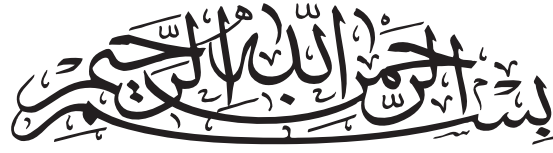


**Annual Report 2023**



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# Company Information

## Board of Directors

### Chairman

Mr. Michael Fergus O'Riordan 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. Tahir Jawaid Independent &

Non-Executive

Mr. Kamran Yousuf Mirza Independent &

Non-Executive

Mr. Adil Saeed Khan Executive

### Chief Financial Officer

Mr. Adil Saeed Khan

### Company Secretary

Mr. Mustafa Kamal Zuberi

### Audit Committee

Mr. Kamran Yousuf Mirza Chairman

Mr. James D. Gray Member

Mr. Marcel Hergett Member

Ms. Tanya Jaeger de Foras Member

Mr. Zulfikar Mannoo Member

Mr. Kamran Anjum Secretary

### Human Resource & Remuneration Committee

Mr. Tahir Jawaid Chairman

Mr. Michael Fergus O'Riordan 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

### Shares Transfer Committee

Mr. Humair Ijaz Chairman

Mr. Adil Saeed Khan Member

Mr. Mustafa Kamal Zuberi Secretary

## Bankers/AMCs

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.

Al-Meezan Investment Management Ltd.

UBL Funds Management Ltd.

MCB Investment Management Ltd.

## Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Lahore – Karachi

## Legal Advisor

M. Ali Seena

C/o Surridge & Beecheno,

Karachi-74000

## Shares Registrar

FAMCO Share Registration Services (Pvt.) Ltd.

8-F, Near 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@famcosrs.com

## 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 135th General Meeting (Annual Ordinary) of the shareholders of Rafhan Maize Products Co. Limited will be held on Monday, April 22, 2024 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 27, 2023 at Faisalabad.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2023 together with the Directors' and Auditors' Reports thereon.
3. To approve final cash dividend of Rs.100/- per ordinary share of Rs.10/- i.e. 1,000% for the year ended December 31, 2023 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, 2024 along with half year review.

Faisalabad.  
April 01, 2024

By order of the Board

  
Mustafa Kamal Zuberi  
Chief Legal Officer &  
Company Secretary

### Notes:

1. The Shares Transfer Books of the Company will remain closed from 16th April to 22nd April, 2024 (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 purposes, 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](http://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.

### Transmission of Annual Audited Financial Statements via QR enabled code

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 same was approved by the shareholders In Company's Annual General Meeting held on April 27, 2023.

Annual Financial Statements of the Company for the financial year ended December 31, 2023 have been placed on the Company's website which can be accessed/downloaded from the following weblink/QR code:

<https://rafhanmaize.com/wp-content/uploads/2024/04/Annual-Report-2023.pdf>



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](http://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](http://www.rafhanmaize.com) have remained unclaimed or unpaid for a period of three years from the date these have become due and payable. In case of non-receipt of any claim 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 sub-section 2 of section 244 of the Companies Act 2017.

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

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

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

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

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

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

Company Name	Folio/CDS A/C #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name & CNIC #	Shareholding Proportion (No. of Shares)	Name & CNIC #	Shareholding Proportion (No. of Shares)

In another clarification by Federal Board of Revenue, valid tax exemption certificate for claim of exemption U/S 150, 151 and 233 of the Income Tax Ordinance, 2001 is required where statutory exemption under Clause 47B of Part-IV of the Second Schedule is available. Such certificate U/S 159(1) of the Income Tax Ordinance, 2001 issued by concerned Commissioner of Inland Revenue is to be produced to avail tax exemption.

For any query/problem/information, the investors may contact the Company and/or the Shares Registrar at the phone numbers/e-mail addresses given at the end of this notice.

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or its Shares Registrar M/s FAMCO Share Registration Services (Pvt.) Ltd. The shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective folio numbers.

### Centralized Cash Dividend Register (CCDR)

Central Depository Company (CDC) has developed Centralized Cash Dividend Register (CCDR), an eServices web portal which would incorporate details pertaining to cash dividends paid, unpaid or withheld by listed companies. The CCDR will help to maintain history of dividends paid to shareholders by listed companies and access of all such information will be provided to the respective shareholders. The web portal will facilitate shareholders of listed companies in retrieving details of cash dividends from the centralized register and using the same for their record purposes.

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

### Deposit of Physical Certificates in CDC Account

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

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

### 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.

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](mailto: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 20, 2024. The Shareholders can also provide their comments and questions for the agenda items of the AGM on Email at [corporate@rafhanmaize.com](mailto:corporate@rafhanmaize.com). Members are, therefore, encouraged to attend the AGM through video-link or by consolidating their attendance through proxies.

### 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

<b><u>Company Contact:</u></b> 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	<b><u>Shares Registrar:</u></b> Mr. Nadeem Amjad M/s FAMCO Share Registration Services (Pvt.) Ltd. 8-F, Near Hotel Faran, Nursery, Block-6, PECHS, Shahrah-e-Faisal, Karachi. Tel. No. 021-34380101-05 & 34384621-23 (Ext.104) E-mail:info.shares@famcosrs.com
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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.



# Core Values



## Care First

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



## Be Preferred

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



## Everyone Belongs

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



## Innovate Boldly

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



## Owner's Mindset

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

## Chairman's Review

I am pleased to provide an overview of Rafhan Maize Products Company Limited's performance and the crucial role played by the Board in achieving our objectives.

The IMF's recent downgrade of Pakistan's growth forecast for 2024 underscores economic challenges, emphasizing the need for targeted reforms. The unprecedented political and economic challenges, PKR depreciation with inflation impacting consumer purchasing demand. However, the global economic outlook remains optimistic. The State Bank of Pakistan addressed inflation by raising the policy rate to 22%. Despite challenges, we remain optimistic about the resilience of the Pakistan's economy and anticipate a rebound.

During this challenging period, the Board played a pivotal role, in maintaining company's leadership position and delivering an impressive 11% revenue growth, reaching a historic PKR 65.4 billion. This proactive approach helped mitigate cost inflation, resulting in a 12% bottom-line growth.

We are confident in our business's ability to navigate current challenges. With a strong and agile management team and an experienced Board, we will lead initiatives to sustain growth, pursue strategic expansion, improve shareholder value, and enhance overall company performance.

I extend my gratitude to all Board members for their ongoing guidance. Leveraging diverse knowledge, expertise, and skills, the Board consistently reviews the company's business and strategy, advising on key areas such as strategic planning, resource utilization, financial performance, talent management, and operational capabilities. I appreciate the Board's contribution to delivering another strong year.



Michael Fergus O'Riordan  
Chairman

February 28, 2024

## 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, on the Board. 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, on the Board. 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 Germany GmbH,  
Gruner Deich-110,  
Hamburg-20097,  
Germany.

### JAMES D. GRAY

Non-Executive Director

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

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

#### Office Address

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

### TANYA JAEGER DE FORAS

Non-Executive Director

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

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

#### Office Address

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

## 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 30 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

Mr. Adil joined the board of Rafhan Maize on August 23, 2021. He is a qualified Chartered Accountant from Institute of Chartered Accountants of Pakistan (ICAP) with over 20 years of experience in diversified business disciplines both in industry and professional services. 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. Previously, he has worked with Reckitt Benckiser Pakistan Ltd., Tri-Pack Films Ltd., Castrol Pakistan Pvt. Ltd and Price water house Coopers (PwC).

#### **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 31 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 43 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

Rakh Canal East Road,  
Faisalabad.

### KAMRAN YOUSUF MIRZA

Independent & Non-Executive Director

Mr. Kalman Y. Mirza is a qualified Chartered Accountant (Nov. 1968) from United Kingdom and started his career in Pakistan as an auditor with A.F. Ferguson & Co. Mr. Mirza then made a career move in December 1970 and joined Abbott Laboratories (Pakistan) Limited, a multinational Pharmaceutical cum health care company as Chief Financial Officer. He became one of the youngest Managing Directors of his time in the year 1977 and remained in that position. i.e. Managing Director Abbott Pakistan for 29 years. He remained a director on the board, post-retirement till 2021.

Mr. Mirza held the position of Chairman Export Processing Zones Authority from February 2007 to March 2009 and then joined PBC (Pakistan Business Council) as its Chief Executive Officer. a position he held till December 2015. PBC is a Think Tank cum Business Policy Advocacy Forum.

He is the Chairman of Philip Morris (Pakistan) Ltd. He is also serving as Director, on the Boards of Colgate Palmolive (Pak) Ltd. Askari Bank Ltd. Gul Ahmed Textiles Ltd. Education Fund for Sindh (EFS).

Previously, he served as Chairman of Pakistan Mercantile Exchange Ltd. (PMEX)-formerly National Commodity Exchange Ltd. (NCEL). Chairman of Karachi Stock Exchange (KSE), President of Overseas Chamber of Commerce & Industry (OICCI), President of American Business Council (ABC), Chairman of Pharma Bureau (Association of Pharmaceutical Multinationals).

He served as Director on the Boards of State Bank of Pakistan (SBP). Pakistan State Oil (PSO), International Steel (ISL). Sarmaya-e-Pakistan Ltd. National Bank of Pakistan (NBP), Bank Alfalah Ltd. Abbott Laboratories (Pak) Ltd., Pakistan Textile City Ltd., Unilever Pakistan Foods Ltd (UPFL) of which he was the Chairman from April 2014 to April 2023, Competitiveness Support Fund (CSF), Genco Holding Company, AVTEC, Safari Club of Pakistan Ltd. and Karwan-e-Hayat, of which he was also the Chairman from Dec. 2012 to Oct. 2016. Further. He represented PBC on the Board of BOI (Board of Investment) and other Government Bodies/Institutions.

#### Office Address

Rakh Canal East Road,  
Faisalabad.

## 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

	2023	2022	2021	2020	2019	2018
					Restated	
Sales	11%	38%	19%	2%	19%	14%
Cost of sales	10%	45%	24%	-1%	22%	16%
Gross profit	18%	15%	5%	9%	13%	7%
Distribution cost	19%	24%	5%	7%	12%	8%
Administrative expenses	37%	34%	22%	6%	23%	-4%
Operating profit	23%	13%	5%	10%	14%	12%
Other operating income	123%	13%	18%	36%	53%	32%
Finance cost	144%	348%	-1%	99%	-10%	65%
Other operating expenses	19%	11%	11%	11%	15%	11%
Profit before taxation	21%	11%	6%	10%	14%	12%
Taxation	36%	39%	13%	4%	13%	21%
Profit after taxation	12%	-1%	3%	12%	14%	9%

## Horizontal Analysis of Balance Sheet

	2023	2022	2021	2020	2019	2018
					Restated	
<b>NON CURRENT ASSETS</b>						
Property, plant and equipment	22%	-3%	1%	-4%	-3%	3%
Intangible assets						
Capital work-in-progress	68%	261%	0%	98%	78%	-89%
<b>EMPLOYEES RETIREMENT BENEFITS</b>	47%	313%	-38%	81%	-45%	-10%
<b>LONG TERM LOANS</b>	-81%	28%	-17%	-11%	-24%	1%
<b>LONG TERM DEPOSITS</b>	8%	6%	1%	0%	0%	1%
<b>CURRENT ASSETS</b>						
Stores and spares	-2%	33%	38%	-3%	9%	21%
Stock in trade	51%	77%	109%	18%	10%	-22%
Trade debts	2%	42%	30%	-7%	36%	10%
Loans and advances	-43%	227%	83%	-69%	10%	13%
Trade deposits and short term prepayments	427%	-48%	-12%	106%	-31%	10%
Other receivables	276%	-28%	88%	-51%	16%	44%
Short term investments	60%	243%	-62%	104%		
Cash and bank balances	647%	-76%	-42%	62%	-5%	35%
<b>TOTAL ASSETS</b>	57%	36%	5%	23%	10%	1%
<b>CURRENT LIABILITIES</b>						
Current portion of long term financing	272%	-90%	-6%	--		
Current portion of deferred income	161%	39%	-25%	--		
Trade and other payables	123%	48%	22%	57%	5%	7%
Unpaid dividend	-21%	131%	0%	8729%	-59%	-97%
Unclaimed dividend	15%	20%	33%	0%	-5%	-67%
Mark up accrued on short term running finances	136%	2669%	9%	75%	1942%	0%
Short term running finances - secured	191%	172%	--	--		
Lease Liability	0%	-14%	--	-100%		
Provision for taxation - net	116%	138%	-49%	-1%	-9%	108%
<b>NON CURRENT LIABILITIES</b>						
Long term financing	392%	--	-100%	--		
Deferred income	119%	--	-100%	--		
Deferred taxation	42%	15%	-1%	-1%	15%	-11%
<b>SHARE CAPITAL AND RESERVES</b>						
Share capital	0%	0%	0%	0%	0%	0%
Reserves	21%	20%	-2%	11%	11%	7%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	57%	36%	5%	23%	10%	1%

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

## Vertical Analysis of Profit and Loss Account

	2023	2022	2021	2020	2019	2018
					Restated	
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	78.6%	79.9%	75.8%	72.7%	74.6%	73.2%
Gross profit	21.4%	20.1%	24.2%	27.3%	25.4%	26.8%
Distribution cost	1.2%	1.2%	1.3%	1.5%	1.4%	1.5%
Administrative expenses	2.1%	1.7%	1.7%	1.7%	1.6%	1.6%
Operating profit	19.1%	17.2%	21.1%	23.7%	22.0%	23.0%
Other operating income	2.4%	1.2%	1.5%	1.5%	1.1%	0.9%
Finance cost	0.8%	0.4%	0.1%	0.1%	0.1%	0.1%
Other operating expenses	1.3%	1.3%	1.6%	1.7%	1.5%	1.6%
Impairment loss on financial assets	0.0%	0.0%	0.0%	0.2%	0.0%	-
Profit before taxation	18.3%	16.9%	21.0%	23.6%	21.9%	23.0%
Taxation	7.8%	6.4%	6.3%	6.6%	6.5%	6.8%
Profit after taxation	10.6%	10.5%	14.7%	17.0%	15.4%	16.1%

## Vertical Analysis of Balance Sheet

	2023	2022	2021	2020	2019	2018
					Restated	
<b>NON CURRENT ASSETS</b>						
Property, plant and equipment	14.6%	18.7%	26.1%	27.4%	35.0%	39.7%
Intangible assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital work-in-progress	2.4%	2.2%	0.8%	0.9%	0.6%	0.3%
<b>EMPLOYEES RETIREMENT BENEFITS</b>	1.2%	1.3%	0.4%	0.7%	0.5%	1.0%
<b>LONG TERM LOANS</b>	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
<b>LONG TERM DEPOSITS</b>	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%
<b>CURRENT ASSETS</b>						
Stores and spares	2.8%	4.5%	4.6%	3.5%	4.4%	4.4%
Stock in trade	48.5%	50.4%	38.7%	19.5%	20.3%	20.3%
Trade debts	5.7%	8.8%	8.4%	6.8%	9.0%	7.3%
Loans and advances	0.2%	0.7%	0.3%	0.2%	0.7%	0.7%
Trade deposits and short term prepayments	0.7%	0.2%	0.6%	0.7%	0.4%	0.7%
Other receivables	0.2%	0.1%	0.2%	0.1%	0.2%	0.2%
Short term investments	10.5%	10.3%	4.1%	11.3%	6.8%	
Cash and bank balances	12.9%	2.7%	15.7%	28.7%	21.9%	25.2%
<b>TOTAL ASSETS</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>CURRENT LIABILITIES</b>						
Trade and other payables	34.9%	24.5%	22.5%	19.4%	15.3%	16.0%
Unpaid dividend	3.2%	6.4%	3.8%	4.0%	0.1%	0.1%
Unclaimed dividend	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Mark up accrued on short term running finances	0.3%	0.2%	0.0%	0.0%	0.0%	0.0%
Short term running finances - secured	11.7%	6.3%	3.1%	0.0%	0.0%	0.0%
Provision for taxation	1.2%	0.9%	0.5%	1.0%	1.3%	1.5%
Current portion of long term financing	0.1%	0.0%	0.5%	0.6%	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%
<b>NON CURRENT LIABILITIES</b>						
Deferred taxation	2.7%	3.0%	3.5%	3.8%	4.7%	4.5%
Long term financing	0.7%	0.2%	0.0%	0.5%	0.0%	0.0%
Deferred income	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%
<b>SHARE CAPITAL AND RESERVES</b>						
Share capital	0.2%	0.3%	0.4%	0.4%	0.5%	0.5%
Reserves	44.7%	57.9%	65.5%	70.2%	78.1%	77.2%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	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, 2023.

Despite challenges in the business landscape and an unpredictable economic environment, the company achieved positive results. Revenue increased by 11%, with contributions from all business segments. The company effectively managed cost inflation, resulting in a 12% increase in net income from the previous year. Further key indicators are outlined below.

		Year ended December 31	
		2023	2022
Rupees in Thousand			
Profit after taxation		6,912,778	6,179,385
Actuarial gains/(losses) of employees retirement benefits		90,218	209,303
Un-appropriated profit brought forward		18,905,368	15,749,429
		<b>25,908,364</b>	<b>22,138,117</b>
Appropriations			
Final Dividend 2022 @750%	(2021: @1500%)	692,732	1,385,464
1 <sup>st</sup> Interim Dividend 2023 @750%	(2022: @1000%)	692,732	923,643
2 <sup>nd</sup> Interim Dividend 2023 @750%	(2022: @500%)	692,732	461,821
3 <sup>rd</sup> Interim Dividend 2023 @1000%	(2022: @500%)	923,643	461,821
		<b>3,001,839</b>	<b>3,232,749</b>
Un-appropriated Profit Carried Forward		<b>22,906,525</b>	<b>18,905,368</b>
Earnings per Share (Rupees)		<b>748.43</b>	<b>669.02</b>

## Business Review

In 2023, Pakistan faced severe economic challenges such as high inflation, PKR devaluation, high policy rates, political unrest, and a global economic downturn. Despite these obstacles, the company posted improved results, with a Profit after tax of PKR 6,913 million. This performance was driven by a better sales mix, innovative solutions, improved operational leverage, and cost-saving initiatives.

