



**RafhanMaize**  
PRODUCTS CO LTD



**QUARTERLY REPORT**  
QUARTER ENDED SEPTEMBER 30, 2022

# DIRECTORS' REVIEW



We are pleased to present un-audited financial results of the Company for third quarter ended September 30, 2022.

## FINANCIAL RESULTS

		Quarter ended September 30	
		2022	2021
Net Sales	(Rs. Million)	15,368	10,525
Net Income after Tax	(Rs. Million)	1,660	1,305
Earnings per Share	(Rupees)	179.75	141.31

The worst floods in decades have severely hit Pakistan. This natural disaster has not only resulted in humanitarian crisis but has also caused damage worth billions of dollars to an already weak economy. Furthermore, political instability, PKR devaluation and high inflation rate have negatively impacted the economic activity in the country. Effective policy measures by the Government will be key to revive growth momentum in the country.

Raffhan, by the grace of Almighty Allah, however, was able to manage and mitigate the external challenges through better sales prices/mix, customer services and cost efficiencies.

## BUSINESS REVIEW

Textile industry, the largest consumer of industrial ingredients, continued to face the stiff challenges of weakening exports, high manufacturing costs (specially energy) and global recession. Paper and corrugation segments have also faced adverse effects of the economy especially after the floods. Based on these market conditions the Industrial business has exhibited a downward trend.

Food business, despite challenges, managed to maintain its sales volumes. The demand from consuming industries for liquid glucose and food grade starches remained stable. Steady demand of liquid glucose was also noted from confectionery industry.

Demand of Animal nutrition ingredients remained impacted due to floods. However, in September early recovery and shortage of other feed ingredients helped to regain its sales momentum.

## Outlook:

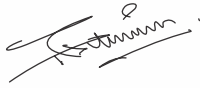
Current Account deficit, high inflation rate and PKR / Dollar parity are the key challenges for the Government. Tough and prudent economic decisions will be needed to overcome these challenges.

# DIRECTORS' REVIEW

Our focus shall remain on driving volumes, tight cost control, process optimization and delivering best services to our customers.

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

October 18, 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](http://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, 2021 have been placed on the Company's website [www.rafhanmaize.com](http://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](http://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](http://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), withholding 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 follows, 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(1) 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  
Chief Legal officer & Company Secretary  
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

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited)

## As at September 30, 2022

	Notes	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
(Rupees in thousands)			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	6,434,658	6,502,771
Employees retirement benefits		99,783	99,783
Long term loans		8,193	5,535
Long term deposits		35,108	35,108
		6,577,742	6,643,197
<b>CURRENT ASSETS</b>			
Stores and spares		1,338,845	1,106,768
Stock in trade		19,898,681	9,315,109
Trade debts		2,818,682	2,021,947
Loans and advances		243,946	69,051
Short term prepayments		249,900	139,535
Other receivables		15,708	39,342
Short term investments		-	986,159
Cash and bank balances		548,789	3,775,690
		25,114,551	17,453,601
<b>CURRENT LIABILITIES</b>			
Current portion of long term financing		-	119,811
Short term running finances - secured		3,913,939	756,233
Current portion of deferred income		-	5,392
Contract liabilities		550,405	673,732
Trade and other payables		6,242,987	4,741,326
Current portion of lease liability		6,717	5,987
Unpaid dividend		1,817,397	914,189
Unclaimed dividend		15,873	18,718
Markup up accrued on short term running finances		93,103	2,022
Provision for taxation - net		190,651	121,139
		12,831,072	7,358,549
<b>WORKING CAPITAL</b>		12,283,479	10,095,052
<b>TOTAL CAPITAL EMPLOYED</b>		18,861,221	16,738,249
<b>NON CURRENT LIABILITIES</b>			
Lease liability		-	5,086
Deferred taxation		844,517	853,275
<b>NET CAPITAL EMPLOYED</b>		18,016,704	15,879,887
<b>REPRESENTED BY:</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		92,364	92,364
Reserves		17,924,340	15,787,523
<b>CONTINGENCIES AND COMMITMENTS</b>	5	18,016,704	15,879,887

The annexed notes 1 to 15 form an integral part of these accounts.



