



## Quarter Ended March 31, 2020

# DIRECTORS' REVIEW



We are pleased to present un-audited financial results of the Company for three months ended March 31, 2020.

## FINANCIAL RESULTS

		<b>Quarter Ended 31<sup>st</sup> March</b>	
		<b><u>2020</u></b>	<b><u>2019</u></b>
<b>Net Sales</b>	<b>(Rs. Million)</b>	<b>9,312</b>	<b>8,585</b>
<b>Net Income after Tax</b>	<b>(Rs. Million)</b>	<b>1,258</b>	<b>1,086</b>
<b>Earnings per Share</b>	<b>(Pak Rupees)</b>	<b>136.20</b>	<b>117.54</b>

Your Company started 2020 on a positive note with improved demand from consuming industries, favorable economic environment and a relatively stable political situation. However, in March situation somehow reversed with lockdown announced by the Government being the aftermaths of COVID-19 pandemic that spread globally and also impacted Pakistan. Despite the lockdown that started in later part of March, by the grace of Almighty Allah, your Company managed to improve its net sales by 8% as compared to same period last year.

## BUSINESS REVIEW

The business conditions remained depressing for industrial business in view of steep rise in raw material costs, utilities prices and high interest rates. Textile sector has shown some resilience due to progress in export base, however, in March the performance slowed down due to lockdown and suspension of export orders. The paper and corrugation segment remained relatively better on the back of demand for packaging requirements especially in food and pharmaceuticals.

The performance of food business remained mixed. Continuous erosion of spending power, rising food inflation and emerging competition is posing challenges towards growth; specially in Liquid Glucose. However, with better customer interaction and superior service, we have continued to maintain growth momentum and leadership position. Sale to other major food segments has shown improvement due to improved demand from nutraceuticals, beverages, soups, condiments, premixes and other processed food. Your Company continued to lead the market as a trusted preferred supplier through customer centric strategies, improved service and extended customer base.

Demand for Animal Nutrition Ingredients has been strong throughout this period. Consistent poultry operations, trend of formula ration in livestock, growth in dairy and competitive pricing of our ingredients generated high demand for corn gluten meals/feeds and maize germ cake.

# DIRECTORS' REVIEW

## BUSINESS RISKS, CHALLENGES AND FUTURE PROSPECTS

The country - rather whole world is facing the worst-ever crisis in the form of COVID-19. The coming months will be extremely challenging as the economic impact of the current crises on the country is yet to be determined. We are hopeful that we will come out of this crisis, however, economic recovery of the country is still fragile and is threatened by the pressure building on the economy to sustain, weak export base, unbridled, lowering of GDP rate and adverse impact of Corona in Pakistan on all sectors of the economy.

The Company is foreseeing strong pressure on volumes during Q2 and also to some extent in Q3 due to the ongoing lockdown and disruption in the businesses that will impact the bottom-line growth as well. The economic outlook and business sentiments will also remain sluggish and it will take some time for things to get normal once the COVID-19 is over. We wish this situation would rectify at the earliest. We shall continue to embark upon various initiatives to sustain growth and withstand challenges surrounding the business environment through better product offerings, high level of customer service and all-round operational efficiencies.

## ACKNOWLEDGEMENT

The management would like to thank our 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 and suppliers; and our esteemed employees who always work with their 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. A'meen!

On behalf of the Board



**Usman Qayyum**  
Chief Executive &  
Managing Director

April 20, 2020

# IMPORTANT NOTES TO SHAREHOLDERS

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

## **CNIC Copy**

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

## **Dividend Mandate/E-Dividend**

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

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

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

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

Annual Financial Statements of the Company for the financial year ended December 31, 2019 will be placed on the Company's website on May 7, 2020.

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

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

## **Unclaimed Shares/Unpaid Dividend**

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

# IMPORTANT NOTES TO SHAREHOLDERS

## **Deduction of Income Tax from Dividend under Section 150**

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

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

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

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

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

Company Name	Folio/ CDS A/C #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name & CNIC #	Share holding Propor- -tion (No. of Shares)	Name & CNIC #	Share holding Propor- -tion (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.

