



Financial Information

For the nine months ended
31st March 2015

CONTENTS

- ▶ Corporate Information
- ▶ Directors' 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)
- ▶ Selected Notes to the Condensed Interim
Financial Information (Un-Audited)



CORPORATE INFORMATION

Board of Directors

Mr. Waseem Ur Rehman	Chief Executive
Mr. Muhammad Sayyad	Non-Executive Director
Mr. Liaqat Ali Khan	Executive Director
Mr. Bilalzada	Non-Executive Director
Mr. Shafiq Afzal Khan	Non-Executive Director
Mr. Hazrat Bilal	Non-Executive Director
Mr. Khalil Ur Rehman	Non-Executive Director

Audit Committee

Mr. Muhammad Sayyad	Chairman
Mr. Hazrat Bilal	Member
Mr. Shafiq Afzal Khan	Member

Human Resource Committee

Mr. Liaqat Ali Khan	Chairman
Mr. Muhammad Sayyad	Member
Mr. Shafiq Afzal Khan	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 Shahrah e Faisal
Karachi

External Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Internal Auditors

Shahid Waheed Younas Jamil & Co
Chartered Accountants

Registered Office

Khyber Tobacco Company Limited
Nowshera Road, Mardan
Telephone: +92-937-870380
Fax: +92-937-874999



DIRECTORS' REPORT

The Directors of the Company are pleased to present the condensed Interim financial Information of the company for the nine months period ended 31 March 2015.

During the period under review the Company incurred loss before tax of Rs. 8.5 million compared to profit of Rs.35.1 million in the corresponding period of the last financial year. The reason for loss is the tremendous decrease in the export sale of tobacco which remained of Rs. 22.2 million compared to export of Rs. 143 million in the corresponding period of the last financial year. Local sales have witnessed a decrease of about 17% compared to local sales in the corresponding period of the last financial year. Local tobacco sales have dropped to 0.29 million kgs in the current period under review compared to sale of 1.6 million kgs in the corresponding period of the last financial year.

The Company has revised the selling price of almost all of its brands in the last quarter of the financial year which will help the Company increase its margin from Local cigarette Sales.

The company is negotiating export of tobacco and it is hoped that the company will be able to export 0.3 million kgs of tobacco till the end of June 2015 which will put the Company back on profitable track.

Loss per share has been of Rs. 3.12 in the period under review compared to earnings per share of Rs. 33.93 in the corresponding period of the last financial year.

We extend our heartiest thanks to our esteemed customers, suppliers, bankers and other stakeholders for their continued commitment to the Company and pray Almighty Allah for the future success of the Company.

29 April 2015

On behalf of the Board

Waseem Ur Rehman
Chief Executive

**Condensed Interim
Balance Sheet (Un-audited)
as at 31 March 2015**

	Un-audited 31 March 2015 Rupees	Audited 30 June 2014 Rupees
SHARE CAPITAL AND RESERVES		
Authorised share capital 2,000,000 (30 June 2014: 2,000,000) ordinary shares of Rs. 10 each	20,000,000	20,000,000
Issued, subscribed and paid up share capital	12,018,410	12,018,410
General reserves	3,312,465	3,312,465
Unappropriated profit	423,082,674	429,280,064
	438,413,549	444,610,939
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net	159,874,788	169,449,558
NON CURRENT LIABILITIES		
Deferred liabilities	43,010,498	46,022,755
CURRENT LIABILITIES		
Trade and other payables	659,204,659	189,899,589
Short term loan	68,000,000	-
	727,204,659	189,899,589
	1,368,503,494	849,982,841
CONTINGENCIES AND COMMITMENTS	4	

