

مرحباً بالجميع

welcome

پخیر راغله!

pakhair raghle!



CORPORATE BRIEFING SESSION

▣ **FOR THE YEAR ENDED JUNE 30, 2020**



Contents

- Financial Highlights
- Vision & Mission
- Core Values
- Corporate Information
- Achievements & Certificates
- Statement of Ethics & Business Practices
- Corporate Social Responsibility
- HR & Rem Policy
- Other Corporate Governance
- Calendar of Major Events
- Graphical Analysis
- Vertical Analysis
- Horizontal Analysis
- Financial Performance
- Statement of Free Float of Shares
- Independent Auditor's Report
- Profit & Loss
- Statement of Changes in Equity
- Questions & Answers Session

FINANCIAL HIGHLIGHTS

**Rs. 1.60
Billion**

Contribution
to National
Exchequer

**Rs. 38.53
Million**

Profit After Tax
Rs. (38.27) Million: 2019

**Rs. 1,298.47
Million**

Shareholder's
Equity

Rs. 1262.99 Million : 2019

Rs. 8.02

Earning Per
Share

Rs. (7.96) : 2019

2.97%

Return on
Equity

(3.03)% : 2019

1.51

Current
Ratio

2.64 : 2019

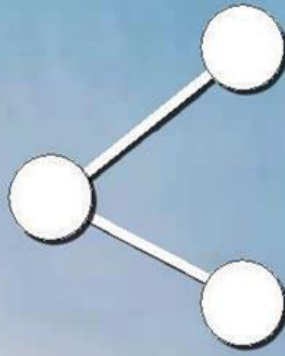
'20 vs '19

Sales Revenue	(Rupees in Million)
- Local Sales	(Rupees in Million)
- Export Sales	(Rupees in Million)
Profit/(Loss) After Tax	(Rupees in Million)
Earning/(Loss) Per Share	(Rupees per Share)
Shareholder's Equity	(Rupees in Million)
Return on Equity	(%)
Current Ratio	

2020	2019	20 vs 19
3,499.70	2,337.78	1,161.92
2,925.23	2,102.02	823.21
574.47	235.76	338.71
38.54	(38.27)	76.80
8.02	(7.96)	15.98
1,298.47	1,262.99	35.48
2.97	(3.03)	6.00
1.51	2.64	(1.13)

Rs. 3,499.69
Million
SALES
REVENUE

Rs. 2,337.78 Million: 2019



LOCAL SALES

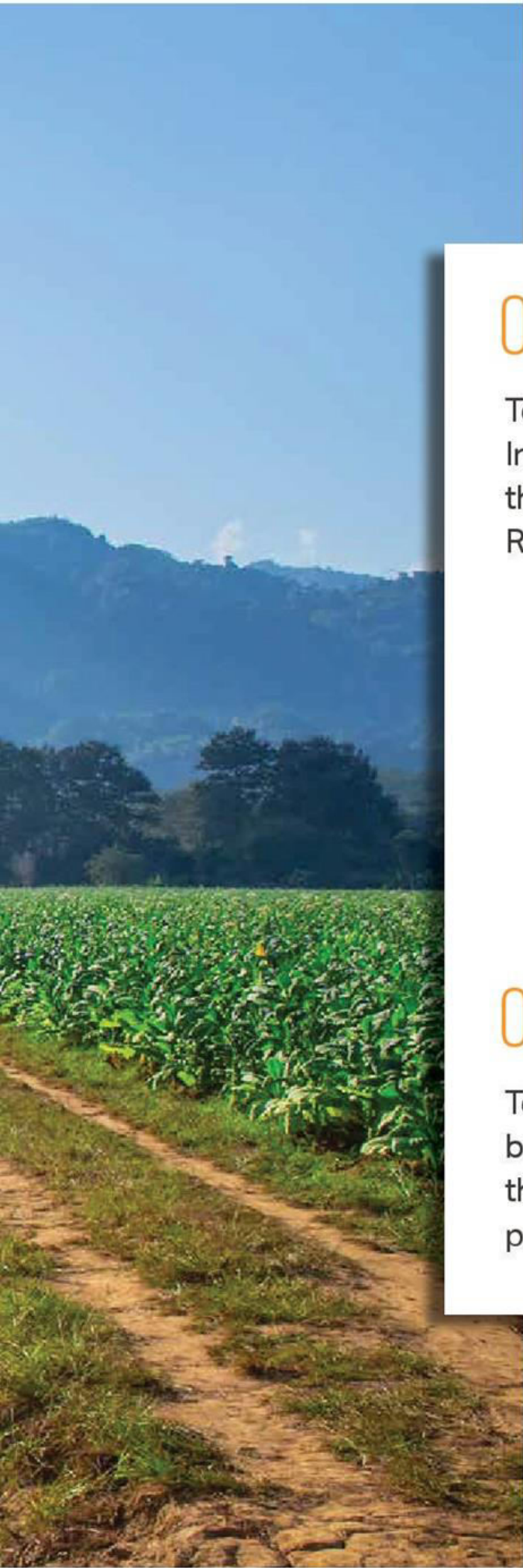
Rs. 2,925.23 Million - 2020

Rs. 2,102.02 Million - 2019

EXPORT SALES

Rs. 574.46 Million - 2020

Rs. 235.76 Million - 2019



OUR VISION

To outperform Nationally and Internationally and be on top through Teamwork, Quality, Brand Recognition and Customer Service.

OUR MISSION

To expand the presence of our brands and operations globally through a network of reliable partners, suppliers and distributors.

CORE VALUES



INTEGRITY

- Be honest and straightforward to everyone.
- Always try to do the right things.
- Our respect to individuals drives success.
- We help our communities live a better life.
- We operate within the spirit of law and encourage transparency.



TRUST

- We build confidence in our people, principals, customers and brands by fulfilling commitments.
- We believe our people work best when they are empowered.
- We value the capabilities and intentions of all stakeholders.
- We ensure consistent quality of service at all ends.
- We encourage fairness and respect the opinion and emotions of others.



LEADERSHIP

- We lead from the front and have a clear vision where we are going.
- Our leaders are role models who listen, coach, develop and recognize talent.
- We promote an open and diverse culture where individuals are empowered to contribute to the best of their potential.
- We believe in setting trends rather than following the conventional methods of business.
- We work together to achieve collective results.



