



Habib Rice Products Ltd.



(Formerly **Habib-ADM Ltd.**)

**Half Yearly
Unaudited Accounts
December 31, 2019**

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CHAIRMAN'S REVIEW / DIRECTORS' REPORT
HALF YEAR ENDED DECEMBER 31, 2019 (UNAUDITED)

Dear Shareholders,

I pray to Allah the Beneficent, the Merciful, the Provider to continue to Bless our Company under the changed name of Habib Rice Products Ltd. with Bounties as Befits His Glory, Aameen.

As the first reporting under our new name, 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 Half Year ended December 31, 2019.

Market:

By the Grace of Allah, local demand for our protein has helped sales which have contributed to our improved bottom line.

Water:

Although the winter rains are still awaited, the Hub lake level @ 315.85 feet, should allow full rate of draw down for the next 12 months. We continue to battle against enemy Indian imports favored by 5% import duty and Zero sales tax.

In closing, please join in my prayers to Allah the Provider to bless us with bounties as befits His Glory, Aameen.

On behalf of the Board

Gaffar A. Habib
Chairman

Karachi: February 19, 2020

Habib-ADM Ltd.



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Chartered Accountants
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Habib ADM Limited (the Company)

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Habib ADM Limited (the Company) as at 31 December 2019 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of changes in equity and notes to the financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months ended 31 December 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2019.

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 statements 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 interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

Chartered Accountants
Place: Karachi
Date: 25 February 2020

A member firm of Ernst & Young Global Limited

Habib-ADM Ltd.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

		December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
ASSETS	Note	----- Rupees -----	
NON-CURRENT ASSETS			
Property, plant and equipment	4	388,279,537	403,841,387
Long-term deposits		5,093,181	5,093,181
Deferred tax asset		23,029,467	16,497,291
		<u>416,402,185</u>	<u>425,431,859</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		54,215,591	51,804,107
Stock-in-trade	5	263,079,667	250,739,777
Trade debts		110,970	123,104
Loans and advances		4,830,361	3,536,177
Trade deposits and short-term prepayments		7,909,754	8,676,857
Short-term investments	6	262,866,972	157,296,175
Taxation - net		119,367,738	117,024,089
Cash and bank balances	7	90,012,688	150,159,737
		<u>802,393,741</u>	<u>739,360,023</u>
		<u>1,218,795,926</u>	<u>1,164,791,882</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
60,000,000 (June 30, 2019: 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		635,849,632	640,162,005
		<u>835,849,632</u>	<u>840,162,005</u>
CURRENT LIABILITIES			
Trade and other payables	8	361,550,304	309,222,996
Unclaimed dividend		21,395,990	15,406,881
		<u>382,946,294</u>	<u>324,629,877</u>
		<u>1,218,795,926</u>	<u>1,164,791,882</u>
CONTINGENCIES AND COMMITMENTS			
	9		

The annexed notes from 1 to 15 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: February 19, 2020

Habib-ADM Ltd.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended		Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
----- Rupees -----				
Turnover - net	878,148,426	758,891,279	488,053,864	401,043,852
Cost of sales	(683,013,967)	(607,931,639)	(375,723,714)	(325,871,822)
Gross profit	195,134,459	150,959,640	112,330,150	75,172,030
Distribution cost	(43,898,100)	(56,059,367)	(19,865,718)	(31,294,557)
Administrative expenses	(45,734,863)	(45,094,884)	(23,066,268)	(21,613,871)
Other expenses	(8,379,055)	(4,362,061)	(5,524,658)	(2,183,652)
Other income	16,483,857	14,588,345	10,953,407	10,374,677
Finance costs	(549,777)	(1,175,456)	(284,060)	(991,147)
Profit before taxation	113,056,521	58,856,217	74,542,853	29,463,480
Taxation				
- Current	(23,901,070)	(8,941,308)	(18,429,516)	(4,708,513)
- Deferred	6,532,176	(3,713,622)	3,277,771	(1,294,929)
	(17,368,894)	(12,654,930)	(15,151,745)	(6,003,442)
Profit after taxation	95,687,627	46,201,287	59,391,108	23,460,038
Earnings per share - basic and diluted	2.39	1.16	1.48	0.59

The annexed notes from 1 to 15 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: February 19, 2020

Habib-ADM Ltd.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended		Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	----- Rupees -----			
Profit after taxation	95,687,627	46,201,287	59,391,108	23,460,038
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>95,687,627</u>	<u>46,201,287</u>	<u>59,391,108</u>	<u>23,460,038</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.



