

Condensed interim
FINANCIAL INFORMATION
(UN-AUDITED)

for the nine months ended
31st March 2016



KHYBER TOBACCO COMPANY LIMITED
MARDAN



Condensed interim
Financial Information
for the nine months ended
31st March 2016

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 / Executive Director
Mr. Muhammad Sayyad	Non-Executive Director
Mr. Liaqat Ali Khan	Executive Director
Mr. Fazali Rabi	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. Liaqat Ali Khan	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
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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' REVIEW

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 2016.

During the period under review the Company earned profit before tax of Rs. 31.5 million compared to loss before tax of Rs.8.5 million in the corresponding period of the last financial year. The company succeeded in making some exports due to which handsome revenues were earned in the period under review compared to corresponding period in the last financial year. Local sales also witnessed huge increase of about 40% thereby bringing profit for the company in the period under review. Local tobacco sales have been 0.452 million Kgs in the current period under review compared to Local Tobacco sales of 0.290 million Kgs in the corresponding period of the last financial year.

Selling prices of all brands of cigarettes were revised in the first quarter of the financial year which helped the Company increase its margin from Local cigarette Sales.

Earning per share has been of Rs. 22.56 in the period under review compared to loss per share of Rs. 3.12 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.

27 April 2016

On behalf of the Board

Waseem Ur Rehman
Chief Executive



**Condensed Interim
Balance Sheet (Un-audited)
as at 31 March 2016**

	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
Note		
SHARE CAPITAL AND RESERVES		
Authorised share capital 2,000,000 (30 June 2015: 2,000,000)	20,000,000	20,000,000
ordinary shares of Rs. 10 each Issued, subscribed and paid up share capital	12,018,410	12,018,410
General reserve	3,312,465	3,312,465
Unappropriated profit	561,424,634	531,803,587
	576,755,509	547,134,462
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net	138,333,858	148,051,535
NON CURRENT LIABILITIES		
Deferred liabilities	59,034,851	61,662,875
CURRENT LIABILITIES		
Trade and other payables	493,137,172	354,264,331
Short term loan-Unsecured	150,300,000	-
	643,437,172	354,264,331
	1,417,561,390	1,111,113,203

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 2016

	Note	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	350,485,502	371,666,076
Intangible assets		1,540,098	1,452,840
Long term deposits		3,716,411	2,759,151
		355,742,011	375,878,067
CURRENT ASSETS			
Stock in trade		778,625,676	459,523,166
Trade debts		227,984,366	202,054,271
Advances to suppliers		17,203,955	17,233,718
Other Receivable		2,026,300	-
Advance tax		14,746,915	5,229,280
Cash and bank balances		21,232,167	51,194,701
		1,061,819,379	735,235,136
		<u>1,417,561,390</u>	<u>1,111,113,203</u>

DIRECTOR



Condensed Interim
Profit and Loss Account (Un-audited)
for the nine months period ended 31 March 2016

	Note	Three months ended 31 March		Nine months ended 31 March	
		2016 Rupees	2015 Rupees	2016 Rupees	2015 Rupees
Turnover - net	6	167,714,085	105,488,821	399,178,844	257,114,362
Cost of sales		(103,319,216)	(94,417,559)	(298,132,087)	(228,675,586)
Gross profit		64,394,869	11,071,262	101,046,757	28,438,776
Administrative expenses		(14,562,038)	(16,278,221)	(55,524,680)	(48,391,427)
Other operating Expenses		(2,363,824)	-	(2,363,824)	-
Distribution cost		(8,333,927)	(628,725)	(11,311,358)	(4,411,167)
Finance cost		(52,646)	(145,351)	(441,810)	(640,782)
Other operating income		20,979	1,491,350	92,245	16,534,920
Profit (Loss) before taxation		39,103,413	(4,489,686)	31,497,330	(8,469,681)
Taxation		(3,156,402)	4,230,792	(4,382,921)	4,715,931
Profit (Loss) for the period		35,947,011	(258,893)	27,114,417	(3,753,749)
Earnings (Loss) per share - basic and diluted		29.91	(0.22)	22.56	(3.12)

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 2016**

	Three months ended 31 March		Nine months ended 31 March	
	2016	2015	2016	2015
	Rupees	Rupees	Rupees	Rupees
Profit / (Loss) for the period	35,947,011	(258,893)	27,114,417	(3,753,749)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	35,947,011	(258,893)	27,114,417	(3,753,749)

