



Habib-ADM Ltd.

**1st Quarter
Unaudited Accounts
September 30, 2015**

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CHAIRMAN'S REVIEW / DIRECTORS' REPORT

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

Dear Shareholders,

The disappointing 1st Quarter results for this Financial Year, have been brought about mainly due to the following factors:-

- Continuing flood of Sorbitol Import at preferential duty (5%) and zero sales tax has reduced our sales to a mere 20% of the market.
- Anticipated export orders for our protein that did not materialize.
- Provision for GIDC - starting from 1st July 2015.
- Erratic water supply - As rains fail to sufficiently recharge the Hub Dam lake - present live storage at 41,914 acre feet v/s full capacity at 645,470 acre feet live storage.

Corrective Action:-

- NTC has ruled that as of 25th August 2015 all the Imports from India will attract an Anti Dumping Duty @ 16.97%. This has not yet been enforced. A complaint has been lodged - we expect prompt implementation.
- We have redirected our production to cater to the local protein market.
- For Water supply - A natural calamity - we will have to continue to persue the high value added sector of our product markets.

In closing, Please join in my prayers to Allah the Provider to Bless us with Bounties as Befits His Glory, Aameen.

On behalf of the Board

Gaffar A. Habib
Chairman

Karachi: 12 October 2015

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2015 (UNAUDITED)

	SEPTEMBER 30, 2015 (Un Audited) RUPEES	JUNE 30, 2015 (Audited) RUPEES
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment - Note 4	326,576,561	327,344,241
Long term investment in a subsidiary company	-	1,000,000
Long term deposits	3,102,001	3,102,001
	329,678,562	331,446,242
CURRENT ASSETS		
Stores, spares and loose tools	54,004,320	56,792,386
Stock in trade	164,371,878	193,789,452
Trade debts	14,679,811	11,991,630
Advances	5,154,719	3,405,494
Trade deposit and short term pre-payments	2,446,925	2,088,206
Short term investment	250,254,450	250,254,450
Accrued income	2,859,664	452,592
Other receivable	406,721	376,786
Taxation-net	24,295,510	17,390,136
Cash and bank balances	103,540,480	81,443,942
	622,014,478	617,985,074
TOTAL ASSETS	951,693,040	949,431,316
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised share capital 60,000,000 ordinary shares of Rs.5 each	300,000,000	300,000,000
Issued, subscribed and paid-up capital 40,000,000 ordinary shares of Rs.5 each	200,000,000	200,000,000
Reserves	60,000,000	60,000,000
Unappropriated profit	566,921,176	576,537,021
	826,921,176	836,537,021
NON-CURRENT LIABILITIES		
Deferred taxation	34,999,061	34,999,061
CURRENT LIABILITIES		
Trade and other payables	89,772,803	77,895,234
CONTINGENCIES AND COMMITMENTS - Note 7		
	-	-
TOTAL EQUITY AND LIABILITIES	951,693,040	949,431,316

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



OWAIS G. HABIB
Chief Executive Officer



GAFFAR A. HABIB
Chairman

Karachi: 12 October 2015

Habib-ADM Ltd.

CONDENSED INTERIM PROFIT & LOSS ACCOUNT FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	SEPTEMBER 30, 2015 RUPEES	SEPTEMBER 30, 2014 RUPEES
Turnover - net	217,661,199	323,359,433
Cost of sales	(192,076,350)	(238,849,483)
Gross profit	25,584,849	84,509,950
Selling and distribution expenses	(17,787,260)	(19,397,839)
Administrative expenses	(22,556,486)	(17,964,105)
Other Operating expenses	-	(3,869,543)
Other Operating Income	5,827,811	9,185,639
	<u>(34,515,935)</u>	<u>(32,045,848)</u>
Operating (Loss)/profit	(8,931,086)	52,464,102
Finance costs(Bank Charges)	(83,528)	(253,305)
(Loss)/profit before taxation	(9,014,614)	52,210,797
Provision for Taxation	(601,231)	(12,697,198)
	<u>(9,615,845)</u>	<u>39,513,599</u>
(Loss)/profit after taxation		
Earning per share-basic and diluted	-0.24	0.99

