



KHYBER TOBACCO
COMPANY LIMITED

Un-audited Accounts
December 31, 2020



PERSUANCE OF
BELIEF

Contents

02	Corporate Information
03	Directors' Review
05	Directors' Review in Urdu
06	Independent Auditor's Review Report
08	Condensed Interim Balance Sheet (Un-Audited)
10	Condensed Interim Profit and Loss Account (Un-Audited)
11	Condensed Interim Statement of Comprehensive Income (Un-Audited)
12	Condensed Interim Cash Flow Statement (Un-Audited)
13	Condensed Interim Changes in Equity (Un-Audited)
14	Notes to the Condensed Interim Financial Information

CORPORATE INFORMATION

Board of Directors

Mrs. Samera Irfan	Chief Executive/ Executive Director
Mr. Rahat Ullah	Chairman/Non-Executive Director
Mr. Pir Waris Shah	Non-Executive Director
Mr. Pir Farhan Shah	Executive Director
Mr. Zia Ur Rehman	Non-Executive Director
Mr. Hazrat Bilal	Non-Executive Director
Mr. Khalil Ur Rehman	Non-Executive Director

Audit Committee

Mr. Khalil Ur Rehman	Chairman
Mr. Zia Ur Rehman	Member
Mr. Rahat Ullah	Member
Mr. Pir Farhan Shah	Secretary

Human Resource Committee

Mr. Pir Waris Shah	Chairman
Mr. Pir Farhan Shah	Member
Mr. Zia Ur Rehman	Secretary

Senior Management

Mrs. Samera Irfan	Chief Executive
-------------------	-----------------

Company Secretary

Mr. Pir Farhan Shah

Bankers

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

Share Registrar

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

External Auditors

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

Registered Office

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

Internal Auditors

Shahid Ahmad & Co.
Chartered Accountants

DIRECTORS' REVIEW

The Board of Directors present you the brief report together with the operational and financial results of the Company reviewed by the statutory auditors, for the half year ended December 31, 2020.

Financial Highlights	Jul-Dec 2020	Jul-Dec 2019
	Rs. in Millions	
Turnover – gross	1,572.24	1,643.77
Turnover – net	683.48	817.24
Cost of sales	557.60	595.46
Gross profit/(loss)	125.88	221.68
Profit/(loss) before taxation	(5.24)	89.43
Profit/(loss) for the period	(7.46)	61.77
Earnings per share - basic and diluted	(1.55)	12.85

The above results indicate an overall revenue decline of 4% as compared to the corresponding period of the last year. The gross profit has decreased by 43% i.e. from Rs. 221.68 million to Rs. 125.88 million as compared to last year and profit before taxation has decreased by 106% i.e. from Rs. 89.43 million to loss before taxation of Rs. 5.24 million as compared to last year, the decrease in overall turnover is mainly due to decrease in sale of both local sales and export of tobacco and increase in cost of production due price hike during the period under consideration as compared to the corresponding period. The situation has adversely affected the EPS and the loss per share is Rs. 1.55 as compared to earnings per share of Rs 12.85 as reported in the corresponding period.

FUTURE OUTLOOK

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

With about 30% of its revenues being from export, the company has become more competitive with the recent devaluation and expects to further strengthen its engagement in the international markets. Your Company is investing heavily to acquire modern and state of the art making and packing machines to improve the quality of its products and has therefore acquired low cost financing from its directors.

ACKNOWLEDGEMENT

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

On behalf of the Board



Chief Executive



Director

26 February 2021

کے ساتھ کمپنی انڈسٹری میں تیز رفتار تبدیلیوں اور ٹیکنالوجی میں نئی پیش رفت کو مد نظر رکھتے ہوئے اپنی صلاحیتوں کو مسلسل اجاگر کر رہی ہے۔

برآمدات سے 30 فی صد آمدنی کے ساتھ کمپنی حالیہ انقلابی تبدیلیوں کے ساتھ منڈی میں بہتر مقابلہ کے قابل ہوئی ہے اور عالمی منڈیوں میں اپنی ساکھ کو مزید مستحکم کرنے کی توقع رکھتی ہے۔ کمپنی نے اپنی مصنوعات کے معیار کو بہتر بنانے کیلئے جدید ٹیکنالوجی آرٹ سکلینگ اور پیکنگ مشینوں کے حصول کیلئے بہت زیادہ سرمایہ کاری کر رہی ہے اور اس وجہ سے اس نے اپنے ڈائریکٹرز سے کم لاگت پر فنانسنگ (مدد) حاصل کی ہوئی ہے۔

