Annual & Sustainability Report
for the year ended December 31, 2015

Developing ideas.
Delivering Solutions.™

RafhanMaize
PRODUCTS CO LTD

بسم الله الرحمن الرحيم

Contents

Company Information

Board of Directors

Chairman	
Martin Sonntag	Non-Executive
Vice Chairman	
Rashid Ali	Non-Executive
Chief Executive & Managing Director	
Ansar Yahya	Executive

Members:

Jorgen Kokke	Non-Executive
Jack C. Fortnum	Non-Executive
Christine M. Castellano	Non-Executive
Zulfikar Mannoo	Non-Executive
Mian M. Adil Mannoo	Non-Executive
Wisal A. Mannoo	Non-Executive
Dr. Abid Ali	Executive
Anis Ahmad Khan	Independent & Non-Executive

Chief Financial Officer
Dr. Abid Ali

Secretary
M. Yasin Anwar

Audit Committee

Zulfikar Mannoo	Chairman
Jack C. Fortnum	Member
Rashid Ali	Member
Christine M. Castellano	Member
Anis Ahmad Khan	Member

Human Resource & Remuneration Committee

Martin Sonntag	Chairman
Rashid Ali	Member
Ansar Yahya	Member
Zulfikar Mannoo	Member

Shares Transfer Committee

Rashid Ali	Chairman
Ansar Yahya	Member
Dr. Abid Ali	Member

Bankers
Citibank, N.A.
Habib Bank Ltd.
Meezan Bank Ltd.
MCB 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

Shares Registrar
FAMCO Associates (Pvt.) Ltd.
8-F, Next to Hotel Faran, Nursery,
Block-6, P.E.C.H.S., Shahrah-e-Faisal,
Karachi
Tel:(92-21) 34380101-5
Fax: (92-21) 34380106
Email: info.shares@famco.com.pk

Registered Office
1st Floor, Finlay House,
I.I. Chundrigar Road,
Karachi-74000, Pakistan
Ph: (92-21) 32442516 – 32410848
Fax: (92-21) 32428651

Head Office & Shares Department
Rakh Canal East Road, Faisalabad,
Pakistan
Ph: (92-41) 8540121-22-23
Fax: (92-41) 8711016 - 8502197
Website: www.rafhanmaize.com
E-mail: corporate@rafhanmaize.com

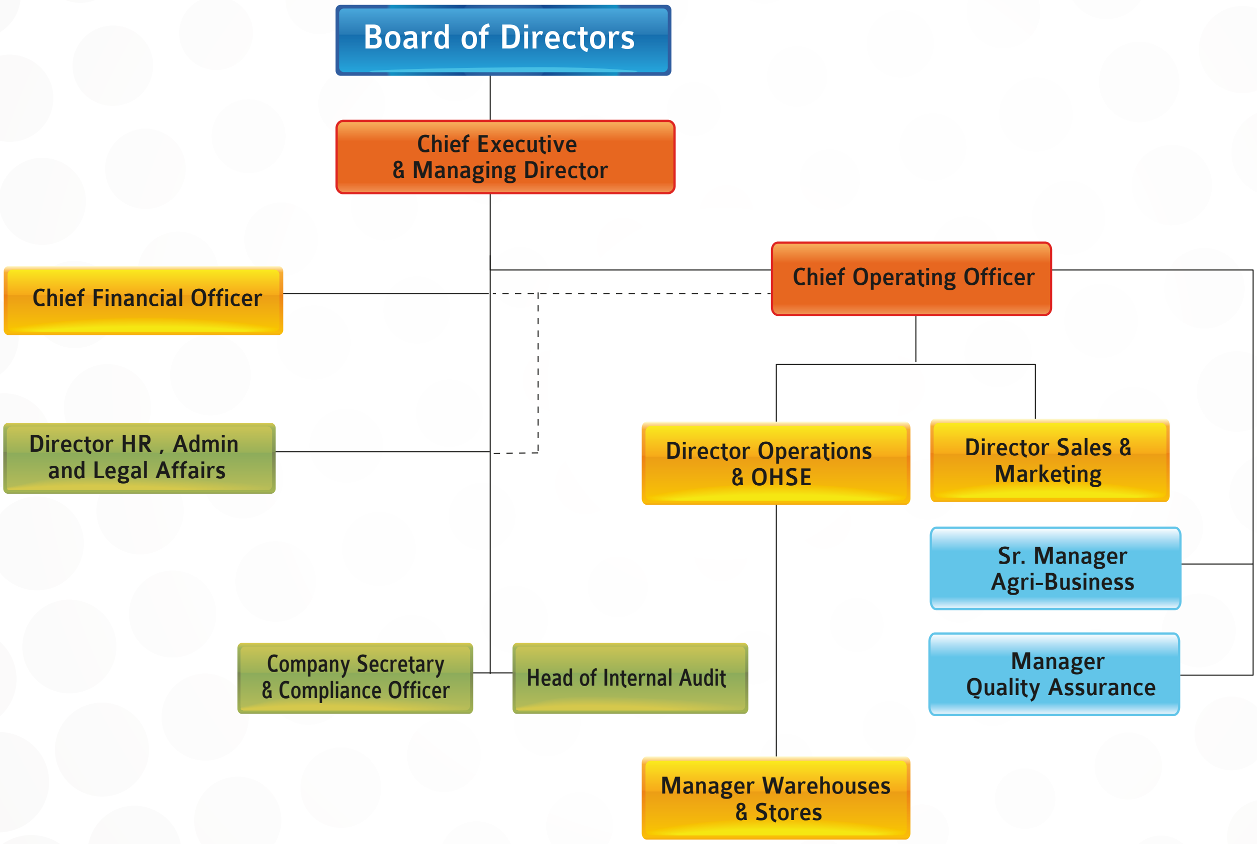
Plants:
Rakh Canal Plant:
Rakh Canal East Road,
Faisalabad.
Ph: (92-41) 8540121-22-23
Fax: (92-41) 8711016 - 8502197

Cornwala Plant:
5-KM Jaranwala-Khurrianwala Road,
Jaranwala - Faisalabd.
Ph: (92-41) 4710121 & 23-27

Mehran Plant
K.B. Feeder Road, Kotri,
Jamshoro, Sindh.
Ph: (92-223) 870894 - 98

(Note: The above information has been updated upto February 24, 2016)

Organogram


Board of Directors
Chief Executive & Managing Director
Chief Financial Officer
Chief Operating Officer
Director HR , Admin and Legal Affairs
Director Operations & OHSE
Director Sales & Marketing
Sr. Manager Agri-Business
Company Secretary & Compliance Officer
Head of Internal Audit
Manager Quality Assurance
Manager Warehouses & Stores

Notice of Meeting

Notice is hereby given that the 125th General Meeting (Annual Ordinary) of the shareholders of Rafhan Maize Products Co. Ltd. will be held on Tuesday, March 29, 2016 at 10:00 a.m. at the Overseas Investors Chamber of Commerce and Industry's Hall, Talpur Road, Karachi to transact the following business:

1. To confirm minutes of the last General Meeting (Extraordinary) of the shareholders of the Company held on Monday, September 7, 2015 at Karachi.

2. To receive, consider and adopt the Audited Accounts of the Company for the year ended December 31, 2015 together with the Directors and Auditors Reports thereon.

3. To approve final cash dividend @1200% for the year ended December 31, 2015 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 2016.

Special Business:

5. To consider and pass with or without modification the following resolution as a Special Resolution:

   "Resolved that the Articles of Association of the Company be amended by a new Article 45A as follows: The provisions and requirements for e-voting as prescribed by the SECP from time to time shall be deemed to be incorporated in these Articles, irrespective of the other provisions of these Articles of Association and notwithstanding anything contradictory therein."

6. To consider and pass with or without modification the following resolution as a Special Resolution for amending first sentence of Article 50 of the Articles of Association of the Company:

"The remuneration of a non-executive director other than the regularly paid Chief Executive and full time working Directors for attending meetings of the Board and Audit Committee shall be Rs.10,000/- and of an Independent Director Rs.25,000/- for each meeting of Board and Audit Committee attended by him."

Statements U/S 160(1)(b) of the Companies Ordinance, 1984 pertaining to the Special Business are attached.

By order of the Board

M. Yasin Anwar
Company Secretary &
Compliance Officer

Karachi
March 8, 2016

Statements U/S 160(1)(b) of the Companies Ordinance, 1984

Item No.5 of the Notice

To give effect to the Companies (E-Voting) Regulations 2016, shareholders' approval is being sought to amend the Articles of Association of the Company to enable e-voting.

Item No.6 of the Notice

Initially, with the implementation of Code of Corporate Governance in 2002, Board and Audit Committee Meetings were being held on the same day. Now at least two Meetings of Audit Committee and Board are being held on alternate days. The members of Audit Committee have now to spend an extra day for Audit Committee Meeting. At present, there is no fee for attending Audit Committee Meeting. The Board is of the view that since the Audit Committee is the most important Committee of the Board, the non-executive Directors, who are members of the Audit Committee, should also be paid the same amount of fee as of the Board Meeting.

Consent for Video Conference Facility

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

If the Company receives consent from the 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. Ltd., holder of _________ Ordinary Shares as per Registered Folio No.____________ hereby opt for video conference facility at _____________.

____

Signature of Member

Notes:

1. The Share Transfer Book of the Company will remain closed from 21st to 29th March, 2016 (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. 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.

Dividend Mandate

In accordance with SECP's directives, all shareholders, who have not yet opted for dividend mandate, are requested to authorize the Company to directly credit all future cash dividends to their bank account by conveying following particulars to our Shares Registrars M/s FAMCO Associates (Pvt.) Ltd, 8-F, Next to Hotel Faran, Nursery, Block-6, PECHS, Shahrah-e-Faisal, Karachi.

Title of Bank Account	Bank Account No.
Bank Name	Branch Name and Address
Cell/Landline Phone Number of Shareholder	CNIC No.

CDC shareholders will send the above particulars to their respective Stock Exchange Broker.

CNIC No.

Pursuant to the directives of the SECP, CNIC number is mandatorily required to be mentioned on dividend warrants. The Company is now unable to comply with SRO 831(1)/2012 dated 5 July 2012 of SECP and therefore, constrained under Section 251(2)(a) of the Companies Ordinance, 1984 to withhold dispatch of dividend warrants of non-compliant shareholders. A list of such shareholders is available on Company's website rafhamaize.com. Please submit a copy of your valid CNIC (only Physical Shareholders), if not already provided to the Shares Registrars of the Company. Corporate account holders should submit National Tax Number, if not yet submitted.

Deduction of Income Tax from Dividend under Section 150

The Government of Pakistan through Finance Act, 2015 has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

For filers of income tax returns	12.5 %
For non-filers of income tax returns	17.5 %

To enable the company to make tax deduction on the amount of cash dividend @12.5% instead of 17.5%, 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 @17.5% instead of 12.5%.

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, in writing as follows, at the earliest, 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 following phone numbers, email addresses –

Company Contact:

Mr. M. Yasin Anwar
Company Secretary & Compliance Officer,
Rafhan Maize Products Co. Ltd.,
Rakh Canal East Road, Faisalabad.
Tel.No.041-8540121 – Ext.211 & 348
Email: 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
Email: info.shares@famco.com.pk

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.

Annual Accounts

Annual Accounts of the Company for the financial year ended December 31, 2015 have been placed on the Company's website – www.rafhanmaize.com

Pursuant to SECP's SRO 787(I)/2014 dated September 8, 2014 regarding electronic transmission of Annual Report and notice which falls in the sphere of Section 50, 158 and 233 of the Companies Ordinance, 1984, we have attached the request form in our Annual, Half Yearly and Quarterly Reports and also uploaded on our Company's website – www.rafhanmaize.com

Members desirous to avail this facility are requested to submit the request form duly filled to our Shares Registrar.

Request Form

Consent for Circulation of Annual Audited Financial Statements through e-mail

Company Name : Rafhan Maize Products Co. Ltd.

Folio No./CDC sub-account No.______________________________

E-mail Address: ______________________________

CNIC No. ______________________________

The above E-mail address will be recorded in the members register maintained under Section 147 of the Companies Ordinance, 1984. I will inform the Company or the Registrar about any change in my E-mail address immediately. Henceforth, I will receive the Audited Financial Statements along with Notice only on the above E-mail address, unless a hard copy has been specifically requested by me.

____

Name and Signature of Shareholder
(Attachment : Copy of CNIC)

Code of Conduct

The Company's reputation and future prospects are heavily dependent upon the standards of business conduct demonstrated by all our employees. The Company must, therefore, articulate the high ethical standards it expects from its employees concerning such matters as conflicts of interest, payments to outside entities and individuals and the maintenance of proper books, records, and controls. The Public awareness of our consistent commitment to the high standards contained in the Policies on these matters protects both the Company and our employees in their dealings with others.

The terms "gift", "loan", "favour" and "contribution" are used in the broadest sense. They apply to a transmission of, or any express or implied promise to transmit, anything of value, regardless of the form of the transaction, whether in money, property or services, including the use of facilities or personnel.

Similarly, a payment which cannot be made by the Company must not be made indirectly through an officer, employee, family member, agent, broker, trade association, consultant, or other third party who is provided or reimbursed with funds for the purpose by the Company or who receives funds from the Company under circumstances giving rise to concern that he or she may be diverting some of them to such purpose.

Business Conduct Policies

It is the responsibility of every employee to follow the Policies. The Company's reputation and business objectives are dependent upon the constant observance of the high moral and ethical standards that are embodied in the following Policies :

Policies on :

- Quality
- Employee Relations
- Health, Safety and the Environment
- Community Relations
- Compliance with Laws
- Confidentiality, Disclosure and Insider Trading
- Conflicts of Interest
- Commercial, Labor and Government Relations
- Political Contributions
- Books, Records and Controls
- Corporate Guidelines on Social Media

Company Introduction

Geographical Presence

RafhanMaize is an affiliate of Ingredion Incorporated which has strong global presence with commercial and manufacturing operations in more than 60 countries of the world. RafhanMaize has three manufacturing locations in Pakistan two in Punjab: Faisalabad, Jaranwala and one in Kotri, Jamshoro Sindh. The Company has three warehouses in Faisalabad, Jaranwala and Kotri. The commercial and corporate office is located at Karachi.

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.

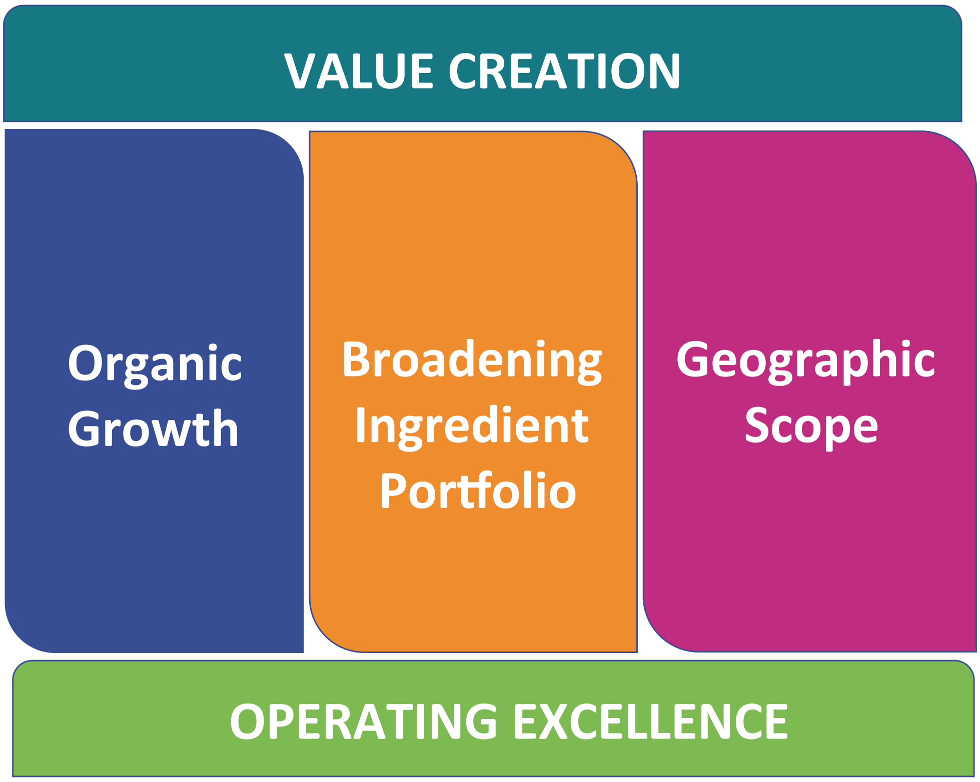
Our Core Values

Safety	Nothing is more important Our goal: Zero accidents
Quality	Of the products we make, the services we provide, the relationships we build
Integrity	Honesty & trust are the foundation of our business We will maintain the highest standards of conduct
Respect	We promote openness, teamwork, trust and mutual cooperation
Excellence	We will relentlessly pursue excellence in all that we do and give employees the resources they need to excel
Innovation	Continue to find new customer solutions and share those breakthroughs around the Ingredion World

Our Strategic Objectives

Your Company has developed comprehensive strategic blue print for sustainable growth and value creation. Our strategy is a unique blend of volume growth and operational excellence drivers. We are pursuing tri dimensional strategy to grow organically, geographically and by broadening ingredients portfolio. Our operational excellence initiatives include bringing efficiencies in operations, reducing controllable costs through continuous improvement, contracting procurement bills by optimizing TCO (total cost of ownership) and conserve energies.

Out Strategy



Chief Executive's Review

I am pleased to present the results of Rafhan Maize for the year ended December 31, 2015. The year under review was relatively more challenging with overall recession in demand, continued energy shortfall impacting the overall operation of major consuming industries and growing competition with the influx of cheaper imports and consequent pressure on selling prices of Company's products. However, by the grace of Almighty Allah, we were able to achieve yet another remarkable year where we continued to exceed the expectations of our stakeholders, customers and achieved valuable milestones through persistent efforts. Despite overall depression in demand and tough business environment, the company continued to strengthen its progressive track record of achievements. I would like to acknowledge benedictions of Almighty Allah, the sagacious approach of our Board and the management in achieving iconic figure of Rs.3.3 billion after tax profit. We have built our success by anticipating the future and continuously adapting ourselves to harness the opportunities. In 2015, we continued to invest on new concepts, building capacities and enhancing capabilities that helped to achieve this financial performance.

ECONOMIC AND BUSINESS ENVIRONMENT

2015 reflected the mixed sentiment in the economic and business environment of the country; showing signs of macro-economic stability despite ongoing energy crisis, stagnant business activity, depreciation of Rupee against Dollar and dropping export volumes. Pakistan's economy has demonstrated 5 years highest level of GDP growth of 4.5%. Persistent slide in oil prices helped to keep domestic inflation rate lowest in the history and led to historic lowest interest rate of 6%. Agriculture, the backbone of the country depicted depressed performance with 35% decrease in cotton output and low commodity prices put farmer's community in liquidity starvation. However, Pakistan performed better in channelizing regional geographical location and was successful in attracting major Chinese investment under CPEC (China Pakistan Economic Corridor) package. We expect the economy to strengthen further with the execution of mega infrastructure projects under CPEC. These initiatives will have a positive trickledown effect on overall industrial and business environment.

OPERATING RESULTS

		2015	2014
Net Sales	Rs. (Million)	24,618	25,197
Net Income After Tax	Rs. (Million)	3,275	2,517
Earnings Per Share	Rs.	354.59	272.48

The Company continued to deliver strong performance and posted a good growth of 30% in net profit despite 2% decrease in net sales.

Our two major consuming sectors, Textile and Confectionery faced stiff business environment and lost export volumes to Indian as well as other Asian competitors. Softening of demand from these two major segments affected our sales volumes and led to decrease in the net sales. The company continued to focus on improved business performance, prudent marketing mix, cost saving initiatives, synergizing effective business practices, effectuating economies of operation and taking strategic investment decisions to bring efficiencies in all echelons of business.

BUSINESS REVIEW

Your company is well known as an established and progressive trendsetter and a reliable solution provider to multiple types of industries. The company has positioned itself as the supplier of first choice and customer satisfaction is the crux of our strategic relationship which drives us to serve our customers with full commitment and dedication. We have a long history of serving our valued customers with consistent commitment to our core values. Despite all challenges;

we continue to maintain our position as the premier corn refiner in Pakistan. Our ingredients mix provides solutions in the fields of Industrial, Food and Animal Nutrition Ingredients to serve various industries like textiles, confectionery & bakery, paper & corrugation, pharmaceuticals & chemicals, processed foods and beverages, poultry, livestock, aquaculture, edible oils, and a host of other food and non–food industries.

Rafhan Maize strives hard to improve its performance in a fast changing customer trends and challenging business environment. We always remain committed for development of innovative ingredients and keep our products relevant and responding to the needs of our customers' functionalities. The Company strives to meet customer expectations by delivering the best products and services to the customers through value delivery, technical service, consistent quality and responding to market dynamics.

INDUSTRIAL BUSINESS

Industrial business showed mixed growth, major hurdles in growth remained the ongoing energy crisis and overall slow business activities. Our consuming industries faced the issue of underutilization of their capacities and the energy crisis forced them to use expensive alternate energy fuels. High cost of energy made their products costly in the local as well as international markets thus lost competitiveness and market share to other global suppliers.

Textile industry is the largest consuming segment of our industrial grade starches. Textile sector witnessed steep slide in business activities due to dip in exports and sluggish local demand. Pakistan Textile industry struggled hard to survive the stiff competition in international markets from China, India, Bangladesh and other global players. Downstream textile industry faced more severe challenges due to inadequate supply of gas/electricity, rising energy costs and inconsistent taxation policy of the government. However, positive aspect from current changing quality patterns that supported us and given boast to demand was our wide range of modified starches. GSP+ (a favorable international trade status) status to Pakistani textile sector provided slight support to value added segment but full potential couldn't be realized due to weak economic data of EU economies. Our company offers diversified portfolio of solutions, products and services to Textile which includes Rafhan®, Penetrose®, Amisol®, Tex-o-Film® and Coratex® brand starches.

Paper, board and corrugation is yet another sector which consumes fairly large amount of our products. The sector is attracting large investments to enhance capacity as well as quality for meeting the growing demand. However, the prices of major inputs like wheat


RafhanMaize
D#①
EM 3405

straw and imported pulps have increased quite steeply during the year under review and correspondingly resulted in slow operations of paper and board industry. The segment also faced influx of cheaper paper board from Chinese exporters to threaten the local industry even for their survival. Increasing demand for corrugated boxes/cases from food, fruits, vegetables and electronics improved, the sale of Coragum® starches and Dextrins. Paper sacks industry operated at better pace to improve the sale of Tex-o-Film® and Coragum ® starches. Markets for chemical & allied were stable; particularly Home & Personal Care continued to deliver growth in sales. Our pharmaceutical business has a strong portfolio of leading and innovative brands – SnowFlake® starch, Farmal® starch & Flo-Sweet® glucose syrup. The company maintains its competitive edge by virtue of being a local manufacturer and major supplier for the domestic industries with short delivery time, consistent quality and excellent customer services.