OWAIS G. HABIB
Chief Executive Officer

Karachi: February 19, 2020



JAMSHED ALI KHAN
Chief Financial Officer



GAFFAR A. HABIB
Chairman

Habib-ADM Ltd.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	December 31, 2019 (Un-audited)	December 31, 2018 (Un-audited)
Note	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	113,056,521	58,856,217
Adjustments for non-cash items:		
Depreciation	18,876,443	14,781,598
Finance costs	549,777	1,175,456
Operating profit before working capital changes	132,482,741	74,813,271
Working capital changes	10 37,060,987	124,073,211
Cash generated from operations	169,543,728	198,886,482
Taxes paid	(26,244,719)	(22,039,971)
Finance costs paid	(549,777)	(1,175,455)
Long-term deposits	-	(500,000)
	(26,794,496)	(23,715,426)
Net cash generated from operating activities	142,749,232	175,171,056
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(3,314,593)	(17,888,766)
Net cash used in investing activities	(3,314,593)	(17,888,766)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(94,010,891)	(39,066,142)
Net cash used in financing activities	(94,010,891)	(39,066,142)
Net increase in cash and cash equivalents	45,423,748	118,216,148
Cash and cash equivalents at the beginning of the period	307,455,912	276,263,201
Cash and cash equivalents at the end of the period 11	352,879,660	394,479,349

The annexed notes from 1 to 15 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: February 19, 2020

Habib-ADM Ltd.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (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, 2018	200,000,000	10,000,000	50,000,000	506,912,965	566,912,965	766,912,965
Final dividend @ 25% for the year ended June 30, 2018	-	-	-	(50,000,000)	(50,000,000)	(50,000,000)
Profit after taxation for the period	-	-	-	46,201,287	46,201,287	46,201,287
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	46,201,287	46,201,287	46,201,287
Balance as at December 31, 2018	<u>200,000,000</u>	<u>10,000,000</u>	<u>50,000,000</u>	<u>503,114,252</u>	<u>563,114,252</u>	<u>763,114,252</u>
Balance as at July 01, 2019	<u>200,000,000</u>	<u>10,000,000</u>	<u>50,000,000</u>	<u>580,162,005</u>	<u>640,162,005</u>	<u>840,162,005</u>
Final dividend @ 25% for the year ended June 30, 2019	-	-	-	(100,000,000)	(100,000,000)	(100,000,000)
Profit after taxation for the period	-	-	-	95,687,627	95,687,627	95,687,627
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	95,687,627	95,687,627	95,687,627
Balance as at December 31, 2019	<u>200,000,000</u>	<u>10,000,000</u>	<u>50,000,000</u>	<u>575,849,632</u>	<u>635,849,632</u>	<u>835,849,632</u>

The annexed notes from 1 to 15 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: February 19, 2020

Habib-ADM Ltd.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (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 based Starch Sugar 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, 2019. 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 December 31, 2019 and December 31, 2018 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, 2019 and December 31, 2018.

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, 2019 except for;

Habib-ADM Ltd.

New / revised standards, and amendments

The Company has adopted the following standards and amendments to IFRSs which became effective for the current period:

Standards or amendments

- IFRS 16 - Leases
- IFRS 9 - Prepayment features with negative compensation (Amendments)
- IAS 19 - Plan amendment, curtailment or settlement (Amendments)
- IAS 28 - Long term interests in associates and joint ventures (Amendments)
- IFRIC 23 - Uncertainty over income tax treatments

Improvements to accounting standards issued by the IASB in December 2017

IFRS 3 Business combinations - Previously held interests in a joint operation

IFRS 11 Joint arrangements - Previously held interests in a joint operation

IAS 12 Income taxes - Income tax consequences of payments on financial instruments classified as equity

IAS 23 Borrowing costs - Borrowing costs eligible for capitalization

The adoption of the above standards and amendments to accounting standards did not have any material effect on the Company's financial statements except for IFRS 16 - Leases. The impact of adoption of IFRS 16 is described below:

IFRS 16 - Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on statement of financial position model. It resulted in almost all leases being recognized on the condensed interim statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use lease item) and a lease liability to pay rentals are required to be recognized. The only exceptions are short-term and low value leases.

