



KHYBER TOBACCO
COMPANY LIMITED

Un-audited Accounts
March 31, 2021



PERSUANCE OF
BELIEF

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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

Deloitte 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 financial information of the Company for the nine months period ended March 31, 2021.

Financial Highlights	Jul-March 2021	Jul-March 2020
	Rs. in Millions	
Turnover – gross	2,357	2,455
Turnover – net	952	1,241
Cost of sales	785	971
Gross profit/(loss)	167	269
Profit/(loss) before taxation	(10)	76
Profit/(loss) for the period	(28)	19
Earnings per share – basic and diluted	(6)	4

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 38% i.e. from Rs. 269 million to Rs. 167 million as compared to last year and profit before taxation has decreased by 113% i.e. from Rs. 76 million to loss before taxation of Rs. 10 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. (6) as compared to earnings per share of Rs. 4 as reported in the corresponding period.

IMPACT OF COVID -19 ON THE FINANCIAL STATEMENTS.

COVID-19 is a global pandemic, 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 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.

On behalf of the Board



Chief Executive



Director

28 April 2021.

انتظامیہ کرونا وائرس کی وجہ سے پیدا ہونے والی مشکلات سے بخوبی آگاہ ہے اور کمپنی کے آپریشنز اور لیکویڈٹی صورت حال پر مکمل طور پر اثرات کی نگرانی کر رہی ہے اور پرامید ہے کہ کریڈٹ، لیکویڈٹی اور مارکیٹ رسک پر حالیہ پالیسیاں موجودہ صورت حال سے نمبر د آزما ہونے میں مدد و معاون ثابت ہوں گی۔

مستقبل کا منظر نامہ

حکمت عملی کے مطابق کمپنی مقامی اور بین الاقوامی منڈیوں پر نظریں جمائے ہوئے ہے تاکہ آئندہ کے لئے آمدنی میں اضافہ کیا جاسکے۔ آپ کی کمپنی مقامی منڈیوں میں فروخت اور تمباکو کی برآمد سے بھاری آمدنی حاصل کرنے کی صلاحیت رکھتی ہے۔ کمپنی پر عزم ہے کہ تجربہ کے استعمال سے ہم ان منڈیوں پر حاوی ہو جائیں گے۔ جدید ٹیکنالوجی کے بدلتے ہوئے تقاضوں کو پیش نظر رکھتے ہوئے کمپنی اپنی مہارت میں لگاؤ تازہ میم کر رہی ہے جو صنعت میں تیز رفتار تبدیلیوں اور تکنیکی عروج کے عین مطابق ہیں۔

مقامی منڈیوں میں سگریٹ کی فروخت غیر یقینی برآمدات کے اس دور میں کمپنی کے کیش فلو کا واحد ذریعہ ہے جو کمپنی کو منافع بخش بنانے میں ہمیشہ اہم کردار ادا کرتی ہے۔ تاہم جعلی مصنوعات کی آسانی سے دستیابی نے کمپنی کے منافع کو بری طرح متاثر کیا ہے۔ اس بدینتی کے تدارک کے لئے کمپنی نے مصنوعات کو منفرد بنانے کے لئے ایک حکمت عملی ترتیب دی ہے۔ لہذا کمپنی نے جدید اور عالمی معیار کی پیکنگ اور پیداواری مشینوں کے حصول کے لئے بھاری سرمایہ کاری کا فیصلہ کیا ہے تاکہ کمپنی اپنی مصنوعات کے معیار میں بہتری لاسکے۔ اسی تناظر میں کمپنی نے کم لاگت پر ڈائریکٹرز سے قرضہ بھی حاصل کیا ہے۔

اعتراف

بورڈ اس موقع پر کمپنی کے معزز صارفین، بینکرز اور دیگر سٹیک ہولڈرز کے تعاون اور سپورٹ کے لئے شکر گزار ہے۔ بورڈ کمپنی کے تمام ملازمین کی ان تھک محنت اور جذبہ کو تہہ دل سے سراہتا ہے۔

