

Financial Statements

For

the Quarter Ended

September 30, 2024

	Three month ended	
	September-24	
	2024	2023
	-----Rupees-----	
Revenue from contracts with customers - net	1,243,301,108	571,403,951
Cost of sales	<u>(1,584,755,857)</u>	<u>(618,754,750)</u>
Gross profit	(341,454,749)	(47,350,799)
Administrative expenses	(120,432,794)	(79,951,137)
Selling and Distribution cost	(61,586,094)	(61,532,930)
Impairment loss on financial assets	-	-
	(182,018,888)	(141,484,067)
Operating profit	(523,473,637)	(188,834,866)
Other operating income	-	-
	(523,473,637)	(188,834,866)
Other expenses	-	-
Finance cost	(56,756,828)	(28,474,038)
	(56,756,828)	(28,474,038)
(Loss) / profit before income tax, final tax and minimum tax differential	(580,230,465)	(217,308,903)
Final tax and minimum tax differential	-	-
	(580,230,465)	(217,308,903)
Taxation	(232,796,449)	(32,447,409)
Profit (Loss) for the period	(813,026,914)	(249,756,312)
Earnings per share - basic and diluted	(117.45)	(36.08)

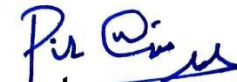
Chief Executive



Director



Director




	Sep-24 Rupees	Jun-24 Rupees
SHARE CAPITAL AND RESERVES		
Issued, subscribed and paid up share capital (ordi)nary shares of Rs. 10 each	69,226,040	69,226,040
Unappropriated Profit	1,564,966,532	2,342,162,638
Revenue reserves	3,312,465	3,312,465
surplus on revaluation of property	245,911,622	281,742,430
Plant and Equipment-net of tax	1,883,416,659	2,696,443,573
NON CURRENT LIABILITIES		
Employee benefits	125,105,247	120,231,933
Lease liability	133,674,327	133,674,327
Deferred tax liabilities-net	399,327,798	179,827,028
	658,107,372	433,733,288
CURRENT LIABILITIES		
Lease Liability-current	99,564,887	99,564,887.00
Trade and other payables	16,278,238,036	8,066,164,433
Unclaimed dividend	16,669,221	16,669,221
Loan From Director	1,062,835,638	901,035,638
Provision for Taxation	57,826,125	44,530,446
	17,515,133,908	9,127,964,625
	20,056,657,938	12,258,141,486

	Sep-24 Rupees	Jun-24 Rupees
NON CURRENT ASSETS		
Property, plant and equipment	2,836,307,542	2,824,478,195
Right of Use Asset	147,311,166	147,311,167
Long term deposits	30,980,190	30,980,190
	3,014,598,899	3,002,769,552
CURRENT ASSETS		
Stock in trade	13,347,841,531	6,313,346,604
Trade debts	1,993,293,135	1,348,738,777
Advances, prepayments and other receivables	616,747,134	539,697,896
Stores Spare Parts and Other inventory	38,792,558	26,877,660
Advance income tax		82,025,802
Cash and bank balances	1,045,384,682	944,685,195
	17,042,059,040	9,255,371,934
	20,056,657,938	12,258,141,486



Chief Executive



Director



Director

	Three month ended September-24	
	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	(580,230,465)	(217,308,903)
Adjustments for:		
Depreciation	67,571,567	66,811,509
Final tax and minimum tax differential	10,707,422	6,915,573
Provision for staff retirement benefits	1,501,932	22,736,275
Finance cost		
	79,780,921	96,463,357
Cash flows from operating activities before working capital changes	(500,449,544)	(120,845,546)
Working capital changes <i>(Increase) / decrease in current assets</i>		
Stock in Trade	(7,034,494,927)	(4,134,257,424)
Store and spare	-	(26,091,934)
Trade Debts	(644,554,358)	456,065,862
Advances and Prepayments	(77,049,238)	463,996,767
Advance duty and Taxes	(11,914,898)	(85,159,908)
Advance income tax	82,025,802	(124,592,566)
Trade and other Payables	8,212,073,603	3,482,246,492
	526,085,985	32,207,289

