانڈز کی اعلیٰ ترین ریٹج میں توسیع کے لئے ہمہ وقت کوشاں ہیں۔ ہم اپنے ٹھیکے داران، تقسیم کنندگان اور مالیاتی اداروں کے وسیع تعاون کے بھی شکرگزار ہیں۔

ہمارے شیئر ہولڈرز اور تمام سٹیک ہولڈرز؛ سپلائرز، صارفین، مقامی کیونٹری اور ہمارے پرجوش اور محنتی ملازمین کی غیر متزلزل حمایت کے بغیر یہ کبھی ممکن نہ ہوتا۔ میں یہاں ہر شعبہ میں کمپنی کی انتظامیہ، بورڈ آف ڈائریکٹرز کے اراکین اور عملہ کی ان تھک کوششوں کو بھی سراہتا ہوں۔ کیونکہ ان کے جذبہ خدمت اور ان تھک محنت کے بغیر رپورٹ میں بیان کردہ مالیاتی و فعال نتائج پائیہ تکمیل تک نہ پہنچ پاتے۔

## منجانب/برائے بورڈ آف ڈائریکٹرز



سمیرا عرفان

چیف ایگزیکٹو

## بورڈ کمیٹیاں

مربوط داخلی کنٹرول کے نظام پر مؤثر عمل درآمد اور بورڈ آف کارپوریٹ گورننس کی تعمیل کو یقینی بنانے کے لئے بورڈ نے متعدد کمیٹیاں تشکیل دی ہیں۔ بورڈ نے مندرجہ ذیل اراکین پر مشتمل ایک کمیٹی قائم کی ہے:

آڈٹ کمیٹی	ایچ آر اینڈ ریہونریشن کمیٹی
مسٹر شہزاد جاوید پنی (چیئر مین)	مسز سونیا فاروق (چیئر مین)
مسٹر خلیل الرحمن (رکن)	مسٹر پیر وارث شاہ (رکن)
مسٹر راحت اللہ (رکن)	مسٹر ضیاء الرحمن (سیکرٹری)
مسٹر ضیاء الرحمن (سیکرٹری)	

## بورڈ آف ڈائریکٹرز کی معاوضہ پالیسی

بورڈ نے ڈائریکٹرز کے معاوضہ کے لئے ایکٹ اور ضوابط کے تحت پالیسی اور شفاف طریقہ ہائے کار مرتب کیا ہے۔ پالیسی کی نمایاں خصوصیات مندرجہ ذیل ہیں:

- بورڈ آف ڈائریکٹرز (BoD) بورڈ اجلاس میں شرکت کے لئے بورڈ آف ڈائریکٹرز کے اراکین کا معاوضہ ہمہ وقت طے اور منظور کرے گا۔
- بورڈ آف ڈائریکٹرز کے اراکین کی جانب سے پیش ذمہ داری اور مہارت کے مطابق ان کا مناسب مشاہیرہ طے کیا جائے گا۔ جس کا مقصد کمپنی کو چلانے کے لئے درکار اراکین کو برقرار رکھنا اور انہیں مائل کرنا شامل ہے۔
- بورڈ آف ڈائریکٹرز یقینی بناتے ہیں کہ بورڈ آف ڈائریکٹرز کی موجودہ سطح بورڈ آف ڈائریکٹرز کے آزاد اراکین کی خود مختاری پر کسی بھی وقت اثر انداز نہیں ہوگی۔
- بورڈ آف ڈائریکٹرز کے اراکین کو مندرجہ ذیل کی مد میں سفری / رہائشی / لازمی اخراجات بھی ادا کئے جاسکتے ہیں:

- بورڈ اجلاس میں شرکت
- جنرل باڈی اجلاس میں شرکت
- کمپنی کے کاروباری امور

## کارپوریٹ گورننس

کمپنی کاروبار کی سالمیت اور سٹیک ہولڈرز کے اعتماد کو یقینی بنانے کی غرض سے کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لئے پرعزم ہے۔ بورڈ آف ڈائریکٹرز بہتر کارپوریٹ گورننس شیئر ہولڈرز کو جواب دہ ہے اور کمپنی کی انتظامیہ خصوصاً نان ایگزیکٹو ڈائریکٹرز کی خود مختاری کے ضمن میں کوڈ آف کارپوریٹ گورننس میں بیان کردہ بہترین عمل داری کے قواعد کی مسلسل تعمیل کر رہی ہے۔ کمپنی پاکستان سٹاک ایکسچینج کی سٹنگ ریگولیشنز کی پیروی میں اپنے کاروباری امور چلانے کے لئے پرعزم ہے۔ جو بورڈ آف ڈائریکٹرز کے فرائض و ذمہ داریوں کی وضاحت کرتے ہیں۔ ویژن اور مشن اسٹیٹمنٹ، بنیادی اقدار، ضابطہ اخلاق اور کاروباری طریق عمل بورڈ نے ترتیب اور منظور کئے ہیں۔ کوڈ آف کارپوریٹ گورننس کے تحت درکار اہم پالیسیاں وضع کی گئی ہیں جس پر بورڈ نظر ثانی کر کے جلد ہی منظور کرے گا۔



