



**Habib Rice Products Ltd.**

**3rd Quarter  
Unaudited Accounts  
March 31, 2022**

# Contents

	<b>Page No</b>
Company Information	1
Chairman's Review / Directors' Report	2
Condensed Interim Statement of Financial Position (Un-audited)	3
Condensed Interim Statement of Profit or Loss (Un-audited)	4
Condensed Interim Statement of Comprehensive Income (Un-audited)	5
Condensed Interim Statement of Changes in Equity (Un-audited)	6
Condensed Interim Statement of Cash Flows (Un-audited)	7
Condensed Notes to the Financial Statements (Un-audited)	8-16

## 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**

EY Ford Rhodes  
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**

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  
Fax : (0853) 363819



## CHAIRMAN'S REVIEW / DIRECTORS' REPORT

3rd Quarter Ended March 31, 2022 (Un-Audited)

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 March 31, 2022.

As reported earlier, our Plant operations continue to face the challenges of erratic / non availability of energy (Gas, KE, LPG, Furnace Oil) which even when available, was in such limited supply that only part of the Plant could be operated at any given time.

**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

**Gaffar A. Habib**  
Chairman

**Owais G. Habib**  
Chief Executive Officer

Karachi: April 18, 2022



## Habib Rice Products Ltd.

### CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022 (UN-AUDITED)

		March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
ASSETS	Note	----- Rupees -----	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	585,887,792	576,834,849
Right-of-use assets	5	18,008,619	4,922,349
Long-term deposits		26,490,870	26,490,870
Deferred tax asset	6	20,153,031	33,328,539
		<u>650,540,312</u>	<u>641,576,607</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		122,723,711	83,684,342
Stock-in-trade	7	308,071,947	227,257,878
Trade debts		54,374	20,868
Loans and advances		13,386,579	5,703,924
Trade deposits and short-term prepayments		770,240	4,419,614
Sales Tax receivable		15,982,196	11,944,668
Short-term investments	8	103,435,676	305,712,268
Taxation - net		74,253,263	60,770,298
Cash and bank balances	9	85,016,595	133,562,359
		<u>723,694,581</u>	<u>833,076,219</u>
		<u>1,374,234,893</u>	<u>1,474,652,826</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
60,000,000 (June 30, 2020: 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>746,834,014</u>	<u>764,699,028</u>
		946,834,014	964,699,028
<b>NON-CURRENT LIABILITIES</b>			
Lease Liabilities		-	219,341
Provision for Gas Infrastructure			
Development Cess (GIDC)	10	49,352,152	76,239,416
		49,352,152	76,458,757
<b>CURRENT LIABILITIES</b>			
Current Maturity of Lease Liabilities		10,766,299	476,140
Current Maturity of Gas Infrastructure			
Development Cess	10	162,289,865	130,900,226
Trade and other payables	11	79,690,158	184,444,499
Provision for gas rate revision	12	86,437,100	86,150,001
Unclaimed dividend		38,865,305	31,524,175
		<u>378,048,727</u>	<u>433,495,041</u>
		<u>1,374,234,893</u>	<u>1,474,652,826</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		

The annexed notes from 1 to 19 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: April 18, 2022



**Habib** Rice Products Ltd.

**CONDENSED INTERIM STATEMENT OF  
PROFIT OR LOSS  
FOR THE 3RD QUARTER ENDED MARCH 31, 2022 (UN-AUDITED)**

	9 Months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- Rupees -----			
Turnover - net	1,473,385,614	1,359,936,956	411,897,355	454,602,347
Cost of sales	(1,088,884,576)	(1,053,257,628)	(325,619,286)	(341,524,180)
<b>Gross profit</b>	<b>384,501,038</b>	<b>306,679,328</b>	<b>86,278,069</b>	<b>113,078,167</b>
Distribution cost	(165,528,689)	(62,593,524)	(35,213,306)	(24,217,122)
Administrative expenses	(91,266,801)	(73,559,501)	(34,164,174)	(27,887,590)
Other expenses	(15,493,265)	(14,499,150)	(4,641,053)	(3,567,906)
Other income	30,107,628	37,402,470	23,677,433	18,735,055
Finance costs	(11,036,571)	(3,277,314)	(1,527,675)	(1,061,585)
	131,283,340	190,152,309	34,409,294	75,079,019
<b>Gain on discounting of provision for GIDC</b>	<b>3,543,722</b>	<b>32,070,140</b>	<b>-</b>	<b>-</b>
<b>Profit before taxation</b>	<b>134,827,062</b>	<b>222,222,449</b>	<b>34,409,294</b>	<b>75,079,019</b>
Taxation				
- Current	(19,516,568)	(42,434,489)	(7,173,407)	(13,141,576)
- Deferred	(13,175,508)	1,256,310	(9,023,396)	(1,694,449)
	(32,692,076)	(41,178,179)	(16,196,803)	(14,836,025)
<b>Profit after taxation</b>	<b>102,134,986</b>	<b>181,044,270</b>	<b>18,212,491</b>	<b>60,242,994</b>
Earnings per share - basic and diluted	2.55	4.53	0.46	1.51

