



Habib-ADM Ltd.

**Half Yearly
Unaudited Accounts
December 31, 2014**

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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

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I. I. Chundrigar Road,
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Pakistan.
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ADMINISTRATIVE OFFICES & FACTORY

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CHAIRMAN'S REVIEW / DIRECTORS' REPORT

HALF YEAR ENDED 31 DECEMBER 2014

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 Half Year ended 31 December 2014.

Notwithstanding the challenges of cheap Imports, we have by the Grace of Allah Once again been able to maintain and in fact, improve on our bottom line as compared to the corresponding half year of last year brought about by liquidation of part of our protein inventory at improved market prices. And the support of our loyal customers.

Tax Demand - the rectification by the department is awaited. As stated earlier, our tax advisors are confident Inshallah of a favorable outcome.

The Hub lake is now well below the dead storage level however the authorities have started pumping water into the canal thereby partially restoring our water supply; the quality of this water has deteriorated - which increases the cost of production; however we are Grateful to Allah for even this water, without which operation would have been impossible.

During the period prior to the pumping of water - We had to resort to purchasing water by tanker. We would like to acknowledge the support of our customers - who during that period - shared the higher cost by way of a "Water Price Adjustment". This was stopped as soon as water supply was restored.

Raw Material - with the rice harvest in full swing. We are now seeing a gradual market price correction.

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 February 2015

Habib-ADM _{Ltd.} and Subsidiaries

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2014 (UNAUDITED)

	NOTE	DECEMBER 31, 2014 (Un-Audited) RUPEES	JUNE 30, 2014 (Audited) RUPEES
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	339,558,620	351,384,330
Long-term deposits		<u>3,078,001</u>	<u>3,078,001</u>
		342,636,621	354,462,331
CURRENT ASSETS			
Stores, spare and loose tools		44,991,171	48,649,229
Stock-in-trade	5	165,091,960	172,567,086
Trade debts		19,829,197	55,117,398
Advances		4,846,644	6,013,422
Trade deposit and short term pre-payments		2,808,361	2,330,325
Accrued income		5,998,768	-
Other receivable		2,137,578	2,346,177
Short-term investment	6	250,000,000	-
Taxation-net		4,956,833	5,444,514
Cash and bank balances		<u>45,753,872</u>	<u>260,585,206</u>
		<u>546,414,384</u>	<u>553,053,357</u>
		<u>889,051,005</u>	<u>907,515,688</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised 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 40,000,000 ordinary shares of Rs.5 each		200,000,000	200,000,000
Reserves		60,000,000	60,000,000
Unappropriated profit		<u>529,883,341</u>	<u>534,405,604</u>
		789,883,341	794,405,604
Deferred taxation		36,603,377	37,920,000
CURRENT LIABILITIES			
Trade and other payables		62,564,287	75,190,084
CONTINGENCIES AND COMMITMENTS			
	7		
TOTAL EQUITY AND LIABILITIES		<u>889,051,005</u>	<u>907,515,688</u>

The annexed notes 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 February 2015

Habib-ADM Ltd. and Subsidiaries

CONSOLIDATED CONDENSED INTERIM PROFIT & LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	DECEMBER 31, 2014 RUPEES	DECEMBER 31, 2013 RUPEES	DECEMBER 31, 2014 RUPEES	DECEMBER 31, 2013 RUPEES
Turnover - net	615,124,969	650,436,724	290,252,075	345,162,328
Cost of sales	(461,788,390)	(495,194,924)	(222,855,050)	(258,499,745)
Gross profit	153,336,579	155,241,800	67,397,025	86,662,583
Selling and distribution expenses	(34,231,140)	(35,674,573)	(14,264,964)	(18,686,829)
Administrative expenses	(33,216,940)	(31,048,687)	(15,241,085)	(14,262,907)
Other operating expenses	(7,051,280)	(7,349,462)	(3,164,902)	(4,200,341)
Other operating income	16,581,160	14,133,192	8,191,928	6,776,666
	(57,918,200)	(59,939,530)	(24,479,023)	(30,373,411)
Operating profit	95,418,379	95,302,270	42,918,002	56,289,172
Finance Cost	(449,794)	(198,216)	(191,690)	(108,597)
Profit before taxation	94,968,585	95,104,054	42,726,312	56,180,575
Taxation				
- Current	(20,807,471)	(28,881,486)	(8,078,797)	(17,134,093)
- Deferred	1,316,623	3,320,000	1,316,623	3,320,000
	(19,490,848)	(25,561,486)	(6,762,174)	(13,814,093)
Profit after taxation	75,477,737	69,542,568	35,964,138	42,366,482
Earning per share - basic and diluted	1.89	1.74	0.90	1.06