Industrial business performance remained impacted due to uncertainty in downstream demand for industrial ingredients. The demand from textile sector remained impacted due to higher energy costs and reduced global demand. The demand from paper and corrugation remained stable, supported by growing packaging consumption.

Inflation posed challenges to consumer buying, affecting demand for our food ingredients. However, confectionery, food processing, ice cream, ketchup, soups, still drinks, pharmaceuticals, and baking showed resilience. Animal nutrition ingredients had steady demand from poultry, livestock, and aquaculture segments, driven by stable poultry demand and growth in fish farming.

Rafhan Maize focused on strengthening core businesses, enhancing marketing capabilities for new food specialty ingredients, and improving exports. The company strengthened its regional position with exports to multiple markets, contributing to foreign exchange earnings for the national exchequer.

## Operations

Continuing our tradition of market leadership, Rafhan focuses on delivering creative and cost-effective solutions to our valued customers. Our Pakistan operations team prioritizes streamlining manufacturing processes for energy conservation, environmental protection, and ensuring safe working conditions.

Emphasizing coordination among contractors, material suppliers, and employees, our goal is to outperform both internal and external customer expectations and generate a strong return on investment for shareholders. Key achievements include efficient manufacturing facility utilization, successful behavior-based safety initiatives, completion of continuous improvement projects, initiation of energy conservation projects, highest-ever First Pass Compliance, and development of high-worth new products.

### **Safety, Health and Environment**

"Care First" is our core value, prioritizing safety for all stakeholders. We foster a zero-harm mindset, investigate incidents thoroughly, and provide safety training. Regular GEMBA walks and safety initiatives contribute to maintaining a safe environment. Our active endorsement of sustainable practices includes a 24/7 wastewater treatment plant, ongoing efforts in energy conservation, water saving, waste minimization, tree planting drives, and waste segregation, aligning with our commitment to a healthy and clean environment. 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 dedicated to social responsibility, contributing to community upliftment in health, education, gender equality, environment, and community development. Our mission is to create opportunities for people, farmers, small businesses, and communities, improving their quality of life.

This year, our focus was on phase II of our flood rehabilitation program, partnering with Akhuwat Foundation for the rehabilitation of the village Dhani Bux, Kotri. Thirty-seven houses were rebuilt and handed over to families who had lost their homes during floods, and the project was completed in November 2023.

Looking ahead, we are committed to increasing efforts to align with the United Nations Sustainable Development Goals (UNSDGs), particularly in health, education, and women's empowerment, making a positive impact on the community.

### **Business Risks, Challenges and Future Projects**

The upcoming year poses challenges for the country as it strives for fiscal stabilization within the framework of the IMF program. The economic outlook hinges on political stability post-elections and ongoing reforms. Challenges include a tough economic situation, consistent PKR devaluation and increased energy cost.

In the face of these challenges, our focus is on maintaining smooth operations, increasing volumes, cost control, process optimization, price rationalization, and efficient working capital management. We are actively increasing our export footprints contributing to the Country's foreign reserve.

Aligned with Ingredion's global philosophy, we uphold core values, adapt to change, operate with integrity, and prioritize responsibility. Rafhan remains committed to product safety, quality, and providing value-added services. We aim to maintain leadership through progressive market approaches and contribute to economic stabilization.

Despite margin pressures, we remain optimistic, focusing on growth and innovation with new product development. Our determination to understand customer needs, respond rapidly, and build on competitive strengths drives our business strategy. In light of currency devaluation and rising costs, our emphasis remains on increasing volumes, cost control, and efficient management.

We express gratitude to our shareholders for their unwavering support. Your trust in our company and leadership is invaluable. Rafhan stands on a strong foundation, setting a stable course for the future with optimism for sustained growth and resilience in the face of challenges.

### **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 28.

## 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:

		2023	2022	2021	2020	2019	2018
						Restated	
Net Sales	PKR Million	65,467	58,756	42,610	35,873	35,261	29,564
Cost of Sales	PKR Million	51,475	46,922	32,291	26,091	26,289	21,631
Gross Profit	PKR Million	13,991	11,834	10,318	9,782	8,972	7,933
% of Sales	%	21	20	24	27	25	27
Operating Profit	PKR Million	12,502	10,128	8,987	8,519	7,750	6,811
% of Sales	%	19	17	21	24	22	23
Profit Before Tax	PKR Million	12,000	9,922	8,941	8,473	7,726	6,785
Profit After Tax	PKR Million	6,913	6,179	6,257	6,094	5,444	4,772
Earnings Per Share	PKR	748.43	669.02	677.46	659.80	589.36	516.62
Dividend Amount	PKR Million	3,002	3,233	6,465	4,618	3,925	3,925
Dividend Percentage	%	3,250	3,500	7,000	5,000	4,250	4,250
Capital Expenditure	PKR Million	2,431	882	516	349	314	196

## Resources Management

The Agribusiness department continued its commitment to sustainability by launching a campaign to educate farmers on sustainable agriculture. Collaborating with our field team and led by our Sustainability Specialist, the campaign introduces farmers to evolving sustainable practices, crucial in the changing climate of Pakistan. Our aim is for this generation of farmers to leave the soil, water, and climate unharmed for future generations.

Recognizing the challenges during the spring season harvest falling in the monsoon, susceptible to Aflatoxin growth, we address post-harvest losses and fungal contamination. Our R&D team initiated a program in 2016, partnering with USDA and CDRI, Islamabad, to implement Atoxigenic Competitive Exclusion (ACE). We are continuing our efforts to obtain the required approvals. Once completed, this initiative will be a great value addition to Maize and other crops of Pakistan.

## Investment

Your company adopts a well-structured capital investment strategy, focusing on business growth, cost savings, sustainability, quality, and technology upgrades, aligned with global developments and benchmarks. Prioritizing customer service and satisfaction, Rafhan has achieved significant milestones in the past year, including enhancements in energy efficiency, solar energy generation, and the introduction of debottlenecking and expansion projects. The Rafhan team is dedicated to further consolidating and advancing manufacturing and non-manufacturing facilities, aiming for best-in-class excellence and profitability.

## 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:

		2023	2022
		Rupees in Thousand	
Provident Fund	As at June 30 <sup>th</sup>	1,417,594	1,225,743
Gratuity Fund	As at December 31 <sup>st</sup>	1,251,715	1,102,216
Superannuation Fund	As at December 31 <sup>st</sup>	986,001	850,189

## Board of Directors

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

<b>Total Number of Directors</b>	<b>11</b>
<b>Male</b>	<b>10</b>
<b>Female</b>	<b>1</b>

## Composition

<b>Independent Directors</b>	<b>2</b>
<b>Other Non-Executive Directors</b>	<b>7</b>
<b>Executive Directors</b>	<b>2</b>

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, six 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 on March 02, 2023)	Non-Executive Director	1
Michael Fergus O'Riordan (Chairman w.e.f. March 02, 2023)	Non-Executive Director	6
Humair Ijaz	Executive Director	5
James D. Gray	Non-Executive Director	6
Tanya Jaeger de Foras	Non-Executive Director	6
Marcel Hergett (Joined the Board on March 02, 2023)	Non-Executive Director	5
Zulfikar Mannoo	Non-Executive Director	6
Mian M. Adil Mannoo	Non-Executive Director	6
Wisal A. Mannoo	Non-Executive Director	6
Adil Saeed Khan	Executive Director	6
Waqar Ahmad Malik (Resigned on June 26, 2023)	Independent Director	2
Kamran Yousuf Mirza (Joined the Board on July 12, 2023)	Independent Director	3
Tahir Jawaid	Independent Director	6

## Remuneration Policy of Non-executive Directors Including Independent Directors

Non-executive directors (other than those who represent Ingredient) and independent directors are paid fee for attending the meetings. The level of remunerations is appropriate and commensurate with the level of responsibility and expertise to govern the company successfully and ensure value addition.

## Transactions in Company's Shares

Directors, Executives, their spouses and minor children have made no 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 2024.

## Audit Committee

The Board of Directors have established an Audit Committee in compliance with the Code of Corporate Governance (Regulations), 2019 comprising of five Board members. Four regular & two special 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 (resigned from board on June 26, 2023)	Chairman (former)	Independent Director	2
Zulfikar Mannoo	Member	Non-Executive Director	6
Tanya Jaegar De Foras	Member	Non-Executive Director	4
James D. Gray	Member	Non-Executive Director	5
Michael Fergus O'Riordan	Member (former)	Non-Executive Director	1
Marcel Hergett	Member	Non-Executive Director	5
Kamran Y, Mirza	Chairman	Independent Director	2

## 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
Humair Ijaz Ahmed	Member	Executive Director	2
Michael Fergus O'Riordan (Appointed on April 28, 2023)	Member	Non-Executive Director	1
Pierre Perez y Landazuri (Resigned from board on March 02, 2023)	Member	Non-Executive Director	1
Tanya Jaeger de Foras	Member	Non-Executive Director	2
Adil Mannoo	Member	Non-Executive Director	2

## Operations Committee

The Board of Directors have established an Operations 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	Member	Non-Executive Director	4
Tahir Jawaid	Member	Independent Director	4
Wisal A. Mannoo	Member	Non-Executive Director	4
Humair Ijaz	Member	Executive Director	4

## Pattern of Shareholding

Pattern of Shareholding as on December 31, 2023, 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 @750%, 750% & 1,000% respectively. The Directors now propose a final dividend of 1,000% making the total 3,500% 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

February 28, 2024

# Stakeholders' Information

## Performance Indicators for Six Years

		2023	2022	2021	2020	2019	2018
<b>Profit and Loss Account</b>						<b>Restated</b>	
Net turnover	Rs. Million	65,466.70	58,755.77	42,609.63	35,873.33	35,260.67	29,564.16
Gross profit	Rs. Million	13,991.40	11,833.53	10,318.34	9,782.32	8,972.03	7,933.48
Operating profit	Rs. Million	12,502.14	10,127.57	8,986.74	8,519.27	7,749.73	6,811.05
Profit before tax	Rs. Million	12,000.34	9,921.58	8,940.73	8,472.90	7,726.47	6,785.22
Profit after tax	Rs. Million	6,912.78	6,179.39	6,257.32	6,094.23	5,443.57	4,771.70
Earnings before interest, taxes, depreciation and amortization (EBITDA)	Rs. Million	13,080.44	10,647.14	9,479.60	9,004.97	8,225.63	7,263.39
<b>Balance Sheet</b>							
Share capital	Rs. Million	92.36	92.36	92.36	92.36	92.36	92.36
Reserves	Rs. Million	22,944.62	18,943.46	15,787.52	16,038.62	14,511.81	13,051.92
Shareholders funds	Rs. Million	23,036.98	19,035.83	15,879.89	16,130.98	14,604.18	13,144.28
Property, plant and equipment	Rs. Million	7,492.01	6,117.14	6,300.06	6,264.51	6,504.40	6,706.84
Net current assets / (liabilities)	Rs. Million	15,511.74	12,823.11	10,095.05	10,437.12	8,737.44	6,932.23
Long term / deferred liabilities	Rs. Million	1,841.53	1,092.43	858.36	976.08	871.50	758.83
Total assets	Rs. Million	51,287.50	32,718.59	24,096.80	22,845.19	18,578.54	16,901.62
<b>Profitability Ratios</b>							
Gross profit ratio	Percentage	21.37	20.14	24.22	27.27	25.44	26.83
Net profit to sales	Percentage	10.56	10.52	14.69	16.99	15.44	16.14
EBITDA margin to sales	Percentage	19.98	18.12	22.25	25.10	23.33	24.57
Operating leverage	Percentage	2.05	0.34	0.29	5.71	0.72	0.90
Return on equity	Percentage	30.01	32.46	39.40	37.78	37.27	36.30
Return on capital employed	Percentage	27.79	30.70	37.38	35.62	35.17	34.32
<b>Liquidity Ratios</b>							
Current ratio	Times	1.59	2.02	2.37	2.82	3.82	3.31
Quick/ Acid test ratio	Times	0.59	0.59	0.96	1.90	2.34	1.92
Cash to current liabilities	Times	0.46	0.34	0.65	1.60	1.72	1.42
Cash flow from operations to sales	Times	0.13	0.01	0.04	0.20	0.14	0.20
<b>Activity / Turnover Ratios</b>							
Inventory turnover ratio	Times	1.95	2.61	3.10	4.97	5.72	5.18
No. of days in inventory	Days	157.01	110.33	88.59	68.87	60.87	71.29
Debtors turnover ratio	Times	22.39	20.44	21.07	23.11	21.04	23.94
No. of days in receivables	Days	16.17	15.21	15.31	16.42	15.06	15.25
Creditors turnover ratio	Times	2.87	5.84	5.96	5.88	9.28	7.93
No. of days in payables	Days	91.98	52.30	55.68	50.86	38.40	46.03
Total assets turnover ratio	Times	1.28	1.80	1.77	1.57	1.90	1.75
Fixed assets turnover ratio	Times	8.74	9.61	6.76	5.73	5.42	4.41
Operating cycle	Days	81.20	73.24	48.21	34.43	37.54	48.34
<b>Investment / Market Ratios</b>							
Earnings per share	Rupees	748.43	669.02	677.46	659.80	589.36	516.62
Price earning ratio	Times	13.36	13.60	13.88	14.85	12.30	13.07
Dividend yield ratio	Percentage	3.00	4.00	7.00	5.00	6.00	6.30
Dividend payout ratio	Percentage	43.42	52.32	103.33	75.78	72.11	82.27
Dividend cover ratio	Times	2.30	1.91	0.97	1.32	1.39	1.22
Cash dividend per share	Rupees	325.00	350.00	700.00	500.00	425.00	425.00
Stock Dividend (Bonus) per share	Percentage	-	-	-	-	-	-
Market value per share at the end of the year	Rupees	9,998.00	9,100.00	9,400.00	9,799.00	7,251.10	6,750.00
Market value per share during the year (High)	Rupees	11,490.00	12,699.00	11,999.00	9,799.00	7,400.00	8,814.00
Market value per share during the year (Low)	Rupees	7,155.00	7,355.00	9,000.00	6,055.00	5,500.00	6,555.95
Break-up value per share - Refer note below							
- Without surplus on revaluation of fixed assets	Rupees	2,494.14	2,060.95	1,719.27	1,746.45	1,581.15	1,423.09
- Including the effect of surplus on revaluation of fixed assets	Rupees	2,494.14	2,060.95	1,719.27	1,746.45	1,581.15	1,423.09
<b>Capital Structure Ratios</b>							
Financial leverage ratio	Times	0.02	0.00	0.01	0.01	-	-
Weighted average cost of debt	Percentage	17.08	12.57	3.52	3.39	11.36	7.70
Debt : Equity ratio	Times	0.02	0.00	0.01	0.01	-	-
Interest cover	Times	24.91	49.17	195.35	183.74	333.22	263.77

