



KHYBER TOBACCO
COMPANY LIMITED

Un-audited Accounts
September 30, 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
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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 Directors of the Company are pleased to present the condensed Interim Financial Information (unaudited) of the company for the First Quarter ended 30 September 2020.

Key financial indicators for the period under review are as below:

Financial Highlights	Jul-Sept 2020	Jul-Sept 2019
	Rs. in Millions	
Turnover - gross	799.59	824.12
Turnover - net	352.78	380.41
Cost of sales	254.71	260.39
Gross profit	98.07	120.02
Profit (Loss) before taxation	44.14	57.99
Profit (Loss) for the period	32.43	46.78
Earnings per share - basic and diluted	6.75	9.73

During the period under review, the company continued its recovery momentum and maintained its market leadership of the local industry. However, the operating environment remained challenging with significant pressure on cost due to accelerated devaluation of Rupee since 2019. The company earned a Net Profit of Rs.32.43 Million as compared to a profit of Rs. 46.78 Million in the same period of the last year. Sales revenue net stood at Rs 352.78 Million as compared to Rs 380.41 Million in corresponding period of last years. Cost of sales increased by 7.03% due to low sales and the company has earned a gross profit of 98.07 Million as compared to 120.02 Million of corresponding period of last year. Now the situation has improved because of increase in tobacco export and local sale of both cigarette and tobacco. The first quarter Sept 2020 commenced in a challenging intervention that the country is going through under the IMF programme. In addition to the economic slowdown, the COVID 19 pandemic which has hit the country hard towards the end of this quarter which has also impacted businesses across the board. The Company has so far responded well in the current COVID situation by having put in place and implementing crisis management plans that ensure people safety, employee engagement, and business continuity ensuring supplies of safety equipment to staff as well as supporting the community in the time of need. The EPS of the Company both basic and diluted comes to Rs..6.75 (2019:Rs.9.73).

FUTURE OUTLOOK

The management is certain that the situation will turn around in the near future. Local cigarette and tobacco sales have improved significantly prior to period end and I am confident that the results of the next quarter will show visible improvement.

ACKNOWLEDGEMENT

The board would like to thank and appreciate its employees, customers and strategic partners for their dedication, commitment and contribution in these challenging times. The board also extends its gratitude to our suppliers, banks and shareholders for their unwavering support and cooperation.

On behalf of the Board



Chief Executive

29 October 2020



Director

مستقبل کا منظر نامہ

انتظامیہ مستقبل قریب میں حالات میں مثبت تبدیلی کے لئے پر امید ہے۔ اس مدت کے اختتام سے قبل مقامی سطح پر سگریٹ اور تمباکو کی فروخت میں نمایاں بہتری آئی ہے اور میں پر امید ہوں کہ اگلی سہ ماہی کے نتائج میں مزید بہتری آئے گی۔

فی حصص آمدنی

کمپنی کی بیسک اور ڈائیلیٹڈ فی حصص آمدنی 6.75 روپے فی حصص ریکارڈ ہوئی۔ (9.73:2019 روپے فی حصص)

اعتراف

بورڈ ان مشکل حالات میں اپنے ملازمین، صارفین اور شریک منصوبہ سازوں کے جذبہ، عزم اور کردار کا تہہ دل سے شکریہ ادا کرتا ہے۔ بورڈ اپنے سپلائرز، بینکوں اور حصص داران کی مسلسل حمایت اور تعاون کو بھی قدر کی نگاہ سے دیکھتا ہے۔

منجانب بورڈ آف ڈائریکٹرز



سمیرہ عرفان

چیف ایگزیکٹو آفیسر



چیرفرمان شاہ

کمپنی سیکریٹری

29 اکتوبر 2020ء

معزز اراکین!

کمپنی کے ڈائریکٹرز 30 ستمبر 2020ء کو اختتام پذیر پہلی سہ ماہی کے لئے کمپنی کی (غیر پڑتال شدہ) منجمد عبوری مالیاتی اسٹیٹمنٹس ازراہ مسرت پیش کرتے ہیں۔

زیر جائزہ مدت کے لئے اہم مالیاتی اشارے حسب ذیل ہیں:

مالیاتی تفصیلات	جولائی - ستمبر 2020ء	جولائی - ستمبر 2019ء
روپوں میں		
آمدنی - مجموعی	799.59	824.12
آمدنی - خالص	352.78	380.41
فروخت پر لاگت	254.71	260.39
مجموعی منافع	98.07	120.02
نفع / (نقصان) بمعہ ٹیکسیشن	44.14	57.99
نفع / (نقصان) علاوہ ٹیکسیشن	32.43	46.78

