



For the six month period
ended 31st December 2017

Half Yearly Report



Khyber Tobacco Company Limited

CONTENTS

Corporate Information	2
Directors' Review	3
ڈائریکٹرز رپورٹ	4
Auditors' Report	5
Balance Sheet (Un-audited)	6
Profit & Loss Account (Un-audited)	8
Cash Flow Statement (Un-audited)	9
Statement of Comprehensive Income (Un-audited)	10
Statement of Changes in Equity (Un-audited)	11
Notes to the Condensed Interim Financial Statements (Un-audited)	12

CORPORATE INFORMATION

Board of Directors

Mr. Waseem Ur Rehman
Mr. Pir Farhan Shah
Mr. Pir Waris Shah
Mr. Hazrat Bilal
Mr. Fazli Rabi
Mr. Shafiq Afzal Khan
Mr. Khalil Ur Rehman

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

Audit Committee

Mr. Pir Farhan Shah
Mr. Fazli Rabi
Mr. Shafiq Afzal Khan

Chairman
Member
Member

Human Resource Committee

Mr. Pir Waris Shah
Mr. Pir Farhan Shah

Chairman
Member

Senior Management

Mr. Waseem Ur Rehman

Chief Executive

Company Secretary

Mr. Pir Farhan Shah

Share Registrar

Central Depository Company
of Pakistan Limited
CDC House, 99-B, Block B
S.M.C.H.S., Main Shahrah e Faisal
Karachi

Bankers

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

External Auditors

KPMG Taseer Hadi & CO.
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

DIRECTORS' REVIEW

Dear Members,

The Directors of the Company are pleased to present the condensed Interim Financial Information (unaudited) of the company for the six months period ended 31 December 2017.

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

Financial Highlights	Jul-Dec 2017	Jul-Dec 2016	Difference
	Rs. in Millions		
Turnover – gross	1,343.75	943.44	400.30
Turnover – net	687.75	422.33	265.42
Cost of sales	345.91	255.93	89.98
Gross profit	341.84	166.40	175.44
Profit before taxation	264.92	115.72	149.21
Profit for the period	185.54	79.16	106.38
Earnings per share - basic and diluted	38.60	16.47	22.13

The above results indicate an overall revenue growth of 142% as compared to the corresponding period of the last year. The gross profit has increased by 205% i.e. from Rs.166.4 million to Rs.341.84 million as compared to last year and profit before taxation has increased by 229% i.e. from Rs.115.72 million to Rs.264.92 million as compared to last year, the increase in profitability is mainly due to increase in local cigarette sales as compared to the corresponding period. Local tobacco sales have decreased in the current period as the company has focused mainly on the sales of cigarettes in the local market and requirement of tobacco for its own consumption has also increased due to the increase in market demand of the products.

The earnings per share have been restated to incorporate the effect of 300% bonus shares issued by the company subsequent to the period end. Had there been no issue of bonus shares the earnings per share would have been Rs.154.38 as compared to 65.87 for the corresponding period, as a matter of comparison with the previous period.

Future Outlook:

The management is optimistic in maintaining excellent results in the future. Efforts for an increase in exports have been increased and we are confident that we will be able to generate export orders in the future. Local cigarette and tobacco sales can improve further as the company has continuously focused on better relationships with our valued customers.

Acknowledgement

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

On behalf of the Board



Waseem Ur Rehman
Chief Executive Officer

30 October 2017

ڈائریکٹرز رپورٹ

عزیز ممبران،

کمپنی کے ڈائریکٹر ۳۱ دسمبر ۲۰۱۷ کو ختم ہونے والے چھ ماہ کے عرصے کے دوران کمپنی کے انٹرم فائنل انفارمیشن (غیر مجاز شدہ) پیش کرتے ہیں

مالیاتی اعداد و شمار	فرق	Jul-Dec 2017	Jul-Dec 2016
		ملین روپے	
فروخت - مجموعی	400.30	1,343.75	943.44
فروخت - نیٹ	265.42	687.75	422.33
فروخت کی قیمت	89.98	345.91	255.93
کل منافع	175.44	341.84	166.40
ٹیکس سے پہلے منافع	149.21	264.92	115.72
مدت کے لئے منافع	106.38	185.54	79.16
فی شیئر کمائی - بنیادی اور پتلی	22.13	38.60	16.47

