



RafhanMaize
PRODUCTS CO LTD



HALF YEARLY REPORT
For the period ended June 30, 2022

DIRECTORS' REVIEW



We are pleased to present un-audited financial results of the Company for six months period ended June 30, 2022.

FINANCIAL RESULTS

		<u>Six Months ended June 30</u>	
		<u>2022</u>	<u>2021</u>
Net Sales	(Rs. Million)	26,380	19,912
Net Income after Tax	(Rs. Million)	3,247	3,994
Earnings per Share	(Rupees)	351.60	432.41

Pakistan economy is going through a tough phase and is faced with challenges from both internal as well as external environment. Concerned political situation, high fuel prices and current account deficit has extended immense pressure on foreign exchange reserves resulting in significant PKR depreciation against USD, which in turn has contributed towards high inflation. Delay in the release of IMF's next tranche and change in credit rating outlook from stable to negative has further increased uncertainty in the country. Recent corrective measures taken by the Government such as removal of subsidy on oil and meeting all preconditions for IMF program revival, is expected to bring back some confidence in the economy.

Rafhan performance during H1 2022, remained encouraging as it posted positive growth in sales driven by strong market demand. Sales Revenue increased by 32% with positive contribution from sales prices, volumes, and better sales mix. Company profitability, however, was impacted negatively due to unprecedented increase in corn and energy prices along with additional tax levy imposed during the year.

We are committed to manage and mitigate the external challenges and to sustain our path to growth through better sales mix, customer services and cost efficiencies.

BUSINESS REVIEW

Overall industry performance during first half of 2022 remained positive and both Agriculture as well as Industrial sectors posted growth. The key challenge, however, was the high inflation on raw materials across the industry which impacted negatively on profitability.

Food business continues to perform well and all sectors within Food business posted a healthy demand. Both glucose and starches sales to food and confectionery customers improved.

Industrial business displayed mixed growth. Textile sector posted a moderate growth mainly due to better performance of exports and composite units. However, challenges affecting the downstream textile industry for the past few years still linger on and demand may slowdown specially with the high inflation environment.

The other industrial segments especially Paper & Corrugation industry continued to perform very well and hence generating consistent growth for our starch sales into these sectors.

Animal nutrition ingredients continued to perform well; demand and prices remained positive mainly due to high prices of substitute products.

DIRECTORS' REVIEW

Future Outlook:

The outlook for 2022 remains challenging on account of high inflation rate, fiscal deficit, PKR devaluation and lower foreign exchange reserves. Going forward, political stability, early release of tranche from IMF and Government commitment to IMF for economic reforms will be critical to bring economic stability in the country.

We remain confident towards our objective of maintaining sustainable growth and delivering strong results for FY 2022. Management focus will be delivering on key growth parameters, strategic differentiation, cost containment measures, new business developments and continuous business expansion.

The company is determined to keep pace and is focused to overcome challenges by improving its operating results, thus, leading to significant value addition for the stakeholders.

May Allah give us the courage to face the challenges ahead. A'meen!

On behalf of the Board



Adil Saeed Khan
Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director

August 16, 2022

IMPORTANT NOTES TO SHAREHOLDERS

Please go through the following notes. It will be appreciated if you please respond to your relevant portion at the earliest -

CNIC Copy

Members are requested to submit a copy of their valid CNIC (only physical shareholders), if not already provided to the Shares Registrar of the Company. Corporate account holders should submit National Tax Number, if not yet submitted. In case of non-submission of CNIC/NTN Certificate (copy), all future dividends will be withheld.

Dividend Mandate/E-Dividend

In accordance with the provisions of Section 242 of the Companies Act, 2017, a listed company, is required to pay cash dividend to the shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders.

In order to receive dividends directly into their bank account, shareholders are requested to fill in Dividend Mandate Request Form available at the Company's website www.rafhanmaize.com and send it duly signed along with copy of CNIC to the Company's Shares Registrar in case of physical shares. In case the shares are held in CDC, then the Form must be submitted directly to shareholder's broker/participant/CDC Account Services.

In case of non-receipt of the above information, the Company will be constrained to withhold payment of dividend to such shareholders.

Circulation of Annual Audited Financial Statements via CD/USB/DVD

Annual Financial Statements of the Company for the financial year ended December 31, 2020 have been placed on the Company's website www.rafhanmaize.com.