Cash Flow 30th Sep 2024

Gratuity paid	(5,834,108)	(235,785)
Income tax paid		(5,635,744)
Levy's paid		-
Lease rentals paid		-
Finance cost paid	(1,501,932)	(1,775,336)
WWF/WPPF		-
Dividend paid	-	-
	(7,336,040)	(7,646,865)
Net cash generated from operating activities	18,300,401	(96,285,122)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(79,400,914)	(28,266,733)
Additions to Intangible Assets	-	-
Security deposits	-	-
Proceeds from sale of Fixed Asset	-	-
Net cash used in investing activities	(79,400,914)	(28,266,733)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loan-Unsecured	161,800,000	300,000,001
Repayment of short term loan	-	-
	161,800,000	300,000,001
Net increase (decrease) in cash and cash equivalents	100,699,487	175,448,146
Effects of exchange rates on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the period	944,685,195	1,086,478,184
Cash and cash equivalents at end of the period	1,045,384,682	1,261,926,330



Chief Executive



Director



Director

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 September 30, 2024 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 oc company's accounting policies are included in note 3.

Thse 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 2024.

4. CONTINGENCIES AND COMMITMENTS

Contingencies and Commitments are the same as disclosed in the annual financial statements for the year ended June 30, 2024

5. PROPERTY, PLANT AND EQUIPMENT

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

	Un-audited Sept 2024 Rupees	Audited 30-Jun 2024 Rupees
Operating Fixed Assets	2,836,307,542	2,824,478,195
Long term deposits	30,980,190	30,980,190
Right of Use Asset	147,311,166	147,311,166
	<u>3,014,598,899</u>	<u>3,002,769,551</u>

	Three month ended	
	September-24	
	2024	2023
	Rupees	Rupees
6. TURNOVER - net		
Gross turnover		
- Local	4,371,689,474	1,450,181,185
- Export	290,540,360	388,091,906
	4,662,229,834	1,838,273,091
Government levies		
- Excise duty	2,694,789,800	1,037,856,075
- Sales tax	658,621,404	218,354,345
	3,353,411,204	1,256,210,420
Discounts	65,517,522	10,658,720
	1,243,301,108	571,403,951

7. COST OF SALES

Raw and packing material consumed	1,539,200,100	935,985,119
Salaries, wages and benefits	75,868,086	77,047,633
Fuel and power	60,591,471	80,913,196
Store and Inventory consumption	4,551,986	19,422,635
Repair and maintenance	1,316,517	1,916,204
Royalty	-	507,780
Rent	3,194,479	4,397,687
Depreciation	63,658,940	62,903,910
Insurance		2,930,479
	1,748,381,579	1,186,024,643
Opening work in process	-	-
Closing work in process	(2,753,688)	(39,074,398)
Cost of goods manufactured	1,745,627,891	1,146,950,245
Opening finished stock	134,918,454	85,363,629
Closing finished stock	(295,790,487)	(613,559,124)
	1,584,755,857	618,754,750

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 31-10-2024.

9 GENERAL

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



Chief Executive



Director



Director

DIRECTORS' REVIEW

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 2024.

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

Financial Highlights	Jul-Sept 2024	Jul-Sept 2023
	Rs. in Millions	
TURNOVER -Gross	4,662.23	1,838.27
Turnover-net	1,243.30	571.40
Cost of sales	1,584.76	618.75
Gross profit	(341.45)	(47.35)
Profit (Loss) before taxation	(580.23)	(217.31)
Profit (Loss) for the period	(813.03)	(249.76)

The company remains affected by the easy availability of counterfeit cigarettes in the market. The partial implementation of the Track and Trace System is one of the core reasons that the illicit and counterfeit cigarette market has flourished recently. In order to curtail illicit trade and provide a level playing field, the implementation of Track & Trace in true letter and spirit 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 the sudden increase in tobacco prices.

