



**RafhanMaize**  
PRODUCTS CO LTD



**QUARTERLY REPORT**  
Quarterly Ended March 31, 2024

## DIRECTORS' REVIEW

We are pleased to present un-audited financial results of the Company for first quarter ended March 31, 2024.

### FINANCIAL RESULTS

		Quarter ended March 31	
		2024	2023
Net Sales	(Rs Million)	17,450	17,608
Net Income after Tax	(Rs Million)	1,808	2,593
Earnings Per Share	(Rupees)	195.77	280.73

Pakistan continues to face tough challenges including rising costs and economic uncertainties. Overall, the adverse business environment has affected our sales and profits due to higher operating, raw material, and energy costs.

### BUSINESS REVIEW

The demand from industrial sectors specially textiles remained low due to energy costs and gas shortages. However, the Food sectors performed better where our sales were higher than last year. In the Animal Nutrition Ingredients sector, while demand stayed consistent, we faced challenges from low prices of competing feed ingredients. Despite above challenging market, our efforts to improve ingredient quality through process enhancements and pricing adjustments helped maintain steady sales.

### FUTURE OUTLOOK

The economic & business environment remains uncertain, which affects our business. But we're focused on growth, cost optimization, and serving our customers better. We're optimistic about the future, aiming for sustained growth and better returns for our stakeholders.

### 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

April 23, 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](http://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](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. Ltd./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 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
------------------------------

<b><u>Company Contact:</u></b> 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: <a href="mailto:corporate@rafhanmaize.com">corporate@rafhanmaize.com</a>	<b><u>Shares Registrar:</u></b> 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: <a href="mailto:info.shares@famcosrs.com">info.shares@famcosrs.com</a>
--	--

**RAFHAN MAIZE PRODUCTS CO. LTD**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT MARCH 31, 2024**

			(UN-AUDITED)	(AUDITED)
	Page		March 31,	December 31,
	Ref. No.	Notes	2024	2023
(Rupees in thousands)				
<b>NON CURRENT ASSETS</b>				
Property, plant and equipment	8	4	8,844,515	8,717,913
Employees retirement benefits			619,603	607,536
Long term loans	12		1,229	1,369
Long term deposits			<u>39,958</u>	<u>39,958</u>
			<b>9,505,305</b>	<b>9,366,776</b>
<b>CURRENT ASSETS</b>				
Stores and spares	12		1,717,721	1,444,051
Stock in trade	12		20,052,136	24,898,647
Trade debts	13		3,331,464	2,924,399
Loans and advances	13		201,208	127,667
Short term prepayments	13		193,873	383,166
Other receivables	13		27,894	106,972
Short term investments	14		6,506,283	5,398,811
Cash and bank balances	14		<u>1,318,157</u>	<u>6,637,014</u>
			<b>33,348,736</b>	<b>41,920,727</b>
<b>CURRENT LIABILITIES</b>				
Current portion of long term financing	14		50,541	44,370
Current portion of deferred income	14		7,627	19,541
Current portion of lease liability			5,512	5,114
Short term running financing - secured			3,379,085	5,991,919
Contract liabilities	14		561,038	661,686
Trade and other payables	14		9,382,781	17,249,842
Unpaid dividend			1,658,271	1,658,375
Unclaimed dividend			25,429	25,802
Mark up accrued on short term running finances			149,618	131,871
Provision for taxation - net			<u>776,111</u>	<u>620,467</u>
			<b>15,996,013</b>	<b>26,408,987</b>
<b>WORKING CAPITAL</b>			<u>17,352,723</u>	<u>15,511,740</u>
<b>TOTAL CAPITAL EMPLOYED</b>			<b>26,858,028</b>	<b>24,878,516</b>
<b>NON CURRENT LIABILITIES</b>				
Long term financing	14		493,830	341,217
Deferred income	14		101,876	94,754
Lease liability			9,389	10,873
Deferred taxation			<u>1,407,699</u>	<u>1,394,689</u>
<b>NET CAPITAL EMPLOYED</b>			<u><b>24,845,234</b></u>	<u><b>23,036,983</b></u>
<b>REPRESENTED BY :</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
Share capital	15		92,364	92,364
Reserves	15		24,752,870	22,944,619
<b>CONTINGENCIES AND COMMITMENTS</b>				
	9	5	-	-
			<u>24,845,234</u>	<u>23,036,983</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**