Securities and Exchange Commission of Pakistan (SECP) vide its SRO No.470(I)/2016 dated May 31, 2016 has allowed companies to circulate their Annual Audited Financial Statements along with notice of general meeting to its members through CD/DVD/USB at their registered addresses.

However, shareholders who wish to receive the hard copy of Annual Audited Financial Statements along with notice of general meeting shall have to fill the request form which is available at the Company's website www.rafhanmaize.com and send it to our Shares Registrar or Company Secretary at their respective mailing addresses given at the end of these notes.

Unclaimed Shares/Unpaid Dividend

In compliance of Section 244 of the Companies Act 2017, a Final Notice was given by the Company on March 27, 2018 that the shares of Rafhan Maize Products Co. Limited/dividend declared by the Company, details whereof are appearing on the Company's website www.rafhanmaize.com have remained unclaimed or unpaid for a period of three years from the date these have become due and payable. In case of non-receipt of any claim by the respective shareholders to above referred Final Notice, the Company shall proceed to deposit the unclaimed/unpaid amount with the Federal Government pursuant to the provisions of sub-section 2 of section 244 of the Companies Act, 2017.

IMPORTANT NOTES TO SHAREHOLDERS

Deduction of Income Tax from Dividend under Section 150

Pursuant to the provisions of the Finance Act, 2019, effective July 1, 2019, the rates of deduction of withholding tax from dividend payments under the Income Tax Ordinance have been revised as under:

For filers of income tax returns	15%
For non-filers of income tax returns	30%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, all the shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for payment of any future cash dividend otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as Joint-holder (s) based on their shareholding proportions, in case of joint accounts.

In this regard, all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them, if not provided yet, to our Shares Registrar at the earliest, in writing as follow, otherwise it will be assumed that shares are equally held:

Company Name	Folio/CDS A/C #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name & CNIC #	Shareholding Proportion (No. of Shares)	Name & CNIC #	Shareholding Proportion (No. of Shares)

In another clarification by Federal Board of Revenue, valid tax exemption certificate for claim of exemption U/S 150, 151 and 233 of the Income Tax Ordinance, 2001 is required where statutory exemption under Clause 47B of Part-IV of the Second Schedule is available. Such certificate U/S 159(I) of the Income Tax Ordinance, 2001 issued by concerned Commissioner of Inland Revenue is to be produced to avail tax exemption.

For any query/problem/information, the investors may contact the Company and/or the Shares Registrar at the phone numbers/ e-mail addresses given at the end of these notes.

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or its Shares Registrar M/s FAMCO Associates (Pvt.) Ltd. The shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective folio numbers.

Centralized Cash Dividend Register (CCDR)

Central Depository Company (CDC) has developed Centralized Cash Dividend Register (CCDR), an eServices web portal which would incorporate details pertaining to cash dividends paid, unpaid or withheld by listed companies. The CCDR will help to maintain history of dividends paid to shareholders by listed companies and access of all such information will be provided to the respective shareholders. The web portal will facilitate shareholders of listed companies in retrieving details of cash dividends from the centralized register and using the same for their record purposes.

You may access CCDR via <https://eservices.cdaccess.com.pk>. In addition, the Dividend/Zakat & Tax Deduction Report can also be obtained directly from your Participant (stock broker) which has been provided to them on their CDS terminals. Moreover, you will also receive a copy of this report on your provided/registered e-mail addresses.

IMPORTANT NOTES TO SHAREHOLDERS

Deposit of Physical Certificate in CDC Account

As per Section 72 of Companies Act, 2017, every listed company shall be required to replace its physical certificates with book-entry form in a manner as may be specified and from the date notified by the commission, within a period not exceeding four years from the commencement of this Act.

The Shareholder having physical shares are encouraged to open the CDC sub-account with any of the brokers or investor Account directly with CDC to place their physical certificates into scripless form.

Consent for Video Conference Facility

Members can also avail video conference facility at Lahore and Karachi. In this regard, please fill the following request and submit to registered address of the Company 10 days before holding of general meeting.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

I/We, _____ of _____ being a member of Rafhan Maize Products Co. Limited holder of _____ Ordinary Shares as per Registered Folio No. _____ hereby opt for video conference facility at _____.