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

CHIEF EXECUTIVE



Condensed Interim
Balance Sheet (Un-audited)
 as at 31 March 2015

	Note	Un-audited 31 March 2015 Rupees	Audited 30 June 2014 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	358,731,632	375,701,793
Long term deposits		2,759,151	2,699,151
Intangible assets		1,308,141	-
		362,798,924	378,400,944
CURRENT ASSETS			
Stock in trade		864,543,496	313,714,910
Trade debts - considered good		77,204,717	29,860,674
Advances to suppliers		13,393,876	6,956,517
Prepayments		-	88,430
Advance tax		27,760,425	20,456,881
Other receivable		4,188,060	360,900
Non current assets held for sale		-	73,456,430
Cash and bank balances		18,613,996	26,687,155
		1,005,704,570	471,581,897
		1,368,503,494	849,982,841

DIRECTOR



**Condensed Interim
Profit and Loss Account (Un-audited)
for the nine months period ended 31 March 2015**

	Note	Three months ended 31 March		Nine months ended 31 March	
		2015 Rupees	2014 Rupees	2015 Rupees	2014 Rupees
Turnover - net	6	105,488,821	227,846,954	257,114,362	547,721,044
Cost of sales		(94,417,559)	(154,440,216)	(228,675,586)	(469,110,360)
Gross profit		11,071,262	73,406,738	28,438,776	78,610,684
Administrative expenses		(16,278,221)	(16,392,642)	(48,391,427)	(40,114,704)
Distribution cost		(628,725)	(2,530,647)	(4,411,167)	(4,926,230)
Other expenses		-	(2,227,548)	-	(2,227,548)
Finance cost		(145,351)	(299,786)	(640,782)	(1,747,633)
Other operating income		1,491,350	21,027	16,534,920	5,470,866
Profit (Loss) before taxation		(4,489,686)	51,977,142	(8,469,681)	35,065,435
Taxation		4,230,792	4,262,064	4,715,931	5,716,584
Profit (Loss) for the period		(258,893)	56,239,206	(3,753,749)	40,782,019
Earnings (Loss) per share - basic and diluted		(0.22)	46.79	(3.12)	33.93

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 nine months period ended 31 March 2015**

	Three months ended 31 March		Nine months ended 31 March	
	2015 Rupees	2014 Rupees	2015 Rupees	2014 Rupees
Profit / (Loss) for the period	(258,893)	56,239,206	(3,753,749)	40,782,019
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(258,893)	56,239,206	(3,753,749)	40,782,019

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 (Un-audited) for the nine months period ended 31 March 2015

	Nine months ended 31 March	
	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	(8,469,681)	35,065,435
Adjustments for:		
Depreciation	22,460,800	19,822,721
Amortization	133,625	-
Gain on disposal of non current assets held for sale	(15,043,570)	-
Provision for staff retirement benefits	1,883,675	1,319,555
Finance cost	640,782	1,747,633
	10,075,311	22,889,909
Working capital changes (Increase) / decrease in current assets	1,605,631	57,955,344
Stock in trade	(550,828,586)	(237,215,055)
Trade debts - considered good	(47,344,043)	116,177,526
Advances to suppliers	(6,437,359)	16,650,870
Prepayments	88,430	225,467
Other receivable	(3,827,160)	(10,294,900)
Increase in current liabilities		
Trade and other payables	465,745,928	174,240,132
	(142,602,790)	59,784,040
cash generated from / (used in) operations	(140,997,159)	117,739,384
Gratuity paid	(180,000)	(49,500)
Income tax paid	(7,303,544)	(33,265,261)
Income tax refund	1,491,350	-
Finance cost paid	(640,782)	(1,747,633)
Dividend paid	(8,459,268)	(4,158,709)
Net cash generated from/ (used in) operating activities	(156,089,403)	78,518,281
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(8,243,756)	(133,263,775)
Security deposits	(60,000)	(499,000)
Proceeds from sale of machinery held for sale	88,320,000	-
Net cash used in investing activities	80,016,244	(133,762,775)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loan-Unsecured	73,000,000	20,000,000
Repayment of short term loan	(5,000,000)	-
	68,000,000	20,000,000
Net increase (decrease) in cash and cash equivalents	(8,073,159)	(35,244,494)
Cash and cash equivalents at beginning of the period	26,687,155	57,390,549
Cash and cash equivalents at end of the period	18,613,996	22,146,055