**RAFHAN MAIZE PRODUCTS CO. LTD.**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**

	Page Ref. No.	Note	<u>2024</u>	<u>2023</u>
			January to March	January to March
(Rupees in thousands)				
Sales - Net	16	6	17,450,495	17,607,720
Cost of sales	16	7	<u>(13,888,672)</u>	<u>(13,184,504)</u>
<b>Gross Profit</b>			<b>3,561,823</b>	4,423,216
Distribution expenses	17		<u>(217,216)</u>	(193,688)
Administrative expenses	17		<u>(397,601)</u>	(325,752)
Impairment reversal / (loss) on financial assets			<b>1,441</b>	(9,616)
Other income	18		<b>287,322</b>	247,467
Other expenses	18		<u>(201,305)</u>	<u>(297,534)</u>
			<u>(527,359)</u>	(579,123)
<b>Operating profit</b>			<b>3,034,464</b>	3,844,093
Finance cost	18		<u>(195,317)</u>	(73,097)
<b>Profit before taxation</b>			<b>2,839,147</b>	3,770,996
Taxation			<u>(1,030,896)</u>	<u>(1,178,038)</u>
<b>Profit after taxation</b>			<b>1,808,251</b>	2,592,958
<b>Earnings per share - Basic and diluted (Rupees)</b>			<u>195.77</u>	<u>280.73</u>

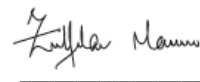
The annexed notes 1 to 15 form an integral part of these accounts.



**Adil Saeed Khan**  
Chief Financial Officer



**Humair Ijaz**  
Chief Executive &  
Managing Director



**Zulfikar Mannoo**  
Director

**RAFHAN MAIZE PRODUCTS CO. LTD.**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**

	<u>2024</u>	<u>2023</u>
	<u>January to</u> <u>March</u>	<u>January to</u> <u>March</u>
	(Rupees in thousands)	(Rupees in thousands)
<b>Profit for the period</b>	<b>1,808,251</b>	2,592,958
Other comprehensive income	-	-
Total comprehensive income for the period	<u><u>1,808,251</u></u>	<u><u>2,592,958</u></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**



**RAFHAN MAIZE PRODUCTS CO. LTD.**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**

	Note	<u>2024</u>	<u>2023</u>
		January to March	January to March
		(Rupees in thousands)	
<b>Cash flows from operations</b>	8	(488,295)	4,999,384
Taxes paid		(864,434)	(1,090,547)
Employees retirement benefits paid		(8,154)	(11,280)
		<u>(872,588)</u>	<u>(1,101,827)</u>
<b>Net cash (used in) / generated from operating activities</b>		<b>(1,360,883)</b>	<b>3,897,557</b>
<b>Cash flows from investing activities</b>			
Capital expenditure incurred		(311,625)	(366,305)
Payment of investment acquired during the year		(7,757,472)	-
Proceed from sale of investment		6,650,000	-
Proceeds from sale of property, plant and equipment		38,146	16,054
Long term loan disbursed		(710)	-
Interest received		49,061	166,740
Receipt from long term loans disbursed		965	1,537
<b>Net cash (used in) investing activities</b>		<b>(1,331,635)</b>	<b>(181,974)</b>
<b>Cash flows from financing activities</b>			
Receipt from long term financing		154,989	-
Repayment of long term financing		(12,209)	-
Dividend paid		(477)	(65)
Repayment of lease liability		(1,752)	(1,752)
Finance cost paid		(154,056)	(71,083)
<b>Net cash (used in) financing activities</b>		<b>(13,505)</b>	<b>(72,900)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(2,706,023)</b>	<b>3,642,683</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>645,095</b>	<b>2,210,082</b>
<b>Cash and cash equivalents at the end of the period</b>	9	<b><u>(2,060,928)</u></b>	<b><u>5,852,765</u></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 Mannoo**  
Director

