



# **Habib-ADM Ltd.**

**3rd Quarter  
Unaudited Accounts  
March 31, 2015**



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## COMPANY INFORMATION

### **BOARD OF DIRECTORS**

#### **Executive Directors**

Mr. Owais G. Habib Managing Director  
Mr. Tufail Y. Habib

#### **Non Executive Directors**

Mr. Gaffar A. Habib Chairman  
Dr. Howard J. Synenberg  
Ms. Fatemah G. Habib  
Dr. Salma Habib  
Mr. Daniyal Ghani

### **BOARD OF AUDIT COMMITTEE**

Mr. Gaffar A. Habib  
Ms. Fatemah G. Habib  
Dr. Salma Habib  
Mr. Daniyal Ghani

### **BOARD OF HR AND REMUNERATION COMMITTEE**

Mr. Tufail Y. Habib  
Ms. Fatemah G. Habib  
Dr. Salma Habib

### **CHIEF EXECUTIVE OFFICER**

Mr. Owais G. Habib

### **CHIEF FINANCIAL OFFICER**

Mr. S. M. Vakil

### **COMPANY SECRETARY**

Mr. Ali Asghar Rajani

### **AUDITORS**

M/s. Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

### **REGISTERED OFFICE**

2nd Floor, UBL Building  
I. I. Chundrigar Road,  
Karachi - 74000  
Pakistan.  
Telephone : (021) 32411887  
Fax : (021) 32414581

### **ADMINISTRATIVE OFFICES & FACTORY**

Ahmad Habib Boulevard,  
Hub - 90250  
Pakistan.  
Telephone : (0853) 363963-5  
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**CHAIRMAN'S REVIEW / DIRECTORS' REPORT**  
3RD QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

*Dear Shareholders,*

We bow our heads in gratitude to Allah the Beneficent, the Merciful, the Provider, for the Blessings He continues to bestow on us which are partly reflected in the Company's Financial Statements for the 3rd Quarter ended 31 March 2015.

The impact of cheap tax free imports is telling on our sale volume and travelling down to the bottom line-As even our loyal customers' turn partially to cheaper imports.

Our move to the N.T.C has been accepted for investigation; however it is a time consuming process. We are hopeful of a positive outcome.

The tax demands for year 2012 was finalized-Reducing the BMR tax credit by about half a million rupees, Tax demand has been paid.

Water supply continues to be erratic-as farmers up stream continue to choke off what little is pumped out from the Hub Lake. We are now operating on a stop and go building up water reserve and operating on days when we hope Gas supplies will be available.

In closing, I pray to Allah the Beneficent, the Provider to continue to guide us and bless us with Bounties as befit His Glory, Aameen.

On behalf of the Board

**Gaffar A. Habib**  
Chairman

Karachi: 10 April 2015

## Habib-ADM <sub>Ltd.</sub> and Subsidiaries

### CONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

	Note	MARCH 31, 2015 (Un-audited) RUPEES	JUNE 30, 2014 (Audited) RUPEES
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	336,226,932	351,384,330
Long-term deposits		<u>3,078,001</u>	<u>3,078,001</u>
		339,304,933	354,462,331
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		47,658,853	48,649,229
Stock-in-trade	5	172,524,427	172,567,086
Trade debts		30,532,335	55,117,398
Advances		3,431,804	6,013,422
Trade deposits and short-term prepayments		2,542,965	2,330,325
Accrued income		3,797,946	-
Other receivables		2,154,611	2,346,177
Short-term investments	6	250,254,450	-
Taxation - net		5,888,517	5,444,514
Cash and bank balances		<u>76,744,495</u>	<u>260,585,206</u>
		<u>595,530,403</u>	<u>553,053,357</u>
<b>TOTAL ASSETS</b>		<u>934,835,336</u>	<u>907,515,688</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
60,000,000 ordinary shares of Rs.5/- each		<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid-up capital		<u>200,000,000</u>	<u>200,000,000</u>
Reserves		60,000,000	60,000,000
Unappropriated profit		<u>553,897,345</u>	<u>534,405,604</u>
		813,897,345	794,405,604
Deferred taxation		35,623,197	37,920,000
<b>CURRENT LIABILITIES</b>			
Trade and other payables		85,314,794	75,190,084
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>934,835,336</u>	<u>907,515,688</u>

