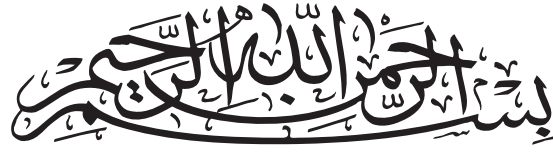


ANNUAL REPORT 2022



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Company Information

Board of Directors

Chairman

Mr. Michael Fergus O'Riordan (Appointed on 2-03-2023) Non-Executive

Chief Executive & Managing Director

Mr. Humair Ijaz Executive

Members:

Mr. James D. Gray Non-Executive

Mr. Marcel Hergett Non-Executive

Ms. Tanya Jaeger de Foras Non-Executive

Mr. Zulfikar Mannoo Non-Executive

Mian M. Adil Mannoo Non-Executive

Mr. Wisal A. Mannoo Non-Executive

Mr. Adil Saeed Khan Executive

Mr. Waqar Ahmed Malik Independent &

Non-Executive

Mr. Tahir Jawaid Independent &

Non-Executive

Chief Financial Officer

Mr. Adil Saeed Khan

Company Secretary

Mr. Mustafa Kamal Zuberi

Audit Committee

Mr. Waqar Ahmed Malik Chairman

Mr. James D. Gray Member

Mr. Michael Fergus O'Riordan Member

Ms. Tanya Jaeger de Foras Member

Mr. Zulfikar Mannoo Member

Mr. Kamran Anjum Secretary

Human Resource & Remuneration Committee

Mr. Tahir Jawaid Chairman

Mr. Pierre Perez y Landazuri (Resigned on 2-03-2023) Member

Ms. Tanya Jaeger de Foras Member

Mr. Humair Ijaz Member

Mian M. Adil Mannoo Member

Ms. Mehwish Iftikhar Secretary

Operations Committee

Mr. Michael Fergus O'Riordan Chairman

Ms. Tanya Jaeger de Foras Member

Mr. Tahir Jawaid Member

Mr. Humair Ijaz Member

Mr. Wisal A. Mannoo Member

Mr. M. Saeed Akhter Secretary

Shares Transfer Committee

Mr. Humair Ijaz Chairman

Mr. Adil Saeed Khan Member

Mr. Mustafa Kamal Zuberi Secretary

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

Notice of Meeting

Notice is hereby given that the 134th General Meeting (Annual Ordinary) of the shareholders of Rafhan Maize Products Co. Limited will be held on Thursday, April 27, 2023 at 03:00 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 (Ordinary) of the shareholders of the Company held on Tuesday, April 19, 2022 at Faisalabad.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2022 together with the Directors' and Auditors' Reports thereon.
3. To approve final cash dividend of Rs.75/- per ordinary share of Rs.10/- i.e. 750% for the year ended December 31, 2022 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, 2023 along with half year review.

Special Business:

5. To consider and, if deemed fit, pass the following ordinary resolution for getting shareholders' approval to circulate the annual audited financial statements through QR enabled code and weblink:

“RESOLVED that the approval be and is hereby given to allow the Company to circulate the annual audited financial statements to its members through QR enabled code and weblink instead of through CD/DVD/USB.”

By order of the Board


Mustafa Kamal Zuberi
Chief Legal Officer &
Company Secretary

Faisalabad.
April 6, 2023

Statement U/S 134(3) of the Companies Act, 2017 pertaining to the Special Business

Securities & Exchange Commission of Pakistan (SECP) vide its SRO No.389(1)/2023 dated March 21, 2023 has allowed companies to circulate the annual audited financial statements to its members through QR enabled code and weblink instead of through CD/DVD/USB. The notice of the meeting shall be dispatched to the members as per requirements of the Act, on their registered address, containing the QR code and the weblink address to view and download the annual audited financial statements.

Notes:

1. The Shares Transfer Books of the Company will remain closed from 25th April to 27th April, 2023 (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 dividends will be withheld.

Dividend Mandate/E-Dividend

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

In order to receive dividends directly into their bank account, shareholders are requested to fill in Dividend Mandate Request Form available at 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, 2022 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. Ltd./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 from 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 subsection 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.cdaccess.com.pk>. In addition, the Dividend / Zakat & Tax Deduction Report can also be obtained directly from your Participant (stock broker) which has been provided to them on their CDS terminals. Moreover, you will also receive a copy of this report on your provided/registered e-mail addresses.

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.

Participation in AGM

SECP, vide its Circular No.4 of 2021 dated February 15, 2021, has made a regular feature to participate in General Meeting through electronic means. 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 to safeguard and protect their wellbeing against the continuing threat posed by the COVID-19.

Therefore, the Company 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@rafhanmaize.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 3:00 p.m. on April 24, 2023. 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.

Declaration for Zakat Exemption

To claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarized copy of Zakat Declaration Form "CZ-50" on NJSP of Rs.50/- to the Share Registrar. In case shares are held in scripless form such Zakat Declaration Form (CZ -50) must be uploaded in the CDC account of the shareholder, through their participant / Investor Account Services. Further, Non-Muslim shareholders are also required to file Solemn Affirmation (on format available on Company's website) with the Share Registrar of the Company in case of shares are held in physical certificates or with CDC Participant / Investor Account Services in case shares are in scripless form. No exemption from deduction of zakat will be allowed unless the above documents complete in all respects have been made available as above.

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 – 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
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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 Statement

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.

Our 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.

Chairman's Review

I am pleased to present the review on the overall performance of Rafhan Maize Products Company Limited and the effectiveness of the role played by the Board in achieving the Company's objectives.

Pakistan is currently facing unprecedented political and economic challenges. The weakening of the Pakistan Rupee, the depletion of foreign reserves to the lowest level since 1998 and the stiff inflation have presented significant challenges for overall economic growth. The problem has been further exacerbated by catastrophic flooding, a series of terror attacks, and the fast-rising energy and commodity prices, mainly driven by the war in Ukraine. Aiming to control inflation, the State Bank of Pakistan has also increased its policy rate to 17%.

The successful completion of the 9th review by the International Monetary Fund (IMF) will be critical for Pakistan to improve its foreign exchange reserve, meet its debt obligation, get additional financial support from friendly countries, and restructure its loan. However, the IMF program will be linked with implementation of tough corrective policy measures, including but not limited to the removal of certain subsidies, the decrease in its fiscal deficit and the reduction in its circular debt. All these measures may result in further inflation, high production costs, and overall lower demand in the near-term future.

The Pakistan economy has always shown strong resilience against unfavorable economic and business environment. We remain optimistic that the economy and business conditions will eventually bounce back after this particularly turbulent period.

The Board has played an effective and impactful role during this challenging period. The Company was able to achieve 38% Sales Revenue growth and recorded historically high revenue of PKR 58.8 billion. This revenue growth helped the Company mitigate cost inflation driven by high energy and raw materials' input costs. The proactive and positive role of the Board and the management resulted in top-line growth and helped sustain the Company's sales share.

We are confident that our business is well positioned to continue taking on the current economic and business challenges. We have a strong and agile management team and an experienced and seasoned Board to steer our business through these challenging times. We will continue to lead various initiatives to sustain growth and withstand challenges to achieve greater heights, pursue strategic expansion and improve shareholders value and the overall performance of the company.

I would like to thank all the members of the Board for their continuing guidance. Leveraging a strong and diverse set of knowledge, expertise and skills, the performance of the Board has been very strong. The Board continuously reviews the Company's business and strategy, continues advising the management on key areas including strategic planning, effective resources utilization, financial performance, capital deployment, talent management, operational capacity, and related capabilities. I acknowledge and appreciate the contribution of The Board for delivering yet another strong year.



Pierre Perez y Landazuri
Chairman

March 1, 2023

Directors' Profile

MICHAEL FERGUS O'RIORDAN

Chairman
Non-Executive Director

He joined the Board of Rafhan Maize on March 3, 2021 as a director and was appointed chairman of the Board on March 2, 2023. He 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.

MARCEL HERGETT

Non-Executive Director

He joined the Board of Rafhan Maize on March 2, 2023 and represents Ingredion Incorporated, the parent company. At Ingredion, he is Senior Finance Director, EMEA since April 01, 2019.

He holds a University Degree of Accountancy and Tax from University of Cologne, Albertus-Magnus-Platz, Köln, Germany.

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 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.

Directors' Profile

HUMAIR IJAZ

Chief Executive & Managing Director
Executive Director

Mr. Humair Ijaz joined the Board of Rafhan Maize on May 16, 2022. He has over 29 years of experience. Before joining Rafhan Maize, he has been working with ICI since 1993 in various businesses including Paints, Soda Ash, Pharmaceuticals and PTA. He has in-depth experience in Supply Chain, IT and Sales. He played an important role in reshaping the commercial activities of the PTA Business and in 2015 he was appointed as Chief Executive of LOTTE Chemical Pakistan Limited. The company made a great turnaround in operations and profitability during his tenure.

He completed his Bachelor's in Electrical Engineering and MBA (Finance) from Virginia Tech, USA, and is a certified Director of Corporate Governance from Pakistan Institute of Corporate Governance (PICG).

Office Address

Rafhan Maize Products Co. Ltd.,
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 15 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. Ltd.,
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 and Human Resource & Remuneration 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 30 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. Ltd.,
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 42 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 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.

Office 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 PTALimited).

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.

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 but are not limited to statements 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 but not limited to 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 fact 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 but not limited to 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 coproducts, 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 but not limited to specific varieties of corn upon which our products are based; 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 force majeure including but not limited to the outbreak of pandemic or disease or continuation of serious communicable disease or hostilities or 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.

Horizontal Analysis of Profit and Loss Account

	2022	2021	2020	2019	2018	2017
				Restated		
Sales	38%	19%	2%	19%	14%	3%
Cost of sales	45%	24%	-1%	22%	16%	1%
Gross profit	15%	5%	9%	13%	7%	7%
Distribution cost	24%	5%	7%	12%	8%	9%
Administrative expenses	34%	22%	6%	23%	-4%	14%
Operating profit	13%	5%	10%	14%	12%	6%
Other operating income	13%	18%	36%	53%	32%	-4%
Finance cost	348%	-1%	99%	-10%	65%	-12%
Other operating expenses	11%	11%	11%	15%	11%	2%
Profit before taxation	11%	6%	10%	14%	12%	6%
Taxation	39%	13%	4%	13%	21%	-9%
Profit after taxation	-1%	3%	12%	14%	9%	13%

Horizontal Analysis of Balance Sheet

	2022	2021	2020	2019	2018	2017
				Restated		
NON CURRENT ASSETS						
Property, plant and equipment	-3%	1%	-4%	-3%	3%	19%
Intangible assets						-100%
Capital work-in-progress	261%	0%	98%	78%	-89%	-61%
EMPLOYEES RETIREMENT BENEFITS	313%	-38%	81%	-45%	-10%	-26%
LONG TERM LOANS	28%	-17%	-11%	-24%	1%	-4%
LONG TERM DEPOSITS	6%	1%	0%	0%	1%	0%
CURRENT ASSETS						
Stores and spares	33%	38%	-3%	9%	21%	-4%
Stock in trade	77%	109%	18%	10%	-22%	19%
Trade debts	42%	30%	-7%	36%	10%	14%
Loans and advances	277%	83%	-69%	10%	13%	11%
Trade deposits and short term prepayments	-48%	-12%	106%	-31%	10%	-9%
Other receivables	-28%	88%	-51%	16%	44%	57%
Short term investments	243%	-62%	104%			
Cash and bank balances	-76%	-42%	62%	-5%	35%	-17%
TOTAL ASSETS	36%	5%	23%	10%	1%	2%
CURRENT LIABILITIES						
Current portion of long term financing	-90%	-6%	--			
Current portion of deferred income	39%	-25%	--			
Trade and other payables	48%	22%	57%	5%	7%	11%
Unpaid dividend	131%	0%	8729%	-59%	-97%	17464%
Unclaimed dividend	20%	33%	0%	-5%	-67%	321%
Mark up accrued on short term running finances	2669%	9%	75%	1942%	0%	-100%
Short term running finances - secured	172%	--	--			
Lease Liability	-14%	--	-100%			
Provision for taxation - net	138%	-49%	-1%	-9%	108%	-9%
NON CURRENT LIABILITIES						
Long term financing	--	-100%	--			
Deferred income	--	-100%	--			
Deferred taxation	15%	-1%	-1%	15%	-11%	-12%
SHARE CAPITAL AND RESERVES						
Share capital	0%	0%	0%	0%	0%	0%
Reserves	20%	-2%	11%	11%	7%	-6%
TOTAL LIABILITIES & EQUITY	36%	5%	23%	10%	1%	2%

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

Vertical Analysis of Profit and Loss Account

	2022	2021	2020	2019	2018	2017
				Restated		
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	79.9%	75.8%	72.7%	74.6%	73.2%	71.5%
Gross profit	20.1%	24.2%	27.3%	25.4%	26.8%	28.5%
Distribution cost	1.2%	1.3%	1.5%	1.4%	1.5%	2.5%
Administrative expenses	1.7%	1.7%	1.7%	1.6%	1.6%	1.9%
Operating profit	17.2%	21.1%	23.7%	22.0%	23.0%	23.3%
Other operating income	1.2%	1.5%	1.5%	1.1%	0.9%	0.7%
Finance cost	0.4%	0.1%	0.1%	0.1%	0.1%	0.1%
Other operating expenses	1.3%	1.6%	1.7%	1.5%	1.6%	1.6%
Impairment loss on financial assets	0.0%	0.0%	0.2%	0.0%	-	-
Profit before taxation	16.9%	21.0%	23.6%	21.9%	23.0%	23.3%
Taxation	6.4%	6.3%	6.6%	6.5%	6.8%	6.4%
Profit after taxation	10.5%	14.7%	17.0%	15.4%	16.1%	16.9%

Vertical Analysis of Balance Sheet

	2022	2021	2020	2019	2018	2017
				Restated		
NON CURRENT ASSETS						
Property, plant and equipment	18.7%	26.1%	27.4%	35.0%	39.7%	39.0%
Intangible assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital work-in-progress	2.2%	0.8%	0.9%	0.6%	0.3%	3.0%
EMPLOYEES RETIREMENT BENEFITS	1.3%	0.4%	0.7%	0.5%	1.0%	1.1%
LONG TERM LOANS	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
LONG TERM DEPOSITS	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
CURRENT ASSETS						
Stores and spares	4.5%	4.6%	3.5%	4.4%	4.4%	3.7%
Stock in trade	50.4%	38.7%	19.5%	20.3%	20.3%	26.1%
Trade debts	8.8%	8.4%	6.8%	9.0%	7.3%	6.7%
Loans and advances	0.7%	0.3%	0.2%	0.7%	0.7%	0.6%
Trade deposits and short term prepayments	0.2%	0.6%	0.7%	0.4%	0.7%	0.8%
Other receivables	0.1%	0.2%	0.1%	0.2%	0.2%	0.2%
Short term investments	10.3%	4.1%	11.3%	6.8%		
Cash and bank balances	2.7%	15.7%	28.7%	21.9%	25.2%	18.8%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
CURRENT LIABILITIES						
Trade and other payables	24.5%	22.5%	19.4%	15.3%	16.0%	15.0%
Unpaid dividend	6.4%	3.8%	4.0%	0.1%	0.1%	5.4%
Unclaimed dividend	0.1%	0.1%	0.1%	0.1%	0.1%	0.3%
Mark up accrued on short term running finances	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Short term running finances - secured	6.3%	3.1%	0.0%	0.0%	0.0%	0.0%
Provision for taxation	0.9%	0.5%	1.0%	1.3%	1.5%	0.7%
Current portion of long term financing	0.0%	0.5%	0.6%	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	3.0%	3.5%	3.8%	4.7%	4.5%	5.1%
Long term financing	0.2%	0.0%	0.5%	0.0%	0.0%	0.0%
Deferred income	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
SHARE CAPITAL AND RESERVES						
Share capital	0.3%	0.4%	0.4%	0.5%	0.5%	0.6%
Reserves	57.9%	65.5%	70.2%	78.1%	77.2%	72.9%
TOTAL LIABILITIES & EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

Directors' Report

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, 2022.

Despite many challenges on business front and uncertain economic and geo-political situation, the Company was able to post good results; Sales revenue grew by 38% with positive contributions from all the business segments. Moreover, the company successfully able to mitigate cost inflation impact and able to achieve over PKR 6 billion net income. The other key indicators are presented below:

Financial Results Profit and Appropriations		Year ended December 31	
		2022	2021
		Rupees in Thousand	
Profit after taxation		6,179,385	6,257,323
Actuarial gains/(losses) of employees retirement benefits		209,303	(42,918)
Un-appropriated profit brought forward		15,749,429	16,000,523
		22,138,117	22,214,928
Appropriations			
Final Dividend 2021 @1500%	(2020: @2500%)	1,385,464	2,309,107
1 st Interim Dividend 2022 @1000%	(2021: @1500%)	923,643	1,385,464
2 nd Interim Dividend 2022 @500%	(2021: @1500%)	461,821	1,385,464
3 rd Interim Dividend 2022 @500%	(2021: @1500%)	461,821	1,385,464
		3,232,749	6,465,499
Un-appropriated Profit Carried Forward		18,905,368	15,749,429
Earnings per Share (Rupees)		669.02	677.46

Business Review

The economic scenario for the business continued to remain challenging during 2022. The political instability, spiral inflation, higher energy and commodity prices, renewed slump at global front after Russia -Ukraine war, heavy floods, PKR depreciation, low foreign exchange reserve and restrictions on imports were the key negative factors impacting the business environment. All these factors adversely impacted industry operations and demand. Rafhan, however, was able to counter the negative impacts and achieved 38% sales growth. This positive performance was attributable to better sales mix, providing innovative and value-added solution to customers, improved operational leverage and continuous investment in cost savings initiatives.

Rafhan Maize product portfolio spans a broad range of products categories serving many industrial sectors.

Performance of industrial business showed downward trend due to adverse effects on consuming industries on the back of soft export/domestic demand and overall general slump. Textile industry the largest consumer of industrial products continued to face stiff challenges of weakening exports, high manufacturing costs, drastic increase in yarn prices due to shortage of cotton and strong global competition. Overall, the textile industry operated at low capacity of around 70%. Paper and corrugation segments also faced adverse effects of the economy especially after floods and slowed down as compared to last quarter. However, better sales mix and prices compensated volume loss.

Food business offers a wide spectrum of products, services and solutions to diversified customers including confectionery, baking, desserts, beverages, ketchups premixes, condiments, soups, ice cream, custard, and many other food processors. Rising food inflation, floods in southern Punjab & Interior Sindh and looming energy crises have posed challenges for maintaining growth in food business. Our progressive marketing, strategic business relations with customers and efficient supply chain helped us to maintain volumes.