اعتراف

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے اپنے معزز صارفین، بینکرز اور دیگر اسٹیک ہولڈرز کے تعاون اور مدد کا شکریہ ادا کرتا ہے۔
بورڈ کمپنی کے تمام ملازمین کی ان تھک محنت اور جذبہ کی بھی حوصلہ افزائی کرتا ہے۔

26 فروری 2021ء

منجانب بورڈ آف ڈائریکٹرز



پیر فرحان شاہ
کمپنی سیکریٹری



مسز سمیرا عرفان
چیف ایگزیکٹو آفیسر

بورڈ آف ڈائریکٹرز 31 دسمبر 2020ء کو اختتام پذیر شہماہی کے لئے آپ کو مجاز آڈیٹرز کی جانب سے نظر ثانی شدہ کمپنی کے مالیاتی نتائج کے ہمراہ جامع رپورٹ پیش کرتے ہیں۔

مالیاتی نتائج

مالیاتی اشاریے	جولائی - دسمبر 2020ء	جولائی - دسمبر 2019ء
..... ملین روپوں میں		
آمدنی - مجموعی	1,572.24	1,643.77
آمدنی - خالص	683.48	817.24
فروخت پر لاگت	557.60	595.46
مجموعی نفع / (نقصان)	125.88	221.68
نفع / (نقصان) بمعہ ٹیکسیشن	(5.24)	89.43
مذکورہ دورانیہ میں نفع / (نقصان)	(7.46)	61.77
فی حصص آمدنی - بنیادی و اجرا شدہ	(1.55)	12.85

مذکورہ بالا نتائج گزشتہ برس کے مقابلہ میں مجموعی آمدنی میں 4 فی صد کمی کو ظاہر کرتے ہیں۔ گزشتہ برس کے مقابلہ میں مجموعی منافع 221.68 ملین روپے سے 125.88 ملین روپے یعنی 43 فی صد کم ہوا۔ جب کہ نفع بمعہ ٹیکسیشن 106 فی صد تک کم ہوا یعنی گزشتہ برس کی اسی مدت میں 89.43 ملین روپے نقصان بمعہ ٹیکسیشن کے مقابلہ میں 5.24 ملین روپے۔ مجموعی آمدنی میں یہ کمی مقامی اور بیرونی منڈی میں تمباکو کی فروخت میں کمی اور گزشتہ برس کی اسی مدت کے مقابلہ میں زیر جائزہ دورانیہ میں قیمتوں میں اضافہ کی وجہ سے پیداواری لاگت میں اضافہ سے منسوب کی جاتی ہے۔ اس صورت حال نے فی حصص آمدنی کو بری طرح متاثر کیا ہے جو گزشتہ برس کی اسی مدت میں 12.85 روپے فی حصص آمدنی کے مقابلہ میں زیر جائزہ مدت کے دوران 1.55 روپے فی حصص خسارہ سے عیاں ہے۔

مستقبل کا منظر نامہ

لاحہ عمل کے مطابق کمپنی مستقبل میں آمدنی میں اضافہ کے لئے مقامی اور بین الاقوامی منڈیوں پر نظریں جمائے ہوئے ہے۔

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Khyber Tobacco Company Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Khyber Tobacco Company Limited** ("the Company") as at December 31, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income along with related notes for the three-month period ended December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2020.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as of and for the six-month period ended December 31, 2020 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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



Chartered Accountants

Lahore

Date: 26 February 2021

FINANCIAL STATEMENTS

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT DECEMBER 31, 2020

		Un-Audited December 31, 2020 Rupees	Audited June 30, 2020 Rupees
SHARE CAPITAL AND RESERVES			
Share capital	4	48,073,640	48,073,640
Unappropriated profit		1,006,737,320	995,587,814
General reserves		3,312,465	3,312,465
Revaluation surplus on property, plant and equipment - net of tax		232,880,726	251,498,354
Total equity		1,291,004,151	1,298,472,273
NON-CURRENT LIABILITIES			
Employee benefits		39,419,592	34,974,436
Deferred tax liability		78,562,227	88,055,599
Non-current liabilities		117,981,819	123,030,035
CURRENT LIABILITIES			
Trade and other payables	5	1,140,027,191	1,023,648,590
Unclaimed dividend		16,634,913	17,179,781
Loan from directors		394,000,000	140,000,000
Current liabilities		1,550,662,104	1,180,828,371
Total equity and liabilities		2,959,648,074	2,602,330,679
CONTINGENCIES AND COMMITMENTS			
	6		

The annexed explanatory notes from 1 to 17 form an integral part of the condensed interim financial statements.

