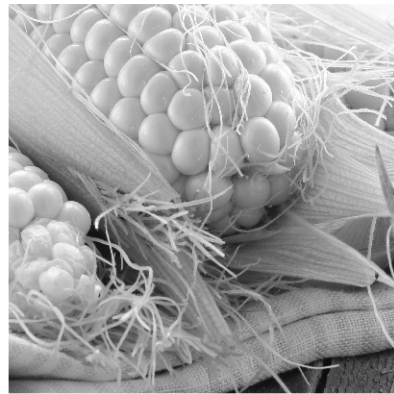
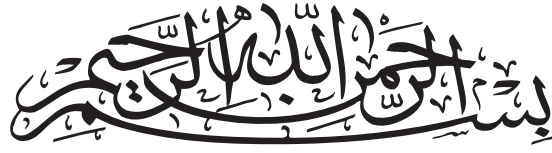


2020

Annual Report





Contents

02	Company Information
03	Notice of Meeting
07	Vision, Mission Statement
08	Core Values
09	Chairman's Review
10	Directors' Profile
13	Forward-Looking Statements
14	Horizontal Analysis - P&L and B/S
15	Vertical Analysis - P&L and B/S
16	Directors' Report
22	Stakeholders' Information
23	Summary of Cash Flow Statement
24	Comments on Analysis Results
25	DuPont Analysis
26	Quarterly Analysis
27	Sensitivity Analysis and Statement of Value Added
28	Independent Auditor's Review Report
29	Statement of Compliance
31	CSR and Sustainability Highlights
34	Independent Auditor's Report to Members
38	Statement of Financial Position
39	Statement of Profit or Loss
40	Statement of Comprehensive Income
41	Statement of Cash Flows
42	Statement of Changes in Equity
43	Notes to the Financial Statements
88	Pattern of Shareholding
91	Directors' Report in Urdu
97	Chairman's Review in Urdu
98	Request Form for Dividend Mandate
99	Request Form for Hard Copy of Financial Statements
100	Proxy Form
102	Proxy Form in Urdu



Company Information

Board of Directors

Chairman

Pierre Perez y Landazuri Non-Executive

Chief Executive & Managing Director

Usman Qayyum Executive

Members:

James D. Gray Non-Executive

Janet M. Bawcom Non-Executive

Marcel Hergett (Resigned on 1-03-2021) Non-Executive

Michael F. O'Riordan (Appointed on 03-03-2021) Non-Executive

Zulfikar Mannoo Non-Executive

Mian M. Adil Mannoo Non-Executive

Wisal A. Mannoo Non-Executive

Muhammad Asdaf Executive

Tabish Gauhar (Resigned on 10-02-2021) Independent &

Non-Executive

Tahir Jawaid Independent &

Non-Executive

Chief Financial Officer

Muhammad Asdaf

Secretary

Mustafa Kamal Zuberi

Audit Committee

Tabish Gauhar (Resigned on 10-02-2021) Chairman

James D. Gray Member

Janet M. Bawcom Member

Marcel Hergett (Resigned on 1-03-2021) Member

Zulfikar Mannoo Member

Human Resource & Remuneration Committee

Tahir Jawaid Chairman

Pierre Perez y Landazuri Member

Janet M. Bawcom Member

Usman Qayyum Member

Zulfikar Mannoo Member

Shares Transfer Committee

Usman Qayyum Chairman

Muhammad Asdaf Member

Bankers

Citibank, N.A.

Habib Bank Ltd.

Meezan Bank Ltd.

MCB Bank Ltd.

MCB Islamic Bank Ltd.

National Bank of Pakistan

Standard Chartered Bank (Pakistan) Ltd.

Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Lahore – Karachi

Legal Advisor

M. Ali Seena

C/o Surridge & Beecheno,

Karachi-74000

Shares Registrar

FAMCO Associates (Pvt.) Ltd.

8-F, Next to Hotel Faran, Nursery,

Block-6, P.E.C.H.S., Shahrah-e-Faisal,

Karachi-75400

Tel: (92-21) 34380101-5

Fax: (92-21) 34380106

E-mail: info.shares@famco.com.pk

Registered Office & Shares Department

Rakh Canal East Road, Faisalabad,

Ph: (92-41) 8540121-22-23

Fax: (92-41) 8711016 - 8502197

Website: www.rafhanmaize.com

E-mail: corporate@rafhanmaize.com

Plants:

Rakh Canal Plant:

Rakh Canal East Road,

Faisalabad-38860.

Ph: (92-41) 8540121-22-23

Fax: (92-41) 8711016 - 8502197

Cornwala Plant:

5-KM Jaranwala-Khurrianwala Road,

Jaranwala - 37250.

Ph: (92-41) 4710121 & 23-27

Mehran Plant:

K.B. Feeder Road, Kotri,

Jamshoro-76090.

Ph: (92-223) 870894 - 98

Notice of Meeting

Notice is hereby given that the 131st General Meeting (Annual Ordinary) of the shareholders of Rafhan Maize Products Co. Limited will be held on Monday, April 19, 2021 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 Friday, May 29, 2020 at Faisalabad.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2020 together with the Directors' and Auditors' Reports thereon.
3. To approve final cash dividend of Rs.250/- per ordinary share of Rs.10/- i.e. 2,500% for the year ended December 31, 2020 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, 2021 along with half year review.

Special Business

5. To consider and pass with or without modification, the following resolution as a special resolution for replacing article 50 of the Articles of Association of the Company with the following:

(1) The ordinary remuneration of a Director for attending a Board meeting or a Committee meeting of such Board attended by him/her, other than the remuneration of the regularly paid Chief Executive and full time working Directors, shall from time to time be determined by the Directors.

(2) A Director may also be paid all traveling, hotel and other expenses properly incurred by him/her in order to attend and return from Board meetings or any Committee of such Board or General Meetings of the Company or a meeting in direct connection with the business of the Company. Those expenses shall be charged as part of the Company's ordinary working expenses.

(3) Subject to such consents or approvals being granted and within such limits as may be prescribed by the Act or any other law for the time being in force, the Board may from time to time authorize the payment of remuneration (in addition to the ordinary remuneration referred to in subsection (1) of this Article and whether payable as salary, commission, bonus, allowances, consultancy fees or otherwise) or the grant of benefits other than remuneration to any Director, either in respect of or in connection with any office of profit held by him/her under the Company whether as salaried executive, consultant or otherwise or for the performance by him/her of extra service otherwise than in connection with such office of profit and outside the scope of the ordinary duties of a Director.

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

By order of the Board

Faisalabad.
March 29, 2021

Mustafa Kamal Zuberi
Company Secretary &
Head of Legal / Corporate Affairs

Statement of Material Facts under Section 134(3) of the Companies Act, 2017 in respect of Special Business

In order to remain competitive in remunerating directors so that adequate expertise, talent and competency can be maintained at the Board level it is recommended that by altering the articles members grant right to the Board of Directors to determine remuneration for directors other than regularly paid chief executive and full time working directors. Further, as per company policy, directors in the non-executive category representing Ingredion Incorporated are not entitled to receive any remuneration. Any director whose compensation is under discussion is not considered as part of the quorum for that agenda item.

Notes:

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

The Company, furthermore, has made arrangements to ensure that all participants, including shareholders, can now participate in the AGM proceeding via video-link. For this, Members are required to email their Name, Folio Number and Number of Shares held in their names with subject "Registration for RAFHAN AGM" at corporate@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 3:30 p.m. on April 12, 2021. The Shareholders can also provide their comments and questions for the agenda items of the AGM on Email at corporate@rafhanmaize.com. Members are, therefore, encouraged to attend the AGM through video-link or by consolidating their attendance through proxies.

1. The Shares Transfer Books of the Company will remain closed from 13th April to 19th April, 2021 (both days inclusive) and no transfer will be accepted for registration during this period.
2. A member entitled to attend, speak and vote at the meeting shall be entitled to appoint another person as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights with respect to attending, speaking and voting at the meeting as are available to a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. A proxy need not be a member of the Company. Form of proxy is attached.
3. Physical shareholders are requested to notify change of address, if any, to the Company's Shares Registrar immediately.
4. CDC shareholders desiring to attend the meeting are requested to bring their original Computerized National Identity Cards, Account and Participant's ID numbers, for identification purpose, and in case of proxy, to enclose an attested copy of his/her CNIC.

IMPORTANT NOTES TO SHAREHOLDERS

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

CNIC Copy

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

Dividend Mandate/E-Dividend

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

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

In case of non-receipt of the above information, the Company will be constrained to withhold payment of dividend to such shareholders.

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

Annual Financial Statements of the Company for the financial year ended December 31, 2020 have been placed on the Company's website-

Securities and Exchange Commission of Pakistan (SECP) vide its SRO No.470(1)/2016 dated May 31, 2016 has allowed companies to circulate their Annual Audited Financial Statements along with notice of general meeting to its members through CD/DVD/USB at their registered addresses.

However, shareholders who wish to receive the hard copy of Annual Audited Financial Statements along with notice of general meeting shall have to fill the request form which is available at the Company's website www.rafhanmaize.com and send it to our Shares Registrar or Company Secretary at their respective mailing addresses given at the end of this notice.

Unclaimed Shares/Unpaid Dividend

In compliance of Section 244 of the Companies Act 2017, a Final Notice was given by the Company on March 27, 2018 that the shares of Rafhan Maize Products Co. Limited/dividend declared by the Company, details whereof are appearing on the Company's website www.rafhanmaize.com have remained unclaimed or unpaid for a period of three years from the date these have become due and payable. In case of non-receipt of any claim by the respective shareholders to above referred Final Notice, the Company shall proceed to deposit the unclaimed/unpaid amount with the Federal Government pursuant to the provisions of sub-section 2 of section 244 of the Companies Act, 2017.

Deduction of Income Tax from Dividend under Section 150

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

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

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

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

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

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

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

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

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

Centralized Cash Dividend Register (CCDR)

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

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

Consent for Video Conference Facility

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

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

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

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

Signature of Member

Company Contact:

Mr. Mustafa Kamal Zuberi
Company Secretary & Head of Legal / Corporate Affairs
Rafhan Maize Products Co. Ltd.,
Rakh Canal East Road, Faisalabad.
Tel.No.041-8540121 – Ext.206 & 348
E-mail:corporate@rafhanmaize.com

Shares Registrar:

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



Our Purpose

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

Vision

To be the Premier Provider of Refined Agriculturally based Products and Ingredients in the Region.

Mission Statement

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

Our Values



Care First

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



Be Preferred

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



Everyone Belongs

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



Innovate Boldly

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



Owner's Mindset

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

Chairman's Review

The COVID-19 posed social and economic risks for everyone around the globe during 2020. The pandemic also impacted Businesses and Economies through curtailment in the economic activity/growth. The COVID-19 impact on Pakistan was also severe, as prior to COVID-19, Government was in a phase of economic stability after successfully negotiating an IMF package and securing financial assistance from some of the neighboring countries but economic slowdown, lockdowns and massive disruption during Q2 2020 pushed economic growth to negative. However, due to effective measures taken by Government economic recovery was witnessed during H2 2020.

The situation was challenging for Rafhan and for its employees as well. Rafhan Board and Management, however, managed to successfully pass through this period of uncertainty while making no compromise on the safety of its employees. The Board played an effective and impactful role during COVID period, conducted a special meeting in June 2020 to assess the risks, formulate strategies and mitigate the COVID-19 impact. The proactive and positive role of Board and management resulted in top and bottom line growth despite tough economic conditions and challenges.

We are confident, after getting through tough COVID-19 phase, our business is well positioned to take on future challenges. We have a strong and agile management team and an experienced and seasoned Board to steer our business through tough economic conditions. We shall continue to embark upon various initiatives to sustain growth and withstand challenges to achieve greater heights, pursue strategic expansion and improve shareholders value and overall performance of the company.

I am pleased to report that the performance of the Board has been par excellence and helped in effectively steering the Company during the year. The Board continuously reviews the Company's business and advises the management on key areas like strategic planning, effective resources utilization, financial performance, capital deployment, matters related to human and operational capacity and related capabilities. The Board acknowledges its responsibility towards Corporate and Financial Reporting Framework. It is also cognizant of its strategic role in achieving the Company's key objectives, focused on improving returns to shareholders and other stakeholders and committed to continuing contribution towards these objectives.

I would like to thank all the members of the Board for their continuing guidance and support and acknowledge the contribution of the management for delivering yet another strong performance during 2020.



Pierre Perez y Landazuri
Chairman

March 3, 2021

Directors' Profile

PIERRE PEREZ y LANDAZURI

Chairman

Non-Executive Director

He joined the Board of Rafhan Maize as Chairman on August 12, 2016. He is also a member of the Board's Human Resource and Remuneration Committee and represents Ingredion Incorporated, the parent company, on the Board. At Ingredion Incorporated, he is Senior Vice President and President, EMEA since January 1, 2018. He is also a member of Ingredion Incorporated Executive Leadership Team.

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

Office Address

Ingredion 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 Jan. 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.

JANET M. BAWCOM

Non-Executive Director

Ms. Janet joined Board of Rafhan Maize on May 23, 2019. She represents Ingredion Incorporated, the parent company, on the Board. She is also a member of the Board's Audit Committee and Human Resource & Remuneration Committee. At Ingredion, she is Senior Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer. She is also a member of Ingredion Incorporated Executive Leadership Team.

Prior to joining Ingredion Incorporated, she has been working with Dell Technologies Inc., for the last 21 years and most recently served as Senior Vice President, Corporate, Securities & Finance Counsel and Assistant Secretary with a global team having responsibility for Board Governance, Corporate Securities, Capital Markets & Global Facilities and managed Corporate Affairs of Dell and its more than 500 global entities.

She holds a Juris Doctor Degree from Southern Methodist University and a Bachelor's Degree in Business Administration from the University of Oklahoma.

Office Address

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

MICHAEL FERGUS O'RIORDAN

Non-Executive Director

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

Directors' Profile

USMAN QAYYUM

Chief Executive & Managing Director
Executive Director

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

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

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

Office Address

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

MUHAMMAD ASDAF

Executive Director

He joined the Board of Rafhan Maize on September 21, 2017. He is FCA with over 28 years of experience in diversified business disciplines. Presently, he is holding the position of Chief Financial Officer of the Company.

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

Office Address

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

ZULFIKAR MANNOO

Non-Executive Director

He joined the Board of Rafhan Maize in 1990. He is alumnus of The Wharton School, University of Pennsylvania and Aitchison College, Lahore. He is also a member of the Board's Audit Committee and Human Resource & Remuneration Committee.

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 directorships (Independent) of Maple Leaf Cement Factory Ltd. and Kohinoor Textile Mills Ltd. and also is member of the Audit and Human Resource & Remuneration Committees of both the companies. 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 28 years.

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

Office Address

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

Directors' Profile

WISAL A. MANNOO

Non-Executive Director

He joined the Board of Rafhan Maize in 2006. He is an alumnus of Syracuse University, and Aitchison College, Lahore. He has been active in the textiles industry for the last 40 years.

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.

MARCEL HERGETT

Non-Executive Director

He joined the Board of Rafhan Maize on August 12, 2016 and represents Ingredion Incorporated, the parent company. He is also a member of the Board's Audit Committee. At Ingredion Incorporated, he is Senior Finance Director, EMEA since February 01, 2016. (Mr. Marcel has resigned from Rafhan BoD on March 1, 2021)

He holds a University Degree of Accountancy and Tax from University of Cologne, Albertus-Magnus-Platz, Koln, Germany. Wisal Kamal Fabrics,

Office Address

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

TABISH GAUHAR

Independent & Non-Executive Director

Mr. Tabish joined the Board of Rafhan Maize on September 07, 2018. He is the Chairman of the Board's Audit Committee. He has over 26 years of corporate, private, equity and entrepreneurial experience in general management, business turnaround, project development and financing, across the energy infrastructure sector in emerging and frontier markets. Presently, he is Founder Director of Oasis Energy Consultants, Dubai, U.A.E., and a member of the Operating Advisory Board, Mubadala Infrastructure Partners, Dubai, U.A.E. He was CEO of K-Electric Limited from 2009 to 2013 and Chairman of its Board from 2013 to 2015. He also holds directorship (Independent) of B0yco Petroleum Ltd. and is chairman of both the Audit and Human Resource & Remuneration Committees and also a member of its Risk Management Committee. (Mr. Tabish Gauhar has resigned from Rafhan BoD on February 10, 2021)

He holds a Master's Degree in Business Administration from the Institute of Business Administration, Karachi, Pakistan and Bachelor's Degree in Electrical Engineering from King's College London, United Kingdom.

Office Address

144 Tulip Way, Green Community,
124463 Dubai, United Arab Emirates.

TAHIR JAWAID

Independent & Non-Executive Director

Mr. Tahir joined the Board of Rafhan Maize on September 07, 2018. He is the Chairman of the Board's Human Resource and Remuneration Committee. He has more than 39 years' experience in various industries, including 27 years with Exxon/Engro in the manufacturing and technical operations of Pakistan's leading fertilizers manufacturer. Presently, he is Director & Chief Executive of Hub Power Services Company Ltd., and also holds Directorships of Hub Power Holding Company Ltd., China Power Hub Generation Company Ltd., Laraib Energy Ltd. and Thar Energy Ltd.

He holds a Master's Degree in Industrial Engineering from the University of Houston, USA and a Bachelor's Degree in Mechanical Engineering from the University of Engineering & Technology, Lahore, Pakistan.

Office Address

Hub Power Company, 11th Floor,
Ocean Tower, G-3, Block-9, Main Clifton Road,
Karachi.

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 co-products, particularly corn oil and feed; fluctuations in aggregate industry supply and market demand; the behavior of financial markets, including foreign currency fluctuations and fluctuations in interest and exchange rates; the commercial and consumer credit environment; general political, economic, business, market and weather conditions in the various geographic regions within Pakistan and in countries in which we sell our products; future financial performance of major industries which we serve, including, without limitation, the food and beverage, pharmaceuticals, paper, corrugated, textile and brewing industries; energy costs and availability, freight and shipping costs, and changes in regulatory controls regarding tariffs, duties, taxes and income tax rates; operating difficulties; availability of raw materials, including 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

	2020	2019	2018	2017	2016	2015
	Restated					
Sales	2%	19%	14%	3%	3%	-2%
Cost of sales	-1%	22%	16%	1%	-4%	-7%
Gross profit	9%	13%	7%	7%	27%	17%
Distribution cost	7%	12%	8%	9%	101%	12%
Administrative expenses	6%	23%	-4%	14%	4%	15%
Operating profit	10%	14%	12%	6%	24%	19%
Other operating income	36%	53%	32%	-4%	13%	55%
Finance cost	99%	-10%	65%	-12%	17%	-87%
Other operating expenses	11%	15%	11%	2%	31%	11%
Profit before taxation	10%	14%	12%	6%	24%	23%
Taxation	4%	13%	21%	-9%	38%	7%
Profit after taxation	12%	14%	9%	13%	18%	30%

Horizontal Analysis of Balance Sheet

	2020	2019	2018	2017	2016	2015
	Restated					
NON CURRENT ASSETS						
Property, plant and equipment	-4%	-3%	3%	19%	20%	-4%
Intangible assets				-100%	-63%	-84%
Capital work-in-progress	98%	78%	-89%	-61%	-28%	322%
EMPLOYEES RETIREMENT BENEFITS	81%	-45%	-10%	-26%	1543%	100%
LONG TERM LOANS	-11%	-24%	1%	-4%	46%	65%
LONG TERM DEPOSITS	0%	0%	1%	0%	1%	-1%
CURRENT ASSETS						
Stores and spares	-3%	9%	21%	-4%	6%	-9%
Stock in trade	18%	10%	-22%	19%	5%	29%
Trade debts	-7%	36%	10%	14%	-2%	11%
Loans and advances	-69%	10%	13%	11%	-5%	-43%
Trade deposits and short term prepayments	106%	-31%	10%	-9%	4%	23%
Other receivables	-51%	16%	44%	57%	-42%	48%
Short term investments	104%					
Cash and bank balances	62%	-5%	35%	-17%	36%	-11%
TOTAL ASSETS	23%	10%	1%	2%	12%	13%
CURRENT LIABILITIES						
Current portion of long term financing	--					
Current portion of deferred income	--					
Trade and other payables	57%	5%	7%	11%	8%	-5%
Unpaid dividend	8729%	-59%	-97%	17464%	1010%	55%
Unclaimed dividend	0%	-5%	-67%	321%	27%	19%
Mark up accrued on short term running finances	75%	1942%	0%	-100%	-61%	157%
Lease Liability	-100%					
Provision for taxation - net	-1%	-9%	108%	-9%	-26%	-45%
NON CURRENT LIABILITIES						
Long term financing	--					
Deferred income	--					
Deferred taxation	-1%	15%	-11%	-12%	50%	-4%
SHARE CAPITAL AND RESERVES						
Share capital	0%	0%	0%	0%	0%	0%
Reserves	11%	11%	7%	-6%	12%	21%
TOTAL LIABILITIES & EQUITY	23%	10%	1%	2%	12%	13%

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

Vertical Analysis of Profit and Loss Account

	2020	2019	2018	2017	2016	2015
	Restated					
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	72.7%	74.6%	73.2%	71.5%	72.5%	77.8%
Gross profit	27.3%	25.4%	26.8%	28.5%	27.5%	22.2%
Distribution cost	1.5%	1.4%	1.5%	2.5%	2.3%	1.2%
Administrative expenses	1.7%	1.6%	1.6%	1.9%	1.7%	1.7%
Operating profit	23.7%	22.0%	23.0%	23.3%	22.6%	18.7%
Other operating income	1.5%	1.1%	0.9%	0.7%	0.8%	0.7%
Finance cost	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Other operating expenses	1.7%	1.5%	1.6%	1.6%	1.6%	1.3%
Impairment loss on financial assets	0.2%	0.0%	-	-	-	-
Profit before taxation	23.6%	21.9%	23.0%	23.3%	22.8%	18.7%
Taxation	6.6%	6.5%	6.8%	6.4%	7.3%	5.4%
Profit after taxation	17.0%	15.4%	16.1%	16.9%	15.3%	13.3%

Vertical Analysis of Balance Sheet

	2020	2019	2018	2017	2016	2015
	Restated					
NON CURRENT ASSETS						
Property, plant and equipment	27.4%	35.0%	39.7%	39.0%	33.5%	31.3%
Intangible assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital work-in-progress	0.9%	0.6%	0.3%	3.0%	7.9%	12.5%
EMPLOYEES RETIREMENT BENEFITS	0.7%	0.5%	1.0%	1.1%	1.5%	0.1%
LONG TERM LOANS	0.0%	0.0%	0.1%	0.1%	0.1%	0.0%
LONG TERM DEPOSITS	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
CURRENT ASSETS						
Stores and spares	3.5%	4.4%	4.4%	3.7%	4.0%	4.2%
Stock in trade	19.5%	20.3%	20.3%	26.1%	22.5%	24.1%
Trade debts	6.8%	9.0%	7.3%	6.7%	6.0%	6.9%
Loans and advances	0.2%	0.7%	0.7%	0.6%	0.5%	0.6%
Trade deposits and short term prepayments	0.7%	0.4%	0.7%	0.8%	0.9%	1.0%
Other receivables	0.1%	0.2%	0.2%	0.2%	0.1%	0.2%
Short term investments	11.3%	6.8%				
Cash and bank balances	28.7%	21.9%	25.2%	18.8%	23.1%	19.1%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
CURRENT LIABILITIES						
Trade and other payables	19.4%	15.3%	16.0%	15.0%	13.8%	14.3%
Unpaid dividend	4.0%	0.1%	0.1%	5.4%	0.0%	0.0%
Unclaimed dividend	0.1%	0.1%	0.1%	0.3%	0.1%	0.1%
Mark up accrued on short term running finances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Short term running finances - secured	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Provision for taxation	1.0%	1.3%	1.5%	0.7%	0.8%	1.3%
Current portion of long term financing	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Current portion of deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Lease Liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NON CURRENT LIABILITIES						
Deferred taxation	3.8%	4.7%	4.5%	5.1%	5.9%	4.4%
Long term financing	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
SHARE CAPITAL AND RESERVES						
Share capital	0.4%	0.5%	0.5%	0.6%	0.6%	0.6%
Reserves	70.2%	78.1%	77.2%	72.9%	78.8%	79.3%
TOTAL LIABILITIES & EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

Directors' Report

The Directors of your Company feel pleasure in presenting the annual audited Financial Statements along with auditors' report thereon for the year ended December 31, 2020.