Demand of Animal nutrition ingredients has been steady throughout the year from poultry, livestock and aquaculture segments. Stable poultry demand, trend of formula ration in livestock and growth in fish farming along-with availability issues of other feed ingredients generated high demand of corn gluten meals/feeds and maize germ cake. Demand for our corn oil also remained better from consuming industries and it grew by 12% compared to last year.

Rafhan is also continuously engaged in making utmost efforts to explore new possibilities and drive functional excellence in regional markets. Rafhan Maize has apprised to transform itself by strengthening core businesses and enhanced capabilities for marketing new food specialty ingredients for EMEA emerging markets. We believe that there are substantial opportunities in the international market. Company is determined to increase its footprint and penetration in export markets.

Operations

The Rafhan leadership continuing its legacy of being market leader through providing innovative and cost-effective solutions to its valued customer. Pakistan operations team engrossed on optimization and re-engineering of manufacturing processes for energy conservation, environment protection and making the working conditions safe & secure for our people. It was also emphasized to harmonize and integrate the activities of employees, material suppliers and contractors to fulfill the requirements of customers. The ultimate objective was to exceed the capabilities of our internal and external customers and produce good return for the investments for our shareholders.

The key operational excellences achieved are as follows:

- a) In the challenging period of economic and inflationary crises, we achieved ever highest utilization of our manufacturing facilities. This has improved our OTIF and supplies to our Valued Customers.
- b) Started behavior-based safety initiatives. These Initiatives focuses on reducing the number of life-altering injuries and eliminating fatalities by creating safe behaviors through personal accountability and empowerment
- c) To remain market competitive, various continuous Improvement projects were completed. The aforesaid initiatives include, diverse cost saving projects, process optimization, Energy conservation, chemical consumption optimization and productivity enhancement.
- d) We have initiated multiple projects including solar energy projects for energy conservation and process improvement.
- e) Operation team ensured strong controls by attaining in process and operational parameters, and as a result delivered highest ever First Pass Compliance.
- f) New high worth products were successfully established, produced, and supplied to our Valued Customers which is perfectly aligned with our value 'Innovate Boldly'.
- g) To meet our environmental commitments and pledge to community, wastewater treatment plants were operated and closely monitored in all three plants fulfilling with NEQs limits
- h) Being a socially responsible organization, we invested on several initiatives to reduce GHG emission and water consumption optimization to move forward our “ALL LIFE” agenda.
- i) Teams remained actively engaged in various process improvement and benchmarking studies throughout the year, which will enable us in setting foundations for long term strategical improvement in our current practices.

Safety, Health and Environment

Believing in our “Care First” value i.e., well-being of our employees, contractors, and visitors, we took several initiatives 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 Govt & Corporate guidelines. 99.5% of our employees & 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 & level-2 PPEs based on activity & hazards prevention.

For the wellbeing of our contractors, we conducted risk assessments of several critical activities and provided safeguards that ensure a safe & comfortable working environment

Trained people on the latest EHS standards and guidelines which are prevailing around the globe. Mass communication campaigns were conducted across all plants for improving behavioral aspects and providing a chance to improve six life saver behaviors and procedures. The message was “Zero workplace injury, all accidents are preventable”

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.

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 flood relief to rural communities in Pakistan which were severely impacted by the natural disaster. As part of phase 1 of our flood relief efforts we distributed clothing and food rations to those impacted. We also held medical health camps in affected areas to ensure good quality health care was available to the impactees. Our employees got together and donated one day of their wages towards flood relief which was doubled by the Company.

We donated Dignity Packs to women impacted by the floods in Sindh and held hygiene seminars to enable them to stay protected from diseases.

Rafhan Mazie as part of phase II in 2023 plans to initiate rehabilitation and rebuilding projects that will help those dislocated by the flooding return home with their families.

Moving forward, we remain committed and 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

The macroeconomic outlook of 2023 remains challenging. The unbridled inflation, uncertain political scenario, low foreign exchange reserves and PKR depreciation are the key challenges for the economy. Growth revival will depend on expedited implementation of structural reforms and fiscal improvements.

Considering current tough business environment, our focus will be to maintain smooth operations, increasing volumes, tight cost control, process optimization, price rationalization and efficient working capital management. In parallel significant efforts are in place for exploring profitable export markets. The price of corn has touched a new peak followed by the upward trend in utility prices of fuel may impact our margins.

The business is also determined to pursue its strategy of growth and innovation by developing new products. We have a strong portfolio of well-researched ingredient solutions, and we keep expanding our product range. 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 the leadership positions and grow our business by ensuring a deeper understanding of customers, respond to market dynamics and build on our competitive strengths. Our focus continues to be first choice of valued customers by understanding customers' needs and respond to their expectations rapidly and effectively.

While we keep pace with market realities, Rafhan Maize will strive to maintain its leadership through progressive market approaches. We have firm belief in our efforts, management skills and capabilities to cope with all the challenges and we remain optimistic about the company as prospects and to maintain the growth trend in all business segments. We expect to maintain its position by making significant inroads into diversified segments creating opportunities to improve its margins despite ongoing challenges.

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.

We remain confident that economic prospects will improve in the future and are looking into 2023 with optimism and shall continue to embark upon various initiatives to sustain growth and withstand challenges. The company is determined to keep pace and is focused to overcome challenges by improving its operating results, thus, leading to significant value addition for the stakeholders.

We thank you, our shareholders, for your continuing support. We value your ongoing trust in our company and our people, and your confidence in our leadership setting a solid, stable course for the future. Rafhan has a strong foundation, a clear path forward and a bright future.

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. 29

Disclosures under Code of Corporate Governance

Corporate and Financial Reporting Framework:

- 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;
- 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;
- 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;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- 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:

		2022	2021	2020	2019	2018	2017
					Restated		
Net Sales	Rs. Million	58,756	42,610	35,873	35,261	29,564	26,018
Cost of Sales	Rs. Million	46,922	32,291	26,091	26,289	21,631	18,593
Gross Profit	Rs. Million	11,834	10,318	9,782	8,972	7,933	7,425
% of Sales	%	20	24	27	25	27	29
Operating Profit	Rs. Million	10,128	8,987	8,519	7,750	6,811	6,067
% of Sales	%	17	21	24	22	23	23
Profit Before Tax	Rs. Million	9,922	8,941	8,473	7,726	6,785	6,051
Profit After Tax	Rs. Million	6,179	6,257	6,094	5,444	4,772	4,392
Earnings Per Share	Rupees	669.02	677.46	659.80	589.36	516.62	475.54
Dividend Amount	Rs. Million	3,233	6,465	4,618	3,925	3,925	5,080
Dividend Percentage	%	3,500	7000	5,000	4,250	4,250	5,500
Capital Expenditure	Rs. Million	882	516	349	314	196	742

Resources Management

Agribusiness department continued its journey of sustainable corn production and procurement. To cope with current challenges, Rafhan team worked closely with all stakeholders, held meetings and discussions with corn buying team, agronomists, maize buying agents and vendors. We fully capitalized all our corn buying channels, especially, concentrated outside the market. Despite a challenging season on account of heavy rains, Agribusiness team successfully achieved ever highest corn procurement target.

Investment

Your Company follows a well-structured and world class investment strategy for expansions, sustainability, cost savings and diversification with a number of capital projects already in hand per our strategic blueprint. Our unfaltering commitment to serve and satisfy our customers is evident from our capex investments in quality, energy efficiency, innovation, and capacity enhancement. 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:

		2022	2021
		Rupees in Thousand	
Provident Fund	As at June 30 th	1,225,742	1,179,002
Gratuity Fund	As at December 31 st	1,102,216	953,969
Superannuation Fund	As at December 31 st	850,190	756,205

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
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 directors) as encouraged under the provisions of Code of Corporate Governance (Regulations), 2019.

Attendance at Board Meetings

During the year, five meetings of the Board of Directors were held. Attendance of Directors at the meetings were as under:

Name of Director	Director Type	Meetings attended
Pierre Perez y Landazuri (Chairman) (Resigned 02-03-2023)	Non-Executive Director	5
Humair Ijaz (Joined the Board on 16-05-2022)	Executive Director	4
Usman Qayyum (Resigned on 15-05-2022)	Executive Director	1
James D. Gray	Non-Executive Director	5
Tanya Jaeger de Foras (Joined the Board on 18-02-2022)	Non-Executive Director	4
Lori Arnold (Resigned on 18-02-2022)	Non-Executive Director	0
Michael Fergus O'Riordan	Non-Executive Director	5
Zulfikar Mannoo	Non-Executive Director	5
Mian M. Adil Mannoo	Non-Executive Director	5
Wisal A. Mannoo	Non-Executive Director	5
Adil Saeed Khan	Executive Director	5
Waqar Ahmad Malik	Independent Director	5
Tahir Jawaid	Independent Director	4

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 remuneration is appropriate and commensurates 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 transaction in the Company's shares during the year.

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 2023.

Audit Committee

The Board of Directors has 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
Waqar Ahmed Malik	Chairman	Independent Director	4
Zulfikar Mannoo	Member	Non-Executive Director	4
Tanya Jaegar De Foras (Joined 18-02-22)	Member	Non-Executive Director	3
James D. Gray	Member	Non-Executive Director	4
Michael Fergus O'Riordan	Member	Non-Executive Director	4

Human Resource & Remuneration Committee

The Board of Directors has established a Human Resource & Remuneration Committee comprising of following five board members. During the year, two 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	2
Pierre Perez y Landazuri (Resigned on Mar 2, 2023)	Member	Non-Executive Director	2
Humair Ijaz (Joined the Board on May 16, 2022)	Member	Executive Director	1
Usman Qayyum (Resigned on May 15, 2022)	Member	Executive Director	1
Tanya Jaeger de Foras (Joined the Board on Feb 18, 2022)	Member	Non-Executive Director	1
Lori Arnold (Resigned on Feb 18, 2022)	Member	Non-Executive Director	0
Mian M. Adil Mannoo	Member	Non-Executive Director	2

Operations Committee

The Board of Directors have established an Operation 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
Michael Fergus O’Riordan	Chairman	Non-Executive Director	4
Tanya Jaeger de Foras (Joined the Board on Feb 18, 2022)	Member	Non-Executive Director	3
Lori Arnold (Resigned on Feb 18, 2022)	Member	Non-Executive Director	0
Tahir Jawaid	Member	Independent Director	3
Humair Ijaz (Joined the Board on May 16, 2022)	Member	Executive Director	3
Usman Qayyum (Resigned on May 15, 2022)	Member	Executive Director	1
Wisal A. Mannoo	Member	Non-Executive Director	4

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
Humair Ijaz (Joined the Board on 16-05-2022)	Chairman	3
Usman Qayyum (Resigned on 15-05-2022)	Member	3
Adil Saeed Khan	Member	6

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, 2022, 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 @1,000%, 500% & 500% respectively. The Directors now propose a final dividend of 750% making the total 2,750% for the year.

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

On behalf of the Board



Adil Saeed Khan
Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director

March 1, 2023

Stakeholders' Information

Performance Indicators for Six Years

		2022	2021	2020	2019	2018	2017
Profit and Loss Account							
Net turnover	Rs. Million	58,755.77	42,609.63	35,873.33	35,260.67	29,564.16	26,018.10
Gross profit	Rs. Million	11,833.53	10,318.34	9,782.32	8,972.03	7,933.48	7,425.47
Operating profit	Rs. Million	10,127.57	8,986.74	8,519.27	7,749.73	6,811.05	6,066.63
Profit before tax	Rs. Million	9,921.58	8,940.73	8,472.90	7,726.47	6,785.22	6,051.02
Profit after tax	Rs. Million	6,179.39	6,257.32	6,094.23	5,443.57	4,771.70	4,392.26
Earnings before interest, taxes, depreciation and amortization (EBITDA)	Rs. Million	10,647.14	9,479.60	9,004.97	8,225.63	7,263.39	6,586.27
Balance Sheet							
Share capital	Rs. Million	92.36	92.36	92.36	92.36	92.36	92.36
Reserves	Rs. Million	18,943.46	15,787.52	16,038.62	14,511.81	13,051.92	12,209.82
Shareholders funds	Rs. Million	19,035.83	15,879.89	16,130.98	14,604.18	13,144.28	12,302.18
Property, plant and equipment	Rs. Million	6,117.14	6,300.06	6,264.51	6,504.40	6,706.84	6,521.95
Net current assets / (liabilities)	Rs. Million	12,823.11	10,095.05	10,437.12	8,737.44	6,932.23	5,940.79
Long term / deferred liabilities	Rs. Million	1,092.43	858.36	976.08	871.50	758.83	854.51
Total assets	Rs. Million	32,718.59	24,096.80	22,845.19	18,578.54	16,901.62	16,743.82
Profitability Ratios							
Gross profit ratio	Percentage	20.14	24.22	27.27	25.44	26.83	28.54
Net profit to sales	Percentage	10.52	14.69	16.99	15.44	16.14	16.88
EBITDA margin to sales	Percentage	18.12	22.25	25.10	23.33	24.57	25.31
Operating leverage	Percentage	0.34	0.29	5.71	0.72	0.90	2.09
Return on equity	Percentage	32.46	39.40	37.78	37.27	36.30	35.70
Return on capital employed	Percentage	30.70	37.38	35.62	35.17	34.32	33.38
Liquidity Ratios							
Current ratio	Times	2.02	2.37	2.82	3.82	3.31	2.66
Quick/ Acid test ratio	Times	0.59	0.96	1.90	2.34	1.92	1.26
Cash to current liabilities	Times	0.34	0.65	1.60	1.72	1.42	0.88
Cash flow from operations to sales	Times	0.01	0.04	0.20	0.14	0.20	0.16
Activity / Turnover Ratios							
Inventory turnover ratio	Times	2.61	3.10	4.97	5.72	5.18	3.72
No. of days in inventory	Days	110.33	88.59	68.87	60.87	71.29	98.12
Debtors turnover ratio	Times	20.44	21.07	23.11	21.04	23.94	23.21
No. of days in receivables	Days	15.21	15.31	16.42	15.06	15.25	15.73
Creditors turnover ratio	Times	5.84	5.96	5.88	9.28	7.93	5.37
No. of days in payables	Days	52.30	55.68	50.86	38.40	46.03	67.97
Total assets turnover ratio	Times	1.80	1.77	1.57	1.90	1.75	1.55
Fixed assets turnover ratio	Times	9.61	6.76	5.73	5.42	4.41	3.99
Operating cycle	Days	73.24	48.21	34.43	37.54	48.34	50.03
Investment / Market Ratios							
Earnings per share	Rupees	669.02	677.46	659.80	589.36	516.62	475.54
Price earning ratio	Times	13.60	13.88	14.85	12.30	13.07	14.30
Dividend yield ratio	Percentage	4.00	7.00	5.00	6.00	6.30	8.00
Dividend payout ratio	Percentage	52.32	103.33	75.78	72.11	82.27	115.66
Dividend cover ratio	Times	1.91	0.97	1.32	1.39	1.22	0.86
Cash dividend per share	Rupees	350.00	700.00	500.00	425.00	425.00	550.00
Stock Dividend (Bonus) per share	Percentage	-	-	-	-	-	-
Market value per share at the end of the year	Rupees	9,100.00	9,400.00	9,799.00	7,251.10	6,750.00	68,000.00
Market value per share during the year (High)	Rupees	12,699.00	11,999.00	9,799.00	7,400.00	8,814.00	8,764.36
Market value per share during the year (Low)	Rupees	7,355.00	9,000.00	6,055.00	5,500.00	6,555.95	6,500.00
Break-up value per share - Refer note below							
- Without surplus on revaluation of fixed assets	Rupees	2,060.95	1,719.27	1,746.45	1,581.15	1,423.09	1,331.92
- Including the effect of surplus on revaluation of fixed assets	Rupees	2,060.95	1,719.27	1,746.45	1,581.15	1,423.09	1,331.92
Capital Structure Ratios							
Financial leverage ratio	Times	0.00	0.01	0.01	-	-	-
Weighted average cost of debt	Percentage	12.57	3.52	3.39	11.36	7.70	6.66
Debt : Equity ratio	Times	0.00	0.01	0.01	-	-	-
Interest cover	Times	49.17	195.35	183.74	333.22	263.77	388.51

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

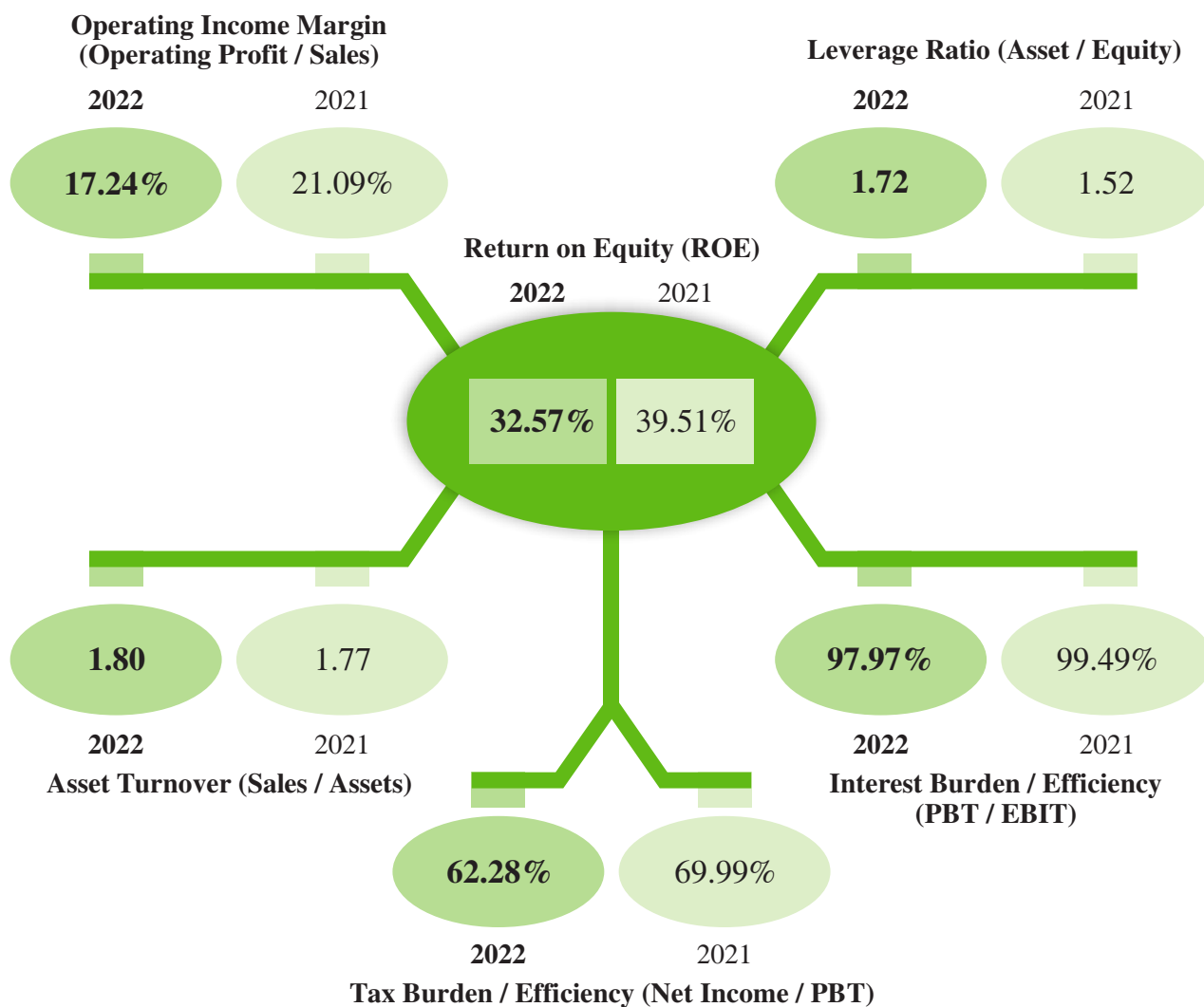
Summary of Cash Flow Statement

	2022	2021	2020	2019	2018	2017
	(Rupees in Thousand) Restated					
Cash flows from operating activities	768,550	1,496,977	7,217,533	5,062,877	6,029,543	4,151,301
Cash used in investing activities	(385,421)	(20,430)	123,151	(28,689)	(60,986)	(623,239)
Cash used in financing activities	(2,178,663)	(6,624,749)	(3,516,088)	(3,967,502)	(4,855,257)	(4,167,556)
Net increase in cash and cash equivalents	(1,795,534)	(5,148,202)	3,824,596	1,066,686	1,113,300	(639,494)
Opening cash and cash equivalents	4,005,616	9,153,818	5,329,222	4,262,536	3,149,236	3,788,730
Closing cash and cash equivalents	2,210,082	4,005,616	9,153,818	5,329,222	4,262,536	3,149,236