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



**OWAIS G. HABIB**  
Chief Executive Officer



**GAFFAR A. HABIB**  
Chairman

Karachi: 10 April 2015

# Habib-ADM Ltd. and Subsidiaries

## CONSOLIDATED CONDENSED INTERIM PROFIT & LOSS ACCOUNT FOR THE 3RD QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

	9 MONTHS ENDED		QUARTER ENDED	
	MARCH 31, 2014/15 RUPEES	MARCH 31, 2013/14 RUPEES	MARCH 31, 2015 RUPEES	MARCH 31, 2014 RUPEES
Turnover - net	855,031,279	1,029,251,550	239,906,310	378,814,826
Cost of sales	(642,278,083)	(786,117,312)	(180,489,693)	(290,922,388)
<b>Gross profit</b>	<b>212,753,196</b>	<b>243,134,238</b>	<b>59,416,617</b>	<b>87,892,438</b>
Selling and distribution expenses	(51,241,510)	(62,161,982)	(17,010,370)	(26,487,409)
Administrative expenses	(47,022,171)	(45,186,502)	(13,805,231)	(14,137,815)
Other operating expenses	(9,438,697)	(11,289,446)	(2,387,417)	(3,939,984)
Other operating income	22,529,686	19,499,587	5,948,526	5,366,395
	(85,172,692)	(99,138,343)	(27,254,492)	(39,198,813)
<b>Operating profit</b>	<b>127,580,504</b>	<b>143,995,895</b>	<b>32,162,125</b>	<b>48,693,625</b>
Finance costs	(570,892)	(716,844)	(121,098)	(518,628)
<b>Profit before taxation</b>	<b>127,009,612</b>	<b>143,279,051</b>	<b>32,041,027</b>	<b>48,174,997</b>
Taxation				
- Current	(29,814,674)	(42,783,862)	(9,007,203)	(13,902,376)
- Deferred	2,296,803	3,320,000	980,180	-
	(27,517,871)	(39,463,862)	(8,027,023)	(13,902,376)
<b>Profit after taxation</b>	<b>99,491,741</b>	<b>103,815,189</b>	<b>24,014,004</b>	<b>34,272,621</b>
Earnings per share - basic and diluted	2.49	2.60	0.60	0.86

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

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 3RD QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

	9 MONTHS ENDED		QUARTER ENDED	
	MARCH 31, 2014/15 Rupees	MARCH 31, 2013/14 Rupees	MARCH 31, 2015 Rupees	MARCH 31, 2014 Rupees
Net profit for the period	99,491,741	103,815,189	24,014,004	34,272,621
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>99,491,741</b>	<b>103,815,189</b>	<b>24,014,004</b>	<b>34,272,621</b>

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



**OWAIS G. HABIB**  
Chief Executive Officer

Karachi: 10 April 2015



**GAFFAR A. HABIB**  
Chairman

## Habib-ADM <sub>Ltd.</sub> and Subsidiaries

### CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT FOR THE 3RD QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

	MARCH 31, 2015 RUPEES	MARCH 31, 2014 RUPEES
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	127,009,612	143,279,051
Adjustment for non-cash items:		
Depreciation	25,796,482	23,874,921
Gain on disposal of fixed assets	(2,004,198)	-
Finance costs	570,892	716,844
Operating profit before working capital changes	151,372,788	167,870,816
Working capital changes - Note 8	34,505,406	(57,484,505)
Cash generated from operations	185,878,194	110,386,311
Taxes paid	(30,258,677)	(50,376,894)
Finance costs paid	(570,892)	(716,844)
	(30,829,569)	(51,093,738)
Net cash generated from operating activities	155,048,625	59,292,573
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(12,250,886)	(16,165,011)
Short-term Investments	(250,254,450)	-
Decrease/(Increase) in long term deposits	-	165,000
Proceeds from disposal of fixed assets	3,616,000	-
Net cash used in investing activities	(258,889,336)	(16,000,011)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(80,000,000)	(140,000,000)
Net cash used in financing activities	(80,000,000)	(140,000,000)
Net decrease in cash and cash equivalents	(183,840,711)	(96,707,438)
Cash and cash equivalents at the beginning of the period	260,585,206	129,037,503
Cash and cash equivalents at the end of the period	76,744,495	32,330,065

