



# Rafhan Maize

PRODUCTS CO LTD



**QUARTERLY REPORT**  
Quarter Ended September 30, 2023

# DIRECTORS' REVIEW

We are pleased to present un-audited financial results of the Company for third quarter ended September 30, 2023.

## FINANCIAL RESULTS

		Nine Months Ended		Three Months Ended	
		Sep. 30, 2023	Sep. 30, 2022	Sep. 30, 2023	Sep. 30, 2022
Net Sales	(Rs. Million)	49,369	41,748	15,478	15,368
Net Income after Tax	(Rs. Million)	5,563	4,908	1,346	1,660
Earnings per Share	(Rupees)	602.24	531.35	145.77	179.75

Pakistan continues to face economic challenges characterized by high inflation, interest rates, and an atmosphere of political and economic uncertainty. However, despite these challenges, Raffhan Maize remains committed to navigating through by optimizing operational efficiencies, exploring new market segments, and employing cost-saving measures.

## BUSINESS REVIEW

Pakistan, mirroring global dynamics, witnessed a decline in demand for its textile exports. Additionally, liquidity crunches, soaring production costs, halt in subsidies, and high interest rates further dampened the textile sector's performance. The paper and packaging industries too faced the brunt of unfavorable economic climates, witnessing a drop in demand from their respective markets.

The performance in the food business segment displayed variability with Liquid glucose in confectionery sector performing better vs food starches in other segments.

The animal nutrition segment experienced a drop in sales volumes traceable to varying trends in the poultry and aquaculture domains.

## FUTURE OUTLOOK

Despite the external challenges, we remain committed to pursuing various initiatives to sustain growth and overcome the challenges.

## ACKNOWLEDGEMENT

We extend our heartfelt gratitude to our esteemed customers, shareholders, bankers, suppliers, and our dedicated employees. Their loyalty, trust, and unwavering support have been the cornerstone of our resilience amidst these challenging times.

May Allah grant us the strength and wisdom to navigate through the challenges ahead. A'meen!

On behalf of the Board



Adil Saeed Khan  
Chief Financial Officer



Humair Ijaz  
Chief Executive &  
Managing Director

# 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 accountholders 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 Company's website [www.raffanmaize.com](http://www.raffanmaize.com) and send it duly signed along with copy of CNIC to the Shares Registrar of the Company, 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 Through QR enabled code and weblink**

Annual Financial Statements of the Company for the financial year ended December 31, 2022 have been placed on the Company's website [www.raffanmaize.com](http://www.raffanmaize.com).

Securities & Exchange Commission of Pakistan (SECP) vide its SRO No.389(I)/2023 dated March 21, 2023 has allowed companies to circulate the annual audited financial statements to its members through QR enabled code and weblink instead of through CD/DVD/USB. The notice of the meeting shall be dispatched to the members as per requirements of the Act, on their registered address, containing the QR code and the weblink address to view and download the annual audited financial statements.

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.raffanmaize.com](http://www.raffanmaize.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 Raffan Maize Products Co. Limited/dividend declared by the Company, details whereof are appearing on the Company's website [www.raffanmaize.com](http://www.raffanmaize.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 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(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.cdcaccess.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.

## Declaration for Zakat Exemption

To claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarized copy of Zakat Declaration Form "CZ-50" on NJSP of Rs.50/- to the Share Registrar. In case shares are held in scripless form such Zakat Declaration Form (CZ -50) must be uploaded in the CDC account of the shareholder, through their participant / Investor Account Services. Further, Non-Muslim shareholders are also required to file Solemn Affirmation (on format available on Company's website) with the Share Registrar of the Company in case of shares are held in physical certificates or with CDC Participant / Investor Account Services in case shares are in scripless form. No exemption from deduction of zakat will be allowed unless the above documents complete in all respects have been made available as above.