PASSION TO WIN

- We are determined to deliver the best.
- We dare our people to take risks and accept challenges.
- We have a compelling desire to excel with knowledge, experience and dedication.
- We combine our spirit and energy to continuously raise our expectations.



OWNERSHIP

- We are one family.
- We take charge of responsibilities towards our principals, business, customers and communities.
- We hold ourselves accountable for whatever we do.
- Our processes, systems and decisions are based on input from concerned stakeholders.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs. Samera Irfan
Mr. Rahat Ullah
Mr. Pir Waris Shah
Mr. Pir Farhan Shah
Mr. Zia Ur Rehman
Mr. Hazrat Bilal
Mr. Khalil Ur Rehman

Chief Executive/ Executive Director
Chairman/Non-Executive Director
Non-Executive Director
Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

AUDIT COMMITTEE

Mr. Khalil Ur Rehman
Mr. Zia Ur Rehman
Mr. Rahat Ullah
Mr. Pir Farhan Shah

Chairman
Member
Member
Secretary

HUMAN RESOURCE COMMITTEE

Mr. Pir Waris Shah
Mr. Pir Farhan Shah
Mr. Zia Ur Rehman

Chairman
Member
Secretary

SENIOR MANAGEMENT

Mrs. Samera Irfan

Chief Executive

COMPANY SECRETARY

Mr. Pir Farhan Shah

SHARE REGISTRAR

CDC

Share Registrar Services Limited
CDC House, 99-B, Block B
S.M.C.H.S., Main Shahreh e Faisal
Karachi

Bankers

National Bank of Pakistan
MCB Bank Limited
Askari Bank Limited
Samba Bank Limited
Habib Bank Limited

EXTERNAL AUDITORS

Deloitte Yousuf Adil
Chartered Accountants

INTERNAL AUDITORS

Shahid Ahmad & Co.
Chartered Accountants



ACHIEVEMENTS & CERTIFICATES



ACHIEVEMENTS & CERTIFICATES



The Federation of Pakistan Chambers of Commerce & Industry

CERTIFICATE OF ACHIEVEMENT

Awarded to

KHYBER TOBACCO COMPANY LIMITED, MARDAN
CONTRIBUTION TO THE NATIONAL ECONOMY (EMPLOYMENT GENERATION)

in recognition of outstanding achievement during 2020

Given on September 24, 2020

MUHAMMAD IQBAL TABISH
Secretary General



MIAN ANJUM NISAR
President



STATEMENT OF ETHICS & BUSINESS PRACTICES

All employees of Khyber Tobacco Company Limited, hereinafter called KTC, shall:-



Abidance of Laws / Rules

- Conform to and abide by the KTC rules and obey all lawful orders and directives which may from time to time be given by any person or persons under whose jurisdiction, superintendence or control they may for the time being, be placed. They shall comply with and observe all applicable laws, regulations and KTC policies.
- Not bring or attempt to bring any political or other pressure / influence directly or indirectly to bear on the authorities / superior officers or indulge in derogatory pamphleteering, contribute or write letters to the news papers, anonymously or in their own name with an intent to induce the authority / superior officers to act in a manner inconsistent with rules, in respect of any matter relating to appointment, promotion, transfer, punishment, retirement or for any other conditions of service of employment.



Integrity

- Conduct themselves with the highest standards of ethics, professional integrity and dignity in all dealings with the public, clients, employees, and not engage in acts discreditable to KTC, the profession and the nation. If they become aware of any irregularity that might affect the interests of KTC, they shall inform the senior management immediately.
- Maintain all books, data, information and records with scrupulous integrity, reporting in an accurate and timely manner all transactions / reports.
- Avoid all such circumstances in which there is conflict of personal interest, or may appear to be in conflict, with the interests of KTC or its stakeholders.
- Not use their employment status to seek personal gain from those doing business or seeking to do business with KTC, nor accept any such gain if offered. They shall not accept any gift, favor, entertainment or other benefits the size or frequency of which exceeds normal business contacts from a constituent or a subordinate employee of KTC or from persons likely to have dealings with KTC and candidates for employment in KTC.



Confidentiality

- Maintain the privacy and confidentiality of all the information acquired during the course of professional activities and refrain from disclosing the same unless otherwise required by statutory authorities / law. All such information will remain as a trust and will only be used for the purpose for which it is intended and will not be used for the personal benefits of any individual(s). Inside information about KTC's customers / affairs shall not be used for their own gain or for that of others either directly or indirectly.

CORPORATE SOCIAL RESPONSIBILITY

POLICY BRIEF & PURPOSE

Our Corporate Social Responsibility (CSR) company policy refers to our responsibility toward our environment and community. Our company's existence is not lonely. It's part of a bigger system of people, values, other organizations and nature. The social responsibility of a business is to give back to the world just as it gives to us. Our Corporate Social Responsibility (CSR) company policy outlines our efforts to give back to the world as it gives to us. We want to be a responsible business that meets the highest standards of ethics and professionalism.

SCOPE

This policy applies to our company and may also refer to suppliers and customers.

POLICY ELEMENTS

Our company's social responsibility falls under two categories: compliance and Proactiveness.

Compliance refers to our company's commitment to legality and willingness to observe community values.

Proactiveness is every initiative to promote human rights, help communities and protect our natural environment.



COMPLIANCE AND LEGALITY

Our company respects the law honor its internal policies and ensures that all its business operations are legitimate.

BUSINESS ETHICS

We will always conduct business with integrity and respect to human rights. We'll promote safety, fair dealing and respect towards the consumer anti-bribery and anti-corruption practices which are the examples of CSR. Our company recognizes the need to protect the natural environment. Keeping

our environment clean and unpolluted is a benefit to all. We'll always follow best practices when disposing garbage and using chemical substances. Stewardship will also play an important role.

HUMAN RIGHTS

Our company is dedicated to protecting human rights. We are a committed equal opportunity employer and will abide by all fair labor practices. We'll ensure that our activities do not directly or indirectly violate human rights in the country (e.g. forced labor).



PROACTIVENESS

Donations and aid

Our company may preserve a budget to make monetary donations aiming to Promote the arts, education and community events and alleviate those in need.

