



Ingredient solutions
that make life better.

Quarterly Report
Quarter Ended September 30, 2021

DIRECTORS' REVIEW



We are pleased to present un-audited financial results of the Company for third quarter ended September 30, 2021.

FINANCIAL RESULTS

		Quarter ended September 30		
		2021	2020	% Change
Net Sales	(Rs. Million)	10,525	8,960	17%
Net Income after Tax	(Rs. Million)	1,305	1,816	-28%
Earnings per Share	(Rupees)	141.31	196.58	-28%

Pakistan economy showed recovery during the last one year mainly due to improved domestic demand and push from growth in large scale manufacturing. Things seem to be tightening a bit in the last quarter due to PKR devaluation, hike in utility prices, increase in current account deficit and slower growth in worker's remittances from abroad. Industrial production also posted the significant drop in year-on-year result during the last 2 months since June 2020, as large-scale manufacturing growth slowed down notably.

Rafhan Maize continuously strived to sustain its growth and performed consistently well despite the adverse economic challenges. Comparing to the third quarter of 2020, the topline of the company improved and there is a 17% increase in sales revenue, but profit have gone down by 28% as anticipated due to hike in price of maize during the spring season and abnormal increase in gas prices. Hence, resulted in the increase in cost of production and negatively impacted margins. The company is mitigating the cost impacts and to maintain the profit margins.

However, comparing the year-to-date results as of September 2021 with the same period last year, the profit has increased by 22% mainly due to better results during first half of 2021.

BUSINESS REVIEW

Growing inflationary pressures, hike in utilities prices along with depressed demand continued to pose challenges for the industrial production in the country. The textile sector though is seeing a significant upswing especially in exports of denim, towel, and home textiles market but tough domestic environment, increasing cotton prices and emerging global supply chain crises may pose serious threats to the textile sector growth. Other major consuming segments including writing/printing and industrial paper and corrugation operated relatively at better pace especially large-scale units.

Food business managed to maintain its sales volumes against last year, however, struggled to spur any growth amid high inflation and pressure from consumer demand.

BUSINESS RISKS, CHALLENGES AND FUTURE PROSPECTS

Though, the government has forecasted 4.8% GDP growth rate for the current fiscal year but high inflation rate, dollar—rupee parity, current account deficit and Afghanistan situation will be key challenges for maintaining the expected growth momentum.

Increase in prices of agricultural commodities such as rice, sugarcane and wheat has pushed the corn prices up to an unprecedented level during the ongoing spring crop. This increase in corn prices coupled with rising cost of utilities and weakening PKR can seriously impact our margins balance of this year and going into 2022. Our focus shall remain on driving volumes, tight cost control, process optimization, price rationalization and efficient working capital management. The company is also aggressively working and investing in cost-saving initiatives to make itself more competitive.

DIRECTORS' REVIEW

Insha'Allah, we will keep the thrust of enhancing the stakeholders' value by optimizing the operational efficiencies, innovation, strategic differentiation, and delivering best services to our customers.

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 to deliver our business commitments even in challenging times.

May Allah give us the courage to face the challenges ahead. A'meen!

On behalf of the Board



Adil Saeed Khan
Chief Financial Officer



Usman Qayyum
Chief Executive &
Managing Director

October 18, 2021

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 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, 2020 have been placed on the Company's website www.rafhanmaize.com.

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 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 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 #	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.cdaccess.com.pk>. In addition, the Dividend/Zakat & Tax Deduction Report can also be obtained directly from your Participant (stock broker) which has been provided to them on their CDS terminals. Moreover, you will also receive a copy of this report on your provided/registered e-mail addresses.

IMPORTANT NOTES TO SHAREHOLDERS

Deposit of Physical Certificate in CDC Account

As per Section 72 of Companies Act, 2017, every listed company shall be required to replace its physical certificates with book-entry form in a manner as may be specified and from the date notified by the commission, within a period not exceeding four years from the commencement of this Act.

The Shareholder having physical shares are encouraged to open the CDC sub-account with any of the brokers or investor Account directly with CDC to place their physical certificates into scripless form.

Consent for Video Conference Facility

Members can also avail video conference facility at Lahore and Karachi. In this regard, please fill the following request and submit to registered address of the Company 10 days before holding of general meeting.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

I/We, _____ of _____ being a member of Rafhan Maize Products Co. Limited holder of _____ Ordinary Shares as per Registered Folio No. _____ hereby opt for video conference facility at _____.

