



REACHING NEW AVENUES

UN-AUDITED ACCOUNTS
SEPTEMBER 30, 2022
KHYBER TOBACCO COMPANY LIMITED

Contents

02	Corporate Information
03	Directors' Review
06	Directors' Review in Urdu
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 Changes in Equity (Un-Audited)
13	Condensed Interim Cash Flow Statement (Un-Audited)
14	Notes to the Condensed Interim Financial 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 Directors of the Company are pleased to present the condensed Interim Financial Information (un-audited) of the company for the First Quarter ended 30 September 2022.

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

Financial Highlights	Jul-Sept 2022	Jul-Sept 2021
	Rs. in Millions	
Turnover – gross	2537.52	741.35
Turnover – net	1791.50	251.55
Cost of sales	1157.95	222.01
Gross profit	633.55	29.54
Profit (Loss) before taxation	423.30	(50.01)
Profit (Loss) for the period	405.54	(94.41)

In compliance with the local regulation, Khyber Tobacco Company Limited have fully implemented Track & Trace system and have rolled out cigarette packs with affixed tax stamps in the market. All other manufacturers remain noncompliant to the Track & Trace requirement and have challenged its implementation before Courts. In order to curtail illicit trade and provide a level playing field, across the board implementation of Track & Trace is the need of the hour. The Company continues to face a challenging macro-environment due to pressure on foreign currency reserves, high inflation, and devastating effects of the flood.

Sales revenue net stood at Rs 1791.50 Million as compared to Rs 251.55 Million in corresponding period of last years. Cost of sales decreased due to enhanced Export sales of tobacco and the company has earned a gross profit of Rs. 633.55 Million as compared to 29.54 Million of corresponding period of last year. During the period under review export sale of tobacco has been the main source of net revenue.

Moreover, KTC's initiatives for on-spot detection of counterfeit products include sensitizing Law Enforcement Agencies, Retailers, and Consumers to identify genuine products in the market. Consistent enforcement efforts by the Government with dedicated human and financial resources is key to ensure a level playing field in the legitimate tobacco sector which will positively impact revenue collection.

The EPS of the Company both basic and diluted for the period under review comes to Rs. 84.36 as compared to Rs. (19.64) of corresponding period of last year.

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 improvements.

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.

The composition of the Board is as follows:

Category	Names
Independent Directors	1) Mr. Rahat Ullah 2) Mr. Pir Wairs Shah 3) Mr. Khalil Ur Rehman
Executive Directors	1) Mr. Pir Farhan Shah 2) Mrs. Samera Irfan
Non-executive Director	1) Mr. Hazrat Bilal 2) Mr. Zia Ur Rehman 3) Mr. Rahat Ullah 4) Mr. Pir Wairs Shah 5) Mr. Khalil Ur Rehman
Female Directors	1) Mrs. Samera Irfan

On behalf of the Board



Mrs. Samera Irfan
Chief Executive Officer

31 October 2022



Pir Farhan Shah
Company Secretary

اظہار تشکر

بورڈ اپنے ملازمین، صارفین اور سٹریٹجک پارٹنرز کے جذبے، عزم اور اس مشکل وقت میں ان کے مثبت کردار کو سراہتا اور خراج تحسین پیش کرتا ہے۔ بورڈ ہمارے سپلائرز، میکانوں اور شیئر ہولڈرز کی غیر متزلزل حمایت اور تعاون کے لئے بھی تہہ دل سے شکرگزار ہے۔

بورڈ کی ترکیب حسب ذیل ہے:

کمیٹری	نام	
خود مختار ایگزیکٹوز	(1)	مسٹر راحت اللہ
	(2)	مسٹر پیروار شاہ
	(3)	مسٹر ظہیر الرحمن
ایگزیکٹوڈائریکٹوز	(1)	مسٹر فرحان شاہ
	(2)	مس کبیر اعوان
ٹان-ایگزیکٹوڈائریکٹوز	(1)	مسٹر حضرت بال
	(2)	مسٹر فیاض الرحمن
	(3)	مسٹر راحت اللہ
	(4)	مسٹر پیروار شاہ
	(5)	مسٹر ظہیر الرحمن
خانہ دین ڈائریکٹوز	(2)	مس کبیر اعوان