FOOD BUSINESS

Food industry in Pakistan is continuously expanding because of changing life style, advent of fast food chains, health conscious eating habits, growing urbanizations and emerging middle class. Your company continued to lead the market as a trusted supplier to enhance customer base in food segment. Rafhan Maize is a highly responsive company and has developed innovative food ingredients to meet growing customers' needs. The Company provides a wide range of solutions to segments like confectionery & baking, desserts, beverages, snacks, ketch-ups and sauces, premixes, condiments, soups, ice cream, custard and a long list of other foods processers. The food business product mix includes Globe® and Snowflake® starches, Rafhan® starches & sweetners, Flo Sweet® Liquid Glucose, Mor-Sweet® High Maltose Syrup, Cerelose® Dextrose Monohydrate, Rafhan® Liquid Caramel and Golden Syrup to meet variety of applications.

During the year 2015, food segment faced comparatively bigger challenges than other segments. The segment faced cash flow issue throughout the year and cash starvation affected the demand for liquid glucose from confectionery segment especially from small manufacturers. However, new trends in confectionery were noted with investments in flavored/center filled candies, bubble gums, jelly confections and chocolates. The company successfully managed to maintain an uninterrupted and timely flow of supplies to customers despite massive logistical challenges and constraints. Import of Indian dextrose at concessionary duties under SAFTA regime has significantly disturbed our dextrose sales in domestic market. Easing trend of sugar prices also led to decline in demand for corn based sweeteners.

The company continued its drive to invest in

manufacturing technology, developing new ingredients, product differentiation and innovation in application/ functionalities. Our efforts have been very successful in introducing new products and improving existing product mix to post consistent growth and profitability. Your company has also launched Specialty and Innovation Promise drive to bring new value added innovated products to meet multiple demand from the fast growing food industry for different applications and the changing dietary trends.

ANIMAL NUTRITION INGREDIENTS BUSINESS

ANIs segment has been under severe pressure during the year and posted depressed performance. Poultry, aquaculture and livestock farming are the key consuming segments of Animal Nutrition Ingredients. We have to reduce our product prices multiple times to make our products competitive with grains and other substitutes. Our business teams went extra mile to offset the lower price as well volumes loss. The teams worked hard to improve order execution, explore new aquaculture/livestock farmers and extend geographical reach for mitigating the adverse impact on performance. Our Animal Nutrition Ingredients line includes Prairie Gold® and Rafhan® maize gluten meals, Buffalo® maize bran, Rafhan® maize germ cake, Mazoferm corn steep liquor and Enzose® Hydrol. Poultry industry is making large investments for mechanization, integrated farming systems, improving bio-security processing and value addition. A large number of organized dairy farms are in the process to meet growing demand of milk and allied products whereas growing activity in aquaculture is very promising. Our team placed the highest emphasis on building long-term relationship with our customers while providing seamless optimal service level.

EXPORTS

Our export business maintained it growing trend and your Company has earned precious foreign exchange of US$ 11million during the current year. Though, we faced stiff competition in the international markets from Indian and Chinese competitors with team efforts, continuous drive for efficiencies, austerity drive, leveraging the volume scale and geographic reach posted improved response and helped to achieve better export volumes.

Our diversified customer base across the APAC and EMEA regions, provide consistent and sustainable growth to export sales and served important role to deliver strong business performance in the international markets.

Our international business team is exploring new markets in order to increase the overall export sales of high quality ingredients and profitability of the company. The company has explored new opportunities in Turkey, Middle East and African countries in additional to its traditional markets to increase exports in the years to

come. Our product portfolio has strong strength to penetrate not only in the existing international markets but also capture new destinations. Our global marketing teams of highly agile professionals engaged in exploring new avenues and ably transforming challenges into opportunities for expanding the business in highly competitive markets.

OPERATIONS

Decrease in the fuel prices in the international market has extended good relief to Pakistan industry not only in cost terms but also on availability realm. Electricity supply to industries comparatively improved and augured well for our operations as well. This phenomena resulted in reducing utility cost to provide relief to the cost structure to some extent.

Our operation teams positively responded to the challenges of cost escalations and successfully generated cost savings from Continuous Improvement/Lean Six Sigma initiatives. Your Company is spending wisely on improving manufacturing capacities, capabilities and cost saving initiatives to develop itself into a competitive organization. The Company is actively pursuing performance enhancement systems, quality management systems, new technologies, third party quality certifications and energy conservation programs to optimize cost of operation and improve quality of our ingredients.

Our best in class processes, agile operation teams and state of art technology are the main drivers behind the sustained growth of our Company. We are bench marking our costs and process efficiencies with associate companies within the Ingredion network to test our competiveness against the best in class in the field. Rafhan Maize is pursuing diversified strategy to improve process capabilities, uplift manufacturing facilities, replace inefficient equipment, automate manual processes and bring innovations in packaging processes.

BUSINESS OBJECTIVES AND STRATEGIES:

Our corporate quest is to improve the quality of human life by bringing innovated ingredient from farms to dining table and things around human life. The company adheres a well-structured strategy and planning process for delivery of strong business results in the short term (base plan), medium term (operating plan) and long term (strategic plan)

BASE PLAN AND LOW HANGING OBJECTIVES

Base plan envisages effective utilization of existing resources to increase sales volumes, bring efficiencies, reduce cost and follow the strategic initiatives like

continuous improvement, Lean Six Sigma philosophy, Procurement Excellence - the TCO methodology (Total Cost Optimization) energy conservation, network rationalization and GTM (go to market). The highest focus is to optimize the returns from existing resources, rout out inefficiencies from the structure, focus on existing products to boost organic growth and augment effective utilization of plant capacities.

OPERATING PLAN AND SHORT TERM OBJECTIVES

Operating plan is the strategic action plan to accelerate the implementation of projects in hand as well as focus on near term initiatives for ensuring accelerated delivery of short term business benefits. Energy crisis is among the most severe problem not only for Rafhan Maize but also for the country as a whole. The company has devised well-structured strategy to improve energy availability at competitive rates, our near to completion 12 MW coal fired co-generation plant at Cornwala Plant is a big stretegic asset that will yield strong financial and operational benifits to the busness. The plant will be ready in June 2016 and start yielding commercial benefits from the same period.

Dextrose monohydrate is one of the strategic ingredient of your company and the company rates Dextrose among the growth drivers. Demand for product is continuously rising because of the changing life style/eating habits, increased liking for packed food and health consciousness among the general masses. There has been capacity constraints for dextrose manufacturing. Consistantly growing demand for dextrose necessitates to have new hi-tech facility to meet customer demand, improve quality of the product and bring operational efficiency. To coup with dire need, the company initiated mega project of $ 13m to build new state of art dextrose monohydrate plant at Jaranwala plant. The plant will be ready during second half of 2017 and will be available to meet long term customers' needs.

Product portfolio diversification and geographical expansions are the other core strategies that your company is strictly pursuing; our research and development teams are dedicated by working on the new ingredients and optimizing applications of existing ingredients. A good number of new products are pouring in to boast company sales from new applications and innovations. The company started service based export model to improve geographical reach and exported over 23,000 tons of ingredients to Middle East, Africa, APAC and SAARC countries. Our teams are effectively working on harnessing new markets for geographical expansions of our products.

STRATEGIC PLANS AND LONG TERM OBJECTIVES

Our long term objective is to place Rafhan Maize as a manufacturing hub for Middle East, Africa and APAC markets. A long list of projects is being evaluated to increase capacities, bring new technologies for the improvement of existing ingredient portfolio and introduction of new products. Existing manufacturing facilities are being rationalized to improve geographical reach to our customers. Since agriculture produce is our major raw material, the company is focusing to improve storage facilities by introducing mechanized system of storage like Silos.

Farmer Community is our major business partner and we are spending on increasing corn production in the country. Your company developed a highly structured policy to introduce corn sowing in Sindh province. We have already succeeded in increasing corn cultivation area to 25,000 acres and extended heavy subsidies to farmer community in the province. We have been quite successful in convincing the farmers in KPK province for using high yield hybrid seeds instead of conventional seeds to improve the yield from less than one ton to 3-4 tons/acre.

We are working on adding rice as our second base raw material, the company has established 50 TPD (tons per day) BPR (broken polished rice) enzymatic Liquid Glucose Channel at Mehran Plant. We have been successful in making trial production and the plant will start commercial production during 2016. Our teams of experts are working on making starch from rice. Once our team finalized the manufacturing process and equipment required , we will embark on the establishment of dedicated facility for rice starch.

RESEARCH AND DEVELOPMENT

Rafhan Maize is a research oriented company and the future of the company much depends upon developing new innovative ingredients. The Company has highly experienced team in Research and Development dedicatedly working on a long list of projects, involving development of new ingredients and enhancing applications of existing products. The team is focusing to develop novel ingredients to extend new options for our customers for improving their product functionality and the economic benefits.

The Company has established state of art IdeaLab for

R&D work on new projects, lab scale trials, taste testing and demonstration of new applications to our valued customers. Our technologists with the help of technical services teams work on novel ideas and develop solutions commensurate with customer needs. The company has a good number of innovative ingredients in the pipeline to meet our strategic blue print of broadening product portfolio. Our strong feedback mechanism strategy is going long way to help us in diversifying product mix, maintaining long term customer relations, enhancing service quality and juicing the productivity of R&D. The Company uses "voice of customer" as driving force for new product development, enhancing product functionality and making major capital investments.

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and Safety at job is in the heart of our business agenda and Rafhan Maize keeps safe working environment at the paramount of its objectives. Employees are the real assets of the company and the company mounts continuous focus on safety related people empowerment/engagements. The company is continuously improving its management systems and standards not only at workplace but also through "Off-The-Job Safety" initiatives to create consciousness among the employees round the clock.

The Company conducts routine overview of operating procedures with specific focus on Health/Safety hazards and safe work practices. Our continuous focus on achieving excellence in health and safety resulted in achievement of zero LTIR (lost time injury rate) and TRIR (total recordable injury rate) in 2015.

The company is developing new system and processes to make workplaces safer and enforce regulations to use work permit for all maintenance and construction jobs. Accident reporting and analysis mechanism has been well defined and stiff follow-ups on corrective and preventive actions are being made to avoid recurrence of incidents/incident. Well composed training sessions on Operational Health & Safety (OHS) are being regularly conducted for employees to enhance the awareness of safety. Rafhan Maize has travelled a long way to embed a culture of safety within the organization and the Company has remarkable record of working without LTC (lost time case) for 11 years at Cornwala plant, 8.4 years at Rakh Canal plant and Mehran plant since ground breaking

ENVIRONMENT PROTECTION

Your Company is fully cognizant of its role and contribution towards environment protection and sustainability. We are effectively pursuing environment protection systems and processes with internationally recognized best practices. Our company has a strong mechanism for regular assessment and audit of our EHS practices by internal as well as through third parties auditors. The company is fully resolved to reduce its environmental load and actively leading the campaign of sapling one million trees during the year 2016/17. Our environment stewardship and carbon footprint strategies are yielding strong benefits and strongly

contributing to conserve natural resources and make the earth safe for the generations to come.

We celebrate and participate in the globally sponsored environment protection commemorations like Global Earth Day, Global Water Day etc. We arrange competition among our employees to bring new ideas and concepts for environment protection and maintaining the globe's eco system. The company is striving hard to work continuously for promoting strong culture of maintaining our eco system and protecting environment from effluents and pollutant emissions. It is our regular feature to win Annual Environment Excellence Awards starting from 2009 to 2015 for our excellent environment protection initiatives and successful implementation of environment protection management systems.

WASTE WATER TREATMENT

Water is highly precious natural resource particularly in Pakistan which is now among the water scarce countries in the world. In Pakistan, water reservoirs are continuously depleting and the country requires active participation from every echelon on water conservation, water preservation and water recycling. Your Company is a responsible corporate citizen and fully cognizant of its role towards clean safe and secure environment. The company has built and commissioned two waste water treatment plants at its Cornwala (Jaranwala) and Mehran (Kotri) manufacturing sites during the last decade. These WWT plants treat and cleanse the water to meet National Environment Quality Standards (NEQS) before discharging. The company is maintaining a strong mechanism of monitoring water discharges on continuous basis and our qualified Quality Assurance professionals perform regular test to ensure effluent discharge remain well within the NEQS limits.

INTEGRATED QUALITY MANAGEMENT SYSTEM

Your Company is quality centric organization and supplying high quality industrial ingredient to over 50 various types of industries in Pakistan as well as international markets. In Rafhan Maize, quality means business and our primary focus to produce high quality products fulfilling the requirements of our valued customers. Maintaining strong equilibrium between

"Voice of Process" and "Voice of Customer" is our focused strategy and our quality assurance initiatives are not only improving the quality of our products but also helping to reduce process wastes. During the year under review, we have successfully been passed through a series of third party and customer audits for ensuring delivery of highly quality, safe and secure products to our valued customers.

We have realigned our resources and capabilities to augment our product quality and process capability under the auspices of Lean Six Sigma and continuous improvement. Our Company has secured a long list of certifications and recognitions from internationally recognized quality management certification organizations. The company is certified for QMS, EMS and OHSAS 18001:2007, FSMS and Halal Certifications.

Your Company is actively rolling out lean/Six Sigma initiative to enhance technical competencies, improve process efficiencies, reduce waste and improve quality of the products. The initiative will go a long way to help us in determining current and future state of our processes and identifying multiple opportunities that can improve our ways of working. We are striving hard to transform your company into a cost efficient, borderless organization with prime deliverable to provide right quality products to our esteemed customers.

CORPORATE SOCIAL RESPONSIBILITY

Rafhan Maize is a socially responsible organization and striving hard to contribute to social uplift of the neighboring community through providing generous contributions in the fields of health, education, environment, community development and calamities rehabilitations Our esteem mission is to create opportunities for people, farmers, businessmen communities and general masses where they can improve the quality of their life.

Our company made strong interventions in the areas of education, healthcare, poverty alleviation and environmental protection. Our strong quest is to make contribution in alleviating the hardships of the people particularly living in and around the area of our business. Your Company has executed a long list of projects around Faisalabad and Jamshoro districts as well as in other underprivileged communities across Pakistan. Rafhan Maize in partnership with social welfare organizations is actively engaged in providing information, advices and support to employees as well as general masses on health matters, common diseases and protection measures.

Our major contributions towards community development activities and donations to the organizations/institutions include:

- Medical camp for dental care at Government

Girls School for special education at Faisalabad - Rs. 162,998

- Participation in Polio Awareness Drive with the collaboration of Rotary Club of Faisalabad - Rs. 180,000
- Installation of sound system at Government Girls School for special children
- Participation in Spring Festival arranged by the City District Government Faisalabad - Rs. 200,000
- Distribution of clothes at Eid Festival to children at SOS Village of Faisalabad - Rs. 141,499
- Donation for Dialysis of poor patient at Sind institute of Urology, Karachi - Rs. 300,000
- National Textile University for female student support program Faisalabad - Rs. 44,000
- Monetary assistance to Citizen Police Liaison Committee through the forum of American Business Council - Rs. 15,000
- Sponsorship of a seminar on Healthy Nutritional practices for Toddlers and mothers arranged by Government College University Faisalabad - Rs. 43,619
- Dental Care Camp at a primary school at Kotri - Rs. 11,250
- Safety Kits for female/male workers working in the fields - Rs. 99,147
- Patient beds, mattress and wheel chairs provided to Social Security Hospital - Rs. 363,350
- School bags, Uniforms, note books and Stationery provided to the poor students in a village, managed by Galaxy Welfare Foundation Faisalabad
- On World Blood Donation Day : Blood Donation Camp at Cornwala Plant with the collaboration of Fatimid Foundation – 50 employees voluntarily donated blood for Thalassemia patients.
- Sponsored program on Promotion of Primary education in Sindh through distribution of school accessories and uniforms to primary school children - Rs. 82,560
- Flood Relief goods distributed to flood affected people near our Kotri Plant - Rs. 91,965
- Recognition of position holders in the Matric examination of Faisalabad Education Board under auspices of Rotary Club of Faisalabad - Rs. 75,000
- Sponsorship of Farmers' festival Kissano-ka-Mela to promote mechanization in agriculture near our Cornwala Plant at Jaranwala -Rs. 108,696
- Sapling of trees under Environment Stewardship Program - Rs. 147,040
- Stratures, Wheel Chairs, Ward screens provided to Social Security Hospital - Rs. 205,000

- Donation for medicines for treatment of needy patients to Allied Hospital Patient Welfare Society Faisalabad – Rs. 500,000
- Donation to Liver Foundation Faisalabad for Treatment of patients suffering from Hepatisis - Rs. 500,000
- Donation for buying medicines for needy patients to District Anti T.B. Association Faisalabad- Rs. 300,000
- Wheel Chairs, Stratures, Examination Couch at Social Security Dispensary, Faisalabad - Rs. 75,450
- Medicines, books and First aid boxes for Women in Agriculture and celebration of DEWALI festival with Hindu community near our Mehran Plant - Rs. 202,472
- Donation for Special Children Tanzeemal-lissans Foundation Faisalabad - Rs. 100,000
- Relief goods for earthquake affected farmers in KPK - Rs. 187,975
- Plasma Separator equipment for Social Security Hospital, Faisalabad – Rs. 740,000

ENERGY CONSERVATION

Pakistan is among the worst energy deficient countries and is facing severe load shedding menace. Rafhan Maize strongly responded to the national cause and initiated $17.5m coal fired Co- generation project to produce 12 MW electricity and 40 tons per hour steam production. The project will not only help to reduce the load on national grid but also enable your company to produce cost effective products for local as well as international markets. In addition to this major project, your Company has initiated multiple energy conservation projects to save energy, improve efficiencies and effectiveness of the equipment. Our energy audit campaign helped to conserve energy, optimize load distribution and replace energy inefficient equipment.

CONSUMER PROTECTION MEASURES

Rafhan Maize is a service based organization and your Company has developed variety of ingredients to cater for day to day needs of our highly revered customers. Our technical experts visit the customers' manufacturing premises and guide them on product usage, ingredients' properties, consumption efficiency and extend recommendations on cost effeteness, quality improvement and innovations in their finished products. The Company prints and engraves its logos, registered products names and trademarks on product packaging to save its customers from counterfeits. Our trade name Rafhan® carries strong legacy and highly cognized by our customers. The Company is investing further to improve upon packaging technologies, bar codes and tractability mechanism to protect its customers from the counterfeiters.

HUMAN RESOURCE, INDUSTRIAL RELATIONS AND EMPLOYMENT OPPORTUNITIES

Rafhan Maize considers its employees as its first customer and deems employees' professional development and wellbeing as important goal. Your Company is an equal opportunity employer and is considered as an employer of choice not only in Faisalabad but also in the country. The company offers highly competitive remuneration package to its employees and provides a long list of facilities including but not limited to subsidized foods at canteens, Eidee packages, long service awards, ration quotas, free medical dispensary, wheat subsidy, free wearing cloth/uniforms, picnic excursions, scholarships for children, free Haj to employees and free cob shells to be used as fuel.

Annual Sports are a regular feature at Rafhan Maize and the Company provides excellent platform to all employees for keeping them physically and mentally fit. A large number of employees take part in different games every year; this year about 700 employees participated in the games and won the prizes.

Rafhan Maize believes in maintaining cordial industrial relations with its employees and their Collective Bargaining Agent (CBA). Our relationship is based on the principle of mutual trust, respect and open communications. The Company offers merit scholarships to children of its employees to appreciate their talent and promote healthy competition. The Company is fully aware of the religious obligations of its employees and support 17 Muslim employees to perform Haj and one Christian employee to visit his religious places.

The Company adheres to well-structured recruitment strategy for hiring people with the relevant qualifications, core professional competencies and desired leadership skills. We believe in our people and strive hard to enable them to adhere to our values.

Rafhan Maize takes pride in the capabilities and abilities of our people for delivery of ambitious results in a sustainable fashion under challenging conditions.

The Company offers a healthy and friendly working environment where people can discover their potentials, build career and find new challenges. We have one of the best performance management systems, we encourage our employees to develop their own challenging goals and exhibit strong performances for

earning lofty performance based bonuses. The results of our company are the true reflection of commitment and contribution of our talented employees.

Our employees have been strongly benefited from score of our professional development initiatives including training programs on soft skills, leadership framework, technical competencies, changing trends in business and profession and changing legal/statutory business environment. We strongly believe in the dignity and value of our people and treat our human resource with respect to create performance based growth oriented working environment where people can thrive as per their potentials.

The Company provides fair opportunities to all factions of society without any discrimination or bias. We believe in fair field and no favor principle and encourage people to apply via our online recruitment job portal and prove their potentials.

INFORMATION TECHNOLOGY

Information technology plays pivotal role in the success of any organization. The Company is actively pursuing to streamline business processes, revamp existing systems, introduce new systems to improve management oversight and information flow for facilitating decision making process. The company has successfully implemented HR information system "Workday" time management, attendance and payroll system "TIMETRAX", in house developed "Corn procurement and management system" Capital expenditure management system "PowerSteering" and Achieve recognition application.

Our IT vision is designed to complement our corporate vision by business transformation through technological innovation. This applies to automation of processes for optimized performance and introduction of best practices to achieve corporate excellence. As a part of new technology initiative, old equipment has been replaced with the new machines to bring agility in gathering and interpreting business sensitive information Our IT is endeavoring hard to reduce procurement cost (hardware & software) and identify better supply sources. With availability of robust resource management tools and state of art technologies, we have helped our people to work better, faster and smarter.

Information Technology has rendered active contribution by providing strategy-driven solutions and services to fulfill our business objectives. The Company is actively pursuing the implementation of BPC (Business Planning and Consolidation) system for financial consolidation, corporate reporting, tracking KPIs (key performance indicators), developing dashboards and measuring performances of the functions/individuals. The company has successfully implemented customers' complaints management system "QNotes" to effectively track and manage complaints from the customers and develops CAPAs (corrective and preventive actions) for analyzing individual complaint. We trust, these systems will go a long way to improve our ways of working, bring efficiencies and add agility to business processes.

RURAL DEVELOPMENT PROGRAM

Rafhan Maize is mindful of the challenges faced by agricultural community in Pakistan and the company is

strongly intervening for agricultural development of the country particularly revolutionizing the corn farming. The company has a strong team of agronomists and agricultural scientists who are committed with farming community to help them not only for producing more but also better through the adoption of efficient post-harvest handling practices.

Your Company takes the pride for bringing revolution in corn cropping in Pakistan. With our concentrated efforts, the farmers have been successful in producing over 4 million tons of corn every year. Our corn development team has been very successful in introducing one additional crop in the cropping pattern of our central Punjab famers and the spring crop has become major harvest in the country. Your Company is also among the pioneers in bringing hybrid corn seeds in Pakistan which helped to increase per acre corn yield by manifolds.

The Company has setup its third green field plant at Kotri (near Hyderabad) and our team of agronomists is extending extension field services to farmer community in the Sindh province for corn cropping. Sindh province has unique atmospheric conditions where corn can be grown and harvested all over the year. With our extended efforts, the area under corn cropping in the Sindh province has already surpassed 25,000 acres. With our relentless efforts and extension services, corn harvest in Sindh province will continue to grow during coming years.