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	SEPTEMBER 30, 2015 RUPEES	SEPTEMBER 30, 2014 RUPEES
(Loss)/profit after taxation	(9,615,845)	39,513,599
Other comprehensive income	-	-
Total comprehensive (Loss)/income for the period	<u>(9,615,845)</u>	<u>39,513,599</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



OWAIS G. HABIB
Chief Executive Officer

Karachi: 12 October 2015



GAFFAR A. HABIB
Chairman

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

	SEPTEMBER 30, 2015 RUPEES	SEPTEMBER 30, 2014 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit	(9,014,614)	52,210,797
Adjustments for non cash Items:		
Depreciation	7,879,513	8,542,245
Gain on disposal of fixed assets	-	(1,331,660)
Finance costs	83,528	253,305
Operating (Loss)/profit before working capital changes	(1,051,573)	59,674,687
Working capital changes - Note 8	36,850,077	93,460,752
Cash generated from operations	35,798,504	153,135,439
Finance costs (Bank charges) paid	(83,528)	(253,305)
Taxes paid	(7,506,605)	(12,788,588)
	(7,590,133)	(13,041,893)
Net cash generated from operating activities	28,208,371	140,093,546
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(7,111,833)	(5,005,986)
Proceeds from disposal of fixed assets	-	1,720,000
Loan to subsidiary companies	1,000,000	-
Short term investments	-	(300,000,000)
Net Cash used in investing activities	(6,111,833)	(303,285,986)
Net increase /(decrease) in cash and cash equivalents	22,096,538	(163,192,440)
Cash and cash equivalents at the beginning of the period	81,443,942	260,294,825
Cash and cash equivalents at the end of the period	103,540,480	97,102,385

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



OWAIS G. HABIB
Chief Executive Officer



GAFFAR A. HABIB
Chairman

Karachi: 12 October 2015

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	RESERVES			TOTAL RESERVES	TOTAL
		CAPITAL RESERVE - SHARE PREMIUM	GENERAL RESERVE	UNAPPRO- PRIATED PROFIT		
Balance as at July 01, 2014	200,000,000	10,000,000	50,000,000	534,405,604	594,405,604	794,405,604
Total Comprehensive income	-	-	-	39,513,599	39,513,599	39,513,599
Balance as at September 30, 2014	200,000,000	10,000,000	50,000,000	573,919,203	633,919,203	833,919,203
Balance as at July 01, 2015	200,000,000	10,000,000	50,000,000	576,537,021	636,537,021	836,537,021
Total Comprehensive loss	-	-	-	(9,615,845)	(9,615,845)	(9,615,845)
Balance as at September 30, 2015	200,000,000	10,000,000	50,000,000	566,921,176	626,921,176	826,921,176

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



OWAIS G. HABIB
Chief Executive Officer

Karachi: 12 October 2015



GAFFAR A. HABIB
Chairman

**NOTES TO THE CONDENSED
INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2015 (UNAUDITED)**

1 LEGAL STATUS AND OPERATIONS

Habib-ADM Limited was incorporated in Pakistan on 10th July, 1980 as a Public Limited Company and its shares are listed on the Karachi & Lahore Stock Exchanges. The Registered Office of the Company is situated at 2nd Floor, UBL Building I.I.Chundrigar Road, Karachi. The principal activity of the Company is to produce and market rice based Starch Sugars and Proteins.

The Company's primary production facilities are located at its industrial complex in Hub.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements are unaudited and are being submitted to the shareholders under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standards (IAS)-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. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statement and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2015.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of financial statements for the year ending June 30, 2015 other than those disclosed below.

The Company has adopted the following amendments and interpretations of IFRSs which became effective for the current period:

IAS 19 : - Employee Benefits-(Amendment) - Defined Benefit Plans: Employee Contributions

IAS 32: - Financial Instruments : Presentation - (Amendment) Offsetting Financial Assets and Financial Liabilities

IAS 36: - Impairment of Assets - (Amendment) Recoverable Amounts disclosures for Non-Financial Assets

IAS 39: - Financial Instruments : Recognition and Measurement - (Amendment) Novation of Derivatives and Continuation of Hedge Accounting.