# ڈائریکٹرز رپورٹ

## بورڈ

ہمارا بورڈ سات اراکین پر مشتمل ہے جس میں سے چھ نان ایگزیکٹو ڈائریکٹر اور ایک ایگزیکٹو ڈائریکٹر شامل ہیں۔ بہتر عمل داری کو جاری رکھنے کے لئے ہم چیئر مین اور چیف ایگزیکٹو آفیسر کے عہدے کے درمیان واضح فرق رکھتے ہیں۔

چیئر مین اور چیف ایگزیکٹو آفیسر کا عہدہ بہتر گورننس کے لئے علیحدہ رکھا گیا ہے۔

ہمارے ڈائریکٹرز کمپنی کو روانی سے چلانے اور اس کے اثاثہ جات کے تحفظ کی بابت شیئر ہولڈرز کے اُن پر بھروسہ اور عائد ذمہ داریوں سے متعلق کلی طور پر آگاہ ہیں۔

مستقل مزاجی اور معیار کو یقینی بنانے کی غرض سے بورڈ نے کاروبار چلانے اور بذریعہ خود مختار داخلی ڈائریکٹرز کی نگرانی کے لئے رسمی پالیسیاں ترتیب دی ہیں۔ عمل درآمد کی نگرانی کے لئے ہم نے خود مختار داخلی آڈٹ فنکشن قائم کیا ہے جو کمپنی کی پالیسیوں پر عمل درآمد اور آڈٹ کمیٹی کو رپورٹ کی گئی خلاف ورزیوں پر کارروائی کو یقینی بناتے ہیں جو جواب دہی اور شفافیت کے لئے ہمارے عزم کو دہراتا ہے۔

## بورڈ آف ڈائریکٹرز کے اجلاس

قانونی طور پر، بورڈ کمپنی کی کارکردگی کی نگرانی کے لئے ہر سہ ماہی میں کم از کم ایک مرتبہ اجلاس طلب کرتی ہے جس کا مقصد اس کی انتظامیہ کی بروقت اور موثر جوابدہی کو یقینی بنانا ہے۔

سال بھر میں بورڈ آف ڈائریکٹرز کے چار (04) اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری حسب ذیل ہے۔ کمپنی کے ڈائریکٹرز اجلاسوں میں بورڈ کے فیصلوں میں کوئی ذاتی مفاد نہیں رکھتے۔

## ڈائریکٹرز کی حاضری

نمبر شمار	نام ڈائریکٹر	اجلاس میں حاضری
1	مسز میرا عرفان چیئر ایگزیکٹو	4
2	مسز راحت اللہ نان- ایگزیکٹو ڈائریکٹر	4
3	مسز پیر فرحان شاہ ایگزیکٹو ڈائریکٹر	2
4	مسز پیر وارث شاہ نان- ایگزیکٹو ڈائریکٹر	4
5	مسز ضیاء الرحمن نان- ایگزیکٹو ڈائریکٹر	3
6	مسز حضرت بلال نان- ایگزیکٹو ڈائریکٹر	2
7	مسز غلیل الرحمن نان- ایگزیکٹو ڈائریکٹر	4
8	مسز سونیا فاروق* خود مختار ڈائریکٹر	1
9	مسز شہزاد جاوید پٹی* خود مختار ڈائریکٹر	1

\* بطور ڈائریکٹر تقرری کے بعد صرف ایک اجلاس منعقد ہوا

برآمدی منڈی میں سخت مقابلہ اور برآمدی منڈیوں کے لئے اعلیٰ معیار کو برقرار رکھنے میں ناکامی کمپنی کی برآمد کرنے کی صلاحیت پر اثر انداز ہوتی ہے۔ لہذا کمپنی ری ڈرائیڈ اور کٹ تمباکو کی برآمد پر زیادہ انحصار کر رہی ہے۔ اس تناظر میں کمپنی معیار میں بہتری کے لئے مسلسل کوششیں کر رہی ہے اور متحدہ عرب امارات، جنوبی افریقہ، جرمنی، بیلجیم، ترکی، مصر اور فلپائن میں ری ڈرائیڈ اور کٹ تمباکو کی منڈیوں میں اپنے قدم بہتا رہی ہے۔