The annexed notes from 1 to 19 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: April 18, 2022



**Habib** Rice Products Ltd.

**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME  
FOR THE 3RD QUARTER ENDED MARCH 31, 2022 (UN-AUDITED)**

	9 Months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- Rupees -----			
Profit after taxation for the period	102,134,986	181,044,270	18,212,491	60,242,994
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>102,134,986</u>	<u>181,044,270</u>	<u>18,212,491</u>	<u>60,242,994</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information.

**OWAIS G. HABIB**  
Chief Executive Officer

Karachi: April 18, 2022

**JAMSHED ALI KHAN**  
Chief Financial Officer

**GAFFAR A. HABIB**  
Chairman


**Habib Rice Products Ltd.**

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

### FOR THE 3RD QUARTER ENDED MARCH 31, 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, 2020	200,000,000	10,000,000	50,000,000	654,680,794	714,680,794	914,680,794	
Final dividend @ 60% for the year ended June 30, 2020	-	-	-	(120,000,000)	(120,000,000)	(120,000,000)	
Interim dividend @ 40% for the year ended June 30, 2021	-	-	-	(80,000,000)	(80,000,000)	(80,000,000)	
Profit after taxation for the period	-	-	-	181,044,270	181,044,270		181,044,270
Other comprehensive income	-	-	-	-	-	-	
Total comprehensive income	-	-	-	181,044,270	181,044,270		181,044,270
Balance as at March 31, 2021	200,000,000	10,000,000	50,000,000	635,725,064	695,725,064		895,725,064
Balance as at July 01, 2021	200,000,000	10,000,000	50,000,000	704,699,028	764,699,028		964,699,028
Final dividend @ 60% for the year ended June 30, 2021	-	-	-	(120,000,000)	(120,000,000)	(120,000,000)	
Profit after taxation for the period	-	-	-	102,134,986	102,134,986		102,134,986
Other comprehensive income	-	-	-	-	-	-	
Total comprehensive income	-	-	-	102,134,986	102,134,986		102,134,986
Balance as at March 31, 2022	200,000,000	10,000,000	50,000,000	686,834,014	746,834,014		946,834,014

The annexed notes from 1 to 19 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: April 18, 2022





## Habib Rice Products Ltd.

### CONDENSED INTERIM STATEMENT OF CASH FLOWS AS AT MARCH 31, 2022 (UN-AUDITED)

	Note	March 31, 2022	March 31, 2021
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		134,827,062	222,222,449
Adjustments for non-cash items:			
Depreciation on operating fixed assets	4	37,270,305	27,487,368
Depreciation on right-of-use assets	5	7,448,835	6,818,904
Provision for GIDC and other charges		287,099	35,561,858
Profit on short-term investments and saving accounts		(25,055,541)	(23,326,045)
Gain on disposal of operating fixed assets		-	(17,064)
Unrealised fair value (gain)/loss on short-term investments		5,763,349	-
Re-measurement Gain on discounting of provision for GIDC	10	(3,543,722)	(32,070,140)
Finance costs		11,036,571	3,277,314
<b>Operating profit before working capital changes</b>		<b>168,033,958</b>	<b>239,954,644</b>
Working capital changes	14	(232,712,093)	(46,300,934)
<b>Cash generated from operations</b>		<b>(64,678,135)</b>	<b>193,653,710</b>
Taxes refunded / (paid)		(32,999,533)	19,737,443
Finance costs paid		(2,738,721)	(2,755,122)
Long term deposits - net		-	(6,361,110)
		(35,738,254)	10,621,211
<b>Net cash generated from operating activities</b>		<b>(100,416,389)</b>	<b>204,274,921</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(46,323,248)	(116,639,422)
Short term investment redeemed - net		96,395,100	135,014,087
Profit on short-term investments and saving accounts received		25,173,684	41,954,522
Proceeds from disposal of operating fixed assets		-	64,000
<b>Net cash used in investing activities</b>		<b>75,245,536</b>	<b>60,393,187</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(112,658,870)	(189,145,419)
Lease rentals paid		(10,716,041)	(10,007,597)
<b>Net cash used in financing activities</b>		<b>(123,374,911)</b>	<b>(199,153,016)</b>
Net increase in cash and cash equivalents		(148,545,764)	65,515,092
Cash and cash equivalents at the beginning of the period		233,816,809	74,503,789
<b>Cash and cash equivalents at the end of the period</b>	<b>15</b>	<b>85,271,045</b>	<b>140,018,881</b>

