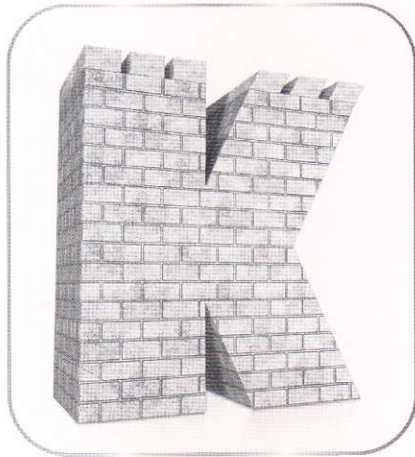
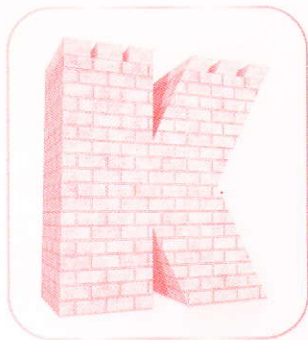


FINANCIAL STATEMENTS (UN-AUDITED)

For the period ended
30th September 2015



**KHYBER TOBACCO COMPANY LIMITED
MARDAN**



Financial Statements

For the period ended
30th September 2015

CONTENTS

- ▶ Corporate Information
- ▶ Director's Review
- ▶ Balance Sheet (Un-Audited)
- ▶ Profit & Loss Account (Un-Audited)
- ▶ Statement of Comprehensive Income (Un-Audited)
- ▶ Cash Flow Statement (Un-Audited)
- ▶ Statement of Changes in Equity (Un-Audited)
- ▶ Notes to the Condensed Interim Financial Statements (Un-Audited)



CORPORATE INFORMATION

Board of Directors

Mr. Waseem Ur Rehman
Mr. Muhammad Sayyad
Mr. Liaqat Ali Khan
Mr. Bilalzada
Mr. Shafiq Afzal Khan
Mr. Hazrat Bilal
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. Muhammad Sayyad
Mr. Liaqat Ali Khan
Mr. Shafiq Afzal Khan

Chairman
Member
Member

Human Resource Committee

Mr. Liaqat Ali Khan
Mr. Muhammad Sayyad
Mr. Shafiq Afzal Khan

Chairman
Member
Member

Senior Management

Mr. Waseem Ur Rehman

Chief Executive

Company Secretary

Mr. Liaqat Ali Khan

Bankers

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

Share Registrar

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

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: +92-937-870380,843329
Fax: +92-937-843329



DIRECTORS' REPORT

The directors of the company are pleased to present the interim financial information of the company for the three months ended 30th September 2015.

During the period under review, the company incurred a loss of Rs. 1.24 million as compared to a loss of Rs. 84.02 million in the corresponding period in the last financial year.

The company could not process export orders due to which loss was incurred in the period under review. Though the company has revised retail prices of all of its brands in the previous year which has helped to mitigate the huge losses incurred during corresponding period of the last financial, yet the company has not been able to earn lucrative profits, export being the main source of profitability of the company.

Loss per share for the quarter ended 30th September 2015 is Rs.1.03 compared to loss of Rs. 69.91 per share in the corresponding period in the last financial year.

As explained above, export is 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.

We extend our heartiest thanks to our esteemed customers, suppliers, bankers and other stakeholders for their continued commitment to the company and we hope that the company will succeed in all its future endeavors.

31 October 2015

Waseem ur Rehman
Chief Executive

**Balance Sheet (Un-audited)**
as at 30th September 2015

	Unaudited 30 September 2015 Rupees	Audited 30 June 2015 Rupees
Note		
SHARE CAPITAL AND RESERVES		
Authorised share capital 2,000,000 (30 June 2015: 2,000,000) ordinary shares of Rs. 10 each	<u>20,000,000</u>	<u>20,000,000</u>
Issued, subscribed and paid up share capital	12,018,410	12,018,410
General reserves	3,312,465	3,312,465
Unappropriated profit	<u>533,758,895</u>	<u>531,803,587</u>
	549,089,770	547,134,462
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net	144,859,945	148,051,535
NON CURRENT LIABILITIES		
Deferred liabilities	60,090,898	61,662,875
CURRENT LIABILITIES		
Trade and other payables	<u>657,306,727</u>	<u>354,264,331</u>
	657,306,727	354,264,331
	<u>1,411,347,340</u>	<u>1,111,113,203</u>
CONTINGENCIES AND COMMITMENTS	4	

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

CHIEF EXECUTIVE



Balance Sheet (Un-audited)
as at 30th September 2015

		Unaudited 30 September 2015 Rupees	Audited 30 June 2015 Rupees
	Note		
NON CURRENT ASSETS			
Property, plant and equipment	5	365,893,807	371,666,076
Intangible assets		2,462,688	1,452,840
Long term deposits		2,859,151	2,759,151
		371,215,646	375,878,067
 CURRENT ASSETS			
Stock in trade		861,962,112	459,523,166
Trade debts		131,920,917	202,054,271
Advances		16,572,050	17,233,718
Advance tax		12,521,073	5,229,280
Cash and bank balances		17,155,542	51,194,701
		1,040,131,694	735,235,136
		<u>1,411,347,340</u>	<u>1,111,113,203</u>

DIRECTOR



KHYBER TOBACCO COMPANY LIMITED

Condensed Interim Profit & Loss Account (Un-audited) For the three months period ended 30th September 2015