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



**OWAIS G. HABIB**  
Chief Executive Officer



**GAFFAR A. HABIB**  
Chairman

Karachi: 10 April 2015



## Habib-ADM <sup>Ltd.</sup> and Subsidiaries

### CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE 3RD QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

PARTICULARS	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	RESERVES			TOTAL RESERVES	TOTAL
		CAPITAL RESERVE - SHARE PREMIUM	GENERAL RESERVE	UNAPPRO- PRIATED PROFIT		
<b>Balance as at July 01, 2013</b>	200,000,000	10,000,000	50,000,000	519,559,186	579,559,186	779,559,186
Final dividend @ 70% i.e Rs.3.50 per ordinary share of Rs.5 each for the year ended June 30, 2013	-	-	-	(140,000,000)	(140,000,000)	(140,000,000)
Total comprehensive income	-	-	-	103,815,189	103,815,189	103,815,189
<b>Balance as at March 31, 2014</b>	<b>200,000,000</b>	<b>10,000,000</b>	<b>50,000,000</b>	<b>483,374,375</b>	<b>543,374,375</b>	<b>743,374,375</b>
<b>Balance as at July 01, 2014</b>	<b>200,000,000</b>	<b>10,000,000</b>	<b>50,000,000</b>	<b>534,405,604</b>	<b>594,405,604</b>	<b>794,405,604</b>
Final dividend @ 40% i.e Rs.2 per ordinary share of Rs.5 each for the year ended June 30, 2014	-	-	-	(80,000,000)	(80,000,000)	(80,000,000)
Total comprehensive income	-	-	-	99,491,741	99,491,741	99,491,741
<b>Balance as at March 31, 2015</b>	<b>200,000,000</b>	<b>10,000,000</b>	<b>50,000,000</b>	<b>553,897,345</b>	<b>613,897,345</b>	<b>813,897,345</b>

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

Karachi: 10 April 2015

  
**OWAIS G. HABIB**  
Chief Executive Officer

  
**GAFFAR A. HABIB**  
Chairman

# Habib-ADM <sub>Ltd.</sub> and Subsidiaries

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

### 1. THE COMPANY AND ITS OPERATIONS

The Consolidated financial statements include the financial statements of the following entities:

Habib-ADM Limited  
Habib Microfine (Pvt) Limited

Habib-ADM Limited was incorporated in Pakistan on 10th July 1980, as a public limited company and its shares are listed on the Karachi and Lahore Stock Exchanges.

The principal activity of the Company is to produce rice based Starch, Sugars and Proteins.

The principal activity of Habib Microfine (Pvt) Limited is the production of microfine processed products trading and export of goods. The registered office of both Companies is situated at 2nd floor, UBL building I.I. Chundrigar road, Karachi.

### 2. STATEMENT OF COMPLIANCE

These financial statements are unaudited and are being submitted to the Shareholders as required by section 245 of the Companies Ordinance, 1984. These Financial Statements have been prepared in accordance with approved International Accounting Standards as applicable in Pakistan.

### 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, 2014 other than those disclosed below: Now, amended and revised standards and interpretations.

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
- IFRS 32 - Financial Instruments : Presentation - (Amendment)  
- Offsetting Financial Assets and financial liabilities
- IFRS 36 - Impairment of Assets - (Amendments)  
- Recoverable Amount Disclosures for Non-Financial Assets
- IFRS 39 - Financial Instruments: Recognition and Measurement - (Amendments)  
- 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 financial statements for the period.

	Note	MARCH 31, 2015 (Un-audited) RUPEES	JUNE 30, 2014 (Audited) RUPEES
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets - Owned	4.1	334,957,346	351,384,330
Capital work-in-progress (CWIP)	4.2	1,269,586	-
		336,226,932	351,384,330

