



KHYBER TOBACCO  
COMPANY LIMITED

# FOSTERING GROWTH THROUGH INNOVATION

UN-AUDITED ACCOUNTS  
DECEMBER 31 2023

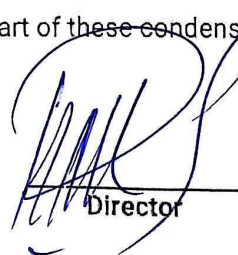


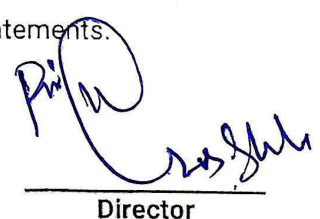
KHYBER TOBACCO COMPANY LIMITED  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT DECEMBER 31, 2023

	Note	(Un-audited) December 31, 2023 Rupees	(Audited) June 30, 2023 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		69,226,040	69,226,040
Unappropriated profit		2,293,887,473	3,352,438,743
Revenue reserves		3,312,465	3,312,465
Revaluation surplus on property, plant and equipment		359,129,476	368,963,006
		<b>2,725,555,454</b>	<b>3,793,940,254</b>
<b>Non-current liabilities</b>			
Staff retirement benefits		106,006,391	87,810,788
Lease liability		116,093,223	-
Deferred taxation		102,585,177	105,942,415
		<b>324,684,791</b>	<b>193,753,203</b>
<b>Current liabilities</b>			
Trade and other payables	4	8,168,933,690	3,614,916,768
Unclaimed dividend		19,318,152	16,171,291
Lease liability		48,257,572	-
Loan from sponsors and directors - unsecured	5	701,035,638	101,035,638
		<b>8,937,545,052</b>	<b>3,732,123,697</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,987,785,297</b>	<b>7,719,817,154</b>
<b>CONTINGENCIES AND COMMITMENTS:</b>			
<b>ASSETS</b>			
Property, plant and equipment	7	2,639,258,749	2,744,656,198
Right of use asset	8	129,556,557	-
Long term deposits		7,144,911	6,237,411
		<b>2,775,960,217</b>	<b>2,750,893,609</b>
<b>Current assets</b>			
Stock in trade	9	6,505,572,659	1,706,636,284
Stores, spares and loose tools		45,944,689	19,357,351
Trade debts	10	540,670,130	1,407,685,764
Advances and prepayments		1,013,850,214	746,341,728
Advance income tax - net		38,521,497	2,424,234
Cash and bank balances		1,067,265,891	1,086,478,184
		<b>9,211,825,080</b>	<b>4,968,923,545</b>
<b>TOTAL ASSETS</b>		<b>11,987,785,297</b>	<b>7,719,817,154</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

ya  
  
Chief Executive Officer


  
Director

  
Director

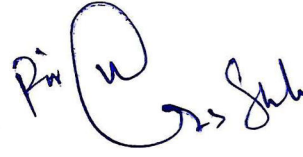
KHYBER TOBACCO COMPANY LIMITED  
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	Quarter ended		Half year ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
-----Rupees-----					
Revenue from contracts with customers	11	385,405,502	1,261,609,382	956,809,453	3,053,113,271
Cost of sales	12	(935,889,067)	(757,965,862)	(1,550,689,476)	(1,915,917,126)
Gross (loss) / profit		(550,483,565)	503,643,520	(593,880,023)	1,137,196,145
Selling and distribution expenses		(49,018,219)	(78,171,413)	(110,551,149)	(134,521,466)
Administrative expenses		(74,225,579)	(46,496,783)	(158,131,057)	(116,329,574)
Impairment loss on financial assets		-	-	(51,733,120)	(40,130,616)
Other expenses		(26,707,315)	(48,020,392)	(26,707,315)	(55,085,060)
Other income		-	68,421,509	-	80,431,509
Operating (loss) / profit		(700,434,678)	399,376,441	(941,002,664)	871,560,938
Finance costs		(84,940,374)	(59,212,258)	(113,414,412)	(148,217,835)
(Loss) / profit before taxation		(785,375,052)	340,164,183	(1,054,417,076)	723,343,103
Taxation		25,402,289	(66,577,884)	(7,045,120)	(84,340,568)
(Loss) / profit for the period		(759,972,763)	273,586,299	(1,061,462,196)	639,002,535
Earnings per share - basic and diluted		(109.78)	47.43	(153.33)	110.77