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

## Summary of Cash Flow Statement

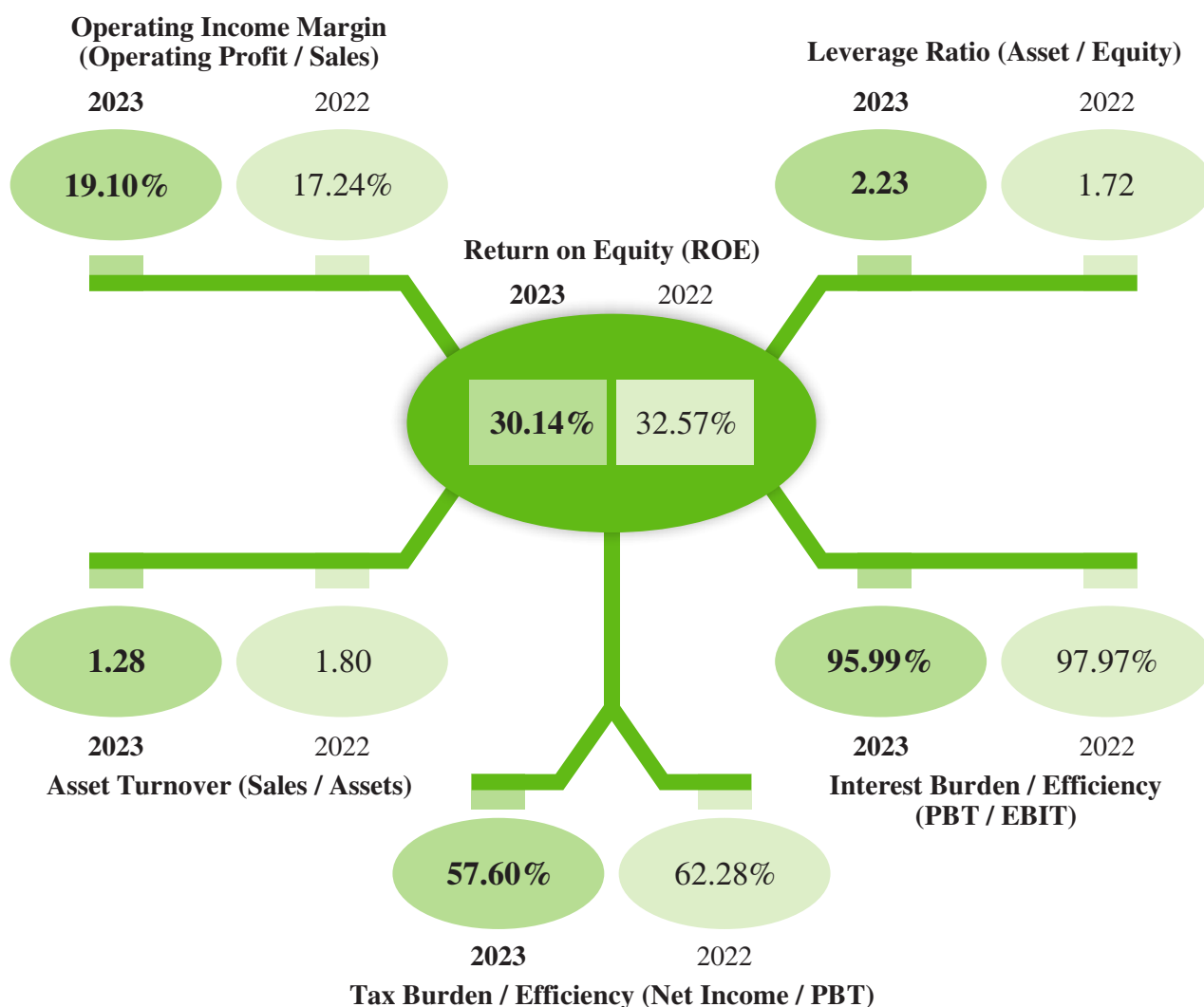
	2023	2022	2021	2020	2019	2018
			(Rupees in Thousand)		Restated	
Cash flows from operating activities	8,640,752	768,550	1,496,977	7,217,533	5,062,877	6,029,543
Cash used in investing activities	(6,749,273)	(385,421)	(20,430)	123,151	(28,689)	(60,986)
Cash used in financing activities	(3,456,466)	(2,178,663)	(6,624,749)	(3,516,088)	(3,967,502)	(4,855,257)
Net increase in cash and cash equivalents	(1,564,987)	(1,795,534)	(5,148,202)	3,824,596	1,066,686	1,113,300
Opening cash and cash equivalents	2,210,082	4,005,616	9,153,818	5,329,222	4,262,536	3,149,236
Closing cash and cash equivalents	645,095	2,210,082	4,005,616	9,153,818	5,329,222	4,262,536

## Summary of Cash Flow Statement - Direct Method

	2023	2022	2021	2020	2019	2018
			(Rupees in Thousand)		Restated	
<b>Cash flows from operating activities</b>						
Cash received from customers	65,419,401	57,898,316	42,132,367	35,935,203	34,819,811	29,449,872
Cash paid to suppliers and employees	(52,360,157)	(53,577,764)	(37,842,535)	(26,310,083)	(27,577,686)	(21,460,606)
Taxes paid	(4,418,492)	(3,552,002)	(2,792,855)	(2,407,587)	(2,179,248)	(1,959,723)
Net cash flows from operating activities	8,640,752	768,550	1,496,977	7,217,533	5,062,877	6,029,543
<b>Cash flows from investing activities</b>						
Property, plant and equipment	(2,430,755)	(881,764)	(516,400)	(348,769)	(313,550)	(195,852)
Payments for investments acquired during the year	(8,198,811)	0	0	0	0	0
Proceeds from sale of investments	2,800,000	0	0	0	0	0
Sale proceeds of property, plant and equipment	71,454	32,267	19,217	7,389	23,957	10,884
Disbursement of long term loans	0	(7,127)	(4,600)	(6,559)	(5,664)	(9,746)
Interest income received	999,203	465,764	474,060	463,270	257,606	125,353
Receipt from long term loans disbursed	9,636	5,439	7,293	7,820	8,962	8,375
Net cash used in investing activities	(6,749,273)	(385,421)	(20,430)	123,151	(28,689)	(60,986)
<b>Cash flows from financing activities</b>						
Dividend paid	(3,393,020)	(2,032,887)	(6,459,856)	(3,715,351)	(3,941,033)	(4,829,487)
Finance cost paid	(415,833)	(149,655)	(36,629)	(39,710)	(21,505)	(25,770)
Receipt of long term financing	363,008	132,670	0	244,434	0	0
Repayment of long term loan	(3,474)	(122,217)	(122,217)	0	0	0
Repayment of lease liability	(7,147)	(6,574)	(6,047)	(5,461)	(4,964)	0
Increase / (Decrease) in short term running finances					-	-
Net cash used in financing activities	(3,456,466)	(2,178,663)	(6,624,749)	(3,516,088)	(3,967,502)	(4,855,257)
Net increase / (Decrease) in cash and cash equivalents	(1,564,987)	(1,795,534)	(5,148,202)	3,824,596	1,066,686	1,113,300
Cash and cash equivalents at the beginning of the year	2,210,082	4,005,616	9,153,818	5,329,222	4,262,536	3,149,236
Effect of exchange rate fluctuations	0	0	0	0	0	0
Cash and cash equivalents at the end of the year	645,095	2,210,082	4,005,616	9,153,818	5,329,222	4,262,536



## DuPont Analysis



### Leverage Ratio (Assets / Equity)

Increased mainly due to increase in assets in higher proportion (57%) than the increase in equity (21%) from the last year.

### Interest Burden / Efficiency ( PBT / EBIT)

There is variance in the ratio compared to last year due to increase in short-term 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 decreased due to increase in sales (11%) in lower proportion compared to increase in assets (57%) from the last year.

### Operating Income Margin

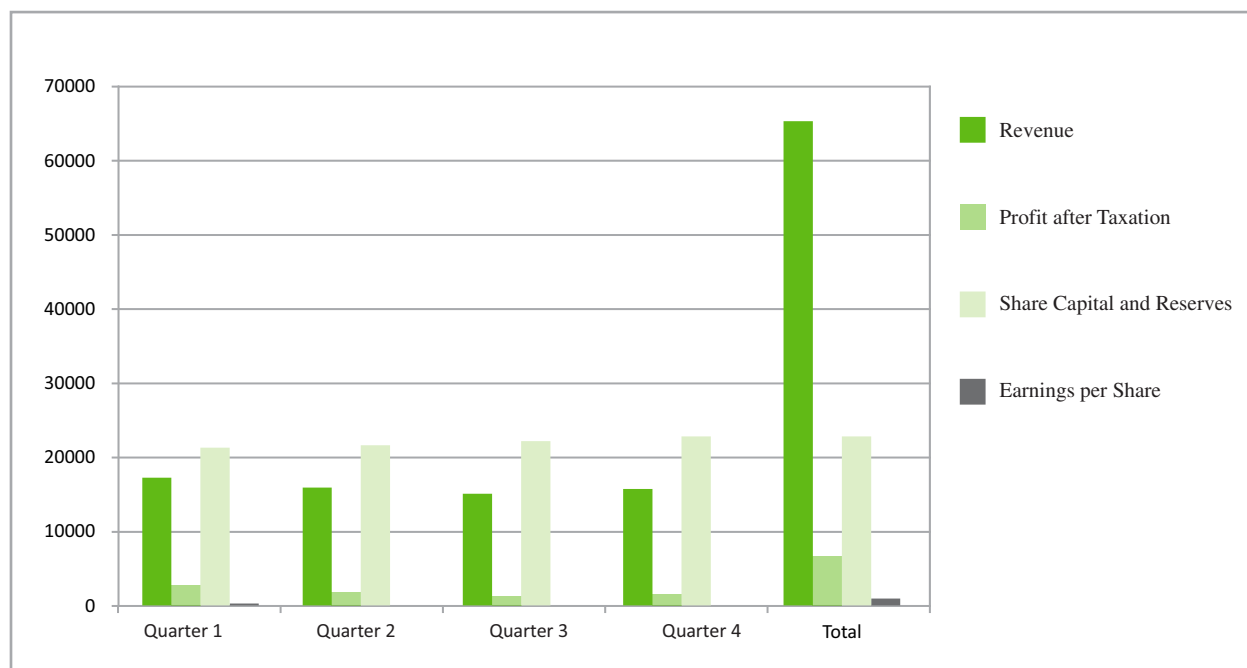
Increased due to increase in sales from the last year by 11%.

### Return on Equity ( ROE)

Return on Equity decreased due to increase in equity by 21% compared with last year that was in higher proportion as compared to net income (11%)

## Quarterly Analysis

### Rupees in Million



	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
.....Rs Million.....					
Revenue	17,608	16,284	15,478	16,097	65,467
Profit after Taxation	2,593	1,623	1,346	1,350	6,913
Share Capital and Reserves	21,629	21,867	22,520	23,037	23,037
Earnings Per Share	280.73	175.74	145.77	146.19	748.43

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 11% compared to last year. This increase in revenue over the periods is attributable to increase in sales price. Moreover, variation in sales revenue quarter to quarter is due to seasonal impact.

#### Profit after Taxation

Profit after Taxation increased by 12% in 2023 compared with last year. Despite significant hike in input costs, growth in revenue/cost savings projects from the last year was the main factor which contributed to the growth 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 21% 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 increased by 12% from the last year, due to growth in revenue

## Sensitivity Analysis

The company is mainly dealing in US Dollars/Euros, hence sensitivity analysis has been made against them 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.

	2023 (Rupees in thousands)	2022
<u>Effect on profit and loss</u>		
US Dollar/EURO	<b>20,321</b>	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

	2023		2022	
	(Rupees in thousands)			
<b>VALUE ADDED</b>				
Net sales	65,466,700		58,755,773	
Material and services	(49,790,647)		(45,181,841)	
Other income - net	1,571,048		704,606	
Foreign Exchange Gain / (Loss)	(38,126)		-	
	<b>17,208,975</b>		<b>14,278,538</b>	
<b>DISTRIBUTION</b>		%		%
<b>EMPLOYEES AS REMUNERATION</b>				
Salaries, wages and amenities	3,278,043	19.1	2,890,595	16.9
<b>FINANCIAL CHARGES TO PROVIDERS OF FINANCE</b>				
Finance Cost	501,803	2.9	205,982	1.2
<b>GOVERNMENT AS TAXES</b>				
Tax	5,087,557	29.7	3,742,199	21.8
Workers profit participation fund	639,758	3.7	532,843	3.1
Workers welfare fund	200,734	1.2	202,438	1.2
	5,928,049	34.4	4,477,479	26.0
<b>SHAREHOLDERS AS DIVIDEND</b>				
Cash Dividend	3,001,839	17.4	3,232,749	18.8
<b>SOCIETY WELFARE</b>				
Donations	10,000	0.1	5,527	-
<b>RETAINED WITHIN THE BUSINESS</b>				
Depreciation / amortization	578,302	3.4	519,569	3.0
Retained profit	3,910,939	22.8	2,946,636	17.2
	4,489,241	26.1	3,466,205	20.1
	<b>17,208,975</b>	<b>100</b>	<b>14,278,538</b>	<b>83</b>

## 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 (“the Company”) for the year ended 31 December 2023 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.

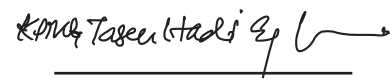
As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control 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 2023.

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  
March 28, 2024  
UDIN: CR202310089BAETVQNKu

  
KPMG Taseer Hadi & Co.  
Chartered Accountants

# Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 Year Ended December 31, 2023

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 Kamran Yousuf Mirza
ii. Other Non-Executive Directors	Michael Fergus O'Riordan James D. Gray Marcel Hergett 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

Kamran Yousuf Mirza	Chairman
James D. Gray	Member
Marcel Hergett	Member
Tanya Jaeger de Foras	Member
Zulfikar Mannoo	Member

#### b) HR and Remuneration Committee

Tahir Jawaid	Chairman
Michael Fergus O'Riordan	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

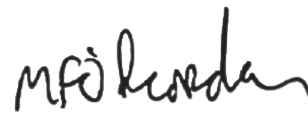
- 13) The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
- 14) The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
  - a) Audit Committee: Six meetings during the financial year ended December 31, 2023.
  - HR and Remuneration Committee: Two
  - b) meetings during the financial year ended December 31, 2023.
  - Operations Committee: Four meetings during
  - c) the financial year ended December 31, 2023.

## Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 Year Ended December 31, 2023

- 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



**Michael Fergus O'Riordan**  
Chairman

February 28, 2024

# 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 2023, 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 material 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 2023 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 is the Key audit matter:

S. No.	Key audit matter(s)	How the matter was addressed in our audit
1.	<p><b>Revenue from contracts with customers</b></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. 65,466 million (2022: Rs. 58,755 million) from contracts with customers, during the year ended 31 December 2023.</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"><li>● 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.</li><li>● Assessing the appropriateness of the Company's revenue accounting policies and compliance of those policies with applicable financial reporting standard.</li><li>● Comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents.</li></ul>

# Independent Auditor's Report

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

Following is 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"><li>● 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.</li><li>● 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.</li></ul>

## 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 2023** 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 Raffhan 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 Raffhan 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  
March 28, 2024  
UDIN: AR2023100895eCw8s7J0


  
KPMG Taseer Hadi & Co.  
Chartered Accountants

# Statement of Financial Position

As at 31 December 2023

	Note	2023 (Rupees in thousands)	2022
<b><u>Non-current assets</u></b>			
Property, plant and equipment	5	8,717,913	6,848,800
Employees retirement benefits	6	607,536	412,175
Long term loans - secured	7	1,369	7,065
Long term deposits	8	39,958	37,108
		9,366,776	7,305,148
<b><u>Current assets</u></b>			
Stores and spares	9	1,444,051	1,466,489
Stock in trade	10	24,898,647	16,477,262
Trade debts	11	2,924,399	2,874,412
Loans and advances	12	127,667	225,719
Short term prepayments	13	383,166	72,708
Other receivables	14	106,972	28,474
Short term investments	15	5,398,811	3,380,436
Cash and bank balances	16	6,637,014	887,943
		41,920,727	25,413,443
<b><u>Current liabilities</u></b>			
Current portion of long term financing		44,370	11,934
Current portion of deferred income		19,541	7,497
Contract portion of lease liability		5,114	5,119
Short term financing - secured	17	5,991,919	2,058,297
Contract liabilities		661,686	681,271
Trade and other payables	18	17,249,842	7,349,619
Unpaid dividend		1,658,375	2,110,251
Unclaimed dividend		25,802	22,517
Mark-up accrued on short term running finances		131,871	55,986
Provision for taxation - net	19	620,467	287,842
		26,408,987	12,590,333
<b>Working capital</b>		15,511,740	12,823,110
<b>Total capital employed</b>		24,878,516	20,128,258
<b><u>Non-current liabilities</u></b>			
Long term financing	20	341,217	69,348
Deferred income	21	94,754	43,225
Lease liability		10,873	-
Deferred taxation	22	1,394,689	979,859
<b>Net capital employed</b>		23,036,983	19,035,826
<b>Represented by:</b>			
<b><u>Share capital and reserves</u></b>			
Share capital	23	92,364	92,364
Reserves	24	22,944,619	18,943,462
		23,036,983	19,035,826
<b>Contingencies and commitments</b>	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



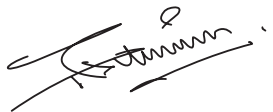
**Zulfikar Mannoo**  
Director

# Statement of Profit or Loss

For the year ended 31 December 2023

	Note	2023 (Rupees in thousands)	2022
Revenue	26	65,466,700	58,755,773
Cost of sales	27	(51,475,296)	(46,922,243)
<b>Gross profit</b>		<b>13,991,404</b>	<b>11,833,530</b>
Distribution expenses	28	(812,441)	(681,861)
Administrative expenses	29	(1,367,289)	(995,828)
Impairment on financial assets		(1,966)	2,400
Other income	30	1,571,048	704,606
Other expenses	31	(878,618)	(735,281)
		(1,489,266)	(1,705,964)
<b>Operating profit</b>		<b>12,502,138</b>	<b>10,127,566</b>
Finance cost	32	(501,803)	(205,982)
<b>Profit before taxation</b>		<b>12,000,335</b>	<b>9,921,584</b>
Taxation	33	(5,087,557)	(3,742,199)
<b>Profit after taxation</b>		<b>6,912,778</b>	<b>6,179,385</b>
Earnings per share - basic and diluted (Rupees)	34	<b>748.43</b>	669.02

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 2023

	2023	2022
	(Rupees in thousands)	
<b>Profit for the year</b>	<b>6,912,778</b>	6,179,385
<b><u>Other comprehensive income for the year</u></b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Actuarial gain on retirement benefits	<b>168,608</b>	312,392
Deferred tax on actuarial gain	<b>(78,390)</b>	(103,089)
	<b>90,218</b>	209,303
<b>Total comprehensive income for the year</b>	<b>7,002,996</b>	<b>6,388,688</b>

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 2023

	Note	2023 (Rupees in thousands)	2022
<b><u>Cash flows from operating activities</u></b>			
Cash generated from operations	35	13,104,365	4,401,279
Taxes paid		(4,418,492)	(3,552,002)
Employees retirement benefits paid		(45,121)	(80,727)
		(4,463,613)	(3,632,729)
<b>Net cash generated from operating activities</b>		<b>8,640,752</b>	<b>768,550</b>
<b><u>Cash flows from investing activities</u></b>			
Capital expenditure incurred		(2,430,755)	(881,764)
Payments for investments acquired during the year		(8,198,811)	-
Proceeds from sale of investments		2,800,000	-
Proceeds from sale of property, plant and equipment		71,454	32,267
Long term loans disbursed		-	(7,127)
Interest received		999,203	465,764
Receipt from long term loans		9,636	5,439
<b>Net cash used in investing activities</b>		<b>(6,749,273)</b>	<b>(385,421)</b>
<b><u>Cash flows from financing activities</u></b>			
Receipt of long term financing		363,008	132,670
Repayment of long term financing		(3,474)	(122,217)
Dividend paid		(3,393,020)	(2,032,887)
Repayment of lease liability		(7,147)	(6,574)
Finance cost paid		(415,833)	(149,655)
<b>Net cash used in financing activities</b>		<b>(3,456,466)</b>	<b>(2,178,663)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(1,564,987)</b>	<b>(1,795,534)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>2,210,082</b>	<b>4,005,616</b>
<b>Cash and cash equivalents at the end of the year</b>	36	<b>645,095</b>	<b>2,210,082</b>