Financial Results

Profit and Appropriations

		Year ended December 31	
		2020	2019 (Restated)
		Rupees in Thousand	
Profit after taxation		6,094,231	5,443,566
Actuarial gains/(losses) of employees retirement benefits		50,786	(58,185)
Un-appropriated profit brought forward		14,473,720	13,013,822
		20,618,737	18,399,203
Appropriations			
Final Dividend 2019 @2000%	(2018: @1250%)	1,847,286	1,154,554
1 st Interim Dividend 2020 @1500%	(2019: @1000%)	1,385,464	923,643
2 nd Interim Dividend 2020 @1500%	(2019: @1000%)	1,385,464	923,643
3 rd Interim Dividend 2020	(2019: @1000%)	-	923,643
		4,618,214	3,925,483
Un-appropriated Profit		16,000,523	14,473,720
Earnings per Share (Rupees)		659.80	589.36

Business Review

The outbreak of coronavirus during 2020 severely affected the national and global economies. Various businesses faced number of issues with certain degree of losses. In particular, businesses encountered challenges around decrease in demand, supply chain disruptions, cancelation of orders, raw material shortage, and transportation disruptions, among others. Fortunately, Pakistan fared better in the COVID-19 crisis than many other countries. As a result, situation in Pakistan, improved to some extent at the end of H1 2020 and we saw some sign of economic recovery, specially in large scale manufacturing, during H2 2020.

Rafhan management, during the midst of uncertainty due to COVID 19, remained focused and clear about its strategy. Attention was mainly around achieving simple and fundamental targets of ensuring safety of employees, continuous and uninterrupted supply of products to customers and progressive customer relationship management. This strategy worked well, and the company was able to achieve 12% bottom line growth despite significant volume loss during Q2 2020.

Overall, Industrial Business situation remained mixed during the year, though severely impacted during Q2 but made some recovery during H2 2020. The negative impact during Q2 was largely due to slowdown in textile sector as a result of cancellation of export orders and lockdown of non-food industry. However, rebound of industry both at export and domestic fronts, gave some relief and strengthened the demand during H2 2020. Paper and corrugation growth, however, remain stable due to feverish demand from packaging industry.

Food segment performance was reasonably better despite closure of restaurants, marriage halls, schools and other outside feasts. The strong demand for food items for household consumption stimulated the demand of Rafhan food grade starches and dextrose from baking, processed food, beverages, pharmaceuticals, nutraceuticals, condiments and premixes sectors. Confectionery segment, our largest contributor of glucose slowed down to some extent mainly due to inflationary impacts.

Demand of Animal nutrition ingredients has been steady throughout the period. Demand from all consuming segments, poultry, livestock and aquaculture remained high in view of scarcity and escalation in prices of other feed substitute ingredients. Rafhan proactively capitalized the opportunities in this business.

Rafhan is also continuously engaged in making utmost efforts to explore new possibilities and drive functional excellence in regional markets. Rafhan Maize has apprised to transform itself by strengthening core businesses and enhanced capabilities for marketing new food specialty ingredients for EMEA emerging markets. We believe that there are substantial opportunities in the international market. As a result of our efforts, Export business was not severely impacted despite slow-down in the international markets due to pandemic situation and stiff competition from the other regional players. Company is determined to increase its footprint and penetration in export markets.

Prior Year adjustment

There has been a restatement of the comparative information presented as at and for the year ended 31 December 2019 to account for the effect of prior period adjustment related to corn inventory as explained in note 45 to the financial statements.

Operations

Rafhan management strived to meet the growth mandate by capitalizing and enhancing capabilities, making capital investments and adopting new technologies. The Operational team focus was on optimizing plant operation by implementing efficient manufacturing processes with energy conservation techniques. Moreover, environment protection is the key parameter in EHS. Focus is mainly around minimizing and saving water, reducing CO2 and making the working conditions safe & secure for each team member. Considering our value “Be-Preferred” we emphasized to harmonize and integrate the activities of employees, vendors and contractors to fulfill the requirements of customers. The goal is to exceed the abilities of our internal and external customers which reflect in stable business growth and good return for shareholders.

The key operational excellences achieved are as follows:

- a) In the challenging period of pandemic, optimum utilization of plant and resources were achieved while ensuring uninterrupted supplies to customers. This helped us in winning the confidence and reliance of our customers.
- b) Operational team ensured strong controls by attaining in process and operational parameters, and as a result delivered best First Pass Compliance.
- c) Several cost and energy saving measures were taken to partially off-set the cost increase impacts. Continuous improvement program using LSS methodology providing key framework to achieve substantial savings.
- d) New high value products were successfully developed, produced and supplied to our valued customer which is perfectly align with our value 'Innovate Boldly'.
- e) To meet our environmental commitments and pledge to adjacent vicinity, wastewater treatment plants are operational in all three locations complying with NEQs limits
- f) Being a socially responsible organization, several initiatives were taken to reduce carbon dioxide emission and water consumption
- g) Capital investments were planned in such a way that every rupee spent added value to products and processes and made them safe, environment friendly and valuable for the customers.

Safety, Health and Environment

Believe in our “Care First” value well-being of our employees, contractors and visitors is our priority. 2020 was specially a tough year with respect to safety owing to the COVID-19 pandemic. We took several effective steps and precautionary measures to safeguard our workforce and continuity of operations. Our timely actions enabled our colleagues to perform the work prudently and return home safely.

We have worked hard to embed the true safety culture in our workforce which helped a lot for continuous and sustained manufacturing activities. We have trained people on the latest EHS standards and guidelines prevailing around the globe.

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

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

Corporate Social Responsibility

Rafhan Maize is a socially responsible organization and aims to contribute to social uplifting of the people by deploying programs that provide empowerment to the community in the fields of health, education, environment, community development and disaster recovery. This year our focus was on COVID-19 and we deployed many programs to enable our community to fight against this pandemic. Moving forward, we plan to increase our effort towards achieving the United Nations Sustainable Development Goals (UNSDGs) and deploy programs that have increased impact on the community.

Business Risks, Challenges and Future Projects

The presence of COVID-19 virus is still a threat and early availability of COVID-19 vaccine will be critical for economic outlook during 2021. In addition to that, re-initiation of IMF program will also impact positively. On the other side, the expected high inflation, utilities prices and challenges around meeting agriculture sector growth targets are likely to pose significant risk to the economic growth. Moreover, we are not foreseeing any relief in corn prices and expecting margins may remain under pressure due to its daunting impact on our cost of production. Despite the odds we remain committed by adopting progressive approach and excellence in all aspects of our business.

We wish this situation would rectify on positive side soon and shall continue to embark upon various initiatives to sustain growth and withstand challenges surrounding the business environment through innovation, highest level of customer service, diversification into new business areas and all-round operational efficiencies.

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

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

Corporate Governance

Your Company is fully abreast of all standards and requirements of corporate governance. The Directors are pleased to state that your Company is fully compliant with the Code of Corporate Governance (Regulations), 2019. The statement of compliance with Code of Corporate Governance is reproduced on Page No. 29.

Disclosures under Code of Corporate Governance

Corporate and Financial Reporting Framework:

- (a) The financial statements, prepared by the management of the listed company, present its state of affairs fairly, gives a true and fair view of the result of its operations, cash flows and changes in equity;
- (b) Proper books of accounts of the listed company have been maintained. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- (c) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained;
- (d) The system of internal control is sound in design and has been effectively implemented and monitored; and
- (e) There are no significant doubts upon the listed Company's ability to continue as a going concern.

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

		2020	2019	2018	2017	2016	2015
			Restated				
Net Sales	Rs. Million	35,873	35,261	29,564	26,018	25,298	24,618
Cost of Sales	Rs. Million	26,091	26,289	21,631	18,593	18,345	19,164
Gross Profit	Rs. Million	9,782	8,972	7,933	7,425	6,952	5,454
% of Sales	%	27	25	27	29	28	22
Operating Profit	Rs. Million	8,519	7,750	6,811	6,067	5,725	4,615
% of Sales	%	24	22	23	23	23	19
Profit Before Tax	Rs. Million	8,473	7,726	6,785	6,051	5,707	4,599
Profit After Tax	Rs. Million	6,094	5,444	4,772	4,392	3,879	3,275
Earnings Per Share	Rupees	659.80	589.36	516.62	475.54	420.01	354.59
Dividend Amount	Rs. Million	4,618	3,925	3,925	5,080	2,679	1,293
Dividend Percentage	%	5,000	4,250	4,250	5,500	2,900	1,400
Capital Expenditure	Rs. Million	349	314	196	742	870	1,665

Resources Management

Despite adverse situation like supply chain disruptions / transportation problems; our Agribusiness team persisted in the field and ensured the availability of corn. Moreover, we developed and implemented IT based digital program that will significantly improve and bring more visibility and transparency around corn related processes.

During pandemic held safety awareness sessions with maize buying agents, farmers and vendors to remain vigilant through adoption of safety measures to protect themselves and their families from virus.

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

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

Investment

Your Company will continue to pursue expansion and diversification plans in line with our strategic blueprint. The Company has a number of capital projects in hand to serve our strategic ambitions. We ensure our strong commitment to serve our customers by investing in capacity building, innovations and new technologies.

Investment Value of Employees Retirement Funds

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

		2020	2019
		Rupees in Thousand	
Provident Fund	As at June 30, 2020	1,124,962	996,498
Gratuity Fund	As at December 31, 2020	871,865	803,850
Superannuation Fund	As at December 31, 2020	712,325	645,674

Board of Directors

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

Total Number of Directors	11
Male	10
Female	1

Composition

Independent Directors	2
Non-Executive Directors	7
Executive Directors	2

Three non-executive directors represent the minority shareholders on the Board. The Chairman of the Board is also a non-executive director. All the current Board members are listed in the Company Information. All the directors have obtained certification as required under the provisions of Code of Corporate Governance (Regulations), 2019 except Ms. Janet M. Bawcom who joined the Board on May 23, 2019.

Attendance at Board Meetings

During the year, five meetings of the Board of Directors were held. One meeting was held in UK, and four meetings were conducted through video link. Attendance of Directors at the meetings was as under:

Name of Director	Director Type	Meetings attended in person/through video/audio link
Pierre Perez y Landazuri (Chairman)	Nor-Executive Director	5
Usman Qayyum	Executive Director	5
James D. Gray	Nor-Executive Director	5
Janet M. Bawcom	Nor-Executive Female Director	5
Marcel Hergett	Nor-Executive Director	5
Zulfikar MannooMian	Nor-Executive Director	5
M. Adil Mannoo	Nor-Executive Director	5
Wisal A. Mannoo	Nor-Executive Director	5
Muhammad Asdaf	Executive Director	5
Tabish Gauhar	Independent Director	4
Tahir Jawaid	Independent Director	5

Remuneration Policy of Non-executive Directors including Independent Directors

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

Transactions in Company's Shares

Directors, Executives, their spouses and minor children have made no transaction in the Company's shares during the year.

Parent Company

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

Auditors

The retiring auditors, Messrs KPMG Taseer Hadi & Co., Chartered Accountants, being eligible, offer themselves for re-appointment. The Board of Directors, on recommendations of the Audit Committee, has proposed appointment of Messrs KPMG Taseer Hadi & Co., Chartered Accountants for the year 2021.

Audit Committee

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

Name of Director	Role in Committee	Director Type	Meetings attended in person/through video link
Tabish Gauhar	Chairman	Non-Executive Director	3
Zulfikar Mannoo	Member	Non-Executive Director	4
Ms. Janet M. Bawcom	Member	Non-Executive Director	3
James D. Gray	Member	Independent Director	4
Marcel Hergett	Member	Non-Executive Director	4

Human Resource & Remuneration Committee

The Board of Directors has established a Human Resource & Remuneration Committee comprising of following five board members. During the year, two meetings of the Committee were held and attended as under—

Name of Director	Role in Committee	Director Type	Meetings attended in person/through video link
Mr. Tahir Jawaid	Chairman	Independent Director	2
Mr. Pierre Perez y Landazuri	Member	Non-Executive Director	2
Mr. Usman Qayyum	Member	Executive Director	2
Ms. Janet M. Bawcom	Member	Non-Executive Director	2
Mr. Zulfikar Mannoo	Member	Non-Executive Director	2

Shares Transfer Committee

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

Name of Director	Role in Committee	No. of Meetings Attended
Mr. Usman Qayyum	Chairman	4
Mr. Muhammad Asdaf	Member	4

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

Pattern of Shareholding

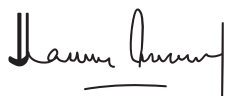
Pattern of Shareholding as on December 31, 2020, according to requirements of Code of Corporate Governance (Regulations), 2019 and a statement reflecting distribution of shareholding appears at the end of this report.

Dividend

The Company has already paid two interim dividends @1,500% each. The Directors now propose a final dividend of 2,500% making the total 5,500% for the year.

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

On behalf of the Board



Muhammad Asdaf
Chief Financial Officer



Usman Qayyum
Chief Executive &
Managing Director

March 3, 2021

Stakeholders' Information

Performance Indicators for Six Years

		2020	2019	2018	2017	2016	2015
Profit and Loss Account			Restated				
Net turnover	Rs. Million	35,873.33	35,260.67	29,564.16	26,018.10	25,297.59	24,618.08
Gross profit	Rs. Million	9,782.32	8,972.03	7,933.48	7,425.47	6,952.44	5,454.14
Operating profit	Rs. Million	8,519.27	7,749.73	6,811.05	6,066.63	5,725.21	4,614.70
Profit before tax	Rs. Million	8,472.90	7,726.47	6,785.22	6,051.02	5,707.38	4,599.40
Profit after tax	Rs. Million	6,094.23	5,443.57	4,771.70	4,392.26	3,879.43	3,275.17
Earnings before interest, taxes, depreciation and amortization (EBITDA)	Rs. Million	9,004.97	8,225.63	7,263.39	6,586.27	6,177.46	5,061.95
Balance Sheet							
Share capital	Rs. Million	92.36	92.36	92.36	92.36	92.36	92.36
Reserves	Rs. Million	16,038.62	14,511.81	13,051.92	12,209.82	12,941.14	11,581.42
Shareholders funds	Rs. Million	16,130.98	14,604.18	13,144.28	12,302.18	13,033.50	11,673.79
Property, plant and equipment	Rs. Million	6,264.51	6,504.40	6,706.84	6,521.95	5,500.06	4,567.11
Net current assets / (liabilities)	Rs. Million	10,437.12	8,737.44	6,932.23	5,940.79	6,944.24	5,906.42
Long term / deferred liabilities	Rs. Million	976.08	871.50	758.83	854.51	968.41	644.89
Total assets	Rs. Million	22,845.19	18,578.54	16,901.62	16,743.82	16,424.70	14,606.23
Profitability Ratios							
Gross profit ratio	Percentage	27.27	25.44	26.83	28.54	27.48	22.16
Net profit to sales	Percentage	16.99	15.44	16.14	16.88	15.34	13.30
EBITDA margin to sales	Percentage	25.10	23.33	24.57	25.31	24.42	20.56
Operating leverage	Percentage	5.71	0.72	0.90	2.09	8.72	(8.37)
Return on equity	Percentage	37.78	37.27	36.30	35.70	29.77	28.06
Return on capital employed	Percentage	35.62	35.17	34.32	33.38	27.71	26.59
Liquidity Ratios							
Current ratio	Times	2.82	3.82	3.31	2.66	3.87	3.58
Quick/ Acid test ratio	Times	1.90	2.34	1.92	1.26	2.07	1.77
Cash to current liabilities	Times	1.60	1.72	1.42	0.88	1.56	1.22
Cash flow from operations to sales	Times	0.20	0.14	0.20	0.16	0.18	0.11
Activity / Turnover Ratios							
Inventory turnover ratio	Times	4.97	5.72	5.18	3.72	4.22	4.63
No. of days in inventory	Days	68.87	60.87	71.29	98.12	86.49	78.83
Debtors turnover ratio	Times	23.11	21.04	23.94	23.21	25.78	24.52
No. of days in receivables	Days	16.42	15.06	15.25	15.73	14.16	14.89
Creditors turnover ratio	Times	5.88	9.28	7.93	5.37	8.03	9.13
No. of days in payables	Days	50.86	38.40	46.03	67.97	45.45	39.98
Total assets turnover ratio	Times	1.57	1.90	1.75	1.55	1.54	1.69
Fixed assets turnover ratio	Times	5.73	5.42	4.41	3.99	4.60	5.39
Operating cycle	Days	34.43	37.54	48.34	50.03	55.21	44.99
Investment / Market Ratios							
Earnings per share	Rupees	659.80	589.36	516.62	475.54	420.01	354.59
Price earning ratio	Times	14.85	12.30	13.07	14.30	20.87	25.52
Dividend yield ratio	Percentage	5.00	6.00	6.30	8.00	3.00	2.00
Dividend payout ratio	Percentage	75.78	72.11	82.27	115.66	69.05	39.48
Dividend cover ratio	Times	1.32	1.39	1.22	0.86	1.45	2.53
Cash dividend per share	Rupees	500.00	425.00	425.00	550.00	290.00	140.00
Stock Dividend (Bonus) per share	Percentage	-	-	-	-	-	-
Market value per share at the end of the year	Rupees	9,799.00	7,251.10	6,750.00	68,000.00	8,764.36	9,050.00
Market value per share during the year (High)	Rupees	9,799.00	7,400.00	8,814.00	8,764.36	9,100.00	12,000.00
Market value per share during the year (Low)	Rupees	6,055.00	5,500.00	6,555.95	6,500.00	6,800.00	8,400.00
Break-up value per share - Refer note below							
- Without surplus on revaluation of fixed assets	Rupees	1,746.45	1,581.15	1,423.09	1,331.92	1,411.10	1,263.89
- Including the effect of surplus on revaluation of fixed assets	Rupees	1,746.45	1,581.15	1,423.09	1,331.92	1,411.10	1,263.89
Capital Structure Ratios							
Financial leverage ratio	Times	0.01	-	-	-	-	-
Weighted average cost of debt	Percentage	3.39	11.36	7.70	6.66	6.66	7.41
Debt : Equity ratio	Times	0.01	-	-	-	-	-
Interest cover	Times	183.74	333.22	263.77	388.51	321.01	301.71