Signature of Member

Company Contact:

Mr. Mustafa Kamal Zuberi
Company Secretary & Head of Legal / Corporate Affairs,
Rafhan Maize Products Co. Limited,
Rakh Canal East Road, Faisalabad.
Tel. No. 041-8540121-23 Ext. 226 & 348
E-mail: corporate@rafhanmaize.com

Shares Registrar:

Mr. Fakhar Abbasi
M/s FAMCO Associates (Pvt.) Ltd.
8-F, Next to Hotel Faran, Nursery
Block-6, PECHS, Shahrah-e-Faisal, Karachi.
Tel. No. 021-34380101-05 Ext. 118
E-mail: info.shares@famco.com.pk

INDEPENDENT AUDITOR'S REVIEW REPORT
to the members of Rafhan Maize Products Company Limited
Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Rafhan Maize Products Company Limited** ("the Company") as at 30 June 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-month period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these condensed 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 financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial 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.

Other matter

The figures for the quarters ended 30 June 2022 and 30 June 2021 in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income have not been reviewed by us and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's report is Fahad Bin Waheed.



KPMG Taseer Hadi & Company
Chartered Accountants

Lahore:

August 26, 2022

UDIN: RR202210089Vv5SALPo2

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited)

As at June 30, 2022

	Notes	June 30, 2022 (Un-audited)	December 31, 2021 (Audited)
		(Rupees in thousands)	
NON CURRENT ASSETS		0	0
Property, plant and equipment	5	6,475,289	6,502,771
Employees retirement benefits		99,783	99,783
Long term loans		7,008	5,535
Long term deposits		35,108	35,108
		6,617,188	6,643,197
CURRENT ASSETS			
Stores and spares		1,277,538	1,106,768
Stock in trade		12,583,065	9,315,109
Trade debts		2,395,395	2,021,946
Loans and advances		524,368	69,051
Short term prepayments		332,394	139,536
Other receivables		75,985	39,342
Short term investments		2,978,705	986,159
Cash and bank balances		3,185,964	3,775,690
		23,353,414	17,453,601
CURRENT LIABILITIES			
Current portion of long term financing		60,624	119,811
Current portion of deferred income		1,797	5,392
Short term running finance - secured		656,354	756,233
Contract liabilities		706,533	673,732
Trade and other payables		8,531,952	4,741,326
Lease liability		6,469	5,987
Unpaid dividend		1,517,849	914,189
Unclaimed dividend		18,530	18,718
Mark-up accrued		9,644	2,022
Provision for taxation - net		784,790	121,139
		12,294,542	7,358,549
WORKING CAPITAL		11,058,872	10,095,052
TOTAL CAPITAL EMPLOYED		17,676,060	16,738,249
NON CURRENT LIABILITIES			
Lease liability		1,729	5,086
Deferred taxation		856,064	853,276
NET CAPITAL EMPLOYED		16,818,267	15,879,887
REPRESENTED BY:			
SHARE CAPITAL AND RESERVES			
Share capital		92,364	92,364
Reserves		16,725,903	15,787,523
CONTINGENCIES AND COMMITMENTS	6	16,818,267	15,879,887

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Adil Saeed Khan
Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)

For the six months period ended 30 June 2022

	Six months ended (Un-audited)		Three months ended (Un-audited)	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Note				
		(Rupees in thousands)		
Revenue	26,379,756	19,912,157	13,898,700	10,049,054
Cost of sales	(20,558,243)	(13,801,400)	(10,907,714)	(6,987,137)
Gross profit	5,821,513	6,110,757	2,990,986	3,061,917
Distribution expenses	(312,473)	(266,509)	(161,814)	(130,375)
Administrative expenses	(450,819)	(319,189)	(228,994)	(161,133)
impairment gain / (loss) on financial assets	2,869	(3,374)	595	(3,228)
Other income	528,672	367,265	359,288	199,848
Other expenses	(382,549)	(388,878)	(201,830)	(191,460)
	(614,300)	(610,685)	(232,755)	(286,348)
Operating profit	5,207,213	5,500,072	2,758,231	2,775,569
Finance costs	(31,633)	(21,349)	(20,910)	(11,349)
Profit before taxation	5,175,780	5,478,723	2,737,321	2,764,220
Taxation	(1,928,093)	(1,484,833)	(1,274,092)	(744,545)
Profit after taxation	3,247,487	3,993,890	1,463,229	2,019,675
Earnings per share-basic and diluted-(Rupees)	351.60	432.41	158.42	218.66


The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Adil Saeed Khan
Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director



Zulfikar Manno
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)