# IMPORTANT NOTES TO SHAREHOLDERS

## **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.

## **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. M. Yasin Anwar  
Company Secretary & Sr. Manager Corporate Affairs,  
Rafhan Maize Products Co. Limited,  
Rakh Canal East Road, Faisalabad.  
Tel. No. 041-8540121-23 Ext. 206 & 348  
E-mail: [corporate@rafhanmaize.com](mailto: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](mailto:info.shares@famco.com.pk)

# CONDENSED INTERIM BALANCE SHEET

## As at March 31, 2020 (Un-audited)

	Notes	March 31, 2020 (Un-audited)	December 31, 2019 (Audited)
		(Rupees in thousands)	
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	6,532,530	6,607,175
Employees retirement benefits		88,701	88,701
Long term loans - secured		6,963	7,522
Long term deposits		34,844	34,844
		6,663,038	6,738,242
<b>CURRENT ASSETS</b>			
Stores and spares		890,354	820,899
Stock in trade		7,584,910	4,054,883
Trade debts		1,778,996	1,675,573
Loans and advances		68,363	121,794
Short term prepayments		39,887	77,076
Other receivables		11,660	42,469
Cash and bank balances		3,118,498	5,329,222
		13,492,668	12,121,916
<b>CURRENT LIABILITIES</b>			
Contract liabilities		435,388	227,358
Trade and other payables		2,455,215	2,617,924
Lease liability		3,958	5,211
Unpaid dividend		10,088	10,344
Unclaimed dividend		14,030	14,057
Markup accrued on short term running finances		397	1,062
Provision for taxation - net		304,611	310,766
		3,223,687	3,186,722
<b>WORKING CAPITAL</b>		10,268,981	8,935,194
<b>TOTAL CAPITAL EMPLOYED</b>		16,932,020	15,673,436
<b>NON CURRENT LIABILITIES</b>			
Deferred taxation		872,075	871,499
<b>NET CAPITAL EMPLOYED</b>		16,059,945	14,801,937
<b>REPRESENTED BY:</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		92,364	92,364
Reserves		15,967,581	14,709,573
<b>CONTINGENCIES AND COMMITMENTS</b>	5	16,059,945	14,801,937

The annexed notes 1 to 13 form an integral part of these accounts.

  
**Muhammad Asdaf**  
 Director

  
**Usman Qayyum**  
 Chief Executive &  
 Managing Director

  
**Zulfikar Mannoo**  
 Director

# CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

## For the three Months ended March 31, 2020 (Un-audited)

		2020	2019
	Notes	January to March	January to March
		(Rupees in thousands)	
Sales-Net	6	9,311,945	8,585,482
Cost of sales	7	(7,165,887)	(6,801,363)
<b>Gross profit</b>		2,146,058	1,784,119
Distribution expenses		(189,285)	(120,447)
Administrative expenses		(146,549)	(144,385)
Other income		93,654	60,681
Other expenses		(141,499)	(104,028)
<b>Operating profit</b>		1,762,379	1,475,490
Finance cost		(8,088)	(5,348)
<b>Profit before taxation</b>		1,754,291	1,470,592
Taxation		(496,283)	(384,929)
<b>Profit after taxation</b>		1,258,008	1,085,663
<b>Earnings per share - Basic and diluted (Rupees)</b>		136.20	117.54

The annexed notes 1 to 13 form an integral part of these accounts.

  
**Muhammad Asdaf**  
Director

  
**Usman Qayyum**  
Chief Executive &  
Managing Director

  
**Zulfikar Mannoo**  
Director



# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three Months ended March 31, 2020 (Un-audited)

## Profit for the period

Other comprehensive income

## Total comprehensive income for the period

2020	2019
January to March	January to March
(Rupees in thousands)	
1,258,008	1,085,663
-	-
<u>1,258,008</u>	<u>1,085,663</u>

The annexed notes 1 to 13 form an integral part of these accounts.