## 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

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

## As at September 30, 2023

	Notes	September 30, 2023 (Un-audited)	December 31, 2022 (Audited)
(Rupees in thousands)			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	8,014,278	6,848,800
Employees retirement benefits		399,968	412,175
Long term loans		2,402	7,065
Long term deposits		39,958	37,108
		8,456,606	7,305,148
<b>CURRENT ASSETS</b>			
Stores and spares		1,694,994	1,466,489
Stock in trade		25,014,106	16,477,262
Trade debts		2,467,261	2,874,412
Loans and advances		418,505	225,719
Short term prepayments		501,786	72,708
Other receivables		26,712	28,474
Short term investments		1,931,562	3,380,436
Cash and bank balances		2,230,769	887,943
		34,285,695	25,413,443
<b>CURRENT LIABILITIES</b>			
Current portion of long term financing		25,970	11,934
Short term running finances - secured		5,311,469	2,058,297
Current portion of deferred income		16,033	7,497
Contract liabilities		660,952	681,271
Trade and other payables		9,329,515	7,349,619
Current portion of lease liability		-	5,119
Unpaid dividend		1,961,513	2,110,251
Unclaimed dividend		21,733	22,517
Markup up accrued on short term running finances		193,865	55,986
Provision for taxation - net		1,193,836	287,842
		18,714,886	12,590,333
<b>WORKING CAPITAL</b>		15,570,809	12,823,110
<b>TOTAL CAPITAL EMPLOYED</b>		24,027,415	20,128,258
<b>NON CURRENT LIABILITIES</b>			
Long term financing		331,724	69,348
Deferred income		82,864	43,225
Deferred taxation		1,092,650	979,859
<b>NET CAPITAL EMPLOYED</b>		22,520,177	19,035,826
<b>REPRESENTED BY:</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		92,364	92,364
Reserves		22,427,813	18,943,462
<b>CONTINGENCIES AND COMMITMENTS</b>	5	22,520,177	19,035,826

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 PROFIT OR LOSS (Un-audited)

## For the nine months period ended September 30, 2023

	Note	Nine months ended (Un-audited)		Three months ended (Un-audited)	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
		(Rupees in thousands)			
Sales - net	6	49,369,344	41,748,147	15,477,672	15,368,390
Cost of sales	7	(37,656,283)	(32,747,880)	(12,582,662)	(12,189,638)
<b>Gross profit</b>		<b>11,713,061</b>	<b>9,000,267</b>	<b>2,895,010</b>	<b>3,178,752</b>
Distribution expenses		(607,583)	(486,450)	(213,412)	(173,978)
Administrative expenses		(1,040,149)	(724,569)	(375,770)	(273,752)
Impairment gain / (loss) on financial assets		(624)	2,321	(124)	(548)
Other income	8	1,147,681	600,485	243,381	73,859
Other operating expenses		(750,362)	(569,125)	(165,315)	(186,576)
		(1,251,037)	(1,177,338)	(511,240)	(560,995)
<b>Operating profit</b>		<b>10,462,024</b>	<b>7,822,929</b>	<b>2,383,770</b>	<b>2,617,757</b>
Finance cost		(388,618)	(141,680)	(224,405)	(112,088)
<b>Profit before taxation</b>		<b>10,073,406</b>	<b>7,681,249</b>	<b>2,159,365</b>	<b>2,505,669</b>
Taxation		(4,510,859)	(2,773,504)	(812,990)	(845,411)
<b>Profit after taxation</b>		<b>5,562,547</b>	<b>4,907,745</b>	<b>1,346,375</b>	<b>1,660,258</b>
<b>Earnings per share-basic and diluted-(Rupees)</b>		<b>602.24</b>	<b>531.35</b>	<b>145.77</b>	<b>179.75</b>

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 COMPREHENSIVE INCOME (Un-audited)

For the nine months period ended September 30, 2023

	Nine months ended (Un-audited)		Three months ended (Un-audited)	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
		(Rupees in thousands)		
<b>Profit for the period</b>	5,562,547	4,907,745	1,346,375	1,660,258
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>5,562,547</u>	<u>4,907,745</u>	<u>1,346,375</u>	<u>1,660,258</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, 2023