مندرجہ بالا نتائج ۱۴۲٪ گزشتہ سال کے مقابلے کی ایک مجموعی آمدنی ترقی کی نشاندہی کرتے ہیں۔ مجموعی منافع گزشتہ سال کے ۱۱۵,۷۲ ملین سے Rs. ۱۶۶,۴ ملین سے یعنی ۲۰۵ فیصد اضافہ ہوا ہے ۲۲۹ فیصد یعنی Rs. ۳۴۱,۸۴ ملین اور منافع کے لئے Rs. مقابلے ۲۶۴,۹۲ ملین کے لیے گزشتہ سال کے مقابلے سے قبل ٹیکس کی وصولی اضافہ ہوا ہے منافع میں اضافہ بنیادی طور پر مقامی سگریٹ Rs. کی فروخت کی متعلقہ مدت کے مقابلے میں اضافہ کی وجہ سے ہے۔ مقامی تمباکو فروخت بے کمی آئی کے موجودہ دور میں کمپنی کو بنیادی طور پر مقامی مارکیٹ میں سگریٹ کی فروخت پر مرکوز رہی ہے اور اس کے اپنے استعمال کے لئے تمباکو کی ضرورت بھی اضافہ ہوا ہے کہ مصنوعات کی مارکیٹ کی مانگ میں اضافے کی وجہ سے ہے۔

فی شیئر آمدنی مدت اختتام بعد کمپنی کی طرف سے جاری ہونے والے ۲۰۰٪ بونس حصص کا اثر شامل کرنے کے لیے ریستٹڈ کیا گیا ۱۵۴,۳۸ مقابلے ۶۵,۸۷ اس متعلقہ دورانیہ کے سابقہ دور کے ساتھ Rs. ہے۔ وہاں کوئی مسئلہ بونس حصص رہا تھا فی شیئر آمدنی موازنہ کے طور پر ہوتا ہے۔

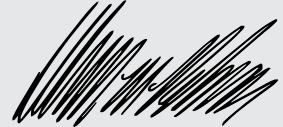
مستقبل آؤٹ لک:

انتظام بہترین نتائج مستقبل میں قائم رکھنے پر امید ہے۔ برآمدات میں اضافہ کے لئے کوششوں میں اضافہ کیا گیا ہے اور ہم کہ ہم مستقبل میں برآمدی آرڈرز پیدا کرنے کے لئے کے قابل ہو جائے گا پر اعتماد ہیں۔ مقامی سگریٹ اور تمباکو فروخت کر سکتے ہیں بہتر مزید جیسا کمپنی مسلسل بہتر تعلقات پر ہمارے قابل قدر گاہکوں کے ساتھ توجہ مرکوز کی ہے۔

شکر گزار

بورڈ کے رکن شکر گزار ہیں اس کے ملازمین، گاہکوں اور اسٹریٹیجک پارٹنرز اپنی لگن، عزم اور مشکل اوقات میں شراکت کی تعریف کرنا چاہیں گے۔ بورڈ حکومتی حکام، سپلائرز، بینکوں اور حصص دار متزلزل حمایت اور تعاون کے لئے کے لئے اس تشکر۔

۲۸ فروری سیڈنی بورڈ کی جانب سے



وسیم الرحمٰن

چیف ایگزیکٹو آفیسر

AUDITORS' REPORT TO MEMBERS

on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Khyber Tobacco Company Limited ("the Company") as at 31 December 2017, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended 31 December 2017, have not been reviewed and we do not express a conclusion on them.

Islamabad

KPMG Taseer Hadi & Co.
Chartered Accountants
Engagement Partner: Riaz Pesnani

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

As at 31 December 2017



		Un-audited 31 December 2017	Audited 30 June 2017
	Note	Rupees	
SHARE CAPITAL AND RESERVES			
Share capital	4	12,018,410	12,018,410
Reserves	5	39,367,695	3,312,465
Unappropriated profit		932,235,048	804,353,180
		983,621,153	819,684,055
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET		325,078,335	343,404,204
NON-CURRENT LIABILITIES			
Deferred liabilities		186,127,425	192,449,850
CURRENT LIABILITIES			
Trade and other payables	6	523,272,991	313,051,450
Provision for taxation - net		111,931,560	52,998,555
		635,204,551	366,050,005
		<u>2,130,031,464</u>	<u>1,721,588,114</u>
CONTINGENCIES AND COMMITMENTS	7		

