



Habib Rice Products Ltd.

**3rd Quarter
Unaudited Accounts
March 31, 2021**

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CHAIRMAN'S REVIEW / DIRECTORS' REPORT

3rd Quarter Ended March 31, 2021 (Un-Audited)

Dear Shareholders,

We bow our heads in gratitude to Allah the Beneficent, the Merciful, the Provider, for the Blessings He continues to bestow on us which are partly reflected in the Company's performance for the Quarter ended 31 March 2021.

Although the International Commodity prices have more than doubled for Corn (@ \$ 5.5 per bushel) up by \$ 100 per ton and ocean freight rates up from under \$ 1,000/- for 20 foot container to over \$ 5,000/-, up by \$ 200 per ton the import dollar prices of Sorbitol have surprisingly remained unchanged at about \$ 550 per M.T.

On the other hand, due to the strengthening of the rupee resulting in a cheaper dollar (Rs. 168 to Rs. 153), we had to revise our prices downwards.

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

On behalf of the Board

Gaffar A. Habib
Chairman

Karachi: 12 April 2021



Habib Rice Products Ltd.

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021 (UN-AUDITED)**

		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		----- Rupees -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	479,409,380	390,304,262
Right-of-use assets	5	7,195,317	14,014,221
Long-term deposits		26,490,870	20,129,760
Deferred tax asset	6	30,193,652	28,937,342
		<u>543,289,219</u>	<u>453,385,585</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		81,846,228	56,343,377
Stock-in-trade	7	262,086,235	245,961,411
Trade debts		177,079	56,466
Loans and advances		8,065,568	5,210,542
Trade deposits and short-term prepayments		1,408,673	4,571,406
Short-term investments	8	275,960,661	360,238,738
Interest accrued		3,893,030	22,521,507
Taxation - net		30,111,420	92,283,352
Cash and bank balances	9	89,282,871	74,503,789
		<u>752,831,765</u>	<u>861,690,588</u>
		<u>1,296,120,984</u>	<u>1,315,076,173</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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		*695,725,064	714,680,794
		<u>895,725,064</u>	<u>914,680,794</u>
NON-CURRENT LIABILITIES			
Lease Liabilities		459,451	695,481
Provision for Gas Infrastructure			
Development Cess (GIDC)	10	133,551,517	-
		<u>134,010,968</u>	<u>695,481</u>
CURRENT LIABILITIES			
Trade and other payables	11	170,775,465	170,891,424
Current Maturity of Lease Liabilities		344,821	9,594,195
Current Portion of Provision for GIDC		63,723,100	198,527,294
Unclaimed dividend		31,541,566	20,686,985
		<u>266,384,952</u>	<u>399,699,898</u>
		<u>1,296,120,984</u>	<u>1,315,076,173</u>
CONTINGENCIES AND COMMITMENTS			
	12		

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

*It includes 32.07 Million of gain on discounting of provision for GIDC

OWAIS G. HABIB
Chief Executive Officer

JAMSHED ALI KHAN
Chief Financial Officer

GAFFAR A. HABIB
Chairman

Karachi: April 12, 2021

**Habib Rice Products Ltd.****CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS
FOR THE 3RD QUARTER ENDED MARCH 31, 2021 (UN-AUDITED)**

	9 Months ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees -----			
Turnover - net	1,359,936,956	1,288,367,134	454,602,347	410,218,708
Cost of sales	(1,053,257,628)	(995,639,867)	(341,524,180)	(312,625,900)
Gross profit	306,679,328	292,727,267	113,078,167	97,592,808
Distribution cost	(62,593,524)	(64,696,777)	(24,217,122)	(20,798,677)
Administrative expenses	(73,559,501)	(79,899,705)	(27,887,590)	(34,164,840)
Other expenses	(14,499,150)	(14,661,607)	(3,567,906)	(3,850,281)
Other income	37,402,470	31,660,992	18,735,055	12,744,865
Finance costs	(3,277,314)	(1,188,541)	(1,061,585)	(638,764)
Profit before taxation	190,152,309	163,941,629	75,079,019	50,885,111
Gain on discounting of provision for GIDC	32,070,140	-	-	-
	222,222,449	163,941,629	75,079,019	50,885,111
Taxation				
- Current	(42,434,489)	(33,992,647)	(13,141,576)	(10,091,577)
- Deferred	1,256,310	9,061,712	(1,694,449)	2,529,537
	(41,178,179)	(24,930,935)	(14,836,025)	(7,562,040)
Profit after taxation	181,044,270	139,010,694	60,242,994	43,323,071
Earnings per share - basic and diluted	4.53	3.48	1.51	1.08