## Habib-ADM Ltd. and Subsidiaries

	Note	MARCH 31, 2015 (Un-audited) RUPEES	JUNE 30, 2014 (Audited) RUPEES
<b>4.1 Operating assets</b>			
Book value at the beginning of the period / year		351,384,330	341,468,158
Additions during the period / year	4.1.1	10,981,300	19,369,951
Transfer from CWIP during the period / year	4.2	-	24,760,416
		<u>362,365,630</u>	<u>385,598,525</u>
Less:			
Disposal during the period / year - vehicles		1,611,802	934,552
Depreciation charged during the period / year		25,796,482	33,279,643
		<u>27,408,284</u>	<u>34,214,195</u>
		<u>334,957,346</u>	<u>351,384,330</u>
<b>4.1.1 Additions during the period / year</b>			
Plant and machinery		1,100,000	2,985,050
Furniture and fixtures		86,500	394,781
Vehicles		9,794,800	15,990,120
		<u>10,981,300</u>	<u>19,369,951</u>
<b>4.2 Capital work-in-progress</b>			
At the beginning of the period / year		-	1,217,452
Additions during the period / year	4.2.1	1,269,586	23,542,964
		<u>1,269,586</u>	<u>24,760,416</u>
Less: Transfer to operating assets during the period / year		-	24,760,416
		<u>1,269,586</u>	<u>-</u>
<b>4.2.1 Additions during the period / year</b>			
Building and civil works		-	1,392,160
Plant and machinery		1,269,586	22,150,804
		<u>1,269,586</u>	<u>23,542,964</u>
<b>5. STOCK-IN-TRADE</b>			
Raw and packing material		104,207,221	102,393,988
Work-in-process		-	4,101,625
Finished goods		66,813,860	65,839,595
Raw material-in-transit		1,503,346	231,878
		<u>172,524,427</u>	<u>172,567,086</u>
<b>6. SHORT-TERM INVESTMENTS</b>			
Held to maturity			
Term deposit receipts	6.1	250,254,450	-
<b>6.1</b>			
These carry profit rate ranges from 7.5% to 8.75% per annum (2014: Nil) and will mature in April 2015, May 2015 and June 2015.			

## Habib-ADM<sub>Ltd.</sub> and Subsidiaries

### 7. CONTINGENCIES AND COMMITMENTS

#### Contingencies

- 7.1 In accordance with the Gas Infrastructure Development Cess (GID Cess) Act 2011, the Company was required to pay GID Cess to applicable supplier of Gas, as specified in the First Schedule to the said Act, at rates specified in the second schedule to the said Act. The cess rates were then increased through subsequent amendments in the act. Further, the Honorable Sindh High Court restrained Sui Southern Gas Company Limited (SSGC) from charging GID Cess above Rs. 13 per MMBTU, which resulted in companies paying GID cess at the said rate and not at the full applicable rate. During the period, the Honorable Supreme Court struck down the Gas Infrastructure Development Cess Act, 2011 on the grounds of it being unconstitutional. The President of Pakistan promulgated the GID Cess Ordinance 2014 on September 24 2014, with retrospective effect. However, the Honorable Sindh High Court issued an interim order in favor of the Company restraining the defendants, which included Sui Southern Gas Company Limited, from raising demand in relation to GID Cess. Accordingly, no GID Cess has been billed to the Company after October 2014. The approval of the said Ordinance is pending at the level of the National Assembly. In view of Supreme Court's order declaring GIDC as unconstitutional and ultra vires, the Company has not recorded GIDC amounting to Rs. 15 million in these consolidated condensed interim financial information.

#### Commitments

- 7.2 Guarantees have been issued by a 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 : 36.435 million).
- 7.3 The Company has provided to Bank Al-Habib Limited (the Bank), a guarantee of Rs. 100 million for its utilization or utilization by its 100% wholly owned subsidiary company Habib Microfine (Private) Limited to cover the loan granted by the Bank.

	MARCH 31, 2015 (Un-audited) RUPEES	MARCH 31, 2014 (Un-audited) RUPEES
<b>8. WORKING CAPITAL CHANGES</b>		
<b>Decrease / (increase) in current assets</b>		
Stores, spare parts and loose tools	990,376	(25,022,235)
Stock-in-trade	42,659	(13,586,762)
Trade debts	24,585,063	(66,984,709)
Advances	2,581,618	(1,307,609)
Trade deposits and short-term prepayments	(212,640)	112,465
Other receivables	191,566	673,817
Accrued income	(3,797,946)	(2,207,123)
	24,380,696	(108,322,156)
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	10,124,710	50,837,651
	34,505,406	(57,484,505)

## Habib-ADM Ltd. and Subsidiaries

### 9. TRANSACTIONS WITH RELATED PARTIES

Material transactions with related parties during the period are given below:

Associate Company	MARCH 31, 2015 (Un-audited) RUPEES	JUNE 30, 2014 (Audited) RUPEES
Payment of Dividend to Associated Companies	<u>2,369,146</u>	<u>4,146,006</u>

### 10. GENERAL

10.1 These consolidated condensed interim financial statements have been authorised for issue on 10 April 2015 by the Board of Directors of the Company.