### حفظانِ صحت اور ماحولیات

خیبر ٹوبیکو کمپنی لمیٹڈ اپنے عملہ کی صحت اور تحفظ کو اولین ترجیح دیتی ہے جو اس کے کاروباری امور کا لازمی اور قابلِ قدر حصہ ہیں۔ حفاظت سے متعلق اجلاس، واقعات کی رپورٹنگ، حفاظتی آڈٹ، بہتر ہاؤس کیپنگ اور ہائی جین کنٹرول جیسے اقدامات عملہ میں حفاظت سے متعلق رویہ پیدا کرنے میں فعال اور مستقل کردار ادا کر رہے ہیں۔ کمپنی ماحولیاتی تحفظ میں فعال کردار ادا کرتی ہے تاکہ پلانٹ قائم ماحولیاتی معیارات پر ہمہ وقت تعمیل میں کام کریں۔ انتظامیہ محکمہ ماحولیاتی تحفظ پاکستان کے طے شدہ مربوط ماحولیاتی معیارات پر عمل پیرا ہے۔

### سماجی ذمہ داری

بطور ذمہ داری کاروباری شہری خیبر ٹوبیکو کمپنی لمیٹڈ خصوصاً مقامی کمیونٹی کی جانب اپنی سماجی ذمہ داریوں سے بخوبی آگاہ ہے۔ آپرینٹنگ سرگرمیوں کی بازیافت سے کمپنی معاشرے کی جانب اپنی سماجی ذمہ داریوں پر بہت شہید ہے اور غریب اور نادار طبقہ کی فلاح و بہبود میں فعال کردار پر فخر محسوس کرتی ہے۔ توانائی، بحران اور قانون و انصاف کی ابتری سے ملک کے شدید متاثرہ علاقوں میں انتظامیہ علاقہ کے مقامی افراد کو ملازمت کے مواقع فراہم کرنے اور انہیں معاشرے کا ذمہ دار شہری بنانے پر ترجیح دیتی ہے۔ کمپنی نے کرونا وائرس وبا کے دوران 19 ملین روپے کی خطیر رقم عطیہ کی ہے۔

### اہم آپریشنل و مالیاتی اعداد و شمار

گذشتہ چھ برسوں کے لئے کمپنی کے اہم فعالی و مالیاتی اعداد و شمار ان مالیاتی اسٹیٹمنٹس کے ساتھ منسلک ہیں تاکہ اسٹیک ہولڈرز ہماری ماضی کی کارکردگی پر اپنی گراں قدر رائے دے سکیں۔

### منافع منقسمہ

خوش قسمتی سے ہم منبرگانی کے اس دور میں دائمی آمدنی کے لئے اپنے شہر ہولڈرز کی ضروریات کو پورا کرنے کی پوزیشن میں ہیں۔ لہذا شاندار نتائج کی روشنی میں 20% بونس حصص کے علاوہ 1.00 روپیہ فی حصص حتمی منافع منقسمہ کا اعلان کیا گیا ہے۔

### افراد کی قوت

خیبر ٹوبیکو کمپنی لمیٹڈ میں، ہماری ہیومن ریسورس حکمت عملی اپنے ادارے کی افرادی قوت میں سرمایہ صرف کر کے بھرپور منافع کمانے پر مرکوز ہے۔ ماہر اور قابل افراد کی تعیناتی کے ذریعے مالیاتی خدشات کو کم ترین سطح پر رکھنا ہماری حکمت عملی کا حصہ ہے جس میں یہ افراد حالیہ ورک فورس کی استعداد میں اضافہ کرتے ہیں۔ یہ ترتیب ادارے کے جاری اور مستقبل کے کاروباری منصوبوں اور ضروریات کو پورا کرنا یقینی بناتی ہے جس سے ہماری آمدنی میں اضافہ ہوا ہے بلکہ مستقبل میں ہماری کامیابی اور بقا اسی کی مرہون منت ہے۔

### ملازمین کی ریٹائرمنٹ کی مراعات

ہم اپنے تمام مستقل ملازمین کے لئے ان فنڈ ڈگریجویٹی اسکیم چلا رہے ہیں۔ ملازمین کی مراعات کے لئے حالیہ برس کی مالیاتی اسٹیٹمنٹس میں 25.14 ملین روپے کی خطیر رقم رکھی گئی ہے۔

### کارپوریٹ گورننس

ہم بہتر کاروباری حس، جانبداری، جواب دہی اور سلیمیت کے ساتھ بالواسطہ اور کنٹرول انتظامی سرگرمیوں کی مدد سے طریق عمل، روایات اور پالیسیوں کو اپنا کر کارپوریٹ گورننس کی بہترین عمل داری کو یقینی بناتے ہیں۔ ہم نے کمپنی کے سٹرکچرنگ، آپرینٹنگ اور کنٹرولنگ نظام کی صورت میں کارپوریٹ گورننس کو وضع کیا ہے تاکہ شہر ہولڈرز، قرض داران، ملازمین، صارفین اور سپلائرز کو مطمئن کرنے کے لئے طویل مدتی حکمت عملی کے ذریعے اہداف کو حاصل کیا جاسکے۔ مزید برآں، ہم اعلیٰ اخلاقی معیار پر سختی سے عمل کرتے ہیں اور تمام قانونی و ریگولیٹری اصولوں کی پیروی کرتے ہیں۔ کوڈ آف کارپوریٹ گورننس کا تعمیلی بیان ان مالیاتی اسٹیٹمنٹس کے ساتھ منسلک ہے جو شفافیت اور بہتر عمل داری کے لئے ہمارے عزم کی عکاسی کرتا ہے۔