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 2023

	Share capital	Capital Reserves		Revenue Reserves		Total
		Share premium	Other	General	Un-appropriated profit	
----- (Rupees in thousands) -----						
<b>Balance as at 1 January 2022</b>	92,364	36,946	941	207	15,749,429	<b>15,879,887</b>
<b><u>Total comprehensive income</u></b>						
Profit for the year	-	-	-	-	6,179,385	<b>6,179,385</b>
Other comprehensive loss	-	-	-	-	209,303	<b>209,303</b>
	-	-	-	-	6,388,688	<b>6,388,688</b>
<b><u>Transactions with owners of the Company recognized directly in equity</u></b>						
Final dividend 2021 (Rs. 150 per share)	-	-	-	-	(1,385,464)	<b>(1,385,464)</b>
1st interim dividend 2022 (Rs. 100 per share)	-	-	-	-	(923,643)	<b>(923,643)</b>
2nd interim dividend 2022 (Rs. 50 per share)	-	-	-	-	(461,821)	<b>(461,821)</b>
3rd interim dividend 2022 (Rs. 50 per share)	-	-	-	-	(461,821)	<b>(461,821)</b>
	-	-	-	-	(3,232,749)	<b>(3,232,749)</b>
<b>Balance as at 31 December 2022</b>	92,364	36,946	941	207	18,905,368	<b>19,035,826</b>
<b><u>Total comprehensive income</u></b>						
Profit for the year	-	-	-	-	6,912,778	<b>6,912,778</b>
Other comprehensive income	-	-	-	-	90,218	<b>90,218</b>
	-	-	-	-	7,002,996	<b>7,002,996</b>
<b><u>Transactions with owners of the Company recognized directly in equity</u></b>						
Final dividend 2022 (Rs. 75.00 per share)	-	-	-	-	(692,732)	<b>(692,732)</b>
1st interim dividend 2023 (Rs. 75.00 per share)	-	-	-	-	(692,732)	<b>(692,732)</b>
2nd interim dividend 2023 (Rs. 75.00 per share)	-	-	-	-	(692,732)	<b>(692,732)</b>
3rd interim dividend 2023 (Rs. 100.00 per share)	-	-	-	-	(923,643)	<b>(923,643)</b>
	-	-	-	-	(3,001,839)	<b>(3,001,839)</b>
<b>Balance as at 31 December 2023</b>	<b>92,364</b>	<b>36,946</b>	<b>941</b>	<b>207</b>	<b>22,906,525</b>	<b>23,036,983</b>

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 2023

## 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 2023

**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 2023

## 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 2024:

- 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 wide 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 non-current. 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).
- 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.
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

# Notes to the Financial Statements

For the year ended 31 December 2023

- Lack of Exchangeability (amendments to IAS 21) clarify:
  - when a currency is exchangeable into another currency; and
  - how a company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

The above amendments does not have any material effect on the financial statements of the Company

## 4 Material accounting policies:

The material 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.

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.

# Notes to the Financial Statements

For the year ended 31 December 2023

## **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 2023.

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

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

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

# Notes to the Financial Statements

For the year ended 31 December 2023

## **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. These include mechanical stores which are utilised in the manufacturing process and expensed as a period cost.

## **4.5 Stocks in trade**

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

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

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

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

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

## **4.6 Financial instruments**

### **4.6.1 Classification and measurement of financial assets and financial liabilities**

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

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

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

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

- The determination of business model within which a financial asset is held; and
- The designation of certain financial assets with respect to subsequent measurement either through profit or loss or other comprehensive income.

# Notes to the Financial Statements

For the year ended 31 December 2023

- 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.

# Notes to the Financial Statements

For the year ended 31 December 2023

**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 2023

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 2023

## 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.

In case of export sale, control is transferred when goods are shipped to the customers.

### 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.



# Notes to the Financial Statements

For the year ended 31 December 2023

## 4.12 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.

## 4.13 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.

## 4.14 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.

## 4.15 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.

## 4.16 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 2023

	Note	2023 (Rupees in thousands)	2022
<b>5 Property, plant and equipment</b>			
Operating property, plant and equipment	5.1	7,492,010	6,117,143
Capital work in progress	5.2	1,225,903	731,657
		<b>8,717,913</b>	<b>6,848,800</b>

## 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) -----								
<b>Cost</b>								
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
Balance as at 01 January 2023	25,506	386,717	2,710,464	8,959,356	89,056	259,577	90,549	12,521,225
Additions	17,016	-	243,662	1,358,666	23,286	297,418	23,599	1,963,647
Disposals	(25,506)	-	-	(22,720)	(1,105)	(31,420)	(227)	(80,978)
<b>Balance at 31 December 2023</b>	<b>17,016</b>	<b>386,717</b>	<b>2,954,126</b>	<b>10,295,302</b>	<b>111,237</b>	<b>525,575</b>	<b>113,921</b>	<b>14,403,894</b>
<b>Rate of depreciation - %age</b>	36%	-	4%	5%-10%	20%	20%	25%	
<b>Accumulated depreciation</b>								
Balance at 01 January 2022	15,280	-	1,718,000	4,074,998	65,240	123,649	64,552	6,061,719
Depreciation	5,844	-	56,579	421,430	4,575	19,145	11,996	519,569
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
Balance at 01 January 2023	21,124	-	1,774,579	4,354,587	67,572	126,096	60,124	6,404,082
Depreciation	5,930	-	57,953	433,103	6,719	59,161	15,436	578,302
Disposals	(25,506)	-	-	(20,061)	(1,105)	(23,744)	(84)	(70,500)
<b>Balance at 31 December 2023</b>	<b>1,548</b>	<b>-</b>	<b>1,832,532</b>	<b>4,767,629</b>	<b>73,186</b>	<b>161,513</b>	<b>75,476</b>	<b>6,911,884</b>
<b>Carrying amounts</b>								
At 31 December 2022	4,382	386,717	935,885	4,604,769	21,484	133,481	30,425	6,117,143
At 31 December 2023	15,468	386,717	1,121,594	5,527,673	38,051	364,062	38,445	7,492,010

5.1.1 The cost of fully depreciated assets which are still in use is Rs.1,536,815 thousands (2022: Rs. 1,531,513 thousands).

### 5.1.2 Depreciation is allocated as under:

	2023 (Rupees in thousands)	2022
Cost of sales	527,490	493,791
Distribution cost	24,460	13,821
Administrative expenses	26,352	11,957
	<b>578,302</b>	<b>519,569</b>

### 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.

# Notes to the Financial Statements

For the year ended 31 December 2023

5.2 Capital work in progress	Note	2023	2022
		(Rupees in thousands)	
Land	5.2.1	6,814	6,814
Civil works and buildings		21,451	10,995
Plant and machinery	5.2.2	664,745	264,762
Advances		521,622	391,702
Machinery in transit		11,271	57,384
		<b>1,225,903</b>	<b>731,657</b>

5.2.1 This represents full payment of Rs. 1,814 thousands (2022: Rs. 1,814 thousands) and legal cost incurred Rs. 5,000 thousands (2022: Rs. 5,000 thousands) for the Company's factory land in Faisalabad which was acquired from the government in 1953 but registration of title is still pending in the name of Company.

5.3 Plant and machinery includes markup amounting to Rs. 9,079 thousands (2022: 1,054 thousands) calculated at the rate of 16.9% to 23.08% (2022: 10.01% to 17.11%) per annum.

Details of property and equipment disposed off during the year having book value of Rs. 500,000 or more and where the aggregate book value of fixed assets sold exceeds five million rupees have been disclosed as follows:

Asset description	Cost	Carrying amount	Sale price	Gain / (loss) on disposal	Mode of disposal	Relationship with the purchaser
Plant & Machinery	6,240,000	2,659,211	1,507,438	(1,151,773)	As per policy	Vendor
Vehicle	2,883,000	576,600	576,600	-	As per policy	Plant Manager
Vehicle	3,276,500	2,675,808	4,267,700	1,591,892	As per policy	Head of Internal Audit
Vehicle	4,576,000	4,423,467	4,498,503	75,036	As per policy	Manager Process Development

6 Employees retirement benefits	Note	2023	2022
		(Rupees in thousands)	
Gratuity	6.1	187,220	107,384
Pension	6.1	420,316	304,791
		<b>607,536</b>	<b>412,175</b>

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

	Gratuity		Pension	
	2023	2022	2023	2022
	----- (Rupees in thousands) -----			
Net assets at the beginning of the year	107,384	50,028	304,791	49,755
(Expenses) / income recognized	(45,121)	(57,790)	26,753	(22,937)
Contribution paid during the year	45,121	57,790	-	22,937
Actuarial gain recognized	79,836	57,356	88,772	255,036
<b>Net assets at the end of the year</b>	<b>187,220</b>	<b>107,384</b>	<b>420,316</b>	<b>304,791</b>

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

	Gratuity		Pension	
	2023	2022	2023	2022
	----- (Rupees in thousands) -----			
Current service cost	(64,308)	(62,530)	(16,275)	(28,689)
Interest cost	(131,982)	(111,988)	(72,270)	(86,096)
Interest income on plan assets	151,169	116,728	115,298	91,848
	<b>(45,121)</b>	<b>(57,790)</b>	<b>(26,753)</b>	<b>(22,937)</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

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

	Gratuity		Pension	
	2023	2022	2023	2022
	----- (Rupees in thousands) -----			
Remeasurements of plan obligation from:				
- Change in demographic assumption	-	17,962	-	62,157
- Change in financial assumptions	98,569	33,040	68,737	172,970
- Experience adjustment on obligation	(92,154)	(12,475)	(38,458)	4,927
	<b>6,415</b>	<b>38,527</b>	<b>30,279</b>	<b>240,054</b>
Remeasurements of plan assets:				
- Actual net return on plan assets	224,590	135,557	173,791	106,830
- Interest income on plan assets	(151,169)	(116,728)	(115,298)	(91,848)
- Experience adjustment	-	-	-	-
	<b>73,421</b>	<b>18,829</b>	<b>58,493</b>	<b>14,982</b>
	<b>79,836</b>	<b>57,356</b>	<b>88,772</b>	<b>255,036</b>

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

	Gratuity		Pension	
	2023	2022	2023	2022
	----- (Rupees in thousands) -----			
Present value of the obligation	(1,064,495)	(994,832)	(565,685)	(545,399)
Fair value of plan assets	1,251,715	1,102,216	986,001	850,190
<b>Net assets</b>	<b>187,220</b>	<b>107,384</b>	<b>420,316</b>	<b>304,791</b>

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

	Gratuity		Pension	
	2023	2022	2023	2022
	----- (Rupees in thousands) -----			
Present value of defined benefit obligation as at the beginning of the year	(994,832)	(903,941)	(545,399)	(706,451)
Current service cost	(64,308)	(62,530)	(16,275)	(28,689)
Interest cost	(131,982)	(111,988)	(72,270)	(86,096)
Actual benefits paid during the year	120,212	45,100	37,980	35,783
Actuarial gain on obligation	6,415	38,527	30,279	240,054
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>(1,064,495)</b>	<b>(994,832)</b>	<b>(565,685)</b>	<b>(545,399)</b>

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

Fair value of plan asset as at the beginning of the year	1,102,216	953,969	850,190	756,205
Interest income on plan assets	151,169	116,728	115,298	91,848
Actual benefits paid during the year	(120,212)	(45,100)	(37,980)	22,938
Actual contribution by the employer- normal	45,121	57,790	-	(35,783)
Net return on plan assets over interest income	73,421	18,829	58,493	14,982
<b>Fair value of plan asset as at the end of the year</b>	<b>1,251,715</b>	<b>1,102,216</b>	<b>986,001</b>	<b>850,190</b>

# Notes to the Financial Statements

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	Gratuity		Pension	
	2023	2022	2023	2022
<b>6.7 Actual return on plan assets</b>	----- <b>(Rupees in thousands)</b> -----			
Expected return on plan assets	151,168	116,728	115,298	91,848
Net surplus on plan assets over interest income	73,421	18,829	58,493	14,982
	<b>224,590</b>	<b>135,557</b>	<b>173,791</b>	<b>106,830</b>
<b>6.8 The composition of plan assets is as follow</b>				
Mutual funds	1,066	10	1,066	10
Treasury Bills (T-Bills)	1,138,974	1,060,370	893,550	820,011
Cash at bank	111,675	41,836	91,385	30,169
	<b>1,251,715</b>	<b>1,102,216</b>	<b>986,001</b>	<b>850,190</b>
<b>6.9 Analysis of Present value of defined benefit obligation</b>				
<i>Type of Members:</i>				
Management	647,134	604,784	-	-
Non-management	417,361	390,048	-	-
Active	-	-	291,520	281,066
Pensioners	-	-	274,165	264,333
	<b>1,064,495</b>	<b>994,832</b>	<b>565,685</b>	<b>545,399</b>
<i>Vested / non-vested:</i>				
Vested benefits	664,072	921,136	160,090	418,420
Non-vested benefits	400,423	73,696	405,595	126,979
	<b>1,064,495</b>	<b>994,832</b>	<b>565,685</b>	<b>545,399</b>
<i>Type of Benefits:</i>				
Accumulated benefit obligation	420,860	393,318	425,726	410,459
Amounts attributed to future salary increases	643,635	601,514	139,959	134,940
	<b>1,064,495</b>	<b>994,832</b>	<b>565,685</b>	<b>545,399</b>
<b>6.10 Disaggregation of fair value of plan assets</b>				
<i>Investment in mutual funds:</i>				
Quoted	1,066	10	1,066	10
<i>Cash and cash equivalents (after adjusting current liabilities):</i>				
Unquoted	111,675	41,836	91,385	30,169
<i>Debt instruments:</i>				
Unquoted	1,138,974	1,060,370	893,550	820,011
<b>Total fair value of plan assets</b>	<b>1,251,715</b>	<b>1,102,216</b>	<b>986,001</b>	<b>850,190</b>
<b>6.11</b> Plan assets does not include any investment in the Company's ordinary shares as at 31 December 2023 (2022: Nil).				
<b>6.12</b> Expected contributions to gratuity fund and pension fund for the year ending 31 December 2024 are Rs. 67,168 thousands and Rs.16,610 thousands respectively.				
<b>6.13</b> 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.				
<b>6.14</b> 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

For the year ended 31 December 2023

	Gratuity Fund		Pension Fund	
	2023	2022	2023	2022
------(Rupees in thousands)-----				
Annual discount rate	15.00%	13.75%	15.00%	13.75%
Expected return on plan assets	13.70%	14.12%	14.25%	14.25%
Contribution rates (% of basic salaries)	7.80%	11.94%	-	4.74%
Expected rate of growth per annum in future salaries:				
- First year following valuation	12.00%	15.00%	12.00%	15.00%
- Second year following valuation	12.00%	12.00%	12.00%	12.00%
- Third year following valuation	12.00%	12.00%	12.00%	12.00%
- Long term (fourth year following valuation and onwards)	12.00%	12.00%	12.00%	12.00%
Mortality rates	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	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 7.7 years and 10.1 years (2022: 8.00 years and 10.5 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%	35,819	(38,107)	24,294	(26,304)
Salary growth rate	0.5%	(41,422)	39,195	(9,726)	9,238
Pension increase rate	0.5%	-	-	(19,949)	18,919

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

# Notes to the Financial Statements

For the year ended 31 December 2022

	Note	2023 (Rupees in thousands)	2022
<b>7 Long term loans - secured</b>			
Staff loans outstanding:			
Executives	7.1	841	7,358
Other employees	7.4	2,397	5,516
		<b>3,238</b>	12,874
Current maturity		<b>(1,869)</b>	(5,809)
		<b>1,369</b>	7,065

## 7.1 Loans to executives

Opening balance	7,358	8,120
Disbursement during the year	-	2,400
Recoveries during the year	<b>(6,517)</b>	(3,162)
Closing balance	<b>841</b>	7,358

**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% (2022: 8 % per annum).

## 8 Long term deposits

Long term deposits which are interest free, consists of funds deposited with the utility companies and various departments.

	Note	2023 (Rupees in thousands)	2022
<b>9 Stores and spares</b>			
Mechanical spares		1,065,859	853,657
<b>Consumable stores</b>			
Fuels		226,130	540,425
Supplies		225,723	148,915
		<b>1,517,712</b>	1,542,997
Provision for slow moving and obsolete items	9.1	<b>(109,999)</b>	(107,733)
		<b>1,407,713</b>	1,435,264
Stores in transit		36,338	31,225
		<b>1,444,051</b>	1,466,489

# Notes to the Financial Statements

For the year ended 31 December 2023

	2023	2022
<b>9.1 Provision for slow moving and obsolete items</b>	<b>(Rupees in thousands)</b>	
Opening balance	107,733	98,701
Provision for the year	2,266	9,032
Closing balance	<u>109,999</u>	<u>107,733</u>

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

	Note	2023	2022
<b>10 Stock in trade</b>		<b>(Rupees in thousands)</b>	
Raw materials			
- Corn	10.1	20,682,136	11,586,795
- Chemicals		372,771	154,190
- Packing materials		232,042	177,030
Work in process		132,642	151,455
Finished goods	10.2	3,604,915	4,576,755
		<u>25,024,506</u>	<u>16,646,225</u>
<i>Less: Provision for slow moving and obsolete stocks:</i>			
- Raw materials		(60,400)	(8,182)
- Finished goods		(65,459)	(160,781)
		<u>(125,859)</u>	<u>(168,963)</u>
		<u>24,898,647</u>	<u>16,477,262</u>

**10.1** This includes corn in transit amounting to Rs. 343,260 thousands (2022: 106,070 thousands)

**10.2** This includes imported finished goods amounting to Rs. 181,542 thousands (2022: 168,633 thousands). out of which goods in transit amounts to Rs. 7,590 thousands (2022: Rs. 71,125 thousands).

