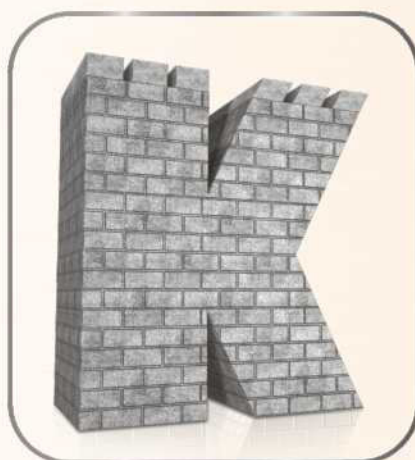


**Condensed Interim  
FINANCIAL INFORMATION  
(Unaudited)**

For the three months ended  
30th September 2016



**KHYBER TOBACCO COMPANY LIMITED  
MARDAN**



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## CORPORATE INFORMATION

### Board of Directors

Mr. Waseem Ur Rehman  
Mr. Pir Farhan Shah  
Mr. Liaqat Ali Khan  
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. Liaqat Ali Khan  
Mr. Pir Farhan Shah  
Mr. Shafiq Afzal Khan

Chairman  
Member  
Member

### Senior Management

Mr. Waseem Ur Rehman

Chief Executive

### Company Secretary

Mr. Liaqat Ali Khan

### 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**

The directors of the company are pleased to present the interim financial information of the company for the three months period ended 30 September 2016.

Key financial indicators for the first quarter of the financial year are as below:

	Jul-Sep, 2016	Jul-Sep, 2015
	Rs.(million)	
Gross Turnover	400.62	254.72
Net Turnover	180.69	115.22
Cost of Sales	93.67	100.18
Gross Profit	87.02	15.04
Profit (loss) before tax	64.65	(2.81)
Profit after tax	63.14	(1.24)
Earnings (loss) per share-EPS (Rs.)	52.53	(1.03)

During the period under review, the company earned a profit after tax of Rs. 63.14 million compared to loss of Rs. 1.24 million in the corresponding period of the last financial year. The profit is attributed to increase in selling prices of all brands in June 2016. In spite of the fact that no export orders were processed during the period, the results of the first quarter are very encouraging. Maintaining this level of profitability during the year seems to be a challenge however cost reduction measures have been initiated by the management to maintain this level during the coming months of the financial year.

Export has been the main source of profitability of the Company and the company's management is constantly endeavoring to expand its export market. It is hoped that the efforts of the management will be fruitful in the coming months of the financial year which will further increase the profitability.

General business and regulatory environment in the country poses challenges to the sustainable growth of our business. However despite these challenges, we are committed to enhance shareholders' return to the maximum extent.

31 October 2016

Waseem ur Rehman  
Chief Executive



## KHYBER TOBACCO COMPANY LIMITED

### Condensed Interim Balance Sheet (Unaudited) as at 30th September 2016

	Note	Unaudited 30 September 2016 Rupees	Audited 30 June 2016 Rupees
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 2,000,000 (30 June 2016: 2,000,000) ordinary shares of Rs. 10 each		<b>20,000,000</b>	20,000,000
Issued, subscribed and paid up share capital		<b>12,018,410</b>	12,018,410
General reserves		<b>3,312,465</b>	3,312,465
Unappropriated profit		<b>675,942,734</b>	608,991,341
		<b>691,273,609</b>	624,322,216
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net</b>		<b>123,602,128</b>	127,417,025
<b>NON CURRENT LIABILITIES</b>			
Deferred liabilities		<b>71,516,590</b>	71,717,539
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>312,780,227</b>	315,092,780
Short term loan		<b>250,000,000</b>	-
		<b>562,780,227</b>	315,092,780
		<b>1,449,172,554</b>	1,138,549,560
<b>CONTINGENCIES AND COMMITMENTS</b>	4		

The annexed notes 1 to 7 form an integral part of this condensed interim financial information