	Share Capital	Capital Reserves		Revenue Reserves		Total
		Share Premium	Other	General	Unappropriated Profit	
			(Rupees in thousands)			
<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>	92,364	36,946	941	207	17,886,247	18,016,705
<b>Balance as at 01 January 2023</b>	92,364	36,946	941	207	18,905,368	19,035,826
<b>Total comprehensive income</b>						
Profit for the period	-	-	-	-	5,562,547	5,562,547
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	5,562,547	5,562,547
<b>Transactions with owners of the Company recognised directly in equity:-</b>						
Final dividend 2022 (Rs. 75.00 per share)	-	-	-	-	(692,732)	(692,732)
1st interim dividend 2023 (Rs. 75.00 per share)	-	-	-	-	(692,732)	(692,732)
2nd interim dividend 2023 (Rs. 75.00 per share)	-	-	-	-	(692,732)	(692,732)
	-	-	-	-	(2,078,196)	(2,078,196)
<b>Balance as at 30 September 2023</b>	92,364	36,946	941	207	22,389,719	22,520,177

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, 2023

		Nine months ended (Un-audited)	
		September 30, 2023	September 30, 2022
		(Rupees in thousands)	
	Note		
<b>Cash flows from operating activities</b>			
<b>Cash generated from / (used in) operations</b>			
	9	2,935,242	(2,665,116)
Taxes paid		(3,492,074)	(2,712,750)
Employees retirement benefits paid		(33,840)	(60,545)
		(3,525,914)	(2,773,295)
<b>Net cash used in operating activities</b>			
		(590,672)	(5,438,410)
<b>Cash flows from investing activities</b>			
Capital expenditure incurred		(1,600,684)	(333,535)
Sale proceeds from property, plant and equipment		62,509	18,170
Interest received		912,474	431,269
Long term loans disbursed		-	(7,127)
Repayment from long term loans		9,350	4,202
<b>Net cash generated from investing activities</b>			
		(616,351)	112,978
<b>Cash flows from financing activities</b>			
Long term loan obtained / (Repaid)		325,795	(122,217)
Repayment of lease liability		(5,255)	(4,865)
Dividend paid		(2,227,719)	(1,870,565)
Finance cost paid		(245,018)	(47,686)
<b>Net cash used in financing activities</b>			
		(2,152,197)	(2,045,333)
<b>Net decrease in cash and cash equivalents</b>			
		(3,359,220)	(7,370,765)
<b>Cash and cash equivalents at the beginning of the period</b>			
		2,210,082	4,005,615
<b>Cash and cash equivalents at the end of the period</b>			
		(1,149,138)	(3,365,149)

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

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

## For the nine months period ended September 30, 2023

### 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 2022.

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 2022, 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 2022.

#### 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 2022.

#### 3.1 Newly effective requirements of IFRS effective from 01 January 2023

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 mentioned below against the respective amendment:

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

## For the nine months period ended September 30, 2023

<u>Standards or interpretation</u>	<u>Effective date (accounting periods beginning on or after)</u>
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	01 January 2024
- Classification of Liabilities as Current or Non-current Amendments to IAS 1 Presentation of Financial Statements	01 January 2024
- Lease Liability in a Sale and Leaseback – Amendment to IFRS 16	01 January 2024
- International Tax Reform – Pillar Two Model Rules Amendments to IAS 12	01 January 2024

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 2023 (Un-audited)	31 December 2022 (Audited)
	Note	<b>(Rupees in thousands)</b>	
Operating property, plant and equipment	4.1	6,120,833	6,112,761
Capital work-in-progress	4.2	1,893,445	731,657
Right-of-use asset		-	4,382
		<u>8,014,278</u>	<u>6,848,800</u>

- 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 2023		30 September 2022	
	Additions	Deletions (Rupees in thousands)	Additions	Deletions
Factory building on freehold land	51,864	-	4,058	-
Plant and machinery	124,091	8,473	128,519	6,720
Laboratory equipment	-	2,790	13,419	-
Furniture and fittings	8,121	1,041	6,220	641
Vehicles	231,313	31,420	40,871	24,461
Office equipment	23,506	226	8,274	16,352
	<u>438,895</u>	<u>43,950</u>	<u>201,361</u>	<u>48,174</u>

#### 4.2 Capital work-in-progress

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

	Nine months ended (Un-audited)	
	30 September 2023 (Rupees in thousands)	30 September 2022 (Rupees in thousands)
Opening balance	731,656	202,708
Add: Additions during the period	1,600,684	333,535
	<u>2,332,340</u>	<u>536,243</u>
Less: Transfers during the period	(438,895)	(201,361)
Closing balance	<u>1,893,445</u>	<u>334,881</u>

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

## For the nine months period ended September 30, 2023

### 5. Contingencies and commitments

#### Contingencies

- a) There has been no significant change in the status of contingencies as set out in note 25 to the annual financial statements of the company for the year ended 31 December 2022.