		Un-Audited December 31, 2020 Rupees	Audited June 30, 2020 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	7	825,917,122	818,898,367
Long term deposits		4,647,411	4,647,411
Non-current assets		830,564,533	823,545,778
CURRENT ASSETS			
Stock in trade	8	1,076,197,605	730,487,456
Trade debts	9	118,896,179	386,489,386
Advances and prepayments		498,269,635	394,560,982
Advance income tax		116,147,207	112,310,798
Advance duty		-	73,355,084
Cash and bank balances		319,572,915	81,581,195
Current assets		2,129,083,541	1,778,784,901
Total assets		2,959,648,074	2,602,330,679



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

	Note	Six month ended 31 December		Three month ended 31 December	
		2020	2019	2020	2019
		Rupees	Rupees	Rupees	Rupees
Turnover - net	10	683,481,134	817,239,119	330,700,233	436,830,918
Cost of sales	11	(557,600,652)	(595,551,516)	(303,876,363)	(333,998,986)
Gross profit		125,880,482	221,687,603	26,823,870	102,831,932
Selling and distribution expenses		(24,755,899)	(52,881,894)	(13,678,123)	(27,287,651)
Administrative expenses		(77,570,134)	(62,169,763)	(41,039,707)	(37,063,308)
Other expenses		(9,097,779)	(3,716,242)	(7,844,817)	(753,873)
Finance cost		(20,853,418)	(14,133,303)	(15,785,043)	(10,853,348)
Other income		1,153,846	648,310	1,153,846	648,310
(Loss) / profit before tax		(5,242,902)	89,434,711	(50,369,974)	27,522,062
Taxation		(2,225,220)	(27,659,867)	9,473,796	(16,446,696)
(Loss) / profit for the period		(7,468,122)	61,774,844	(40,896,178)	11,075,366
Earnings per share - basic and diluted	12	(1.55)	12.85	(8.51)	2.30

The annexed explanatory notes from 1 to 17 form an integral part of the condensed interim financial statements.



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

	Six month ended		Three month ended	
	31 December		31 December	
	2020	2019	2020	2019
	Rupees	Rupees	Rupees	Rupees
(Loss) / profit for the period	(7,468,122)	61,774,844	(40,896,178)	11,075,366
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	(7,468,122)	61,774,844	(40,896,178)	11,075,366

The annexed explanatory notes from 1 to 17 form an integral part of the condensed interim financial statements.



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

	Share Capital	Capital reserve		Revenue reserves		Total equity
		Revaluation surplus on property, plant and equipment - net of tax	General reserve	Reserve for issuance of bonus shares	Unappropriated profit	
Balance at 01 July 2019	48,073,640	284,514,803	3,312,465	-	927,091,669	1,262,992,577
Total comprehensive income for the period						
Profit for the period	-	-	-	-	61,774,844	61,774,844
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	61,774,844	61,774,844
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	(23,180,675)	-	-	23,180,675	-
Balance at 31 December 2019	48,073,640	261,334,128	3,312,465	-	1,012,047,188	1,324,767,421
Balance at 01 July 2020	48,073,640	251,498,354	3,312,465	-	995,587,814	1,298,472,273
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(7,468,122)	(7,468,122)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(7,468,122)	(7,468,122)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	(18,617,628)	-	-	18,617,628	-
Balance at 31 December 2020	48,073,640	232,880,726	3,312,465	-	1,006,737,320	1,291,004,151

The annexed explanatory notes from 1 to 17 form an integral part of the condensed interim financial statements.