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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Chief Executive Officer

  
Director

  
Director

KHYBER TOBACCO COMPANY LIMITED  
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Quarter ended		Half year ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	-----Rupess-----			
(Loss) / profit for the period	(759,972,763)	273,586,299	(1,061,462,196)	639,002,535
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(759,972,763)</b>	<b>273,586,299</b>	<b>(1,061,462,196)</b>	<b>639,002,535</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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 Chief Executive Officer

  
 Director

  
 Director

**KHYBER TOBACCO COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Issued, subscribed and paid up capital	Reserves			Total
		Capital reserves	Revenue reserves	Unappropriated profit	
		Revaluation surplus	General reserve		
<b>Balance at July 01, 2022 (Audited)</b>	48,073,640	360,188,752	3,312,465	1,352,674,467	1,764,249,324
<b>Total comprehensive income for the half year ended December 31, 2022</b>					
Profit for the half year ended December 31, 2022	-	-	-	639,002,535	639,002,535
Other comprehensive income for the half year ended December 31, 2022	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	639,002,535	639,002,535
- on account of incremental depreciation - net of tax	-	(15,207,231)	-	15,207,231	-
- on account of disposal - net of tax	-	(8,394,550)	-	8,394,550	-
<b>Transactions with owners</b>					
Shares issued as fully paid bonus shares	9,614,730	-	-	(9,614,730)	-
<b>Balance at December 31, 2022 (Un-audited)</b>	<u>57,688,370</u>	<u>336,586,971</u>	<u>3,312,465</u>	<u>2,005,664,053</u>	<u>2,403,251,859</u>
<b>Balance at July 01, 2023 (Audited)</b>	69,226,040	368,963,006	3,312,465	3,352,438,743	3,793,940,254
<b>Total comprehensive income for the half year ended December 31, 2023</b>					
Profit for the half year ended December 31, 2023	-	-	-	(1,061,462,196)	(1,061,462,196)
Other comprehensive income for the half year ended December 31, 2023	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment	-	-	-	(1,061,462,196)	(1,061,462,196)
- on account of incremental depreciation - net of tax	-	(9,833,530)	-	9,833,530	-
<b>Transactions with owners</b>					
Final dividend at Re 1 per share	-	-	-	(6,922,604)	(6,922,604)
<b>Balance at December 31, 2022 (Un-audited)</b>	<u>69,226,040</u>	<u>359,129,476</u>	<u>3,312,465</u>	<u>2,293,887,473</u>	<u>2,725,555,454</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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Chief Executive Officer

Director

Director

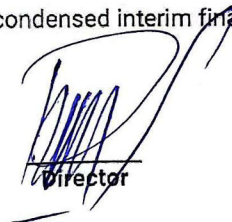
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**KHYBER TOBACCO COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Half year ended	
	December 31, 2023	December 31, 2022
	Rupees	Rupees
<b>Cash flows from operating activities</b>		
(Loss) / profit before taxation	(1,054,417,076)	723,343,103
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	134,196,645	80,503,359
Depreciation on right of use asset	18,508,080	-
Provision for staff retirement benefits	18,838,589	7,649,379
Trade creditors written back	-	(6,925,352)
Gain on disposal of property, plant and equipment	-	(1,671,651)
Unrealized exchange (gain)/loss	26,707,315	(10,850,361)
Provision for net realizable value on stock in trade	(296,479,754)	-
Impairment loss on financial assets	51,733,120	40,130,616
Finance costs	113,414,412	148,217,835
	<b>66,918,407</b>	<b>257,053,825</b>
<b>Cash flows from operating activities before working capital changes</b>	<b>(987,498,669)</b>	<b>980,396,928</b>
<b>Effect on cash flow due to working capital changes</b>		
(Increase)/decrease in stores, spares parts and loose tools	(26,587,338)	(5,723,427)
(Increase)/decrease in stock in trade	(4,502,456,621)	(974,619,819)
(Increase)/decrease in trade debts	788,575,199	(448,199,866)
(Increase)/ decrease in advances and prepayments	(267,508,486)	(273,049,295)
Increase in trade and other payables	4,476,449,567	1,226,459,221
	<b>468,472,321</b>	<b>(475,133,186)</b>
<b>Cash generated from / (used in) operating activities</b>	<b>(519,026,348)</b>	<b>505,263,742</b>
Income tax paid	(52,285,580)	(45,496,904)
Staff retirement benefits paid	(642,985)	(9,195,308)
Finance costs paid	(13,774,941)	(201,972,768)
<b>Net cash generated from / (used in) operating activities</b>	<b>(585,729,854)</b>	<b>248,598,762</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(28,799,196)	(856,642,035)
Proceeds from disposal of property, plant and equipment	-	61,670,700
Security deposits	(907,500)	-
<b>Net cash used in investing activities</b>	<b>(29,706,696)</b>	<b>(794,971,335)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(3,775,743)	-
Loans from sponsors and directors	600,000,000	33,000,000
<b>Net cash generated from financing activities</b>	<b>596,224,257</b>	<b>33,000,000</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(19,212,293)</b>	<b>(513,372,573)</b>
Cash and cash equivalents at beginning of the period	1,086,478,184	679,358,847
<b>Cash and cash equivalents at end of the period</b>	<b>1,067,265,891</b>	<b>165,986,274</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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 Chief Executive Officer