**RAFHAN MAIZE PRODUCTS CO. LTD.**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**

	Share Capital	Capital Reserves		Revenue Reserves		Total
		Share Premium	Other	General	Unappropriated Profit	
( Rupees in thousands )						
Balance as at January 01, 2023	92,364	36,946	941	207	18,905,368	19,035,826
Net profit for the period					2,592,958	2,592,958
Balance as at March 31, 2023	<u>92,364</u>	<u>36,946</u>	<u>941</u>	<u>207</u>	<u>21,498,326</u>	<u>21,628,784</u>
<b>Balance as at January 01, 2024</b>	<b>92,364</b>	<b>36,946</b>	<b>941</b>	<b>207</b>	<b>22,906,525</b>	<b>23,036,983</b>
<b>Net profit for the period</b>					<b>1,808,251</b>	<b>1,808,251</b>
<b>Balance as at March 31, 2024</b>	<b><u>92,364</u></b>	<b><u>36,946</u></b>	<b><u>941</u></b>	<b><u>207</u></b>	<b><u>24,714,776</u></b>	<b><u>24,845,234</u></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 Mannoo**  
**Director**

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2024**

**1 REPORTING ENTITY**

Rafhan Maize Products Company Limited ("the Company") was incorporated in Pakistan as a Public unlisted company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and was subsequently listed on the Pakistan Stock Exchange. Ingredion Inc. 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 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 extracted 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 three months period ended 31 March 2023.

**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 Judgements and estimates**

In preparing this condensed interim financial information, management make judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as applied to the financial statements as at and for the year ended 31 December 2023.

**2.4 Functional and presentation currency**

This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2024**

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of the condensed interim financial information 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** During the year certain amendments to standards or new interpretations became effective, however, the amendments or interpretations did not have any material effect on the financial statements of the Company.

**3.2 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 2024:**

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2024**

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.
  
- Lack of Exchangeability (amendments to IAS 21) clarify:
  - when a currency is exchangeable into another currency; and
  - how a company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

The above amendments does not have any material effect on the financial statements of the Company.

**4 PROPERTY, PLANT AND EQUIPMENT**

	Notes	March 31, 2024 <u>(Rupees in thousands)</u>	December 31, 2023
Operating fixed assets	4.1	7,557,804	7,476,542
Capital work-in-progress	4.2	1,272,789	1,225,903
Right-of-use asset (building)		13,922	15,468
		<u>8,844,515</u>	<u>8,717,913</u>

**4.1 Additions**

The following additions have been made during the three months:

	March 31, 2024 <u>(Rupees in thousands)</u>	March 31, 2023
Building	32,056	14,645
Plant and machinery	159,219	40,316
Lab Equipment	-	-
Furniture, fixture and office equipment	67,881	-
Office equipment	-	4,576
Automobiles	7,489	24,512
	<u>266,645</u>	<u>84,049</u>

**4.2 Capital work-in-progress**

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

Balance as at 1st January	1,225,903	731,657
Add: Addition during the period	313,531	366,305
	<u>1,539,434</u>	<u>1,097,962</u>
Less: Transfers during the period	266,645	84,049
Closing as at 31st March	<u>1,272,789</u>	<u>1,013,913</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2024**

**5 CONTINGENCIES AND COMMITMENTS**

**Contingencies**

- a) Counter guarantees given by the Company to Sui Northern Gas Pipelines Limited and Sui Southern Gas Pipelines Limited as at reporting date amounting to Rs. 564,500 thousands (2023: Rs. 564,500 thousands)
- b) There is no material change in contingencies since the last audited published accounts.

**Commitments**

	<b>(UN-AUDITED)</b>	<b>(AUDITED)</b>
	<b>March 31,</b>	<b>December 31,</b>
	<b>2024</b>	<b>2023</b>
	<b>(Rupees in thousands)</b>	
a) Commitments in respect of capital expenditure	<u>738,304</u>	<u>860,463</u>
b) Commitments in respect of purchase of corn	<u>-</u>	<u>1,309,200</u>

<b>UN-AUDITED</b>	
<b>2024</b>	<b>2023</b>
<b>January to</b>	<b>January to</b>
<b>March</b>	<b>March</b>
<b>(Rupees in thousands)</b>	