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

Summary of Cash Flow Statement

	2020	2019	2018	2017	2016	2015
		Restated	(Rupees in Thousand)			
Cash flows from operating activities	7,217,533	5,062,877	6,029,543	4,151,301	4,436,739	2,562,289
Cash used in investing activities	123,151	(28,689)	(60,986)	(623,239)	(744,923)	(1,584,858)
Cash used in financing activities	(3,516,088)	(3,967,502)	(4,855,257)	(4,167,556)	(2,689,496)	(1,306,852)
Net increase in cash and cash equivalents	3,824,596	1,066,686	1,113,300	(639,494)	1,002,320	(329,421)
Opening cash and cash equivalents	5,329,222	4,262,536	3,149,236	3,788,730	2,786,410	3,115,831
Closing cash and cash equivalents	9,153,818	5,329,222	4,262,536	3,149,236	3,788,730	2,786,410

Summary of Cash Flow Statement - Direct Method

	2020	2019	2018	2017	2016	2015
		Restated	(Rupees in Thousand)			
Cash flows from operating activities						
Cash received from customers	35,935,203	34,819,811	29,449,872	25,878,351	25,320,461	24,516,614
Cash paid to suppliers and employees	(26,310,083)	(27,577,686)	(21,460,606)	(19,960,200)	(19,262,533)	(20,443,465)
Taxes paid	(2,407,587)	(2,179,248)	(1,959,723)	(1,766,850)	(1,621,189)	(1,510,860)
Net cash flows from operating activities	7,217,533	5,062,877	6,029,543	4,151,301	4,436,739	2,562,289
Cash flows from investing activities						
Property, plant and equipment	(348,769)	(313,550)	(195,852)	(741,858)	(870,327)	(1,665,395)
Sale proceeds of property, plant and equipment	7,389	23,957	10,884	7,977	7,138	2,325
Disbursement of long term loans	(6,559)	(5,664)	(9,746)	(8,400)	(12,700)	(8,000)
Interest income received	463,270	257,606	125,353	111,404	123,665	82,006
Receipt from long term loans disbursed	7,820	8,962	8,375	7,638	7,301	4,206
Net cash used in investing activities	123,151	(28,689)	(60,986)	(623,239)	(744,923)	(1,584,858)
Cash flows from financing activities						
Dividend paid	(3,715,351)	(3,941,033)	(4,829,487)	(4,151,927)	(2,671,639)	(1,291,579)
Finance cost paid	(39,710)	(21,505)	(25,770)	(15,629)	(17,857)	(15,273)
Receipt of long term financing	244,434	0				
Repayment of lease liability	(5,461)	(4,964)				
Increase / (Decrease) in short term running finances		-	-	-	-	-
Net cash used in financing activities	(3,516,088)	(3,967,502)	(4,855,257)	(4,167,556)	(2,689,496)	(1,306,852)
Net increase / (Decrease) in cash and cash equivalents	3,824,596	1,066,686	1,113,300	(639,494)	1,002,320	(329,421)
Cash and cash equivalents at the beginning of the year	5,329,222	4,262,536	3,149,236	3,788,730	2,786,410	3,115,831
Effect of exchange rate fluctuations	0	0	0	0	0	0
Cash and cash equivalents at the end of the year	9,153,818	5,329,222	4,262,536	3,149,236	3,788,730	2,786,410

Comments on Analysis Results

We have sustained our success by anticipating the future and continuously adapting ourselves to harness the opportunities. In 2020, despite pandemic and economic challenges we continued to invest on new concepts, building capacities and enhancing capabilities by investing Rs. 349 Million on capital expenditure, which is 11% more than the last year.

The company embarked on a cost saving exercise to mitigate the pressure on cost, and continues its efforts to optimize production, improving plant yields, realize energy savings and focus on customer relationships as a source of new business opportunities.

Profitability Ratios

The company has succeeded to sustain its sales revenue but also achieved growth of 2% in revenue, despite pandemic and tough economic condition. Increased in sales by 2% was mainly attributable to increase in sales price. The gross profit also grew by 9% and after-tax net Income by 12%. Return on equity was 37.78% and company maintained a good balance between dividend payout and retention of profit for investment to improve business capability.

Liquidity Ratios

The Company has maintained the impressive current ratio of 2.82 mainly due to increase in stock in trade, short term investments and cash & Bank balances. Cash to current liabilities ratio was 1.60, which reflects the strong liquidity position of the company.

Activity / Turnover Ratios

Our company have been strategically able to reduce its operating cycle as compared with last year mainly due to decrease in creditors turnover ratio.

Investment / Market Ratios

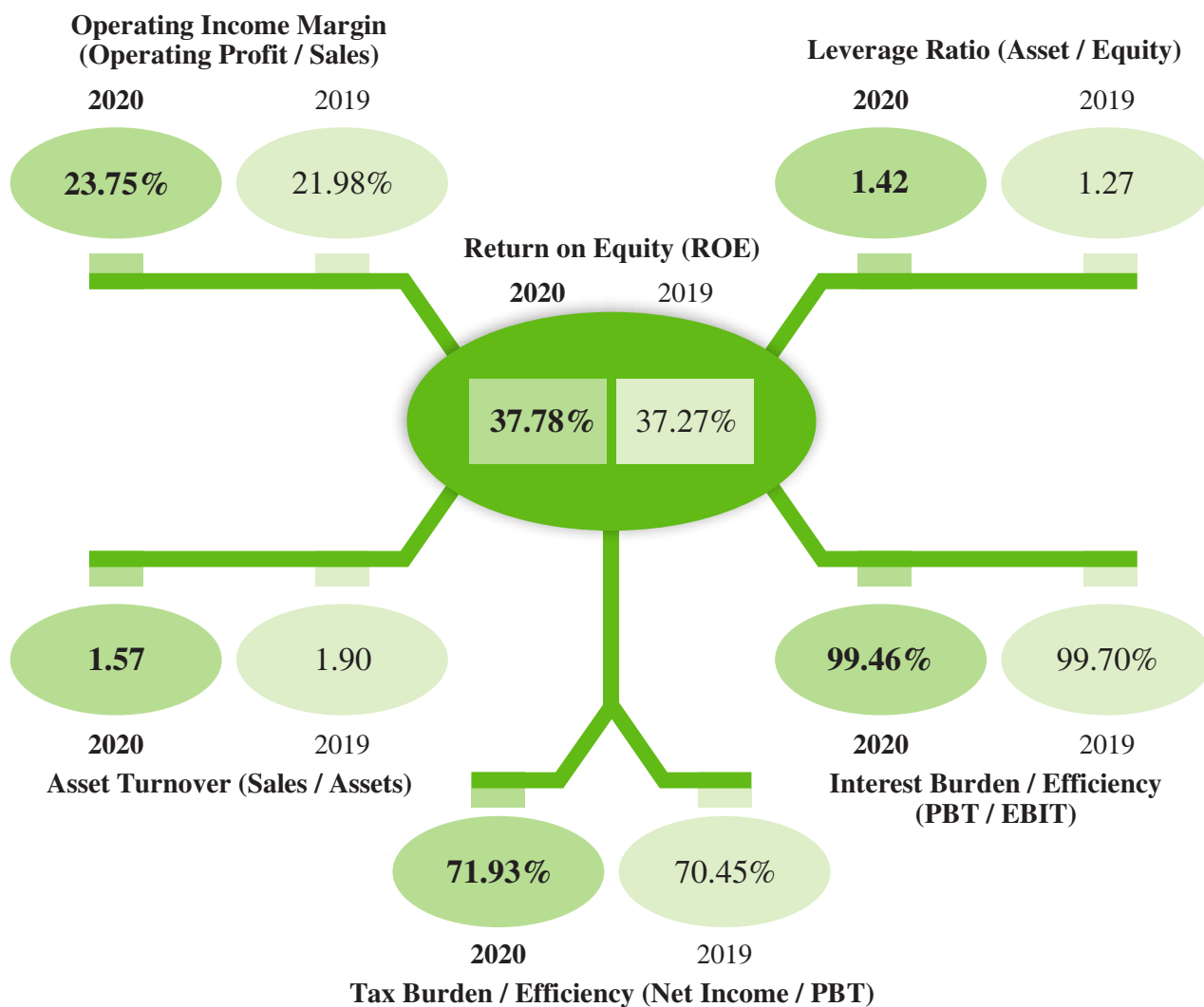
EPS of the company has been increased by 12% due to reasons explained above.

Capital Structure Ratios

The company is fully operated on equity capital, with very small amount of long term debt, hence Debt to Equity ratio is 0.01.



DuPont Analysis



Leverage Ratio (Assets / Equity)

Increased mainly due to increase in assets (23%) in greater proportion compared to increase in equity (11%) from the last year.

Interest Burden / Efficiency (PBT / EBIT)

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

Tax Burden / Efficiency (Net Income / PBT)

There is minor variance in the ratio compared to last year due to increase in operating profits by 10%

Asset Turnover (Sales / Assets)

The ratio decreased due to increase in assets (23%) in greater proportion compared to increases in sales (2%) from the last year.

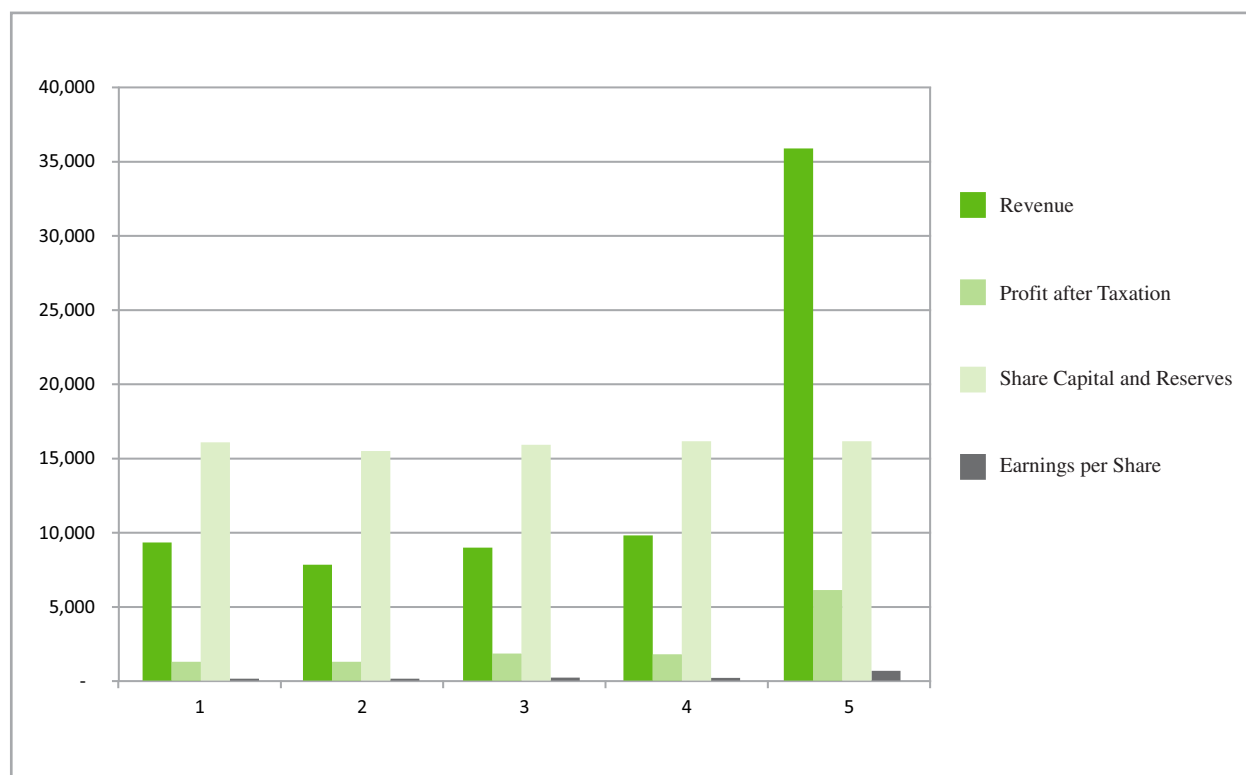
Operating Income Margin

Increased slightly due to decrease in cost of sales from the last year by 1%

Return on Equity (ROE)

Return on Equity increased due to increase in net profit by 12% compared with last year.

Quarterly Analysis



First Quarter Second Quarter Third Quarter Fourth Quarter Total
Rs Million.....

Revenue	9,312	7,813	8,960	9,788	35,873
Profit after Taxation	1,258	1,259	1,816	1,761	6,094
Share Capital and Reserves	16,060	15,471	15,902	16,131	16,131
Earnings Per Share	136.20	136.28	196.58	190.74	659.80

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 2% compared to last year. This increase in revenue over the periods is attributable to increase in sales price. Moreover, variation in sales revenue from quarter to quarter is due to seasonal impact and COVID-19.

Profit after Taxation

Profit after Taxation increased by 12% in 2020 compared with last year. Growth in revenue and decrease in cost of sales from the last year are main factors which contributed in growth in profit. Your company has been able to sustain its net profit margin at 17% through efficient and economic utilization of resources, despite of Pandemic and other economic challenges during the year.

Share Capital and Reserves

Share capital and reserves increased by 11% against last year. Strategic decisions support us to maintain a persistent increase in Reserves. Your company maintains a balance between distribution of profit among shareholders and amount retained for investment in capital projects for achieving growth in shareholders wealth.

Earning per Share

Your company has been able to achieve the increase in the Earning per Share by 12% from the last year, despite of Pandemic and challenging economic environment.

Sensitivity Analysis

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

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

	2020 (Rupees in thousands)	2019
Effect on profit and loss		
US Dollar	1,057	19,231

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

	2020 (Rupees in thousands)		2019 (Rupees in thousands)	
VALUE ADDED				
Net sales	35,873,330		35,260,665	
Material and services	(24,750,629)		(24,978,450)	
Other income - net	530,085		389,185	
Foreign Exchange Gain / (Loss)	-		-	
	11,652,787		10,671,400	
DISTRIBUTION		%		%
EMPLOYEES AS REMUNERATION				
Salaries, wages and amenities	2,035,167	17.5	1,897,508	17.8
FINANCIAL CHARGES TO PROVIDERS OF FINANCE				
Finance Cost	46,366	0.4	23,257	0.2
GOVERNMENT AS TAXES				
Tax	2,378,670	20.4	2,282,903	21.4
Workers profit participation fund	432,118	3.7	393,804	3.7
Workers welfare fund	169,458	1.5	149,610	1.4
	2,980,246	25.6	2,826,317	26.5
SHAREHOLDERS AS DIVIDEND				
Cash Dividend	4,618,214	39.6	3,925,483	36.8
SOCIETY WELFARE				
Donations	11,075	0.1	4,844	-
RETAINED WITHIN THE BUSINESS				
Depreciation / amortization	485,702	4.2	475,908	4.5
Retained profit	1,476,017	12.7	1,518,083	14.2
	1,961,719	16.8	1,993,991	18.7
	11,652,787	100	10,671,400	100

Independent Auditor's Review Report

To the members of Rafhan Maize Products Co. 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 Co. Limited for the year ended 31 December 2020 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 2020.

Further, we highlight below 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(1) of CCG Regulations 2019, regarding minimum number of independent directors.

Lahore
March 19, 2021


KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 Year Ended December 31, 2020

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	Tabish Gauhar Tahir Jawaid
ii. Non-Executive Directors	Pierre Perez y Landazuri James D. Gray Marcel Hergett Zulfikar Mannoo Mian M. Adil Mannoo Wisal A. Mannoo
iii. Executive Directors	Usman Qayyum Muhammad Asdaf
iv. Female Director	Janet M. Bawcom

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

- 3) The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
- 4) The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
- 5) The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
- 6) All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and these Regulations;
- 7) The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

- 8) The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- 9) The Board has not arranged any Directors' Training program during the year;
- 10) The Board has approved/ratified appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
- 11) Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
- 12) The Board has formed committees comprising of members given below:

a) Audit Committee

Tabish Gauhar	Chairman
James D. Gray	Member
Marcel Hergett	Member
Janet M. Bawcom	Member
Zulfikar Mannoo	Member

b) HR and Remuneration Committee

Tahir Jawaid	Chairman
Pierre Perez y Landazuri	Member
Usman Qayyum	Member
Janet M. Bawcom	Member
Zulfikar Mannoo	Member

- 13) The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
- 14) The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
 - a) Audit Committee: Four quarterly meetings during the financial year ended December 31, 2020.
 - b) HR and Remuneration Committee: Two meetings during the financial year ended December 31, 2020.

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 Year Ended December 31, 2020

- 15) The Board has set up an effective internal audit function. The Head of Internal Audit is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company;
- 16) The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC)) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
- 17) The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18) We confirm that all other requirements of the Regulations 3, 7, 8, 27, 32, 33 and 36 have been complied with. However, the Company has filed an appeal for seeking a waiver from the requirement of Regulation 6(1) of CCG Regulations 2019, regarding minimum number of independent directors.

March 3, 2021



Usman Qayyum
Chief Executive &
Managing Director



Pierre Perez y Landazuri
Chairman

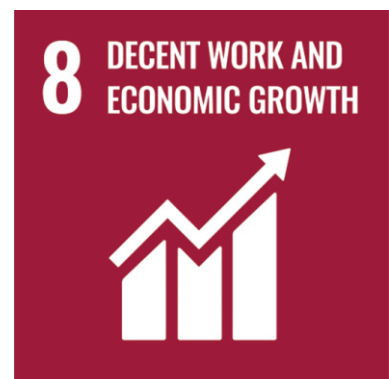
Corporate Social Responsibility (CSR) and Sustainability Highlights

We believe that our choices impact the well-being of our employees and our extended community of suppliers and distributors, and of food manufacturers and the consumers who buy their products.

What we do affects lives everywhere, so it is fitting that we focus our sustainability initiatives on practices that have a positive impact on our planet as a whole.

It is our aim to closely align our efforts with the United Nations Sustainable Development Goals (UNSDGs) to ensure that this blueprint for peace and prosperity for people and the planet, is achieved. This year many of our efforts were aimed towards fighting the pandemic and helping those impacted by it. Through our Corporate Social Responsibility (CSR) platform we were able to help more than 8,500 people directly by deploying programs in partnership with reputable not for profit partners and Government Institutions.

We were able to create a direct impact on the following United Nations Sustainable Development Goals (UNSDGs) during the year:



Highlights from some of our activities on CSR and Sustainability are below:

Support to COVID-19 Patients:

During the pandemic we partnered with the Indus Hospital in providing treatment to the patients suffering from COVID-19. The Company donated PKR 1 Million to be spent at the hospital's discretion towards the treatment of COVID-19.

Prime Minister's COVID Relief Fund:

We donated PKR 500,000 to the Prime Minister's COVID Relief Fund to support various initiatives taken by the Government of Pakistan to curb the spread of COVID-19.

Food Ration Bags Distribution:

We partnered with the Local Government in Jamshoro, Sindh to help 200 families severely impacted due to COVID-19 with food ration bags.

Additionally, 500 families impacted by COVID-19 were supported with ration bags in Faisalabad through a partnership with the Akhuwat Foundation.

Medical Relief:

We supported Allied Hospital, Faisalabad with purchase of 4 High Flow Oxygen Therapy units for COVID-19 treatment.

We partnered with the Liver Foundation Trust, Faisalabad for the free medication of 75 patients of Hepatitis C for one year.

Additionally, 700 blood bags each with blood transfusion sets were donated to the Ali Zaib and Sundas Foundations.

Cultural Preservation:

We partnered with The Lyallpur Heritage Foundation which works towards the revival of heritage, culture and traditions of "LYALLPUR" (Currently, Faisalabad) under the Local Government, Faisalabad.

Education:

We partnered with the Citizens Foundation, Lahore and adopted Khalid Farooq Primary School Campus, Chak No. 242, Dasua, Faisalabad. Free education is being provided to 173 students who are enrolled. There is a staff of 14 personnel (including teachers) which is also supported by the Company's donation.

Earth Day Celebration:

We celebrated Earth Day by arranging awareness sessions, quiz competition along with refreshment for school children of SOS Children's Village, Faisalabad.

Eid Celebration:

We celebrated Eid with children and mothers at SOS Children's Village, Faisalabad.

The Company installed an electric water cooler for cold drinking water at Government Rafhan Primary School, Faisalabad for students and staff members.

Environment:

The Company partnered with Parks and Horticulture Authority (PHA) to deploy Green Belt Renovation project along Rakh Canal East Road, Faisalabad.

During the year approximately 50,000 plant saplings were planted on farmers' land. The EHS team delivered more than 100 sessions on environmental conservation and sustainability to more than 1,000 employees and contractors.

Water conservation:

Being a responsible and conscious corporate citizen of Pakistan, we try to optimize our footprint on water consumption regularly. This year we were able to reduce our consumption and create savings of 580 m³/day of water by implementing the following measures:

- Circulating water at the Glucose Refinery vacuum pump as sealing water
- Circulating water at the Wet Plant vacuum pump as sealing water
- Reuse of canal water from discharge of compressed air cooler
- Water saving by replacement of compressors with less water consumption units
- Water saving through automation of the utility section
- Adjustment of Baume of starch slurry to reduce water consumption

Safety:

During the year we conducted 600 Safety Walk rounds and 31 safety behavior audits, and identified hazards were removed through corrective and preventive actions. Further, 600+ safety talks were delivered to more than 7,000 people in the value chain. and 78 fire-fighting trainings were delivered to 552 employees and contractors at three plants.