10.2 Figures have been rounded off to the nearest rupee.

Karachi: 10 April 2015

  
**OWAIS G. HABIB**  
Chief Executive Officer

  
**GAFFAR A. HABIB**  
Chairman



# **Habib-ADM Ltd.**

**3rd Quarter  
Unaudited Accounts  
March 31, 2015**

## CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015 (UN-AUDITED)

	Note	MARCH 31, 2015 (Un-audited) RUPEES	JUNE 30, 2014 (Audited) RUPEES
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	335,451,604	350,546,137
Long term investment in a subsidiary company		1,000,000	1,000,000
Long-term deposits		3,078,001	3,078,001
		<u>339,529,605</u>	<u>354,624,138</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		47,658,853	48,649,229
Stock-in-trade	5	172,524,427	172,567,086
Trade debts		32,305,189	55,851,502
Advances		3,431,804	6,013,422
Trade deposits and short-term prepayments		2,537,707	2,330,325
Accrued income		3,797,946	-
Other receivables		345,126	538,284
Short-term investments	6	250,254,450	-
Taxation - net		5,884,658	5,443,932
Cash and bank balances		76,411,680	260,294,825
		<u>595,151,840</u>	<u>551,688,605</u>
<b>TOTAL ASSETS</b>		<u>934,681,445</u>	<u>906,312,743</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 60,000,000 ordinary shares of Rs.5/- each		<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid-up capital		200,000,000	200,000,000
Reserves		60,000,000	60,000,000
Unappropriated profit		554,102,578	534,405,604
		814,102,578	794,405,604
Deferred taxation		35,623,197	37,920,000
<b>CURRENT LIABILITIES</b>			
Trade and other payables		84,955,670	73,987,139
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>934,681,445</u>	<u>906,312,743</u>

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



**OWAIS G. HABIB**  
Chief Executive Officer



**GAFFAR A. HABIB**  
Chairman

Karachi: 10 April 2015

## CONDENSED INTERIM PROFIT & LOSS ACCOUNT FOR THE 3RD QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

	9 MONTHS ENDED		QUARTER ENDED	
	MARCH 31, 2014/15 RUPEES	MARCH 31, 2013/14 RUPEES	MARCH 31, 2015 RUPEES	MARCH 31, 2014 RUPEES
Turnover - net	853,517,818	1,016,070,322	239,906,310	370,234,935
Cost of sales	(642,139,880)	(785,866,046)	(180,463,118)	(290,830,999)
<b>Gross profit</b>	<b>211,377,938</b>	<b>230,204,276</b>	<b>59,443,192</b>	<b>79,403,936</b>
Selling and distribution expenses	(50,661,438)	(58,918,157)	(17,010,370)	(24,332,906)
Administrative expenses	(46,872,171)	(44,996,113)	(13,708,281)	(14,081,688)
Other operating expenses	(9,426,050)	(11,098,149)	(2,389,894)	(3,812,947)
Other operating income	23,326,093	28,549,174	5,948,526	11,355,762
	(83,633,566)	(86,463,245)	(27,160,019)	(30,871,779)
<b>Operating profit</b>	<b>127,744,372</b>	<b>143,741,031</b>	<b>32,283,173</b>	<b>48,532,157</b>
Finance costs	(561,003)	(674,013)	(120,750)	(498,776)
<b>Profit before taxation</b>	<b>127,183,369</b>	<b>143,067,018</b>	<b>32,162,423</b>	<b>48,033,381</b>
Taxation				
- Current	(29,783,198)	(42,571,829)	(9,007,203)	(13,760,760)
- Deferred	2,296,803	3,320,000	980,180	-
	(27,486,395)	(39,251,829)	(8,027,023)	(13,760,760)
<b>Profit after taxation</b>	<b>99,696,974</b>	<b>103,815,189</b>	<b>24,135,400</b>	<b>34,272,621</b>
<b>Earnings per share-basic and diluted</b>	<b>2.49</b>	<b>2.60</b>	<b>0.60</b>	<b>0.86</b>

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

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE 3RD QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