Summary of Cash Flow Statement - Direct Method

	2022	2021	2020	2019	2018	2017
	(Rupees in Thousand) Restated					
Cash flows from operating activities						
Cash received from customers	57,898,316	42,132,367	35,935,203	34,819,811	29,449,872	25,878,351
Cash paid to suppliers and employees	(53,577,764)	(37,842,535)	(26,310,083)	(27,577,686)	(21,460,606)	(19,960,200)
Taxes paid	(3,552,002)	(2,792,855)	(2,407,587)	(2,179,248)	(1,959,723)	(1,766,850)
Net cash flows from operating activities	768,550	1,496,977	7,217,533	5,062,877	6,029,543	4,151,301
Cash flows from investing activities						
Property, plant and equipment	(881,764)	(516,400)	(348,769)	(313,550)	(195,852)	(741,858)
Sale proceeds of property, plant and equipment	32,267	19,217	7,389	23,957	10,884	7,977
Disbursement of long term loans	(7,127)	(4,600)	(6,559)	(5,664)	(9,746)	(8,400)
Interest income received	465,764	474,060	463,270	257,606	125,353	111,404
Receipt from long term loans disbursed	5,439	7,293	7,820	8,962	8,375	7,638
Net cash used in investing activities	(385,421)	(20,430)	123,151	(28,689)	(60,986)	(623,239)
Cash flows from financing activities						
Dividend paid	(2,032,887)	(6,459,856)	(3,715,351)	(3,941,033)	(4,829,487)	(4,151,927)
Finance cost paid	(149,655)	(36,629)	(39,710)	(21,505)	(25,770)	(15,629)
Receipt of long term financing	132,670	0	244,434	0		
Repayment of long term loan	(122,217)	(122,217)				
Repayment of lease liability	(6,574)	(6,047)	(5,461)	(4,964)		
Increase / (Decrease) in short term running finances				-	-	-
Net cash used in financing activities	(2,178,663)	(6,624,749)	(3,516,088)	(3,967,502)	(4,855,257)	(4,167,556)
Net increase / (Decrease) in cash and cash equivalents	(1,795,534)	(5,148,202)	3,824,596	1,066,686	1,113,300	(639,494)
Cash and cash equivalents at the beginning of the year	4,005,616	9,153,818	5,329,222	4,262,536	3,149,236	3,788,730
Effect of exchange rate fluctuations	0	0	0	0	0	0
Cash and cash equivalents at the end of the year	2,210,082	4,005,616	9,153,818	5,329,222	4,262,536	3,149,236

DuPont Analysis



Leverage Ratio (Assets / Equity)

Increased mainly due to increase in assets in higher proportion (36%) than the increase in equity (20%) from the last year.

Interest Burden / Efficiency (PBT / EBIT)

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

Tax Burden / Efficiency (Net Income / PBT)

There is decrease in the ratio compared to last year as taxation expense increased by 39% mainly due to inclusion of super tax from govt .

Asset Turnover (Sales / Assets)

The ratio increased due to increase in sales (38%) in greater proportion compared to increase in assets (36%) from the last year.

Operating Income Margin

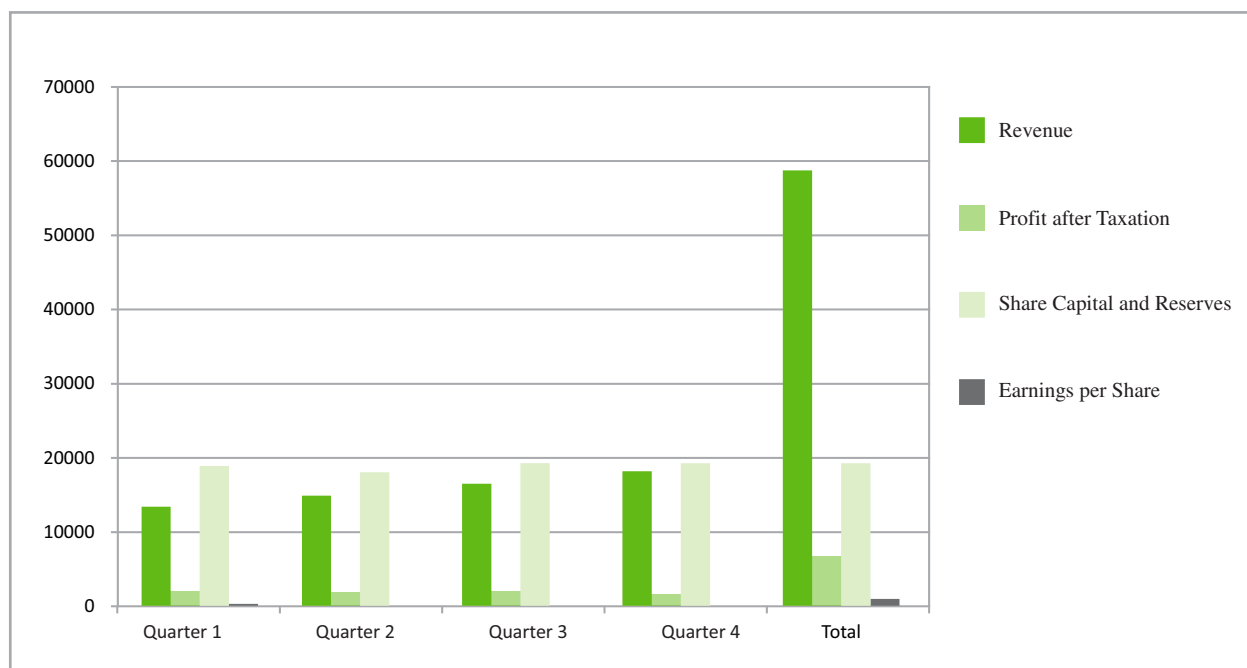
Decreased due to increase in cost of sales from the last year by 45%.

Return on Equity (ROE)

Return on Equity decreased due to decline in Net profit by 1% & increase in equity by 20% compared with last year.

Quarterly Analysis

Rupees in Million



	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
.....Rs Million.....					
Revenue	12,481	13,899	15,368	17,008	58,756
Profit after Taxation	1,784	1,463	1,660	1,272	6,179
Share Capital and Reserves	17,664	16,818	18,017	19,036	19,036
Earnings Per Share	193.18	158.42	179.75	137.67	669.02

Comments on variation in interim results and the manner in which each quarter contributed to the overall annual results.

Sales-Net

Sales revenue increased by 38% 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 slightly decreased by 1% in 2022 compared with last year. Despite significant hike in input costs, growth in revenue from the last year was the main factor which contributed to the sustainability in profit. Your company has been able to maintain its net profit margin around 11% through efficient and economic utilization of resources, despite of extreme economic challenges during the year.

Share Capital and Reserves

Share capital and reserves increased by 20% against last year. Increase in the retention ratio from the last year resulted in the incline of reserves. Moreover, 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

Earning per Share slightly decreased by 1% from the last year, due to challenging economic environment.

Sensitivity Analysis

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.

	2022 (Rupees in thousands)	2021
<u>Effect on profit and loss</u>		
US Dollar	20,321	28,775

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.

Statement of Value Added and its Distribution

	2022 (Rupees in thousands)		2021	
VALUE ADDED				
Net sales	58,755,773		42,609,634	
Material and services	(45,181,841)		(30,543,670)	
Other income - net	704,606		626,002	
Foreign Exchange Gain / (Loss)	-		-	
	14,278,538		12,691,966	
DISTRIBUTION		%		%
EMPLOYEES AS REMUNERATION				
Salaries, wages and amenities	2,890,595	20.3	2,544,033	20.0
FINANCIAL CHARGES TO PROVIDERS OF FINANCE				
Finance Cost	205,982	1.4	46,003	0.4
GOVERNMENT AS TAXES				
Tax	3,742,199	26.3	2,683,411	21.1
Workers profit participation fund	532,843	3.7	480,298	3.8
Workers welfare fund	202,438	1.4	184,660	1.5
	4,477,479	31.4	3,348,369	26.4
SHAREHOLDERS AS DIVIDEND				
Cash Dividend	3,232,749	22.6	6,465,499	50.9
SOCIETY WELFARE				
Donations	5,527	-	3,373	-
RETAINED WITHIN THE BUSINESS				
Depreciation / amortization	519,569	3.6	492,865	3.9
Retained profit	2,946,636	20.7	(208,176)	(1.6)
	3,466,205	24.3	284,689	2.2
	14,278,538	100	12,691,966	100

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 2022 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 2022.

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(I) of CCG Regulations 2019, regarding minimum number of independent directors.

Lahore
April 03, 2023
UDIN: CR202210089eLkbh5H3T



KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 Year Ended December 31, 2022

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 Fergus O'Riordan Zulfikar Mannoo M. Adil Mannoo Wisal A. Mannoo
iii. Executive Directors	Humair Ijaz Adil Saeed Khan
iv. Female Director	Tanya Jaeger de Foras

The Company has filed an appeal 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 has 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 as this is no longer a mandatory requirement;
- 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 Fergus O'Riordan	Member
Tanya Jaeger de Foras	Member
Zulfikar Mannoo	Member

b) HR and Remuneration Committee

Tahir Jawaid	Chairman
Pierre Perez y Landazuri	Member
Tanya Jaeger de Foras	Member
Humair Ijaz	Member
Mian M. Adil Mannoo	Member

c) Operations Committee

Michael Fergus O'Riordan	Chairman
Tanya Jaeger de Foras	Member
Tahir Jawaid	Member
Humair Ijaz	Member
Wisal A. Mannoo	Member

- 13) The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
- 14) The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
 - a) Audit Committee: Four quarterly meetings during the financial year ended December 31, 2022.
 - b) HR and Remuneration Committee: Two meetings during the financial year ended December 31, 2022.
 - c) Operations Committee: Four meetings during the financial year ended December 31, 2022

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 Year Ended December 31, 2022

- 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 with high court for seeking a waiver from the requirement of Regulation 6(1) of CCG regulations 2019, regarding minimum number of independent directors.



Humair Ijaz
Chief Executive &
Managing Director



Pierre Perez y Landazuri
Chairman

March 1, 2023

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 Co. Limited** (“the Company”), which comprise of the statement of financial position as at 31 December 2022, 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 2022 and of the profit and other comprehensive income, 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 are the Key audit matters:

S. No.	Key audit matter(s)	How the matter was addressed in our audit
1.	<p>Revenue from contracts with customers</p> <p>Refer to note 26 and the accounting policy note 4.10 to the financial statements.</p> <p>The Company recognized revenue of Rs. 58,756 million (2021: Rs. 42,610 million) from contracts with customers, during the year ended 31 December 2022.</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 revenue from contracts with customers and testing the design and implementation of relevant key internal 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.

Independent Auditor's Report

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

Following are the Key audit matter(s):

S. No.	Key audit matter(s)	How the matter was addressed in our audit
		<ul style="list-style-type: none">● Comparing on a sample basis, specific revenue transactions recorded from the sale of the Company's products just before the financial year end date to determine whether the revenue had been recognized in the appropriate financial period.● Assessing the credit notes issued to the customers after the financial year end to determine whether the underlying 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 material or met other 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 2022** 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.

Independent Auditor's Report

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

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.

Independent Auditor's Report

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


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
April 03, 2023
UDIN: AR202210089dhjB8wy6J



KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Financial Position

As at 31 December 2022

	Note	2022 (Rupees in thousands)	2021
<u>Non-current assets</u>			
Property, plant and equipment	5	6,848,800	6,502,771
Employees retirement benefits	6	412,175	99,783
Long term loans	7	7,065	5,535
Long term deposits	8	37,108	35,108
		7,305,148	6,643,197
<u>Current assets</u>			
Stores and spares	9	1,466,489	1,106,768
Stock in trade	10	16,477,262	9,315,109
Trade debts	11	2,874,412	2,021,947
Loans and advances	12	225,719	69,051
Short term prepayments	13	72,708	139,535
Other receivables	14	28,474	39,342
Short term investments	15	3,380,436	986,159
Cash and bank balances	16	887,943	3,775,690
		25,413,443	17,453,601
<u>Current liabilities</u>			
Current portion of long term financing		11,934	119,811
Current portion of deferred income		7,497	5,392
Contract portion of lease liabilities		5,119	5,987
Short term financing - secured	17	2,058,297	756,233
Contract liability		681,271	673,732
Trade and other payables	18	7,349,619	4,741,326
Unpaid dividend		2,110,251	914,189
Unclaimed dividend		22,517	18,718
Mark-up accrued on short term running finances		55,986	2,022
Provision for taxation - net	19	287,842	121,139
		12,590,333	7,358,549
Working capital		12,823,110	10,095,052
Total capital employed		20,128,258	16,738,249
<u>Non-current liabilities</u>			
Long term financing	20	69,348	-
Deferred income	21	43,225	-
Lease liability		-	5,086
Deferred taxation	22	979,859	853,276
Net capital employed		19,035,826	15,879,887
Represented by:			
<u>Share capital and reserves</u>			
Share capital	23	92,364	92,364
Reserves	24	18,943,462	15,787,523
		19,035,826	15,879,887
Contingencies and commitments	25		

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



Adil Saeed Khan
Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

Statement of Profit or Loss

For the year ended 31 December 2022

	Note	2022 (Rupees in thousands)	2021
Revenue	26	58,755,773	42,609,634
Cost of sales	27	(46,922,243)	(32,291,293)
Gross profit		11,833,530	10,318,341
Distribution expenses	28	(681,861)	(550,270)
Administrative expenses	29	(995,828)	(742,543)
Impairment reversal on financial assets		2,400	165
Other income	30	704,606	626,002
Other expenses	31	(735,281)	(664,958)
		(1,705,964)	(1,331,604)
Operating profit		10,127,566	8,986,737
Finance cost	32	(205,982)	(46,003)
Profit before taxation		9,921,584	8,940,734
Taxation	33	(3,742,199)	(2,683,411)
Profit after taxation		6,179,385	6,257,323
Earnings per share - basic and diluted (Rupees)	34	669.02	677.46

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



Adil Saeed Khan
Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

Statement of Comprehensive Income

For the year ended 31 December 2022

	2022	2021
	(Rupees in thousands)	
Profit for the year	6,179,385	6,257,323
<u>Other comprehensive (loss)/income for the year</u>		
<i>Items that will not be reclassified to profit and loss:</i>		
Actuarial gain / (loss) on retirement benefits	312,392	(60,448)
Deferred tax on actuarial loss / (gain)	(103,089)	17,530
	209,303	(42,918)
Total comprehensive income for the year	6,388,688	6,214,405

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



Adil Saeed Khan
Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 (Rupees in thousands)	2021
<u>Cash flows from operating activities</u>			
Cash generated from operations	35	4,401,279	4,355,444
Taxes paid		(3,552,002)	(2,792,855)
Employees retirement benefits paid		(80,727)	(65,612)
		(3,632,729)	(2,858,467)
Net cash generated from operating activities		768,550	1,496,977
<u>Cash flows from investing activities</u>			
Capital expenditure incurred		(881,764)	(516,400)
Proceeds from sale of property, plant and equipment		32,267	19,217
Long term loans disbursed		(7,127)	(4,600)
Interest received		465,764	474,060
Receipt from long term loans disbursed		5,439	7,293
Net cash used in investing activities		(385,421)	(20,430)
<u>Cash flows from financing activities</u>			
Receipt of long term financing		132,670	-
Repayment of long term loan		(122,217)	(122,217)
Dividend paid		(2,032,887)	(6,459,856)
Repayment of lease liability		(6,574)	(6,047)
Finance cost paid		(149,655)	(36,629)
Net cash used in financing activities	43	(2,178,663)	(6,624,749)
Net decrease in cash and cash equivalents		(1,795,534)	(5,148,202)
Cash and cash equivalents at the beginning of the year		4,005,616	9,153,818
Cash and cash equivalents at the end of the year	36	2,210,082	4,005,616

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



Adil Saeed Khan
Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital	Capital Reserves		Revenue Reserves		Total
		Share premium	Other	General	Un-appropriated profit	
------(Rupees in thousands)-----						
Balance as at 1 January 2021	92,364	36,946	941	207	16,000,523	16,130,981
<u>Total comprehensive income</u>						
Profit for the year	-	-	-	-	6,257,323	6,257,323
Other comprehensive loss	-	-	-	-	(42,918)	(42,918)
	-	-	-	-	6,214,405	6,214,405
<u>Transactions with owners of the Company recognized directly in equity</u>						
Final dividend 2020 (Rs. 250 per share)	-	-	-	-	(2,309,107)	(2,309,107)
1st interim dividend 2021 (Rs. 150 per share)	-	-	-	-	(1,385,464)	(1,385,464)
2nd interim dividend 2021 (Rs. 150 per share)	-	-	-	-	(1,385,464)	(1,385,464)
3rd interim dividend 2021 (Rs. 150 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
<u>Total comprehensive income</u>						
Profit for the year	-	-	-	-	6,179,385	6,179,385
Other comprehensive income	-	-	-	-	209,303	209,303
	-	-	-	-	6,388,688	6,388,688
<u>Transactions with owners of the Company recognized directly in equity</u>						
Final dividend 2021 (Rs. 150 per share)	-	-	-	-	(1,385,464)	(1,385,464)
1st interim dividend 2022 (Rs. 100 per share)	-	-	-	-	(923,643)	(923,643)
2nd interim dividend 2022 (Rs. 50 per share)	-	-	-	-	(461,821)	(461,821)
3rd interim dividend 2022 (Rs. 50 per share)	-	-	-	-	(461,821)	(461,821)
	-	-	-	-	(3,232,749)	(3,232,749)
Balance as at 31 December 2022	92,364	36,946	941	207	18,905,368	19,035,826

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



Adil Saeed Khan
Chief Financial Officer



Humair Ijaz
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

Notes to the Financial Statements

For the year ended 31 December 2022

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 2022

- 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 2022

3.2 The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 or the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2023:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as “current”. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity’s right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity’s expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or noncurrent. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
- 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:
 - 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) 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 an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, 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.