CHIEF EXECUTIVE



**Condensed Interim  
Balance Sheet (Unaudited)  
as at 30th September 2016**

	Note	Unaudited 30 September 2016 Rupees	Audited 30 June 2016 Rupees
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	332,189,560	342,282,345
Intangible assets		1,576,840	1,527,031
Long term deposits		4,010,411	4,010,411
		<b>337,776,811</b>	<b>347,819,787</b>
<b>CURRENT ASSETS</b>			
Stock in trade		860,099,422	546,317,189
Trade debts		182,108,554	184,027,433
Advances and prepayments		11,268,545	29,829,170
Advance tax		17,017,600	12,890,779
Cash and bank balances		40,901,622	17,665,202
		<b>1,111,395,743</b>	<b>790,729,773</b>
		<b>1,449,172,554</b>	<b>1,138,549,560</b>

*Ris Jashen Shah*

**DIRECTOR**



# KHYBER TOBACCO COMPANY LIMITED

## Condensed Interim Profit & Loss Account (Unaudited)

For the three months ended 30th September 2016

	Note	Three months ended 30 September	
		2016 Rupees	2015 Rupees
Turnover - net	6	180,688,485	115,220,094
Cost of sales		(93,670,853)	(100,182,040)
<b>Gross profit</b>		<b>87,017,632</b>	15,038,054
Distribution cost		(584,390)	(1,203,162)
Administrative expenses		(16,895,396)	(16,488,191)
Other operating expenses		(4,861,527)	-
Finance cost		(22,122)	(154,959)
Other income		-	-
<b>Profit / (Loss) before taxation</b>		<b>64,654,197</b>	(2,808,258)
Taxation		(1,517,701)	1,571,977
<b>Profit / (Loss) for the period</b>		<b>63,136,496</b>	(1,236,281)
<b>Earnings / (Loss) per share - basic and diluted</b>		<b>52.53</b>	(1.03)

The annexed notes 1 to 7 form an integral part of this condensed interim financial information

CHIEF EXECUTIVE

DIRECTOR



**Condensed Interim  
Statement of Comprehensive Income (Unaudited)  
For the three months ended 30th September 2016**

	<b>Three months ended 30 September</b>	
	<b>2016 Rupees</b>	<b>2015 Rupees</b>
Profit / (Loss) for the period	<b>63,136,496</b>	(1,236,281)
Other comprehensive income for the period	-	-
(Loss) / Total comprehensive income for the period	<b>63,136,496</b>	(1,236,281)

The annexed notes 1 to 7 form an integral part of this condensed interim financial information

**CHIEF EXECUTIVE**

**DIRECTOR**





# KHYBER TOBACCO COMPANY LIMITED

## Condensed Interim Cash Flow Statement (Unaudited) For the three months ended 30th September 2016

	Three months ended	
	30 September	
	2016	2015
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	64,654,197	(2,808,259)
<b>Adjustments for:</b>		
Depreciation	10,114,687	9,248,186
Amortisation	211,741	186,625
Provision for staff retirement benefits	1,512,990	-
Finance cost	22,122	154,959
	11,861,540	9,589,770
<b>Changes in:</b>	76,515,737	6,781,511
Stock in trade	(313,782,233)	(402,438,945)
Trade debts	1,918,879	70,133,354
Advances	18,560,625	661,668
Trade and other payables	(2,256,460)	303,042,396
	(295,559,189)	(28,601,527)
Cash generated from / (used in ) operating activities	(219,043,452)	(21,820,016)
Gratuity paid	-	-
Income tax paid	(7,358,461)	(7,291,793)
Finance cost paid	(22,122)	(154,959)
Dividend paid	(65,343)	-
<b>Net cash used in operating activities</b>	(226,489,378)	(29,266,768)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(12,652)	(4,672,390)
Increase in long term security deposits	-	(100,000)
Acquisition of intangibles	(261,550)	-
<b>Net cash used in investing activities</b>	(274,202)	(4,772,390)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term loan-Unsecured	250,000,000	-
	250,000,000	-
<b>Net increase (decrease) in cash and cash equivalents</b>	23,236,420	(34,039,158)
<b>Cash and cash equivalents at beginning of the period</b>	17,665,202	51,194,701
<b>Cash and cash equivalents at end of the period</b>	40,901,622	17,155,543