	9 MONTHS ENDED		QUARTER ENDED	
	MARCH 31, 2014/15 RUPEES	MARCH 31, 2013/14 RUPEES	MARCH 31, 2015 RUPEES	MARCH 31, 2014 RUPEES
Net profit for the period	99,696,974	103,815,189	24,135,400	34,272,621
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>99,696,974</b>	<b>103,815,189</b>	<b>24,135,400</b>	<b>34,272,621</b>

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



**OWAIS G. HABIB**  
Chief Executive Officer



**GAFFAR A. HABIB**  
Chairman

Karachi: 10 April 2015



## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE 3RD QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

	MARCH 31, 2015 RUPEES	MARCH 31, 2014 RUPEES
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	127,183,369	143,067,018
Adjustment for non-cash items:		
Depreciation	25,733,617	23,805,072
Gain on disposal of fixed assets	(2,004,198)	-
Finance costs	561,003	674,013
Operating profit before working capital changes	151,473,791	167,546,103
Working capital changes - Note 8	34,317,327	(61,226,051)
Cash generated from operations	185,791,118	106,320,052
Taxes Paid	(30,223,924)	(50,194,787)
Finance costs Paid	(561,003)	(674,013)
	(30,784,927)	(50,868,800)
Net cash generated from operating activities	155,006,191	55,451,252
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(12,250,886)	(16,165,011)
Short-term Investments	(250,254,450)	-
Decrease/(Increase) in long term deposits	-	165,000
Proceeds from disposal of fixed assets	3,616,000	-
Net cash used in investing activities	(258,889,336)	(16,000,011)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(80,000,000)	(140,000,000)
Net cash used in financing activities	(80,000,000)	(140,000,000)
Net decrease in cash and cash equivalents	(183,883,145)	(100,548,759)
Cash and cash equivalents at the beginning of the period	260,294,825	128,763,288
Cash and cash equivalents at the end of the period	76,411,680	28,214,529

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



**OWAIS G. HABIB**  
Chief Executive Officer



**GAFFAR A. HABIB**  
Chairman

Karachi: 10 April 2015

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
FOR THE 3RD QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

PARTICULARS	RESERVES					TOTAL RESERVES	TOTAL
	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVE - SHARE PREMIUM	GENERAL RESERVE	UNAPPROPRIATED PROFIT			
Balance as at July 01, 2013	200,000,000	10,000,000	50,000,000	519,559,186		579,559,186	779,559,186
Final dividend @ 70% i.e Rs.3.50 per ordinary share of Rs.5 each for the year ended June 30, 2013	-	-	-	(140,000,000)		(140,000,000)	(140,000,000)
Total comprehensive income	-	-	-	103,815,189		103,815,189	103,815,189
<b>Balance as at March 31, 2014</b>	<b>200,000,000</b>	<b>10,000,000</b>	<b>50,000,000</b>	<b>483,374,375</b>		<b>543,374,375</b>	<b>743,374,375</b>
Balance as at July 01, 2014	200,000,000	10,000,000	50,000,000	534,405,604		594,405,604	794,405,604
Final dividend @ 40% i.e Rs.2 per ordinary share of Rs.5 each for the year ended June 30, 2014	-	-	-	(80,000,000)		(80,000,000)	(80,000,000)
Total comprehensive income	-	-	-	99,696,974		99,696,974	99,696,974
<b>Balance as at March 31, 2015</b>	<b>200,000,000</b>	<b>10,000,000</b>	<b>50,000,000</b>	<b>554,102,578</b>		<b>614,102,578</b>	<b>814,102,578</b>

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

  
**OWAIS G. HABIB**  
Chief Executive Officer

Karachi: 10 April 2015

  
**GAFFAR A. HABIB**  
Chairman

**NOTES TO THE CONDENSED  
INTERIM FINANCIAL STATEMENTS  
FOR THE 3RD QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)**

**1. THE COMPANY AND ITS OPERATIONS**

Habib-ADM Limited (the Company) was incorporated in Pakistan on 10th July 1980, as a public limited company and its shares are listed on the Karachi and 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 rice based Starch, Sugars and Proteins.

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

These condensed interim financial statements are separate financial statements of the Company in which investment in a subsidiary is accounted for on the basis of direct equity interest and is not consolidated.

**2. STATEMENT OF COMPLIANCE**

These condensed interim financial statements are unaudited but subject to limited scope review by auditors, except for the figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2014 and December 31, 2013. These are required to be presented to the shareholders under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard (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 statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30 2014.