KPK is the largest province in area of corn cultivation but unfortunately the province is producing less than 25% of the total corn produced in Pakistan. Your Company guided the farmer community to use hybrid seeds for the better yields. The company developed white hybrids more suited for KPK environment and provided to farmers at no profit no loss basis. Our efforts have been very successful and per acre corn yield in KPK province has significantly improved during last couple of years.
Post-harvest losses is one the major issues faced by Pakistan, approximately 30 to 40% crop is lost after harvest due to poor handling, drying and storage arrangements. The company positively contributed in facilitating corn drying process and with close collaboration of major growers, developed small on farm corn dryers at various corn growing areas. This is cheaper technology and even small farmers can afford to have such dryers. This technology helped the farmers in managing their produce in good shape particularly in winter season when natural drying is almost impossible due to cold weather. The process has enabled the farmers to reduce post-harvest losses and improve quality of the grain.

Your Company's biggest contribution is the provision of unique marketing mechanism to farmer community for the marketing of corn crop. The company directly enters into contracts with the farmers for lifting of their crop and subsidies millions of Rupees by directly lifting corn produce from the fields at premium prices. Rafhan Maize provides premium quality seeds to the farmers on credit basis to induce them to grow high quality corn.

Rafhan Maize continuously engages farmers and our agronomist team regularly conducts farmer gatherings where the latest information about good farming practices is delivered to the farmers and helped them to improve farm economics/qualities. The Company conducts farmers meetings to impart awareness on latest development in agriculture field particularly on new seeds, sowing/harvesting technologies, crop protection and soil enrichment.

BUSINESS ETHICS AND ANTICORRUPTION MEASURES

Professional integrity and ethics in business is in the heart of our business strategy and ways of working. The company has a well-structured process to train and guide employees at all levels on business ethics and company values. All the employees are required to certify and notify the company on clearly understanding and adhering to all the policies on business conduct twice a year. All the employees have to report gifts details received from the business partners, customers, suppliers, consultants and financial institutions while conducting business with them.

The Company is required to submit SOX 404 entity certification duly signed by CEO and CFO of the Company to certify implementation of sound system of internal control in the company. The Company has well-structured whistle blower policy wherein employees are encourage and protected to highlight unethical events or violation of Company policies on business conduct.

CONTRIBUTION TO NATIONAL EXCHEQUER

Your Company is a responsible corporate citizen and making strong contribution towards national development. The Company contributed Rs.4,641 million towards national exchequer in the shape of taxes, duties, cess, levies etc. for the year 2015. The company brought US$ 11m in the form of export proceeds and saved over US$200m precious foreign exchange by providing indigenous high-tech solutions to our customers otherwise the country has to import such solutions at as costs.

CHALLENGES AND FUTURE PROSPECTS

The macro-economic indicators of Pakistan are showing some stability but the country is still facing adverse balance of trade, Foreign Account deficit, dependency on foreign loans, low tax collection, energy crisis, and low GDP growth against desired level of 7 to 8%, stagnant disposable incomes and threats to law and order situation. Domestic industry is likely to face continuous energy shortages and increased cost of production owing to usage of expensive alternative fuels. Despite all, the Company highly value positive aspects of the Country which include but not limited to rapid increase in middle class, increasing urbanization and youthful population (70% of the population of the country below the age of 30 years). The management of your Company continues to have a long term optimistic outlook for the business. We are confident of strong potential of Pakistan because of its growing youthful population. The Company aims to counter unfavorable market conditions through customer engagement initiatives targeted towards new business development and through effective cost management. The company has developed long term strategic plan and assets master plan to sustain long term growth and deliver strong performances.

The management team at Rafhan Maize has been continuously reposing its focus on key controllable factors and aligned teams to make our operations agile, robust and responsive against impending challenges. We will continue to adopt proactive approach to address paradoxes and endeavor to establish high performance culture where everyone committed and contributing.

The Company is vertically expanding its manufacturing capabilities to meet growing demands from customers, bringing new innovative ingredients, embrace emerging technologies and deliver dense value to its customers. The Company has the ability to counter imposing threats and challenges from local as well as international competitors with strong legacy of maintaining the company's premier market position.

OUTLOOK

Pakistan economy has strong history of showing resilience during unfavorable international business environment. The economy benefited from a significant drop in international crude oil prices, all the macroeconomic indicators e.g. increase in foreign exchange reserves (US$ 21 billion), narrowing of budget deficit, declined in the rate of inflation and modest rise in growth rate, favors the notion of taking off of Pakistan economy. The Government has positively responded the call and planed for improving energy and security issues at its top priority. All independent sources confirm the improvement in energy as well as law and oder situation.

Our company has made a strategic investment in co-generation to generate additional sustainable power which will not only bridge the gap between supply and demand but also make our products more affordable. The plant will start generating benefits from June 2016. The company has the plan to expand its portfolio to provide promising platforms for future growth in line with strategic blueprints and Assets Master Plan. The company is continuously reinforcing product portfolio and revitalizing organizational structure to meet the challenges of tomorrow.

Success of our business has always been based upon our determination to predict the business environment correctly, proactively seizing opportunities and accelerated benefits delivery. The Company has foremost capabilities and expertise to achieve stretched goals, retranslate threats into opportunities and deliver ambitious financial targets.

The Company is confident of posting strong performance in the year 2016 with paramount focus on delivering key growth parameters, innovations, strategic differentiation, cost skimming measures, new business developments, brand building initiatives and capacity openings. Your company will continue its streak to maintain its leadership through progressive market approaches. We have firm belief in our efforts, management skills and capabilities to cope with all the challenges and we remain optimistic about our future prospects and maintaining the growth trend in all business segments.

ACKNOWLEDGEMENT

We highly acknowledge and recognize the seamless support and cooperation of our valued suppliers, trading partners, bankers, customers, regulators and other stakeholders for our continuous growth and business success.

We are also grateful to our parent company and regional/corporate management for continuous support and guidance in efficient management of company's affairs. We highly value the trust and confidence reposed by our shareholders on the management and the Board. We strongly believe in transparent relationship with our investors and disclosure of information to meet code of corporate governance rules.

We take this opportunity to thank our Board of Directors for their visionary guidance and incessant support throughout the year. Their leadership has been the driving force for brighter future of the Company. My sincere thanks are for all employees for their hard working and relentless efforts which have been instrumental in driving solid financial performance of the Company. Our impressive results would have not been possible without their contributions and the Company is immensely proud of its highly motivated human resource.

On behalf of the Board

Ansar Yahya
Chief Executive &
Managing Director

Board & Chief Executive's Performance Review

Board Performance Review

Rafhan Maize Board comprises of professionals of high caliber with diversified experience in all echelons of business. The Company adheres to highly structured process for the Board performance wherein individual Board members rate overall Board performance by responding to a series of performance evaluation questions.

The Board members individually and collectively have been guiding and, wherever required, complementing management efforts on implementation of corporate strategy. Their contribution on development and implementation of Company's high level strategies, Vision/Mission Statements, Policies on Business Conduct and evaluation of internal control system have been phenomenal. The Board has been proactive in setting up of Committees (Board) with specific jurisdictions, defining specific roles of Chairman and Chief Executive, conducting periodic meetings – at least quarterly; and extending due consideration to significant business issues.

CEO's Performance Review

Chief Executive is captain of the business plane and drives the teams for the delivery of super performances. The track record of exceptional benefit delivery to the shareholders during last five years of his tenure is the first glimpse of his performance. The CEO of the Company acts and performs subservient to the Roles and Powers prescribed by the Board of Directors. The Board has formed various committees to review overall performance of the Company, particularly the CEO and senior executives.

The Company has highly structured performance management system "Workday" wherein all the executives including CEO have to develop SMART goals which are periodically reviewed by hierarchical management and subsequently by Human Resource Committee of Board of Directors. Very importantly, the parent company, Ingredion Incorporated also has its own performance evaluation system of country business heads or CEO of the local companies.

DIRECTORS' PROFILE

MARTIN SONNTAG

Chairman

Non-Executive Director

He joined the Board in 2014. Presently, he is Chairman of the Board. He is also Chairman of the Board's HR&R Committee. He is representing Ingredion Incorporated, the parent company, on the Board. At Ingredion, he is Senior Vice President Strategy and Global Business Development since December 1, 2015.

He holds Bachelor's degree in Chemical Engineering from the Hamburg University of Technology and is a graduate of the INSEAD Advanced Management Program.

Office Address

Ingredion Incorporated,

5 Westbrook Corporate Center,

Westchester, IL 60154, U.S.A.

JORGEN KOKKE

Non-Executive Director

He has just joined the Board on February 24, 2016. He has been Senior Vice President and President of Asia Pacific & EMEA at Ingredion Incorporated since September 16, 2014 and January 1, 2016 respectively. Mr. Kokke served as Ingredion's Vice President and General Manager at Asia-Pacific from January 6, 2014 to September 15, 2014 and as President of Asia Pacific from September 16, 2014 to January 1, 2016.

He served as Chairman and Non-Executive Director on Rafhan Board from March 8, 2011 to April 12, 2014. He holds a Master's degree in Economics from the University of Amsterdam.

Office Address

Ingredion Singapore Pte. Ltd.

21 Biopolis Road, #05-21/27 Nucleos,

Singapore 138567

JACK C. FORTNUM

Non-Executive Director

He joined the Board in 2014. He is representing Ingredion Incorporated, the parent company, on the Board. He is also member of Rafhan Maize Board's Audit Committee. At Ingredion, he is Executive Vice President and Chief Financial Officer since January 6, 2014. Prior to that, he served as Executive Vice President and President, North America from February 1, 2012.

He is Chartered Accountant and holds a Bachelor degree in Economics from the University of Toronto. He has completed the Senior Business Administration Course offered by McGill University.

Office Address

Ingredion Incorporated,

5 Westbrook Corporate Center,

Westchester, IL 60154, U.S.A.

CHRISTINE M. CASTELLANO
Non-Executive Director

She joined the Board in 2013. She is representing Ingredion Incorporated, the parent company, on the Board. She is also a member of Rafhan Maize Board's Audit Committee. At Ingredion, she is Senior Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer since April 1, 2013.

She holds a Bachelor degree in political science from the University of Colorado and a Juris Doctor degree from the University of Michigan - School of Law.

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

RASHID ALI
Vice Chairman
Non-Executive Director

He joined the Board in 1985. Presently he is the Vice Chairman of the Board. He is Ph.D and has Master's Degree in Chemistry and Business Administration. His business experience spans over 53 years. He is also member of Rafhan Maize Board's Audit Committee, Human Resource & Remuneration Committee and Shares Transfer Committee.

He was director on the Board of Faisalabad Electric Supply Company for 10 years and Chairman of its Audit Committee.

Office Address
Rafhan Maize Products Co. Ltd.,
Rakh Canal East Road,
Faisalabad.

ANSAR YAHYA
Chief Executive & Managing Director
Executive Director

He joined the Board in 2001. Presently he is holding the position of Chief Executive & Managing Director of the Company. He is also member of the Board's Human Resource & Remuneration Committee and Shares Transfer Committee.

Office Address
Rafhan Maize Products Co. Ltd.,
Rakh Canal East Road,
Faisalabad.

DR. ABID ALI
Executive Director

He joined the Board in 2012. He is Ph.D and FCMA with over 25 years of experience in diversified business disciplines. Presently he is holding the position of Chief Financial Officer of the Company. He is also member of the Board's Shares Transfer Committee.

Office Address
Rafhan Maize Products Co. Ltd.,
Rakh Canal East Road,
Faisalabad.

ZULFIKAR MANNOO
Non-Executive Director

He joined the Board in 1990. He is alumni of The Wharton School, University of Pennsylvania and Aitchison College, Lahore. He is Chairman of the Board's Audit Committee and also member of Human Resource & Remuneration Committee. He is representing minority shareholders on the Board.

He also holds directorship of Unilever Pakistan Foods Ltd and is Chairman of its Audit Committee

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 in 1985. He is graduate and alumni of Aitchison College, Lahore. He is engaged in textile business for the last 23 years. He is representing minority shareholders on the Board.

He also holds directorship of Unilever Pakistan Foods Ltd.

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

WISAL A. MANNOO
Non-Executive Director

He joined the Board in 2006. He is engaged in textile business for the last 23 years. He is representing minority shareholders on the Board.

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

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

ANIS AHMAD KHAN
Independent Director

Mr. Anis Ahmad Khan, a Business Executive, joined the Board in 2015. He is also a member of Rafhan Maize Board's Audit Committee. He served Rafhan Maize from 1995 to 2012. His last title was Chief Financial Officer and Director. He remained on Rafhan Board from 1998 to 2012. He was admitted as Fellow Member in 1986 by the Institute of Cost and Management Accountants of Pakistan.

Besides 17 years' service in Rafhan, he has wide range of experience in the fields of Cost Management and Finance by working in various local as well as international companies.

Address
H. No.P-245,
Khayaban Colony No.2,
Faisalabad.

Forward Looking Statements

This Annual Report contains or may contain forward-looking statements. The Company intends these forward-looking statements to be covered by the safe harbor provisions for such statements. These statements include, among other things, any statement regarding the Company's prospects or future financial condition, earnings, revenues, tax rates, capital expenditures, expenses or other financial items, any statements concerning the Company's prospects or future operations, including management's plans or strategies and objectives therefor 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," "pro forma," "forecast" or other similar expressions or the negative thereof. All statements other than statements of historical facts in this report or referred to in or incorporated by reference into this report are "forward-looking statements." These statements are based on current expectations, but are subject to certain inherent risks and uncertainties, many of which are difficult to predict and are beyond our control. Although we believe our expectations reflected in these forward-looking statements are based on reasonable assumptions, stockholders are cautioned that no assurance can be given that our expectations will prove correct. Actual results and developments may differ materially from the expectations expressed in or implied by these statements, based on various factors, including the effects of global economic conditions, and their impact on our sales volumes and pricing of our products, our ability to collect our receivables from customers and our ability to raise funds at reasonable rates; fluctuations in markets for corn and other commodities, fluctuations in the markets and prices for our co-products, particularly corn oil; fluctuations in aggregate industry supply and market demand; the behavior of financial markets, including foreign currency fluctuations and fluctuations in interest and exchange rates; continued volatility and turmoil in the capital markets; the commercial and consumer credit environment; general political, economic, business, market and weather conditions in the various geographic regions and countries in which we buy our raw materials 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 quotas, tariffs, duties, taxes and income tax rates; operating difficulties; availability of raw materials, including specific varieties of corn and rice upon which our products are based; energy issues in Pakistan; boiler reliability; our ability to effectively integrate and operate businesses; our ability to achieve budgets and to realize expected synergies; our ability to complete planned maintenance and investment projects successfully and on budget; labor disputes; genetic and biotechnology issues; changing consumption preferences including those relating to Liquid Glucose; increased competitive and/or customer pressure in the starch processing industry; and the outbreak or continuation of serious communicable disease or hostilities including acts of terrorism. Our forward-looking statements speak only as of the date on which they are made and we do not undertake any obligation to update any forward-looking statement 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.

Major Events – 2015

January 01	Managers' Annual Meeting.
January 07	Donated Ambulance to Eidhee Welfare Foundation, Faisalabad.
January 14	Capital Projects Review Meeting with ELT at CWP.
January 15	Groundbreaking Ceremony – MVR Project.
January 16	Won "7th CSR Award" arranged by National Forum for Environment & Health.
January 17	Meeting with Lean Six Sigma team at Cornwala Plant (CWP).
January 22	Annual Operations Meeting at CWP.
January 26 – 27	Annual Sales Meeting.
January 29	Agronomists Meeting at CWP.
February 12	Received "4th CSR Award" arranged by the Professional Network.
February 26	Monthly Meeting on Procurement Savings.
March 03	Meeting with Baluchistan Farmers' Team.
March 12	Achieve Recognition Employees & Blood Donors Meeting.
March 13	Meeting on Contract Farming Purchase System at Rakh Canal Plant (RCP.
March 16 – 20	RLT Meeting – Pakistan Blitz Study 2016 in Hamburg, Germany.
March 25	Won "Top 25 Companies Award" for the years 2010, 2011 & 2012 arranged by Karachi Stock Exchange.
March 27	Shareholders Annual General Meeting.
April 08	Hajj Draw – 2015 for employees.
April 13 – 14	SMETA Compliance Audit of three plants.
April 14	Arranged Medical Camp – Oral Dental Health at Special Children School.
April 20	Donated Clothes and Food Items to Orphan children at SOS Village, Faisalabad.
April 25	Tree Plantation Activity in connection with World Environmental Day near CWP.
April 26	Employees Picnic at Chhanga Manga.
April 28	Achieve Recognition Award for employees at Mehran Plant.
April 28	Received 1st Prize in the "EFP Best Practice Award" in the category of Food, FMCG & Pharmaceutical sector arranged by Employers Federation of Pakistan.
May 04	Maize Growers Meeting at Khaliqabad.
May 19	Quality Awareness Session for Contractors at CWP.
May 25	IMS Surveillance Audit of CWP by TUV Austria.
May 28	Maize Suppliers Annual Meeting.
May 30	Halal Management System Certification Audit by Jamia Markaz-e-Uloom-e-Islamia Mansoorah.
June 01 – 02	2-Days Training Session on "Customer Relationship Management" at RCP.
June 05	Mehran Plant Halal Certification Audit.
June 10	RCP & CWP - Halal Re-certification Audit by IFANCA.
June 10	CEO Awards – 2014 - Rafhan Maize won Runners-Up Award from Chairman, President and Chief Executive in the category of 'Safety/Sustainability Excellence' in Westchester, IL.
June 12	Won" Special Merit Export Award" arranged by Federation of Pakistan Chambers of Commerce & Industry for export of Corn (Maize) Derived Products.
June 15	Blood Donation Camp arranged by Fatimid Foundation at CWP for Thalassemia Patients.
June 25	Donated Patient Beds and Mattresses to Social Security Hospital, Madina Town, Faisalabad.
July 13	Safety & Environment Training Program for Employees & Contractors at CWP.

July 30	Contract Signing with EKL for construction of Cogen Plant.
August 19	Ingredion Scholarships for Employees Children – Cheque Distribution Ceremony.
August 27	Won "Annual Environment Excellence Award 2015" arranged by National Forum for Environment & Health.
September 02	Green-Belt Holders to Project Review Meeting.
September 04	Received "Best Corporate & Sustainability Report Award" from Institute of Chartered Accountants Pakistan/Institute of Cost & Managements Accountants of Pakistan.
September 07	Shareholders Extra-Ordinary General Meeting.
September 16	Go-Live - Achieve Recognition Program for Non-Achieve Population at CWP.
September 17	Go-Live - Achieve Recognition Program for Non-Achieve Population at RCP.
September 20	Basic Education & Literary Seminar – Rotary Club Award Ceremony for Position Holders of Matriculation Examination.
October 01	Won for consecutive 3rd time "Gold Medal" from President of Pakistan arranged by FPCCI at Karachi.
October 05 – 06	Regulatory Support Audit by BVQI.
October 07	'Kisano Ka Mela' at Benazir Park, Jaranwala.
October 14	DuPont Pioneer Team and Sindh Farmers' visit to CWP.
October 16	Distribution of School Books and Stationery to the students of Galaxy Foundation School, Village Muhammadwala, Jaranwala.
November 01	Picnic to Khewra/Kallarkahar by Officers & Staff.
November 07	Donated Wheel Chairs, Stretchers, Ward Screens and Plasma Separator Centrifugal Machine to Social Security Hospital, Madina Town, Faisalabad.
November 14	Safety & Environment Training Program for Employees & Contractors – Safety Month at three plants.
November 19	Mock Exercise Evacuation & Firefighting Training at CWP.
November 25	Received "FCCI Achievement Award" from President of Pakistan arranged by Faisalabad Chamber of Commerce & Industry.
December 01	Kick Off Meeting on Workday System Implementation.
December 07	Seminar on "Effective Communication" at RCP.
December 09	1st Pakistan Seed Conference in University of Agriculture, Faisalabad.
December 11–18	Rafhan Sports Gala – 2015 at all three plants.
December 16	Opening Ceremony of Customer Service Center – Food Applications at CWP.
December 20	Donation to District Anti-TB Association, Faisalabad.
December 22	Training on "Personality Grooming" at RCP.
December 22	Donated Wheel Chairs, Stretchers and Examination Stools to Social Security Dispensary, 108-A, Peoples Colony, Faisalabad.
December 28	Won "39th FPCCI Export Trophy Award" from Prime Minister of Pakistan on Export of Corn (Maize) Derived Products during 2014-15.
December 28-29	FSSC 22000 & Non-GMO Audit by BVQI.
December 31	Donation to Liver Foundation Trust, Faisalabad.
December 31	Adopted 20 hearing impaired students of Tanzeem Al-Lissan School, Faisalabad for one month.