مختار بورڈ



کبیر اعوان

چیف ایگزیکٹو آفیسر



فرحان شاہ

کمپنی سیکریٹری

31 اکتوبر 2022ء

کھیتی کے ڈائریکٹرز 30 ستمبر 2022 کو اختتام پزیر سرمایہ کے لئے کھیتی کی تجدید پذیری مالیاتی اسٹیٹمنٹس (غیر پائیدار شدہ) ازراہ سرٹیفیکیشن کرتے ہیں۔
زیر جائزہ مدت کے لئے اہم مالیاتی اشاریہ مندرجہ ذیل ہیں:

جولائی - ستمبر 2021ء	جولائی - ستمبر 2022ء	ملین روپوں میں
741.35	2,537.52	مجموعی - ٹرن اوور
251.55	1,791.50	خالص - ٹرن اوور
222.01	1,157.95	سیلز پر لاگت
29.54	633.55	کل منافع
(50.01)	423.30	نفع (نقصان) قبل از ٹیکسیشن
(94.41)	405.54	مذکورہ مدت کے لئے نفع (نقصان)

مقامی صوبائی کی قیمت میں خیر ٹو کیو کھیتی لیبلڈ نے ٹریڈ اینڈ ٹریڈ سسٹم کو مکمل طور پر نافذ کر دیا ہے اور مستقل ٹیکس سٹامپ کے ساتھ سگریٹ پیک مارکیٹ میں پھیلا دیے ہیں۔ تمام دیگر مینوفیکچررز ٹریڈ اینڈ ٹریڈ سسٹم کی معیار کی حامل عدم قیمت کر رہے ہیں اور اس کے نفاذ کو عدالت میں چیلنج کر رکھا ہے۔ غیر قانونی تجارت کو روکنے اور ملک بھر میں تجارت کے مساوی مواقع فراہم کرنے کے لئے ٹریڈ اینڈ ٹریڈ سسٹم کا نفاذ وقت کی اہم ضرورت ہے۔ غیر ملکی زرمبادلہ کے ذخائر پر دباؤ، افراط زر کی بلند شرح اور سیلاب کی تباہ کاریوں کے باعث کھیتی مشکل ترین مالی اقتصادی ماحول سے دوچار ہے۔

خالص سیلز پر یونیٹ گڈز ٹریڈ بریک کی اسی مدت میں 251.55 ملین روپے کے مقابلے میں 1791.50 ملین روپے رہا۔ تباہی کو کی اضافی برآمدات کے باعث فروخت پر لاگت میں کمی واقع ہوئی اور کھیتی نے گڈز ٹریڈ بریک کی اسی مدت میں 29.54 ملین روپے منافع کی نسبت 633.55 ملین روپے کل منافع حاصل کیا ہے۔

مزید یہ کہ، بجلی مصنوعات کے مواقع پر قیمتیں کے لئے KTC کے اقدامات میں مارکیٹ میں اصلی مصنوعات کی نشاندہی کے لئے قانون نافذ کرنے والے اداروں، ریٹیلرز اور صارفین کو آگاہ کرنا شامل ہیں۔ پرجوش افرادی قوت اور مالیاتی وسائل کے ساتھ حکومت کی جانب سے نفاذ کی بھرپور کوششیں تباہی کے جائز شعبے میں کاروبار کے مساوی مواقع فراہم کرنے کے لئے انتہائی اہم ہیں جس سے آمدنی میں اضافے پر مثبت اثرات مرتب ہوں گے۔

گڈز ٹریڈ بریک کی اسی مدت میں (19.64) روپے کی نسبت زیر جائزہ مدت کے دوران کھیتی کی فی شخص آمدنی (بنیادی قیمت) 84.36 روپے رہی۔

مستقبل کا منظر نامہ

میتھنٹ امید رکھتی ہے کہ مستقبل قریب میں حالات یکسر بدل جائیں گے۔ مذکورہ مدت کے اختتام سے قبل مقامی سطح پر سگریٹ اور تباہی کو کی فروخت میں نمایاں بہتری آئی ہے اور مجھے امید ہے کہ اگلی سرمایہ کے نتائج بہتری ظاہر کریں گے۔