  
 Director

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 Director

## KHYBER TOBACCO COMPANY LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

#### 1 LEGAL STATUS AND OPERATIONS

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

#### 2 STATEMENT OF COMPLIANCE

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

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

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

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

2.2 These condensed interim financial statements do not include all of the information required for the full financial statements and, therefore, these should be read in conjunction with annual audited financial statements for the year ended June 30, 2023. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2023, whereas comparative condensed statement of profit or loss and other comprehensive income, comparative condensed statement of changes in equity and comparative statement of cash flows are stated from un-audited condensed interim financial statements for the half year ended December 31, 2023.

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

#### 3 Material Accounting Policy Information

The material accounting policies and methods of computation adopted in preparation of these condensed interim financial statements are the same as those applied in preparation of the annual audited financial statements of the Company for the year ended June 30, 2023.

##### 3.1 Financial risk management

The Company's financial risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2023.

##### 3.2 Fair value of financial assets and liabilities

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

##### 3.3 Estimates and judgements

Estimates and judgements made by management in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2023.

##### 3.4 Material accounting policy information

During the period, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1) from January 01, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, these impacted the accounting policy information disclosed in the condensed interim financial statements.

	Un-audited December 31, 2023 Rupees	Audited June 30, 2023 Rupees
<b>4 TRADE AND OTHER PAYABLES</b>		
Trade Creditors	6,640,595,196	2,223,004,977
Accrued liabilities	58,413,751	37,274,559
Accrued markup on loan from sponsors and directors	189,753,586	175,252,785
Advance from customers	706,447,971	402,916,335
Workers' Profit Participation Fund	242,816,001	216,838,722
Workers' Welfare Fund	42,672,454	42,672,454
Withholding taxes	43,848,778	49,634,736
Federal excise duty	30,425,126	304,683,922
Tobacco development cess	71,252,544	65,705,879
Royalty	14,146,772	13,358,630
Other payables	128,561,511	83,573,769
	<u>8,168,933,690</u>	<u>3,614,916,768</u>
<b>5 Loan from sponsors and directors</b>	<u>701,035,638</u>	<u>101,035,638</u>
	<u>701,035,638</u>	<u>101,035,638</u>
5.1	During the period Loan of Rs. 600 million is obtained consisted of various trenches from our sponsor at an agreed rate of interest which is Kibor plus 2%. The loan is provided for the period of 12 months from the date of receipt. The interest shall be paid within 60 days after the end of each quarter which is extendable at the option of the company. The payments made shall first be adjusted against interest payable and then remaining shall be considered as payment of principal amount. Company can obtain maximum amount of Rs 1 billion of loan from sponsor.	
<b>6 CONTINGENCIES AND COMMITMENTS</b>		
6.1	<b>Contingencies:</b>	
	In addition to the contingencies reported on the year ended June 30, 2023 the following are the new contingencies;	
a)	On 6-February, 2024 Deputy Commissioner Inland Revenue ('DCIR') Passed an assessment order under section 11 of Sales tax act 1990 and assessed Rs. 130,405,973 as recoverable from Khyber tobacco Company Limited ('The Company'). The company claimed Rs. 399,514 on account of courier charges and banking services which were disallowed by DCIR on the plea that such services are not related to taxable supplies of the company. Additionally, DCIR demanded sales tax of Rs. 2,478,751 and default surcharge and penalty of Rs. 123,938 against advance from customer on the basis of chargeability of sales tax at earlier of delivery of goods or receipt of payment against which the company agitated that such sales tax was charged and deposited in subsequent months when sales were made in the subsequent months against such advances. Furthermore, DCIR alleged that the company submitted FED on the basis of Annexure - E instead of Annexure-J and thereby charged a penalty of Rs. 50,000. Lastly, DCIR disallowed company's claim of classifying unmanufactured tobacco as an agricultural produce in accordance with Chapter 24, of Custom's Act and demanded Rs. 127,477,708 along penalty and default surcharge of Rs. 6,373,885. No Appeal has been filed by the Company till Year end.	
b)	Deputy Commissioner Inland Revenue ('DCIR') passed an assessment order under section 11 of Sales tax act 1990 and assessed Rs. 4,785,000 as recoverable from Khyber tobacco Company Limited ('The Company') on the Non-Payment of Federal Excise Duty along with the penalty of Rs. 23,925,000 along with the default Surcharge that will be calculated at the time of payment under section 19(1) of the Federal Excise Act 2005 and Penalty amounting to Rs 1,322,400 along with the default surcharge that will be calculated at the time of payment under section 33 of the Sales Tax Act 1990. The preamble of the case was that the authorized officers of the Directorate Intelligence and Investigation, Inland Revenue searched the business premises and alleged that there are Cartons of Cigarettes on which Federal Excise Duty has not been paid by the Company. The Company has filed an appeal against the assessment order before the Commissioner Appeals Inland Revenue Islamabad and the management is confident of a favorable outcome of the case.	
c)	On 30-Jan-2024 Assistant Collector of KPK Revenue Authority passed an assessment order under section 27 of the KPRA Sales tax on service act and assessed Rs. 587,191 as recoverable from Khyber Tobacco Company Limited ('The Company') that includes principal amount of Rs. 559,230 and penalty amount of Rs. 27,961 on the Non-withholding of Services received from Un-Registered Suppliers.	
	Note	
	Un-audited December 31, 2023 Rupees	Audited June 30, 2023 Rupees
6.2	<b>Commitments:</b>	
	6,525,696	6,525,696
	6,046,900,000	46,900,000