# ڈائریکٹرز رپورٹ

- برآمدی نمو: رپورٹنگ مدت کے دوران نمایاں کامیابیوں میں سے ایک برآمدات میں دائمی نمو تھی۔ KTC کے برآمدی اقدام نے برآمدات میں 1,013.8 بلین یونٹس تک شاندار اضافہ کیا۔ یہ نمو بین الاقوامی منڈیوں میں اپنی موجودگی کو بڑھانے اور غیر ملکی کرنسی میں نمایاں اضافہ کی ہماری استعداد کی عکاسی کرتی ہے۔
- سیلز کارکردگی: نمو کے لئے ہمارا عزم مقامی اور بین الاقوامی منڈیوں تک محیط ہے۔ ہمارے مالیاتی نتائج اس عزم کی عکاسی کرتے ہیں۔
- خالص سیلز: ہم نے نیٹ سیلز میں نمایاں اضافہ رپورٹ کیا جو گذشتہ برس میں 2,464 ملین روپے کے مقابلے میں 7,434.5 بلین روپے تک پہنچ گیا۔ یہ نمو مقامی سیلز اور برآمدات میں اضافے کی عکاسی کرتی ہے۔

## مالیاتی کارکردگی

- ہماری مالیاتی کارکردگی ان کاوشوں کے مثبت نتائج کو ظاہر کرتی ہے
- نفع برآمدی نمو: 30 جون 2023ء کو اختتام پذیر سال کے لئے KTC نے 2,124.15 بلین روپے نفع برآمدی نمو ٹیکسیشن حاصل کیا۔ جو گذشتہ مالیاتی سال میں 410.35 بلین روپے کے مقابلے میں شاندار نفع ہے۔
- نفع علاوہ ٹیکسیشن: 30 جون 2023ء کو اختتام پذیر سال کے لئے کمپنی کا نفع علاوہ ٹیکسیشن 1,998.4 بلین روپے رہا جو گذشتہ مالیاتی سال میں 315.44 بلین روپے کے مقابلے میں نمو کی عکاسی کرتا ہے۔
- فی حصص آمدنی (EPS): 30 جون 2023ء کو اختتام پذیر سال کے لئے فی حصص آمدنی 288.68 روپے رہی جو گذشتہ برس میں 65.62 روپے فی حصص کے مقابلے میں کمپنی کے خاطر خواہ منافع کو ظاہر کرتا ہے۔

## بیلنس شیٹ

- خیبر ٹوبیکو کمپنی لمیٹڈ (KTC) کے سرمایہ اور ذخائر خاطر خواہ نمو ظاہر کرتے ہیں جو کمپنی کی مستحکم مالیاتی کارکردگی کی عکاسی کرتے ہیں۔ جب کہ گذشتہ برس یہی اعداد و شمار 1,764.2 بلین روپے تھے۔
- رپورٹنگ کے دورانیہ میں سرمایہ اور ذخائر میں شاندار اضافہ کمپنی کے خاطر خواہ منافع کی عکاسی کرتے ہیں۔ نفع حاصل کرنے کی KTC کی استعداد گذشتہ برس کے مقابلے میں بہتر ہوئی جو 1,764.2 بلین روپے رہی۔

## پلانٹ کی کارکردگی

- خیبر ٹوبیکو کمپنی کی انتظامیہ تمام شعبوں میں پلانٹ اور مشینری کی تجدید کے لئے پر عزم رہی۔ البتہ، واضح رہے کہ ہماری موجودہ مشینری، جسے وقتاً فوقتاً مینٹین اور اپ گریڈ کیا جاتا ہے، کی کارکردگی اپنی عمر اور محدود استعداد کے باعث معمول سے کم رہی۔ سگریٹ کی تیاری و پیکنگ کے لئے نمایاں کوششیں کی گئی تاکہ اپنی برانڈ آفرنگز کے معیار کو بہتر کیا جاسکے۔
- ان چیلنجز کے باوجود ہم ازراہ مسرت رپورٹ کرتے ہیں کہ زیر جائزہ سال کے دوران ہمارا نصب پلانٹ اور مشینری تسلی بخش پیداوار دے رہا ہے۔

## کوالٹی اشورنس

- معیار خیبر ٹوبیکو کمپنی لمیٹڈ کی توجہ کا مرکز ہے۔ ہم اپنے آپریشنز میں اپنی مصنوعات میں عمدگی اور معیار سے متعلق بہت حساس ہیں۔ اپنے کوالٹی مقاصد کے حصول کو یقینی بنانے کے لئے مربوط کوالٹی کنٹرول طریقہ ہائے کار کا اطلاق کیا جاتا ہے۔ کوالٹی کے لئے ہمارا عزم ہماری مسلسل بہتری کی کوششوں کی عکاسی کرتا ہے تاکہ ہم بدلتی ہوئے صنعتی معیار کے مطابق چل سکیں۔