Signature of Member

Company Contact:

Mr. Mustafa Kamal Zuberi
Company Secretary & Head of Legal / Corporate Affairs,
Rafhan Maize Products Co. Limited,
Rakh Canal East Road, Faisalabad.
Tel. No. 041-8540121-23 Ext. 226 & 348
E-mail: corporate@rafhanmaize.com

Shares Registrar:

Mr. Fakhar Abbasi
M/s FAMCO Associates (Pvt.) Ltd.
8-F, Next to Hotel Faran, Nursery
Block-6, PECHS, Shahr-e-Faisal, Karachi.
Tel. No. 021-34380101-05 Ext. 118
E-mail: info.shares@famco.com.pk

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited)

As at September 30, 2021

	Notes	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
(Rupees in thousands)			
NON CURRENT ASSETS			
Property, plant and equipment	4	6,402,926	6,468,188
Employees retirement benefits		160,231	160,231
Long term loans		4,522	6,675
Long term deposits		35,108	34,844
		6,602,787	6,669,938
CURRENT ASSETS			
Stores and spares		996,628	799,385
Stock in trade		11,036,350	4,453,097
Trade debts		1,951,026	1,551,968
Loans and advances		135,672	37,653
Short term prepayments		180,346	158,411
Other receivables		30,653	20,923
Short term investments		1,494,073	2,588,394
Cash and bank balances		1,079,342	6,565,424
		16,904,090	16,175,255
CURRENT LIABILITIES			
Current portion of long term financing		148,861	127,827
Current portion of deferred income		7,189	7,189
Contract liabilities		582,273	523,842
Trade and other payables		4,125,515	3,913,410
Lease liability		5,716	-
Unpaid dividend		1,259,948	913,234
Unclaimed dividend		13,909	14,030
Markup accrued on short term running finances		1,173	1,858
Provision for taxation - net		134,750	236,746
		6,279,334	5,738,136
WORKING CAPITAL		10,624,756	10,437,119
TOTAL CAPITAL EMPLOYED		17,227,543	17,107,057
NON CURRENT LIABILITIES			
Long term financing		-	106,041
Deferred income		-	5,392
Lease liability		6,673	-
Deferred taxation		870,823	864,643
NET CAPITAL EMPLOYED		16,350,047	16,130,981
REPRESENTED BY:			
SHARE CAPITAL AND RESERVES			
Share capital		92,364	92,364
Reserves		16,257,683	16,038,617
CONTINGENCIES AND COMMITMENTS	5	-	-
		16,350,047	16,130,981

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



Adil Saeed Khan
Chief Financial Officer



Usman Qayyum
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)

For the nine months period ended September 30, 2021

	Note	Nine months ended (Un-audited)		Three months ended (Un-audited)	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Sales - net	6	30,436,823	26,084,664	10,524,666	8,959,945
Cost of sales	7	(22,068,577)	(19,163,062)	(8,267,180)	(6,149,054)
Gross profit		8,368,246	6,921,602	2,257,486	2,810,891
Distribution expenses	8	(397,197)	(385,140)	(130,692)	(138,576)
Administrative expenses		(503,145)	(447,096)	(183,960)	(152,122)
Impairment loss on financial assets		(3,144)	(56,177)	229	(74)
Other income		502,959	369,764	135,694	142,351
Other operating expenses		(546,373)	(417,937)	(161,407)	(169,846)
		(946,900)	(936,586)	(340,136)	(318,267)
Operating profit		7,421,346	5,985,016	1,917,350	2,492,624
Finance cost		(36,630)	(33,450)	(11,371)	(8,200)
Profit before taxation		7,384,716	5,951,566	1,905,979	2,484,424
Taxation		(2,085,615)	(1,619,082)	(600,782)	(668,724)
Profit after taxation		5,299,101	4,332,484	1,305,197	1,815,700
Earnings per share-basic and diluted-(Rupees)		573.72	469.06	141.31	196.58

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



Adil Saeed Khan
Chief Financial Officer



Usman Qayyum
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)

For the nine months period ended September 30, 2021

	Nine months ended (Un-audited)		Three months ended (Un-audited)	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	(Rupees in thousands)			
Profit for the period	5,299,101	4,332,484	1,305,197	1,815,700
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>5,299,101</u>	<u>4,332,484</u>	<u>1,305,197</u>	<u>1,815,700</u>

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



Adil Saeed Khan
Chief Financial Officer



Usman Qayyum
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)