Sales revenue net stood at Rs 1243.3 Million as compared to Rs 571.40 Million in the corresponding period of last year. Cost of sales increased due to sales of tobacco and Cigarette during the period under review as compared to the previous period. The Company has suffered a gross Loss of Rs. (341.45) Million as compared to a Loss of (47.35) Million in the corresponding period of last year due to consumption of raw and packing materials.

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 are key to ensuring 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. (36.08) as compared to Rs. (117.45) for the 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 slightly prior to period end and I am confident that the results of the next quarter will show visible improvements in cigarette sales. However, if the export trend is not restored, the liquidity position of the company may suffer.

Acknowledgment:

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	Barrister Shahzad Javed Panni Mrs. Sonia Farooq
Executive Directors	Ms. Samera Irfan
Non-executive Director	Barrister Shahzad Javed Panni Mr. Zia Ur Rehman Mr. Rahat Ullah Mr. Pir Wairs Shah Mr. Khalil Ur Rehman Mrs. Sonia Farooq
Female Directors	Mrs. Samera Irfan Mrs. Sonia Farooq


Pir Farhan Shah
Company Secretary

ON BEHALF OF THE BOARD


Sameera Irfan
Chief Executive Officer

31 October 2023

ڈائریکٹرز کا تجزیہ

کمپنی کے ڈائریکٹرز 30 ستمبر 2024ء کو اختتام پذیر پہلی سہ ماہی کے لئے کمپنی کی منجملہ عبوری مالیاتی معلومات (غیر پڑتا ل شدہ) ازراہ مسرت پیش کرتے ہیں۔

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

جولائی تا ستمبر 2023ء	جولائی تا ستمبر 2024ء	مندرجات
ملین روپوں میں		
1,838.27	4,662.23	ٹرن اوور-کل
571.40	1,243.30	ٹرن اوور-خالص
618.75	1,584.76	سیلز پر لاگت
(47.35)	(341.45)	کل منافع
(217.31)	(580.23)	نفع (نقصان) بمعہ ٹیکسیشن
(249.76)	(813.03)	مذکورہ مدت کے لئے نفع (نقصان)

پاکستان کی معیشت چونکہ بحالی کی جانب گامزن ہے لیکن زیر جائزہ مدت کے دوران بھی یہ مشکلات کا شکار رہی۔ افراط زر کی شرح میں نمایاں کمی اور کرنٹ اکاؤنٹ خسارے میں کمی کے باوجود معاشی حالات مشکل ترین رہے جس کے دوران کاروباری لاگت میں اضافہ اور صارفین کی طلب میں کمی دیکھی گئی۔ بیرونی و اندرونی قلیل و طویل مدتی قرضوں پر لاگت اضافی بوجھ رہا۔ مستقبل میں، مالیاتی استحکام کی کوششیں اور بیرونی کھاتوں میں بہتری نے امید کی کرن پیدا کی ہے لہذا پاکستان کی معیشت حقیقی شرح نمو کی بابت محدود رہے گی۔

پاکستان کی ٹوبیکو انڈسٹری بھاری ڈیوٹی سے پاک غیر قانونی عوامل کی موجودگی میں بدترین حالات سے گزری۔ سگریٹ پرفیڈرل ایکسائز ڈیوٹی میں غیر معمولی اضافے نے حالات کو مزید ابتر کر دیا۔ FED میں اضافے نے عائد ڈیوٹی کی حامل برانڈز کی قیمتوں میں بے پناہ اضافہ کر دیا جس کے نتیجے میں غیر قانونی اور ڈیوٹی سے پاک سیکٹر کے مقابلے میں قیمتوں کے درمیان فرق بڑھ گیا۔ چونکہ صارفین کی قوت خرید تا حال دباؤ میں ہے لہذا لوگ قانونی سیکٹر سے سگریٹ کی کم قیمت غیر قانونی سیکٹر کی جانب متوجہ ہوئے ہیں جو اس وقت مارکیٹ کے 58% حصہ پر اجماع ہیں۔