The annexed notes from 1 to 18 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 12, 2021



Habib Rice Products Ltd.

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED MARCH 31, 2021 (UN-AUDITED)**

	9 Months ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees -----			
Profit after taxation for the period	181,044,270	139,010,694	60,242,994	43,323,071
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>181,044,270</u>	<u>139,010,694</u>	<u>60,242,994</u>	<u>43,323,071</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

OWAIS G. HABIB
Chief Executive Officer

Karachi: April 12, 2021

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, 2021 (UN-AUDITED)**

Particulars	Issued, Subscribed And Paid-up Capital	Reserves			Total reserves	Total equity
		Capital reserve Share premium	General reserve	Revenue reserves Unappropriated profit		
Balance as at July 01, 2019	200,000,000	10,000,000	50,000,000	580,162,005	640,162,005	840,162,005
Final dividend @ 50% for the year ended June 30, 2019	-	-	-	(100,000,000)	(100,000,000)	(100,000,000)
Profit after taxation for the period	-	-	-	139,010,694	139,010,694	139,010,694
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	139,010,694	139,010,694	139,010,694
Balance as at March 31, 2020	200,000,000	10,000,000	50,000,000	619,172,699	679,172,699	879,172,699
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

The annexed notes from 1 to 18 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 12, 2021



Habib Rice Products Ltd.

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
AS AT MARCH 31, 2021 (UN-AUDITED)**

	Note	March 31, 2021	March 31, 2020
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		222,222,449	163,941,629
Adjustments for non-cash items:			
Depreciation on operating fixed assets	4	27,487,368	28,892,207
Depreciation on right-of-use assets		6,818,904	-
Provision for GIDC and other charges		35,561,858	37,829,631
Profit on short-term investments and saving accounts		(23,326,045)	(31,651,281)
Gain on disposal of operating fixed assets		(17,064)	(9,711)
Gain on discounting of provision for GIDC	10	(32,070,140)	-
Finance costs		3,277,314	1,188,541
Operating profit before working capital changes		239,954,644	200,191,016
Working capital changes	13	(46,300,934)	78,139,754
Cash generated from operations		193,653,710	278,330,770
Finance costs paid		(2,755,122)	(1,188,541)
Taxes refunded / (paid)		19,737,443	(30,820,509)
Long term deposits - net		(6,361,110)	(9,739,099)
		10,621,211	(41,748,149)
Net cash generated from operating activities		204,274,921	236,582,621
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(116,639,422)	(23,629,002)
Short term investment redeemed - net		135,014,087	-
Profit on short-term investments and saving accounts received		41,954,522	31,651,281
Proceeds from disposal of operating fixed assets		64,000	10,000
Net cash used in investing activities		60,393,187	8,032,279
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(189,145,419)	(94,719,896)
Lease rentals paid		(10,007,597)	-
Net cash used in financing activities		(199,153,016)	(94,719,896)
Net (decrease) / increase in cash and cash equivalents		65,515,092	149,895,004
Cash and cash equivalents at the beginning of the period		74,503,789	307,455,912
Cash and cash equivalents at the end of the period 14		140,018,881	457,350,916

The annexed notes from 1 to 18 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 12, 2021



Habib Rice Products Ltd.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER ENDED MARCH 31, 2021 (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 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.

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, 2020. 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 March 31, 2021 and March 31, 2020 and notes forming part thereof have not been reviewed by the statutory auditors of the Company, as they have reviewed the cumulative figures for the half years ended December 31, 2020 and December 31, 2019.

