



Rafhan Maize

PRODUCTS CO LTD



Quarterly Report

Quarter Ended September 30, 2024

DIRECTORS' REVIEW

We are pleased to present un-audited financial results of the Company for third quarter ended September 30, 2024.

FINANCIAL RESULTS

		Nine Months Ended		Three Months Ended	
		Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Net Sales	(Rs Million)	50,317	49,369	16,690	15,478
Net Income after Tax	(Rs Million)	5,565	5,563	1,855	1,346
Earnings Per Share	(Rupees)	602.51	602.24	200.78	145.77

Pakistan's economy has shown resilience in the face of ongoing challenges. Easing inflation, increased remittances, stable PKR and decrease in policy rate provide reasons for optimism. However, the ongoing political uncertainty continues to weigh on business confidence and sentiment. Additionally, the high cost of doing business, particularly energy prices, has significantly impacted consumer buying power, affecting various sectors of the economy.

Despite challenges, our company has demonstrated resilience and adaptability. Throughout the period, company remained vigilant in converting the challenges into opportunities. We have achieved consistent sales volume growth and improved profitability compared to the last year, thanks to our team's dedication and effective strategies.

BUSINESS REVIEW

Our company performed well during the first nine months of 2024. Our export business has been a key driver of growth, delivering high double-digit net sales growth as we continue to explore new markets and strengthen relationships with existing customers. This has contributed significantly to our overall growth and diversification strategy.

Despite a challenging consumer environment in domestic market, our food and industrial business has maintained stable volumes. This reflects the strength of our brands and our effective engagement with customers through strategic initiatives aimed at driving growth.

Our Animal Health Business has delivered sustained growth, driven by improved quality control management, process improvements, pricing adjustments, and partnerships with large dairy farms.

We are committed in driving growth, improving profitability, and creating value for our stakeholders.

Future Outlook

While the near-term economic and political outlook remains challenging, we are confident in our ability to navigate through and deliver a strong performance in 2024. With a strong corporate image, a commitment to excellence, and a dedicated team, we are well-prepared to meet further challenges head-on.

ACKNOWLEDGEMENT

The management would like to thank our esteemed customers, who are the most valued asset of the Company, for their loyalty and trust. We also recognize the continued support of our shareholders, bankers, suppliers, and our employees, who always work with full dedication and commitment to deliver exceptional and innovative services to all our business partners.

May Allah give us the courage to face the challenges ahead. Ameen

On behalf of the Board



Adil Saeed Khan
Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director

October 24, 2024

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 No.

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 dividend warrants 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.rafhanmaize.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.

Transmission of Annual Audited Financial Statements via QR enabled code

Securities & Exchange Commission of Pakistan (SECP) vide its SRO No.389(1)/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 same was approved by the shareholders In Company's Annual General Meeting held on April 27, 2023.

Annual Financial Statements of the Company for the financial year ended December 31, 2023 have been placed on the Company's website which can be accessed/downloaded from the following weblink/QR code:

<https://rafhanmaize.com/wp-content/uploads/2024/04/Annual-Report-2023.pdf>



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 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. Ltd./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 is 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.

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.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.

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. Ltd., holder of _____ Ordinary Shares as per Registered Folio No. _____ hereby opt for video conference facility at _____.

_____ Signature of Member

<u>Company Contact:</u> Mr. Mustafa Kamal Zuberi Chief Legal Officer & Company Secretary Rafhan Maize Products Co. Limited, Rakh Canal East Road, Faisalabad. Tel.No.041-8540121 – Ext.226 & 348 E-mail: corporate@rafhanmaize.com	<u>Shares Registrar:</u> Mr. Nadeem Amjad M/s FAMCO Share Registration Services (Pvt.) Ltd. 8-F, Near Hotel Faran, Nursery, Block-6, PECHS, Shahrach-e-Faisal, Karachi. Tel. No. 021-34380101-05 & 34384621-23 (Ext.104) E-mail: info.shares@famcosrs.com
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Rafhan Maize Products Company Limited
Condensed Interim Statement of Financial Position (Un-audited)
As at 30 September 2024