Notes to the Financial Statements

For the year ended 31 December 2022

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) 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 1 January 2023 with earlier application permitted.
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above amendments does not have any 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.

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.

Notes to the Financial Statements

For the year ended 31 December 2022

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.

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 2022.

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.

Notes to the Financial Statements

For the year ended 31 December 2022

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.

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:

Notes to the Financial Statements

For the year ended 31 December 2022

- 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 condition:

- 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:

- 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.

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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.

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.

Notes to the Financial Statements

For the year ended 31 December 2022

Additional information about how the Company measures allowance for impairment is detailed in note 38.2.2 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.

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 2022

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 income

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 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.

Notes to the Financial Statements

For the year ended 31 December 2022

4.13 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.

4.14 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.

4.15 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.

4.16 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.

4.17 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.

Notes to the Financial Statements

For the year ended 31 December 2022

	Note	2022 (Rupees in thousands)	2021
5 Property, plant and equipment			
Operating property, plant and equipment	5.1	6,117,143	6,300,063
Capital work in progress	5.2	731,657	202,708
		6,848,800	6,502,771

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 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
Balance as at 01 January 2022	25,506	386,717	2,705,722	8,898,009	74,549	172,579	98,699	12,361,781
Additions	-	-	4,742	205,049	16,750	118,000	8,274	352,815
Disposals	-	-	-	(143,702)	(2,243)	(31,002)	(16,424)	(193,371)
Balance at 31 December 2022	25,506	386,717	2,710,464	8,959,356	89,056	259,577	90,549	12,521,225
Rate of depreciation - %age	36%	-	4%	5%-10%	20%	20%	25%	
Accumulated depreciation								
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
Balance at 01 January 2022	15,280	-	1,718,000	4,074,998	65,240	123,650	64,552	6,061,720
Depreciation	5,844	-	56,579	421,430	4,575	19,144	11,996	519,568
Disposals	-	-	-	(141,841)	(2,243)	(16,698)	(16,424)	(177,206)
Balance at 31 December 2022	21,124	-	1,774,579	4,354,587	67,572	126,096	60,124	6,404,082
Carrying amounts								
At 31 December 2021	10,226	386,717	987,722	4,823,011	9,309	48,929	34,147	6,300,063
At 31 December 2022	4,382	386,717	935,885	4,604,769	21,484	133,481	30,425	6,117,143

5.1.1 The cost of fully depreciated assets which are still in use is Rs.1,531,513 thousands (2021: Rs. 1,658,779 thousands).

5.1.2 Depreciation is allocated as under:

	2022 (Rupees in thousands)	2021
Cost of sales	493,791	468,330
Distribution cost	13,821	13,753
Administrative expenses	11,957	10,781
	519,569	492,864

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.

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		2022	2021
5.2 Capital work in progress	Note	(Rupees in thousands)	
Land	5.2.1	6,814	6,814
Civil works and buildings		10,995	12,773
Plant and machinery	5.2.2	264,762	84,190
Advances		391,702	96,140
Machinery in transit		57,384	2,791
		731,657	202,708

5.2.1 This represents full payment of Rs. 1,814 thousands (2021: Rs. 1,814 thousands) and legal cost incurred Rs. 5,000 thousands (2021: 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 the Company.

5.2.2 Plant and machinery includes markup amounting to Rs.1054 thousands (2021: Rs. 386 thousands) calculated at the rates ranging from 10.01% to 17.11% (2021: 7.70% to 10.01%) per annum.

		2022	2021
6 Employees retirement benefits	Note	(Rupees in thousands)	
Gratuity	6.1	107,384	50,028
Pension	6.1	304,791	49,755
		412,175	99,783

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

	Gratuity		Pension	
	2022	2021	2022	2021
	----- (Rupees in thousands) -----			
Net assets at the beginning of the year	50,028	91,495	49,755	68,736
Expenses recognized	(57,790)	(46,255)	(22,937)	(19,357)
Contribution paid during the year	57,790	46,255	22,937	19,357
Actuarial (loss) / gain recognized	57,356	(41,467)	255,036	(18,981)
Net assets at the end of the year	107,384	50,028	304,791	49,755

6.2 The amounts recognized in the profit or loss are as follows:

	Gratuity		Pension	
	2022	2021	2022	2021
	----- (Rupees in thousands) -----			
Current service cost	(62,530)	(54,656)	(28,689)	(26,066)
Interest cost	(111,988)	(81,583)	(86,096)	(65,603)
Interest income on plan assets	116,728	89,984	91,848	72,312
	(57,790)	(46,255)	(22,937)	(19,357)

Notes to the Financial Statements

For the year ended 31 December 2022

6.3 The amounts recognised in other comprehensive income are as follows:

	Gratuity		Pension	
	2022	2021	2022	2021
	----- (Rupees in thousands) -----			
Remeasurements of plan obligation from:				
- Change in demographic assumption	17,962	-	62,157	-
- Change in financial assumptions	33,040	(2,197)	172,970	7,527
- Experience adjustment on obligation	(12,475)	(23,639)	4,927	(12,684)
	38,527	(25,836)	240,054	(5,157)
Remeasurements of plan assets:				
- Actual net return on plan assets	135,557	74,353	106,830	58,488
- Interest income on plan assets	(116,728)	(89,984)	(91,848)	(72,312)
- Experience adjustment	-	-	-	-
	18,829	(15,631)	14,982	(13,824)
	57,356	(41,467)	255,036	(18,981)

6.4 The amounts recognized in the statement of financial position are as follows:

	Gratuity		Pension	
	2022	2021	2022	2021
	----- (Rupees in thousands) -----			
Present value of the obligation	(994,832)	(903,941)	(545,399)	(706,451)
Fair value of plan assets	1,102,216	953,969	850,190	756,205
Net assets	107,384	50,028	304,791	49,755

6.5 **Movement in present value of defined benefit obligation**

	Gratuity		Pension	
	2022	2021	2022	2021
	----- (Rupees in thousands) -----			
Present value of defined benefit obligation as at the beginning of the year	(903,941)	(780,369)	(706,451)	(643,589)
Current service cost	(62,530)	(54,656)	(28,689)	(26,066)
Interest cost	(111,988)	(81,583)	(86,096)	(65,603)
Actual benefits paid during the year	45,100	38,504	35,783	33,964
Actuarial (loss) / gain on obligation	38,527	(25,837)	240,054	(5,157)
Present value of defined benefit obligation as at the end of the year	(994,832)	(903,941)	(545,399)	(706,451)

6.6 **Movement in fair value of plan assets**

Fair value of plan asset as at the beginning of the year	953,969	871,864	756,205	712,325
Interest income on plan assets	116,728	89,984	91,848	72,312
Actual benefits paid during the year	(45,100)	(38,504)	22,938	19,356
Actual contribution by the employer- normal	57,790	46,256	(35,783)	(33,964)
Net return on plan assets over interest income	18,829	(15,631)	14,982	(13,824)
Fair value of plan asset as at the end of the year	1,102,216	953,969	850,190	756,205

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For the year ended 31 December 2022

	Gratuity		Pension	
	2022	2021	2022	2021
6.7 Actual return on plan assets	----- (Rupees in thousands) -----			
Expected return on plan assets	116,728	89,984	91,848	72,312
Net surplus / (deficit) on plan assets over interest income	18,829	(15,631)	14,982	(13,824)
	135,557	74,353	106,830	58,488
6.8 The composition of plan assets is as follow				
Pakistan Investment Bonds (PIBs)	-	145,281	-	95,184
Mutual funds	10	50,027	10	10
Treasury Bills (T-Bills)	1,060,370	179,068	820,011	154,138
Term Deposits	-	500,308	-	500,308
Cash	41,836	79,285	30,169	6,565
	1,102,216	953,969	850,190	756,205
6.9 Analysis of Present value of defined benefit obligation				
<i>Type of Members:</i>				
Management	604,784	517,612	-	-
Non-management	390,048	386,329	-	-
Active	-	-	281,066	371,772
Pensioners	-	-	264,333	334,679
	994,832	903,941	545,399	706,451
<i>Vested / non-vested:</i>				
Vested benefits	921,136	796,812	418,420	552,180
Non-vested benefits	73,696	107,129	126,979	154,271
	994,832	903,941	545,399	706,451
<i>Type of Benefits:</i>				
Accumulated benefit obligation	393,318	368,373	491,459	526,262
Amounts attributed to future salary increases	601,514	535,568	134,940	180,189
	994,832	903,941	545,399	706,451
6.10 Disaggregation of fair value of plan assets				
<i>Investment in mutual funds:</i>				
Quoted	10	50,027	10	10
<i>Cash and cash equivalents (after adjusting current liabilities):</i>				
Unquoted	41,836	79,285	30,169	6,565
<i>Debt instruments:</i>				
Unquoted	1,060,370	824,657	820,011	749,630
Total fair value of plan assets	1,102,216	953,969	850,190	756,205
6.11 Plan assets does not include any investment in the Company's ordinary shares as at 31 December 2022 (2021: Nil).				
6.12 Expected contributions to gratuity fund and pension fund for the year ending 31 December 2023 are Rs. 45,121 thousands and Rs.16,274 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:				

Notes to the Financial Statements

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	Gratuity Fund		Pension Fund	
	2022	2021	2022	2021
	------(Rupees in thousands)-----			
Annual discount rate	13.75%	12.25%	13.75%	12.25%
Expected return on plan assets	14.12%	8.49%	14.25%	8.30%
Contribution rates (% of basic salaries)	11.94%	10.48%	4.74%	6.53%
Expected rate of growth per annum in future salaries:				
- First year following valuation	15.00%	11.00%	15.00%	11.00%
- Second year following valuation	12.00%	11.50%	12.00%	11.50%
- Third year following valuation	12.00%	11.50%	12.00%	11.50%
- Long term (fourth year following valuation and onwards)	12.00%	11.50%	12.00%	11.50%
Mortality rates	IALM (2012-14) Ultimate	SLIC (2001-05)-1	SLIC (2001-05)-1	SLIC (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.

6.15 The weighted average duration of the defined benefit obligation is 8.00 years and 10.5 years (2021: 9.34 years and 11.91 years) for gratuity and pension funds respectively.

6.16 These defined benefit plans exposes 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 schemes 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:

	Change in assumptions	Impact on defined benefit obligation			
		Gratuity		Pension	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
		------(Rupees in thousands)-----			
Discount rate	0.5%	34,148	(36,450)	185,328	134,698
Salary growth rate	0.5%	(36,757)	34,710	151,652	169,970

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.

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For the year ended 31 December 2022

	Note	2022 (Rupees in thousands)	2021
7 Long term loans - secured			
Staff loans outstanding:			
Executives	7.1	7,358	8,120
Other employees	7.4	5,516	3,067
		12,874	11,187
Current maturity		(5,809)	(5,652)
		7,065	5,535

7.1 Loans to executives

Opening balance	8,120	5,149
Disbursement during the year	2,400	4,600
Recoveries during the year	(3,162)	(1,629)
Closing balance	7,358	8,120

7.2 Loan to executive 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 the Company.

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

7.4 Loans 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% (2021: 8 % per annum).

	2022 (Rupees in thousands)	2021
8 Long term deposits	37,108	35,108

This head includes security given to the related party - Pakistan Oxygen Limited of Rs. 418.90 thousands (2021: Rs 418.90 thousands)

	Note	2022 (Rupees in thousands)	2021
9 Stores and spares			
Mechanical spares		853,657	794,093
Consumable stores			
Fuels		540,425	286,703
Supplies		148,915	111,957
		1,542,997	1,192,753
Provision for slow moving and obsolete items	9.1	(107,733)	(98,701)
		1,435,264	1,094,052
Stores in transit		31,225	12,716
		1,466,489	1,106,768

Notes to the Financial Statements

For the year ended 31 December 2022

	2022	2021
9.1 Provision for slow moving and obsolete items	(Rupees in thousands)	
Opening balance	98,701	91,832
Provision for the year	9,032	6,869
Closing balance	107,733	98,701

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

	Note	2022	2021
10 Stock in trade		(Rupees in thousands)	
Raw materials			
- Corn	10.1	11,586,795	7,918,609
- Chemicals		154,190	136,982
- Packing materials		177,030	107,050
Work in process		151,455	136,062
Finished goods	10.2	4,576,755	1,035,379
		16,646,225	9,334,082
<i>Less: Provision for slow moving and obsolete stocks:</i>			
- Raw materials		(8,182)	(9,967)
- Finished goods		(160,781)	(9,006)
		(168,963)	(18,973)
		16,477,262	9,315,109

10.1 This includes corn in transit amounting to Rs. 106,070 thousands (2021: 77,896 thousands).

10.2 This includes imported finished goods amounting to Rs. 168,633 thousands (2021: 69,262 thousands).
out of which goods in transit amounts to Rs. 71,125 thousands (2021: Rs. 22,138 thousands).

	Note	2022	2021
11 Trade debts		(Rupees in thousands)	
<u>Local:</u>			
Secured	11.2	1,100,426	992,936
<i>Unsecured, considered good</i>			
Related parties	11.1	414,527	168,787
Others		639,662	422,895
		1,054,189	591,682
<i>Considered doubtful</i>			
Related parties		185	3,204
Others		55,826	56,214
		56,011	59,418
		2,210,626	1,644,036
Allowance for credit losses	11.3	(56,011)	(59,418)
		2,154,615	1,584,618
<u>Foreign:</u>			
Secured	11.2	129,585	226,176
<i>Unsecured, considered good</i>			
Related parties	11.1	590,646	211,153
		720,231	437,329
Considered doubtful		(434)	-
		719,797	437,329
		2,874,412	2,021,947

Notes to the Financial Statements

For the year ended 31 December 2022

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

	2022				Maximum aggregate balance outstanding during the year
	Neither past due nor impaired	Past due (1- 90 days)	Past due (91- 365 days)	Total	
Local	(Rupees in thousands)				
Unilever Pakistan Foods Limited	373,195	41,494	23	414,712	414,712
Foreign					
Ingredion Holding LLC Kenya	221,209	76,582	584	298,375	318,154
Ingredion South Africa (Pty) Limited	52,100	41,007	298	93,405	93,405
Ingredion Germany GMBH	64,592	14,034	-	78,626	114,786
Pt. Ingredion Indonesia	68,208	-	-	68,208	68,208
National Starch & Chemical Thailand	17,384	20,915	-	38,299	38,299
Ingredion Malaysia	10,636	3,096	-	13,732	19,932
	434,129	155,634	882	590,645	
	2021				
	Neither past due nor impaired	Past due (1- 90 days)	Past due (91- 365 days)	Total	Maximum aggregate balance outstanding during the year
Local	(Rupees in thousands)				
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	

11.2 These trade debtors are secured against security deposits, advances, letter of credits and bank guarantees received from customers.

11.3 Allowance for credit losses	2022	2021
	(Rupees in thousands)	
Opening balance	59,418	59,583
Reversal for the year	(2,400)	(165)
Written off during the year	(574)	-
Closing balance	56,444	59,418

12 Loans and advances	Note	2022	2021
		(Rupees in thousands)	
<i>Loans and advances - considered good:</i>			
Suppliers of goods and services		204,425	56,091
Employees	12.1	15,485	7,308
Current maturity of long term loans		5,809	5,652
		225,719	69,051

12.1 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.

13 Short term prepayments	2022	2021
	(Rupees in thousands)	
Insurance	46,449	20,483
Other prepayments	26,259	119,052
	72,708	139,535

Notes to the Financial Statements

For the year ended 31 December 2022

14 Other receivables	Note	2022 (Rupees in thousands)	2021
<i>Other receivables - farmers balances:</i>			
Considered good		10,135	1,605
Considered doubtful		1,465	1,465
		11,600	3,070
Less: Allowance for credit losses		(1,465)	(1,465)
		10,135	1,605
Due from affiliates	14.1	1,306	24,190
Others		17,033	13,547
		28,474	39,342

14.1 Allowance for expected credit loss

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. 37,432 thousands.

15 Short term investments	Note	2022 (Rupees in thousands)	2021
Treasury bills - at amortised cost	15.1	3,380,436	986,159

15.1 These carry profit at the rates ranging from 8.05% to 14.9% (2021: 8.05% to 10.66%) per annum having maturities latest by 23 February 2023.

16 Cash and bank balances	Note	2022 (Rupees in thousands)	2021
<i>Cash at banks</i>			
- current accounts		60,017	171,173
- saving accounts	16.1	811,432	1,596,240
- term deposit receipts	16.2	-	2,000,000
		871,449	3,767,413
<i>Cash in hand</i>			
- local currency		15,938	7,262
- foreign currency		556	1,015
		16,494	8,277
		887,943	3,775,690

16.1 These carry profit at rates ranging from 4.35% to 14.9% (2021: 3.7% to 9.35%) per annum.

16.2 These carried profit at the rates ranging from 6.5% to 11.30% per annum.

17 Short term financing - secured	Note	2022 (Rupees in thousands)	2021
Running finances		988,297	756,233
Short term export refinance		70,000	-
Short term finance		1,000,000	-
	17.1	2,058,297	756,233

17.1 This represents utilized amount outstanding at year end of short term finance facilities under mark-up arrangements available from commercial banks. These facilities are secured against registered charge over the current assets of the Company and carry mark-up at 3 months KIBOR to 3 months KIBOR plus 0.5% (2021: 3MK+0.5%) per annum, payable quarterly.

Notes to the Financial Statements

For the year ended 31 December 2022

18 Trade and other payables	Note	2022 (Rupees in thousands)	2021
Creditors		2,522,869	1,254,585
Security deposits from dealers and contractors	18.1	1,104,291	968,594
Other deposits		4,686	3,330
Accrued liabilities		2,132,562	1,419,294
Workers' welfare fund	18.2	196,998	180,508
Workers' profit participation fund	18.3	533,565	480,843
Employees provident fund	18.4	17,691	13,790
Withholding tax payable		104,637	103,815
Sales tax payable		732,320	316,567
		<u>7,349,619</u>	<u>4,741,326</u>

18.1 Security deposits

Dealers	18.1.1	1,092,422	958,325
Transporters	18.1.2	3,765	3,765
Others	18.1.3	8,104	6,504
		<u>1,104,291</u>	<u>968,594</u>

18.1.1 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.

