



Habib Rice Products Ltd.

**1st Quarter
Unaudited Accounts
September 30, 2022**

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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	Independent Director
Ms. Fatemah G. Habib	
Dr. Salma Habib	
Mr. Daniyal Ghani	Independent Director
Mr. Asad R. Premjee	Independent Director

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
Mr. Daniyal Ghani

CHIEF EXECUTIVE OFFICER

Mr. Owais G. Habib

CHIEF FINANCIAL OFFICER

Mr. Jamshed Ali Khan

COMPANY SECRETARY

Mr. Ali Asghar Rajani

AUDITORS

Grant Thornton Anjum Rahman
Chartered Accountants

SHARE REGISTRAR

M/s. THK Associates (Pvt.) Limited
Plot No. 32-C, Jami Commercial Street-2, D.H.A.,
Phase-VII, Karachi-75500, Pakistan.
UAN: (021) 111-000-322 Fax: (021) 35310190

REGISTERED OFFICE

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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
Fax : (0853) 363819



DIRECTORS' REPORT

1ST QUARTER ENDED SEPTEMBER 30, 2022 (UNAUDITED)

Dear Shareholders,

We bow our heads in gratitude to Allah the Beneficent, the Merciful, the Provider, for the Blessing He continues to bestow on us which are partly reflected in the Company's performance for the Quarter ended September 30, 2022.

Review:- The rupee devaluation has helped reduce the Imports of Sorbitol, and what did arrive came in at a cost that we can compete with. Thus at the moment, we only have domestic producers to compete against. The resulting higher prices obtained and an improved energy supply in September helped an improved bottom line.

In closing:- Please join me in my prayers to Allah the Beneficent, the Merciful, the Provider, to continue to Bless our operations with Bounties as Befits His Glory, Aameen.

On behalf of the Board,

OWAIS G. HABIB
Chief Executive Officer

GAFFAR A. HABIB
Chairman

Karachi: October 28, 2022



Habib Rice Products Ltd.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022 (UN-AUDITED)

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
ASSETS	Note	Rupees	
NON-CURRENT ASSETS			
Property, plant and equipment	4	573,960,363	574,866,874
Right-of-use assets	5	12,202,821	15,105,720
Long-term deposits		26,490,870	26,490,870
Deferred taxation	6	20,267,065	20,767,749
		<u>632,921,119</u>	<u>637,231,213</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		127,373,613	115,259,887
Stock-in-trade	7	390,955,897	249,215,844
Trade debts		6,051,876	53,940,972
Loans and advances		7,009,615	15,207,741
Trade deposits, prepayments and other receivable		4,122,265	4,412,196
Short-term investments	8	175,016,338	157,972,905
Taxation - net		72,901,788	63,457,758
Cash and bank balances	9	81,049,381	108,829,391
		<u>864,480,773</u>	<u>768,296,694</u>
		<u>1,497,401,892</u>	<u>1,405,527,907</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
60,000,000 (June 30, 2022: 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		<u>767,671,757</u>	<u>728,783,376</u>
		<u>967,671,757</u>	<u>928,783,376</u>
NON-CURRENT LIABILITIES			
Provision for Gas Infrastructure			
Development Cess (GIDC)	10	30,049,855	39,714,581
CURRENT LIABILITIES			
Current Maturity of Lease Liabilities		11,113,957	10,937,673
Current Maturity of Gas Infrastructure			
Development Cess GIDC	10	181,327,350	171,662,624
Trade and other payables	11	205,683,307	136,073,289
Provision for gas rate revision	12	73,300,128	79,522,905
Unclaimed and Unpaid dividend		28,255,538	38,833,459
		<u>499,680,280</u>	<u>437,029,950</u>
		<u>1,497,401,892</u>	<u>1,405,527,907</u>
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The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

OWAIS G. HABIB
Chief Executive Officer

JAMSHED ALI KHAN
Chief Financial Officer

GAFFAR A. HABIB
Chairman

Karachi: October 28, 2022



Habib Rice Products Ltd.

**CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS**
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

	September 30, 2022	September 30, 2021
	----- Rupees -----	
Turnover - net	533,720,515	452,687,096
Cost of Sales	(429,912,395)	(344,499,719)
Gross Profit	103,808,120	108,187,377
Distribution costs	(34,247,365)	(50,521,566)
Administrative Expenses	(26,550,135)	(29,609,112)
Other Expenses	(6,618,647)	(5,105,752)
Other Income	10,199,628	3,173,976
Finance costs	(790,926)	(372,582)
Profit before Taxation	45,800,675	25,752,341
Taxation		
- Current		
- Deferred	(6,411,610)	(5,344,662)
	(500,684)	994,389
Provision for Taxation	(6,912,294)	(4,350,273)
Profit for the period	38,888,381	21,402,068
Earning per share - basic and diluted	0.97	0.54

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

OWAIS G. HABIB
Chief Executive Officer

JAMSHED ALI KHAN
Chief Financial Officer

GAFFAR A. HABIB
Chairman

Karachi: October 28, 2022



Habib Rice Products Ltd.

**CONDENSED INTERIM STATEMENT OF
OTHER COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)**

	September 30, 2022	September 30, 2021
	----- Rupees -----	
Net Profit for the period	38,888,381	21,402,068
Other comprehensive income	-	-
Total comprehensive income for the period	<u>38,888,381</u>	<u>21,402,068</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

OWAIS G. HABIB
Chief Executive Officer

Karachi: October 28, 2022

JAMSHED ALI KHAN
Chief Financial Officer

GAFFAR A. HABIB
Chairman


Habib Rice Products Ltd.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

Particulars	Issued, Subscribed And Paid-up Capital	Reserves				Total reserves	Total equity
		Capital Reserve Share Premium	Revenue reserves		Unappropriated Profit		
			General Reserve				
Rupees							
Balance as at July 01, 2021	200,000,000	10,000,000	50,000,000	704,699,028	764,699,028	964,699,028	
Profit after taxation for the period	-	-	-	21,402,068	21,402,068	21,402,068	21,402,068
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	21,402,068	21,402,068	21,402,068	21,402,068
Balance as at September 30, 2021	200,000,000	10,000,000	50,000,000	726,101,096	786,101,096	986,101,096	
Balance as at July 01, 2022	200,000,000	10,000,000	50,000,000	668,783,376	728,783,376	928,783,376	
Profit after taxation for the period	-	-	-	38,888,381	38,888,381	38,888,381	38,888,381
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	38,888,381	38,888,381	38,888,381	38,888,381
Balance as at September 30, 2022	200,000,000	10,000,000	50,000,000	707,671,757	767,671,757	967,671,757	

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

OWAIS G. HABIB
Chief Executive Officer

JAMSHED ALI KHAN
Chief Financial Officer

GAFFAR A. HABIB
Chairman

Karachi: October 28, 2022



Habib Rice Products Ltd.

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)

		September 30, 2022	September 30, 2021
	Note	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		45,800,675	25,752,341
Adjustments for non-cash items:			
Depreciation on operating fixed assets	4.10	13,631,763	8,337,430
Depreciation on right-of-use assets	5	2,902,899	2,272,968
Provision for GIDC and other charges		-	287,099
Profit on short-term investments and saving accounts received		(9,799,350)	(2,972,963)
Dividend income on mutual fund units		(400,278)	(201,013)
Unrealised fair value gain on short-term investments		3,070,492	-
Finance costs		790,926	372,582
Operating profit before working capital changes		55,997,127	33,848,444
Working capital changes	14	(34,089,383)	19,433,658
Cash generated from operations		21,907,744	53,282,102
Finance costs paid		(478,777)	(348,960)
Taxes refunded / paid		(15,855,640)	(17,035,728)
		(16,334,417)	(17,384,688)
Net cash generated from operating activities		5,573,327	35,897,414
CASH FLOWS FROM INVESTING ACTIVITIES			
Short term investment made - net		100,886,443	928,981
Capital expenditure		(12,725,252)	(20,638,062)
Profit on short-term investments and saving accounts received		8,798,980	3,012,203
Dividend Income received		400,278	201,013
Net cash used in investing activities		97,360,449	(16,495,865)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(10,577,921)	(15,832)
Lease rentals paid		(135,865)	(136,365)
Net cash used in financing activities		(10,713,786)	(152,197)
Net (increase) / decrease in cash and cash equivalents		92,219,990	19,249,352
Cash and cash equivalents at the beginning of the period		109,083,841	133,562,359
Cash and cash equivalents at the end of the period	15	201,303,831	152,811,711