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive

Director



		Un-audited 31 December 2017	Audited 30 June 2017
	Note	Rupees	
NON-CURRENT ASSETS			
Property, plant and equipment	8	623,148,894	652,719,504
Intangible		474,473	925,586
Long term deposits		4,010,411	4,010,411
		<u>627,633,778</u>	<u>657,655,501</u>
CURRENT ASSETS			
Stock in trade	9	848,734,558	528,336,344
Trade debts	10	504,825,693	441,194,843
Advances and prepayments		38,389,838	11,454,694
Cash and bank balances		110,447,597	82,946,732
		<u>1,502,397,686</u>	<u>1,063,932,613</u>
		<u>2,130,031,464</u>	<u>1,721,588,114</u>

Chief Executive


Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the six months period ended 31 December 2017

	Note	Three months ended 31 December		Six months ended 31 December	
		2017	2016	2017	2016
Rupees					
Turnover - net	11	402,123,272	241,637,705	687,748,432	422,326,190
Cost of sales	12	(205,848,154)	(162,256,363)	(345,908,780)	(255,927,216)
Gross profit		196,275,118	79,381,342	341,839,652	166,398,974
Distribution cost		(2,657,215)	(888,900)	(5,055,475)	(1,473,290)
Administrative expenses		(37,127,670)	(23,259,802)	(62,005,316)	(40,155,198)
Other operating expenses		(11,359,730)	(3,959,193)	(19,634,543)	(8,820,720)
Finance cost		(366,624)	(210,976)	(423,036)	(233,098)
Other income		10,182,175	-	10,202,775	-
Profit before taxation		154,946,054	51,062,471	264,924,057	115,716,668
Income tax expenses		(43,527,867)	(18,276,150)	(79,382,914)	(36,552,300)
Profit for the period		111,418,187	32,786,321	185,541,143	79,164,368
Earnings per share - basic and diluted (Rupees)	13	23.18	Restated 6.82	38.60	Restated 16.47

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



Chief Executive



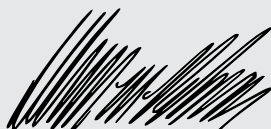
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the six months period ended 31 December 2017

	Six month ended 31 December	
	2017	2016
	Rupees	
Cash flows from operating activities		
Profit before taxation	264,924,057	115,716,668
Adjustments for:		
- Depreciation	34,809,249	19,948,751
- Amortization	451,113	307,956
- Provision for doubtful debts	11,407,272	-
- Provision for staff retirement benefits	3,043,417	3,475,980
- Finance cost	423,036	233,098
	50,134,087	23,965,785
	315,058,144	139,682,453
Changes:		
- Stock in trade	(320,398,214)	(237,394,448)
- Trade debts	(75,038,122)	(91,533,413)
- Advances and prepayments	(26,935,144)	17,796,682
- Trade and other payables	195,120,886	16,000,022
	(227,250,594)	(295,131,157)
Cash generated from / (used) in operating activities	87,807,550	(155,448,704)
Taxes paid	(29,832,526)	(9,791,788)
Finance cost paid	(423,036)	(233,098)
Net cash generated from / (used) in operating activities	57,551,988	(165,473,590)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(5,238,639)	(44,600)
Additions of intangible	-	(261,550)
Net cash used in investing activities	(5,238,639)	(306,150)
Cash flows from financing activities		
Short term loan	-	255,000,000
Repayment of short term loan	-	(55,000,000)
Dividend paid	(24,812,484)	(8,804,201)
Net cash generated from / (used in) financing activities	(24,812,484)	191,195,799
Net increase in cash and cash equivalents	27,500,865	25,416,059
Cash and cash equivalents at beginning of the period	82,946,732	17,665,202
Cash and cash equivalents at end of the period	110,447,597	43,081,261

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.



