

WELCOME

پخیرا اغلے!

pakhair raghle!



CORPORATE BRIEFING SESSION

▣ **FOR THE YEAR ENDED JUNE 30, 2021**

CONTENT

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- FINANCIAL HIGHLIGHTS
- CORE VALUES
- CORPORATE INFORMATION
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- STATEMENT OF COMPREHENSIVE INCOME
- STATEMENT OF CHANGES IN EQUITY
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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.

FINANCIAL HIGHLIGHTS

Rs. 1.83
Billion
Contribution to
National
Exchequer

Rs. -68.6
Million
Loss After Tax
Rs. 38.53 Million : 2020

Rs. 1,230.96
Million
Shareholder's
Equity
Rs. 1298.96 Million : 2020

Rs. -14.28
Earning Per
Share
Rs. 8.02 : 2020

-5.58%
Return on
Equity
2.97% : 2020

0.97
Current
Ratio
1.51 : 2020

FINANCIAL HIGHLIGHTS

'21 VS '20

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

| 2021 | 2020 | 21 vs 20 |
|----------|----------|----------|
| 3,090.16 | 3,499.70 | (409.54) |
| 2,881.32 | 2,925.23 | (43.91) |
| 208.84 | 574.47 | (365.63) |
| (68.65) | 38.54 | (107.18) |
| (14.28) | 8.02 | (22.30) |
| 1,230.96 | 1,298.47 | (67.52) |
| (5.58) | 2.97 | (8.54) |
| 0.97 | 1.51 | (0.53) |

**Rs. 3,090.16
Million**

LOCAL SALES

Rs. 2,881.32 Million - 2021

Rs. 2,925.23 Million - 2020

CORE VALUES

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.

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.

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 Officer |
|-------------------|-------------------------|

COMPANY SECRETARY

Mr. Pir Farhan Shah

SHARE REGISTRAR

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

BANKERS

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

EXTERNAL AUDITORS

Yousuf Adil
Chartered Accountants 134-A, Abu Bakar
Block, New Garden Town Lahore
Tel: +92(0)-42-3591 3595-7
Fax: +92(0)-42-3544 0521
www.yousafadil.com

INTERNAL AUDITORS

Shahid Ahmad & Co.
Chartered Accountants

REGISTERED OFFICE

Khyber Tobacco Company Limited
Nowshera Road, Mardan
Tel: +92-937-844668, 844639
Fax: +92-937-843329

ACHIEVEMENTS & CERTIFICATES

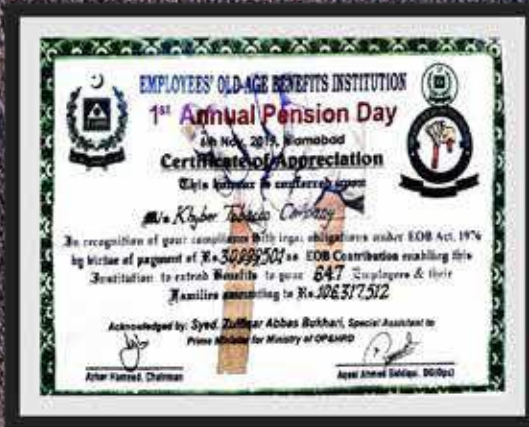
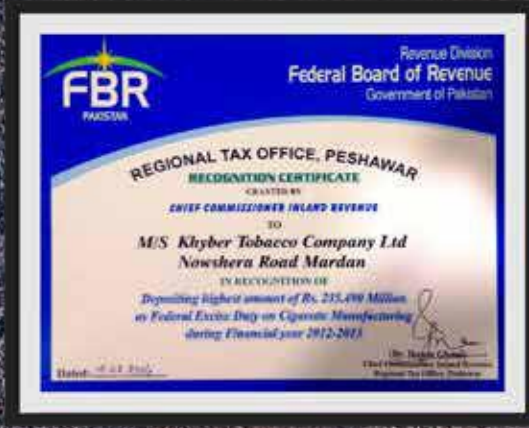


ISO Certificate
ISO Registration
Certificate of Commencement
WWF Registration Certificate



ACHIEVEMENTS & CERTIFICATES

- Recognition Certificate FBR
- PIQC Training Certificate
- MCCI Membership Certificate
- PICG Membership
- FPCCI Best Export award
- NTN Certificate
- EOBI Pension Day Certificate



ACHIEVEMENTS & CERTIFICATES

- FPCCI Certificate of Achievement



ACHIEVEMENTS & CERTIFICATES

- **FPCCI 44th Export Award**



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 procedures. Corporate Governance, or as contracted, under defined

ISSUES RAISED AT LAST AGM

Apart from general clarifications requested by the shareholders about the Company's financial performance and published financial statements during the 65th Annual General Meeting held on October 28, 2020, 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.

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

OTHER CORPORATE GOVERNANCE

website www.khybertobacco.com which has dedicated section for investors containing information related to annual, half yearly and quarterly financial statements and to have a glance on shareholders' related information.