For the six months period ended 30 June 2022

	Six months ended (Un-audited)		Three months ended (Un-audited)	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	(Rupees in thousands)			
Profit for the period	3,247,487	3,993,890	1,463,229	2,019,675
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>3,247,487</u>	<u>3,993,890</u>	<u>1,463,229</u>	<u>2,019,675</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Adil Saeed Khan
Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)

For the six months period ended 30 June 2022

	Share Capital	Capital Reserves		Revenue Reserves		Total
		Share Premium	Other	General	Unappropriated Profit	
			(Rupees in thousands)			
Balance as at 01 January 2021	92,364	36,946	941	207	16,000,523	16,130,981
Total comprehensive income for the period						
Profit for the period	-	-	-	-	3,993,890	3,993,890
Other comprehensive income	-	-	-	-	-	-
Transactions with owners of the Company recognised directly in equity						
Final dividend 2020 (Rs. 250.00 per share)	-	-	-	-	(2,309,107)	(2,309,107)
1st interim dividend 2021 (Rs. 150.00 per share)	-	-	-	-	(1,385,464)	(1,385,464)
	-	-	-	-	(3,694,571)	(3,694,571)
Balance as at 30 June 2021	92,364	36,946	941	207	16,299,842	16,430,300
Balance as at 01 January 2022	92,364	36,946	941	207	15,749,429	15,879,887
Total comprehensive income for the period						
Profit for the period	-	-	-	-	3,247,487	3,247,487
Other comprehensive income	-	-	-	-	-	-
Transactions with owners of the Company recognised directly in equity						
Final dividend 2021 (Rs. 150.00 per share)	-	-	-	-	(1,385,464)	(1,385,464)
1st interim dividend 2022 (Rs. 100.00 per share)	-	-	-	-	(923,643)	(923,643)
	-	-	-	-	(2,309,107)	(2,309,107)
Balance as at 30 June 2022	92,364	36,946	941	207	16,687,809	16,818,267

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Adil Saeed Khan
Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

For the six months period ended 30 June 2022

		Six months ended (Un-audited)	
		30 June 2022	30 June 2021
	Note	(Rupees in thousands)	
Cash flows from operating activities			
Cash generated from operations			
	10	4,457,235	2,598,261
		(1,261,654)	(1,375,392)
		(40,363)	(32,806)
		(1,302,017)	(1,408,198)
NET CASH GENERATED FROM OPERATING ACTIVITIES		3,155,218	1,190,064
CASH FLOWS FROM INVESTING ACTIVITIES			
		(235,039)	(211,412)
		7,222	15,762
		368,590	293,091
		(4,400)	(1,000)
		2,816	3,873
NET CASH GENERATED FROM INVESTING ACTIVITIES		139,189	100,314
CASH FLOWS FROM FINANCING ACTIVITIES			
		(61,108)	(61,108)
		(3,251)	(3,003)
		(1,705,635)	(2,194,453)
		(21,714)	(16,405)
NET CASH USED IN FINANCING ACTIVITIES		(1,791,708)	(2,274,969)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,502,699	(984,591)
Cash and cash equivalents at the beginning of the period		4,005,616	9,153,818
Cash and cash equivalents at the end of the period		5,508,315	8,169,227

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Adil Saeed Khan
Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)

For the six months period ended 30 June 2022

1. Corporate and general information

Rafhan Maize Products Company Limited ("the Company") was incorporated in Pakistan and was subsequently listed on Pakistan Stock Exchange Limited. Ingredion Incorporated Chicago, U.S.A., holds majority shares of the Company. The registered office of the Company is situated at Rakh Canal, East Road, Faisalabad. The Company uses maize as the basic raw material to manufacture and sell a number of industrial products, principal ones being industrial starches, liquid glucose, dextrose, dextrin and gluten meals.

2. Basis of preparation

2.1 Statement of compliance

These condensed interim financial statements of the Company 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;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The condensed interim financial statements does not include information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company for the year ended 31 December 2021.

These condensed interim financial statements are being submitted to the shareholders as required by section 237 of the Companies Act, 2017 and the Rule Book of Pakistan Stock Exchange Limited.

The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the audited annual financial statements of the Company for the year ended 31 December 2021, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements of the Company for the six months period ended 30 June 2021.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain employee retirement benefits and lease liabilities which are stated at present value.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees which is also the Company's functional currency.

3. Summary of significant accounting policies

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended 31 December 2021.