**6 SALES - NET**

Domestic	<b>18,317,952</b>	18,927,613
Exports	<b>1,853,624</b>	1,713,958
	<u><b>20,171,576</b></u>	<u>20,641,571</u>
Less:		
Sales tax	<b>2,655,340</b>	2,822,400
Trade discount and commission	<b>65,741</b>	211,451
	<u><b>2,721,081</b></u>	<u>3,033,851</u>
	<u><b>17,450,495</b></u>	<u>17,607,720</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
	<u>January to</u> <u>March</u>	<u>January to</u> <u>March</u>
	( Rupees in thousands)	
<b>7 COST OF SALES</b>		
Opening stock of finished goods	3,423,373	4,408,035
Cost of goods manufactured	<u>13,416,065</u>	<u>11,564,453</u>
	<b>16,839,438</b>	<b>15,972,488</b>
Less: closing stock of finished goods	<u>3,353,480</u>	<u>3,198,558</u>
	<b>13,485,958</b>	<b>12,773,930</b>
Cost of goods sold - purchased products	<b>133,710</b>	<b>84,278</b>
- freight and distribution cost	<b>269,004</b>	<b>326,296</b>
	<u><b>13,888,672</b></u>	<u><b>13,184,504</b></u>
<b>8 Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>2,839,147</b>	<b>3,770,996</b>
<i>Adjustment for non-cash charges and other items:</i>		
Depreciation	<b>164,778</b>	<b>136,231</b>
Provision for employees retirement benefits	<b>(3,914)</b>	<b>11,280</b>
Provision for doubtful debts	<b>(1,441)</b>	<b>9,616</b>
Provision for slow moving and obsolete items	<b>46,076</b>	<b>(5,262)</b>
Profit on sale of property plant and equipment	<b>(22,550)</b>	<b>(16,054)</b>
Amortization of deferred income	<b>(4,792)</b>	<b>(1,760)</b>
Interest income	<b>(28,034)</b>	<b>(184,642)</b>
Finance cost	<b>195,317</b>	<b>73,097</b>
<b>Operating profit before working capital changes</b>	<u><b>3,184,587</b></u>	<u><b>3,793,502</b></u>
<b>Effect on cash flows due to working capital changes</b>		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	<b>(281,570)</b>	<b>(311,436)</b>
Stock in trade	<b>4,808,334</b>	<b>1,538,511</b>
Trade debts	<b>(405,624)</b>	<b>(979,969)</b>
Loans and advances	<b>(73,656)</b>	<b>3,617</b>
Long term deposits	<b>-</b>	<b>(2,950)</b>
Short term prepayments	<b>189,293</b>	<b>19,910</b>
Other receivables	<b>58,050</b>	<b>(64,735)</b>
	<b>4,294,827</b>	<b>202,948</b>
<i>(Decrease) / Increase in current liabilities</i>		
Contract liabilities	<b>(100,648)</b>	<b>193,087</b>
Trade and other payables	<b>(7,867,061)</b>	<b>809,847</b>
	<b>(7,967,709)</b>	<b>1,002,934</b>
	<b>(3,672,882)</b>	<b>1,205,882</b>
<b>Cash (used in) / generated from operations</b>	<u><b>(488,295)</b></u>	<u><b>4,999,383</b></u>
	<u><b>2024</b></u>	<u><b>2023</b></u>
	<u>January to</u> <u>March</u>	<u>January to</u> <u>March</u>
	( Rupees in thousands)	
<b>9 Cash and cash equivalents</b>		
Short term investments	<b>-</b>	<b>3,434,894</b>
Cash and bank balances	<b>1,318,157</b>	<b>3,620,774</b>
Short term finance	<b>(3,379,085)</b>	<b>(1,202,903)</b>
	<u><b>(2,060,928)</b></u>	<u><b>5,852,765</b></u>