#### Commitments

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

(Un-audited)	(Audited)
30 September 2023	31 December 2022
(Rupees in thousands)	
695,758	1,262,277
<b>5,870,314</b>	<b>6,111,798</b>

### 6. Sales - Net

	Nine months ended (Un-audited)		Three months ended (Un-audited)	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	(Rupees in thousands)			
Domestic	52,697,456	44,075,100	16,518,870	16,168,988
Exports	5,103,753	4,231,722	1,556,774	1,641,873
	57,801,209	48,306,822	18,075,644	17,810,861
Less:				
Sales tax	(7,912,629)	(6,378,854)	(2,448,170)	(2,360,046)
Trade discount	(519,236)	(179,821)	(149,802)	(82,425)
	(8,431,865)	(6,558,675)	(2,597,972)	(2,442,471)
Revenue from contracts with customers	<b>49,369,344</b>	<b>41,748,147</b>	<b>15,477,672</b>	<b>15,368,390</b>

### 7. Cost of sales

	Nine months ended (Un-audited)		Three months ended (Un-audited)	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	(Rupees in thousands)			
Opening stock of finished goods	4,408,035	966,030	3,272,320	885,881
Cost of goods manufactured	35,118,009	33,662,534	11,882,569	13,876,746
	39,526,044	34,628,564	15,154,889	14,762,627
Less: closing stock of finished goods	(2,850,960)	(2,882,463)	(2,850,960)	(2,882,463)
Cost of goods sold - own manufactured	36,675,084	31,746,101	12,303,929	11,880,164
Cost of goods sold - purchased Products	249,943	181,340	103,449	60,131
Freight and distribution cost	731,256	820,439	175,284	249,343
<b>Cost of goods sold</b>	<b>37,656,283</b>	<b>32,747,880</b>	<b>12,582,662</b>	<b>12,189,638</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)**  
For the nine months period ended September 30, 2023

**8. Other income**

Mark up on staff loans and profit on bank deposits
Profit on sale of scrap
Profit on sale of property, plant and equipment
Amortization of deferred income
Miscellaneous income
Foreign exchange gain

Nine months ended (Un-audited)	
30 September 2023	30 September 2022
(Rupees in thousands)	
906,474	420,440
174,129	104,613
52,028	4,829
6,795	5,392
8,255	13,395
-	51,816
<b>1,147,681</b>	<b>600,485</b>

**9. Cash Flows From Operating Activities**

Profit before taxation
Adjustments for:
Depreciation of property, plant and equipment
Amortisation of intangible asset
Provision for employees retirement benefits
Provision / (reversal) of doubtful debts
Unwinding of lease liability
Provision for slow moving and obsolete items
Gain on disposal of property, plant and equipment
Amortization of deferred income
Interest income
Finance cost

Nine months ended (Un-audited)	
30 September 2023	30 September 2022
(Rupees in thousands)	
10,073,406	7,681,249
424,727	388,308
-	-
46,046	60,545
624	(2,321)
136	509
(53,077)	52,181
(52,028)	(4,829)
(6,795)	(5,392)
(906,474)	(420,440)
388,482	141,171
<b>(158,359)</b>	<b>209,732</b>
<b>9,915,047</b>	<b>7,890,981</b>
<b>Cash generated from operations before working capital changes</b>	
<b>Effect on cash flow due to working capital changes</b>	
<b>(Increase) / decrease in current assets:</b>	
Stores and spares	(231,074)
Stock in trade	(8,481,198)
Trade debts	406,527
Loans and advances	(197,473)
Long term deposits	(2,850)
Short term prepayments	(429,078)
Other receivables	(4,238)
<b>(8,939,383)</b>	<b>(11,934,432)</b>
<b>(Decrease)/Increase in current liabilities:</b>	
Contract liabilities	(20,318)
Trade and other payables	1,979,897
<b>1,959,578</b>	<b>1,378,335</b>
<b>(6,979,805)</b>	<b>(10,556,097)</b>
<b>2,935,242</b>	<b>(2,665,116)</b>
<b>Cash generated from/ (used in) operations</b>	