3.1 Newly effective requirements of IFRS effective from 01 January 2022:

During the year certain amendments to currently effective IFRS have become effective. However these have no significant impact on the half yearly financial statements of the Company.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)

For the six months period ended 30 June 2022

3.2 Standards, interpretations and amendments to the published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and the interpretation thereto will be effective for accounting periods beginning on or after 01 January 2023:

<u>Standards or interpretation</u>	<u>Effective date (accounting periods beginning on or after)</u>
- IFRS 17 Insurance Contracts, including amendments Initial Application of IFRS 17 and IFRS 9 - Comparative Information	01 January 2023
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1 Presentation of Financial Statements	01 January 2023
- Definition of Accounting Estimates - Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	01 January 2023
- Disclosure Initiative Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023

The above mentioned amendments are not likely to have a material impact effect on the Company's financial statements.

4. Accounting estimates, judgements and financial risk management

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements of the Company as at and for the year ended 31 December 2021.

5. Property, plant and equipment

		30 June 2022 (Un-audited)	31 December 2021 (Audited)
	Note	(Rupees in thousands)	
Operating property, plant and equipment	5.1	6,187,712	6,300,063
Capital work-in-progress	5.2	287,577	202,708
		<u>6,475,289</u>	<u>6,502,771</u>

5.1 This includes the cost of property, plant and equipment that have been added and disposed-off during the period, detail of which is as follows:

Six months ended (Un-audited)				
30 June 2022		30 June 2021		
Additions	Disposals	Additions	Disposals	
(Rupees in thousands)				
Factory building on freehold land	4,058	-	-	-
Plant and machinery	101,973	2,250	108,356	4,525
Laboratory equipment	13,419	-	7,026	-
Furniture and fittings	2,400	641	186	-
Vehicles	20,659	9,824	5,606	17,124
Office equipment	7,659	16,351	-	98
	<u>150,168</u>	<u>29,066</u>	<u>121,174</u>	<u>21,747</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)

For the six months period ended 30 June 2022

5.2 Capital work-in-progress

The movement in capital work-in-progress is as follows:

	Six months ended (Un-audited)	
	30 June 2022 (Rupees in thousands)	30 June 2021 (Rupees in thousands)
Opening balance	202,708	203,675
Add: Additions during the period	235,037	211,412
	<u>437,745</u>	<u>415,087</u>
Less: Transfers during the period	(150,168)	(121,174)
Closing balance	<u>287,577</u>	<u>293,913</u>

6. Contingencies and commitments

6.1 Contingencies

There has been no significant change in the status of contingencies as set out in note 24 to the annual financial statements of the Company for the year ended 31 December 2021.

6.2 Commitments

- a) Commitments in respect of capital expenditure
- b) Commitments in respect of purchase of corn

	(Un-audited)	(Audited)
	30 June 2022 (Rupees in thousands)	31 December 2021 (Rupees in thousands)
	326,941	268,240
	<u>-</u>	<u>3,829,411</u>

7. Revenue - net

	Six months ended (Un-audited)		Three months ended (Un-audited)	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	(Rupees in thousands)			
Domestic	27,906,112	21,298,918	14,654,762	10,704,089
Exports	2,589,849	1,372,343	1,434,363	739,845
	<u>30,495,961</u>	<u>22,671,261</u>	<u>16,089,125</u>	<u>11,443,934</u>
Less:				
Sales tax	(4,018,809)	(2,709,628)	(2,136,018)	(1,355,736)
Trade discount	(97,396)	(49,476)	(54,407)	(39,144)
	<u>(4,116,205)</u>	<u>(2,759,104)</u>	<u>(2,190,425)</u>	<u>(1,394,880)</u>
Revenue from contracts with customers	<u>26,379,756</u>	<u>19,912,157</u>	<u>13,898,700</u>	<u>10,049,054</u>

7.1 Revenue has been recognized at a point in time for both local and export sales made during the period.

8. Cost of sales

	Six months ended (Un-audited)		Three months ended (Un-audited)	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	(Rupees in thousands)			
Opening stock of finished goods	966,030	1,669,504	740,361	1,147,857
Cost of goods manufactured	19,785,789	12,555,548	10,655,966	6,440,822
	<u>20,751,819</u>	<u>14,225,052</u>	<u>11,396,327</u>	<u>7,588,679</u>
Less: closing stock of finished goods	(885,881)	(791,405)	(885,881)	(791,405)
Cost of goods Sold - own manufactured	<u>19,865,938</u>	<u>13,433,647</u>	<u>10,510,446</u>	<u>6,797,274</u>
Cost of goods Sold - purchased Products	121,209	89,815	76,786	48,688
Freight and distribution cost	571,096	277,938	320,482	141,175
Cost of goods sold	<u>20,558,243</u>	<u>13,801,400</u>	<u>10,907,714</u>	<u>6,987,137</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)