	Note	2023	2022
<b>11 Trade debts</b>		<b>(Rupees in thousands)</b>	
<b><u>Local:</u></b>			
Secured	11.2	1,505,662	1,100,426
<i>Unsecured, considered good</i>			
Related parties	11.1	213,168	414,527
Others		393,710	639,662
		<u>606,878</u>	<u>1,054,189</u>
<i>Considered doubtful</i>			
Related parties		1,714	185
Others		56,159	55,826
		<u>57,873</u>	<u>56,011</u>
		<u>2,170,413</u>	<u>2,210,626</u>
Allowance for credit losses	11.3	(57,873)	(56,011)
		<u>2,112,540</u>	<u>2,154,615</u>
<b><u>Foreign:</u></b>			
Secured	11.2	384,278	129,585
<i>Unsecured, considered good</i>			
Related parties	11.1	428,118	590,646
		<u>812,396</u>	<u>720,231</u>
Considered doubtful		(537)	(434)
		<u>811,859</u>	<u>719,797</u>
		<u>2,924,399</u>	<u>2,874,412</u>



# Notes to the Financial Statements

For the year ended 31 December 2023

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

	2023				Maximum aggregate balance outstanding during the year
	Neither past due nor impaired	Past due (1- 90 days)	Past due (91- 365 days)	Total	
<b>Local</b>	(Rupees in thousands)				
Unilever Pakistan Foods Limited	194,356	14,426	6,100	214,882	558,641
<b>Foreign</b>					
Ingredion Holding LLC Kenya	283,737	-	-	283,737	455,275
Ingredion South Africa (Pty) Limited	23,277	5,275	-	28,552	95,477
Ingredion Germany GMBH	12,024	13,906	-	25,930	150,620
Pt. Ingredion Indonesia	36,435	12,145	-	48,580	120,328
National Starch & Chemical Thailand	25,372	5,341	-	30,713	64,181
Ingredion Malaysia	10,606	-	-	10,606	55,520
	<b>391,451</b>	<b>36,667</b>	<b>-</b>	<b>428,118</b>	
	2022				
	Neither past due nor impaired	Past due (1- 90 days)	Past due (91- 365 days)	Total	Maximum aggregate balance outstanding during the year
<b>Local</b>	(Rupees in thousands)				
Unilever Pakistan Foods Limited	373,195	41,309	23	414,527	414,712
<b>Foreign</b>					
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
	<b>434,129</b>	<b>155,634</b>	<b>882</b>	<b>590,645</b>	

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

	2023	2022
	(Rupees in thousands)	
Opening balance	56,444	59,418
Charge / (reversal) for the year	1,966	(2,400)
Written off during the year	-	(574)
Closing balance	<b>58,410</b>	<b>56,444</b>

## 12 Loans and advances

*Loans and advances - considered good:*

	Note	2023	2022
		(Rupees in thousands)	
Suppliers of goods and services		92,208	204,425
Employees	12.1	33,590	15,485
Current maturity of long term loans		1,869	5,809
		<b>127,667</b>	<b>225,719</b>

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

## 13 Short term prepayments

	2023	2022
	(Rupees in thousands)	
Insurance	53,162	46,449
Other prepayments	330,004	26,259
	<b>383,166</b>	<b>72,708</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

		2023	2022
		(Rupees in thousands)	
<b>14 Other receivables</b>	<i>Note</i>		
<i>Other receivables - farmers balances:</i>			
Considered good		29,654	10,135
Considered doubtful		1,465	1,465
		<b>31,119</b>	11,600
Less: Allowance for credit losses		(1,465)	(1,465)
		<b>29,654</b>	10,135
Due from affiliates	14.1	14,431	1,306
Others		62,887	17,033
		<b>106,972</b>	28,474
<b>14.1</b>	The balance is receivable from Ingredion Inc. U.S.A and Ingredion Germany GmbH amounting to Rs. 13,845 thousand and Rs. 586 thousand respectively as a reimbursement of miscellaneous expense incurred by the Company. The balances falls within 91-365 days age bracket and the maximum aggregate balance outstanding during the year amounted Rs. 78,817 thousands and Rs. 586 thousands respectively.		
<b>15 Short term investments</b>	<i>Note</i>	2023	2022
		(Rupees in thousands)	
Treasury bills - at amortised cost	15.1	-	3,380,436
Mutual funds -FVTPL	15.2	5,398,811	-
		<b>5,398,811</b>	3,380,436
<b>15.1</b>	These carry profit at the rates ranging from 16.8% to 23.39% (2022: 8.05% to 14.9%) per annum		
<b>15.2</b>	This include investment of 107,976,226 units in Meezan Daily Investment Plan (MDIP-I) of Al Meezan Investment Company Limited purchased at Rs. 50 each. At reporting date, the book value of the mutual funds equals its fair value.		
<b>16 Cash and bank balances</b>	<i>Note</i>	2023	2022
		(Rupees in thousands)	
<i>Cash at banks</i>			
- current accounts		256,554	60,017
- saving accounts	16.1 & 16.2	4,561,201	811,432
- term deposit receipts	16.3	1,800,000	-
		<b>6,617,755</b>	871,449
<i>Cash in hand</i>			
- local currency		18,056	15,938
- foreign currency		1,203	556
		<b>19,259</b>	16,494
		<b>6,637,014</b>	887,943
<b>16.1</b>	These carry profit at rates ranging from 6.03% to 21.54% (2022: 4.35% to 14.9%) per annum.		
<b>16.2</b>	This includes cash in transit amounting to Rs. 68,703 thousands (2022: Nil).		
<b>16.3</b>	These carry profit at the rates ranging from 17.25% to 19.25% (2022: 6.5% to 11.3%) per annum.		
<b>17 Short term financing - secured</b>	<i>Note</i>	2023	2022
		(Rupees in thousands)	
Running finances		1,802,113	988,297
Short term export refinance		70,000	70,000
Short term finance		4,119,806	1,000,000
	17.1	<b>5,991,919</b>	2,058,297

# Notes to the Financial Statements

For the year ended 31 December 2023

**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 3MK plus 0.5% (2022: 3 MK to 3 MK plus 0.5%) per annum, payable quarterly.

<b>18 Trade and other payables</b>	<i>Note</i>	<b>2023</b>	<b>2022</b>
		<b>(Rupees in thousands)</b>	
Creditors		<b>11,460,949</b>	2,522,869
Security deposits from dealers and contractors	<i>18.1</i>	<b>1,229,791</b>	1,104,291
Other deposits		<b>9,392</b>	4,686
Accrued liabilities		<b>2,970,854</b>	2,132,562
Workers' welfare fund	<i>18.2</i>	<b>197,818</b>	196,998
Workers' profit participation fund	<i>18.3</i>	<b>640,157</b>	533,565
Employees provident fund	<i>18.4</i>	<b>20,554</b>	17,691
Withholding tax payable		<b>193,634</b>	104,637
Sales tax payable		<b>526,693</b>	732,320
		<b>17,249,842</b>	<b>7,349,619</b>

## **18.1 Security deposits**

Dealers	<i>18.1.1</i>	<b>1,092,422</b>	1,092,422
Transporters	<i>18.1.2</i>	<b>3,765</b>	3,765
Others	<i>18.1.3</i>	<b>133,604</b>	8,104
		<b>1,229,791</b>	<b>1,104,291</b>

**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.

<b>18.2 Workers' welfare fund</b>	<b>2023</b>	<b>2022</b>
<b>(Rupees in thousands)</b>		
Opening balance	<b>196,998</b>	180,344
Provision for the year	<b>203,257</b>	201,314
Prior year adjustment	<b>(2,523)</b>	1,287
Payment to the fund	<b>(199,914)</b>	(185,947)
Closing balance	<b>197,818</b>	196,998

<b>18.3 Workers' profit participation fund</b>		
Opening balance	<b>533,565</b>	481,020
Provision for the year	<b>639,758</b>	532,843
Payment to the fund	<b>(533,166)</b>	(480,298)
Closing balance	<b>640,157</b>	533,565

# Notes to the Financial Statements

For the year ended 31 December 2023

## 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:

	(Unaudited) 2023	(Unaudited) 2022
	(Rupees in thousands)	
Size of the fund - total assets	1,506,053	1,291,277
Cost of investments made	1,184,250	999,425
Percentage of investments - (% of total assets)	78.63%	77.40%
Fair value of investments	1,210,782	1,023,313

### 18.4.1 The break-up of investments is as follows:

	2023		2022	
	(Rupees in thousands) %		(Rupees in thousands) %	
Treasury Bills	1,107,761	91.49%	993,123	97.05%
Collective investment schemes	1,066	0.09%	8	0.00%
Bank placements	101,955	8.42%	30,182	2.95%
	1,210,782	100.00%	1,023,313	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 2023 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

Less: Current portion shown under current liabilities

Note	2023	2022
	(Rupees in thousands)	
	385,587	81,282
	385,587	81,282
	(44,370)	(11,934)
	341,217	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. This includes loan amounting to Rs. 204,678 thousands awaiting approval from the SBP.

# Notes to the Financial Statements

For the year ended 31 December 2023

		2023	2022
		(Rupees in thousands)	
<b>21 Deferred income</b>			
Deferred income	Note	50,722	5,392
Deferred income recognized during the year	21.1	74,437	50,722
Amortized during the year	20.2	(10,864)	(5,392)
		114,295	50,722
Current portion of deferred income		(19,541)	(7,497)
		94,754	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.

		2023	2022
		(Rupees in thousands)	
<b>22 Deferred taxation</b>			
<u>Taxable temporary differences</u>			
Accelerated tax depreciation		1,342,018	981,139
Employees retirement benefits		214,923	132,024
<u>Deductible temporary differences</u>			
Provisions		(104,620)	(104,158)
Others		(57,632)	(29,146)
		1,394,689	979,859

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

	2023			
	Opening balance	Charged to profit or loss	Charged to other comprehensive income	Closing balance
	----- (Rupees in thousands) -----			
<u>Taxable temporary differences</u>				
Accelerated tax depreciation	981,139	360,879	-	1,342,018
Employees retirement benefits	132,024	4,509	78,390	214,923
<u>Deductible temporary differences</u>				
Provisions	(104,158)	(462)	-	(104,620)
Others	(29,146)	(28,486)	-	(57,632)
	979,859	336,440	78,390	1,394,689
	2022			
	Opening balance	Charged to profit or loss	Charged to other comprehensive income	Closing balance
	----- (Rupees in thousands) -----			
<u>Taxable temporary differences</u>				
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

# Notes to the Financial Statements

For the year ended 31 December 2023

23 Authorized, issued, subscribed and paid up capital	2023	2022	2023	2022
	---(Number of shares)---		---(Rupees in thousands)---	
Authorized share capital - ordinary shares of Rs.10 each	<b>20,000,000</b>	20,000,000	<b>200,000</b>	200,000
<b>23.1 Issued, subscribed and paid up capital</b>				
<i>Ordinary shares of Rs. 10 each:</i>				
- Fully paid up for cash	<b>1,858,991</b>	1,858,991	<b>18,590</b>	18,590
- Issued for consideration other than cash	<b>36,294</b>	36,294	<b>363</b>	363
- Issued as bonus shares	<b>7,341,143</b>	7,341,143	<b>73,411</b>	73,411
	<b>9,236,428</b>	9,236,428	<b>92,364</b>	92,364

**23.2** Ingredion Inc. (formerly Corn Products International Inc.) Chicago, U.S.A. (the holding company), holds 6,561,117 (2022: 6,561,117) ordinary shares of Rs. 10 each as at 31 December 2023.

**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	2023	2022
		(Rupees in thousands)	
<b><u>Capital</u></b>			
Share premium	24.1	<b>36,946</b>	36,946
Other	24.2	<b>941</b>	941
		<b>37,887</b>	37,887
<b><u>Revenue</u></b>			
General reserve		<b>207</b>	207
Unappropriated profit		<b>22,906,525</b>	18,905,368
		<b>22,906,732</b>	18,905,575
		<b>22,944,619</b>	18,943,462

**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** Tax contingencies as disclosed in note 33.

**25.1.3** Counter guarantees given by the Company to Sui Northern Gas Pipelines Limited & Sui Southern Gas Pipelines Limited as at reporting date amount to Rs. 564,500 thousands (2022: Rs. 564,300 thousands).

# Notes to the Financial Statements

For the year ended 31 December 2023

2023  
2022  
(Rupees in thousands)

## 25.2 Commitments

Commitments in respect of capital expenditure	860,463	1,262,277
Commitment in respect of purchase of corn	1,309,200	6,111,798

## 26 Revenue

Domestic	69,314,112	62,866,037
Export	7,129,313	5,286,470
	76,443,425	68,152,507
Less: Sales tax	(10,379,480)	(9,114,551)
Trade discount	(597,245)	(282,183)
	(10,976,725)	(9,396,734)
<b>Revenue from contracts with customers</b>	<b>65,466,700</b>	<b>58,755,773</b>

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	30,585,206	30,099,108
Chemicals	1,071,695	890,302
Packing material	1,150,768	1,006,041
	32,807,669	31,995,451

Factory expenses:

Salaries, wages and amenities	27.1	2,619,061	2,303,384
Spares consumed		553,317	454,296
Logistics and handling		1,481,746	1,427,244
Fuel and power		10,661,832	11,555,534
Rent, rates and taxes		14,346	17,000
Consumables		54,301	29,986
Repairs and maintenance		87,632	64,552
Depreciation		527,490	493,791
Insurance		48,787	26,463
Factory general expenses		294,810	746,478

Add: Opening work in process		151,455	136,062
		49,302,446	49,250,241

Less: Closing work in process		(132,642)	(151,455)
<b>Cost of production</b>		<b>49,169,804</b>	<b>49,098,786</b>

Add: Opening finished goods stock - own manufactured		4,408,035	966,030
		53,577,839	50,064,816

Less: Closing finished goods stock - own manufactured		(3,423,286)	(4,408,035)
Cost of goods - own manufactured products		50,154,553	45,656,781
Cost of goods - purchased products		330,321	279,461
Freight and distribution cost		990,422	986,001
<b>Cost of goods sold</b>		<b>51,475,296</b>	<b>46,922,243</b>

27.1 Salaries, wages and amenities include Rs. 11,530 (thousand) (2022: Rs. 48,702 thousand) in respect of contribution to pension and gratuity funds and Rs. 51,677 (thousands) (2022: Rs. 41,595 (thousands) in respect of contribution to provident fund.

# Notes to the Financial Statements

For the year ended 31 December 2023

	Note	2023 (Rupees in thousands)	2022
<b>28 Distribution expenses</b>			
Salaries and amenities	28.1	199,578	169,066
Traveling and automobile expenses		38,278	22,207
Commission expense		480,181	445,651
Insurance		4,366	3,782
Rent, rates and taxes		9,196	6,369
Repair and maintenance		437	645
Electricity charges		1,271	1,191
Printing and stationery		467	248
Telephone and postage		7,105	4,144
Advertising and sales promotion		1,707	442
Depreciation		24,460	13,821
Market research and development		242	297
Miscellaneous expenses		45,153	13,998
		<b>812,441</b>	<b>681,861</b>

**28.1** Salaries, wages and amenities include Rs. 2,150 (thousands) (2022: Rs. 9,765 thousands) in respect of contribution to pension and gratuity fund and Rs. 9,039 (thousands) (2022: Rs. 6,164 thousands) in respect of contribution to provident fund.

	Note	2023 (Rupees in thousands)	2022
<b>29 Administrative expenses</b>			
Salaries and amenities	29.1	459,404	418,145
Traveling and automobile expenses		56,632	45,928
Insurance		3,168	1,712
Rent, rates and taxes		12,229	4,153
IT, networking and data communication		739,476	446,897
Repair and maintenance		283	2,230
Electricity charges		2,669	2,583
Printing and stationery		2,300	3,219
Telephone and postage		4,190	2,803
Legal and professional charges		20,415	18,786
Depreciation		26,352	11,957
Auditors' remuneration	29.2	5,658	4,738
Miscellaneous expenses		24,513	27,150
Donation and charity	29.3	10,000	5,527
		<b>1,367,289</b>	<b>995,828</b>

**29.1** Salaries, wages and amenities include Rs. 4,686 (thousands) (2022: Rs. 22,260 thousands) in respect of contribution to pension and gratuity fund and Rs. 19,304 (thousands) (2022: Rs. 15,661 thousands) in respect of contribution to provident fund.