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



OWAIS G. HABIB
Chief Executive Officer

Karachi: 10 February 2015



GAFFAR A. HABIB
Chairman

Habib-ADM Ltd. and Subsidiaries

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	DECEMBER 31, 2014 RUPEES	DECEMBER 31, 2013 RUPEES	DECEMBER 31, 2014 RUPEES	DECEMBER 31, 2013 RUPEES
Net profit for the period	75,477,737	69,542,568	35,964,138	42,366,482
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>75,477,737</u>	<u>69,542,568</u>	<u>35,964,138</u>	<u>42,366,482</u>

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

Karachi: 10 February 2015


OWAIS G. HABIB
Chief Executive Officer


GAFFAR A. HABIB
Chairman

Habib-ADM Ltd. and Subsidiaries

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

	Note	DECEMBER 31, 2014 RUPEES	DECEMBER 31, 2013 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		94,968,585	95,104,054
Adjustment for non-cash items;			
Depreciation		17,077,494	15,904,834
Gain on disposal of fixed assets		(2,004,198)	-
Finance Costs		449,794	198,216
Operating profit before working capital changes		110,491,675	111,207,104
Working capital changes	8	28,694,161	(55,554)
Cash generated from operations		139,185,836	111,151,550
Taxes paid		(20,319,790)	(31,475,311)
Finance cost paid		(449,794)	(198,216)
		(20,769,584)	(31,673,527)
Net Cash generated from operating activities		118,416,252	79,478,023
 CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(5,824,586)	(7,327,860)
Short-term investments		(250,000,000)	-
Proceeds from disposal of property, plant & equipment		2,577,000	-
Net cash used in investing activities		(253,247,586)	(7,327,860)
 CASH FLOWS FROM FINANCING ACTIVITIES			
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		(214,831,334)	(67,849,837)
Cash and cash equivalents at beginning of the period		260,585,206	129,037,503
Cash and cash equivalents at the end of the period		45,753,872	61,187,666

The annexed notes 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 February 2015

Habib-ADM ^{Ltd.} and Subsidiaries

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (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, 2013	200,000,000	10,000,000	50,000,000	519,559,186	579,559,186	779,559,186
Transaction with owners						
Final Cash Dividend for the year ended June 30, 2013 @ 70% i.e. Rs. 3.5 per share of Rs.5 each	-	-	-	(140,000,000)	(140,000,000)	(140,000,000)
Total Comprehensive income	-	-	-	69,542,568	69,542,568	69,542,568
Balance as at December 31, 2013	200,000,000	10,000,000	50,000,000	449,101,754	509,101,754	709,101,754
Balance as at July 01, 2014	200,000,000	10,000,000	50,000,000	534,405,604	594,405,604	794,405,604
Transaction with owners						
Final Cash Dividend for the year ended June 30, 2014 @ 40% i.e. Rs. 2 per share of Rs.5 each	-	-	-	(80,000,000)	(80,000,000)	(80,000,000)
Total Comprehensive income	-	-	-	75,477,737	75,477,737	75,477,737
Balance as at December 31, 2014	200,000,000	10,000,000	50,000,000	529,883,341	589,883,341	789,883,341

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

Karachi: 10 February 2015



OWAIS G. HABIB
Chief Executive Officer



GAFFAR A. HABIB
Chairman

Habib-ADM Ltd. and Subsidiaries

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

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 1980 as a Public Limited Company and its shares are listed on The Karachi & Lahore Stock Exchanges.

The principal activity of the Parent Company is the production of 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 Offices of both Companies are situated at 2nd Floor, UBL Building, I.I.Chundrigar Road, Karachi.