For the nine months period ended September 30, 2021

	Share Capital	Capital Reserves		Revenue Reserves		Total
		Share Premium	Other	General	Unappropriated Profit	
		(Rupees in thousands)				
Balance as at 01 January 2020	92,364	36,946	941	207	14,473,720	14,604,178
Total comprehensive income						
Profit for the period	-	-	-	-	4,332,484	4,332,484
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	4,332,484	4,332,484
Transactions with owners of the Company recognised directly in equity						
Final dividend 2019 (Rs. 200.00 per share)	-	-	-	-	(1,847,286)	(1,847,286)
1st interim dividend 2020 (Rs. 150.00 per share)	-	-	-	-	(1,385,464)	(1,385,464)
	-	-	-	-	(3,232,750)	(3,232,750)
	-	-	-	-	-	-
Balance as at 30 September 2020	92,364	36,946	941	207	15,573,454	15,703,912
Balance as at 01 January 2021	92,364	36,946	941	207	16,000,523	16,130,981
Total comprehensive income						
Profit for the period	-	-	-	-	5,299,101	5,299,101
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	5,299,101	5,299,101
Transactions with owners of the Company recognised directly in equity						
Final dividend 2020 (Rs. 250.00 per share)	-	-	-	-	(2,309,107)	(2,309,107)
1st interim dividend 2021 (Rs. 150.00 per share)	-	-	-	-	(1,385,464)	(1,385,464)
2nd interim dividend 2021 (Rs. 150.00 per share)	-	-	-	-	(1,385,464)	(1,385,464)
	-	-	-	-	(5,080,035)	(5,080,035)
Balance as at 30 September 2021	92,364	36,946	941	207	16,219,589	16,350,047

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



Adil Saeed Khan
Chief Financial Officer



Usman Qayyum
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

For the nine months period ended September 30, 2021

		Nine months ended (Un-audited)	
		September 30, 2021	September 30, 2020
		(Rupees in thousands)	
Cash flows from operating activities			
Cash generated from operations	9	377,454	5,109,470
Taxes paid		(2,181,431)	(1,783,088)
Employees retirement benefits paid		(49,208)	(51,038)
		(2,230,639)	(1,834,126)
NET CASH GENERATED FROM OPERATING ACTIVITIES		(1,853,185)	3,275,344
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(292,020)	(222,772)
Sale proceeds from property, plant and equipment		17,893	5,695
Interest received		402,485	337,184
Long term loans disbursed		(2,200)	(5,359)
Repayment from long term loans		6,067	5,965
NET CASH USED IN INVESTING ACTIVITIES		132,225	120,713
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of long term loan		-	244,432
Repayment of long term loan		(91,662)	-
Repayment of lease liability		(4,505)	(4,095)
Short term finances - secured		-	5,219
Dividend paid		(4,733,443)	(2,331,473)
Finance cost paid		(29,833)	(19,806)
NET CASH USED IN FINANCING ACTIVITIES		(4,859,443)	(2,105,723)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(6,580,403)	1,290,334
Cash and cash equivalents at the beginning of the period		9,153,818	5,329,222
Cash and cash equivalents at the end of the period		2,573,415	6,619,556

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



Adil Saeed Khan
Chief Financial Officer



Usman Qayyum
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

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

For the nine months period ended September 30, 2021

1. Corporate and general information

Rafhan Maize Products Company Limited ('the Company') was incorporated in Pakistan and was subsequently listed on Pakistan Stock Exchange Limited. Ingredion Incorporated Chicago, U.S.A., holds majority shares of the Company. The registered office of the Company is situated at Rakh Canal East Road, Faisalabad. The Company uses maize as the basic raw material to manufacture and sell a number of industrial products, principal ones being industrial starches, liquid glucose, dextrose, dextrin and gluten meals.

2. Basis of preparation

2.1 Statement of compliance

These condensed interim financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The condensed interim financial statements does not include information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company for the year ended 31 December 2020.

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 2020, 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 2020.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain employee retirement benefits and lease liabilities which are stated at present value.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees which is also the Company's functional currency.

3. Summary of significant accounting policies

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended 31 December 2020.

3.1 Newly effective requirements of IFRS effective from 01 January 2021

There are certain amendments to existing accounting and reporting standards that have become applicable to the Company for accounting periods beginning on or after January 01, 2021. These are considered either to not be relevant or to not have any significant impact on these condensed interim financial statements.

