

Our journey of
Transformation,
Innovation &
Excellence



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OUR HISTORY

Rafhan Maize Products Co. Limited started its operations in 1953 as a pioneer corn refining industry in Pakistan. From the relatively modest start, the operations of Rafhan Maize have grown into one of the premier agro-based industries in Pakistan over the last 68 years.

Rafhan Maize is an affiliate of Ingredion Incorporated; USA, one of the world's leading corn refiners. Affiliation with a global company enables to guarantee quality products, consistent supply and unequalled services. Rafhan Maize produces high-quality food ingredients and industrial products derived from the wet milling of maize. All these products are being used in more than 50 types of industries in Pakistan and international markets.

Take a look at some of the highlights of our history and how we have grown and transformed into a leading ingredients solutions provider we are today.



2004

Cornwala Plant
Started at Jaranwala,
Punjab

2012

Commissioning of
Mehran Plant

Corn Products
changes its name
to Ingredion to
better reflect the
company's position
as a leading
ingredient supplier to
a range of industries.

2003

Certification of
ISO-9001 : 2000 in
Rakh Canal Plant,
Faisalabad

2008

Ground Breaking
of Mehran Plant at
Kotri, Sindh

2013

Completion of Phase
II of Mehran Plant



1962

Corn Products
Acquired 51% Equity
of Rafhan Maize.

1999

Corn Products
Equity increased
from 51% to 70%
plus.

1953

Rafhan Maize
established as a
Pioneer Corn Refiner
at Rakh Canal Plant,
Faisalabad, Punjab

1985

Rafhan Maize
Converted Into
A Public Limited
Company.

2001

Ground Breaking of
Cornwala Plant at
Jaranwala, Punjab



2015

Commissioning of
MVR Plant at RCP
Faisalabad, Punjab

2017

Commissioning of
Dextrose Plant at
CWP Jaranwala,
Punjab

2021

Commissioning
of RCP Light
Steep Water
Mechanical vapor
recompression-
evaporator

2016

Commissioning of
Co-Generation Plant
at CWP Jaranwala,
Punjab

2019

Commissioning of
RCP Waste Water
Treatment Plant

MISSION STATEMENT



OUR PURPOSE

We bring the potential of people, nature, and technology together to create ingredient solutions that make life better.



VISION

To be the premier provider of refined agriculturally based products and ingredients in the region.



MISSION

To grow business consistently through positive relationship with customers to attain full customer satisfaction and to bring continual improvement by adopting only those business practices which add value to our customers, employees and shareholders.

CORE VALUES



Care First

We actively work to safeguard and enable the wellbeing of our people, the quality of our products, and our reputation for trust and integrity.



Be Preferred

We earn the right to be customer-preferred by delivering mutual enduring value at every touchpoint of the customer experience.



Everyone Belongs

We embrace diversity and proactively foster an inclusive work environment where each person is valued and feels inspired to contribute their best.



Innovate Boldly

We courageously strive for breakthrough innovations driven by our relentless curiosity, bold thinking, speed of decision-making, and agile execution.



Owner's Mindset

We think and act like owners where everyone takes personal responsibility to anticipate challenges, proactively search for opportunities, and make decisions that are in the best interest of the company.



COMPANY INFORMATION

Board of Directors

Chairman

Mr. Pierre Perez y Landazuri	Non-Executive
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Chief Executive & Managing Director

Mr. Usman Qayyum	Executive
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Members:

Mr. James D. Gray	Non-Executive
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Mr. Michael F. O'Riordan	Non-Executive
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Ms. Lori Arnold (Resigned on 18-02-2022)	Non-Executive
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Ms. Tanya Jaeger de Foras (appointed on 18-02-2022)	Non-Executive
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Mr. Zulfikar Mannoo	Non-Executive
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Mian M. Adil Mannoo	Non-Executive
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Mr. Wisal A. Mannoo	Non-Executive
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Mr. Adil Saeed Khan	Executive
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Mr. Waqar Ahmed Malik	Independent & Non-Executive
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Mr. Tahir Jawaid	Independent & Non-Executive
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Chief Financial Officer

Mr. Adil Saeed Khan

Company Secretary

Mr. Mustafa Kamal Zuberi

Audit Committee

Mr. Waqar Ahmed Malik	Chairman
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Mr. James D. Gray	Member
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Mr. Michael F. O'Riordan	Member
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Ms. Lori Arnold (Resigned on 18-02-2022)	Member
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Ms. Tanya Jaeger de Foras (appointed on 18-02-2022)	Member
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Mr. Zulfikar Mannoo	Member
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Mr. Kamran Anjum	Secretary
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Human Resource & Remuneration Committee

Mr. Tahir Jawaid	Chairman
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Mr. Pierre Perez y Landazuri	Member
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Ms. Lori Arnold (Resigned on 18-02-2022)	Member
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Ms. Tanya Jaeger de Foras (appointed on 18-02-2022)	Member
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Mr. Usman Qayyum	Member
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Mian M. Adil Mannoo	Member
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Mr. Imran Latif Rawn	Secretary
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Shares Transfer Committee

Mr. Usman Qayyum	Chairman
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Mr. Adil Saeed Khan	Member
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Mr. Mustafa Kamal Zuberi	Secretary
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Operations Committee

Mr. Michael F. O'Riordan	Chairman
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Ms. Lori Arnold (Resigned on 18-02-2022)	Member
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Ms. Tanya Jaeger de Foras (appointed on 18-02-2022)	Member
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Mr. Tahir Jawaid	Member
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Mr. Usman Qayyum	Member
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Mr. Wisal A. Mannoo	Member
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Mr. M. Saeed Akhter	Secretary
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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

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



CHAIRMAN'S REVIEW

I am pleased to present Annual Report 2021 and commend the effectiveness of the role played by the Board in achieving the Company's strategic objectives.

The resurgence of the pandemic posed downside risk to the businesses and uncertainty around global economic prospects. In case of Pakistan, however, no significant impact witnessed due to the measures taken by the Government. The economic recovery that had started in 2020, continued in 2021 as well, however, the challenging political environment, the weakening of Pak Rupee (PKR) and rising input costs continued to pose a challenge for growth.

The successful negotiations with IMF, approval of Finance and State Bank amendment bills from Parliament and financial assistance from neighboring countries brought economic stability in the country. Currently, Pakistan is expected to achieve the targeted Gross Domestic Product growth of around 4%.

The Rafhan Board and Management successfully steered the business in 2021 while ensuring compliance to all COVID related SOP's and ensuring uninterrupted supplies to customers. The Board, with in depth experience in key areas like Strategic Planning, Finance, Corporate Governance, Legal and Administration continued to guide the affairs of the Company effectively. The Board, during the year held number of meetings, continuously reviewed the business operations, and advised the management on areas critical for business success during this challenging pandemic period. The Board acknowledges its responsibility towards Corporate and Financial Reporting Framework is, cognizant of its strategic role in achieving the Company's key objectives and focused on improving returns to shareholders.

I am pleased to report that the performance of the Board has been par excellence, which has helped in effectively steering the Company during the year. The Company was able to achieve a growth of 18.8% in Net Sales and crossed the milestone of PKR 40 Billion with a record revenue of PKR 42.6 Billion. The Company posted a net profit of PKR 6.3 Billion with a Gross Profit margin of 24.2%.

We are confident that our business is well positioned to take on current challenges faced by our business. We shall continue to embark upon various initiatives to sustain growth and withstand challenges to achieve greater heights, pursue strategic expansion, improve shareholders' value and overall performance of the Company.

I would like to thank all the members of the Board for their continuing guidance and support, and acknowledge the contribution of the management for delivering yet another strong performance during 2021.

Pierre Perez y Landazuri

Chairman

February 25, 2022

چیئرمین کا جائزہ

مجھے سال 2021 کیلئے سالانہ رپورٹ اور کمپنی کے سٹریٹجک مقاصد کے حصول میں کامیابی کیلئے بورڈ کے کردار کی اہمیت پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔ کرونا وبا کی اہم دوبارہ آنے سے کاروباروں پر منفی اثرات اور عالمی معیشت کے امکانات کیلئے غیر یقینی کی کیفیت پیدا ہوئی۔ تاہم پاکستان میں حکومت کے اقدامات کی بدولت کوئی نمایاں اثرات مشاہدے میں نہیں آئے۔ معاشی بحالی کا جو سفر 2020 میں شروع ہوا تھا وہ 2021 میں بھی جاری رہا مگر چیلنجز سیاسی ماحول، روپیہ کی قدر میں گراؤ اور خام مال کی قیمتوں میں اضافے نے ترقی کی راہ میں رکاوٹیں کھڑی کیں۔

آئی ایم ایف کے ساتھ کامیاب مذاکرات، پارلیمنٹ سے فنڈنگ اور سٹیٹ بینک ترقیاتی بلوں کی منظوری اور ہمسایہ ممالک سے مالی تعاون کی بدولت ملک میں معاشی استحکام آیا۔ فی الوقت پاکستان کی گراس ڈومیسٹک پراڈکٹ کی شرح 4 فیصد تک رہنے کی توقع ہے۔

رفان بورڈ اور انتظامیہ نے سال 2021 میں کرنا سے متعلقہ تمام تعلقاتی اقدامات پر عملدرآمد اور صارفین کو بااختصاص رسید یقینی بنا کر کاروباری امور کامیابی سے سرانجام دیئے۔ سٹریٹجک پلاننگ، فنڈنگ، کارپوریٹ گورننس، لیگل اور ایڈمنسٹریشن کے مرکزی شعبوں میں وسیع تجربہ کے حامل بورڈ نے کمپنی کے معاملات میں موثر راہنمائی کا عمل جاری رکھا۔ سال کے دوران بورڈ نے کئی مینجنگز کا انعقاد، کاروباری امور کا تسلسل سے جائزہ اور وبا کے دوران کاروبار کی کامیابی کیلئے پیچیدہ شعبوں میں انتظامیہ کو ترقیاتی مشورے دیئے۔ بورڈ نے کارپوریٹ ایڈمنسٹریشن پر ورگ فریم ورک کی ذمہ داری سے بخوبی آگاہی، کمپنی کے بنیادی مقاصد میں کامیابی کے اپنے سٹریٹجک کردار سے واقفیت اور شیئر ہولڈرز کیلئے زیادہ منافع پر توجہ برقرار رکھی۔

مجھے یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ سال کے دوران بورڈ کی کارکردگی اعلیٰ ترین رہی جو کمپنی کی راہنمائی کیلئے موثر ثابت ہوئی۔ کمپنی اس سال 18.8 فیصد اضافے کے ساتھ 40 بلین روپے کا ہدف عبور کر کے 42.6 بلین روپے کی بلز حاصل کرنے میں کامیاب رہی۔ کمپنی نے 24.2 فیصد گراس پرافٹ مارجن کے ساتھ 6.3 بلین روپے خالص منافع کمایا۔

ہم پر اہتمام ہیں کہ ہمارا کاروبار موجودہ کاروباری چیلنجز سے نبرد آزما رہے کیلئے پوری طرح تیار ہے۔ ہم دیر پا ترقی کیلئے مختلف اقدامات اٹھانے کا سلسلہ جاری رکھیں گے اور کامیابیوں کی نئی بلندی کو چھونے، سٹریٹجک توسیع پر عملدرآمد اور، شیئر ہولڈرز کیلئے منافع اور کمپنی کی مجموعی کارکردگی میں بہتری کیلئے درپیش چیلنجز کا مقابلہ کریں گے۔

میں بورڈ کے تمام ممبران کی جانب سے مسلسل راہنمائی اور تعاون پر ان کا شکر گزار ہوں اور سال 2021 کے دوران ایک بار پھر شاندار کارکردگی یقینی بنانے میں انتظامیہ کے کردار کو سراہتا ہوں۔

DIRECTORS' PROFILE



Pierre Perez y Landazuri

Chairman
Non-Executive Director

He joined the Board of Rafhan Maize as Chairman on August 12, 2016. He is also a member of the Board's Human Resource and Remuneration Committee and represents Ingredion Incorporated, the parent company, on the Board. At Ingredion Incorporated, he is Senior Vice President, Corporate Strategy, Specialty and President, EMEA since January 1, 2021. He is also a member of Ingredion Incorporated Executive Leadership Team.

He holds Master's Degree in Chemical Engineering from the Chimie Paris Tech, Paris, France.

Office Address

Ingredion Incorporated, 5 Westbrook Corporate Center, Westchester, IL 60154, U.S.A.



James D. Gray

Non-Executive Director

He joined the Board of Rafhan Maize on July 4, 2017. He is also a member of the Board's Audit Committee. He represents Ingredion Incorporated, the parent company, on the Board. At Ingredion Incorporated, he is Executive Vice President and Chief Financial Officer since March 1, 2017. Prior to that, he served as Vice President, Corporate Finance and Planning, North America from 2014 to March 1, 2017. He is also a member of Ingredion Incorporated Executive Leadership Team. Prior to joining Ingredion Incorporated, he worked for PepsiCo in several positions, including Chief Financial Officer, Gatorade and Propel Business; Vice President, Franchise Business; and Vice President, Merger Transformation.

Mr. Gray holds a Bachelor's Degree in Business Administration from the University of California, Berkeley and graduated with distinction with a Master's Degree in Business Administration from the Kellogg School of Management, Northwestern University in Evanston, Illinois.

Office Address

Ingredion Incorporated, 5 Westbrook Corporate Center, Westchester, IL 60154, U.S.A.



Tanya Jaeger de Foras

Non-Executive Director

Ms. Tanya joined Board of Rafhan Maize on February 18, 2022. She represents Ingredion Incorporated, the parent company, on the Board. At Ingredion, she is Chief Legal Officer, Corporate Secretary and Chief Compliance Officer and a member of Its Executive Leadership Team. Tanya has a wealth of diverse legal and international experience, having held senior-level leadership roles with major multinational companies, including Pfizer Inc, Luxottica SpA, and most recently Whirlpool Corporation. Over her long legal career, Tanya has worked in a wide range of industries, including consumer durables, pharma, healthcare, and retail and luxury goods. She has more than 20 years of experience serving on global, regional, and functional leadership teams managing legal projects and issues in the United States, Canada, EMEA, Asia, and Latin America, while being based in the United States or Europe at different times in her career.

Prior to her career in corporate law, Tanya worked for four years with the well-recognized law firm Sullivan & Cromwell in both New York and Paris, as well as having served as a litigation paralegal before law school. Tanya has a Bachelor's degree in Foreign Service from Georgetown University and a Doctorate in law from Harvard Law School.

Office Address

Ingredion Incorporated, 5 Westbrook Corporate Center, Westchester, IL 60154, U.S.A.



Michael Fergus O'Riordan

Non-Executive Director

He joined the Board of Rafhan Maize on March 3, 2021 and represents Ingredion Incorporated, the parent company. At Ingredion Incorporated, he is the Regional President, EMEA and has responsibility for the growth and commercial success of the business in Pakistan, Europe, Middle East, and Africa. Prior to 2021, he was based in the USA leading different strategic, acquisition integration, and specialty growth assignments.

He holds a Master's Degree in Chemical and Process Engineering from Newcastle University in the UK; and a Master's Degree in Business Administration from the Maastricht School of Management in the Netherlands and Washington D.C. University in the USA.

Office Address

Ingredion Germany GmbH, Gruner Deich-110, Hamburg-20097, Germany.



Usman Qayyum

Chief Executive & Managing Director
Executive Director

He joined the Board of Rafhan Maize on March 31, 2016. In Rafhan Maize, he started his career as Director, Business Development and Specialty on January 01, 2015 and promoted as Chief Operating Officer on December 01, 2015.

He is also a member of the Board's Human Resource & Remuneration Committee and Chairman Shares Transfer Committee.

He holds a Master's Degree in Business Administration from the Institute of Business Administration at the University of the Punjab, Lahore. He also holds a Bachelor's Degree in Electrical Engineering from the University of Engineering and Technology, Lahore.

Office Address

Rafhan Maize Products Co. Limited.,
Rakh Canal East Road,
Faisalabad.



Adil Saeed Khan

Executive Director

He joined the Board of Rafhan Maize on August 23, 2021. He is an ACA with over 14 years of experience in diversified business disciplines. Presently he is holding the position of Chief Financial Officer of the Company.

He is also a member of the Board's Shares Transfer Committee.

Office Address

Rafhan Maize Products Co. Limited.,
Rakh Canal East Road,
Faisalabad.



Zulfikar Mannoo

Non-Executive Director

He joined the Board of Rafhan Maize in 1990. He is alumnus of The Wharton School, University of Pennsylvania and Aitchison College, Lahore. He is also a member of the Board's Audit Committee. He represents minority shareholders on the Board.

He also holds directorship of Unilever Pakistan Foods Ltd. and is a member of both the Audit and Human Resource & Remuneration Committees. He also holds directorship (Independent) of Maple Leaf Cement Factory Ltd. Additionally, he is the Chief Executive of Pakwest Industries (Pvt.) Ltd., an artificial leather manufacturing business.

Office Address

Pakwest Industries (Pvt.) Ltd.,
1st Floor, Ghani Chambers,
Patiala Ground, Link McLeod Road,
Lahore.



Mian M. Adil Mannoo

Non-Executive Director

He joined the Board of Rafhan Maize in 1985. He is graduate and alumnus of Aitchison College, Lahore. He is engaged in textile business for the last 29 years. He is also a member of the Board's Human Resource & Remuneration Committee. He represents minority shareholders on the Board.

He also holds directorship of Unilever Pakistan Foods Ltd. and is also a member of the Board's Audit Committee.

Office Address

H.N. Enterprises
Rakh Canal East Road,
Opp: Rafhan Maize Products Co.
Limited.,
Faisalabad.

DIRECTORS' PROFILE



Wisal A. Mannoo

Non-Executive Director

He joined the Board of Rafhan Maize in 2006. He is an alumnus of Syracuse University and Aitchison College, Lahore. He has been active in the textiles industry for the last 41 years. He is also a member of the Board's Operations Committee. He represents minority shareholders on the Board.

He is also a Member of Executive Committee of All Pakistan Textile Mills Association (APTMA).

Office Address

Wisal Kamal Fabrics,
11E-2, Main Gulberg,
Lahore.



Tahir Jawaid

Independent & Non-Executive Director

Mr. Tahir joined the Board of Rafhan Maize on September 07, 2018. He is the Chairman of the Board's Human Resource and Remuneration Committee. An engineer by profession, Tahir Jawaid has over 35 years of experience and expertise in Fertilizer, Petrochemical, Technology & Power Sector.

Currently, working as consultant for a Global HR Consulting firm August Leadership to develop Capacity & Capability in operations organization to support partners across various geographies. Involved with various academic Institutions namely, IOBM, Habib University, The Hunar Foundation & Pakistan Society for Training & Development for guidance on Industry & Academia linkages.

During his professional career, he held key roles in Management of HR, Project Development, O&M, Planning, Materials Warehouse Management, Maintenance Management Systems & Technology based solutions. Extensive board & board committees experience in public & private companies.

Mr. Jawaid obtained MS in Industrial Engineering from the University of Houston, USA, and BS in Mechanical Engineering from the University of Engineering & Technology, Pakistan.

Address

House No. 94/2 Khayaban e Muslim,
Off 29th Street, DHA Phase 6,
Karachi.



Waqar Ahmad Malik

Independent & Non-Executive Director

Mr. Malik Joined the Rafhan Board on August 23, 2021. He is a fellow of the Institute of Chartered Accountants in England and Wales and is also an alumnus of the Harvard Business School and INSEAD.

Presently, Mr. Waqar Ahmed Malik is engaged with Fauji Foundation as Managing Director and Chief Executive Officer since 9th April 2020.

Earlier, his career with The ICI Plc Group based in the UK spanned over 27 years and then later with Akzo Nobel N.V. based in The Netherlands. For nearly 10 years, he served as the Chief Executive Officer of ICI Pakistan Limited and also the Chief Executive Officer and Chairman of Lotte Pakistan Limited (formerly Pakistan PTA Limited).

Earlier, Mr. Malik also served on the following prestigious boards as Non-Executive & Independent Director: Pakistan Petroleum Limited, Engro Corporation Limited, Standard Chartered Bank Pakistan Limited, Engro Polymer and Chemicals Limited and TPL Insurance Limited.

He has been playing an instrumental role in development of Pakistan's Regulatory System as well as for the advocacy to undertake economic reforms.

Mr. Malik is also a member of the visiting faculty of Pakistan Institute of Corporate Governance, Former Member of Board of Governors of Lahore University of Management Science (LUMS) and Former Member of Board of Indus Valley School of Arts. He participated actively in social and philanthropic activities through I - Care Foundation, as a Trustee.

Office Address

Fauji Foundation Head Office, 68 Tipu Road,
Chaklala Rawalpindi, Pakistan-46000

LEADERSHIP TEAM



Mustafa Kamal Zuberi

Chief Legal Officer & Company Secretary

Mustafa leads the Legal function in Pakistan and looks after the Legal, Corporate Affairs, Ethics & Compliance and Corporate secretarial matters. He also serves as Secretary to the Raffhan Maize Board of Directors. As a member of the Pakistan Leadership Team, he is actively involved in strategic decision making and helps guide the affiliate on robust and pragmatic implementation & compliance with laws. One of his key strengths is his strong belief in Ingredion's value-based decision-making process and his efforts to cultivate an environment of trust, honesty and transparency. Mustafa joined the Company in August 2020. Previously, he has worked in Philip Morris, Pakistan Business Council and other notable organizations. He holds a degree in law from United Kingdom.



Adil Saeed Khan

Chief Financial Officer

Adil leads the Finance function and acts as a strategic business partner to the CEO, whilst maintaining a view of organization's financial position, opportunities for growth and the competitive landscape. Adil leads and integrates annual operating plan, strategy and capital allocation decisions. His key strengths include his attention to detail and continuous efforts towards professional as well as personal development of his team and people around him. Adil joined Raffhan Maize in August 2021, he comes with a diverse experience of more than 18 years in audit firm as well as industry. Previously, he has worked with Reckitt Benckiser Pakistan, Tri-Pack Films Ltd., Castrol Pakistan Pvt. Ltd and PricewaterhouseCoopers (PwC). He is a qualified Associate Chartered Accountant (ACA) from Institute of Chartered Accountants of Pakistan (ICAP).



Muhammad Saeed Akhtar

Director Operations & EHS

Saeed leads the manufacturing activities of all sites in Pakistan. He also oversees the maintenance, engineering, continuous improvement, process optimization and warehousing functions of the Pakistan business. Saeed is responsible for capex proposals' development and their execution within the agreed timeframe and framework. He is also responsible for developing, communicating and implementing the safety strategy in Pakistan, in alignment with corporate and regional standards and guidelines. He is actively involved in strategic decision making, anticipating technological and engineering changes in the marketplace. Saeed joined the company in 2011 and he previously held leadership roles in Sitara Chemicals Industries Ltd, Olympia Chemical Ltd, and Dawood Hercules Chemicals Ltd. Saeed holds both master's and bachelor's degrees in chemical engineering from UET Lahore, Pakistan.



Imran Latif Rawn

Director Human Resources

Imran leads the Human Resources function at Rafhan Maize, to translate business strategies into people strategies. His key strengths are supporting high performance teams, engaging & inspiring at all levels, driving innovation & change, and driving for results while leveraging risks & opportunities. Imran has a high level of expertise in talent management, organization development, re-engineering of HR processes and employee relations. Imran joined Ingredion in 2018 as Director Human Resources and comes with a rich experience of working in strategic Human Resources with MNCs & conglomerates such as British American Tobacco, Pakistan Remy Ltd., Engro Eximp and K&N's foods. He holds a Master's degree in Economics and also a Master's degree in Business Administration.



Farhan Ahmad Malik

Director Industrial Business

Farhan leads the Industrial business at Rafhan Maize, looking after the Textile, Paper and Corrugation whilst developing other segments in the industry such as Beauty & Care. He is known for his team building skills enabling a competitive yet friendly work environment for his team, to energize & fuel them with more positivity. Farhan joined Rafhan Maize in 2020 and has previously worked for more than 20 years in B2B business management in Pakistan as well as Middle East. He brings along an exceptional working experience of MNCs such as Shell Lubricants, Tetra Pak & Sherwin Williams Paints. He has done his Bachelors in Mechanical Engineering from University of Engineering & Technology (UET), Lahore and his master's in Business Administration from Lahore University of Management Sciences (LUMS).



Sheraz Khan

Director Foods Business

Sheraz leads the food and pharma businesses from a commercial perspective. His mandate is to grow the specialty business aggressively while sustaining the core business. His key tools to deliver this are great talent and teams, leveraging technology and digitization, customer service focus and unleashing the creativity of people. He has rich international experiences across Asia - Pacific having worked in Hong Kong, Indonesia, Cambodia and South Korea. He has previously worked for 20 years with British-American Tobacco. Recently he has worked as Chief Operating Officer of a cereal business followed by Business Unit Head – Food for a quick-commerce start-up. He holds a Bachelor's degree in Chemical Engineering and a Master of Business Administration. He completed INSEAD's Business Excellence for Leaders. He is known for developing, coaching and mentoring people and building high-performing teams.



Ahsan Ahmad

Senior Manager Textile Business

Ahsan leads the Textile & Animal Nutrition Business in Pakistan and is responsible to create and execute strategic sales plans, influencing team dynamics & performance, overseeing product introduction & pricing, product line profitability and mobilizing the distribution channels. He is also responsible for providing strong foundation for future business development and growth in the market, functional management, and leadership of all the sales activities and progressively protecting share of sales of the company in domestic market. Ahsan joined the company as Management Trainee in 1999 and over the course of 22 years with Rafhan, he worked at various positions with increasing responsibilities and strong contribution in the company business. He holds master's of Business Administration in Marketing and Bachelor's degree in commerce (B.Com) from Punjab University, Lahore, Pakistan.

FORWARD LOOKING STATEMENTS

This Annual Report contains or may contain forward-looking statements. The Company intends these forward-looking statements to be covered by the safe harbor provisions for such statements. These statements include among other things any statement regarding the Company's prospects or future financial condition, earnings, revenues, tax rates, capital expenditures, expenses or other financial items, any statements concerning the Company's prospects or future operations, including management's plans or strategies and objectives therefore and any assumptions, expectations or beliefs underlying the foregoing. These statements can sometimes be identified by the use of forward-looking words such as "may," "will," "should," "anticipate," "believe," "plan," "project," "estimate," "expect," "intend," "continue," "proforma," "forecast" or other similar expressions or the "negative" thereof. All statements other than statements of historical facts in this report or referred to in or incorporated by reference into this report are "forward-looking statements." These statements are based on current expectations, but are subject to certain inherent risks and uncertainties, many of which are difficult to predict and are beyond our control. Although we believe our expectations reflected in these forward-looking statements are based on reasonable assumptions, stakeholders are cautioned that no assurance can be given that our expectations will prove correct.