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

OWAIS G. HABIB
Chief Executive Officer

JAMSHED ALI KHAN
Chief Financial Officer

GAFFAR A. HABIB
Chairman

Karachi: October 28, 2022

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2022 (UN-AUDITED)**

1. THE COMPANY AND ITS OPERATIONS

Habib Rice Products Limited (the Company) is a Public listed Company Limited by shares, incorporated in Pakistan on July 10, 1980 and is listed on the Pakistan Stock Exchange. The Company is engaged in the production of rice based starch sugar and Proteins. The registered office of the Company is situated at 2nd Floor, UBL Building, I.I.Chundrigar Road, Karachi, Sindh.

The Company's primary production facilities are located at its industrial complex in Hub Industrial Area, District Lasbela, Baluchistan.

2. BASIS OF PREPARATION

2.1. These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2. These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2022. These condensed interim financial statements are unaudited.

2.3. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended September 30, 2022 and September 30, 2021 and notes forming part thereof have not been reviewed by the auditors of the Company.

2.4. These condensed interim financial statements are presented in the Pakistani rupees which is also the Company's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computations adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the Company's annual financial statements for the year ended June 30, 2022.

Amendments to approve accounting standards adopted during the period:

IFRS 9, IAS 39, IFRS 7, IFRS 4 & IFRS 16 - Interest Rate Benchmark Reform - phase 2 (Amendments)

IFRS 16 COVID-19 - Related Rent Concessions beyond 30 June 2021 (Amendments)

The adoption of the above amendments to standards / framework did not have any material impact on the Company's condensed interim financial statements.

3.1. Accounting estimates and judgements

The preparation of these condensed interim financial statements in conformity with the approved accounting standards, as applicable in Pakistan, requires the management to make estimates, judgments that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Estimates and judgments made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the annual audited financial information of the Company for the year ended June 30, 2022. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial information as at and for the year ended June 30, 2022.

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
Note		Rupees	
4. PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	4.1 568,656,345	573,192,421
	Capital work-in-progress (CWIP)	4.2 5,304,018	1,674,453
		<u>573,960,363</u>	<u>574,866,874</u>
4.1. The movement in operating fixed assets during the period / year are as follows:			
	Net book value (NBV) at the beginning of the period / year	573,192,421	367,820,889
	Additions during the period / year (cost)	4.1.1 238,974	2,844,497
	Transfers from CWIP during the period / year (cost)	4.2 8,856,713	254,620,190
		<u>582,288,108</u>	<u>625,285,576</u>
	Disposals during the period / year - Vehicles (NBV)	-	-
	Depreciation charged during the period / year	(13,631,763)	(52,093,155)
		<u>(13,631,763)</u>	<u>(52,093,155)</u>
	NBV at the end of the period/year	<u>568,656,345</u>	<u>573,192,421</u>
4.1.1. Additions during the period / year			
	Plant and machinery	8,856,713	-
	Computer, office and electrical equipment	-	419,052
	Furniture & Fixture	238,974	440,789
	Vehicles	-	1,984,656
		<u>9,095,687</u>	<u>2,844,497</u>
4.2. Capital work-in-progress			
	At the beginning of the period / year	1,674,453	209,013,960
	Additions during the period / year - plant and machinery	12,486,278	47,280,683
		<u>14,160,731</u>	<u>256,294,643</u>
	Transfer to operating fixed assets during the period / year	8,856,713	254,620,190
	At the end of the period / year	<u>5,304,018</u>	<u>1,674,453</u>



Habib Rice Products Ltd.