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

For the nine months period ended September 30, 2021

3.2 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective

The following amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard or amendment:

<u>Standards or interpretation</u>	<u>Effective date (accounting periods beginning on or after)</u>
- IAS 16 Property, Plant and Equipment (Amendments)	01 January 2022
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	01 January 2022
- Amendments to IFRS 3 - Reference to the Conceptual Framework	01 January 2022
- Amendments to IAS 1 - Classification of liabilities as current or non-current	01 January 2022
- Amendments to IAS 8 - Definition or accounting estimates	01 January 2023
- Annual improvements to IFRS Standards 2018-2020	01 January 2023

The above mentioned amendments are not likely to have a material impact effect on the Company's financial statements.

4. Property, plant and equipment

		September 30 2021 (Un-audited)	31 December 2020 (Audited)
	Note	(Rupees in thousands)	
Operating property, plant and equipment	4.1	6,074,502	6,264,513
Capital work-in-progress	4.2	316,737	203,675
Right-of-use asset		11,687	-
		<u>6,402,926</u>	<u>6,468,188</u>

4.1 This includes the cost of property, plant and equipment that have been added and disposed-off during the period, detail of which is as follows:

	Nine months ended (Un-audited)			
	30 September 2021		30 September 2020	
	Additions	Deletions (Rupees in thousands)	Additions	Deletions
Factory building on freehold land	-		2,692	-
Plant and machinery	153,854	5,788	190,945	8,141
Laboratory equipment	7,026	-	1,885	-
Furniture and fittings	1,859	-	272	359
Vehicles	16,220	19,982	3,934	3,187
Office equipment	-	203	5,071	-
	<u>178,959</u>	<u>25,972</u>	<u>204,798</u>	<u>11,688</u>

4.2 Capital work-in-progress

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

	Nine months ended (Un-audited)	
	30 September 2021 (Rupees in thousands)	30 September 2020 (Rupees in thousands)
Opening balance	203,675	102,775
Add: Additions during the period	292,020	222,772
	<u>495,695</u>	<u>325,547</u>
Less: Transfers during the period	(178,959)	(204,798)
Closing balance	<u>316,736</u>	<u>120,749</u>

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

For the nine months period ended September 30, 2021

5. Contingencies and commitments

Contingencies

- a) Counter guarantees given by the Company to its bankers as at reporting date amounting to Rs. 293,630 thousands (2020: Rs. 288,630 thousands)
- b) There is no material change in contingencies since the last audited published accounts.

Commitments

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

(Un-audited)	(Audited)
30 September 2021	31 December 2020
(Rupees in thousands)	
52,085	102,150
4,009,566	5,179,018

6. Sales - Net

	Nine months ended (Un-audited)		Three months ended (Un-audited)	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Rupees in thousands)			
Domestic	32,389,119	27,790,257	11,090,201	9,623,331
Exports	2,228,578	1,887,208	856,235	579,236
	34,617,697	29,677,465	11,946,436	10,202,567
Less:				
Sales tax	(4,100,961)	(3,581,281)	(1,391,333)	(1,234,427)
Trade discount	(79,913)	(11,520)	(30,437)	(8,195)
	(4,180,874)	(3,592,801)	(1,421,770)	(1,242,622)
Revenue from contracts with customers	30,436,823	26,084,664	10,524,666	8,959,945

7. Cost of sales

	Nine months ended (Un-audited)		Three months ended (Un-audited)	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	(Rupees in thousands)			
Opening stock of finished goods	1,669,504	2,190,371	791,405	1,910,657
Cost of goods manufactured	20,711,502	18,539,273	8,155,957	6,091,762
	22,381,006	20,729,644	8,947,362	8,002,419
Less: closing stock of finished goods	(917,017)	(1,972,079)	(917,017)	(1,972,079)
Cost of goods Sold - own manufactured	21,463,989	18,757,565	8,030,345	6,030,340
Cost of goods Sold - purchased Products	156,865	119,602	67,050	42,821
Freight and distribution cost	447,723	285,895	169,785	75,893
Cost of goods sold	22,068,577	19,163,062	8,267,180	6,149,054

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)
For the nine months period ended September 30, 2021

8. Other income

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

Nine months ended (Un-audited)	
30 September 2021	30 September 2020
(Rupees in thousands)	
388,581	315,247
92,389	44,120
14,147	4,470
5,392	1,797
2,450	4,130
502,959	369,764