Chief Executive



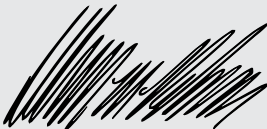
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

As at 31 December 2017

	Three months ended 31 December		Six months ended 31 December	
	2017	2016	2017	2016
	Rupees			
Profit for the period	111,418,187	32,786,321	185,541,143	79,164,368
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	111,418,187	32,786,321	185,541,143	79,164,368

The annexed notes 1 to 16 form an integral part of this condensed interim financial information



Chief Executive



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the six months period ended 31 December 2017

	Share capital	General reserve	Reserve for issuance of bonus shares Rupees	Unappropriated profit	Total
Balance at 01 July 2016	12,018,410	3,312,465	-	608,991,341	624,322,216
Total comprehensive income for the period					
Profit for the period	-	-	-	79,164,368	79,164,368
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	79,164,368	79,164,368
Transfer from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	7,222,971	7,222,971
Transactions with owners of the Company					
Distributions					
Final dividend for the year ended 30 June 2016 @ Rs. 10 per share	-	-	-	(12,018,410)	(12,018,410)
Balance at 31 December 2016	12,018,410	3,312,465	-	683,360,270	698,691,145
Balance at 01 July 2017	12,018,410	3,312,465	-	804,336,406	819,667,281
Total comprehensive income for the period					
Profit for the period	-	-	-	185,541,143	185,541,143
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	185,541,143	185,541,143
Transfer from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	18,325,869	18,325,869
Transactions with owners of the Company					
Distributions					
Final dividend for the year ended 30 June 2017 @ Rs. 33.21 per share	-	-	-	(39,913,140)	(39,913,140)
Reserve for issue of bonus shares	-	-	36,055,230	(36,055,230)	-
Balance at 31 December 2017	12,018,410	3,312,465	36,055,230	932,235,048	983,621,153

The annexed notes 1 to 16 form an integral part of this condensed interim financial information



Chief Executive



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)

For the six months period ended 31 December 2017

1. LEGAL STATUS AND OPERATIONS

Khyber Tobacco Company Limited ("the Company") is a public limited company incorporated in Pakistan on 15 October 1954 under the Companies Act, 1913 was repealed and replaced by the Companies Act, 2017 and its shares are quoted on Pakistan Stock Exchange. 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

- 2.1 This condensed interim financial information of the Company for the six months period ended 31 December 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 – Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in this condensed interim financial information do not include the information that was reported for annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements for the year ended 30 June 2017. Comparative balance sheet numbers are extracted from the annual audited financial statements for the year ended 30 June 2017, 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 six months period ended 31 December 2016.
- 2.2 This condensed interim financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Pakistan Stock Exchange Limited.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations and the methods of computation adopted in preparation of this condensed interim financial information and financial risk management policy are the same as those applied in preparation of annual audited financial statements for the year ended 30 June 2017.
- 3.2 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2018 and are not expected to have any significant effect on the Company's financial statements:

- Amendments to IFRS 2 – 'Share-based Payment' (effective 01 January 2018)
- Amendments to IAS 40 'Investment Property' (effective 01 January 2018)
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective 01 January 2018)
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective 01 January 2019)
- IFRS 15 'Revenue from contracts with customers' (effective 01 July 2018)
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective 01 January 2018)
- IFRS 9 'Financial Instruments' and amendment (effective 01 July 2018)
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective 01 January 2019)
- Annual improvements to IFRS standards 2015-2017 cycle:
 - IFRS 3 'Business Combinations' and IFRS 11 'Joint Arrangement' (effective 01 January 2019)
 - IAS 12 'Income Taxes' (effective 01 January 2019)
 - IAS 23 'Borrowing Cost' (effective 01 January 2019)
- In addition, the Companies Act, 2017 was enacted on 30 May 2017 and Securities and Exchange Commission of Pakistan (SECP) vide its circular 23 of 2017 has clarified that the companies whose financial year closes on or before 31 December 2017 shall prepare their financial statements, including interim financial information, in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 applicable for the financial year beginning on 01 January 2018 requires certain additional disclosures and changes for certain accounting treatments including accounting for surplus on revaluation of property, plant and equipment which may require change in the relevant accounting policy. Whilst management is in the process of assessing the impact of such changes on the financial statements, one significant change would be the presentation of "surplus on revaluation of property, plant and equipment" which is presently shown below the shareholder's equity as required by the repealed Companies Ordinance, 1984. The Companies Act, 2017 requires that such surplus should be presented as required by IAS 16 under the shareholders' equity.