SHARE PRICE SENSITIVITY

The Company disseminates all material and price sensitive information to the Pakistan Stock Exchange (PSX) through Pakistan Unified Corporate Action Reporting System (PUCARS).

OPERATING SEGMENTS

There were no changes to the Company's approach to capital management during The financial statements have been the year and the Company was not subject prepared on the basis of a single reportable to externally imposed capital requirements. segment.

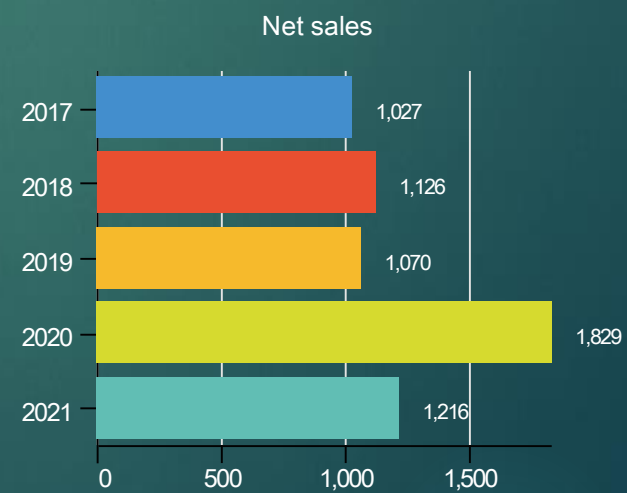
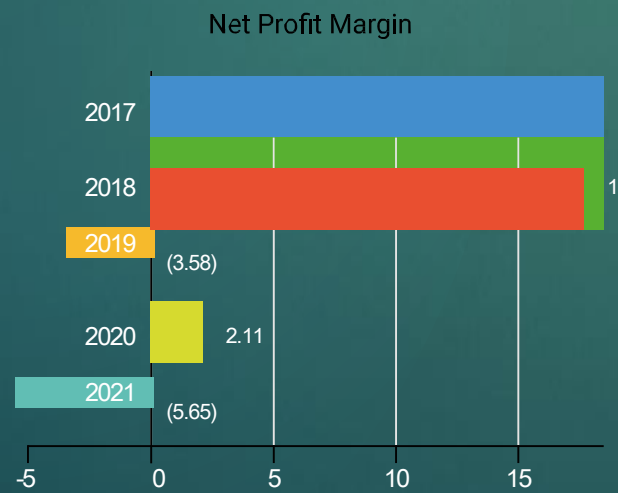
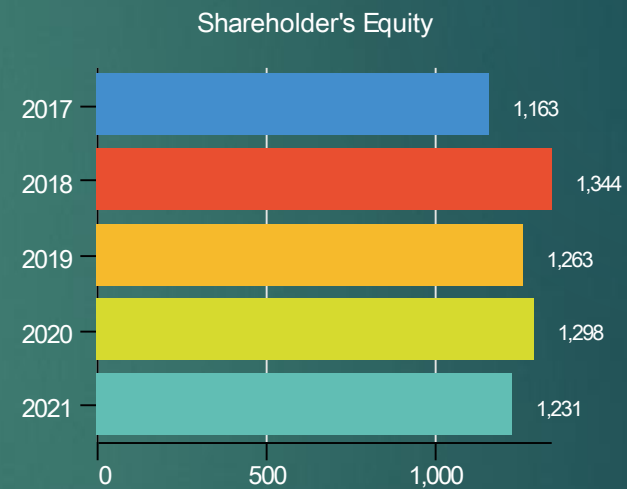
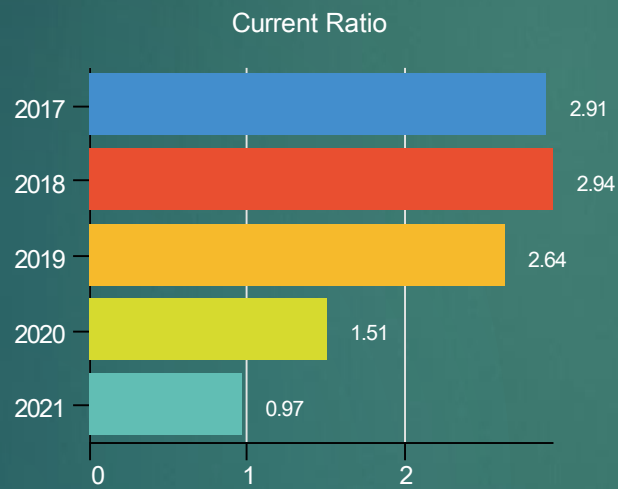
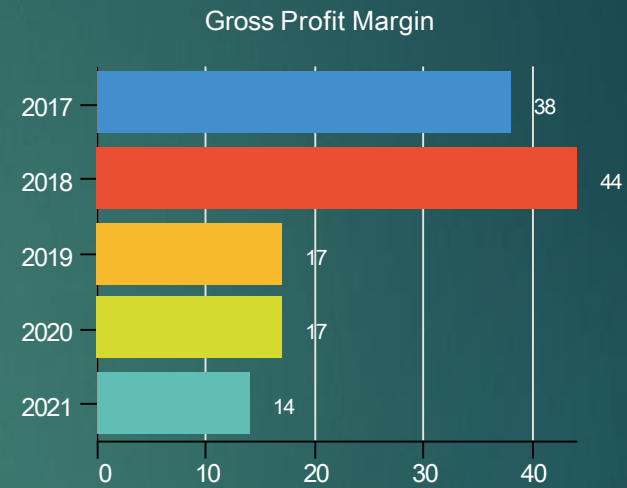
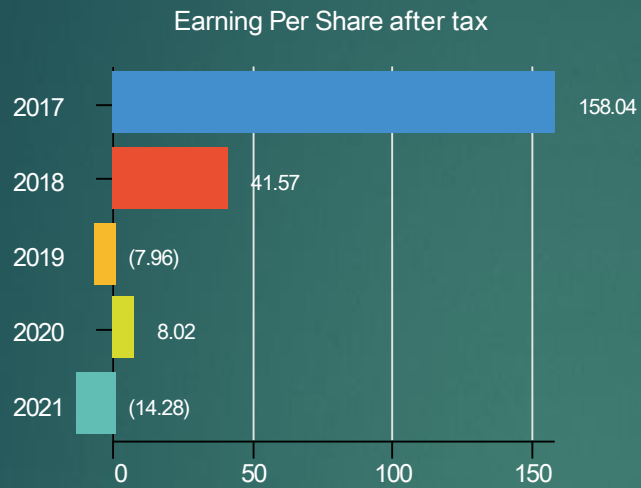
CAPITAL MANAGEMENT POLICY