9. Cash Flows From Operating Activities

Profit before taxation
Adjustments for:
Depreciation of property, plant and equipment
Provision for employees retirement benefits
Provision / (reversal) of doubtful debts
Unwinding of lease liability
Provision for slow moving and obsolete items
Gain on disposal of property, plant and equipment
Amortization of deferred income
Interest income
Finance cost
Cash generated from operations before working capital changes
Effect on cash flow due to working capital changes
(Increase) / decrease in current assets:
Stores and spares
Stock in trade
Trade debts
Loans and advances
Long term deposits
Short term prepayments
Other receivables
Increase / (decrease) in current liabilities:
Contract liabilities
Trade and other payables
Net (increase) / decrease in working capital
Cash generated from operations

Nine months ended (Un-audited)	
30 September 2021	30 September 2020
(Rupees in thousands)	
7,384,716	5,951,566
369,607	363,958
49,208	51,038
3,144	56,177
824	238
22,382	17,285
(14,147)	(4,470)
(5,392)	(1,797)
(388,581)	(315,247)
35,806	23,425
72,851	190,607
7,457,567	6,142,173
(200,219)	(15,641)
(6,602,659)	(1,650,816)
(402,202)	6,215
(99,734)	62,754
(264)	-
(21,935)	(149,334)
(23,634)	(11,952)
(7,350,647)	(1,758,775)
58,431	243,737
212,103	482,336
270,534	726,073
(7,080,113)	(1,032,702)
377,454	5,109,470

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

For the nine months period ended September 30, 2021

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 else where in these financial statements are as follows:

Name of parties	Nature of relationship		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, 2021	Sep 30, 2020	Sep 30, 2021	Sep 30, 2020	Sep 30, 2021	December 31, 2020
(Rupees in thousands)									
<u>Parent Company</u>									
Ingredion Inc. U.S.A.	Holding Company	Shareholding of 71.04% shares	Services received	146,906	154,163	42,949	47,872	(33,449)	(82,273)
Ingredion Inc. U.S.A.	-do-	-do-	Dividend	3,608,614	2,296,391	984,168	984,168	(898,053)	(898,053)
Ingredion Inc. U.S.A.	-do-	-do-	Imports	74,775	63,610	39,134	16,568	(25,853)	(22,566)
Ingredion Inc. U.S.A.	-do-	-do-	Services provided	105,134	676	-	-	22,605	667
<u>Associates</u>									
Unilever Pakistan Foods Ltd.	Associate	Common directorship	Sales	1,194,236	1,086,194	274,988	237,028	131,111	121,573
Pakistan Oxygen Limited	Associate	-do-	Purchase	170	-	71	-	-	-
Ingredion Holding LLC Kenya	-do-	Parents subsidiary	Export sales	334,160	152,746	71,520	15,918	73,714	56,005
Ingredion Holding LLC Kenya	-do-	-do-	Services provided	1,526	1,574	415	759	2,010	470
Ingredion Singapore Pte. Ltd.	-do-	-do-	Export sales	4,026	2,096	2,103	-	(13,768)	(11,565)
Ingredion Germany GMBH	-do-	-do-	Imports	3,323	6,271	(21)	292	2,937	-
Ingredion Germany GMBH	-do-	-do-	Export sales	222,790	122,986	99,468	17,071	27,181	19,241
Ingredion Germany GMBH	-do-	-do-	Services received	-	-	-	-	(838)	(786)
National Starch & Chemical Thailand	-do-	-do-	Imports	74,822	57,095	19,056	-	(14,475)	731
National Starch & Chemical Thailand	-do-	-do-	Export sales	45,328	26,787	12,279	8,907	4,753	3,547
Ingredion Malaysia Sdn. Bhd.	-do-	-do-	Export sales	35,565	60,474	14,180	13,037	4,478	4,669
Ingredion China Limited	-do-	-do-	Export sales	23,751	2,832	-	2,832	-	-
PT Ingredion, Indonesia	-do-	-do-	Export sales	81,393	104,590	37,768	23,183	23,791	9,809
Ingredion UK Limited	-do-	-do-	Export sales	74	2,336	-	-	-	-
Ingredion South Africa (PTY) Ltd.	-do-	-do-	Export sales	125,919	17,180	58,726	4,413	36,752	24,643
Ingredion South Africa (PTY) Ltd.	-do-	-do-	Services provided	-	-	-	-	-	279
Ingredion ANZ (PTE) Ltd.	-do-	-do-	Imports	-	2,299	-	2,299	-	-
<u>Other Related Parties</u>									
Employee Benefits	Other	Employee retirement fund	Contribution to funds	95,443	91,193	31,271	30,685	15,278	(13,827)
Key Management Personnel	-do-	Key management personnel	Remuneration	286,570	267,455	80,260	73,678	-	-

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

11. OPERATING SEGMENTS

- a) These financial statements have been prepared on the basis of single reportable segment.
- b) All non current assets of the Company as at 30 September 2021 are located in Pakistan.