	Note	(Un-audited) 30 September 2024	(Audited) 31 December 2023
------(Rupees in thousands)-----			
<u>Non-current assets</u>			
Property, plant and equipment	5	9,463,595	8,717,913
Employees retirement benefits		643,739	607,536
Long term loans		717	1,369
Long term deposits		41,123	39,958
		<u>10,149,174</u>	<u>9,366,776</u>
<u>Current assets</u>			
Stores and spares		1,686,678	1,444,051
Stock in trade		24,541,564	24,898,647
Trade debts		3,387,547	2,924,399
Loans and advances		184,705	127,667
Short term prepayments		371,980	383,166
Other receivables		28,539	106,972
Short term investments		1,720,792	5,398,811
Cash and bank balances		1,525,137	6,637,014
		<u>33,446,942</u>	<u>41,920,727</u>
<u>Current liabilities</u>			
Current portion of long term financing		90,350	44,370
Current portion of deferred income		20,087	19,541
Short term financing - secured		3,522,665	5,991,919
Contract liabilities		1,478,293	661,686
Trade and other payables		8,940,772	17,249,842
Current portion of lease liability		11,653	5,114
Unpaid dividend		611,080	1,658,375
Unclaimed dividend		23,724	25,802
Mark up accrued on short term running finances		99,274	131,871
Provision for taxation - net		742,833	620,467
		<u>15,540,731</u>	<u>26,408,987</u>
		<u>17,906,211</u>	<u>15,511,740</u>
Working capital		28,055,385	24,878,516
Total capital employed		28,055,385	24,878,516
<u>Non-current liabilities</u>			
Long term financing - secured		411,400	341,217
Deferred income		79,112	94,754
Lease liability		6,171	10,873
Deferred taxation		1,496,733	1,394,689
Net capital employed		26,061,969	23,036,983
Represented by:			
<u>Share capital and reserves</u>			
Share capital		92,364	92,364
Reserves		25,969,605	22,944,619
		<u>26,061,969</u>	<u>23,036,983</u>

Contingencies and commitments

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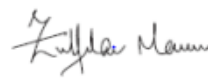
The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Adil Saeed Khan
Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director



Zulfikar Mannoo
Director


Rafhan Maize Products Company Limited

Condensed Interim Statement of Profit or Loss (Un-audited)

For the nine months period ended 30 September 2024

	Note	Nine months ended (Un-audited)		Three months ended (Un-audited)	
		30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
------(Rupees in thousands)-----					
Revenue	7	50,317,285	49,369,344	16,689,790	15,477,672
Cost of sales	8	(39,592,351)	(37,656,283)	(12,859,913)	(12,582,662)
Gross profit		10,724,934	11,713,061	3,829,877	2,895,010
Distribution expenses		(630,927)	(607,583)	(189,033)	(213,412)
Administrative expenses		(1,137,511)	(1,040,149)	(389,165)	(375,770)
Impairment gain / (loss) on financial assets		1,625	(624)	2,636	(124)
Other income	9	1,016,378	1,147,681	175,916	243,381
Other expenses		(629,987)	(750,362)	(218,791)	(165,315)
		(1,380,422)	(1,251,037)	(618,437)	(511,240)
Operating profit		9,344,512	10,462,024	3,211,440	2,383,770
Finance cost		(539,174)	(388,618)	(187,936)	(224,405)
Profit before taxation		8,805,338	10,073,406	3,023,504	2,159,365
Taxation		(3,240,335)	(4,510,859)	(1,168,985)	(812,990)
Profit after taxation		5,565,003	5,562,547	1,854,519	1,346,375
Earnings per share - basic and diluted (Rupees)		602.51	602.24	200.78	145.77