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

## For the nine months period ended September 30, 2023

### 10. 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	Nine months ended			Three months ended			Closing balance [as at/ (liability)] as at	
				(Un-Audited)		(Un-Audited)	(Un-Audited)		(Un-Audited)	(Audited)	
				Sep. 30 2023	Sep. 30 2022	Sep. 30 2023	Sep. 30 2022	Sep. 30 2023	Sep. 30 2022	December 31 2022	
----- (Rupees in thousands) -----											
<b>Parent Company</b>											
Hegredion Inc. U.S.A.	Holding Company	Shareholding of 71.06% shares	Services received	454,083	300,856	145,011	109,954	(537,560)	(238,621)		
Hegredion Inc. U.S.A.	-0-	-0-	Dividend	1,476,251	1,948,335	492,084	320,156	(1,945,781)	(2,095,457)		
Hegredion Inc. U.S.A.	-0-	-0-	Imports	4,6975	80,451	(8,436)	18,355	(99,452)	(66,947)		
Hegredion Inc. U.S.A.	-0-	-0-	Services provided	11,52,63	74,323	30,927	6,355	1,604	1,309		
<b>Associates</b>											
Ullaher Pakistan Foods Ltd.	Associate	Common directorship	Sales	2,374,145	2,045,314	254,786	628,944	84,862	44,712		
Pakistan Oxygen Limited	Associate	Common directorship	Purchases	168	255	-	65	488	419		
Pakistan Mobile Communication (Pvt) Ltd.	Associate	Common directorship	Services received	13,98	1,693	-	774	-	-		
Hegredion Holding LLC Kenya	-0-	Parents subsidiary	Export sales	66,25,29	397,400	62,789	136,048	220,148	295,975		
Hegredion Holding LLC Kenya	-0-	-0-	Services provided	3,795	2,003	241	804	3,936	2,400		
Hegredion Singapore Pte. Ltd.	-0-	-0-	Export sales	-	4,737	-	-	(23,248)	(18,252)		
Hegredion Germany GmbH	-0-	-0-	Imports	45,904	26,019	17,436	2,765	(46,032)	(12,883)		
Hegredion Germany GmbH	-0-	-0-	Export sales	297,472	368,033	78,950	120,159	2,61,94	78,626		
Hegredion Germany GmbH	-0-	-0-	Services received	-	-	-	-	(2,065)	(1,621)		
National Seeds & Chemical Thailand	-0-	-0-	Imports	115,445	68,863	44,105	23,211	(26,293)	(97)		
National Seeds & Chemical Thailand	-0-	-0-	Export sales	61,157	60,587	14,910	25,775	6,664	38,399		
Hegredion Malaysia Sdn. Bhd.	-0-	-0-	Export sales	11,94,78	22,244	14,593	7,388	-	1,332		
PT Ingridion, Indonesia	-0-	-0-	Export sales	180,980	134,130	51,166	68,912	31,508	48,208		
Hegredion South Africa (Pty) Ltd.	-0-	-0-	Export sales	145,501	178,825	4,352	32,399	4,444	9,365		
Hegredion South Africa (Pty) Ltd.	-0-	-0-	Services provided	-	298	-	-	433	340		
Foundation Solar Energy	-0-	Common directorship	Purchases	137,316	-	-	-	-	132,003		
Go Grow Pvt Ltd.	-0-	Common directorship	Sales	1,800	-	-	-	1,000	-		
Go Almond Trade Mkt. Limited	-0-	Common directorship	Sales	21,123	-	21,123	-	4,978	-		
Kahner Trade Mkt. Limited	-0-	Common directorship	Sales	96,110	69,531	28,139	29,128	-	(3,467)		
<b>Other Related Parties</b>											
Employee Benefits	Other	Employee retirement fund	Contribution to funds	10,60,40	107,693	43,561	3,6223	20,655	(17,691)		
Key Management Personnel	-0-	Key management personnel	Remuneration	51,66,23	388,774	138,966	124,079	-	-		

- 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 a single reportable segment.  
b) All non current assets of the company as at 30 September 2023 are located in Pakistan.