IFRIC 21: - Levies

The adoption of the above revision and amendments of the standards did not have any effect on these condensed interim financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Company expects that such improvements to the standards do not have any impact on the Company's condensed interim financial statements for the period.

Habib-ADM Ltd.

	SEPTEMBER 30 2015 (Un-Audited) RUPEES	JUNE 30 2015 (Audited) RUPEES
4 PROPERTY, PLANT & EQUIPMENT		
Operating Fixed Assets - Tangible	324,125,018	327,344,241
Capital Work-in-Progress	2,451,543	-
	<u>326,576,561</u>	<u>327,344,241</u>
4.1 Operation assets		
Net Book value at the beginning of the period/year	327,344,241	350,546,137
Additions during the period/year	4,660,290	12,106,752
Transfer from CWIP during the period/year	-	1,269,586
	<u>332,004,531</u>	<u>363,922,475</u>
Less:		
Disposal during the period/year	-	5,381,250
Depreciation charged during the period/year	7,879,513	31,196,984
	<u>7,879,513</u>	<u>36,578,234</u>
	<u>324,125,018</u>	<u>327,344,241</u>
4.1.1 Additions during the period/year		
Plant & Machinery	2,189,958	1,871,931
Laboratory Equipments	2,387,370	-
Furniture & Fixture	9,700	396,521
Vehicles	73,262	9,838,300
	<u>4,660,290</u>	<u>12,106,752</u>
4.1.2 Capital Work-in-Progress		
At the beginning of the period/year	-	-
Additions during the period/year - (Plant & Machinery)	2,451,543	1,269,586
	<u>2,451,543</u>	<u>1,269,586</u>
Transfer to operating assets during the period/year	-	1,269,586
	<u>2,451,543</u>	<u>-</u>
5 STOCK -IN-TRADE		
Raw and packing material	93,873,153	116,014,363
Work-in-process	1,789,800	2,957,958
Finished goods	68,273,941	72,002,746
Raw material - in-transit	434,984	2,814,385
	<u>164,371,878</u>	<u>193,789,452</u>
6 SHORT-TERM INVESTMENTS		
Held to maturity		
Term deposit receipts	250,254,450	250,254,450
	<u>250,254,450</u>	<u>250,254,450</u>
6.1	These carry profit rate ranges from 6.00% to 7.50% (June 2015: 8.50% to 9.50%) per annum and will mature in October 2015 and December 2015.	

7 CONTINGENCIES AND COMMITMENTS

Contingencies

- 7.1 In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No.VI of 2014 to circumvent earlier decision of the Honorable Supreme Court on the subject, where it upheld that the earlier introduction of GIDC Act of 2011 was unconstitutional and ultravires on the grounds that GIDC was a 'Fee' and not a 'Tax'. In May 2015, the Government passed the GIDC Act.,2015.

The Company has challenged the GIDC Act, 2015 and filed writ petition in the High Court of Sindh (HCS) including retrospective treatment of the provision of the GIDC Act. The Court has granted stay against charging of the GIDC under the GIDC Act.,2015. The Company has not made provision of GIDC amounting to Rs.20.896 million in these financial statements as it is confident, based on the advise of its legal consultant, that the decision of the case will be in its favor. However, after the passage of the Act 2015, the Company has provided Rs.5.66 million pertaining to the period July 2015 to September 2015 as an abundant precaution.

Commitments

- 7.2 Guarantees have been issued by a scheduled commercial bank on behalf of the Company to Sui Southern Gas Company Limited in the normal course of business amounting to Rs.36.435 million (2014 : Rs 36.435 million)

Proposed Dividend

- 7.3 The Board of Directors in their meeting of 27 August 2015 have recommended for the approval of the Stockholders a Final Cash Dividend @ 60% i.e Rs 3.00 Per Share of Rs 5 each for financial year ended 30 June 2015. As this is to be approved by the Stockholders in the Annual General Meeting scheduled for 3rd October 2015, no provision have been made in these accounts.