**Adil Saeed Khan**  
Chief Financial Officer



**Humair Ijaz**  
Chief Executive &  
Managing Director



**Zulfikar Manno**  
Director

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

## For the nine months period ended September 30, 2022

	Note	Nine months ended (Un-audited)		Three months ended (Un-audited)	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Sales - net	6	41,748,147	30,436,823	15,368,390	10,524,666
Cost of sales	7	(32,747,880)	(22,068,577)	(12,189,638)	(8,267,180)
<b>Gross profit</b>		<b>9,000,267</b>	<b>8,368,246</b>	<b>3,178,752</b>	<b>2,257,486</b>
Distribution expenses		(486,450)	(397,197)	(173,978)	(130,692)
Administrative expenses		(724,469)	(503,145)	(273,752)	(183,960)
Impairment gain / (loss) on financial assets		2,321	(3,144)	(548)	229
Other income	8	600,485	502,959	73,859	135,694
Other operating expenses		(569,125)	(546,373)	(186,576)	(161,407)
		(1,177,338)	(946,900)	(560,995)	(340,136)
<b>Operating profit</b>		<b>7,822,929</b>	<b>7,421,346</b>	<b>2,617,757</b>	<b>1,917,350</b>
Finance cost		(141,680)	(36,630)	(12,088)	(11,371)
<b>Profit before taxation</b>		<b>7,681,249</b>	<b>7,384,716</b>	<b>2,505,669</b>	<b>1,905,979</b>
Taxation		(2,773,504)	(2,085,615)	(845,411)	(600,782)
<b>Profit after taxation</b>		<b>4,907,745</b>	<b>5,299,101</b>	<b>1,660,258</b>	<b>1,305,197</b>
<b>Earnings per share-basic and diluted-(Rupees)</b>		<b>531.35</b>	<b>573.72</b>	<b>179.75</b>	<b>141.31</b>

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**Adil Saeed Khan**  
Chief Financial Officer



**Humair Ijaz**  
Chief Executive &  
Managing Director



**Zufikar Manno**  
Director



# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)

For the nine months period ended September 30, 2022

	Nine months ended (Un-audited)		Three months ended (Un-audited)	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
			(Rupees in thousands)	
<b>Profit for the period</b>	4,907,745	5,299,101	1,660,258	1,305,197
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>4,907,745</u>	<u>5,299,101</u>	<u>1,660,258</u>	<u>1,305,197</u>

The annexed notes 1 to 15 form an integral part of these accounts.



**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 nine months period ended September 30, 2022

	Share Capital	Capital Reserves		Revenue Reserves		Total
		Share Premium	Other	General	Unappropriated Profit	
			(Rupees in thousands)			
<b>Balance as at 01 January 2021</b>	92,364	36,946	941	207	16,000,523	16,130,981
<b>Total comprehensive income</b>						
Profit for the period	-	-	-	-	5,299,101	5,299,101
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	5,299,101	5,299,101
<b>Transactions with owners of the Company recognised directly in equity</b>						
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)
2nd interim dividend 2021 (Rs. 150.00 per share)	-	-	-	-	(1,385,464)	(1,385,464)
	-	-	-	-	(5,080,035)	(5,080,035)
<b>Balance as at 30 September 2021</b>	<u>92,364</u>	<u>36,946</u>	<u>941</u>	<u>207</u>	<u>16,219,589</u>	<u>16,350,047</u>
<b>Balance as at 01 January 2022</b>	92,364	36,946	941	207	15,749,429	15,879,887
<b>Total comprehensive income</b>						
Profit for the period	-	-	-	-	4,907,745	4,907,745
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	4,907,745	4,907,745
<b>Transactions with owners of the Company recognised directly in equity:-</b>						
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)
2nd interim dividend 2022 (Rs. 50.00 per share)	-	-	-	-	(461,821)	(461,821)
	-	-	-	-	(2,770,928)	(2,770,928)
<b>Balance as at 30 September 2022</b>	<u>92,364</u>	<u>36,946</u>	<u>941</u>	<u>207</u>	<u>17,886,246</u>	<u>18,016,704</u>

The annexed notes 1 to 15 form an integral part of these accounts.