	2023 (Rupees in thousands)	2022
<b>29.2 Auditors' remuneration</b>		
Audit fee	4,568	3,807
Review of half yearly accounts	799	666
Miscellaneous certifications	72	60
Out of pocket expenses reimbursed	219	205
	<b>5,658</b>	<b>4,738</b>



# Notes to the Financial Statements

For the year ended 31 December 2023

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

	2023	2022
	(Rupees in thousands)	
Akhuwat Islamic Microfinance	10,000	-
Transparent Hands Trust	-	4,275
	10,000	4,275
	10,000	4,275

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

## 30 Other income

### Income from financial assets

Mark up on loans and deposits	1,014,339	463,858
Foreign exchange gain	-	57,059
Dividend income	175,072	-

### Income from non-financial assets

Profit on sale of scrap	297,924	147,460
Profit on sale of property, plant and equipment	60,976	16,103
Amortization of deferred income	10,864	5,392
Miscellaneous income	11,873	14,734
	1,571,048	704,606
	1,571,048	704,606

2023                      2022  
(Rupees in thousands)

## 31 Other expenses

Workers' welfare fund	200,734	202,438
Workers' profit participation fund	639,758	532,843
Foreign exchange loss	38,126	-
	878,618	735,281
	878,618	735,281

## 32 Finance cost

*Mark up on:*

- Short term running finances	420,274	160,777
- Long term financing	26,188	3,787
	446,462	164,564
Bank charges and commission	54,342	40,798
Unwinding of lease liability	999	620
	501,803	205,982
	501,803	205,982

2023                      2022  
(Rupees in thousands)

## 33 Taxation

*Current taxation*

- for the year	4,126,487	3,311,358
- prior year	624,630	407,348
	4,751,117	3,718,706

*Deferred taxation*

- for the year	159,413	(85,360)
- prior year	177,027	108,853
	336,440	23,493
	5,087,557	3,742,199

# Notes to the Financial Statements

For the year ended 31 December 2023

	2023	2022
	-----Percentage-----	
<b>33.1 Reconciliation of effective tax rate</b>		
Applicable tax rate	<b>39.00</b>	33.00
-Effect of permanent differences	<b>0.03</b>	0.02
-Effect of prior year charge	<b>6.69</b>	5.20
-Effect of presumptive tax regime	<b>(3.08)</b>	(0.50)
-Effect of other	<b>(0.24)</b>	-
Average tax expense charged to profit or loss	<b>42.40</b>	37.72

**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 2023

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.

		2023	2022
<b>34 Earnings per share - basic and diluted</b>			
<b>34.1 Earnings per share - basic</b>			
Profit attributable to ordinary shareholders	<i>(Rupees in thousands)</i>	6,912,778	6,179,385
Weighted average number of ordinary shares	<i>(Numbers)</i>	9,236,428	9,236,428
Earnings per share - basic	<i>(Rupees)</i>	748.43	669.02
<b>34.2 Earnings per share - diluted</b>			
There is no dilution effect on basic earnings per share, as the Company has no such commitments.			
	<i>Note</i>	2023	2022
		<b>(Rupees in thousands)</b>	
<b>35 Cash generated from operation</b>			
Profit before tax		12,000,335	9,921,584
<i>Adjustment for:</i>			
Depreciation of property, plant and equipment		578,302	519,569
Provision for employees retirement benefits		18,368	80,727
Impairment reversal on financial assets		1,966	(2,400)
Provision for slow moving and obsolete items		(40,838)	159,021
Gain on disposal of property, plant and equipment		(60,976)	(16,103)
Interest income		(1,014,339)	(463,858)
Amortization of deferred income		(10,864)	(5,392)
Finance cost		501,803	205,982
		(26,578)	477,546
<b>Cash generated from operation before working capital changes</b>		11,973,757	10,399,130
<b><i>Effect on cash flow due to working capital changes</i></b>			
<i>(Increase) / decrease in current assets:</i>			
Stores and spares		20,172	(368,753)
Stock in trade		(8,378,281)	(7,312,143)
Trade debts		(51,953)	(850,065)
Loans and advances		94,112	(156,511)
Long term deposits		(2,850)	(2,000)
Short term prepayments		(310,458)	66,827
Other receivables		(63,362)	8,962
		(8,692,620)	(8,613,683)
<i>Increase / (decrease) in current liabilities:</i>			
Trade and other payables		9,842,813	2,608,293
Contract liabilities		(19,585)	7,539
		9,823,228	2,615,832
<b>Cash generated from operations</b>		13,104,365	4,401,279
<b>36 Cash and cash equivalents</b>			
Short term investments	15	-	3,380,436
Cash and bank balances	16	6,637,014	887,943
Short term finance	17	(5,991,919)	(2,058,297)
		645,095	2,210,082

# Notes to the Financial Statements

For the year ended 31 December 2023

37 The credit facilities available to the Company at year ended 31 December 2023 are as follows:

	2023		2022	
	Available limit	Utilized credit	Available limit	Utilized credit
----- Rupees in million -----				
Long term financing	650	492	650	132
Murabaha	9,373	8,474	7,500	5,700
Running finance	8,727	5,887	10,800	2,058
	<b>18,750</b>	<b>14,853</b>	<b>18,950</b>	<b>7,890</b>
Letter of credits / guarantees	<b>1,425</b>	<b>576</b>	<b>900</b>	<b>564</b>

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 -----							
<b>31 December 2023</b>							
<b><u>Financial assets - not measured at fair value</u></b>							
Long term loans - secured	3,238	-	3,238	-	-	-	-
Trade debts	2,924,399	-	2,924,399	-	-	-	-
Long term deposits	-	-	-	-	-	-	-
Other receivables	106,972	-	106,972	-	-	-	-
Short term investments	-	-	-	-	5,398,811	-	5,398,811
Cash and bank balances	6,637,014	-	6,637,014	-	-	-	-
	<b>9,671,623</b>	<b>-</b>	<b>9,671,623</b>	<b>-</b>	<b>5,398,811</b>	<b>-</b>	<b>5,398,811</b>
<b><u>Financial liabilities - not measured at fair value</u></b>							
Long term financing	-	385,587	385,587	-	-	-	-
Trade and other payables	-	15,691,540	15,691,540	-	-	-	-
Mark-up accrued on short term running finances	-	131,871	131,871	-	-	-	-
Short term finance	-	5,991,919	5,991,919	-	-	-	-
Unpaid dividend	-	1,658,375	1,658,375	-	-	-	-
Unclaimed dividend	-	25,802	25,802	-	-	-	-
	<b>-</b>	<b>23,885,094</b>	<b>23,885,094</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

	Carrying amount			Fair value			
	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>31 December 2022</b>							
----- Rupees in thousands -----							
<b><i>Financial assets - not measured at fair value</i></b>							
Long term loans - secured	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	-	-	-	-
	<b>7,221,247</b>	<b>-</b>	<b>7,221,247</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><i>Financial liabilities - not measured at fair value</i></b>							
Long term financing	-	81,282	81,282	-	-	-	-
Trade and other payables	-	5,782,099	5,782,099	-	-	-	-
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	-	-	-	-
	<b>-</b>	<b>10,110,432</b>	<b>10,110,432</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 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 2023

## 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:

	2023	2022
	(Rupees in thousands)	
Long term loans	3,238	12,874
Trade debts	2,924,399	2,874,412
Long term deposits	-	37,108
Other receivables	106,972	28,474
Short term investments	5,398,811	3,380,436
Bank balances	6,617,755	871,449
	<b>15,051,175</b>	<b>7,204,753</b>
Secured	7,290,120	4,623,321
Unsecured	7,761,055	2,581,432
	<b>15,051,175</b>	<b>7,204,753</b>

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:

	2023	2022
	(Rupees in thousands)	
Trade debts	2,924,399	2,874,412
Loans to employees	3,238	12,874
Deposits and other receivables	106,972	65,582
Mutual Funds	5,398,811	-
Government debt securities	-	3,380,436
Banking companies and financial institutions	6,617,755	871,449
	<b>15,051,175</b>	<b>7,204,753</b>

## 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)		
<b>31 December 2023</b>			
Current	0.00%	2,417,165	-
1-90 days	0.00%	492,062	-
91-180 days	10.52%	14,405	1,515
181-270 days	1.64%	2,320	38
365- above days	100.00%	56,858	56,858
		<b>2,982,810</b>	<b>58,411</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

	Weighted average loss rate	Gross carrying amount	Loss allowance
(Rupees in thousands)			
<b>31 December 2022</b>			
Current	0.00%	2,394,617	-
1-90 days	0.00%	366,547	-
91-180 days	0.05%	28,070	14
181-270 days	0.04%	85,226	33
365- above days	100.00%	56,397	56,397
		<b>2,930,857</b>	<b>56,444</b>

### 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	2023	2022
	Short term	Long term		(Rupees in thousands)	
Meezan Bank Limited	A-1+	AAA	VIS	659,078	330,259
Standard Chartered Bank (Pakistan) Limited	A 1+	AAA	PACRA	-	110,465
Citi Bank Limited	P 1	Aa3	Moody's	289,724	123,090
MCB Bank Limited	A 1+	AAA	PACRA	49,120	224,919
Habib Bank Limited	A-1+	AAA	VIS	3,814,088	74,480
National Bank of Pakistan	A 1+	AAA	PACRA	1,805,745	8,236
Al-Meezan Investment Management Limited		AM1	PACRA	5,398,811	-
				<b>12,016,566</b>	<b>871,449</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

## 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:

	2023			
	Carrying amount	Contractual cash flows	Up to one year or less	More than one year
----- (Rupees in thousand) -----				
<b><u>Non- derivative financial liabilities</u></b>				
Long term financing	385,587	491,538	47,728	443,810
Trade and other payables	15,691,540	15,691,540	15,691,540	-
Mark-up accrued on short term finances	131,871	131,871	131,871	-
Unpaid dividend	1,658,375	1,658,375	1,658,375	-
Unclaimed dividend	25,802	25,802	25,802	-
Lease liability	15,987	20,625	7,768	12,857
Short term finance	5,991,919	5,991,919	5,991,919	-
	<b>23,901,081</b>	<b>24,011,670</b>	<b>23,555,003</b>	<b>456,667</b>
<hr/>				
	2022			
	Carrying amount	Contractual cash flows	Up to one year or less	More than one year
----- (Rupees in thousand) -----				
<b><u>Non- derivative financial liabilities</u></b>				
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	5,255	5,255	-
Short term finance	2,058,297	2,058,297	2,058,297	-
	<b>10,631,426</b>	<b>10,717,772</b>	<b>10,563,784</b>	<b>153,988</b>

### 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.



# Notes to the Financial Statements

For the year ended 31 December 2023

	2023	2022
	(Rupees in thousands)	
Paper and Board	266,764	466,828
Confectionary	47,690	30,918
Textile	102,439	208,689
Poultry	56,974	55,505
Food	773,087	1,061,517
Pharmaceuticals	-	113
Chemical and Allied Industries	236,494	15,672
Dealers	1,499,362	1,091,615
Bank	6,617,755	871,449
Government	5,398,811	3,380,436
Employees	1,369	12,874
Others	148,799	67,046
Allowance for expected credit loss	(58,411)	(57,909)
	<b>15,091,133</b>	<b>7,204,753</b>

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 2023.

### 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:

	2023	2022
<b>In USD</b>		
Foreign debtors	2,941,140	3,100,214
Foreign currency bank balance	1,086	-
Trade and other payables	(3,330,302)	(2,202,751)
<b>In EURO</b>		
Trade and other payables	(157,555)	-
Net exposure	<b>(545,631)</b>	<b>897,463</b>

The following significant exchange rates have been applied:

	Average rate for the year		Reporting date rate	
	2023	2022	2023	2022
USD to PKR	254	207.20	282	226
EURO to PKR	277	214.92	312	241

#### 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.

	2023	2022
	(Rupees in thousands)	
<u>Effect on profit or loss</u>		
US Dollar	(10,944)	20,321
EURO	(4,443)	-

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.

# Notes to the Financial Statements

For the year ended 31 December 2023

## 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	
	2023	2022	2023	2022
<b><u>Financial assets</u></b>	----- (Percentage) -----		<b>(Rupees in thousands)</b>	
<i>Fixed rate instruments:</i>				
Long term loans	<b>8.0%</b>	8.0%	<b>3,238</b>	12,874
Treasury bills	-	8.05% - 16.9%	-	3,380,436
Term deposit receipts	<b>17.25% - 19.25%</b>	-	1,800,000	-
<i>Variable rate instruments:</i>				
Bank balances - saving	<b>6.03% - 21.54%</b>	7.1% to 14.5%	<b>811,432</b>	811,432
<b><u>Financial liabilities</u></b>				
<i>Fixed rate instruments:</i>				
Long term financing	<b>16.9% - 23.27%</b>	16.9%	<b>385,587</b>	81,282
Lease liability	<b>23.78%</b>	8.17%	<b>15,987</b>	5,119
<i>Variable rate instruments:</i>				
Short term financing - secured	<b>16.33% - 22.86%</b>	10.25% to 16.46%	<b>5,991,919</b>	2,058,297

### 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
	<b>(Rupees in thousands)</b>	
As at 31 December 2023	<b>5,941</b>	<b>(5,941)</b>
As at 31 December 2022	3,031	(3,031)

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.

# Notes to the Financial Statements

For the year ended 31 December 2023

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	
	2023	2022	2023	2022	2023	2022
	----- (Rupees in thousands) -----					
Managerial remuneration	18,666	36,998	14,428	12,443	215,335	164,059
Rent, medical and other allowances	17,359	15,978	12,450	10,763	225,519	162,418
Bonus and leave encashment	10,556	23,526	9,079	3,221	118,809	68,303
Retirement benefits	4,832	5,679	3,734	3,915	55,164	52,215
	<b>51,413</b>	<b>82,181</b>	<b>39,691</b>	<b>30,342</b>	<b>614,827</b>	<b>446,995</b>
	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>88</b>	<b>68</b>

**39.1** Meeting fees aggregating to Rs. 5,140 thousands (2022: Rs 4,640 thousands) were paid to 4 (2022: 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 2023 are 9 (2022: 9).

## Notes to the Financial Statements

For the year ended 31 December 2023

### 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	2023		2022	
				Total value of transaction	Closing balance [asset/ (liability)]	Total value of transaction	Closing balance [asset/ (liability)]
				(Rupees in thousands)			
Ingredion Inc. U.S.A.	Holding Company	Majority shareholder	Services received	630,412	(672,602)	431,525	(228,621)
Ingredion Inc. U.S.A.	-do-	-do-	Dividend	2,132,363	(1,646,430)	2,296,391	(2,095,457)
Ingredion Inc. U.S.A.	-do-	-do-	Imports	61,885	(96,775)	115,790	(66,947)
Ingredion Inc. U.S.A.	-do-	-do-	Services provided	131,816	13,845	76,841	1,309
Unilever Pakistan Foods Limited	Associate	Common directorship	Sales	2,837,811	214,882	2,869,047	414,712
Pakistan Oxygen Limited	Associate	Common directorship	Purchases	168	-	401	419
Ingredion Holding LLC Kenya	-do-	Parent's subsidiary	Export sales	970,087	279,337	618,695	295,975
Ingredion Holding LLC Kenya	-do-	-do-	Services provided	4,377	4,400	2,971	2,400
Ingredion Singapore Pre. Ltd.	-do-	-do-	Export sales	-	(22,634)	4,737	(18,252)
Ingredion Germany GMBH	-do-	-do-	Export sales	403,898	25,929	497,845	78,626
Ingredion Germany GMBH	-do-	-do-	Imports	56,480	(52,592)	36,787	(12,883)
Ingredion Germany GMBH	-do-	-do-	Services received	-	(2,010)	-	(1,621)
Ingredion Germany GMBH	-do-	-do-	Services provided	586	586	-	-
Ingredion Holdings (Thailand) Co., Ltd.	-do-	-do-	Imports	224,422	(32,334)	96,070	(97)
Ingredion Holdings (Thailand) Co., Ltd.	-do-	-do-	Export sales	95,042	30,713	114,209	38,299
Ingredion Malaysia SDN BHD	-do-	-do-	Export sales	134,052	10,606	43,529	13,732
PT Ingredion, Indonesia	-do-	-do-	Export sales	255,049	48,580	271,376	68,208
Ingredion South Africa (Pvt) Ltd.	-do-	-do-	Export sales	174,248	28,552	265,763	93,065
Ingredion South Africa (Pvt) Ltd.	-do-	-do-	Services provided	-	-	298	340
Pakistan Mobile Communication (Pvt) Ltd.	-do-	Common directorship	Services received	1,398	-	2,375	-
Foundation Solar Energy Ltd.	-do-	-do-	Purchases	137,316	-	132,003	132,003
Kohinoor Textile Mills Ltd.	-do-	-do-	Sales	125,539	(2)	102,835	(3,467)
Gul Ahmad Textile Mills Limited	-do-	-do-	Sales	37,205	3,138	-	-
Fongrow Pvt Ltd.	-do-	-do-	Sales	1,800	-	-	-
Employee Benefits	-do-	Employee's retirement fund	Contribution to funds	98,389	(20,554)	144,146	(17,691)

## Notes to the Financial Statements

For the year ended 31 December 2023

40.1 Following are the related parties based on the shareholding with which the Company entered into transactions during the year.