FINANCIAL STATEMENTS

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT 30 SEPTEMBER 2022

	(Un-audited) 30 September 2022 Rupees	(Audited) 30 June 2022 Rupees
EQUITY AND LIABILITIES		
EQUITY		
Issued, subscribed and paid up share capital Rs.10 each	48,073,640	48,073,640
Unappropriated Profit	1,762,127,860	1,352,674,467
Revenue reserves	3,312,465	3,312,465
Surplus on revaluation of property	356,282,211	360,188,752
Plant and Equipment-net of tax	2,169,796,176	1,764,249,324
NON-CURRENT LIABILITIES		
Employee benefits	58,210,935	63,028,927
Deferred tax liabilities-net	117,043,896	146,529,103
	175,254,831	209,558,030
CURRENT LIABILITIES		
Trade and other payables	2,700,488,065	2,161,578,213
Unclaimed dividend	14,468,852	16,177,683
Loan From Director	1,577,069,483	1,470,900,000
Provision for Taxation	27,993,619	27,993,619
	4,320,020,019	3,676,649,515
TOTAL EQUITY AND LIABILITIES	6,665,071,026	5,650,456,869

CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

		(Un-audited) 30 September 2022 Rupees	(Audited) 30 June 2022 Rupees
ASSETS	Note		
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,980,496,632	2,020,833,135
Long term deposits		4,947,411	4,947,411
		1,985,444,043	2,025,780,546
CURRENT ASSETS			
Stock in trade		2,267,962,887	1,869,976,979
Trade debts		1,035,768,096	768,673,257
Advances and Prepayments		235,840,095	255,309,493
Advance income tax		101,354,118	-
Non-current assets classified as held for sale		-	12,700,000
Stores, Spare Parts and Loose Tools		38,657,747	38,657,747
Cash and bank balances		1,000,044,040	679,358,847
		4,679,626,983	3,624,676,323
TOTAL ASSETS		6,665,071,026	5,650,456,869



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Note	Three month ended 30 September	
		2022	2021
		Rupees	
Turnover-net	6	1,791,503,889	251,553,837
Cost of sales	7	(1,157,951,264)	(222,013,831)
Gross profit		633,552,625	29,540,006
Administrative expenses		(69,832,791)	(40,689,338)
Selling and Distribution cost		(56,350,053)	(16,592,026)
Other expenses		(7,064,668)	(2,523,460)
Finance cost		(89,005,577)	(25,528,824)
Other operating income		12,010,000	5,595,800
Profit (Loss) before taxation		423,309,536	(50,197,842)
Taxation		(17,762,684)	(44,212,417)
Profit (Loss) for the period		405,546,852	(94,410,258)
Earnings (Loss) per share - basic and diluted		84.36	(19.64)

The annexed notes 1 to 9 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 2022

	Three months ended 30 September	
	2022 Rupees	2021 Rupees
Profit / (Loss) for the period	405,546,852	(94,410,258)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	405,546,852	(94,410,258)

The annexed notes 1 to 9 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 2022

	Capital Reserves				Total	
	Share capital	General reserve	Revaluation surplus	Reserves for issuance of bonus shares		Unappropriated profit
Rupees						
Balance at 01 July 2021	48,073,640	3,312,465	212,209,916	-	967,360,313	1,230,956,334
Profit/(loss) for the period	-	-	-	-	(94,410,258)	(94,410,258)
Other comprehensive income for the period	-	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment - net of tax	-	-	(14,898,469)	-	14,898,469	-
Total comprehensive income/(loss) for the period	-	-	(14,898,469)	-	(79,511,789)	(94,410,258)
Balance at 30 September 2021	48,073,640	3,312,465	197,311,447	-	887,848,524	1,136,546,076
Balance at 01 July 2022	48,073,640	3,312,465	360,188,752	-	1,352,674,467	1,764,249,324
Total comprehensive income/(loss) for the period	-	-	-	-	405,546,852	405,546,852
Profit/(loss) for the period	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment - net of tax	-	-	(3,906,541)	-	3,906,541	-
Total comprehensive income/(loss) for the period	-	-	(3,906,541)	-	409,453,393	405,546,852
Balance at 30 September 2022	48,073,640	3,312,465	356,282,211	-	1,762,127,860	2,169,796,176

