



Rising through Adversity

UN-AUDITED ACCOUNTS
MARCH 31, 2022



KHYBER TOBACCO COMPANY LIMITED

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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
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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

The Board of Directors present you the brief report together with the financial information of the Company for the nine months' period ended March 31, 2022.

Financial Highlights	Jul-March 2022	Jul-March 2021	%
	Rs. in Millions		
Gross turnover	2,667.97	2,357.00	13%
Turnover-net	1,150.03	952.00	21%
Cost of sales	874.02	785.00	11%
Gross profit	276.01	167.00	65%
Profit (Loss) before taxation	6.22	(10.00)	-162%
Profit (Loss) for the period	(37.91)	(28.00)	86%

The above results indicate an overall revenue increased by 13% as compared to the corresponding period of the last year. The gross profit has increased by 65 % i.e. from Rs. 167 million to Rs. 276.01 million as compared to last year and profit before taxation has increased from Rs. 10 million of loss before taxation to Rs. 6.22 million of profit as compared to last year, the increase in overall turnover is mainly due to increase in sale of both local sales and export of tobacco. Due to price hike during the period under consideration as compared to the corresponding period has adversely affected the EPS and the loss per share is Rs. (7.89) as compared to loss per share of Rs. (5.76) as reported in the corresponding period.

IMPACT OF COVID - 19 ON THE FINANCIAL STATEMENTS

As the global economy is recovering from COVID-19 which has affected the whole world and Pakistan is not an exception. Businesses are badly affected due to disturbance in the supply chain. The situation however has now improved on the back of the actions taken by the Government. All steps were taken for the health and safety of our employees and they were also allowed to work from their homes. The Company's management is fully cognizant of the business challenges posed by the COVID-19 outbreak and closely monitoring the possible impacts on the Company's operations and liquidity position and believes that its current policies for managing credit, liquidity and market risk are adequate in response to the current situation.

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.

The Local Cigarette sales are the backbone of the Company's cash flows during the time of uncertain tobacco exports and have always been the main source of profitability of the Company. However the easy availability of the counterfeit product has adversely affected the profitability of the Company. To counter the malice, the Company has adopted the strategy of differentiation of products and has decided to heavily invest 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 shareholders.

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.

On behalf of the Board



Mrs. Samera Irfan
Chief Executive Officer

28 April 2022



Pir Farhan Shah
Company Secretary

اظہار تشکر

کمپنی کے معزز صارفین، بینکرز اور دیگر سٹیک ہولڈرز کے تعاون اور مدد کے لئے بورڈ ان کا شکر گزار ہے۔ بورڈ کمپنی کے تمام ملازمین کی انتھک محنت اور جوش و جذبہ کو قدر کی نگاہ سے دیکھتا ہے۔

28 اپریل 2022ء

منجانب بورڈ



میر فرحان شاہ

کمپنی سیکریٹری



مسز میر اعرفان

چیف ایگزیکٹو آفیسر

بورڈ آف ڈائریکٹرز 31 مارچ 2022ء کو اختتام پذیر ہونے والے آپ کو کمپنی کی مختصر رپورٹ کے ہمراہ مالیاتی معلومات پیش کرتے ہیں۔

مالیاتی نتائج

مالیاتی تفصیلات	جولائی - مارچ 2022ء	جولائی - مارچ 2021ء	تناسب
ملین روپوں میں			
کل ٹرن اوور	2,667.97	2,357.00	13%
ٹرن اوور - خالص	1,150.03	952.00	21%
فروخت پر لاگت	874.02	785.00	11%
کل منافع	276.01	167.00	65%
نفع (نقصان) بمعہ ٹیکسیشن	6.22	(10.00)	-162%
نفع (نقصان) برائے نوامی	(37.91)	(28.00)	86%

مذکورہ بالا نتائج گذشتہ برس کی اسی مدت کی نسبت مجموعی آمدنی میں 13 فی صد کمی ظاہر کرتے ہیں۔ کل منافع میں 65% یعنی گذشتہ برس میں 167 ملین روپے سے 276.01 ملین روپے اضافہ ہوا۔ جبکہ گذشتہ برس کے دوران 10 ملین روپے نقصان بمعہ ٹیکسیشن کے مقابلہ میں 6.22 ملین روپے نفع بمعہ ٹیکسیشن ریکارڈ ہوا۔ زیر جائزہ مدت کے دوران مجموعی آمدنی میں یہ اضافہ مقامی بیلز اور تبا کو کی برآمد میں اضافہ سے منسوب کیا جاتا ہے۔ گذشتہ برس کی نسبت زیر جائزہ مدت کے دوران ٹیکسوں میں اضافہ کے باعث فی حصص آمدنی پر مضر اثرات مرتب ہوئے جب کہ گذشتہ برس کی اسی مدت کے مقابلے میں فی حصص خسارہ (5.76) روپے سے بڑھ کر (7.89) روپے فی حصص ہو گیا۔