Name of parties	Country of the Company	Percentage of shareholding
Ingreddion 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-
Ingreddion Holding LLC Kenya	Republic of Kenya	-do-
Ingreddion Singapore PTE Ltd.	Republic of Singapore	-do-
Ingreddion Germany GMBH	Federal Republic of Germany	-do-
Ingreddion Holdings (Thailand) Co., Ltd.	Kingdom of Thailand	-do-
Ingreddion Malaysia SDN BHD	Malaysia	-do-
PT Ingreddion, Indonesia	Republic of Indonesia	-do-
Ingreddion South Africa (Pvt) Ltd.	Republic of South Africa	-do-
Pakistan Mobile Communication (Pvt) Ltd.	Islamic Republic of Pakistan	-do-
Foundation Solar energy Ltd.	Islamic Republic of Pakistan	-do-
Kohinoor Textile Mills Ltd.	Islamic Republic of Pakistan	-do-
Gul Ahmad Textile Mills Limited	Islamic Republic of Pakistan	-do-
Fongrow Pvt Ltd.	Islamic Republic of Pakistan	-do-

# Notes to the Financial Statements

For the year ended 31 December 2023

2023                      2022  
-----**(Metric tons)**-----

## 41 Plant capacity and production

Average grind capacity per day	<b>1,905</b>	1,899
Capacity	<b>659,130</b>	664,708
Actual days worked	<b>270</b>	335
Actual production	<b>503,471</b>	635,893

The actual production is 76.38% (2022: 95.67%) of the plant capacity. The decrease in actual production is due to less operational days as compared to prior year.

## 42 Number of employees

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

	<b>No of employees</b>	
	<b>2023</b>	2022
Number of employees as at 31 December 2023	<b>1,097</b>	1,075
Average number of employees during the year	<b>1,086</b>	1,072

## 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 2023

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

	2023					
	Liabilities			Dividend		Equity
	Long term financing	Lease liability	Mark-up accrued on short term running finances	Payable	Unclaimed	Un-appropriated profit
	----- Rupees in thousands -----					
Balance as at 01 January 2023	81,282	5,119	55,986	2,110,252	22,517	18,905,368
<b>Changes from financing cash flows</b>						
Receipt of long term financing	363,008	-	-	-	-	-
Repayment of long term financing	(3,474)	-	-	-	-	-
Dividend paid	-	-	-	(3,392,077)	(943)	-
Repayment of lease liability	-	(7,147)	-	-	-	-
Finance cost paid	(17,102)	-	(398,731)	-	-	-
<b>Total changes from financing cash flows</b>	<b>342,432</b>	<b>(7,147)</b>	<b>(398,731)</b>	<b>(3,392,077)</b>	<b>(943)</b>	<b>-</b>
<b>Other changes</b>						
Unwinding of interest	36,310	999	474,616	-	-	-
Tax withheld	-	-	-	(57,411)	-	-
Lease recognized	-	17,016	-	-	-	-
Deferred income	(74,437)	-	-	-	-	-
Dividends declared	-	-	-	3,001,839	-	(3,001,839)
Transfer to unclaimed dividend	-	-	-	(4,228)	4,228	-
<b>Total liability related other changes</b>	<b>(38,127)</b>	<b>18,015</b>	<b>474,616</b>	<b>2,940,200</b>	<b>4,228</b>	<b>(3,001,839)</b>
<b>Total equity related other changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,002,996</b>
<b>Closing as at 31 December 2023</b>	<b>385,587</b>	<b>15,987</b>	<b>131,871</b>	<b>1,658,375</b>	<b>25,802</b>	<b>22,906,525</b>
						<b>25,124,147</b>

Balance as at 01 January 2023

### Changes from financing cash flows

Receipt of long term financing

Repayment of long term financing

Dividend paid

Repayment of lease liability

Finance cost paid

### Total changes from financing cash flows

### Other changes

Unwinding of interest

Tax withheld

Lease recognized

Deferred income

Dividends declared

Transfer to unclaimed dividend

### Total liability related other changes

### Total equity related other changes

### Closing as at 31 December 2023

# Notes to the Financial Statements

For the year ended 31 December 2023

		2022						
		Liabilities			Dividend		Equity	
		Long term financing	Lease liability	Mark-up accrued on short term running finances	Payable	Unclaimed	Un-appropriated profit	Total
----- Rupees in thousands -----								
<b>Balance as at 01 January 2022</b>		119,811	11,073	2,022	914,189	18,718	15,749,429	16,815,242
<b>Changes from financing cash flows</b>								
Receipt of long term financing		132,670	-	-	-	-	-	132,670
Repayment of long term financing		(122,217)	-	-	-	-	-	(122,217)
Dividends paid		-	-	-	(2,032,887)	-	-	(2,032,887)
Repayment of lease liability		-	(6,574)	-	-	-	-	(6,574)
Finance cost paid		(2,047)	-	(147,611)	-	-	-	(149,658)
Total changes from financing cash flows		8,406	(6,574)	(147,611)	(2,032,887)	-	-	(2,178,666)
<b>Other changes</b>								
Lease liability recognized		-	-	-	-	-	-	-
Interest expense		3,787	620	201,575	-	-	-	205,982
Deferred income recognized		(50,722)	-	-	-	-	-	(50,722)
Dividends declared		-	-	-	3,232,749	-	(3,232,749)	-
Transfer to unclaimed dividend		-	-	-	(3,799)	3,799	-	-
<b>Total liability related other changes</b>		(46,935)	620	201,575	3,228,950	3,799	(3,232,749)	155,260
<b>Total equity related other changes</b>		-	-	-	-	-	6,388,688	6,388,688
<b>Closing as at 31 December 2022</b>		81,282	5,119	55,986	2,110,252	22,517	18,905,368	21,180,524



# Notes to the Financial Statements

For the year ended 31 December 2023

## 45 Dividends

The Board of Directors have proposed a final dividend for the year ended 31 December 2023 of Rs. 100 per share, amounting to Rs. 923,643 thousands at their meeting held on February 28, 2024 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. 90.21% (2022: 92.24%) out of total sales of the Company relates to customers in Pakistan. All non current assets of the Company as at 31 December 2023 are located in Pakistan.

## 47 Date of authorization of issue

These financial statements were authorized for issue on February 28, 2024 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 2023

No. of Shareholders	Shareholding			Total Shares Held
671	1	-	100	26,741
143	101	-	500	33,738
41	501	-	1000	31,096
33	1001	-	5000	84,488
5	5001	-	10000	46,710
6	10001	-	15000	79,000
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
3	70001	-	75000	214,589
1	75001	-	80000	78,155
1	90001	-	95000	90,957
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
<b>927</b>				<b>9,236,428</b>

Sr. No.	Shareholders Category	No. of Shareholders	Shares Held	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	14	604,824	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	91,017	0.99
5	Insurance Companies	4	132,476	1.43
6	Modarabas and Mutual Funds	1	220	0.00
7	General Public :			
	a. Local	875	1,822,720	19.79
	b .Foreign	-	0	0.00
8	Others	30	24,054	0.26
	<b>Total:</b>	<b>927</b>	<b>9,236,428</b>	<b>100.00</b>
	Shareholders holding 10% or more	1	6,561,117	71.04

The above two Statements include 549 shareholders holding 774,702 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:

www.jamapunji.pk

### Be aware, Be alert, Be safe

Learn about investing at  
[www.jamapunji.pk](http://www.jamapunji.pk)

#### Key features:

- Licensed Entities Verification
- Scam meter\*
- Jamapunji games\*
- Tax credit calculator\*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler\*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes

Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

[jamapunji.pk](http://jamapunji.pk)

[@jamapunji\\_pk](https://twitter.com/jamapunji_pk)

\*Mobile apps are also available for download for android and ios devices

بورڈ آف ڈائریکٹرز نے بورڈ کے 5 ممبران پر مشتمل آپریشن کمیٹی قائم کی ہے۔ سال کے دوران آپریشن کمیٹی کے 14 اجلاس منعقد ہوئے اور ان 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	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	4
طاہر جاوید	ممبر	آزاد ڈائریکٹر	4
وصال اے۔ منوں	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	4
حمیر اعجاز	ممبر	ایگزیکٹو ڈائریکٹر	4

### شیر ہولڈنگ کا طریقہ کار

شیر ہولڈنگ کا طریقہ کار، بمطابق 31 دسمبر 2023 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 750 فیصد، 750 فیصد اور 1,000 فیصد بالترتیب ادا کر چکی ہے اور اب 1,000 فیصد کے حساب سے حتمی منافع منقسمہ تجویز کر رہی ہے جس سے کل منافع منقسمہ اس سال 3,500 فیصد ہو جائے گا۔

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

28 فروری 2024

منجانب بورڈ



حمیر اعجاز

چیف ایگزیکٹو نیچنگ ڈائریکٹر



عادل سعید خان

چیف فنانشل آفیسر

## سرپرست کمپنی

انگریڈیان انکارپوریٹڈ، امریکا کمپنی کے اکثریتی شیئرز کی حامل ہے۔

## آڈیٹرز

سبکدوش 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 2024 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 کی 4 ریگولر اور 2 خصوصی میٹنگز منعقد کی گئی تھیں اور ان میں شرکت درج ذیل کے مطابق تھی:

ڈائریکٹر کا نام	کمیٹی میں کردار	ڈائریکٹر ٹائپ	اجلاسوں میں شرکت
وقار احمد ملک (26 جون 2023 کو مستعفی ہوئے)	چیرمین (سابق)	آزاد ڈائریکٹر	2
ذوالفقار منوں	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	6
تانیہ جگر ڈی فوراس	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	4
جبر ڈی۔ گرے	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	5
مائیکل فرگوس اوری آرڈن	ممبر (سابق)	نان۔ ایگزیکٹو ڈائریکٹر	1
مارسل ہرگیٹ	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	5
کامران یوسف مرزا	چیرمین	آزاد ڈائریکٹر	2

## 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 2 اجلاس منعقد ہوئے اور شرکت درج ذیل رہی:

ڈائریکٹر کا نام	کمیٹی میں کردار	ڈائریکٹر ٹائپ	اجلاسوں میں شرکت
طاہر جاوید	چیرمین	آزاد ڈائریکٹر	2
حمیرا عجاز احمد	ممبر	ایگزیکٹو ڈائریکٹر	2
مائیکل فرگوس اوری آرڈن (28 اپریل 2023 کو مقرر ہوئے)	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	1
چیر پی ریڈوائی لینڈ اوری (2 مارچ 2023 کو مستعفی ہوئے)	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	1
تانیہ جگر ڈی فوراس	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	2
ایم۔ عادل منوں	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	2

## بورڈ آف ڈائریکٹرز

بورڈ گیارہ ڈائریکٹرز پر مشتمل ہے جو درج ذیل ہیں:

11	ڈائریکٹرز کی مجموعی تعداد
10	مرد
1	خاتون

## تشکیل

2	آزاد ڈائریکٹرز
7	دیگر نان-ایگزیکٹو ڈائریکٹرز
2	ایگزیکٹو ڈائریکٹرز

بورڈ کے چیئرمین ایک نان ایگزیکٹو ڈائریکٹر ہیں۔ تمام موجودہ بورڈ ممبران کمپنی انفارمیشن میں لسٹڈ 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 16 اجلاس منعقد کئے گئے۔ ان اجلاسوں میں ڈائریکٹرز کی شرکت درج ذیل رہی:

ڈائریکٹر کا نام	ڈائریکٹر ٹائپ	اجلاسوں میں شرکت
چیئرمین پروڈاکٹ لینڈازوری (چیئرمین) (2 مارچ 2023 کو مستعفی ہوئے)	نان-ایگزیکٹو ڈائریکٹر	1
مائیکل فرگوس اوری آرڈن (2 مارچ 2023 کو چیئرمین کا عہدہ سنبھالا)	نان-ایگزیکٹو ڈائریکٹر	6
حمیر اعجاز	ایگزیکٹو ڈائریکٹر	5
جمیز ڈی۔ گرے	نان-ایگزیکٹو ڈائریکٹر	6
تانیہ چنگیز ڈی فوراس	نان-ایگزیکٹو ڈائریکٹر	6
مارسل ہرگیٹ (2 مارچ 2023 کو بورڈ میں شامل ہوئے)	نان-ایگزیکٹو ڈائریکٹر	5
ذوالفقار منوں	نان-ایگزیکٹو ڈائریکٹر	6
میاں ایم۔ عادل منوں	نان-ایگزیکٹو ڈائریکٹر	6
وصال اے۔ منوں	نان-ایگزیکٹو ڈائریکٹر	6
عادل سعید خان	ایگزیکٹو ڈائریکٹر	6
دقار احمد ملک (26 جون 2023 کو مستعفی ہوئے)	آزاد ڈائریکٹر	2
کامران یوسف مرزا (12 جولائی 2023 کو بورڈ میں شامل ہوئے)	آزاد ڈائریکٹر	3
طاہر جاوید	آزاد ڈائریکٹر	6

## نان-ایگزیکٹو ڈائریکٹرز بشمول انڈیپنڈنٹ ڈائریکٹرز کے معاوضے کی پالیسی

نان-ایگزیکٹو ڈائریکٹرز (ماسوائے ان کے جو انگریڈین کی نمائندگی کرتے ہیں) 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 کی۔

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

2018	2019 Restated	2020	2021	2022	2023		
29,564	35,261	35,873	42,610	58,756	65,467	روپے ملین میں	مجموعی فروخت
21,631	26,289	26,091	32,291	46,922	51,475	روپے ملین میں	فروخت کی لاگت
7,933	8,972	9,782	10,318	11,834	13,991	روپے ملین میں	مجموعی منافع
27	25	27	24	20	21	%	فروخت کا فیصدی
6,811	7,750	8,519	8,987	10,128	12,502	روپے ملین میں	آپریٹنگ منافع جات
23	22	24	21	17	19	%	فروخت کا فیصدی
6,785	7,726	8,473	8,941	9,922	12,000	روپے ملین میں	منافع قبل از ٹیکس
4,772	5,444	6,094	6,257	6,179	6,913	روپے ملین میں	منافع بعد از ٹیکس
516.62	589.36	659.80	677.46	669.02	748.43	روپے	آمدنی فی شیئر
3,925	3,925	4,618	6,465	3,233	3,002	روپے ملین میں	منافع منقسمہ کی رقم
4,250	4,250	5,000	7,000	3,500	3,250	%	منافع منقسمہ فیصدی
196	314	349	516	882	2,431	روپے ملین میں	کیپٹل اخراجات

### ریسورس مینجمنٹ

ایگری بزنس ڈیپارٹمنٹ مستحکم زراعت پر کاشت کاروں میں شعور اور قابلیت پیدا کرنے کی ایک مہم کے ذریعے مستقل بنیادوں پر کوشاں ہے۔ ہماری فیلڈ ٹیم کے ساتھ اشتراک کار اور ہمارے سسٹین ایبلٹی اسپیشلسٹ کی سربراہی میں اس مہم کے ذریعے کاشت کاروں کو مستحکم طریقہ کار اور پاکستان کے بدلتے ہوئے موسموں کے نتیجے میں مشکلات سے نمٹنے کیلئے جدید طریقہ کار سے روشناس کرایا گیا۔ کاشت کاروں کی اس جزییشن کیلئے ہمارا ہدف زمین، پانی اور مستقبل کی نسلوں کیلئے غیر مہلک اور محفوظ ماحول کی فراہمی ہے۔

مون سون میں آنے والی موسم بہار کی فصلوں، افلاٹوکسین کی نشوونما کے لئے حساسیت کے دوران درپیش چیلنجوں کو تسلیم کرتے ہوئے ہم نے فصلوں کے بعد کے نقصانات اور جراثیمی آلودگی سے نمٹنے کے اقدامات کیے ہیں، ہماری آرائیڈ ڈی کی ٹیم نے یو ایس ڈی اے اور سی ڈی آر آئی، اسلام آباد کے ساتھ اشتراک کار سے 2016 میں ایجوکیٹو جینک کمیونٹی ایکسکلوزن (ACE) لاگو کرنے کے ایک پروگرام کا آغاز کیا تھا۔ ہم مطلوبہ اجازت ناموں کے حصول کے لئے اپنی کوششیں جاری رکھے ہوئے ہیں۔ ایک باریہ پروگرام مکمل ہو گیا تو ہمارا اقدام میٹا اور پاکستان کی دیگر فصلوں کے لئے ایک شاندار قدرتی قیمت کا حامل ثابت ہوگا۔

### سرمایہ کاری

آپ کی کمپنی نے کیپٹل سرمایہ کاری کیلئے ایک انتہائی منظم حکمت عملی اپنا رکھی ہے جس میں کاروباری فروغ، پیداواری لاگت میں بچت، پائیداری و استحکام، معیار اور ٹیکنالوجی کو آپ گریڈ کرنے کے ساتھ گلوبل ڈیولپمنٹس اور انویسٹمنٹ مارکیٹ پر بھی توجہ دی گئی ہے۔ صارف کی سروس اور اطمینان کو ترجیح دیتے ہوئے رفان نے گزشتہ سال کئی اہم سنگ میل بشمول توانائی میں بچت، سولر انرجی جزییشن اور کارکردگی میں بہتری اور پروڈیکٹس کی توسیع حاصل کی۔ رفان کی ٹیم جدید مینوفیکچرنگ اور نان مینوفیکچرنگ سہولتوں کو مزید بہتر بنانے اور اکٹھا کرنے کے لئے پُر عزم ہے جس کا مقصد امتیازی حیثیت اور بہترین منافع جات کا حصول ہے۔

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

رفان میٹا اپنے ملازمین کی قدر کرتا ہے۔ کمپنی تین ریٹائرمنٹ پلان، ایک ڈیفائنڈ کٹری بیوشن (پراویڈنٹ فنڈ) اور دو ڈیفائنڈ پینڈنٹ 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 ڈھن اور فنڈز میں مجموعی سرمایہ کاری درج ذیل ہے:

2022	2023		
			روپے ہزاروں میں
1,225,743	1,417,594	بمطابق 30 جون	پراویڈنٹ فنڈ
1,102,216	1,251,715	بمطابق 31 دسمبر	گریجویٹی فنڈ
850,189	986,001	بمطابق 31 دسمبر	سپرائیویشن فنڈ