Due to COVID preventive measures all trainings were conducted in small groups with multiple sessions, or were conducted online.

Noise mapping conducted to identify high noise sources along plant boundary walls and mitigation measures were implemented.

COVID-19 Prevention and Mitigation:

To ensure the safety of our employees during the pandemic we set in place robust processes and procedures throughout our factories and offices. A pandemic response committee was formed which regularly held meetings to monitor the situation and insure proper implementation of safety SOPs. Thermal scanners were installed for temperature monitoring of individuals entering the premises. Use of PPE's and mask was made mandatory while in Control, MCC and shared rooms. Hand scanners were replaced with eye scanners for attendance and multiple trainings were also held to increase awareness in employees. In case of any incidence where an employee tested positive for the virus through contact tracing those employees who had been in touch with the individual in the immediately preceding days were placed in presumptive isolation.

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 2020, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Key audit matters

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

Following are the Key audit matters:

S. No.	Key audit matter(s)	How the matter was addressed in our audit
1.	Stock in Trade Refer to note 9, 45 and the accounting policy note 4.5 to the financial statements. As at 31 December 2020, the value of stock in trade amounted to Rs. 4,453 million which represents 19.5% of the total assets of the Company. Valuation and existence of stock in trade was identified as a key audit matter because of the significance of value of stock in trade in the financial statements, involvement of significant degree of management judgement in assessing the quantity of stock in hand and the fact that a restatement of comparative figures of stock in trade has been made in the financial statements.	Our audit procedures included the following: <ul style="list-style-type: none">● Observing the annual stock count to ascertain the physical existence of stock in hand and assessing that inventory differences including the restatements are appropriately accounted for.● Testing over a sample of inventory items to assess whether all elements of the costs attributed to them have been accurately accounted for into the costing calculations and checking the accuracy of calculation of cost of stock in trade.

Independent Auditor's Report

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

Following are the Key audit matter(s):

S. No.	Key audit matter(s)	How the matter was addressed in our audit
		<ul style="list-style-type: none">● Testing finished goods balances on a sample basis to determine that they are carried at the lower of cost and net realizable value by comparing the book value of finished goods at the year end with the estimated releasable value.● Evaluating the appropriateness of disclosures in the financial statements for consistency with the requirements of applicable financial reporting framework.
2. Revenue from contract with customers	<p>Refer to note 24 of the financial statements and the accounting policy note 4.10 to the financial statements.</p> <p>The Company recognized revenue of Rs. 35,873 million from contracts with customers, during the year ended 31 December 2020.</p> <p>We identified recognition of revenue as a key audit matter because it is one of the key performance indicators of the Company and gives rise to a risk that revenue is recognized without transferring the control.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">● Obtaining an understanding of the process relating to recording of revenue from contract with customers and testing the design and implementation of relevant key internal controls. <p>Assessing the appropriateness of the</p> <ul style="list-style-type: none">● Company's revenue accounting policies and compliance of those policies with applicable financial reporting standard.● Comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents.● Comparing on a sample basis, specific revenue transactions recorded from sale of the Company's products just before financial year end date to determine whether the revenue had been recognized in the appropriate financial period.● Scanning for any manual journal entries relating to revenue recorded during the year which were considered to be material or met other specific risk-based criteria for inspecting underlying documentation.

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

Management is responsible for the other information. Other information comprises of the information included in the annual report for the year ended **31 December 2020**, 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.

Independent Auditor's Report

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

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

Responsibilities of management and board of directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Independent Auditor's Report

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

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

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

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

Report on other legal and regulatory requirements

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

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

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

Lahore
March 19, 2021

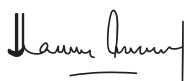

KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Financial Position

As at 31 December 2020

		2020	2019
	Note	(Rupees in thousands)	
<u>Non-current assets</u>			Restated
Property, plant and equipment	5	6,468,188	6,607,175
Employees retirement benefits	6	160,231	88,701
Long term loans	7	6,675	7,522
Long term deposits		34,844	34,844
		6,669,938	6,738,242
<u>Current assets</u>			
Stores and spares	8	799,385	820,899
Stock in trade	9	4,453,097	3,773,261
Trade debts	10	1,551,968	1,675,573
Loans and advances	11	37,653	121,794
Short term prepayments	12	158,411	77,076
Other receivables	13	20,923	42,469
Short term investments	14	2,588,394	1,269,093
Cash and bank balances	15	6,565,424	4,060,129
		16,175,255	11,840,294
<u>Current liabilities</u>			
Current portion of long term financing		127,827	-
Current portion of deferred income		7,189	-
Contract liabilities		523,842	227,358
Trade and other payables	16	3,913,410	2,606,764
Lease liability	17	-	5,211
Unpaid dividend		913,234	10,344
Unclaimed dividend		14,030	14,057
Mark-up accrued on short term running finances		1,858	1,062
Provision for taxation - net		236,746	238,063
		5,738,136	3,102,859
Working capital		10,437,119	8,737,435
Total capital employed		17,107,057	15,475,677
<u>Non-current liabilities</u>			
Long term financing	18	106,041	-
Deferred income	19	5,392	-
Deferred taxation	20	864,643	871,499
Net capital employed		16,130,981	14,604,178
Represented by:			
<u>Share capital and reserves</u>			
Share capital	21	92,364	92,364
Reserves	22	16,038,617	14,511,814
		16,130,981	14,604,178
Contingencies and commitments	23		

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



Muhammad Asdraf
Director



Usman Qayyum
Chief Executive &
Managing Director



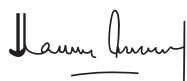
Wisal A. Mannoo
Director

Statement of Profit or Loss

For the year ended 31 December 2020

		2020	2019
	Note	(Rupees in thousands)	
			Restated
Revenue	24	35,873,330	35,260,665
Cost of sales	25	(26,091,010)	(26,288,635)
Gross profit		9,782,320	8,972,030
Distribution expenses	26	(524,481)	(491,783)
Administrative expenses	27	(608,943)	(576,117)
Impairment loss on financial assets		(58,138)	(175)
Other income	28	530,085	389,185
Other expenses	29	(601,576)	(543,414)
		(1,263,053)	(1,222,304)
Operating profit		8,519,267	7,749,726
Finance cost	30	(46,366)	(23,257)
Profit before taxation		8,472,901	7,726,469
Taxation	31	(2,378,670)	(2,282,903)
Profit after taxation		6,094,231	5,443,566
Earnings per share - basic and diluted (Rupees)	32	659.80	Restated 589.36

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



Muhammad Asdaf
Director



Usman Qayyum
Chief Executive &
Managing Director



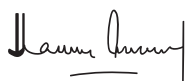
Wisal A. Mannoo
Director

Statement of Comprehensive Income

For the year ended 31 December 2020

	2020	2019
	(Rupees in thousands)	
Profit for the year	6,094,231	Restated 5,443,566
<u>Other comprehensive loss for the year</u>		
<i>Items that will not be reclassified to profit and loss:</i>		
Actuarial gain / (loss) on retirement benefits	71,530	(72,849)
Deferred tax on actuarial (gain) / loss	(20,744)	14,664
	50,786	(58,185)
Total comprehensive income for the year	6,145,017	5,385,381

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



Muhammad Asdaf
Director



Usman Qayyum
Chief Executive &
Managing Director



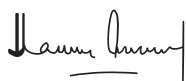
Wisal A. Mannoo
Director

Statement of Cash Flows

For the year ended 31 December 2020

		2020	2019
	Note	(Rupees in thousands)	
<u>Cash flows from operating activities</u>			
Cash generated from operations	33	9,693,169	7,309,903
Taxes paid		(2,407,587)	(2,179,248)
Employees retirement benefits paid		(68,049)	(67,778)
		(2,475,636)	(2,247,026)
Net cash generated from operating activities		7,217,533	5,062,877
<u>Cash flows from investing activities</u>			
Capital expenditure incurred		(348,769)	(313,550)
Proceeds from sale of property, plant and equipment		7,389	23,957
Long term loans disbursed		(6,559)	(5,664)
Interest received		463,270	257,606
Receipt from long term loans disbursed		7,820	8,962
Net cash used in investing activities		123,151	(28,689)
<u>Cash flows from financing activities</u>			
Receipt of long term financing		244,434	-
Dividend paid		(3,715,351)	(3,941,033)
Repayment of lease liability		(5,461)	(4,964)
Finance cost paid		(39,710)	(21,505)
Net cash used in financing activities	42	(3,516,088)	(3,967,502)
Net increase in cash and cash equivalents		3,824,596	1,066,686
Cash and cash equivalents at the beginning of the year		5,329,222	4,262,536
Cash and cash equivalents at the end of the year	34	9,153,818	5,329,222

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



Muhammad Asdaf
Director



Usman Qayyum
Chief Executive &
Managing Director



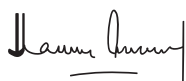
Wisal A. Mannoo
Director

Statement of Changes in Equity

For the year ended 31 December 2020

	Share capital	Capital Reserves	Revenue Reserves		
		Share premium	Other	General	Un-appropriated profit
					Total
	(Rupees in thousands)				
Balance as at 31 December 2018	92,364	36,946	941	207	13,013,822
					13,144,280
<u>Total comprehensive income</u>					
Profit for the year - restated	-	-	-	-	5,443,566
Other comprehensive loss	-	-	-	-	(58,185)
	-	-	-	-	5,385,381
					5,385,381
<u>Transactions with owners of the Company</u>					
<u>recognized directly in equity</u>					
Final dividend (Rs. 125 per share)	-	-	-	-	(1,154,554)
1st interim dividend 2019 (Rs. 100 per share)	-	-	-	-	(923,643)
2nd interim dividend 2019 (Rs. 100 per share)	-	-	-	-	(923,643)
3rd interim dividend 2019 (Rs. 100 per share)	-	-	-	-	(923,643)
	-	-	-	-	(3,925,483)
	-	-	-	-	(3,925,483)
Balance as at 31 December 2019 - restated	92,364	36,946	941	207	14,473,720
					14,604,178
<u>Total comprehensive income</u>					
Profit for the year	-	-	-	-	6,094,231
Other comprehensive income	-	-	-	-	50,786
	-	-	-	-	6,145,017
					6,145,017
<u>Transactions with owners of the Company</u>					
<u>recognized directly in equity</u>					
Final dividend 2019 (Rs. 200 per share)	-	-	-	-	(1,847,286)
1st interim dividend 2020 (Rs. 150 per share)	-	-	-	-	(1,385,464)
2nd interim dividend 2020 (Rs. 150 per share)	-	-	-	-	(1,385,464)
	-	-	-	-	(4,618,214)
	-	-	-	-	(4,618,214)
Balance as at 31 December 2020	92,364	36,946	941	207	16,000,523
					16,130,981

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



Muhammad Asdraf
Director



Usman Qayyum
Chief Executive &
Managing Director



Wisal A. Mannoo
Director

Notes to the Financial Statements

For the year ended 31 December 2020

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 2020

- 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 2020

3.2 The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2021:

- COVID-19 - Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 01 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:
 - a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
 - b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
 - c) there is no substantive change to the other terms and conditions of the lease.
- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 01 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 01 January 2022 amends IAS 1 by mainly adding paragraphs which clarify what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Notes to the Financial Statements

For the year ended 31 December 2020

Annual Improvements to IFRS standards 2018 - 2020:

- The following annual improvements to IFRS standards 2018 - 2020 are effective for annual reporting periods beginning on or after 01 January 2022.
- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 01 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22, 23 and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 01 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) - In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, the Board issued amendments to IFRS 4 Insurance Contracts in 2017. The two optional solutions raised some considerations which required detailed analysis and management judgement. On the issue of IFRS 17 (Revised) Insurance Contracts in June 2020, the end date for applying the two options under the IFRS 4 amendments was extended to 01 January 2023, aligned with the effective date of IFRS 17.

Notes to the Financial Statements

For the year ended 31 December 2020

- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after 01 January 2022. These amendments in the standards have been added to further clarify when a liability is classified 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 shall apply those amendments retrospectively in accordance with IAS 8.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

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

4 Significant accounting policies:

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

4.1 Property, plant and equipment

Owned

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

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.

Notes to the Financial Statements

For the year ended 31 December 2020

Leased

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

Capital work-in-progress

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

4.2 Intangibles

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

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

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

4.3 Employees retirement benefits

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

Defined benefit plans

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

The contributions have been made to pension and gratuity funds in accordance with the actuary's recommendations based on the actuarial valuation of these funds as at 31 December 2020.

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.

Notes to the Financial Statements

For the year ended 31 December 2020

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

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

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

Defined contribution plans

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

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

4.4 Stores and spares

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

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.

Notes to the Financial Statements

For the year ended 31 December 2020

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

4.6 Financial instruments

4.6.1 Classification and measurement of financial assets and financial liabilities

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

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

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

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

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

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

Notes to the Financial Statements

For the year ended 31 December 2020

- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

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

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

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

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

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including an interest / markup or dividend income, are recognized in statement of profit or loss.

Financial assets at amortized cost These assets are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses, if any. Interest / markup income, foreign exchange gains, losses and impairment are recognized in statement of profit or loss.

Debt investment at FVOCI These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in statement of comprehensive income. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss.

Equity investments at FVOCI These assets are subsequently measured at fair value. Dividends are recognized in income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to statement of profit or loss.

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.

Notes to the Financial Statements

For the year ended 31 December 2020

4.6.3 Derecognition

4.6.3.1 Financial assets

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

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

4.6.3.2 Financial liabilities

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

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

4.6.3.3 Impairment

The Company recognizes loss allowances for ECLs on:

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

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

Additional information about how the Company measures allowance for impairment is detailed in note 34.2.2 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.

4.6.4 Derivative financial instruments

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

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

Notes to the Financial Statements

For the year ended 31 December 2020

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.

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.

Notes to the Financial Statements

For the year ended 31 December 2020

Interest

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

4.11 Leases

The Company is a lessee.

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

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

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

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

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

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

4.12 Compensated absences

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

4.13 Government grants

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

Notes to the Financial Statements

For the year ended 31 December 2020

4.14 Borrowings and their cost

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

4.15 Foreign currency translation

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

4.16 Taxation

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

Current

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

Deferred

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

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

4.17 Earnings per share

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

4.18 Dividend and other appropriations

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

Notes to the Financial Statements

For the year ended 31 December 2020

	Note	2020 (Rupees in thousands)	2019
5 Property, plant and equipment			
Operating property, plant and equipment	5.1	6,264,513	6,504,400
Capital work in progress	5.2	203,675	102,775
		6,468,188	6,607,175

5.1 Operating property, plant and equipment

	Leased	Owned assets						
	Leasehold building	Freehold land	Factory building on freehold land	Plant and machinery	Furniture and fittings	Vehicles	Office equipment	Total
	----- (Rupees in thousands) -----							
Cost								
Balance as at 01 January 2019	9,436	386,717	2,596,500	8,126,593	74,309	180,368	59,266	11,433,189
Additions	-	-	80,992	148,892	3,833	27,462	7,357	268,536
Disposals	-	-	(2,193)	(27,983)	(7,485)	(30,800)	(3,889)	(72,350)
Balance at 31 December 2019	9,436	386,717	2,675,299	8,247,502	70,657	177,030	62,734	11,629,375
Balance as at 01 January 2020	9,436	386,717	2,675,299	8,247,502	70,657	177,030	62,734	11,629,375
Additions	-	-	2,692	226,405	435	3,934	14,403	247,869
Disposals	-	-	-	(11,140)	(557)	(4,608)	-	(16,305)
Balance at 31 December 2020	9,436	386,717	2,677,991	8,462,767	70,535	176,356	77,137	11,860,939
Rate of depreciation - %age	50%	-	4%	5-10%	20%	20%	25%	
Accumulated depreciation								
Balance at 01 January 2019	-	-	1,557,454	2,933,627	59,359	115,467	51,005	4,716,912
Depreciation	4,718	-	52,013	388,365	4,915	20,504	5,393	475,908
Disposals	-	-	(2,193)	(27,074)	(7,485)	(27,204)	(3,889)	(67,845)
Balance at 31 December 2019	4,718	-	1,607,274	3,294,918	56,789	108,767	52,509	5,214,975
Balance at 01 January 2020	4,718	-	1,607,274	3,294,918	56,789	108,767	52,509	5,124,975
Depreciation	4,718	-	55,334	395,351	4,813	20,721	4,765	485,702
Disposals	-	-	-	(11,132)	(557)	(2,562)	-	(14,251)
Balance at 31 December 2020	9,436	-	1,662,608	3,679,137	61,045	126,926	57,274	5,596,426
Carrying amounts								
At 31 December 2019	4,718	386,717	1,068,025	4,952,584	13,868	68,263	10,225	6,504,400
At 31 December 2020	-	386,717	1,015,383	4,783,630	9,490	49,430	19,863	6,264,513

5.1.1 The cost of fully depreciated assets which are still in use is Rs.1,529,499 thousands (2019: Rs. 1,304,199 thousands).

	2020 (Rupees in thousands)	2019
5.1.2 Depreciation is allocated as under:		
Cost of sales	461,211	450,860
Distribution cost	13,829	13,777
Administrative expenses	10,662	11,271
	485,702	475,908

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 2020

5.2 Capital work in progress

	Waste water treatment project	Others	2020	2019
	(Rupees in thousands)			
Land - note 5.2.1	-	6,814	6,814	6,814
Civil works and buildings	-	16,502	16,502	907
Plant and machinery - note 5.2.2	-	47,844	47,844	90,316
Advances	-	74,565	74,565	4,720
Machinery in transit	-	57,950	57,950	18
2020	-	203,675	203,675	102,775
2019	60,412	42,363		

5.2.1 This represents full payment of Rs. 1,814 thousands (2019: Rs. 1,814 thousands) and legal cost incurred Rs. 5,000 thousands (2019: Rs. 5,000 thousands) for the Company's factory land in Faisalabad which was acquired from the Government in 1953 but registration of title is still pending in the name of the Company.

5.2.2 Plant and machinery includes markup amounting to Rs. 225 thousands (2019: Rs. 411 thousands) calculated at the rates ranging from 7.53% to 14.18% (2019: 10.76% to 14.36%) per annum.

	Note	2020 (Rupees in thousands)	2019
6 Employees retirement benefits			
Gratuity	6.1	91,495	49,239
Pension	6.1	68,736	39,462
		160,231	88,701

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

	Gratuity		Pension	
	2020	2019	2020	2019
	(Rupees in thousands)			
Net assets at the beginning of the year	49,239	108,293	39,462	53,258
Expenses recognized	(47,991)	(50,120)	(20,058)	(17,659)
Contribution paid during the year	47,991	50,120	20,058	17,659
Actuarial (loss) / gain recognized	(42,256)	(59,054)	29,274	(13,796)
Net assets at the end of the year	91,495	49,239	68,736	39,462

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

	Gratuity		Pension	
	2020	2019	2020	2019
	(Rupees in thousands)			
Current service cost	(52,697)	(52,292)	(24,445)	(22,193)
Interest cost	(88,709)	(96,596)	(70,801)	(69,208)
Interest income on plan assets	93,415	98,768	75,188	73,742
	(47,991)	(50,120)	(20,058)	(17,659)

Notes to the Financial Statements

For the year ended 31 December 2020

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

	Gratuity		Pension	
	2020	2019	2020	2019
	----- (Rupees in thousands) -----			
Remeasurements of plan obligation from:				
- Change in financial assumptions	758	(305)	(5,204)	(25,847)
- Experience adjustment on obligation	39,389	(3,820)	32,311	37,235
	40,147	(4,125)	27,107	11,388
Remeasurements of plan assets:				
- Actual net return on plan assets	94,728	56,045	76,623	55,463
- Interest income on plan assets	(93,415)	(98,768)	(75,188)	(73,742)
- Experience adjustment	796	(12,206)	732	(6,905)
	2,109	(54,929)	2,167	(25,184)
	42,256	(59,054)	29,274	(13,796)

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

	Gratuity		Pension	
	2020	2019	2020	2019
	----- (Rupees in thousands) -----			
Present value of the obligation	(780,369)	(754,611)	(643,589)	(606,213)
Fair value of plan assets	871,864	803,850	712,325	645,675
Net assets	91,495	49,239	68,736	39,462

6.5 Movement in present value of defined benefit obligation

	Gratuity		Pension	
	2020	2019	2020	2019
	----- (Rupees in thousands) -----			
Present value of defined benefit obligation as at the beginning of the year	(754,611)	(699,276)	(606,213)	(555,185)
Current service cost	(52,697)	(52,292)	(24,445)	(22,193)
Interest cost	(88,709)	(96,596)	(70,801)	(69,208)
Actual benefits paid during the year	75,501	97,678	30,763	28,985
Actuarial gain / (loss) on obligation	40,147	(4,125)	27,107	11,388
Present value of defined benefit obligation as at the end of the year	(780,369)	(754,611)	(643,589)	(606,213)

6.6 Movement in fair value of plan assets

Fair value of plan asset as at the beginning of the year	803,850	807,569	645,675	608,443
Interest income on plan assets	93,415	98,768	75,188	73,742
Actual benefits paid during the year	(75,501)	(97,678)	(30,763)	(28,985)
Actual contribution by the employer- normal	47,991	50,120	20,058	17,659
Net return on plan assets over interest income	2,109	(54,929)	2,167	(25,184)
Fair value of plan asset as at the end of the year	871,864	803,850	712,325	645,675