Chief Executive



Director



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

	Six month ended 31 December	
	2020 Rupees	2019 Rupees
Cash flows from operating activities		
(Loss) / profit before taxation	(5,242,902)	89,434,711
Adjustments for:		
- Depreciation	43,165,584	40,106,362
- Provision for employee retirement benefits	4,703,156	3,534,752
- Exchange loss / (gain)	527,485	(154,786)
- Finance cost	20,853,418	14,133,303
	69,249,643	57,619,631
Operating cash flows before working capital changes	64,006,741	147,054,342
Effect on cash flow due to working capital changes (Increase) / decrease in current assets:		
- Stock in trade	(345,710,148)	(494,537,085)
- Trade debts	267,593,207	147,914,139
- Advances and prepayments	(104,236,138)	(17,529,654)
- Advance duty	73,355,084	(118,451)
Increase in current liabilities:		
- Trade and other payables	109,332,245	467,278,790
	334,250	103,007,739
Cash generated from operating activities	64,340,991	250,062,081
Income tax paid	(15,555,001)	(22,090,176)
Gratuity paid	(258,000)	(2,159,964)
Finance cost paid	(13,807,063)	(14,133,303)
Net cash flows from operating activities	34,720,927	211,678,638
Cash flows from investing activities		
Acquisition of property, plant and equipment	(50,184,339)	(12,069,935)
Acquisition of intangibles	-	(1,689,526)
Net cash used in investing activities	(50,184,339)	(13,759,461)
Cash flows from financing activities		
Dividend paid	(544,868)	(14,653,906)
Loan from directors	254,000,000	
Net cash generated from / (used in) financing activities	253,455,132	(14,653,906)
Net increase in cash and cash equivalents	237,991,720	183,265,270
Effects of exchange rates on cash and cash equivalents	-	(1,924)
Cash and cash equivalents at beginning of the period	81,581,195	277,921,285
Cash and cash equivalents at end of the period	319,572,915	461,184,631

The annexed explanatory notes from 1 to 17 form an integral part of the condensed interim financial statements.



Chief Executive



Director



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

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.

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, 2020. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2020, whereas comparative condensed statement of profit or loss and other comprehensive income, comparative condensed statement of changes in equity and comparative of statement of cash flows are stated from un-audited condensed interim financial statements for the half year ended December 31, 2019.

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

3 ACCOUNTING POLICIES AND ESTIMATES

The significant accounting policies and methods of computation adopted in preparation of these condensed interim financial statements are the same as those applied in preparation of the annual audited financial statements of the Company for the year ended June 30, 2020.

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, 2020.

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, 2020.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

4 SHARE CAPITAL

4.1 Authorised share capital

Un-Audited		Audited	Un-Audited		Audited
31 December		30 June	31 December		30 June
2020		2020	2020		2020
Number of shares			Rupees		
20,000,000	20,000,000	Ordinary shares of Rs. 10 each	200,000,000	200,000,000	

4.2 Issued, subscribed and paid up capital

Un-Audited		Audited	Un-Audited		Audited
31 December		30 June	31 December		30 June
2020		2020	2020		2020
Number of shares			Rupees		
497,500	497,500	Ordinary shares of Rs. 10 each, - allocated for consideration paid in cash	4,975,000	4,975,000	
4,309,864	4,309,864	- allocated as bonus shares	43,098,640	43,098,640	
4,807,364	4,807,364		48,073,640	48,073,640	

5 TRADE AND OTHER PAYABLES

Creditors	416,841,954	443,856,693
Accrued liabilities	74,942,489	73,224,664
Accrued interest	15,242,524	8,822,367
Advances from customers	382,665,217	338,098,992
Workers' profit participation fund	74,804,948	74,804,948
Workers' welfare fund	6,366,590	6,366,590
Withholding tax payable	17,911,694	31,735,821
Sales tax and excise duty payable	117,459,538	27,471,412
Tobacco cess payable	18,964,143	6,505,941
Royalty payable	14,747,960	12,635,060
Insurance payable	80,134	126,102
	1,140,027,191	1,023,648,590

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies:

a) Litigation

There is no significant change in the status of contingencies as disclosed in note 12 to the financial statements for the year ended June 30, 2020.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

		Un-Audited 31 December 2020 Rupees	Audited 30 June 2020 Rupees
b) Guarantees			
Letters of guarantee issued by bank on behalf of the Company		900,000	900,000
c) Commitments:			
Letters of credit against import of machinery and packing material		-	173,322,668
7 PROPERTY, PLANT AND EQUIPMENT			
Operating assets	7.1	825,917,122	553,772,738
Capital work in progress	7.2	-	265,125,629
		825,917,122	818,898,367
7.1 Operating assets			
Opening carrying value		553,772,738	610,790,354
Additions during the period / year			
Buildings on leasehold land		2,501,124	3,892,348
Plant and machinery		290,702,197	4,607,147
Tools and equipment		3,351,907	10,183,300
Furniture and fixtures		144,340	88,400
Vehicles		18,344,600	-
Office equipments		265,800	641,000
		315,309,968	19,412,195
Depreciation charged during the period / year		(43,165,584)	(76,429,811)
		825,917,122	553,772,738
7.2 Capital work in progress			
Opening carrying value		265,125,629	-
Additions during the period / year			
Plant and machinery		9,500	265,125,629
Capitalized during the period / year			
Plant and machinery		(265,135,129)	-
Closing carrying value		-	265,125,629
8 STOCK IN TRADE			
Raw material		828,703,503	600,518,399
Packing and other material		214,078,520	112,939,713
Work in process		7,866,594	3,856,473
Finished goods		25,548,988	13,172,871
		1,076,197,605	730,487,456