Actual results and developments may differ materially from the expectations expressed in or implied by these statements, based on various factors, including the effects of global economic conditions, and their impact on our sales volumes and pricing of our products, our ability to collect our receivables from customers; fluctuations in markets for corn and other commodities, cheaper import price of starches and sweeteners, fluctuations in the markets and prices for our co-products, particularly corn oil and Feed; fluctuations in aggregate industry supply and market demand; the behavior of financial markets, including foreign currency fluctuations and fluctuations in interest and exchange rates; the commercial and consumer credit environment; general political, economic, business, market and weather conditions in the various geographic regions within Pakistan and in countries in which we sell our products; future financial performance of major industries which we serve, including, without limitation, the food and beverage, pharmaceuticals, paper, corrugated, textile and brewing industries; energy costs and availability, freight and shipping costs, and changes in regulatory controls regarding tariffs, duties, taxes and income tax rates; operating difficulties; availability of raw materials, including specific varieties of corn upon which our products are based; energy issues in Pakistan; our ability to effectively integrate and operate businesses; our ability to achieve budgets; our ability to complete planned maintenance and investment projects successfully and on budget; genetic and biotechnology issues; changing consumption preferences including those relating to liquid glucose; increased competitive and/or customer pressure in the starch processing industry; and the outbreak of pandemic or disease or continuation of serious communicable disease or hostilities including acts of terrorism.

Our forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update any forward-looking statements to reflect events or circumstances after the date of the statement as a result of new information or future events or developments. If we do update or correct one or more of these statements, investors and others should not conclude that we will make additional updates or corrections.

BUSINESS REVIEW

Rafhan Maize is the largest Corn refiner in the country and has positioned itself as the supplier of first choice for many consuming industries in Pakistan. The diverse and balanced range of segments we serve is an important part of our strength and success. At Rafhan Maize, our customers satisfaction is the driving force behind our spirit to meet challenges and achieve excellence in whatever we do, our long-term relationship with our customer is an asset to us.

As the leading corn refiner of Pakistan, Rafhan is making all efforts to enhance its business profile with an aim to further build customer confidence and its offerings. In-fact, across our momentous history, we have not only enhanced our core competencies but have also ventured into diversification of product portfolio. We practically touch every life in the country one way or the other and this growth is the essence of our corporate vision. Our product portfolio covers a broad range of product categories, serving to the many consuming segments in the Textiles, Confectionery, Processed Food, Dairy, Ice Cream, Beverages, Pharmaceuticals, Paper, Corrugation, Baking, Chemicals, Edible Oils, Poultry, Livestock, Aquaculture, and many other industries.

We strive for diversification to deliver our leading role in the industrial and agricultural advancement of the country.

Rafhan will continue to maintain the leadership positions and grow our business by ensuring a deeper understanding of customers, respond to market dynamics and build on our competitive strengths. This confidence is based on our image and reputation as suppliers of quality products and services since the past 68 years. Our focus & aim is to continue being the first choice of our valued customers, understand their needs and respond to their expectations rapidly and effectively.



FINANCIAL HIGHLIGHTS



3%

Growth in Earning Per Share



4%

Growth in Sales Volumes



19%

Growth in Revenue



PKR 6.26

Billion Net Income



PKR 7 Bn above

Contributed to National Exchequer



103.33%

Profit Payout to Shareholders

DIRECTORS' REPORT

Dear Shareholders,

We, on behalf of the Board of Directors, are pleased to present the Annual Report and the audited Financial Statements for the financial year ended December 31, 2021.

Rafhan Maize continue to remain the supplier of choice for our customers. This is evident from the good results we have this year. Sales revenue grew by 19%; both volumes and pricing contributed positively to revenue growth. Net income, on the other hand, crossed the PKR 6 billion landmark and grew by 3% against last year. Results were driven behind improvement in all the business segments, strengthening of our market position by sharpening focus on customer needs, exploring new growth opportunities and expanded customer reach. The other key indicators are presented below:

Financial Results

Profit and Appropriations

		Year ended December 31	
		2021	2020
		Rupees in Thousand	
Profit after taxation		6,257,323	6,094,231
Actuarial gains/(losses) of employees' retirement benefits		(42,918)	50,786
Un-appropriated profit brought forward		16,000,523	14,473,720
		22,214,928	20,618,737
Appropriations			
Final Dividend 2020 @2500%	(2019: @2000%)	2,309,107	1,847,286
1 st Interim Dividend 2021 @1500%	(2020: @1500%)	1,385,464	1,385,464
2 nd Interim Dividend 2021 @1500%	(2020: @1500%)	1,385,464	1,385,464
3 rd Interim Dividend 2021 @1500%		1,385,464	-
		6,465,499	4,618,214
Un-appropriated Profit Carried Forward		15,749,429	16,000,523
Earnings per Share (Rupees)		677.46	659.80

Business Review

High inflation rate, hike in utilities prices along with depressed demand continued to pose challenges for the industrial production including Textile industry which is the backbone of Pakistan's economy and our business. Despite the challenges the Textile sector performed better due to increased export opportunities mainly in Europe and America, however, tough domestic business environment, increasing cotton prices and emerging global supply chain crises posing serious threats.

Paper and Corrugation demand in Pakistan has shown significant growth in domestic and industrial consumption. Large investments have been made in this sector to enhance the domestic capacities to meet the growing appetites. The Company continued to maintain its competitive edge by virtue of being a local manufacturer and major supplier for the domestic industries with short delivery times, consistent quality, and excellent customer services.

The Food Ingredients Business, despite inflationary trends, managed to maintain its sales volumes. Demand for liquid glucose, dextrose and food grade starches

remained stable. Steady demand of liquid glucose was noted from confectionery industry also supported by high and volatile sugar prices. We are working closely with our customers in food segments, committed to provide them high quality innovative products that are creating value addition for them.

Animal nutrition ingredients segments continued to perform better and contributed positively in Company's performance. Demand from all consuming segments, poultry, livestock and aquaculture remained high mainly due to higher prices of other feed substitute ingredients.

We are working continuously to explore new opportunities in domestic as well as export markets. Rafhan Maize has appraised to transform itself by strengthening core businesses while further enhancing capabilities for new specialty food business. We believe that there are substantial opportunities available for us especially in international and domestic markets and we are well equipped to capitalize them.

Operations

Rafhan is committed to enhance its operational capabilities to meet and capitalizing the growth capabilities. We are continuously making investments to enhance human and operational capabilities, adopting new technologies to improve efficiency while lowering production cost. The main focus of operation team has been on resource optimization while adopting best practices on manufacturing processes. Moreover, environment protection is one of KPI in EHS and focus is mainly around minimizing and saving water, reducing CO2 and making the working conditions safe & secure for each team member. Considering our value "Be-Preferred" we emphasized to harmonize and integrate the activities of employees, vendors and contractors to fulfill the requirements of our customers. The goal is to exceed the expectations of our internal and external customers which is reflected in stable business growth and good return for shareholders.

The key operational excellences achieved are as follows:

- a) In the challenging period of pandemic, optimum utilization of plant resources was ensured for continuous supplies to valued customers. That helped us in winning the confidence of the customer impeccably align value 'Be preferred'
- b) Through Continuous Improvement initiatives, saving of around PKR 510 million achieved. The aforesaid initiatives include, diverse cost saving projects, process optimization, energy conservation, chemical consumption optimization, productivity enhancement.
- c) Successfully optimized resources by bringing down 5 tiers to 4 tiers for robust control, effective management and strengthening of reporting system with new performance tools and shop floor coaching for active supervisory behaviors. Thus, new ways of working enabled us to rationalize significant operating cost and realizing PKR 154 million savings.
- d) Operational team ensured strong controls by attaining in process and operational parameters, and as a result delivered highest ever First Pass Compliance.
- e) New high worth products were successfully established, produced, and supplied to our valued customer which is perfectly align with our value 'Innovate Boldly'.
- f) To meet our environmental commitments and pledge to adjacent vicinity, wastewater treatment plants are operational in all three plants complying with NEQs limits
- g) Capital investments were planned in such a way that every rupee spent added value to products and processes and made them safe, environment friendly and valuable for the customers.
- h) Being a socially responsible organization, several initiatives were taken to reduce carbon dioxide emission and water consumption.

Safety, Health and Environment

Believe in our "Care First" value, well-being of our employees, contractors and visitors is our priority. 2021 was specially a tough year with respect to safety owing to the COVID-19 pandemic. We took several effective steps and precautionary measures to safeguard our workforce and continuity of operations. Our timely actions enabled our colleagues to perform the work prudently and return home safely. These preventive measures were based on local and global guidelines. We launched vaccination incentive scheme and 99.5% of our employees and contractors got fully vaccinated.

We have worked hard to embed the true safety culture in our workforce which helped a lot for continuous and sustained manufacturing activities. We have developed PPE mapping for our plant areas. This mapping is based on level-1 and level-2 PPEs based on activity and hazards prevention. Trained people on the latest EHS standards and guidelines prevailing around the globe.

It is our utmost priority to operate in healthy and clean environment. We are continuously monitoring our water usage and carbon footprint and have initiated steps for waste minimization, energy efficiency, and growth in green areas.

Communities uplift is as important as doing a business. We have performed several activities for the welfare of people. Substantial amount of money has been contributed for the purpose.

Corporate Social Responsibility

Rafhan Maize is a socially responsible organization and aims to contribute to social uplifting of the people by deploying programs that provide empowerment to the community in the fields of health, education, gender equality, environment, and community development. This year our focus was provision of good quality health care for women and children in our surrounding rural communities. Moving forward, we plan to increase our effort towards achieving the United Nations Sustainable Development Goals (UNSDGs) and deploy programs that have increased impact on the community

Business Risks, Challenges and Future Projects

After ease in Covid scenario the world economies have started to revive. Pakistan economy is also in recovery phase and there is growth in industrial and agriculture output. In line with Ingredion philosophy, Rafhan is committed to maintain its standards of excellence in product safety, quality and providing value added services to its customers. Devaluation, commodity inflation and utility price hike can impact profit margins massively. We believe consistent and sustainable efforts by the Government are required to check the expanding illicit sector for providing a level playing field for the tax paying/organized sector. Moving forward we would like to see definitive steps from the Government to counter the illicit sector thus enhancing the governments revenue stream and protecting the consumers.

The Company is determined to keep pace and focused to overcome challenges by improving its operating results, thus, leading to significant value addition for the stakeholders. Rafhan will continue to maintain its position and will grow business by ensuring a deeper understanding of customers, respond to market dynamics and build on our competitive strengths. This confidence is based on our historical performance and reputation as suppliers of quality products and services.

We will continue to make investment in capability, process efficiencies, and capacity enhancement to meet fast changing market dynamics and customer demand. We will continue to work towards implementing cost saving projects to govern and integrate a culture of continuous improvement and value enhancement in all business units. The focus would be around cost control, process optimization, innovative value addition, volume growth, price rationalization and efficient working capital management.

The Company will continue to take proactive measures to mitigate potential risks and cope with challenges to Company's profitability arising from the current economic climate. We shall continue to embark upon various initiatives to sustain growth and withstand challenges to achieve greater heights, pursue strategic expansion and improve shareholders value and overall performance of the Company.

Corporate Governance

Your Company is fully abreast of all standards and requirements of corporate governance. The Directors are pleased to state that your Company is fully compliant with the Code of Corporate Governance (Regulations), 2019. The statement of compliance with Code of Corporate Governance is reproduced on Page No 58.

Disclosures under Code of Corporate Governance

Corporate and Financial Reporting Framework:

- (a) The financial statements, prepared by the management of the listed Company, present its state of affairs fairly, gives a true and fair view of the result of its operations, cash flows and changes in equity.
- (b) Proper books of accounts of the listed Company have been maintained. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

- (c) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained.
- (d) The system of internal control is sound in design and has been effectively implemented and monitored; and
- (e) There are no significant doubts upon the listed Company's ability to continue as a going concern.

Key operating and financial data of last six years are as follows:

		2021	2020	2019	2018	2017	2016
				Restated			
Net Sales	PKR Million	42,610	35,873	35,261	29,564	26,018	25,298
Cost of Sales	PKR Million	32,291	26,091	26,289	21,631	18,593	18,345
Gross Profit	PKR Million	10,318	9,782	8,972	7,933	7,425	6,952
% of Sales	%	24	27	25	27	29	28
Operating Profit	PKR Million	8,987	8,519	7,750	6,811	6,067	5,725
% of Sales	%	21	24	22	23	23	23
Profit Before Tax	PKR Million	8,941	8,473	7,726	6,785	6,051	5,707
Profit After Tax	PKR Million	6,257	6,094	5,444	4,772	4,392	3,879
Earnings per Share	PKR	677.46	659.80	589.36	516.62	475.54	420.01
Dividend Amount	PKR Million	6,465	4,618	3,925	3,925	5,080	2,679
Dividend Percentage	%	7000	5000	4,250	4,250	5,500	2,900
Capital Expenditure	PKR Million	516	349	314	196	742	870

Resource Management

Year 2021 was challenging with respect to high inflation rate, especially, reopening after lockdown, the prices of almost all commodities were on higher side. In this critical situation Agri-Business team organized all available corn procurement channels efficiently and effectively.

Agri-Business team continuously conducted awareness sessions about COVID-19 in the grain markets and fields. We also arranged vaccination of Covid-19 for arhties (middleman)/ shopkeepers and labor in coordination with Government of Punjab in Gojra grain market.

Maize buying agents were also urged to arrange clean drinking water and shade to protect the labor from severity of hot weather.

On sustainability side, significant headway was made progressing our initiative to develop and commercialize biocontrol technique to control aflatoxin in maize. Our field trials have shown very encouraging results and we are in the process of getting regulatory approval for the commercialization of this technique in the larger interest of our agriculture community.

Investment

Rafhan is pursuing investment plans for expansions, sustainability, cost savings and diversification in line with our strategic blueprint. The Company has a number of capital projects under execution to attain our strategic ambitions. We pledge our strong commitment to serve our customers by investing in capacity building, quality, energy efficiency, innovations, and new technologies.

Investment Value of Employees Retirement Funds:

Rafhan Maize values its employees. The Company maintains three retirement plans: one defined contribution plan (Provident Fund) and two defined benefit plans (Gratuity and Superannuation). The Company has established a trust for each fund and the Board of Trustees is responsible to manage the affairs of the funds. All the three plans are fully funded and total investment in the funds is:

		2021	2020
		Rupees in Thousand	
Provident Fund	As at June 30	1,179,002	1,124,962
Gratuity Fund	As at December 31	953,969	871,865
Superannuation Fund	As at December 31	756,205	712,325

Board of Directors

The Board is composed of eleven members as per following details:

Total Number of Directors	11
Male	10
Female	1

Composition

Independent Directors	2
Other Non-Executive Directors	7
Executive Directors	2

The Chairman of the Board is a non-executive director. All the current Board members are listed in the Company Information. All the directors have obtained certification (except 3 newly elected directors) as encouraged under the provisions of Listed Companies (Code of Corporate Governance) Regulations, 2019

Attendance at Board Meetings

During the year, six meetings of the Board of Directors were held. All the meetings were conducted through video link. Attendance of Directors at the meetings was as under:

Name of Director	Director Type	Meetings attended
Pierre Perez y Landazuri (Chairman)	Non-Executive Director	6
Usman Qayyum	Executive Director	6
James D. Gray	Non-Executive Director	6
Janet M. Bawcom (Resigned on 01-07-2021)	Non-Executive & Female Director	3
Lori Arnold (Joined the Board on 07-09-2021)	Non-Executive & Female Director	1
Michael Fergus O'Riordan (Joined the Board on 03-03-2021)	Non-Executive Director	6
Zulfikar Mannoo	Non-Executive Director	6
Mian M. Adil Mannoo	Non-Executive Director	6
Wisal A. Mannoo	Non-Executive Director	6
Muhammad Asdaf (Resigned on 30-06-2021)	Executive Director	1
Adil Saeed Khan (Joined the Board on 23-08-2021)	Executive Director	3
Waqar Ahmad Malik (Joined the Board on 23-08-2021)	Independent Director	3
Tahir Jawaid	Independent Director	6

Remuneration Policy of Non-executive directors including Independent directors:

Non-executive directors and independent directors are paid fee for attending the meetings. The level of remunerations is appropriate and commensurate with the level of responsibility and expertise to govern the Company successfully and ensure value addition.

Transactions in Company's Shares

Directors, Executives, their spouses and minor children have made no transactions in the Company's shares during the year except as stated below:

		No. of shares gifted	No. of shares received
Mian M. Adil Mannoo	Director	5000	
Humaira Monnoo	Spouse of Director		5000

Parent Company

Ingredion Incorporated, USA is holding majority shares of the Company.

Auditors

The retiring auditors, Messrs KPMG Taseer Hadi & Co., Chartered Accountants, being eligible, offer themselves for re-appointment. The Board of Directors, on

recommendations of the Audit Committee, has proposed appointment of Messrs KPMG Taseer Hadi & Co., Chartered Accountants for the year 2022.

Audit Committee

The Board of Directors have established an Audit Committee in compliance with the Code of Corporate Governance (Regulations), 2019 comprising of five Board members. Four meetings of the Audit Committee were held during the year and attended as under –

Name of Director	Role in Committee	Director Type	Meetings attended
Tabish Gauhar (resigned on 10-02-2021)	Chairman	Independent Director	0
Waqar Ahmed Malik (Joined the Board on 23-08-2021)	Chairman	Independent Director	1
Zulfikar Mannoo	As Acting Chairman	Non-Executive Director	3
Zulfikar Mannoo	Member	Non-Executive Director	1
Janet M. Bawcom (Resigned on 01-07-2021)	Member	Non-Executive Director	2
Lori Arnold (Joined the Board on 07-09-2021)	Member	Non-Executive Director	1
James D. Gray	Member	Non-Executive Director	4
Marcel Hergett (resigned on 01-03-2021)	Member	Non-Executive Director	1
Michael Fergus O'Riordan (Joined the Board on 03-03-2021)	Member	Non-Executive Director	3

Human Resource & Remuneration Committee

The Board of Directors have established a Human Resource & Remuneration Committee comprising of following five Board members. During the year, four meetings of the Committee were held and attended as under –

Name of Director	Role in Committee	Director Type	Meetings attended
Tahir Jawaid	Chairman	Independent Director	4
Pierre Perez y Landazuri	Member	Non-Executive Director	4
Usman Qayyum	Member	Executive Director	4
Janet Merritt Bawcom (Resigned on July 1, 2021)	Member	Non-Executive Director	3
Lori Arnold (Joined the Board on Sep. 7, 2021)	Member	Non-Executive Director	0
Zulfikar Mannoo (ceased to be member on Sep. 7, 2021)	Member	Non-Executive Director	4
Mian M. Adil Mannoo (appointed member on Sep. 7, 2021)	Member	Non-Executive Director	0

Operations Committee

The Board of Directors have established an Operation Committee comprising of following five Board members. During the year, one meeting of the Committee was held and attended as under –

Name of Director	Director Type	Meetings attended
Michael F. O'Riordan (Chairman)	Non-Executive Director	1
Lori Arnold	Non-Executive Director	1
Tahir Jawaid	Independent Director	1
Usman Qayyum	Executive Director	1
Wisal A. Mannoo	Non-Executive Director	1

Shares Transfer Committee

The Board of Directors have established a Shares Transfer Committee comprising of two Board members. Six meetings of the Shares Transfer Committee were held during the year and attended as under -

Name of Director	Role in Committee	Meetings Attended
Usman Qayyum	Chairman	6
Muhammad Asdaf (Resigned on 30-06-2021)	Member	4
Adil Saeed Khan (Joined the Board on 23-08-2021)	Member	2

The Committee met from time to time to consider and approve valid transfers and transmissions of shares or any business related thereto.

Pattern of Shareholding

Pattern of Shareholding as on December 31, 2021, according to requirements of Code of Corporate Governance (Regulations), 2019 and a statement reflecting distribution of shareholding appears at the end of this report.

Dividend

The Company has already paid three interim dividends @1,500% each. The Directors now propose a final dividend of 1,500% making the total 6,000% for the year.

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

By order of the Board



Adil Saeed Khan
Chief Financial Officer



Usman Qayyum
Chief Executive & Managing Director

February 25, 2022

ہیومن ریسورس اینڈری میوزیشن کمیٹی:

بورڈ آف ڈائریکٹرز نے بورڈ کے 5 ممبران پر مشتمل ہیومن ریسورس اینڈری میوزیشن کمیٹی قائم کی۔ سال کے دوران کمیٹی کے 14 اجلاس منعقد ہوئے اور ان میں شرکت درج ذیل رہی:

ڈائریکٹر کا نام	کمیٹی میں کردار	ڈائریکٹر ٹائپ	ذاتی طور پر/ بذریعہ ویڈیو لنک اجلاسوں میں شرکت
طاہر جاوید	چیئر مین	آزاد ڈائریکٹر	4
جیٹر جیرین وائی لینڈ اوری	ممبر	نان ایگزیکٹو ڈائریکٹر	4
عثمان قیوم	ممبر	ایگزیکٹو ڈائریکٹر	4
حبیبت ایم۔ باؤکوم (01-07-2021 کو مستعفی)	ممبر	نان ایگزیکٹو ڈائریکٹر	3
لوری آرملڈ (07-09-2021 کو بورڈ میں شمولیت)	ممبر	نان ایگزیکٹو ڈائریکٹر	0
ذوالفقار منوں (07 ستمبر 2021 سے بطور ممبر اختتام)	ممبر	نان ایگزیکٹو ڈائریکٹر	4
میاں ایم۔ عادل منوں (07 ستمبر 2021 کو بطور ممبر انتخاب)	ممبر	نان ایگزیکٹو ڈائریکٹر	0

منافع منقسمہ:

کمیٹی اب تک تین عبوری منافع منقسمہ بشرح 1,500 فیصد فی ادا کر چکی ہے۔ اب ڈائریکٹرز 1,500 فیصد کے حساب سے حتمی منافع منقسمہ تجویز کر رہے ہیں جس سے کل منافع منقسمہ برائے سال 6,000 فیصد ہو جائے گا۔

اللہ تعالیٰ ہمیں پیش آنے والی آزمائشوں سے سرفرد ہونے کی قوت عطا فرمائے، آمین۔۔۔



عثمان قیوم

چیف ایگزیکٹو ایگزیکٹو ڈائریکٹر



عادل سعید خان

چیف فنانشل آفیسر

25 فروری 2022

آپریٹنگ کمیٹی:

بورڈ آف ڈائریکٹرز نے 5 بورڈ ممبران پر مشتمل آپریٹنگ کمیٹی قائم کی ہے۔ سال کے دوران کمیٹی کی ایک میٹنگ منعقد ہوئی اور اس میں شرکت درج ذیل رہی:

ڈائریکٹر کا نام	ڈائریکٹر ٹائپ	ذاتی طور پر/ بذریعہ ویڈیو لنک اجلاسوں میں شرکت
مائیکل فرگوس اوری آرڈن (چیئر مین)	نان ایگزیکٹو ڈائریکٹر	1
لوری آرملڈ	نان ایگزیکٹو ڈائریکٹر	1
طاہر جاوید	آزاد ڈائریکٹر	1
عثمان قیوم	ایگزیکٹو ڈائریکٹر	1
وصال اے۔ منوں	نان ایگزیکٹو ڈائریکٹر	1

شیئر ڈرائنگ کمیٹی:

بورڈ آف ڈائریکٹرز نے بورڈ کے 2 ممبران پر مشتمل شیئر ڈرائنگ کمیٹی قائم کی ہے۔ سال کے دوران شیئر ڈرائنگ کمیٹی کے 16 اجلاس منعقد ہوئے اور اس میں حاضری درج ذیل رہی:

ڈائریکٹر کا نام	کمیٹی میں کردار	ذاتی طور پر/ بذریعہ ویڈیو لنک اجلاسوں میں شرکت
عثمان قیوم	چیئر مین	6
محمد اصف (30-06-2021 کو مستعفی)	ممبر	4
عادل سعید خان (23-08-2021 کو بورڈ میں شمولیت)	ممبر	2

کمیٹی وقتاً فوقتاً اجلاس طلب کرتی رہتی ہے تاکہ شیئرز کے کارآمد ڈرائنگ اور ڈرائنگ کمیشن یا ان سے متعلق امور پر غور و خوض اور اس کی منظوری دے سکے۔

شیئر ہولڈنگ کا طریقہ کار:

شیئر ہولڈنگ کا طریقہ کار بمطابق 31 دسمبر 2021 جو (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی شرائط کے مطابق اور شیئر ہولڈنگ کی تقسیم کے بارے میں انٹیمٹ اس رپورٹ کے آخر میں ظاہر کی گئی ہے۔

تفصیل

2	آزاد ڈائریکٹرز
7	نان ایگزیکٹو ڈائریکٹرز
2	ایگزیکٹو ڈائریکٹرز

بورڈ کے چیئرمین بھی نان ایگزیکٹو ڈائریکٹر ہیں۔ تمام موجودہ بورڈ ممبران کمپنی انفارمیشن میں لسٹڈ ہیں۔ تمام ڈائریکٹرز (ماسوائے 3 نئے منتخب ہونے والے ڈائریکٹرز) لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی شقوں کے تحت سرٹیفکیشن حاصل کر چکے ہیں۔

بورڈ کے اجلاسوں میں شرکت:

سال کے دوران بورڈ آف ڈائریکٹرز کے 16 اجلاس منعقد کیے گئے۔ تمام اجلاس وڈیولنک کے ذریعے منعقد کیے گئے۔ ان اجلاسوں میں ڈائریکٹرز کی شرکت درج ذیل رہی:

ڈائریکٹر کا نام	ڈائریکٹر ٹائپ	شرکت کردہ اجلاسوں کی تعداد
چیئرمین پروانہ لہندازوری (چیئرمین)	نان ایگزیکٹو ڈائریکٹر	6
عثمان قیوم	ایگزیکٹو ڈائریکٹر	6
جمیز ڈی۔ گرے	نان ایگزیکٹو ڈائریکٹر	6
حیدت ایم۔ باؤکوم (کو-ستیفی)	نان ایگزیکٹو اور خاتون ڈائریکٹر	3
لوری آر ہلڈ (کو-بورڈ میں شمولیت)	نان ایگزیکٹو اور خاتون ڈائریکٹر	1
مائیکل فرگوس اوری آرڈن (کو-بورڈ میں شمولیت)	نان ایگزیکٹو ڈائریکٹر	6
ذوالفقار منوں	نان ایگزیکٹو ڈائریکٹر	6
میاں ایم۔ عادل منوں	نان ایگزیکٹو ڈائریکٹر	6
وصال اے۔ منوں	نان ایگزیکٹو ڈائریکٹر	6
محمد اصف (کو-ستیفی)	ایگزیکٹو ڈائریکٹر	1
عادل سعید خان (کو-بورڈ میں شمولیت)	ایگزیکٹو ڈائریکٹر	3
وقار احمد خان (کو-بورڈ میں شمولیت)	آزاد ڈائریکٹرز	3
طاہر جاوید	آزاد ڈائریکٹرز	6

نان ایگزیکٹو ڈائریکٹرز بشمول آزاد ڈائریکٹرز کے معاوضے کی پالیسی:

نان ایگزیکٹو ڈائریکٹرز اور آزاد ڈائریکٹرز کو اجلاسوں میں شرکت کیلئے معاوضہ ادا کیا جاتا ہے۔ معاوضے کا حجم موزوں اور مدداری و مہارت کے پیمانے سے مطابقت رکھتا ہے تاکہ کمپنی کو کامیابی کے ساتھ چلائے جانے کے ساتھ اس کی قدر و قیمت میں بھی اضافے کو یقینی بنایا جائے۔

کمپنی کے شیئرز میں منتقلیاں:

ڈائریکٹرز، ایگزیکٹوز، ان کے شریک حیات اور نایالغ بچوں نے سال کے دوران کمپنی کے شیئرز میں مساوی درج ذیل کوئی ٹرانزیکشن نہیں کی۔