**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, 2014 other than those disclosed below: Now, amended and revised standards and interpretations.

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

IFRS 32 - Financial Instruments : Presentation - (Amendment)  
- Offsetting Financial Assets and financial liabilities

IFRS 36 - Impairment of Assets - (Amendments)  
- Recoverable Amount Disclosures for Non-Financial Assets

IFRS 39 - Financial Instruments: Recognition and Measurement - (Amendments)  
- 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 financial statements for the period.

## Habib-ADM Ltd.

	Note	MARCH 31, 2015 (Un-audited) RUPEES	JUNE 30, 2014 (Audited) RUPEES
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets - Owned	4.1	334,182,018	350,546,137
Capital work-in-progress (CWIP)	4.2	1,269,586	-
		<u>335,451,604</u>	<u>350,546,137</u>
<b>4.1 Operating assets</b>			
Book value at the beginning of the period / year		350,546,137	340,536,833
Additions during the period / year	4.1.1	10,981,300	19,369,951
Transfer from CWIP during the period / year	4.2	-	24,760,416
		<u>361,527,437</u>	<u>384,667,200</u>
Less:			
Disposal during the period / year - vehicles		1,611,802	934,552
Depreciation charged during the period / year		25,733,617	33,186,511
		<u>27,345,419</u>	<u>34,121,063</u>
		<u>334,182,018</u>	<u>350,546,137</u>
<b>4.1.1 Additions during the period / year</b>			
Plant and machinery		1,100,000	2,985,050
Furniture and fixtures		86,500	394,781
Vehicles		9,794,800	15,990,120
		<u>10,981,300</u>	<u>19,369,951</u>
<b>4.2 Capital work-in-progress</b>			
At the beginning of the period / year		-	1,217,452
Additions during the period / year	4.2.1	1,269,586	23,542,964
		<u>1,269,586</u>	<u>24,760,416</u>
Less: Transfer to operating assets during the period / year		-	24,760,416
		<u>1,269,586</u>	<u>-</u>
<b>4.2.1 Additions during the period / year</b>			
Building and civil works		-	1,392,160
Plant and machinery		1,269,586	22,150,804
		<u>1,269,586</u>	<u>23,542,964</u>
<b>5. STOCK-IN-TRADE</b>			
Raw and packing material		104,207,221	102,393,988
Work-in-process		-	4,101,625
Finished goods		66,813,860	65,839,595
Raw material-in-transit		1,503,346	231,878
		<u>172,524,427</u>	<u>172,567,086</u>
<b>6. SHORT-TERM INVESTMENTS</b>			
Held to maturity			
Term deposit receipts	6.1	250,254,450	-
<b>6.1</b>			
These carry profit rate ranges from 7.5% to 8.75% per annum (2014: Nil) and will mature in April 2015, May 2015 and June 2015.			

## 7. CONTINGENCIES AND COMMITMENTS

### Contingencies

- 7.1 In accordance with the Gas Infrastructure Development Cess (GID Cess) Act 2011, the Company was required to pay GID Cess to applicable supplier of Gas, as specified in the First Schedule to the said Act, at rates specified in the second schedule to the said Act. The cess rates were then increased through subsequent amendments in the act. Further, the Honorable Sindh High Court restrained Sui Southern Gas Company Limited (SSGC) from charging GID Cess above Rs. 13 per MMBTU, which resulted in companies paying GID cess at the said rate and not at the full applicable rate. During the period, the Honourable Supreme Court struck down the Gas Infrastructure Development Cess Act, 2011 on the grounds of it being unconstitutional. The President of Pakistan promulgated the GID Cess Ordinance 2014 on September 24 2014, with retrospective effect. However, the Honorable Sindh High Court issued an interim order in favour of the Company restraining the defendants, which included Sui Southern Gas Company Limited, from raising demand in relation to GID Cess. Accordingly, no GID Cess has been billed to the Company after October 2014. The approval of the said Ordinance is pending at the level of the National Assembly. In view of Supreme Court's order declaring GIDC as unconstitutional and ultra vires, the Company has not recorded GIDC amounting to Rs. 15 million in these condensed interim financial information.

### Commitments

- 7.2 Guarantees have been issued by a 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 : 36.435 million).
- 7.3 The Company has provided to Bank Al-Habib Limited (the Bank), a guarantee of Rs. 100 million for its utilization or utilization by its 100% wholly owned subsidiary company Habib Microfine (Private) Limited to cover the loan granted by the Bank.