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.

FINANCIAL CALENDAR



GRAPHICAL ANALYSIS

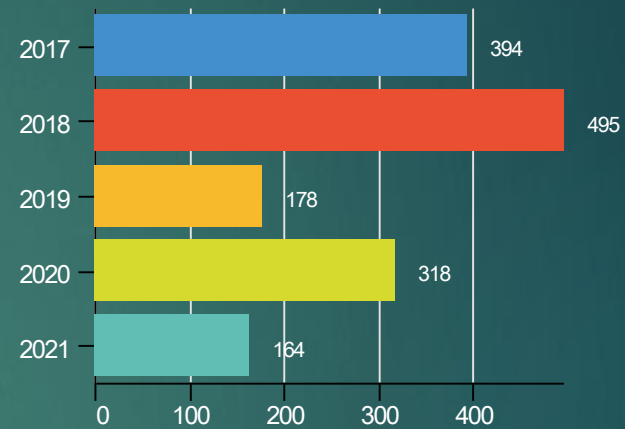


GRAPHICAL ANALYSIS

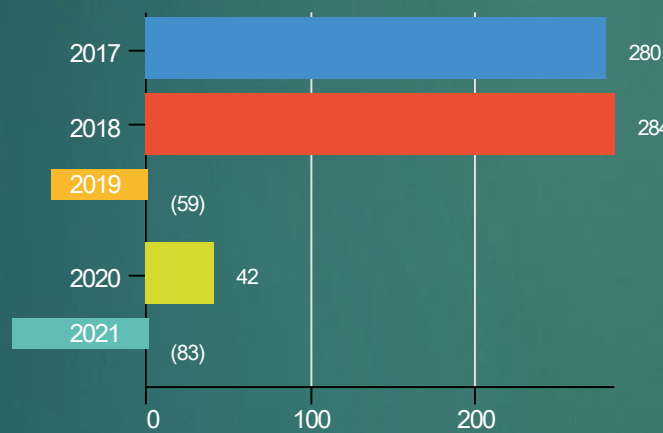
Sales Revenue vs Profit for the year



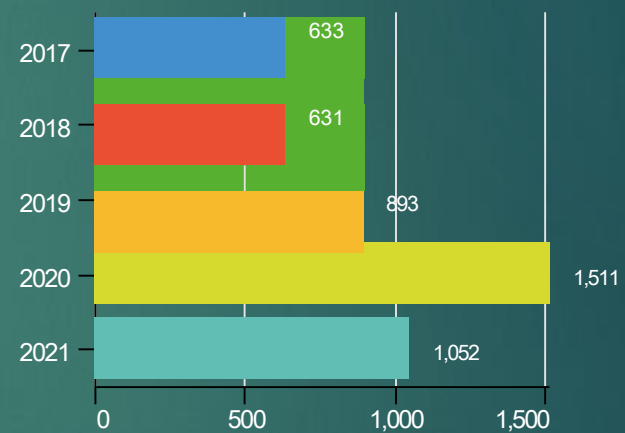
Gross Profit



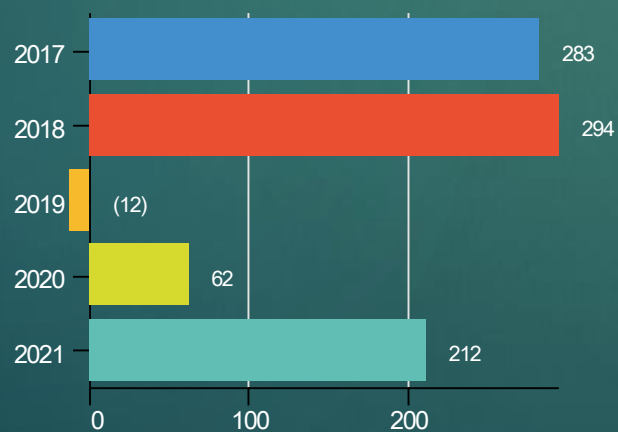