VOLUNTEERING

Our company will encourage its employees to volunteer. They can volunteer through programs organized internally or externally. Our company may sponsor volunteering events from other organizations.

PRESERVING THE ENVIRONMENT

Apart from legal obligations, our company will proactively protect the environment.

COMMUNITY

Our company may initiate and support community investment and educational programs. For example, it may begin partnerships with vendors for constructing public buildings. It can provide support to nonprofit organizations or movements to promote cultural and economic development of global and local communities.

“

WE WILL ALWAYS CONDUCT BUSINESS WITH INTEGRITY AND RESPECT TO HUMAN RIGHTS.

”

HUMAN RESOURCE & REMUNERATION POLICY

FOR THE BOARD OF DIRECTORS, BOARD COMMITTEES, EXECUTIVE DIRECTORS, BOARD APPOINTEES AND SENIOR MANAGEMENT

Objective:

This policy aims to set out the requirements and methodology of the determination of remuneration of the Board of Directors, the Board Committees, the Executive Directors, the Board Appointees and members of the Senior Management.

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors ("BoD") shall, from time to time, determine and approve the remuneration of the members of the BoD for attending Board Meetings. Such level of remuneration shall be appropriate and commensurate with the level of responsibility and expertise offered by the members of the BoD, and shall be aimed at attracting and retaining members needed to govern the Company successfully, and creating value addition.

The BoD shall ensure that the prevailing level of remuneration of the BoD does not any time compromise the independence of independent members of the BoD.

Members of the BoD may also be paid all travel/hotel/ancillary expenses related to:

- a) attendance of Board Meeting(s);
- b) attendance of General Body Meetings; and/or
- c) business of the Company.

Remuneration Policy

No single member of the BoD shall determine his/her own remuneration.

REMUNERATION OF THE BOARD COMMITTEES MEMBERS

The Board of Directors (BoD) may, from time to time, determine and approve the remuneration

of the members of the Board Committees for attending Board Committee meetings. Such level of remuneration shall be appropriate and commensurate with the level of responsibility and expertise offered by the members of the Board Committees, and shall be aimed at attracting and retaining members needed to govern the Board Committees successfully, and creating value addition

The BoD shall ensure that the prevailing level of remuneration of the Board Committee members does not any time compromise the independence of independent members of the Board Committees.

Members of the Board Committees may also be paid all travel/hotel/ancillary expenses related to their attendance of Board Committee meetings.

The BoD may further determine and approve additional remuneration for any member of the Board Committees for performing additional services, including holding of office of Chairman of a Board Committee.

REMUNERATION OF THE EXECUTIVE DIRECTORS

Chief Executive Officer

The remuneration of the Chief Executive Officer ("CEO"), in addition to ancillary benefits, and any amendments thereof, shall be determined and approved by the BoD, on the recommendation of the HRRC.

Other Executive Directors

The remuneration of the Executive Directors, in addition to ancillary benefits, and any amendments thereof, shall be determined and approved by the BoD, on the recommendation of the HRRC and the CEO.

OTHER CORPORATE GOVERNANCE

STAKEHOLDERS' ENGAGEMENT

At KTC, engage to understand and respond to our legitimate stakeholder concerns. Our key stakeholders are:

- Shareholders
- Customers
- Suppliers
- Banks
- Employees
- General public
- Government and Regulatory Authorities

The frequency of engagements is based on business needs and corporate requirements as specified by the Code of Corporate Governance, or as contracted, under defined procedures.

ISSUES RAISED AT LAST AGM

Apart from general clarifications requested by the shareholders about the Company's financial performance and published financial statements during the 64th Annual General Meeting held on October 28, 2019, no significant issue was raised.

ADDRESSING INVESTORS GRIEVANCES

The interest of small investors and minority shareholders is of prime importance to the Company. In order to keep a vigilant eye and to provide a platform to the investors for voicing their concerns, a team under corporate section has been designated to ensure that grievances/ complaints of the investors are heard and redressed, in a quick and efficient manner. Mechanism of lodging any complaint/issues is detailed on the website of the Company.



Designated contact numbers and email address of the Company / Regulator is disseminated among investor through company broadcasts.

BOARD MEMBERS' CONFLICT OF INTEREST

Following the guidelines of the code of conduct, every Director on the Board is required to disclose about his interest in any contract, agreement or appointment etc (if any). Any conflict of interest relating to members of Board of directors is dealt as per provisions of Companies Act, 2017 and rules and regulations of SECP and Pakistan Stock Exchange. However, no conflict among the members was raised during the year.

DIRECTORS TRAINING PROGRAMME

The Company ensures that it congregates requirements of Securities & Exchange Commission of Pakistan (SECP) and meets the terms of criteria of Directors' Training Program (DTP) by attaining certification.

SAFEGUARDING OF RECORDS OF THE COMPANY

KTC effectively ensures the safety of records. All records are retained as long as they are required to meet legal, administrative, operational and other requirements of the Company. Furthermore, the Company keeps systematic backup of the record on daily basis for protection of data and its recovery in case of any catastrophe.



INFORMATION TECHNOLOGY (IT) GOVERNANCE POLICY

KTC has implemented an IT Governance Policy. The Policy forms the operating guidelines for securing the Company's IT resources and also reduces Company's exposure to information practices that may compromise data availability, confidentiality and integrity.

RELATED PARTY TRANSACTIONS

All transactions with related parties are reviewed and approved by the Board on quarterly basis fulfilling the requirements of section 208 of the Companies Act, 2017.

ACCESS OF SHAREHOLDERS ON COMPANY'S WEBSITE

All our shareholders and general public can visit the Company's website www.khybertobacco.com which has dedicated section for investors containing information related to annual, half yearly and quarterly financial statements and to have a glance on shareholders' related information.

SHARE PRICE SENSITIVITY

The Company disseminates all material and price sensitive information to the Pakistan Stock Exchange (PSX) through Pakistan Unified Corporate Action Reporting System (PUCARS).

OPERATING SEGMENTS

The financial statements have been prepared on the basis of a single reportable segment.

CAPITAL MANAGEMENT POLICY

The Company's policy is to maintain a strong capital base so as to maintain investor, creditors and market confidence and to sustain future development of the business. The Board of Directors of the Company monitors the return on capital, which the Company defines as net profit after tax divided by the total shareholders' equity. The Board of Directors also determines the level of dividends to ordinary shareholders.