میاں ایم۔ عادل منوں	ڈائریکٹر	تھنڈ دیئے گئے شیئرز	وصول کیے گئے شیئرز
حمیرا منوں <td>ڈائریکٹر شریک حیات <td>5000 <td>5000</td> </td></td>	ڈائریکٹر شریک حیات <td>5000 <td>5000</td> </td>	5000 <td>5000</td>	5000

سرپرست کمپنی:

انگریڈیان انکارپوریٹڈ، امریکا کمپنی کے اکثریتی شیئرز کی حامل ہے

آڈیٹرز:

سکندرش ہونے والے آڈیٹرز ممبرز کے پی ایم جی تا شیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بناء پر خود کو دوبارہ تقرر کیلئے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارشات پر سال 2022 کیلئے ممبرز کے پی ایم جی تا شیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرر کی تجویز پیش کی ہے۔

آڈٹ کمیٹی:

بورڈ آف ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 پر عملدرآمد کے تحت بورڈ کے 5 ممبران پر مشتمل ایک آڈٹ کمیٹی قائم کی ہے۔ سال کے دوران آڈٹ کمیٹی کے 14 اجلاس منعقد ہوئے اور ان میں شرکت کی تعداد درج ذیل تھی:

ڈائریکٹر کا نام	کمپنی میں کردار	ڈائریکٹر ٹائپ	ذاتی طور پر/بذریعہ وڈیولنک اجلاسوں میں شرکت
تائش گوہر (کو-ستیفی)	چیئرمین	آزاد ڈائریکٹر	0
وقار احمد ملک (کو-بورڈ میں شمولیت)	چیئرمین	آزاد ڈائریکٹر	1
ذوالفقار منوں	قائم مقام چیئرمین	نان ایگزیکٹو ڈائریکٹر	3
ذوالفقار منوں	ممبر	نان ایگزیکٹو ڈائریکٹر	1
حیدت ایم۔ باؤکوم (کو-ستیفی)	ممبر	نان ایگزیکٹو ڈائریکٹر	2
لوری آر ہلڈ (کو-بورڈ میں شمولیت)	ممبر	نان ایگزیکٹو ڈائریکٹر	1
جمیز ڈی۔ گرے	ممبر	نان ایگزیکٹو ڈائریکٹر	4
مارسیل ہرگیت (کو-ستیفی)	ممبر	نان ایگزیکٹو ڈائریکٹر	1
مائیکل فرگوس اوری آرڈن (کو-بورڈ میں شمولیت)	ممبر	نان ایگزیکٹو ڈائریکٹر	3

(ب) لسٹڈ کمپنی کے کھانوں کی باقاعدہ بکس تیاری گئی ہیں۔ موزوں ترین اکاؤنٹنگ پالیسیوں کو مالیاتی حسابات اور اکاؤنٹنگ کے تخمینہ جات کی تیاری میں مستقل لاگو کیا جاتا ہے جو مناسب اور محتاط فیصلوں پر مشتمل ہوتے ہیں

(ج) انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز پر جیسا کہ پاکستان میں رائج ہیں، مالیاتی حسابات کی تیاری میں عمل کیا جاتا ہے اور اس سے کسی بھی زورزدانی کی باقاعدہ اور مناسب انداز میں تشریح اور وضاحت کردی جاتی ہے

گزشتہ 6 سالوں کے کلیدی آپریٹنگ اور مالیاتی ڈیٹا کی تفصیلی درج ذیل ہے:

2016	2017	2018	2019	2020	2021		
			Restated				
25,298	26,018	29,564	35,261	35,873	42,610	روپے بلین میں	مجموعی فروخت
18,345	18,593	21,631	26,289	26,091	32,291	روپے بلین میں	فروخت کی لاگت
6,952	7,425	7,933	8,972	9,782	10,318	روپے بلین میں	مجموعی منافع
28	29	27	25	27	24	%	فروخت کا فیصدی
5,725	6,067	6,811	7,750	8,519	8,987	روپے بلین میں	آپریٹنگ منافع جات
23	23	23	22	24	21	%	فروخت کا فیصدی
5,707	6,051	6,785	7,726	8,473	8,941	روپے بلین میں	منافع قبل از ٹیکس
3,879	4,392	4,772	5,444	6,094	6,257	روپے بلین میں	منافع بعد از ٹیکس
420.01	475.54	516.62	589.36	659.80	677.46	روپے	آمدنی فی شیئر
2,679	5,080	3,925	3,925	4,618	6,465	روپے بلین میں	منافع منقسمہ کی رقم
2,900	5,500	4,250	4,250	5,000	7,000	%	منافع منقسمہ فیصدی
870	742	196	314	349	516	روپے بلین میں	کیپٹل اخراجات

ملازمین کے ریٹائرمنٹ فنڈ کی سرمایہ کاری کی قدر و قیمت:

رفان منیج اپنے ملازمین کی قدر کرتا ہے۔ کمپنی تین ریٹائرمنٹ پلان، ایک ڈیفائنڈ کنٹری پونڈ (پروویڈنٹ فنڈ) اور دو ڈیفائنڈ پینشن پلانز (گریجویٹ اور سپرائیوڈ پینشن) برقرار رکھے ہوئے ہے۔ کمپنی نے ہر ایک فنڈ کیلئے ٹرسٹ قائم کیا ہے اور بورڈ آف ٹرسٹیز فنڈز کے امور سنبھالنے کے ذمہ دار ہیں۔ تینوں پلانز مکمل طور پر فنڈ ڈ ہیں اور فنڈز میں مجموعی سرمایہ کاری درج ذیل ہے:

2020	2021		
روپے ہزاروں میں			
1,124,962	1,179,002	بمطابق 30 جون	پروویڈنٹ فنڈ
871,865	953,969	بمطابق 31 دسمبر	گریجویٹ فنڈ
712,325	756,205	بمطابق 31 دسمبر	سپرائیوڈ پینشن فنڈ

بورڈ آف ڈائریکٹرز:

بورڈ گیارہ ڈائریکٹرز پر مشتمل ہے جو درج ذیل ہیں:

ڈائریکٹرز کی مجموعی تعداد	مرد	خاتون
11		
10		
1		

سرمایہ کاری:

رفان اپنے اسٹریٹجک بلیو پرنٹس کے تحت توسیع، دیرپا پائیداری، لاگت میں کمی اور تنوع کیلئے سرمایہ کاری کا ارادہ رکھتی ہے۔ آپ کی کمپنی نے اپنے اسٹریٹجک عزائم، ارادوں پر عمل پیرا رہنے ہوئے کئی نمایاں پراجیکٹس پر کام جاری رکھا ہے۔ ہم اپنی گنجائش میں اضافے، کوالٹی، توانائی کی بچت، جدت اور نئی ٹیکنالوجیز میں سرمایہ کاری کے ذریعے اپنے صارفین کو بہتر سے بہتر خدمات فراہم کرنے کا یقین دلاتے ہیں۔

طبقات کو مدد فراہم کرتے ہیں۔ اس سال ہماری توجہ کا مرکز ہمارے گروڈونواح میں دیہی طبقات کی خواتین اور بچوں میں صحت کی اچھی سہولیات فراہم کرنا تھا۔ آگے بڑھتے ہوئے ہمارا منصوبہ یہ ہے کہ یونائیٹڈ نیشنز سسٹیمز اسمبل ڈیولپمنٹ گولز (UNSDGs) کے حصول کیلئے اپنی کوششوں میں اضافہ کریں اور ایسے پروگرامز لاگو کریں جن سے سماجی طبقات پر گہرے اثرات مرتب ہوں۔

کاروباری خطرات، چیلنجز اور مستقبل کے منصوبہ جات:

کرونا وائرس سے پیدا ہونے والی صورتحال میں بہتری کے بعد عالمی معیشتیں بحالی کی جانب گامزن ہیں۔ پاکستان کی معیشت بھی بحالی کے مرحلہ میں ہے اور صنعتی و زرعی شعبوں میں ترقی دیکھنے میں آئی۔ انگریڈیٹ فلاحی کے تحت رفان پراڈکٹ سیفٹی، کوالٹی اور صارفین کو ویلویو ایڈڈ خدمات کی فراہمی کے اپنے اعلیٰ معیارات کو برقرار رکھنے کیلئے پرعزم ہے۔ روپے قدر میں گراؤ، اجناس کی افراط زر اور ایشیا نے ضروریہ کی قیمتوں میں اضافہ منافع کی شرح پر خطرناک حد تک اثر انداز ہو سکتا ہے۔ ہمارا ماننا ہے کہ حکومت کی طرف سے مسلسل اور پائیدار کوششوں کی ضرورت ہے تاکہ پھیلتے ہوئے غیر قانونی شعبے کو روکا جاسکے تاکہ ٹیکس ادا کرنے والے منظر کشی کو برابری کا میدان فراہم کیا جاسکے۔ آگے بڑھتے ہوئے ہم غیر قانونی ٹیکس کا مقابلہ کرنے کے لئے حکومت کی جانب سے حتمی اقدامات دیکھنا چاہیں گے جس سے حکومتوں کی آمدنی میں اضافہ ہوگا اور صارفین کو تحفظ ملے گا۔

کمپنی چیلنجز سے نبرد آزما ہونے کیلئے اپنی رفتار برقرار اور توجہ مرکوز رکھنے کیلئے کمر بستہ ہے، اس کی بدولت سٹیک ہولڈرز کیلئے نمایاں ویلویو ایڈیشن ممکن ہوگی۔ رفان اپنی پوزیشن کی مضبوطی یقینی رکھے گی اور صارفین کی ضرورت کے صحیح اندازہ، منڈی کے تحریکات پر رد عمل اور اپنی مقابلہ جاتی بنیادوں پر توجہ کے ذریعے کاروباری ترقی کی راہ پر رواں رہے گی۔ یہ اہم نامہ معیاری مصنوعات اور خدمات کے سپلائرز کے طور پر ہماری تاریخی کارکردگی اور سہولت ہے۔

ہم اپنی صلاحیتوں، کارکردگی اور گنجائش میں اضافے کیلئے سرمایہ کاری جاری رکھیں گے تاکہ مقامی صارفین کی بڑھتی ہوئی طلب اور باہر ترقی ہوئی برآمدی مارکیٹ کی طلب کو پورا کیا جاسکے۔ ہم مسلسل لاگت میں کمی کے منصوبوں کے نفاذ پر کام جاری رکھیں گے تاکہ تمام کاروباری یونٹس میں مستقل بہتری اور ویلویو بڑھانے کا کلچر فروغ پائے۔ لاگت پر کنٹرول، افعال میں بہتری، جدت پذیری، ویلویو ایڈیشن، سٹیک کا حجم بڑھانے، نیشنل پر کنٹرول اور کام کرنے کے باکفایت انتظامات پر توجہ دی جاتی رہے گی۔

کمپنی بڑے اور مکمل خطرات کے تدارک اور موجودہ معاشی صورتحال کے باعث منافع جات کو درپیش چیلنجز سے نمٹنے کیلئے مہمہ اقدامات کو بروئے کار لانے کا سلسلہ جاری رکھے گی۔ ہم مستقل و پائیدار ترقی کیلئے مختلف اقدامات پر عمل پیرا ہیں اور بلند ترقی کے حصول، حکمت عملی کی توسیع کیلئے کوششوں اور ڈیٹیلر ہولڈرز کی ویلویو میں اضافے اور کمپنی کی مجموعی کارکردگی کو بہتر بنانے کیلئے کوشاں رہیں گے۔

کارپوریٹ گورننس:

آپ کی کمپنی تمام اسٹینڈرڈز اور کارپوریٹ گورننس کی تمام شرائط پوری کرنے سے مکمل آگاہ ہے، ڈائریکٹرز بمسرت آگاہ کرتے ہیں کہ آپ کی کمپنی (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 پر مکمل کاربند ہے۔ کوڈ آف کارپوریٹ گورننس پر عملدرآمد کا بیان صفحہ نمبر 58 پر دوبارہ درج کیا گیا ہے۔

کوڈ آف کارپوریٹ گورننس کے تحت واضح امکانات اور اعترافات:

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک:

الف) لسٹڈ کمپنی کی انتظامیہ کی جانب سے تیار کئے گئے مالیاتی حسابات، تمام کاروباری امور، ان کے آپریشنز کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلیوں کو شفاف انداز میں پیش کرتے ہیں

ب) مسلسل بہتری کے اقدامات (Continuous Improvement Initiatives) کے ذریعے 510 ملین روپے کی بچت کی گئی۔ مذکورہ اقدامات میں لاگت میں کمی کے مختلف منصوبے، طرہ کارکردگی بہتری، توانائی کی بچت، کمپیکل کی کھپت میں کمی اور پیداوار میں اضافہ وغیرہ شامل ہیں۔

ج) مضبوط کنٹرول، کارکردگی کے نئے نواز کے ذریعے پورنگ سسٹم کی بہتر مینجمنٹ اور استحکام، مستعد مگرانہ رویوں کی خاطر شاپ فلور کو چنگ کیلئے ذخائر کے استعمال میں کمی لائی گئی اور ان عوامل میں مراحل کو 5 کی بجائے 4 پر صحیظ کیا گیا۔ یوں کام کے ان نئے طریقوں نے لاگت میں نمایاں کمی ممکن بنائی اور کمپنی نے 154 ملین روپے بچائے۔

د) آپریشنل ٹیم نے فعال اور آپریشنل پیمانوں کو برقرار رکھنے کے ذریعے پھر پور کنٹرول یقینی بنایا اور اس کے نتیجے میں بہترین فرسٹ پاس کمپلائنس فراہم کیا گیا۔

ر) نئی بلنڈر ویلویو کی حامل مصنوعات کا مانیکیٹ کے ساتھ مکمل، تیار اور ہمارے معزز صارفین تک ترسیل کی گئیں جو کہ انتہائی درست حد تک ہماری قدر "جراثیم مندانہ جدت" کی عکاس ہیں۔

س) اپنے ماحولیاتی عزم اور وعدوں کو پورا کرنے اور اطراف کے مقامات کو محفوظ رکھنے کے ضمن میں NEQs کی حدود پر عملدرآمد کے تحت تمام تین مقامات میں واٹر ٹیسٹ پائس کام کر رہے ہیں

ص) رقمات کی سرمایہ کاری کے منصوبے اس طرح سے تیار کئے گئے کہ ہر ایک روپیہ مصنوعات اور کارکردگی کو بہتر بنانے، محفوظ رکھنے، ماحول دوست بنانے اور صارفین کیلئے قابل قدر بنانے پر خرچ کیا گیا۔

ط) ایک سماجی ذمہ دار ادارہ ہونے کی حیثیت سے کاربن ڈائی آکسائیڈ کے اخراج میں کمی اور پانی کے کم سے کم استعمال کو یقینی بنانے کیلئے متعدد اقدامات کیے گئے۔

حفاظت، صحت اور ماحول:

اپنا "تحفظ سب سے پہلے" کی قدر پر یقین رکھتے ہوئے ہم اپنے ملازمین، سٹیک ہولڈروں اور وزیٹرز کی صحت و حفاظت کو اپنی ترجیح مانتے ہیں۔ سال 2021 کرونا وائرس کی وبا کی صورتحال کی وجہ سے خصوصی طور پر ایک مشکل ترین سال رہا۔ ہم نے اپنی افرادی قوت کے تحفظ اور اپنے آپریشنز کو جاری رکھنے کیلئے متعدد اقدامات کیے ہیں۔ ہمارے بروقت اقدامات سے ہمارے ساتھیوں کو جتنا طور پر اپنے فرائض سرانجام دینے اور بحفاظت گھر واپسی میں سہولت رہی۔ یہ حفاظتی اقدامات مقامی اور عالمی سطح پر جاری کی گئی ہدایات کے عین مطابق تھے۔ ہم نے ویکسی نیشن Incentive سکیم متعارف کروائی اور اس وقت ہمارے 99.5 فیصد ملازمین اور کنٹریکٹرز مکمل طور پر ویکسین شدہ ہیں۔

ہم نے اپنی افرادی قوت میں حقیقی سہولتی کلچر نافذ کرنے کے ضمن میں انتہائی کوششیں کیں جس کے نتیجے میں متعدد مستقل اور پائیدار مینوفیکچرنگ سرگرمیاں جاری رکھیں۔ ہم نے اپنے پلانٹ کے دائرہ کار کیلئے PPE میپنگ تیار کی۔ یہ میپنگ سرگرمی اور خطرات سے بچاؤ کی بنیاد پر لیول II اور لیول III اپنی اپنا اپنی ہے۔ ہم جدید ترین EHS اسٹینڈرڈز اور دنیا بھر میں رائج عمل راہنما ہدایات سے واقف عملے کے حامل ہیں۔

ہماری اولین ترجیح ہے کہ ہم صحت مند اور شفاف ماحول میں کام کریں۔ ہم مستقل طور پر اپنے پانی کے استعمال اور کاربن کے اخراج کی نگرانی کرتے ہیں اور فضلے کے کم پھیلاؤ، توانائی کی بچت اور سرسبز شاداب علاقے میں ترقی کیلئے کئی اقدامات کئے گئے ہیں۔

سماجی طبقات کی بحالی بھی اتنی ہی اہم ہے جتنا ہمارے کاروبار۔ ہم نے عوام الناس کی فلاح و بہبود کیلئے متعدد سرگرمیاں سرانجام دی ہیں۔ ایک مناسب رقم ضرورت مند افراد میں تقسیم کی جاتی ہے۔

کارپوریٹ سماجی ذمہ داری:

رفان میڈ ایک سماجی ذمہ دار ادارہ ہے اور اس کا مقصد ایسے پروگراموں کے ذریعے عوام الناس کی بہتری کے سماجی اقدامات میں معاونت کرنا ہے جو کہ صحت، تعلیم، ماحولیات، سماجی ترقی اور آفات کے دوران بحالی کے شعبوں میں سماجی

ڈائریکٹرز کی رپورٹ

ہم، بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2021 کو اختتام پذیر ہونے والے مالی سال کی سالانہ رپورٹ مع آڈٹ شدہ مالی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔
رفان میٹل کے کسٹمرز کی پہلی ترجیح ہونے کا سلسلہ جاری رہا۔ جبکہ ہمارے رواں سال کے نتائج اس کے عکاس ہیں۔ کیلنر یونیورسٹی میں 19 فیصد تک اضافہ ہوا؛ حجم اور قیمت دونوں نے ریلوے میں اضافہ کیلئے مثبت کردار ادا کیا۔ جبکہ دوسری جانب خالص آمدن 6 بلین روپے کی حد عبور کر گئی اور گزشتہ سال کی نسبت اس میں 3 فیصد اضافہ ہوا۔ یہ نتائج تمام کاروباری شعبوں میں بہتری، صارفین کی ضروریات پورا کرنے اور توجہ کے ذریعے ہماری مارکیٹ پوزیشن میں استحکام، ترقی کے نئے مواقعوں کی دریافت اور صارفین تک رسائی کے دائرہ کار میں وسعت کی بدولت حاصل ہوئے۔ دیگر بنیادی اعشاریے درج ذیل ہیں:

مالیاتی نتائج

منافع جات اور مختص شدہ رقم

2020	2021	
سالِ مختتمہ 31 دسمبر		
6,094,231	6,257,323	منافع بعد از ٹیکس
50,786	(42,919)	ملازمین کی ریٹائرمنٹ کے فوائد کے حقیقی منافع جات/ (خسارے)
14,473,720	16,000,523	غیر مختص شدہ منافع جو کہ آگے منتقل کیا گیا
20,618,737	22,214,927	
		مختص شدہ رقمات
1,847,286	2,309,107	حتمی منافع منقسمہ 2020: بشرح 2500 فیصد (2019: بشرح 2000 فیصد)
1,385,464	1,385,464	پہلا عبوری منافع منقسمہ 2021: بشرح 1500 فیصد (2020: بشرح 1500 فیصد)
1,385,464	1,385,464	دوسرا عبوری منافع منقسمہ 2021: بشرح 1500 فیصد (2020: بشرح 1500 فیصد)
-	1,385,464	تیسرا عبوری منافع منقسمہ 2021: بشرح 1500 فیصد
4,618,214	6,465,499	
16,000,523	15,749,428	غیر مختص شدہ منافع
659.80	677.46	آمدنی فی شیئر (روپے)

ہم مقامی اور برآمدی منڈیوں میں نئے مواقعوں کی دریافت کیلئے مسلسل کام کر رہے ہیں۔ رفان میٹل نے مرکزی کاروبار میں استحکام اور کھانے کے کاروبار میں نئی وراثتی معاہدے کروا کر جدت کی پیش گوئی کر دی ہے۔ ہمارا یقین ہے کہ ہمارے لئے خاصی تعداد میں مواقع بالخصوص عالمی اور مقامی منڈیوں میں، موجود ہیں اور ہم ان مواقعوں سے فائدہ اٹھانے کیلئے پوری طرح کمر بستہ ہیں۔

کاروباری جائزہ:

مہنگائی کی بلند شرح، ایشیاء کی قیمتوں میں اضافہ اور طلب میں تخفیف نے صنعتی پیداوار بشمول ٹیکسٹائل انڈسٹری جو کہ پاکستانی معیشت اور ہمارے کاروباری کارکردگی کا بڑا حصہ ہے، کیلئے مشکلات پیدا کرنا جاری رکھیں۔ ان چیلنجز کے باوجود ٹیکسٹائل کے شعبے نے اچھی کارکردگی کا مظاہرہ کیا اور اس کی بنیادی وجہ یورپ اور امریکہ میں برآمدات کے مواقعوں میں اضافہ ہونا تھا۔ تاہم مقامی سطح پر سخت کاروباری ماحول، روٹی کی قیمتوں میں اضافہ اور عالمی سپلائی چین میں آہستہ آہستہ بحران شیعہ خطرات کو ظاہر کر رہے ہیں۔

آپریٹنگ:

رفان ترقی کے مواقعوں تک رسائی اور ان سے فائدہ اٹھانے کی خاطر اپنی کاروباری صلاحیتوں میں اضافہ کیلئے پرعزم ہے۔ ہم افرادی اور عملی استعداد میں اضافہ، لاگت میں کمی کے ساتھ نئی ٹیکنالوجی کے استعمال سے کارکردگی میں بہتری کیلئے متواتر سرمایہ کاری کر رہے ہیں۔ آپریشن ٹیم کی بنیادی توجہ مینوفیکچرنگ کے مراحل میں اعلیٰ مشینوں کے ذریعے ذخائر بڑھانے پر مرکوز ہے۔ مزید برآں EHS میں ماحولیات کا تحفظ کلیدی پیمانہ ہے۔ بنیادی توجہ کامرکز پانی کے استعمال میں کمی اور اس کا تحفظ، کاربن ڈائی آکسائیڈ میں کمی اور ہر ایک ٹیم ممبر کیلئے کام کرنے کا محفوظ اور بہتر ماحول یقینی بنانا ہے۔ ہماری بنیادی قدر "اولین ترجیح بنانا" پر غور کرتے ہوئے ہم ملازمین، ویئڈرز اور کسٹمرز کی سرگرمیوں کو مربوط اور بہتر بناتے ہوئے صارفین کی ضروریات کو پورا کرنے کی کوشش کرتے ہیں۔ ہمارا ہدف ہمارے اندرونی و بیرونی صارفین کی توقعات سے تجاوز کرنا ہے جو مشکل کام کاروباری گرتھ اور شیئر ہولڈرز کیلئے بہتر منافع سے ظاہر ہوتا ہے۔

حاصل کردہ کلیدی آپریشنل کارکردگی درج ذیل کے مطابق ہے:

الف کارونا اور انس کے مشکل دورانہ میں معزز صارفین کو بلا تامل سپلائی کیلئے پلانٹ اور وسائل کا زیادہ سے زیادہ استعمال یقینی بنایا گیا۔ اس کی بدولت ہم "اولین ترجیح بنانا" کے مشن کے تحت صارفین کا اعتماد جیتنے میں کامیاب رہے۔

پاکستان میں مقامی اور صنعتی کھپت کیلئے بیہرہ اور کوریجیشن کی طلب میں نمایاں اضافہ ہوا۔ مقامی طور پر استعداد بڑھا کر طلب میں اضافہ کو پورا کرنے کیلئے اس شعبے میں وسیع پیمانے پر سرمایہ کاری کی گئی۔ کمپنی نے ایک مقامی تیار کنندہ اور ڈیمیکل انڈسٹریز کیلئے سب سے بڑے سپلائر ہونے کی بنیاد پر بروقت ترسیل، متواتر بہترین کوالٹی اور معیاری کسٹمرس کے ذریعے مقابلہ جاتی سہولت برقرار رکھی۔

افراط زر کے رجحانات کے باوجود ایشیاء خورد و نوش کے کاروبار نے اپنا سبز جام برقرار رکھا۔ مائیک گلوکوز، ڈیکسٹروز اور فوڈ گریڈ سٹارچ کی طلب مستحکم رہی۔ کئی کئی مہینوں کی کٹنگ کی جانب سے مائع گلوکوز کی طلب متوازن رہی جسے چینی کی بلند اور غیر مستحکم قیمتوں نے سپورٹ کیا اور عدم استحکام سے دوچار نہیں۔ اپنے ایشیاء خورد و نوش کے شعبے میں اپنے صارفین کے ساتھ مل کر کام کر رہے ہیں اور ان کیلئے زیادہ فائدے کی حامل اعلیٰ معیار کی جدید مصنوعات کی فراہمی ہمارا عزم ہے۔

جانوروں کی خوراک کے اجزاء کے شعبے نے بہتر کارکردگی دکھائی اور کمپنی کی کارکردگی میں مثبت حصہ ڈالا۔ کھپت والے تمام شعبوں مثلاً پولٹری، لائینسٹاک اور ایکلچر کی طلب دیگر متبادل فیڈ اجزاء کے زخموں میں اضافے کی وجہ سے زیادہ رہی۔

REGENERATIVE AND SUSTAINABLE AGRICULTURE

In everything we do, we are working towards transforming the way of delivering innovative and sustainable solutions to help farmers build a stronger and more sustainable future for us all. We continuously revisit the process of how we grow and source maize, to produce more sustainable & innovative steps that can help make it more workable within the planetary boundary.

The biggest milestone was the introduction of spring maize production technology which set the stage for Pakistan to be self-sufficient in maize production. We strove to produce the required essential quantity of maize and we are always on the lookout to reduce the loss and food contaminants to maintain quality at the highest levels. As an exclusive plant-based ingredient company, we find ourselves at a unique position to create safe and consumer preferred products. One of the many examples of our quality triumphs, is the development of AflaPak - a biocontrol product. Agribusiness department of Rafhan, in collaboration with USDA, is the first ever to have introduced a novel biocontrol product, which shall facilitate in mitigating lethal biotoxins-aflatoxins, which are the class-I contaminants of maize, hence enabling & ensuring the production of safer maize in Pakistan. The AflaPak field efficacy trials, from 2018 to 2021,

have shown up to 85% reduction in aflatoxins level, proving AflaPak as a promising biocontrol product to minimize the effect of notorious biotoxin in corn supply chain. We believe the induction of innovative biocontrol and its leverage to other crops will address the health and safety concerns of our consumers and channel partners.

Our journey to attain sustainable maize supply chain does not end here and we strive each day to unlock substantial values for our farmers to make life better. We are constantly engaged with the SAI platform to develop agriculture standards that will provide the foundation for sustainable and regenerative agriculture. Efficient climate & smart agricultural tools are playing a pivotal role in water conservation and sustainable production of agricultural crops, thus, adding to the goal of regenerative agriculture and environment impact reduction objectives. Taking up climate change and water scarcity as our top priorities, our team is working to deliver solutions for our farmers using IOT technologies. Agribusiness in collaboration with leading stakeholders of climate smart agriculture, is acquiring and introducing innovative tools to



monitor agroclimatic conditions to help farmers make informed decisions on irrigation and other farm operations.

