



KHYBER TOBACCO
COMPANY LIMITED

FOSTERING GROWTH THROUGH INNOVATION

UN-AUDITED ACCOUNTS
MARCH 31, 2024



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Board of Directors

Mrs. Samera Irfan	Chief Executive/ Executive Director
Mr. Rahat Ullah	Chairman/Non-Executive Director
Mr. Pir Waris Shah	Non-Executive Director
Barrister Shahzad Javed Panni	Independent Director
Mr. Zia Ur Rehman	Non-Executive Director
Mrs. Sonia Farooq	Independent Director
Mr. Khalil Ur Rehman	Non-Executive Director

Audit Committee

Barrister Shahzad Javed Panni	Chairman
Mr. Khalil Ur Rehman	Member
Mr. Rahat Ullah	Member
Mr. Zia Ur Rehman	Secretary

Human Resource Committee

Mrs. Sonia Farooq	Chairman
Mr. Pir Waris 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 Metropolitan Bank Limited
Habib Bank Limited
Bank of Punjab
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
Chartered Accountants

Internal Auditors

Shahid Ahmad & Co.
Chartered Accountants

Registered Office

Khyber Tobacco Company Limited
Nowshera Road, Mardan
Telephone: +92-937-844668, 844639
Fax: +92-937-843329

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, 2024.

FINANCIAL RESULTS

Financial Highlights	Jul-March 2024	Jul-March 2023
	Rs. in Millions	
TURNOVER –Gross	5,737.71	8,349.48
Turnover-net	2,852.46	5,779.97
Cost of sales	2,367.72	3,703.68
Gross profit	484.74	2,076.29
Profit (Loss) before taxation	(179.64)	1,537.19
Profit (Loss) for the period	(257.11)	1,353.16

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. 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 above results indicate an overall revenue decrease of 31% as compared to the corresponding period of the last year. The gross profit has decreased by 77% as compared to last year. Loss before taxation has increased up to 112% 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 challenging macro-environment due to pressure on foreign currency reserves and high inflation.

The price hike during the period under consideration as compared to the corresponding period has adversely affected the EPS being Rs. (37.14) as compared to Profit per share of Rs. 234.56 as reported in the corresponding period.

OPERATIONAL HIGHLIGHTS

The Company continued to focus on enhancing productivity across its value chain by ensuring effective cost management, lean operations, and modernization of machinery infrastructure. Decrease in exports due to increase in price of law raw tobacco, however, the company is trying to establish new customers across the globe. KTC export initiatives have significant potential to grow in the coming years generating additional valuable foreign currency inflows.

Management of the company has focused on local sales of cigarettes but the increase in price of raw material and availability of cheap brands in the local market have caused low sales.

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

30 April, 2024.



Rahat Ullah
Chairman

مشیین حاصل کرنے کے لئے بھاری سرمایہ کر رہی ہے تاکہ اپنی مصنوعات کے معیار کو بہتر کیا جاسکے۔ لہذا اس بابت کمپنی نے اپنے شیئر ہولڈرز سے کم لاگت قرضے حاصل کئے ہیں۔

اظہار تشکر

بورڈ اس موقع کا فائدہ اٹھاتے ہوئے کمپنی کے معزز صارفین، بینکرز اور دیگر اسٹیک ہولڈرز کے تعاون اور سپورٹ کے لئے شکریہ ادا کرنا چاہتا ہے۔ بورڈ تمام ملازمین کی انتھک محنت اور جذبے کو سراہتا ہے۔

منجانب بورڈ



مسز میرا عرفان

چیف ایگزیکٹو آفیسر



مسز راحت اللہ

چیرمین

30 اپریل 2024

ڈائریکٹرز کا تجزیہ

بورڈ آف ڈائریکٹرز 31 مارچ 2024ء کو اختتام پذیر ہوا ہے۔ کمپنی کی مالیاتی معلومات کے ہمراہ جامع رپورٹ پیش کرتے ہیں۔

مالیاتی نتائج

مالیاتی اشاریے	جولائی - مارچ 2024ء	جولائی - مارچ 2023ء
روپے (ملین میں)		
ٹرن اور - مجموعی	5,737.71	8,349.48
ٹرن اور - خالص	2,852.46	5,779.97
فروخت پر لاگت	2,367.72	3,703.68
کل منافع	484.74	2,076.29
نفع (نقصان) علاوہ ٹیکسیشن	(179.64)	1537.19
نفع (نقصان) برائے مذکورہ مدت	(257.11)	1,353.16