18.1.2 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.

18.1.3 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.

18.2 Workers' welfare fund	2022 (Rupees in thousands)	2021
Opening balance	180,344	165,618
Provision for the year	201,314	184,660
Prior year adjustment	1,287	-
Payment to the fund	(185,947)	(169,934)
Closing balance	<u>196,998</u>	<u>180,344</u>

18.3 Workers' profit participation fund	2022 (Rupees in thousands)	2021
Opening balance	481,020	426,607
Provision for the year	532,843	480,298
Payment to the fund	(480,298)	(425,885)
Closing balance	<u>533,565</u>	<u>481,020</u>

18.4 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:

Notes to the Financial Statements

For the year ended 31 December 2022

	(Unaudited) 2022	(Unaudited) 2021
	(Rupees in thousands)	
Size of the fund - total assets	1,291,277	1,194,593
Cost of investments made	999,425	947,330
Percentage of investments - (% of total assets)	77.40%	79.30%
Fair value of investments	1,023,313	961,486

18.4.1 The break-up of investments is as follows:

	2022		2021	
	(Rupees in thousands)	%	(Rupees in thousands)	%
Pakistan Investment Bonds	-	0.00%	147,618	15.36%
Treasury Bills	993,123	97.05%	213,071	22.16%
Collective investment schemes	8	0.00%	50,027	5.20%
TDR	-	0.00%	500,308	52.03%
Bank placements	30,182	2.95%	50,462	5.25%
	1,023,313	100.00%	961,486	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.

19 Provision for taxation - net

This includes provision against super tax on taxable profit for the year 2022 in accordance with section 4C of Income Tax Ordinance, 2001.

20 Long term financing

Secured long term loans under:

- Demand finance SBP renewable energy scheme
- SBP refinance scheme for wages and salaries

Less: Current portion shown under current liabilities

<i>Note</i>	2022	2021
	(Rupees in thousands)	
	81,282	-
	-	119,811
	81,282	119,811
	(11,934)	(119,811)
	69,348	-

20.1 This represents long term financing obtained from a commercial bank under Demand Finance SBP Renewal Energy Scheme having limit upto 650 Million to finance 6MW solar system at different project sites for a period of ten years. This loan carries effective interest rate of 1MK+0.5% and is payable in equal quarterly instalments. The loan is secured by exclusive charge over solar system to be installed at project site(i.e. Mehran Plant and Jaranwala Plant) with additional ranking charge over current assets of the Company with 25% margin.

20.2 The Company had previously obtained loan under SBP Refinance Scheme for payment of wages and salaries to workers and employees of business concerns which was ended on 30 September 2022. The loan was secured by joint pari pasu hypothecation charge on current assets of the Company, amounting to Rs. 667,000 thousands (2021: Rs. 667,000 thousands).

Notes to the Financial Statements

For the year ended 31 December 2022

		2022	2021
		(Rupees in thousands)	
21 Deferred income			
Deferred income	Note	5,392	12,581
Deferred income recognized during the year	21.1	50,722	-
Amortized during the year	20.2	(5,392)	(7,189)
		50,722	5,392
Current portion of deferred income		(7,497)	(5,392)
		43,225	-

21.1 This represents government grant recognized on long term loan as stated in note 20.1. The grant is being amortized on a systematic basis over the term of the loan.

21.2 This represented government grant recognized on long term loan as stated in note 20.2 The grant has been amortized on a systematic basis over the term of the loan.

		2022	2021
		(Rupees in thousands)	
22 Deferred taxation			
<u>Taxable temporary differences</u>			
Accelerated tax depreciation		981,139	874,549
Employees retirement benefits		132,024	28,935
<u>Deductible temporary differences</u>			
Provisions		(104,158)	(50,208)
Others		(29,146)	-
		979,859	853,276

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

	2022			
	Opening balance	Charged to profit or loss	Charged to other comprehensive income	Closing balance
<u>Taxable temporary differences</u>	----- (Rupees in thousands) -----			
Accelerated tax depreciation	874,549	106,590	-	981,139
Employees retirement benefits	28,935	-	103,089	132,024
<u>Deductible temporary differences</u>				
Provisions	(50,208)	(53,950)	-	(104,158)
Others	-	(29,146)	-	(29,146)
	853,276	23,494	103,089	979,859

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

Notes to the Financial Statements

For the year ended 31 December 2022

23 Authorized, issued, subscribed and paid up capital	2022	2021	2022	2021
	---(Number of shares)---		---(Rupees in thousands)---	
Authorized share capital - ordinary shares of Rs.10 each	20,000,000	20,000,000	200,000	200,000
23.1 Issued, subscribed and paid up capital				
<i>Ordinary shares of Rs. 10 each:</i>				
- 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

23.2 Ingredion Inc. (formerly Corn Products International Inc.) Chicago, U.S.A. (the holding company), holds 6,561,117 (2021: 6,561,117) ordinary shares of Rs. 10 each as at 31 December 2022.

23.3 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.

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

24 Reserves	Note	2022	2021
		(Rupees in thousands)	
<u>Capital</u>			
Share premium	24.1	36,946	36,946
Other	24.2	941	941
		37,887	37,887
<u>Revenue</u>			
General reserve		207	207
Unappropriated profit		18,905,368	15,749,429
		18,905,575	15,749,636
		18,943,462	15,787,523

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

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

25 Contingencies and commitments

25.1 Contingencies

25.1.1 Land registration fee as per note 5.2.1.

25.1.2 Counter guarantees given by the Company to Sui Northern Gas Pipelines Limited & Sui Southern Gas Pipelines Limited as at reporting date amount to Rs. 564,300 thousands (2021: Rs. 443,630 thousands).

Notes to the Financial Statements

For the year ended 31 December 2022

2022
2021
(Rupees in thousands)

25.2 Commitments

Commitments in respect of capital expenditure	1,262,277	268,240
Commitment in respect of purchase of corn	6,111,798	3,829,411

26 Revenue

Domestic	62,866,037	45,109,570
Export	5,286,470	3,295,027
	68,152,507	48,404,597
Less: Sales tax	(9,114,551)	(5,687,346)
Trade discount and commission	(282,183)	(107,617)
	(9,396,734)	(5,794,963)
Revenue from contracts with customers	58,755,773	42,609,634

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

27 Cost of sales

Raw material consumed:

Note

Corn	30,099,108	18,582,008
Chemicals	890,302	543,755
Packing material	1,006,041	751,898
	31,995,451	19,877,661

Factory expenses:

Salaries, wages and amenities	2,303,384	1,971,357
Spares consumed	454,296	362,459
Logistics and handling	1,427,244	716,752
Fuel and power	11,555,534	6,565,322
Rent, rates and taxes	17,000	14,572
Consumables	29,986	21,259
Repairs and maintenance	64,552	47,779
Depreciation	493,791	468,330
Insurance	26,463	23,178
Factory general expenses	746,478	705,805
	17,118,728	10,896,813

27.1

Add: Opening work in process	136,062	60,322
	49,250,241	30,834,796

Less: Closing work in process	(151,455)	(136,062)
Cost of production	49,098,786	30,698,734

Add: Opening finished goods stock - own manufactured	966,030	1,669,504
	50,064,816	32,368,238

Less: Closing finished goods stock - own manufactured	(4,408,035)	(966,030)
Cost of goods - own manufactured products	45,656,781	31,402,208
- purchased products	279,461	220,504

Freight and distribution cost	986,001	668,581
Cost of goods sold	46,922,243	32,291,293

27.1 Salaries, wages and amenities include Rs. 48,702 (thousand) (2021: Rs. 45,942 thousand) in respect of contribution to pension and gratuity funds and Rs. 41,595 (thousands) (2021: Rs. 42,943 (thousands) in respect of contribution to provident fund.

Notes to the Financial Statements

For the year ended 31 December 2022

	Note	2022 (Rupees in thousands)	2021
28 Distribution expenses			
Salaries and amenities	28.1	169,066	145,036
Traveling and automobile expenses		22,207	11,122
Commission expense		445,651	360,726
Insurance		3,782	4,011
Rent, rates and taxes		6,369	666
Repair and maintenance		645	263
Electricity charges		1,191	736
Printing and stationery		248	172
Telephone and postage		4,144	3,549
Advertising and sales promotion		442	1,282
Depreciation		13,821	13,753
Market research and development		297	324
Miscellaneous expenses		13,998	8,630
		681,861	550,270

28.1 Salaries, wages and amenities include Rs. 9,765 (thousands) (2021: Rs. 5,919 thousands) in respect of contribution to pension and gratuity fund and Rs. 6,164 (thousands) (2021: Rs. 5,437 thousands) in respect of contribution to provident fund.

	Note	2022 (Rupees in thousands)	2021
29 Administrative expenses			
Salaries and amenities	29.1	418,145	427,640
Traveling and automobile expenses		45,928	16,862
Insurance		1,712	1,503
Rent, rates and taxes		4,153	2,067
IT, networking and data communication		446,897	239,150
Repair and maintenance		2,230	45
Electricity charges		2,583	1,529
Printing and stationery		3,219	814
Telephone and postage		2,803	2,252
Legal and professional charges		18,786	18,599
Depreciation		11,957	10,781
Auditors' remuneration	29.2	4,738	4,282
Miscellaneous expenses		27,150	13,646
Donation and charity	29.3	5,527	3,373
		995,828	742,543

29.1 Salaries, wages and amenities include Rs. 22,260 (thousands) (2021: Rs. 13,750 thousands) in respect of contribution to pension and gratuity fund and Rs. 15,661 (thousands) (2021: Rs. 12,477 thousands) in respect of contribution to provident fund.

	2022 (Rupees in thousands)	2021
29.2 Auditors' remuneration		
Audit fee	3,807	3,436
Review of half yearly accounts	666	605
Miscellaneous certifications	60	56
Out of pocket expenses reimbursed	205	185
	4,738	4,282

Notes to the Financial Statements

For the year ended 31 December 2022

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

	2022 (Rupees in thousands)	2021
Transparent Hands Trust	4,275	3,236

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

30 Other income

Income from financial assets

Mark up on staff loans and profit on bank deposits	463,858	471,224
Foreign exchange gain	57,059	404

Income from non-financial assets

Profit on sale of scrap	147,460	130,039
Profit on sale of property, plant and equipment	16,103	14,195
Amortization of deferred income	5,392	7,189
Miscellaneous income	14,734	2,951
	704,606	626,002

2022
(Rupees in thousands)

2021

31 Other expenses

Workers' welfare fund	202,438	184,660
Workers' profit participation fund	532,843	480,298
	735,281	664,958

32 Finance cost

Mark up on:

- Short term running finances	160,777	1,115
- Long term financing	3,787	13,186
	164,564	14,301
Bank charges and commission	40,798	30,652
Unwinding of lease liability	620	1,050
	205,982	46,003

2022
(Rupees in thousands)

2021

33 Taxation

Current taxation

- for the year	3,311,358	2,642,902
- prior year	407,348	34,347
	3,718,706	2,677,249

Deferred taxation

- for the year	(85,360)	7,131
- prior year	108,853	(969)
	23,493	6,162
	3,742,199	2,683,411

Notes to the Financial Statements

For the year ended 31 December 2022

	2022	2021
	-----Percentage-----	
33.1 Reconciliation of effective tax rate		
Applicable tax rate	33.00	29.00
-Effect of permanent differences	0.02	1.03
-Effect of prior year charge	5.20	0.37
-Effect of presumptive tax regime	(0.50)	(0.39)
Average tax expense charged to profit or loss	<u>37.72</u>	<u>30.01</u>

33.2 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 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.

33.3 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 charged to the financial statements as the management is confident that the case will be decided in the favor of the Company.

33.4 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 recorded in the financial statements as the management is confident that the case will be decided in the favor of the Company.

33.5 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. No provision has been recorded in the financial statements as the management is confident that the case will be decided in the favor of the Company.

Notes to the Financial Statements

For the year ended 31 December 2022

33.6 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. 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.

		2022	2021
34 Earnings per share - basic and diluted			
34.1 Earnings per share - basic			
Profit attributable to ordinary shareholders	<i>(Rupees in thousands)</i>	6,179,385	6,257,323
Weighted average number of ordinary shares	<i>(Numbers)</i>	9,236,428	9,236,428
Earnings per share - basic	<i>(Rupees)</i>	669.02	677.46
34.2 Earnings per share - diluted			
There is no dilution effect on basic earnings per share, as the Company has no such commitments.			
	<i>Note</i>	2022	2021
		(Rupees in thousands)	
35 Cash generated from operation			
Profit before tax		9,921,584	8,940,734
<i>Adjustment for:</i>			
Depreciation of property, plant and equipment		519,569	492,864
Provision for employees retirement benefits		80,727	65,612
Impairment reversal on financial assets		(2,400)	(165)
Provision for slow moving and obsolete items		159,021	15,588
Gain on disposal of property, plant and equipment		(16,103)	(14,195)
Interest income		(463,858)	(471,224)
Amortization of deferred income		(5,392)	(7,189)
Finance cost		205,982	46,003
		477,546	127,294
Cash generated from operation before working capital changes		10,399,130	9,068,028
<i>Effect on cash flow due to working capital changes</i>			
<i>(Increase) / decrease in current assets:</i>			
Stores and spares		(368,753)	(314,252)
Stock in trade		(7,312,143)	(4,870,731)
Trade debts		(850,065)	(469,814)
Loans and advances		(156,511)	(32,951)
Long term deposits		(2,000)	(264)
Short term prepayments		66,827	18,876
Other receivables		8,962	(21,254)
		(8,613,683)	(5,690,390)
<i>Increase in current liabilities:</i>			
Trade and other payables		2,608,293	827,916
Contract liabilities		7,539	149,890
		2,615,832	977,806
Cash generated from operations		4,401,279	4,355,444
36 Cash and cash equivalents			
Short term investments	15	3,380,436	986,159
Cash and bank balances	16	887,943	3,775,690
Short term finance	17	(2,058,297)	(756,233)
		2,210,082	4,005,616

Notes to the Financial Statements

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37 The credit facilities available to the Company at year ended 31 December 2022 are as follows:

	2022		2021	
	Available limit	Utilized credit	Available limit	Utilized credit
	----- Rupees in million -----			
Long term financing	650	132	122	122
Murabaha	7,500	5,700	9,500	4,216
Running finance	10,800	2,058	2,378	756
	18,950	7,890	12,000	5,094
Letter of credits / guarantees	900	564	1,325	685

38 Financial instruments - Fair values and risk management

38.1 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.

	Carrying amount			Fair value			
	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	----- Rupees in thousands -----						
31 December 2022							
<i>Financial assets - not measured at fair value</i>							
Long term loans	12,874	-	12,874	-	-	-	-
Trade debts	2,874,412	-	2,874,412	-	-	-	-
Long term deposits	37,108	-	37,108	-	-	-	-
Other receivables	28,474	-	28,474	-	-	-	-
Short term investments	3,380,436	-	3,380,436	-	-	-	-
Cash and bank balances	887,943	-	887,943	-	-	-	-
	7,221,247	-	7,221,247	-	-	-	-
<i>Financial liabilities - not measured at fair value</i>							
Long term financing	-	81,282	81,282	-	-	-	-
Trade and other payables	-	6,297,974	6,297,974	-	-	-	-
Mark-up accrued on short term running finances	-	55,986	55,986	-	-	-	-
Short term finance	-	2,058,297	2,058,297	-	-	-	-
Unpaid dividend	-	2,110,251	2,110,251	-	-	-	-
Unclaimed dividend	-	22,517	22,517	-	-	-	-
Lease Liability	-	5,119	5,119	-	-	-	-
	-	10,631,426	10,631,426	-	-	-	-

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For the year ended 31 December 2022

	Carrying amount			Fair value			
	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31 December 2021							
----- Rupees in thousands -----							
<i>Financial assets - not measured at fair value</i>							
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	-	-	-	-
	6,869,432	-	6,869,432	-	-	-	-
<i>Financial liabilities - not measured at fair value</i>							
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	-	-	-	-
Short term finance	-	756,233	756,233	-	-	-	-
Unpaid dividend	-	914,189	914,189	-	-	-	-
Unclaimed dividend	-	18,718	18,718	-	-	-	-
Lease Liability	-	11,073	11,073	-	-	-	-
	-	5,948,692	5,948,692	-	-	-	-

38.2 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.

38.2.1 Risk management framework

The Board of Directors has overall responsibility for establishment and over sight 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.

38.2.2 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.

Notes to the Financial Statements

For the year ended 31 December 2022

38.2.2.1 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	2022 (Rupees in thousands)	2021
Long term loans	7	12,874	11,187
Trade debts	11	2,874,412	2,021,947
Long term deposits		37,108	35,108
Other receivables	14	28,474	39,342
Short term investments	15	3,380,436	986,159
Bank balances	16	871,449	3,767,413
		7,204,753	6,861,156
Secured		4,623,321	2,216,458
Unsecured		2,581,432	4,644,698
		7,204,753	6,861,156

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

	2022 (Rupees in thousands)	2021
Trade debts	2,874,412	2,021,947
Loans to employees	12,874	11,187
Deposits and other receivables	65,582	74,450
Government debt securities	3,380,436	986,159
Banking companies and financial institutions	871,449	3,767,413
	7,204,753	6,861,156

38.2.2.2 Trade debts

The Company's trade debts comprises of receivables from industrial customers and individuals. Individual customers 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 2022			
Current	0.00%	2,394,617	-
1-90 days	0.00%	310,183	-
91-180 days	0.05%	28,070	14
181-270 days	0.04%	85,226	33
365- above days	100%	56,316	56,397
		2,874,412	56,444

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	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

38.2.2.3 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.

38.2.2.4 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.

38.2.2.5 Government debt securities

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.

38.2.2.6 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.

38.2.2.6.1 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:

Banks	Rating		Rating agency	2022	2021
	Short term	Long term		(Rupees in thousands)	
Meezan Bank Limited	A-1+	AAA	VIS	330,259	244
Standard Chartered Bank (Pakistan) Limited	A 1+	AAA	PACRA	110,465	18
Citi Bank Limited	P 1	Aa3	Moody's	123,090	85,422
MCB Bank Limited	A 1+	AAA	PACRA	224,919	792,860
Habib Bank Limited	A-1+	AAA	VIS	74,480	876,242
National Bank of Pakistan	A 1+	AAA	PACRA-VIS	8,236	2,012,627
				871,449	3,767,413

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38.2.3 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:

	2022			
	Carrying amount	Contractual cash flows	Up to one year or less	More than one year
	(Rupees in thousand)			
<u>Non- derivative financial liabilities</u>				
Long term financing	81,282	167,492	13,504	153,988
Trade and other payables	6,297,974	6,297,974	6,297,974	-
Mark-up accrued on short term finances	55,986	55,986	55,986	-
Unpaid dividend	2,110,251	2,110,251	2,110,251	-
Unclaimed dividend	22,517	22,517	22,517	-
Lease liability	5,119	5,119	5,119	-
Short term finance	2,058,297	2,058,297	2,058,297	-
	10,631,426	10,717,636	10,563,648	153,988
	2021			
	Carrying amount	Contractual cash flows	Up to one year or less	More than one year
	(Rupees in thousand)			
<u>Non- derivative financial liabilities</u>				
Long term financing	119,811	125,907	125,907	-
Trade and other payables	4,126,646	4,126,646	4,126,646	-
Mark-up accrued on short term 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 finance	756,233	756,233	756,233	-
	5,948,692	5,954,788	5,949,702	5,086

38.2.3.1 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.