There were no changes to the Company's approach to capital management during the year and the Company was not subject to externally imposed capital requirements.

CALENDAR OF MAJOR EVENTS

Board Meeting
Monday, 30 September 2019

2019
Year Ended

Board Meeting
Wednesday, 30 October 2019

Q1

YEAR 2019 - 20

Q2

Board Meeting
Friday, 28 February 2020

Q3

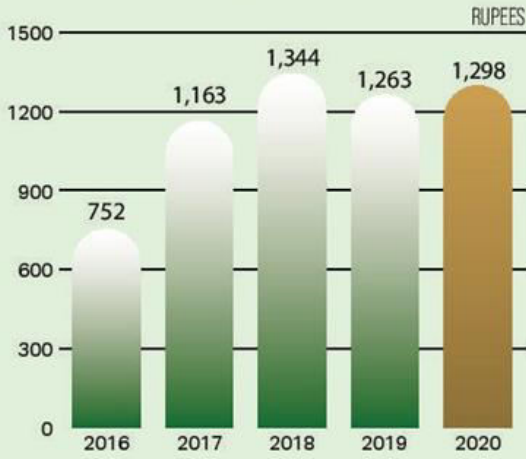
Board Meeting
Wednesday, 20 May 2020

AGM

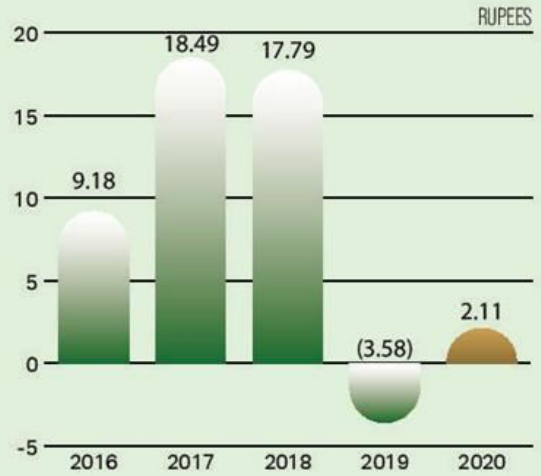
Board Meeting
Monday, 28 October 2019

GRAPHICAL ANALYSIS

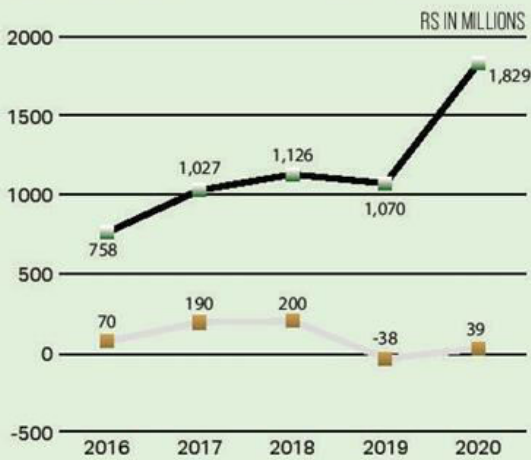
SHAREHOLDER'S EQUITY



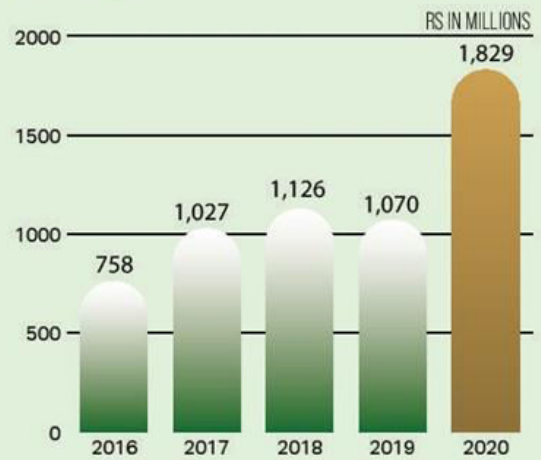
NET PROFIT MARGIN



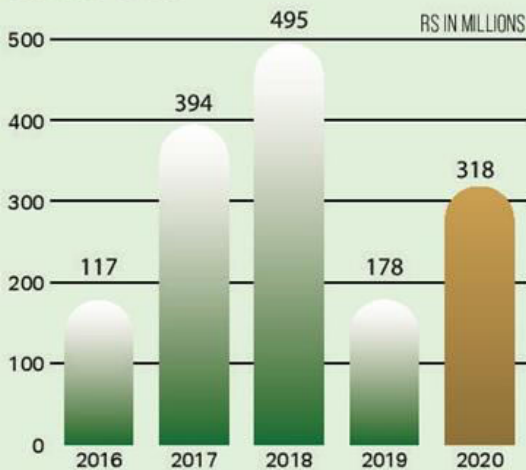
SALE REVENUE — NET PROFIT



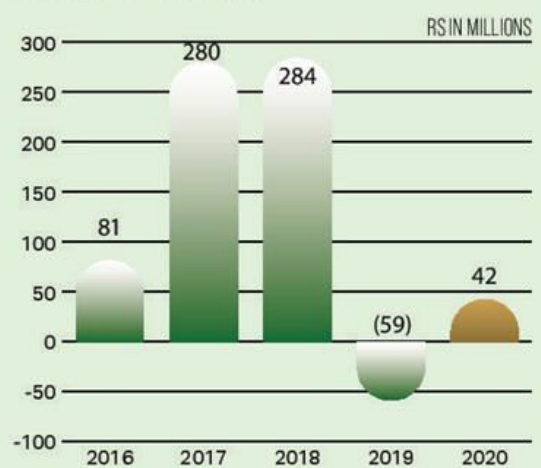
NET SALES



GROSS PROFIT