For the six months period ended 30 June 2022

9. Other income

	Six months ended (Un-audited)	
	30 June 2022	30 June 2021
	(Rupees in thousands)	
Mark-up on staff loans and profit on bank deposits	391,345	307,270
Profit on sale of scrap	76,386	42,668
Foreign exchange gain	53,862	-
Profit on sale of property, plant and equipment	2,458	12,449
Amortization of deferred income	3,595	3,595
Miscellaneous income	1,026	1,283
	<u>528,672</u>	<u>367,265</u>

10. Cash Flows From Operating Activities

	Six months ended (Un-audited)	
	30 June 2022	30 June 2021
	(Rupees in thousands)	
Profit before tax	5,175,580	5,478,723
Adjustments for:		
Depreciation of property, plant and equipment	257,757	246,268
Provision for employees retirement benefits	40,363	32,806
(Reversal) / provision of doubtful debts	(2,869)	3,374
Unwinding of lease liability	376	574
Provision for slow moving and obsolete items	3,425	105,599
Gain on disposal of property, plant and equipment	(2,458)	(12,449)
Amortization of deferred income	(3,595)	(3,595)
Interest income	(391,345)	(307,270)
Finance cost	31,257	20,775
	<u>(67,089)</u>	<u>86,082</u>
Cash generated from operations before working capital changes	5,108,491	5,564,805
Effect on cash flow due to working capital changes (Increase) / decrease in current assets:		
Stores and spares	(175,380)	(161,586)
Stock in trade	(3,266,771)	(2,725,249)
Trade debts	(370,580)	(316,364)
Loans and advances	(455,206)	(143,260)
Short term prepayments	(192,858)	(34,624)
Other receivables	(13,888)	(114,795)
	<u>(4,474,683)</u>	<u>(3,495,878)</u>
Increase / (decrease) in current liabilities:		
Contract liabilities	32,801	187,518
Trade and other payables	3,790,626	341,817
	<u>3,823,427</u>	<u>529,335</u>
Net decrease in working capital	<u>(651,256)</u>	<u>(2,966,543)</u>
Cash generated from operations	<u>4,457,235</u>	<u>2,598,262</u>

11. Cash and cash equivalents

	(Un-audited)	(Audited)
	30 June 2022	31 December 2021
	(Rupees in thousands)	
Short term investments	2,978,705	986,159
Cash and bank balances	3,185,964	3,775,690
Short term running finance	(656,364)	(756,233)
	<u>5,508,315</u>	<u>4,005,616</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)

For the six months period ended 30 June 2022

12. Transactions with related parties

The related parties comprise of parent company, related group companies, local associated company, directors of the Company, key management personnel and staff retirement funds. Details of transactions with related parties, other than those disclosed else where in these financial statements are as follows:

Name of parties	Nature of relationship	Basis of relationship / association	Nature and description of related party transaction	Six months ended			Three months ended			Closing balance (asset/ (liability)) as at	
				(Un-Audited)		(Un-Audited)	(Un-Audited)		(Un-Audited)	(Audited)	
				June 30 2022	June 30 2021	June 30 2022	June 30 2021	June 30 2022	December 31 2021		
(Rupees in thousands)											
Parent company											
Ingreddion Inc. U.S.A.	Holding Company	Shareholding of 71.04% shares	Services received	190,902	103,957	107,992	57,245	(94,659)	(43,318)		
Ingreddion Inc. U.S.A.	-do-	-do-	Dividend	1,640,279	2,624,447	656,112	2,624,447	(1,496,755)	(898,053)		
Ingreddion Inc. U.S.A.	-do-	-do-	Imports	62,096	35,640	32,776	-	(89,263)	(37,370)		
Ingreddion Inc. U.S.A.	-do-	-do-	Services provided	67,968	105,134	66,811	21,328	1,359	24,188		
Associates											
Unilever Pakistan Foods Ltd.	Associate	Common directorship	Sales	1,416,371	919,248	656,957	381,993	257,459	171,991		
Pakistan Oxygen Limited	Associate	Common directorship	Purchases	192	-	72	-	18	471		
Pakistan Mobile Communication (Pvt) Ltd.	Associate	Common directorship	Services received	919	-	414	-	-	-		
Ingreddion Holding LLC Kenya	-do-	-do-	Export sales	261,352	262,640	190,250	135,251	226,884	122,521		
Ingreddion Holding LLC Kenya	-do-	-do-	Services provided	1,230	1,111	584	1,071	2,427	931		
Ingreddion Singapore Pte. Ltd.	-do-	-do-	Imports	4,737	1,923	2,509	1,923	(16,475)	(14,186)		
Ingreddion Germany GMBH	-do-	-do-	Export sales	23,254	3,344	15,362	201	(12,027)	751		
Ingreddion Germany GMBH	-do-	-do-	Services received	248,474	123,322	120,882	68,942	54,958	8,618		
Ingreddion Germany GMBH	-do-	-do-	Imports	45,652	55,766	22,025	38,370	(1,003)	(6,945)		
National Starch & Chemical Thailand	-do-	-do-	Export sales	34,792	33,049	8,431	20,741	9,540	3,420		
Ingreddion Malaysia Sdn. Bhd.	-do-	-do-	Export sales	14,856	21,385	12,795	11,606	-	-		
Ingreddion China Limited	-do-	-do-	Export sales	-	23,751	-	23,751	-	-		
PT Ingreddion, Indonesia	-do-	-do-	Export sales	67,218	43,625	34,930	21,323	9,490	16,343		
Ingreddion UK Limited	-do-	-do-	Export sales	-	74	-	74	-	-		
Ingreddion South Africa (Pty) Ltd.	-do-	-do-	Export sales	147,426	67,193	22,920	43,519	24,535	59,320		
Ingreddion South Africa (Pty) Ltd.	-do-	-do-	Services provided	298	-	298	-	307	-		
Kohinoor Textile Mills Limited	-do-	-do-	Sales	40,404	-	19,231	-	(1,448)	-		
Other Related Parties											
Employee Benefits	Other	Employee retirement fund	Contribution to funds	71,410	64,172	36,329	34,209	17,431	(13,790)		
Key Management Personnel	-do-	Key management personnel	Remuneration	265,695	206,310	164,503	122,944	-	-		

- No buying and selling commission has been paid to any associated undertaking.

13 Operating segments

- 13.1 These financial statements have been prepared on the basis of single reportable segment.
 13.2 All non current assets of the Company as at 30 June 2022, are located in Pakistan.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)

For the six months period ended 30 June 2022

14. Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in financial statements as at and for the year 31 December 2021.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (i.e. derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (i.e. unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	30 June 2022						
	Carrying amount			Fair value			
	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in thousands)						
<u>Financial assets - not measured at fair value</u>							
Long term loans	12,771	-	12,771	-	-	-	-
Trade debts	2,395,395	-	2,395,395	-	-	-	-
Long term deposits	35,108	-	35,108	-	-	-	-
Other receivables	75,985	-	75,985	-	-	-	-
Short term investments	2,978,705	-	2,978,705	-	-	-	-
Cash and bank balances	3,185,964	-	3,185,964	-	-	-	-
	<u>8,683,928</u>	<u>-</u>	<u>8,683,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities - not measured at fair value</u>							
Long term financing	-	60,624	60,624	-	-	-	-
Trade and other payables	-	7,812,755	7,812,755	-	-	-	-
Mark-up-accrued	-	9,644	9,644	-	-	-	-
Unpaid dividend	-	1,517,849	1,517,849	-	-	-	-
Unclaimed dividend	-	18,530	18,530	-	-	-	-
Lease liability	-	8,198	8,198	-	-	-	-
	<u>-</u>	<u>9,427,600</u>	<u>9,427,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)

For the six months period ended 30 June 2022

	31 December 2021						
	Carrying amount			Fair value			
	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in thousands)						
<u>Financial assets - not measured at fair value</u>							
Long term loans	11,187	-	11,187	-	-	-	-
Trade debts	2,021,946	-	2,021,946	-	-	-	-
Long term deposits	35,108	-	35,108	-	-	-	-
Other receivables	39,342	-	39,342	-	-	-	-
Short term investments	986,159	-	986,159	-	-	-	-
Cash and bank balances	3,775,690	-	3,775,690	-	-	-	-
	<u>6,869,432</u>	<u>-</u>	<u>6,869,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities - not measured at fair value</u>							
Long term financing	-	119,811	119,811	-	-	-	-
Trade and other payables	-	4,126,646	4,126,646	-	-	-	-
Mark-up-accrued	-	2,022	2,022	-	-	-	-
Unpaid dividend	-	914,189	914,189	-	-	-	-
Unclaimed dividend	-	18,718	18,718	-	-	-	-
Lease liability	-	11,073	11,073	-	-	-	-
	<u>-</u>	<u>5,192,459</u>	<u>5,192,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

15. Date of authorization for issue

These un-audited condensed interim financial statements were authorized for issue by the Board of Directors on August 16, 2022.