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For the year ended 31 December 2022

	2022	2021
	(Rupees in thousands)	
Paper and Board	473,938	381,662
Confectionary	372,221	231,354
Textile	658,715	547,210
Poultry	51,799	37,528
Pharmaceuticals	15,231	114
Chemical & Allied Industries	26,817	11,825
Dealers	1,332,134	871,672
Bank	871,449	3,767,413
Government	3,380,436	986,159
Employees	12,874	11,187
Others	67,048	75,915
Allowance for expected credit loss	(57,909)	(60,883)
	<u>7,204,753</u>	<u>6,861,156</u>

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 2022.

38.2.3.2 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:

	USD	USD
	2022	2021
Foreign debtors	3,100,214	2,401,494
Foreign currency bank balance	-	100
Trade and other payables	(2,202,751)	(768,515)
Net exposure	<u>897,463</u>	<u>1,633,079</u>

The following significant exchange rates have been applied:

	Average rate for the year		Reporting date rate	
	2022	2021	2022	2021
USD to PKR	<u>207.04</u>	168.02	<u>226.43</u>	176.20

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.

	2022	2021
	(Rupees in thousands)	
US Dollar	<u>20,321</u>	<u>28,775</u>

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.

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38.2.3.3 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	
	2022	2021	2022	2021
<u>Financial assets</u>	----- (Percentage) -----		(Rupees in thousands)	
<i>Fixed rate instruments:</i>				
Long term loans	8.0%	8.0%	12,874	11,187
Treasury bills	8.05% - 16.9%	7.08% - 10.66%	3,380,436	986,159
Term deposit receipts	10% - 14.25%	6.65% - 11.3%	-	2,000,000
<i>Variable rate instruments:</i>				
Bank balances - saving	7.1% to 14.5%	2.14% - 9.35%	811,432	1,596,240
<u>Financial liabilities</u>				
<i>Fixed rate instruments:</i>				
Long term financing	5%	3%	81,282	119,811
Lease liability	8.17%	8.17%	5,119	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 2022	3,031	(3,031)
As at 31 December 2021	4,701	(4,701)

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

38.2.3.4 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.

38.2.4 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.

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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.

39 Remuneration of Chief Executive, Directors and Executives

	Chief Executive and Managing Director		Executive Directors		Executives	
	2022	2021	2022	2021	2022	2021
	----- (Rupees in thousands) -----					
Managerial remuneration	36,998	13,352	12,443	23,390	164,059	128,637
Rent, medical and other allowances	15,978	12,417	10,763	7,425	162,418	127,199
Bonus and leave encashment	23,526	11,949	3,221	4,926	68,303	44,993
Retirement benefits	5,679	4,214	3,915	2,054	52,215	40,206
	82,181	41,932	30,342	37,795	446,995	341,035
	2	1	2	2	68	53

39.1 Meeting fees aggregating to Rs. 4,640 thousands (2021: Rs 3,810 thousands) were paid to 4 (2021: 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 2022 are 9 (2021: 9).

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40 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	2022		2021	
				Total value of transaction	Closing balance [asset/ (liability)]	Total value of transaction	Closing balance [asset/ (liability)]
				(Rupees in thousands)			
Ingreddion Inc. U.S.A.	Holding Company	Majority shareholder	Services received	431,525	(228,621)	239,306	(43,318)
Ingreddion Inc. U.S.A.	-do-	-do-	Dividend	2,296,391	(2,095,457)	4,592,782	(898,053)
Ingreddion Inc. U.S.A.	-do-	-do-	Imports	115,790	(66,947)	97,428	(37,370)
Ingreddion Inc. U.S.A.	-do-	-do-	Services provided	76,841	1,309	106,041	24,188
Unilever Pakistan Foods Limited	Associate	Common directorship	Sales	2,869,047	414,712	1,611,863	171,991
Pakistan Oxygen Limited	Associate	Common directorship	Purchases	401	419	241	471
Ingreddion Holding LLC Kenya	-do-	Parent's subsidiary	Export sales	618,695	295,975	481,587	122,521
Ingreddion Holding LLC Kenya	-do-	-do-	Services provided	2,971	2,400	2,017	931
Ingreddion Singapore Pte. Ltd.	-do-	-do-	Export sales	4,737	(18,252)	4,026	(14,186)
Ingreddion Germany GMBH	-do-	-do-	Export sales	497,845	78,626	304,529	8,618
Ingreddion Germany GMBH	-do-	-do-	Imports	36,787	(12,883)	5,530	751
Ingreddion Germany GMBH	-do-	-do-	Services received	-	(1,621)	-	(864)
National Starch & Chemical Thailand	-do-	-do-	Imports	96,070	(97)	87,001	(6,943)
National Starch & Chemical Thailand	-do-	-do-	Export sales	114,209	38,299	56,597	3,420
Ingreddion China Limited	-do-	-do-	Export sales	-	-	23,751	-
Ingreddion Malaysia SDN BHD	-do-	-do-	Export sales	43,529	13,732	37,058	-
PT Ingreddion, Indonesia	-do-	-do-	Export sales	271,376	68,208	113,464	16,343
Ingreddion UK Limited	-do-	-do-	Export sales	-	-	74	-
Ingreddion South Africa (Pvt) Ltd.	-do-	-do-	Export sales	265,763	93,065	184,301	59,320
Ingreddion South Africa (Pvt) Ltd.	-do-	-do-	Services provided	298	340	-	-
Pakistan Mobile Communication (Pvt) Ltd	-do-	Common directorship	Services received	2,375	-	1,839	-
Foundation Solar Energy Ltd.	-do-	-do-	Solar Contract	132,003	132,003	-	-
Kohinoor Textile Mills Ltd.	-do-	-do-	Sales	102,835	(3,467)	-	-
Employee Benefits	-do-	Employee's retirement fund	Contribution to funds	144,146	(17,691)	126,468	13,790

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

Notes to the Financial Statements

For the year ended 31 December 2022

40.1 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	Nil
Pakistan Oxygen Limited	Islamic Republic of Pakistan	-do-
Ingredion Holding LLC Kenya	Republic of Kenya	-do-
Ingredion Singapore PTE Ltd.	Republic of Singapore	-do-
Ingredion Germany GMBH	Federal Republic of Germany	-do-
National Starch & Chemical Thailand	Kingdom of Thailand	-do-
Ingredion China Limited	People's Republic of China	-do-
Ingredion Malaysia SDN BHD	Malaysia	-do-
PT Ingredion, Indonesia	Republic of Indonesia	-do-
Pakistan Mobile Communication (Pvt) Ltd.	Pakistan	-do-
Foundation Solar energy Ltd.	Pakistan	-do-
Kohinoor Textile Mills Ltd.	Pakistan	-do-
Ingredion UK Limited	United Kingdom	-do-
Ingredion South Africa (Pvt) Ltd.	Republic of South Africa	-do-

Notes to the Financial Statements

For the year ended 31 December 2022

2022 2021
-----**(Metric tons)**-----

41 Plant capacity and production

Average grind capacity per day	1,899	1,895
Capacity	664,708	663,250
Actual days worked	335	302
Actual production	635,893	562,224

The actual production is 84.58% (2021: 84.8%) of the plant capacity which is within normal working standards.

42 Number of employees

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

	No of employees	
	2022	2021
Number of employees as at 31 December 2022	1,075	1,064
Average number of employees during the year	1,072	1,093

43 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 is present value of defined benefit obligations.

Notes to the Financial Statements

For the year ended 31 December 2022

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

	2022					
	Liabilities			Dividend		Equity
	Long term financing	Lease liability	Mark-up accrued on short term running finances	Payable	Unclaimed	Un-appropriated profit
Balance as at 01 January 2022	119,811	11,073	2,022	914,189	18,718	15,749,429
Changes from financing cash flows						
Finance cost paid	(2,047)		(147,611)	-	-	-
Dividends paid	-	-	-	(2,032,887)	-	-
Finance obtained	132,670	-	-	-	-	-
Repayment of liability	(122,217)	(6,574)	-	-	-	-
Total changes from financing cash flows	8,406	(6,574)	(147,611)	(2,032,887)	-	(2,178,663)
Other changes						
Interest expense	3,787	620	201,575	-	-	-
Deferred income	(50,722)	-	-	-	-	-
Dividends declared	-	-	-	3,228,950	3,799	(3,232,749)
Total liability related other changes	(46,935)	620	201,575	3,228,950	3,799	(3,232,749)
Total equity related other changes	-	-	-	-	-	6,388,688
Closing as at 31 December 2022	81,282	5,119	55,986	2,110,252	22,517	18,905,368
						21,180,527

----- Rupees in thousands -----

Notes to the Financial Statements

For the year ended 31 December 2022

		2021						
		Liabilities			Equity			
		Long term financing	Lease liability	Mark-up accrued on short term running finances	Dividend	Total		
				Payable	Unclaimed	Un-appropriated profit		
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 lease 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

----- Rupees in thousands -----

Notes to the Financial Statements

For the year ended 31 December 2022

45 Dividends

The Board of Directors have proposed a final dividend for the year ended 31 December 2022 of Rs. 75 per share, amounting to Rs. 692,732 thousands at their meeting held on March 01, 2023 for approval of members at the Annual General Meeting.

46 Operating segments

The financial statements have been prepared on the basis of a single reportable segment. 92.24% (2021: 93.19%) out of total sales of the Company relates to customers in Pakistan. All non current assets of the Company as at 31 December 2022 are located in Pakistan.

47 Date of authorization of issue

These financial statements were authorized for issue on March 01, 2023 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



Humair Ijaz
Chief Executive &
Managing Director



Zulfikar Mannoo
Director

Pattern of Shareholding

As at 31 December 2022

No. of Shareholders	Shareholding			Total Shares Held
673	1	-	100	27,459
140	101	-	500	33,441
42	501	-	1000	32,287
34	1001	-	5000	88,276
5	5001	-	10000	46,710
7	10001	-	15000	92,040
1	15001	-	20000	18,239
1	20001	-	25000	23,534
1	25001	-	30000	26,052
1	45001	-	50000	50,000
4	50001	-	55000	204,674
1	55001	-	60000	58,252
1	60001	-	65000	62,467
2	65001	-	70000	133,748
4	70001	-	75000	287,106
1	75001	-	80000	78,155
1	100001	-	105000	103,535
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
929				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	72,577	0.79
5	Insurance Companies	2	128,556	1.39
6	Modarabas and Mutual Funds	1	200	0.00
7	General Public :			
	a. Local	879	1,837,460	19.89
	b. Foreign	-	0	0.00
8	Others	31	36,634	0.40
	Total:	929	9,236,428	100.00
	Shareholders holding 10% or more	1	6,561,117	71.04

The above two Statements include 550 shareholders holding 773,610 shares through Central Depository Company of Pakistan Limited.

Investors' Education

In pursuance of SRO 924(1)/2015 dated September 9th, 2015 issued by the Securities and Exchange Commission of Pakistan (SECP), the following informational message has been reproduced to educate investors:

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شیر ہولڈنگ کا طریقہ کار

شیر ہولڈنگ کا طریقہ کار، بمطابق 31 دسمبر 2022 جو (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شرائط کے مطابق اور شیر ہولڈنگ کی تقسیم کے بارے میں اسٹیٹمنٹ اس رپورٹ کے آخر میں ظاہر کیا گیا ہے۔

منافع منقسمہ

کمپنی اب تک 3 بار عبوری منافع منقسمہ بشرح 1,000 فیصد، 500 فیصد اور 500 فیصد بالترتیب ادا کر چکی ہے اور اب 750 فیصد کے حساب سے حتمی منافع منقسمہ تجویز کر رہی ہے جس سے کل منافع منقسمہ اس سال 2,750 فیصد ہو جائے گا۔

اللہ تعالیٰ ہمیں پیش آنے والی آزمائشوں سے سرخرو ہونے کی قوت عطا فرمائے، آمین!

یکم مارچ 2023

منجانب بورڈ



حمیر اعجاز

چیف ایگزیکٹو آفیسر



عادل سعید خان

چیف فنانشل آفیسر

ڈائریکٹر کا نام	کمیٹی میں کردار	ڈائریکٹر ٹائپ	اجلاسوں میں شرکت
وقار احمد ملک	چیئر مین	آزاد ڈائریکٹر	4
ذوالفقار منوں	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	4
تانیہ جگر ڈی فوراس	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	3
جیمز ڈی۔ گرے	ممبر	آزاد ڈائریکٹر	4
مائیکل فرگوس اوری آرڈن	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	4

ہیومن ریسورس اینڈری میونریشن کمیٹی

بورڈ آف ڈائریکٹرز نے بورڈ کے 5 درج ذیل ممبران پر مشتمل ہیومن ریسورس اینڈری میونریشن کمیٹی قائم کی۔ سال کے دوران کمیٹی کے 12 اجلاس منعقد ہوئے اور شرکت درج ذیل رہی:

ڈائریکٹر کا نام	کمیٹی میں کردار	ڈائریکٹر ٹائپ	ذاتی طور پر/ بذریعہ ڈیولنک اجلاسوں میں شرکت
طاہر جاوید	چیئر مین	آزاد ڈائریکٹر	2
جیمز پیریڈائی لینڈ اوری	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	2
حمیرا عجاز (16 مئی 2022 کو بورڈ میں شامل ہوئے)	ممبر	ایگزیکٹو ڈائریکٹر	1
عثمان قیوم (15 مئی 2022 کو مستعفی ہوئے)	ممبر	ایگزیکٹو ڈائریکٹر	1
تانیہ جگر ڈی فوراس (18 فروری 2022 کو بورڈ میں شامل ہوئیں)	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	1
لوری آرئلڈ (18 فروری 2022 کو مستعفی ہوئیں)	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	0
ایم۔ عادل منوں	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	2

آپریٹیشنز کمیٹی

بورڈ آف ڈائریکٹرز نے بورڈ کے 5 ممبران پر مشتمل آپریٹیشنز کمیٹی قائم کی ہے۔ سال کے دوران شیئر زٹرانسفر کمیٹی کے 14 اجلاس منعقد ہوئے اور اس میں حاضری درج ذیل رہی:

ڈائریکٹر کا نام	کمیٹی میں کردار	ڈائریکٹر ٹائپ	اجلاسوں میں شرکت
مائیکل فرگوس اوری آرڈن	چیئر مین	نان۔ ایگزیکٹو ڈائریکٹر	4
تانیہ جگر ڈی فوراس (18 فروری 2022 کو بورڈ میں شامل ہوئیں)	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	3
لوری آرئلڈ (18 فروری 2022 کو مستعفی ہوئیں)	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	0
طاہر جاوید	ممبر	آزاد ڈائریکٹر	3
حمیرا عجاز (16 مئی 2022 کو بورڈ میں شامل ہوئے)	ممبر	ایگزیکٹو ڈائریکٹر	3
عثمان قیوم (15 مئی 2022 کو مستعفی ہوئے)	ممبر	ایگزیکٹو ڈائریکٹر	1
وصال اے۔ منوں	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	4

شیئر زٹرانسفر کمیٹی

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

ڈائریکٹر کا نام	کمیٹی میں کردار	اجلاسوں میں شرکت
حمیرا عجاز (16 مئی 2022 کو بورڈ میں شامل ہوئے)	چیئر مین	3
عثمان قیوم (15 مئی 2022 کو مستعفی ہوئے)	ممبر	3
عادل سعید خان	ممبر	6

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

2	آزاد ڈائریکٹرز
7	نان۔ ایگزیکٹو ڈائریکٹرز
2	ایگزیکٹو ڈائریکٹرز

بورڈ کے چیئرمین ایک نان ایگزیکٹو ڈائریکٹر ہیں۔ تمام موجودہ بورڈ ممبران کمپنی انفارمیشن میں لیسڈ ہیں۔ تمام ڈائریکٹرز (ماسوائے تین ڈائریکٹرز) سرٹیفیکیشن حاصل کر چکے ہیں جیسا کہ کوڈ آف کارپوریٹ گورننس (ریگولیشنز) 2019 کی شقوں کے تحت لازم ہے۔

بورڈ کے اجلاسوں میں شرکت

سال کے دوران بورڈ آف ڈائریکٹرز کے 15 اجلاس منعقد کئے گئے۔ ان اجلاسوں میں ڈائریکٹرز کی شرکت درج ذیل رہی:

ڈائریکٹر کا نام	ڈائریکٹر ٹائپ	اجلاسوں میں شرکت
چیئرمین پروڈیوٹو ڈائریکٹر (چیئرمین)	نان۔ ایگزیکٹو ڈائریکٹر	5
حمیرا عجاز (16 مئی 2022 کو بورڈ میں شامل ہوئے)	ایگزیکٹو ڈائریکٹر	4
عثمان قیوم (15 مئی 2022 کو مستعفی ہوئے)	ایگزیکٹو ڈائریکٹر	1
جیمز ڈی۔ گرے	نان۔ ایگزیکٹو ڈائریکٹر	5
تانیہ جیمز ڈی فوراس (18 فروری 2022 کو بورڈ میں شامل ہوئے)	نان۔ ایگزیکٹو ڈائریکٹر	4
لوری آر رنڈ (18 فروری 2022 کو مستعفی ہوئیں)	نان۔ ایگزیکٹو ڈائریکٹر	0
مائیکل فرگوس اوری آر ڈن	نان۔ ایگزیکٹو ڈائریکٹر	5
ذوالفقار منوں	نان۔ ایگزیکٹو ڈائریکٹر	5
میاں ایم۔ عادل منوں	نان۔ ایگزیکٹو ڈائریکٹر	5
وصال اے۔ منوں	نان۔ ایگزیکٹو ڈائریکٹر	5
عادل سعید خان	ایگزیکٹو ڈائریکٹر	4
وقار احمد ملک	آزاد ڈائریکٹر	5
طاہر جاوید	آزاد ڈائریکٹر	4