**Muhammad Asdaf**  
Director



**Usman Qayyum**  
Chief Executive &  
Managing Director



**Zulfikar Mannoo**  
Director

# CONDENSED INTERIM CASH FLOW STATEMENT

## For the three Months ended March 31, 2020 (Un-audited)

	Notes	2020 January to March	2019 January to March
		(Rupees in thousands)	
<b>Cash (used in ) operations</b>	8	(1,744,340)	(2,267,316)
Taxes paid		(501,862)	(468,365)
Employees retirement benefits paid		(11,342)	(11,296)
		(513,204)	(479,661)
<b>Net cash (used in) operating activities</b>		(2,257,544)	(2,746,977)
<b>Cash flows from investing activities</b>			
Capital expenditure incurred		(46,367)	(83,070)
Sale proceeds of property, plant and equipment		1,631	7,684
Interest received		100,445	55,644
Long term loans disbursed		(1,000)	(2,200)
Repayment from long term loans		2,399	2,804
Disbursement against assets subject to finance lease		-	5,519
<b>Net cash generated from / (used in) investing activities</b>		57,108	(13,619)
<b>Cash flows from financing activities</b>			
Dividend paid		(283)	(18,918)
Repayment of lease liability		(1,365)	(1,225)
Finance cost paid		(8,640)	(3,458)
<b>Net cash (used in) financing activities</b>		(10,288)	(23,601)
<b>Net decrease in cash and cash equivalents</b>		(2,210,724)	(2,784,197)
<b>Cash and cash equivalents at the beginning of the period</b>		5,329,222	4,262,536
<b>Cash and cash equivalents at the end of the period</b>		3,118,498	1,478,339

The annexed notes 1 to 13 form an integral part of these accounts.

  
**Muhammad Asdaf**  
 Director

  
**Usman Qayyum**  
 Chief Executive &  
 Managing Director

  
**Zulfikar Mannoo**  
 Director

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

## For the three Months ended March 31, 2020 (Un-audited)

	Share Capital	Capital Reserves		Revenue Reserves		Total
		Share Premium	Other	General	Unappropriated Profit	
			(Rupees in thousands)			
Balance as at January 01, 2019	92,364	36,946	941	207	13,013,822	13,144,280
Net profit for the period					1,085,663	1,085,663
Balance as at March 31, 2019	92,364	36,946	941	207	14,099,485	14,229,943
Balance as at January 01, 2020	92,364	36,946	941	207	14,671,479	14,801,937
Net profit for the period					1,258,008	1,258,008
Balance as at March 31, 2020	92,364	36,946	941	207	15,929,487	16,059,945

The annexed notes I to 13 form an integral part of these accounts.

  
**Muhammad Asdaf**  
 Director

  
**Usman Qayyum**  
 Chief Executive &  
 Managing Director

  
**Zulfikar Mannoo**  
 Director

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

## For the three Months ended March 31, 2020 (Un-audited)

### 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

#### (a) Statement of compliance

This condensed interim financial information has been presented in condensed form in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provision of and the directives issued under the Companies Act, 2017. In case where requirements of Companies Act, 2017 differ, the provisions of or directives issued under the Companies Act, 2017 or directives issued by Securities and Exchange Commission of Pakistan (SECP) have been followed.

This condensed interim financial information is being submitted to the shareholders as required by section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Ltd. This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with audited financial statements of the Company, for the year ended 31 December 2019.

The comparative balance sheet presented in this condensed interim financial information has been extracted from the audited financial statements of the Company for the year ended 31 December 2019, whereas comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of change in equity have been extracted from the un-audited condensed interim financial information for the three months period ended 31 March 2019.

#### (b) 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 2019.

#### (c) Functional and presentation currency

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

### 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 2019, except for the following standards which became effective during the period.

- a) Amendment to IFRS 3 'Business Combinations'— Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements. The amendment is not likely to have an impact on the Company's financial statements.
- b) Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

## For the three Months ended March 31, 2020 (Un-audited)

- c) On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process — this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 01 January 2020, unless the new guidance contains specific scope outs.