ملکی ضوابط کی تعمیل میں، خیبر ٹو بیکو کمپنی لمیٹڈ نے ٹریک اینڈ ٹریلس سسٹم کو مکمل طور پر نافذ کیا ہے اور ٹیکس سٹامپ چسپاں کر کے بیکریٹ ایک مارکیٹ میں چھوڑے ہیں۔ غیر قانونی تجارت سے ہر آزا ہونے اور بورڈ میں مساوی مواقع کی فراہمی کے لئے ٹریک اور ٹریلس سسٹم عصر حاضر کی اہم ضرورت ہے۔

مذکورہ بالا نتائج گذشتہ برس کی اسی مدت کی نسبت مجموعی آمدنی میں 31% کمی ظاہر کرتے ہیں۔ کل منافع میں گذشتہ برس کی نسبت 77% کمی واقع ہوئی۔ نفع بریکسیشن میں گذشتہ برس کی نسبت 112% اضافہ ریکارڈ ہوا۔ مجموعی ٹرن اور میں کمی کو مقامی ہیلز اور تمباکو کی برآمد میں کمی اور غیر ملکی زر مبادلہ کے زخاں پر دباؤ کے باعث مشکل ترین اقتصادی حالات اور افراط زر کی بلند شرح سے منسوب کیا جاتا ہے۔

گذشتہ برس کی اسی مدت کے مقابلے میں زیر جائزہ مدت کے دوران قیمتوں میں اضافے نے فی حصص آمدنی پر منفی اثرات مرتب کئے ہیں جو گذشتہ برس میں 234.56 روپے فی حصص آمدنی کے مقابلے میں کم ہو کر (37.14) روپے فی حصص ہو گئی ہے۔

آپریشنل اختصار

کمپنی نے لاگت پر موثر کنٹرول، متوازن آپریشن اور مشینری انفراسٹرکچر کی تجدید پر توجہ دے کر اپنی تمام ویلیو چین پر پیداوار کو بڑھانے پر توجہ دی ہے۔ خام تمباکو کی قیمت میں اضافے کے باعث برآمدت میں کمی واقع ہوئی ہے البتہ کمپنی دنیا بھر میں نئے صارفین کی تلاش کر رہی۔ برآمدات کے لئے KTC اقدامات سے آئندہ برسوں میں ترقی کے نئے مواقع پیدا ہوں گے جس سے غیر ملکی کرنسی کی آمد میں اضافہ ہوگا۔

کمپنی کی انتظامیہ نے سگریٹ کی مقامی فروخت پر توجہ دی ہے لیکن خام مال کی قیمت میں اضافہ اور مقامی منڈی میں سستی برائڈرز کی دستیابی نے فروخت میں کمی پیدا کی ہے۔

مستقبل کا منظر نامہ

حکمت عملی کے طور پر، کمپنی ملکی و غیر ملکی منڈیوں پر توجہ دے رہی ہے تاکہ آئندہ کے لئے آمدنی میں اضافہ کیا جاسکے۔ آپ کی کمپنی ملکی سطح پر تمباکو کی فروخت اور برآمد کے ذریعے روپیہ میں اضافے کے لئے پرامید ہے۔ کمپنی پرامید ہے کہ وہ اپنے تجربے کے ذریعے ان منڈیوں میں اعلیٰ مقام حاصل کر لے گی۔ چونکہ ٹیکنالوجی میں مسلسل جدت آ رہی ہے لہذا کمپنی اپنی مہارت میں لگا تار بہتری لا رہی ہے اور انڈسٹری میں ٹیکنیکی جدت اور تیز ترین تبدیلیوں کے مطابق اپنے آپ کو ڈھال رہی ہے۔

تمباکو کی برآمد میں بے یقینی کی فضا میں ملکی سطح پر سگریٹ کی فروخت کمپنی کی آمدنی کا بنیادی ذریعہ ہے جو ہمیشہ سے کمپنی کے منافع کا بہترین ذریعہ رہا ہے۔ البتہ، جملی مصنوعات کی آسان دستیابی نے کمپنی کے منافع پر منفی اثرات مرتب کئے ہیں۔ اس ناسور کا مقابلہ کرنے کے لئے کمپنی مصنوعات کی انفرادیت قائم کرنے کے لئے حکمت عملی اپنائی ہے اور عالمی معیار کی مینوفیکچرنگ اور پیکیجنگ

FINANCIAL STATEMENTS

CONDENSED INTERIM BALANCE SHEET [UN-AUDITED]