2 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 The Accounting policies adopted for preparation of these Financial Statements are the same as those applied in preparation of the Annual Financial Statements for the year ended June 30, 2014, other than those disclosed below:

New, 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	DECEMBER 31, 2014 (Un-Audited) RUPEES	JUNE 30, 2014 (Audited) RUPEES
4 PROPERTY, PLANT & EQUIPMENT			
Operating Assets - Owned	4.1	338,289,034	351,384,330
Capital Work-in-Progress - (CWIP)	4.2	1,269,586	-
		339,558,620	351,384,330

Habib-ADM Ltd. and Subsidiaries

	Note	DECEMBER 31, 2014 (Un-Audited) RUPEES	JUNE 30, 2014 (Audited) RUPEES
4.1 Operating Assets			
Book value at the beginning of the period/year		351,384,330	341,468,158
Addition during the period/year	4.1.1	4,555,000	19,369,951
Transfer from CWIP during the period/year	4.2	-	24,760,416
		<u>355,939,330</u>	<u>385,598,525</u>
Less:			
Disposal during the period/year - vehicles		572,802	934,552
Depreciation charged during the period/year		17,077,494	33,279,643
		<u>17,650,296</u>	<u>34,214,195</u>
		<u>338,289,034</u>	<u>351,384,330</u>
4.1.1 Additions during the period/year			
Plant and Machinery		-	2,985,050
Furniture & Fixture		82,500	394,781
Vehicles		4,472,500	15,990,120
		<u>4,555,000</u>	<u>19,369,951</u>
4.2 Capital Work-in-Progress			
At the beginning of the period /year		-	1,217,452
Addition 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>
4.2.1 Addition during the period/year			
Building and civil works		-	1,392,160
Plant & machinery		1,269,586	22,150,804
		<u>1,269,586</u>	<u>23,542,964</u>
5 STOCK-IN-TRADE			
Raw and packing material		90,346,566	102,393,988
Work-in-process		2,423,602	4,101,625
Finished goods		53,569,457	65,839,595
Raw material-in-transit		18,752,335	231,878
		<u>165,091,960</u>	<u>172,567,086</u>
6 SHORT-TERM INVESTMENTS			
Held to maturity			
Term deposit receipts	6.1	250,000,000	-
6.1			
These carry profit rate ranges from 8.60% to 9.25% (2013 Nil) per annum and will mature on January 2015 and March 2015.			

Habib-ADM_{Ltd.} 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 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. 9,300,565 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 (2013 : Rs 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 for its 100% wholly owned Subsidiary Company Habib Microfine (Pvt) Limited to cover the loan granted by bank.

	DECEMBER 31, 2014 (Un-Audited) RUPEES	DECEMBER 31, 2013 (Audited) RUPEES
8 WORKING CAPITAL CHANGES		
Decrease / (Increase) in Current Assets		
Stores, Spare Parts & Loose Tools	3,658,058	(24,151,956)
Stock-in-Trade	7,475,126	26,236,206
Trade Debts	35,288,201	(26,473,465)
Advances	1,166,778	(3,528,591)
Trade Deposits and Short Term Pre-Payments	(478,036)	(332,902)
Other Receivables	208,599	633,680
Accrued Income	(5,998,768)	(2,094,109)
	41,319,958	(29,711,137)
(Decrease) / Increase in Current Liabilities		
Trade and Other Payables	(12,625,797)	29,655,583
	28,694,161	(55,554)

9 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise associate companies, directors and key management personnel. Material transactions with related parties during the period are given below:

Habib-ADM Ltd. and Subsidiaries

Transactions during the period	DECEMBER 31, 2014 (Un-Audited) RUPEES	JUNE 30, 2014 (Audited) RUPEES
Associate Company		
Allocated salary expense	207,600	191,400
Petty cash payment	<u>10,486</u>	<u>7,980</u>
Dividend paid		
- Haydari Boring & Piling Company (Private) Limited	36,000	63,000
- Abbas Builders (Private) Limited	2,332,746	4,082,306
- Indus Oil Expellers (Private) Limited	400	700
	<u>2,369,146</u>	<u>4,146,006</u>
Key management personnel		
Salaries and allowances as per term of employment	<u>5,180,700</u>	<u>4,709,700</u>
Retirement benefit plans		
Contribution to Provident Fund	<u>704,500</u>	<u>640,450</u>

10 GENERAL

- 10.1 The condensed interim financial statements have been authorised for issue on 10 February 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: 10 February 2015



Habib-ADM Ltd.