مالیاتی اسٹیٹمنٹس پر کرونا وائرس کے اثرات

چونکہ عالمی معیشت کرونا وائرس سے بحالی کی جانب گامزن ہے جس کی وجہ سے دنیا بھر اور پاکستان بری طرح متاثر ہوا۔ سپلائی چین میں تعطل کے باعث کاروبار بری طرح متاثر ہوئے۔ البتہ حکومتی اقدامات کے باعث حالات میں بہتری آئی ہے۔ اپنے ملازمین کی صحت اور تحفظ کے لئے تمام اقدامات اٹھائے گئے اور انہیں گھر سے کام کرنے کی بھی اجازت دی گئی۔ کمپنی کی انتظامیہ کرونا وائرس کے حملہ کی وجہ سے درپیش کاروباری مسائل سے مکمل طور پر باخبر ہے اور کمپنی کے امور اور لیویٹی صورت حال پر اس کے ممکنہ اثرات کی نگرانی کر رہی ہے۔ انتظامیہ پرامید ہے کہ کریڈٹ، لیکویڈٹی اور مارکیٹ خطرات سے نبرد آزما ہونے کے لئے موجودہ صورت حال کے پیش نظر کمپنی کی حالیہ پالیسیاں انتہا معقول ہیں۔

مستقبل کا منظر نامہ

حکمت عملی کے طور پر، کمپنی اپنی آمدنی میں اضافہ کے لئے قومی اور بین الاقوامی منڈیوں پر توجہ دے رہی ہے۔ آپ کی کمپنی مقامی فروخت اور تبا کو کی برآمد سے خاطر خواہ آمدنی حاصل کرنے کے لئے پرامید ہے۔ کمپنی توقع رکھتی ہے کہ ہم اپنے تجربے کی مدد سے ان منڈیوں میں اپنے قدم جما لیں گے۔ چونکہ ٹیکنالوجی مسلسل جدت کی جانب گامزن ہے لہذا کمپنی ٹیکنالوجی میں جدت اور انڈسٹری میں تیز رفتار تبدیلیوں کو مد نظر رکھتے ہوئے اپنی استعداد میں لگا تا اضافے کے لئے کوشاں ہے۔

تبا کو کی درآمد کی بابت غیر یقینی حالات کے دوران مقامی سطح پر سگریٹ کی فروخت کمپنی کے کیش فلڈ کی اکائی اور کمپنی کو منافع بخش بنانے کا بنیادی ذریعہ رہی ہے۔ البتہ جعلی مصنوعات کی آسانی دستیابی نے کمپنی کے منافع پر برے اثرات مرتب کئے ہیں۔ اس برائی کو جڑ سے ختم کرنے کے لئے کمپنی نے اپنی مصنوعات کو منفرد انداز میں پیش کرنے کی حکمت عملی اپنائی ہے۔ کمپنی نے اپنی مصنوعات کے معیار کو بہتر بنانے کے لئے جدید اور عالمی معیار کی صنعتی اور پیکنگ مشینیں خریدنے کے لئے ہماری سرمایہ داری کرنے کا فیصلہ کیا ہے۔ اسی تناظر میں کمپنی نے اپنے ڈائریکٹرز سے کم لاگت قرضے حاصل کئے ہیں۔

FINANCIAL STATEMENTS

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT MARCH 31, 2022

	(Un-audited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
EQUITY AND LIABILITIES		
EQUITY		
Issued, subscribed and paid up share capital ordinary shares of Rs. 10 each	48,073,640	48,073,640
Unappropriated Profit	973,137,920	967,360,313
Revenue reserves	3,312,465	3,312,465
Surplus on revaluation of property, plant and equipment-net of tax	168,522,905	212,209,916
	1,193,046,930	1,230,956,334
NON-CURRENT LIABILITIES		
Staff retirement benefits	51,408,367	43,642,581
Deferred taxation-net	81,990,728	54,296,223
	133,399,095	97,938,804
CURRENT LIABILITIES		
Trade and other payables	1,114,900,708	1,020,730,718
Unclaimed dividend	16,177,683	16,407,772
Loan From Director	1,377,400,000	1,045,400,000
Provision for Taxation	-	-
	2,508,478,391	2,082,538,490
TOTAL EQUITY AND LIABILITIES	3,834,924,416	3,411,433,628

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

		(Un-audited) March 31, 2022 Rupees	(Audited) June 30, 2021 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,544,319,634	1,379,775,858
Intangible assets		-	-
Long term deposits		4,947,411	4,767,411
		1,549,267,045	1,384,543,269
CURRENT ASSETS			
Stock in trade		1,241,747,165	999,308,866
Trade debts		191,091,692	177,744,981
Advances and Prepayments		328,217,091	132,454,876
Advance duty and sales tax		1,307,981	-
Advance income tax		137,834,213	132,207,496
Stores, Spare Parts and Loose Tools		-	26,881,360
Cash and bank balances		385,459,229	558,292,780
		2,285,657,370	2,026,890,359
TOTAL ASSETS		3,834,924,416	3,411,433,628



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022.