The annexed notes from 1 to 19 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: April 18, 2022

## **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER ENDED MARCH 31, 2022 (UN-AUDITED)**

### **1. THE COMPANY AND ITS OPERATIONS**

- 1.1. 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 registered office of the Company is situated at 2nd Floor, UBL Building I.I Chundrigar Road, Karachi. The Company is engaged in the production of rice derives products and proteins.

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

- 1.2. COVID-19 is a global pandemic which has affected the whole world and Pakistan is not an exception. Businesses are badly effected due to lockdowns to fight COVID-19. The situation, however has now improved on the back of steps taken by the government of Pakistan. The Company has taken all necessary measures for the health and safety of its employees. Employees were also allowed to work from their home during COVID-19. The management fully supports the government's stance of vaccination. Based on the assessment performed by the management, there is no significant accounting impact of COVID-19 in these condensed interim financial statement

### **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, 2021. These condensed interim financial statements are unaudited, however, have been subject to limited scope review by the auditors and are being submitted to the shareholders as required by the Pakistan Stock Exchange Regulations and Section 237 of the Companies Act, 2017.

2.3. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended March 31, 2022 and March 31, 2021 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half years ended December 31, 2021 and December 31, 2020.

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

3.1 The accounting policies and the methods of computations adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the Company's annual financial statements for the year ended June 30, 2021.

#### 3.2 Amendments to approved 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.

#### 3.3. 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 statements of the Company for the year ended June 30, 2021. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

		March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
	Note	Rupees	
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	575,811,371	367,820,889
Capital work-in-progress (CWIP)	4.2	10,076,421	209,013,960
		<u>585,887,792</u>	<u>576,834,849</u>



## Habib Rice Products Ltd.

	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
Note	----- Rupees -----	
<b>4.1. The movement in operating fixed assets during the period / year is as follows:</b>		
Net book value (NBV) at the beginning of the period / year	367,820,889	390,304,262
Additions during the period / year (cost) 4.1.1	748,550	14,426,448
Transfers from CWIP during the period / year (cost) 4.2	244,512,237	-
	<u>613,081,676</u>	<u>404,730,710</u>
Disposals during the period / year - Vehicles (NBV)	-	(67,342)
Depreciation charged during the period / year	(37,270,305)	(36,842,479)
	<u>(37,270,305)</u>	<u>(36,909,821)</u>
NBV at the end of the period/year	<u>575,811,371</u>	<u>367,820,889</u>
<b>4.1.1. Additions during the period / year</b>		
Factory Building	13,664,286	-
Plant and machinery	230,847,951	12,666,172
Computer, office and electrical equipment	419,052	760,838
Furniture & Fixture	329,498	275,988
Laboratory equipment	-	427,050
Vehicles	-	296,400
	<u>245,260,787</u>	<u>14,426,448</u>
<b>4.2. Capital work-in-progress</b>		
At the beginning of the period / year	209,013,960	-
Additions during the period / year - plant and machinery	45,574,698	209,013,960
	<u>254,588,658</u>	<u>209,013,960</u>
Transfers to operating fixed assets during the period / year	244,512,237	-
At the end of the period / year	<u>10,076,421</u>	<u>209,013,960</u>
<b>5. RIGHT-OF-USE ASSETS</b>		
At the beginning of the period / year	4,922,349	14,014,221
Inception of new ROUA	20,535,105	-
	<u>25,457,454</u>	<u>14,014,221</u>
Accumulated depreciation		
Depreciation charged during the period / year	7,448,835	9,091,872
At the end of the period / year	<u>7,448,835</u>	<u>9,091,872</u>
Net book value at the end of the period / year	<u>18,008,619</u>	<u>4,922,349</u>