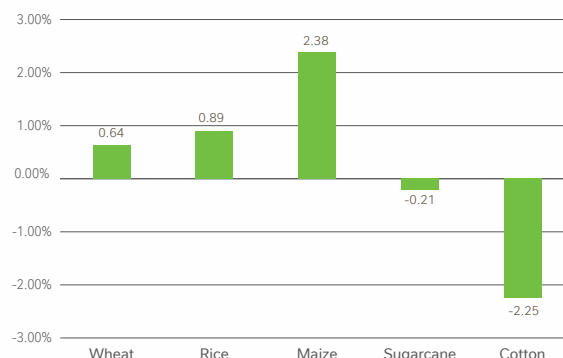
We have a longstanding and ongoing commitment to diversity, equity, and inclusion. In addition to other progresses, Agribusiness considers that economic empowerment of this nation's women is an influential element in the agriculture landscape of Pakistan. We at Rafhan go all-out to help the rural women in Pakistan with ongoing series of women educational activities, first-aid trainings, farm safety workshops and thanksgiving activities that are being conducted across the country.

In summary, we are pouring all the innovative and sustainable practices to make life better for our farmers, their families and for our consumers while holding high the spirit of Everyone belongs, Innovate boldly and Care first.

Quality Assurance

Rafhan Maize is a market-focused, process centered organization delivering successful performance through a strong focus on quality and takes scores of initiatives to achieve overall product excellence.

During the ongoing COVID 19 situations, Rafhan Maize has performed bravely and successfully to meet the Customers' Quality expectations, while observing all the implemented SOPs. During the year under review, the Company has passed all of its 3rd party certifications, alongside fulfilling the audit requirements successfully. It was in this year that the on-line quality audit system was introduced, minimizing human gathering, and keeping the desired distance among the



individuals to ensure health safety practices for the Integrated Management System. The quality assurance initiatives for the year 2021 were not only a source of inspiration for all our employees but also resulted in reduction of process wastes and controllable costs. Furthermore, to reiterate our promise of delivering quality products, we have also successfully passed through several third party and customers' audits this year.

The company has continuous focus on reassessing the changing needs of its customers by investing in product quality and capacities. These changes along with inherent strength of its diverse portfolio have helped the company to attain its overall growth objective. Rafhan is also certified for QMS, EMS, OHSMS, Halal, Kosher, Non-GMO, GOTS, SMETA 4 Pillars and URSA. We have successfully achieved FSSSC and accreditation for Microbiology Certification which enabled us to raise our standards even higher to meet the changing market needs.

We, at Rafhan, initiated MSA as a part of Lean Six Sigma Quality Processes to enhance competencies, improve efficiency and create values. Rafhan Maize hosted multiple training courses for imparting valid certifications. This will go a long way to help us in determining current and future state of our processes and in identifying various opportunities that can be used to improve our ways of working in both Food and Industrial Segments. At Rafhan Maize, in any circumstances, quality means creating a lean, cost efficient, borderless organization with an aim of providing right quality products to our esteemed customers.

We have added modern equipment to our labs as well for meeting the compliance requirements and raising the economic bar. The specification Department is induced to meet the customers' documented commitments, fulfilling the quality compliance requirements for domestic as well as export customers at fast speed using the modern IT Tools.

STATE OF THE ART WET MILLING PLANT

Cornwala Plant

Cornwala plant is situated in the Jaranwala Tehsil of Faisalabad, about 35 Kilometers from Rakh Canal Plant.

It is the second production facility of Ingredion Pakistan, after RCP. It started its production in 2004 with an initial corn grinding rate of 250 tons per day. Now, Cornwala plant has the highest corn grinding capacity per day among all the production facilities of Ingredion Pakistan i.e., 825 tons per day.

Cornwala plant employs modern technology blended with lean manufacturing methodologies, to keep the process of making ingredients healthy, hygienic and cost effective to remain the market leader.

Cornwala plant has four main divisions in Production department to handle the corn grain, from receiving, to cultivate desired productions.

- **Wet Milling Division:** This is where the process starts from. It receives the corn and separates it delicately to its components i.e., starch, protein, germ, and fiber. Corn oil is then extracted from corn germ. Starch is fed to other production divisions for further utilization to render as different products, while protein is dried to make poultry feed. Fiber is dried to make cattle feed.
- **Dry Starch Division:** It has 5 flash drying production lines, to dry the starch received from wet mill to formulate it to different specifications according to customer demand and its intended applications.

Cornwala plant produces a variety of starch types, diversified and versatile to suit a broad range of application. From myriad of application in food industry to ever growing textile industry, from paper and corrugation to pharmaceutical applications, starch produced from this production facility remains the primary trusted ingredient.

Cornwala plant also hosts two drum dries, first ones at Ingredion Pakistan, as part of our continuous efforts aimed at providing customer centric product solutions. Drum dried Pregel starches are growing in demand worldwide.

- **Sweetener Division:** Cornwala Plant also produces variety of corn syrups and sugar substitute sweeteners derived from corn starch. Sweeteners find the broad range of applications for sweetening, texture, or color in several food products, and across a variety of industries from food & beverage to pharmaceuticals and confectionaries. It has two production lines: acid hydrolyzed glucose and enzyme hydrolyzed glucose.



Enzyme hydrolyzed glucose, including but not limited to, high maltose corn syrup, specially designed for growing specialty market and pharmaceuticals, are unique to Cornwalla plant as well.

- **Dextrose Division:** This product line is unique to Cornwalla too. Dextrose monohydrate is used as instant energy booster by serving to replenish lost nutrients and electrolytes. It acts as the primary ingredient in oral rehydration salts (ORS) and many products alike.

Cogen Power Generation:

Another distinguishing trait that Cornwalla plant holds, is that it is self-sufficient in terms of electricity production. It has 12 MW power generation capacity along with multipurpose steam generation facility, which is also congruent to future expansion requirements. The plant started producing electricity in January 2017 and is continuing to do so ever since, unhindered and unharmed. It has enabled the plant management to mitigate the risk of uncertainty and ensured to elevate energy supply constraints for effective and confident future planning & sustainable growth.

Idea Lab

In a competitive marketplace where businesses constantly compete for customers, “customer satisfaction” is seen as a key differentiator and has become a crucial element of business strategy.

At Rafhan Maize, we are all about finding the core needs of our customers and providing relevant ingredient solutions. Our research is not solely about surveys and numbers. It is about our customers' behavior, opinions and experiences with us, it is about our products, services and support; and it is about discovering what will make us stand apart from the competition. For this very purpose, Rafhan Maize has established a Customer Service Center for Food Applications (“Idea Lab”).

The Idea Lab is the link between research in the lab and innovation for customers. The purpose of the Idea Lab is used to meet the emerging demands of customers by providing them with a lab-scale trial facility for new product development as well as product improvement using ingredients produced by Rafhan Maize Products Company Limited and Ingredion Incorporated.

Technical support and product application trials in the Idea Lab are providing opportunities for use of our products and to improve the relations with customers, resulting in business growth.

Customers are using this lab facility to conduct applications trials in major food product categories, including dressing, savory, sauces, desserts, confectionery and bakery products.

The Idea Lab houses baking, cooking and food preparation areas, a sensory evaluation room, a meeting room, and an office.

PRODUCT RANGE



Industrial Business

Our brand is our identity. The strength of our brand name, supported by strategic expansion and the depth of our customer relationships, gives us a strong foundation to build and continue growing in the times ahead. Our industrial business portfolio of products comprises a unique range of starches Rafhan®, Penetrose®, Amisol®, Tex-o-Film®, Fluidex and Coratex® caters to some of the more challenging and competitive markets such as textile, paper, corrugation, soaps and chemicals etc.

Textile

We have a strong portfolio of well-researched leading brands, and we keep expanding our product range. Despite stiff challenges the improvement has been made possible in the industrial ingredients over the years with proactive strategies, service excellence and extending customer base. We have a broad geographical reach covering a diverse mix of customers. Textile industry – the backbone of Pakistan's economy and our business – continued to show better performance supported by export orders especially textile composite/mill sector has shown better working. Rafhan Maize offers diversified portfolio of solutions, products and services to textile industry includes Rafhan®, Penetrose®, Amisol®, Tex-o-Film® and Coratex®. We reevaluated our strategy to understand how to be better poised for challenges ahead and how to best capitalize on opportunities. Our Industrial Business team, set itself to task and concentrated their energies on bringing in new and innovative solutions that help the business stay ahead of its competition. Focused investment and growth, through the various business segments remained the key elements in the achievement of our stellar results in 2021.


Paper

Paper and Paperboard demand in Pakistan has shown strong growth in line with the overall improvement in domestic manufacturing. Large investments are being made in this sector to enhance the domestic capacities of quality paper and paperboard to meet the growing appetites which provided good boost to the sale of Amisol® and Q-Tac® starches. Corrugation and paper sack industries also run at better pace to cover industrial, electronics, fruits, vegetables, cement and food packaging demand stimulating the sale of Tex-o-Film®, Coragum® starches and Dextrin. Rafhan Maize maintains its competitive edge by virtue of being a local manufacturer and major supplier for the domestic industries with short delivery times, consistent quality and excellent customer services.

Animal Nutrition

Animal Nutrition & Health business contributes significantly to our revenue. The business offers a wide variety of feed ingredients, which includes Prairie Gold®, Rafhan® maize gluten meals, Buffalo® maize bran, Rafhan® Maize germ cake, Enzose® Hydrol and Rafhan® crude corn oil.

The poultry industry is making large investments for mechanization, integrated farming systems, improved biosecurity & processing, and value addition. Livestock industry on the other hand is also making tremendous progress because of the friendly government policies to boost dairy farming, which increases the trend for formula ration for cattle feeding. Growing areas of aquaculture also continued to pave a feverish demand for our feed ingredients with a robust growth momentum. The company continues to strengthen its position in the market by capitalizing on the growing demand from the poultry, livestock, and aquaculture sectors. We take pride in our focus on fulfilling customers' needs and providing best services to cater to their needs. We place the highest emphasis on building strong and lasting relationships with our customers while providing rising service level continuously.





Pharmaceutical

Pakistan's pharma industry is very vibrant and dynamic comprising more than 700 units. It is currently going through a transition phase of modernization to cater to local pharmaceutical requirements and to access more regulated markets like Europe and USA.

Currently, the pharma industry is fulfilling more than 95% of the domestic pharmaceutical requirements and their goal is to ensure the availability of quality medicines at a reasonable price and to enhance exports of the country by accessing more value-added markets of Europe and the USA.

There is no doubt that the pharmaceutical industry in Pakistan has a social contribution to nation's health. Many pharma companies do take this commitment seriously enough to invest considerable resources to reduce disease burden by increasing access to doctors, diagnostics, medication, and a host of interventions. Pakistan's pharmaceutical industry is contributing preeminently to this cause by manufacturing quality medicines in lesser prices.

Rafhan is contributing for the growth of pharmaceutical industry by providing ingredient solution to pharmaceutical and nutraceutical industry in the form of starches, glucose syrups, specialty sweetener, dextrose, and other specialty ingredients that aim to provide quality products.



Food Business

Savoury

"In the world of cuisine, savoury is full of flavor, delicious and tasty food product".

There are various factors that have fueled the growth patterns of the Savoury market including changing lifestyle, eating out habits, urbanization, increased literacy rate, increased number of working women and consumer shift towards fast food consumption. Cooking channels are playing a vital role in broadening this category as they are educating people to prepare savory dishes with different ingredients, which has ultimately resulted in boosting the sale of Rafhan Maize ingredients.

Rafhan Maize offers extensive range of core and specialty products, locally and from global affiliates, for number of applications in Processed food / Savoury sector. We offer wide variety of native and modified Starches for Processed food / Savoury sector for multiple functionalities like thickener, stabilizer, body, texture, creaminess, mouthfeel, emulsifier, moisture control, crispiness, and carrier.



Confectionery

Confectionery industry in Pakistan has grown rapidly over the last decade with numerous brand names emerging on the market and gaining success. Confectionery sector comprises of organized, semi-organized and unorganized sector. This sector is manufacturing variety of products like candy, toffee, chews, lollypop, bubble gum, jelly, marshmallow, chocolates, panned candies, beans, and traditional confectionery products - raweri, makhana, gajak, patasa and marunda.

Rafhan Maize offers comprehensive range of core and specialty products, locally and from global affiliates, for range of applications in confectionery sector. We provide wide variety of Sweeteners, native & modified Starches and Dextrin's for confectionery sector for different functionalities like sweetness, texture, body, binder, clarity, chewiness, molding, moisture absorption, softener and as humectant.

HEALTH, SAFETY & ENVIRONMENT

Mitigating Environmental challenges

The Company is conscious of its impact on the environment and through its Environment Health and Safety (EHS) function works towards reducing its footprint on the planet. Be it noise or pollution reduction or sustainable pellets and reusable bags for corn procurement. Many programs are in place internally to reduce the Company's footprint on the planet. Additionally, the company is also working on developing a treatment for Aflatoxin elimination in produce which will be available once developed in Pakistan to resolve the aflatoxin infection issue in the Pakistani market which curbs exports of many products from Pakistan.

Safety Awareness Sessions

Approximately 20 awareness sessions were held by the Company during the year 2021 focusing on training of employees on the areas of "Disaster Management, Fire Safety and First Aid".

In total, 507 fire-fighting trainings were delivered to 552 employees and contractors at three plants site during the year 2021.



EXPORT BUSINESS

Export Business

Rafhan Maize exports starch and starch derivatives to more than 29 countries in SEA, ME, Africa and APAC region. We embarked double-digit sales growth (25% growth vs LY) in 2021 through a clear focus on managing price mix and partnering with customers to meet changing demand requirements. We are currently catering to business of Global Strategic Global key accounts such as Unilever, PepsiCo, Mondelez, Nestle, Diageo etc. and OTIF supplies.

Won 44th FPCCI Export Award based on remarkable Export Performance

Rafhan Maize won 44th Export Award organized by the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) based on remarkable export performance. The Award was presented by President of Pakistan Dr. Arif Alvi at a ceremony held at the President House on 29th September 2021 in Islamabad, Pakistan.



CORPORATE SOCIAL RESPONSIBILITY

Medical Camps

Rafhan Maize has formed a partnership with Transparent Hands to help uplift the marginalized community in Kotri and through the partnership we aim to create a positive sentiment with the people of the area inline with our "Care First" value.

Transparent Hands is the largest technology platform for crowdfunding in the healthcare sector of Pakistan. They offer a complete range of healthcare services including medical and surgical treatments and arranging medical camps for the underprivileged community of Pakistan. 12 medical camps (once a month for a duration of 2 days each) were set up in province of Sindh for expected No. of 3000+ women and children (direct beneficiaries) and 15,000 indirect beneficiaries.

The facilities provided on camps (free of cost) to patients included:
Free Consultation, BSR, free Medication, Blood Group Check, Ultrasound and Hepatitis Screening.

Supporting the community during pandemic

- High flow oxygen meters donated to hospitals in Faisalabad.
- Dry grocery packets distributed amongst the underprivileged at Kotri, Sindh.

Medical Aid for Children from Marginalized Communities

Rafhan Maize partnered with an NGO – Transparent Hands and donated PKR. 800,000 to support children for critical surgeries.

Blood Drive at Rakh Canal Plant, Faisalabad

Employees voluntarily donated 75 pints of blood to a Blood Transfusion Centre – Sundas Foundation, for children suffering from Genetic Blood Disorders & Chronic Blood Diseases.



CORPORATE SOCIAL RESPONSIBILITY AWARDS

13th and 14th International CSR Summit & Awards (2021 and 2022 respectively)

Rafhan Maize was Honored with an award on the 13th and 14th Annual International CSR (corporate social responsibility) Summit and Awards-2021 and 2022 respectively, organized by the National Forum for Environment and Health (NFEH) for excellence in CSR work.

The National Forum for Environment and Health (NFEH) organizes the event every year to thoroughly discuss the issues related to corporate philanthropy in the country. The purpose of the summit is to recognize and appreciate the companies from both private and public sectors that are doing great sustainable things for the people of Pakistan.



CELEBRATION ACTIVITIES

International Women's Day – March 8, 2021

- The whole day was dedicated to recreational activities arranged for females.
- The female population was presented with a Souvenir Basket each as a token of appreciation, along with a meet & greet session over Lunch with Pakistan Leadership Team, followed by a cake cutting ceremony.

NExT (Network of Early Talent) Business Resource Group Launch

- The NExT Chapter Launch ceremony started with introductory addresses from the Team Members, Chapter President, Chapter Sponsor and Managing Director.
- Fun games & activities were arranged with prizes for winners.
- A cake cutting ceremony followed by refreshment for all the participants.



VALUE OF THE MONTH CAMPAIGN

The Value of the Month campaign intentionally focuses on one value for an entire month to build deep understanding of each Value including the behaviors and ways of working



Care First
April



Be Preferred
May



Everyone Belongs
June



Innovate Boldly
July



Owner's Mindset
August



Celebrated International Day for Rural Women

A team of DEI members visited a small town of Khaliqabad where an Awareness Workshop was arranged for 50 women to enlighten them around Livestock Management.



Giving Back to Community

The team also worked towards Business Sustainability and handed over 50KG bags of Rafhan Maize Oil Cakes to the participants and educated them on the use of our products.



Powerhouse Award Ceremony

Organized Powerhouse Award Ceremony in Pakistan to acknowledge our front-line employees and recognize their contribution. The entire ceremony was recorded, and a video clip was shared in Powerhouse Gala Event at Rome.



Annual Hajj Draw

Arranged Annual Hajj Draw where 17 employees were chosen in a drawing contest for Holy pilgrimage.



World Environment Day Celebrations

Distributed 250 plants across all manufacturing sites and successfully conducted 'Plant a Tree' campaign with all employees.

To enhance employee engagement, 2 activities were conducted – 'Plant a Tree at Home' and to prepare a product using 'Recyclable Household Waste'. 2 lucky winners won prizes in both activities.



Year End & Christmas Celebrations

An event to celebrate Christmas along with Christian employees, followed by Cake cutting ceremony and a Hi Tea.

The entire office was decorated, and gift hampers were distributed amongst Christian employees for their families.

HORIZONTAL ANALYSIS

of Balance Sheet

	2021	2020	2019 Restated	2018	2017	2016
Non current assets						
Property, plant and equipment	1%	-4%	-3%	3%	19%	20%
Intangible assets					-100%	-63%
Capital work-in-progress	0%	98%	78%	-89%	-61%	-28%
Employees retirement benefits	-38%	81%	-45%	-10%	-26%	1543%
Long term loans	-17%	-11%	-24%	1%	-4%	46%
Long term deposits	1%	0%	0%	1%	0%	1%
Current assets						
Stores and spares	38%	-3%	9%	21%	-4%	6%
Stock in trade	109%	18%	10%	-22%	19%	5%
Trade debts	30%	-7%	36%	10%	14%	-2%
Loans and advances	83%	-69%	10%	13%	11%	-5%
Trade deposits and short term prepayments	-12%	106%	-31%	10%	-9%	4%
Other receivables	88%	-51%	16%	44%	57%	-42%
Short term investments	-62%	104%				
Cash and bank balances	-42%	62%	-5%	35%	-17%	36%
Total assets	5%	23%	10%	1%	2%	12%
Current liabilities						
Current portion of long term financing	-6%					
Current portion of deferred income	-25%					
Trade and other payables	22%	57%	5%	7%	11%	8%
Unpaid dividend	0%	8729%	-59%	-97%	17464%	1010%
Unclaimed dividend	33%	0%	-5%	-67%	321%	27%
Mark up accrued on short term running finances	9%	75%	1942%	0%	-100%	-61%
Short term running finances - secured	100%					
Lease Liability	100%	-100%				
Provision for taxation - net	-49%	-1%	-9%	108%	-9%	-26%
Non current liabilities						
Long term financing	-100%					
Lease Liability	100%					
Deferred income	-100%					
Deferred taxation	-1%	-1%	15%	-11%	-12%	50%
Share capital and reserves						
Share capital	0%	0%	0%	0%	0%	0%
Reserves	-2%	11%	11%	7%	-6%	12%
Total liabilities & equity	5%	23%	10%	1%	2%	12%

Note: No percentage has been worked out where there were no figures in current or corresponding year.

HORIZONTAL ANALYSIS

of Profit And Loss Account

	2021	2020	2019 Restated	2018	2017	2016
Sales	19%	2%	19%	14%	3%	3%
Cost of sales	24%	-1%	22%	16%	1%	-4%
Gross profit	5%	9%	13%	7%	7%	27%
Distribution cost	5%	7%	12%	8%	9%	101%
Administrative expenses	22%	6%	23%	-4%	14%	4%
Operating profit	5%	10%	14%	12%	6%	24%
Other operating income	18%	36%	53%	32%	-4%	13%
Finance cost	-1%	99%	-10%	65%	-12%	17%
Other operating expenses	11%	11%	15%	11%	2%	31%
Profit before taxation	6%	10%	14%	12%	6%	24%
Taxation	13%	4%	13%	21%	-9%	38%
Profit after taxation	3%	12%	14%	9%	13%	18%

VERTICAL ANALYSIS

of Balance Sheet

	2021	2020	2019 Restated	2018	2017	2016
Non current assets						
Property, plant and equipment	26.1%	27.4%	35.0%	39.7%	39.0%	33.5%
Intangible assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital work-in-progress	0.8%	0.9%	0.6%	0.3%	3.0%	7.9%
Employees retirement benefits	0.4%	0.7%	0.5%	1.0%	1.1%	1.5%
Long term loans	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
Long term deposits	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
Current assets						
Stores and spares	4.6%	3.5%	4.4%	4.4%	3.7%	4.0%
Stock in trade	38.7%	19.5%	20.3%	20.3%	26.1%	22.5%
Trade debts	8.4%	6.8%	9.0%	7.3%	6.7%	6.0%
Loans and advances	0.3%	0.2%	0.7%	0.7%	0.6%	0.5%
Trade deposits and short term prepayments	0.6%	0.7%	0.4%	0.7%	0.8%	0.9%
Other receivables	0.2%	0.1%	0.2%	0.2%	0.2%	0.1%
Short term investments	4.1%	11.3%	6.8%			
Cash and bank balances	15.7%	28.7%	21.9%	25.2%	18.8%	23.1%
Total assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Current liabilities						
Trade and other payables	22.5%	19.4%	15.3%	16.0%	15.0%	13.8%
Unpaid dividend	3.8%	4.0%	0.1%	0.1%	5.4%	0.0%
Unclaimed dividend	0.1%	0.1%	0.1%	0.1%	0.3%	0.1%
Mark up accrued on short term running finances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Short term running finances - secured	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Provision for taxation	0.5%	1.0%	1.3%	1.5%	0.7%	0.8%
Current portion of long term financing	0.5%	0.6%	0.0%	0.0%	0.0%	0.0%
Current portion of deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Lease Liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non current liabilities						
Deferred taxation	3.5%	3.8%	4.7%	4.5%	5.1%	5.9%
Long term financing	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Share capital and reserves						
Share capital	0.4%	0.4%	0.5%	0.5%	0.6%	0.6%
Reserves	65.5%	70.2%	78.1%	77.2%	72.9%	78.8%
Total liabilities & equity	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

VERTICAL ANALYSIS

of Profit And Loss Account

	2021	2020	2019 Restated	2018	2017	2016
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	75.8%	72.7%	74.6%	73.2%	71.5%	72.5%
Gross profit	24.2%	27.3%	25.4%	26.8%	28.5%	27.5%
Distribution cost	1.3%	1.5%	1.4%	1.5%	2.5%	2.3%
Administrative expenses	1.7%	1.7%	1.6%	1.6%	1.9%	1.7%
Operating profit	21.1%	23.7%	22.0%	23.0%	23.3%	22.6%
Other operating income	1.5%	1.5%	1.1%	0.9%	0.7%	0.8%
Finance cost	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Other operating expenses	1.6%	1.7%	1.5%	1.6%	1.6%	1.6%
Impairment loss on financial assets	0.0%	0.2%	0.0%			
Profit before taxation	21.0%	23.6%	21.9%	23.0%	23.3%	22.8%
Taxation	6.3%	6.6%	6.5%	6.8%	6.4%	7.3%
Profit after taxation	14.7%	17.0%	15.4%	16.1%	16.9%	15.3%

TEN YEARS AT A GLANCE

	2021	2020	2019 Restated	2018	2017	2016	2015	2014	2013	2012
Net Sales Rs. Million	42,610	35,873	35,261	29,564	26,018	25,298	24,618	25,197	23,673	19,531
Cost of Sales Rs. Million	32,291	26,091	26,289	21,631	18,593	18,345	19,164	20,540	19,460	15,557
Gross Profit Rs. Million	10,318	9,782	8,972	7,933	7,425	6,952	5,454	4,657	4,213	3,975
%age of Sales	24	27	25	27	29	28	22	18	18	20
Profit After Tax Rs. Million	6,257	6,094	5,444	4,772	4,392	3,879	3,275	2,517	2,781	2,040
Capital Expenditure Rs. Million	516	349	314	196	742	870	1,665	469	453	1,185
Dividend Amount Rs. Million	6,465	4,618	3,925	3,925	5,080	2,679	1,293	1,247	1,201	1,062
Dividend Percentage	7,000	5,000	4,250	4,250	5,500	2,900	1,400	1,350	1,300	1,150
Earnings per share Rupees	677.46	659.8	589.36	516.62	475.54	420.01	354.59	272.48	301.14	220.86

SUMMARY OF CASH FLOW STATEMENT

(Rupees in Thousand)

	2021	2020	2019 Restated	2018	2017	2016
Cash flow from operating activities	1,496,977	7,217,533	5,062,877	6,029,543	4,151,301	4,436,739
Cash used in investing activities	(20,430)	123,151	(28,689)	(60,986)	(623,239)	(744,923)
Cash used in financing activities	(6,624,749)	(3,516,088)	(3,967,502)	(4,855,257)	(4,167,556)	(2,689,496)
Net increase in cash and cash equivalents	(5,148,202)	3,824,596	1,066,686	1,113,300	(639,494)	1,002,320
Opening cash and cash equivalents	9,153,818	5,329,222	4,262,536	3,149,236	3,788,730	2,786,410
Closing cash and cash equivalents	4,005,616	9,153,818	5,329,222	4,262,536	3,149,236	3,788,730

SUMMARY OF CASH FLOW STATEMENT

Direct Method (Rupees in Thousand)