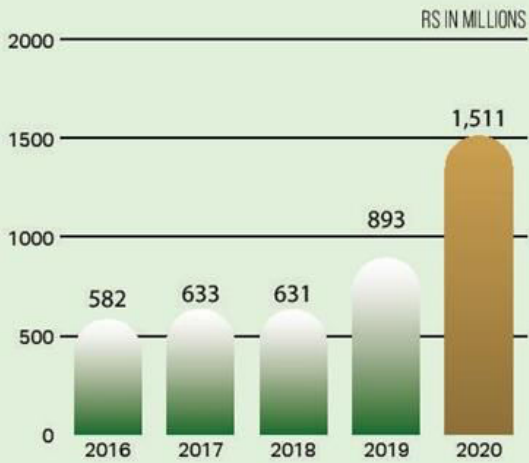


PROFIT BEFORE TAX



GRAPHICAL ANALYSIS

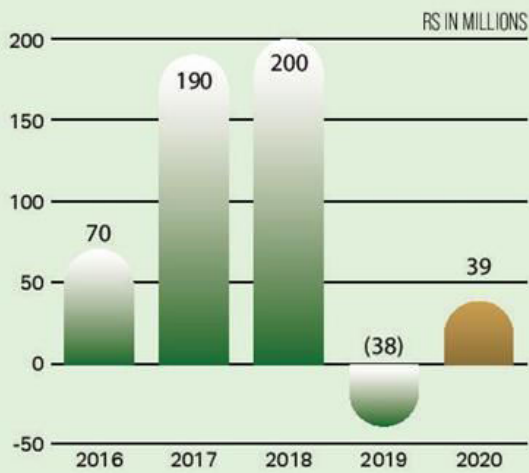
COST OF SALES



OPERATING PROFIT



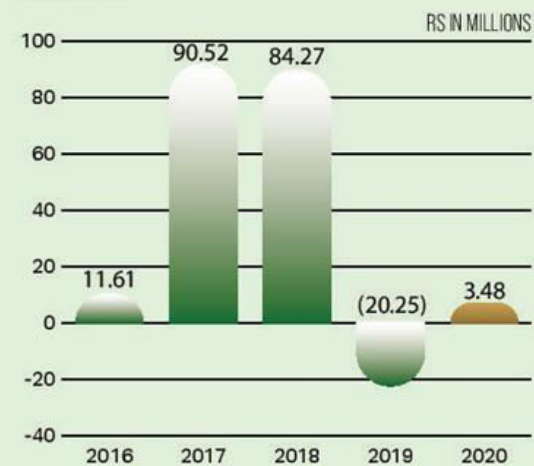
PROFIT AFTER TAX



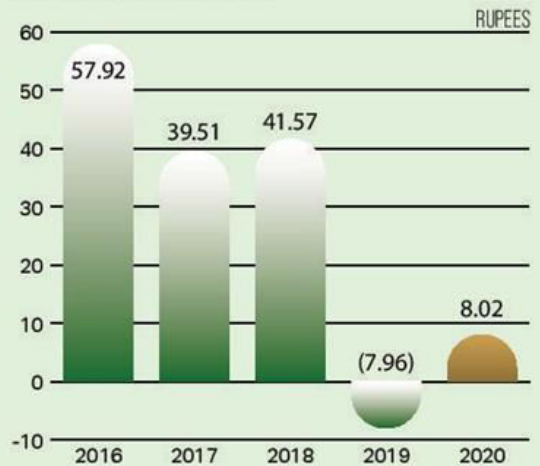
RETURN ON CAPITAL EMPLOYED



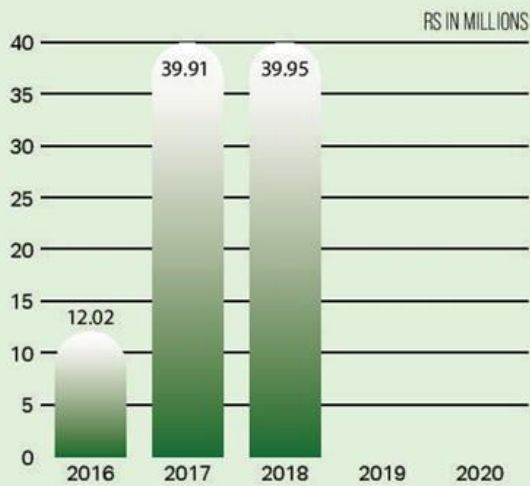
TAXATION



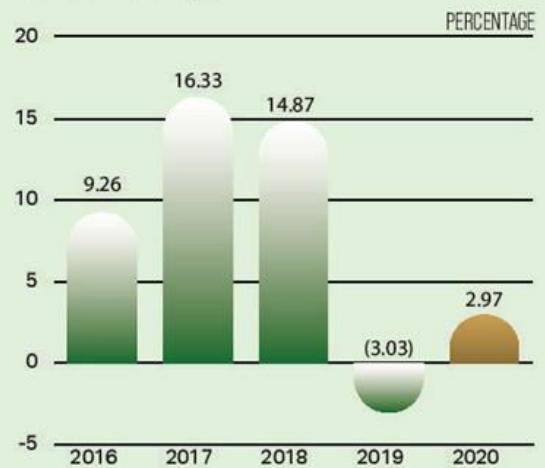
EARNING PER SHARE



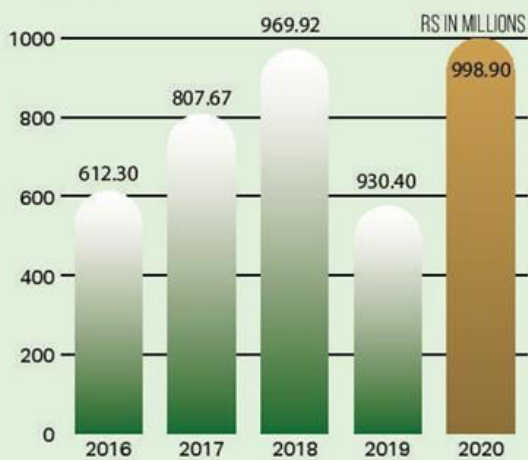
CASH DIVIDEND PAY OUT



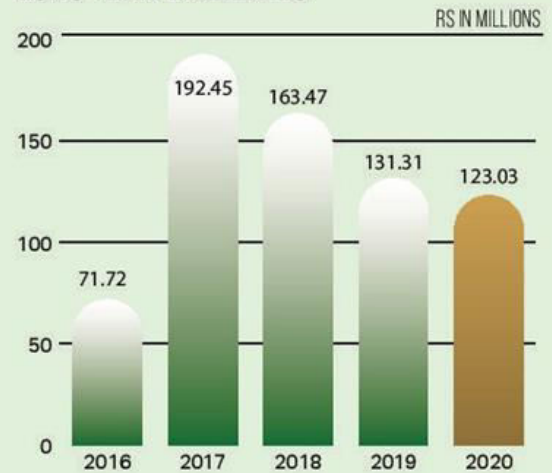
RETURN ON EQUITY



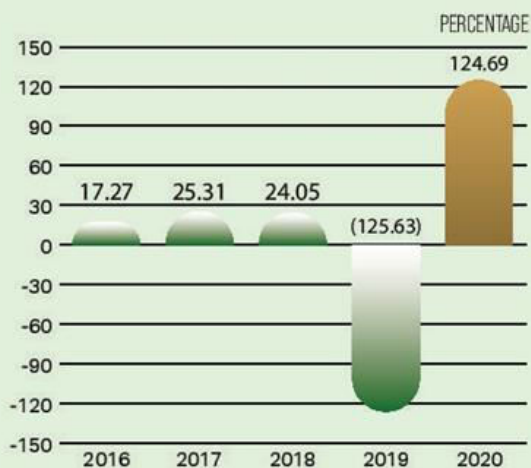
RESERVES



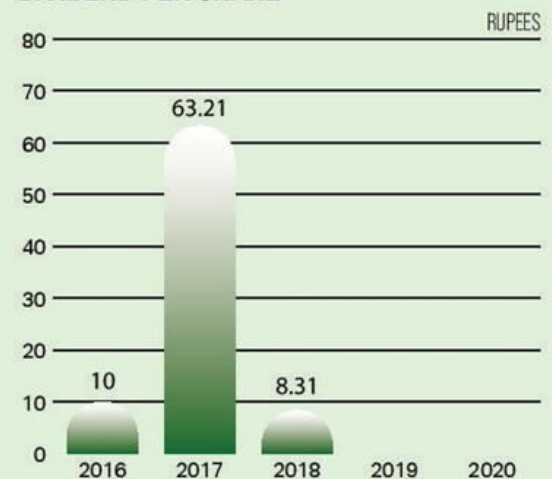
LONG TERM LIABILITIES



PRICE EARNING RATIO

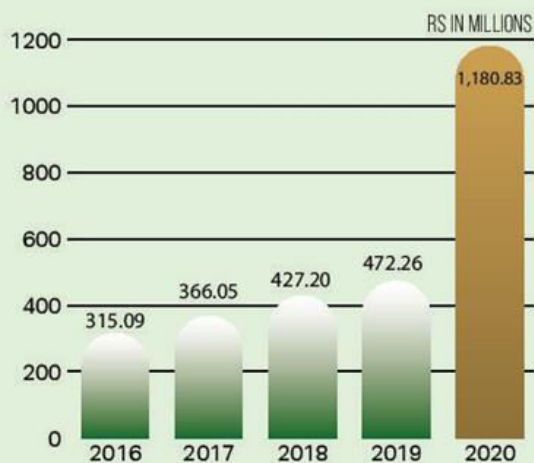


DIVIDEND PER SHARE



GRAPHICAL ANALYSIS

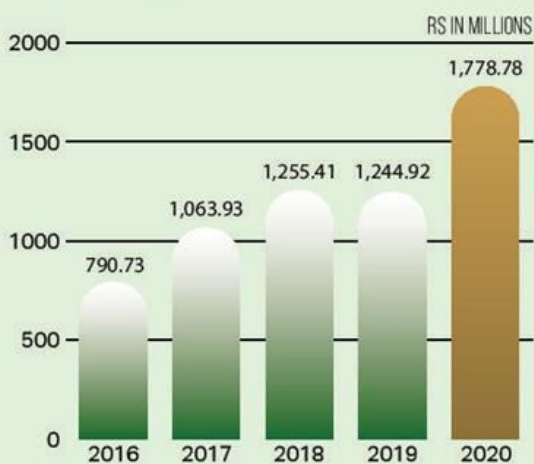
CURRENT LIABILITIES



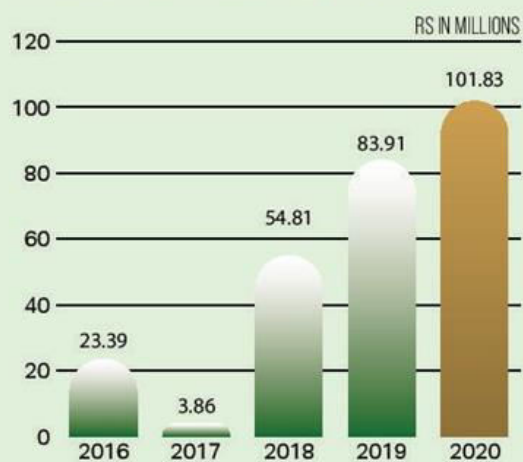