The annexed notes 1 to 16 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


Rafhan Maize Products Company Limited

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months period ended 30 September 2024

	Nine months ended (Un-audited)		Three months ended (Un-audited)	
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
	------(Rupees in thousands)-----			
Profit for the period	5,565,003	5,562,547	1,854,519	1,346,375
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	5,565,003	5,562,547	1,854,519	1,346,375

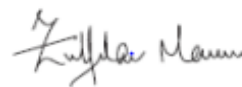
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Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

Rafhan Maize Products Company Limited
Condensed Interim Statement of Cash Flows (Un-audited)
For the nine months period ended 30 September 2024

		Nine months ended (Un-audited)	
		30 September 2024	30 September 2023
		----- (Rupees in thousands) -----	
<u>Cash flows from operating activities</u>			
Cash generated from operations	10	1,888,515	2,935,242
Taxes paid		(3,015,308)	(3,492,074)
Employees retirement benefits paid		(24,463)	(33,840)
		(3,039,771)	(3,525,914)
Net cash used in operating activities		(1,151,256)	(590,672)
<u>Cash flows from investment activities</u>			
Capital expenditure incurred		(1,291,580)	(1,600,684)
Proceeds from disposal of property, plant and equipment		43,003	62,509
Interest received		137,125	912,474
Short term investment		3,678,019	-
Repayment from long term loans		488	9,350
Net cash used in investing activities		2,567,055	(616,350)
<u>Cash flows from financing activities</u>			
Repayment of long term loan		(51,458)	
Receipt of long term loan		154,989	325,795
Repayment of lease liability		(13,425)	(5,255)
Dividend paid		(3,589,390)	(2,227,719)
Finance cost paid		(559,138)	(245,018)
Net cash used in financing activities		(4,058,422)	(2,152,197)
Net (decrease) in cash and cash equivalents		(2,642,623)	(3,359,220)
Cash and cash equivalents at the beginning of the period		645,095	2,210,082
Cash and cash equivalents at the end of the period		(1,997,528)	(1,149,138)

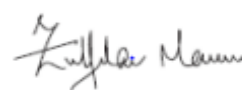
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Adil Saeed Khan
Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director



Zulfikar Mannoo
Director


Rafhan Maize Products Company Limited

Condensed Interim Statement of Changes in Equity (Un-audited)

For the nine months period ended 30 September 2024

	Share Capital	Capital Reserves		Revenue Reserves		Total
		Share Premium	Other	General	Unappropriated Profit	
----- (Rupees in thousands) -----						
Balance as at 01 January 2023	92,364	36,946	941	207	18,905,368	19,035,826
<u>Total comprehensive income for the period</u>						
Profit for the period	-	-	-	-	5,562,547	5,562,547
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	5,562,547	5,562,547
<u>Transactions with owners of the Company recognised directly in equity</u>						
Final dividend 2022 (Rs. 75.00 per share)	-	-	-	-	(692,732)	(692,732)
Ist 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)
Balance as at 30 September 2023	92,364	36,946	941	207	22,389,719	22,520,177
Balance as at 01 January 2024	92,364	36,946	941	207	22,906,525	23,036,983
<u>Total comprehensive income for the period</u>						
Profit for the period	-	-	-	-	5,565,003	5,565,003
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	5,565,003	5,565,003
<u>Transactions with owners of the Company recognised directly in equity</u>						
Final dividend 2023 (Rs. 100.00 per share)	-	-	-	-	(923,643)	(923,643)
Ist interim dividend 2024 (Rs. 75.00 per share)	-	-	-	-	(692,731)	(692,731)
2nd interim dividend 2024 (Rs. 100.00 per share)	-	-	-	-	(923,643)	(923,643)
	-	-	-	-	(2,540,017)	(2,540,017)
Balance as at 30 September 2024	92,364	36,946	941	207	25,931,511	26,061,969

The annexed notes 1 to 16 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

Rafhan Maize Products Company Limited

Notes to the Condensed Interim Financial Statements (Un-audited)

For the nine months period ended 30 September 2024

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.