#### 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 transaction	Total value of transactions		Closing balance [asset/ (liability)]	
				January - March		March 31, 2024	
				2024	2023	March 31, 2024	December 31, 2023
<b>(Rupees in thousands)</b>							
Ingredient Inc. U.S.A.	Holding Company	Majority shareholder	Services received	166,125	145,801	(805,703)	(672,602)
Ingredient Inc. U.S.A.	-do-	-do-	Dividend	-	-	(1,646,430)	(1,646,430)
Ingredient Inc. U.S.A.	-do-	-do-	Imports	(7,553)	49,989	(88,600)	(96,775)
Ingredient Inc. U.S.A.	-do-	-do-	Services provided	5,510	74,571	13,219	13,845
Unilever Pakistan Foods Limited	Associate	Common directorship	Sales	662,866	1,340,883	294,729	214,882
Pakistan Oxygen Limited	Associate	Common directorship	Purchases	-	95	-	-
Ingredient Holding LLC Kenya	-do-	Parent's subsidiary	Export sales	232,065	295,497	301,255	279,337
Ingredient Holding LLC Kenya	-do-	-do-	Services provided	-	531	2,876	4,400
Ingredient Singapore Pte. Ltd.	-do-	-do-	Export sales	-	-	(22,379)	(22,634)
Ingredient Germany GMBH	-do-	-do-	Export sales	94,136	118,377	49,895	25,929
Ingredient Germany GMBH	-do-	-do-	Imports	775	4,152	(53,167)	(52,592)
Ingredient Germany GMBH	-do-	-do-	Services received	15,329	-	(17,317)	(2,010)
Ingredient Germany GMBH	-do-	-do-	Services provided	5,780	-	2,109	586
National Starch & Chemical Thailand	-do-	-do-	Imports	51,698	13,544	(25,922)	(32,334)
National Starch & Chemical Thailand	-do-	-do-	Export sales	98,355	22,057	-	30,713
Ingredient Malaysia SDN BHD	-do-	-do-	Export sales	43,730	55,520	25,911	10,606
PT Ingredient, Indonesia	-do-	-do-	Export sales	90,219	86,026	55,090	48,580
Ingredient UK Limited	-do-	-do-	Services received	411	-	(411)	-
Ingredient UK Limited	-do-	-do-	Services provided	879	-	874	-
Ingredient South Africa (Pvt) Ltd.	-do-	-do-	Export sales	42,622	93,079	42,207	28,552
Pakistan Mobile Cmmunication (Pvt) Ltd.	-do-	Common directorship	Services received	-	642	-	-
Foundation Solar Energy Ltd.	-do-	-do-	Solar Contract	-	-	-	-
Kohinoor Textile Mills Limited	-do-	-do-	Sales	-	26,425	-	(2)
Gul Ahmad Textile Mills Limited	-do-	-do-	Sales	24,799	-	(13,194)	3,138
Fongrow Pvt Ltd.	-do-	-do-	Sales	-	-	-	-
Employee Benefits	-do-	Employee's retirement fund	Contribution to funds	15,693	24,131	(19,967)	(20,554)
Key Management Personnel	Other related parties	Key management personnel	Remuneration	176,726	134,544	-	-

- The transactions were carried out at an arm's length basis.

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

11 a ) These financial statements have been prepared on the basis of single reportable segment.

b ) All non current assets of the company as at 31 March 2024 are located in Pakistan.

#### 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 2023.

#### 13 AUTHORIZATION

This un-audited condensed interim financial information was authorized for issue by the Board of Directors on April 23, 2024.

#### 14 SUBSEQUENT EVENT- DIVIDEND

The Directors in their meeting held on April 23, 2024 have proposed first interim cash dividend for the period ended 31 March 2024 of Rs.75/- per share, amounting to Rs. 692,732 thousands. These condensed interim financial statements for the period ended 31 March 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.

#### 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 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

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. Tahir Jawaid Independent &

Non-Executive

Mr. Kamran Yousuf Mirza Independent &

Non-Executive

Mr. Adil Saeed Khan 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

### 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.

MCB Investment Management Ltd.

## Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Lahore – Karachi

## Legal Advisor

M. Ali Seenaa

C/o Surridge & Beecheno,

Karachi-74000.

## Shares Registrar

FAMCO Share Registration Services (Pvt.) Ltd.

8-F, Near 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@famcosrs.com

## Registered Office & Shares Department

Rakh Canal East Road, Faisalabad.

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

Fax: (92-41) 8711016 - 8502197

Website: [www.rafhanmaize.com](http://www.rafhanmaize.com)

E-mail: [corporate@rafhanmaize.com](mailto: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