	September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
Note	----- Rupees -----	
5. RIGHT-OF-USE ASSETS		
Cost		
At the beginning of the period / year	21,938,085	23,106,095
Maturity of existing ROUA	-	(21,703,110)
Remeasurement of lease liabilities	-	20,535,105
	<u>21,938,085</u>	<u>21,938,090</u>
Accumulated depreciation		
At the beginning of the year	6,832,365	18,183,746
Maturity of existing ROUA	-	(21,703,110)
Charge for the period / year	2,902,899	10,351,734
At the end of the period / year	<u>9,735,264</u>	<u>6,832,370</u>
Net book value at the end of the year	<u>12,202,821</u>	<u>15,105,720</u>
6. DEFERRED TAX		
Arising on taxable temporary differences:		
Accelerated tax depreciation	(43,880,648)	(44,091,044)
Lease liabilities	(246,300)	(942,812)
Arising on deductible temporary differences:		
Provisions	64,394,013	65,801,605
	<u>20,267,065</u>	<u>20,767,749</u>
7. STOCK-IN-TRADE		
Raw and Packing Material - in hand	272,706,222	162,175,731
- in transit	603,316	-
	<u>273,309,538</u>	<u>162,175,731</u>
Work-in-process	-	1,384,112
Finished goods	117,646,359	85,656,001
	<u>390,955,897</u>	<u>249,215,844</u>
8. SHORT-TERM INVESTMENTS		
At amortized cost		
Term deposit receipts (TDR)		
maturity within 3 months	8.1 120,254,450	254,450
maturing within 3 to 12 months	-	101,226,680
	<u>120,254,450</u>	<u>101,481,130</u>
Accrued Profit	2,405,778	1,405,409
	<u>122,660,228</u>	<u>102,886,539</u>
At fair value through profit or loss		
Listed equity securities - Bank AL Habib Limited	40,839,066	43,909,558
Mutual fund units - Meezan Rozana Amdani Fund	11,517,044	11,176,808
	<u>175,016,338</u>	<u>157,972,905</u>

- 8.1. These carry profit rates ranging from 13.00% TO 15.40% (June 30, 2022: 9.25% TO 14.50%) per annum.

	September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
Note	Rupees	
9. CASH AND BANK BALANCES		
Cash in hand	1,433,667	1,659,902
Cash with banks		
Current accounts	12,224,561	2,234,296
	13,658,228	3,894,198
Saving accounts		
Local Currency:	9.1 35,826,775	84,227,619
Foreign Currency:	31,564,378	20,707,574
	67,391,153	104,935,193
	81,049,381	108,829,391

- 9.1. These carry interest rates ranging from 12.25% to 13.50% (June 30, 2022: 5.50% to 14.50%) per annum.

10. PROVISION FOR GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC)

The Honourable Supreme Court of Pakistan (SCP) on August 13, 2020 decided the Gas Infrastructure Development Cess (GIDC) case and held that the levy of GIDC under the GIDC Act 2015 is constitutional. The Apex Court further stated that all industrial and commercial entities which consume natural gas pass on the burden to their customers, have to pay the GIDC that become due upto July 31, 2020.

Subsequent to the Order passed by the Apex Court, the SSGC issued GIDC bill being the first installment of total aggregate demand amounting to Rs. 229.34 million, which was later revised to Rs. 179.80 million pursuant to the decision of Honourable High Court of Sindh (HCS) (note 21.2), to be recovered in 48 monthly installments.

The above demand of the SSGC was not acknowledged as liability by the Company as the Company contends that it had not passed the burden to its customers / clients. The Company filed an appeal before the Honourable HCS on the ground that no burden of GIDC had been passed to its customers / clients and thus the Company is not liable to pay GIDC under GIDC Act 2015.

The HCS has granted Stay vide Order dated September 18, 2020 against the aforementioned demand raised by the SSGC and restrained the SSGC to take any coercive action.