Profit before Tax



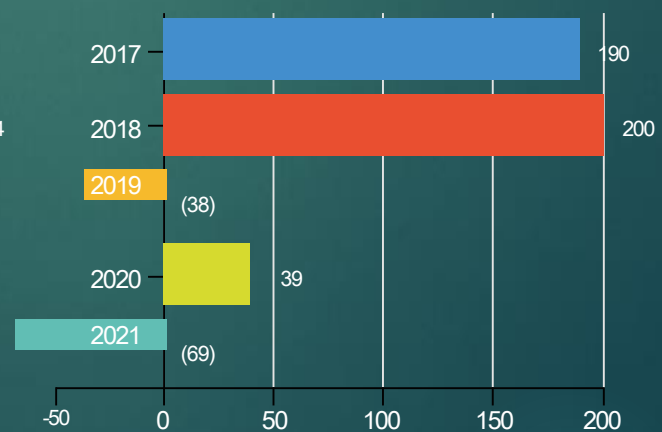
Cost of Sales



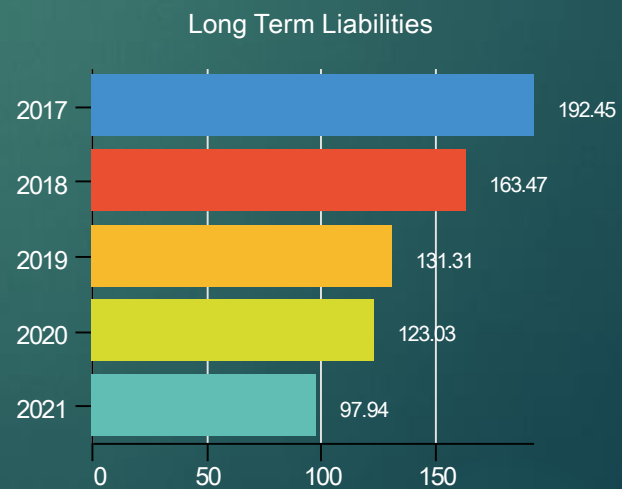
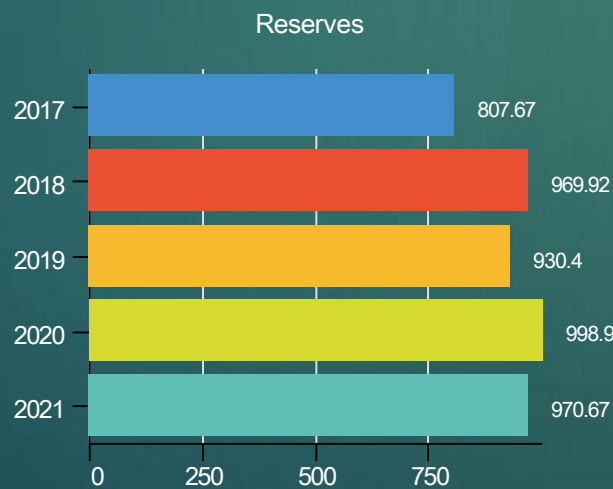
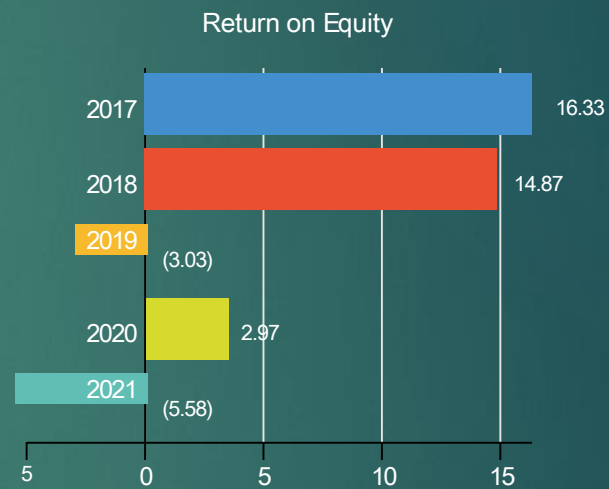
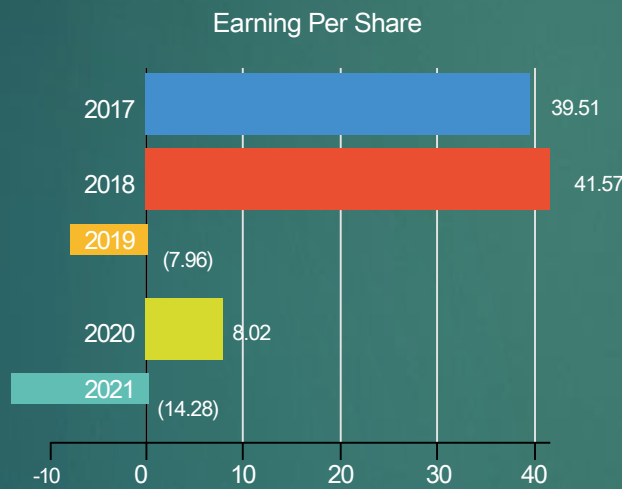
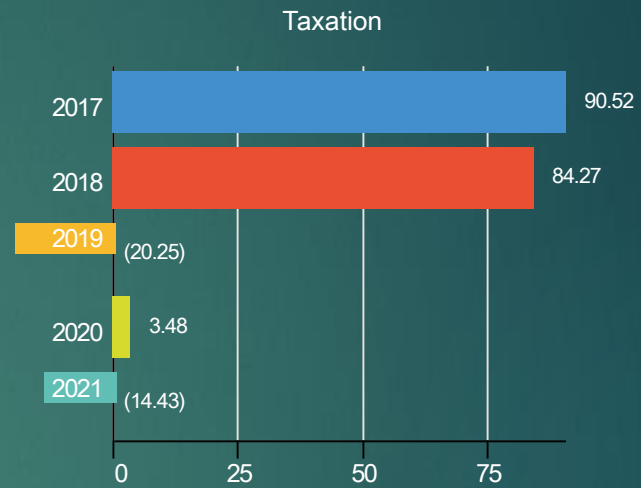
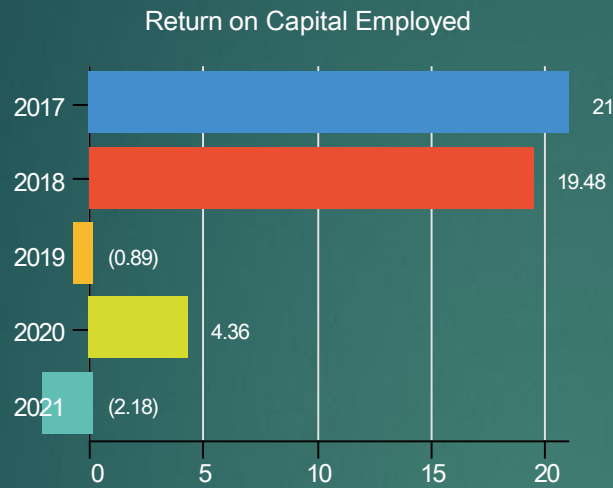
Operating Profit