Notes to the Financial Statements

For the year ended 31 December 2020

		Gratuity		Pension	
		2020	2019	2020	2019
----- (Rupees in thousands) -----					
6.7	Actual return on plan assets				
	Expected return on plan assets	93,415	98,768	75,188	73,742
	Net surplus / (deficit) on plan assets over interest income	2,109	(54,929)	2,167	(25,184)
		95,524	43,839	77,355	48,558
6.8	The composition of plan assets is as follow				
	Pakistan Investment Bonds (PIBs)	140,746	136,212	92,212	89,243
	Mutual funds	10	5	10	5
	Treasury Bills (T-Bills)	695,475	656,413	596,856	545,321
	Cash	35,633	11,220	24,247	11,106
		871,864	803,850	713,325	645,675
6.9	Analysis of Present value of defined benefit obligation				
	<i>Type of Members:</i>				
	Management	472,443	451,549	-	-
	Non-management	307,926	303,062	-	-
	Active	-	-	334,510	319,746
	Pensioners	-	-	309,079	286,467
		780,369	754,611	643,589	606,213
	<i>Vested / non-vested:</i>				
	Vested benefits	688,719	665,118	502,382	475,837
	Non-vested benefits	91,650	89,493	141,207	130,376
		780,369	754,611	643,589	606,213
	<i>Type of Benefits:</i>				
	Accumulated benefit obligation	347,664	306,240	491,050	447,676
	Amounts attributed to future salary increases	432,705	448,371	152,539	158,537
		780,369	754,611	643,589	606,213
6.10	Disaggregation of fair value of plan assets				
	<i>Investment in mutual funds:</i>				
	Quoted	10	5	10	5
	<i>Cash and cash equivalents (after adjusting current liabilities):</i>				
	Unquoted	35,633	11,220	24,247	11,106
	<i>Debt instruments:</i>				
	Unquoted	836,221	792,625	688,068	634,564
	Total fair value of plan assets	871,864	803,850	712,325	645,675
6.11	Plan assets does not include any investment in the Company's ordinary shares as at 31 December 2020 (2019: Nil).				
6.12	Expected contributions to gratuity fund and pension fund for the year ending 31 December 2021 are Rs. 46,255 thousands and Rs.19,356 thousands respectively.				
6.13	The expected return on plan assets is based on the market expectations and depends upon the asset portfolio of the fund, at the beginning of the year.				
6.14	The future contribution rates of these funds include allowances for deficit and surplus. Projected unit credit method is used for valuation of these funds based on the following significant assumptions:				

Notes to the Financial Statements

For the year ended 31 December 2020

	Gratuity Fund		Pension Fund	
	2020	2019	2020	2019
	(Rupees in thousands)			
Annual discount rate	10.25%	11.75%	12.25%	11.75%
Expected return on plan assets	11.98%	9.00%	11.96%	9.00%
Contribution rates (% of basic salaries)	12.07%	13.17%	7.18%	6.80%
Expected rate of growth per annum in future salaries:				
- First year following valuation	10.00%	11.50%	10.00%	11.50%
- Second year following valuation	9.50%	11.00%	9.50%	11.00%
- Third year following valuation	9.50%	11.00%	9.50%	11.00%
- Long term (fourth year following valuation and onwards)	9.50%	11.00%	9.50%	11.00%
Mortality rates	SLIC (2001-05)-1	SLIC (2001-05)-1	SLIC (2001-05)-1	SLIC (2001-05)-1

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

6.15 The weighted average duration of the defined benefit obligation is 9.72 years and 12.25 years (2019: 9.66 years and 12.13 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:

		Impact on defined benefit obligation			
		Gratuity		Pension	
Change in assumptions		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
(Rupees in thousands)					
Discount rate	0.5%	36,561	(39,404)	39,404	(43,830)
Salary growth rate	0.5%	(37,693)	35,262	(13,653)	12,828

The above sensitivity analysis are 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 2020

	Note	2020 (Rupees in thousands)	2019
7 Long term loans - secured			
Staff loans outstanding:			
Executives	7.1	5,149	6,951
Other employees	7.3	8,731	8,190
		13,880	15,141
Current maturity	11	(7,205)	(7,619)
		6,675	7,522

7.1 Loans to executives

Opening balance	6,951	10,328
Disbursement during the year	1,200	2,400
Recoveries during the year	(3,002)	(5,777)
Closing balance	5,149	6,951

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. These loans are not recognized at present value since the impact of discounting is immaterial.

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 8% (2019: 8 %) per annum.

	Note	2020 (Rupees in thousands)	2019
8 Stores and spares			
Mechanical spares		692,333	671,038
Consumable stores			
Fuels		91,108	95,442
Supplies		82,330	88,786
		865,771	855,266
Provision for slow moving and obsolete items	8.1	(91,832)	(43,938)
		773,939	811,328
Stores in transit		25,446	9,571
		799,385	820,899

Notes to the Financial Statements

For the year ended 31 December 2020

	2020	2019
8.1 Provision for slow moving and obsolete items	(Rupees in thousands)	
Opening balance	43,938	30,655
Provision / (reversal) for the year	47,894	13,283
Closing balance	91,832	43,938

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

	Note	2020	2019
9 Stock in trade		(Rupees in thousands)	
Raw materials			Restated
- Corn and cobs	9.1	2,543,692	1,283,862
- Chemicals		70,333	75,667
- Packing materials		70,901	62,235
Work in process		60,322	134,750
Finished goods	9.2	1,718,103	2,223,360
		4,463,351	3,779,874
<i>Less: Provision for slow moving and obsolete stocks:</i>			
- Raw materials		(6,504)	(5,007)
- Finished goods		(3,750)	(1,606)
		(10,254)	(6,613)
		4,453,097	3,773,261

9.1 This includes corn in transit amounting to Rs. 235,700 thousands (2019: 2,553 thousands).

9.2 This includes imported finished goods amounting to Rs. 48,512 thousands (2019: Rs.32,989 thousands) out of which goods in transit amounts to Rs. 4,760 thousands (2019: Rs. 3,845 thousands).

	Note	2020	2019
10 Trade debts		(Rupees in thousands)	
<u>Local:</u>			
Secured	10.2	966,026	875,334
<i>Unsecured, considered good</i>			
Related parties	10.1	117,211	112,521
Others		251,573	403,843
		368,784	516,364
<i>Considered doubtful</i>			
Related parties		4,363	1,060
Others		55,220	385
		59,583	1,445
		1,394,393	1,393,144
Allowance for credit losses	10.3	(59,583)	(1,445)
		1,334,810	1,391,699
<u>Foreign:</u>			
Secured	10.2	98,493	62,888
<i>Unsecured, considered good</i>			
Related parties	10.1	188,665	220,986
		1,551,968	1,675,573

Notes to the Financial Statements

For the year ended 31 December 2020

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

2020						Maximum aggregate balance outstanding during the year
Neither past due nor impaired	Past due (1- 90 days)	Past due (91- 365 days)	Past due more than 365 days	Total		
Local	(Rupees in thousands)					
Unilever Pakistan Foods Limited	97,336	18,852	2,038	3,348	121,574	240,503
Foreign						
Ingredion Holding LLC Kenya	56,476	-	-	-	56,476	126,002
Ingredion South Africa (Pty) Limited	18,552	4,234	2,136	-	24,922	25,066
Ingredion Germany GMBH	19,241	-	-	-	19,241	52,411
Pt. Ingredion Indonesia	9,809	-	-	-	9,809	40,267
Ingredion Malaysia SDN BHD	4,669	-	-	-	4,669	16,619
National Starch & Chemical Thailand	435	3,113	-	-	3,548	10,880
	109,182	7,347	2,136	-	118,665	
2019						
	Neither past due nor impaired	Past due (1- 90 days)	Past due (91- 365 days)	Past due more than 365 days	Total	Maximum aggregate balance outstanding during the year
Local	(Rupees in thousands)					
Unilever Pakistan Foods Limited	112,169	-	479	933	113,581	113,581
Foreign						
Ingredion Holding LLC Kenya	100,973	75,423	5,370	-	181,766	181,764
PT Ingredion, Indonesia	10,782	10,782	-	-	21,564	21,565
Ingredion Malaysia SDN.BHD	5,008	-	-	-	5,008	5,008
Ingredion Germany GMBH	4,427	-	-	-	4,427	4,427
Ingredion South Africa (Pty) Limited	8,221	-	-	-	8,221	8,221
	129,411	86,205	5,370	-	220,986	

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

	Note	2020 (Rupees in thousands)	2019
10.3 Allowance for credit losses			
Opening balance		1,445	1,270
Charge for the year	25	58,138	175
Closing balance		59,583	1,445

	Note	2020 (Rupees in thousands)	2019
11 Loans and advances			
<i>Loans and advances - considered good:</i>			
Suppliers of goods and services		24,305	109,771
Employees	11.1	6,143	4,404
Current maturity of long term loans		7,205	7,619
		37,653	121,794

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

	Note	2020 (Rupees in thousands)	2018
12 Short term prepayments			
Insurance		21,377	18,373
Other prepayments		137,034	58,703
		158,411	77,076

Notes to the Financial Statements

For the year ended 31 December 2020

13	Other receivables	Note	2020 (Rupees in thousands)	2019
	<i>Other receivables - farmers balances:</i>			
	Considered good		3,026	3,239
	Considered doubtful		1,675	1,675
			4,701	4,914
	Less: Allowance for credit losses		(1,675)	(1,675)
			3,026	3,239
	Due from affiliates	13.1	667	-
	Others		17,230	39,230
			20,923	42,469

13.1 Allowance for expected credit loss

The balance is receivable from Ingredion Inc. U.S.A, as a reimbursement of training expense incurred by the Company. The balance falls within 91-365 days age bracket and the maximum aggregate balance outstanding during the year amounted Rs. 667 thousands.

14 Short term investments

Treasury bills	2,588,394	1,269,093
----------------	-----------	-----------

14.1 These carry profit at the rates ranging from 6.9% to 13.46% (2019: 12.55 to 13.74%) per annum having maturities latest by 25 March 2021. These investments have been reclassified from cash and bank balances and are a part of cash and cash equivalents of the Company.

15	Cash and bank balances	Note	2020 (Rupees in thousands)	2019
	<i>Cash at banks</i>			
	- current accounts		183,087	208,538
	- saving accounts	15.1	4,072,508	2,550,766
	- term deposit receipts	15.2	2,300,000	1,200,000
			6,555,595	3,959,304
	Cheques in hand		274	93,111
			6,555,869	4,052,415
	<i>Cash in hand</i>			
	- local currency		9,401	7,565
	- foreign currency		154	149
			9,555	7,714
			6,565,424	4,060,129

15.1 These carry profit at rates ranging from 2.50% to 12.54% (2019: 2.5% to 12.75%) per annum.

15.2 These carry profit at the rates ranging from 6.5% to 12.8% (2019: 9.00% to 12.90%) per annum.

16	Trade and other payables	Note	2020 (Rupees in thousands)	2019 Restated
	Creditors		1,052,383	423,447
	Security deposits from dealers and contractors	16.1	924,062	866,131
	Other deposits	16.2	3,151	2,294
	Accrued liabilities		956,956	462,170
	Workers' welfare fund	16.3	165,618	151,350
	Workers' profit participation fund	16.4	426,607	394,336
	Employees provident fund	16.5	13,827	13,713
	Withholding tax payable		20,843	12,847
	Sales tax payable		349,963	280,476
			3,913,410	2,606,764

Notes to the Financial Statements

For the year ended 31 December 2020

		2020	2019
		(Rupees in thousands)	Restated
16.1 Security deposits			
Dealers	16.1.1	913,792	855,545
Transporters	16.1.2	3,765	3,765
Others	16.1.3	6,505	6,821
		924,062	866,131

16.1.1 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.

16.1.2 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.

16.1.3 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.

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

	2020	2019
	(Rupees in thousands)	Restated
Opening balance	151,350	129,490
Provision for the year	169,458	149,610
Payment to the fund	(155,190)	(127,750)
Closing balance	165,618	151,350

	2020	2019
	(Rupees in thousands)	Restated
16.4 Workers' profit participation fund		
Opening balance	394,336	339,767
Provision for the year	432,118	393,804
Payment to the fund	(339,847)	(339,235)
Closing balance	426,607	394,336

16.5 Provident fund related disclosures:

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

Notes to the Financial Statements

For the year ended 31 December 2020

	(Unaudited) 2020	(Unaudited) 2019
	(Rupees in thousands)	
Size of the fund - total assets	1,132,491	1,078,352
Cost of investments made	906,249	848,348
Percentage of investments - (% of total assets)	80.02%	78.67%
Fair value of investments	910,729	870,421

16.5.1 The break-up of investments is as follows:

	2020		2019	
	(Rupees in thousands)	%	(Rupees in thousands)	%
Pakistan Investment Bonds	132,719	14.57%	141,103	16%
Treasury Bills	752,271	82.60%	719,233	82.63%
Collective investment schemes	10	0.00%	9	0.00%
Bank placements	25,729	2.83%	10,076	1.16%
	910,729	100%	870,421	100%

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.

The Company will comply with the limits for investments in listed securities as required under section 3 of Employee's Contributory Funds (Investment in Listed Securities) Regulations, 2018 (the "Regulations") dated 6 June 2018, as amended by S.R.O. 856(i)/2019, within three year the date of commencement of the Regulations.

17 Lease liability

	2020	2019
	(Rupees in thousands)	
Lease liability	-	5,211
<u>Movement during the year is as follows:</u>		
Opening balance as at 01 January	5,211	9,436
Unwinding of lease liability	250	739
Lease rentals paid	(5,461)	(4,964)
Closing balance as at 31 December	-	5,211

18 Long term financing

	2020	2019
	(Rupees in thousands)	
Long term loans - secured	233,868	-
Less: Current portion shown under current liabilities	(127,827)	-
	106,041	-

18.1 This represents long term financing obtained under SBP Refinance Scheme for payment of wages and salaries to workers and employees of business concerns. The loan is recognized at its present value discounted at 8.44%. The resulting difference between the proceed of the loan and carrying value is recognized as a deferred grant. The loan is repayable in eight equal quarterly installments commencing from 01 January 2021 and ending on 30 September 2022. The loan is secured by joint pari passu hypothecation charge on current assets of the Company, amounting to Rs. 667,000 thousands (2019: Rs. Nil).

Notes to the Financial Statements

For the year ended 31 December 2020

19 Deferred income

Recognized during the year
Amortized during the year

Current portion of deferred income

2020 (Rupees in thousands)	2019
16,176	-
(3,595)	-
12,581	
(7,189)	-
5,392	-

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

20 Deferred taxation

Taxable temporary differences

Accelerated tax depreciation
Employees retirement benefits

Deductible temporary differences

Others

2020 (Rupees in thousands)	2019
864,277	-
46,465	-
(46,099)	-
864,643	-

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

Taxable temporary differences

Accelerated tax depreciation
Employees retirement benefits

Deductible temporary differences

Others

2020			
Opening balance	Charged to profit or loss	Charged to other comprehensive income	Closing balance
----- (Rupees in thousands) -----			
860,301	3,976	-	864,277
25,721	-	20,744	46,465
(14,523)	(31,576)	-	(46,099)
871,499	(27,600)	20,744	864,643

Taxable temporary differences

Accelerated tax depreciation
Employees retirement benefits

Deductible temporary differences

Others

2019			
Opening balance	Charged to profit or loss	Charged to other comprehensive income	Closing balance
----- (Rupees in thousands) -----			
729,104	131,197	-	860,301
40,385	-	(14,664)	25,721
(10,659)	(3,864)	-	(14,523)
758,830	127,333	(14,664)	871,499

Notes to the Financial Statements

For the year ended 31 December 2020

21	Authorized, issued, subscribed and paid up capital	2020	2019	2020	2019
		---(Number of shares)---		---(Rupees in thousands)---	
	Authorized share capital - ordinary shares of Rs.10 each	20,000,000	20,000,000	200,000	200,000
21.1	Issued, subscribed and paid up capital				
	Ordinary shares of Rs. 10 each:				
	- Fully paid up for cash	1,858,991	1,858,991	18,590	18,590
	- Issued for consideration other than cash	36,294	36,294	363	363
	- Issued as bonus shares	7,341,143	7,341,143	73,411	73,411
		9,236,428	9,236,428	92,364	92,364
21.2	Ingredion Inc. Chicago, U.S.A. (the holding company), holds 6,561,117 (2019: 6,561,117) ordinary shares of Rs. 10 each as at 31 December 2020.				
21.3	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.				
21.4	There is no shareholder agreement in place for voting rights, board selection, rights of first refusal and block voting.				

22	Reserves	Note	2020	2019
			(Rupees in thousands)	Restated
	<u>Capital</u>			
	Share premium	22.1	36,946	36,946
	Other	22.2	941	941
			37,887	37,887
	<u>Revenue</u>			
	General reserve		207	207
	Unappropriated profit		16,000,523	14,473,720
			16,000,730	14,473,927
			16,038,617	14,511,814

22.1 This reserve can be utilized in accordance with the provision of section 81 of the Companies Act, 2017.

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

23 Contingencies and commitments

23.1 Contingencies

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

23.1.2 Land registration fee as per note 5.2.1.

23.1.3 Counter guarantees given by the Company to its bankers as at reporting date amounting to Rs. 288,630 thousands (2019: Rs. 292,220 thousands).

23.1.4 Tax contingencies as disclosed in note 31.

Notes to the Financial Statements

For the year ended 31 December 2020

		2020	2019
		(Rupees in thousands)	
23.2	Commitments		
	Commitments in respect of capital expenditure	102,150	3,585
	Commitment in respect of purchase of corn	5,179,018	7,006,834
	Commitment in respect of forward exchange contracts	-	88,066
24	Revenue		
	Domestic	38,334,334	37,687,810
	Export	2,508,313	2,493,575
		40,842,647	40,181,385
Less:	Sales tax	4,941,411	4,887,109
	Trade discount and commission	27,906	33,611
		(4,969,317)	(4,920,720)
	Revenue from contracts with customers	35,873,330	35,260,665
24.1	Revenue has been recognized at a point in time for both local and export sales made during the year.		
		2020	2019
		(Rupees in thousands)	
25	Cost of sales		
	<i>Raw material consumed:</i>		Restated
	Corn	15,781,434	17,631,318
	Chemicals	476,224	414,092
	Packing material	541,928	533,754
		16,799,586	18,579,164
	<i>Factory expenses:</i>		
	Salaries, wages and amenities	1,580,634	1,486,896
	Spares consumed	360,317	281,722
	Logistics and handling	611,881	554,641
	Fuel and power	4,822,435	4,988,884
	Rent, rates and taxes	11,284	11,020
	Consumables	14,498	12,382
	Repairs and maintenance	39,179	44,233
	Depreciation	461,211	450,860
	Insurance	20,017	19,158
	Factory general expenses	196,190	177,720
		8,117,646	8,027,516
		24,917,232	26,606,680
Add:	Opening work in process	134,750	83,945
		25,051,982	26,690,625
Less:	Closing work in process	(60,322)	(134,750)
	Cost of production	24,991,660	26,555,875
Add:	Opening finished goods stock - own manufactured	2,190,371	1,451,585
		27,182,031	28,007,460
Less:	Closing finished goods stock - own manufactured	(1,669,504)	(2,190,371)
	Cost of goods - own manufactured products	25,512,527	25,817,089
	- purchased products	170,028	123,210
	Freight and distribution cost	408,455	348,336
	Cost of goods sold	26,091,010	26,288,635
25.1	Salaries, wages and amenities include Rs. 51,072 thousands (2019: Rs. 50,608 thousands) in respect of contribution to pension and gratuity funds and Rs. 36,810 thousands (2019 : Rs. 36,200 thousands) in respect of contribution to provident fund.		

Notes to the Financial Statements

For the year ended 31 December 2020

	Note	2020 (Rupees in thousands)	2019
26 Distribution expenses			
Salaries and amenities	26.1	152,556	133,079
Traveling and automobile expenses		9,416	19,018
Commission expense		313,627	302,877
Insurance		4,087	3,943
Rent, rates and taxes		798	745
Repair and maintenance		25	77
Electricity charges		597	722
Printing and stationery		111	405
Telephone and postage		5,897	5,147
Advertising and sales promotion		1,077	511
Depreciation		13,829	13,777
Market research and development		640	172
Miscellaneous expenses		21,821	11,310
		524,481	491,783

26.1 Salaries and amenities include Rs. 6,174 thousands (2019: Rs. 5,281 thousands) in respect of contribution to pension and gratuity funds and Rs. 5,320 thousands (2019: Rs. 5,413 thousands) in respect of contribution to provident fund.

	Note	2020 (Rupees in thousands)	2019
27 Administrative expenses			
Salaries and amenities	27.1	301,977	277,533
Traveling and automobile expenses		18,079	31,016
Insurance		1,025	1,170
Rent, rates and taxes		168	710
IT, networking and data communication		232,510	215,037
Repair and maintenance		51	687
Electricity charges		1,351	1,447
Printing and stationery		707	948
Telephone and postage		2,146	3,124
Legal and professional charges		8,583	12,475
Depreciation		10,662	11,271
Auditors' remuneration	27.2	4,059	3,775
Miscellaneous expenses		16,550	12,080
Donation and charity	27.3	11,075	4,844
		608,943	576,117

27.1 Salaries and amenities include Rs. 10,804 thousands (2019: Rs. 11,890 thousands) in respect of contribution to pension and gratuity funds and Rs. 11,267 thousands (2019: Rs.10,624 thousands) in respect of contribution to provident fund.