The geographical locations and addresses of the Company's business units, including production facilities are as under:

- Head office, Registered office and Plant 1: Rakh Canal, East Road, Faisalabad
- Regional office: Finlay House, I.I. Chundrigar Road, Karachi
- Plant 2: Cornwala Plant, 5-KM Jaranwala-Khurrianwala Road, Jaranwala
- Plant 3: Mehran Plant, K.B. Feeder Road, Kotri, Jamshoro

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 2023.

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 stated from the audited annual financial statements of the Company for the year ended 31 December 2023, 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 2023.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain employee retirement benefits 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 Material accounting policy information

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 2023.

3.1 Newly effective requirements of IFRS effective from 01 July 2024:

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 of 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 interpretations thereto will be effective from the dates mentioned below against the respective standard or amendment:

<u>Standard or interpretation</u>	<u>Effective date (accounting periods beginning on or after)</u>
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	01 July 2024
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Presentation of Financial Statements	01 July 2024
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	01 July 2024
- Lease Liability in a Sale and Leaseback – Amendment to IFRS 16	01 July 2024
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7)	01 July 2024
- Lack of Exchangeability (amendments to IAS 21)	01 July 2024
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 IFRS 7)	01 July 2024

The above mentioned amendments are not likely to have an 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 2023.

	Note	(Un-audited)	(Audited)
		30 Sep 2024	31 December 2023
----- (Rupees in thousands) -----			
5 Property, plant and equipment			
Operating property, plant and equipment	5.1	7,854,732	7,476,542
Capital work-in-progress	5.2	1,593,004	1,225,903
Right-of-use-asset (building)		15,859	15,468
		<u>9,463,595</u>	<u>8,717,913</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:

	Nine months ended (Un-audited)			
	30 September 2024		30 September 2023	
	Additions	Disposals	Additions	Disposals
----- (Rupees in thousands) -----				
Factory building on freehold land	142,111	-	51,864	-
Plant and machinery	663,250	1,468	124,091	8,473
Laboratory equipment	10,729	-	-	2,790
Furniture and fittings	10,816	306	8,121	1,041
Vehicles	36,753	37,375	231,313	31,420
Office equipment	60,819	-	23,506	226
	<u>924,478</u>	<u>39,149</u>	<u>438,895</u>	<u>43,950</u>

5.2 Capital work-in-progress

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

	Nine months ended (Un-audited)	
	30 Sep 2024	30 Sep 2023
	----- (Rupees in thousands) -----	
Opening balance	1,225,903	731,656
Add : Addition during the period	1,291,579	1,600,684
	<u>2,517,482</u>	<u>2,332,340</u>
Less: Transfers during the period	(924,478)	(438,895)
Closing balance	<u>1,593,004</u>	<u>1,893,445</u>

6 Contingencies and commitments

6.1 Contingencies

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 2023.

	(Un-audited)	(Audited)
	30 Sep 2024	31 December 2023
----- (Rupees in thousands) -----		
6.2 Commitments		
a) Commitments in respect of capital expenditure	288,540	860,463
b) Commitments in respect of purchase of corn	6,569,610	1,309,200
	<u>6,858,150</u>	<u>2,169,663</u>

Rafhan Maize Products Company Limited

Notes to the Condensed Interim Financial Statements (Un-audited)

For the nine months period ended 30 September 2024

	Nine months ended (Un-audited)		Three months ended (Un-audited)	
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
------(Rupees in thousands)-----				
7 Revenue - net				
Domestic	57,535,029	52,697,456	18,675,094	16,518,870
Exports	6,806,053	5,103,753	2,706,296	1,556,774
	64,341,082	57,801,209	21,381,390	18,075,644
Less:				
Sales tax	(7,563,806)	(7,912,629)	(2,540,042)	(2,448,170)
Trade discount	(6,459,991)	(519,236)	(2,151,558)	(149,802)
	(14,023,797)	(8,431,865)	(4,691,600)	(2,597,972)
Revenue from contracts with customers	50,317,285	49,369,344	16,689,790	15,477,672