28 اپریل 2021ء

منجانب بورڈ آف ڈائریکٹرز



مسز سیمیرا عرفان پیرفرحان شاہ
چیف ایگزیکٹو آفیسر



پیرفرحان شاہ
کمپنی سیکریٹری

بورڈ آف ڈائریکٹرز 31 مارچ 2021ء کو اختتام پذیر سال سہ ماہی کے لئے کمپنی کی جامع رپورٹ بمعہ مالیاتی معلومات پیش کرتے ہیں۔
مالیاتی نتائج

ملین روپوں میں

اہم مالیاتی نکات	جولائی - مارچ 2021ء	جولائی - مارچ 2020ء
آمدنی - مجموعی	2,357	2,455
آمدنی - خالص	952	1,241
فروخت پر لاگت	785	971
مجموعی نفع / (نقصان)	167	269
نفع / (نقصان) بمعہ ٹیکسیشن	(10)	76
مذکورہ مدت میں نفع / (نقصان)	(28)	19
فی حصص آمدنی - بنیادی و ڈائی لیوڈ	(6)	4

مذکورہ بالا نتائج گذشتہ برس کے مقابلہ میں آمدنی میں 4 فی صد تنزیل ظاہر کرتے ہیں۔ مجموعی نفع میں گذشتہ برس میں 269 ملین روپے کے مقابلہ میں 166 ملین روپے یعنی 38 فی صد کمی واقع ہوئی۔ گذشتہ برس میں 76 ملین روپے نفع بمعہ ٹیکسیشن کے مقابلہ میں مذکورہ مدت کے دوران نقصان بمعہ ٹیکسیشن 10 ملین یعنی 113 فی صد کم رہا۔ گذشتہ برس کے مقابلہ میں زیر جائزہ مدت کے دوران مقامی منڈیوں اور تمباکو کی برآمد میں کمی اور قیمتوں میں اضافہ کے باعث پیداواری لاگت میں اضافہ سے آمدنی میں اس کمی کو منسوب کیا جاتا ہے۔ فی حصص آمدنی اس گھمبیر صورت حال سے بری طرح متاثر ہوئی ہے جو گذشتہ برس میں 4 روپے فی حصص آمدنی کے مقابلہ میں مذکورہ مدت کے دوران (6) روپے خسارہ فی حصص سے عیاں ہے۔

مالیاتی اسٹیٹمنٹس پر کرونا وائرس کے اثرات

کورونا وائرس عالمی وبا ہے جس کی وجہ سے پاکستان بلکہ پوری دنیا متاثر ہوئی ہے۔ سپلائی چین میں جمود کے باعث کاروبار بری طرح متاثر ہوا ہے۔ تاہم حکومتی اقدامات کی وجہ سے صورت حال بہتر ہو چکی ہے۔ صنعتی شعبہ کو دوام دینا حکومت کی ذمہ داری ہے۔ ملازمین کی صحت اور تحفظ کے لئے تمام اقدامات کئے گئے اور انہیں گھر سے کام کرنے کی اجازت دی گئی۔ کمپنی کی

FINANCIAL STATEMENTS

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT MARCH 31, 2021.

	Un-Audited	Audited
	31-Mar	30-Jun
	2021	2020
Note	Rupees	Rupees
SHARE CAPITAL AND RESERVES		
Ordinary shares of Rs. 10 each		
Issued, subscribed and paid up share capital	48,073,640	48,073,640
Unappropriated Profit	995,846,331	995,587,814
Revenue reserves	3,312,465	3,312,465
Surplus on revaluation of property plant and equipment-net of tax	223,571,913	251,498,354
Total equity	1,270,804,349	1,298,472,273
NON-CURRENT LIABILITIES		
Employee benefits	39,813,204	34,974,436
Deferred tax liability	109,614,055	88,055,599
Non-current liabilities	149,427,259	123,030,035
CURRENT LIABILITIES		
Trade and other payables	1,099,003,869	1,023,648,590
Unclaimed dividend	16,634,913	17,179,781
Loan From Director	424,000,000	140,000,000
Current liabilities	1,539,638,782	1,180,828,371
Total equity and liabilities	2,959,870,390	2,602,330,679
CONTINGENCIES AND COMMITMENTS		
	4	