	JUL-SEP 2015 (Un-Audited) RUPEES	JUL-SEP 2014 (Un-Audited) RUPEES
8 WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets		
Stores, spare parts & loose tools	2,788,066	(28,452)
Stock in trade	29,417,574	35,953,508
Trade debts	(2,688,181)	38,625,469
Advances - unsecured	(1,749,225)	2,811,987
Trade deposits and short term pre-payments	(358,719)	(626,210)
Other receivables	(29,935)	(482,142)
Accrued income	(2,407,072)	(380,137)
	24,972,508	75,874,023
Increase /(decrease) in current liabilities		
Trade and other payables	11,877,569	17,586,729
Working capital changes	36,850,077	93,460,752

Habib-ADM Ltd.

	JUL-SEP 2015 (Un-Audited) RUPEES	JUL-SEP 2014 (Un-Audited) RUPEES
9 TRANSACTIONS WITH RELATED PARTIES		
Subsidiary Company		
a. Rent received	-	3,000
b. Sale to subsidiary company	-	1,635,750
c. Dividend received	-	793,407

10 GENERAL

10.1 These Financial Statements were authorised for issue on 12 October 2015 by the Board of Directors of the Company.

10.2 Figures have been rounded off to the nearest rupee.



OWAIS G. HABIB
Chief Executive Officer



GAFFAR A. HABIB
Chairman

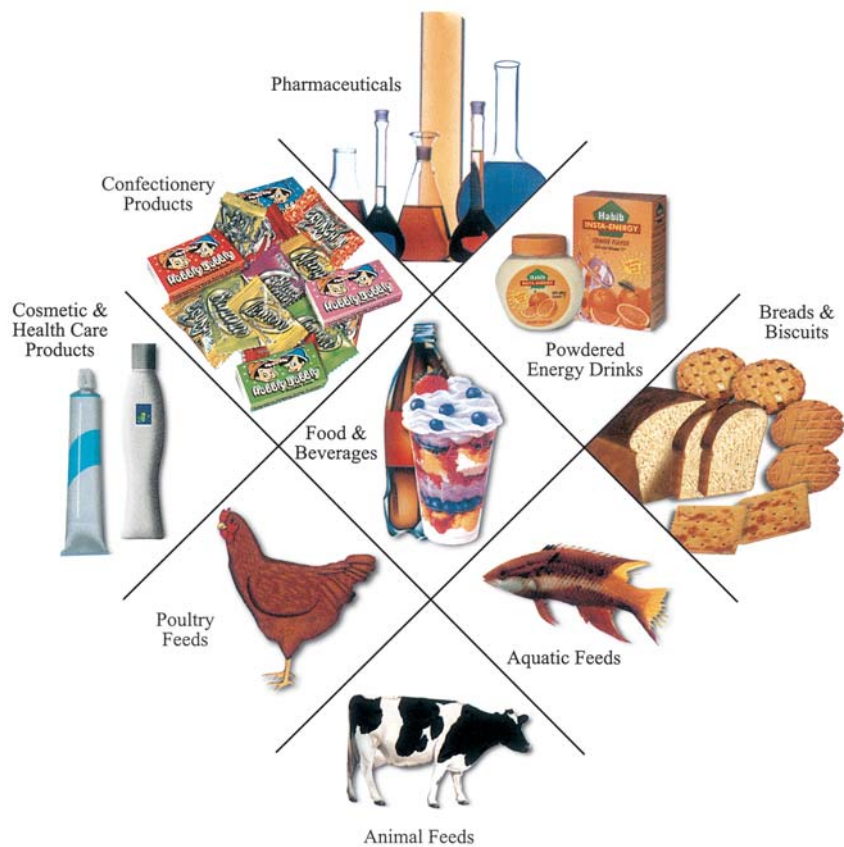
Karachi: 12 October 2015



Habib-ADM Ltd.

Pioneer Producers of Rice Based Starch Sugars and Proteins

Habib-ADM Limited pioneered the conversion of Rice into Glucose, Dextrose, Fructose, Sorbitol and Maltodextrine - all essential ingredients for:



contributing to a sweeter tomorrow