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

For the nine months period ended September 30, 2021

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 2020.

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 2021						
	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	10,012	-	10,012	-	-	-	-
Trade debts	1,951,026	-	1,951,026	-	-	-	-
Long term deposits	35,108	-	35,108	-	-	-	-
Other receivables	30,653	-	30,653	-	-	-	-
Short term investments	1,494,073	-	1,494,073	-	-	-	-
Cash and bank balances	1,079,342	-	1,079,342	-	-	-	-
	4,600,214		4,600,214				
Financial liabilities - not measured at fair value							
Long term financing	-	148,861	148,861	-	-	-	-
Trade and other payables	-	3,394,480	3,394,480	-	-	-	-
Mark-up-accrued on short term running finances	-	1,173	1,173	-	-	-	-
Unpaid dividend	-	1,259,948	1,259,948	-	-	-	-
Unclaimed dividend	-	13,909	13,909	-	-	-	-
	-	4,818,371	4,818,371	-	-	-	-

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

For the nine months period ended September 30, 2021

31 December 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	13,880	-	13,880	-	-	-
Trade debts	1,551,968	-	1,551,968	-	-	-
Long term deposits	34,844	-	34,844	-	-	-
Other receivables	20,923	-	20,923	-	-	-
Short term investments	2,588,394	-	2,588,394	-	-	-
Cash and bank balances	6,565,424	-	6,565,424	-	-	-
	10,775,433		10,775,433			
Financial liabilities - not measured at fair value						
Long term financing	-	233,868	233,868	-	-	-
Trade and other payables	-	3,363,159	3,363,159	-	-	-
Mark-up-accrued on short term running finances	-	1,858	1,858	-	-	-
Unpaid dividend	-	913,234	913,234	-	-	-
Unclaimed dividend	-	14,030	14,030	-	-	-
	-	4,526,149	4,526,149	-	-	-

13. Date of authorization for issue

This un-audited condensed interim financial information was authorized for issue by the Board of Directors on October 18, 2021.

14. Subsequent event - dividend

The Directors in their meeting held on October 18, 2021 have proposed third interim cash dividend for the period ended 30 September 2021 of Rs. 150/- per share, amounting to Rs. 1,385,464 thousands. These condensed interim financial statements for the period ended 30 September 2021 does not include the effect of the above interim cash dividend which will be accounted for in the period in which it is declared.

15. General

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



Adil Saeed Khan
Chief Financial Officer



Usman Qayyum
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

COMPANY INFORMATION

Board of Directors

Chairman

Pierre Perez y Landazuri Non-Executive

Chief Executive & Managing Director

Usman Qayyum Executive

Members

James D. Gray	Non-Executive
Michael F. O'Riordan	Non-Executive
Ms. Lori Arnold	Non-Executive
Zulfikar Mannoo	Non-Executive
Mian M. Adil Mannoo	Non-Executive
Visal A. Mannoo	Non-Executive
Adil Saeed Khan	Executive
Waqar Ahmed Malik	Independent & Non-Executive
Tahir Jawaid	Independent & Non-Executive

Chief Financial Officer

Adil Saeed Khan

Secretary

Mustafa Kamal Zuberi

Audit Committee

Waqar Ahmed Malik	Chairman
James D. Gray	Member
Michael F. O'Riordan	Member
Ms. Lori Arnold	Member
Zulfikar Mannoo	Member

Human Resource & Remuneration Committee

Tahir Jawaid	Chairman
Pierre Perez y Landazuri	Member
Ms. Lori Arnold	Member
Usman Qayyum	Member
Mian M. Adil Mannoo	Member

Shares Transfer Committee

Usman Qayyum	Chairman
Adil Saeed Khan	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)

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., Shahr-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: (92-21) 8540121-22-23
 Fax: (92-21) 8711016 - 8502197
 Website: www.rafranmaize.com
 E-mail: corporate@rafranmaize.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