		Un-audited December 31, 2023 Rupees	Audited June 30, 2023 Rupees
<b>7</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	Operating assets	2,639,258,749	2,722,351,683
	Capital stores	-	22,304,515
		<u>2,639,258,749</u>	<u>2,744,656,198</u>
<b>7.1</b>	<b>Operating assets</b>	<b>2,722,351,683</b>	<b>1,578,526,686</b>
	Opening carrying value		
	<b>Additions during the period / year</b>		
	Buildings on leasehold land	2,773,314	4,125,087
	Plant and machinery	44,794,859	1,305,822,993
	Tools and equipment	3,377,638	4,057,623
	Furniture and fixtures	-	39,200
	Vehicles	157,900	36,312,215
	Office equipment's	-	162,000
		<u>51,103,711</u>	<u>1,350,519,118</u>
	Carrying value of assets disposed off during the period / year		
	Plant and machinery	-	(38,860,349)
	Depreciation charged during the period / year	<u>(134,196,645)</u>	<u>(167,833,772)</u>
		<u>2,639,258,749</u>	<u>2,722,351,683</u>
<b>8</b>	<b>RIGHT OF USE ASSET</b>		
	Opening carrying value	-	-
	Additions during the period / year	148,064,637	-
	Depreciation charged during the period / year	<u>(18,508,080)</u>	-
	Closing carrying value	<u>129,556,557</u>	-
<b>8.1</b>	Right of use asset comprise of GLT plant with necessary machinery installed obtained from Samson Redrying and Processing (Private) Limited, related party; on four years lease term at annual rental of Rs. 50 million with 10% annual increment. The rentals will be paid in equal monthly installements.		
<b>9</b>	<b>STOCK IN TRADE</b>		
	Raw and packing material	6,342,110,508	1,358,636,376
	Stock in transit	8,883,362	262,636,279
	Work in process	85,242,204	-
	Finished goods	365,816,339	85,363,629
		<u>6,802,052,413</u>	<u>1,706,636,284</u>
	Less: provision for net reliazable value	<u>(296,479,754)</u>	-
		<u>6,505,572,659</u>	<u>1,706,636,284</u>
<b>9.1</b>	Finished good include item costing Rs. 365 million valued at net realisable value of Rs. 147 million. Raw and packing materials have been lowered by Rs. 77 million to recognise the net realizable value		
<b>10</b>	<b>TRADE DEBTS</b>		
	Local - unsecured	424,697,002	670,099,972
	Foreign - unsecured	260,625,247	830,504,791
	Allowance for expected credit losses	<u>(144,652,119)</u>	<u>(92,918,999)</u>
		<u>540,670,130</u>	<u>1,407,685,764</u>
<b>10.1</b>	<b>Allowance for expected credit losses</b>		
	Opening	92,918,999	30,964,482
	For the period / year	<u>51,733,120</u>	<u>61,954,517</u>
	Closing	<u>144,652,119</u>	<u>92,918,999</u>