4 SHARE CAPITAL

4.1 Authorised share capital

Unaudited 31 December 2017	Audited 30 June 2017		Unaudited 31 December 2017	Audited 30 June 2017
Number of shares			Rupees	
20,000,000	2,000,000	Ordinary shares of Rs. 10 each	200,000,000	20,000,000

4.2 Issued, subscribed and paid up capital

Unaudited 31 December 2017	Audited 30 June 2017		Unaudited 31 December 2017	Audited 30 June 2017
Number of shares			Rupees	
		Ordinary shares of Rs. 10 each,		
497,500	497,500	- allocated for consideration paid in cash	4,975,000	4,975,000
704,341	704,341	- allocated as bonus shares	7,043,410	7,043,410
1,201,841	1,201,841		12,018,410	12,018,410

- 4.3 During the period, the Company increased its authorised share capital for ordinary shares from Rs. 20 million to Rs. 200 million in its annual general meeting held on 28 October 2017.



	Unaudited 31 December 2017	Audited 30 June 2017
5 RESERVES		Rupees
General reserve	3,312,465	3,312,465
Reserve for issuance of bonus shares	36,055,230	-
	<u>39,367,695</u>	<u>3,312,465</u>

5.1 In pursuance of the resolution passed by the shareholders in the Annual General Meeting ("AGM") held on 28 October 2017, the sum of Rs. 36.05 million has been appropriated to "Reserve for issuance of bonus shares" and will therefore be capitalized upon the allotment of the bonus shares.

	Unaudited 31 December 2017	Audited 30 June 2017
6 TRADE AND OTHER PAYABLES		Rupees
Creditors	305,254,150	120,356,462
Accrued liabilities	21,884,057	15,378,403
Advances from customers	66,530,174	81,849,704
Unclaimed dividend	25,524,187	10,423,532
Workers' profit participation fund	66,103,144	51,875,214
Workers' welfare fund	11,577,882	6,171,269
Withholding tax payable	118,258	1,024,033
Sales tax payable	5,805,690	15,471,714
Tobacco cess payable	20,475,449	10,370,916
Other payable	-	130,203
	<u>523,272,991</u>	<u>313,051,450</u>

7 CONTINGENCIES AND COMMITMENTS

There is no change in the contingencies and commitments of the Company as disclosed in the financial statements for the year ended 30 June 2017, except for the following:

	Unaudited 31 December 2017	Audited 30 June 2017
7.1 Commitments		Rupees
- In respect of letter of credit against import of spares and raw material	9,449,374	829,598
- In respect of leasehold land	65,565	69,065

	Unaudited 31 December 2017	Audited 30 June 2017
8	PROPERTY, PLANT AND EQUIPMENT	
	Rupees	
	652,719,504	342,282,345
	5,238,639	2,053,227
	-	350,781,502
	(34,809,249)	(42,397,570)
	623,148,894	652,719,504
8.1	Additions during the period / year:	
	1,225,000	342,104
	265,324	1,048,673
	174,334	501,850
	244,500	160,600
	3,329,481	-
	5,238,639	2,053,227
9	STOCK IN TRADE	
	833,681,261	522,264,841
	5,353,439	963,992
	9,699,858	5,107,511
	848,734,558	528,336,344
10	TRADE DEBTS	
	504,825,693	441,194,843
	13,183,903	1,776,631
	518,009,596	442,971,474
	(13,183,903)	(1,776,631)
	504,825,693	441,194,843