However, as a matter of abundant caution and without prejudice to the suit filed, the Company as required by IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', during the period, has re-measured the existing provision for GIDC amounting to Rs. 219.92 million at the present value of future cashflows amounting to Rs. 211.38 million (including current maturity of Rs. 181.33 million).

Pursuant to the decision of Honourable HCS, a provision of Rs. 49.54 million in respect of the differential of GIDC captive power rate and the GIDC being charged at the industrial rate has been maintained in full by the Company.

September 30, 2022
(Un-audited)
Note ----- Rupees -----

June 30, 2022
(Audited)

11. TRADE AND OTHER PAYABLES

Creditors	85,050,005	11,008,940
Accrued liabilities	55,319,026	45,370,760
Contract liabilities	41,289,152	50,065,486
Workers' Welfare Fund	14,906,719	13,972,012
Workers' Profit Participation Fund	2,459,757	-
Sales tax payable	6,658,648	15,656,091
	<u>205,683,307</u>	<u>136,073,289</u>

12. PROVISION FOR GAS RATE REVISION

In August 2015, Sui Southern Gas Company Limited (SSGC) increased rates of natural gas vide notification No. SRO 876(1)2015 dated August 31, 2015 issued by Oil and Gas Regulatory Authority (OGRA) whereby prices for natural gas for industrial sector were increased from Rs. 488 to Rs. 600 per MMBTU. Whereas those for the captive power sector were increased from Rs. 573 to Rs. 600 per MMBTU and the Company was subject to charge within both categories. The Company challenged the OGRA notification and filed writ petition in the Honourable High Court of Sindh (HCS). Thereafter, HCS vide its order dated May 18, 2016, decided the case in Company's favor and concluded that the OGRA notification lacks the sanctity of law and it cannot be validated in terms of Section 7 and 8 of the OGRA Ordinance 2002. SSGC filed an appeal in the HCS which was dismissed on August 15, 2017. Subsequently, SSGC has taken the matter to the Honourable Supreme Court of Pakistan and filed the petition to appeal against the order dated August 15, 2017.

Further, OGRA in suppression of its Notification No. SRO 876(1)2015 dated August 31, 2015, issued notification No. SRO 1185 dated December 30, 2016 notifying the sale price, in respect of natural gas to industrial customers with effect from December 15, 2016 being flat rate of Rs. 600 per MMBTU. The Company challenged the impugned notification dated December 30, 2016 before the HCS. HCS has passed ad-interim orders dated January 20, 2017 suggesting stay on the rates aforementioned, while ordering plaintiffs to deposit the differential amount in terms of impugned notification as security till further orders.

Moreover OGRA in suppression of its notification No. SRO 1185(I)2016 dated December 30, 2016 issued notification dated October 04, 2018 stating that the sale prices and minimum charges in respect of natural gas to industrial customers with effect from September 27, 2018 will be at flat rate of Rs. 780 per MMBTU. The Company challenged the impugned notification dated October 04, 2018 before HCS.

However, the Company has under protest paid the bills from October 2018 to December 2019 on increased tariff rate. The HCS in September 2019 dismissed all the petitions challenging the Gas Tariff 2018. However, the Company, along with other companies in the industry, challenged the HCS order and filed a petition in the Honourable Supreme Court of Pakistan which is at the stage of hearing.

Further, OGRA in suppression of its Notification No. SRO 1234(1)2018 dated October 04, 2018, SRO 1284(i) dated October 18, 2018 SRO 1523(i) dated December 14, 2018 and SRO 234(I) 2018 dated February 21, 2019 issued notification SRO 795(I) dated June 29, 2019 which was superseded by SRO 931(I) 2019 dated August 09, 2019 and further by SRO 1076(1) 2019 dated September 13, 2019, stating that the sale prices and minimum charges in respect of natural gas to industrial customer with effect from July 01, 2019 shall be at flat rate of Rs.1,021 per MMBTU. The Company challenged the said impugned notification before HCS. The HCS has passed interim order dated November 22, 2019 suggesting stay on the rates aforementioned, while ordering plaintiffs to deposit the differential amount of notified price and prescribed price of estimated revenue requirement (ERR) of OGRA (Rs. 937.57 per MMBTU) amounting to Rs. 83.43 per MMBTU as security till further orders.