FIXED ASSETS LESS LIABILITIES



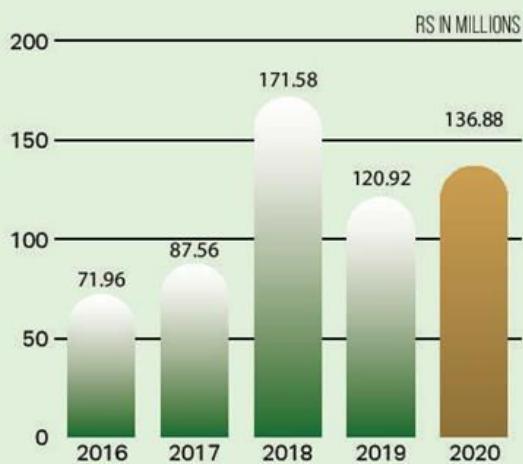
CURRENT ASSETS



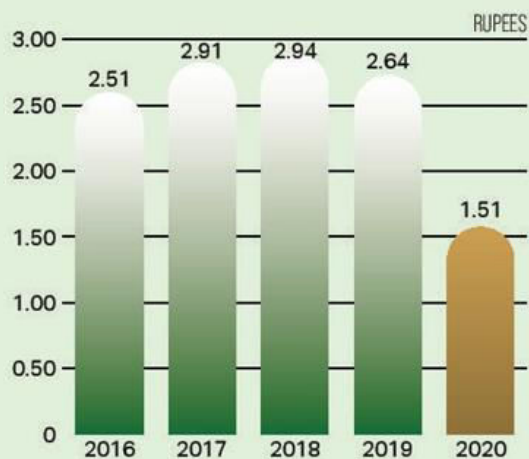
SELLING & DISTRIBUTION EXPENSE



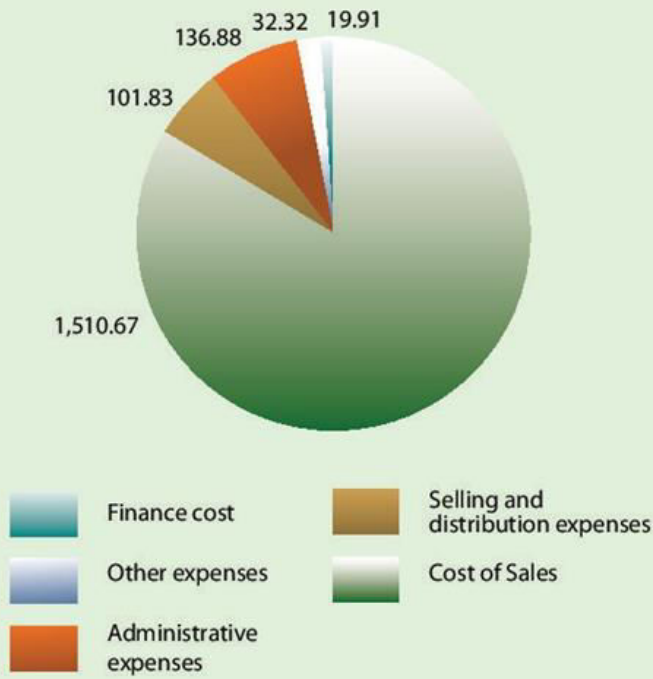
ADMINISTRATIVE EXPENSE



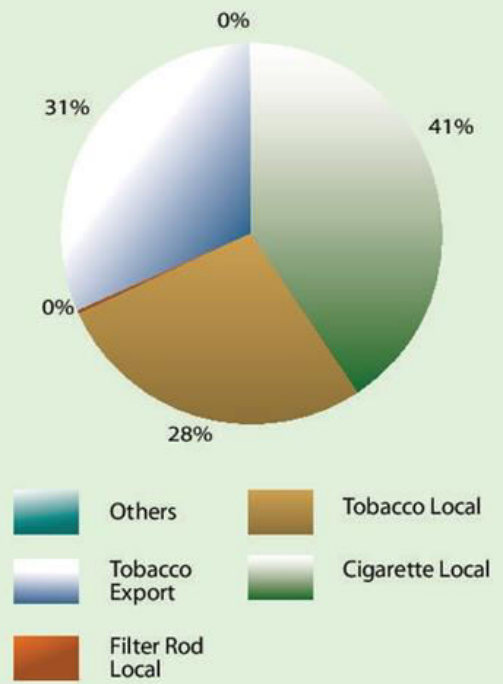
CURRENT RATIO



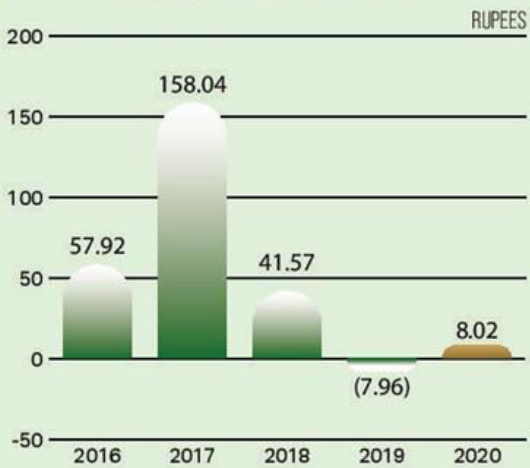
BREAKUP OF COST RS IN MILLIONS



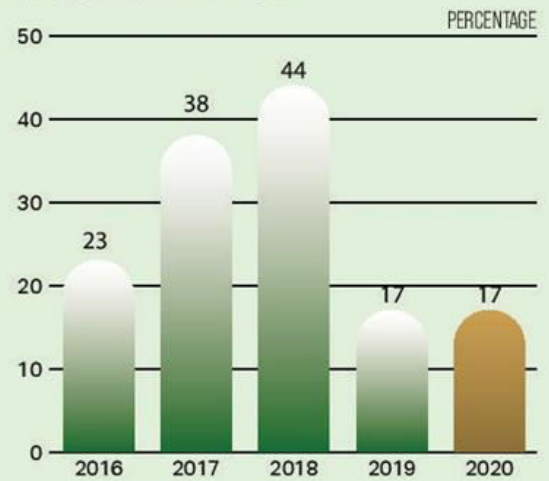
BREAKUP OF SALES PERCENTAGE



EARNING PER SHARE AFTER TAX



GROSS PROFIT MARGIN



HORIZONTAL ANALYSIS

	2020	2019	2018	2017	2016	2015
PROFIT AND LOSS ACCOUNT						
Net Sales	107.2	20.2	23.1	46.5	8.1	25.9
Cost of Sales	120.8	37.1	(23.5)	28.3	17.8	38.6
Gross Profit	60.1	(25.6)	449.8	89.6	(15.0)	(4.4)
Administrative Expenses	112.0	162.8	403.2	265.8	200.6	169.7
Distribution Cost	1,220.8	750.1	234.0	(87.7)	(25.4)	(75.4)
Other Operating Expenses	259.1	163.4	630.1	158.5	(24.3)	9.6
Operating Profit	(60.0)	(133.1)	576.0	94.9	(48.0)	(18.6)
Finance Cost	622.5	855.1	220.0	179.2	249.2	117.2
Other Operating Income	(33.4)	373.1	903.5	16.1	345.6	841.6
Profit before Taxation	(69.3)	(133.2)	642.9	92.9	(44.1)	(5.7)
Taxation	(90.2)	(159.6)	(100.0)	764.6	10.9	240.1
Profit for the Year	(32.0)	(126.9)	1,207.7	40.8	(48.4)	(58.0)
BALANCE SHEET						
Share Capital & Reserves	137.3	184.1	357.8	228.7	201.5	119.4
Non-Current Liabilities	100.0	100.0	100.0	100.0	100.0	100.0
Current Liabilities	233.3	148.7	37.1	36.5	17.5	32.1
Total Equity and Liabilities	134.2	119.8	132.1	122.3	47.0	43.4
Non-Current Assets	119.1	64.3	100.7	131.2	22.3	32.1
Current Assets	141.9	164.0	153.4	117.1	61.3	50.0
Total Assets	134.2	119.8	132.1	122.3	47.0	43.4