## Habib Rice Products Ltd.

	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
Note	----- Rupees -----	
<b>6. DEFERRED TAX</b>		
Arising on taxable temporary differences:		
Accelerated tax depreciation	(48,164,533)	(35,796,006)
Arising on deductible temporary differences:		
Lease liabilities	(1,701,221)	163,368
Provisions	70,018,785	68,961,177
	<u>20,153,031</u>	<u>33,328,539</u>
<b>7. STOCK-IN-TRADE</b>		
Raw material - in hand	206,333,534	140,159,316
- in transit	3,613	3,613
	<u>206,337,147</u>	<u>140,162,929</u>
Finished goods	101,734,800	87,094,949
	<u>308,071,947</u>	<u>227,257,878</u>
<b>8. SHORT-TERM INVESTMENTS</b>		
At amortized cost		
Term deposit receipts (TDR)		
maturity within 3 months	254,450	100,254,450
maturing within 3 to 12 months	-	-
	<u>254,450</u>	<u>100,254,450</u>
Accrued Profit	4,771	122,914
	<u>259,221</u>	<u>100,377,364</u>
At fair value through profit or loss		
Listed equity securities -		
Bank AL Habib Limited	92,289,762	195,023,284
Mutual fund units -		
Meezan Rozana Amdani Fund	10,886,693	10,311,620
	<u>103,435,676</u>	<u>305,712,268</u>
<b>8.1.</b>	These carry profit rates ranging from 5.50% to 10.25% (June 30, 2021: 5.50% to 7.30%) per annum.	
<b>9. CASH AND BANK BALANCES</b>		
Cash in hand	1,728,757	1,706,096
<b>Bank Balances</b>		
Current Account	12,275,521	9,279,660
<b>Savings Account</b>		
Local Currency:	9.1 68,233,008	103,686,619
Foreign Currency:	2,779,309	18,889,984
	<u>71,012,317</u>	<u>122,576,603</u>
	<u>85,016,595</u>	<u>133,562,359</u>
<b>9.1.</b>	These carry interest rate ranging from 5.50% to 8.25% (June 30, 2021: 5.50% to 6.10%) 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 became due upto July 31, 2020.

Subsequent to the Order passed by the Apex Court, the Sui Southern Gas Company Limited (SSGC) issued GIDC bill being the first installment of total aggregate demand amounting to Rs. 229.33 million, which was later revised to Rs. 179.80 million pursuant to the decision of Honourable High Court of Sindh (HCS), 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 on the burden of GIDC 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 demand raised by the SSGC and restrained 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. 165.65 million at the present value of future cashflows amounting to Rs. 162.11 million (including current maturity of Rs. 102.75 million) resulting in remeasurement gain on discounting of provision for GIDC amounting to Rs. 3.54 million recorded in the condensed interim statement of profit or loss for the period. Additionally, the Company has maintained a provision amounting to Rs. 49.53 million in respect of the differential GIDC at captive power rate and the GIDC amount being charged at the industrial rate pursuant to the decision of Honourable HCS.

	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
Note	-----	Rupees -----

#### 11. TRADE AND OTHER PAYABLES

Creditors	5,234,800	11,165,113
Accrued liabilities	37,798,104	54,887,756
Contract liabilities	20,920,984	103,498,730
Workers' welfare fund	14,338,801	12,478,038
Workers' profit participation fund	1,047,088	1,996,425
Sales tax payable	350,381	418,437
	<u>79,690,158</u>	<u>184,444,499</u>



## **Habib Rice Products Ltd.**

12. In August 2015, Sui Southern Gas Company (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 Honorable 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 Honorable 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. Due to the inherent uncertainties involved in the matter, the Company, on a prudent basis, has provided Rs. 66.97 million in these financial statements.

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 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 Honorable 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 superceded 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. Due to the inherent uncertainties involved in the matter, the Company has provided Rs. 19.18 million in these financial statements on a prudent basis.

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 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.

### 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, 2021 except as stated below:

As fully explained in Note 24.1.3 to the annual financial statements, during the period, remand back proceedings have culminated whereby Deputy Commissioner Inland Revenue has accepted the contention of the Company and only raised sales tax demand of Rs. 502,000 which the Company has duly deposited with the relevant authorities.