Thereafter, OGRA in suppression of its Notification No. SRO 1931(1) 2019 dated August 09, 2019 and SRO 1076(1)2019 dated September 13, 2019 issued notification No. SRO 10-3(8) / 2020 dated October 23, 2020 notifying the sale price in respect of general industrial sector and captive power sector as flat rate of Rs. 1,054 per MMBTU and Rs. 1,087 per MMBTU respectively with effect from September 01, 2020. The Company has been paying the bills on the said rates.

In June 2022, the Company signed out of Court Settlement Agreements with SSGC for the Gas Tariff Cases and agreed to pay the outstanding amount in installments for which provision has already been made on prudent basis. The said agreements are yet to be filed with the relevant Courts to make them effective.

13. CONTINGENCIES AND COMMITMENTS

13.1. Contingencies

There is no change in the status of contingencies as disclosed in the annual audited financial statements for the year ended June 30, 2022.

13.2. Commitments

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
		----- Rupees -----	
Outstanding letters of credit		5,218,301	5,500,134
Guarantee issued in favor of:			
- Sui Southern Gas Company Limited	13.3	73,845,865	73,845,865
Cheques / Pay Orders issued in favor of			
Nazir High Court in relation to			
OGRA cases.		63,380,287	63,380,287

13.3. Guarantee has been issued by a commercial bank on behalf of the Company to Sui Southern Gas Company Limited in the normal course of business.



Habib Rice Products Ltd.

	September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
	----- Rupees -----	
14. WORKING CAPITAL CHANGES		
Decrease / (Increase) in current assets		
Stores, spare parts and loose tools	(12,113,726)	(28,855,917)
Stock-in-trade	(141,740,053)	83,216,220
Trade debts	47,889,096	(168,985)
Loans and advances	8,198,126	(1,720,711)
Trade deposits and prepayments	289,932	3,119,795
	(97,476,625)	55,590,402
Increase in current liabilities		
Trade and other payables	63,387,242	(36,156,744)
	(34,089,383)	19,433,658

15. CASH AND CASH EQUIVALENTS

Short-term investments - term deposit			
receipt - maturity within 3 months	8	120,254,450	-
Cash and bank balances	9	81,049,381	152,811,711
		201,303,831	152,811,711

16. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, directors, other key management personnel and retirement funds. Transactions with related parties other than those disclosed elsewhere in the financial information as mentioned below are entered under agreed terms:

	September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
	----- Rupees -----	
Transactions during the period		
Associated Companies		
Dividend paid	58,719	97,865
Key management personnel		
Salaries and allowances	15,238,172	11,377,457
Retirement benefit plans		
Contribution to provident fund	6,199,126	5,584,120

- 16.1.** The aggregate amount paid / payable to the directors as a fee for attending the Board of Director's meetings for the period ended September 30, 2022 amounted to Rs. 18,750 (September 30, 2021: Rs.25,000).

17. FINANCIAL RISK MANAGEMENT

These condensed interim financial statements do not include all financial risk management information and disclosures which are 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, 2022. There have been no changes in any risk management policies since the year end, except as described below:

September 30, 2022 (Unaudited)

	Carrying amount		Fair value hierarchy		
	Fair value through profit or loss	Total	Level 1	Level 2	Level 3
----- (Rupees in '000)-----					
Financial assets measured at fair value					
Short-term investments					
Listed equity securities - Bank Al Habib Ltd.	40,839,066	40,839,066	40,839,066	-	-
Mutual fund units	11,517,044	11,517,044	11,517,044	-	-
	<u>52,356,110</u>	<u>52,356,110</u>	<u>52,356,110</u>	<u>-</u>	<u>-</u>

June 30, 2022 (Audited)

	Carrying amount		Fair value hierarchy		
	Fair value through profit or loss	Total	Level 1	Level 2	Level 3
----- (Rupees in '000)-----					
Financial assets measured at fair value					
Short-term investments					
Listed equity securities - Bank Al Habib Ltd.	43,909,558	43,909,558	43,909,558	-	-
Mutual fund units	11,176,808	11,176,808	11,176,808	-	-
	<u>55,086,366</u>	<u>55,086,366</u>	<u>55,086,366</u>	<u>-</u>	<u>-</u>

The carrying value of all financial and non-financial assets and liabilities measured at other than amortised cost in these condensed interim financial statements approximate their fair values.