### 4. PROPERTY, PLANT AND EQUIPMENT

Notes	March 31, 2020 (Un-audited)	December 31, 2019 (Audited)
	<b>(Rupees in thousands)</b>	
Operating fixed assets	4.1 6,493,009	6,499,682
Capital work-in-progress	4.2 35,982	102,775
Right-of-use asset (building)	3,538	4,718
	<b>6,532,530</b>	<b>6,607,175</b>

#### 4.1 Additions

The following additions have been made during the three months:

	March 31, 2020 (Rupees in thousands)	March 31, 2019 (Rupees in thousands)
Building	1,969	-
Plant and machinery	104,951	13,305
Lab Equipment	1,767	-
Furniture, fixture and office equipment	539	6,487
Automobiles	3,934	3,031
	<b>113,160</b>	<b>22,823</b>

#### 4.2 Capital work-in progress

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

Balance as at 1st January	102,775	57,761
Add : Addition during the period	46,367	83,070
	<b>149,142</b>	<b>140,831</b>
Less: Transfers during the period	113,160	22,823
Closing as at 31st March	<b>35,982</b>	<b>118,008</b>

### 5. CONTINGENCIES AND COMMITMENTS

#### Contingencies

- Counter guarantees given by the Company to its bankers as at reporting date amounts to Rs. 292,220 thousands (2019: Rs. 292,220 thousands)
- There is no material change in contingencies since the last audited published accounts.

#### Commitments

	March 31, 2020 (Un-audited)	December 31, 2019 (Audited)
	<b>(Rupees in thousands)</b>	
a) Commitments in respect of capital expenditure	36,692	3,585
b) Commitments in respect of purchase of corn	-	7,006,834
c) Commitments in respect of forward exchange contracts	<b>51,370</b>	<b>88,066</b>

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

## For the three Months ended March 31, 2020 (Un-audited)

### 6. SALES - NET

	2020 January to March	2019 January to March
	(Rupees in thousands)	
Domestic	9,974,588	9,216,668
Exports	622,023	565,189
	10,596,611	9,781,857
Less:		
Sales tax	1,282,938	1,191,610
Trade discount and commission	1,728	4,765
	1,284,666	1,196,375
	9,311,945	8,585,482

### 7. COST OF SALES

Opening stock of finished goods	2,190,371	1,451,585
Cost of goods manufactured	7,179,741	6,491,149
	9,370,112	7,942,734
Less: closing stock of finished goods	2,347,647	1,265,640
	7,022,465	6,677,094
Cost of Goods Sold - purchased products	34,782	27,054
- freight and distribution cost	108,640	97,215
	7,165,887	6,801,363

### 8. Cash flows from operating activities

Profit before tax	1,754,291	1,470,592
Adjustment for non-cash charges and other items:		
Depreciation	121,014	118,205
Provision for employees retirement benefits	17,012	16,946
Provision for doubtful debts	55,384	6
Provision/(reversal) for slow moving and obsolete items	7,495	(2,630)
Profit on sale of property, plant and equipment	(1,631)	(6,757)
Interest income	(75,429)	(33,936)
Finance cost	8,088	5,190

<b>Operating profit before working capital changes</b>	<b>1,886,224</b>	<b>1,567,616</b>
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#### (Increase) / decrease in current assets

Stores and spares	(75,133)	(125,024)
Stock in trade	(3,531,844)	(3,208,245)
Trade debts	(158,807)	(330,358)
Loans and advances	52,590	23,161
Short term prepayments	37,189	48,612
Other receivables	5,792	8,718
	(3,670,213)	(3,583,136)

#### Increase / (decrease) in current liabilities

Contract liabilities	208,029	(126,134)
Trade and other payables	(168,380)	(125,662)
	39,649	(251,796)

### Net (increase) in working capital

	(3,630,564)	(3,834,932)
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### Cash (used in) operations

	(1,744,340)	(2,267,316)
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# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