	Three month ended		Six month ended	
	31 December		31 December	
	2017	2016	2017	2016
	Rupees		Rupees	
11 TURNOVER - NET				
Gross turnover				
- Local	818,610,305	542,824,860	1,343,745,833	943,443,646
- Export	-	-	5,434,000	-
	818,610,305	542,824,860	1,349,179,833	943,443,646
Government levies				
- Excise duty	(271,501,928)	(222,680,650)	(436,728,168)	(385,568,568)
- Sales tax	(116,134,827)	(69,076,935)	(187,885,005)	(118,894,798)
	(387,636,755)	(291,757,585)	(624,613,173)	(504,463,366)
Discounts	(28,850,278)	(9,429,570)	(36,818,228)	(16,654,090)
	402,123,272	241,637,705	687,748,432	422,326,190
12 COST OF SALES				
Raw and packing material consumed	145,246,487	138,587,817	246,539,289	190,399,884
Salaries, wages and benefits	14,755,705	12,454,733	26,587,042	25,142,661
Fuel and power	15,115,704	11,758,231	22,919,203	19,987,471
Stores and spares consumed	20,822,968	3,257,298	24,152,834	5,039,366
Repair and maintenance	1,316,038	2,192,757	1,463,838	2,290,507
Royalty	1,725,938	530,817	3,525,358	1,162,977
Depreciation	14,198,250	7,902,849	28,386,396	16,036,919
Amortization	184,957	72,081	360,891	230,887
Insurance expense	353,748	346,932	700,723	693,864
Machine hiring charges	123,000	(148,000)	255,000	1,970,640
	213,842,795	176,955,515	354,890,574	262,955,176
Work in process at beginning of period	3,622,299	589,062	963,992	-
Work in process at end of the period	(5,353,439)	(2,444,248)	(5,353,439)	(2,444,248)
Cost of goods manufactured	212,111,655	175,100,329	350,501,127	260,510,928
Finished stock at beginning of period	3,436,357	9,558,668	5,107,511	17,818,922
Finished stock at end of the period	(9,699,858)	(22,402,634)	(9,699,858)	(22,402,634)
	205,848,154	162,256,363	345,908,780	255,927,216

13 EARNINGS PER SHARE - basic and diluted

Basic earning per share has been restated to incorporate the effect of bonus shares. For further details refer note 16.1.

	Note	Three month ended 31 December		Six month ended 31 December	
		2017	2016	2017	2016
13.1 Basis earnings per share		Rupees		Rupees	
Profit for the period - (Rupees)		111,418,187	32,786,321	185,541,143	79,164,368
Weighted average number of shares - Numbers	13.3	4,807,364	4,807,364	4,807,364	4,807,364
Earnings per share - basic (Rupees)		23.18	6.82	38.60	16.47

13.2 Diluted earnings per share

There is no dilution effect on the basic earnings per share of the Company.

	Three month ended 31 December		Six month ended 31 December	
	2017	2016	2017	2016
13.3 Weighted average number of shares - Numbers				
Weighted average number of shares	1,201,841	1,201,841	1,201,841	1,201,841
Effect of bonus shares	3,605,523	3,605,523	3,605,523	3,605,523
Weighted average number of shares - basic	4,807,364	4,807,364	4,807,364	4,807,364

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

14.1 Classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

On-balance sheet financial instruments	Note	Carrying value		Fair value			Total
		Loans and receivables	Other financial liabilities	Level 1	Level 2	Level 3	
31 December 2017							
Financial assets not measured at fair value							
Long term deposits	14.2	4,010,411	-	-	-	-	-
Trade debts	10	504,825,693	-	-	-	-	-
Cash and bank balances		110,447,597	-	-	-	-	-
		619,283,701	-	-	-	-	-
Financial liabilities not measured at fair value							
Trade and other payables	14.2 6 & 14.3	-	373,137,843	-	-	-	-

On-balance sheet financial instruments

30 June 2017

Financial assets not measured at fair value							
Long term deposits	14.2	4,010,411	-	-	-	-	-
Trade debts	10	441,194,843	-	-	-	-	-
Cash and bank balances		82,946,732	-	-	-	-	-
		528,151,986	-	-	-	-	-
Financial liabilities not measured at fair value							
Trade and other payables	14.2 6 & 14.3	-	198,163,814	-	-	-	-

14.2 The Company has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

14.3 It excludes advances from customers, sales tax and federal excise duty, tobacco cess payable, workers' profit participation fund, workers' welfare fund and income tax deducted at source.

15 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated company, directors and their close family members, companies with common directorship, executives, key management personnel and major shareholders of the Company. Transactions and balances as of this reporting date with the related parties are disclosed as follows:

	Unaudited Six months ended 31 December	
	2017	2016
	Rupees	
Transaction with key management personnel		
Remuneration and allowances	13,990,000	16,436,473
Short term loan received during the period	-	255,000,000
Repayment of short term loan	-	(55,000,000)
Dividend paid	21,082,111	4,018,360


16 GENERAL

16.1 Non-adjusting event after reporting date

Subsequent to the reporting date on 10 February 2018, 3.605 million bonus shares have been issued by the Company.

16.2 Date of authorisation 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 28 February 2018.



Chief Executive



Director

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