The annexed notes 1 to 7 form an integral part of this condensed interim financial information

CHIEF EXECUTIVE

DIRECTOR



**Condensed Interim  
Statement of Changes in Equity (Unaudited)  
for the three months ended 30th September 2016**

	Share capital	Revenue reserve		Total
		General reserve	Unappropriated profit	
Rupees				
<b>Balance at 01 July 2015</b>	12,018,410	3,312,465	531,803,587	547,134,462
<b>Total comprehensive income for the period</b>				
Profit (loss) for the period	-	-	(1,236,282)	(1,236,282)
Other comprehensive income for the period - (loss)	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment - net of tax	-	-	3,191,590	3,191,590
	-	-	1,955,308	1,955,308
<b>Balance at 30 September 2015</b>	<b>12,018,410</b>	<b>3,312,465</b>	<b>533,758,895</b>	<b>549,089,770</b>
<b>Balance at 01 July 2016</b>	<b>12,018,410</b>	<b>3,312,465</b>	<b>608,991,341</b>	<b>624,322,216</b>
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	63,136,496	63,136,496
Other comprehensive income for the period	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment - net of tax	-	-	3,814,897	3,814,897
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>66,951,393</b>	<b>66,951,393</b>
	<b>12,018,410</b>	<b>3,312,465</b>	<b>675,942,734</b>	<b>691,273,609</b>

The annexed notes 1 to 7 form an integral part of this condensed interim financial information.

**CHIEF EXECUTIVE**

**DIRECTOR**



## Selected notes to and forming part of the Condensed Interim Financial Information for the three months ended 30th September 2016

### 1. THE COMPANY AND ITS OPERATIONS

Khyber Tobacco Company Limited ("the Company") is a public listed company incorporated in Pakistan on October 15, 1954 under the Companies Act, 1913 since repealed and replaced by the Companies Ordinance, 1984 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 AND STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company for the three months period ended 30 September 2016 has been prepared in accordance with approved accounting standards as applicable in Pakistan. The disclosures in this condensed interim financial information do not include those reported for full audited annual financial statements and should therefore be read in conjunction with the audited annual financial statements for the year ended 30 June 2016.

Comparative balance sheet is extracted from the audited annual financial statements as of 30 June 2016, 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 three months period ended 30 September 2015.

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 Pakistan Stock Exchange Limited.

### 3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, significant judgments, estimates and assumptions used by management in preparation of this condensed interim financial information are the same as those applied in preparation of audited annual financial statements for the year ended 30 June 2016.

### 4. CONTINGENCIES AND COMMITMENTS

Contingencies and commitments are the same as disclosed in the annual financial statements for the year ended 30 June 2016.

### 5. PROPERTY, PLANT AND EQUIPMENT

Break up of property, plant and equipment is as follows:

	<b>Unaudited</b>	Audited
	<b>30 September</b>	30 June
	<b>2016</b>	2016
	<b>Rupees</b>	Rupees
Operating fixed assets	332,189,560	342,282,345
Capital work in progress	-	-
	<b>332,189,560</b>	<b>342,282,345</b>



**Selected notes to and forming part of the Condensed Interim  
Financial Information  
for the three months ended 30th September 2016**

	Three months ended 30 September	
	2016 Rupees	2015 Rupees
<b>6. TURNOVER - net</b>		
Gross turnover		
- Local	400,618,786	254,714,269
- Export	-	-
	<b>400,618,786</b>	254,714,269
Government levies		
Excise duty	<b>(162,887,918)</b>	(103,669,890)
Sales tax	<b>(49,817,863)</b>	(28,357,645)
	<b>(212,705,781)</b>	(132,027,535)
Discount	<b>(7,224,520)</b>	(7,466,640)
	<b>180,688,485</b>	115,220,094

**7. DATE OF AUTHORIZATION 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 31 October 2016.

**CHIEF EXECUTIVE**

**DIRECTOR**