	Note	Three months ended 30 September	
		2015 Rupees	2014 Rupees
Turnover - net	6	115,220,094	58,366,393
Cost of sales		(100,182,040)	(156,468,764)
Gross profit (Loss)		15,038,054	(98,102,371)
Distribution cost		(1,203,162)	(2,961,929)
Administrative expenses		(16,488,191)	(8,115,029)
Other expenses		-	-
Finance cost		(154,959)	(392,458)
Other operating income		-	15,600,345
Profit (Loss) before taxation		(2,808,259)	(93,971,442)
Taxation		1,571,977	9,952,496
Profit (Loss) for the period		(1,236,282)	(84,018,946)
Earnings (Loss) per share - basic and diluted		(1.03)	(69.91)

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 (Un-audited)
For the three months ended 30th September 2015**

	Three months ended 30 September	
	2015 Rupees	2014 Rupees
Profit / (Loss) for the period	(1,236,282)	(84,018,946)
Other comprehensive income for the period	-	-
Total comprehensive income (loss) for the period	<u>(1,236,282)</u>	<u>(84,018,946)</u>

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

CHIEF EXECUTIVE

DIRECTOR



**Condensed Interim
Cash Flow Statement (Un-audited)
For the three months ended 30th September 2015**

	Three months ended 30 September	
	2015	2014
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	(2,808,259)	(93,971,442)
Adjustments for:		
Depreciation	9,248,186	7,142,858
Amortization	186,625	-
Gain on disposal of non current assets held for sale	-	(15,600,345)
Provision for staff retirement benefits	-	941,837
Finance cost	154,959	(392,458)
	9,589,770	(7,908,108)
Changes in:		
Stock in trade	(402,438,945)	(497,009,608)
Trade debts	70,133,354	(10,170,456)
Advances	661,668	(11,654,320)
Prepayments	-	88,430
Other receivable	-	360,900
Trade and other payables	303,042,396	483,280,245
	(28,601,527)	(35,104,809)
Cash generated from operations	(21,820,016)	(136,984,359)
Gratuity paid	-	-
Income tax paid	(7,291,793)	(6,811,826)
Income tax refund	-	8,099,855
Finance cost paid	(154,959)	392,458
Dividend paid	-	-
Net cash generated from operating activities	(29,266,768)	(135,303,872)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(4,672,390)	(2,968,709)
Increase in long term security deposits	(100,000)	-
Proceeds from disposal of non-current asset held for sale	-	92,000,000
Net cash used in investing activities	(4,772,390)	89,031,291
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loan-Unsecured	-	45,000,000
	-	45,000,000
Net increase (decrease) in cash and cash equivalents	(34,039,158)	(1,272,581)
Cash and cash equivalents at beginning of the period	51,194,701	26,687,155
Cash and cash equivalents at end of the period	17,155,542	25,414,574

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 (Un-audited)
for the three months ended 30th September 2015**

	Revenue reserve		Total	
	Share capital	General reserve		Unappropriated profit
	Rupees			
Balance at 01 July 2014	12,018,410	3,312,465	429,280,064	444,610,939
Total comprehensive income for the year				
Profit (loss) for the period	-	-	(84,018,946)	(84,018,946)
Other comprehensive income for the period - (loss)	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment - net of tax	-	-	3,596,300	3,596,300
	-	-	(80,422,646)	(80,422,646)
Balance at 30 September 2014	12,018,410	3,312,465	348,857,418	364,188,293
Balance at 01 July 2015	12,018,410	3,312,465	531,803,587	547,134,462
Total comprehensive income for the period				
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
Total comprehensive income for the period	-	-	1,955,308	1,955,308
	12,018,410	3,312,465	533,758,895	549,089,770

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 2015**

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 since repealed and replaced by the Companies Ordinance, 1984 and is listed on the Karachi and Lahore stock exchanges. 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 2015 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 annual audited financial statements and should therefore be read in conjunction with the audited annual financial statements for the year ended 30 June 2015.

Comparative balance sheet is extracted from the audited annual financial statements as of 30 June 2015, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from un audited condensed interim financial information for the three months period ended 30 September 2014.

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 Karachi Stock Exchange Limited and Lahore Stock Exchange Limited.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, significant judgments, estimates and assumptions used by the 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 2015.

4. CONTINGENCIES AND COMMITMENTS

Contingencies and commitments are the same as disclosed in the annual financial statements for the year ended 30 June 2015.

5. PROPERTY, PLANT AND EQUIPMENT

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

	Unaudited 30 September 2015	Audited 30 June 2015
	Rupees	Rupees
Operating fixed assets	342,640,207	348,412,476
Capital work in progress	23,253,600	23,253,600
	<u>365,893,807</u>	<u>371,666,076</u>



**Selected notes to and forming part of the Condensed Interim
Financial Information
for the three months ended 30th September 2015**

	Three months ended 30 September	
	2015 Rupees	2014 Rupees
6. TURNOVER - net		
Gross turnover		
- Local	254,714,269	115,815,221
- Export	-	22,186,928
	254,714,269	138,002,149
Government levies		
Excise duty	103,669,890	60,324,950
Sales tax	28,357,645	16,345,206
	132,027,535	76,670,156
Discounts	7,466,640	2,965,600
	115,220,094	58,366,393

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 2015.

CHIEF EXECUTIVE

DIRECTOR