**Adil Saeed Khan**  
Chief Financial Officer



**Humair Ijaz**  
Chief Executive &  
Managing Director



**Zulfikar Manno**  
Director

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

For the nine months period ended September 30, 2022

		Nine months ended (Un-audited)	
		September 30, 2022	September 30, 2021
		(Rupees in thousands)	
	Note		
<b>Cash flows from operating activities</b>			
<b>Cash (used in) / generated from operations</b>			
	9	(2,665,116)	377,454
Taxes paid		(2,712,750)	(2,181,431)
Employees retirement benefits paid		(60,545)	(49,208)
		(2,773,295)	(2,230,639)
<b>Net cash used in operating activities</b>			
		(5,438,410)	(1,853,185)
<b>Cash flows from investing activities</b>			
Capital expenditure incurred		(333,535)	(292,020)
Sale proceeds from property, plant and equipment		18,170	17,893
Interest received		431,269	402,485
Long term loans disbursed		(7,127)	(2,200)
Repayment from long term loans		4,202	6,067
<b>Net cash generated from investing activities</b>			
		112,978	132,225
<b>Cash flows from financing activities</b>			
Repayment of long term loan		(122,217)	(91,662)
Repayment of lease liability		(4,865)	(4,505)
Short term finances - secured		3,913,939	-
Dividend paid		(1,870,565)	(4,733,443)
Finance cost paid		(47,686)	(29,833)
<b>Net cash generated from / (used in) financing activities</b>			
		1,868,606	(4,859,443)
<b>Net (decrease) in cash and cash equivalents</b>			
		(3,456,826)	(6,580,403)
<b>Cash and cash equivalents at the beginning of the period</b>			
		4,005,615	9,153,818
<b>Cash and cash equivalents at the end of the period</b>			
		548,789	2,573,415

The annexed notes 1 to 15 form an integral part of these accounts.



**Adil Saeed Khan**  
Chief Financial Officer



**Humair Ijaz**  
Chief Executive &  
Managing Director



**Zulfikar Manno**  
Director

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

## For the nine months period ended September 30, 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 nine months period ended 30 September 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 period certain amendments to currently effective IFRS have become effective. However these have no significant impact on the condensed interim financial statements of the Company.

#### 3.2 Standards, interpretations and amendments to accounting and reporting 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:

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

## For the nine months period ended September 30, 2022

<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 Statements 2	01 January 2023

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

#### 4. Property, plant and equipment

		September 30 2022 (Un-audited)	31 December 2021 (Audited)
	Note	<b>(Rupees in thousands)</b>	
Operating property, plant and equipment	4.1	6,093,933	6,289,837
Capital work-in-progress	4.2	334,881	202,708
Right-of-use asset		5,844	10,226
		6,434,658	6,502,771

- 4.1 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:

	Nine months ended (Un-audited)			
	30 September 2022		30 September 2021	
	Additions	Deletions (Rupees in thousands)	Additions (Rupees in thousands)	Deletions
Factory building on freehold land	4,058	-	-	-
Plant and machinery	128,519	6,720	153,854	5,788
Laboratory equipment	13,419	-	7,026	-
Furniture and fittings	6,220	641	1,859	-
Vehicles	40,871	24,461	16,220	19,982
Office equipment	8,274	16,352	-	203
	201,361	48,174	178,959	25,972

#### 4.2 Capital work-in-progress

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

	Nine months ended (Un-audited)	
	30 September 2022 (Rupees in thousands)	30 September 2021 (Rupees in thousands)
Opening balance	202,708	203,675
Add: Additions during the period	333,535	292,020
	536,243	495,695
Less: Transfers during the period	(201,361)	(178,959)
Closing balance	334,881	316,736

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)**  
For the nine months period ended September 30, 2022

**5. Contingencies and commitments**

**Contingencies**

- a) Counter guarantees given by the Company to its bankers as at reporting date amounting to Rs. 519,300 thousands (2021: Rs. 443,630 thousands)
- b) There is no material change in contingencies since the last audited published accounts.

(Un-audited)	(Audited)
30 September 2022	31 December 2021
(Rupees in thousands)	
<b>819,998</b>	<b>268,240</b>
<b>4,654,368</b>	<b>3,829,411</b>

**Commitments**

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

**6. Sales - Net**

	Nine months ended (Un-audited)		Three months ended (Un-audited)	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	(Rupees in thousands)			
Domestic	44,075,100	32,389,119	16,168,988	11,090,201
Exports	4,231,722	2,228,578	1,641,873	856,235
	48,306,822	34,617,697	17,810,861	11,946,436
Less:				
Sales tax	(6,378,854)	(4,100,961)	(2,360,046)	(1,391,333)
Trade discount	(179,821)	(79,913)	(82,425)	(30,437)
	(6,558,675)	(4,180,874)	(2,442,471)	(1,421,770)
Revenue from contracts with customers	41,748,147	30,436,823	15,368,390	10,524,666

**7. Cost of sales**

	Nine months ended (Un-audited)		Three months ended (Un-audited)	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	(Rupees in thousands)			
Opening stock of finished goods	966,030	1,669,504	885,881	791,405
Cost of goods manufactured	33,662,534	20,711,502	13,876,746	8,155,957
	34,628,564	22,381,006	14,762,627	8,947,362
Less: closing stock of finished goods	(2,882,463)	(917,017)	(2,882,463)	(917,017)
Cost of goods sold - own manufactured	31,746,101	21,463,989	11,880,164	8,030,345
Cost of goods sold - purchased Products	181,340	156,865	60,131	67,050
Freight and distribution cost	820,439	447,723	249,343	169,785
<b>Cost of goods sold</b>	<b>32,747,880</b>	<b>22,068,577</b>	<b>12,189,638</b>	<b>8,267,180</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)**  
For the nine months period ended September 30, 2022