16. Subsequent event - dividend

The Directors in their meeting held on August 16, 2022 have proposed second interim cash dividend for the period ended 30 June 2022 of Rs. 50 per share, amounting to Rs. 461,821 thousands. These condensed interim financial statements for the period ended 30 June 2022 do not include the effect of the above interim cash dividend which will be accounted for in the period in which it is declared.

17. General

Figures in these accounts have been rounded off to the nearest thousand of rupees.



Adil Saeed Khan
Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

COMPANY INFORMATION

BOOK POST (Under Certificate of Posting)



SharesReg istrar

FAMCO Associates (Pvt.) Ltd.
8-F, Next to Hotel Faran, Nursery,
Block-6, P.E.C.H.S., Shahrach-e-Faisal, Karachi-75400
Tel: (92-21) 34380101-5
Fax: (92-21) 34380106
E-mail: info.shares@famco.com.pk

Registered Office & Shares Department

Rakh Canal East Road, Faisalabad.
Ph: (92-41) 8540121-22-23
Fax: (92-41) 8711016 - 8502197
Website: www.raffhanmaize.com
E-mail: corporate@raffhanmaize.com

Plants:

Rakh Canal Plant

Rakh Canal East Road, Faisalabad-38860.
Ph: (92-41) 8540121-22-23
Fax: (92-41) 8711016 - 8502197

Cornwala Plant

5-Km Jaranwala-Khurrianwala Road,
Jaranwala - 37250.
Ph: (92-41) 4710121 & 23-27

Mehran Plant

K.B. Feeder Road, Kotri,
Jamshoro-76090.
Ph: (92-223) 870894-98

Board Of Directors

Chairman

Mr. Pierre Perez y Landazuri Non-Executive

Chief Executive & Managing Director

Mr. Humair Ijaz Ahmed Executive

Members

Mr. James D. Gray Non-Executive
Mr. Michael F. O'Riordan Non-Executive
Ms. Tanya Jaeger de Foras Non-Executive
Mr. Zulfikar Mannoo Non-Executive
Mian M. Adil Mannoo Non-Executive
Mr. Wisal A. Mannoo Non-Executive
Mr. Adil Saeed Khan Executive
Mr. Waqar Ahmed Malik Independent & Non-Executive
Mr. Tahir Jawaid Independent & Non-Executive

Chief Financial Officer

Mr. Adil Saeed Khan

Company Secretary

Mr. Mustafa Kamal Zuberi

Audit Committee

Mr. Waqar Ahmed Malik Chairman
Mr. James D. Gray Member
Mr. Michael F. O'Riordan Member
Ms. Tanya Jaeger de Foras Member
Mr. Zulfikar Mannoo Member
Mr. Kamran Anjum Secretary

Human Resource & Remuneration Committee

Mr. Tahir Jawaid Chairman
Mr. Pierre Perez y Landazuri Member
Ms. Tanya Jaeger de Foras Member
Mr. Humair Ijaz Ahmed Member
Mian M. Adil Mannoo Member
Mr. Adil Saeed Khan Secretary

Operations Committee

Mr. Michael F. O'Riordan Chairman
Ms. Tanya Jaeger de Foras Member
Mr. Tahir Jawaid Member
Mr. Humair Ijaz Ahmed Member
Mr. Wisal A. Mannoo Member
Mr. M. Saeed Akhter Secretary

Shares Transfer Committee

Mr. Humair Ijaz Ahmed Chairman
Mr. Adil Saeed Khan Member
Mr. Mustafa Kamal Zuberi Secretary

Bankers

Citibank, N.A.
Habib Bank Ltd.
Meezan Bank Ltd.
MCB Bank Ltd.
MCB Islamic Bank Ltd.
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Ltd.

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
Lahore - Karachi

Legal Advisor

M. Ali Seenaa
C/o Surridge & Beecheno, Karachi-74000