	2020 (Rupees in thousands)	2019
27.2 Auditors' remuneration		
Statutory audit fee	1,667	1,551
Review of half yearly accounts	550	511
Services in connection with review and reporting of accounts to Ingredion Inc. (formerly CPI Inc.)	1,460	1,359
Audit of gratuity and pension funds	154	143
Miscellaneous certifications	51	46
Out of pocket expenses reimbursed	177	165
	4,059	3,775

Notes to the Financial Statements

For the year ended 31 December 2020

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

	2020	2019
	(Rupees in thousands)	
The Citizens Foundation	2,800	2,800
Akhuwat Corona Imdad Fund	1,575	-
Indus Hospital, Karachi	1,000	-
Allied Hospital	1,708	-
	<u>7,083</u>	<u>2,800</u>

- 27.3.1** None of the directors has any interest in the donee.

28 Other income

Mark up on staff loans and profit on bank deposits	445,018	265,817
Foreign exchange gain	-	26,030
Profit on sale of scrap	68,288	66,532
Profit on sale of property, plant and equipment	5,335	19,451
Amortization of deferred income	3,595	-
Miscellaneous income	7,849	11,355
	<u>530,085</u>	<u>389,185</u>

2020
(Rupees in thousands)

2019
Restated

29 Other expenses

Workers' welfare fund	169,458	149,610
Workers' profit participation fund	432,118	393,804
	<u>601,576</u>	<u>543,414</u>

30 Finance cost

Mark up on:

- Short term running finances	450	2,339
- Long term financing	9,400	-
	<u>9,850</u>	<u>2,339</u>
Bank charges and commission	24,595	20,179
Unwinding of lease liability	250	739
Foreign exchange loss	11,671	-
	<u>46,366</u>	<u>23,257</u>

2020
(Rupees in thousands)

2019
Restated

31 Taxation

Current taxation

- for the year	2,406,322	2,147,623
- prior year	(52)	7,947
	<u>2,406,270</u>	<u>2,155,570</u>

Deferred taxation

- for the year	(28,626)	10,584
- prior year	1,026	116,749
	<u>(27,600)</u>	<u>127,333</u>
	<u>2,378,670</u>	<u>2,282,903</u>

Notes to the Financial Statements

For the year ended 31 December 2020

	2020	2019
	-----Percentage-----	Restated
31.1 Reconciliation of effective tax rate		
Applicable tax rate	29.00	29.00
-Effect of permanent differences	0.09	-
-Effect of prior year charge	-	0.10
-Effect of presumptive tax regime	(1.02)	(1.02)
-Effect of change in tax rate	0.01	1.51
-Effect of tax credits	(0.01)	(0.04)
Average tax expense charged to profit or loss	28.07	29.55

- 31.2** 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 vide order dated 21 April 2006 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 on 17 October 2006, against the orders of ITAT. However, on 9 September 2015, Lahore High Court has transferred back the case to ITAT for reconsideration which is pending adjudication at the reporting date.

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.

- 31.3** 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.

- 31.4** 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 favor 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. The management is confident that the case will be decided in the favor of the Company.

- 31.5** The Deputy Commissioner Inland Revenue (DCIR) under section 161(1A) of the Ordinance 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 the relevant tax years and ordered to charge tax on dividend income at the lower rates.

Notes to the Financial Statements

For the year ended 31 December 2020

The DCIR after considering the Company's reply in light of the court order issued another notice to the Company showing intention to charge tax at higher rate, against which the Company filed a second petition before the Court. The Court directed DCIR to determine the application and relevance of its order passed in this regard. The proceedings are still pending and no notice from DCIR has been received so far. The management is confident that case will be decided in favor of the Company.

- 31.6** While finalizing income tax assessment for the tax year 2014, the ACIR made certain add backs with the aggregated tax impact of Rs. 52,272 thousands of which Rs. 45,500 thousands have been paid till 31 December 2020. 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.

		<u>2020</u>	<u>2019</u>
32 Earnings per share - basic and diluted			Restated
32.1 Earnings per share - basic			
Profit attributable to ordinary shareholders	(Rupees in thousands)	<u>6,094,231</u>	<u>5,443,566</u>
Weighted average number of ordinary shares	(Numbers)	<u>9,236,428</u>	<u>9,236,428</u>
Earnings per share - basic	(Rupees)	<u>659.80</u>	<u>589.36</u>

32.2 Earnings per share - diluted

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

	Note	<u>2020</u>	<u>2019</u>
		(Rupees in thousands)	Restated
33 Cash generated from operation			
Profit before tax		<u>8,472,901</u>	7,726,469
<i>Adjustment for:</i>			
Depreciation of property, plant and equipment		<u>485,702</u>	475,908
Provision for employees retirement benefits		<u>68,049</u>	67,778
Provision for doubtful debts		<u>58,138</u>	175
Provision for slow moving and obsolete items		<u>51,535</u>	15,729
Gain on disposal of property, plant and equipment		<u>(5,334)</u>	(19,451)
Interest income		<u>(445,018)</u>	(265,817)
Amortization of deferred income		<u>(3,595)</u>	-
Finance cost		<u>46,366</u>	23,257
		<u>255,843</u>	297,579
Cash generated from operation before working capital changes		<u>8,728,744</u>	8,024,048
<u>Effect on cash flow due to working capital changes</u>			
<i>(Increase) / decrease in current assets:</i>			
Stores and spares		<u>(26,380)</u>	(82,684)
Stock in trade		<u>(683,477)</u>	(352,924)
Trade debts		<u>65,467</u>	(440,862)
Loans and advances		<u>83,727</u>	(11,657)
Long term deposits		<u>-</u>	8
Short term prepayments		<u>(81,335)</u>	34,408
Other receivables		<u>3,294</u>	2,208
		<u>(638,704)</u>	(851,503)
<i>Increase / (decrease) in current liabilities:</i>			
Trade and other payables		<u>1,306,645</u>	247,342
Contract liabilities		<u>296,484</u>	(109,984)
		<u>1,603,129</u>	137,358
Cash generated from operations		<u>9,693,169</u>	7,309,903
34 Cash and cash equivalents			
Short term investments	14	<u>2,588,394</u>	1,269,093
Cash and bank balances	15	<u>6,565,424</u>	4,060,129
		<u>9,153,818</u>	5,329,222

Notes to the Financial Statements

For the year ended 31 December 2020

35 The credit facilities available to the Company at year ended 31 December 2020 are as follows:

	2020		2019	
	Available limit	Utilized credit	Available limit	Utilized credit
	----- Rupees in million -----			
Long term financing	250	244	-	-
Murabaha	9,500	4,999	9,500	7,576
Running finance	1,900	-	2,150	-
	11,650	5,243	11,650	7,576
Letter of credits / guarantees	875	391	875	292

36 Financial instruments - Fair values and risk management

36.1 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (i.e. derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (i.e. unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value			
	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	----- Rupees in thousands -----						
31 December 2020							
<u>Financial assets - not measured at fair value</u>							
Long term loans	13,880	-	13,880	-	-	-	-
Trade debts	1,551,968	-	1,551,968	-	-	-	-
Long term deposits	34,844	-	34,844	-	-	-	-
Other receivables	20,923	-	20,923	-	-	-	-
Short term investments	2,588,394	-	2,588,394	-	-	-	-
Cash and bank balances	6,565,424	-	6,565,424	-	-	-	-
	10,775,433	-	10,775,433	-	-	-	-
<u>Financial liabilities - not measured at fair value</u>							
Long term financing	-	233,868	233,868	-	-	-	-
Trade and other payables	-	3,363,159	3,363,159	-	-	-	-
Mark-up accrued on short term running finances	-	1,858	1,858	-	-	-	-
Unpaid dividend	-	913,234	913,234	-	-	-	-
Unclaimed dividend	-	14,030	14,030	-	-	-	-
	-	4,526,149	4,526,149	-	-	-	-

Notes to the Financial Statements

For the year ended 31 December 2020

	Carrying amount			Fair value			
	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31 December 2019	----- Rupees in thousands -----						
<u>Financial assets - not measured at fair value</u>							
Long term loans	15,141	-	15,141	-	-	-	-
Trade debts	1,675,573	-	1,675,573	-	-	-	-
Long term deposits	34,844	-	34,844	-	-	-	-
Other receivables	42,469	-	42,469	-	-	-	-
Short term investments	1,269,093	-	1,269,093	-	-	-	-
Cash and bank balances	4,060,129	-	4,060,129	-	-	-	-
	7,097,249	-	7,097,249	-	-	-	-
<u>Financial liabilities - not measured at fair value</u>							
Trade and other payables - restated	-	2,148,378	2,148,378	-	-	-	-
Mark-up accrued on short term running finances	-	1,062	1,062	-	-	-	-
Unpaid dividend	-	10,344	10,344	-	-	-	-
Unclaimed dividend	-	14,057	14,057	-	-	-	-
Lease liabilities	-	5,211	5,211	-	-	-	-
	-	2,179,052	2,179,052	-	-	-	-

36.2 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.

36.2.1 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.

36.2.2 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 2020

36.2.2.1 Exposure to credit risk

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

	Note	2020 (Rupees in thousands)	2019
Long term loans	7	13,880	15,141
Trade debts	10	1,551,968	1,675,573
Long term deposits		34,844	34,844
Other receivables	13	20,923	42,469
Short term investments	14	2,588,394	1,269,093
Bank balances	15	6,555,869	4,052,415
		10,765,878	7,089,535
Secured		3,666,793	2,222,456
Unsecured		7,099,085	4,867,079
		10,765,878	7,089,535

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:

	2020 (Rupees in thousands)	2019
Trade debts	1,551,968	1,675,573
Loans to employees	13,880	15,141
Deposits and other receivables	55,767	77,313
Government debt securities	2,588,394	1,269,093
Banking companies and financial institutions	6,555,869	4,052,415
	10,765,878	7,089,535

36.2.2.2 Trade debts

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

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

	Weighted average loss rate	Gross carrying amount	Loss allowance
(Rupees in thousands)			
31 December 2020			
Current	0.00%	1,306,673	-
1-90 days	0.00%	243,782	-
91-180 days	25.00%	52	13
181-270 days	50.00%	2,947	1,473
365- above days	100.00%	58,097	58,097
		1,611,551	59,583

Notes to the Financial Statements

For the year ended 31 December 2020

31 December 2019

	Weighted average loss rate	Gross carrying amount	Loss allowance
(Rupees in thousands)			
Current	0.00%	1,485,153	-
1-90 days	0.00%	190,006	-
91-180 days	25.10%	502	126
181-270 days	48.65%	74	36
365- above days	100.00%	1,283	1,283
		<u>1,677,018</u>	<u>1,445</u>

36.2.2.3 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.

36.2.2.4 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.

36.2.2.5 Short term investments

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

36.2.2.6 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.

36.2.2.6.1 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	2020	2019
	Short term	Long term		(Rupees in thousands)	
Meezan Bank Limited	A-1+	AA+	JCR-VIS	1,128,691	116,393
Standard Chartered Bank (Pakistan) Limited	A 1+	AAA	PACRA	88,822	180,653
Citi Bank Limited	P 1	Aa3	Moody's	1,482,131	1,234,556
MCB Bank Limited	A 1+	AAA	PACRA	823,628	1,127,734
Habib Bank Limited	A-1+	AAA	JCR-VIS	2,220,893	690,672
National Bank of Pakistan	A 1+	AAA	PACRA	811,704	702,407
				<u>6,555,869</u>	<u>4,052,415</u>

Notes to the Financial Statements

For the year ended 31 December 2020

The Company has not recognized an impairment allowance on financial assets held with banking companies during the year ended 31 December 2020, as the impact was immaterial.

36.2.3 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:

2020				
Carrying amount	Contractual cash flows	Up to one year or less	More than one year	
(Rupees in thousand)				
<u>Non- derivative financial liabilities</u>				
Long term financing	233,868	254,516	130,008	124,508
Trade and other payables	3,363,159	3,363,159	3,363,159	-
Mark-up accrued on short term running finances	1,858	1,858	1,858	-
Unpaid dividend	913,234	913,234	913,234	-
Unclaimed dividend	14,030	14,030	14,030	-
	4,526,149	4,546,797	4,422,289	124,508
2019				
Carrying amount	Contractual cash flows	Up to one year or less	More than one year	
(Rupees in thousand)				
<u>Non- derivative financial liabilities</u>				
Trade and other payables - restated	2,148,378	2,148,378	2,148,378	-
Mark-up accrued on short term running finances	1,062	1,062	1,062	-
Lease liability	5,211	5,461	5,461	-
Unpaid dividend	10,344	10,344	10,344	-
Unclaimed dividend	14,057	14,057	14,057	-
	2,179,052	2,179,302	2,179,302	-

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

36.2.3.1 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 2020

	2020	2019
	(Rupees in thousands)	
Paper and Board	194,037	248,714
Confectionary	262,107	115,140
Textile	89,761	125,853
Poultry	56,547	5,074
Pharmaceuticals	-	154
Chemical & Allied Industries	46,038	248,346
Dealers	963,061	933,737
Bank	6,555,869	4,052,415
Government	2,588,394	1,269,093
Employees	13,880	15,141
Others	57,442	78,988
Allowance for expected credit loss	(61,258)	(3,120)
	10,765,878	7,089,534

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 2020.

36.2.3.2 Currency risk

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

	USD	USD
	2020	2019
Foreign debtors	1,286,325	1,825,557
Foreign currency bank balance	960	1,057
Trade and other payables	(1,221,180)	(586,459)
Net exposure	66,105	1,240,155
Forward exchange contracts	-	566
Net exposure	66,105	1,240,721

The following significant exchange rates have been applied:

	Average rate for the year		Reporting date rate	
	2020	2019	2020	2019
USD to PKR	161.90	149.82	159.83	155.00

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 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.

	2020	2019
	(Rupees in thousands)	
US Dollar	1,057	19,231

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 2020

36.2.3.3 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	
	2020	2019	2020	2019
<u>Financial assets</u>	----- (Percentage) -----		(Rupees in thousands)	
<i>Fixed rate instruments:</i>				
Long term loans	8.0%	8.0%	13,880	15,141
Treasury bills	6.9% - 13.46%	12.55% - 13.74%	2,588,394	1,269,093
Term deposit receipts	6.5% - 12.8%	9.00% - 12.90%	2,300,000	1,200,000
<i>Variable rate instruments:</i>				
Bank balances - saving	2.50% - 12.54%	2.5% - 12.75%	4,072,508	2,550,766
<u>Financial liabilities</u>				
<i>Fixed rate instruments:</i>				
Long term financing	3%	-	233,868	-
Lease liability	-	10.88%	-	5,211

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

	Profit or loss 100 bps	
	Increase	Decrease
	(Rupees in thousands)	
As at 31 December 2020	4,446	(4,446)
As at 31 December 2019	2,635	(2,635)

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

36.2.3.4 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.

36.2.4 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 2020

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.

37 Remuneration of Chief Executive, Directors and Executives

	Chief Executive and Managing Director		Executive Directors		Executives	
	2020	2019	2020	2019	2020	2019
	(Rupees in thousands)					
Managerial remuneration	11,932	10,279	7,534	6,149	126,319	109,800
Rent, medical and other allowances	11,097	9,559	6,590	5,401	118,431	104,077
Bonus and leave encashment	8,893	5,450	2,932	2,716	45,134	22,757
Retirement benefits	4,141	3,173	2,614	1,898	44,582	21,169
	36,063	28,461	19,670	16,164	334,466	257,803
	1	1	1	1	52	50

- 37.1** Meeting fees aggregating to Rs. 3,970 thousands (2019: Rs 3,900 thousands) were paid to 4 (2019: 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 2020 are 9 (2019: 9).

Notes to the Financial Statements

For the year ended 31 December 2020

38 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	2020		2019	
				Total value of transaction	Closing balance [asset/ (liability)]	Total value of transaction	Closing balance [asset/ (liability)]
				(Rupees in thousands)			
				(Rupees in thousands)			
Ingredion Inc. U.S.A.	Holding Company	Majority shareholder	Services received	215,303	(82,273)	172,723	(40,819)
Ingredion Inc. U.S.A.	-do-	-do-	Dividend	3,280,559	(898,053)	2,788,475	-
Ingredion Inc. U.S.A.	-do-	-do-	Imports	68,855	(22,566)	64,801	(16,528)
Ingredion Inc. U.S.A.	-do-	-do-	Services provided	676	667	3,203	-
Unilever Pakistan Foods Limited	Associate	Common directorship	Sales	1,393,636	121,573	1,227,713	113,581
Ingredion Holding LLC Kenya	-do-	Parent's subsidiary	Export sales	242,347	56,005	640,255	180,908
Ingredion Holding LLC Kenya	-do-	-do-	Services provided	2,044	470	3,748	856
Ingredion Singapore Pte. Ltd.	-do-	-do-	Export sales	3,443	(11,565)	8,096	(12,480)
Ingredion Germany GMBH	-do-	-do-	Export sales	170,372	19,241	53,385	4,427
Ingredion Germany GMBH	-do-	-do-	Imports	9,026	-	6,995	(4,773)
Ingredion Germany GMBH	-do-	-do-	Services received	-	(786)	290	(760)
National Starch & Chemical Thailand	-do-	-do-	Imports	56,364	731	22,054	(6,462)
National Starch & Chemical Thailand	-do-	-do-	Export sales	39,476	3,547	56,191	-
National Starch & Chemical Thailand	-do-	-do-	Services provided	-	-	879	-
Ingredion China Limited	-do-	-do-	Export sales	2,832	-	2,726	-
Ingredion China Limited	-do-	-do-	Imports	-	-	471	(471)
Ingredion ANZ Pty Ltd	-do-	-do-	Imports	2,299	-	-	-
Ingredion Malaysia SDN BHD	-do-	-do-	Export sales	77,455	4,669	51,765	5,008
PPT Ingredion, Indonesia	-do-	-do-	Export sales	127,201	9,809	107,783	21,565
Ingredion UK Limited	-do-	-do-	Export sales	2,336	-	-	-
Ingredion South Africa (Pvt) Ltd.	-do-	-do-	Export sales	39,761	24,643	14,432	8,221
Ingredion South Africa (Pvt) Ltd.	-do-	-do-	Services provided	279	279	-	-
Employee Benefits	-do-	Employee's retirement fund	Contribution to funds	121,447	(13,827)	120,016	(13,713)

The transactions were carried out at agreed terms.

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

Notes to the Financial Statements

For the year ended 31 December 2020

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

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

Notes to the Financial Statements

For the year ended 31 December 2020

	2020	2019
	----- (Metric tons) -----	
39 Plant capacity and production		
Average grind capacity per day	1,895	1,850
Capacity	663,250	647,500
Actual days worked	326	322
Actual production	560,959	604,052

The actual production is 85% (2019: 93%) of the plant capacity which is within normal working standards.

40 Number of employees

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

	No of employees	
	2020	2019
Number of employees as at 31 December	1,122	1,171
Average number of employees during the year	1,140	1,180

41 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 areas where various assumptions and estimates are significant to Company's financial statements or where significant judgments were exercised in application of accounting policies are as follows:

	Note
a) Useful life of depreciable assets	4.1
b) Employees retirement benefits	4.3
c) Provision against stores and spares and stock in trade	4.4 & 4.5
d) Impairment of ECL allowance for trade debtors	4.6
e) Contingencies	4.9
f) Taxation	4.16

Notes to the Financial Statements

For the year ended 31 December 2020

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

	2020					
	Liabilities			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 2020	-	5,211	1,062	10,344	14,057	14,473,721
Changes from financing cash flows						
Finance cost paid	-	-	(39,710)	-	-	-
Dividends paid	-	-	-	(3,715,324)	(27)	-
Finance obtained	244,434	-	-	-	-	-
Repayment of lease liability	-	(5,461)	-	-	-	-
Total changes from financing cash flows	244,434	(5,461)	(39,710)	(3,715,324)	(27)	-
						(3,516,088)
Other changes						
Interest expense	5,610	250	40,506	-	-	-
Deferred income recognized	(16,176)	-	-	-	-	-
Dividends declared	-	-	-	4,618,214	-	(4,618,214)
Total liability related other changes	(10,566)	250	40,506	4,618,214	-	-
Total equity related other changes	-	-	-	-	-	30,190
Closing as at 31 December 2020	233,868	-	1,858	913,234	14,030	6,145,017
						17,163,513

Notes to the Financial Statements

For the year ended 31 December 2020

	2019				
	Liabilities				
	Dividend		Equity		
	Mark-up accrued on short term running finances	Payable	Unclaimed	Un-appropriated profit	Total
Lease liability					
----- Rupees in thousands -----					
Balance as at 01 January 2019	-	49	25,127	14,824	13,013,822
13,053,822					
Changes from financing cash flows					
Finance cost paid	-	(21,505)	-	-	(21,505)
Dividends paid	-	-	(3,940,266)	(767)	(3,941,033)
Repayment of lease liability	(4,964)	-	-	-	(4,964)
Total changes from financing cash flows	(4,964)	(21,505)	(3,940,266)	(767)	(3,967,502)
Other changes					
Interest expense	739	22,518	-	-	23,257
Dividends declared	-	-	3,925,483	(3,925,483)	-
Lease liability recognized	9,436	-	-	-	9,436
Total liability related other changes	10,175	22,518	3,925,483	(3,925,483)	32,693
Total equity related other changes - restated	-	-	-	5,385,381	5,385,381
Closing as at 31 December 2019 - restated	5,211	1,062	10,344	14,473,721	14,504,394

Notes to the Financial Statements

For the year ended 31 December 2020

43 Dividends

The Board of Directors have proposed a final dividend for the year ended 31 December 2020 of Rs. 250 per share, amounting to Rs. 2,309,107 thousands at their meeting held on March 3, 2021 for approval of members at the Annual General Meeting.