## مارکیٹنگ

- کمپنی قومی اور بین الاقوامی منڈیوں میں سخت مقابلہ کا سامنا کر رہی ہے۔ تاہم، انتظامیہ قومی اور بین الاقوامی منڈیوں میں اپنی برانڈز کی تشہیر کے لئے کوشاں ہے۔ کمپنی کی انتظامیہ اپنی برآمدات بڑھانے کے لئے پر عزم ہے اور اس ضمن میں انتظامیہ کچھ حد تک کامیاب ہوئی ہے۔ انتظامیہ پر امید ہے کہ مستقبل قریب میں یہ کوششیں کامیاب ثابت ہوں گی اور کمپنی برآمدات سے خاطر خواہ آمدنی دوبارہ حاصل کرنے کے میں کامیاب ہو جائے گی۔

# ڈائریکٹرز رپورٹ

خیبر ٹوبیکو کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے میں، 30 جون 2023ء کو اختتام پذیر سال کے لئے اٹھسٹھویں (68 ویں) سالانہ رپورٹ اور پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ آڈیٹرز کی رپورٹ ازراہ مسرت پیش کرتا ہوں۔

## کمپنی کے مالیاتی نتائج

سال ختمہ 30 جون 2022ء کے مقابلہ میں 30 جون 2023ء کو اختتام پذیر سال کے لئے کمپنی کی مالیاتی کارکردگی کا خلاصہ حسب ذیل ہے (تمام رقم ملین روپوں میں پیش کی گئی ہیں)

### پیداوار اور فروخت

فروخت		پیداوار		پیمائش کی اکائی	پروڈکٹ
2021ء	2022ء	2021ء	2022ء		
1,626,260	6,471,719	1,764,426	6,508,107	کلوگرام	ری ڈرائیڈ تمباکو
285,100	341,881	1,098,700	1,988,686	کلوگرام	کٹ ٹوبیکو
892.82	1,121.04	901.46	1,301.11	سکلس (ملین میں)	سگریٹ

### اقتصادی جائزہ

مالیاتی سال 2022-23ء میں عالمی معاشی سست روی کے دوران پاکستان کو کئی معاشی چیلنجز کا سامنا رہا۔ ملکی سطح پر، سیاسی بے چینی اور قدرتی آفات نے بھی ملکی معیشت پر شدید باؤ ڈالا جس سے افراط زر کی دوہندی شرح، روپے کی قدر میں کمی اور غیر ملکی زرمبادلہ کے ذخائر میں کمی واقع ہوئی۔ کرنٹ اکاؤنٹ خسارے سے بچنے کے لئے اسٹیٹ بینک آف پاکستان نے درآمدی پابندیاں عائد کیں جس نے پیداواری سرگرمیوں کو شدید متاثر کیا جس سے قیمتوں میں کئی گنا اضافہ ہوا اور صارفین کی قابل صرف آمدنی مزید کم ہو گئی۔

### پیداواری خلاصہ

زیر جائزہ سال کے دوران ہم ازراہ مسرت رپورٹ کرتے ہیں کہ کٹ ٹوبیکو کی بابت گزشتہ برس کی نسبت ہماری پیداوار میں 0.889 ملین کلوگرام اضافہ ہوا۔ مزید برآں، سگریٹ کی پیداوار 1,3011.11 ملین اسکلس کی پیداوار ہوئی جو گزشتہ برس میں 901.46 ملین اسکلس کی نسبت بہت زیادہ ہے۔

### سرکاری ضوابط

سال 2022ء میں حکومت نے ٹوبیکو اینڈ سٹری کوریگولیشن کرنے کے لئے کئی نمایاں اقدامات کئے جس میں ٹریک اینڈ ٹریس سسٹم کا تعارف شامل ہے۔ اس سسٹم کو سختی سے نافذ کیا گیا۔ خیبر ٹوبیکو کمپنی لمیٹڈ (KTC) میں ہم ٹریک اینڈ ٹریس سسٹم کی مکمل تعمیل کو یقینی بناتے ہیں۔ واضح رہے کہ حکومت اس سسٹم کو مزید وسیع کر رہی ہے تاکہ تمباکو اور ٹکٹوں سے متعلقہ دیگر مصنوعات کو اس دائرے میں لایا جاسکے۔ اس بابت، ریگولیشن آرڈر (SRO) کا مسودہ جاری کیا گیا۔

### آپریشنل خلاصہ

سال بھر میں خیبر ٹوبیکو کمپنی لمیٹڈ (KTC) اپنی تمام ویلیو چین میں پیداوار اور کارکردگی کو بڑھانے کے لئے پرعزم رہی۔ اہم آپریشنل اقدامات میں مندرجہ ذیل شامل ہیں:

- کاسٹ مینجمنٹ: کاسٹ مینجمنٹ حکمت عملی کا مربوط اطلاق کیا گیا تاکہ وسائل کو بھرپور استعمال میں لایا جاسکے اور مشکل ترین کاروباری ماحول میں مقابلہ سازی کو برقرار رکھا جاسکے۔
- غیر معمولی امور: KTC نے طریق عمل کو رواں رکھنے، ضیاع کو کم کرنے اور مجموعی آپریشنل کارکردگی کو بہتر کرنے کے لئے غیر معمولی اصولوں کو اپنایا۔ یہ غیر معمولی نقطہ نظر دستیاب وسائل سے آمدنی حاصل کرنے میں مدد دے گا۔
- مشینری کی تجدید: مشینری انفراسٹرکچر کی تجدید میں سرمایہ کاری توجہ کا مرکز تھی۔ اس اقدام نے تکنیکی جدت کی رفتار کو برقرار رکھنے اور اپنے آپریشنز کے معیار اور کارکردگی کو بڑھانے میں مدد دی۔

# چیسر مین کا تجزیہ

30 جون، 2023ء کو اختتام پذیر سال کے لئے میں خیبر ٹوبیکو کمپنی لمیٹڈ ("کمپنی") کی کارکردگی ازراہ مسرت پیش کرتا ہوں۔

خیبر ٹوبیکو کمپنی لمیٹڈ (KTC) میں ہم ملحقہ آبادیوں کو فائدہ دینے کی اہمیت پر قوی یقین رکھتے ہیں۔ پائیداری ہمارے ہر کام کی توجہ کا مرکز ہے اور ہمیں ماحولیات، سوشل و گورننس (ESG) مہم میں سرفہرست ہونے پر فخر ہے۔ اب شیئر ہولڈرز ESG کارکردگی کی بنا پر کمپنی کا جائزہ لیتے ہیں کیونکہ اس سے ملکنہ پائیداری خطرات پر نظر رکھنے اور انہیں سرمایہ کاری کی بابت حکمت عملی مرتب کرنے میں مدد ملتی ہے۔ پاکستان میں کاروباری و سماجی ذمہ داری (CSR) پر صفا اول کی عمل درآمد کرنے والی کمپنی کی حیثیت سے، KTC نے ESG کو اپنانے کی جانب یادگار سفر کیا ہے۔

اپنی کمپنی میں، ہم اپنے آپریشنز کے تمام پہلوؤں میں ذمہ دار اور اخلاقی رویہ کو ترجیح دیتے ہیں۔ جو ہمارے کلچر اور اقدار کی بنیاد کے طور پر کام کرتا ہے۔ ہم یقین رکھتے ہیں کہ مضبوط گورننس دائمی اور طویل مدتی نمو حاصل کرنے کے لئے ضروری ہے۔ ان اصولوں پر عمل پیرا ہو کر ہم اپنے اہداف اور جاری ترقی کو برقرار رکھ سکتے ہیں۔

دیگر ترقی پذیر معیشتوں کی طرح، موجودہ حالات نے ہماری معیشت پر منفی اثرات مرتب کئے ہیں۔ سیاسی عدم استحکام نے ان حالات کو مزید بگاڑ کر رکھ دیا ہے۔ کرنٹ اکاؤنٹ خسارے پر قابو پانے کے لئے مرکزی بینک معیشت کی بحالی کے لئے اقدامات کر رہی ہے۔ ان چیلنجز کے باوجود، آپ کی کمپنی شاندار آپریشنز کے باعث 1,998.4 ملین روپے نفع علاوہ ٹیکس حاصل کرنے کے قابل ہوئی اور اس کا مہیا بی ٹومبا کو کی برآمد سے منسوب کیا جا رہا ہے۔

ہم منہ بگاڑی کے اس ماحول میں دائمی آمدنی کے لئے اپنے شیئر ہولڈرز کی ضروریات کو پورا کرنے کے مواقع حاصل کرنے پر خوش ہیں۔ ہماری شاندار کارکردگی کے نتیجے میں، ہم 1.00 روپیہ فی حصص کا حتمی منافع منقسمہ کا اعلان کرتے ہیں جب کہ 20% کے عبوری بونس حصص پہلے ہی جاری کئے جا چکے ہیں۔

زیر جائزہ سال کے دوران کمپنی نے 3.26 بلین روپے کی رقم فیڈرل ایکسائز ڈیوٹی، سیلز ٹیکس، انکم ٹیکس اور دیگر لیوی کی مد میں ادا کئے ہیں۔

## مستقبل کا منظر نامہ

ہم پر امید ہیں کہ موجودہ صورتحال میں جلد بہتری آئے گی۔ مقامی اور بین الاقوامی منڈیوں میں سگریٹ اور تمباکو کی فروخت میں اضافہ متوقع ہے جو آئندہ سال کے نتائج میں نمایاں بہتری لائے گی۔ مزید برآں، ہم ازراہ مسرت نوٹ کرتے ہیں کہ کمپنی کسی قسم کے تخلیلی مسائل کا شکار نہیں ہے اور اسے بیرونی قرضے درکار نہیں ہیں۔