**Half Yearly
Unaudited Accounts
December 31, 2014**

Habib-ADM Ltd.



Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
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AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Habib-ADM Limited** as at 31 December 2014, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (herein after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The condensed interim financial information of the Company for the six months ended 31 December 2013 and the annual financial statements for the year ended 30 June 2014 were reviewed and audited by another firm of Chartered Accountants, whose review report dated 7 February 2014, and audit report dated 9 September 2014, expressed an unmodified conclusion and unmodified opinion on those statements respectively.

Chartered Accountants

Review Engagement Partner: Riaz A. Rehman Chamdia

Date: 10 February 2015

Place: Karachi

A member firm of Ernst & Young Global Limited

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2014 (UNAUDITED)

	Note	December 31, 2014 (Un-audited) Rupees	June 30, 2014 (Audited) Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	338,762,337	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>342,840,338</u>	<u>354,624,138</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		44,991,171	48,649,229
Stock-in-trade	5	165,091,960	172,567,086
Trade debts		21,602,051	55,851,502
Advances		4,846,644	6,013,422
Trade deposits and short-term prepayments		2,797,843	2,330,325
Accrued income		5,998,768	-
Other receivables		328,093	538,284
Short-term investments	6	250,000,000	-
Taxation - net		4,952,974	5,443,932
Cash and bank balances		45,289,249	260,294,825
		<u>545,898,753</u>	<u>551,688,605</u>
		<u>888,739,091</u>	<u>906,312,743</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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			
40,000,000 ordinary shares of Rs.5 each		200,000,000	200,000,000
Reserves		60,000,000	60,000,000
Unappropriated profit		529,967,178	534,405,604
		<u>789,967,178</u>	<u>794,405,604</u>
Deferred taxation		36,603,377	37,920,000
CURRENT LIABILITIES			
Trade and other payables		62,168,536	73,987,139
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		<u>888,739,091</u>	<u>906,312,743</u>
TOTAL EQUITY AND LIABILITIES			

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 February 2015

CONDENSED INTERIM PROFIT & LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	DECEMBER 31, 2014 RUPEES	DECEMBER 31, 2013 RUPEES	DECEMBER 31, 2014 RUPEES	DECEMBER 31, 2013 RUPEES
Turnover - net	613,611,508	645,835,387	290,252,075	342,314,173
Cost of sales	(461,676,762)	(495,035,047)	(222,827,279)	(258,420,865)
Gross profit	151,934,746	150,800,340	67,424,796	83,893,308
Selling and distribution expenses	(33,651,068)	(34,585,251)	(14,253,229)	(18,004,597)
Administrative expenses	(33,163,890)	(30,914,425)	(15,199,785)	(14,185,626)
Other operating expenses	(7,036,156)	(7,285,202)	(3,166,613)	(4,160,421)
Other operating income	17,377,567	17,193,412	8,191,928	8,681,516
	(56,473,547)	(55,591,466)	(24,427,699)	(27,669,128)
Operating profit	95,461,199	95,208,874	42,997,097	56,224,180
Finance costs	(440,253)	(175,237)	(186,948)	(88,643)
Profit before taxation	95,020,946	95,033,637	42,810,149	56,135,537
Taxation				
- Current	(20,775,995)	(28,811,069)	(8,078,797)	(17,089,055)
- Deferred	1,316,623	3,320,000	1,316,623	3,320,000
	(19,459,372)	(25,491,069)	(6,762,174)	(13,769,055)
Profit after taxation	75,561,574	69,542,568	36,047,975	42,366,482
Earnings per share - basic and diluted	1.89	1.74	0.90	1.06

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 February 2015

**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)**

	HALF YEAR ENDED		QUARTER ENDED	
	DECEMBER 31, 2014 RUPEES	DECEMBER 31, 2013 RUPEES	DECEMBER 31, 2014 RUPEES	DECEMBER 31, 2013 RUPEES
Net profit for the period	75,561,574	69,542,568	36,047,975	42,366,482
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>75,561,574</u>	<u>69,542,568</u>	<u>36,047,975</u>	<u>42,366,482</u>