44 Operating segments

The financial statements have been prepared on the basis of a single reportable segment. 93.85% (2019: 93.79%) out of total sales of the Company relates to customers in Pakistan. All non current assets of the Company as at 31 December 2020 are located in Pakistan.

45 The Company records weight of corn (raw material) in the purchasing and financial reporting system using a standard moisture by determining the moisture component at the time of procurement, and calculating a standard weight based on it. A cyclic inventory count of corn stock is performed in April or May every year which consists of a complete count of all bags of corn in hand. The stacks of bags are weighted and the moisture content is determined on a sample basis. Based on the weight and moisture content of the sample, the standard weight of the complete corn inventory is calculated.

As a result of the inventory count of corn conducted by the management in April 2019 a difference of 10,199 metric ton was identified in the weight of corn in hand while there was a negligible difference in the quantity of bags. Since there was no precedence of significant differences in corn inventory in the recent past due to weight, the management considered this a result of error in counting process and accordingly no adjustment was made in the books of account. In May 2020 cyclic inventory count was conducted and a difference of 15,277 metric ton was identified in the weight of corn in hand while there was again a negligible difference in the quantity of bags count. Accordingly, on the directions of the Holding Company a detailed stock count exercise was conducted at 31 December 2020 with the involvement of a third-party observer. As a result of this exercise, a difference of 14,010 metric ton was identified in the weight of corn in hand while there was again a negligible difference in the quantity of bags count.

Based on this physical count the management concluded that the weight difference identified in 2019 was factual however, the same was not recorded due to the reason mentioned earlier. In order to remediate such an error in the future the management proposed the requirement of two complete physical inventory counts of corn per year (May and December) and engaged an external third-party to assist local management in reviewing the complete inventory process to resolve the cause of differences in the weight of the inventory.

The difference has been adjusted by restating the comparative figures. The impact of restatement is as follows:

Financial statement caption	As previously reported	(Decrease) / increase	Restated
	----- Rs. In '000' -----		
Impact on Statement of financial position			
Stock-in-Trade	4,054,883	(281,622)	3,773,261
Provision for taxation	310,766	(72,703)	238,063
Trade and other Payables	2,617,924	(11,160)	2,606,764
Reserves	14,709,573	(197,759)	14,511,814
Impact on Statement of profit or loss			
Cost of goods sold	26,007,013	281,622	26,288,635
Other expenses	554,574	(11,160)	543,414
Taxation	2,355,606	(72,703)	2,282,903
Profit after tax	5,641,325	(197,759)	5,443,566
Earnings per share (Rs.)	610.77	(21.41)	589.36

Notes to the Financial Statements

For the year ended 31 December 2020

46 Impact of Covid -19

World Health Organization declared the Novel strain of Corona virus (Covid-19) a global pandemic and recommended containment and mitigation measures worldwide. The federal and provincial governments of Pakistan also took various measures, including imposition of lockdown to contain the spread of Covid-19. This caused an overall economic slowdown and varying degree of disruption to the Company including the reduction of production and sales volumes. However, the Government's initiative to subsequently relax the lockdown along with various other incentives to businesses helped in reviving the demand for company's products from June 2020 onwards. The management of the Company has been regularly conducting in depth analysis and has assessed that there is no material impact of COVID - 19 on the carrying amounts of assets and liabilities as at December 31, 2020. Going forward, the management is taking all the required actions and will continue to monitor the potential impact and take all steps possible to mitigate any effects.

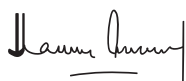
47 Date of authorization of issue

These financial statements were authorized for issue on March 3, 2021 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.

48.2 Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison and better presentation as per financial reporting framework. However, no significant re-arrangements have been made other than those disclosed in the financial statements.



Muhammad Asdaf
Director



Usman Qayyum
Chief Executive &
Managing Director



Wisal A. Mannoo
Director

Pattern of Shareholding

As at 31 December 2020

No. of Shareholders	Shareholding			Total Shares Held
686	1	-	100	29,103
149	101	-	500	35,524
42	501	-	1000	31,867
34	1001	-	5000	86,141
5	5001	-	10000	38,492
1	10001	-	15000	13,040
2	15001	-	20000	38,239
1	45001	-	50000	50,000
1	50001	-	55000	52,260
1	55001	-	60000	58,252
1	60001	-	65000	62,467
2	65001	-	70000	133,508
4	70001	-	75000	287,106
2	75001	-	80000	156,310
2	100001	-	105000	203,666
2	110001	-	115000	226,265
2	140001	-	145000	283,066
2	165001	-	170000	332,964
1	170001	-	175000	170,378
1	185001	-	190000	186,578
1	200001	-	205000	200,085
1	6560001	-	6565000	6,561,117
943				9,236,428

Sr. No.	Shareholders Category	No. of Shareholder	Shares Held	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	12	599,884	6.49
2	Associated Companies, Undertakings and Related Parties	1	6,561,117	71.04
3	NIT and ICP	-	0	0.00
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	2	75,277	0.82
5	Insurance Companies	2	128,556	1.39
6	Modarabas and Mutual Funds	-	0	0.00
7	General Public :			
	a. Local	896	1,850,952	20.04
	b .Foreign	-	0	0.00
8	Others	30	20,642	0.22
	Total:	943	9,236,428	100.00
	Shareholders holding 10% or more	1	6,561,117	71.04

The above two Statements include 535 shareholders holding 612,659 shares through Central Depository Company of Pakistan Limited.

Pattern of Shareholding

As at 31 December 2020

Information as required under Code of Corporate Governance

Shareholder's category	Number of Shareholders	Number of shares held
Associated Companies, Undertaking and Related Parties (name wise details)		
Ingredion Incorporated	1	6,561,117
TOTAL >>	1	6,561,117
Mutual Funds (name wise details)		
CDC - Trustee NBP Sarmaya Izafa Fund	1	840
TOTAL >>	1	840
Directors and their spouse		
Mr. M. Adil Mannoo	3	174,233
Mr. Wisal A. Mannoo	4	178,018
Mr. Zulfikar Mannoo	3	238,263
Mrs. Sarwat Zulfikar	2	9,370
TOTAL >>	12	599,884
Executives		
TOTAL >>	-	-
Public Sector Companies and Corporations		
TOTAL >>	1	58,252
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds		
TOTAL >>	4	158,861
Shareholder Holding five percent or more voting Rights in the Listed Company (name wise details)		
Ingredion Incorporated	1	6,561,117
TOTAL >>	1	6,561,117

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

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 @jamapunji_pk

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



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	ذاتی طور پر/ بذریعہ ڈیولنک اجلاسوں میں شرکت
طاہر جاوید	چیئر مین	آزاد ڈائریکٹر	2
جیٹریز وائی لینڈ اوری	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	2
عثمان قیوم	ممبر	ایگزیکٹو ڈائریکٹر	2
حیث ایم۔ باؤکوم	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	2
ذوالفقار منوں	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	2

شیئر زٹرانسفر کمیٹی

بورڈ آف ڈائریکٹرز نے بورڈ کے 2 ممبران پر مشتمل شیئر زٹرانسفر کمیٹی قائم کی ہے۔ سال کے دوران شیئر زٹرانسفر کمیٹی کے چار (4) اجلاس منعقد ہوئے اور اس میں حاضری درج ذیل رہی:

عثمان قیوم	چیئر مین	اجلاسوں میں شرکت
		4
محمد اصف	ممبر	4

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

شیئر ہولڈنگ کا طریقہ کار

شیئر ہولڈنگ کا طریقہ کار، بمطابق 31 دسمبر 2020 جو (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شرائط کے مطابق اور شیئر ہولڈنگ کی تقسیم کے بارے میں اسٹیٹمنٹ اس رپورٹ کے آخر میں ظاہر کیا گیا ہے۔

منافع منقسمہ

کمپنی اب تک 2 بار عبوری منافع منقسمہ بشرح 1,500 فیصد ادا کر چکی ہے اور اب 2,500 فیصد کے حساب سے حتمی منافع منقسمہ تجویز کر رہی ہے جس سے کل منافع منقسمہ اس سال 5,500 فیصد ہو جائے گا۔


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

منجانب بورڈ



عثمان قیوم

چیف ایگزیکٹو و مینجنگ ڈائریکٹر



محمد اصف

چیف فنانشل آفیسر

3 مارچ 2020

بورڈ کے اجلاسوں میں شرکت

سال کے دوران بورڈ آف ڈائریکٹرز کے 15 اجلاس منعقد کئے گئے۔ 11 اجلاس برطانیہ اور 4 اجلاس وڈیولنک کے ذریعے میں منعقد کئے گئے۔ ان اجلاسوں میں ڈائریکٹرز کی شرکت درج ذیل رہی:

ڈائریکٹر کا نام	ڈائریکٹر ٹائپ	ذاتی طور پر/ بذریعہ وڈیولنک اجلاسوں میں شرکت
چیئر پیریز وائی لینڈ ازوری (چیئر مین)	نان۔ ایگزیکٹو ڈائریکٹر	5
عثمان قیوم	ایگزیکٹو ڈائریکٹر	5
جیمز ڈی۔ گرے	نان۔ ایگزیکٹو ڈائریکٹر	5
جینٹ ایم۔ باؤکوم	نان۔ ایگزیکٹو اور خاتون ڈائریکٹر	5
مرسل ہرگیٹ	نان۔ ایگزیکٹو ڈائریکٹر	5
ذوالفقار منوں	نان۔ ایگزیکٹو ڈائریکٹر	5
میاں ایم۔ عادل منوں	نان۔ ایگزیکٹو ڈائریکٹر	5
وصال اے۔ منوں	نان۔ ایگزیکٹو ڈائریکٹر	5
محمد اصف	ایگزیکٹو ڈائریکٹر	5
تالش گوہر	آزاد ڈائریکٹر	4
طاہر جاوید	آزاد ڈائریکٹر	5

نان۔ ایگزیکٹو ڈائریکٹر بشمول انڈیپنڈنٹ ڈائریکٹر کے معاوضے کی پالیسی

نان۔ ایگزیکٹو ڈائریکٹر اور انڈیپنڈنٹ ڈائریکٹر 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

ڈائریکٹر، ایگزیکٹو، ان کے شریک حیات اور نابالغ بچوں نے سال کے دوران کمپنی کے شیئرز میں کوئی ٹرانزیکشن نہیں کی۔

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 اکاؤنٹنٹس 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 2021 کے لئے میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری کیلئے تجویز پیش کی ہے۔

آڈٹ کمیٹی

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

ڈائریکٹر کا نام	کمیٹی میں کردار	ڈائریکٹر ٹائپ	ذاتی طور پر/ بذریعہ وڈیولنک اجلاسوں میں شرکت
تالش گوہر	چیئر مین	نان۔ ایگزیکٹو ڈائریکٹر	3
ذوالفقار منوں	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	4
جینٹ ایم۔ باؤکوم	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	3
جیمز ڈی۔ گرے	ممبر	آزاد ڈائریکٹر	4
مرسل ہرگیٹ	ممبر	نان۔ ایگزیکٹو ڈائریکٹر	4

ریسورس مینجمنٹ

بدترین صورتحال مثلاً سپلائی کے سلسلے میں رکاوٹوں/ٹرانسپورٹیشن کے مسائل کے باوجود ہماری ایگری بزنس ٹیم میدان عمل میں مصروف رہی اور کمپنی کی دستیابی کو یقینی بنایا۔ مزید برآں ہم نے آئی ٹی پر مشتمل ڈیجیٹل پروگرام بھی شروع کیا جس سے کمپنی سے متعلق افعال میں شفافیت اور بہتری لانے میں نمایاں حد تک کارکردگی کو بہتر بنایا جا سکا۔

وبائی صورتحال کے دوران تحفظ کی آگاہی سے متعلق سیشنز کمپنی کی خریداری کے ایجنٹوں، کاشتکاروں اور وینڈرز کے ساتھ منعقد کئے گئے تاکہ وائرس سے انہیں اور ان کے خاندانوں کو محفوظ رکھنے کیلئے حفاظتی اقدامات کو بروئے کار لانے کے ضمن میں وہ اچھی طرح آگاہ رہیں۔

کمپنی کی خریداری کے ایجنٹس پر یہ بھی زور دیا گیا کہ وہ پینے کے صاف پانی کا بندوبست کریں اور سخت گرمی سے محفوظ رکھنے کے ضمن میں مزدوروں کے لئے شیدز کا انتظام کریں۔

استحکام و پائیدار ترقی کے ضمن میں نمایاں مرحلہ ہماری جانب سے میڈ میں ایفلا ٹوکسن (Aflatoxin) کنٹرول کرنے کیلئے بائیو کنٹرول طریقہ کار کو تیار کرنے اور اس کو لاگو کرنے کے اقدامات پر عملدرآمد تھا۔ فیلڈز میں ہماری مشقیں حوصلہ افزا رہیں اور بہتر نتائج حاصل ہوئے اور اب ہم اپنے کاشتکار طبقے کے وسیع تر مفاد میں اس ٹیکنیک (طریقہ کار) کی کمرشلائزیشن کیلئے قانونی منظوری حاصل کر رہے ہیں۔

سرمایہ کاری

آپ کی کمپنی اپنی اسٹریٹیجک کمپوزیشن کے تحت کاروبار میں توسیع اور اسے مختلف سمتوں میں پھیلانے کے لیے توجہ دینے کا سلسلہ جاری رکھے گی۔ آپ کی کمپنی نے اپنے اسٹریٹیجک عزم، ارادوں پر عمل پیرا رہتے ہوئے کئی نمایاں پروجیکٹس پر کام جاری رکھا ہوا ہے۔ ہم اپنی گنجائش میں اضافے، جدت لانے اور نئی ٹیکنالوجی میں سرمایہ کاری کے ذریعے اپنے صارفین کو بہتر سے بہتر خدمات فراہم کرنے کا یقین دلاتے ہیں۔

ملازمین کے ریٹائرمنٹ فنڈ کی سرمایہ کاری کی قدر و قیمت

رفان میڈ اپنے ملازمین کی قدر کرتا ہے۔ کمپنی تین ریٹائرمنٹ پلان، ایک ڈیفائنڈ کنٹری پیوٹن (پراویڈنٹ فنڈ) اور دو ڈیفائنڈ بینیفٹ پلانز (گریجویٹ اور سپرائیویشن) پر قرار 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 فنڈڈ ہیں اور فنڈز میں مجموعی سرمایہ کاری درج ذیل ہے:

2019	2020		
			روپے ہزاروں میں
996,498	1,124,962	بمطابق 30 جون	پراویڈنٹ فنڈ
803,850	871,865	بمطابق 31 دسمبر	گریجویٹ فنڈ
645,674	712,325	بمطابق 31 دسمبر	سپرائیویشن فنڈ

بورڈ آف ڈائریکٹرز

بورڈ گیارہ ڈائریکٹرز پر مشتمل ہے جو درج ذیل ہیں:

11	ڈائریکٹرز کی مجموعی تعداد
10	مرد
1	خاتون

تشکیل

2	آزاد ڈائریکٹرز
7	نان۔ ایگزیکٹو ڈائریکٹرز
2	ایگزیکٹو ڈائریکٹرز

3 نان۔ ایگزیکٹو ڈائریکٹرز بورڈ میں اقلیتی شیئر ہولڈرز کی نمائندگی کرتے ہیں۔ بورڈ کے چیئرمین بھی نان۔ ایگزیکٹو ڈائریکٹرز ہیں۔ تمام موجودہ بورڈ ممبران کمپنی انفارمیشن میں لسٹڈ ہیں۔ تمام ڈائریکٹرز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شیئرز کے تحت سرٹیفیکیشن حاصل کر چکے ہیں ماسوائے محترمہ جینیٹ ایم۔ باؤکوم کے جنہوں نے بورڈ کو 23 مئی 2019 کو جوائن کیا تھا۔

ہماری خواہش ہے کہ یہ صورتحال جلد مثبت رخ اختیار کر جائے اور ہم پائیدار ترقی و فروغ کے مختلف اقدامات کو بروئے کار لانے کے ساتھ کاروباری ماحول کے اطراف پھیلے چیلنجوں کا جدت طرازی، صارفین کی خدمت کے بہترین معیار، نئے کاروباری شعبوں میں قدم رکھنے اور تمام تر آپریشنل سرگرمیوں کے ذریعے مقابلہ کریں۔

ہم اپنی صلاحیتوں، کارکردگی اور گنجائش میں اضافے کیلئے سرمایہ کاری جاری رکھیں گے تاکہ مقامی صارفین کی بڑھتی ہوئی طلب اور ابھرتی ہوئی برآمدی مارکیٹوں کی طلب کو پورا کیا جاسکے۔ ہم مسلسل بہتری کے پچت کے منصوبوں کے نفاذ کے ضمن میں کام جاری رکھیں گے تاکہ تمام کاروباری یونٹس میں مستقل بہتری اور ویلیو بڑھانے کا کلچر فروغ پائے۔ سیلز کا حجم بڑھانے، لاگت پر کنٹرول، افعال میں بہتری، جدت طرازی کی حامل ویلیو ایڈیشن، نرخوں پر کنٹرول اور کام کرنے کے باکفایت انتظامات پر توجہ دی جاتی رہے گی۔

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

کارپوریٹ گورننس

آپ کی کمپنی تمام اسٹینڈرڈز اور کارپوریٹ گورننس کی تمام شرائط پوری کرنے سے مکمل آگاہ ہے۔ ڈائریکٹرز ہمسرت آگاہ کرتے ہیں کہ آپ کی کمپنی (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 مکمل کاربند ہے۔ کوڈ آف کارپوریٹ گورننس پر عملدرآمد کا بیان صفحہ نمبر 29 پر دوبارہ بیان 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، یکیش فلوز اور ایکویٹی میں تبدیلیوں کو شفاف انداز میں پیش کرتے ہیں۔
- (ب) لسٹڈ کمپنی کے کھاتوں کی باقاعدہ کس 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 عطا 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 رُگردانی 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۔

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

2015	2016	2017	2018	2019 Restated	2020		
24,618	25,298	26,018	29,564	35,261	35,873	روپے ملین میں	مجموعی فروخت
19,164	18,345	18,593	21,631	26,289	26,091	روپے ملین میں	فروخت کی لاگت
5,454	6,952	7,425	7,933	8,972	9,782	روپے ملین میں	مجموعی منافع
22	28	29	27	25	27	%	فروخت کا فیصدی
4,615	5,725	6,067	6,811	7,750	8,519	روپے ملین میں	آپریٹنگ منافع جات
19	23	23	23	22	24		فروخت کا فیصدی
4,599	5,707	6,051	6,785	7,726	8,473	روپے ملین میں	منافع قبل از ٹیکس
3,275	3,879	4,392	4,772	5,444	6,094	روپے ملین میں	منافع بعد از ٹیکس
354.59	420.01	475.54	516.62	589.36	659.80	روپے	آمدنی فی شیئر
1,293	2,679	5,080	3,925	3,925	4,618	روپے ملین میں	منافع منقسمہ کی رقم
1,400	2,900	5,500	4,250	4,250	5,000	%	منافع منقسمہ فیصدی
1,665	870	742	196	314	349	روپے ملین میں	کیپٹل اخراجات

گزشتہ سال کی ایڈجسٹمنٹ

اس سلسلے میں پہلے سے پیش کردہ مسابقتی معلومات کو دوبارہ بیان کیا جا رہا ہے جو کہ 31 دسمبر 2019 کو ختم ہونے والے سال کیلئے مکئی کی انوینٹری سے متعلق گزشتہ مدت کی ایڈجسٹمنٹ کے بارے میں ہے جیسا کہ مالی حسابات کے نوٹ 45 میں واضح کر دیا گیا ہے۔

آپریٹیشنز

رفغان کی انتظامیہ سرمایہ کاری و صلاحیتوں میں اضافے، کمپنٹل انوٹسٹمنٹس اور نی ٹیکنالوجی کے استعمال کے ذریعے کمپنی کے فروغ کیلئے کوشاں ہے۔ آپریٹیشنل ٹیم با کفایت و برق رفتار مینوفیکچرنگ کے طریقہ کار کو رائج کرنے اور توانائی کی بچت کے طریقوں کے ذریعے پلانٹ آپریشن کو مستعد بنانے پر توجہ دے رہی ہے۔ مزید برآں EHS میں ماحولیات کا تحفظ کلیدی پیمانہ ہے۔ بنیادی توجہ کا مرکز پانی کو محفوظ رکھنا، کاربن ڈائی آکسائیڈ میں کمی اور ہر ایک ٹیم ممبر کیلئے کام کرنے کا محفوظ اور بہتر ماحول یقینی بنانا ہے۔ ہماری بنیادی قدر ”اولین ترجیح بننا“ پر غور کرتے ہوئے ہم ملازمین، وینڈرز اور کنٹریکٹرز کی سرگرمیوں کو مربوط اور بہتر بناتے ہوئے صارفین کی ضروریات کو پورا کرنے کی کوشش کرتے ہیں۔ ہمارا ہدف ہمارے اندرونی و بیرونی صارفین کی ضروریات میں اضافہ کرنا ہے جو مستحکم کاروباری گروتھ اور شیئر ہولڈرز کیلئے بہتر منافع سے ظاہر ہوتا ہے۔

