

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine months and period ended September 30, 2020 (Un-audited)

12. 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 / association	Nature and description of related party transactions	Nine months ended		Three months ended		Closing balance [asset/ (liability)]	
				(Un-Audited)		(Un-Audited)		(Un-Audited)	(Audited)
				Sep 30, 2020	Sep 30, 2019	Sep 30, 2020	Sep 30, 2019	Sep 30, 2020	December 31, 2019
(Rupees in thousands)									
Parent Company									
Ingredion Inc. U.S.A.	Holding	Shareholding of 71.04%	Services received	154,163	135,800	47,872	58,978	(31,257)	(40,819)
Ingredion Inc. U.S.A.	-do-	-do-	Dividend	2,296,391	2,132,363	984,168	656,112	(898,053)	-
Ingredion Inc. U.S.A.	-do-	-do-	Imports	63,610	61,790	16,568	6,584	(35,125)	(16,520)
Ingredion Inc. U.S.A.	-do-	-do-	Services provided	676	2,447	-	696	689	-
Associates									
Unilever Pakistan Foods Ltd.	Associate	Common directorship	Sales	1,086,194	949,021	237,028	206,933	136,462	113,581
Ingredion Holding LLC Kenya	-do-	Parent's subsidiary	Export sales	152,746	520,059	15,918	145,181	17,336	180,908
Ingredion Holding LLC Kenya	-do-	-do-	Services provided	1,574	2,892	759	605	1,574	856
Ingredion Singapore Pte. Ltd.	-do-	-do-	Export sales	2,096	8,096	-	3,953	(13,345)	(12,480)
Ingredion Germany GMBH	-do-	-do-	Imports	6,271	2,060	292	-	(3,088)	(4,773)
Ingredion Germany GMBH	-do-	-do-	Export sales	122,986	30,996	17,071	25,983	8,607	4,427
Ingredion Germany GMBH	-do-	-do-	Services received	-	146	-	40	(813)	(760)
National Starch & Chemical Thailand	-do-	-do-	Imports	57,095	15,533	-	2,073	-	(6,462)
National Starch & Chemical Thailand	-do-	-do-	Export sales	26,787	56,191	8,907	15,971	1,772	-
National Starch & Chemical Thailand	-do-	-do-	Services provided	-	879	879	-	-	-
Ingredion Malaysia Sdn. Bhd.	-do-	-do-	Export sales	60,474	29,644	13,037	16,829	2,894	5,008
Ingredion China Limited	-do-	-do-	Imports	-	-	-	-	-	(471)
Ingredion China Limited	-do-	-do-	Export sales	2,832	-	2,832	-	-	-
PT Ingredion, Indonesia	-do-	-do-	Export sales	104,590	82,495	23,183	25,509	23,060	21,565
Ingredion UK Limited	-do-	-do-	Export sales	2,336	-	-	-	-	-
Ingredion South Africa (PTY) Ltd.	-do-	-do-	Export sales	17,180	4,149	4,413	4,149	6,623	8,221
Ingredion NZ (PTY) Ltd.	-do-	-do-	Imports	2,299	-	2,299	-	-	-
Other Related Parties									
Employee Benefits	Other	Employee retirement fund	Contribution to funds	91,193	90,202	30,685	29,806	(14,249)	(13,713)
Key Management Personnel	-do-	Key management personnel	Remuneration	267,455	215,616	73,678	60,798	-	-

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

13. OPERATING SEGMENTS

- 13.1 These financial statements have been prepared on the basis of single reportable segment.
- 13.2 All non current assets of the Company as at 30 September 2020 are located in Pakistan.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine months period ended 30 September 2020 (Un-audited)

14. 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.

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 recognized 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 2020						
Carrying amount			Fair value			
Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in thousands)						
Financial assets - not measured at fair value						
Long term loans	-	14,534	-	-	-	-
Trade debts	1,613,181	1,613,181	-	-	-	-
Long term deposits	34,844	34,844	-	-	-	-
Other receivables	32,484	32,484	-	-	-	-
Cash and bank balances	6,619,556	6,619,556	-	-	-	-
	8,314,599	8,314,599	-	-	-	-
Financial liabilities - not measured at fair value						
Trade and other payables	2,529,378	2,529,378	-	-	-	-
Mark-up-accrued on short term running finances	4,681	4,681	-	-	-	-
Unpaid dividend	911,648	911,648	-	-	-	-
Unclaimed dividend	14,030	14,030	-	-	-	-
Long term financing	228,257	228,257	-	-	-	-
Lease liabilities	1,353	1,353	-	-	-	-
	3,689,348	3,689,348	-	-	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine months period ended 30 September 2020 (Un-audited)

	31 December 2019					
	Carrying amount			Fair value		
	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees in thousands)					
Financial assets - not measured at fair value						
Long term loans	15,141	-	15,141	-	-	-
Trade debts	1,675,573	-	1,675,573	-	-	-
Long term deposits	34,844	-	34,844	-	-	-
Other receivables	42,469	-	42,469	-	-	-
Cash and bank balances	5,329,222	-	5,329,222	-	-	-
	7,097,249	-	7,097,249	-	-	-
Financial liabilities - not measured at fair value						
Trade and other payables	-	2,154,441	2,154,441	-	-	-
Mark-up-accrued on short term running finances	-	1,062	1,062	-	-	-
Unpaid dividend	-	10,344	10,344	-	-	-
Unclaimed dividend	-	14,057	14,057	-	-	-
Lease liabilities	-	5,211	5,211	-	-	-
	-	2,185,115	2,185,115	-	-	-

15. Date of authorization for issue

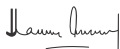
This un-audited condensed interim financial information was authorized for issue by the Board of Directors on October 28, 2020.

16. Subsequent event - dividend

The Directors in their meeting held on 28 October 2020 have proposed second interim cash dividend for the period ended 30 September 2020 of Rs.150/- per share, amounting to Rs.1,385,464 thousand (2019: Rs.100/- per share amounting to Rs.923,643 thousand). These condensed interim financial statements for the period ended 30 September 2020 does not include the effect of the above interim cash dividend which will be accounted for in the period in which it is declared.

17. General

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


Muhammad Asdaf
Chief Financial Officer


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 Non-Executive
Chairman

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

Mustafa Kamal Zuberi

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,

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