زیر جائزہ سال کے دوران کمپنی کی سرگرمیوں کی بحالی میں خاطر خواہ پیش رفت ہوئی اور مقامی صنعت کی منڈیوں میں اپنا مقام برقرار رکھا۔ تاہم، سال 2019ء میں روپے کی قدر میں تیز رفتار کمی سے لاگت پر شدید دباؤ کا ماحول رہا۔ کمپنی نے گذشتہ برس کی اسی مدت میں 46.78 ملین روپے نفع کے مقابلہ میں 32.43 ملین روپے خالص منافع حاصل کیا۔ گذشتہ برس میں فروخت پر خالص آمدنی 380.41 ملین روپے کے مقابلہ میں 352.78 ملین روپے رہی۔ سیلز کے کم حجم کی وجہ سے سیلز پر لاگت میں 7.03 فی صد اضافہ ہوا اور گذشتہ برس کی اسی مدت میں کمپنی نے 120.02 ملین روپے کے مقابلہ میں 98.07 ملین روپے مجموعی منافع حاصل کیا۔ تمباکو کی برآمد اور مقامی سطح پر تمباکو اور سگریٹ کی فروخت میں اضافہ کی وجہ سے اب حالات بہتر ہو چکے ہیں۔ آئی ایم ایف پروگرام کے دباؤ کی وجہ سے مالیاتی سال 2020ء کی پہلی سہ ماہی کا آغاز انتہائی مشکل حالات میں ہوا۔ معاشی سست روی کے ساتھ ساتھ COVID-19 کی وجہ سے اس سہ ماہی کے اختتام پر کاروباری سرگرمیاں شدید متاثر ہوئی ہیں۔ کمپنی نے اس بحرانی کیفیت پر مربوط انتظامی منصوبہ کے اطلاق سے موجودہ حالات کا انتہائی مستعدی سے مقابلہ کیا ہے جس سے لوگوں کے تحفظ، ملازمن کے مابین رابطہ سازی اور کاروباری سرگرمیوں کے تسلسل کو یقینی بنایا گیا ہے۔ مزید برآں لوگوں اور مصیبت کی اس گھڑی میں مقامی آبادی کی فلاح اور عملہ کے لئے حفاظتی سامان فراہمی کو بھی یقینی بنایا گیا ہے۔

FINANCIAL STATEMENTS

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT 30 SEPTEMBER 2020

	Unaudited 30 September 2020	Audited 30 June 2019
Note	Rupees	
SHARE CAPITAL AND RESERVES		
Authorised share capital 200,000,000 (30 June 2018: 200,000,000)	200,000,000	200,000,000
SHARE CAPITAL AND RESERVES		
Share capital	48,073,640	48,073,640
Unappropriated profit	1,037,336,336	995,587,814
Revenue reserves	3,312,465	3,312,465
Revaluation surplus on property, plant and equipment - net of tax	242,189,540	251,498,354
Total equity	1,330,911,981	1,298,472,273
NON-CURRENT LIABILITIES		
Employee benefits	44,202,748	34,974,436
Deferred tax liability	91,116,959	88,055,599
Non-current liabilities	135,319,707	123,030,035
CURRENT LIABILITIES		
Trade and other payables	1,333,610,097	1,023,648,590
Unclaimed dividend	17,179,781	17,179,781
Loan From Director	243,150,000	140,000,000
Current liabilities	1,593,939,878	1,180,828,371
Total equity and liabilities	3,060,171,566	2,602,330,679

CONTINGENCIES AND COMMITMENTS

4

The annexed notes 1 to 7 form an integral part of this condensed interim financial information.

		Unaudited 30 September 2020	Audited 30 June 2019
	Note	Rupees	
NON-CURRENT ASSETS			
Property, plant and equipment	5	803,352,672	818,898,367
Long term deposits		4,647,411	4,647,411
Non-current assets		808,000,083	823,545,778
CURRENT ASSETS			
Stock in trade		1,217,301,736	730,487,456
Trade debts		284,070,462	386,489,386
Advances and prepayments		493,923,710	394,560,982
Advance income tax		114,346,482	112,310,798
Advance duty and sales tax		130,335	73,355,084
Cash and bank balances		142,398,757	81,581,195
Current assets		2,252,171,483	1,778,784,901
Total assets		3,060,171,566	2,602,330,679



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Note	Three months ended	
		30 September	
		2020	2019
		Rupees	
Turnover-net	6	352,780,901	380,408,201
Cost of sales	7	(254,712,637)	(260,385,771)
Gross profit		98,068,264	120,022,430
Administrative expenses		(36,530,427)	(34,932,491)
Other expenses		(1,252,962)	(2,962,369)
Selling and Distribution cost		(11,077,776)	(20,855,153)
Finance cost		(5,068,375)	(3,279,955)
Profit (Loss) before taxation		44,138,724	57,992,462
Taxation		(11,699,016)	(11,213,171)
Profit (Loss) for the period		32,439,708	46,779,291
Earnings (Loss) per share - basic and diluted		6.75	9.73

The annexed notes 1 to 7 form an integral part of this condensed interim financial information.



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Three months ended	
	30 September	
	2020	2019
	Rupees	
Profit / (loss) for the period	32,439,708	46,779,291
Total comprehensive income / (loss) for the period	32,439,708	46,779,291

The annexed notes 1 to 7 form an integral part of this condensed interim financial information.