حاصل کردہ کلیدی آپریٹیشنل کارکردگی درج ذیل کے مطابق ہے:

(الف) کورونا وائرس (COVID-19) کی وبائی صورتحال کے دوران پلانٹ اور وسائل کا زیادہ سے زیادہ استعمال کیا گیا جبکہ صارفین کو بلا رکاوٹ سپلائی یقینی بنائی گئی۔ اس کی بدولت ہم اپنے صارفین کا اعتماد اور بھروسہ جیتنے میں کامیاب رہے۔

(ب) آپریٹیشنل ٹیم نے فعال اور آپریٹیشنل پیمانوں کو برقرار رکھنے کے ذریعے بھرپور کنٹرول کو یقینی بنایا اور اس کے نتیجے میں بہترین فرسٹ پاس کمپلائنس فراہم کیا گیا۔

(ج) اخراجات اور توانائی کی بچت کے کئی اقدامات بروئے کار لائے گئے جس سے جزی طور پر اخراجات میں اضافے کے اثرات کو روکا جاسکا۔ مناسب و موزوں بچتوں کے حصول کیلئے کلیدی فریم ورک فراہم کرتے ہوئے Lean Six Sigma طریقہ کار استعمال کر کے مستقل بہتری کے پروگرام شروع کئے گئے۔

(د) نئی بلند تر ویلیو کی حامل مصنوعات کامیابی کے ساتھ تکمیل، تیار اور ہماری معزز صارفین تک فراہم کی گئیں جو انتہائی درست حد تک ہماری قدر ”جرات مند اندہ جدت“ کی عکاس ہیں۔

(ر) اپنے ماحولیاتی عزائم اور وعدوں کو پورا کرنے اور اطراف کے مقامات کو محفوظ رکھنے کے ضمن میں NEQs کی حدود پر عملدرآمد کے تحت تمام تین مقامات میں وائرٹوئل پلانٹس کام کر رہے ہیں۔

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

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

حفاظت، صحت اور ماحولیات

اپنی ”تحفظ سب سے پہلے“ کی قدر پر یقین رکھتے ہوئے ہم اپنے ملازمین، شہیداروں اور ویزٹرز کی صحت و تحفظ کو اپنی ترجیح مانتے ہیں۔ سال 2020 کورونا وائرس (COVID-19) کی وبائی صورتحال کی وجہ سے خصوصی طور پر ایک مشکل ترین سال رہا۔ ہم نے اپنی افرادی قوت کے تحفظ اور اپنے آپریٹیشنز کو جاری رکھنے کے لئے متعدد اقدامات اور حفاظتی انتظامات کئے ہیں۔ ہمارے بروقت اقدامات سے ہمارے ساتھیوں کو محتاط طور پر اپنے فرائض انجام دینے اور بحفاظت گھر واپسی میں سہولت حاصل رہی۔

ہم نے اپنی افرادی قوت میں حتمی سیفٹی کلچر نافذ کرنے کے ضمن میں انتہائی کوششیں کیں جس کے نتیجے میں متعدد مستقل اور پائیدار مینوفیکچرنگ سرگرمیاں جاری رہ سکیں۔ ہم جدید ترین EHS اسٹینڈرڈز اور دنیا بھر میں نافذ العمل رہنما ہدایات سے واقف عملے کے حامل ہیں۔

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

سماجی طبقات کی بھلائی بھی اس لئے اہم ہے کیونکہ ہم ایک کاروبار کر رہے ہیں۔ ہم عوام الناس کی فلاح و بہبود کے لئے متعدد سرگرمیاں انجام دیتے ہیں۔ ایک مناسب رقم ضرورت مند افراد میں تقسیم کی جاتی ہے۔

کارپوریٹ سماجی ذمہ داری

رفغان میٹ ایک سماجی ذمہ دار ادارہ ہے اور اس کا مقصد ایسے پروگراموں کے ذریعے عوام الناس کی بہتری کے سماجی اقدامات میں معاونت کرنا ہے جو کہ صحت، تعلیم، ماحولیات، سماجی ترقی اور آفات کے دوران بحالی کے شعبوں میں سماجی طبقات کو مدد فراہم کرتے ہیں۔ اس سال ہماری توجہ کا مرکز کورونا وائرس (COVID-19) تھا اور ہم نے متعدد پروگرام شروع کئے جن کے ذریعے سماجی طبقات کو اس وباء کے خلاف جنگ کرنے میں مدد ملی۔ آگے بڑھتے ہوئے ہمارا منصوبہ ہے کہ یونائیٹڈ نیشنز سسٹیم ایبل ڈیولپمنٹ گولز (UNSDGs) کے حصول کے ضمن میں اپنی کوششوں میں اضافہ کریں اور ایسے پروگرامز لاگو کریں جن سے سماجی طبقات پر گہرے اثرات مرتب ہوں۔

کاروباری خطرات، چیلنجز اور مستقبل کے امکانات

کورونا وائرس (COVID-19) کی موجودگی بدستور ایک خطرہ ہے اور کورونا وائرس (COVID-19) ویکسین کی جلد دستیابی 2021 کے دوران معاشی منظر نامے کیلئے انتہائی اہم ہوگی۔ اس کے علاوہ IMF پروگرام کے دوبارہ آغاز کے بھی مثبت اثرات پڑیں گے۔ دوسری جانب متوقع بلند تر افراط زر، یوٹیلٹیٹیز نرخ اور زرعی شعبے کے فروغ کے اہداف کو درپیش چیلنجز اقتصادی ترقی کیلئے ممکنہ طور پر نمایاں خطرات کا باعث ہو سکتے ہیں۔ مزید برآں ہم کئی کے نرخوں میں کسی رعایت کا کوئی امکان نہیں دیکھ رہے اور متوقع شرح منافع پیداوار کی ہماری لاگت پر پڑنے والے اثرات کے باعث بدستور دباؤ کا شکار رہے گا۔ مشکلات کے باوجود ہم ترقی پسندانہ طرز عمل اختیار کرنے اور اپنے کاروبار کے تمام تر پہلوؤں میں اپنا اعزاز برقرار رکھنے پر کاربند رہیں گے۔

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز بمسرت 31 دسمبر، 2020 کو ختم ہونے والے سال کیلئے سالانہ آڈٹ شدہ مالی گوشوارے مع ان پراڈیٹرز کی رپورٹ پیش کر رہے ہیں۔

مالیاتی نتائج		منافع جات اور مختص شدہ رقم	
سال ختمہ 31 دسمبر		روپے ہزاروں میں	
2019 (ری اسٹیٹڈ)	2020		
5,443,566	6,094,231		منافع بعد از ٹیکس
(58,185)	50,786		ملازمین کی ریٹائرمنٹ کے فوائد کے حقیقی منافع جات/ (خسارے)
13,013,822	14,473,720		غیر مختص شدہ منافع جو کہ آگے منتقل کیا گیا
18,399,203	20,618,737		
			مختص شدہ رقومات
1,154,554	1,847,286	(2018: بشرح 1250 فیصد)	حتمی منافع منقسمہ 2019: بشرح 2000 فیصد
923,643	1,385,464	(2019: بشرح 1000 فیصد)	پہلا عبوری منافع منقسمہ 2020: بشرح 1500 فیصد
923,643	1,385,464	(2019: بشرح 1000 فیصد)	دوسرا عبوری منافع منقسمہ 2020: بشرح 1500 فیصد
923,643	-	(2019: بشرح 1000 فیصد)	تیسرا عبوری منافع منقسمہ 2020
3,925,483	4,618,214		
14,473,720	16,000,523		غیر مختص شدہ منافع جات
589.36	659.80		آمدنی فی شیئر (روپے)

کاروباری جائزہ

سال 2020 کے دوران کورونا وائرس (COVID-19) کی وباء نے ملکی اور عالمی معیشتوں کو بُری طرح متاثر کیا۔ مختلف کاروباری اداروں کو نقصانات کے ساتھ کئی مسائل کا سامنا رہا۔ خصوصی طور پر کاروباروں کو طلب میں کمی، سپلائی چین میں رکاوٹ، آرڈرز کی منسوخی، خام مال میں کمی اور ٹرانسپورٹیشن میں رکاوٹوں سمیت دیگر مشکلات پیش آئیں۔ خوش قسمتی سے دیگر ممالک کے مقابلے میں پاکستان میں کورونا وائرس (COVID-19) کی بحالی صورتحال کے اثرات کم نظر آئے۔ اس کے نتیجے میں پاکستان میں سال 2020 کی پہلی ششماہی کے آخر تک صورتحال قدرے بہتر ہونے لگی اور ہم نے کچھ معاشی بحالی کے اثرات دیکھے خصوصاً سال 2020 کی دوسری ششماہی میں بڑے پیمانے پر مینوفیکچرنگ کا سلسلہ بحال ہو گیا۔

کورونا وائرس (COVID-19) کی وجہ سے بے یقینی کی کیفیت کے باعث رفان انتظامیہ نے اپنی حکمت عملی پر خصوصی توجہ کے ساتھ اسے شفاف رکھا۔ ملازمین کے تحفظ کو یقینی بنانے کے آسان اور بنیادی اہداف کے حصول اور صارفین کو اپنی مصنوعات کی ملا رکاوٹ، مستقل فراہمی اور صارفین کے ساتھ بہتر تعلقات استوار کرنے پر خصوصی توجہ دی گئی۔ اس حکمت عملی نے بہترین نتائج ظاہر کئے اور کمپنی سال 2020 کی دوسری سہ ماہی کے دوران حجم میں نمایاں کمی کے باوجود خالص منافع میں 12 فیصد کی شرح نمو حاصل کرنے میں کامیاب رہی۔

سال کے دوران مجموعی کاروباری صورتحال دوسری سہ ماہی کے دوران وباء کی وجہ سے بدترین اثرات کے باوجود متوازن رہی تاہم سال 2020 کی دوسری ششماہی کے دوران کچھ بحالی کے آثار نمودار ہوئے۔ دوسری سہ ماہی کے دوران منفی اثرات کی بڑی وجہ ٹیکسٹائل سیکٹر میں سست روی تھی جس کی وجہ برآمدی آرڈرز کا منسوخ ہونا اور نان۔فوڈ انڈسٹری کا لاک ڈاؤن ہونا تھا۔ تاہم برآمدی اور مقامی دونوں سطحوں پر صنعت کی بحالی سے کچھ ریلیف ملا اور سال 2020 کی دوسری ششماہی کے دوران طلب مستحکم رہی۔ پیپر اور کورگیشن میں شرح نمو اور طلب مستحکم رہی جس کی وجہ پیکیجنگ انڈسٹری سے مسلسل طلب میں اضافہ تھا۔

اشیائے خورد و نوش کے سیکٹر کی کارکردگی ریٹورٹنس، شادی ہالز، اسکولز اور بیرون خانہ دیگر ضیافت کے مواقعوں پر پابندی کے باوجود نسبتاً معقول رہی؛ گھریلو صارفین کی طرف سے بیکنگ، پروسیسڈ اشیائے خورد و نوش، مشروبات، فارماسیوٹیکلز، نیوٹراسیوٹیکلز، کوئیڈیمینٹس اور تیار شدہ مکسر سیکٹرز کی جاندار ڈیمانڈ سے رفان کے خوردنی نشاستوں اور ڈیسٹرز کی طلب میں اضافہ کو تقویت ملتی رہی۔ کنفییکشنری سیکٹر جس کا ہماری گلوکوزیلز میں سب سے زیادہ حصہ ہوتا ہے مہنگائی کی وجہ سے کسی قدر سست رہا۔

جانوروں کی خوراک کے اجزاء کی طلب پوری مدت کے دوران برقرار رہی۔ طلب کے حامل تمام تر شعبوں، پولٹری، لائیو اسٹاک اور ایکواکلچر کی طلب دیگر متبادل فیڈ اجزاء کے نرخوں میں اضافے اور ان کی قلت کے پیش نظر بلند تر رہی۔ رفان نے اس کاروبار میں مواقعوں کیلئے بھرپور سرمایہ کاری کی۔

رفان نے علاقائی مارکیٹوں میں اپنے امور کو بہتر کرنے اور نئے ممکنہ مواقعوں کی تلاش کے ضمن میں بھی بھرپور کوششوں کا سلسلہ جاری رکھا ہوا ہے۔ رفان میڈیا کاروباروں کو مستحکم بنانے اور EMEA کی ابھرتی ہوئی مارکیٹوں کیلئے خصوصی طور پر نئے فوڈ اجزاء کی مارکیٹنگ کیلئے اپنی صلاحیتیں بڑھانے کے ذریعے خود کو تبدیل کر رہا ہے۔ ہمیں یقین ہے کہ بین الاقوامی منڈی میں کافی مواقع موجود ہیں؛ ہماری کوششوں کے باعث ہمارا برآمدی کاروبار عالمی وبائی صورتحال اور علاقائی کمپیوٹرز کی جانب سے جاندار مسابقت کے باوجود زیادہ متاثر نہ ہوا؛ کمپنی نے علاقے میں اپنی موجودگی اور مواقعوں سے استفادہ حاصل کرنے کی صلاحیت میں اضافہ کا تہیہ کر رکھا ہے۔

چیئر مین کا جائزہ

کورونا وائرس (COVID-19) نے سال 2020 کے دوران ہر ایک کے لئے سماجی اور معاشی خطرات ظاہر کئے۔ اس وباء نے معاشی سرگرمیوں/گروٹھ میں کمی کے ذریعے بھی کاروباروں اور معیشتوں پر بُرے اثرات مرتب کئے۔ کورونا وائرس (COVID-19) نے پاکستان بھر میں اثرات ڈالے جیسا کہ کورونا وائرس (COVID-19) سے قبل حکومت نے آئی ایم ایف کے ایک پیکیج پر کامیابی کے ساتھ مذاکرات اور چند پڑوسی ممالک سے مالی معاونت حاصل کرنے کے بعد معاشی استحکام کے پہلے مرحلے کا آغاز کر دیا تھا تاہم 2020 کی دوسری سہ ماہی کے دوران معاشی سست روی، لاک ڈاؤنز اور بڑے پیمانے پر رکاوٹوں نے اقتصادی ترقی کو منفی جانب دھکیل دیا۔ تاہم حکومت کی جانب سے موثر اقدامات کے باعث سال 2020 کی دوسری ششماہی میں معاشی بحالی کے آثار نظر آئے۔

رفغان اور اس کے ملازمین کیلئے بھی یہ صورتحال بحران کا شکار رہی جبکہ رفغان بورڈ اور انتظامیہ نے اس غیر یقینی مدت کو کامیابی کے ساتھ گزارنے کے فوری انتظامات کئے اور ملازمین کے تحفظ پر بھی کوئی مفاہمت نہیں کی گئی۔ بورڈ نے کورونا وائرس (COVID-19) کے دوران ایک موثر اور بااثر کردار ادا کیا اور کورونا وائرس (COVID-19) کے اثرات سے نمٹنے اور تدارک کیلئے خطرات سے نمٹنے کی حکمت عملی کا جائزہ لینے کی غرض سے جون 2020 میں ایک خصوصی اجلاس طلب کیا۔ بورڈ اور انتظامیہ کے موثر اور مثبت کردار کے باعث بحرانی معاشی صورتحال اور سخت چیلنجوں کے باوجود اوپر سے نچلی سطح تک بہتری دیکھنے میں آئی۔

ہم کورونا وائرس (COVID-19) کے سخت مرحلے سے گزرنے کے بعد پُر اعتماد ہیں کہ ہمارا کاروبار مستقبل کے چیلنجوں سے نمٹنے کیلئے بہترین حالت میں آچکا ہے۔ ہم ایک مضبوط اور موثر انتظامی ٹیم کے حامل ہیں اور ایک تجربہ کار و پیشہ ورانہ بورڈ سخت معاشی بحران میں ہمارا کاروبار چلانے کی صلاحیت رکھتا ہے۔ ہم ترقی کا یہ سلسلہ برقرار رکھنے کیلئے مختلف اقدامات بروئے کار لانے کا سلسلہ جاری رکھیں گے اور بلند تر کامیابیاں حاصل کرنے، اسٹریٹیجک توسیع کے لئے کوششوں اور شیئر ہولڈرز کے منافع جات میں اضافے کے ساتھ کمپنی کی مجموعی کارکردگی کو بہتر بنانے کیلئے کوشاں رہیں گے۔

میں بمسرت یہ رپورٹ پیش کرتا ہوں کہ بورڈ کی کارکردگی انتہائی مثالی رہی ہے اور سال کے دوران کمپنی کے امور بخوبی انجام دیئے گئے۔ بورڈ نے مستقل بنیادوں پر کمپنی کے امور کا جائزہ لیا اور انتظامیہ کو کلیدی شعبوں مثلاً اسٹریٹجک پلاننگ، وسائل کے موثر و باکفایت استعمال، مالیاتی کارکردگی، سرمائے کے استعمال، انسانی و آپریشنل صلاحیت سے متعلق معاملات اور دیگر متعلقہ امور پر معاونت فراہم کی۔ بورڈ کا رپورٹ اور فنانشل رپورٹنگ فریم ورک کے ضمن میں اپنی ذمہ داریوں کا اعتراف کرتا ہے۔ یہ کمپنی کے کلیدی اغراض و مقاصد کے حصول کیلئے اپنے اسٹریٹجک کردار کے بارے میں بھی پُر عزم ہے جبکہ شیئر ہولڈرز کے منافع جات میں اضافے اور دیگر اسٹیک ہولڈرز کو فوائد و سہولیات فراہم کرنے کے لئے بھی کوشاں ہے اور ان اغراض و مقاصد کے ضمن میں اپنا کردار جاری رکھنے کے لئے کاربند رہے گا۔

میں بورڈ کے تمام ممبران کا ان کی مستقل رہنمائی اور معاونت پر شکریہ ادا کرنا چاہوں گا اور انتظامیہ کی بھرپور صلاحیتوں کا اعتراف کرتا ہوں جس کی بدولت سال 2020 ایک اور اعلیٰ کارکردگی کا سال ثابت ہوا۔

3 مارچ 2020



چیئر مین

چیئر مین

REQUEST FORM FOR DIVIDEND MANDATE (MANDATORY)

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

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

Signature of Shareholder

(Please affix company stamp in case of corporate entity)

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

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

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

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

Request Form for Hard Copy of Annual Audited Financial Statements

Date: _____

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

My/our particulars in this respect are as follows:

Folio/CDC A/c No.	
Postal Address:	
e-mail Address:	
Contact No.:	
CNIC No.	
Signature	

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

Company Contact: Mr. Mustafa Kamal Zuberi Company Secretary & Head of Legal / Corporate Affairs, Rafhan Maize Products Co. Limited, Rakh Canal East Road, Faisalabad. Tel. No. 041-8540121-23 Ext. 206 & 348 E-mail: corporate@rafhanmaize.com	Shares Registrar: Mr. Fakhar Abbasi M/s FAMCO Associates (Pvt.) Ltd., 8-F, Next to Hotel Faran, Nursery, Block-6, PECHS, Shahrah-e-Faisal, Karachi. Tel. No. 021-34380101-05 Ext.118 E-mail: info.shares@famco.com.pk
--	--

Proxy Form

131st 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 131st General Meeting (Annual Ordinary) of the Company to be held on Monday, April 19, 2021 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 of2021

Affix Revenue
Stamp of Rs.5/-

Signature of Proxy.....

Signature of Shareholder.....

Folio/CDC A/c Part. ID. No.....

No. of Shares held.....

Shareholder CNIC No.....

Witness I:

Witness II:

Signature

Signature

Name:

Name:.....

CNIC #

CNIC #

Address:

Address:

NOTES:

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

AFFIX
CORRECT
POSTAGE

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

پراکسی فارم

131 واں اجلاس عام (سالانہ عمومی)

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

میں/ہم _____ بیوی/بیٹا/بیٹی _____ ساکن _____ بحیثیت شیئر ہولڈر (ز)
بابت رفاں میٹ 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
131 ویں اجلاس عام (سالانہ عمومی) منعقدہ کمپنی کے ہیڈ آفس، رکھ کینال ایسٹ روڈ، فیصل آباد بروز سوموار، 19 اپریل، 2021 کو بوقت 03:00 بجے دوپہر یا کسی ملتوی شدہ تاریخ پر شرکت
کر کے ووٹ ڈال سکے گا/گی۔

تاریخ آج _____ بابت 2021

5/- روپے
کارپونیا اسٹیٹ چپاں 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 _____

نوٹ:

- یہ پراکسی فارم ہر طرح سے مکمل کر کے اور کارپونیا اسٹیٹ 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 ہولڈر یا ان کے پراکسیز کو اپنی شناخت کے لیے اپنا اصل کارآمدی این آئی سی یا اصل کارآمدی سپورٹ ہمراہ لانا ہوگا۔ سی ڈی سی شیئر ہولڈرز کو پارٹیشن 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،
رفخان میڈ پرائڈ کٹس کمپنی لمیٹڈ،
رکھ کینال ایسٹ روڈ،
فیصل آباد۔