The annexed notes 1 to 9 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 2022

Three months ended 30 September	
2022 Rupees	2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit/(loss) before taxation	423,309,536 (50,197,841)
Adjustments for:	
Depreciation	37,141,261 29,534,390
Provision for staff retirement benefits	3,799,516 3,222,705
Provision for WPPF written back	- -
Finance cost	2,832,383 528,824
	43,773,160 33,285,919
	467,082,696 (16,911,922)
Working capital changes	
(Increase) / decrease in current assets	
Stock in trade	(397,985,908) (561,635,953)
Stores, Spare Parts and Loose Tools	- 22,304,515
Trade debts - considered good	(267,094,839) 61,685,835
Advances and Prepayments	19,469,398 (179,618,597)
Advance duty and Taxes	- 378,532
Advance income tax	(101,354,118) (14,130)
Trade and other payables	538,909,852 434,217,452
	(208,055,615) (222,682,346)
	259,027,080 (239,594,268)
Cash generated from operations	
Gratuity paid	(8,617,508) (528,824)
Income tax paid	(47,247,890) (3,713,774)
Finance cost paid	(2,832,383) -
Dividend paid	(1,708,831) (97,740)
	(60,406,612) (4,340,338)
	198,620,468 (243,934,606)
Net cash generated from operating activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
Additions to property, plant and equipment	(24,804,760) (209,053,551)
Proceeds from sale of Fixed Asset	40,700,002 -
Net cash used in investing activities	15,895,242 (209,053,551)
CASH FLOWS FROM FINANCING ACTIVITIES	
Short term loan-Unsecured	106,169,483 181,000,000
	106,169,483 181,000,000
Net increase (decrease) in cash and cash equivalents	320,685,193 (271,988,158)
Effects of exchange rates on cash and cash equivalents	- -
Cash and cash equivalents at beginning of the period	679,358,847 558,292,780
Cash and cash equivalents at end of the period	1,000,044,040 286,304,622

The annexed notes 1 to 9 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 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 30 September 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 2022.

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 30 September 2022 Rupees	Audited 30 June 2022 Rupees
Operating Fixed Assets	1,980,496,632	2,020,833,135
Intangible Assets	-	-
	1,980,496,632	2,020,833,135

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED] FOR THE PERIOD ENDED 30 SEPTEMBER 2022

		Three months ended 30 September	
		2022	2021
		Rupees	Rupees
6	TURNOVER - net		
	Gross turnover		
	- Local	1,055,006,156	729,448,146
	- Export	1,482,515,585	11,906,764
		2,537,521,741	741,354,910
	Government levies		
	- Excise duty	573,057,000	370,209,130
	- Sales tax	156,708,352	108,881,443
		729,765,352	479,090,573
	Discounts	16,252,500	10,710,500
		1,791,503,889	251,553,837
7	Cost of sales		
	Raw and packing material consumed	1,146,506,687	154,995,687
	Salaries, wages and benefits	40,446,659	34,769,707
	Fuel and power	53,995,646	15,103,971
	Stores and spares consumed	13,032,505	10,491,966
	Repair and maintenance	1,085,903	996,092
	Royalty	584,182	1,318,980
	Rent	5,252,020	142,981
	Depreciation	33,679,196	23,627,512
	Insurance	441,096	497,670
		1,295,023,895	241,944,566
	Opening work in process	-	-
	Closing work in process	(19,291,315)	(5,689,096)
	Cost of goods manufactured	1,275,732,580	236,255,470
	Opening finished stock	5,064,967	10,088,434
	Closing finished stock	(122,846,283)	(24,330,074)
		1,157,951,264	222,013,830

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 October 31, 2022.

9 GENERAL

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



Chief Executive



Director



Director

NOTES

This image shows a single sheet of white paper with horizontal red ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Khyber Tobacco Company Limited

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