-----Un-audited-----			
Quarter ended		Half year ended	
December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
-----Rupees-----			

11 REVENUE FROM CONTRACTS WITH CUSTOMERS

Gross turnover

- Local
- Export

1,264,460,396	1,223,108,664	2,714,641,581	2,278,114,820
235,012,067	932,878,881	623,103,973	2,415,394,466

1,499,472,463	2,155,987,545	3,337,745,554	4,693,509,286
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Government levies

- Excise duty
- Sales tax

(910,791,486)	(707,608,185)	(1,948,647,561)	(1,280,665,185)
(194,073,255)	(168,673,328)	(412,427,600)	(325,381,680)

(1,104,864,741)	(876,281,513)	(2,361,075,161)	(1,606,046,865)
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Discounts

(9,202,220)	(18,096,650)	(19,860,940)	(34,349,150)
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<u>385,405,502</u>	<u>1,261,609,382</u>	<u>956,809,453</u>	<u>3,053,113,271</u>
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12 COST OF SALES

Raw and Packing Material Consumed

335,081,857	563,467,889	1,271,066,976	1,709,974,576
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Salaries wages and benefits

77,597,567	60,682,938	154,645,200	101,129,597
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Fuel and Power

1,696,071	40,777,273	79,550,432	94,772,919
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Stores and spares consumed

299,852	16,520,306	19,722,487	29,552,811
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Repair and maintenance

127,149	709,803	1,147,848	1,795,706
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Royalty

287,823	2,433,206	795,603	3,017,388
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Rent

19,425,064	4,279,334	23,822,750	9,531,354
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Depreciation on property plant and equipment

63,736,464	41,264,762	126,640,374	74,943,958
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Depreciation on right of use asset

18,508,080	-	18,508,080	-
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Insurance expense

(1,680,492)	503,879	1,249,987	944,975
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<u>515,079,435</u>	<u>730,639,389</u>	<u>1,697,149,737</u>	<u>2,025,663,284</u>
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Work in Process :

At beginning of period

39,074,398	19,291,315	-	-
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At end of the period

(85,242,204)	(12,708,493)	(85,242,204)	(12,708,493)
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(46,167,806)	6,582,822	(85,242,204)	(12,708,493)
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Cost of goods manufactured

<u>468,911,629</u>	<u>737,222,211</u>	<u>1,611,907,533</u>	<u>2,012,954,791</u>
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Finished goods :

At beginning of period

613,559,124	122,846,282	85,363,629	5,064,967
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At end of the period

(146,581,686)	(102,102,632)	(146,581,686)	(102,102,632)
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466,977,438	20,743,650	(61,218,057)	(97,037,665)
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<u>935,889,067</u>	<u>757,965,861</u>	<u>1,550,689,476</u>	<u>1,915,917,126</u>
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13 **TRANSACTIONS WITH RELATED PARTIES**

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

Name of related party	Nature of relationship	Nature of transaction	-----Un-Audited-----	
			Half year ended	
			December 31, 2023	December 31, 2022
			Rupees	Rupees
Samson Redrying and Processing (Private) Limited	Associated Undertaking	Purchases	578,106,000	-
		Payable	944,317,532	-
		Lease of manufacturing facility (note 8)	148,064,637	-
Key management personnel	Management	Remuneration and allowances	62,508,405	47,417,450
Waseem-ur-Rehman	Ex-Chief Executive Officer	Receipt of loan	600,000,000	-
Sami-ur-Rehman	Associate	Receipt of loan	-	33,000,000
Waseem-ur-Rehman	Ex-Chief Executive Officer	Markup on loan	57,000,000	60,008,931
Sami-ur-Rehman	Associate	Markup on loan	-	72,316,444

14. **FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

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

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

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

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

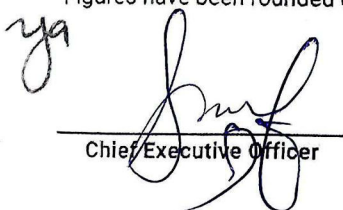
Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred. As at December 31, 2023, the company has no financial instruments that falls into any of above category.