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 consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2020 except for;



Habib Rice Products Ltd.

Standards, amendments and framework for financial reporting effective during the period

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) and framework for financial reporting which became effective for the current period:

Amendments to standards:

- IFRS 3 - Definition of a Business (Amendments)
- IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments); and
- IAS 1 / IAS 8 - Definition of Material (Amendments)

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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 statements of the Company for the year ended June 30, 2020. 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, 2020.

		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
	Note	----- Rupees -----	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	376,519,348	390,304,262
Capital work-in-progress (CWIP)	4.2	102,890,032	-
		<u>479,409,380</u>	<u>390,304,262</u>



Habib Rice Products Ltd.

	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
Note	----- Rupees -----	
4.1.	The movement in operating fixed assets during the period / year is as follows:	
Net book value (NBV) at the beginning of the period / year	390,304,262	403,841,387
Additions during the period / year (cost)	4.1.1 13,749,390	25,423,450
Transfers from CWIP during the period / year (cost)	4.2 -	-
	<u>404,053,652</u>	<u>429,264,837</u>
Disposals during the period / year - Vehicles (NBV)	46,936	289
Depreciation charged during the period / year	27,487,368	38,960,286
	<u>27,534,304</u>	<u>38,960,575</u>
NBV at the end of the period/year	<u>376,519,348</u>	<u>390,304,262</u>
4.1.1. Additions during the period / year		
Plant and machinery	12,666,170	20,900,670
Computer, office and electrical equipment	171,680	298,780
Furniture & Fixture	275,988	-
Laboratory equipment	427,050	-
Vehicles	208,500	4,224,000
	<u>13,749,390</u>	<u>25,423,450</u>
4.2. Capital work-in-progress		
At the beginning of the period / year	-	-
Additions during the period / year - plant and machinery	102,890,032	-
	<u>102,890,032</u>	-
Transfers to operating fixed assets during the period / year	-	-
At the end of the period / year	<u>102,890,032</u>	<u>-</u>
5. RIGHT-OF-USE ASSETS		
At the beginning of the period / year	23,106,095	-
Impact of initial application of IFRS 16	-	23,106,095
Depreciation charged during the period / year	(15,910,778)	(9,091,874)
At the end of the period / year	<u>7,195,317</u>	<u>14,014,221</u>

The Company has recognised right-of-use is respect of admin office and business unit.



Habib Rice Products Ltd.

	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)	
Note	Rupees		
6. DEFERRED TAX			
Arising on taxable temporary differences:			
Accelerated tax depreciation	(34,948,974)	(48,327,069)	
Lease liabilities	(1,501,256)	-	
Arising on deductible temporary differences:			
Lease liabilities	-	2,984,006	
Provisions	66,643,882	74,280,405	
	<u>30,193,652</u>	<u>28,937,342</u>	
7. STOCK-IN-TRADE			
Raw material - in hand	155,092,399	135,316,952	
- in transit	2,004,558	23,789,763	
	<u>157,096,957</u>	<u>159,106,715</u>	
Work-in-process	384,750	-	
Finished goods	104,604,528	86,854,696	
	<u>262,086,235</u>	<u>245,961,411</u>	
8. SHORT-TERM INVESTMENTS			
At amortized cost			
Term deposit receipts (TDR)	8.1		
maturity within 3 months	254,450	254,450	
maturing within 3 to 12 months	50,481,560	359,984,288	
	<u>50,736,010</u>	<u>360,238,738</u>	
At fair value through profit or loss			
Listed equity securities - Bank AL Habib Limited	215,060,085	-	
Mutual fund units	10,164,566	-	
	<u>275,960,661</u>	<u>360,238,738</u>	
8.1.	These represent investments made in TDR having a term of less than 12 months, carrying interest rates ranging from 5.50% to 8.00% (June 30, 2020: 7.50% to 13.50%) per annum.		
9. CASH AND BANK BALANCES			
Cash in hand	2,322,761	1,973,231	
Cash with banks			
Current accounts	4,152,157	7,429,625	
Deposit accounts	82,807,953	65,100,933	
	<u>86,960,110</u>	<u>72,530,558</u>	
	<u>89,282,871</u>	<u>74,503,789</u>	
9.1.	These carry interest rate of 5.50% (June 30, 2020: 6.50%) per annum.		