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 February 2015



GAFFAR A. HABIB
Chairman

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

	Note	DECEMBER 31, 2014 RUPEES	DECEMBER 31, 2013 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		95,020,946	95,033,637
Adjustment for non-cash items:			
Depreciation		17,035,584	15,858,268
Gain on disposal of fixed assets		(2,004,198)	-
Finance costs		440,253	175,237
Operating profit before working capital changes		110,492,585	111,067,142
Working capital changes	8	28,474,715	(603,484)
Cash generated from operations		138,967,300	110,463,658
Taxes paid		(20,285,037)	(31,405,189)
Finance costs paid		(440,253)	(175,237)
		(20,725,290)	(31,580,426)
Net cash generated from operating activities		118,242,010	78,883,232
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(5,824,586)	(7,327,860)
Short-term Investments		(250,000,000)	-
Proceeds from disposal of property, plant & equipment		2,577,000	-
Net cash used in investing activities		(253,247,586)	(7,327,860)
CASH FLOWS FROM FINANCING ACTIVITIES			
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		(215,005,576)	(68,444,628)
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		45,289,249	60,318,660

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 February 2015

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)**

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 cash dividend for the year ended June 30, 2013 @ 70% i.e. Rs. 3.5 per share of Rs. 5 each	-	-	-	(140,000,000)		(140,000,000)	(140,000,000)
Total comprehensive income	-	-	-	69,542,568		69,542,568	69,542,568
Balance as at December 31, 2013	200,000,000	10,000,000	50,000,000	449,101,754		509,101,754	709,101,754
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 cash dividend for the year ended June 30, 2014 @ 40% i.e. Rs. 2 per share of Rs. 5 each	-	-	-	(80,000,000)		(80,000,000)	(80,000,000)
Total comprehensive income	-	-	-	75,561,574		75,561,574	75,561,574
Balance as at December 31, 2014	200,000,000	10,000,000	50,000,000	529,967,178		589,967,178	789,967,178

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

Karachi: 10 February 2015


OWAIS G. HABIB
Chief Executive Officer


GAFFAR A. HABIB
Chairman

**NOTES TO THE CONDENSED
INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)**

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 market 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 ended June 30 2014, other than those disclosed below:

New, 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	DECEMBER 31, 2014 (Un-Audited) RUPEES	JUNE 30, 2014 (Audited) RUPEES
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets - Owned	4.1	337,492,751	350,546,137
Capital work-in-progress (CWIP)	4.2	1,269,586	-
		<u>338,762,337</u>	<u>350,546,137</u>
4.1 Operating assets			
Book value at the beginning of the period / year		350,546,137	340,536,833
Additions during the period / year	4.1.1	4,555,000	19,369,951
Transfer from CWIP during the period / year	4.2	-	24,760,416
		<u>355,101,137</u>	<u>384,667,200</u>
Less:			
Disposal during the period / year - vehicles		572,802	934,552
Depreciation charged during the period / year		17,035,584	33,186,511
		<u>17,608,386</u>	<u>34,121,063</u>
		<u>337,492,751</u>	<u>350,546,137</u>
4.1.1 Additions during the period / year			
Plant and machinery		-	2,985,050
Furniture and fixtures		82,500	394,781
Vehicles		4,472,500	15,990,120
		<u>4,555,000</u>	<u>19,369,951</u>
4.2 Capital work-in-progress			
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>
4.2.1 Additions during the period / year			
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>
5. STOCK-IN-TRADE			
Raw and packing material		90,346,566	102,393,988
Work-in-process		2,423,602	4,101,625
Finished goods		53,569,457	65,839,595
Raw material-in-transit		18,752,335	231,878
		<u>165,091,960</u>	<u>172,567,086</u>
6. SHORT-TERM INVESTMENTS			
Held to maturity			
Term deposit receipts	6.1	250,000,000	-
		<u>250,000,000</u>	<u>-</u>
6.1			
These carry profit rate ranges from 8.6% to 9.25% (2013: Nil) per annum and will mature in January 2015 and March 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. 9,300,565 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 (2013 : 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.