	2021	2020	2019 Restated	2018	2017	2016
Cash flows from operating activities						
Cash received from customers	42,132,367	35,935,203	34,819,811	29,449,872	25,878,351	25,320,461
Cash paid to suppliers and employees	(37,842,535)	(26,310,083)	(27,577,686)	(21,460,606)	(19,960,200)	(19,262,533)
Taxes paid	(2,792,855)	(2,407,587)	(2,179,248)	(1,959,723)	(1,766,850)	(1,621,189)
Net cash flows from operating activities	1,496,977	7,217,533	5,062,877	6,029,543	4,151,301	4,436,739
Cash flows from investing activities						
Property, plant and equipment	(516,400)	(348,769)	(313,550)	(195,852)	(741,858)	(870,327)
Sale proceeds of property, plant and equipment	19,217	7,389	23,957	10,884	7,977	7,138
Disbursement of long term loans	(4,600)	(6,559)	(5,664)	(9,746)	(8,400)	(12,700)
Interest income received	474,060	463,270	257,606	125,353	111,404	123,665
Receipt from long term loans disbursed	7,293	7,820	8,962	8,375	7,638	7,301
Net cash used in investing activities	(20,430)	123,151	(28,689)	(60,986)	(623,239)	(744,923)
Cash flows from financing activities						
Dividend paid	(6,459,856)	(3,715,351)	(3,941,033)	(4,829,487)	(4,151,927)	(2,671,639)
Finance cost paid	(36,629)	(39,710)	(21,505)	(25,770)	(15,629)	(17,857)
Receipt of long term financing	0	244,434	0			
Repayment of long term loan	(122,217)	0				
Repayment of lease liability	(6,047)	(5,461)	(4,964)			
Increase / (Decrease) in short term running finances	-	-	-	-		
Net cash used in financing activities	(6,624,749)	(3,516,088)	(3,967,502)	(4,855,257)	(4,167,556)	(2,689,496)
Net increase / (Decrease) in cash and cash equivalents	(5,148,202)	3,824,596	1,066,686	1,113,300	(639,494)	1,002,320
Cash and cash equivalents at the beginning of the year	9,153,818	5,329,222	4,262,536	3,149,236	3,788,730	2,786,410
Effect of exchange rate fluctuations	0	0	0	0	0	0
Cash and cash equivalents at the end of the year	4,005,616	9,153,818	5,329,222	4,262,536	3,149,236	3,788,730

KEY OPERATING AND FINANCIAL DATA

of last six years are as follows:

		2021	2020	2019 Restated	2018	2017	2016
Net Sales	(Rs. Million)	42,610	35,873	35,261	29,564	26,018	25,298
Cost of Sales	(Rs. Million)	32,291	26,091	26,289	21,631	18,593	18,345
Gross Profit	(Rs. Million)	10,318	9,782	8,972	7,933	7,425	6,952
GP to Sales	Percentage	24	27	25	27	29	28
Operating Profit	(Rs. Million)	8,987	8,519	7,750	6,811	6,067	5,725
OP to Sales	Percentage	21	24	22	23	23	23
Profit Before Tax	(Rs. Million)	8,941	8,473	7,726	6,785	6,051	5,707
Profit After Tax	(Rs. Million)	6,257	6,094	5,444	4,772	4,392	3,879
Earnings per Share	(Rupees)	677.46	659.80	589.36	516.62	475.54	420.01
Dividend Amount	(Rs. Million)	6,465	4,618	3,925	3,925	5,080	2,679
Dividend	Percentage	7000	5000	4250	4250	5500	2900
Capital Expenditure	(Rs. Million)	516	349	314	196	742	870

PERFORMANCE INDICATORS

for Last Six Years

		2021	2020	2019 Restated	2018	2017	2016
Profit and Loss Account							
Net turnover	Rs. Million	42,610	35,873	35,261	29,564	26,018	25,298
Gross profit	Rs. Million	10,318	9,782	8,972	7,933	7,425	6,952
Operating profit	Rs. Million	8,987	8,519	7,750	6,811	6,067	5,725
Profit before tax	Rs. Million	8,941	8,473	7,726	6,785	6,051	5,707
Profit after tax	Rs. Million	6,257	6,094	5,444	4,772	4,392	3,879
Earnings before interest, taxes, depreciation and amortization (EBITDA)	Rs. Million	9,480	9,005	8,226	7,263	6,586	6,177
Balance Sheet							
Share capital	Rs. Million	92.36	92.36	92.36	92.36	92.36	92.36
Reserves	Rs. Million	15,788	16,039	14,512	13,052	12,210	12,941
Shareholders funds	Rs. Million	15,880	16,131	14,604	13,144	12,302	13,034
Property, plant and equipment	Rs. Million	6,300	6,265	6,504	6,707	6,522	5,500
Net current assets / (liabilities)	Rs. Million	10,095	10,437	8,737	6,932	5,941	6,944
Long term / deferred liabilities	Rs. Million	858	976	871	759	855	968
Total assets	Rs. Million	24,097	22,845	18,579	16,902	16,744	16,425

VALUE OF INVESTMENTS

of Employees Retirement Funds (Rupees in Thousand)

		2021	2020	2019	2018	2017
1-	Provident Fund - as at June 30	1,179,002	1,124,962	996,498	1,037,299	1,045,266
2-	Gratuity Fund - as at December 31	953,969	871,865	803,850	807,569	810,430
3-	Superannuation Fund - as at December 31	756,205	712,325	645,674	608,443	569,297

INVESTORS' INFORMATION

for six Years

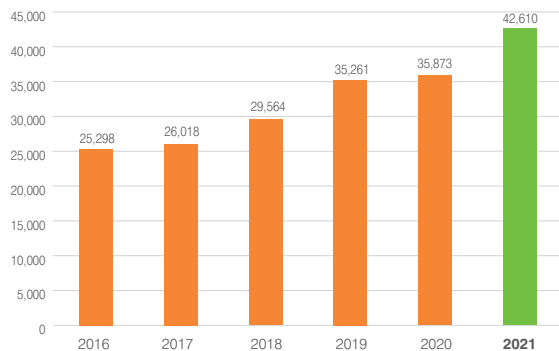
		2021	2020	2019 Restated	2018	2017	2016
Profitability Ratios							
Gross profit ratio	Percentage	24.22	27.27	25.44	26.83	28.54	27.48
Net profit to sales	Percentage	14.69	16.99	15.44	16.14	16.88	15.34
EBITDA margin to sales	Percentage	22.25	25.10	23.33	24.57	25.31	24.42
Operating leverage	Percentage	0.29	5.71	0.72	0.90	2.09	8.72
Return on equity	Percentage	39.40	37.78	37.27	36.30	35.70	29.77
Return on capital employed	Percentage	37.38	35.62	35.17	34.32	33.38	27.71
Liquidity Ratios							
Current ratio	Times	2.37	2.82	3.82	3.31	2.66	3.87
Quick/ Acid test ratio	Times	0.96	1.90	2.34	1.92	1.26	2.07
Cash to current liabilities	Times	0.65	1.60	1.72	1.42	0.88	1.56
Cash flow from operations to sales	Times	0.04	0.20	0.14	0.20	0.16	0.18
Activity / Turnover Ratios							
Inventory turnover ratio	Times	3.10	4.97	5.72	5.18	3.72	4.22
No. of days in inventory	Days	88.59	68.87	60.87	71.29	98.12	86.49
Debtors turnover ratio	Times	21.07	23.11	21.04	23.94	23.21	25.78
No. of days in receivables	Days	15.31	16.42	15.06	15.25	15.73	14.16
Creditors turnover ratio	Times	5.96	5.88	9.28	7.93	5.37	8.03
No. of days in payables	Days	55.68	50.86	38.40	46.03	67.97	45.45
Total assets turnover ratio	Times	1.77	1.57	1.90	1.75	1.55	1.54
Fixed assets turnover ratio	Times	6.76	5.73	5.42	4.41	3.99	4.60
Operating cycle	Days	48.21	34.43	37.54	48.34	50.03	55.21
Investment / Market Ratios							
Earnings per share	Rupees	677.46	659.80	589.36	516.62	475.54	420.01
Price earning ratio	Times	13.88	14.85	12.30	13.07	14.30	20.87
Dividend yield ratio	Percentage	7.00	5.00	6.00	6.30	8.00	3.00
Dividend payout ratio	Percentage	103.33	75.78	72.11	82.27	115.66	69.05
Dividend cover ratio	Times	0.97	1.32	1.39	1.22	0.86	1.45
Cash dividend per share	Rupees	700.00	500.00	425.00	425.00	550.00	290.00
Stock Dividend (Bonus) per share	Percentage	-	-	-	-	-	-
Market value per share at the end of the year	Rupees	9,400.00	9,799.00	7,251.10	6,750.00	68,000.00	8,764.36
Market value per share during the year (High)	Rupees	11,999.00	9,799.00	7,400.00	8,814.00	8,764.36	9,100.00
Market value per share during the year (Low)	Rupees	9,000.00	6,055.00	5,500.00	6,555.95	6,500.00	6,800.00
Break-up value per share - Refer note below							
- Without surplus on revaluation of fixed assets	Rupees	1,719.27	1,746.45	1,581.15	1,423.09	1,331.92	1,411.10
- Including the effect of surplus on revaluation of fixed assets	Rupees	1,719.27	1,746.45	1,581.15	1,423.09	1,331.92	1,411.10
Capital Structure Ratios							
Financial leverage ratio	Times	0.01	0.01	-	-	-	-
Weighted average cost of debt	Percentage	3.52	3.39	11.36	7.70	6.66	6.66
Debt : Equity ratio	Times	0.01	0.01	-	-	-	-
Interest cover	Times	195.35	183.74	333.22	263.77	388.51	321.01

Note: The Company has not carried out any revaluation, hence there is no surplus on revaluation of fixed assets.

GRAPHICAL PRESENTATION

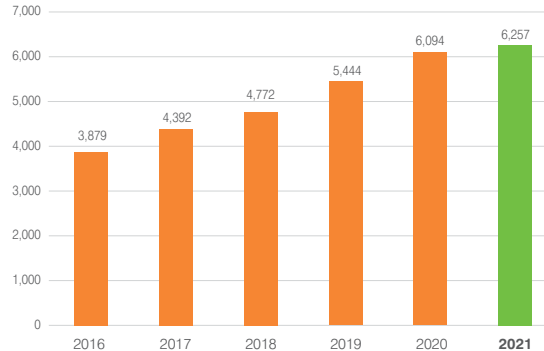
Sales

Rupees in million



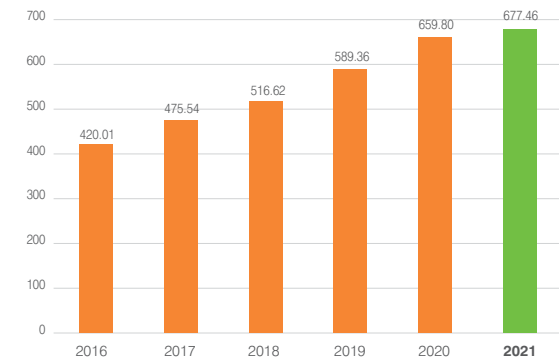
Profit After Tax

Rupees in million



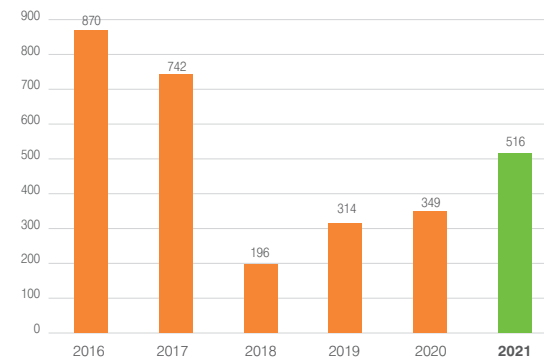
Earning Per Share

Rupees

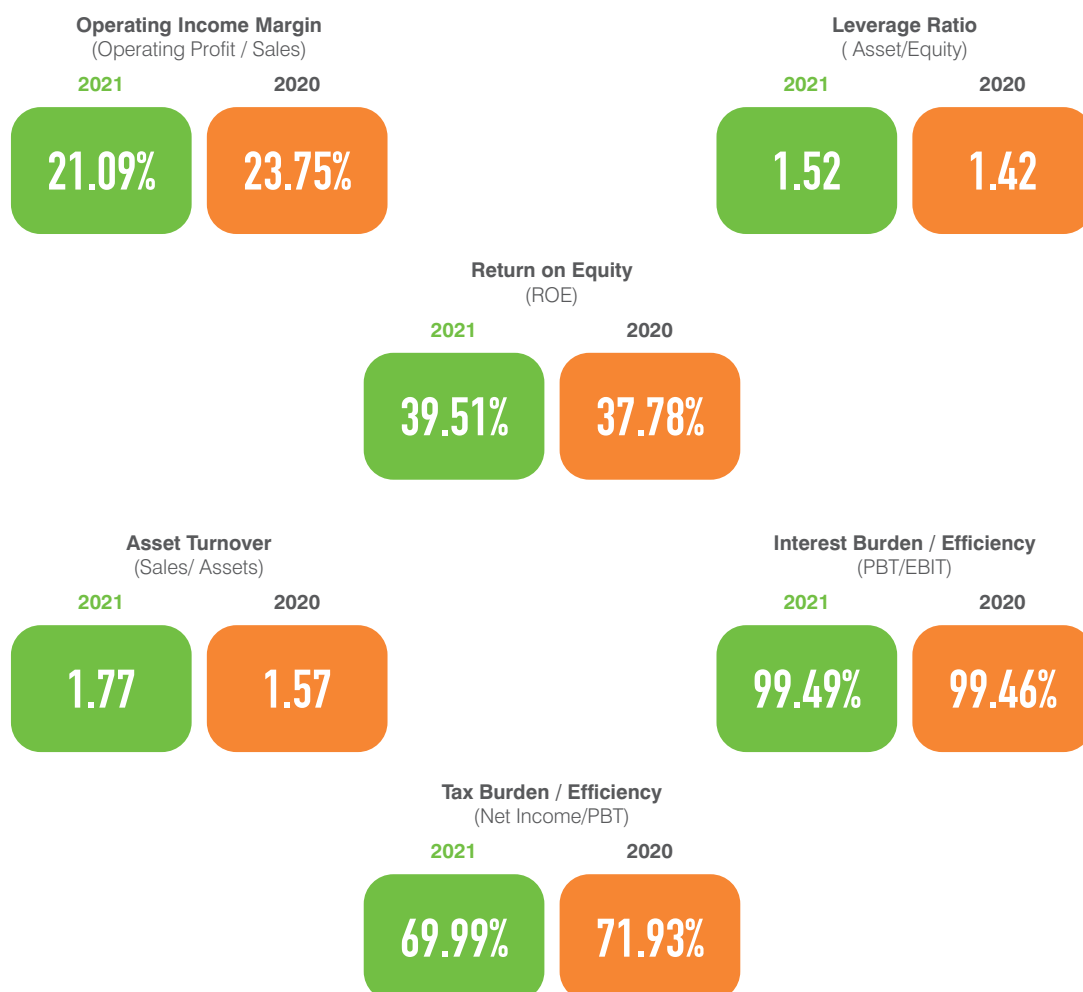


Capital Expenditure

Rupees in Million



DUPONT ANALYSIS



Leverage Ratio (Assets/ Equity)

Increased mainly due to increase in assets (5%) and decrease in equity (2%) from the last year.

Interest Burden / Efficiency (PBT/EBIT)

There is minor variance in the ratio compared to last year which reflects the sustainability in Financing.

Tax Burden / Efficiency (Net Income/PBT)

There is minor decrease in the ratio compared to last year due to increase in taxation expense by 13% .

Asset Turnover (Sales/ Assets)

The ratio increased due to increase in sales (19%) in greater porportion compared to increase in assets (5%) from the last year.

Operating Income Margin

Decreased due to increase in cost of sales from the last year by 24%.

Return on Equity (ROE)

Return on Equity increased due to increase in Net profit by 3% & decrease in equity by 2% compared with last year.

QUARTERLY ANALYSIS

Sales-net

Sales revenue increased by 19% compared to last year. This increase in revenue over the periods is attributable to increase in sales price. Moreover, variation in sales revenue quarter to quarter is due to seasonal impact.

Profit after Taxation

Profit after Taxation increased by 3% in 2021 compared with last year. Growth in revenue from the last year was the main factor which contributed to the growth in profit. Your company has been able to sustain its net profit margin around 15% through efficient and economic utilization of resources, despite of Pandemic and other economic challenges during the year.

Share Capital and Reserves

Share capital and reserves decreased by 2% against last year. Increase in the dividend payout from the last year resulted in the slight decline of reserves. However, company maintains a balance between distribution of profit among shareholders and amount retained for investment in capital projects for achieving growth in shareholders wealth.

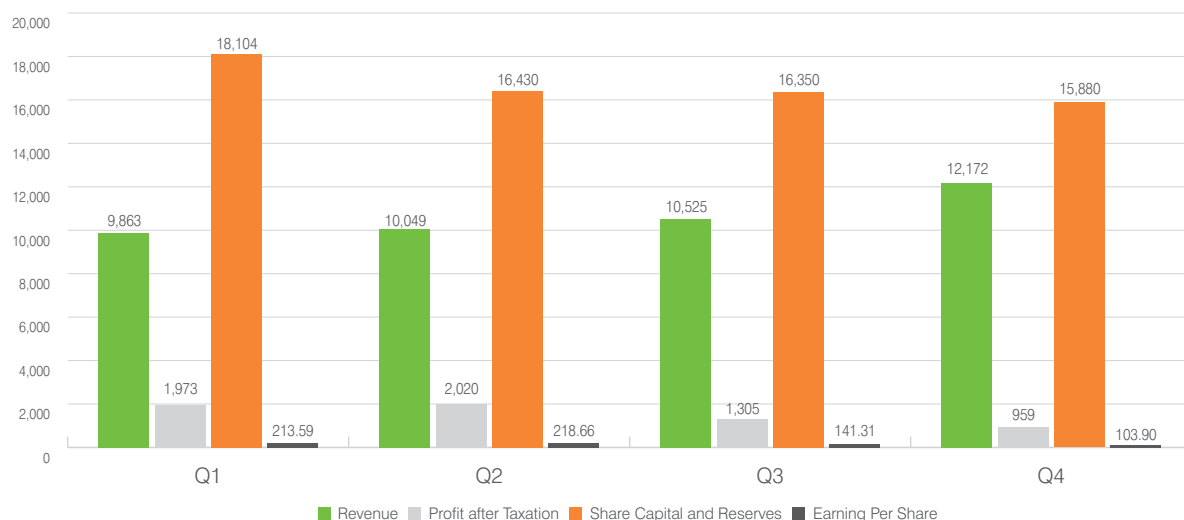
Earning per Share

Your company has been able to achieve the increase in the Earning per Share by 3% from the last year, despite of Pandemic and challenging economic environment.

	First Quarter	Second Quarter	Third Quarter	Fourt Quarter	Total
	Rs Million				
Revenue	9,863	10,049	10,525	12,172	42,609
Profit after Taxation	1,973	2,020	1,305	959	6,257
Share Capital and Reserves	18,104	16,430	16,350	15,880	15,880
Earning Per Share	213.59	218.66	141.31	103.90	677.46

Quarterly Analysis

Rupees in million



SENSITIVITY ANALYSIS AND STATEMENT OF VALUE ADDED

	2021		2020	
	(Rupees in thousands)			
Value Added				
Net sales	42,609,634		35,873,330	
Material and services	(30,543,671)		(24,750,629)	
Other income-net	626,002		530,085	
Foreign Exchange Gain / (Loss)	–		–	
	12,691,965		11,652,787	
Distribution		%		%
Employees as Remuneration				
Salaries, wages and amenities	2,544,033	20	2,035,167	17.5
Financial Charges to Providers of Finance				
Finance Cost	46,003	0.4	46,366	0.4
Government as Taxes				
Tax	2,683,411	21.1	2,378,670	20.4
Workers profit participation fund	480,298	3.8	432,118	3.7
Workers welfare fund	184,660	1.5	169,458	1.5
	3,348,369	26.6	2,980,246	25.6
Shareholders as Dividend				
Cash dividend	6,465,499	50.9	4,618,214	39.6
Society Welfare				
Donations	3,373	–	11,075	0.1
Retained within the Business				
Depreciation/amortization	492,864	3.9	485,702	4.2
Retained profit	(208,176)	(1.7)	1,476,017	12.7
	284,688	2.3	1,961,719	16.8
	12,691,965	100	11,652,787	100

The company is mainly dealing in US Dollars; hence sensitivity analysis has been made against USD only.

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, before tax profit for the year would have been lower by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign debtors, foreign currency bank account and trade and other payables.

	2021	2020
	(Rupees in thousands)	
Effect on profit and loss		
US Dollar	28,775	1,057

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the post-tax profit.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

NOTICE OF MEETING

Notice is hereby given that the 133rd General Meeting (Annual Ordinary) of the shareholders of Rafhan Maize Products Co. Limited will be held on Tuesday, April 19, 2022 at 3:00 p.m. at the Company's Head Office, Rakh Canal East Road, Faisalabad to transact the following business:

1. To confirm minutes of the last General Meeting (Extraordinary) of the shareholders of the Company held on Tuesday, September 7, 2021 at Faisalabad.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2021 together with the Directors' and Auditors' Reports thereon.
3. To approve final cash dividend of Rs.150/- per ordinary share of Rs.10/- i.e.1,500% for the year ended December 31, 2021 as recommended by the Board of Directors.
4. To appoint auditors and fix their remuneration. The present auditors Messrs KPMG Taseer Hadi & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Board of Directors, on recommendations of the Audit Committee, has proposed appointment of Messrs KPMG Taseer Hadi & Co., Chartered Accountants for the year ending December 31, 2022 along with half year review.

Special Business

5. To consider and approve change in car buy back Scheme for Employee Directors and Executives.

Statement U/S 134(3) of the Companies Act, 2017 in respect of Special Business is attached.

By order of the Board



Mustafa Kamal Zuberi

Chief Legal Officer & Company Secretary

Faisalabad
March 29, 2022

Statement U/S 134(3) of the Companies Act, 2017

The Shareholders' approval will be sought for the change in car buy back scheme for Employee Directors and Executives with Company maintained cars. For this purpose the following Ordinary Resolution which sets out the details of the car scheme will be moved at the meeting-

RESOLVED that the Car Scheme for Employee Directors and Executives with the Company maintained cars; the salient features of which are that they have an option to purchase against payment ONE car (upto 1800cc) in their respective use at the following percentage of the cost:

Age of Car	%Age of Original Cost
New	100
One year	80
Two years	60
Three years	40
Four years	20

ALSO RESOLVED that after purchase of one car under the scheme, the employees will be eligible for a new Company car in accordance with the periods mentioned below:

Age of Car at Purchase Eligibility for new company car after buyback

Age of Car at Purchase	Eligibility for new company car after buyback
1 year or more	3 years
2 years or more	2 years
3 years or more	1 year
4 years	Immediate after buyback

Moreover, the employees will be eligible for buyback option during their employment or on attaining superannuation age, voluntary retirement and / or death of employee. Similarly, legal heirs of the employees will also be eligible to avail buyback option for the purchase of one car under their use or in the use of the deceased employee as per this scheme.

Furthermore, this buyback option will not be applicable to the employees who are allotted Company cars purely for execution of the field assignments due to their nature of job.

However, the employees resigning from the job or terminated on charges of misconduct shall not be entitled under aforementioned buyback option.

FURTHER RESOLVED that the Board of Directors of the Company has the right to amend this scheme or grant an exception on a case basis at its discretion.

The employee Directors and Executives are directly interested in this business to the extent explained above.

Notes:

Due to current COVID-19 situation, the Securities and Exchange Commission of Pakistan (SECP) in terms of its Circular No.5 of 2020 issued on March 17, 2020 and subsequent circulars No. 36 of 2020 dated August 31, 2020, No.33 of 2020 dated November 5, 2020 has advised companies to modify their usual planning for general meetings for the safety and wellbeing of shareholders and the public at large. Now vide Circular No.4 of 2021 dated February 15, 2021, SECP has made a regular feature to participate in General Meeting through electronic means from the date of this circular. Considering the SECP's directives, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the Members to consolidate their attendance at the AGM through proxies.

The Company, furthermore, has made arrangements to ensure that all participants, including shareholders, can now participate in the AGM proceeding via video-link. For this, Members are required to email their Name, Folio Number and Number of Shares held in their names with subject "Registration for RAFHAN AGM" at corporate@raffhanmaize.com. Video-link and login credentials will be shared with only those Members whose emails, containing all the required particulars, are received at the given email address by or before 3:30 p.m. on April 14, 2022. The Shareholders can also provide their comments and questions for the agenda items of the AGM on Email

at corporate@rafhanmaize.com. Members are, therefore, encouraged to attend the AGM through video-link or by consolidating their attendance through proxies.

1. The Shares Transfer Books of the Company will remain closed from 15th April to 19th April, 2022 (both days inclusive) and no transfer will be accepted for registration during this period.
2. A member entitled to attend, speak and vote at the meeting shall be entitled to appoint another person as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights with respect to attending, speaking and voting at the meeting as are available to a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. A proxy need not be a member of the Company. Form of proxy is attached.
3. Physical shareholders are requested to notify change of address, if any, to the Company's Shares Registrar immediately.
4. CDC shareholders desiring to attend the meeting are requested to bring their original Computerized National Identity Cards, Account and Participant's ID numbers, for identification purpose, and in case of proxy, to enclose an attested copy of his/her CNIC.

Important Notes to Shareholders

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

CNIC No.

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

Dividend Mandate/E-Dividend

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

In order to receive dividends directly into their bank account, shareholders are requested to fill in Dividend Mandate Request Form available at Company's website www.rafhanmaize.com and send it duly signed along with copy of CNIC to the Shares Registrar of the Company, in case of physical shares. In case the shares are held in CDC, then the Form must be submitted directly to shareholder's broker/participant/CDC Account Services. In case of non-receipt of the above information, the Company will be constrained to withhold payment of dividend to such shareholders.

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

Annual Financial Statements of the Company for the financial year ended December 31, 2021 have been placed on the Company's website www.rafhanmaize.com

Securities & Exchange Commission of Pakistan (SECP) vide its SRO No.470(1)/2016 dated May 31, 2016 has allowed companies to circulate the Annual Balance Sheet, Profit and Loss Account, Auditors' Report and Directors' Report etc. ("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 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 this notice.

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.

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 this notice.

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 Certificates 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 Shareholders 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

Chief Legal Officer & Company Secretary
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, Shahrah-e-Faisal, Karachi.
Tel.No.021-34380101-05 Ext.118
E-mail: info.shares@famco.com.pk

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Rafhan Maize Products Company Limited Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Rafhan Maize Products Company Limited for the year ended 31 December 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 31 December 2021.

Further, we highlight the instance of non-compliance with the requirement of the Regulations as reflected in paragraph 2 of the Statement of Compliance that the Company is in the process of getting a waiver from the requirement of Regulation 6(l) of CCG Regulations 2019, regarding minimum number of independent directors.

Lahore
Date: 24 March 2022
UDIN: CR202110089LPwl394sY



KPMG Taseer Hadi & Co.
Chartered Accountants

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019 Year Ended December 31, 2021

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 11 as per the following:-

- a. Male: Ten (10)
- b. Female: One (1)

2. The composition of Board is as follows

	Category	Names
i.	Independent Directors	Tahir Jawaid Waqar Ahmad Malik
ii.	Other Non-Executive Directors	Pierre Perez y Landazuri James D. Gray Michael F. O'Riordan Zulfikar Mannoo M. Adil Mannoo Wisal A. Mannoo
iii.	Executive Directors	Usman Qayyum Adil Saeed Khan
iv.	Female Director	Ms. Lori Arnold

The Company has filed an application for seeking a waiver from the requirement of Regulation 6 of CCG regulations 2019, regarding minimum number of independent directors.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The Board has not arranged any Directors' Training program during the year:

10. The Board has approved/ratified appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising members given below:

a) Audit Committee

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

b) HR and Remuneration Committee

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following,-
 - a) Audit Committee: Four quarterly meetings during the financial year ended December 31, 2021;
 - b) HR and Remuneration Committee: Four meetings during the financial year ended December 31, 2021;
15. The Board has set up an effective internal audit function. The head of internal audit is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse,

parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations 3, 7, 8, 27, 32, 33 and 36 have been complied with. However, the Company has filed an appeal for seeking a waiver from the requirement of Regulation 6(1) of CCG regulations 2019, regarding minimum number of independent directors.