HORIZONTAL ANALYSIS OF PROFIT AND LOSS ACCOUNT

	2015	2014	2013	2012	2011	2010
Sales	-2%	6%	21%	7%	31%	22%
Cost of sales	-7%	6%	25%	8%	36%	18%
Gross profit	17%	11%	6%	5%	15%	35%
Distribution cost	12%	16%	-39%	152%	11%	13%
Administrative expenses	15%	11%	5%	19%	20%	13%
Operating profit	19%	6%	11%	-3%	15%	39%
Other operating income	55%	-48%	119%	-5%	28%	5%
Finance cost	-87%	102%	3%	-3%	83%	-35%
Other operating expenses	11%	20%	6%	-3%	12%	38%
Profit before taxation	23%	4%	15%	-3%	15%	39%
Taxation	7%	52%	-25%	-8%	23%	35%
Profit after taxation	30%	-10%	36%	0%	11%	42%

HORIZONTAL ANALYSIS OF BALANCE SHEET

	2015	2014	2013	2012	2011	2010
NON CURRENT ASSETS						
Property, plant and equipment	-4%	-4%	31%	64%	5%	23%
Intangible assets	-84%	-48%	-32%	-11%	-20%	-
Capital work-in-progress	322%	85%	-82%	-28%	86%	-2%
EMPLOYEES RETIREMENT BENEFITS	100%	-100%	-67%	16%	-33%	311%
LONG TERM LOANS	65%	6%	-1%	88%	-27%	-18%
CURRENT ASSETS						
Stores and spares	8%	24%	25%	20%	18%	12%
Stock in trade	25%	-46%	63%	3%	-4%	168%
Trade debts	11%	17%	4%	38%	43%	20%
Loans and advances	-43%	25%	-49%	260%	-43%	955%
Trade deposits and prepayments	23%	-26%	19%	104%	155%	15%
Other receivables	48%	-28%	64%	86%	-30%	91%
Cash and bank balances	-11%	5336%	-89%	704%	59%	-94%
TOTAL ASSETS	13%	8%	16%	25%	14%	38%
CURRENT LIABILITIES						
Trade and other payables	-5%	-14%	-2%	92%	22%	51%
Mark up accrued on short term running finances	157%	-100%	-56%	-2%	38%	-4%
Short term running finances - secured	0%	-100%	0%	-100%	-37%	-
Provision for taxation	-45%	131%	-49%	10%	28%	-14%
NON CURRENT LIABILITIES						
Deferred taxation	-4%	-5%	26%	50%	6%	35%
SHARE CAPITAL AND RESERVES						
Share capital	0%	0%	0%	0%	0%	0%
Reserves	21%	15%	23%	17%	19%	24%
TOTAL LIABILITIES	13%	8%	16%	25%	14%	38%

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

VERTICAL ANALYSIS OF PROFIT AND LOSS ACCOUNT

	2015	2014	2013	2012	2011	2010
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	77.8%	81.5%	82.2%	79.7%	79.2%	76.3%
Gross profit	22.2%	18.5%	17.8%	20.3%	20.8%	23.7%
Distribution cost	1.2%	1.0%	0.9%	1.9%	0.8%	0.9%
Administrative expenses	1.7%	1.4%	1.3%	1.5%	1.4%	1.5%
Operating profit	18.7%	15.4%	15.4%	16.9%	18.6%	21.2%
Other operating income	0.7%	0.5%	0.9%	0.5%	0.6%	0.6%
Finance cost	0.1%	0.5%	0.2%	0.3%	0.3%	0.2%
Other operating expenses	1.3%	1.1%	1.0%	1.2%	1.3%	1.5%
Profit before taxation	18.7%	14.9%	15.2%	16.0%	17.6%	20.1%
Taxation	5.4%	4.9%	3.4%	5.5%	6.5%	6.9%
Profit after taxation	13.3%	10.0%	11.7%	10.4%	11.1%	13.2%

VERTICAL ANALYSIS OF BALANCE SHEET

	2015	2014	2013	2012	2011	2010
NON CURRENT ASSETS						
Property, plant and equipment	31.3%	36.7%	41.2%	36.3%	27.6%	29.9%
Intangible assets	0.0%	0.1%	0.1%	0.2%	0.3%	0.4%
Capital work-in-progress	12.5%	3.4%	2.0%	12.7%	21.9%	13.4%
EMPLOYEES RETIREMENT BENEFITS	0.1%	0.0%	0.1%	0.5%	0.5%	0.9%
LONG TERM LOANS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT ASSETS						
Stores and spares	5.0%	5.2%	4.6%	4.2%	4.4%	4.3%
Stock in trade	23.3%	21.1%	42.4%	30.0%	36.3%	43.1%
Trade debts	6.9%	7.0%	6.5%	7.2%	6.5%	5.2%
Loans and advances	0.6%	1.3%	1.1%	2.5%	0.9%	1.7%
Trade deposits and prepayments	1.0%	0.9%	1.3%	1.3%	0.8%	0.4%
Other receivables	0.2%	0.1%	0.2%	0.2%	0.1%	0.2%
Cash and bank balances	19.1%	24.2%	0.5%	4.9%	0.8%	0.5%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
CURRENT LIABILITIES						
Trade and other payables	14.4%	17.1%	21.5%	25.2%	16.4%	15.3%
Mark up accrued on short term running finances	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
Short term running finances - secured	0.0%	0.0%	0.7%	0.0%	4.8%	8.7%
Provision for taxation	1.3%	2.6%	1.2%	2.8%	3.1%	2.8%
NON CURRENT LIABILITIES						
Deferred taxation	4.4%	5.2%	5.9%	5.4%	4.5%	4.8%
SHARE CAPITAL AND RESERVES						
Share capital	0.6%	0.7%	0.8%	0.9%	1.1%	1.3%
Reserves	79.3%	74.3%	69.9%	65.6%	69.9%	67.0%
TOTAL LIABILITIES	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Directors' Report

The Directors of your Company feel pleasure in presenting the annual audited accounts along with auditors' report thereon for the year ended December 31, 2015.

Financial Results Profit and Appropriations			
		Year ended December 31	
		2015	2014
		Rupees in Thousand	
Profit after taxation		3,275,165	2,516,766
Actuarial gains/(losses) of employees retirement benefits		10,273	(11,364)
Un -appropriated profit brought forward		9,550,990	8,292,506
		12,836,428	1,0797,908
Appropriations			
Final Dividend 2014 @850%	(2013: @800%)	785,096	738,914
1st Interim Dividend 2015 @250%	(2014: @250%)	230,911	230,911
2nd Interim Dividend 2015 @300%	(2014: @300%)	277,093	277,093
		1,293,100	1,246,918
Un -appropriated Profit		11,543,328	9,550,990
Earnings per Share (Rupees)		354.59	272.48

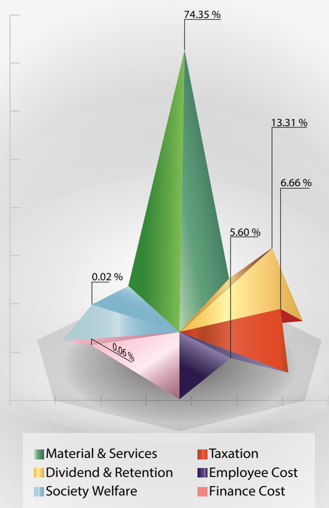
Chief Executive's Review

The Directors of the Company endorse the contents of the Chief Executive's Review which covers your Company's business performance, salient activities in different fields of operations, investment plans for strategic growth, outlook and disclosures under corporate social responsibilities.

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 provisions of the Code of Corporate Governance 2012 as updated thereafter and formed as part of stock exchanges rules and regulations. The statement of compliance with Code of Corporate Governance is annexed.

Distribution of Sales
(Percentage)



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, the result of its operations, cash flows and changes in equity;

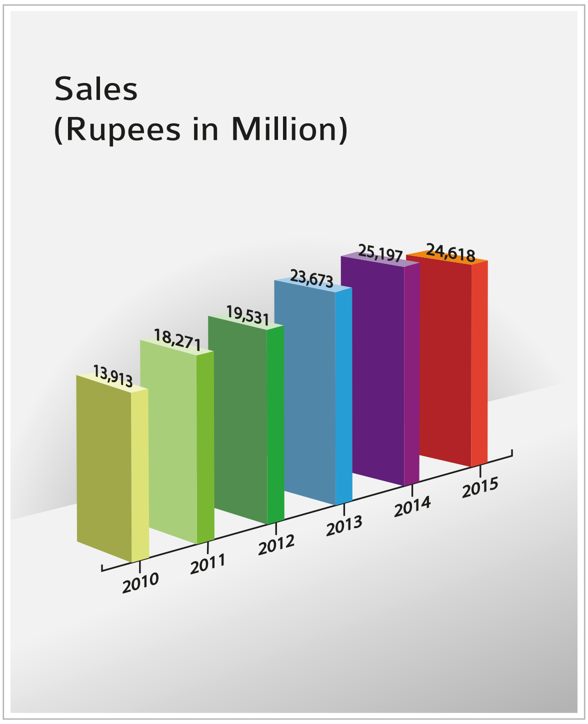
(b) Proper books of accounts of the listed company have been maintained;

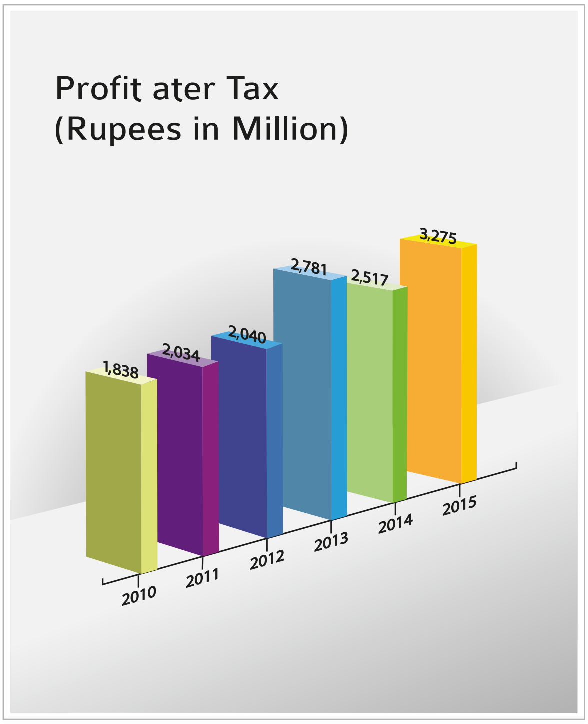
(c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

(d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained;

(e) The system of internal control is sound in design and has been effectively implemented and monitored; and

(f) 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:

		2015	2014	2013	2012	2011	2010
Net Sales	Rs. Million	24,618	25,197	23,673	19,531	18,271	13,913
Cost of Sales	Rs. Million	19,164	20,540	19,460	15,557	14,471	10,615
Gross Profit	Rs. Million	5,454	4,657	4,213	3,975	3,800	3,298
% of Sales		22	18	18	20	21	24
Operating Profit	Rs. Million	4,615	3,871	3,652	3,304	3,400	2,955
% of Sales		19	15	15	17	19	21
Profit Before Tax	Rs. Million	4,599	3,754	3,593	3,123	3,216	2,800
Profit After Tax	Rs. Million	3,275	2,517	2,781	2,040	2,034	1,838
Earnings per Share	Rupees	354.59	272.48	301.14	220.86	220.20	198.99
Dividend Amount	Rs. Million	1,293	1,247	1,201	1,062	1,062	924
Dividend Percentage		1,400	1,350	1,300	1,150	1,150	1,000
Capital Expenditure	Rs. Million	1,665	469	453	1,185	1,122	582

Resources Management

The company operates 100% on equity capital with no long term or short debt financing or even has lease financing arrangements. The business is working capital intensive and handsome amount of cash resources required to procure corn from the farmers at harvest time and store till the next harvest season. The Company has a strong sales distribution network and usually realizes cash within twelve days from the sales deliveries, hence, the company maintains low amount of Accounts Receivables. After corn, utilities are the major cost component and hence payables remain within one month procurement.

All our ingredients are produced mainly from corn, hence a reliable source of corn for our plants is essential. This involves developing long-term, mutually beneficial relationship with farmers and other commercial partners to secure supply. We maintain exemplary relationship with our suppliers and work with them to meet our customers' requirements for quality, traceability and ethical standards throughout the supply chain. We place ourselves on critical path towards food security value chain and keep highest emphasis on availability and continuity to meet the rising needs of expanding population for survival and healthy growth of human race. We are endeavoring to establish best farming practices and provide the farmers with the latest technology for increase in corn yields.

Agriculture sector of the country is facing difficult time marked by shortage of irrigation water, floods in monsoon and abrupt changes in the climate. This adverse situation is continuously pushing farming and implements cost higher thus resulting into abnormal hike in food grain prices. Corn consumption by different sectors has increased manifolds over the years and there is a dire need to improve the yield and quality of seeds for sustainable availability.

Motivating and guiding farming community for adopting modern agricultural practices is the main driver behind our approach of serving farmers at grass-root level. Our team is specifically trained on seed technologies as well as good farm management practices. We aim to pay a fair price for their products, materials or services and help them to improve their working practices and efficiency through adaptation of good farm management practices.

Investment

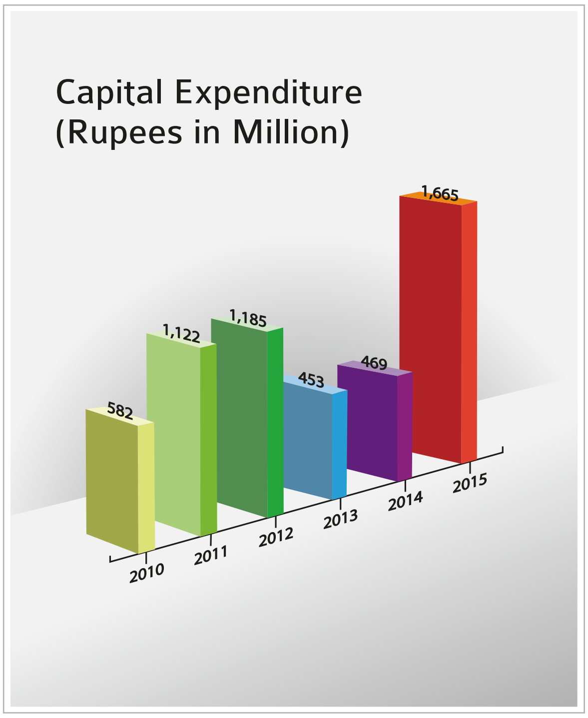
The Company has highly structured capital investment planning system consistant with strategic blue prints. Our focus is to concentrate on resources and investment in areas that will support our objective of delivering long-term sustainable growth. The Company has strategically invested to expand production capacity, value addition to the plants and manufacturing systems to meet growing local as well as export market demands. This strategy has given Rafhan Maize an edge in becoming the premier supplier of choice to our customers.

The company made big investment on energy and initiated $17.5m mega project to produce 12MW electricity and 40Ton per hour steam. The investment will significantly reduce utility cost, improve energy availability and bring operational efficiencies. The project is expected to be completed in June 2016. The company successfully commissioned 300 TPD green field plant at Kotri Sindh to transform the way we interact with our customers. The new plant will enable us to increase our geographical reach and serve our highly valued customers in the south region. A number of expansion projects were also undertaken at our existing production facilities to meet growing market demand. The Company ensured strong commitment to its consumers through its investment in the best services and products. The Company has been investing on a continuous basis, during the year capital expenditure stood at Rs. 1,665 million. These investments have enabled your Company to grow in size and maintain the status of key player in the corn refining industry. We will continue to pursue our expansion and diversification projects in anticipation to meet the demand over next five years.

Capital Structure

The Company maintains highly balanced capital structure with 100% equity investment and current liabilities account for less than 17% of the total assets base. Our current assets are continuously growing to improve the liquidity position of the company. The company follows highly structured dividend policy of satisfying shareholders as well as ploughing back sufficient amount of earnings to sustain growth pattern and keep abreast with desired technologies. Our given at infra condensed balance sheet depicts highly impressive state of company's affairs.

Particulars	2015	2014
	Rs. Thousand	
Current Assets	8,193,977	7,721,077
Non - Current Assets	6,412,256	5,177,006
Total Assets	14,606,233	12,898,083
Current Liabilities	2,287,557	2,541,580
Non -Current Liabilities -Deferred Tax	644,890	675,055
Share Capital and Unappropriated Profits	11,673,786	9,681,448
Total Liabilities and Capital Employed	14,606,233	12,898,083



Changes in Financial Position, Liquidity and Performance

The Company is enjoying excellent liquidity position (Current Ratio 3.6:1). It has been significantly improved over the years from 1.79 in 2012 to 3.04 in 2014 and 3.6 in 2015. Other measures and performance evaluation indicators depict strong performance and strength of our company's financial position: Gross Profit ratio 22.16%, EBITDA 20.56%, Return on Capital employed 26.59%, Operating Cycle 45 days, earning per share 354.59 and Interest Cover 301.71 times. Your Company is among the best business in the country with double digit sales and profitability growth (CAGR) during last six years.

Liquidity and Cash Management

Your company enjoys unique capital structure with no long term debt financing. The company arranges short term finance from commercial banks as and when need basis at market best financing rates. The company also entered into contractual arrangements with Islamic banks for procurement of corn under the Islamic system of financing called Murahbah. The Banks procure corn on behalf of the company and later on sell to the company as and when needed. The Company has internationally renowned treasury management systems called "Mysis" and "Reval" for cash management, cash forecasting and treasury risk management. The Company has entered into contractual arrangements with MCB and Standard Chartered Bank for using their cash management systems to accelerate cash collections and smoothen cash disbursements.

Business Risk Management and Business Continuity Planning

Over the years Enterprise Risk Management has become highly significant management activity as well as a critical business strategy. Ability to earn depends on strategy to save business from imposing challenges and threats. Your company is fully cognizant of this highly important business strategy and over the periods developed a strong enterprise risk management system wherein critical strategic, commercial, operational, financial, Supply Chain, EHS, Product Quality and Internal Control Risks are identified through a well-structured process for preparing Risk logs and Risk Registers.

Risk Management board actively oversees the whole risk management process and guide the team effective management of enterprise risks. The identified risks are categorized as red, amber and green by using 5*5 (five by five) matrix on the basis of significance and consequence. Risk mitigation plans are developed by using STPs (situation, target and Proposal) process to either reduce the significance of incurrence or managing the severity of the loss. The teams continue their mitigating efforts till the risks enter into green area.

Business Continuity Planning is part of company's risk management process and the Company is fully cognizant of the importance of business continuity planning process for long term sustainability. The Company has developed comprehensive Business Continuity Plan to mitigate the adverse effects of unforeseen disastrous event (s). The Company has well documented Emergency Response & Disaster Recovery Plans. The company regularly tests the plans with mock exercises and drills.

The Company has three manufacturing plants located geographically away from each other, poised well to help maintain continuity of supply to its customers, in case, any unpleasant event happened at any one plant or site goes into dysfunction. All the three plants have alternate fuel arrangements to counter with utilities supply failures. The company maintains sufficient corn stocks (core material) to coup with draught or mass level of corn supply failure events. The company has good inventory of highly trained work force to move from plant to plant if need arises.

Value of Investments of Employees Retirement Funds:

The Company takes care of its employees and provides handsome amount of terminal benefits for long term allegiance of the employees with the company. The company maintains three retirement plans one defined contribution plan (provident fund) and two defined benefit plans (Gratuity and Superannuation). The company has established 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:

		2015	2014
Provident Fund	As at June 30, 2015	972.431	873.512
Gratuity Fund	As at December 31, 2015	828.335	739.683
Superannuation Fund	As at December 31, 2015	523.995	494.078

Board of Directors

The Board consists of eleven members including nine non-executive and two executive directors. Out of nine non-executive directors, one is independent non-executive director and three directors represent minority shareholders. Chairman of the Board is other than the CEO. The current members of the Board of Directors have been listed in the Company Information. During the year under review, the casual vacancy occurred with the death of Independent Director which was filled up in April, 2015. On completion of term of three years, new Board was elected in September 2015.

All local Directors except one have obtained certification as required under the provisions of Code of Corporate Governance 2012 specified under Directors' Training Program.

Attendance at Board Meetings

During the year, five meetings of the Board of Directors were held. Two meetings were held abroad; one in USA and the other in UK. Remaining three meetings were held in Pakistan. Attendance of Directors at meetings was as under:

Name of Director	Meetings attended in person/through video link	Meetings attended by Alternate Director
Martin Sonntag	3	1
Rashid Ali	5	
Ansar Yahya	5	
James P. Zallie	3	1
Jack C. Fortnum	2	1
Christine M. Castellano	3	1
Zulfikar Mannoo	4	
Mian M. Adil Mannoo	5	
Wisal A. Mannoo	5	
Dr. Abid Ali	5	
Anis Ahmad Khan	3*	

* Out of three meetings in his tenure.

Transactions in Company's Shares

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

		No. of shares sold/gifted	No. of shares purchased
Wisal A. Mannoo	Director	1,500	-
M. Tayyab Raza	Executive	140	-
Irfan A. Bhatti	Executive	40	-

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 2016.

Audit Committee

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

			No. of Meetings Attended
Zulfikar Mannoo	Chairman	Non - Executive Director	4
Jack C. Fortnum	Member	Non - Executive Director	1
Christine M. Castellano	Member	Non - Executive Director	1*
Rashid Ali	Member	Non - Executive Director	4
Anis Ahmad Khan	Member	Independent Director	2**

* Out of one meeting in her tenure.
** Out of two meetings in his tenure.

The Audit Committee reviewed the quarterly, half yearly and annual financial statements before submission to the Board and their publishing. CFO, Head of Internal Audit and a representative of external auditors attended all the meetings where issues relating to accounts and audit were discussed. The Audit Committee also reviewed resources, appropriate placement of internal audit within the Company, internal audit findings and measures to safeguard Company's assets. The Audit Committee also held separate meetings with internal and external auditors as required under the Code of Corporate Governance. The Audit Committee discussed with the external auditors their letter to the management. Related Parties Transactions were placed before the Audit Committee. Chairman of the Audit Committee is a non-executive director. The independent director in the Committee has expert knowledge of finance and accounting. The Internal Auditor has direct access to the Audit Committee. The Audit Committee has fully adopted the terms of reference as specified in Code of Corporate Governance 2012.

Human Resource & Remuneration Committee

The Board of Directors has established a Human Resource & Remuneration Committee comprising of following four Board members. During the year, two meetings of the Committee were held –

			No. of Meetings Attended
Martin Sonntag	Chairman	Non Executive Director	2
Rashid Ali	Member	Non Executive Director	2
Ansar Yahya	Member	Executive Director	2
Zulfikar Mannoo	Member	Non Executive Director	1*

* Out of one meeting in his tenure.

The Committee is responsible for –

i) recommending human resource management policies to the board;

ii) recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO;

iii) recommending to the board the selection, evaluation, compensation (including retirement benefits) of CFO, Company Secretary and Head of Internal Audit; and

iv) consideration and approval on recommendations of CEO on such matters for key management positions who report directly to CEO.

Shares Transfer Committee

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

		No. of Meetings Attended
Rashid Ali	Chairman	6
Ansar Yahya	Member	10
Dr. Abid Ali	Member	11

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, 2015, according to requirements of Code of Corporate Governance and a statement reflecting distribution of shareholding appears at the end of this report

Dividend

The Company has already paid two interim dividends @250% and 300%. The Directors now propose a final dividend of 1200% making the total 1750% for the year.

On behalf of the Board

Ansar Yahya
Chief Executive &
Managing Director

February 24, 2016

RafhanMaize
PRODUCTS CO LTD

SUSTAINABILITY REPORT

SUSTAINABILITY

PEOPLE

Keeping our people and communities safe and engaged

- Safety
- Social accountability
- Community Relations
- People development

PLANET

Promoting environmental stewardship.

- Environmental stewardship
- Management systems
- Community environmental activities

PRODUCT

Extended our nature-based technology to support sustainability and food safety.

- Product innovation
- Quality & food security
- Sustainable agriculture
- Procurement sustainability

PROSPERITY

Enhancing the prosperity of our people, customers and local communities

- Governance
- Philanthropy
- Operational excellence
- Global presence

People

At Rafhan Maize there is nothing more important than the welfare of the people, business associates and the communities in which the company operates. The company strives hard to improve its safety performance and develop strong social accountability practices on continual basis. The company believes in promoting good community relationships at its top most corporate responsibility. Our priorities include but not limited to:

- Promoting Safety and Health
- Demonstrating our Social Responsibility
- Engaging in our Communities
- Listening to our Employees

Planet

As a good corporate citizen, we recognize the importance of maintaining environmentally sound manufacturing practices. We continually work to improve our management systems to foster our environmental stewardship. The company understands the value of engaging external partners accelerate the delivery. We have a well-structured process to benchmark ourselves against peers and other key stakeholders. Our focal areas are:

- Environment
- Biodiversity
- Waste Water Treatment Plant
- Construction and Refurbishment
- Emissions and Discharges
- Better Offices, Better Plants
- Better Community

Product

Over the years, the Company has established itself as highly reliable and best of class producer best quality ingredients. Our products and brand names carry un-matched loyalty among our customers both locally as well internationally. The company strives hard to bring innovated products and ingredients for catering diversified customers' requirements. Our goal is to deliver value to our customers and our shareholders while incorporating sustainability considerations into our innovation pipeline. We collaborate with our agricultural suppliers to enhance the sustainability of farm-grown raw materials. Our strategic framework includes:

- Quality Ingredients
- Innovative Solutions
- Focus on Agricultural Sustainability
- Supplier Sustainability assessment
- Packaging
- Warehousing and logistics

Prosperity

The Company promotes prosperity of its people, customers and local communities through ethical business practices underpinned by our robust governance requirements. As a corporate citizen, we are committed to philanthropy and operational excellence, making a difference in those places where we do business around the world:

- Giving Back Through Philanthropy
- Harnessing Continuous Improvement
- Honoring Employee Sustainability
- Maintaining Responsible Governance

Company of Choice

Sustainability communication harmonized with:

- Core Values
- Vision
- Mission Statement
- Business Conduct Policies
- Compliance Report
- CCG (SECP)
- The Brand Promise
- The 4Ps of Sustainability

EMPLOYER OF CHOICE

Rafhan Maize considers its employees as first customers and the Company is considered as one of the best employers on only in the locality where we operate but also in the whole country. The company attracts highly qualified and capable human resource from all over the country and offers attractive compensation package commensurate with qualification and experience. The company has lowest turnover particularly among the professionals, managers and executives which indicates allegiance and resilience of the employees with the company. The company is undoubtedly rated as the employer of first choice.