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

## For the nine months period ended September 30, 2023

### 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 2022.

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 2023						
	Carrying amount			Fair value			
	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in thousands)						
<b><u>Financial assets - not measured at fair value</u></b>							
Long term loans	3,524	-	3,524	-	-	-	-
Trade debts	2,467,261	-	2,467,261	-	-	-	-
Long term deposits	39,958	-	39,958	-	-	-	-
Other receivables	26,712	-	26,712	-	-	-	-
Cash and bank balances	2,230,769	-	2,230,769	-	-	-	-
	<b>6,699,786</b>	<b>-</b>	<b>6,699,786</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Financial liabilities - not measured at fair value</u></b>							
Short term running finance	-	5,311,469	5,311,469	-	-	-	-
Trade and other payables	-	8,129,841	8,129,841	-	-	-	-
Mark-up-accrued on short term running finances	-	193,865	193,865	-	-	-	-
Unpaid dividend	-	1,961,513	1,961,513	-	-	-	-
Unclaimed dividend	-	21,733	21,733	-	-	-	-
Lease liability	-	-	-	-	-	-	-
	<b>-</b>	<b>15,618,420</b>	<b>15,618,420</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, 2023

31 December 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	12,874	-	12,874	-	-	-
Trade debts	2,874,412	-	2,874,412	-	-	-
Long term deposits	37,108	-	37,108	-	-	-
Other receivables	28,474	-	28,474	-	-	-
Short term investments	3,380,436	-	3,380,436	-	-	-
Cash and bank balances	887,943	-	887,943	-	-	-
	<b>7,221,247</b>	<b>-</b>	<b>7,221,247</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities - not measured at fair value</b>						
Long term financing	-	81,282	81,282	-	-	-
Trade and other payables	-	6,297,974	6,297,974	-	-	-
Mark-up-accrued on short term running finance	-	55,986	55,986	-	-	-
Short term finance	-	2,058,297	2,058,297	-	-	-
Unpaid dividend	-	2,110,251	2,110,251	-	-	-
Unclaimed dividend	-	22,517	22,517	-	-	-
Lease liability	-	5,119	5,119	-	-	-
	<b>-</b>	<b>10,631,426</b>	<b>10,631,426</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 19, 2023.

### 14. Subsequent event - dividend

The Directors in their meeting held on October 19, 2023 have proposed third interim cash dividend for the period ended 30 September 2023 of Rs. 100/- per share, amounting to Rs. 923,643 thousands. These condensed interim financial statements for the period ended 30 September 2023 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

## Board Of Directors

### Chairman

Mr. Michael F. O'Riordan Non-Executive

### Chief Executive & Managing Director

Mr. Humair Ijaz Executive

### Members

Mr. James D. Gray Non-Executive

Mr. Marcel Hergett 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. Tahir Jawaid Independent & Non-Executive

Mr. Kamran Yousuf Mirza Independent & Non-Executive

### Chief Financial Officer

Mr. Adil Saeed Khan

### Company Secretary

Mr. Mustafa Kamal Zuberi

### Audit Committee

Mr. Kamran Yousuf Mirza Chairman

Mr. James D. Gray Member

Mr. Marcel Hergett Member

Ms. Tanya Jaeger de Foras Member

Mr. Zulfikar Mannoo Member

Mr. Kamran Anjum Secretary

### Human Resource & Remuneration Committee

Mr. Tahir Jawaid Chairman

Mr. Michael F. O'Riordan Member

Ms. Tanya Jaeger de Foras Member

Mr. Humair Ijaz 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 Member

Mr. Wisal A. Mannoo Member

Mr. M. Saeed Akhter Secretary

### Shares Transfer Committee

Mr. Humair Ijaz 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-7400

## Shares Registrar

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.rafhanmaize.com

E-mail: corporate@rafhanmaize.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