18. OPERATING SEGMENTS

These condensed interim financial statements have been prepared on the basis of a single reportable segment.

Sales of the Company relate to starch sugar and proteins.

Total sales of the Company relating to customers in Pakistan were 78.79% of total sales during the period ended September 30, 2022 (September 30, 2021: 70.31%).

All non-current assets of the Company as at September 30, 2022 and June 30, 2022 are located in Pakistan.

Sales to the major five customers of the Company are around 17.61% of total sales during the period ended September 30, 2022 (September 30, 2021: 39.53%).

19. POST REPORTING DATE EVENTS

The Board of Directors in their meeting held on September 05, 2022 have recommended for the approval of the Stockholders a Final Cash Dividend @ 40% i.e Rs 2.00 Per Share of Rs 5 each for financial year ended June 30, 2022. Subsequently, this has already been approved by the Stockholders in the Annual General Meeting held on October 26, 2022. Therefore, no provision has been made in these accounts.

20. GENERAL

20.1. These condensed Interim Financial Information have been authorised for issue on October 28, 2022 by the Board of Directors of the Company.

20.2. Figures have been rounded off to the nearest rupee, unless otherwise stated.


OWAIS G. HABIB
Chief Executive Officer


JAMSHED ALI KHAN
Chief Financial Officer


GAFFAR A. HABIB
Chairman

Karachi: October 28, 2022

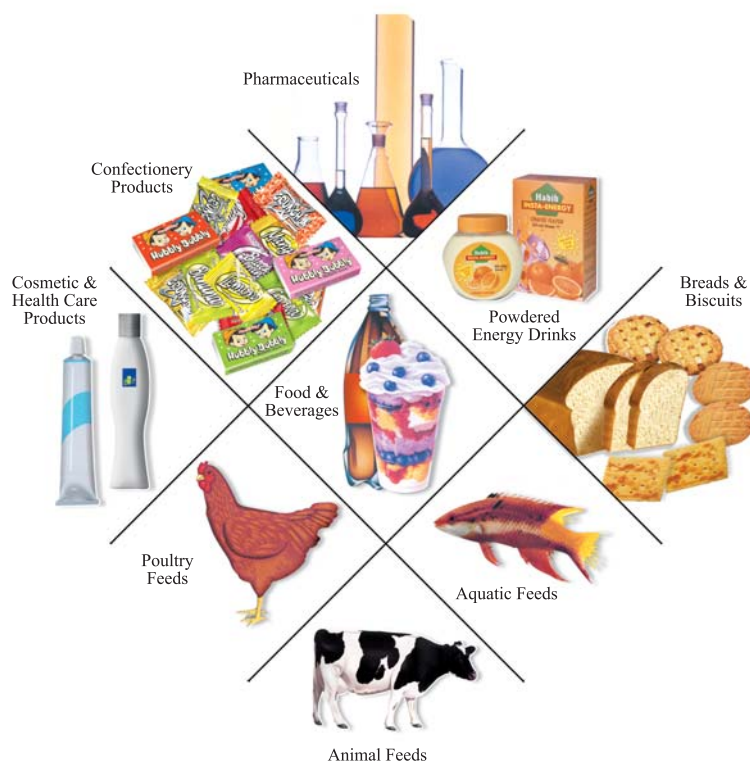


Habib Rice Products Ltd.

Pioneer Producers of Rice Derives Products and Proteins

Habib Rice Products Limited pioneered the conversion of Rice into:-

- **Glucose**
- **Sorbitol**
- **Dextrose**
- **Maltodextrin**
- **High Fructose**
- **Rice Protein**



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