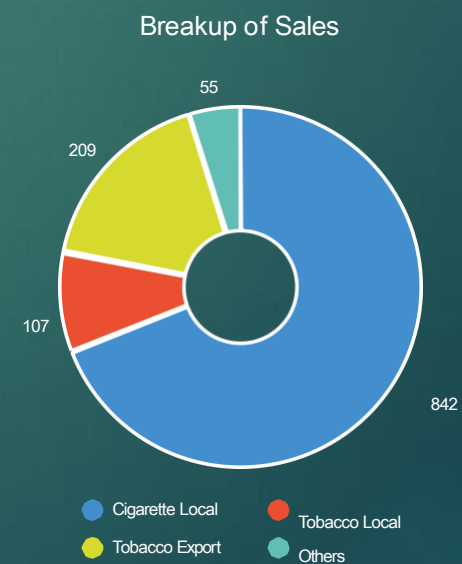
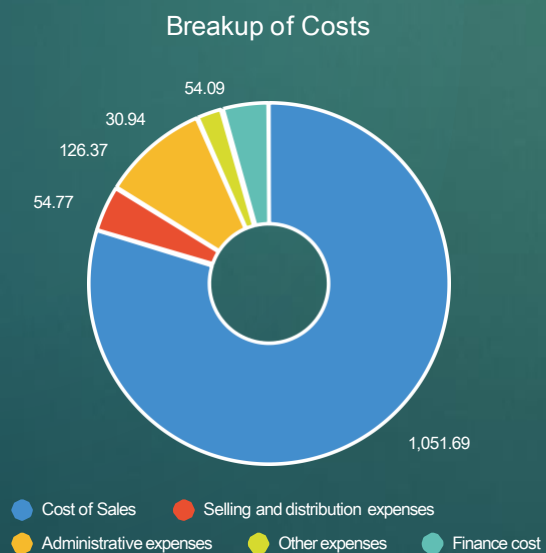
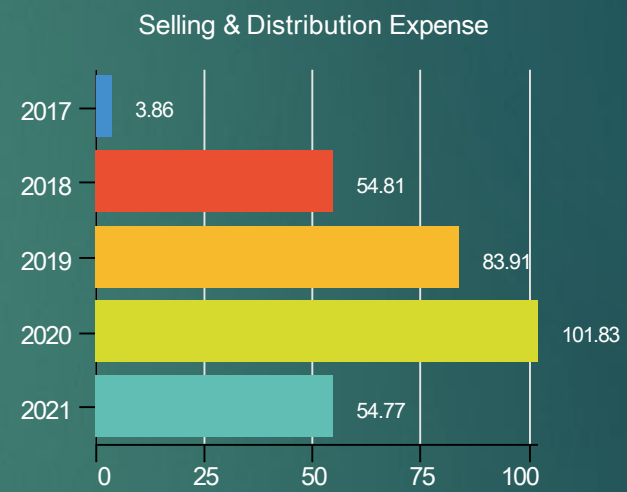
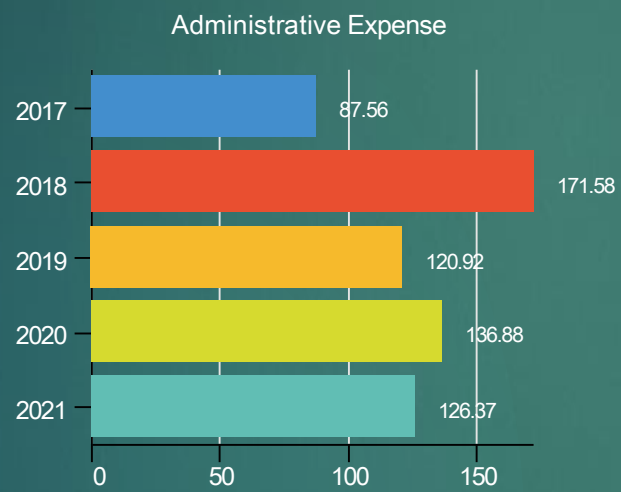
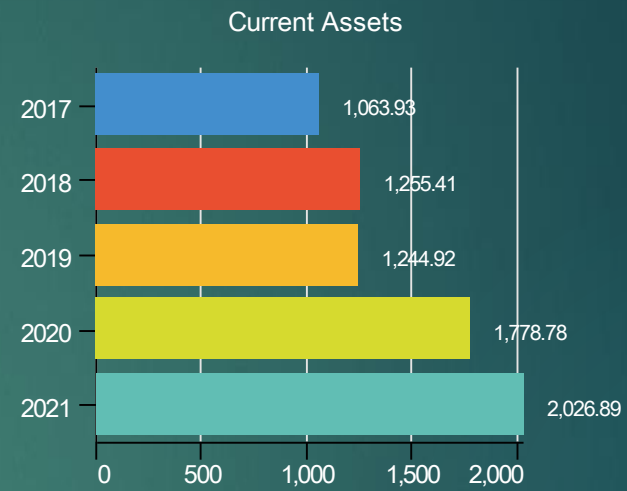
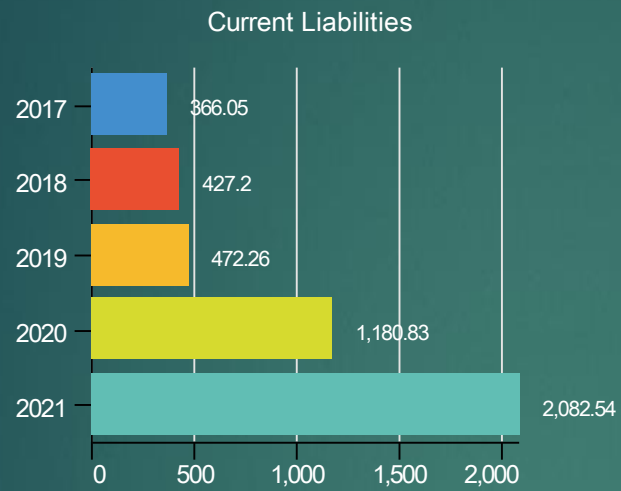
Profit after Tax