خالص سیلز ریویونیو 1,243.3 ملین روپے رہا جو گذشتہ برس کی اسی مدت میں 571.40 ملین روپے تھا۔ گذشتہ برس کی نسبت زیر جائزہ مدت کے دوران سیلز پر لاگت میں بھی تمباکو اور سگریٹ کی فروخت کے باعث اضافہ ہوا۔ کمپنی کو تمباکو کی خرید کے موسم میں تمباکو کی قیمتوں کے باعث گذشتہ برس میں (47.35) ملین روپے خسارہ کے مقابلے میں (341.45) ملین روپے خسارہ برداشت کرنا پڑا۔

مزید برآں، جعلی مصنوعات کی موقع پر نگرانی کے لئے KTC کے اقدامات بشمول سنسی ٹائزنگ قانون نافذ کرنے والی ایجنسیوں، ریٹیلرز اور صارفین کے نتیجے میں منڈی میں اصلی مصنوعات کی نشاندہی کی گئی۔ محنتی انسانی و مالیاتی وسائل کے ساتھ حکومت کی جانب سے نفاذ کی مسلسل کوششیں تمباکو کے جائز سیکٹر میں مساوی مواقع کی فراہمی کو یقینی بناتی ہیں جس کے نتیجے میں آمدنی پر مثبت اثرات مرتب ہوں گے۔

زیر جائزہ مدت کے لئے کمپنی کی فی حصص آمدنی (بنیادی و ڈائی لیونڈ) (117.45) روپے رہی جب کہ گذشتہ برس کی اس مدت میں فی حصص آمدنی (36.08) روپے تھی۔

مستقبل کا منظر نامہ

انتظامیہ امید رکھتی ہے کہ مستقبل قریب میں حالت یکسر بدل جائیں گے۔ مقامی سگریٹ و تمباکو کی فروخت میں گذشتہ اختتامی مدت کے مقابلے میں معمولی بہتری آئی ہے اور میں پر امید ہوں کہ اگلی سہ ماہی کے نتائج سگریٹ کی فروخت میں نمایاں بہتری ظاہر کریں گے۔ البتہ، اگر برآمدی رجحان میں بہتری نہیں لائی جاتی تو کمپنی کی لیکویڈٹی حالت کو مشکلات کا سامنا کرنا پڑے گا۔

اظہار تشکر

ان مشکل حالات میں بورڈ اپنے ملازمین، صارفین، اسٹریٹجک شراکت داروں کے جذبہ، عزم اور تعاون کے لئے تہہ دل سے شکر گزار ہے۔ بورڈ اپنے سپلائرز، بینکوں اور شیئرز ہولڈرز کی حمایت اور تعاون کے لئے بھی مشکور ہے۔ بورڈ کی ترکیب حسب ذیل ہے:

کیٹگری	نام
خود مختار ڈائریکٹرز	جناب شہزاد جاوید پٹی محترمہ سونیا فاروق
ایگزیکٹو ڈائریکٹر	محترمہ سمیرا عرفان
نان ایگزیکٹو ڈائریکٹرز	جناب شہزاد جاوید پٹی جناب ضیا الرحمن جناب راحت اللہ جناب پیر وارث شاہ جناب خلیل الرحمن محترمہ سونیا فاروق
خاتون ڈائریکٹر	محترمہ سمیرا عرفان محترمہ سونیا فاروق

محترمہ سمیرا عرفان
سمیرا عرفان
چیف ایگزیکٹو آفیسر

پیر وارث شاہ
پیر وارث شاہ
کمپنی سیکریٹری