	<b>MARCH 31, 2015 (Un-audited) RUPEES</b>	<b>MARCH 31, 2014 (Un-audited) RUPEES</b>
<b>8. WORKING CAPITAL CHANGES</b>		
Decrease / (increase) in current assets		
Stores, spare parts and loose tools	990,376	(25,022,235)
Stock-in-trade	42,659	(13,586,762)
Trade debts	23,546,313	(64,192,839)
Advances	2,581,618	(1,307,609)
Trade deposits and short-term prepayments	(207,382)	97,724
Other receivables	193,158	(4,790,515)
Accrued income	(3,797,946)	(2,207,123)
	23,348,796	(111,009,359)
(Decrease) / increase in current liabilities		
Trade and other payables	10,968,531	49,783,308
	34,317,327	(61,226,051)

## Habib-ADM Ltd.

### 9. TRANSACTIONS WITH RELATED PARTIES

Material transactions with related parties during the period are given below:

Transactions during the period	MARCH 31, 2015 (Un-audited) RUPEES	JUNE 30, 2014 (Audited) RUPEES
<b>Subsidiary Company</b>		
Sales	1,635,750	9,816,300
Rent received	3,000	12,000
Dividend received	793,407	12,120,970
<b>Associate Company</b>		
Payment of Dividend to Associated Companies	2,369,146	4,146,006

### 10. GENERAL

- 10.1 These condensed interim financial statements have been authorised for issue on 10 April 2015 by the Board of Directors of the Company.
- 10.2 Figures have been rounded off to the nearest rupee.

Karachi: 10 April 2015

  
**OWAIS G. HABIB**  
Chief Executive Officer

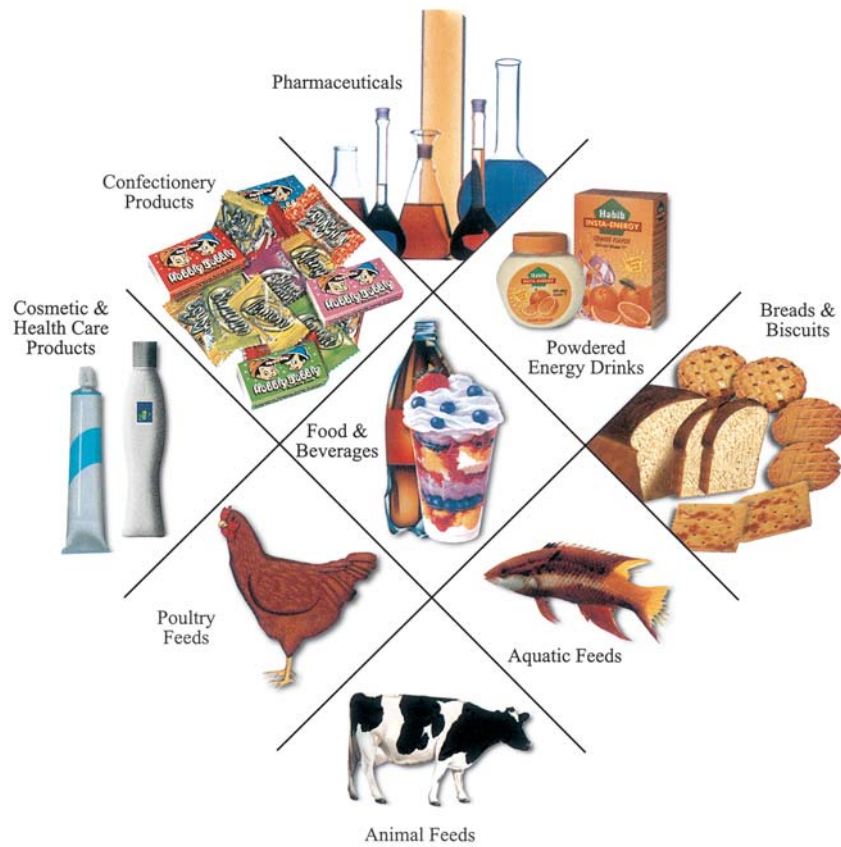
  
**GAFFAR A. HABIB**  
Chairman



# 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:



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contributing to a sweeter tomorrow