The Company has assessed the impact of IFRS-16 and concluded that all leases are short-term. Accordingly, the Company has not recognized the right to use asset and accounted for lease expense on straight line basis over the lease term. Based on above, no impact of adoption of IFRS 16 on opening equity has been recognised as per modified retrospective approach permitted under IFRS-16.

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.

Habib-ADM Ltd.

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, 2019.

Income tax expense is recognized based on the best estimate of the weighted average annual effective income tax rate for the full financial year.

		December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
Note	-----	Rupees	-----
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	388,279,537	403,841,387
Capital work-in-progress (CWIP)	4.2	-	-
		388,279,537	403,841,387
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		403,841,387	269,386,761
Additions during the period / year (cost)	4.1.1	3,314,593	5,525,976
Transfers from CWIP during period / year (cost)	4.2	-	164,147,020
		407,155,980	439,059,757
Disposals during the period / year (NBV)		-	(1,231,676)
Depreciation charged during the period / year		(18,876,443)	(33,986,694)
		(18,876,443)	(35,218,370)
NBV at the end of the period/year		388,279,537	403,841,387
4.1.1. Additions during the period / year			
Plant and machinery		299,913	-
Computer, office and electrical equipment		220,780	691,876
Laboratory equipment		1,037,400	234,000
Vehicles		1,756,500	4,600,100
		3,314,593	5,525,976
4.2. Capital work-in-progress			
At the beginning of the period / year		-	98,292,966
Additions during the period / year - plant and machinery		-	65,854,054
		-	164,147,020
Transfers to operating fixed assets during the period / year		-	(164,147,020)
At the end of the period / year		-	-

Habib-ADM Ltd.

	December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
Note	----- Rupees -----	
5. STOCK-IN-TRADE		
Raw material - in hand	181,662,714	141,679,930
- in transit	<u>845,943</u>	<u>6,962,327</u>
	182,508,657	148,642,257
Work-in-process	-	218,101
Finished goods	<u>80,571,010</u>	<u>101,879,419</u>
	<u>263,079,667</u>	<u>250,739,777</u>
6. SHORT-TERM INVESTMENTS		
At amortised cost		
Term deposit receipts (TDR)	6.1 255,208,180	150,254,450
Interest accrued	<u>7,658,792</u>	<u>7,041,725</u>
	<u>262,866,972</u>	<u>157,296,175</u>
6.1.	These represent investments made in TDR having a term of less than 3 months, carrying interest rates ranging from 9.50% to 13.50% (June 30, 2019: 9.50% to 10.50%) per annum.	
7. CASH AND BANK BALANCES		
Cash in hand	1,912,606	2,999,450
Cash with banks		
Current accounts	10,619,359	13,478,227
Deposit accounts	7.1 <u>77,480,723</u>	<u>133,682,060</u>
	88,100,082	147,160,287
	<u>90,012,688</u>	<u>150,159,737</u>
7.1.	These carry interest rate of 11.25% (June 30, 2019: 10.25%) per annum.	
8. TRADE AND OTHER PAYABLES		
Creditors	9,885,009	10,455,453
Accrued liabilities	32,906,801	19,466,671
Provision for Gas Infrastructure	8.1 &	
Development Cess and other charges	8.2 252,049,070	228,067,705
Advances from customers	52,722,623	44,611,943
Workers' welfare fund	5,739,288	3,432,012
Workers' profit participation fund	1,771,779	2,410,135
Sales tax payable	<u>6,475,734</u>	<u>779,077</u>
	<u>361,550,304</u>	<u>309,222,996</u>

Habib-ADM Ltd.