	Note	Three month ended		Nine months ended	
		31 March		31 March	
		2022	2021	2022	2021
		Rupees			
Turnover-net	6	441,886,152	268,699,044	1,150,030,832	952,180,178
Cost of sales	7	(260,325,470)	(227,577,609)	(874,017,096)	(785,178,261)
Gross profit		181,560,681	41,121,434	276,013,735	167,001,917
Administrative expenses		(33,833,970)	(26,597,400)	(112,679,475)	(104,167,534)
Other expenses		(1,302,871)	(5,030,931)	(1,302,871)	(14,128,710)
Selling and Distribution cost		(22,707,073)	(5,525,575)	(58,478,790)	(30,281,474)
Finance cost		(37,016,607)	(8,391,028)	(99,596,460)	(29,244,447)
Other operating income		182,798	-	2,260,273	1,153,846
Profit (Loss) before taxation		86,882,959	(4,423,499)	6,216,412	(9,666,402)
Taxation		(21,574,783)	(15,776,302)	(44,125,816)	(18,001,522)
Profit (Loss) for the period		65,308,176	(20,199,801)	(37,909,404)	(27,667,924)
Earnings (Loss) per share - basic and diluted		13.59	(4.20)	(7.89)	(5.76)

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022.

	Three month ended 31 March		Nine month ended 31 March	
	2022	2021	2022	2021
	Rupees			
Profit / (Loss) for the period	65,308,176	(20,199,801)	(37,909,404)	(27,667,924)
Items that will not be reclassified to profit or loss:				
Remeasurement gain on post retirement benefits liability	-	-	-	-
Related tax on remeasurement gain on post retirement benefits liability	-	-	-	-
	-	-	-	-
Total comprehensive income for the period	65,308,176	(20,199,801)	(37,909,404)	(27,667,924)

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022.

	Capital Reserves					Total
	Share capital	General reserve	Revaluation surplus	Reserves for issuance of bonus shares	Unappropriated profit	
	Rupees					
Balance at 01 July 2020	48,073,640	3,312,465	251,498,354	-	995,587,814	1,298,472,273
Total comprehensive income/(loss) for the period	-	-	-	-	(27,667,924)	(27,667,924)
Profit/(loss) for the period	-	-	(27,926,441)	-	27,926,441	-
Other comprehensive income for the period	-	-	(27,926,441)	-	258,517	(27,667,924)
Total comprehensive income/(loss) for the period	-	-	(27,926,441)	-	258,517	(27,667,924)
Transfer from surplus on revaluation of property, plant and equipment - net of tax						
Transactions with owners, recorded directly in equity						
Balance at 31 March 2021	48,073,640	3,312,465	223,571,913	-	995,846,331	1,270,804,349
Balance at 01 July 2021	48,073,640	3,312,465	212,209,916	-	967,360,313	1,230,956,334
Total comprehensive income/(loss) for the period	-	-	-	-	(37,909,404)	(37,909,404)
Profit/(loss) for the period	-	-	-	-	-	-
Other comprehensive income for the period	-	-	(43,687,011)	-	43,687,011	-
Transfer from surplus on revaluation of property, plant and equipment - net of tax	-	-	(43,687,011)	-	-	-
Total comprehensive income/(loss) for the period	-	-	(43,687,011)	-	5,777,607	(37,909,404)
Balance at 31 March 2022	48,073,640	3,312,465	168,522,905	-	973,137,920	1,193,046,930

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022.