15 **DATE OF AUTHORIZATION FOR ISSUE**

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

16 **GENERAL**

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

  
Chief Executive Officer

  
Director

  
Director

## Director's Review

The Board of Directors present you the brief report together with the financial information of the Company reviewed by the statutory auditors, for the half year ended December 31, 2023.

## FINANCIAL RESULTS

Financial Highlights	Jul-Dec 2023	Jul-Dec 2022
	Rs. in Millions	
Gross turnover	3,337.74	4,693.5
Turnover-net	956.80	3,053.11
Cost of sales	(1,550.68)	1,915.92
Gross profit	(593.88)	1,137.19
Profit (Loss) before taxation	(1,054.41)	723.34
Profit (Loss) for the period	(1,061.46)	639.00

The half-year under review were marked by very challenging macro-economic conditions that impacted both consumers and businesses. With inflation at record levels, rising international oil and commodity prices, reduced foreign exchange reserves and fiscal interventions by Government to generate additional tax revenue from existing taxpayers led to shrinkage in the manufacturing sector. The Company continued to focus on enhancing productivity across its value chain by ensuring effective cost management, lean operations, and modernization of machinery infrastructure.

Decrease in the Export sale is evident from a decrease in net sales of Rs. 956.80 Million during the period under review as compared to net sales of Rs. 3,053.11 Million of the corresponding period last year. Management is continuously endeavoring to expand its local market by adding new customers to its existing customer base.

Loss before taxation for the period under review stood at Rs. (1,054.41) million as compared to the corresponding period last year Profit before tax of Rs. 723.34. Loss after tax for the period under review stood at Rs. (1,061.46) million as compared to the corresponding period last year Profit after tax of Rs. 639.00.

Loss per share for the period under review stood at Rs. (153.33) as compared to the corresponding period last year Profit per share of Rs. Rs. 110.77.

## FUTURE OUTLOOK

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

Company is investing heavily to acquire modern and state of the art making and packing machines to improve the quality of its products and has therefore acquired low cost financing from its directors.

## ACKNOWLEDGEMENT

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

The composition of the Board is as follows:

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

Mr. Rahat Ullah

29 February 2024.

On behalf of the Board



**Mrs. Samera Irfan**  
Chief Executive Officer



**Pir Farhan Shah**  
Company Secretary

## ڈائریکٹرز کا تجزیہ

31 دسمبر 2023ء کو اختتام پذیر نصف سال کے لئے بورڈ آف ڈائریکٹرز آپ کو قانونی آڈیٹرز کی نظر ثانی شدہ کمپنی کی مالیاتی معلومات کے ہمراہ مختصر رپورٹ ازراہ مسرت پیش کرتے ہیں۔

## مالیاتی نتائج

مالیاتی اشاریے	جولائی - دسمبر 2023ء	جولائی - دسمبر 2022ء
ملین روپوں میں		
کل ٹرن اوور	3,337.74	4,693.5
خالص ٹرن اوور	956.80	3,053.11
سیلز پر لاگت	(1,550.68)	1,915.92
کل منافع	(593.88)	1,137.19
نفع (نقصان) بمعہ ٹیکسیشن	(1,054.41)	723.34
نفع (نقصان) برائے مذکورہ مدت	(1,061.46)	639.00

زیر جائزہ چھ ماہ مشکل ترین کئی اقتصادی حالات کا اشارہ دیتے ہیں جس سے صارفین اور کاروباری افراد دونوں کو متاثر کیا ہے۔ ریکارڈ سطح پر مہنگائی، بین الاقوامی سطح پر تیل اور اشیائے خورد و نوش کی قیمتوں میں اضافے، گرتے ہوئے غیر ملکی زرمبادلہ کے ذخائر اور موجودہ ٹیکس دہندگان سے اضافی محصولات آمدنی حاصل کرنے کے لئے حکومت کی جانب سے مالیاتی مداخلتوں نے صنعتی شعبے کو سکڑ کر رکھ دیا ہے۔ کمپنی اپنی ویلیو چین میں پیداوار میں اضافے پر توجہ دے رہی ہے تاکہ لاگت کو موثر انداز میں کنٹرول کیا جاسکے اور آپریشنز کی روانی اور مشینری بنیادی ڈھانچے کی تجدید کو یقینی بنایا جاسکے۔