- 8.1. In the year 2011, Gas Infrastructure Development Cess (GIDC) was made applicable to the industrial consumers by means of GIDC Act, 2011 and the Company has been making provision on account of GIDC. In September 2014, the Federal Government (the Government) promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No.VI of 2014 to circumvent earlier decision of the Honorable Supreme Court on the subject, where it upheld that the earlier introduction of GIDC Act of 2011 was unconstitutional and ultravires on the grounds that GIDC was a 'Fee' and not a 'Tax'. In May 2015, the Government passed the GIDC Act., 2015.

The Company, along with other companies in the industry, challenged the GIDC Act, 2015 and filed writ petition in the Honorable High Court of Sindh (HCS) including retrospective treatment of the provision of the GIDC Act. The Honorable Court vide its order dated October 26, 2016 has held the GIDC Act 2011, GIDC Ordinance 2014 and GIDC Act, 2015 as ultravires and unconstitutional on the grounds mentioned above. The Government and Sui Southern Gas Company Ltd (SSGC), however, has filed an appeal in the Double Bench of HCS in a similar case against certain petitioners, which is at the stage of hearing as of December 31, 2019. Due to the inherent uncertainties involved in the matter, the eventual outcome of the case cannot be determined at this stage. Therefore, the Company, on a prudent basis, has made an aggregate provision of Rs. 180.58 million as of December 31, 2019 which includes Rs. 19.49 million for the period in these condensed interim financial statements.

- 8.2. 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. The Company was subject to charge within both categories. The Company challenged the OGRA notification and filed writ petition in the 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 Oil & Gas Regulatory Authority 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 notified the sale price and minimum charges, in respect of natural gas to industrial customer 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 No. SRO 1234(I)2018 dated October 4, 2018 stating that the sale prices and minimum charges in respect of natural gas to industrial customer with effect from September 27, 2018 shall be at flat rate of Rs.780 per MMBTU. The Company challenged the impugned notification before HCS. The case is at the stage of hearings as of December 31, 2019. However, the Company has under protest paid the bills from October 2018 to December 2019 on the increased tariff rate. The HCS in September 2019 has 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 as on December 31, 2019

Habib-ADM Ltd.

Further, OGRA in suppression of its notification No. SRO 1234(I)2018 dated October 04, 2018, SRO 1284(i)2018 dated October 18, 2018, SRO 1523(I)2018 dated December 14, 2018 and SRO 234(I)2018 dated February 21, 2019 issued notification SRO 795(I)2019 dated June 29, 2019 which was superseded by SRO (I)2019 dated August 9, 2019, stating that the sale prices and minimum charges in respect of natural Gas to industrial customer with effect from July 1, 2019 shall be at flat rate of Rs.1,021 per MMBTU. The Company challenged the said impugned notifications before HCS. The Honorable 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, on a prudent basis, has provided Rs.4.49 million in these interim financial statements. The case is at the stage of hearings as of December 31, 2019.

9. CONTINGENCIES AND COMMITMENTS

Contingencies

There is no change in the status of contingencies as disclosed in the annual audited financial statements for the year ended June 30, 2019.

Commitments

	December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
	----- Rupees -----	
Outstanding letters of credit	7,241,842	-
Guarantee issued in favour of:		
- Sui Southern Gas Company Limited	9.1 63,889,755	63,889,755
Cheques issued in favour of Nazir High Court	43,917,158	43,917,158

- 9.1 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.

	December 31, 2019 (Un-audited)	December 31, 2018 (Un-audited)
	----- Rupees -----	

10. WORKING CAPITAL CHANGES

(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(2,411,484)	(9,469,003)
Stock-in-trade	(12,339,890)	93,624,557
Trade debts	12,134	(8,808,484)
Loans and advances	(1,294,184)	(2,930,074)
Trade deposits and short-term prepayments	767,103	4,362,719
	(15,266,321)	76,779,715
Increase in current liabilities		
Trade and other payables	52,327,308	47,293,496
	37,060,987	124,073,211

Habib-ADM Ltd.