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 2016

	Nine months ended	
	31 March	
	2016	2015
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	31,497,330	(8,469,681)
Adjustments for:		
Depreciation	23,352,549	22,460,800
Amortization	760,015	133,625
Gain on disposal of non current assets held for sale	-	(15,043,570)
Provision for staff retirement benefits	1,945,000	1,883,675
Finance cost	441,810	640,782
	26,499,375	10,075,311
Working capital changes (Increase) / decrease in current assets	57,996,705	1,605,631
Stock in trade	(319,102,510)	(550,828,586)
Trade debts - considered good	(25,930,095)	(47,344,043)
Advances to suppliers	29,763	(6,437,359)
Prepayments	-	88,430
Other receivable	(2,026,300)	(3,827,160)
Increase in current liabilities	133,790,796	465,745,928
Trade and other payables	(213,238,346)	(142,602,790)
	(155,241,640)	(140,997,159)
Cash generated from operations	-	(180,000)
Gratuity paid	(18,493,208)	(7,303,544)
Income tax paid	19,640	1,491,350
Income tax refund	(441,810)	(640,782)
Finance cost paid	(2,129,001)	(8,459,268)
Dividend paid	(176,286,019)	(156,089,403)
Net cash generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(2,171,981)	(8,243,756)
Addition to Intangible Assets	(847,274)	-
Security deposits	(957,260)	(60,000)
Proceeds from sale of machinery held for sale		88,320,000
Net cash used in investing activities	(3,976,515)	80,016,244
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loan-Unsecured	150,300,000	73,000,000
Repayment of short term loan	-	(5,000,000)
	150,300,000	68,000,000
Net increase (decrease) in cash and cash equivalents	(29,962,534)	(8,073,159)
Cash and cash equivalents at beginning of the period	51,194,701	26,687,155
Cash and cash equivalents at end of the period	21,232,167	18,613,996

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 2016**

	Share capital	Revenue reserves		Total
		General reserve	Unappropriated profit	
Rupees				
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/(loss) 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, recorded directly in equity				
Final dividend 2014 @ Rs. 10 per share	-	-	(12,018,410)	(12,018,410)
Total transactions with owners, recorded directly in equity	-	-	(12,018,410)	(12,018,410)
Balance at 31 March 2015	12,018,410	3,312,465	423,082,674	438,413,549
Balance at 01 July 2015				
	12,018,410	3,312,465	531,803,587	547,134,462
<i>Changes in equity for the period ended 31 March 2016</i>				
Total comprehensive income for the period				
Profit for the period	-	-	27,114,417	27,114,417
Transfer from surplus on revaluation of property, plant and equipment - net of tax	-	-	9,717,677	9,717,677
Total comprehensive income for the period	-	-	36,832,093	36,832,093
Transactions with owners, recorded directly in equity				
Final dividend 2015 @ Rs. 6 per share	-	-	(7,211,046)	(7,211,046)
Total transactions with owners, recorded directly in equity	-	-	(7,211,046)	(7,211,046)
Balance at 31 March 2016	12,018,410	3,312,465	561,424,634	576,755,509

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 2016**

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 Pakistan Stock Exchange formerly 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 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 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 unaudited condensed interim financial information for the nine months period ended 31 March 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 formerly 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 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:

	Un-audited 31 March 2016 Rupees	Audited 30 June 2015 Rupees
Operating fixed assets	350,485,502	348,412,476
Capital work in progress	-	23,253,600
	<u>350,485,502</u>	<u>371,666,076</u>



selected notes to the condensed interim
Financial Information (Un-audited)
 for the nine months period ended 31 March 2016

	Three months ended 31 March		Nine months ended 31 March	
	2016 Rupees	2015 Rupees	2016 Rupees	2015 Rupees
6 TURNOVER - net				
Gross turnover				
- Local	356,605,837	254,400,780	901,992,114	643,925,450
- Export	40,849,975	-	42,652,458	22,186,928
	397,455,812	254,400,780	944,644,572	666,112,378
Government levies				
Excise duty	173,592,285	114,248,771	411,036,145	304,885,854
Sales tax	49,508,742	32,234,167	115,087,793	85,971,108
	223,101,027	146,482,938	526,123,938	390,856,962
Discounts	(6,640,700)	(7,431,521)	(19,341,790)	(18,141,054)
	<u>167,714,085</u>	<u>100,486,321</u>	<u>399,178,844</u>	<u>257,114,362</u>

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 27 April 2016.

CHIEF EXECUTIVE

DIRECTOR

BOOK POST

Printed Matter
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