AS AT MARCH 31, 2024

	(Un-audited) March 31, 2024 Rupees	(Audited) June 30, 2023 Rupees
EQUITY AND LIABILITIES		
EQUITY		
Share capital	69,226,040	69,226,040
Unappropriated profit	3,145,947,636	3,352,438,743
Revenue reserves	3,312,465	3,312,465
Revaluation surplus on property, plant and equipment	311,424,353	368,963,006
	3,529,910,494	3,793,940,254
NON-CURRENT LIABILITIES		
Employee benefits	107,238,930	87,810,788
Lease liability	113,801,207	-
Deferred tax liabilities-net	149,719,143	105,942,415
	370,759,281	193,753,203
CURRENT LIABILITIES		
Trade and other payables	8,110,935,362	3,614,916,768
Unclaimed dividend	16,714,325	16,171,291
Lease Liability-current	58,313,957	-
Loan From Director	901,035,638	101,035,638
	9,086,999,282	3,732,123,697
TOTAL EQUITY AND LIABILITIES	12,987,669,056	7,719,817,154

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 9 form an integral part of these financial information

		(Un-audited) March 31, 2024 Rupees	(Audited) June 30, 2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,707,578,381	2,744,656,198
Right of use asset		120,302,518	-
Long term deposits		8,878,771	6,237,411
		2,836,759,669	2,750,893,609
CURRENT ASSETS			
Stock in trade		6,297,279,214	1,706,636,284
Trade debts		1,543,237,095	1,407,685,764
Advances, prepayments and other receivables		852,428,438	746,341,728
Advance duty and sales tax		47,007,034	-
Advance income tax		53,910,413	2,424,234
Stores, Spare Parts and Loose Tools		90,210,797	19,357,351
Cash and bank balances		1,266,836,396	1,086,478,184
		10,150,909,387	4,968,923,545
TOTAL ASSETS		12,987,669,056	7,719,817,154



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Note	Quarter ended		Nine Months Ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Rupees					
Turnover-net	6	1,895,655,185	2,726,861,723	2,852,464,638	5,779,974,994
Cost of sales	7	(817,033,267)	(1,787,763,707)	(2,367,722,743)	(3,703,680,834)
Gross (loss) / profit		1,078,621,918	939,098,016	484,741,895	2,076,294,161
Administrative expenses		(146,712,934)	(72,696,551)	(304,843,991)	(189,026,125)
Selling and Distribution cost		(5,163,790)	(35,656,797)	(115,714,939)	(170,178,263)
Impairment loss on financial assets		-	-	(51,733,120)	-
Other expenses		-	(13,045,506)	(26,707,315)	(68,130,566)
Finance cost		(57,971,130)	(121,265,728)	(171,385,542)	(269,483,563)
Operating (loss) / profit		6,000,000	77,287,381	6,000,000	157,718,890
(Loss) / profit before taxation		874,774,065	773,720,815	(179,643,011)	1,537,194,534
Taxation		70,419,025	(99,692,367)	(77,464,145)	(184,032,935)
(Loss) / profit for the period		804,355,040	674,028,448	(257,107,156)	1,353,161,599
Earnings per share - basic and diluted		116.19	116.84	(37.14)	234.56

The annexed notes 1 to 9 form an integral part of these financial information



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Quarter ended		Nine Months Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Rupees			
(Loss) / profit for the period	804,355,040	674,028,448	(257,107,156)	1,353,161,599
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	804,355,040	674,028,448	(257,107,156)	1,353,161,599

The annexed notes 1 to 9 form an integral part of these financial information



Chief Executive



Director



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	SHARES CAPITAL AND RESERVES				Total	
	Share capital	General reserve	Revaluation surplus	Reserves for issuance of bonus shares		Unappropriated profit
	Rupees					
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						
Profit/(loss) for the period	-	-	-	-	1,353,161,600	1,353,161,600
- on account of incremental depreciation	-	-	(7,821,471)	-	7,821,471	-
Shares issued as fully paid bonus shares	9,614,730	-	-	-	(9,614,730)	-
Balance at 31 March 2023	9,614,730	-	(7,821,471)	-	1,351,368,341	1,353,161,600
	57,688,370	3,312,465	352,367,281	-	2,704,042,808	3,117,410,924
Balance at 01 July 2023	69,226,040	3,312,465	368,963,006	3,352,438,743	3,793,940,254	
Total comprehensive income/(loss) for the period						
Profit/(loss) for the period	-	-	-	-	(257,107,156)	(257,107,156)
- on account of incremental depreciation	-	-	(57,538,653)	-	57,538,653	-
Final dividend at Re 1 per share	-	-	-	-	(6,922,604)	(6,922,604)
Balance at 31 March 2024	69,226,040	3,312,465	311,424,353	(206,491,107)	(264,029,760)	3,529,910,494