FINANCIAL PERFORMANCE

		2020	2019	2018	2017	2016	2015
Financial Performance- Profitability							
Gross Profit Margin	%	17.39	16.59	43.96	38.34	23.29	22.51
Net Profit Margin	%	2.11	(3.58)	17.75	18.49	9.18	11.49
Return on equity	%	2.97	(3.03)	14.87	16.33	9.26	18.54
Operating Performance- Liquidity							
Total Asset Turnover	Time	0.82	0.56	0.62	0.72	0.67	0.90
Fixed Asset Turnover	Time	2.56	1.66	1.69	2.06	2.12	2.36
Inventory Turnover	Time	2.26	1.32	0.99	1.18	1.16	1.77
Inventory Turnover	Days	161.33	275.60	367.80	309.65	315.60	206.30
Receivable turnover	Time	5.80	3.92	3.03	3.29	3.93	7.61
Receivable turnover	Days	62.96	93.23	120.54	111.08	92.92	47.95
Payable Turnover	Time	5.35	6.55	5.96	3.43	2.70	4.11
Payable Turnover	Days	68.21	55.73	61.24	106.43	135.06	88.74
Current Ratio		1.51	2.64	2.94	2.91	2.51	2.08
Quick Ratio		0.89	1.36	1.20	1.46	0.78	0.78
Capital Market/Capital Structure Analysis							
Earning per share (pre tax)	Rs	8.74	(12.17)	59.10	58.34	67.58	114.02
Earning per share (after tax)	Rs	8.02	(7.96)	41.57	39.51	57.92	84.39
Debt: equity	Rs	1.00	0.48	0.44	0.48	0.51	0.76

STATEMENT OF FREE FLOAT OF SHARES

In accordance with Regulation No. 5.7.2 (b) (ii) of Pakistan Stock Exchange Limited, we provide the Free Float of share of our Company as hereunder;

	30-09-2019	31-12-2019	31-03-2020	30-06-2020
Total Outstanding Shares	4,807,364	4,807,364	4,807,364	4,807,364
Less: Government Holdings	-	-	-	-
Less: Shares held by Directors/Sponsors/ Senior Management Officers and their associates	-	-	-	-
Less: Shares in Physical form	4,425,548	4,420,748	4,405,491	4,404,510
Less: Shares held by Associate Companies/ Group Companies (Cross Holding)	-	-	-	-
Less: Shares issued under Employees Stock Option Schemes that cannot be sold in the open market in normal course	-	-	-	-
Less: Treasury Shares	-	-	-	-
Less: Any other category that are barred from selling at the review date	-	-	-	-
Free Float	381,816	386,616	401,873	402,854



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KHYBER TOBACCO COMPANY LIMITED

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one
- resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are

in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Usher Ordinance, 1980.

The engagement partner on the audit resulting in this independent auditor's report is Rana M. Usman Khan.

Deloitte Young & Rubicam

Chartered Accountants

Lahore

Date: October 05, 2020

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2020

		2020	2019
	Note	Rupees	
Sales - net	22	1,828,703,290	1,070,173,339
Cost of sales	23	(1,510,666,257)	(892,617,715)
Gross profit		318,037,033	177,555,624
Administrative expenses	24	(136,876,081)	(120,916,758)
Impairment loss on financial assets	17.1	(16,590,963)	(2,199,268)
Selling and distribution cost	25	(101,828,450)	(83,908,112)
Other operating expenses	26	(15,728,979)	(27,301,000)
Finance cost	27	(19,913,984)	(46,129,722)
Other income	28	14,914,204	44,378,454
Profit / (loss) before taxation		42,012,780	(58,520,782)
Taxation	29	(3,475,941)	20,253,482
Profit / (loss) for the year		38,536,839	(38,267,300)
Earnings / (loss) per share - basic and diluted	30	8.02	(7.96)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Share capital	Revenue reserve		Capital reserve	Total
		General reserve	Unappropriated profit	Revaluation surplus on property, plant and equipment	
Rupees					
Balance as at 01 July 2018	48,073,640	3,312,465	960,342,709	325,910,651	1,337,639,465
Total comprehensive income for the year					
Loss for the year	-	-	(38,267,300)	-	(38,267,300)
Other comprehensive income for the year	-	-	3,569,607	-	3,569,607
	-	-	(34,697,693)	-	(34,697,693)
Transfer from surplus on revaluation of property, plant and equipment - net of tax			41,395,848	(41,395,848)	-
Transactions with owners, recorded directly in equity					
Final dividend 2018 @ Rs. 8.31 per share			(39,949,195)	-	(39,949,195)
Balance as at 30 June 2019	48,073,640	3,312,465	927,091,669	284,514,803	1,262,992,577
Balance as at 01 July 2019	48,073,640	3,312,465	927,091,669	284,514,803	1,262,992,577
Total comprehensive income for the year					
Profit for the year	-	-	38,536,839	-	38,536,839
Other comprehensive loss for the year	-	-	(3,057,143)	-	(3,057,143)
Total comprehensive (loss) / income for the year	-	-	35,479,696	-	35,479,696
Transfer from surplus on revaluation of property, plant and equipment - net of tax	-	-	33,016,449	(33,016,449)	-
Balance as at 30 June 2020	48,073,640	3,312,465	995,587,814	251,498,354	1,298,472,273

The annexed notes from 1 to 42 form an integral part of these financial statements

Balance at 31 December 2019	48,073,640	261,334,128	3,312,465	-	1,012,047,188	1,324,767,421
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						
Loss for the period	-	-	-	-	(7,468,122)	(7,468,122)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(7,468,122)	(7,468,122)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	(18,617,628)	-	-	18,617,628	-
Balance at 31 December 2020	48,073,640	232,880,726	3,312,465	-	1,006,737,320	1,291,004,151

The annexed explanatory notes from 1 to 17 form an integral part of the condensed interim financial statements.



Questions & Answers



**Thank
You**

THE END