## حفاظت، صحت اور ماحولیات

”سب سے پہلے تحفظ“ ہماری بنیادی قدر ہے اور تمام اسٹیک ہولڈرز کا تحفظ ہماری اولین ترجیح ہے۔ ہم کسی کو بھی رتی برابر بھی نقصان نہ پہنچنے کا مائنڈ سیٹ رکھتے ہیں، کسی بھی حادثے یا واقعے کی باریک بینی سے جانچ پڑتال کی جاتی ہے اور سیٹھی کی ٹریڈنگ دی جاتی ہے۔ باقاعدہ GEMBA واکس اور سفی اقدامات ایک محفوظ ماحول کو برقرار رکھنے میں بھرپور معاونت کرتے ہیں۔ موثر اور پائیدار طریقہ کار کی ہماری موثر توثیق بشمول ایک 24/7 ویٹ وائر ٹریڈٹ پلائٹ، توانائی کی بچت کے لئے ہماری جاری کوششیں، پانی کی بچت، فضلے میں کمی، شکرکاری کی مہم اور فضلے کی علیحدگی صحت مند اور صاف شفاف ماحول کے لئے ہمارے عزم کی عکاس ہیں۔ یہ ہماری اولین ترجیح رہی ہے کہ ایک صحت مند اور شفاف ماحول میں کام کریں۔ ہم مستقل طور پر اپنے پانی کے استعمال اور کاربن کے اخراج کا جائزہ لیتے رہے ہیں اور فضلے کی کمی، توانائی کی بچت اور سبز ماحول اور علاقوں کے فروغ کے ضمن میں اقدامات شروع کر رکھے ہیں۔

## کارپوریٹ سماجی ذمہ داری

رفان میٹلس سماجی ذمہ داری کے ضمن میں پوری طرح اپنے عزم پر کاربند رہتے ہوئے صحت، تعلیم، مساوی صنفی حقوق، ماحولیات اور کمیونٹی کے فروغ میں بھرپور شراکت کر رہا ہے، ہمارا مشن عام آدمی، کاشتکاروں، چھوٹے کاروباروں اور طبقات کے لئے مواقع پیدا کر کے ان کے معیار زندگی کو بہتر بنانا ہے۔

اس سال ہماری توجہ سیلاب متاثرین کی بحالی کے ہمارے پروگرام کے فیئر II پر رہی جس میں ہم نے کوٹری کے ایک دیہات دھنی بخش کی بحالی کیلئے اخوت فاؤنڈیشن کے ساتھ اشتراک کیا۔ اس حوالے سے 37 مکانات تعمیر کر کے ان خاندانوں کے حوالے کیے گئے جنہوں نے سیلاب کے دوران اپنے مکانات کھودیے تھے اور اس پروجیکٹ کو ہم نے نومبر 2023 میں مکمل کیا تھا۔

آگے بڑھتے ہوئے ہم اقوام متحدہ کے سسٹین ایبل ڈیولپمنٹ گولز (UNSDGs) بالخصوص صحت، تعلیم اور خواتین کو بااختیار بنانے کے پروگرام میں ان کی کوششوں کے ساتھ بھرپور شراکت فراہم کر رہے ہیں جس کے معاشرے پر مثبت اثرات مرتب ہو رہے ہیں۔

## کاروباری خطرات، چیلنجز اور مستقبل کے امکانات

آنے والے سالوں میں ملک کیلئے نئی بحران درپیش آسکتے ہیں جیسا کہ آئی ایم ایف پروگرام کے فریم ورک کے اندر رہ کر مالی استحکام کیلئے جدوجہد کرنا شامل ہے۔ معاشی منظر نامہ عام انتخابات کے بعد سیاسی استحکام اور جاری اصلاحات سے جڑا ہے۔ چیلنجز بشمول ایک سخت معاشی صورتحال، روپے کی قدر میں مستقل کمی اور توانائی کے بڑھتے ہوئے اخراجات مستقل خطرات ہیں۔

ان چیلنجز کا سامنا کرتے ہوئے ہماری توجہ بہل اور رواں آپریشنز، بڑھتے ہوئے حجم، اخراجات پر کنٹرول، افعال میں استحکام، نرخوں کی معقولیت اور مستعد افرادی قوت کے انتظام پر ہے۔ ہم موثر طور پر اپنی برآمدات میں اضافے پر توجہ دیتے ہوئے ملک کے غیر ملکی ذخائر میں بھرپور شراکت کر رہے ہیں۔

اجزاء کے ساتھ ہم آہنگی عالمی فلاحی ہے اور ہم بنیادی اقدار کو برقرار رکھتے ہوئے تبدیلی کو رائج کرنے، مربوط انداز میں کام کرنے اور ذمہ داری کو ترجیح دیتے ہیں۔ رفان مصنوعات کی سیٹھی، کوالٹی اور ویلیو ایڈڈ سروسز کی فراہمی کے عزم پر کاربند رہے گا۔ ہمارا مقصد ترقی یافتہ مارکیٹ کے رجحانات اور معاشی استحکام میں شراکت کے ذریعے اپنی سرکردہ پوزیشن کو برقرار رکھنا ہے۔

مارجن کے دباؤ کے باوجود ہم عزم ہیں اور نئی پروڈکٹس کے فروغ کے ساتھ ترقی و جدت طرازی پر توجہ دے رہے ہیں۔ ہمارا نقطہ نظر صارف کی ضروریات کو سمجھنا، فوری ردعمل دینا اور اپنی کاروباری حکمت عملی کو مستحکم انداز میں چلاتے ہوئے مسابقتی رجحان کو فروغ دینا ہے۔ کرنسی کی قدر میں کمی اور بڑھتے ہوئے اخراجات کے تناظر میں ہمارا زور حجم میں اضافے، لاگت پر کنٹرول اور مستعد اور فعال مینجمنٹ پر ہے۔

ہم اپنے شیئر ہولڈرز کے غیر متزلزل تعاون کیلئے دل سے شکر گزار ہیں، آپ کا ہماری کمپنی اور قیادت پر اعتماد قابل قدر ہے۔ رفان ایک مضبوط بنیاد پر کھڑا ہے اور مستقبل کیلئے پائیدار گرتھ اور تمام چیلنجز کا سامنا کرنے کے لئے ہر طرح سے تیار ہے۔

## کارپوریٹ گورننس

آپ کی کمپنی تمام اسٹینڈرڈز اور کارپوریٹ گورننس کی تمام شرائط پوری کرنے سے مکمل آگاہ ہے۔ ڈائریکٹرز ہمسرت 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 28 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 انتظامیہ کی جانب سے تیار کئے گئے مالیاتی حسابات، تمام کاروباری امور، ان کے آپریشنز کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلیوں کو شفاف انداز میں پیش کرتے ہیں۔
- ب) 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 زور دہانی 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۔



## ڈائریکٹرز کی رپورٹ

ہم بورڈ آف ڈائریکٹرز کی جانب سے بمسرت 31 دسمبر 2023 کو ختم ہونے والے مالیاتی سال کیلئے سالانہ رپورٹ اور آڈٹ شدہ مالیاتی حسابات پیش کر رہے ہیں۔ کاروباری صورتحال میں چیلنجز اور ایک غیر یقینی معاشی ماحول کے باوجود کمپنی نے مثبت نتائج حاصل کیے، ریونیو تمام کاروباری شعبوں کی شراکت کے ساتھ 11 فیصد تک بڑھ گیا، کمپنی نے لاگت میں افراط زر کو موثر طور پر کنٹرول کیا جس کے نتیجے میں گزشتہ سال سے خالص آمدنی 12 فیصد تک بڑھ گئی۔ مزید کلیدی اشاریے درج ذیل میں بیان کیے گئے ہیں:

مالیاتی نتائج		سال مختتمہ 31 دسمبر	
منافع جات اور مختص شدہ رقم		2022	2023
		روپے ہزاروں میں	
منافع بعد از ٹیکس		6,179,385	6,912,778
ملازمین کی ریٹائرمنٹ کے فوائد کے حقیقی منافع جات / (خسارے)		209,303	90,218
غیر مختص شدہ منافع جو کہ آگے منتقل کیا گیا		15,749,429	18,905,368
		<b>22,138,117</b>	<b>25,908,364</b>
مختص شدہ رقمات			
حتمی منافع منقسمہ 2022 بشرح 750 فیصد	(2021: بشرح 1500 فیصد)	1,385,464	692,732
پہلا عبوری منافع منقسمہ 2023 بشرح 750 فیصد	(2022: بشرح 1000 فیصد)	923,643	692,732
دوسرا عبوری منافع منقسمہ 2023 بشرح 750 فیصد	(2022: بشرح 500 فیصد)	461,821	692,732
تیسرا عبوری منافع منقسمہ 2023 بشرح 1000 فیصد	(2022: بشرح 500 فیصد)	461,821	923,643
		<b>3,232,749</b>	<b>3,001,839</b>
غیر مختص شدہ منافع جات		<b>18,905,368</b>	<b>22,906,525</b>
آمدنی فی شیئر (روپے)		<b>669.02</b>	<b>748.43</b>

### کاروباری جائزہ

سال 2023 میں پاکستان کو سنگین معاشی بحرانوں مثلاً بلند تر مہنگائی، پاک روپے کی قدر میں کمی، بلند تر پالیسی ریٹس، سیاسی بے یقینی اور عالمی سطح پر معاشی گراؤ کا سامنا کرنا پڑا۔ ان رکاوٹوں کے باوجود کمپنی نے نتائج میں بہتری ظاہر کی اور 6,913 ملین روپے کا منافع بعد از ٹیکس حاصل کیا۔ یہ کارکردگی بہتر سٹریٹجی، جدید و منفرد سولوشنز، مناسب آپریشنل کارکردگی اور پیداواری لاگت میں بچت کے اقدامات کی بدولت حاصل ہوئی۔

صنعتی کاروباری کارکردگی صنعتی اجزاء کیلئے طلب میں کمی آنے کے سبب بے یقینی کے باعث متاثر ہوئی۔ ٹیکسٹائل سیکٹر سے طلب توانائی کے بلند تر اخراجات اور بین الاقوامی طلب میں کمی آنے کی وجہ سے متاثر رہی۔ پیپر اور گورگیشن کی طلب مستحکم رہی جس کی وجہ سے پیکجنگ کی بڑھتی ہوئی کھپت سے مدد ملنا تھا۔

مہنگائی کی وجہ سے صارفین کی توت خرید کو بھی چیلنجز کا سامنا رہا اور ہمارے فوڈ کے اجزاء کی طلب میں کمی آئی۔ دوسری طرف کنفیکشنری، فوڈ پروسیسنگ، آئس کریم، کیچ اپ، سوپس، اسٹل ڈرنکس، فارماسیوٹیکلز اور بیکنگ نے چلک کا مظاہرہ کیا۔ جانوروں کی خوراک کی اشیاء کی طلب بھی پولٹری، لائیو اسٹاک اور ایکوا کچر کے شعبوں سے برقرار رہی جس کی وجہ سے پولٹری کی طلب میں استحکام آفوش فارمنگ کا فروغ ہے۔

رفان میٹل کی توجہ بنیادی کاروباروں کو مستحکم کرنے، نئی اشیاء خوردنی بالخصوص اسپیشلسٹی اجزاء کیلئے مارکیٹنگ صلاحیتوں میں اضافے اور برآمدات بڑھانے پر ہے۔ کمپنی ملٹی پل مارکیٹوں میں برآمدات کے ساتھ اپنی علاقائی پوزیشن مضبوط بنانے کے لیے غیر ملکی زر مبادلہ کمانے میں اپنی بھرپور شراکت کر سکے۔

### آپریٹیشنز

مارکیٹ لیڈر شپ کی اپنی روایت کو برقرار رکھتے ہوئے رفان اپنے معزز صارفین کیلئے جدید اور باکفایت مصنوعات کی فراہمی پر توجہ مرکوز کیے ہوئے ہے۔ ہمارے پاکستان آپریٹیشنز کی ٹیم کی ترجیح توانائی کو بچانے، ماحولیات کے تحفظ اور کام کرنے کے محفوظ ماحول کو یقینی بناتے ہوئے تیاری کے عمل کو منظم بنانے پر ہے، کنٹرولنگ، میٹریٹل سپلائی اور ملازمین کے درمیان روابط پر زور دیتے ہوئے ہمارا ہدف ملکی اور بیرونی دونوں صارفین کی توقعات پر پورا اترنا اور اپنے شیئر ہولڈرز کے لئے سرمایہ کاری پر مستحکم منافع جات کا حصول ہے، کلیدی کامیابیاں بشمول مستعد میڈیوٹیکسٹائل کی سہولت کا استعمال، کامیاب رویوں پر منحصر سبھی اقدامات، مستقل بہتری کے پروگرامز کی تکمیل، توانائی بچانے کے پروگرامز کا آغاز، بلند ترین فرسٹ پاس کمپلائنس اور بہتر قدر و قیمت کی حامل نئی پروڈکٹس کا فروغ ہے۔

## چیئر مین کا جائزہ

میں، بسمرت رفغان میٹز پروڈکٹس کمپنی لمیٹڈ کی کارکردگی کا جائزہ اور اپنے اغراض و مقاصد اور اہداف کے حصول کے لئے بورڈ کی جانب سے ادا کیے جانے والے کٹھن کردار کے بارے میں جائزہ پیش کر رہا ہوں۔

سال 2024 کیلئے پاکستان کی ترقی میں آئی ایم ایف کی جانب سے حالیہ کمی کی پیشگوئی اقتصادی چیلنجوں کی نشاندہی کرتی ہے جس میں ہدنی اصلاحات کی ضرورت پر زور دیا گیا ہے۔ انتہائی کٹھن سیاسی اور معاشی چیلنجز، مہنگائی کے ساتھ پاک روپے کی قدر میں کمی صارفین کی خریداری کی طلب کو متاثر کرتی ہے تاہم عالمی اقتصادی منظر نامہ بہتر نظر آتا ہے۔ اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو 22 فیصد تک بڑھا کر مہنگائی پر قابو پایا۔ چیلنجوں کے باوجود ہم پاکستان کی معیشت کے ابھرنے کی قوت کے بارے میں پُر امید ہیں اور بحالی کی توقع رکھتے ہیں۔

اس بحرانی مدت کے دور میں بورڈ نے نہایت اہم کردار ادا کیا اور 11 فیصد کی متاثر کن ریونیو گروتھ کی فراہمی اور کمپنی کی سرکردہ پوزیشن کو برقرار رکھا۔ کمپنی نے 65.4 ارب روپے کا شاندار ریونیو حاصل کیا۔ اس فعال و متحرک اپروچ سے مہنگائی کے اثرات کم کرنے میں معاونت ملی اور 12 فیصد کی بوٹم لائن گروتھ حاصل ہوئی۔

ہم موجودہ چیلنجز سے گزرتے ہوئے اپنی کاروباری صلاحیت کے بارے میں پُر اعتماد ہیں۔ ایک مستحکم اور منظم انتظامی ٹیم اور ایک تجربہ کار بورڈ کے ساتھ ہم پائیدار گروتھ، موزوں اسٹریٹیجک توسیع، شیئر ہولڈر کیلئے بہتر ویلیو اور کمپنی کی مجموعی کارکردگی میں اضافے کیلئے بہترین اقدامات بروئے کار لاتے رہیں گے۔

میں بورڈ کے تمام ممبران کو ان کی جاری رہنمائی و سرپرستی کیلئے اُن کا شکریہ ادا کرتا ہوں۔ ان کی وسیع تر معلومات، مہارت اور قابلیت سے استفادہ کرتے ہوئے بورڈ مستقل طور پر کمپنی کے کاروبار اور حکمت عملی کا جائزہ لیتا ہے اور کلیدی شعبوں اور معلومات مثلاً اسٹریٹیجک منصوبہ بندی، وسائل کے موزوں استعمال، مالیاتی کارکردگی، ٹیلنٹ مینجمنٹ اور آپریشنل صلاحیتوں کے بارے میں ان سے مشاورت کی جاتی ہے۔ میں ایک اور مستحکم سال کے حصول کے ضمن میں بورڈ کی شراکت پر انہیں خراج تحسین پیش کرتا ہوں۔

28 فروری 2024

*M. F. Raza*

مائیکل فرگوس اوری آرڈن  
چیئر 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:

<b><u>Company Contact:</u></b> 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	<b><u>Shares Registrar:</u></b> Mr. Nadeem Amjad M/s FAMCO Share Registration Services (Pvt.) Ltd. 8-F, Near Hotel Faran, Nursery, Block-6, PECHS, Shahrah-e-Faisal, Karachi. Tel. No. 021-34380101-05 & 34384621-23 (Ext.104) E-mail:info.shares@famcosrs.com
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# Proxy Form

## 135th 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 135th General Meeting (Annual Ordinary) of the Company to be held on Monday, April 22, 2024 at 3:00 p.m. at the Company's Head Office, Rakh Canal East Road, Faisalabad and/or at any adjournment thereof.

Signed this.....day of .....2024

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:

- a) 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.
- b) 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.
- c) 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

135 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  
135 ویں اجلاس عام (سالانہ عمومی) منعقدہ کمپنی کے ہیڈ آفس، رکھ کینال ایسٹ روڈ، فیصل آباد بروز سوموار، 22 اپریل، 2024 کو بوقت 03:00 بجے سہ پہر یا کسی ملتوی شدہ تاریخ پر شرکت  
کر کے ووٹ ڈال سکے گا/گی۔

تاریخ آج \_\_\_\_\_ بابت \_\_\_\_\_ 2024

50/- روپے  
کارپوریٹ 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 پارٹیسیپٹ 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 میٹھ پراڈکٹس کمپنی لمیٹڈ،  
رکھ کینال ایسٹ روڈ،  
فیصل آباد۔





  
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