Habib Rice Products Ltd.

10. PROVISION FOR GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC)

The Honourable Supreme Court of Pakistan 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. 229.33 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 the burden to their 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. 179.80 million at the present value of future cashflows amounting to Rs. 147.74 million (including current maturity of Rs. 14.18 million) resulting in remeasurement gain on discounting of provision for GIDC amounting to Rs. 32.07 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. Corresponding provision of GIDC was classified in current liabilities - trade and other payables up till June 30, 2020 based on the decision of the Honorable SCP upto that date.

March 31, **June 30,**
2021 **2020**
(Un-audited) **(Audited)**
Note ----- Rupees -----

11. TRADE AND OTHER PAYABLES

Creditors	7,234,796	3,999,185
Accrued liabilities	29,249,998	31,606,570
Provision for Gas Charges	86,437,100	81,692,706
Contract liabilities	34,072,428	38,850,017
Workers' welfare fund	11,800,055	7,919,396
Workers' profit participation fund	1,412,261	618,462
Sales tax payable	505,287	6,205,088
Others	63,540	-
	<u>170,775,465</u>	<u>170,891,424</u>



Habib Rice Products Ltd.

11.1. 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. 19.46 million in these financial statements on a prudent basis.



Habib Rice Products Ltd.

11.2. 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 (I)/ 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.

12. CONTINGENCIES AND COMMITMENTS

12.1. Contingencies

There is no change in the status of contingencies as disclosed in the annual audited financial statements for the year ended June 30, 2020 except as stated below:

The Company has filed a Suit 722 of 2020 in the Honorable High Court of Sindh (HCS) challenging the demand of non-utilization fee by Sindh Industrial Trading Estates Limited (SITE Limited) amounting to Rs. 11.95 million in relation to Plot No. S-42, SITE, Karachi on the grounds that the matter regarding demand of non-utilization fee has already been decided by a judgement of the Honorable HCS dated May 04, 2002 in C.P No. D-333/2020 (M/s Indus Battery Industries vs SITE Limited). The Honorable HCS in its order dated July 02, 2020 has restrained SITE Limited from taking any coercive action against the Company. The matter is currently at the stage of hearing.

	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
Note	-----	Rupees -----
12.2. Commitments		
Outstanding letters of credit	<u>179,244,638</u>	<u>26,739,844</u>
Guarantee issued in favor of:		
- Sui Southern Gas Company Limited	12.2.1 <u>73,845,865</u>	<u>66,345,865</u>
Cheques / Pay Orders issued in favor of Nazir High Court in relation to OGRA cases.	<u>63,380,287</u>	<u>57,019,177</u>

12.2.1 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, 2021 (Un-audited)	March 31, 2020 (Un-audited)
	Note -----	Rupees -----
13. WORKING CAPITAL CHANGES		
Decrease / (Increase) in current assets		
Stores, spare parts and loose tools	(25,502,851)	(4,993,602)
Stock-in-trade	(16,124,824)	62,014,851
Trade debts	(120,613)	(237,350)
Loans and advances	(2,855,026)	(1,674,632)
Trade deposits and short-term prepayments	3,162,733	(2,771,396)
	<u>(41,440,581)</u>	<u>52,337,871</u>
Increase in current liabilities		
Trade and other payables	(4,860,353)	25,801,883
	<u>(46,300,934)</u>	<u>78,139,754</u>

14. CASH AND CASH EQUIVALENTS

Short-term investments - term deposit receipts - maturity within 3 to 12 months	50,736,010	372,657,758
Cash and bank balances	7 89,282,871	84,693,158
	<u>140,018,881</u>	<u>457,350,916</u>

15. 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:

Transactions during the period

Associated Companies

Dividend paid		
- Haydari Boring & Piling Company (Private) Limited	90,000	45,000
- Abbas Builders (Private) Limited	6,865	3,433
- Indus Oil Expellers (Private) Limited	1,000	500
	<u>97,865</u>	<u>48,933</u>

Key management personnel

Salaries and allowances	33,184,911	32,641,996
	<u>33,184,911</u>	<u>32,641,996</u>

Retirement benefit plans

Contribution to provident fund	15,543,922	15,280,800
	<u>15,543,922</u>	<u>15,280,800</u>



Habib Rice Products Ltd.

15.1. 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, 2021 amounted to Rs.75,000 (March 31, 2020: Rs.75,000).

16. 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, 2020. There have been no changes in any risk management policies since the year end, except as described below:

March 31, 2021 (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.	215,060,085	215,060,085	215,060,085	-	-
Mutual fund units	10,164,566	10,164,566	10,164,566	-	-
	225,224,651	225,224,651	225,224,651	-	-

June 30, 2020 (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.	-	-	-	-	-
Mutual fund units	-	-	-	-	-
	-	-	-	-	-

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.



Habib Rice Products Ltd.

17. OPERATING SEGMENTS

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

Sales of the Company relate to Rice derives products and proteins.

Total sales of the Company relating to customers in Pakistan were 89.44% of total sales during the period ended March 31, 2021 (March 31, 2020: 88.21%).

All non-current assets of the Company as at March 31, 2021 and June 30, 2020 are located in Pakistan.

Sales to the major five customers of the Company are around 39.14% of total sales during the period ended March 31, 2021 (March 31, 2020: 38.53%)

18. GENERAL

18.1. These condensed interim financial statements have been authorised for issue on April 12, 2021 by the Board of Directors of the Company.

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

18.3. Figures in the corresponding period of last year have been re-arranged for the purpose of comparison.

OWAIS G. HABIB
Chief Executive Officer

JAMSHED ALI KHAN
Chief Financial Officer

GAFFAR A. HABIB
Chairman

Karachi: April 12, 2021

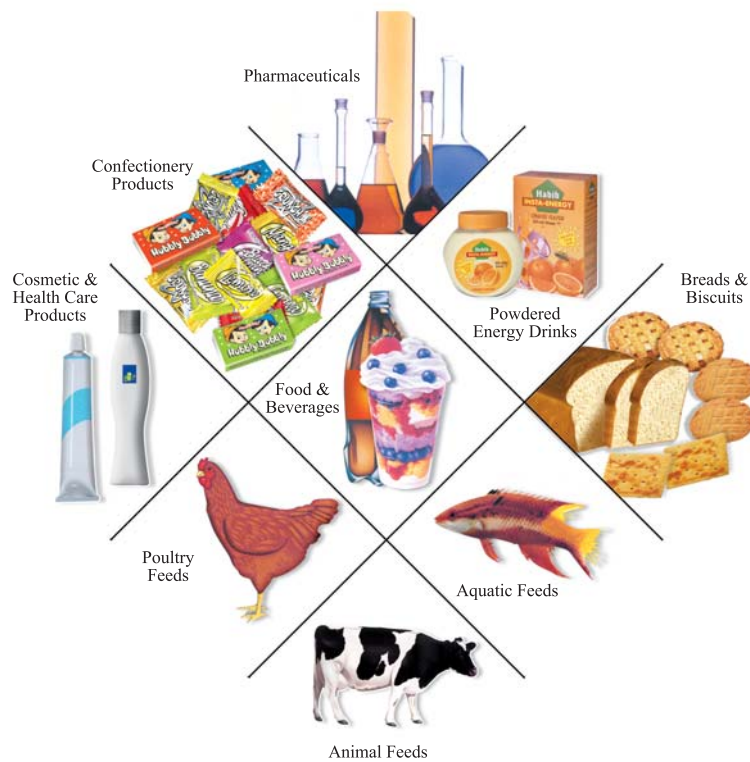


Habib Rice Products Ltd.

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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