		December 31, 2019 (Un-audited)	December 31, 2018 (Un-audited)
----- Rupees -----			
11. CASH AND CASH EQUIVALENTS			
Short-term investments	6	262,866,972	326,505,449
Cash and bank balances	7	90,012,688	67,973,900
		<u>352,879,660</u>	<u>394,479,349</u>

12. TRANSACTIONS WITH RELATED PARTIES

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

		December 31, 2019 (Un-audited)	December 31, 2018 (Un-audited)
----- Rupees -----			
Transactions during the period			
Associated Companies			
Dividend paid			
- Haydari Boring & Piling Company (Private) Limited	38,250		19,125
- Abbas Builders (Private) Limited	2,918		1,459
- Indus Oil Expellers (Private) Limited	425		212
		<u>425</u>	<u>212</u>
Key management personnel			
Salaries and allowances		21,288,934	20,146,063
		<u>21,288,934</u>	<u>20,146,063</u>
Retirement benefit plans			
Contribution to provident fund		10,102,088	9,513,544
		<u>10,102,088</u>	<u>9,513,544</u>

12.1 The aggregate amount paid / payable to the directors as a fee for attending the Board of Director's meetings for the period ended December 31, 2019 amounted to Rs.75,000 (December 31, 2018: Rs.50,000).

13. 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, 2019. There have been no changes in any risk management policies since the year end.

Habib-ADM Ltd.

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.

14. 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 88.21% of total sales during the period ended December 31, 2019 (December 31, 2018: 70.83%).

All non-current assets of the Company as at December 31, 2019 and June 30, 2019 are located in Pakistan.

Sales to the major five customers of the Company are around 38.53% of total sales during the period ended December 31, 2019 (December 31, 2018: 49.48%)

15. GENERAL

15.1. These condensed interim financial statements have been authorized for issue on February 19, 2020 by the Board of Directors of the Company.

15.2. Subsequent to the reporting date and pursuant to the approval of Securities and Exchange Commission of Pakistan (SECP), the Company has changed its name from "Habib - ADM Limited" to "Habib Rice Products Limited" vide SECP's Certificate of Incorporation of Change of Name dated January 07, 2020, received on February 17, 2020.

15.3. 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: February 19, 2020



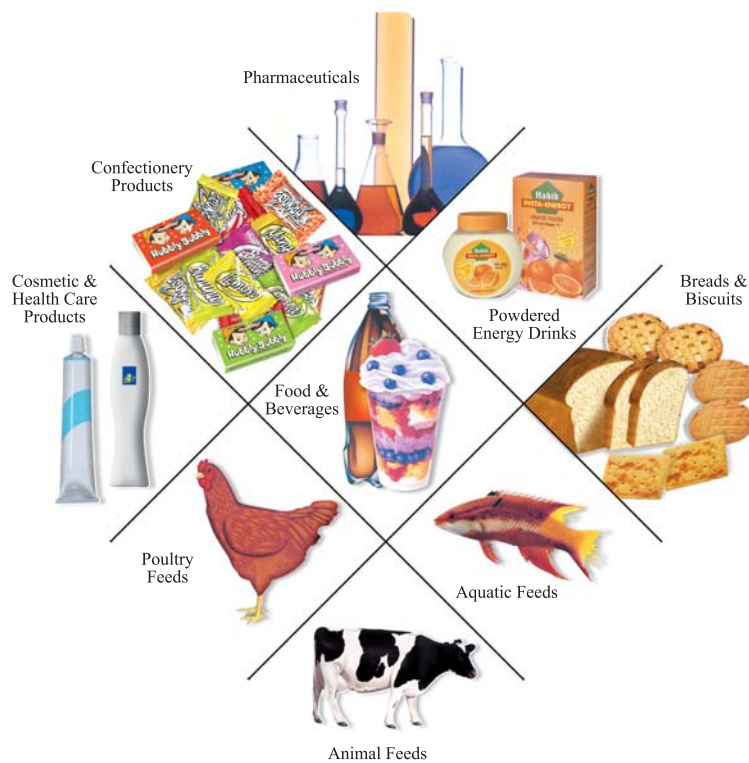
Habib Rice Products Ltd. (Formerly **Habib-ADM Ltd.**)



Pioneer Producers of Rice Based Starch Sugars and Proteins

Habib Rice Products Limited (Formerly Habib-ADM Ltd.) pioneered the conversion of Rice into:-

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



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