**8. Other income**

	Nine months ended (Un-audited)	
	30 September 2022	30 September 2021
	(Rupees in thousands)	
Mark up on staff loans and profit on bank deposits	420,440	388,581
Profit on sale of scrap	104,613	92,389
Profit on sale of property, plant and equipment	4,829	14,147
Amortization of deferred income	5,392	5,392
Miscellaneous income	13,395	2,450
Foreign exchange gain	51,816	-
	<b>600,485</b>	<b>502,959</b>

**9. Cash Flows From Operating Activities**

	Nine months ended (Un-audited)	
	30 September 2022	30 September 2021
	(Rupees in thousands)	
Profit before taxation	7,681,249	7,384,716
Adjustments for:		
Depreciation of property, plant and equipment	388,308	369,607
Provision for employees retirement benefits	60,545	49,208
Provision / (reversal) of doubtful debts	(2,321)	3,144
Unwinding of lease liability	509	824
Provision for slow moving and obsolete items	52,181	22,382
Gain on disposal of property, plant and equipment	(4,829)	(14,147)
Amortization of deferred income	(5,392)	(5,392)
Interest income	(420,440)	(388,581)
Finance cost	141,171	35,806
	<b>209,732</b>	<b>72,851</b>
<b>Cash generated from operations before working capital changes</b>	<b>7,890,981</b>	<b>7,457,567</b>
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / decrease in current assets:		
Stores and spares	(236,533)	(200,219)
Stock in trade	(10,631,296)	(6,602,659)
Trade debts	(794,414)	(402,202)
Loans and advances	(174,629)	(99,734)
Long term deposits	-	(264)
Short term prepayments	(110,365)	(21,935)
Other receivables	12,805	(23,634)
	<b>(11,934,432)</b>	<b>(7,350,647)</b>
Increase / (decrease) in current liabilities:		
Contract liabilities	(123,327)	58,431
Trade and other payables	1,501,662	212,103
	<b>1,378,335</b>	<b>270,534</b>
<b>Net increase in working capital</b>	<b>(10,556,097)</b>	<b>(7,080,113)</b>
<b>Cash generated from operations</b>	<b>(2,665,116)</b>	<b>377,454</b>

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

## For the nine months period ended September 30, 2022

### 10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise 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 elsewhere in these financial statements are as follows:

Name of parties	Nature of relationship	Basis of relationship	Nature and description of related party transactions	Nine months ended		Three months ended		Closing balance [asset/ (liability)]	
				(Un-Audited)		(Un-Audited)		(Un-Audited)	(Audited)
				Sep 30, 2022	Sep 30, 2021	Sep 30, 2022	Sep 30, 2021	Sep 30, 2022	December 31, 2021
<b>Parent Company</b>									
(Rupees in thousands)									
Ingredion Inc. U.S.A.	Holding Company	Shareholding of 71.04% shares	Services received	300,856	146,906	109,954	42,949	(116,975)	(43,318)
Ingredion Inc. U.S.A.	-do-	-do-	Dividend	1,968,335	3,608,614	328,056	984,168	(1,796,106)	(898,053)
Ingredion Inc. U.S.A.	-do-	-do-	Imports	80,451	74,775	18,355	39,134	(62,102)	(37,370)
Ingredion Inc. U.S.A.	-do-	-do-	Services provided	74,323	105,134	6,355	-	3,438	24,188
<b>Associates</b>									
Unilever Pakistan Foods Ltd.	Associate	Common directorship	Sales	2,045,314	1,194,236	628,944	274,988	367,820	171,991
Pakistan Oxygen Limited	Associate	Common directorship	Purchases	255	170	63	71	499	471
Pakistan Mobile Communication (Pvt) Ltd.	Associate	Common directorship	Services received	1,693	-	774	-	-	-
Ingredion Holding LLC Kenya	-do-	Parents subsidiary	Export sales	397,400	334,160	136,048	71,520	275,566	122,521
Ingredion Holding LLC Kenya	-do-	-do-	Services provided	2,033	1,526	804	415	3,492	931
Ingredion Singapore Pte. Ltd.	-do-	-do-	Export sales	4,737	4,026	-	2,103	(18,365)	(14,186)
Ingredion Germany GMBH	-do-	-do-	Imports	26,019	3,323	2,765	(21)	(12,224)	751
Ingredion Germany GMBH	-do-	-do-	Export sales	368,633	222,790	120,159	99,468	45,859	8,618
Ingredion Germany GMBH	-do-	-do-	Services received	-	-	-	-	(1,631)	(864)
National Starch & Chemical Thailand	-do-	-do-	Imports	68,863	74,822	23,211	19,056	(15,603)	(6,943)
National Starch & Chemical Thailand	-do-	-do-	Export sales	60,567	45,328	25,775	12,279	17,185	3,420
Ingredion Malaysia Sdn. Bhd.	-do-	-do-	Export sales	22,244	35,565	7,388	14,180	7,625	-
Ingredion China Limited	-do-	-do-	Export sales	-	23,751	-	-	-	-
PT Ingredion, Indonesia	-do-	-do-	Export sales	136,130	81,393	68,912	37,768	15,251	16,343
Ingredion UK Limited	-do-	-do-	Export sales	-	74	-	-	-	-
Ingredion South Africa (PTY) Ltd.	-do-	-do-	Export sales	179,825	125,919	32,399	58,726	33,605	59,320
Ingredion South Africa (PTY) Ltd.	-do-	-do-	Services provided	298	-	-	-	342	-
Kohinoor Textile Mills Limited	-do-	Common directorship	Sales	69,531	-	29,128	-	(412)	-
<b>Other Related Parties</b>									
Employee Benefits	Other	Employee retirement fund	Contribution to funds	107,633	95,443	36,223	31,271	17,245	(13,790)
Key Management Personnel	-do-	Key management personnel	Remuneration	388,774	286,570	124,079	80,260	-	-