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

	Un-Audited 31 December 2020 Rupees	Audited 30 June 2020 Rupees
9 TRADE DEBTS		
Trade debts - considered good	146,253,740	413,846,947
Allowance for expected credit losses	(27,357,561)	(27,357,561)
	118,896,179	386,489,386

	Un-Audited Six month ended 31 December		Un-Audited Three month ended 31 December	
	2020	2019	2020	2019
10 TURNOVER - NET	Rupees	Rupees	Rupees	Rupees
Gross turnover				
- Local	1,363,403,893	1,235,992,141	713,850,313	684,768,095
- Export	208,840,384	407,786,771	58,805,483	202,371,950
	1,572,244,277	1,643,778,912	772,655,796	887,140,045
Government levies				
- Excise duty	(678,425,800)	(631,482,180)	(336,875,800)	(344,174,110)
- Sales tax	(187,496,843)	(173,923,313)	(93,117,263)	(94,945,217)
	(865,922,643)	(805,405,493)	(429,993,063)	(439,119,327)
Discounts	(22,840,500)	(21,134,300)	(11,962,500)	(11,189,800)
	683,481,134	817,239,119	330,700,233	436,830,918
11 COST OF SALES				
Raw and packing material consumed	425,983,221	481,460,389	236,154,488	283,475,889
Salaries, wages and benefits	55,076,698	49,923,084	26,004,969	30,995,898
Fuel and power	25,159,687	26,702,090	14,230,958	14,722,915
Stores and spares consumed	22,384,305	12,351,837	(1,081,054)	1,674,773
Repair and maintenance	2,582,771	867,194	1,830,479	261,763
Royalty	2,243,235	1,935,840	1,240,635	1,157,940
Depreciation	39,633,697	36,391,231	21,555,696	13,370,108
Insurance expense	923,276	846,712	460,973	423,355
	573,986,890	610,478,377	300,397,143	346,082,641
Work in process at beginning of period	3,856,473	310,361	12,087,491	9,524,051
Work in process at end of the period	(7,866,594)	(6,697,623)	(7,866,594)	(6,697,623)
Cost of goods manufactured	569,976,769	604,091,115	304,618,040	348,909,069
Finished stock at beginning of period	13,172,871	8,673,572	24,807,311	2,303,088
Finished stock at end of the period	(25,548,988)	(17,213,171)	(25,548,988)	(17,213,171)
	557,600,652	595,551,516	303,876,363	333,998,986

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

	Un-Audited Six month ended 31 December		Un-Audited Three month ended 31 December	
	2020	2019	2020	2019
	Rupees	Rupees	Rupees	Rupees
12.1 Basis earnings per share				
(Loss) / profit for the period	(7,468,122)	61,774,844	(40,896,178)	11,075,366
Number of shares	4,807,364	4,807,364	4,807,364	4,807,364
Earnings per share - basic	(1.55)	12.85	(8.51)	2.30

12.2 Diluted earnings per share

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

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:

	Un-Audited Six month ended 31 December		Un-Audited Three month ended 31 December	
	2020	2019	2020	2019
	Rupees	Rupees	Rupees	Rupees
Transaction with key management personnel				
Remuneration and allowances	12,135,000	13,710,000	6,855,000	6,855,000
Receipt of loan from Directors	31,000,000	-	-	-
Receipt of loan from ex-Chief Executive Officer	223,000,000	-	100,000,000	-
Mark up on loan from Directors	43,920	-	-	-
Mark up on loan from ex-Chief Executive Officer	15,198,604	-	5,991,246	-

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.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020**

15 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	Reason	Rupees
Administrative expenses	For better presentation	4,739,090

Reclassified from	Reclassified to	Reason	Rupees
Administrative expenses	Cost of sales	For better presentation	5,086,946

16 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 26 February 2021.

17 GENERAL

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



Chief Executive



Director



Director

Khyber Tobacco Company Limited

Nowshera Road, Mardan

Tel: +92-937-844668, 844639

Fax: +92-937-843329