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

		Un-Audited 31-Mar 2021 Rupees	Audited 30-Jun 2020 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,389,234,085	818,898,367
Long term deposits		4,647,411	4,647,411
Non-current assets		1,393,881,496	823,545,778
CURRENT ASSETS			
Stock in trade		1,059,241,809	730,487,456
Trade debts		168,420,753	386,489,386
Advances and Prepayments		74,048,735	394,560,982
Advance duty and sales tax		10,894,013	73,355,084
Advance income tax		155,070,289	112,310,798
Cash and bank balances		98,313,294	81,581,195
Current assets		1,565,988,893	1,778,784,901
Total assets		2,959,870,390	2,602,330,679



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021.

	Note	Three months ended 31 March		Nine months ended 31 March	
		2021	2020	2021	2020
		Rupees	Rupees	Rupees	Rupees
Turnover - net	6	268,699,044	423,394,076	952,180,178	1,240,633,195
Cost of sales	7	(227,577,609)	(380,795,771)	(785,178,261)	(971,260,341)
Gross profit		41,121,434	42,598,305	167,001,917	269,372,854
Administrative expenses		(26,597,400)	(38,055,236)	(104,167,534)	(110,051,035)
Other expenses		(5,030,931)	(2,386,886)	(14,128,710)	(6,103,128)
Selling and distribution cost		(5,525,575)	(14,112,495)	(30,281,474)	(62,255,299)
Finance cost		(8,391,028)	(1,283,572)	(29,244,447)	(15,416,875)
Other income		-	34,911	1,153,846	683,221
(Loss) / profit before tax		(4,423,499)	(13,204,974)	(9,666,402)	76,229,737
Taxation		(15,776,302)	(29,877,788)	(18,001,522)	(57,537,655)
(Loss) / profit for the period		(20,199,801)	(43,082,762)	(27,667,924)	18,692,082
Earnings per share - basic and diluted		(4.20)	(8.96)	(5.76)	3.89

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



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021.

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	Rupees	Rupees	Rupees	Rupees
(Loss) / profit for the period	(20,199,802)	(43,082,762)	(27,667,924)	18,692,082
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	(20,199,802)	(43,082,762)	(27,667,924)	18,692,082

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



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021.

	Capital reserve				Total
	Share Capital	General reserve	Revaluation surplus	Reserves for issuance of bonus shares	
Balance at 01 July 2019	48,073,640	3,312,465	284,514,803	-	927,091,669
Total comprehensive income/(loss) for the period					1,262,992,577
Profit/(loss) for the period	-	-	-	-	18,692,082
Other comprehensive income for the period-net	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment - net of tax	-	-	(37,852,690)	-	37,852,690
Reduction in deferred tax Liability due change in tax rate.	-	-	(37,852,690)	-	56,544,772
Transactions with owners, recorded directly in equity					-
Increase in paid up Capital	-	-	-	-	-
Final dividend 2018 @ Rs. 8.31 per share	-	-	-	-	-
Transactions with owners, recorded directly in equity					-
Balance at 31 March 2020	48,073,640	3,312,465	246,662,113	-	983,636,441
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)
Profit/(loss) for the period	-	-	-	-	(27,667,924)
Other comprehensive income for the period	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment - net of tax	-	-	(27,926,441)	-	27,926,441
Total comprehensive income/(loss) for the period					258,517
Transactions with owners, recorded directly in equity					-
Final dividend 2019	-	-	-	-	-
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

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



Chief Executive



Director



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021.