برآمدی فروخت میں کمی گذشتہ برس کی اسی مدت میں 3,053.11 ملین روپے کے مقابلے میں مذکورہ مدت کے دوران 956.80 ملین روپے کی کمی سے عیاں ہے۔ انتظامیہ اپنے صارفین کی تعداد میں مزید صارفین شامل کر کے اپنی لوکل مارکیٹ کی توسیع کے لئے کوشاں ہے۔

زیر جائزہ مدت کے دوران خسارہ بمعہ ٹیکسیشن (1,054.41) ملین روپے رہا جب کہ گذشتہ برس کی اسی مدت کے دوران 723.34 ملین روپے کا نفع بمعہ ٹیکس دیکھا گیا تھا۔ زیر جائزہ مدت کے لئے خسارہ علاوہ ٹیکس (1,061.46) ملین روپے رہا جبکہ گذشتہ برس کی اسی مدت میں 639.00 ملین روپے منافع علاوہ ٹیکس درج ہوا۔

زیر جائزہ مدت کے لئے فی حصص خسارہ (153.33) روپے رہا جب کہ گذشتہ برس کی اسی مدت کے دوران 110.77

روپے منافع فی حصص ریکارڈ ہوا تھا۔

## مستقبل کا منظر نامہ

حکمت عملی کے طور پر کمپنی مقامی وغیر ملکی منڈی کی طرف دیکھ رہی ہے تاکہ مستقبل کی آمدنی میں اضافہ کیا جاسکے۔ کمپنی مقامی سیلز اور تمباکو کی برآمد سے اچھی آمدنی حاصل کرنے کے لئے پرامید ہے۔ کمپنی پرامید ہے کہ ہم اپنے تجربے کی مدد سے ان منڈیوں کو اگلی سطح پر لے جائیں گے۔ چونکہ ٹیکنالوجی مسلسل جہت کی طرف گامزن ہے لہذا کمپنی اپنی مہارتوں مسلسل اپ گریڈ کر رہی ہے جو جدید ٹیکنیکی ترقی اور صنعت میں تیز تبدیلیوں کے عین مطابق ہے۔

کمپنی جدید ترین اور بین الاقوامی معیار اور پیکنگ مشینیں حاصل کرنے کے لئے بھاری سرمایہ کاری کر رہی ہے تاکہ اپنی مصنوعات کے معیار کو بہتر کیا جاسکے لہذا کمپنی نے اپنے ڈائریکٹرز سے کم لاگت قرضہ بھی حاصل کیا ہے۔

## اظہار تشکر

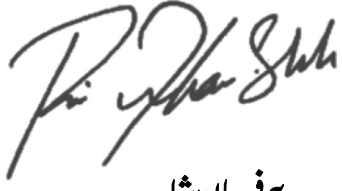
اس موقع پر بورڈ آف ڈائریکٹرز کمپنی کے معزز صارفین، بینکرز اور دیگر اسٹیک ہولڈرز کے تعاون اور سپورٹ کا شکریہ ادا کرنا چاہتے ہیں۔ بورڈ کمپنی کے تمام ملازمین کی ان تھک محنت اور جذبے کو بھی تہ دل سے سراہتی ہے۔

بورڈ کی ترکیب حسب ذیل ہے:

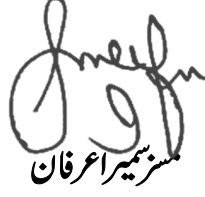
کیٹگری	نام
خود مختار ڈائریکٹرز	(1) بیرسٹر شہزاد جاوید پنی
	(2) مس سونیا فاروق
ایگزیکٹو ڈائریکٹر	(1) مس سمیرا عرفان
	(2) مسٹر خلیل الرحمن
نان ایگزیکٹو ڈائریکٹرز	(1) مسٹر ضیا الرحمن
	(2) مسٹر راحت اللہ
	(3) بیرسٹر شہزاد جاوید پنی
خاتون ڈائریکٹرز	(1) مسز سمیرا عرفان
	(2) مس سونیا فاروق

29 فروری، 2024ء

منجانب بورڈ



پیر فرحان شاہ  
کمپنی سیکریٹری



منیر تمیر اعرفان  
چیف ایگزیکٹو آفیسر