SUPPLIER OF CHOICE

The company has won over the period a unique position in the hearts of our highly valued customers. We serve our customers from the heart and offer customized products to fulfill ever changing needs of customers. The company has customer base of over 5000 and serves the needs of every customer with same zeal and fervor without any discrimination. Our customers rest great confidence on our products, systems and service delivery and the company exhibits un matched responsiveness and agility to respond to the changing needs of its customers. Our Company has been successful in winning customers' confidence over decades and they are continuously reposing their trust on us for best of class quality of our ingredients and seamless services.

NEIGHBOR OF CHOICE

Rafhan Maize is highly socially responsible company. We allocate a handsome amount of our profitability for social uplifting of the general masses and communities living around our premises. Our both new plants have waste water treatment facilities to clean the water before discharge. Our water discharges are well within NEQS limits and farmers around our plant use discharge water because of its purity and nutritional value. We have a highly structured campaign to grow one million new plants around our Cornwala plant to mitigate the adverse effects of carbon discharge from under installation Cogen plant. We generously spend on alleviating the hardships of the people living around out plant from natural calamities, floods earthquake etc. The Company in partnership with philanthropy organizations provides education and health facilities to the people of the areas near to our plants. The company provides direct/indirect employment to over 4000 people with top priority to those people who live around the localities of our operations.

INVESTMENT OF CHOICE

A successful and balance organization always keep all the stakeholders satisfied and content with its performance and value delivery. Rafhan Maize is the best success story and the company maintains highly balanced equilibrium of its resources to satisfy all echelon of stakeholders. The company distributed 1400% of the paid capital as dividend to its investors and shareholders in the years 2015. The company shares in the markets are considered as hot cake and attract strong response from analysts, brokers and potential investors. The company embeds sustainability into its business strategy in such a manner that creates both short-term and long-term value addition to the shareholders.

Sustainability Agenda

Key focal areas:

- Safety & Health
- Social Accountability
- Environmental Conservation
- Operational Excellence
- Sustainable sourcing
- Innovation
- Community Engagement
- Governance, integrity & trust

Safety

Achievement: TRIR = 0.00 and LTIR = 0.00

Cornwala Plant - since Jan' 2005
- Employees : 9.82 mm man - hours
- Contractors : 20.61 mm man - hours

Rakh Canal Plant -
- Employees : 16.4mm man - hours since Aug' 07
- Contractors : 22.3mm man - hours since Mar' 09.

Mehran Plant - since Jan' 2012
- Employees : 1.65mm man - hours
- Contractors : 3.55mm man - hours

Safety Pledge signing ceremony

All Eyes on Safety

Safety is our first ingredient and we endeavor hard to keep our work place safe and secure not only for our employees but also for our suppliers, customers, contractors and the communities living around our premises. The company has highly structured safety management systems, our 100% employees have to carry at least one annual performance goal with clear milestones. Safety efforts include:

- Safety Observations
- Root Cause Analysis
- Joint Healthy & Safety Committees
- Job Safety Analysis
- PPE
- Near Miss Team
- Permit to Work
- Procedures/Instructions
- Training/Awareness Programs
- Safety Manuals
- Safety Culture

Safety is every body's responsibility. All officers, Managers and Executives are required to set at least one Safety Goal every year

Health Care Program for Employees

- Dispensary at all plants
- Availability of emergency medicines
- Medical Examination of new employees
- Biannual medical examination of workers
- Health Insurance / Social Security to officers/workers
- Availability of Proper PPEs
- First Aid Trainings
- First Aid Medicine Boxes
- Bulletins on Important Health Issues
- Audiometric testing of employees in high noise areas
- Diabetic Awareness Session for employee

Screening for Hepatitis B and C

Corporate Social Responsibilities

Our most cherished mission is to create opportunities for our employees, farmers, communities, society as a whole and the people of Pakistan to improve their well-being and quality of life. We contribute to social welfare through health, education, shelter, environment protection, community development, calamities rehabilitation and related welfare activities/events:

- We have executed a long list of projects in Faisalabad, Jamshoro and in other areas (as described in CEO's review) by contributing to society through a structured social investment program to integrate economic, social and environmental needs of the communities.

Fabrics to SOS village Children on the occasion of Eid-ul-Fitr

Celebration of "Dewali" near Mehran Plant, Kotri

Corporate Social Responsibility Excellence Award

from National Forum for Environment & Health

International Award on Corporate Social Responsibility

Celebration of Safety Month – November'15

- Banners, Essays and poems competition, trainings and exhibitions of safety equipment.
- 282 safety talks for 2966; 90 environmental talks for 906; 39 fire fighting trainings for 195 employees.
- Practical mock drills on emergency evacuation, first aid, rescue, fire fighting, confined space rescue, electric shock first aid and spill response.
- Critique of responses was arranged.
- Contractors and Company Employees Safety and Environment Training Workshops.

Education

Independent experts place overall literacy rate in Pakistan at 26% and the rate for females at 12%. Poverty is a big hurdle in girls' education. According to UNICEF, 17.6 per cent of Pakistani children are working and supporting their families. Rafhan Maize education program includes:

- Distribution of school accessories to Primary school students
- Scholarship for less privileged intelligent students
- Furniture, wheel chairs and sound system installation at special children schools
- Donation to Tanzeem Al-Lissan special children school
- Renovation of a primary school near Mehran Plant
- Acknowledged Top position holders in Matric examination - Faisalabad Board
- Maintenance of a primary school at Rakh Canal Plant
- Financial support for research studies, internship program and apprenticeship training

Distribution of school accessories to Primary school students

Cash Donation to school of Special Children

Shelter

Punjab and Sindh provinces faced severe floods and displacement. Approximately 3.3m people were affected by the floods and rains with 109 deaths. Over 1.3m acres of cropland and 300,000 farmers were affected; resulting in loss of standing food, fodder or cash crops. Rafhan maize distributed relief goods including ration, beds and other goods among flood affected farmers of Punjab as well as Jamshoro Sindh

- Dry food rations to flood victims in Jamshoro
- Dry food rations and blankets for earthquake Victims in KPK

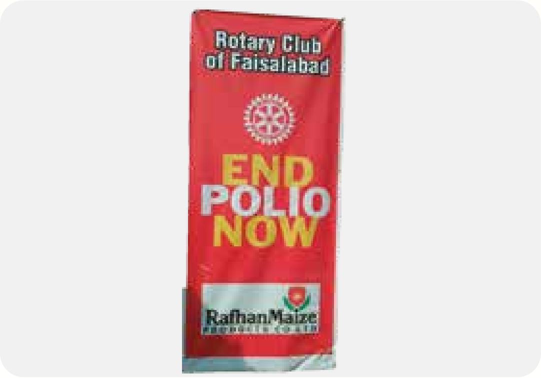
Dry Food Ration to Flood victims in Jamshoro

Health

Healthcare in Pakistan is administered mainly in private sector which accounts for 80% of outdoor patients. Situation is relatively better in urban areas (39% people) but very gloomy in rural areas (61% people).

Affordability of healthcare is declining due to pressure on consumer buying power. Rafhan Maize contributes to provide medical awareness/assistance to poor patients in different ways:

- Donation for Dialysis of poor patients at SIUT.
- Bed with mattresses, stretchers, wheel chairs and ward screens donated to Social Security Hospital & Dispensary.
- Sponsored by providing Powder Drink supplemented with vitamin and Snacks with added minerals for the Toddlers.
- Dental and Oral health care camp at special children school. 280 students examined by qualified team of Doctors from Allied Hospital – Distribution of Dental Care kits.
- Donations to Allied Hospital, Liver Foundation and Anti T.B. Association for medicines for needy patients.
- Polio awareness session in coordination with Rotary club.



We Salute our Heroes

June 14 - World Blood Donor Day

Blood Donation Camp arranged at Cornwala Plant in collaboration with Fatimid Foundation Lahore.

50 employees voluntarily donated blood to save the life of children suffering from Thalassemia, Hemophilia and other chronic blood diseases.

Social Accountability

RafhanMaize is cognizant with emerging social concerns and priorities of internal and external stakeholders (community, employees, governmental and nongovernmental organizations, management and shareholders). Our above commitment reflects in certain factors such as:

- Compliance with employment, health, hygiene, safety and environment laws.
- Respect for basic civil and human rights – freedom of association and collective bargaining, forced and child labor, disciplinary practices, working hours, compensation and management systems.
- Employer of equal opportunities, performance management systems, career growth and development plans, rewards and recognitions, incentive plans, industrial peace betterment of community and neighbors.
- Social Compliance Programs.
- Gender Policy and Workplace Harassment Policy.
- Treating our employees ethically and in compliance with global standards.
- Facilities including subsidized foods at canteens, long service awards, free ration quotas, free medical dispensaries, wheat subsidy, free wearing cloth, uniforms, picnic/excursions visits, and scholarships for children, free pilgrimage to selected employees and competitive salary packages.
- Sustainable customer relationship and delivering profitable growth.

Employees Welfare

A healthy and friendly work environment where people can discover their potential, build career and find new challenges, get reward for performance and recognitions:

- Training programs on soft skills, leadership framework, technical competencies, and new trends in business and profession and changing business environment.
- Facilities including subsidized foods at canteens, long service awards, free ration quotas, free medical dispensaries, wheat subsidy, free wearing cloth, uniforms, picnic excursions, and scholarships for children, free Haj to 17 employees and competitive salary package.

Hajj Draw for 17 lucky employees
308 employees so far have performed Haj under this scheme

Reducing Environmental Impact

Better Plants

Reduced paper usage in offices by using both sides of paper and reuse of waste paper

Reducing Environmental Impact

Energy Conservation

Our operations are highly energy intensive, we focus on energy conservation and have initiated a blue chip project to conserve energy at all plants. Our energy audits at key facilities help to ensure optimum energy utilization and provide action framework for rectification of energy intensive UDEs (undesirable effects).

Waste Water Treatment Plants

We have constructed wastewater treatment plants at Cornwala and Mehran Plants and allocate resources on treating water before draining.

Highly experienced engineers and professionals manage WWTPs with a strong mechanism of quality assurance to regularly test samples of effluent water.

Environmental Stewardship - Recognitions

Rafhan Maize is effectively aligning its environment management systems and processes with internationally recognized best practices; a strong mechanism for regular assessment and audit of our EHS practices by internal and external auditors.

International Observances:

• World Water Day	Mar 22, 2015
• Earth Hour	Mar 28, 2015
• World Health Day	Apr 7, 2015
• Earth Day	Apr 22, 2015
• World Day for Safety and Health at Work"	Apr 28, 2015
• International Firefighters' Day	May 4, 2015
• World No Tobacco Day	May 31, 2015
• World Environment Day	Jun 5, 2015
• World Blood Donation Day	Jun 14, 2015
• World Hepatitis Day	Jul 28, 215
• World Heart Day	Sep 29, 2015
• Global Hand-washing Day	Oct 15, 2015
• World Diabetes Day	Nov 14, 2015

EFP Best Practices OHSE Award

Annual Environment Excellence Award NFEH

Quality Assurance

Rafhan maize is highly quality centric organization. In Rafhan Maize quality mean business and the company heavily investing on implementing new quality management system.

IMS CERTIFICATIONS

- FSSC 22000 Certification from Bureau Veritas : **Rakh Canal and Cornwala Plants**
- ISO-9001:2008 QMS by TUV Austria : **Rakh Canal, Cornwala and Mehran Plants**
- ISO-14001:2004 EMS by TUV Austria : **Rakh Canal, Cornwala and Mehran Plants**
- OHSAS 18001:2007 by TUV Austria : **Rakh Canal, Cornwala and Mehran Plants**
- Halal re- certification audit by Islamic Food and Nutrition Council of America (IFANCA) : **Rakh Canal, Cornwala Plants**
- Non GMO Re-Certification Audit by Bureau Veritas Pakistan - **Rakh Canal, Cornwala and Mehran Plants**
- SEDEX Members Ethical Trade Audit by Bureau Veritas - **Rakh Canal, Cornwala and Mehran Plants**

Quality Management and Environment, Health & Safety Meeting at Manchester, UK

Global Quality Council Meeting at North Kansas City, USA

Development & Innovation

- Customer guidance in recipe adjustment by using our products in Processed Food, Confectionary & Bakery, Savory, Dairy & Ice cream.
- Pilot trials of existing / new food products with right ingredients in right application.
- Support to Customers in Innovation to increase their product portfolio in dry mixing, wet / hot products and cooking / baking.
- Improve Customer Relationship through solution providing to meet customers requirement.
- Support to the needs of small and medium-sized companies that are looking for additional facilities and expertise.
- Guidance to New customers coming in Food Business by discussion, application trials and sensory evaluation.

Rafhan's Agriculture Sustainability Program

- Capacity building of small farmers
- Corn development
- On Farm Water Conservation
- Rafhan Maize R&D activities
- Rural community engagement
- University-Industry Interaction
- Food Security

1- Capacity Building of Small Farmers

- Significant changes are taking place in rural land scape of Pakistan. Most of the small and marginal farmers are dependent on less than two hectares of land for their livelihoods. As farm size in Pakistan is further decreasing, the future of agricultural growth, food security and livelihoods in Pakistan depends upon the performance of small & marginal farmers.
- **Seed** - Rafhan is providing seed to small farmers at low rate - 4 times cheaper as compared to other MNCs.

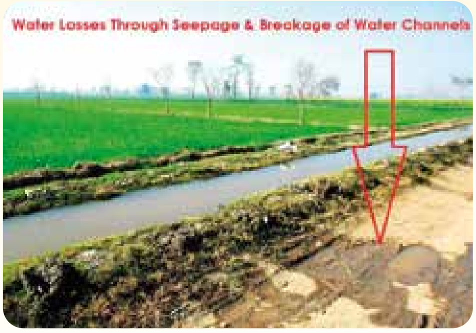
- **Marketing Solutions** - Rafhan is ensuring marketing to small farmers through contract farming, logistic support and market development so that they are able to integrate in to corn supply chain and also that they continue to remain in the system.
- **Technology transfer** - Rafhan embarked upon a special technology transfer program in KPK to replace existing traditional sowing practices and seed with Rafhan's cheaper seed coupled with advisory services which resulted in increasing farm income land and water resources thus bringing more than 100% increase in existing corn output.

- **Intercropping Program** - Initiated intercropping of sugarcane into corn in upper Sindh. This has enabled the farmers to get two crops from the same piece of land with same inputs. A grower from Sindh planted sugar cane in corn and got full yield of Maize (3.6 tons per acre) and Sugar cane (40.00 tons per acre.)
- **On-Farm Corn Drying** - corn drying is a big issue as the drying is hindered either by cold and/or rainy season and resultantly there are post-harvest loses (up to 30% in extreme cases) which restrict the farmers to go for larger acreage. Our field team in collaboration with corn growers has built small on-farm corn dryers at various corn growing areas. This is a cheaper technology and even small farmers can afford to have such dryers.

2- Corn Development (in non-traditional areas)

- **South region** - we are developing corn in South Punjab and Sindh with the intentions to meet future requirements of Mehran plant. Being in close proximity of Mehran plant, this can provide us Strategic advantage of logistics in terms of freight. This new segment was supported through a robust contract growing program which is still vital tool in our "grow more corn" program. This progress was achieved through the continuous efforts to promote new crop rotation of wheat – corn - wheat instead of wheat – cotton - wheat, which was more exhaustive and less productive for the farmers. The program has diversified the cropping pattern of the area and improved the socio-economic condition of farming community.
- **Balochistan** - The province of Balochistan contribution towards national corn crop production is quite negligible. We have conducted yield performance trials in spring 2015 in Qila Saifullah and the results have been encouraging. Water requirements were almost half than those of Punjab or Sindh due to cooler climate.

3- On Farm Water Conservation



- Pakistan is water stressed country and is close to be called as water scarce. The annual per capita availability of water which was 5000 cubic meters (m3) in 1947 has dropped down to current level of 1000 m3. Agriculture is using 93% of available fresh water, 40% of which is wasted due to poorly structure irrigation system. The availability of above and underground water is continuously depleting and unreliable. On- farm open water channel system is inefficient due to;

A- Seepage, evaporation and overflow from water channels

B- Breakage of water channels requiring labor for repair

C- Water flow restrictions due to weeds infestations

D- Wastage of productive agricultural land for construction of water channels

Rafhan's Contribution:

- In 2014, our agriculture team in collaboration with a progressive farmer in Kasur developed an underground water supply system on a 40 hectare farm to replace open channel irrigation system. The irrigation efficiency improved by 36%. Moreover, the project cost was almost recovered from one crop whereas the infrastructure will be usable for another 20 crops (Corn & Potato) plus freeing up more water supplies to grow overall 20% extra corn.
- In 2015, same water supply system has been replicated with 2 other growers through modification in water pumping (submersible) and facility of fertigation. This boosted the yield as the fertilization wastage was eliminated thus saving the fertilizer application cost and also ensuring safety for farm workers.

4- Rafhan Maize R&D activities

- We are the only seed producer for special type of corn in Pakistan to meet the growing business requirements of the company. A 3 dimensional program was embarked upon to full fill corn requirements of the company;
- Development of improved inbred lines
- Conversion of elite lines into new varieties through conventional breeding procedures
- Seed production of commercial hybrids through contract growing

5- Rural community engagement

- **Education & Awareness** - we regularly conduct farmer meetings to impart awareness among them about latest developments in the field of agriculture particularly on new seeds, production technology, crop protection, post-harvest practices handling and safety of pesticides applicators.
- **Awareness to female agricultural workers** - a program was organized in Sindh in which around hundred agricultural female workers participated and awareness demo on safe agri. farming practices was given. School aids were distributed among the kids of participants.
- **Safety of Agricultural Workforce** - conducted 8 awareness sessions in different corn growing areas to educate the farmers on safe handling and use of pesticides. Program focused on safety in pesticide application and type of the pesticide to be used. Farmers were made convinced to used pesticide with minimum residual effects thus enabling to them to produce safe food for themselves and nation as a whole. Rafhan distributed safety kits among 20 seed production growers in Punjab and 24 Sindh Farmers to promote safety culture among farming community.

6- University-Industry Interaction

Like other developing countries, there is a gap between university knowledge and its practical utility in the field. Truth is that companies today regard new college graduates as a hiring risk. Employers don't have the time, money, or wherewithal to teach them the practical skills they need. Rafhan sensed its social responsibility and took step to convert liability into asset.

A group of 60 students from Plant Breeding & Genetics department of University of Agriculture visited Rafhan's research area. Objective of the visit was to practically groom the country's future agri-professionals who would be an asset for many years to come. The students were taken to agricultural farms where they got a chance to interact with progressive farmers. The students put up intelligent questions and showed keen interest in the farming practices.

7- Food Security

Traditional crop production year after year depletes the available soil resources and gives rise to insect pest and disease attack. Crop rotation is one of the powerful techniques of sustainable agriculture. It not only elevates the soil fertility level through the introduction of leguminous crops but also helps to overcome pest problems.

- South Punjab has been predominantly following wheat-cotton rotation since centuries. This pattern has now been changed to wheat-mung bean- corn rotation which is highly economical, productive & environment friendly. The farmer can now earn extra income from mung bean crop in just 60 days with the added advantage of increase in soil fertility level. This activity has reduced 46 kg nitrogen addition to the soil and saving the environment.

CI/LSS Excellence -2015

Black Belt Training 2015

Green Belt Training 2015

CI/LSS Trainings

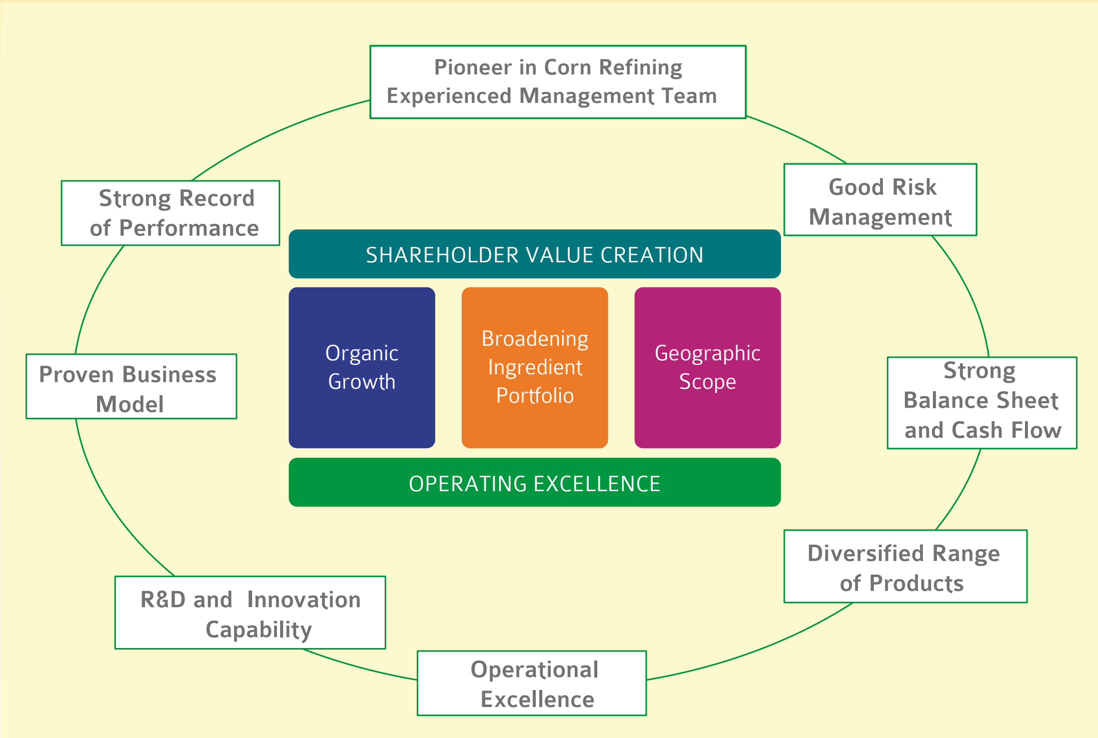
Target for 2015 : 270 employees

Actual for 2015 : 283 employees

White	Yellow	Green	Black
244	15	10	1
253	17	12	1

Total employees trained till 2015 : 604 (50% of population) against goal of 501 employees.