	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
Note	Rupees	

#### 13.2. Commitments

Outstanding letters of credit		12,870,996	29,677,374
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. 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.





## Habib Rice Products Ltd.

	March 31, 2022 (Un-audited)	March 31, 2021 (Un-audited)
Note ----- Rupees -----		
<b>14. WORKING CAPITAL CHANGES</b>		
Decrease / (Increase) in current assets		
Stores, spare parts and loose tools	(39,039,369)	(25,502,851)
Stock-in-trade	(80,814,069)	(16,124,824)
Trade debts	(33,506)	(120,613)
Loans and advances	(7,682,655)	(2,855,026)
Trade deposits and short-term prepayments	(388,154)	3,162,733
	(127,957,753)	(41,440,581)
Increase in current liabilities		
Trade and other payables	(104,754,340)	(4,860,353)
	(232,712,093)	(46,300,934)

## 15. CASH AND CASH EQUIVALENTS

Short-term investments - term deposit			
receipts - maturity within 3 months	8	254,450	50,736,010
Cash and bank balances	9	85,016,595	89,282,871
		85,271,045	140,018,881

## 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:

	March 31, 2022 (Un-audited)	March 31, 2021 (Un-audited)
Transactions during the period		
----- Rupees -----		
<b>Associated Companies</b>		
Dividend paid		
- Haydari Boring & Piling Company (Private) Limited	54,000	90,000
- Abbas Builders (Private) Limited	4,119	6,865
- Indus Oil Expellers (Private) Limited	600	1,000
	58,719	97,865
<b>Key management personnel</b>		
Salaries and allowances	38,263,278	33,184,911
	38,263,278	33,184,911
<b>Retirement benefit plans</b>		
Contribution to provident fund	17,081,106	15,543,922
	17,081,106	15,543,922

- 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 March 31, 2022 amounted to Rs.93,750 (March 31, 2021: Rs.75,000).

**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, 2021. There have been no changes in any risk management policies since the year end.

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 63.68% of total sales during the period ended March 31, 2022 (March 31, 2021: 89.44%).

All non-current assets of the Company as at March 31, 2022 and June 30, 2021 are located in Pakistan.

Sales to two major customers of the Company are around 40.91% and 19.18% of the Companies total sales during the period ended March 31, 2022.

**19. GENERAL**

- 19.1.** These condensed interim financial statements have been authorised for issue on 18 April 2022 by the Board of Directors of the Company.

- 19.2.** 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: April 18, 2022

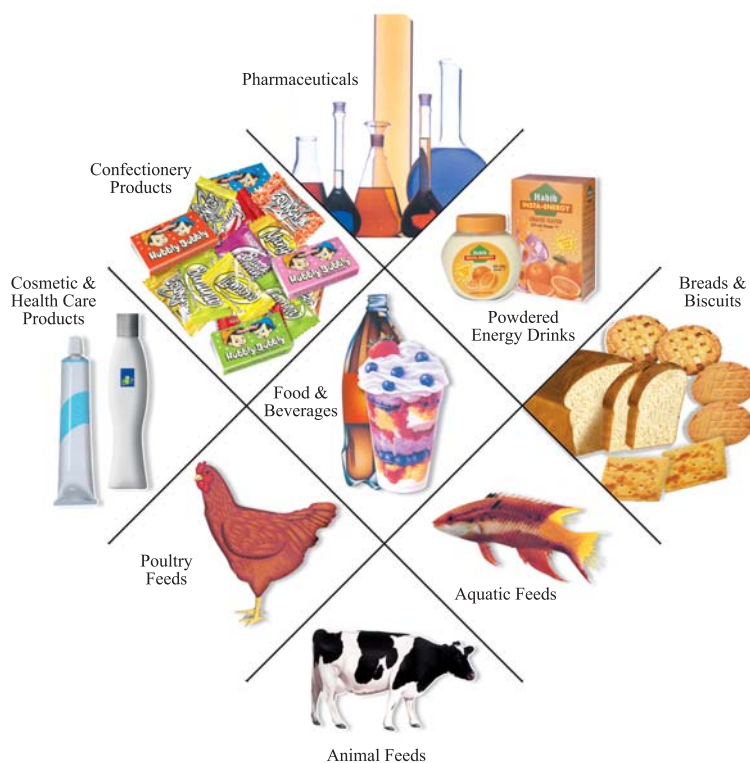


## **Habib Rice Products Ltd.**

### **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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