	Nine month ended 31 March	
	2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	6,216,412	(9,666,402)
Adjustments for:		
Depreciation	89,173,533	75,991,242
Provision for staff retirement benefits	9,668,114	5,634,734
Finance cost	1,266,802	2,420,490
	100,108,449	84,046,466
	106,324,860	74,380,064
Working capital changes <i>(Increase) / decrease in current assets</i>		
Stock in trade	(242,438,299)	(328,754,353)
Stores, Spare Parts and Loose Tools	26,881,360	-
Trade debts - considered good	(13,346,711)	218,068,633
Advances and Prepayments	(195,762,215)	320,512,247
Advance duty and Taxes	(1,307,981)	62,461,071
Advance income tax	(5,626,717)	(42,759,491)
Trade and other payables	93,972,526	75,355,279
	(337,628,036)	304,883,386
	(231,303,176)	379,263,450
Cash generated from operations	(1,902,328)	(795,966)
Gratuity paid	(1,902,328)	(795,966)
Income tax paid	(16,431,311)	3,556,933
Finance cost paid	(1,266,802)	(2,420,490)
WWF/WPPF	-	(544,868)
Dividend paid	(230,089)	-
	(19,830,530)	(204,391)
	(251,133,706)	379,059,059
Net cash generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(253,519,845)	(646,326,960)
Security deposits	(180,000)	-
Net cash used in investing activities	(253,699,845)	(646,326,960)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loan-Unsecured	332,000,000	284,000,000
Repayment of short term loan	-	-
	332,000,000	284,000,000
Net increase (decrease) in cash and cash equivalents	(172,833,551)	16,732,099
Cash and cash equivalents at beginning of the period	558,292,780	81,581,195
Cash and cash equivalents at end of the period	385,459,229	98,313,294

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED] FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022.

1. THE COMPANY AND ITS 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. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These financial Statements of the Company for the period ended 31 March 2022 has been prepared in accordance with approved accounting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprises of: International Financial Reporting Standards (IFRS), issued by International Accounting Standard Board (IASB) as notified under the companies Act 2017 and Provisions 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 provision of and directives issued under the Companies Act 2017 have been followed. Details of company's accounting policies are included in note 3.

These Financial Statements have been prepared under historical cost convention except for the Property, Plant and Equipment which measured at revalued cost. These Financial Statements are presented in Pak Rupees, which is the Company's functional currency. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

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 2021.

4. CONTINGENCIES AND COMMITMENTS

Contingencies and Commitments are the same as disclosed in the annual financial statements for the year ended June 30, 2021

5. PROPERTY, PLANT AND EQUIPMENT

Break up of Property, Plant and Equipment is as follows:

	Un-audited	Audited
	March 31,	30 June
	2022	2021
	Rupees	Rupees
Operating Fixed Assets	1,544,319,634	1,379,775,858
Intangible Assets	-	-
	1,544,319,634	1,379,775,858

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED] FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022.

	Note	Three month ended		Nine month ended	
		31 March		31 March	
		2022	2021	2022	2021
		Rupees	Rupees	Rupees	Rupees
6					
TURNOVER - net					
Gross turnover					
- Local		830,926,813	775,445,349	2,504,140,564	2,138,849,242
- Export		131,956,632	9,090,144	163,830,278	217,930,528
		962,883,445	784,535,493	2,667,970,842	2,356,779,770
Government levies					
- Excise duty		359,369,410	391,567,730	1,116,192,340	1,069,993,530
- Sales tax		151,193,383	113,586,281	369,335,170	301,083,124
		510,562,793	505,154,011	1,485,527,510	1,371,076,654
Discounts		10,434,500	10,682,438	32,412,500	33,522,938
		441,886,152	268,699,044	1,150,030,832	952,180,178
7					
COST OF SALES					
Raw and packing material consumed	7.1	191,389,556	162,558,550	643,211,828	588,541,771
Salaries, wages and benefits		23,371,492	21,448,010	91,324,689	76,524,709
Fuel and power		11,981,151	6,554,010	40,348,505	31,713,697
Stores and spares consumed		18,250,836	10,180,992	42,125,262	32,565,297
Repair and maintenance		539,485	529,656	1,855,255	3,112,427
Royalty		1,483,308	1,072,860	4,047,978	3,316,095
Rent		1,656,174	1,803,220	3,739,929	1,803,220
Depreciation		28,178,302	31,685,328	82,039,650	71,319,025
Insurance expense		297,520	420,890	1,292,860	1,344,166
		277,147,824	236,253,516	909,985,956	810,240,407
Opening work in process		6,851,914	7,866,594	-	3,856,473
Closing work in process		(13,161,067)	(4,480,588)	(13,161,067)	(4,480,588)
Cost of goods manufactured		270,838,672	239,639,522	896,824,890	809,616,292
Opening finished stock		22,383,026	25,548,988	10,088,434	13,172,871
Closing finished stock		(32,896,227)	(37,610,901)	(32,896,227)	(37,610,901)
		260,325,470	227,577,609	874,017,096	785,178,262
7.1					
Raw and packing materials consumed					
Opening balance				989,220,432	713,458,112
Raw and packing material purchases				849,681,267	980,154,885
Closing balance				(1,195,689,871)	(989,220,432)
				643,211,828	704,392,565

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022.

8 DATE OF AUTHORISATION FOR ISSUE

This unaudited condensed interim financial statements was authorized for issue by the Board of Directors of the Company in their meeting held on 28 April 2022.

9 GENERAL

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



Chief Executive



Director



Director

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