GRAPHICAL ANALYSIS



GRAPHICAL ANALYSIS



● Cost of Sales ● Selling and distribution expenses
● Administrative expenses ● Other expenses ● Finance cost

● Cigarette Local ● Tobacco Local
● Tobacco Export ● Others

HORIZONTAL ANALYSIS

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|------------------------------|-------------|--------------|-------------|-------------|-------------|--------------|
| PROFIT AND LOSS | 60.4 | 141.2 | 41.1 | 48.5 | 35.5 | 100.0 |
| ACCOUNT | | | | | | |
| Net Sales | | | | | | |
| Cost of Sales | 80.8 | 159.7 | 53.5 | 8.5 | 8.9 | 100.0 |
| Gross Profit | (7.0) | 80.1 | 0.5 | 180.2 | 123.0 | 100.0 |
| Administrative Expenses | 75.6 | 90.2 | 68.0 | 138.4 | 21.7 | 100.0 |
| Distribution Cost | 134.2 | 335.3 | 258.7 | 134.3 | (83.5) | 100.0 |
| Other Operating Expenses | 397.6 | 419.8 | 374.4 | 231.3 | 241.4 | 100.0 |
| Operating Profit | (163.6) | (37.4) | (175.6) | 230.2 | 274.7 | 100.0 |
| Finance Cost | 1,120.7 | 349.4 | 941.1 | 116.1 | (20.0) | 100.0 |
| Other Operating Income | 76.9 | 40.7 | 318.8 | 332.6 | (73.9) | 100.0 |
| Profit before Taxation | (202.3) | (48.3) | (172.1) | 249.8 | 245.3 | 100.0 |
| Taxation | (224.3) | (70.1) | (74.5) | 625.7 | 679.6 | 100.0 |
| Profit for the Year | (198.6) | (44.6) | (188.3) | 187.1 | 172.9 | 100.0 |
| BALANCE SHEET | 63.7 | 72.7 | 68.0 | 78.8 | 9.0 | 100.0 |
| Share Capital & Reserves | | | | | | |
| Non-Current Liabilities | 36.6 | 71.5 | 83.1 | 127.9 | 647.2 | 100.0 |
| Current Liabilities | 560.9 | 274.8 | 49.9 | 35.6 | 16.2 | 100.0 |
| Total Equity and Liabilities | 199.6 | 128.6 | 63.9 | 69.9 | 51.2 | 100.0 |
| Non-Current Assets | 298.1 | 136.8 | 78.7 | 95.3 | 89.1 | 100.0 |
| Current Assets | 156.3 | 125.0 | 57.4 | 58.8 | 34.6 | 100.0 |
| Total Assets | 199.6 | 128.6 | 63.9 | 69.9 | 51.2 | 100.0 |

KHYBER TOBACCO COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2021

| KHYBER TOBACCO COMPANY LIMITED | | |
|--|---------------------|--------------------|
| STATEMENT OF PROFIT OR LOSS | | |
| FOR THE YEAR ENDED 30 JUNE 2021 | | |
| | 2021 | 2020 |
| | Rupees | Rupees |
| Sales - net | 1,216,036,389 | 1,828,703,290 |
| Cost of sales | (1,051,687,762) | (1,510,666,257) |
| Gross profit | 164,348,627 | 318,037,033 |
| Administrative expenses | (126,366,350) | (136,876,081) |
| Selling and distribution cost | (54,774,014) | (101,828,450) |
| Impairment loss on financial assets | (10,141,207) | (16,590,963) |
| Other operating expenses | (20,802,041) | (15,728,979) |
| Other income | 18,746,615 | 14,914,204 |
| Operating (loss) / profit | (28,988,370) | 61,926,764 |
| Finance cost | (54,088,921) | (19,913,984) |
| (Loss) / profit before taxation | (83,077,291) | 42,012,780 |
| Taxation | 14,430,961 | (3,475,941) |
| (Loss) / profit for the year | (68,646,330) | 38,536,839 |
| Earnings per share - basic and diluted | (14.28) | 8.02 |

KHYBER TOBACCO COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

| | 2021 Rupees | 2020 Rupees |
|--|----------------------|----------------------|
| EQUITY AND LIABILITIES | | |
| CAPITAL AND RESERVES | | |
| Share capital | 48,073,640 | 48,073,640 |
| General reserves | 3,312,465 | 3,312,465 |
| Unappropriated profit | 967,360,313 | 995,587,814 |
| Revaluation surplus on property, plant and equipment | 212,209,916 | 251,498,354 |
| | 1,230,956,334 | 1,298,472,273 |
| LIABILITIES | | |
| NON CURRENT LIABILITIES | | |
| Employee retirement benefits | 43,642,581 | 34,974,436 |
| Deferred tax liabilities | 54,296,223 | 88,055,599 |
| | 97,938,804 | 123,030,035 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 1,020,730,718 | 1,023,648,590 |
| Unclaimed dividend | 16,407,772 | 17,179,781 |
| Loan from sponsors and directors - unsecured | 1,045,400,000 | 140,000,000 |
| | 2,082,538,490 | 1,180,828,371 |
| CONTINGENCIES AND COMMITMENTS | | |
| TOTAL EQUITY AND LIABILITIES | 3,411,433,628 | 2,602,330,679 |
| NON CURRENT ASSETS | | |
| Property, plant and equipment | 1,379,775,858 | 818,898,367 |
| Intangible assets | - | - |
| Long term deposits | 4,767,411 | 4,647,411 |
| | 1,384,543,269 | 823,545,778 |
| CURRENT ASSETS | | |
| Stores, spares and loose tools | 26,881,360 | - |
| Stock in trade | 999,308,866 | 730,487,456 |
| Trade debts | 177,744,981 | 386,489,386 |
| Advances and other receivables | 244,765,674 | 463,946,861 |
| Advance income tax | 19,896,698 | 42,924,919 |
| Advance duty | - | 73,355,084 |
| Cash and bank balances | 558,292,780 | 81,581,195 |
| | 2,026,890,359 | 1,778,784,901 |
| TOTAL ASSETS | 3,411,433,628 | 2,602,330,679 |