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Rupees			Total
	Share capital	Capital Reserve	Revenue reserves	
		Revaluation surplus on property, plant and equipment - net of tax	General reserve	Unappropriated profit

Balance at 01 July 2019 48,073,640 284,514,803 3,312,465 927,091,669 1,262,992,577

Changes in equity for the period ended 30 September 2017

Total comprehensive income for the period

Profit for the period -

Transfer from surplus on revaluation of property, plant and equipment - net of tax (12,275,612) - -

Total comprehensive income for the period - (12,275,612) - 59,054,903 46,779,291

Balance at 30 September 2019 48,073,640 272,239,191 3,312,465 986,146,572 1,309,771,868

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

Profit for the period -

Transfer from surplus on revaluation of property, plant and equipment - net of tax (9,308,814) - -

Total comprehensive income for the period - (9,308,814) - 41,748,522 32,439,708

Balance at 30 September 2020 48,073,640 242,189,540 3,312,465 1,037,336,336 1,330,911,981

The annexed notes 1 to 7 form an integral part of this condensed interim financial information



Chief Executive



Director



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Three months ended 30 September	
	2020	2019
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	44,138,724	57,992,462
Adjustments for:		
Depreciation	19,438,711	21,870,947
Amortization	-	-
Provision for staff retirement benefits	9,406,312	-
Finance cost	5,068,375	3,279,955
	33,913,398	25,150,902
	78,052,122	83,143,364
Changes in:		
Long term deposits	102,418,924	63,936,539
Stock in trade	(99,362,728)	(98,503,233)
Trade debts - considered good	112,180,463	-
Advance duty and sales tax	(40,991,398)	-
Advances to suppliers	308,465,407	566,634,930
Trade and other payables	566,634,930	233,161,034
	(104,103,613)	(76,099,384)
Cash generated from operations	(26,051,490)	7,043,980
Income tax paid	(8,637,656)	(47,023,833)
Finance cost paid	(422,275)	(472,679)
Gratuity paid	(178,000)	(1,549,604)
Dividend paid	-	(540,635)
Net cash generated from operating activities	(35,289,421)	(42,542,771)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(3,893,016)	(161,925)
Net cash used in investing activities	(3,893,016)	(161,925)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loan-Unsecured	100,000,000	-
Net cash used in financing activities	100,000,000	-
Net increase (decrease) in cash and cash equivalents	60,817,563	(42,704,696)
Cash and cash equivalents at beginning of the period	81,581,195	277,921,285
Cash and cash equivalents at end of the period	142,398,757	235,216,589

The annexed notes 1 to 7 form an integral part of this condensed interim financial information



Chief Executive



Director



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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 since repealed and replaced by the Companies Ordinance, 1984 and is listed on the Pakistan Stock Exchange formerly the Karachi and Lahore stock exchanges. The Company is engaged in the manufacture and sale of cigarettes and redrying of tobacco. The Company's registered office is situated at Nowshera Road, Mardan.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company for the three months period ended 30 September 2020 has been prepared in accordance with approved accounting standards as applicable in Pakistan. The disclosures in this condensed interim financial information do not include those reported for full audited annual financial statements and should therefore be read in conjunction with the audited annual financial statements for the year ended 30 June 2020.

Comparative balance sheet is extracted from the audited annual financial statements as of 30 June 2020, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial information for the three months period ended 30 September 2020.

This condensed interim financial information is unaudited and is being submitted to the members as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, significant judgements, estimates and assumptions used by the management in preparation of this condensed interim 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:

	Unaudited 30 September 2020	Audited 30 June 2019
	Rupees	
Property, plant and equipment	803,352,672	818,898,367
Long term deposits	4,647,411	4,647,411
	808,000,083	823,545,778

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

		Three months ended 30 September	
		2020	2019
		Rupees	
6	TURNOVER - net		
	Gross turnover		
	- Local	649,553,580	618,710,027
	- Export	150,034,901	205,414,821
		799,588,481	824,124,848
	Government levies		
	- Excise duty	341,550,000	287,308,070
	- Sales tax	94,379,580	78,978,096
		435,929,580	366,286,166
	Discounts	10,878,000	77,430,481
		352,780,901	380,408,201
7	COST OF SALES		
	Raw and packing material consumed	189,828,733	197,984,500
	Salaries, wages and benefits	29,071,729	18,927,186
	Fuel and power	11,917,079	11,979,175
	Stores and spares consumed	23,465,359	10,677,064
	Repair and maintenance	752,292	605,431
	Royalty	1,002,600	777,900
	Depreciation	18,078,001	17,934,177
	Insurance expense	462,302	423,356
	Work in process at 1 July	274,578,096	259,308,789
	Work in process at Sept 30,2020	3,856,473	310,361
	Cost of goods manufactured	(12,087,491)	(1,072,676)
	Finished stock at 1 July	266,347,077	258,546,474
	Finished stock at Sept 30,2020	13,172,871	8,673,572
		(24,807,311)	(6,834,275)
		254,712,637	260,385,771
8	DATE OF AUTHORIZATION FOR ISSUE		

This unaudited condensed interim financial information was authorized for issue by the Board of Directors of the Company in their meeting held on October 29, 2020.



Chief Executive



Director



Director

NOTES

Khyber Tobacco Company Limited

Nowshera Road, Mardan

Tel: +92-937-844668, 844639

Fax: +92-937-843329