- The transactions were carried out at an arm's length basis,
- No buying and selling commission has been paid to any associated undertaking.

### 11. OPERATING SEGMENTS

- a) These financial statements have been prepared on the basis of single reportable segment.
- b) All non current assets of the Company as at 30 September 2022 are located in Pakistan.



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

## For the nine months period ended September 30, 2022

### 12. 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 recognised 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 September 2022						
	Carrying amount			Fair value			
	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in thousands)						
<b>Financial assets - not measured at fair value</b>							
Long term loans	14,111	-	14,111	-	-	-	-
Trade debts	2,818,682	-	2,818,682	-	-	-	-
Long term deposits	35,108	-	35,108	-	-	-	-
Other receivables	15,708	-	15,708	-	-	-	-
Cash and bank balances	548,789	-	548,789	-	-	-	-
	<b>3,432,398</b>	<b>-</b>	<b>3,432,398</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities - not measured at fair value</b>							
Short term running finance	-	3,913,939	3,913,939	-	-	-	-
Trade and other payables	-	5,368,432	5,368,432	-	-	-	-
Mark-up-accrued on short term running finances	-	93,103	93,103	-	-	-	-
Unpaid dividend	-	1,817,397	1,817,397	-	-	-	-
Unclaimed dividend	-	15,873	15,873	-	-	-	-
Lease liability	-	6,717	6,717	-	-	-	-
	<b>-</b>	<b>11,215,461</b>	<b>11,215,461</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)**  
For the nine months period ended September 30, 2022

31 December 2021						
Carrying amount			Fair value			
Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in thousands)						
<b>Financial assets - not measured at fair value</b>						
Long term loans	11,187	-	11,187	-	-	-
Trade debts	2,021,947	-	2,021,947	-	-	-
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	-	-	-
	<b>6,869,433</b>	<b>-</b>	<b>6,869,433</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities - not measured at fair value</b>						
Long term financing	-	119,811	119,811	-	-	-
Short term running finance	-	756,233	756,233	-	-	-
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	-	-	-
	<b>-</b>	<b>5,948,693</b>	<b>5,948,693</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 13. Date of authorization for issue

This un-audited condensed interim financial information was authorized for issue by the Board of Directors on October 18, 2022.

### 14. Subsequent event - dividend

The Directors in their meeting held on October 18, 2022 have proposed third interim cash dividend for the period ended 30 September 2022 of Rs. 50/- per share, amounting to Rs. 461,821 thousands. These condensed interim financial statements for the period ended 30 September 2022 does not include the effect of the above interim cash dividend which will be accounted for in the period in which it is declared.

### 15. 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 Manno**  
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., Shahrah-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.rafranmaize.com  
E-mail: corporate@rafranmaize.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  
Ms. Mehwish Iftikhar 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 Seena  
C/o Surridge & Beecheno, Karachi-74000