We are Strengthening Our Core Capabilities



Gold Medal for Business/Marketing Excellence

From Federation of Pakistan Chambers of Commerce & Industries

KSE Top 25 Companies Award

Best Corporate & Sustainability Report Award

Certificate of Merit for Corporate Governance Disclosure.

SAFA Committee on Improvement in Transparency, Accountability and Governance

Best Corporate & Sustainability Report Award

Performance Achievement Award

from Faisalabad Chamber of Commerce & Industry

FPCCI Export Trophy Award

From Federation of Pakistan Chambers of Commerce & Industries

Corporate Excellence Award
by Management association of Pakistan

Sports Gala 2015


TOGETHER WE PLAY


TOGETHER WE PLAY
TOGETHER WE WIN
WELCOME
RAFHAN SPORTS GALA

Sports Gala Prize Distribution

Training & Development

Management Development Programs

To reinforce Company success drivers and equip our Managers/professionals with skills and knowledge to perform effectively in a dynamic work environment, training sessions are organized in and outside Pakistan.

- A series of Training Courses under the Managers Training Program; designed for the development of future leaders.

Customer Relationship Management

Effective Communication

Foreign Training & Development

Participation by Managers and Executives in Ingredion Global Programs:

- Leadership Training Program ,Hamburg
- Ingredion Leadership Program, USA
- Global Engg. Conference
- Management Development Training Programs in Hamburg
- Blitz Study at Hamburg & USA
- Workday Training Programs
- BPC Balance Sheet Module
- Global Audit Conference

Ingredion Management Development Program - Hamburg

Blitz Study at ARGO Plant

Stakeholders' Information

Performance Indicators for Six Years

		2015	2014	2013	2012	2011	2010
Profit and Loss Account							
Net turnover	Rs. Million	24,618.08	25,196.60	23,672.63	19,531.40	18,270.99	13,912.77
Gross profit	Rs. Million	5,454.14	4,656.97	4,212.81	3,974.51	3,799.82	3,297.74
Operating profit	Rs. Million	4,614.70	3,870.89	3,651.55	3,304.12	3,399.87	2,954.88
Profit before tax	Rs. Million	4,599.40	3,753.87	3,593.50	3,122.80	3,216.19	2,799.99
Profit after tax	Rs. Million	3,275.17	2,516.77	2,781.48	2,039.93	2,033.83	1,837.94
Earnings before interest, taxes, depreciation and amortization (EBITDA)	Rs. Million	5,061.95	4,323.83	4,029.96	3,398.56	3,453.23	2,989.07
Balance Sheet							
Share capital	Rs. Million	92.36	92.36	92.36	92.36	92.36	92.36
Reserves	Rs. Million	11,581.42	9,589.08	8,330.60	6,771.49	5,789.23	4,861.52
Shareholders funds	Rs. Million	11,673.79	9,681.45	8,422.96	6,863.86	5,881.59	4,953.89
Property, plant and equipment (Exclusive CWIP)	Rs. Million	4,567.11	4,733.19	4,909.26	3,749.06	2,283.49	2,174.15
Net current assets / (liabilities)	Rs. Million	5,906.42	5,179.50	3,953.42	2,289.13	2,091.54	2,061.37
Long term / deferred liabilities	Rs. Million	644.89	675.06	708.05	562.06	373.68	351.75
Total assets	Rs. Million	14,606.23	12,898.08	11,920.48	10,320.45	8,280.18	7,259.95
Profitability Ratios							
Gross profit ratio	Percentage	22.16	18.48	17.80	20.35	20.80	23.70
Net profit to sales	Percentage	13.30	9.99	11.75	10.44	11.13	13.21
EBITDA margin to sales	Percentage	20.56	17.16	17.02	17.40	18.90	21.48
Operating leverage	Percentage	(8.37)	0.93	0.50	(0.41)	0.48	1.78
Return on equity	Percentage	28.06	26.00	33.02	32.01	37.54	41.02
Return on capital employed	Percentage	26.59	24.30	30.46	27.47	32.51	34.64
Liquidity Ratios							
Current ratio	Times	3.58	3.04	2.42	1.79	2.03	2.05
Quick/ Acid test ratio	Times	1.77	1.70	0.41	0.57	0.37	0.30
Cash to current liabilities	Times	1.22	1.23	0.02	0.17	0.03	0.02
Cash flow from operations to sales	Times	0.11	0.20	0.05	0.16	0.14	0.02
Activity / Turnover Ratios							
Inventory turnover ratio	Times	4.63	6.03	3.47	4.41	4.29	3.09
No. of days in inventory	Days	78.83	60.53	105.19	82.77	85.08	118.12
Debtors turnover ratio	Times	24.52	27.91	30.71	26.31	33.97	36.91
No. of days in receivables	Days	14.89	13.08	11.89	13.87	10.74	9.89
Creditors turnover ratio	Times	9.13	9.33	7.61	5.99	10.68	9.58
No. of days in payables	Days	39.98	39.12	47.96	60.93	34.18	38.10
Total assets turnover ratio	Times	1.69	1.95	1.99	1.89	2.21	1.92
Fixed assets turnover ratio	Times	5.39	5.32	4.82	5.21	8.00	6.40
Operating cycle	Days	44.99	49.84	48.98	46.57	63.92	61.31
Investment / Market Ratios							
Earnings per share	Rupees	354.59	272.48	301.14	220.86	220.20	198.99
Price earning ratio	Times	25.52	41.12	26.79	18.10	11.41	10.60
Dividend yield ratio	Percentage	2.00	1.00	2.00	3.00	5.00	5.00
Dividend payout ratio	Percentage	39.48	49.54	43.17	52.07	52.23	50.25
Dividend cover ratio	Times	2.53	2.02	2.32	1.92	1.91	1.99
Cash dividend per share	Rupees	140.00	135.00	130.00	115.00	115.00	100.00
Stock Dividend (Bonus) per share	Percentage	-	-	-	-	-	-
Market value per share at the end of the year	Rupees	9,050.00	11,203.80	8,067.38	3,998.38	2,513.28	2,109.87
Market value per share during the year (High)	Rupees	12,000.00	12,600.00	8,450.00	4,625.00	3,016.00	2,298.00
Market value per share during the year (Low)	Rupees	8,400.00	6,365.00	3,485.00	2,405.00	2,010.00	1,100.00
Break-up value per share - Refer note below							
- Without surplus on revaluation of fixed assets	Rupees	1,263.89	1,048.18	911.93	743.13	636.78	536.34
- Including the effect of surplus on revaluation of fixed assets	Rupees	1,263.89	1,048.18	911.93	743.13	636.78	536.34
Capital Structure Ratios							
Financial leverage ratio	Times	-	-	0.01	-	0.07	0.13
Weighted average cost of debt	Percentage	7.41	10.65	9.78	11.87	13.88	13.35
Debt : Equity ratio	Times	-	-	-	-	-	-
Interest cover	Times	301.71	33.08	62.90	56.67	56.70	89.75

Stakeholders' Information

Performance Indicators for Six Years

		2015	2014	2013	2012	2011	2010
Reconcilliation of Weighted average number of shares for calculating EPS and diluted EPS							
Opening balance	Nos.	9,236,428	9,236,428	9,236,428	9,236,428	9,236,428	9,236,428
Add: Bonus shares issued durning the year	Nos.	-	-	-	-	-	-
Total	Nos.	9,236,428	9,236,428	9,236,428	9,236,428	9,236,428	9,236,428

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

Summary of Cash Flow Statement

	2015	2014	2013	2012	2011	2010
			(Rupees in thousands)			
Cash flow from operating activities	2,648,037	4,965,165	1,229,003	3,222,319	2,533,711	285,059
Cash flow used in investing activities	(1,666,864)	(440,975)	(448,813)	(1,180,865)	(1,116,204)	(577,499)
Cash flow used in financing activities	(1,306,852)	(1,450,576)	(1,215,142)	(1,593,017)	(1,391,620)	(341,082)
	(325,679)	3,073,614	(434,952)	448,437	25,887	(633,522)
Opening cash and cash equivalents	3,115,831	57,322	506,520	63,026	39,741	673,409
Effect of exchange rate fluctuations	(3,742)	15,105	(14,246)	(4,943)	(2,602)	(146)
Closing cash and cash equivalents	2,786,410	3,115,831	57,322	506,520	63,026	39,741

Cash Flow Statement - Direct Method

	2015	2014	2013	2012	2011	2010
			(Rupees in thousands)			
Cash flows from operating activities						
Cash received from customers	24,516,614	25,064,880	23,644,067	19,326,826	18,110,107	13,851,211
Cash paid to suppliers and employees	(20,439,723)	(19,057,643)	(21,624,188)	(15,235,371)	(14,484,335)	(12,653,053)
Interest income received	82,006	30,047	3,074	1,252	3,614	6,685
Taxes paid	(1,510,860)	(1,072,119)	(793,950)	(870,388)	(1,095,675)	(919,784)
Net cash flows from operating activities	2,648,037	4,965,165	1,229,003	3,222,319	2,533,711	285,059
Cash flows from investing activities						
Property, plant and equipment	(1,665,395)	(468,727)	(452,894)	(1,184,502)	(1,122,352)	(581,897)
Sale proceeds of property, plant and equipment	2,325	28,244	4,421	6,186	5,411	3,587
Disbursement of long term loans	(8,000)	(3,440)	(3,600)	(4,746)	(2,943)	(1,500)
Repayment from long term loans	4,206	2,948	3,260	2,197	3,680	2,311
Net cash used in flows from investing activities	(1,666,864)	(440,975)	(448,813)	(1,180,865)	(1,116,204)	(577,499)
Cash flows from financing activities						
Dividend paid	(1,291,579)	(1,246,203)	(1,199,955)	(1,061,351)	(1,061,483)	(922,940)
Finance cost paid	(15,273)	(123,985)	(95,575)	(133,764)	(93,579)	(52,602)
Increase / (Decrease) in short term running finances	-	(80,388)	80,388	(397,902)	(236,558)	634,460
Net cash used in flows from financing activities	(1,306,852)	(1,450,576)	(1,215,142)	(1,593,017)	(1,391,620)	(341,082)
Net increase / (Decrease) in cash and cash equivalents	(325,679)	3,073,614	(434,952)	448,437	25,887	(633,522)
Cash and cash equivalents at the beginning of the year	3,115,831	57,322	506,520	63,026	39,741	673,409
Effect of exchange rate fluctuations	(3,742)	15,105	(14,246)	(4,943)	(2,602)	(146)
Cash and cash equivalents at the end of the year	2,786,410	3,115,831	57,322	506,520	63,026	39,741

Comments on Analysis Results

The Company has achieved its strategic objective in a change customer trends and challenging business environment. Energy crisis affected the industry adversely hence posed a slight dip in sales. Yet our cost saving initiatives and decrease in fuel prices helped us to maintain better financial results.

Profitability Ratios

The Company has succeeded to increase Gross profit ratio and After Tax Net Income Ratios instead of slight decrease in sales. EBITDA Margin to sales 20.56% and Return on equity 28.06% also increased over 2014. Return on Capital Employed increase due to increase in profit from operation.

Liquidity Ratios

The Company has maintained very healthy current ratios that considerably improved over last year due to decrease in Trade and other payables. Cash to current liabilities ratio slightly decreased due to decrease in cash flow from operations.

Activity / Turnover Ratios

Inventory Turnover Ratio (4.63 times) with day's cover of approximately 79 reduced over last year due to increase in inventory level. The company maintained operating cycle below 50 days. We strategically manufacture Finished Goods Inventory to cater supplies during anticipated natural gas shut down period.

Investment / Market Ratios

EPS of the Company has been increased by 30% and market value of share decreased by 19% over the last year which posts a very dynamic sign. P/E ratio reduced by 38% and dividend yield ratio increased by 100% over 2014 whereas cash dividend per share improved by 3.7% over the last year.

Capital Structure Ratios

The Company is fully operated on equity capital, no long term debt hence Debt to Equity ratio is zero.

SWOT Analysis

Opportunities

- Growth in major consuming business segments
- Competencies to capitalize growing demand
- Capability in basic R & D of new products
- Implementation of adoptive strategies for expansion
- Multi service practices in promotion and executing sale
- Effective communications with customers
- Practices of key customer management

Strengths

- Company image with multinational infrastructure and technology advancement
- Efficient logistics and supply chain management
- Availability of financial and technical support
- Robust inventory management
- Strong market orientation and relevant capability
- Plants situated within close proximity of major industrial cities
- Presence of efficient sales force on geographical lines
- Wide range of product line with strong brands
- Effective business segment management
- Safe & excellent working environment

Threats

- Multiple sweeteners line of rice based plants
- Growing competition – local and imports
- Dumping of imports at lower prices by neighbor countries
- FTA and MFN status – imports
- Rapidly changing standards and certification requirements

Weaknesses

- Energy shortage and high cost of utilities
- Security concerns – Global Buyers

DuPont Analysis

	2015	2014
Operating Income Margin (Operating Profit / Sales)	**18.75%**	15.36%
Leverage Ratio (Asset / Equity)	**1.25**	1.33
Return on Equity (ROE)	**28.06%**	26.00%
Asset Turnover (Sales / Assets)	**1.69**	1.96
Interest Burden / Efficiency (PBT / EBIT)	**99.67%**	96.98%
Tax Burden / Efficiency (Net Income / PBT)	**71.21%**	67.04%

Leverage Ratio (Assets / Equity)
Declined due to increase in shareholders wealth.

Interest Burden / Efficiency (PBT / EBIT)
Increased due to decrease in finance cost.

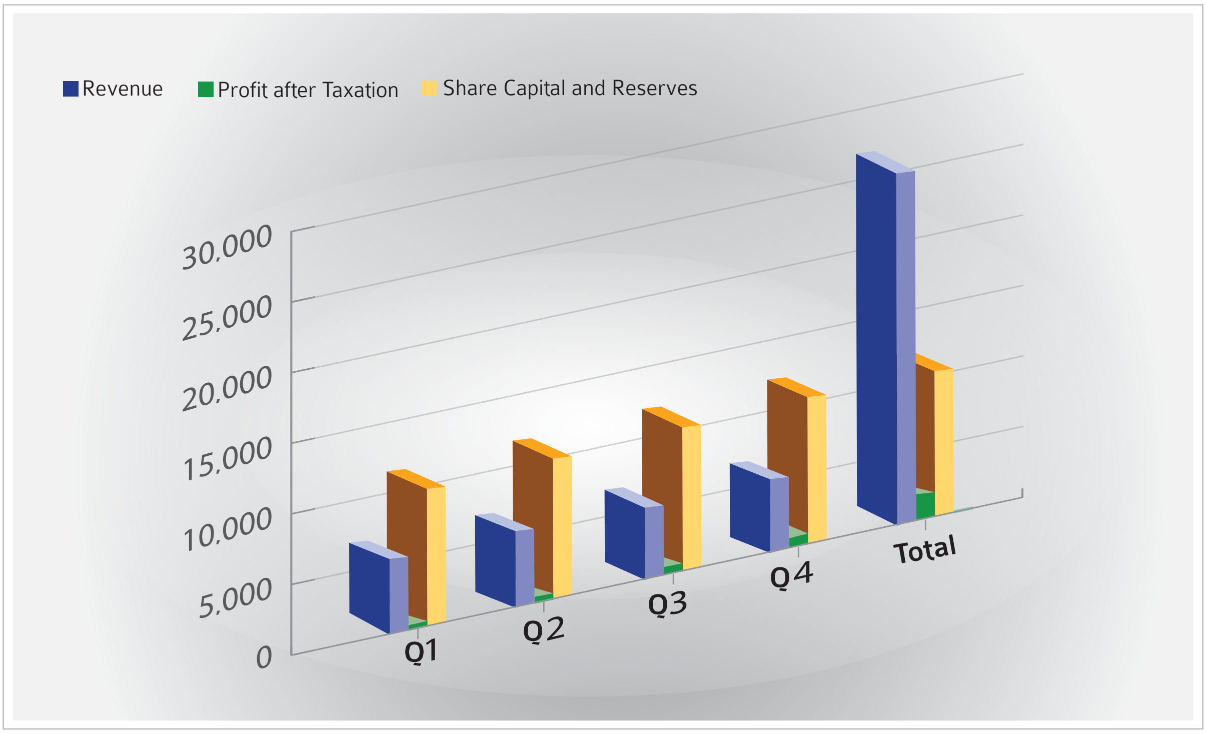
Tax Burden / Efficiency (Net Income / PBT)
Increased mainly due to increase in profit through cost saving initiatives.

Asset Turnover (Sales / Assets)
Slightly decreased due to decrease in sales and increase in total assets on account of increase in Co-Gen Plant at Cornwala.

Operating Income Margin
Operating Income increased due to decrease in fuel and corn cost.

Return on Equity (ROE)
Return on Equity increased due to increase in net profit by 30% than last year.

Quarterly Analysis



	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
			............Rs Million...........		
Revenue	6,019	6,669	5,536	6,394	24,618
Profit after Taxation	682	757	734	1,102	3,275
Share Capital and Reserves	9,578	10,104	10,560	11,674	11,674
Earning Per Share	73.79	81.96	79.42	119.42	354.59

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

Sales-net

Sales revenue decreased by 2% as compared to last year. This decrease in revenue over the periods is attributable to both volumetric and price decrease. Moreover, variation in sales revenue quarter to quarter is due to overall industrial energy crisis.

Profit after Taxation

Profit after Taxation increased by 5.49% in second quarter due to increase in volumes, in the fourth quarter we maintained our performance by taking timely and efficient cost saving initiatives.

Share Capital and Reserves

Share capital and reserves Rs. 9,578 Million at the start of the year, which has miner increase at the end of the first quarter due to payment of final dividend on ordinary shares for the year ended December 31, 2014.Furthermore, strategic decisions support us to maintain a persistent increase in Reserves.

Earning per Share

Earning per Share directly relate with respective changes in Profit after Tax during the year.

Sensitivity Analysis

The Company's principal foreign currency exposure is to 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.

	2015	2014
	(Rupees in thousands)	
Effect on profit and loss		
US Dollar	7,079	7,015

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

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

	2015		2014	
	(Rupees in thousands)			
VALUE ADDED				
Net sales	24,618,077		25,196,599	
Material and services	(18,033,068)		(19,593,172)	
Other income	177,476		114,649	
Foreign Exchange Loss	(3,742)		(15,105)	
	6,758,743		5,702,971	
DISTRIBUTION		%		%
EMPLOYEES AS REMUNERATION				
Salaries, wages and amenities	1,377,276	20.4	1,101,586	19.3
FINANCIAL CHARGES TO PROVIDERS OF FINANCE				
Finance Cost	15,295	0.2	117,018	2.1
GOVERNMENT AS TAXES				
Tax	1,324,236	19.5	1,237,106	21.7
Workers profit participation fund	230,511	3.4	197,583	3.5
Workers welfare fund	83,892	1.2	74,976	1.3
	1,638,639	24.2	1,509,665	26.5
SHAREHOLDERS AS DIVIDEND				
Cash dividend	1,293,100	19.1	1,246,918	21.9
SOCIETY WELFARE				
Donations	5,116	0.1	4,995	0
RETAINED WITHIN THE BUSINESS				
Depreciation/amortization	447,252	6.6	452,941	8.0
Retained profit	1,982,065	29.5	1,269,848	22.2
	2,429,317	35.9	1,722,789	30.3
	6,758,743	100	5,702,971	100

Whistle Blower Policy

RafhanMaize has a Whistle Blower Protection Policy to protect employees who raise concerns about actual, suspected or anticipated wrongdoing within the Company.

The aim of this policy is to make employees feel confident about raising concerns internally, by offering a reporting and investigation mechanism and protects employees from any reprisal or disadvantage.

The policy outlines activities of wrongdoing such as:

- corrupt conduct;
- fraudulent or any other illegal activity;
- a substantial mismanagement of Rafhan Maize Products Company Limited resources;
- conduct involving substantial risk to public health or safety;
- conduct involving substantial risk to the environment; or
- any other conduct that could cause loss to Rafhan Maize Products Company Limited or become detrimental to Rafhan Maize Products Company Limited

The Company has several channels for reporting wrongdoing, such as our:

- Suggestion Box
- People Leaders
- HR teams
- Chief Compliance Officer
- Chief Financial Officer (if fraud or financial crime involved).

In addition to these channels Company has online and corporate hotline whistleblowing reporting channels for employees who wish to report wrongdoing anonymously. A comprehensive investigation process is in place.

Corporate Social Responsibility Policy

This policy widely covers activities under CSR and all philanthropic activities including donations, charities, contributions and payments of similar nature where consideration is social uplift and wellbeing of masses.

The Company has formed CSR Committee comprising Chief Executive, Chief Financial Officer, Director HR, Admin. & Leagl Affairs and Company Secretary to critically review the CSR proposals and allocate resources for social uplift projects/donation requests.

All donations, charity, contributions or other payments of similar nature can be made to the deserving charitable or other institutions, sports organizations and clubs for the welfare of the community. However, wherever possible, such payments are restricted to the institutions who are registered with the Income Tax department for this purpose. The Company made generous contributions to augment Government efforts for fighting against calamilities, floods, internal displacements and natural disasters. By policy, the Company prefers to extend donations to charitable institutions in kind or provide specific equipments or build asset for the institution.

Policy for Safety of Records of the Company

The main objective of this Policy is to develop comprehensive mechanism for safe keeping of Company records, monitoring binding process and clearly define the role and responsibilities of staff for structuring the process.

The Policy focuses on controls and standard processes to prevent mishandling and misplacement of important Company documents.

The Company maintains and safeguards record as per corporate legal requirements and taxation obligations. Our system enables us to log, store and dispose of records of our business and facilitate us to:

- Plan and work more efficiently
- Meet legal, tax, and financial requirements
- Measure profit and performance
- Generate meaningful reports
- Protect our rights
- Manage potential risks

We prefer to use an electronic record keeping system to make it easier to capture information, generate reports and meet financial, customers, tax and legal reporting requirements.

The Company restricts the access to record. Only authorized personal can access company sensitive record with specifically documentary approvals. Only copies are allowed for legal compulsions and obligations.

Information Technology - Governance & Security Policy

The Company's success and potential are highly dependent upon reliable information to support business transactions, provide management and customers with timely, accurate and complete information in highly effective way.

All types of information, regardless of form, must be treated as company assets.

Examples of such assets are business plans and results, employees' data, research and development data, product formulas, computer hardware and software etc. The Company expects all employees and contracted third parties to safeguard these information assets in accordance with established security measures and procedures.

Our Global Steering Committee guides the overall direction of Information System in the Company.