PIERRE PEREZ y LANDAZURI
Chairman



Usman Qayyum
Chief Executive & Managing Director

February 25, 2022

A large, abstract watercolor splash in shades of orange and brown, starting from the top right and spreading towards the bottom left, covering the right side of the page.

RAFHAN MAIZE PRODUCTS COMPANY LIMITED

FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Rafhan Maize Products Co. Limited Report on the audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Rafhan Maize Products Company Limited ("the Company"), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p>Revenue from contract with customers</p> <p>Refer to note 25 of the financial statements and the accounting policy note 4.10 to the financial statements.</p> <p>The Company recognized revenue of Rs. 42.610 million (2020: Rs. 35,873 million) from contracts with customers, during the year ended 31 December 2021.</p> <p>We identified recognition of revenue as a key audit matter because it is one of the key performance indicators of the Company and gives rise to a risk that revenue is recognized without transferring the control.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Obtaining an understanding of the process relating to recording of revenue from contract with customers and testing the design and implementation of relevant key controls.• Assessing the appropriateness of the Company's revenue accounting policies and compliance of those policies with applicable financial reporting standard.• Comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents.

S. No.	Key audit matter	How the matter was addressed in our audit
		<ul style="list-style-type: none"> Comparing on a sample basis, specific revenue transactions recorded from sale of the Company's products just before financial year end date to determine whether the revenue had been recognized in the appropriate financial period. Scanning for any manual journal entries relating to revenue recorded during the year which were considered to be material or met other specific risk-based criteria for inspecting underlying documentation.

Information other than the financial statements and auditor's report thereon

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended 31 December 2021 but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and board of directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 {XIX of 2017} and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

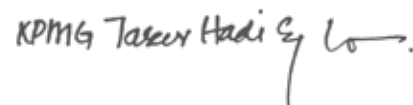
Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Fahad Bin Waheed

Lahore
Date: 24 March 2022
UDIN: AR2021100898ebFfAcyz



KPMG Taseer Hadi & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	2021 (Rupees in thousands)	2020
Non-current assets			
Property, plant and equipment	5	6,502,771	6,468,188
Employees retirement benefits	6	99,783	160,231
Long term loans	7	5,535	6,675
Long term deposits		35,108	34,844
		6,643,197	6,669,938
Current assets			
Stores and spares	8	1,106,768	799,385
Stock in trade	9	9,315,109	4,453,097
Trade debts	10	2,021,947	1,551,968
Loans and advances	11	69,051	37,653
Short term prepayments	12	139,535	158,411
Other receivables	13	39,342	20,923
Short term investments	14	986,159	2,588,394
Cash and bank balances	15	3,775,690	6,565,424
		17,453,601	16,175,255
Current liabilities			
Current portion of long term financing		119,811	127,827
Short term running finances - secured	16	756,233	–
Current portion of deferred income		5,392	7,189
Contract liabilities		673,732	523,842
Trade and other payables	17	4,741,326	3,913,410
Current portion of Lease liability		5,987	–
Unpaid dividend		914,189	913,234
Unclaimed dividend		18,718	14,030
Mark-up accrued on short term running finances		2,022	1,858
Provision for taxation - net		121,139	236,746
		7,358,549	5,738,136
Working capital		10,095,052	10,437,119
Total capital employed		16,738,249	17,107,057
Non-current liabilities			
Long term financing	18	–	106,041
Deferred income	19	–	5,392
Lease liability	20	5,086	–
Deferred taxation	21	853,276	864,643
Net capital employed		15,879,887	16,130,981
Represented by:			
Share capital and reserves			
Share capital	22	92,364	92,364
Reserves	23	15,787,523	16,038,617
		15,879,887	16,130,981

Contingencies and commitments

24

The annexed notes 1 to 48 form an integral part of these financial statements.



Adil Saeed Khan
Chief Financial Officer



Usman Qayyum
Chief Executive and Managing Director



Zulfikar Mannoo
Director

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

	Note	2021 (Rupees in thousands)	2020
Revenue	25	42,609,634	35,873,330
Cost of sales	26	(32,291,293)	(26,091,010)
Gross profit		10,318,341	9,782,320
Distribution expenses	27	(550,270)	(524,481)
Administrative expenses	28	(742,543)	(608,943)
Impairment reversal / (loss) on financial assets		165	(58,138)
Other income	29	626,002	530,085
Other expenses	30	(664,958)	(601,576)
		(1,331,604)	(1,263,053)
Operating profit		8,986,737	8,519,267
Finance cost	31	(46,003)	(46,366)
Profit before taxation		8,940,734	8,472,901
Taxation	32	(2,683,411)	(2,378,670)
Profit after taxation		6,257,323	6,094,231
Earnings per share - basic and diluted (Rupees)	33	677.46	659.80

The annexed notes 1 to 48 form an integral part of these financial statements.


Adil Saeed Khan
Chief Financial Officer


Usman Qayyum
Chief Executive and Managing Director



Zulfikar Mannoo
Director

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	2021	2020
	(Rupees in thousands)	
Profit for the year	6,257,323	6,094,231
Other comprehensive (loss)/income for the year		
Items that will not be reclassified to profit or loss:		
Actuarial gain / (loss) on retirement benefits	(60,448)	71,530
Deferred tax on actuarial loss / (gain)	17,530	(20,744)
	(42,918)	50,786
Total comprehensive income for the year	6,214,405	6,145,017

The annexed notes 1 to 48 form an integral part of these financial statements.


Adil Saeed Khan
Chief Financial Officer


Usman Qayyum
Chief Executive and Managing Director



Zulfikar Mannoo
Director

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Note	2021 (Rupees in thousands)	2020
Cash flows from operating activities			
Cash generated from operations	34	4,355,444	9,693,169
Taxes paid		(2,792,855)	(2,407,587)
Employees retirement benefits paid		(65,612)	(68,049)
		(2,858,467)	(2,475,636)
Net cash generated from operating activities		1,496,977	7,217,533
Cash flows from investing activities			
Capital expenditure incurred		(516,400)	(348,769)
Proceeds from sale of property, plant and equipment		19,217	7,389
Long term loans disbursed		(4,600)	(6,559)
Interest received		474,060	463,270
Receipt from long term loans disbursed		7,293	7,820
Net cash (used) /generated from investing activities		(20,430)	123,151
Cash flows from financing activities			
Receipt of long term financing		–	244,434
Repayment of long term loan		(122,217)	–
Dividend paid		(6,459,856)	(3,715,351)
Repayment of lease liability		(6,047)	(5,461)
Finance cost paid		(36,629)	(39,710)
Net cash used in financing activities	43	(6,624,749)	(3,516,088)
Net (decrease)/increase in cash and cash equivalents		(5,148,202)	3,824,596
Cash and cash equivalents at the beginning of the year		9,153,818	5,329,222
Cash and cash equivalents at the end of the year	35	4,005,616	9,153,818

The annexed notes 1 to 48 form an integral part of these financial statements.


Adil Saeed Khan
Chief Financial Officer


Usman Qayyum
Chief Executive and Managing Director


Zulfikar Mannoo
Director

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Share capital	Capital Reserves		Revenue Reserves		Total
		Share premium	Other	General	Un-appropriated Profit	
(Rupees in thousands)						
Balance as at 31 December 2019	92,364	36,946	941	207	14,473,720	14,604,178
Total comprehensive income						
Profit for the year	-	-	-	-	6,094,231	6,094,231
Other comprehensive income	-	-	-	-	50,786	50,786
	-	-	-	-	6,145,017	6,145,017
Transactions with owners of the Company recognized 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)
2nd interim dividend 2020 (Rs. 150.00 per share)	-	-	-	-	(1,385,464)	(1,385,464)
	-	-	-	-	(4,618,214)	(4,618,214)
Balance as at 31 December 2020	92,364	36,946	941	207	16,000,523	16,130,981
Total comprehensive income						
Profit for the year	-	-	-	-	6,257,323	6,257,323
Other comprehensive loss	-	-	-	-	(42,918)	(42,918)
	-	-	-	-	6,214,405	6,214,405
Transactions with owners of the Company recognized 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)
3rd interim dividend 2021 (Rs. 150.00 per share)	-	-	-	-	(1,385,464)	(1,385,464)
	-	-	-	-	(6,465,499)	(6,465,499)
Balance as at 31 December 2021	92,364	36,946	941	207	15,749,429	15,879,887

The annexed notes 1 to 48 form an integral part of these financial statements.


Adil Saeed Khan
Chief Financial Officer


Usman Qayyum
Chief Executive and Managing Director


Zulfikar Mannoo
Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1 Corporate and general information

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

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

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

2 Basis of preparation

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) 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;
- Provisions of and directives issued under Companies Act, 2017.

In case requirements of provisions and directives issued under the Companies Act, 2017, differ from requirements of IFRSs and IFASs, the provisions of and directives issued under the Companies Act, 2017 shall prevail.

2.2 Functional and presentation currency

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

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for:

- certain foreign currency translation adjustments; and
- recognition of employee retirement benefits at present value;

3 New standards amendments to approved accounting standards and interpretations which became effective during the year ended 31 December 2021

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3.2 The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability
- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives. or other component of equity, as appropriate, at the date of initial application.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 01 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3 . An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 01 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

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- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 01 January 2023 and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 01 January 2023 with earlier application permitted.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends 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.

The above amendments are not likely to have a material effect on the financial statements of the Company.

4 Significant accounting policies:

The accounting policies adopted for the preparation of the financial statements are set out below. The accounting policies have been consistently applied to all the years presented.

4.1 Property, plant and equipment

Owned

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost of certain property, plant and equipment comprises of historical cost, exchange differences recognized, for the acquisition of property, plant and equipment up to the commencement of commercial production and the cost of borrowings during construction period in respect of loans taken, if any, for specific projects.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Depreciation charge is based on the straight-line method whereby the cost of an asset is written off to profit or loss over its estimated useful life after taking into account the residual value, if material. Depreciation is charged on addition if the asset is available for use within first fifteen days of a month, otherwise it is made from subsequent month. No depreciation is charged on an asset in the month of disposal. The rate of depreciation is specified in Note 5.1 to these financial statements.

The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Maintenance and normal repairs are charged to profit or loss as and when incurred. Improvements are capitalized when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably. Assets replaced, if any, are derecognized.

The gain or loss on disposal or retirement of an asset is represented by the difference between the sale proceeds and the carrying amount of the asset and is recognized as an income or expense.

Leased

The Company recognizes a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost which comprise the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability. The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use asset are determined on the same basis as those of operating property, plant and equipment. Right-of-use assets are disclosed in the property, plant and equipment.

Capital work-in-progress

Capital work in progress and stores held for capital expenditure are stated at cost less any identified impairment loss and represents expenditure incurred on property, plant and equipment during the construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

4.2 Intangibles

Intangibles are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Intangibles having finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Cost of the intangible asset includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Amortization is based on the cost of an asset less its residual value, if any. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

4.3 Employees retirement benefits

The Company's retirement benefit plans comprise of provident fund, pension and gratuity schemes for eligible retired employees.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Defined benefit plans

The Company operates a funded gratuity scheme for all its employees and an approved pension fund for officers and above-grade employees, having a service period of minimum 10 years. The pension and gratuity schemes are salary schemes providing pension and lump sums, respectively. The pension and gratuity plans are final salary plans. The Company recognizes expense in accordance with IAS 19 'Employee Benefits'.

The contributions have been made to pension and gratuity funds in accordance with the actuary's recommendations based on the actuarial valuation of these funds as at 31 December 2021.

Past-service costs are recognized immediately in profit or loss, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortized on a straight-line basis over the vesting period.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plans

The Company operates a defined contribution approved provident fund for all its eligible employees, in which the Company and the employees make equal monthly contributions at the rate of 14% of basic salary including dearness allowance of employees.

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

4.4 Stores and spares

These are valued at lower of cost, which is calculated according to moving average method, and net realizable value. Stores in transit are valued at invoice value including other charges, if any, incurred thereon.

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For the year ended 31 December 2021

4.5 Stocks in trade

These are stated at the lower of cost and estimated net realizable value.

Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition, and valuation has been determined as follows:

Raw materials	Weighted average cost
Work-in-process and finished goods	Cost of direct materials, labor and appropriate manufacturing overheads.

Stock in transit is valued at a cost, comprising invoice value plus other charges invoiced there on.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale (selling expenses).

4.6 Financial instruments

4.6.1 Classification and measurement of financial assets and financial liabilities

Under IFRS 9, on initial recognition, the Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value either through other comprehensive income (“FVOCI”), or through profit or loss (“FVTPL”); and
- Those to be measured at amortized cost.

The classification depends upon entity’s business model for managing the financial assets and the contractual terms of the cash flows.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a financial asset is held; and
- The designation of certain financial assets with respect to subsequent measurement either through profit or loss or other comprehensive income.
- For the purposes of the assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

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- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including an interest / markup or dividend income, are recognized in statement of profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains, losses and impairment are recognized in statement of profit or loss.
Debt investment at FVOCI	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in statement of comprehensive income. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to statement of profit or loss.

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For the year ended 31 December 2021

4.6.2 Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Any gain or loss on derecognition is recognized in profit or loss.

4.6.3 Derecognition

4.6.3.1 Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

4.6.3.2 Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4.6.3.3 Impairment

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and

An impairment loss is recognized if the carrying amount of the assets exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

Additional information about how the Company measures allowance for impairment is detailed in note 37.2.2 of the financial statements.

4.6.3.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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For the year ended 31 December 2021

4.6.4 Derivative financial instruments

These are initially recorded at fair value on the date a derivative contract is entered into and are re-measured to fair value at subsequent reporting dates. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company does not apply hedge accounting for any derivatives.

Any gain or loss from change in fair value of derivatives that do not qualify for hedge accounting are taken directly to profit or loss .

4.7 Impairment of non financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment loss recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.8 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

4.9 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

4.10 Revenue recognition

Revenue from contracts with customers

Revenue represents the fair value of the consideration received or to be received from the sale of goods, net of sales tax, sales return and related discounts. Revenue is measured based on the consideration specified in a contract with customer. The Company recognises revenue when it transfers control of the goods. The customers obtain control when the goods are either dispatched or delivered to them and have been accepted at their premises. Invoices are generated at that point in time. Trade discounts are provided to certain customers for specified products. Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered.

Interest

Return on bank deposits and debt instrument is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

4.11 Leases

The Company is a lessee. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

4.12 Compensated absences

The Company accounts for compensated absence on the basis of unavailed earned leave balance of each employee at the end of the year.

NOTES TO THE FINANCIAL STATEMENTS

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4.13 Government grants

The Company recognises benefit of a government loan at a below-market rate of interest as a government grant provided there is a reasonable assurance that the grant will be received and Company will comply with all attached conditions. The benefit of loan at below market rate of interest is measured as the difference between the initial carrying value of the loan in accordance with IFRS 9 and the proceeds received. The benefit is generally accounted for and presented as deferred grant as a separate line item in statement of financial position. Subsequently, the grant is recognized in the statement of profit or loss as other income, on a systematic basis over the periods in which the related finance cost for which the grant is intended to compensate is incurred.

4.14 Borrowings and their cost

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

4.15 Foreign currency translation

Transactions denominated in foreign currencies are translated into Pak Rupees, at the foreign exchange rates prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the foreign exchange rates at the reporting date. Exchange differences are taken to the profit or loss.

4.16 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit or loss, except to the extent that it relates to items recognized directly in other comprehensive income or below equity, in which case it is recognized in other comprehensive income or below equity respectively.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is recognized using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

The Company recognizes a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.17 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

4.18 Dividend and other appropriations

Dividend is recognized as a liability in the period in which it is declared and approved. Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

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	Note	2021 (Rupees in thousands)	2020
5 Property, plant and equipment			
Operating property, plant and equipment	5.1	6,300,063	6,264,513
Capital work in progress	5.2	202,708	203,675
		6,502,771	6,468,188

5.1 Operating property, plant and equipment

	Leased		Owned assets					Total
	Leasehold building	Freehold land	Factory building on freehold land	Plant and machinery	Furniture and fittings	Vehicles	Office equipment	
	(Rupees in thousands)							
Cost								
Balance as at 01 January 2020	9,436	386,717	2,675,299	8,247,502	70,657	177,030	62,734	11,629,375
Additions	–	–	2,692	226,405	435	3,934	14,403	247,869
Disposals	–	–	–	(11,140)	(557)	(4,608)	–	(16,305)
Balance at 31 December 2020	9,436	386,717	2,677,991	8,462,767	70,535	176,356	77,137	11,860,939
Balance as at 01 January 2021	9,436	386,717	2,677,991	8,462,767	70,535	176,356	77,137	11,860,939
Additions	16,070	–	27,731	441,030	4,014	22,826	21,765	533,436
Disposals	–	–	–	(5,788)	–	(26,603)	(203)	(32,594)
Balance at 31 December 2021	25,506	386,717	2,705,722	8,898,009	74,549	172,579	98,699	12,361,781
Rate of depreciation - %age	36%	–	4%	5%-10%	20%	20%	25%	
Accumulated depreciation								
Balance at 01 January 2020	4,718	–	1,607,274	3,294,918	56,789	108,767	52,509	5,124,975
Depreciation	4,718	–	55,334	395,351	4,813	20,721	4,765	485,702
Disposals	–	–	–	(11,132)	(557)	(2,562)	–	(14,251)
Balance at 31 December 2020	9,436	–	1,662,608	3,679,137	61,045	126,926	57,274	5,596,426
Balance at 01 January 2021	9,436	–	1,662,608	3,679,137	61,045	126,926	57,274	5,596,426
Depreciation	5,844	–	55,392	401,645	4,195	18,365	7,424	492,865
Disposals	–	–	–	(5,784)	–	(21,641)	(146)	(27,571)
Balance at 31 December 2021	15,280	–	1,718,000	4,074,998	65,240	123,650	64,552	6,061,720
Carrying amounts								
At 31 December 2020		386,717	1,015,383	4,783,630	9,490	49,430	19,863	6,264,513
At 31 December 2021	10,226	386,717	987,722	4,823,011	9,309	48,929	34,147	6,300,063

5.1.1 The cost of fully depreciated assets which are still in use is Rs.1,658,779 thousands (2020: Rs. Rs.1,529,499 thousands).

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	2021 (Rupees in thousands)	2020
5.1.2 Depreciation is allocated as under:		
Cost of sales	468,330	461,211
Distribution cost	13,753	13,829
Administrative expenses	10,781	10,662
	492,864	485,702

5.1.3 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Particulars	Location	Total area (square feet)
Rakh Canal Plant	Rakh Canal East Road, Faisalabad	804,172
Cornwala Plant	5-KM Jaranwala-Khurrianwala Road, Jaranwala	5,368,492
Mehran Plant	K.B.Feeder Road, Kotri, Jamshoro	2,220,210
Makkuana Godown	Near makkuana bypass, Faisalabad	1,172,798
Summandri Godown	Summandri Road, Faisalabad	505,904

Freehold building and plant and machinery are located on above mentioned freehold land.

	Note	2021 (Rupees in thousands)	2020
5.2 Capital work in progress			
Land	5.2.1	6,814	6,814
Civil works and buildings		12,773	16,502
Plant and machinery	5.2.2	84,190	47,844
Advances		96,140	74,565
Machinery in transit		2,791	57,950
		202,708	203,675

5.2.1 This represents full payment of Rs. 1,814 thousands (2020: Rs. 1,814 thousands) and legal cost incurred Rs. 5,000 thousands (2020: Rs. 5,000 thousands) for the Company's factory land in Faisalabad which was acquired from the government in 1953 but registration of title is still pending in the name of Company.

5.2.2 Plant and machinery includes markup amounting to Rs. 386 thousands (2020: 225 thousands) calculated at the rates ranging from 7.70% to 10.01% (2020: 7.53% to 14.18%) per annum.

	Note	2021 (Rupees in thousands)	2020
6 Employees retirement benefits			
Gratuity	6.1	50,028	91,495
Pension	6.1	49,755	68,736
		99,783	160,231

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For the year ended 31 December 2021

6.1 Movements in the net assets recognized in the statement of financial position are as follows:

	Gratuity		Pension	
	2021	2020	2021	2020
	(Rupees in thousands)			
Net assets at the beginning of the year	91,495	49,239	68,736	39,462
Expenses recognized	(46,255)	(47,991)	(19,357)	(20,058)
Contribution paid during the year	46,255	47,991	19,357	20,058
Actuarial (loss) / gain recognized	(41,467)	42,256	(18,981)	29,274
Net assets at the end of the year	50,028	91,495	49,755	68,736
6.2 The amounts recognized in the profit or loss are as follows:				
Current service cost	(54,656)	(52,697)	(26,066)	(24,445)
Interest cost	(81,583)	(88,709)	(65,603)	(70,801)
Interest income on plan assets	89,984	93,415	72,312	75,188
	(46,255)	(47,991)	(19,357)	(20,058)
6.3 The amounts recognized in other comprehensive income are as follows:				
Remeasurements of plan obligation from:				
- Change in financial assumptions	(2,197)	758	7,527	(5,204)
- Experience adjustment on obligation	(23,639)	39,389	(12,684)	32,311
	(25,836)	40,147	(5,157)	27,107
Remeasurements of plan assets:				
- Actual net return on plan assets	74,353	94,728	58,488	76,623
- Interest income on plan assets	(89,984)	(93,415)	(72,312)	(75,188)
- Experience adjustment	-	796	-	732
	(15,631)	2,109	(13,824)	2,167
	(41,467)	42,256	(18,981)	29,274
6.4 The amounts recognized in the statement of financial position are as follows:				
Present value of the obligation	(903,941)	(780,369)	(706,451)	(643,589)
Fair value of plan assets	953,969	871,864	756,205	712,325
Net assets	50,028	91,495	49,754	68,736
6.5 Movement in present value of defined benefit obligation				
Present value of defined benefit obligation as at the beginning of the year	(780,369)	(754,611)	(643,589)	(606,213)
Current service cost	(54,656)	(52,697)	(26,066)	(24,445)
Interest cost	(81,583)	(88,709)	(65,603)	(70,801)
Actual benefits paid during the year	38,504	75,501	33,964	30,763
Actuarial (loss) / gain on obligation	(25,836)	40,147	(5,157)	27,107
Present value of defined benefit obligation as at the end of the year	(903,941)	(780,369)	(706,451)	(643,589)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

	Gratuity		Pension	
	2021	2020	2021	2020
(Rupees in thousands)				
6.6	Movement in fair value of plan assets			
	Fair value of plan asset as at the beginning of the year			
	871,864	803,850	712,325	645,675
	Interest income on plan assets			
	89,984	93,415	72,312	75,188
	Actual benefits paid during the year			
	(38,504)	(75,501)	19,356	(30,763)
	Actual contribution by the employer- normal			
	46,256	47,991	(33,964)	20,058
	Net return on plan assets over interest income			
	(15,631)	2,109	(13,824)	2,167
	Fair value of plan asset as at the end of the year			
	953,969	871,864	756,205	712,325
6.7	Actual return on plan assets			
	Expected return on plan assets			
	89,984	93,415	72,312	75,188
	Net surplus / (deficit) on plan assets over interest income			
	(15,631)	2,109	(13,824)	2,167
	74,353	95,524	58,488	77,355
6.8	The composition of plan assets is as follow:			
	Pakistan Investment Bonds (PIBs)			
	145,281	140,746	95,184	92,212
	Mutual funds			
	50,027	10	10	10
	Treasury Bills (T-Bills)			
	179,068	695,475	154,138	595,856
	Term Deposits			
	500,308	–	500,308	–
	Cash			
	79,285	35,633	6,565	24,247
	953,969	871,864	756,205	712,325
6.9	Analysis of present value of defined benefit obligation			
	Type of Members:			
	Management			
	517,612	472,443	–	–
	Non-management			
	386,329	307,926	–	–
	Active			
	–	–	371,772	334,510
	Pensioners			
	–	–	334,679	309,079
	903,941	780,369	706,451	643,589
	Vested / non-vested:			
	Vested benefits			
	796,812	688,719	552,180	502,382
	Non-vested benefits			
	107,129	91,650	154,271	141,207
	903,941	780,369	706,451	643,589
	Type of Benefits:			
	Accumulated benefit obligation			
	368,373	347,664	526,262	491,050
	Amounts attributed to future salary increases			
	535,568	432,705	180,189	152,539
	903,941	780,369	706,451	643,589

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

	Gratuity		Pension	
	2021	2020	2021	2020
(Rupees in thousands)				
6.10 Disaggregation of fair value of plan assets				
Investment in mutual funds:				
Quoted	50,027	10	10	10
Cash and cash equivalents (after adjusting current liabilities):				
Unquoted	79,285	35,633	6,565	24,247
Debt instruments:				
Unquoted	824,657	836,221	749,630	688,068
Total fair value of plan assets	953,969	871,864	756,205	712,325

6.11 Plan assets does not include any investment in the Company's ordinary shares as at 31 December 2021 (2020: Nil).

6.12 Expected contributions to gratuity fund and pension fund for the year ending 31 December 2022 are Rs. 57,790 thousands and Rs. 22,936 thousands respectively.

6.13 The expected return on plan assets is based on the market expectations and depends upon the asset portfolio of the fund, at the beginning of the year.

6.14 The future contribution rates of these funds include allowances for deficit and surplus. Projected unit credit method is used for valuation of these funds based on the following significant assumptions:

	Gratuity		Pension	
	2021	2020	2021	2020
(Rupees in thousands)				
Annual discount rate	12.25%	10.25%	12.25%	12.25%
Expected return on plan assets	8.49%	11.98%	8.30%	11.96%
Contribution rates (% of basic salaries)	10.48%	12.07%	6.53%	7.18%
Expected rate of growth per annum in future salaries:				
- First year following valuation	11.00%	10.00%	11.00%	10.00%
- Second year following valuation	11.50%	9.50%	11.50%	9.50%
- Third year following valuation	11.50%	9.50%	11.50%	9.50%
- Long term (fourth year following valuation and onwards)	11.50%	9.50%	11.50%	9.50%
Mortality Rates	SLIC	SLIC	SLIC	SLIC
	(2001-05)-1	(2001-05)-1	(2001-05)-1	(2001-05)-1

No pension increase rate was assumed in respect of the existing as well as the prospective pensioners. The same assumption was used during the last valuation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

- 6.15** The weighted average duration of the defined benefit obligation is 9.34 years and 11.91 years (2020: 9.72 years and 12.25 years) for gratuity and pension funds respectively.
- 6.16** These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.
- 6.17** The main features of the employee retirement benefit schemes are as follows:
- Under the gratuity scheme, the normal retirement age in case of managers and officers is 63 years and 60 years in case of staff and workers. A member shall be entitled to gratuity on resignation, termination, retirement, early retirement, retrenchment, death and dismissal based on the Company's Service rules.
 - Under pension scheme the member shall be entitled to pension, subject to conditions laid down in the rules, on reaching the normal retirement age, disability, early retirement or death in which case the surviving spouse shall be entitled.

Both the scheme are subject to the regulations laid down under the Income Tax Rules, 2002.

- 6.18** The implicit objective is that the contribution to the gratuity and pension schemes should remain reasonably stable as a percentage of salaries, under the actuarial cost method employed.