## For the three months ended March 31, 2020 (Un-audited)

### 9. 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 transaction 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	Nature and description of related party transaction	Total value of transactions		Closing Balance [asset/(liability)]	
				2020	2019	31 Mar.	31 Dec.
				January to March	January to March	2020	2019
(Rupees in thousands)							
Ingredion Inc. U.S.A.	Holding Company	Majority shareholder	Services received	56,102	31,220	(59,812)	(40,819)
Ingredion Inc. U.S.A.	-do-	-do-	Imports	29,674	29,359	(48,982)	(16,528)
Ingredion Inc. U.S.A.	-do-	-do-	Services provided	-	1,032	-	-
Unilever Pakistan Foods Ltd.	Associate	Common directorship	Sales	580,736	434,116	273,689	113,581
Ingredion Holding LLC Kenya	-do-	Parent's subsidiary	Export sales	40,825	199,499	68,742	180,908
Ingredion Holding LLC Kenya	-do-	-do-	Services provided	443	948	1,300	856
Ingredion Singapore Pte. Ltd.	-do-	-do-	Export sales	-	2,379	(13,393)	(12,480)
Ingredion Germany GMBH	-do-	-do-	Export sales	53,576	-	26,985	4,427
Ingredion Germany GMBH	-do-	-do-	Imports	2,817	2,060	(2,817)	(4,773)
Ingredion Germany GMBH	-do-	-do-	Services received	-	53	(816)	(760)
National Starch & Chemical Thailand	-do-	-do-	Imports	34,475	4,283	(25,002)	(6,462)
National Starch & Chemical Thailand	-do-	-do-	Export sales	4,634	14,163	3,331	-
Ingredion Malaysia Sdn. Bhd.	-do-	-do-	Export sales	25,107	5,874	8,235	5,008
Ingredion China Limited	-do-	-do-	Imports	-	-	-	(471)
PT Ingredion, Indonesia	-do-	-do-	Export sales	35,812	22,673	27,001	21,565
Ingredion South Africa (PTY) Limited	-do-	-do-	Export sales	6,171	-	6,647	8,221
Employee Benefits	-do-	Employee retirement fund	Contribution to funds	29,810	30,472	(19,467)	(13,713)
Key Management Personnel	Other Related Parties	Key management personnel	Remuneration	121,639	87,243	-	-

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

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

10. 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 2020 are located in Pakistan.

### 11. FINANCIAL RISK MANAGEMENT

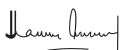
The Company's financial risk management objective and policies are consistent with that disclosed in financial Statements as at and for the year 31 December 2019.

### 12. AUTHORIZATION

This un-audited condensed interim financial information was authorized for issue by the Board of Directors on April 20, 2020.

### 13. GENERAL

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



**Muhammad Asdraf**  
Director



**Usman Qayyum**  
Chief Executive &  
Managing Director



**Zulfikar Mannoo**  
Director

# COMPANY INFORMATION

BOOK POST (Under Certificate of Posting)



## Plants:

### Rakh Canal Plant

Rakh Canal East Road, Faisalabad-38860.

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

Fax: (92-41) 8711016 - 8502197

### Cornwala Plant

5-Km Jaranwala-Khurrianwala Road,

Jaranwala - 37250.

Ph: (92-41) 4710121 & 23-27

### Mehran Plant

K.B. Feeder Road, Kotri,

Jamshoro-76090.

Ph: (92-223) 870894-98

## Board Of Directors

Pierre Perez y Landazuri  
Chairman

Non-Executive

Usman Qayyum

Executive

Chief Executive & Managing Director

## Members:

James D. Gray

Non-Executive

Janet M. Bawcom

Non-Executive

Marcel Hergett

Non-Executive

Zulfikar Mannoo

Non-Executive

Mian M. Adil Mannoo

Non-Executive

Wisal A. Mannoo

Non-Executive

Muhammad Asdaf

Executive

Tabish Gauhar

Independent & Non-Executive

Tahir Jawaid

Independent & Non-Executive

## Chief Financial Officer

Muhammad Asdaf

## Secretary

M.Yasin Anwar

## Audit Committee

Tabish Gauhar

Chairman

James D. Gray

Member

Janet M. Bawcom

Member

Marcel Hergett

Member

Zulfikar Mannoo

Member

## Human Resource & Remuneration Committee

Tahir Jawaid

Chairman

Pierre Perez y Landazuri

Member

Janet M. Bawcom

Member

Usman Qayyum

Member

Zulfikar Mannoo

Member

## Shares Transfer Committee

Usman Qayyum

Chairman

Muhammad Asdaf

Member

## Bankers

Citibank, N.A.

Habib Bank Ltd.

Meezan Bank Ltd.

MCB Bank Ltd.

MCB Islamic Bank Ltd.

National Bank of Pakistan

Standard Chartered Bank (Pakistan) Ltd.

## Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Lahore - Karachi

## Legal Advisor

M. Ali Seena

C/o Surridge & Beecheno, Karachi-74000

## 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