It is the policy of the Company to protect and secure the integrity, confidentiality and availability of its information assets:

- By establishing physical and logical security measures and procedures to permit authorized access to the Company information assets;
- By requiring all employees to adhere to all security measures and procedures and to disclose information only to authorized employees or third parties;
- By providing security measures and procedures to prevent unauthorized destruction, copying or alteration of information assets by internal or external entities;
- By providing secure communication capabilities, via public or private networks to ensure that sensitive information shared within the company as well as with external entities is not intercepted, modified or destroyed;
- By providing the ability to restore, in an acceptable time frame, critical systems and information capabilities in the event of a disaster.
- The company proactively enforces the information security policy.
- The standards and guidelines are maintained and updated on a regular basis as significant changes occur.
- Senior management proactively supports, maintains, and monitors the effectiveness of and compliance with the information security standards.

Investors Grievances Policy

At RafhanMaize, we strive for the satisfaction and growth of our Shareholders/Investors by adopting only those business practices which add value to our stakeholders. The Company has hired the services of highly qualified Shares Registrar M/s FAMCO Associates for prompt and smooth handling of all shares related matters. We are actively pursuing through direct letters, newspaper ads and periodic financial reports and pay outstanding dividend to our valued shareholders.

The Company has also created a comprehensive website as per SECP's requirements which includes INVESTORS SECTION that contain useful information for the shareholders. The website has Investor Complaint Section linked with SECP site wherein investors can express their grievances by filling online complaint Form. Rafhan also has designated following representative for handling investors' grievances:

Mr. M. Yasin Anwar
Company Secretary & Compaliance Offiicer
Tel. No. (0092) (41) 8556799, 8540121-23 (Ext. 211 / 348)
Email: corporate@rafhanmaize.com

All investors' grievances received are responded within three days. After due verification and scrutiny, appropriate steps are initiated to resolve the complaint at the earliest.

Conflict of Interest Policy

An employee or director's personal interests should never influence his/her business judgment or decision-making on behalf of RafhanMaize. RafhanMaize fully respects the employees and directors private life, but expects employees and directors to avoid situations that could result in a conflict between their personal interests and those of the company. This Policy provides rules on how to avoid or handle such conflicts.

Nobody, whether an individual, a commercial entity, or a company with a relationship to a RafhanMaize employee, may improperly benefit from RafhanMaize through his or her relationship with the employee or as a result of the employee's position in the company. Furthermore, no employee may personally benefit in an improper way. Employees and directors must also be aware that according to various international conventions and national laws, the granting or acceptance of improper benefits can constitute a criminal offence.

- Disclosure of a conflict of interest shall be made to the employee's immediate supervisor or Company compliance officer. Where approval is required, such approval shall be sought from the employee's supervisor or company secretary office.
- Disclosures, approvals and rejections shall be documented in writing and a copy shall be kept by the employee as well as by his/her supervisor or Company Secretary's Office (in case of non-executive director).
- Disclosure and, if applicable, approval is always required prior to engaging in the conduct in question. Any material changes to the disclosed/approved conflicts shall also be subject to renewed disclosure/approval.
- New hires should disclose all actual or potential conflicts of interest at or before commencement of employment.

For ensuring all potential conflicts of interest are recognized, all employees and directors shall disclose any mandates they may hold in a board of directors, in any advisory board or in a supervisory body of an external organization to Company Compliance Officer or HR Director.

Activities which violate or appear to violate this Policy shall be reported to the Company Compliance Officer/Company Secretary. RafhanMaize will regard any violation of this policy as a serious breach of an employee's obligations and will take strong disciplinary action including termination of employment.

Social and Environmental Responsibility Policy

RafhanMaize is fully committed to providing a quality service in a manner that ensures a safe and healthy workplace for our employees and minimises our potential impact on the environment. The Company will operate in compliance with all relevant environmental legislation and will strive hard to use pollution prevention and environmental best practices in all it does.

The Company will:-

- integrate the consideration of environmental concerns and impacts into all of the decision making and activities;
- promote environmental awareness among the employees and encourage them to work in an environmentally responsible manner;
- train, educate and inform the employees about environmental issues that may affect their work;
- reduce waste through re-use and recycling and by purchasing recycled, recyclable or re-furbished products and materials where these alternatives are available, economical and suitable;
- promote efficient use of materials and resources throughout our facilities and business locations including water, electricity, raw materials and other resources, particularly those that are non-renewable;
- avoid unnecessary use of hazardous materials and products, seek substitutions when feasible, and take all reasonable steps to protect human health and the environment when such materials must be used, stored and disposed of;
- purchase and use environmentally responsible products;
- where required by legislation or where significant health, safety or environmental hazards exist, develop and maintain appropriate emergency and spill response programmes;
- communicate its environmental commitment to clients, customers and the public and encourage them to support the cause; and
- strive to continually improve its environmental performance and minimise the social impact and damage of activities by periodically reviewing its environmental policy in light of the current and planned future activities.

Succession Planning Policy

RafanMaize is fully committed to mantain inventory of highly skilled and professionally competent business leaders. The Company has a well structured Succession Planning Policy for desired results.

The process featuers as:

- Identify high-potential employees capable of rapid advancement to positions of higher responsibility than those they presently occupy.
- Ensure the systematic and long-term development of individuals to replace key job incumbents as the need arises due to deaths, disabilities, retirements, and other unexpected losses.
- Provide a continuous flow of talented people to meet the organization's management needs.
- Meet the organization's need to exercise social responsibility by providing for the advancement of protected labor groups inside the organization.
- The Company has one of the best in class performance management system called "Workday" for personnel development and succession planning.
- All the managers and supervisors required to identify successor for each position from bottom up.
- Respective managers and supervisors are responsible to identify additional training requirements of incumbent individuals by using training need assessment tool.
- High level People Capability Review with individual mangers and executive leadership team members are performed to review the progress and readiness of the individuals.
- Progress from the last people capability review tracked through well-structured template and action plans for the futures years is developed with short span milestones and hard coded deliverables.
- Development plans for the individuals with high potential are prepared and modular training programs accordingly earmarked; and
- Critical positions or position with high turnover are reviewed frequently to ensure smooth succession planning and availability of right resource.

Throughout the year, HR Director periodically visits top managers to review progress in developing identified successors throughout their areas of responsibility.

"Workday" system provides all the time updated information on Succession planning.

Stakeholders Engagement

Policy and Procedure for Stakeholders' Engagement

Activity	Detail	Frequency
AGMs/EGMs	AGMs & EGMs provide easy access to shareholders to directly communicate with directors and executives of the Company and openly convey their views.	AGM – Annually EGM – As and when shareholders participation required
Financial Reports	Annual, half-year and quarterly reports are circulated among shareholders and also placed on Company website for easy access to all stakeholders.	Annual, Half-Year and Quarterly
Stock Exchanges	In compliance with Stock Exchange Rules and Code of Corporate Governance, all material information is conveyed to Stock Exchanges. Financial reports are also sent to Stock Exchanges for potential investors.	Periodic and ongoing
Customers & Suppliers	Company's Business Conduct Policies are annually circulated among Customers and Suppliers to remind them of Company's strong business culture. New parties are briefed about company's polices for strict adherence.	Annually and ongoing
Banks and other lenders	Company's periodic financial statements are sent to its financial institutions. Borrower's basic fact sheet is provided on renewal of borrowing limits. Frequent meetings are held with the bankers and Company's financial institutions.	Periodic and Annually
Media	Company's updated website is available for all public information. Necessary notices to shareholders like dividend announcement, notice of general meeting, etc. are conveyed to shareholders through press advertisement. Since Company is an industrial organization, it has no direct media contact.	Through Website
Regul ator	All statutory requirements are complied and communicated to SECP within stipulated time.	Periodic and ongoing
Analyst	Periodic financial statements including management's corporate reports are regularly sent to Financial institutions, libraries, research institutes, students, etc.	Periodic

Review Report to the Members

on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the statement of compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Rafhan Maize Products Co Ltd. ("the Company") to comply with the Listing Regulations of Karachi and Lahore Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's 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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

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 best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 31st December 2015.

Lahore
February 24, 2016

KPMG Taseer Hadi & Co.
Chartered Accountants
(Kamran I. Yousafi)

Statement of Compliance with the
Code of Corporate Governance - Year Ended December 31, 2015

This statement is being presented to comply with the Code of Corporate Governance contained in Chapter 5.19 of Rule Book of Pakistan Stock Exchange Limited and for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. On December 31, 2015 the board includes:

Category	Names
Independent Director	Mr. Anis Ahmad Khan
Non-Executive Directors	Mr. Martin Sonntag
	Mr. Rashid Ali
	Mr. James P. Zallie
	Mr. Jack C. Fortnum
	Ms. Christine M. Castellano
	Mr. Zulfikar Mannoo
	Mian M. Adil Mannoo
	Mr. Wisal A. Mannoo
Executive Directors	Mr. Ansar Yahya
	Dr. Abid Ali

The Independent Director meets the criteria of independence under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. One casual vacancy occurred with the death of Independent Director was filled up in April, 2015. Election of directors was held in September, 2015 after completion of its tenure of three years. New Board was elected for the next term.

5. 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.

6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

8. The meetings of the board were presided over by the Chairman and, in his absence, by the Vice Chairman and in their absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Directors of the Board were apprised of their duties and responsibilities from time to time during Board meetings. In accordance with mandatory requirement of SECP and Pakistan Stock Exchange, all local Directors except one have obtained certification from approved institutions.

10. The board has approved/ratified appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment after implementation of CCG 2012.

11. The directors' report for this year has been prepared in compliance with the requirements of

the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The board has formed an Audit Committee. At present, it comprises of five members. All are non-executive directors including one Independent Director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

17. The board has formed HR and Remuneration Committee. It comprises four members, of whom three are non-executive directors. The Chairman of the Committee is a non-executive director.

18. The board has set up an effective internal audit function. The Internal Auditor is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

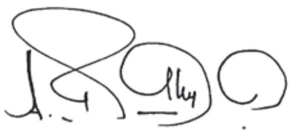
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchanges.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.

23. We confirm that all other material principles enshrined in the CCG have been complied with.



ANSAR YAHYA
Chief Executive &
Managing Director

February 24, 2016

FINANCIALS

RafhanMaize
PRODUCTS CO LTD
Annual Report 2015

Auditors' Report to the Members

We have audited the annexed balance sheet of Rafhan Maize Product Company Limited ("the Company") as at 31 December 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for the change referred to in note 4.1 of the financial statements with which we concur;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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 2015 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion, Zakat deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
(Kamran I. Yousafi)

Lahore
February 24, 2016

Balance Sheet
As at 31 December 2015

	Note	2015	2014
		(Rupees in thousands)	
Non-current assets			
Property, plant and equipment	5	6,389,399	5,165,388
Intangibles	6	1,161	7,375
Employees retirement benefits	7 & 17	14,680	-
Long term loans	8	7,016	4,243
		6,412,256	5,177,006
Current assets			
Stores and spares	9	728,968	676,810
Stock in trade	10	3,409,116	2,727,126
Trade debts	11	1,004,129	902,666
Loans and advances	12	93,234	162,408
Trade deposits and short term prepayments	13	144,351	117,477
Other receivables	14	27,769	18,759
Cash and bank balances	15	2,786,410	3,115,831
		8,193,977	7,721,077
Current liabilities			
Trade and other payables	16	2,099,989	2,201,983
Mark-up accrued on short term running finances		36	14
Provision for taxation - net		187,532	339,583
		2,287,557	2,541,580
Working capital		5,906,420	5,179,497
Total capital employed		12,318,676	10,356,503
Non-current liabilities			
Deferred liabilities	17	644,890	675,055
Net capital employed		11,673,786	9,681,448
Represented by:			
Share capital and reserves			
Share capital	18	92,364	92,364
Reserves	19	11,581,422	9,589,084
Contingencies and commitments	20		
		11,673,786	9,681,448

The annexed notes 1 to 41 form an integral part of these financial statements.

Dr. Abid Ali
Director

Ansar Yahya
Chief Executive and
Managing Director

Zulfikar Mannoo
Director

Profit and Loss Account
For the year ended 31 December 2015

	Note	2015	2014
		(Rupees in thousands)	
Sales - net	22	24,618,077	25,196,599
Cost of sales	23	(19,163,936)	(20,539,625)
Gross profit		5,454,141	4,656,974
Distribution expenses	24	(289,904)	(258,972)
Administrative expenses	25	(408,872)	(354,097)
Other income	26	177,476	114,649
Other expenses	27	(318,145)	(287,664)
		(839,445)	(786,084)
Operating profit		4,614,696	3,870,890
Finance cost	28	(15,295)	(117,018)
Profit before taxation		4,599,401	3,753,872
Taxation	29	(1,324,236)	(1,237,106)
Profit after taxation		3,275,165	2,516,766
Earnings per share - basic and diluted (Rupees)	30	354.59	272.48

The annexed notes 1 to 41 form an integral part of these financial statements.

Dr. Abid Ali
Director

Ansar Yahya
Chief Executive and
Managing Director

Zulfikar Mannoo
Director

Statement of Comprehensive Income

For the year ended 31 December 2015

	Note	2015	2014
		(Rupees in thousands)	
Profit for the year		3,275,165	2,516,766
Other comprehensive income for the year			
Items that will not be reclassified to profit and loss:			
Actuarial gain / (loss) on retirement benefits recognized directly in equity	7.3	15,112	(17,210)
Deferred tax on actuarial (gain) / loss recognized directly in equity	17.1	(4,839)	5,846
		10,273	(11,364)
Total comprehensive income for the year		3,285,438	2,505,402

The annexed notes 1 to 41 form an integral part of these financial statements.

Dr. Abid Ali
Director

Ansar Yahya
Chief Executive and
Managing Director

Zulfikar Mannoo
Director

Cash Flow Statement
For the year ended 31 December 2015

	Note	2015	2014
		(Rupees in thousands)	
Cash flow from operating activities			
Cash generated from operations	31	4,136,283	6,050,175
Taxes paid		(1,510,860)	(1,072,119)
Employees retirement benefits paid		(59,392)	(42,938)
Interest received		82,006	30,047
		(1,488,246)	(1,085,010)
Net cash generated from operating activities		2,648,037	4,965,165
Cash flows from investing activities			
Capital expenditure incurred		(1,665,395)	(468,727)
Proceeds from sale of property, plant and equipment		2,325	28,244
Long term loans disbursed		(8,000)	(3,440)
Repayment from long term loans		4,206	2,948
Net cash used in investing activities		(1,666,864)	(440,975)
Cash flows from financing activities			
Dividend paid		(1,291,579)	(1,246,203)
Short term running finances - secured		-	(80,388)
Finance cost paid		(15,273)	(123,985)
Net cash used in financing activities		(1,306,852)	(1,450,576)
Net (decrease) / increase in cash and cash equivalents		(325,679)	3,073,614
Cash and cash equivalents at the beginning of the year		3,115,831	57,322
Effect of exchange rate fluctuations on cash and cash equivalents		(3,742)	(15,105)
Cash and cash equivalents at the end of the year	15	2,786,410	3,115,831

The annexed notes 1 to 41 form an integral part of these financial statements.

Dr. Abid Ali
Director

Ansar Yahya
Chief Executive and
Managing Director

Zulfikar Mannoo
Director

Statement of Changes in Equity

For the year ended 31 December 2015

	Share capital	Capital Reserves: Share premium	Capital Reserves: Other	Revenue Reserves: General	Revenue Reserves: Un-appropriated profit	Total
	(Rupees in thousands)					
Balance as at 31 December 2013	92,364	36,946	941	207	8,292,506	8,422,964
Total comprehensive income						
Profit for the year	-	-	-	-	2,516,766	2,516,766
Other comprehensive loss	-	-	-	-	(11,364)	(11,364)
	-	-	-	-	2,505,402	2,505,402
Transactions with owners of the Company recognized directly in equity						
Final dividend 2013 @ Rs. 80.00 per share	-	-	-	-	(738,914)	(738,914)
Ist interim dividend 2014 Rs. @ 25.00 per share	-	-	-	-	(230,911)	(230,911)
2nd interim dividend 2014 Rs. @ 30.00 per share	-	-	-	-	(277,093)	(277,093)
	-	-	-	-	(1,246,918)	(1,246,918)
Balance as at 31 December 2014	92,364	36,946	941	207	9,550,990	9,681,448
Total comprehensive income						
Profit for the year	-	-	-	-	3,275,165	3,275,165
Other comprehensive income	-	-	-	-	10,273	10,273
	-	-	-	-	3,285,438	3,285,438
Transactions with owners of the Company recognized directly in equity						
Final dividend 2014 @ Rs. 85.00 per share	-	-	-	-	(785,096)	(785,096)
Ist interim dividend 2015 @ Rs. 25.00 per share	-	-	-	-	(230,911)	(230,911)
2nd interim dividend 2015 @ Rs. 30.00 per share	-	-	-	-	(277,093)	(277,093)
	-	-	-	-	(1,293,100)	(1,293,100)
Balance as at 31 December 2015	92,364	36,946	941	207	11,543,328	11,673,786

The annexed notes 1 to 41 form an integral part of these financial statements.

Dr. Abid Ali
Director

Ansar Yahya
Chief Executive and
Managing Director

Zulfikar Mannoo
Director

Notes to the Financial Statements
For the year ended 31 December 2015

1 Reporting entity

Rafhan Maize Products Company Limited ("the Company") was incorporated in Pakistan and was subsequently listed on the Karachi and Lahore Stock Exchanges. Ingredion Inc. (formerly Corn Products International Inc.) Chicago, U.S.A., holds majority shares of the Company. The registered office of the Company is situated at Finlay House, I.I. Chundrigar Road, Karachi. The Company uses maize as the basic raw material to manufacture and sell a number of industrial products, principal ones being industrial starches, liquid glucose, dextrose, dextrin and gluten meals.

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS's) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of, or directives issued under the Companies Ordinance, 1984 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 New Standards, amendments to approved accounting standards and interpretations which became effective during the year ended 31 December 2015.

During the year certain amendments to standards or new interpretations became effective, however, the amendments or interpretation did not have any material effect on the financial statements of the Company, except for as disclosed in note 4.1.

2.4 New accounting standards and IFRIC interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2016:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.

- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures) [effective for annual periods beginning on or after 1 January 2016) clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on Company's financial statements.

- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on Company's financial statements.

- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment is not likely to have an impact on Company's financial statements.

- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Company's financial statements.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

- IFRS 7 'Financial Instruments - Disclosures'. IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

The above amendments are not likely to have an impact on Company's financial statements.

3 Basis of measurement

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

- certain foreign currency translation adjustments;

- recognition of employee retirement benefits at present value; and
- derivative financial instruments.

4 Summary of significant accounting policies

4.1 Change in accounting policy

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for the change explained below:

During the year, the Company has adopted IFRS 13 'Fair Value Measurement' which became effective for the financial periods beginning on or after 01 January 2015. IFRS 13 Fair Value Measurement establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair values as the prices 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. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 'Financial Instruments Disclosures'. As a result, the Company has included the additional disclosure in this regard in note 32.1 to the financial statements. In accordance with the transitional provisions of IFRS 13, the Company has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. The application of IFRS 13 does not have any significant impact on the financial statements of the Company except for certain additional disclosures.

4.2 Property, plant and equipment

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 and loss account over its estimated useful life after taking into account the residual value, if material. Depreciation on additions is charged from the month in which the asset is available for use and on disposals is charged up to the month preceding the 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 balance sheet date.

Maintenance and normal repairs are charged to profit and loss account 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.

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.

4.3 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 (i.e. computer software) 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 and 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 and loss as incurred.

4.4 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 pension scheme and 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 2015.

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

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised 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 recognised in profit and loss account.

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 recognised immediately in profit and loss account. 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 recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

4.5 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.

4.6 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, labour and appropriate manufacturing overheads.

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

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

4.7 Financial instruments

4.7.1 Non-derivative financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit and loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories:

- Financial assets at fair value through profit and loss
- Held-to-maturity financial assets
- Loans and receivables; and
- Available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses. A provision for impairment of loans and receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

Loans and receivables includes loans, deposits, trade debts, other receivables including accrued interest and cash and bank balances of the Company.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

As at 31 December 2015 no financial assets of the Company are classified under following categories:

- Financial assets at fair value through profit and loss;
- Held-to-maturity financial assets; and
- Available-for-sale financial assets.

4.7.2 Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities, if any, on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost, using the effective interest rate method.

Other financial liabilities comprise trade payables and mark-up accrued.

Share capital (Ordinary shares)

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

4.7.3 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 and loss account.

4.8 Impairment

Financial assets (including receivables)

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy.

All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit and loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss account.

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 and loss account.

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.

4.9 Provisions

A provision is recognized in the balance sheet 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.

4.10 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.

4.11 Revenue recognition

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably . Revenue is measured net of returns, trade discounts and sales tax.

Interest

Income from bank deposits and loans is recognized using the effective interest rate method.

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 Borrowings and their cost

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

4.14 Foreign currency translation

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

4.15 Taxation

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

Current

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

Deferred

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

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

4.16 Earnings per share

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

4.17 Dividend and other appropriations

Dividend is recognised 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.

	Note	**2015**	2014
		(Rupees in thousands)	
5 Property, plant and equipment			
Operating property, plant and equipment	5.1	4,567,109	4,733,190
Capital work in progress	5.2	1,822,290	432,198
		6,389,399	5,165,388

5.1 Operating property, plant and equipment

	Owned assets						
	Freehold land	Factory building on freehold land	Plant and machinery	Furniture and fittings	Vehicles	Office equipment	Total
	(Rupees in thousands)						
Cost							
Balance at 1 January 2014	352,187	1,993,614	4,902,691	51,049	115,824	36,875	7,452,240
Additions	24,008	42,295	174,366	3,708	10,146	17,477	272,000
Disposals	-	-	(73,053)	(814)	(6,461)	(6,759)	(87,087)
Balance at 31 December 2014	376,195	2,035,909	5,004,004	53,943	119,509	47,593	7,637,153
Balance at 1 January 2015	376,195	2,035,909	5,004,004	53,943	119,509	47,593	7,637,153
Additions	10,522	54,306	181,304	2,922	20,311	5,938	275,303
Disposals	-	-	(490)	-	(5,608)	(2,116)	(8,214)
Balance at 31 December 2015	386,717	2,090,215	5,184,818	56,865	134,212	51,415	7,904,242
Rate of depreciation - %age	-	10%	5%	20%	20%	20%	
Accumulated depreciation							
Balance at 1 January 2014	-	738,679	1,664,687	36,045	79,321	24,252	2,542,984
Depreciation	-	206,114	213,172	5,820	14,021	7,102	446,229
Disposals	-	-	(73,045)	(814)	(4,641)	(6,750)	(85,250)
Balance at 31 December 2014	-	944,793	1,804,814	41,051	88,701	24,604	2,903,963
Balance at 1 January 2015	-	944,793	1,804,814	41,051	88,701	24,604	2,903,963
Depreciation	-	190,649	221,817	5,608	14,843	8,121	441,038
Disposals	-	-	(326)	-	(5,467)	(2,075)	(7,868)
Balance at 31 December 2015	-	1,135,442	2,026,305	46,659	98,077	30,650	3,337,133
Carrying amounts							
At 31 December 2014	376,195	1,091,116	3,199,190	12,892	30,808	22,989	4,733,190
At 31 December 2015	386,717	954,773	3,158,513	10,206	36,135	20,765	4,567,109

5.1.1 The cost of fully depreciated assets which are still in use is Rs. 1,014,598 thousands (2014 : Rs. 948,680 thousands).