- 6.19** Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

	Impact on defined benefit obligation				
	Change in assumptions	Gratuity		Pension	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
(Rupees in thousands)					
Discount rate	0.5%	40,713	(43,865)	(20,805)	(109,519)
Salary growth rate	0.5%	(41,848)	39,214	(77,124)	(49,437)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognized within the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

	Note	2021 (Rupees in thousands)	2020
7	Long term loans - secured		
	Staff loans outstanding:		
	Executives	8,120	5,149
	Other employees	3,067	8,731
		11,187	13,880
	Current maturity	(5,652)	(7,205)
		5,535	6,675
7.1	Loans to executives		
	Opening balance	5,149	6,951
	Disbursement during the year	4,600	1,200
	Recoveries during the year	(1,629)	(3,002)
	Closing balance	8,120	5,149

7.2 Loan to executives represent car loan provided to executives in accordance with the Company's policy and are repayable in 48 equal installments. These loans are either secured against the employees' provident fund or the vehicle purchased against the loan which is under joint ownership of the employee and Company. These loans are not recognized at present value since the impact of discounting is immaterial.

7.3 No loans were granted to directors and chief executive officer of the company.

7.4 Loan to other employees represent house building loans provided to employees in accordance with the Company's policy and are repayable over a period of five years. These loans are secured against the employees provident fund. Loans to employees carry interest at the rate of approximately 8% per annum (2020: 8% per annum).

	Note	2021 (Rupees in thousands)	2020
8	Stores and spares		
	Mechanical spares	794,093	692,333
	Consumable stores:		
	Fuels	286,703	91,108
	Supplies	111,957	82,330
		1,192,753	865,771
	Provision for slow moving and obsolete items	(98,701)	(91,832)
		1,094,052	773,939
	Stores in transit	12,716	25,446
		1,106,768	799,385
8.1	Provision for slow moving and obsolete items		
	Opening balance	91,832	43,938
	Provision for the year	6,869	47,894
	Closing balance	98,701	91,832

Provision for slow moving and obsolete stock, and any reversal of provision, is included in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

	Note	2021 (Rupees in thousands)	2020
9	Stock in trade		
	Raw materials		
	- Corn and cobs	7,918,609	2,543,692
	- Chemicals	136,982	70,333
	- Packing materials	107,050	70,901
	Work in process	136,062	60,322
	Finished goods	1,035,379	1,718,103
		9,334,082	4,463,351
	Less: Provision for slow moving and obsolete stocks:		
	- Raw materials	(9,967)	(6,504)
	- Finished goods	(9,006)	(3,750)
		(18,973)	(10,254)
		9,315,109	4,453,097

9.1 This includes corn in transit amounting to Rs. 77,896 thousands (2020: 235,700 thousands).

9.2 This includes imported finished goods amounting to Rs. 69,262 thousands (2020: Rs.48,512 thousands) out of which goods in transit amounts to Rs. 22,138 thousands (2020: 4,760 thousands).

	Note	2021 (Rupees in thousands)	2020
10	Trade debts		
	Local:		
	Secured	992,936	966,026
	Unsecured , considered good:		
	Related parties	168,787	117,211
	Others	422,895	251,573
		591,682	368,784
	Considered doubtful:		
	Related parties	3,204	4,363
	Others	56,214	55,220
		59,418	59,583
		1,644,036	1,394,393
	Allowance for credit losses	(59,418)	(59,583)
		1,584,618	1,334,810
	Foreign:		
	Secured	226,176	98,493
	Unsecured , considered good		
	Related parties	211,153	118,665
		2,021,947	1,551,968

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

10.1 Aging analysis of the amounts due from related parties is as follows:

2021						
	Neither past due nor impaired	Past due (1- 90 days)	Past due (91- 365 days)	Past due more than 365 days	Total	Maximum aggregate balance outstanding during the year
(Rupees in thousands)						
Local						
Unilever Pakistan Foods Limited	157,614	11,106	3,271	–	171,991	241,977
Foreign						
Ingredion Holding LLC Kenya	106,141	17,311	–	–	123,452	136,833
Ingredion South Africa (Pty) Limited	59,320	–	–	–	59,320	58,382
Ingredion Germany GMBH	8,618	–	–	–	8,618	87,335
Pt. Ingredion Indonesia	16,343	–	–	–	16,343	23,008
National Starch & Chemical Thailand	–	3,420	–	–	3,420	12,139
	190,422	20,731	–	–	211,153	

2020						
	Neither past due nor impaired	Past due (1- 90 days)	Past due (91- 365 days)	Past due more than 365 days	Total	Maximum aggregate balance outstanding during the year
(Rupees in thousands)						
Local						
Unilever Pakistan Foods Limited	97,336	18,852	2,038	3,348	121,574	240,503
Foreign						
Ingredion Holding LLC Kenya	56,476	–	–	–	56,476	126,002
Ingredion South Africa (Pty) Limited	18,552	4,234	2,136	–	24,922	25,066
Ingredion Germany GMBH	19,241	–	–	–	19,241	52,411
Pt. Ingredion Indonesia	9,809	–	–	–	9,809	40,267
Ingredion Malaysia SDN BHD	4,669	–	–	–	4,669	16,619
National Starch & Chemical Thailand	435	3,113	–	–	3,548	10,880
	109,182	7,347	2,136	–	118,665	

10.2 These debts are secured against security deposits, advances, letter of credits and bank guarantees received from customers.

		2021	2020
		(Rupees in thousands)	
10.3	Allowance for credit losses		
	Opening balance	59,583	1,445
	(Reversal) / charge for the year	(165)	58,138
	Closing balance	59,418	59,583

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

	Note	2021 (Rupees in thousands)	2020
11	Loans and advances		
	Loans and advances - considered good:		
	Suppliers of goods and services	56,091	24,305
	Employees	7,308	6,143
	Current maturity of long term loans	5,652	7,205
		69,051	37,653

11.1 The loans and advances are provided to employees for travelling expenses. No advances were given to the directors and chief executive officer of the Company during the year.

	Note	2021 (Rupees in thousands)	2020
12	Short term prepayments		
	Insurance	20,483	21,377
	Other prepayments	119,052	137,034
		139,535	158,411

	Note	2021 (Rupees in thousands)	2020
13	Other receivables		
	Other receivables - farmer balances:		
	Considered good	1,605	3,026
	Considered doubtful	1,465	1,675
		3,070	4,701
	Less: Allowance for credit losses	(1,465)	(1,675)
		1,605	3,026
	Due from affiliates	24,190	667
	Others	13,547	17,230
		39,342	20,923

13.1 The balance is receivable from Ingredion Inc. U.S.A, as a reimbursement of miscellaneous expense incurred by the Company. The balance falls within 91-365 days age bracket and the maximum aggregate balance outstanding during the year amounted Rs. 24,190 thousands.

	Note	2021 (Rupees in thousands)	2020
14	Short term investments		
	Treasury bills - at amortised cost	986,159	2,588,394

14.1 These carry profit at the rates ranging from 8.05% to 10.66% (2020: 7.08% to 7.16%) per annum having maturities latest by 10 March 2022. These investments have been reclassified from cash and bank balances and are a part of cash and cash equivalents of the Company.

NOTES TO THE FINANCIAL STATEMENTS

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	Note	2021 (Rupees in thousands)	2020
15	Cash and bank balances		
Cash at banks			
- current accounts		171,173	183,087
- saving accounts	15.1	1,596,240	4,072,508
- term deposit receipts	15.2	2,000,000	2,300,000
		3,767,413	6,555,595
Cheques in hand		–	274
		3,767,413	6,555,869
Cash in hand			
- local currency		7,262	9,401
- foreign currency		1,015	154
		8,277	9,555
		3,775,690	6,565,424

15.1 These carry profit at rates ranging from 3.7% to 9.35% (2020: 2.50% to 12.54%) per annum.

15.2 These carry profit at the rates ranging from 6.5% to 11.30% (2020: 6.50% to 12.80%) per annum.

16 Short term running finances - secured

This represents utilized amount of short term running finance facilities under mark-up arrangements available from commercial banks aggregating to Rs. 2,500 million (2020: Rs. 2,500 million). These facilities are secured against registered charge over the current assets of the Company and carry mark-up at 3 months KIBOR plus 0.5% (2020: Nil) per annum, payable quarterly.

	Note	2021 (Rupees in thousands)	2020
17	Trade and other payables		
Creditors		1,254,585	1,052,383
Security deposits from dealers and contractors	17.1	968,594	924,062
Other deposits	17.2	3,330	3,151
Accrued liabilities		1,419,294	956,956
Workers' welfare fund	17.3	180,508	165,618
Workers' profit participation fund	17.4	480,843	426,607
Employees provident fund	17.5	13,790	13,827
With holding tax payable		103,815	20,843
Sales tax payable		316,567	349,963
		4,741,326	3,913,410
17.1	Security deposits		
Dealers	17.1.1	958,325	913,792
Transporters	17.1.2	3,765	3,765
Others	17.1.3	6,504	6,505
		968,594	924,062

17.1.1 These are interest free security deposits obtained from dealers and distributors of the Company and are adjustable or repayable on cancellation or withdrawal of the dealership/distributorship or on cessation of business with the Company. As per the terms of the agreement, the Company can utilize these funds for the purpose of the Company's operations.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

17.1.2 These are interest free security deposits obtained from transport contractors. These deposits are adjustable with the outstanding balance of the contractor. As per the terms of the agreement, the Company can utilize these funds for the Company's operations.

17.1.3 These are interest free security deposits obtained from various contractors and can be utilized in accordance with the terms of agreements. These deposits are adjustable on termination of contract.

17.2 These represent deposits held against tenders for the sale of scrap.

	2021	2020
	(Rupees in thousands)	
17.3 Workers' welfare fund		
Opening balance	165,618	151,350
Provision for the year	184,660	169,458
Payment to the fund	(169,934)	(155,190)
Closing balance	180,344	165,618
17.4 Workers' profit participation fund		
Opening balance	426,607	394,336
Provision for the year	480,298	432,118
Payment to the fund	(425,885)	(399,847)
Closing balance	481,020	426,607

17.5 Provident fund related disclosures:

The Company operates funded contributory provident fund scheme for all its permanent and eligible employees. The following information is based on the un-audited financial statements of the provident fund:

	(Unaudited)	(Unaudited)
	2021	2020
	(Rupees in thousands)	
Size of the fund - total assets	1,194,593	1,132,491
Cost of investments made	947,330	906,249
Percentage of investments - (% of total assets)	79.30%	80.02%
Fair value of investments	961,486	910,729

17.5.1 The break-up of investments is as follows:

	2021		2020	
	(Rupees in thousands) %		(Rupees in thousands) %	
Pakistan Investment				
Bonds	147,618	15.36%	132,719	14.57%
Treasury Bills	213,071	22.16%	752,271	82.60%
Collective investment schemes	50,027	5.20%	10	0.00%
TDR (NBP)	500,308	52.03%	-	0.00%
Bank placements	50,462	5.25%	25,729	2.83%
	961,486	100.00%	910,729	100.00%

The investments out of the provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

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	2021	2020
	(Rupees in thousands)	
18 Long term financing		
Long term loans - secured	119,811	233,868
Less: Current portion shown under current liabilities	(119,811)	(127,827)
	–	106,041

18.1 This represents long term financing obtained under SBP Refinance Scheme for payment of wages and salaries to workers and employees of business concerns. The loan is recognized at its present value discounted at 8.44%. The resulting difference between the proceed of the loan and carrying value is recognized as a deferred grant. The loan is repayable in eight equal quarterly installments commencing from 01 January 2021 and ending on 30 September 2022. The loan is secured by joint pari pasu hypothecation charge on current assets of the Company, amounting to Rs. 667,000 thousands (2020: Rs. 667,000 thousands).

	2021	2020
	(Rupees in thousands)	
19 Deferred income		
Deferred income	12,581	16,176
Amortized during the year	(7,189)	(3,595)
	5,392	12,581
Current portion of deferred income	(5,392)	(7,189)
	–	5,392

19.1 This represents government grant recognized on long term loan obtained under SBP Refinance Scheme for payment of wages and salaries to workers and employees. The grant is being amortized on a systematic basis over the term of loan.

	2021	2020
	(Rupees in thousands)	
20 Lease liability		
Lease liability	11,073	–
Movement during the year is as follows:		
Opening balance as at 01 January	–	5,211
Addition during the year	16,070	–
Unwinding of lease liability	1,050	250
Lease rentals paid	(6,047)	(5,461)
Closing balance as at 31 December	11,073	–

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20.1 Present Value of minimum lease payments

	31-Dec-2021		
	Not later than one year	Later than one year but not later than five years	Total
	(Rupees in thousands)		
Minimum lease payments	6,607	5,221	11,828
Less: finance costs allocated to future periods	(620)	(135)	(755)
Present Value of Minimum Lease Payments	5,987	5,086	11,073

	2021	2020
	(Rupees in thousands)	
21 Deferred taxation		
Taxable temporary differences		
Accelerated tax depreciation	874,549	864,277
Employees retirement benefits	28,935	46,465
Deductible temporary differences		
Others	(50,208)	(46,099)
	853,276	864,643

21.1 The details of the tax effect of taxable and deductible temporary differences are as follows:

	2021			Closing balance
	Opening balance	Charged to profit or loss	Charged to other comprehensive income	
	(Rupees in thousands)			
Taxable temporary differences				
Accelerated tax depreciation	864,277	10,272	–	874,549
Employees retirement benefits	46,465	–	(17,530)	28,935
Deductible temporary differences				
Others	(46,099)	(4,109)	–	(50,208)
	864,643	6,163	(17,530)	853,276

	2020			Closing balance
	Opening balance	Charged to profit or loss	Charged to other comprehensive income	
	(Rupees in thousands)			
Taxable temporary differences				
Accelerated tax depreciation	860,301	3,976	–	864,277
Employees retirement benefits	25,721	–	20,744	46,465
Deductible temporary differences				
Others	(14,523)	(31,576)	–	(46,099)
	871,499	(27,600)	20,744	864,643

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	2021	2020	2021	2020
	(Number of Shares)		(Rupees in thousands)	
22 Authorized, issued, subscribed and paid up capital				
Authorized share capital - ordinary shares of Rs.10 each	20,000,000	20,000,000	200,000	200,000
22.1 Issued, subscribed and paid up capital				
Ordinary shares of Rs. 10 each:				
- Fully paid up for cash	1,858,991	1,858,991	18,590	18,590
- Issued for consideration other than cash	36,294	36,294	363	363
- Issued as bonus shares	7,341,143	7,341,143	73,411	73,411
	9,236,428	9,236,428	92,364	92,364

22.2 Ingression Inc. (formerly Corn Products International Inc.) Chicago, U.S.A. (the holding company), holds 6,561,117 (2020: 6,561,117) ordinary shares of Rs. 10 each as at 31 December 2021.

22.3 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

22.4 There is no shareholder agreement in place for voting rights, board selection, rights of first refusal and block voting.

	Note	2021	2020
		(Rupees in thousands)	
23 Reserves Capital			
Share premium	23.1	36,946	36,946
Other	23.2	941	941
		37,887	37,887
Revenue			
General reserve		207	207
Unappropriated profit		15,749,429	16,000,523
		15,749,636	16,000,730
		15,787,523	16,038,617

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For the year ended 31 December 2021

23.1 This reserves can be utilized by the Company only for the purpose specified in section 81(2) and 81(3) of the Companies Act, 2017.

23.2 This reserve was created under section 15BB of the Income Tax Act, 1922 to avail the tax exemption in prior years.

24 Contingencies and commitments

24.1 Contingencies

24.1.1 Certain labor cases are pending before the labor courts and their financial effect cannot be reasonably determined due to their nature and uncertainty surrounding them. The possibility of any outflow for settlement of these claims is considered remote.

24.1.2 Tax contingencies as disclosed in note 32.

24.1.3 Land registration fee as per Note 5.2.1.

24.1.4 Counter guarantees given by the Company to its bankers as at balance reporting date amount to Rs 443,630 thousands (2020: Rs. 288,630 thousands).

	2021	2020
	(Rupees in thousands)	
24.2 Commitments		
Commitments in respect of capital expenditure	268,240	102,150
Commitment in respect of purchase of corn	3,829,411	5,179,018

	2021	2020
	(Rupees in thousands)	
25 Revenue		
Domestic	45,109,570	38,334,334
Export	3,295,027	2,508,313
	48,404,597	40,842,647
Less: Sales tax	5,687,346	4,941,411
Trade discount and commission	107,617	27,906
	(5,794,963)	(4,969,317)
Revenue from contracts with customers	42,609,634	35,873,330

25.1 Revenue has been recognized at a point in time for both local and export sales made during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

	Note	2021 (Rupees in thousands)	2020
26 Cost of sales			
Raw material consumed:			
Corn		18,582,008	15,781,434
Chemicals		543,755	476,224
Packing material		751,898	541,928
		19,877,661	16,799,586
Factory expenses:			
Salaries, wages and amenities	26.1	1,971,357	1,580,632
Spares consumed		362,459	360,317
Logistics and handling		716,752	611,881
Fuel and power		6,565,322	4,822,435
Rent, rates and taxes		14,572	11,284
Consumables		21,259	14,498
Repairs and maintenance		47,779	39,179
Depreciation		468,330	461,211
Insurance		23,178	20,017
Factory general expenses		705,805	196,190
		10,896,813	8,117,646
		30,774,474	24,917,232
Add: Opening work in process		60,322	134,750
		30,834,796	25,051,982
Less: Closing work in process		(136,062)	(60,322)
Cost of production		30,698,734	24,991,660
Add: Opening finished goods stock - own manufactured		1,669,504	2,190,371
		32,368,238	27,182,031
Less: Closing finished goods stock - own manufactured		(966,030)	(1,669,504)
Cost of goods -own manufactured products		31,402,208	25,512,527
- purchased products		220,504	170,028
Freight and distribution cost		668,581	408,455
Cost of goods sold		32,291,293	26,091,010

26.1 Salaries, wages and amenities include Rs. 45,942 thousands (2020: Rs. 51,072 thousand) in respect of contribution to pension and gratuity fund and Rs. 42,943 thousands (2020 : Rs. 36,810 thousands) in respect of contribution to provident fund.

	Note	2021 (Rupees in thousands)	2020
27 Distribution expenses			
Salaries and amenities	27.1	145,036	152,556
Traveling and automobile expenses		11,122	9,416
Commission expense		360,726	313,627
Insurance		4,011	4,087
Rent, rates and taxes		666	798
Repair and maintenance		263	25
Electricity charges		736	597
Printing and stationery		172	111
Telephone and postage		3,549	5,897
Advertising and sales promotion		1,282	1,077
Depreciation		13,753	13,829
Market research and development		324	640
Miscellaneous expenses		8,630	21,821
		550,270	524,481

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

27.1 Salaries, wages and amenities include Rs. 5,919 thousands (2020: Rs. 6,174 thousands) in respect of contribution to pension and gratuity fund and Rs. 5,437 thousands (2020 : Rs. 5,320 thousands) in respect of contribution to provident fund.

	Note	2021 (Rupees in thousands)	2020
28	Administrative expenses		
Salaries and amenities	28.1	427,640	301,977
Traveling and automobile expenses		16,862	18,079
Insurance		1,503	1,025
Rent, rates and taxes		2,067	168
IT, networking and data communication		239,150	232,510
Repair and maintenance		45	51
Electricity charges		1,529	1,351
Printing and stationery		814	707
Telephone and postage		2,252	2,146
Legal and professional charges		18,599	8,583
Depreciation		10,781	10,662
Auditors' remuneration	28.2	4,282	4,059
Miscellaneous expenses		13,646	16,550
Donation and charity	28.3	3,373	11,075
		742,543	608,943

28.1 Salaries, wages and amenities include Rs. 13,750 thousand (2020: Rs. 10,804 thousands) in respect of contribution to pension and gratuity fund and Rs. 12,477 thousands (2020 : Rs. 11,267 thousands) in respect of contribution to provident fund.

		2021 (Rupees in thousands)	2020
28.2	Auditors' remuneration		
Audit fee		3,436	3,127
Review of half yearly accounts		605	550
Audit of gratuity and pension funds		–	154
Miscellaneous certifications		56	51
Out of pocket expenses reimbursed		185	177
		4,282	4,059

28.3 The details of donations exceeding Rs. 1,000,000 or 10% of the total donation to a single party is as follows:

		2021 (Rupees in thousands)	2020
The Citizens Foundation		–	2,800
Akhuwat Corona Imdad Fund		–	1,575
Indus Hospital, Karachi		–	1,000
Allied Hospital		–	1,708
Transparent Hands Trust		3,236	–
		3,236	7,083

28.3.1 None of the directors has any interest in the donee.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

	2021	2020
	(Rupees in thousands)	
29 Other income		
Mark up on staff loans and profit on bank deposits	471,224	445,018
Foreign exchange gain	404	–
Profit on sale of scrap	130,039	68,288
Profit on sale of property, plant and equipment	14,195	5,335
Amortization of deferred income	7,189	3,595
Miscellaneous income	2,951	7,849
	626,002	530,085
30 Other expenses		
Workers' welfare fund	184,660	169,458
Workers' profit participation fund	480,298	432,118
	664,958	601,576
31 Finance cost		
Mark up on:		
- Short term running finances	1,115	450
- Long term financing	13,186	9,400
	14,301	9,850
Bank charges and commission	30,652	24,595
Unwinding of lease liability	1,050	250
Foreign exchange loss	–	11,671
	46,003	46,366
32 Taxation		
Current taxation		
- for the year	2,642,902	2,406,322
- prior year	34,347	(52)
	2,677,249	2,406,270
Deferred taxation		
- for the year	7,131	(28,626)
- prior year	(969)	1,026
	6,162	(27,600)
	2,683,411	2,378,670

	2021	2020
	Percentage	
32.1 Reconciliation of effective tax rate		
Applicable tax rate	29.00	29.00
-Effect of permanent differences	1.03	0.09
-Effect of prior year charge	0.37	–
-Effect of presumptive tax regime	(0.39)	(1.02)
Average tax expense charged to profit or loss	30.01	28.07

32.2 The Income Tax Department has charged tax of Rs. 81,078 thousands for the assessment year 2001-2002 (financial year ended 30 September 2000) under section 12(9A) of the Income Tax Ordinance, 1979 (Repealed) on the allegation that the dividend distribution by the Company was less than 40% of its after tax profits. Against this levy, the Company filed an appeal with the Commissioner of Income Tax (Appeals), which was rejected. The Company preferred an appeal with the Income Tax Appellate

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

Tribunal (ITAT) against the order of CIT (Appeals). The ITAT decided the case in favor of the Company and confirmed that levy of tax under section 12(9A) was against the provisions of the law and directed the assessing officer for decision in accordance with the provisions of amended clause 59 of Part IV, Second Schedule to the repealed Income Tax Ordinance, 1979. The Income Tax Department has moved to Lahore High Court against the orders of ITAT. However, the Lahore High Court has transferred back the case to ITAT for reconsideration.

The management believes that this case will be decided in the favor of the Company. The legal advisors of the Company have concurred with the management's view. The Company has paid Rs. 58,613 thousands in prior years and has also made provision of the full amount in the financial statements.

- 32.3** The Income Tax Return of the Company for tax year 2011 was selected for audit under section 177 of the Income Tax Ordinance 2001. As a result of audit proceedings, the Deputy Commissioner Inland Revenue passed the amended order under section 122(1) of the Ordinance and raised demand amounting to Rs. 31,855 thousands.

The Company has filed an appeal against the order passed before the Commissioner Inland Revenue (Appeals) who partially allowed the appeal to the Company. The tax department and the Company filed appeals before ATIR, whereby the appeal has been decided in favor of the Company. The Company has paid Rs. 27,282 thousands however no provision has been in the financial statements as the management is confident that the case will be decided in the favor of the Company.

- 32.4** The taxation officer under section 161/205 of the Income tax Ordinance, 2001 (the Ordinance) created tax demand of Rs. 51,935 thousands on the grounds that tax was deducted at lower rates, on payment of dividends to non-residents for the tax years 2004 to 2006. The Company filed appeal to Commissioner Income Tax (Appeals) and upon rejection filed an appeal before Appellate Tribunal Inland Revenue (ATIR) who decided the case in favour of the Company. The Tax Department has filed the reference application before Lahore High Court (LHC) which was rejected by LHC. Against the order of LHC, the Tax Department filed appeal before the Supreme Court of Pakistan, which is pending for hearing. No provision has been in the financial statements as the management is confident that the case will be decided in the favor of the Company.

- 32.5** The Deputy Commissioner Inland Revenue (DCIR) under section 161(1A) of the Income tax Ordinance 2001 objected that the tax was deducted at lower rates on payment of dividends to non-residents for the tax year 2009 to 2015. The Company filed writ petition against the said notice before the Court which directed the DCIR to consider the provisions of the Ordinance, the relevant double taxation treaty and the judgments of ATIR in respect of tax years 2004 to 2006 and ordered to charge tax on dividend income at the lower rates. The DCIR after considering the Company's reply in light of the court order issued another notice to the Company showing intention to charge tax at higher rate, against which the Company filed a second petition before the Court. The Court directed DCIR to determine the application and relevance of its order passed in this regard. The proceedings are still pending and no notice from DCIR has been received so far. The management is confident that case will be decided in favour of the Company. No provision has been in the financial statements as the management is confident that the case will be decided in the favor of the Company.