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

	Nine months ended (Un-audited)		Three months ended (Un-audited)	
	30 Sep 2024	30 Sep 2023	30 Sep 2024	30 Sep 2023
------(Rupees in thousands)-----				
8 Cost of sales				
Opening stock of finished goods	3,423,373	4,408,035	3,610,455	3,272,320
Cost of goods manufactured	38,256,925	35,118,009	12,166,057	11,882,569
	41,680,298	39,526,044	15,776,512	15,154,889
Less: closing stock of finished goods	(3,504,353)	(2,850,960)	(3,504,353)	(2,850,960)
Cost of goods sold - own manufactured	38,175,945	36,675,084	12,272,159	12,303,929
Cost of goods sold - purchased products	382,228	249,943	144,890	103,449
Freight and distribution cost	1,034,178	731,256	442,864	175,284
Cost of goods sold	39,592,351	37,656,283	12,859,913	12,582,662
9 Other income				
Mark-up on staff loans and profit on bank deposits	114,261	906,474	30,080	175,985
Foreign exchange gain	29,305	-	-	-
Dividend income	658,299	-	77,451	-
Profit on sale of scrap	171,955	174,129	61,527	57,300
Amortization of deferred income	15,096	6,795	5,218	3,182
Profit on sale of property, plant and equipment	23,726	52,028	492	6,607
Miscellaneous income	3,736	8,255	1,148	307
	1,016,378	1,147,681	175,916	243,381

Rafhan Maize Products Company Limited

Notes to the Condensed Interim Financial Statements (Un-audited)

For the nine months period ended 30 September 2024

	Nine months ended (Un-audited)	
	30 Sep 2024	30 Sep 2023
	------(Rupees in thousands)-----	
10 Cash flows from operating activities		
Profit before tax	8,805,338	10,073,406
Adjustments for:		
Depreciation of property, plant and equipment	538,080	424,727
(Reversal) / provision for employees retirement benefits	(11,742)	46,046
Impairment on financial assets	(1,625)	624
Unwinding of lease liability	3,187	136
Provision for slow moving and obsolete items	60,604	(53,077)
Gain on disposal of property, plant and equipment	(23,726)	(52,028)
Amortization of deferred income	(15,096)	(6,795)
Interest Income	(114,261)	(906,474)
Finance cost	539,174	388,482
	<u>974,595</u>	<u>(158,359)</u>
Cash generated from operations before working capital changes	<u>9,779,933</u>	<u>9,915,047</u>
<u>Effect on cash flows due to working capital changes</u>		
(Increase) / decrease in current assets:		
Stores and spares	(260,511)	(231,074)
Stock in trade	314,363	(8,481,198)
Trade debts	(461,523)	406,527
Loans and advances	(56,874)	(197,473)
Short term prepayments	11,186	(429,078)
Long term deposits	(1,165)	(2,850)
Other receivables	55,569	(4,238)
	<u>(398,955)</u>	<u>(8,939,383)</u>
Increase / (decrease) in current liabilities:		
Contract liabilities	816,607	(20,318)
Trade and other payables	(8,309,070)	1,979,897
	<u>(7,492,463)</u>	<u>1,959,578</u>
	<u>(7,891,418)</u>	<u>(6,979,805)</u>
Cash generated from operations	<u>1,888,515</u>	<u>2,935,242</u>