	DECEMBER 31, 2014 (Un-Audited) RUPEES	DECEMBER 31, 2013 (Un-Audited) RUPEES
8. WORKING CAPITAL CHANGES		
Decrease / (increase) in current assets		
Stores, spare parts and loose tools	3,658,058	(24,151,956)
Stock-in-trade	7,475,126	26,236,206
Trade debts	34,249,451	(26,649,615)
Advances	1,166,778	(3,528,591)
Trade deposits and short-term prepayments	(467,518)	(342,384)
Other receivables	210,191	637,093
Accrued income	(5,998,768)	(2,094,109)
	40,293,318	(29,893,356)
(Decrease) / increase in current liabilities		
Trade and other payables	(11,818,603)	29,289,872
	28,474,715	(603,484)

Habib-ADM Ltd.

9. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise subsidiary company, associate companies, directors and key management personnel. Material transactions with related parties during the period are given below:

	DECEMBER 31, 2014 (Un-Audited) RUPEES	DECEMBER 31, 2013 (Un-Audited) RUPEES
Transactions during the period		
Subsidiary Company		
Sales	1,635,750	2,419,605
Rent received	3,000	6,000
Dividend received	793,407	3,078,363
Associate Company		
Allocated salary expense	207,600	191,400
Petty cash payment	10,486	7,980
Dividend paid		
- Haydari Boring & Piling Company (Private) Limited	36,000	63,000
- Abbas Builders (Private) Limited	2,332,746	4,082,306
- Indus Oil Expellers (Private) Limited	400	700
	2,369,146	4,146,006
Key management personnel		
Salaries and allowances as per term of employment	5,180,700	4,709,700
Retirement benefit plans		
Contribution to Provident Fund	704,500	640,450
Balance as at period / year end		
	DECEMBER 31, 2014 (Un-Audited) RUPEES	JUNE 30, 2014 (Audited) RUPEES
Subsidiary Company		
Receivable	1,772,854	734,104

10. GENERAL

10.1 These condensed interim financial statements have been authorised for issue on 10 February 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: 10 February 2015

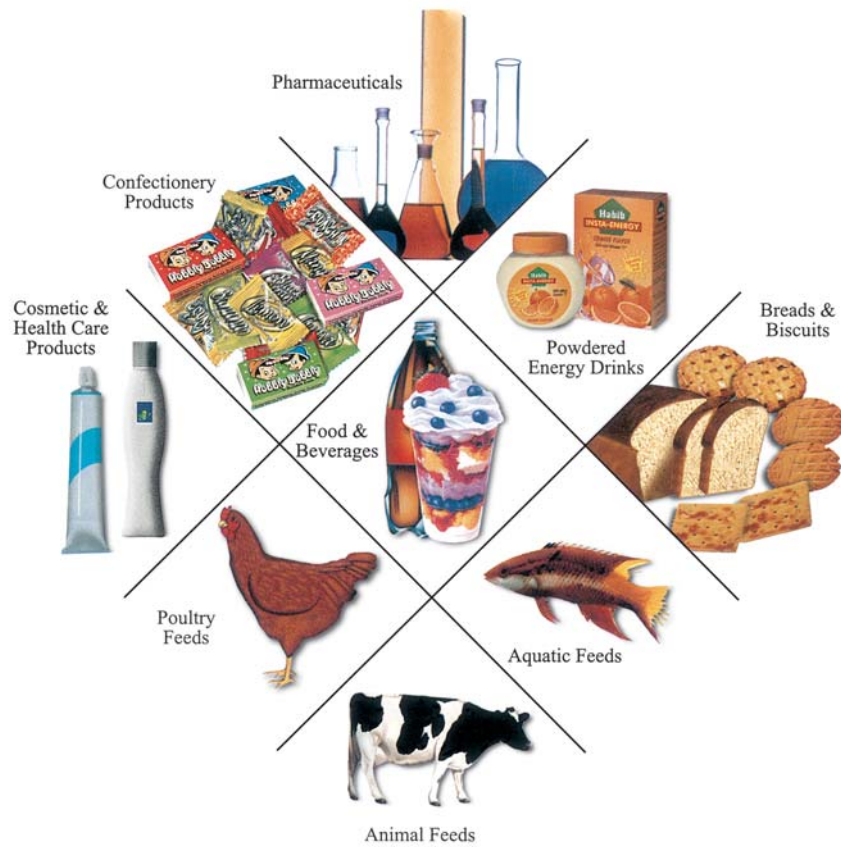
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Habib-ADM Ltd.

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