- 32.6** While finalizing income tax assessment for the tax year 2014, the ACIR made certain add backs with the aggregated tax impact of Rs. 52,272 thousands of which Rs. 45,500 thousands have been paid till 31 December 2021. The Company has made full provision in the financial statements. However, against the amended order, the Company filed an appeal before CIR (Appeals), which was decided against the Company. Being aggrieved with the treatment meted out by the CIR (Appeals), the Company has preferred an appeal before the ATIR, which is pending adjudication till date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

		2021	2020
33	Earnings per share - basic and diluted		
33.1	Earning per share - basic		
	Profit attributable to ordinary shareholders (Rupees in thousands)	6,257,323	6,094,231
	Weighted average number of ordinary shares (Numbers)	9,236,428	9,236,428
	Earnings per share - basic (Rupees)	677.46	659.80

33.2 Earning per share - diluted

There is no dilution effect on basic earnings per share as the Company has no such commitments

		2021 (Rupees in thousands)	2020
34	Cash generated from operation		
	Profit before tax	8,940,734	8,472,901
	Adjustment for:		
	Depreciation of property, plant and equipment	492,864	485,702
	Provision for employees retirement benefits	65,612	68,049
	Impairment (reversal) / loss on financial assets	(165)	58,138
	Provision for slow moving and obsolete items	15,588	51,535
	Gain on disposal of property, plant and equipment	(14,195)	(5,334)
	Interest income	(471,224)	(445,018)
	Amortization of deferred income	(7,189)	(3,595)
	Finance cost	46,003	46,366
		127,294	255,843
	Cash generated from operation before working capital changes	9,068,028	8,728,744
	Effect on cash flow due to working capital changes		
	(Increase) / decrease in current assets:		
	Stores and spares	(314,252)	(26,380)
	Stock in trade	(4,870,731)	(683,477)
	Trade debts	(469,814)	65,467
	Loans and advances	(32,951)	83,727
	Long term deposits	(264)	-
	Short term prepayments	18,876	(81,335)
	Other receivables	(21,254)	3,294
		(5,690,390)	(638,704)
	Increase in current liabilities:		
	Trade and other payables	827,916	1,306,645
	Contract liabilities	149,890	296,484
		977,806	1,603,129
	Cash generated from operations	4,355,444	9,693,169

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For the year ended 31 December 2021

	Note	2021 (Rupees in thousands)	2020	
35	Cash and cash equivalents			
	Short term investments	14	986,159	2,588,394
	Cash and bank balances	15	3,775,690	6,565,424
	Short term running finance	16	(756,233)	–
			4,005,616	9,153,818

36 The credit facilities available to the Company at year ended 31 December 2021 are as follows:

	2021		2020	
	Available limit	Utilized credit	Available limit	Utilized credit
(Rupees in thousands)				
Long term financing	122	122	250	244
Murabaha	9,500	4,216	9,500	4,999
Running finance	2,378	756	1,900	–
	12,000	5,094	11,650	5,243
Letter of credits / guarantees	1,325	685	875	391

37 Financial instruments - Fair values and risk management

37.1 Fair value measurement of financial instruments

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 of 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

	Carrying amount			Fair Value			
	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in thousands)							
31 December 2021							
Financial assets - not measured at fair value							
Long term loans	11,187	-	11,187	-	-	-	-
Trade debts	2,021,947	-	2,021,947	-	-	-	-
Long term deposits	35,108	-	35,108	-	-	-	-
Other receivables	39,342	-	39,342	-	-	-	-
Short term investments	986,159	-	986,159	-	-	-	-
Cash and bank balances	3,775,690	-	3,775,690	-	-	-	-
Short term running finance	756,233	-	756,233	-	-	-	-
	6,869,433	-	6,869,433	-	-	-	-
Financial liabilities - not measured at fair value							
Long term financing	-	119,811	119,811	-	-	-	-
Trade and other payables	-	4,126,646	4,126,646	-	-	-	-
Mark-up accrued on short term running finances	-	2,022	2,022	-	-	-	-
Unpaid dividend	-	914,189	914,189	-	-	-	-
Unclaimed dividend	-	18,718	18,718	-	-	-	-
Lease Liability	-	11,073	11,073	-	-	-	-
	-	5,192,459	5,192,459	-	-	-	-

	Carrying amount			Fair Value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in thousands)							
31 December 2020							
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	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

37.2 Risk management of financial instruments

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various sources of finance to minimize the finance related risks to the entity.

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

37.2.1 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

37.2.2 Credit risk

Credit risk represents the financial loss that would be recognized at the reporting date if the counterparties fail completely to perform as contracted / fail to discharge an obligation / commitment that it has entered into with the Company. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of a company's performance to developments affecting a particular industry. The Company manages its credit risk by the following methods:

- Monitoring of debts on continuous basis.
- Application of credit limits to its customers.
- Obtaining adequate deposits / collaterals where needed.

37.2.2.1 Exposure to credit risk

The carrying values of financial assets represent the maximum credit exposure before any credit enhancement. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2021 (Rupees in thousands)	2020
Long term loans	7	11,187	13,880
Trade debts	10	2,021,947	1,551,968
Long term deposits		35,108	34,844
Other receivables	13	39,342	20,923
Short term investments	14	986,159	2,588,394
Bank balances	15	3,767,413	6,555,869
		6,861,156	10,765,878
Secured		2,216,458	3,666,793
Unsecured		4,644,698	7,099,085
		6,861,156	10,765,878

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The Company identifies cancellation of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counter party is as follows:

	2021	2020
	(Rupees in thousands)	
Trade debts	2,021,947	1,551,968
Loans to employees	11,187	13,880
Deposits and other receivables	74,450	55,767
Government debt securities	986,159	2,588,394
Banking companies and financial institutions	3,767,413	6,555,869
	6,861,156	10,765,878

37.2.2.2 Trade debts

The Company's trade debts comprises of receivables from industrial customers and individuals. Individual customer are secured by security deposits and advances. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the customer. Majority of the Company's industrial customers have been transacting with the Company for over five years, and none of these customers' balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, their trading history with the Company and existence of previous financial difficulties.

The Company uses an allowance matrix to measure ECLs of trade debtors. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency. The future recoveries from trade debtors are accounted for in calculating the loss rate.

	Weighted average loss rate	Gross carrying amount	Loss allowance
	(Rupees in thousands)		
31 December 2021			
Current	0.00%	1,880,670	–
1-90 days	0.00%	136,662	–
91-180 days	13.68%	95	13
181-270 days	30.55%	4,821	1,473
365- above days	98.27%	59,117	58,097
		2,081,365	59,583
	Weighted average loss rate	Gross carrying amount	Loss allowance
	(Rupees in thousands)		
31 December 2020			
Current	0.00%	1,306,673	–
1-90 days	0.00%	243,782	–
91-180 days	25.00%	52	13
181-270 days	49.98%	2,947	1,473
365-above days	100.00%	58,097	58,097
		1,611,551	59,583

NOTES TO THE FINANCIAL STATEMENTS

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37.2.2.3 Loans to employees

Loans to employees are secured against provident fund and salaries of employees. The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with loans to employees is trivial and therefore no impairment charge has been accounted for.

37.2.2.4 Deposits and other receivables

Deposits and other receivables mainly comprise of advances to employees against salaries and deposits with various government and corporate entities. The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for.

37.2.2.5 Short term investments

These are government debt securities having short term maturities. The repayment of face value is guaranteed by the Government of Pakistan. The Company has assessed that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for.

37.2.2.6 Cash and bank balances

The cash and cash equivalents are held with banks and financial institutions counterparties, which are rated A to AAA+, based on credit ratings from rating agencies.

Impairment on cash and cash equivalents has been measured on a 12 month expected loss basis and reflects short term maturities of the exposure. The Company considers its cash and cash equivalents have low credit risk based on the external ratings of the counterparties.

12 month probabilities of default are based on historical data supplied by VIS rating agency for each credit rating. Loss given default (LGD) parameters generally reflect assumed recovery rates based on recovery rates assumed in Basel Guidelines for unsecured exposures.”

37.2.2.6.1 Counterparties with external credit ratings

The credit quality of financial assets held with banking companies that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

	Rating			2021	2020
	Short term	Long term	Rating agency	(Rupees in thousands)	
Meezan Bank Limited	A-1+	AAA	VIS	244	1,128,691
Standard Chartered Bank (Pakistan) Limited	A 1+	AAA	PACRA	18	88,822
Citi Bank Limited	P 1	Aa3	Moody's	85,422	1,482,131
MCB Bank Limited	A 1+	AAA	PACRA	792,860	823,628
Habib Bank Limited	A-1+	AAA	VIS	876,242	2,220,893
National Bank of Pakistan	A 1+	AAA	PACRA-VIS	2,012,627	811,704
				3,767,413	6,555,869

The Company has not recognized an impairment allowance on financial assets held with banking companies during the year ended 31 December 2021, as the impact was immaterial.

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37.2.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as substantially all obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity. In addition, the Company has obtained overdraft facilities from various commercial banks to meet any deficit, if required to meet the short term liquidity commitments.

The following are the remaining contractual maturities of financial liabilities:

	2021			
	Carrying amount	Contractual cash flows	Up to one year or less	More than one year
	(Rupees in thousands)			
Non- derivative financial liabilities				
Long term financing	119,811	119,811	119,811	–
Trade and other payables	4,126,646	4,126,646	4,126,646	–
Mark-up accrued on short term running finances	2,022	2,022	2,022	–
Unpaid dividend	914,189	914,189	914,189	–
Unclaimed dividend	18,718	18,718	18,718	–
Lease liability	11,073	11,073	5,987	5,086
Short term running finance	756,233	756,233	756,233	–
	5,948,692	5,948,692	5,943,606	5,086

	2020			
	Carrying amount	Contractual cash flows	Up to one year or less	More than one year
	(Rupees in thousands)			
Non- derivative financial liabilities				
Long term financing	233,868	254,516	130,008	124,508
Trade and other payables	3,363,159	3,363,159	3,363,159	–
Mark-up accrued on short term running finances	1,858	1,858	1,858	–
Unpaid dividend	913,234	913,234	913,234	–
Unclaimed dividend	14,030	14,030	14,030	–
	4,526,149	4,546,797	4,422,289	124,508

The gross outflows disclosed in the above table represents the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net - cash - settled.

37.2.3.1 Concentration risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is broadly diversified and all other transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

	2021	2020
	(Rupees in thousands)	
Paper and Board	381,662	194,037
Confectionary	231,354	262,107
Textile	547,210	89,761
Poultry	37,528	56,547
Pharmaceuticals	114	–
Chemical & Allied Industries	11,825	46,038
Dealers	871,672	963,061
Bank	3,767,413	6,555,869
Government	986,159	2,588,394
Employees	11,187	13,880
Others	75,915	57,442
Allowance for expected credit loss	(60,883)	(61,258)
	6,861,156	10,765,878

Market risk is the risk that changes in market price such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments. The Company is not exposed to major market risks as at 31 December 2021.

37.2.3.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk on import of project related capital and stores and spares items and export of goods mainly denominated in US dollars and on foreign currency cash and bank balances. The Company's exposure to foreign currency risk for US Dollar is as follows:

	2021	2020
	USD	
Foreign debtors	2,401,494	1,286,325
Foreign currency bank balance	100	960
Trade and other payables	(768,515)	(1,221,180)
Net exposure	1,633,079	66,105

The following significant exchange rates have been applied:

	Average rate for the year		Reporting date rate	
	2021	2020	2021	2020
	(Rupees in thousands)			
USD to PKR	168.02	161.90	176.20	159.83

Sensitivity analysis:

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, before tax profit for the year would have been increase by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign debtors, foreign currency bank account and trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

	2021 (Rupees in thousands)	2020
Effect on profit or loss		
US Dollar	28,775	1,057

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the post tax profit.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

37.2.3.3 Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	Effective rate		Carrying amount	
	2021 (Percentage)	2020	2021 (Rupees in thousands)	2020
Financial assets				
Fixed rate instruments:				
Long term loans	8.0%	8.0%	11,187	13,880
Treasury bills	7.08%- 10.66%	6.9%- 13.46%	986,159	2,588,394
Term deposit receipts	6.65% - 11.3%	6.5% - 12.8%	2,000,000	2,300,000
Variable rate instruments:				
Bank balances - saving	2.14% - 9.35%	2.50% - 12.54%	1,596,240	4,072,508
Financial liabilities				
Fixed rate instruments:				
Long term financing	3%	3%	119,811	233,868
Lease liability	8.17%	-	11,073	-

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have (decreased) / increased profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss 100 bps	
	Increase	Decrease
	(Rupees in thousands)	
As at 31 December 2021	4,701	(4,701)
As at 31 December 2020	4,446	(4,446)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

37.2.3.4 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

37.2.4 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders and issue new shares.

For working capital requirement and capital expenditure, the Company relies substantially on cash generated from operations.

38 Remuneration of Chief Executive, Directors and Executives

	Chief Executive and Managing Director		Executive Directors		Executives	
	2021	2020	2021	2020	2021	2020
	(Rupees in thousands)					
Managerial remuneration	13,352	11,932	23,390	7,534	128,637	126,319
Rent, medical and other allowances	12,417	11,097	7,425	6,590	127,199	118,431
Bonus and leave encashment	11,949	8,893	4,926	2,932	44,993	45,134
Retirement benefits	4,214	4,141	2,054	2,614	40,206	44,582
	41,932	36,063	37,795	19,670	341,035	334,466
	1	1	2	1	53	52

- 38.1** Meeting fees aggregating to Rs. 3,810 thousands (2020: Rs 3,970 thousands) were paid to 4 (2020: 4) non-executive directors for attending board meetings. In addition, Chief Executive & Managing Director (CE&MD), full time working director and some executives are provided with company maintained car. Number of non-executive directors of the Company as at 31 December 2021 are 9 (2020: 9).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

39 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	Basis of relationship / association	Nature and description of related party transaction	2021		2020	
				Total value of transaction	Closing balance [asset/ (liability)]	Total value of transaction	Closing balance [asset/ (liability)]
(Rupees in thousands)							
Ingreion Inc. U.S.A.	Holding Company	Majority shareholder	Services received	239,306	(43,318)	215,303	(82,273)
Ingreion Inc. U.S.A.	-do-	-do-	Dividend	4,592,782	(898,053)	3,280,559	(898,053)
Ingreion Inc. U.S.A.	-do-	-do-	Imports	97,428	(37,370)	68,855	(22,566)
Ingreion Inc. U.S.A.	-do-	-do-	Services provided	106,041	24,188	676	667
Unilever Pakistan Foods Limited	Associate	Common directorship	Sales	1,611,863	171,991	1,393,636	121,573
Pakistan Oxygen Limited	Associate	Common directorship	Purchases	241	471	-	-
Ingreion Holding LLC Kenya	-do-	Parent's subsidiary	Export sales	481,587	122,521	242,347	56,005
Ingreion Holding LLC Kenya	-do-	-do-	Services provided	2,017	931	2,044	470
Ingreion Singapore Pte. Ltd.	-do-	-do-	Export sales	4,026	(14,186)	3,443	(11,565)
Ingreion Germany GMBH	-do-	-do-	Export sales	304,529	8,618	170,372	19,241
Ingreion Germany GMBH	-do-	-do-	Imports	5,530	751	9,026	-
Ingreion Germany GMBH	-do-	-do-	Services received	-	(864)	-	(786)
National Starch & Chemical Thailand	-do-	-do-	Imports	87,001	(6,943)	56,364	731
National Starch & Chemical Thailand	-do-	-do-	Export sales	56,597	3,420	39,476	3,547
Ingreion China Limited	-do-	-do-	Export sales	23,751	-	2,832	-
Ingreion ANZ Pty Ltd	-do-	-do-	Imports	-	-	2,299	-
Ingreion Malaysia SDN BHD	-do-	-do-	Export sales	37,068	-	77,455	4,669
PT Ingreion, Indonesia	-do-	-do-	Export sales	113,464	16,343	127,201	9,809
Ingreion UK Limited	-do-	-do-	Export sales	74	-	2,336	-
Ingreion South Africa (Pvt) Ltd.	-do-	-do-	Export sales	184,301	59,320	39,761	24,643
Ingreion South Africa (Pvt) Ltd.	-do-	-do-	Services provided	-	-	279	279
Pakistan Mobile Communication (Pvt) Ltd.	-do-	Common directorship	Services received	1,839	-	-	-
Employee Benefits	-do-	Employee's retirement fund	Contribution to funds	126,468	13,790	121,447	(13,827)

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

39.1 Following are the related parties with which the Company entered into transactions during the year.

Name of parties	Country of the Company	Percentage of shareholding
Ingredion Inc. U.S.A.	United States of America	Shareholding of 71.04% shares
Unilever Pakistan Foods Limited	Islamic Republic of Pakistan	-
Pakistan Oxygen Limited	Islamic Republic of Pakistan	-
Ingredion Holding LLC Kenya	Republic of Kenya	-
Ingredion Singapore PTE Ltd.	Republic of Singapore	-
Ingredion Germany GMBH	Federal Republic of Germany	-
National Starch & Chemical Thailand	Kingdom of Thailand	-
Ingredion China Limited	People's Republic of China	-
Ingredion Malaysia SDN BHD	Malaysia	-
PT Ingredion, Indonesia	Republic of Indonesia	-
Pakistan Mobile Communication (Pvt) Ltd.	Pakistan	-
Ingredion UK Limited	United Kingdom	-
Ingredion South Africa (Pvt) Ltd.	Republic of South Africa	-

	2021	2020
	(Metric tons)	
40 Plant capacity and production		
Average grind capacity per day	1,895	1,895
Capacity	663,250	663,250
Actual days worked	302	326
Actual production	562,224	560,959

The actual production is 84.8% (2020: 85%) of the plant capacity which is within normal working standards.

41 Number of employees

The Company has employed following number of persons including permanent and contractual staff:

	No of employees	
	2021	2020
Number of employees as at 31 December 2021	1,064	1,122
Average number of employees during the year	1,093	1,140

42 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if revision affects both current and future periods. The area where various assumptions and estimates are significant to Company's financial statements or where significant judgments were exercised in application of accounting policies are present value of defined benefit obligations.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

43 Reconciliation of the movement of liabilities to cash flows arising from financing activities.

	2021						
	Liabilities						
	Long term financing	Lease liability	Mark-up accrued on short term running finances	Dividend		Equity	
				Payable	Unclaimed	Un-appropriated profit	Total
(Rupees in thousands)							
Balance as at 01 January 2021	233,868	-	1,858	913,234	14,030	16,000,523	17,163,513
Changes from financing cash flows							
Finance cost paid	(5,026)	-	(31,603)	-	-	-	(36,629)
Dividends paid	-	-	-	(6,459,856)	-	-	(6,459,856)
Finance obtained	-	-	-	-	-	-	-
Repayment of liability	(122,217)	(6,047)	-	-	-	-	(128,264)
Total changes from financing cash flows	(127,243)	(6,047)	(31,603)	(6,459,856)	-	-	(6,624,749)
Other changes							
Lease liability recognized	-	16,070	-	-	-	-	16,070
Interest expense	13,186	1,050	31,767	-	-	-	46,003
Deferred income recognized	-	-	-	-	-	-	-
Dividends declared	-	-	-	6,460,811	4,688	(6,465,499)	-
Total liability related other changes	13,186	17,120	31,767	6,460,811	4,688	(6,465,499)	62,073
Total equity related other changes	-	-	-	-	-	6,214,405	6,214,405
Closing as at 31 December 2021	119,811	11,073	2,022	914,189	18,718	15,749,429	16,815,242
	2020						
	Liabilities						
	Long term financing	Lease liability	Mark-up accrued on short term running finances	Dividend		Equity	
				Payable	Unclaimed	Un-appropriated profit	Total
(Rupees in thousands)							
Balance as at 01 January 2020	-	5,211	1,062	10,344	14,057	14,473,721	14,504,395
Changes from financing cash flows							
Finance cost paid	-	-	(39,710)	-	-	-	(39,710)
Dividends paid	-	-	-	(3,715,324)	(27)	-	(3,715,351)
Finance obtained	244,434	-	-	-	-	-	244,434
Repayment of lease liability	-	(5,461)	-	-	-	-	(5,461)
Total changes from financing cash flows	244,434	(5,461)	(39,710)	(3,715,324)	(27)	-	(3,516,088)
Other changes							
Interest expense	5,610	250	40,506	-	-	-	46,366
Deferred income recognized	(16,176)	-	-	-	-	-	(16,176)
Dividends declared	-	-	-	4,618,214	-	(4,618,214)	-
Total liability related other changes	(10,566)	250	40,506	4,618,214	-	(4,618,214)	30,190
Total equity related other changes	-	-	-	-	-	6,145,017	6,145,017
Closing as at 31 December 2020	233,868	-	1,858	913,234	14,030	16,000,523	17,163,513

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

44 Dividends

The Board of Directors have proposed a final dividend for the year ended 31 December 2021 of Rs. 150 per share, amounting to Rs. 1,385,464 thousands at their meeting held on 25 February 2022 for approval of members at the Annual General Meeting.

45 Impact of COVID-19

The COVID-19 pandemic has generally been in control during the year, with a variations in its spread and intensity across the country. Measures taken by the Government to contain the virus has not significantly affected the economic activity. However, we have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home, if needed). At this stage, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

46 Operating segments

The financial statements have been prepared on the basis of a single reportable segment. 93.19% (2020: 93.85%) out of total sales of the Company relates to customers in Pakistan. All non current assets of the Company as at 31 December 2021 are located in Pakistan.

47 Date of authorization of issue

These financial statements were authorized for issue on 25 February 2022 by the Board of Directors of the Company.

48 General

48.1 Figures in these financial statements have been rounded off to the nearest thousands of rupees.



Adil Saeed Khan
Chief Financial Officer



Usman Qayyum
Chief Executive and Managing Director



Zulfikar Mannoo
Director

PATTERN OF SHAREHOLDING

As at December 31, 2021

No. of Shareholders		Shareholding		Total Shares Held
				Total Shares
695	1	-	100	28,885
157	101	-	500	36,261
44	501	-	1000	33,276
39	1001	-	5000	100,875
5	5001	-	10000	46,710
6	10001	-	15000	78,040
2	15001	-	20000	38,239
1	45001	-	50000	50,000
1	50001	-	55000	52,260
1	55001	-	60000	58,252
1	60001	-	65000	62,467
2	65001	-	70000	133,628
4	70001	-	75000	287,106
2	75001	-	80000	156,310
2	100001	-	105000	203,666
2	110001	-	115000	226,265
1	125001	-	130000	125,085
1	130001	-	135000	130,633
1	140001	-	145000	142,433
3	165001	-	170000	498,342
1	185001	-	190000	186,578
1	6560001	-	6565000	6,561,117
972				9,236,428

Sr. No.	Shareholders Category	No. of Shareholder	Shares Held	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	13	599,884	6.49
2	Associated Companies, Undertakings and Related Parties	1	6,561,117	71.04
3	NIT and ICP	-	0	0.00
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	2	75,517	0.82
5	Insurance Companies	5	130,696	1.42
6	Modarabas and Mutual Funds	-	0	0.00
7	General Public :			
	a. Local	914	1,845,992	20.02
	b .Foreign	-	0	0.00
8	Others	37	23,222	0.25
	Total:	972	9,236,428	100.00
	Shareholders holding 10% or more	1	6,561,117	71.04

The above two Statements include 580 shareholders holding 752,437 shares through Central Depository Company of Pakistan Limited.

REQUEST FORM

For Dividend Mandate (Mandatory)

I wish the cash dividend declared by the Company, if any, be directly credited in my bank account, instead of issue of dividend warrant(s). My Bank Account details are as under:

Shareholder's Details	
Name of Shareholder	
Folio/CDC Part. Id. No.	
Title of Bank Account (Name)	
Bank Account Number (IBAN*)	P K <input type="text"/>
Bank's Name	
Branch Name and Address	
Cell/ Landline number	
CNIC/NICOP/NTN/Passport No.	

Signature of Shareholder
(Please affix company stamp in case of corporate entity)

*** Please provide complete IBAN (24 digits), after checking with your concerned bank branch.**

In case of **Physical shareholders**, the form may be sent to Shares Registrar at the following address:

M/s FAMCO Associates (Pvt.) Ltd,
Shares Registrar: Rafhan Maize Products Co. Limited
8-F, Next to Hotel Faran, Nursery,
Block-6, PECHS, Shahrah-e-Faisal, Karachi.
Tel.No.021-34380101-05 Ext.118
Email: info.shares@famco.com.pk

The CDC Shareholders will send the above particulars to their respective stock brokers.

REQUEST FORM FOR HARD COPY

of Annual Audited Financial Statements

I/We _____ request that a hard copy of the Annual Audited Financial Statements along with notice of general meetings be sent to me through post.

My/our particulars in this respect are as follows:

Folio/CDC Part. Id. No.:	
Postal Address:	
e-mail Address:	
Contact No.:	
CNIC/NICOP/NTN/Passport No.	
Signatures	

The form may be sent directly to Shares Registrar or Company Secretary at the following addresses:

Company Contact: Mr. Mustafa Kamal Zuberi Chief Legal Officer & Company Secretary Rafhan Maize Products Co. Limited, Rakh Canal East Road, Faisalabad. Tel.No.041-8540121 – Ext.206 & 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, Shahrah-e-Faisal, Karachi. Tel.No.021-34380101-05 Ext.118 E-mail: info.shares@famco.com.pk
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PROXY FORM

133rd General Meeting (Annual Ordinary)

The Company Secretary, Rafhan Maize Products Co. Limited,
Rakh Canal East Road, Faisalabad.

I/We _____ S/W/D of _____

R/o _____

being shareholder(s) of Rafhan Maize Products Co. Limited hereby appoint Mr./Mrs. _____

_____ S/W/D of _____

_____ R/o _____ or failing him

Mr./Mrs. _____ S/W/D of _____

R/o _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the 133rd General Meeting (Annual Ordinary) of the Company to be held on Tuesday, April 19, 2022 at 3:00 p.m. at the Company's Head Office, Rakh Canal East Road, Faisalabad and/or at any adjournment thereof.

Signed this _____ day of _____ 2022.

Affix Revenue
Stamp of Rs.50/-

Signature of Proxy _____ Signature of Shareholder _____

Folio/CDC A/c Part. Id. No. _____

No. of Shares held _____ Shareholder CNIC No. _____

Witness 1:

Witness 2:

Signature: _____ Signature: _____


Name: _____ Name: _____

CNIC #: _____ CNIC #: _____

Address: _____ Address: _____

NOTES:

- This Form of Proxy, duly completed and signed across a revenue stamp, must be deposited at the Company's Registered Office not less than 48 hours before the time of holding the meeting.
- Shareholders or their Proxies should bring their original valid CNIC or original valid Passport for their identification, CDC shareholders should also bring their Participant's ID Number and their Account Number.
- In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.



The Company Secretary,
Rafhan Maize Product Co. Limited,
Rakh Canal East Road,
Faisalabad
www.rafhanmaize.com

AFFIX
CORRECT
POSTAGE

پراکسی فارم

133 واں اجلاس عام (سالانہ عمومی)

دی کینیڈین ٹریڈنگ،
رفان میٹل پراڈکٹس کمپنی لمیٹڈ،
رکھ کینال ایسٹ روڈ، فیصل آباد

میں/ہم _____ بیوی/بیٹا/بیٹی _____ ساکن _____ محشیث شیئر ہولڈر (ز) بابت رفاں میٹل پراڈکٹس کمپنی
لمیٹڈ نے بذریعہ ہذا جناب/محترمہ _____ بیوی/بیٹا/بیٹی _____ ساکن _____ یا ان کی عدم دستیابی
پر جناب/محترمہ _____ بیوی/بیٹا/بیٹی _____ ساکن _____ کو محشیث پراکسی مقرر کیا ہے جو میری/ہماری جگہ پر کمپنی کے 133 ویں اجلاس عام (سالانہ عمومی) منعقدہ کمپنی کے ہیڈ آفس، رکھ کینال ایسٹ، فیصل آباد بروز منگل، 19 اپریل، 2022 کو بوقت
03:00 بجے سہ پہر یا کسی ملتوی شدہ تاریخ پر شرکت کر کے ووٹ ڈال سکے گا/گی۔

تاریخ آج _____ بابت _____ 2022 _____

50/- روپے کارپوریٹ اسٹیٹمپ
چسپاں کریں

پراکسی کے دستخط: _____ شیئر ہولڈر کے دستخط _____
موجود شیئرز کی تعداد _____ فوئیو نمبر/سی ڈی سی اکاؤنٹ پارٹ آئی ڈی نمبر۔ _____
_____ شیئر ہولڈر کا سی ڈی سی نمبر _____
گواہ نمبر 1: _____ گواہ نمبر 2: _____
دستخط _____ دستخط _____
نام _____ نام _____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____ کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____
پتہ _____ پتہ _____

نوٹ:

- الف۔ یہ پراکسی فارم ہر طرح سے مکمل کر کے اور یونیورسٹی پر دستخط کر کے لازمی طور پر کمپنی کے رجسٹرڈ آفس میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل جمع کرادیا جائے
- ب۔ شیئر ہولڈرز یا ان کے پراکسی کو اپنی شناخت کیلئے اپنا اصل کارآمد سی ڈی سی یا اصل کارآمد پاسپورٹ ہمراہ لانا ہوگا۔ سی ڈی سی شیئر ہولڈرز کو پارٹیشن آئی ڈی نمبر یا اکاؤنٹ نمبر بھی ہمراہ لانا ہوگا۔
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اسٹمپ چسپاں کریں

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