11 Transactions with related parties

The related parties comprise holding company, related group companies, 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 / association	Nature and description of related party transaction	Nine months ended		Three months ended		Closing balance [asset/ (liability)] as at	
				(Un-Audited)		(Un-Audited)		(Un-Audited)	(Audited)
				Sep 30 2024	Sep 30 2023	Sep 30 2024	Sep 30 2023	Sep 30 2024	December 31 2023
------(Rupees in thousands)-----									
Parent company									
Ingredion Inc. U.S.A.	Holding Company	Shareholding of 71.04% shares	Services received	481,668	454,083	174,582	145,011	(819,694)	(672,602)
Ingredion Inc. U.S.A.	-do-	-do-	Dividend	1,804,307	1,476,251	656,112	492,084	(598,702)	(1,646,430)
Ingredion Inc. U.S.A.	-do-	-do-	Imports	1,588	46,675	9,522	(8,436)	(97,601)	(96,775)
Ingredion Inc. U.S.A.	-do-	-do-	Services provided	15,319	115,263	6,151	30,927	2,503	13,845
Associates									
Ingredion Holding LLC Kenya	-dr Associate	Parent's subsidiary	Export sales	879,363	662,529	456,267	62,789	367,398	279,337
Ingredion Holding LLC Kenya	-do-	-do-	Services provided	3,977	3,795	322	241	4,516	4,400
Ingredion Singapore Pte. Ltd.	-do-	-do-	Services Received	-	-	-	-	(22,373)	(22,634)
Ingredion Germany GMBH	-do-	-do-	Imports	6,323	45,904	5,549	17,436	(49,419)	(52,592)
Ingredion Germany GMBH	-do-	-do-	Export sales	550,431	297,472	282,933	78,950	41,730	25,929
Ingredion Germany GMBH	-do-	-do-	Services received	47,484	-	16,077	-	(34,845)	(2,010)
Ingredion Germany GMBH	-do-	-do-	Services provided	25,657	-	14,939	-	4,314	586
National Starch & Chemical Thailand	-do-	-do-	Imports	215,801	115,445	79,574	44,105	(48,906)	(32,334)
National Starch & Chemical Thailand	-do-	-do-	Export sales	470,758	61,157	123,853	14,910	53,127	30,713
Ingredion Malaysia Sdn. Bhd.	-do-	-do-	Export sales	99,320	119,478	19,667	14,593	10,536	10,606
PT Ingredion, Indonesia	-do-	-do-	Export sales	276,635	180,980	131,242	51,166	96,382	48,580
Ingredion South Africa (PTY) Ltd.	-do-	-do-	Export sales	163,561	145,501	86,185	4,352	79,941	28,552
Ingredion UK Limited	-do-	-do-	Services Received	411	-	-	-	(411)	-
Ingredion UK Limited	-do-	-do-	Services Provided	5,407	-	1,619	-	1,216	-
Other Related Parties									
Employee Benefits	Other	Employee retirement fund	Contribution to funds	50,280	106,040	17,289	43,561	17,289	(20,554)
Key Management Personnel	-do-	Key management personnel	Remuneration	655,488	516,623	193,064	138,966	-	-

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

12 Operating segments

12.1 These financial statements have been prepared on the basis of single reportable segment.

12.2 All non current assets of the Company as at 30 September 2024 are located in Pakistan.

13 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 2023.

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 2024						
		Carrying amount			Fair value			
		Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		----- (Rupees in thousands) -----						
<u>Financial assets - measured at fair value</u>								
	Short term investments	-	-	-	-	1,720,792	-	1,720,792
<u>Financial assets - not measured at fair value</u>								
	Long term loans	2,749	-	2,749	-	-	-	-
	Trade debts	3,387,547	-	3,387,547	-	-	-	-
	Other receivables	28,539	-	28,539	-	-	-	-
	Cash and bank balances	1,525,137	-	1,525,137	-	-	-	-
13.1		4,943,972	-	4,943,972	-	-	-	-
<u>Financial liabilities - measured at fair value</u>								
		-	-	-	-	-	-	-
<u>Financial liabilities - not measured at fair value</u>								
	Long term financing - secured	-	501,750	501,750	-	-	-	-
	Short term financing - secured	-	3,522,665	3,522,665	-	-	-	-
	Trade and other payables	-	7,421,668	7,421,668	-	-	-	-
	Mark-up accrued	-	99,274	99,274	-	-	-	-
	Unpaid dividend	-	611,080	611,080	-	-	-	-
	Unclaimed dividend	-	23,724	23,724	-	-	-	-
13.1		-	12,180,161	12,180,161	-	-	-	-