	Nine months ended 31 March	
	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(9,666,402)	76,229,737
Adjustments for:		
Depreciation	75,991,242	59,472,378
Provision for staff retirement benefits	5,634,734	3,670,932
Finance cost	2,420,490	15,416,875
	84,046,466	78,560,185
Operating cash flows before working capital changes	74,380,064	154,789,922
Working capital changes		
<i>(Increase) / decrease in current assets</i>		
Stock in trade	(328,754,353)	(233,947,804)
Trade debts - considered good	218,068,633	80,055,400
Advances and Prepayments	320,512,247	(31,865,226)
Advance duty and Taxes	62,461,071	3,158,750
Advance income tax	(42,759,491)	(45,854,213)
Trade and other payables	75,355,279	420,841,429
	304,883,386	192,388,336
Cash generated from operating activities	379,263,450	347,178,258
Gratuity paid	(795,966)	(2,431,364)
Income tax paid	3,556,933	(9,043,814)
Finance cost paid	(2,420,490)	(15,416,875)
Dividend paid	(544,868)	(862,389)
	(204,391)	(27,754,442)
Net cash generated from operating activities	379,059,059	319,423,816
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(646,326,960)	(292,297,016)
Additions to Intangible Assets	-	(1,689,526)
Net cash used in investing activities	(646,326,960)	(293,986,542)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loan-Unsecured	284,000,000	140,000,000
Net cash generated from / (used in) financing activities	284,000,000	140,000,000
Net increase in cash and cash equivalents	16,732,099	165,437,274
Cash and cash equivalents at beginning of the period	81,581,195	277,921,285
Cash and cash equivalents at end of the period	98,313,294	443,358,558

The annexed explanatory notes from 1 to 9 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 NINE MONTHS PERIOD ENDED MARCH 31, 2021.

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

These financial Statements of the Company for the period ended 31 March 2021 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 2020.

4. CONTINGENCIES AND COMMITMENTS

Contingencies and Commitments are the same as disclosed in the annual financial statements for the year ended June 30, 2020

5. PROPERTY, PLANT AND EQUIPMENT

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

	Un-Audited	Audited
	31 March	30 June
	2021	2020
	Rupees	Rupees
Operating Fixed Assets	1,389,234,085	818,898,367
Intangible Assets	-	-
	1,389,234,085	818,898,367

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021.

	Un-Audited Three months ended 31 March		Un-Audited Nine months ended 31 March	
	2021	2020	2021	2020
	Rupees	Rupees	Rupees	Rupees
6 TURNOVER - NET				
Gross turnover				
- Local	775,445,349	702,027,749	2,138,849,242	1,938,019,890
- Export	9,090,144	109,341,326	217,930,528	517,128,097
	784,535,493	811,369,075	2,356,779,770	2,455,147,987
Government levies				
- Excise duty	391,567,730	298,001,100	1,069,993,530	929,483,280
- Sales tax	113,586,281	80,604,599	301,083,124	254,527,912
	505,154,011	378,605,699	1,371,076,654	1,184,011,192
Discounts	10,682,438	9,369,300	33,522,938	30,503,600
	268,699,044	423,394,076	952,180,178	1,240,633,195
7 COST OF SALES				
Raw and packing material consumed	162,558,550	326,271,637	588,541,771	807,732,026
Salaries, wages and benefits	21,448,010	17,821,505	76,524,709	67,744,589
Fuel and power	6,554,010	7,609,534	31,713,697	34,311,624
Stores and spares consumed	10,180,992	5,101,763	32,565,297	17,453,600
Repair and maintenance	529,656	1,888,058	3,112,427	2,755,252
Royalty	1,072,860	780,720	3,316,095	2,716,560
Rent	1,803,220	-	1,803,220	-
Depreciation	31,685,328	24,005,026	71,319,025	55,309,311
Insurance expense	420,890	-	1,344,166	846,712
	236,253,516	383,478,243	810,240,406	988,869,674
Opening work in process	7,866,594	6,697,623	3,856,473	310,361
Closing work in process	(4,480,588)	(8,257,813)	(4,480,588)	(8,257,813)
Cost of goods manufactured	239,639,523	381,918,053	809,616,291	980,922,222
Opening finished stock	25,548,988	17,213,171	13,172,871	8,673,572
Closing finished stock	(37,610,901)	(18,335,452)	(37,610,901)	(18,335,452)
	227,577,610	380,795,772	785,178,261	971,260,341
7.1 Raw and packing materials consumed				
Opening balance			713,458,112	595,951,863
Raw and packing material purchases			892,233,979	1,368,661,944
Closing balance			(1,017,150,320)	(713,458,112)
			588,541,771	1,251,155,695

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021.

8 DATE OF AUTHORIZATION 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 April 28, 2021.

9 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