KHYBER TOBACCO COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 Rupees | 2020 Rupees |
|---|---------------------|-------------------|
| (Loss) / profit for the year | (68,646,330) | 38,536,839 |
| Other comprehensive income: | | |
| Items that will not be reclassified to profit or loss: | | |
| Remeasurement gain / (loss) on post retirement benefits liability | 1,508,898 | (4,305,835) |
| Deferred tax impact | (378,507) | 1,248,692 |
| | 1,130,391 | (3,057,143) |
| Total comprehensive income for the year | (67,515,939) | 35,479,696 |

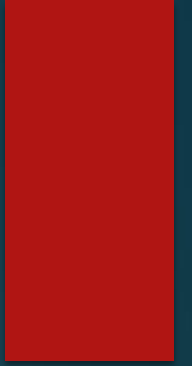
KHYBER TOBACCO COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

| | Share capital | General reserve | profit | and equipment | Total |
|--|------------------|-----------------|--------------|---------------|---------------|
| |Rupees..... | | | | |
| Balance as at 01 July 2019 | 48,073,640 | 3,312,465 | 927,091,669 | 284,514,803 | 1,262,992,577 |
| Total comprehensive income for the year | | | | | |
| Profit for the year | | | | | |
| Other comprehensive income for the year | | | | | |
| | - | - | 35,479,696 | - | 35,479,696 |
| Transfer from surplus on revaluation of property, plant and equipment - net of tax | - | - | 33,016,449 | (33,016,449) | - |
| Balance as at 30 June 2020 | 48,073,640 | 3,312,465 | 995,587,814 | 251,498,354 | 1,298,472,273 |
| Total comprehensive income for the year | | | | | |
| Loss for the year | | | | | |
| Other comprehensive income for the year | | | | | |
| | - | - | (67,515,939) | - | (67,515,939) |
| Transfer from surplus on revaluation of property, plant and equipment - net of tax | - | - | 39,288,438 | (39,288,438) | - |

KHYBER TOBACCO COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 | 2020 |
|---|----------------------|----------------------|
| | Rupees | Rupees |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss) / profit before taxation | (83,077,291) | 42,012,780 |
| Adjustments for: | | |
| Depreciation on property, plant and equipment | 104,321,104 | 76,429,811 |
| Intangible assets written off | - | 7,901,568 |
| Trade creditors written back | (2,350,363) | (14,300,543) |
| Advance to supplier written off | 6,711,703 | 1,186,466 |
| Advances from customers written back | - | (613,661) |
| Provision for employee retirement benefits | 11,718,925 | 8,551,193 |
| Impairment loss on financial assets | 10,141,207 | 16,590,963 |
| Exchange (gain) / loss on foreign transaction | (2,678,302) | 2,493,423 |
| Finance cost | 54,088,921 | 19,913,984 |
| | 181,953,195 | 118,153,204 |
| Operating cash flows before working capital changes | 98,875,904 | 160,165,984 |
| Working capital changes | | |
| (Increase) / decrease in current assets | | |
| Stock in trade | (268,821,410) | (125,551,660) |
| Stores, spare parts and loose tools | (26,881,360) | - |
| Trade debts | 198,603,198 | (158,699,468) |
| Advances and prepayments | 215,147,786 | (377,736,586) |
| Advance duty | 73,355,084 | (35,097,630) |
| (Decrease) / Increase in current liabilities | | |
| Trade and other payables | (30,917,996) | 578,523,036 |
| | 160,485,302 | (118,562,308) |
| Cash generated from operations | 259,361,206 | 41,603,676 |
| Employee retirement benefits paid | (1,541,882) | (1,317,460) |
| Income tax paid | 3,321,299 | (64,972,547) |
| Finance cost paid | (23,738,434) | (3,927,973) |
| Unclaimed dividend paid | (772,009) | (14,708,436) |
| Net cash generated from / (used in) operating activities | 236,630,180 | (43,322,740) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions to property, plant and equipment | (665,198,595) | (284,537,824) |
| Additions to intangible assets | - | (1,689,526) |
| Security deposits | (120,000) | - |
| Net cash used in investing activities | (665,318,595) | (286,227,350) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Loan from sponsors and directors - unsecured | 905,400,000 | 140,000,000 |
| Net cash generated from financing activities | 905,400,000 | 140,000,000 |
| Net increase / (decrease) in cash and cash equivalents | 476,711,585 | (189,550,090) |
| Cash and cash equivalents at beginning of the year | 81,581,195 | 271,131,285 |
| Cash and cash equivalents at end of the year | 558,292,780 | 81,581,195 |



Questions & Answers

THE END



*THANK
YOU*