		31 December 2023						
		Carrying amount			Fair value			
		Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Note		------(Rupees in thousands)-----						
<u>Financial assets - measured at fair value</u>								
	Short term investments	-	-	-	-	5,398,811	-	5,398,811
<u>Financial assets - not measured at fair value</u>								
	Long term loans	3,238	-	3,238	-	-	-	-
	Trade debts	2,924,399	-	2,924,399	-	-	-	-
	Other receivables	106,972	-	106,972	-	-	-	-
	Cash and bank balances	6,637,014	-	6,637,014	-	-	-	-
13.1		9,671,623	-	9,671,623	-	-	-	-
<u>Financial liabilities - measured at fair value</u>								
<u>Financial liabilities - not measured at fair value</u>								
	Long term financing - secured	-	385,587	385,587	-	-	-	-
	Short term financing - secured	-	5,991,919	5,991,919	-	-	-	-
	Trade and other payables	-	15,691,541	15,691,541	-	-	-	-
	Mark-up accrued	-	131,871	131,871	-	-	-	-
	Unpaid dividend	-	1,658,375	1,658,375	-	-	-	-
	Unclaimed dividend	-	25,802	25,802	-	-	-	-
13.1		-	23,885,095	23,885,095	-	-	-	-

13.1 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value. Further, there is no financial instrument which may need to be classified as level 1, 2 or 3.

14 Date of authorization for issue


These un-audited condensed interim financial statements were authorized for issue by the Board of Directors on October 24, 2024.

15 Subsequent event - dividend

The Directors in their meeting held on October 24, 2024 have proposed third interim cash dividend for the period ended 30 September 2024 of Rs. 100 per share, amounting to Rs. 923,642.80 thousands. These condensed interim financial statements for the period ended 30 September 2024 do not include the effect of the above interim cash dividend which will be accounted for in the period in which it is declared.

16 General

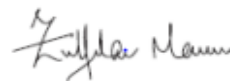
Figures in these accounts have been rounded off to the nearest thousand of rupees.



Adil Saeed Khan
Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

Company Information

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

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

Mr. Humayun Bashir 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. Humayun Bashir 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

Mr. Kamran Yousuf Mirza Member

Mian M. Adil Mannoo Member

Ms. Mehwish Iftikhar Secretary

Operations Committee

Mr. Humayun Bashir Chairman

Mr. Michael F. O'Riordan Member

Mr. Tahir Jawaid Member

Mr. Humair Ijaz Member

Mr. Wisal A. Mannoo Member

Mr. Zia UllahSheikh Secretary

Shares Transfer Committee

Mr. Humair Ijaz Chairman

Mr. Adil Saeed Khan Member

Mr. Mustafa Kamal Zuberi Secretary

Bankers/AMCs

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.

Al-Meezan Investment Management Ltd.

UBL Funds Management Ltd.

Habib Metropolitan Bank Ltd.

Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Lahore – Karachi

Legal Advisor

M. Ali Seena

C/o Surridge & Beecheno,

Karachi-74000.

Shares Registrar

FAMCO Share Registration Services (Pvt.) Ltd.

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Karachi-75400.

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Registered Office & Shares Department

Rakh Canal East Road, Faisalabad.

Ph: (92-41) 8540121-22-23

Fax: (92-41) 8711016 - 8502197

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E-mail: corporate@rafhanmaize.com

Plants:

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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