ملک کے معاشی اشاریے مستقبل کے لئے خوش کن علامات ظاہر کرتے ہیں۔ ہمیں یقین ہے کہ آنے والی حکومت تمباکو کی برآمد اور صنعت کے لئے خام مال کی درآمدات پر ریگولیٹری ڈیوٹی میں کمی جیسے اقدامات عمل میں لائے گی تاکہ معاشی رفتار کو جاری رکھا جاسکے۔

انتظامیہ کمپنی کو درپیش مسائل کی بھرپور نگرانی کرتی ہے اور اپنے شیئر ہولڈرز کے مفادات کو ضروری تحفظ فراہم کرتی ہے اور اپنی مصنوعات کے ذریعے نمو کے مواقع سے بھرپور فائدہ اٹھاتی ہے۔ آپ کی کمپنی بہتر کارپوریٹ گورننس کے لئے پرعزم ہے۔

## اظہار تشکر

میں ازراہ مسرت رپورٹ کرتا ہوں کہ بورڈ کاروباری و مالیاتی رپورٹنگ فریم ورک کی بابت اپنی ذمہ داریوں تسلیم کرتی ہے۔ بورڈ کمپنی کے اہم مقاصد کے حصول میں اپنے اسٹریٹجک کردار کے لئے بھی کوشاں ہے اور اپنے شیئر ہولڈرز کی آمدنی میں اضافہ پر بھرپور توجہ دیتی ہے۔ اور اس بابت کمپنی پر بیمہ کو الٹی پروڈکٹس کی اپنے صارفین کو مسلسل سپلائی کے ذریعے اپنا کردار جاری رکھے گی۔

بورڈ کی جانب سے، میں کمپنی کے ملازمین کے فرائض اور پیشہ ورانہ عمل کے لئے عزم کو خراج تحسین پیش کرتا ہوں۔ اور اسٹیک ہولڈرز اور شیئر ہولڈرز کی سپورٹ پر بھی شکر گزار ہوں۔ میں کمپنی کے بینکرز کا بھی تہہ دل سے شکر گزار ہوں جنہوں نے تعاون کی فضا کو برقرار رکھا۔ ہم اپنے باوفا اور مطمئن صارفین کے شکر گزار ہیں۔ ان کی سب کی مشترکہ کوششوں کے نتیجے میں کمپنی بھاری نمو حاصل کرنے میں کامیاب ہوئی۔ ہم پرامن، ترقی یافتہ اور خوشحال پاکستان کے لئے دعا گو ہیں۔



راحت اللہ

چیسر مین

## 5. ویب سائٹ پر کھاتوں کی اشاعت/ کاغذی نقل کا حصول

30 جون 2023ء کو اختتام پذیر سال کے لئے کمپنی کی مالیاتی اسٹیٹمنٹس بمعہ رپورٹس کمپنی کی ویب سائٹ پر شائع کر دی گئی ہیں جنہیں [www.khybertobacco.com](http://www.khybertobacco.com) سے ڈاؤن لوڈ کیا جاسکتا ہے۔ سالانہ کھاتوں کی کاغذی نقل حاصل کرنے کے خواہشمند اراکین سے التماس ہے کہ وہ کمپنی سیکریٹری کو درخواست دے کر انہیں وصول کر لیں۔

## 6. سالانہ مالیاتی اسٹیٹمنٹس کی بذریعہ برقی وسائل ترسیل

کمپنی قانون سالانہ پڑتال شدہ کھاتوں بمعہ رپورٹس اور نوٹس سالانہ اجلاس عام کی اپنے اراکین کو برقی ترسیل کی اجازت دیتے ہیں۔ یہ سہولت حاصل کرنے کے خواہشمند اراکین اپنے ای میل ایڈریس سے متعلق آگاہ کریں۔

## 7. بذریعہ ویڈیو کانفرنس شرکت

10% یا زائد شیئر ہولڈنگ کے مالک دوسرے شہر میں مقیم اراکین اجلاس کے انعقاد سے 10 یوم قبل اگر کمپنی اجلاس میں بذریعہ ویڈیو کانفرنس سہولت شرکت کی درخواست وصول کرتی ہے تو کمپنی ویڈیو کانفرنس سہولت کا انتظام کرنے کی پابند ہوگی۔ درخواست فارم کی وضع کو کمپنی کی مذکورہ بالا ویب سائٹ سے ڈاؤن لوڈ کیا جاسکتا ہے۔