نان۔ ایگزیکٹو ڈائریکٹرز بشمول انڈیپنڈنٹ ڈائریکٹرز کے معاوضے کی پالیسی

نان۔ ایگزیکٹو ڈائریکٹرز اور انڈیپنڈنٹ ڈائریکٹرز کو اجلاسوں میں شرکت کے لیے معاوضہ ادا کیا جاتا ہے۔ معاوضے کا حجم موزوں اور ذمہ داری 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 نابالغ بچوں نے سال کے دوران کمپنی کے شیئرز میں کوئی ٹرانزیکشن نہیں کیں۔

سرپرست کمپنی

انگریڈ بیان انکارپوریٹڈ، امریکا کمپنی کے اکثریتی شیئرز کی حامل ہے۔

آڈیٹرز

سکدوش ہونے والے آڈیٹرز میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس نے اہل ہونے کی بناء پر خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارشات پر سال 2023 کے لئے میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کی تقرری کیلئے 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:

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

2017	2018	2019 Restated	2020	2021	2022		
26,018	29,564	35,261	35,873	42,610	58,756	روپے ملین میں	مجموعی فروخت
18,593	21,631	26,289	26,091	32,291	46,922	روپے ملین میں	فروخت کی لاگت
7,425	7,933	8,972	9,782	10,318	11,834	روپے ملین میں	مجموعی منافع
29	27	25	27	24	20	%	فروخت کا فیصدی
6,067	6,811	7,750	8,519	8,987	10,128	روپے ملین میں	آپریٹنگ منافع جات
23	23	22	24	21	17	%	فروخت کا فیصدی
6,051	6,785	7,726	8,473	8,941	9,922	روپے ملین میں	منافع قبل از ٹیکس
4,392	4,772	5,444	6,094	6,257	6,179	روپے ملین میں	منافع بعد از ٹیکس
475.54	516.62	589.36	659.80	677.46	669.02	روپے	آمدنی فی شیئر
5,080	3,925	3,925	4,618	6,465	3,233	روپے ملین میں	منافع منقسمہ کی رقم
5,500	4,250	4,250	5,000	7,000	3,500	%	منافع منقسمہ فیصدی
742	196	314	349	516	882	روپے ملین میں	کیپٹل اخراجات

ریورس بیجنٹ

ایگری برس ڈیپازٹس کی مستحکم پیداوار اور خریداری کا سفر جاری رکھے ہوئے ہے۔ موجودہ چیلنجوں سے نمٹنے کے لئے رفان کی ٹیم تمام اسٹیک ہولڈرز کے ساتھ قریبی روابط برقرار رکھتے ہوئے کام کرتی ہے اور ملکی خریداری کرنے والی ٹیم، ایگریو سٹس، مٹی کی خریداری کے ایجنٹس اور وینڈرز کے ساتھ اجلاس اور مذاکرات کا باقاعدگی سے انعقاد کیا جاتا ہے۔ ہم مکمل طور پر اپنے مٹی کی خریداری کرنے والے تمام چینلز بالخصوص مارکیٹ سے باہر سرمایہ کاری کرتے رہتے ہیں۔ طوفانی بارشوں کی وجہ سے ایک چیلنجنگ سیزن کے باوجود ایگری برس کی ٹیم نے کامیابی کے ساتھ مٹی کی خریداری کا بلند ترین بہف حاصل کر لیا۔

سرمایہ کاری

آپ کی کمپنی توسیع، پائیداری، لاگت میں کفایت اور کاروبار کے مختلف سمتوں میں پھیلاؤ کے لئے ایک انتہائی منظم اور عالمی معیار کی سرمایہ کاری اسٹریٹیجی پر عمل کرتی ہیں اور ہمارے اسٹریٹیجک بلیو پرنٹ کے مطابق پہلے ہی بڑی تعداد میں سرمایہ کاری کے پروجیکٹس پر کام جاری ہے۔ اپنے صارفین کی خدمت اور اطمینان کے لئے ہمارا غیر متزلزل عزم اس امر کا گواہ ہے کہ معیار، توانائی کی بچت، جدت طرازی اور گنجائش میں اضافے کے لئے ہماری سرمایہ کاری جاری رہتی ہے۔ ہم اپنے مستحکم عزم پر کاربند ہیں کہ مضبوط گنجائش، معیار، توانائی کی بچت، جدت اور نئی ٹیکنالوجیز میں سرمایہ کاری کے ذریعے اپنے صارفین کو بہتر خدمات فراہم کرتے رہیں گے۔

ملازمین کے ریٹائرمنٹ فنڈ کی سرمایہ کاری کی قدر و قیمت

رفان میٹاپے ملازمین کی قدر کرتا ہے۔ کمپنی تین ریٹائرمنٹ پلان، ایک ڈیفائنڈ کسٹری بیوشن (پراویڈنٹ فنڈ) اور دو ڈیفائنڈ بینیفٹ پلانز (گریجویٹی اور سپرائیویشن) 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 ڈپازٹس اور فنڈز میں مجموعی سرمایہ کاری درج ذیل ہے:

2021	2022		
			روپے ہزاروں میں
1,179,002	1,225,742	بمطابق 30 جون	پراویڈنٹ فنڈ
953,869	1,102,216	بمطابق 31 دسمبر	گریجویٹی فنڈ
756,205	850,190	بمطابق 31 دسمبر	سپرائیویشن فنڈ

بورڈ آف ڈائریکٹرز

بورڈ گیارہ ڈائریکٹرز پر مشتمل ہے جو درج ذیل ہیں:

11	ڈائریکٹرز کی مجموعی تعداد
10	مرد
1	خاتون

فرامی یقینی بنائی جاسکے۔ ہمارے ملازمین اس سرگرمی میں پیش پیش رہے اور فلڈ ریلیف کے ضمن میں اپنی ایک دن کی تنخواہ عطیے میں دی جسے کمپنی کی جانب سے دُگنا کر دیا گیا تھا۔

ہم نے سندھ میں سیلاب سے متاثرہ خواتین کو ڈیجیٹل پیکیج عطیے میں دینے اور ان کو امراض سے محفوظ رہنے کی آگاہی فراہم کرنے کے بارے میں صحت کے حوالے سے سیمینار بھی منعقد کیے۔
رفان میڈل نے 2023 میں فیبر 11 کے حصے کے طور پر بحالی اور تعمیر نو کے ایسے منصوبے شروع کرنے کا پلان بنایا ہے جو کہ سیلاب کے نتیجے میں بے گھر ہونے والوں کو اپنے خاندانوں کے ساتھ ان کے گھروں تک واپسی میں مدد فراہم کریں گے۔

آگے بڑھتے ہوئے ہم اقوام متحدہ کے پائیدار ترقیاتی اہداف (UNSDGs) کے حصول کے ضمن میں اپنی جدوجہد کو تیز کرنے کے منصوبے پر عمل کرتے رہیں گے اور ان پروگراموں پر عمل کریں گے جن کے کیونٹی پر دیر پا اثرات مرتب ہوں گے۔

کاروباری خطرات، چیلنجز اور مستقبل کے امکانات

2023 کا میکرو اکنامک آؤٹ لک چیلنج رکھے گا۔ بے قابو ہنگامی، غیر یقینی سیاسی صورتحال، کم تر غیر ملکی سرمایہ دہ کے ذخائر اور پاکستانی روپے کی قدر میں کمی معیشت کے لئے کلیدی چیلنجز ہیں۔ شرح نمو کی بحالی اسٹریٹجریل اصلاحات کے موثر نفاذ اور مالیاتی بہتری پر منحصر رہے گی۔

موجودہ طور پر سخت کاروباری ماحول کو مد نظر رکھتے ہوئے ہمارا فوکس سہل اور رواں آپریشنز، حجم میں اضافے، اخراجات پر سخت کنٹرول، عمل کرنے کی اصلاح، نرخوں کو اصولوں کے مطابق بنانا اور مستعد افرادی قوت کے بندوبست پر ہے۔ اس کے ساتھ ساتھ نمایاں کوششیں منافع بخش برآمدی مارکیٹوں کو تلاش کرنے پر بھی ہیں۔ کمپنی کی قیمت ایک نئی چوٹی کو چھو چکی ہے۔ جس کے بعد فیول کے پمپنگ نرخوں میں مسلسل اضافے کا رجحان ہمارے منافع کی شرح پر اثر انداز ہو سکتا ہے۔

بزنس نے نئی مصنوعات کی تیاری کے ذریعے گروتھ اور جدت طرازی کی اپنی کوششیں اور حکمت عملی کا بھی تعین کیا ہے۔ ہم انتہائی تحقیق کے حامل اجزاء کے سولوشنز کے مستحکم پورٹ فولیو کے حامل ہیں اور ہم اپنی پروڈکٹ رینج میں توسیع کی کوشش جاری رکھے ہوئے ہیں۔ کمپنی اپنے آپریٹنگ نتائج کو بہتر بنانے کے ذریعے آنے والے چیلنجز پر توجہ دینے اور اپنی ترقی کی رفتار برقرار رکھنے پر توجہ مرکوز کیے ہوئے ہے، تاکہ اسٹیک ہولڈرز کے لئے نمایاں ویلیو حاصل کی جائے۔ رفان اپنی سرکردہ لیڈر شپ پوزیشن برقرار رکھنے اور اپنے کاروبار کو صارفین کے بھرپور اعتماد اور بھرپور سے کوئی بنانے کے ذریعے بہتر بنانے پر توجہ دینے کا سلسلہ جاری رکھے گا، جس سے مارکیٹ کی قوت اور ہمارے مسابقتی استحکام کو مضبوط کیا جاسکے گا۔ ہماری توجہ مستقل طور پر صارفین کی ضروریات کو سمجھنے معزز صارفین کا پہلا انتخاب بننے اور ان کی توقعات کو فوری اور موثر طور پر پورا کرنے پر مرکوز ہے۔

جیسا کہ ہم نے مارکیٹ کے حقائق کو مد نظر رکھتے ہوئے اپنی رفتار کو برقرار رکھا ہے، اسی کے پیش نظر رفان میڈل جدید اور پروگریسو مارکیٹ پر توجہ کے ذریعے اپنی لیڈر شپ کو برقرار رکھنے کے لئے کوشاں ہے۔ ہم اپنی کوششوں، انتظامی صلاحیتوں اور تمام تر چیلنجز سے نمٹنے کی صلاحیت پر یقین رکھتے ہیں اور ہم کمپنی کے بارے میں پُر عزم ہیں کہ تمام کاروباری شعبوں میں گروتھ کا رجحان اور امکانات روشن رہیں گے۔ ہم امید کرتے ہیں کہ جاری چیلنجز کے باوجود اپنے شرح منافع کو بہتر بنانے کیلئے مختلف النوع شعبوں میں مواقع پیدا کرنے کے ذریعے اپنی پوزیشن برقرار رکھیں گے۔

کمپنی موجودہ معاشی صورتحال کی وجہ سے درپیش اپنے منافع کو لاحق خطرات سے نمٹنے اور بڑے خطرات کے تدارک کیلئے موثر اقدامات بروئے کار لاتی رہے گی۔ ہم بلند تر اونچائیوں کے حصول، اسٹریٹیجک توسیع کے لئے کوششیں اور شیئر ہولڈرز کے منافع کو بہتر بنانے کے ساتھ کمپنی کی مجموعی کارکردگی کو بہتر بنانے کی کوششیں جاری رکھیں گے۔

ہم پُر اعتماد ہیں کہ مستقبل میں معاشی بہتری کے امکانات روشن ہو جائیں گے اور ہم 2023 کو پُر عزم دیکھنے کے ساتھ پائیدار ترقی اور چیلنجز سے نمٹنے کے لئے متعدد اقدامات بروئے کار لانے کا سلسلہ جاری رکھیں گے۔ کمپنی نے اپنی رفتار کا تعین کر لیا ہے اور آپریٹنگ نتائج کو بہتر بنانے کے ذریعے آنے والے چیلنجز پر توجہ دی جارہی ہے جس کے نتیجے میں اسٹیک ہولڈرز کے لیے منافع میں نمایاں اضافہ ہوگا۔

ہم اپنے شیئر ہولڈرز کے مستقل تعاون کے لیے شکرگزار ہیں۔ ہم اپنی کمپنی اور اپنے ملازمین پر آپ کے اعتماد کی قدر کرتے ہیں اور ہماری قیادت پر آپ کا اعتماد اور بھرپور مسابقت کے لئے ایک مضبوط اور مستحکم بنیاد قائم کرے گا۔ رفان ایک پائیدار بنیاد، آگے بڑھنے کے ایک واضح راستے اور ایک روشن مستقبل کا حامل ہے۔

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 29 پر درج کیا گیا ہے۔

کوڈ آف کارپوریٹ گورننس کے تحت واضح امکانات اور اعتراضات

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک:

(الف) لسٹڈ کمپنی کی اختتامیہ 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) لسٹڈ کمپنی کے کھاتوں کی باقاعدہ بکس تیار کی 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 رُوگردانی کی باقاعدہ اور مناسب انداز میں تشریح اور وضاحت کردی جاتی ہے۔

(د) اندرونی کنٹرول کا مستحکم نظام ڈیزائن کیا گیا ہے اور اس پر مؤثر عملدرآمد کے ساتھ اس کی نگرانی کی جاتی ہے؛ اور

(ر) اس امر میں کسی قسم کے شکوک و شبہات نہیں کہ لسٹڈ کمپنی میں مستقل طور پر ترقی کرنے کی صلاحیت موجود ہے۔

رفغان نے علاقائی مارکیٹوں میں اپنے امور کو بہتر کرنے اور نئے ممکنہ مواقعوں کی تلاش کے ضمن میں بھی بھرپور کوششوں کا سلسلہ جاری رکھا ہے۔ رفغان میٹل بنیادی کاروباروں کو مستحکم بنانے اور EMEA کی اُبھرتی ہوئی مارکیٹوں کیلئے خصوصی طور پر نئے فوڈ اجزاء کی مارکیٹنگ کیلئے اپنی صلاحیتیں بڑھانے کے ذریعے خود کو تبدیل کر رہا ہے۔ ہمیں یقین ہے کہ بین الاقوامی منڈی میں کافی مواقع موجود ہیں؛ کمپنی نے علاقے میں اپنی موجودگی اور مواقعوں سے استفادہ حاصل کرنے کی صلاحیت میں اضافہ کا تہیہ کر رکھا ہے۔

آپریٹیشنز

رفغان کی قیادت اپنے معزز صارفین کے لئے جدت طرازی اور باکفایت سولوشنز کی فراہمی کے ذریعے مارکیٹ لیڈر ہونے کا اپنا اعزاز برقرار رکھے ہوئے ہے۔ پاکستان میں آپریٹیشنز ٹیم توانائی کی بچت، ماحولیات کے تحفظ اور اپنے ملازمین کے لئے کام کرنے کے محفوظ اور بہترین ماحول کو یقینی بنانے کے لئے ہمہ وقت کوشاں اور مصروف عمل رہتی ہے۔ ملازمین، میٹریل کے سپلائرز اور کنٹریکٹرز کی سرگرمیوں کو مزید موثر اور مربوط بنانے پر بھی بھرپور توجہ دی جاتی ہے تاکہ صارفین کی تمام تر ضروریات کو پورا کیا جاسکے۔ اس کا حتمی مقصد ہمارے اندرونی اور بیرونی صارفین کی صلاحیتوں میں اضافہ اور ہمارے شیئر ہولڈرز کے لئے ان کی سرمایہ کاری پر بہتر منافع فراہم کرنا تھا۔

حاصل کردہ کلیدی آپریٹیشنل کارکردگی درج ذیل کے مطابق ہے:

- (الف) معاشی اور مہنگائی کے بحرانوں کے چیلنجنگ دور میں ہم نے اپنی مینوفیکچرنگ سہولتوں کا بہترین استعمال کیا۔ اس نے OTIF کو بہتر کیا اور ہمارے معزز صارفین کے لئے موزوں سپلائیز کا حامل رہا۔
- (ب) رویوں پر مبنی حفاظتی اقدامات کا آغاز۔ یہ اقدامات زندگی کو لاحق خطرات جیسے زخموں سے بچانے اور خود احتسابی اور باختیار بنانے کے ذریعے محفوظ رویوں کو اپنانے کے تحت خطرات اور کسی نقصان سے بچانے میں مددگار ہیں۔
- (ج) مارکیٹ میں مسابقت برقرار رکھنے کے لئے مستقل بنیادوں پر مختلف بہتری کے پروجیکٹس کو مکمل کیا گیا، مذکورہ اقدامات میں مختلف باکفایت پیداواری پروجیکٹس، افعال کو مستعد اور برق رفتار بنانا، توانائی کی بچت، کیمیکل کی کھپت میں احتیاط اور پیداوار میں اضافہ شامل ہے۔
- (د) ہم نے کثیر تعداد میں پروجیکٹس بشمول توانائی کی بچت کے لئے سولر پاور پروجیکٹس اور پوسیس کی بہتری کے عمل کا آغاز کیا۔
- (ذ) آپریٹیشنل ٹیم نے افعال اور آپریٹیشنل پیمانوں کو برقرار رکھنے کے ذریعے بھرپور کنٹرول کو یقینی بنایا اور اس کے نتیجے میں اب تک سب سے زیادہ فرسٹ پاس کیمپلائنس فراہم کیا گیا۔
- (ر) نئی بلندیوں کی حاصل مصنوعات کا مہابی کے ساتھ تکمیل، تیار اور ہمارے معزز صارفین کو فراہم کی گئیں جو انتہائی درست حد تک ہماری قدر ”جرات مندانه جدت“ کی عکاس ہیں۔
- (س) اپنے ماحولیاتی تحفظ کے عزم کو پورا کرنے اور کیونٹی کو محفوظ رکھنے کے لیے فاضل پانی کے ٹریٹمنٹ پلانٹس شروع کیے گئے اور NEQS کی شرائط اور حدود کو قیود کو پورا کرتے ہوئے تمام تینوں پلانٹس پر گہری نگاہ رکھی گئی۔
- (ش) سماجی طور پر ایک ذمہ دار ادارہ ہونے کی حیثیت سے ہم نے جی ایچ ایچ کے اخراج کو کم کرنے اور پانی کے محتاط استعمال کو یقینی بنانے کے لئے متعدد اقدامات بروئے کار لاتے ہوئے اپنے ”آل لائف“ ایجنڈا پر خصوصی توجہ دی۔
- (ص) ٹیمیں سال بھر پیداواری افعال میں بہتری اور بیچ مارکنگ اسٹڈیز کے حوالے سے موثر طور پر مصروف عمل رہیں جن کی بدولت ہم اپنے موجودہ طریقہ کار میں موثر حکمت عملی کے تحت طویل مدتی بنیاد پر بہتری کی بنیادیں قائم کر سکیں گے۔