The annexed notes 1 to 9 form an integral part of these financial information



Chief Executive



Director



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Nine Months Ended	
	March 31, 2024	March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(179,643,011)	1,537,194,534
Adjustments for:		
Depreciation	201,951,568	114,234,669
Provision for staff retirement benefits	21,256,534	11,474,069
Right of Use Asset-Depreciation	27,762,119	-
Impairment loss on financial assets	51,733,120	-
Exchange loss / (gain) on foreign transaction	26,707,315	(143,347,239)
Finance cost	171,385,542	269,483,563
	500,796,198	251,845,062
Cash flows from operating activities before working capital changes	321,153,187	1,789,039,596
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Stock in trade	(4,590,642,930)	473,999,515
Stores, Spare Parts and Loose Tools	(70,853,446)	(3,346,891)
Trade debts - considered good	(135,551,331)	(2,137,333,787)
Advances and Prepayments	(106,086,710)	(114,636,441)
Advance duty and Taxes	(47,007,034)	(59,542,676)
Advance income tax	(51,486,179)	-
Trade and other payables	4,496,018,594	933,833,304
	(505,609,036)	(907,026,976)
Cash generated from operations	(184,455,849)	882,012,620
Gratuity paid	(1,828,392)	(9,301,669)
Income tax paid	(230,389,931)	(206,981,373)
Finance cost paid	(12,604,956)	(9,767,730)
Dividend paid	(543,034)	-
	(245,366,313)	(226,050,772)
Net cash generated from / (used in) operating activities	(429,822,162)	655,961,848
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(187,178,266)	(822,243,862)
Security deposits	(2,641,360)	-
Net cash used in investing activities	(189,819,626)	(822,243,862)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loan-Unsecured	800,000,000	33,000,000
Net increase (decrease) in cash and cash equivalents	180,358,212	(133,282,015)
Effects of exchange rates on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the period	1,086,478,184	679,358,847
Cash and cash equivalents at end of the period	1,266,836,396	546,076,833

The annexed notes 1 to 9 form an integral part of these financial information



Chief Executive



Director



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2024

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 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 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 2023.

4. CONTINGENCIES AND COMMITMENTS

Contingencies and Commitments are the same as disclosed in the annual financial statements for the year ended June 30, 2023.

5. PROPERTY, PLANT AND EQUIPMENT

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

	Un-audited	Audited
	March 31,	30-Jun
	2024	2023
	Rupees	Rupees
Operating Fixed Assets	2,707,578,381	2,744,656,198
Long term deposits	8,878,771	6,237,411
Right of Use Asset	120,302,518	-
	2,836,759,669	2,750,893,609

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED] FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Quarter ended		Nine Months Ended	
	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees
6 TURNOVER - net				
Gross turnover				
- Local	2,235,709,131	1,323,351,127	4,950,350,712	3,601,465,947
- Export	164,252,463	2,332,617,581	787,356,436	4,748,012,047
	2,399,961,594	3,655,968,708	5,737,707,148	8,349,477,994
Government levies				
- Excise duty	412,519,464	736,163,615	2,361,167,025	2,016,828,800
- Sales tax	87,733,876	180,118,070	500,161,476	505,499,750
	500,253,340	916,281,685	2,861,328,501	2,522,328,550
Discounts	4,053,068	12,825,300	23,914,008	47,174,450
	1,895,655,185	2,726,861,723	2,852,464,638	5,779,974,994
7 COST OF SALES				
Raw and packing material consumed	800,951,043	1,630,603,359	2,072,018,019	3,340,577,935
Salaries, wages and benefits	36,935,477	41,081,305	191,580,677	136,115,234
Fuel and power	12,283,976	12,064,139	91,834,408	106,837,058
Store and Inventory consumption	2,304,642	9,881,375	22,027,129	39,434,186
Repair and maintenance	1,610	1,191,234	1,149,458	2,986,940
Royalty	62,340	553,272	857,943	3,570,660
Rent	37,986,287	1,389,928	61,809,037	10,921,282
Depreciation	63,563,810	29,706,473	190,204,184	104,650,431
Depreciation on right of use asset	9,254,039	-	27,762,119	-
Insurance	18,624,303	587,073	19,874,290	1,532,048
Tobacco Loading Un Loading	-	4,030,913	-	10,126,581
	981,967,526	1,731,089,071	2,679,117,263	3,756,752,355
Opening work in process	85,242,204	12,708,493	-	-
Closing work in process	(33,099,384)	(16,598,350)	(33,099,384)	(16,598,350)
Cost of goods manufactured	1,034,110,346	1,727,199,214	2,646,017,879	3,740,154,005
Opening finished stock	146,581,686	102,102,632	85,363,629	5,064,967
Closing finished stock	(363,658,765)	(41,538,139)	(363,658,765)	(41,538,139)
	817,033,267	1,787,763,707	2,367,722,743	3,703,680,834

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 April 30, 2024.

9 GENERAL

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



Chief Executive



Director



Director



Khyber Tobacco Company Limited

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