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 nine months period ended 31 March 2015**

	Share capital	General reserve	Unappropriated profit	Total equity
Rupees				
Balance at 01 July 2013	12,018,410	3,312,465	278,238,018	293,568,893
<i>Changes in equity for the period ended 31 March 2014</i>				
Total comprehensive income for the period				
Profit for the period	-	-	40,782,019	40,782,019
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	-	10,616,514	10,616,514
Total comprehensive income for the period	-	-	51,398,533	51,398,533
Transactions with owners of the Company, recognised directly in equity				
Distribution to owners of the Company				
Final dividend 2013: Rs. 5 per share	-	-	(6,009,205)	(6,009,205)
Total transactions with owners of the Company	-	-	(6,009,205)	(6,009,205)
Balance at 31 March 2014	12,018,410	3,312,465	323,627,346	338,958,221
Balance at 01 July 2014	12,018,410	3,312,465	429,280,064	444,610,939
<i>Changes in equity for the period ended 31 March 2015</i>				
Total comprehensive income for the period				
Profit (Loss) for the period	-	-	(3,753,749)	(3,753,749)
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	-	9,574,770	9,574,770
Total comprehensive income for the period	-	-	5,821,020	5,821,020
Transactions with owners of the Company, recognised directly in equity				
Distribution to owners of the Company				
Final dividend 2014: Rs.10 per share	-	-	(12,018,410)	(12,018,410)
Total transactions with owners of the Company	-	-	(12,018,410)	(12,018,410)
Balance at 31 March 2015	12,018,410	3,312,465	423,082,674	438,413,549

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

CHIEF EXECUTIVE

DIRECTOR



selected notes to the condensed interim Financial Information (Un-audited) for the nine months period ended 31 March 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 nine months period ended 31 March 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 audited annual financial statements and should therefore be read in conjunction with the audited annual financial statements for the year ended 30 June 2014.

Comparative balance sheet is extracted from the audited annual financial statements as of 30 June 2014, 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 nine months period ended 31 March 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 the Karachi Stock Exchange Limited and Lahore Stock Exchange Limited.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, significant judgements, 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 2014.

4. CONTINGENCIES AND COMMITMENTS

Contingencies and commitments are the same as disclosed in the annual financial statements for the year ended 30 June 2014.

5. PROPERTY, PLANT AND EQUIPMENT

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

	Un-audited	Audited
	31 March	30 June
	2015	2014
	Rupees	Rupees
Operating fixed assets	313,726,483	320,419,718
Capital work in progress	32,963,689	107,144,111
Stores held for capitalization	12,041,460	12,041,460
	358,731,632	439,605,289



selected notes to the condensed interim
Financial Information (Un-audited)
 for the nine months period ended 31 March 2015

	Three months ended		Nine months ended	
	31 March		31 March	
	2015	2014	2015	2014
	Rupees	Rupees	Rupees	Rupees
6. TURNOVER - net				
Gross turnover				
- Local	254,400,780	210,577,301	643,925,450	775,296,979
- Export	-	136,932,053	22,186,928	142,523,628
	254,400,780	347,509,354	666,112,378	917,820,607
Government levies				
Excise duty	114,248,771	87,716,530	304,885,854	267,697,316
Sales tax	32,234,167	23,990,340	85,971,108	70,891,181
	146,482,938	111,706,870	390,856,962	338,588,497
Rebates and discounts	(7,431,521)	(7,955,530)	(18,141,054)	(31,511,066)
	100,486,321	227,846,954	257,114,362	547,721,044

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 29 April 2015.

CHIEF EXECUTIVE

DIRECTOR