حفاظت، صحت اور ماحولیات

اپنی قدر ”سب سے پہلے تحفظ“ یعنی اپنے ملازمین، کنٹریکٹرز اور مہمانوں کی دیکھ بھال پر یقین رکھتے ہوئے ہم نے اپنے آپریٹیشنز کے تسلسل اور اپنی افرادی قوت کے تحفظ کے لئے متعدد اقدامات اور حفاظتی انتظامات کیے ہیں۔ ہمارے بروقت اقدام ہمارے اسٹاف کو محتاط انداز میں کام کرنے اور بحفاظت گھروں کو واپس جانے میں بھرپور معاونت فراہم کرتے ہیں، یہ حفاظتی اقدامات حکومتی، کارپوریٹ کی رہنما ہدایات پر مبنی ہیں۔ ہمارے 99.5 فیصد ملازمین اور کنٹریکٹرز مکمل طور پر ویکسی نیڈ ہیں۔

ہم نے اپنی افرادی قوت میں حقیقی سیفٹی کلچر نافذ کرنے کے ضمن میں انتہائی کوششیں کیں جس کے نتیجے میں متعدد مستقل اور پائیدار مینوفیکچرنگ سرگرمیاں جاری رہیں۔ ہم نے اپنے پلانٹ ایریا کیلئے پنی پی ای میپنگ تشکیل دے رکھی ہے، یہ میپنگ لیول 1، لیول 2 پی پی ای پر مبنی ہیں جو کسی بھی سرگرمی اور ناگہانی صورتحال سے تحفظ پر مبنی ہے۔

اپنے کنٹریکٹرز کی مکمل دیکھ بھال کے لئے ہم نے متعدد پیچیدہ اور کٹھن سرگرمیوں میں رسک کے جائزے تشکیل دیے ہیں اور ان سے تحفظ فراہم کیا ہے تاکہ تمام تر اسٹاف کو کام کرنے کا ایک محفوظ اور آرام دہ ماحول فراہم کیا جائے۔

جدید ترین ای ایچ ایس اسٹینڈرڈز اور گائیڈ لائنز پر تربیت یافتہ افراد جو دنیا بھر میں موجود ہیں۔ تمام پلانٹس میں ابلاغ عامہ کی مہموں کا انعقاد کیا گیا تاکہ مجموعی رویوں کے پہلوؤں کو بہتر بنانا اور زندگی کو تحفظ دینے کے چھ محفوظ رویوں اور طریقہ کاروں کو بہتر بنانے کا موقع فراہم کیا جائے۔ یہ پیغام ”کام کے مقامات پر زبردانہ نگری، تمام حادثات قابل تحفظ ہیں“ تھا۔

یہ ہماری اولین ترجیح ہے کہ 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 و شاداب علاقے میں گروتھ کیلئے کئی اقدامات کئے گئے ہیں۔

کارپوریٹ سماجی ذمہ داری

رفغان میٹل 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، صنفی مساوات، ماحولیات اور سماجی ترقی کے شعبوں میں سماجی طبقات کو مدد فراہم کرتے ہیں۔ اس سال ہماری توجہ پاکستان میں ان دیہی علاقوں کے کینوں کو مدد فراہم کرنے پر مرکوز رہی جو قدرتی آفات کے نتیجے میں بُری طرح متاثر ہوئے تھے۔ ہماری فلڈ ریلیف کی کوششوں کے پہلے مرحلے کے طور پر ہم نے متاثرین میں کیڑے اور فوڈ راشن تقسیم کیا۔ ہم نے متاثرہ علاقوں میں میڈیکل ہیلتھ کیپ کا بھی انعقاد کیا تاکہ متاثرہ افراد کو بہتر اور معیاری ہیلتھ کیئر کی

ڈائریکٹرز کی رپورٹ

ہم بورڈ آف ڈائریکٹرز کی جانب سے سمرت 31 دسمبر 2022 کو ختم ہونے والے مالیاتی سال کیلئے سالانہ رپورٹ اور آڈٹ شدہ مالیاتی حسابات پیش کر رہے ہیں۔

کاروباری محاذ پر کئی چیلنجوں اور غیر یقینی معیشت اور خطے کی سیاسی صورتحال کے باوجود کمپنی بہتر نتائج حاصل کرنے میں کامیاب رہی، بیلز یونیورسٹی تمام کاروباری شعبوں سے مثبت شراکت کے ساتھ 38 فیصد تک بڑھا۔ مزید برآں کمپنی لاگت بڑھنے کے سبب مہنگائی کے اثرات کو کم کرنے میں کامیاب رہی اور 6 بلین روپے سے زائد کی خالص آمدنی حاصل کی گئی، دیگر کلیدی اشاریے ذیل میں پیش کیے گئے ہیں:

مالیاتی نتائج		سال مختتمہ 31 دسمبر	
		2021	2022
		روپے ہزاروں میں	
منافع جات اور مختص شدہ رقم		6,257,323	6,179,385
منافع بعد از ٹیکس		(42,918)	209,303
ملازمین کی ریٹائرمنٹ کے فوائد کے حقیقی منافع جات / (خسارے)		16,000,523	15,749,429
غیر مختص شدہ منافع جو کہ آگے منتقل کیا گیا		22,214,928	22,138,117
مختص شدہ رقمات			
حتمی منافع منقسمہ 2021 بشرح 1500 فیصد	(2020: بشرح 2500 فیصد)	2,309,107	1,385,464
پہلا عبوری منافع منقسمہ 2022 بشرح 1000 فیصد	(2021: بشرح 1500 فیصد)	1,385,464	923,643
دوسرا عبوری منافع منقسمہ 2022 بشرح 500 فیصد	(2021: بشرح 1500 فیصد)	1,385,464	461,821
تیسرا عبوری منافع منقسمہ 2022 بشرح 500 فیصد	(2021: بشرح 1500 فیصد)	1,385,464	461,821
غیر مختص شدہ منافع جات		6,465,499	3,232,749
آمدنی فی شیئر (روپے)		15,749,429	18,905,368
		677.46	669.02

کاروباری جائزہ

سال 2022 کے دوران کاروبار کیلئے اقتصادی صورتحال بدستور چیلنجنگ رہی۔ سیاسی عدم استحکام، تیزی سے بڑھتی مہنگائی، توانائی اور ایشیائے صرف کے بلند نرخ، روس۔ یوکرین جنگ کے بعد عالمی محاذ پر مہندی کا برقرار ہونا، تانہ کن سیلاب، پاک روپے کی قدر میں کمی، غیر ملکی زرمبادلہ کے کم ہوتے ذخائر اور درآمدات پر پابندیاں وہ کلیدی منفی عناصر تھے جن کے کاروباری ماحول پر سخت مضراثرات مرتب ہوئے۔ یہ تمام عناصر صنعت کے آپریشنز اور طلب پر بڑی طرح اثر انداز ہوئے، تاہم رفان ان تمام منفی اثرات سے نمٹنے میں کامیاب رہا اور 38 فیصد سیلز گروتھ حاصل کی، یہ مثبت کارکردگی بہترین سیلز مکس، صارفین کے لئے جدید اور بیلو ایڈ منسوجات کی فراہمی، بہتر آپریشنل طریقہ کار اور باکفایت پیداواری اقدامات میں مستقل سرمایہ کاری سے منسوب رہی۔

رفان میٹلا کی پروڈکٹ کا پورٹ فولیو متعدد صنعتی شعبوں کو خدمات فراہم کرنے والی مصنوعات کی وسیع تر شیخ پر مشتمل ہے۔

صنعتی کاروبار کی کارکردگی سافٹ ایکسپورٹ / مقامی طلب اور مجموعی طور پر مہندی کے رجحان کے پیش نظر ایشیائے صرف کی صنعتوں پر منفی اثرات کے سبب سست روی کا شکار رہی۔ ٹیکسٹائل کی صنعت انڈسٹریل پروڈکٹس کی وہ وسیع ترین انڈسٹری تھی جسے مستقل طور پر برآمدات کے ضمن میں سخت بحران، بلند ترین مینوفیکچرنگ لاگت، کاشن کی قلت کے باعث یاران کے نرخوں میں نمایاں اضافے اور سخت عالمی مسابقت کا سامنا کرنا پڑا۔ مجموعی طور پر ٹیکسٹائل کی صنعت کو لگ بھگ 70 فیصد کمی گنجانش کے ساتھ اپنی سرگرمیاں جاری رکھنا پڑیں۔ پیپر اور کوورڈیشن کے شعبوں کو بھی معیشت کے ضرر رساں اثرات کا سامنا کرنا پڑا، بالخصوص سیلابوں کے بعد گزشتہ سہ ماہی کے مقابلے میں صنعت سست روی کا شکار رہی، تاہم بہتر سیلز مکس اور نرخوں کے ذریعے حجم کے خسارے کی تلافی کی گئی۔

فوڈ برنس نے پروڈکٹس، سروسز اور مختلف نوعیت کے صارفین کے لئے نئے نئے سولوشنز بشمول کنفیکشنری، بیکنگ، ڈیزل، بیورٹیج، کیچ اپس بری ملکس، کنڈیمینٹس، سویس، آئس کریم، کسٹریڈ اور دیگر فوڈ پروڈیوسرز کا مجموعہ پیش کیا۔ کھانے پینے کی اشیاء کے بڑھتے ہوئے نرخ، جنوبی پنجاب اور اندرون سندھ میں سیلاب اور توانائی کے شدید بحرانوں نے فوڈ برنس کو گروتھ کی شرح برقرار رکھنے کے ضمن میں چیلنجوں سے دوچار کیا۔ ہماری جدید اور پروڈکٹس مارکیٹنگ، صارفین کے ساتھ اسٹریٹیجک کاروباری تعلقات اور بروقت سپلائی چین نے ہمیں کاروباری حجم برقرار رکھنے میں بڑی مدد فراہم کی۔

جانوروں کی خوراک کے اجزاء کی طلب پورے سال پلٹری، لائیو اسٹاک اور ایکوا کچھ کے شعبوں کے ضمن میں بڑھتی رہی، پلٹری کی مستحکم طلب، لائیو اسٹاک میں فارمولاریشن کے رجحان اور فٹ فارمنگ میں گروتھ بشمول دیگر فیڈ اجزاء کی دستیابی کے ایشوز کے سبب کمپنی سے تیار شدہ خوراک / فیڈ ز اور کمپنی کے جرم کیک کی طلب نمایاں حد تک بڑھ گئی۔ صنعتوں کی طرف سے ہمارے صارف کی کارن آئل کیلئے طلب بہتر رہی اور گزشتہ سال کے مقابلے میں یہ 12 فیصد تک بڑھ گئی۔

چیسر مین کا جائزہ

میں بسمرت رفغان میظ پروڈکٹس کمپنی لمیٹڈ کی مجموعی کارکردگی اور کمپنی کے اغراض و مقاصد کے حصول کے ضمن میں بورڈ کی جانب سے ادا کیے گئے موثر کردار پر جائزہ پیش کر رہا ہوں۔

پاکستان فی الوقت غیر یقینی سیاسی اور معاشی چیلنجز کا سامنا کر رہا ہے۔ پاکستانی روپے کی قدر میں کمی، غیر ملکی زرمبادلہ کے ذخائر میں 1998 سے اب تک کی سب سے بڑی کمی اور بڑھتی ہوئی مہنگائی نے مجموعی معاشی گروتھ کیلئے نمایاں چیلنجز پیش کئے ہیں۔ تباہ کن سیلاب، دہشت گردی کے پے در پے واقعات اور یوکرین میں جنگ کی وجہ سے خصوصاً توانائی اور ایشیائے صرف کی تیزی سے بڑھتی قیمتوں نے مسائل مزید بڑھادیئے ہیں۔ مہنگائی پر قابو پانے کیلئے اسٹیٹ بینک آف پاکستان نے بھی پالیسی ریٹ کو 17 فیصد تک بڑھا دیا ہے۔

انٹرنیشنل مانیٹری فنڈ (آئی ایم ایف) کی جانب سے نويس جائزے کی کامیاب تکمیل پاکستان کیلئے اس کے غیر ملکی زرمبادلہ کے ذخائر کو بہتر بنانے، اس کے مالیاتی قرضوں کی بروقت ادائیگی، دوست ممالک سے اضافی مالی معاونت کے حصول اور اس کے قرضوں کو ری اسٹرکچر کرنے کے ضمن میں اہم ثابت ہوگی۔ تاہم آئی ایم ایف پروگرام کو سخت اصلاحی پالیسی اقدامات کے نفاذ کے ساتھ منسلک کیا جائے گا جس میں بعض سبسڈیز کو ختم کرنا اس کے مالیاتی خسارے میں کمی اور گردش قرضوں میں کمی شامل ہے تاہم اسی تک محدود نہیں ہے، یہ تمام اقدامات مہنگائی میں مزید اضافے، بلند تر پیداواری لاگت اور مجموعی طور پر مستقبل قریب میں کٹر طلب کا باعث ہو سکتے ہیں۔

پاکستان کی معیشت نے ہمیشہ غیر موزوں اقتصادی اور کاروباری ماحول کے خلاف مضبوط لچک کا مظاہرہ کیا ہے، ہم پر عزم ہیں کہ معیشت اور کاروباری صورتحال اس خصوصی بحرانی مدت گزرنے کے بعد تدریجاً اپنے ٹریک پر واپس آجائے گی۔

بورڈ نے اس بحرانی مدت کے دوران اپنا موثر اور بھرپور کردار ادا کیا۔ کمپنی 38 فیصد سیلز ریونیو گروتھ حاصل کرنے میں کامیاب رہی اور 58.8 بلین روپے کا بلند تر تاریخی ریونیو حاصل کیا گیا۔ ریونیو میں اس گروتھ سے کمپنی کو توانائی کے بلند تر اخراجات اور خام مال کی ان پٹ مالیت کی وجہ سے ہونے والی مہنگائی کے تدارک میں مدد ملی۔ بورڈ اور انتظامیہ کی جانب سے اس موثر اور مثبت کردار کے سبب ٹاپ لائن گروتھ حاصل ہوئی اور کمپنی کے سیلز شیئر کو برقرار رکھنے میں مدد ملی۔

ہم پُر اعتماد ہیں کہ ہمارا کاروبار موجودہ معاشی اور کاروباری چیلنجز پر قابو پاتے ہوئے اپنی بہتر پوزیشن کو برقرار رکھے گا۔ ہم ایک مضبوط اور قوت بخش انتظامی ٹیم اور ایک تجربہ کار و پائیدار بورڈ کے حامل ہیں جو اس چیلنجنگ دور میں ہمارا کاروبار بہتر طور پر چلا سکتے ہیں۔ ہم پائیدار ترقی کے حصول اور چیلنجز سے نمٹنے کیلئے مختلف اقدامات کو بروئے کار لاتے رہیں گے تاکہ مزید بلند یوں کے حصول، اسٹریٹیجک توسیع کیلئے جدوجہد اور شیئر ہولڈرز کے منافع کو بہتر بنانے کے ساتھ ساتھ کمپنی کی مجموعی کارکردگی کو بہتر بنایا جائے۔

میں بورڈ کے تمام ممبران کا ان کی مستقل رہنمائی کیلئے شکریہ ادا کرنا چاہوں گا۔ قابلیت اور معلومات کا ایک مضبوط اور لامحدود ذخیرہ، مہارت اور صلاحیت کے ساتھ بورڈ کی کارکردگی انتہائی شاندار رہی ہے۔ بورڈ مستقل طور پر کمپنی کے کاروبار اور حکمت عملی کا جائزہ لیتا رہتا ہے اور انتظامیہ کو مسلسل کلیدی شعبوں بشمول اسٹریٹیجک پلاننگ، وسائل کے موثر استعمال، مالیاتی کارکردگی، سرمائے کی تعیناتی، ٹیلنٹ منجمنٹ، آپریشنل گنجائش اور متعلقہ صلاحیتوں کے بارے میں مشورے دیتا رہتا ہے۔ میں ایک اور مستحکم سال کی فراہمی کے لئے بورڈ کی کاوشوں کا اعتراف کرتے ہوئے ان کو خراج تحسین پیش کرتا ہوں۔

یکم مارچ 2023



چیسر مین کیلئے لائنڈا زوری

چیسر مین

Request Form for Hard Copy of Annual Audited Financial Statements

Date: _____

I/We _____ request that a hard copy of the Annual 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 A/c No.	
Postal Address:	
e-mail Address:	
Contact No.:	
CNIC No.	
Signature	

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.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
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Proxy Form

134th 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.....

vote for me/us and on my/our behalf at the 134th General Meeting (Annual Ordinary) of the Company to be held on Thursday, April 27, 2023 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 of2023

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 I:

Witness II:

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.

AFFIX
CORRECT
POSTAGE

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

پراکسی فارم

134 واں اجلاس عام (سالانہ عمومی)

دی کمپنی سیکریٹری،
رفان میٹل پراڈکٹس کمپنی لمیٹڈ،
رکھ کینال ایسٹ روڈ،
فیصل آباد۔

میں/ہم _____ بیوی/بیٹا/بیٹی _____ ساکن _____ بحیثیت 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 بحیثیت پراکسی مقرر کیا ہے جو میری/ہماری جگہ پر کمپنی کے
134 ویں اجلاس عام (سالانہ عمومی) منعقدہ کمپنی کے ہیڈ آفس، رکھ کینال ایسٹ روڈ، فیصل آباد بروز جمعرات، 27 اپریل، 2023 کو بوقت 03:00 بجے دوپہر یا کسی ملتوی شدہ تاریخ پر شرکت
کر کے ووٹ ڈال سکے گا/گی۔

تاریخ آج _____ بابت _____ 2023

50/- روپے
کارپوریشن اسٹیٹس چسپاں کریں

پراکسی کے دستخط _____	شیئر ہولڈر کے دستخط _____
موجودہ شیئرز کی تعداد _____	فولیو نمبر/سی ڈی سی اکاؤنٹ پارٹ آئی ڈی نمبر _____
گواہ نمبر: _____	شیئر ہولڈر کا سی این آئی سی نمبر _____
دستخط _____	گواہ نمبر ۲: _____
نام _____	دستخط _____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____	نام _____
پتہ _____	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____
	پتہ _____

نوٹ:

- یہ پراکسی فارم ہر طرح سے مکمل کر کے اور ریونیو اسٹیٹس 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۔
- شیئر ہولڈرز یا ان کے پراکسیز کو اپنی شناخت کے لیے اپنا اصل کارآمد سی این آئی سی یا اصل کارآمد پاسپورٹ ہمراہ لانا ہوگا۔ سی ڈی سی شیئر ہولڈرز کو پارٹیٹیپٹ آئی ڈی نمبر یا اکاؤنٹ نمبر بھی ہمراہ لانا ہوگا۔
- کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نمونہ دستخط کمپنی کو پراکسی فارم کے ساتھ جمع کرانے ہوں گے (اگر یہ پہلے فراہم نہیں کیے گئے)۔

اسٹمپ چسپاں کریں

کمپنی سیکرٹری،
رفحان میڈ پرائڈکٹس کمپنی لمیٹڈ،
رکھ کینال ایسٹ روڈ،
فیصل آباد۔




RafhanMaize
PRODUCTS CO LTD
FAISALABAD - PAKISTAN
www.rafhanmaize.com