# نوٹس برائے اڑسٹھواں (68واں) سالانہ اجلاس عام

## مندرجات:

### 1. شیئر ٹرانسفر Books کی بندش:

کمپنی کی شیئر ٹرانسفر Books مورخہ 21 اکتوبر 2023ء سے 28 اکتوبر 2023ء (بشمول دونوں ایام) تک بند رہیں گی۔ 20 اکتوبر 2023ء کو کاروبار بند ہونے تک کمپنی کے شیئر رجسٹرار CDC شیئر رجسٹرار سروسز لمیٹڈ دفتر واقع CDC ہاؤس، B-99 بلاک، S.M.C.H.S. مرکزی شاہراہ فیصل، کراچی کو باقاعدہ موصول ٹرانسفرز کو مذکورہ بالا اہلیت کا تعین کرنے کے لئے بروقت وصولی شمار کیا جائے گا۔

### 2. سالانہ اجلاس عام میں شرکت

اجلاس ہذا میں شرکت اور ووٹ کرنے کا/کی اہل رکن کسی دوسرے رکن کو اپنی جگہ شرکت، ووٹ اور تبادلہ خیال کرنے کے لئے اپنا پراکسی مقرر کر سکتا/سکتی ہے۔ پراکسی فارم اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرار آفس میں سیکریٹری کو لازمی جمع کرایا جائے۔

### 3. CDC اکاؤنٹ ہولڈرز کے لئے ہدایات

سنٹرڈ پیازیٹری کمپنی آف پاکستان لمیٹڈ میں حصص درج کرانے والے اراکین کو شرکت کے لئے مندرجہ ذیل کی پیروی کرنا ہوگی:

#### (a) اجلاس میں شرکت کے لئے:

- فرد واحد کی صورت میں اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈرز اور/یا گروپ اکاؤنٹ میں سیکورٹیز اور ضوابط کے تحت اپ لوڈ رجسٹریشن معلومات کے حامل افراد کو اجلاس میں شرکت کے وقت اپنی شناخت ثابت کرنے کے لئے اصلی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔
- کاروباری ادارہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد فرد کے نمونہ کے دستخط (اگر پہلے فراہم نہ کیا گیا ہو) اجلاس میں شرکت سے قبل پیش کرنا ہوگا۔

#### (b) پراکسی کی تقرری کے لئے

- فرد واحد کی صورت میں اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈرز اور/یا گروپ اکاؤنٹ میں سیکورٹیز اور ضوابط کے تحت اپ لوڈ رجسٹریشن معلومات کے حامل افراد کو مذکورہ بالا معیار کے مطابق اپنا پراکسی فارم جمع کرنا ہوگا۔
- پراکسی فارم کی گواہی دو افراد دیں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم میں تحریر ہوں گے۔
- استفادہ حاصل کرنے والے مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ جمع کرائی جائیں۔
- پراکسی کو اجلاس کے موقع پر اپنا اصلی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔
- کاروباری ادارہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد فرد کے نمونہ کے دستخط (اگر پہلے فراہم نہ کیا گیا ہو) بمعہ پراکسی فارم اجلاس میں شرکت سے قبل پیش کرنا ہوگا۔

### 4. پتہ میں تبدیلی

اپنے پتہ میں تبدیلی کی صورت میں اراکین سے فی الفور ہمارے شیئر رجسٹرار میسرز CDC شیئر رجسٹرار سروسز لمیٹڈ، CDC ہاؤس، B-99، بلاک B، S.M.C.H.S. مرکزی شاہراہ فیصل کراچی کو اطلاع کرنے کی درخواست کی جاتی ہے۔

## نوٹس برائے اڈسٹھواں (68واں) سالانہ اجلاس عام

نوٹس ہذا کے ذریعے مطلع کیا جاتا ہے کہ خیبر ٹوبیکو کمپنی کے اراکین کا اڈسٹھواں (68واں) سالانہ اجلاس عام بروز ہفتہ 28 اکتوبر 2023ء دن 11:00 بجے مندرجہ ذیل امور پر بحث کے لئے کمپنی کے رجسٹرڈ پتے نوشہرہ روڈ، مردان میں منعقد ہوگا۔

### عمومی امور

1. 30 جون 2023ء کو اختتام پذیر سال کے لئے کمپنی کی پرتال شدہ مالیاتی اسٹیٹمنٹس بمعہ چیئرمین کی جائزہ اور ڈائریکٹرز و آڈیٹرز کی رپورٹ کو وصول کرنا، زیر غور لانا اور اپنانا۔
2. 30 جون 2024ء کو اختتام پذیر سال کے لئے آڈیٹرز کی تقرری کرنا اور ان کا معاوضہ طے کرنا۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے اگلے سالانہ اجلاس عام تک میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس کی بطور کمپنی آڈیٹرز تقرری کی سفارش کی ہے۔
3. بورڈ آف ڈائریکٹرز کی سفارشات پر 30 جون 2023ء کو اختتام پذیر سال کے لئے 01 روپے فی حصص یعنی 10% کی شرح سے حتمی نقد منافع منقسمہ کی منظوری دینا۔
4. چیئرمین کی اجازت سے دیگر امور کو زیر بحث لانا۔

بحکم بورڈ



پیر فرحان شاہ

کمپنی سیکریٹری

06 اکتوبر، 2023ء





# URDU SECTION



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