	Note	2015	2014
		(Rupees in thousands)	
5.1.2 Depreciation is allocated as under:			
Cost of sales	23	423,775	430,611
Distribution expenses	24	4,723	3,996
Administrative expenses	25	12,540	11,622
		441,038	446,229

5.1.3 Following assets were disposed-off during the year:

Description	Sold to	Cost	Book value	Sale Proceeds	Gain / (Loss)	Mode of disposal
		(Rupees in thousands)				
Vehicle	Miss Riffat Sarwar W/O M. Sarwar, Faislabad	1,414	141	283	142	Company policy
Plant and Machinery	G.R.P Engineering	300	122	17	(105)	Tender
Assets with book value less than Rs. 50 thousands	Miscellaneous	6,500	83	2,025	1,941	Tender and negotiations
2015		8,214	346	2,325	1,978	
2014		87,087	1,837	28,244	26,407	

5.2 Capital work in progress

	Co-Gen plant	Plant expansion projects	Others	2015	2014
	---------- (Rupees in thousands) ----------				
Land	-	-	-	-	5,679
Civil works and buildings	138,618	32,764	-	171,382	8,338
Plant and machinery	171,531	201,459	-	372,990	75,980
Advances	1,253,105	5,459	-	1,258,564	334,591
Advance for land - note 5.2.2	-	-	6,814	6,814	6,814
Machinery in transit	12,152	388	-	12,540	796
2015	1,575,406	240,070	6,814	1,822,290	432,198
2014	271,882	147,823	12,493		

5.2.1 Co-Gen plant includes markup amounting to Rs. 4,586 thousand and Mechanical Vapor Recompression (MVR) project include markup amounting to Rs. 715 thousands capitalized during the year, calculated at the rates ranging from 6.7% to 10.06% per annum (2014: 9.78 % to 11.79 %).

5.2.2 This represents full payment of Rs. 1,814 thousands and legal cost incurred 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.

	Note	(Rupees in thousands)
6 Intangibles		
SAP and other computer software		
Cost		
Balance at 1 January 2014		33,567
Addition		-
Balance at 31 December 2014		33,567
Balance at 1 January 2015		33,567
Addition		-
Balance at 31 December 2015		33,567
Amortization		
Balance at 1 January 2014		19,480
Amortization for the year		6,712
Balance at 31 December 2014		26,192
Balance at 1 January 2015		26,192
Amortization for the year	25	6,214
Balance at 31 December 2015		32,406
Amortization rate per annum (%)		20%
Carrying amounts		
At 31 December 2014		7,375
At 31 December 2015		1,161

Amortization on intangibles is charged to administrative expenses.

Notes to the Financial Statements
For the year ended 31 December 2015

	Note	2015	2014
		(Rupees in thousands)	
7 Employees retirement benefits			
Gratuity	7.1	52,220	(7,158)
Pension	7.1	(37,540)	6,726
		14,680	(432)

7.1 Movements in the net assets / (liabilities) recognized in the balance sheet are as follows:

	Gratuity		Pension	
	2015	2014	**2015**	2014
	------------------(Rupees in thousands)----------------------			
Net assets / (liabilities) at the beginning of the year	(7,158)	36,901	6,726	(20,123)
Expenses recognized	(45,278)	(27,803)	(14,114)	(15,135)
Contribution paid during the year	45,278	27,803	14,114	15,135
Actuarial gain / (loss) recognized	59,378	(44,059)	(44,266)	26,849
Net assets / (liabilities) at the end of the year	52,220	(7,158)	(37,540)	6,726
7.2 The amounts recognized in the profit and loss account are as follows:				
Current service cost	(46,904)	(34,407)	(15,562)	(13,403)
Interest cost	(76,407)	(70,713)	(49,489)	(59,019)
Interest income on plan assets	78,033	77,317	50,937	57,287
	(45,278)	(27,803)	(14,114)	(15,135)
7.3 The amounts recognised in other comprehensive income are as follows:				
Remeasurement of plan obligation from:				
- Change in demographic assumptions	-	(641)	-	(10,664)
- Change in financial assumptions	86,654	(100,733)	(24,484)	5,342
- Experience on obligation	(24,987)	46,087	(12,076)	32,118
	61,667	(55,287)	(36,560)	26,796
Remeasurements of plan assets:				
- Actual net return on plan assets	75,744	88,545	43,231	57,340
- Interest income on plan assets	(78,033)	(77,317)	(50,937)	(57,287)
	(2,289)	11,228	(7,706)	53
	59,378	(44,059)	(44,266)	26,849
7.4 The amounts recognized in the balance sheet are as follows:				
Present value of the obligation	(776,115)	(746,841)	(561,535)	(487,352)
Fair value of plan assets	828,335	739,683	523,995	494,078
Net asset / (liability)	52,220	(7,158)	(37,540)	6,726

Notes to the Financial Statements
For the year ended 31 December 2015

	Gratuity		Pension	
	2015	2014	**2015**	2014
	(Rupees in thousands)			
7.5 Movement in present value of defined benefit obligation				
Present value of defined benefit obligation as at the beginning of the year	(746,841)	(631,083)	(487,352)	(469,252)
Current service cost	(46,904)	(34,407)	(15,562)	(13,403)
Interest cost	(76,407)	(70,713)	(49,489)	(59,019)
Actual benefits paid during the year	32,370	44,649	27,428	27,526
Actuarial gain / (loss) on obligation	61,667	(55,287)	(36,560)	26,796
Present value of defined benefit obligation as at the end of the year	(776,115)	(746,841)	(561,535)	(487,352)
7.6 Movement in fair value of plan assets				
Fair value of plan asset as at the beginning of the year	739,683	667,984	494,078	449,129
Interest income on plan assets	78,033	77,317	50,937	57,287
Actual benefits paid during the year	(32,370)	(44,649)	(27,428)	(27,526)
Actual contribution by the employer- normal	45,278	27,803	14,114	15,135
Net return on plan assets over interest income	(2,289)	11,228	(7,706)	53
Fair value of plan asset as at the end of the year	828,335	739,683	523,995	494,078
7.7 Actual return on plan assets				
Expected return on plan assets	78,033	77,317	50,937	57,287
Net return on plan assets over interest income	(2,289)	11,228	(7,706)	53
	75,744	88,545	43,231	57,340
7.8 Plan assets comprise:				
Pakistan Investment Bonds (PIBs)	489,529	485,487	239,416	205,786
Mutual funds	206,370	191,696	88,819	83,786
Treasury Bills (T-Bills)	88,682	57,429	134,517	197,169
Debt instruments	27,181	-	45,301	-
Cash at Bank	16,573	5,071	15,942	7,337
	828,335	739,683	523,995	494,078
7.9 Analysis of Present value of defined benefit obligation:				
Type of Members:				
Management	561,851	539,408	-	-
Non-management	214,264	207,433	-	-
Active	-	-	331,834	286,106
Pensioners	-	-	229,701	201,246
	776,115	746,841	561,535	487,352

	Gratuity		Pension	
	2015	2014	**2015**	2014
	--------(Rupees in thousands)--------			
Vested / non-vested:				
Vested benefits	775,417	680,361	450,091	372,082
Non-vested benefits	698	66,480	111,444	115,270
	776,115	746,841	561,535	487,352
Type of Benefits:				
Accumulated benefit obligation	434,506	273,939	434,688	349,013
Amounts attributed to future salary increases	341,609	472,902	126,847	138,339
	776,115	746,841	561,535	487,352
7.10 Disaggregation of fair value of plan assets:				
Cash and cash equivalents				
(after adjusting current liabilities)				
Quoted	16,573	5,071	15,942	7,337
Not quoted	-	-	-	-
	16,573	5,071	15,942	7,337
Debt instruments				
Quoted	578,211	542,916	373,933	402,955
Not quoted	27,181	-	45,301	-
	605,392	542,916	419,234	402,955
Investment in mutual funds				
Quoted	206,370	191,696	88,819	83,786
Not quoted	-	-	-	-
	206,370	191,696	88,819	83,786
Total fair value of plan assets	828,335	739,683	523,995	494,078

7.11 Plan assets does not include any investment in the Company's ordinary shares as at 31 December 2015 (2014: Nil).

7.12 Expected contributions to gratuity fund and pension fund for the year ending 31 December 2016 are Rs. 40,341 thousands and Rs. 19,555 thousands respectively.

7.13 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.

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

	Gratuity Fund		Pension Fund	
	2015	2014	**2015**	2014
	--------(Rupees in thousands)--------			
Annual discount rate	9.00%	10.50%	9.00%	10.50%
Expected return on plan assets	9.00%	10.50%	9.00%	10.50%
Contribution rates (% of basic salaries)	17.01%	12.65%	7.51%	9.95%

	Gratuity Fund		Pension Fund	
	2015	2014	**2015**	2014
	(Rupees in thousands)			
Expected rate of growth per annum in future salaries:				
- First year following valuation	13.75%	13.00%	13.75%	13.00%
- Second year following valuation	11.75%	13.00%	11.75%	13.00%
- Third year following valuation	9.75%	12.25%	9.75%	12.25%
- Long term (fourth year following valuation and onwards)	8.75%	12.25%	8.75%	12.25%
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.

7.15 The weighted average duration of the defined benefit obligation is 7.27 years and 10.85 years (2014: 8.14 years and 10.6 years) for gratuity and pension funds respectively.

7.16 These defined benefit plans exposes the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

7.17 The main features of the employee retirement benefit schemes are as follows:

- Under the gratuity scheme, the normal retirement age in case of managers and officers is 63 years and 60 years in case of staff and workers. A member shall be entitled to gratuity on resignation, termination, retirement, early retirement, retrenchment, death and dismissal based on the Company's Service rules.

- Under pension scheme the member shall be entitled to pension, subject to conditions laid down in the rules, on reaching the normal retirement age, disability, early retirement or death in which case the surviving spouse shall be entitled.

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

7.18 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.

7.19 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%	(27,170)	29,276	(29,341)	32,370
Salary growth rate	0.5%	29,893	(27,992)	11,698	(10,934)

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.

	Note	2015	2014
		(Rupees in thousands)	
8 Long term loans - secured considered good			
Staff loans outstanding:			
Executives	8.1	9,238	4,467
Other employees		1,670	2,647
		10,908	7,114
Less: current maturity	12	(3,892)	(2,871)
		7,016	4,243

8.1 Loans to executives

	2015	2014
Opening balance	4,467	5,143
Disbursement during the year	8,000	1,450
Recoveries during the year	(3,229)	(2,126)
Closing balance	9,238	4,467

8.2 Loan to executives represent car loan provided to executives in accordance with the Company's policy and are repayable in 48 equal installments. These loans are secured against the employees provident fund and are interest free. Maximum aggregate balance during the year, at the end of any month, of loans to executives was Rs. 9,545 thousands (2014 : Rs. 5,371 thousands).

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

8.4 Loans to other employees represent house building loans provided to employees in accordance with Company's policy and are repayable over a period of five years. These loans are secured against the employees provident fund. Loans to employees carry interest at the rate of approximately 8% per annum (2014: 8 % per annum).

	Note	2015	2014
		(Rupees in thousands)	
9 Stores and spares			
Stores		453,084	480,029
Spares		234,807	227,418
		687,891	707,447
Provision for slow moving and obsolete items	9.1	(32,199)	(61,359)
		655,692	646,088
Stores in transit		73,276	30,722
		728,968	676,810

	Note	2015	2014
		(Rupees in thousands)	
9.1 Provision for slow moving and obsolete items			
Opening balance		61,359	54,071
(Reversal) / Provision for the year		(29,160)	7,288
Closing balance		32,199	61,359

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

	Note	2015	2014
		(Rupees in thousands)	
10 Stock in trade			
Raw materials - corn and cobs		1,189,661	761,531
Work in process		86,447	60,390
Finished goods	10.1	2,149,676	1,905,205
		3,425,784	2,727,126
Less: Provision for slow moving and obsolete stocks:			
- Raw materials - corn and cobs		(16,539)	-
- Finished goods		(129)	-
		(16,668)	-
		3,409,116	2,727,126

10.1 This includes imported finished goods amounting to Rs. 24,969 thousands (2014 : Rs. 31,703 thousands) out of which goods in transit amount to Rs. 15,937 thousands (2014 : 7,117 thousands).

	Note	2015	2014
		(Rupees in thousands)	
11 Trade debts			
Considered good			
Unsecured:			
Related party	11.1	178,505	154,164
Others		144,281	151,143
Secured	11.2	681,343	597,359
		1,004,129	902,666
Considered doubtful		542	1,749
		1,004,671	904,415
Provision for doubtful debts	11.3	(542)	(1,749)
		1,004,129	902,666

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

	2015					
	Neither past due nor impaired	Past due (1- 60 days)	Past due (61- 90 days)	Past due (91- 365 days)	Past due more than 365 days	Total
	(Rupees in thousands)					
Ingredion Holding LLC Kenya	42,288	29,616	-	-	-	71,904
Ingredion Singapore PTE LTD	6,836	-	-	-	-	6,836
Ingredion Philippine Inc	2,574	2,574	2,574	-	-	7,722
Ingredion Malaysia SDN.BHD	1,300	1,392	-	-	-	2,692
Ingredion Germany GMBH	104	-	-	-	-	104
Unilever Pakistan Food Limited	83,765	3,016	-	2,466	-	89,247
	136,867	36,598	2,574	2,466	-	178,505

	2014					
	Neither past due nor impaired	Past due (1- 60 days)	Past due (61- 90 days)	Past due (91- 365 days)	Past due more than 365 days	Total
	(Rupees in thousands)					
Ingredion Holding LLC Kenya	63,974	-	-	-	-	63,974
Ingredion Singapore PTE LTD	5,858	-	-	-	-	5,858
National Starches Specialties China	7,050	-	-	-	-	7,050
Unilever Pakistan Food Limited	71,530	4,198	-	1,554	-	77,282
	148,412	4,198	-	1,554	-	154,164

11.2 These debts are secured against security deposits and bank guarantees received from customers.

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11.3 Provision for doubtful balances	Note	2015	2014
		(Rupees in thousands)	
Opening balance		1,749	3,365
Reversal of provision for the year	26	(1,197)	(1,464)
Bad debts written off during the year		(10)	(152)
Closing balance		542	1,749

No provision has been made against receivables from related parties, as none of the amounts receivable are considered impaired. Reversal of provision for doubtful debts is credited in other income.

	Note	2015	2014
		(Rupees in thousands)	
12 Loans and advances			
Loans and advances - considered good:			
Suppliers of goods and services		84,095	152,498
Employees	12.1	5,247	7,039
Current maturity of long term loans	8	3,892	2,871
		93,234	162,408

12.1 No advances were given to executives, directors and chief executive of the Company during the year.

	Note	2015	2014
		(Rupees in thousands)	
13 Trade deposits and short term prepayments			
Security deposits		34,204	34,585
Prepayments		110,147	82,892
		144,351	117,477
14 Other receivables			
Other receivables - farmers balances:			
Considered good		8,192	5,240
Considered doubtful		1,675	1,675
		9,867	6,915
Less: Provision for doubtful balances	14.1	(1,675)	(1,675)
		8,192	5,240
Others		19,577	13,519
		27,769	18,759

14.1 Provision for doubtful balances

There was no movement during the current and previous year.

	Note	2015	2014
15 Cash and bank balances			
Cash at banks			
- current accounts		147,960	127,430
- saving accounts	15.1	2,525,572	2,803,742
		2,673,532	2,931,172
Cheques in hand		107,145	180,598
		2,780,677	3,111,770
Cash in hand			
- local currency		5,082	3,801
- foreign currency		651	260
		5,733	4,061
		2,786,410	3,115,831

15.1 These carry profit at rates ranging from 4.00 % to 9.00% per annum (2014: 5.71 % to 9.00% per annum).

	Note	2015	2014
		(Rupees in thousands)	
16 Trade and other payables			
Creditors		497,589	750,721
Advances from customers		117,566	126,384
Security deposits from dealers and contractors	16.1	619,939	591,517
Other deposits	16.2	2,297	980
Accrued liabilities		345,573	323,897
Workers' welfare fund	16.3	92,590	81,913
Workers' profit participation fund	16.4	230,442	197,773
Employees provident fund	16.5	10,262	7,455
With holding tax payable		4,344	5,276
Sales tax payable		170,465	108,666
Unclaimed dividend		8,922	7,401
		2,099,989	2,201,983

16.1 As per the terms of agreement between dealers and contractors, the Company can utilize these deposits in the normal course of business.

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

	Note	2015	2014
		(Rupees in thousands)	
16.3 Workers' welfare fund			
Opening balance		81,913	63,277
Provision for the year	27	83,892	74,976
Payment to the fund		(73,215)	(56,340)
Closing balance		92,590	81,913
16.4 Workers' profit participation fund			
Opening balance		197,773	14,325
Provision for the year	27	230,511	197,583
Payment to the fund		(197,842)	(14,135)
Closing balance		230,442	197,773

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 as at 31 December 2015:

	2015	2014
	(Rupees in thousands)	
Size of the fund - total assets	1,008,521	926,968
Cost of investments made	810,903	747,691
Percentage of investments - (% of total assets)	80.41%	80.66%
Fair value of investments	840,780	760,751

16.5.1 The break-up of investments is as follows:

	2015		2014	
	(Rupees in thousands)	%	(Rupees in thousands)	%
Pakistan Investment Bonds	542,087	53.75%	476,916	51.45%
Treasury Bills	112,713	11.18%	124,995	13.48%
Meezan Mutual Funds	171,550	17.01%	156,875	16.92%
Bank Placements	14,430	1.43%	1,965	0.21%
	840,780	83%	760,751	82%

The investments out of the provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

	Note	2015	2014
		(Rupees in thousands)	
17 Deferred liabilities			
Employees retirement benefits	7	-	432
Deferred taxation	17.1	644,890	674,623
		644,890	675,055

17.1 Deferred taxation

Movement in deferred taxation is as follows:

	2015			
	Opening	Charged to profit and loss	Charged to other comprehensive income	Closing
	--------------------------(Rupees in thousands)--------------------------			
Taxable temporary difference				
Accelerated tax depreciation	698,038	(40,177)	-	657,861
Employees retirement benefits	(142)	-	4,839	4,697
Deductible temporary difference				
Others	(23,273)	5,605	-	(17,668)
	674,623	(34,572)	4,839	644,890

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	2014			
	Opening	Charged to profit and loss	Charged to other comprehensive income	Closing
	-------------------------(Rupees in thousands)-------------------------			
Taxable temporary difference				
Accelerated tax depreciation	735,978	(37,940)	-	698,038
Employees retirement benefits	5,704	-	(5,846)	(142)
Deductible temporary difference				
Others	(33,634)	10,361	-	(23,273)
	708,048	(27,579)	(5,846)	674,623

	2015	2014	2015	2014
	----(Number of shares)----		----(Rupees in thousands)----	
18 Authorized, issued, subscribed and paid up capital				
Authorized share capital - ordinary shares of Rs.10 each	20,000,000	20,000,000	200,000	200,000
18.1 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 other than cash - plant and machinery	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

18.2 Ingredion Inc. Chicago, U.S.A. (the holding company), holds 6,494,243 (2014: 6,494,243) ordinary shares of Rs. 10 each as at 31 December 2015.

18.3 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.

		Note	2015	2014
			(Rupees in thousands)	
19	**Reserves**			
	Capital			
	Share premium	19.1	36,946	36,946
	Other	19.2	941	941
			37,887	37,887
	Revenue			
	General reserve		207	207
	Unappropriated profit		11,543,328	9,550,990
			11,543,535	9,551,197
			11,581,422	9,589,084

19.1 This reserve can be utilized in accordance with the provision of section 83(2) of the Companies Ordinance, 1984.

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

20 Contingencies and commitments

20.1 Contingencies

20.1.1 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.

20.1.2 Land registration fee as per Note 5.2.2.

21.2 Counter guarantees given by the Company to its bankers as at balance reporting date amount to Rs. 142,300 thousands (2014: Rs. 142,300 thousands).

		Note	2015	2014
			(Rupees in thousands)	
20.3	**Commitments**			
	Commitments in respect of capital expenditure		134,087	996,646
	Commitment in respect of purchase of corn		7,148,400	9,043,485
	Commitment in respect of forward exchange contracts		73,577	866,394

21 Short term running finances - secured

21.1 The aggregate financing facility available from commercial banks is Rs. 2,500,000 thousands (2014: Rs. 3,000,000 thousands).

The rate of markup ranges from 6.75 % to 10.06 % per annum (2014: 9.78 % to 11.79 % per annum).

21.2 These facilities are secured by joint pari pasu hypothecation charge on current assets of the Company, amounting to Rs. 3,336,000 thousands and are subject to repricing on monthly/quarterly basis.

21.3 The unutilized facility for letters of credit as on 31 December 2015 amounts to Rs. 525,000 thousands (2014: Rs. 851,379 thousands).

	Note	2015	2014
		(Rupees in thousands)	
22 Sales - net			
Domestic		25,977,213	26,007,556
Export		1,258,425	1,199,982
		27,235,638	27,207,538
Less: Sales tax		(2,607,074)	(2,001,207)
Trade discount and commission		(10,487)	(9,732)
		(2,617,561)	(2,010,939)
		24,618,077	25,196,599
23 Cost of sales			
Raw material consumed:			
Corn		12,891,064	12,930,641
Stores		412,131	435,511
Packing material		386,649	425,761
		13,689,844	13,791,913
Factory expenses:			
Salaries, wages and amenities	23.1	1,024,596	828,491
Spares consumed		191,480	212,701
Fuel and power		3,392,095	4,461,615
Rent, rates and taxes		9,540	8,209
Repairs and maintenance		34,038	30,277
Depreciation	5.1.2	423,775	430,611
Insurance		14,740	14,255
Factory general expenses		580,190	626,408
		5,670,454	6,612,567
		19,360,298	20,404,480
Add: Opening work in process		60,390	57,403
		19,420,688	20,461,883
Less: Closing work in process	10	(86,447)	(60,390)
Cost of production		19,334,241	20,401,493
Add: Opening finished goods stock - own manufactured		1,873,501	1,944,270
		21,207,742	22,345,763
Less: Closing finished goods stock - own manufactured		(2,124,708)	(1,873,501)
Cost of goods sold -own manufactured products		19,083,034	20,472,262
Cost of goods sold -purchased products		80,902	67,363
Cost of goods sold		19,163,936	20,539,625

23.1 Salaries, wages and amenities include Rs. 32,484 thousands (2014: Rs. 22,820 thousands) in respect of contribution to pension and gratuity fund and Rs. 21,567 thousands (2014: Rs. 17,547 thousands) in respect of contribution to provident fund.

		Note	2015	2014
			(Rupees in thousands)	
24	**Distribution expenses**			
	Salaries and amenities	24.1	84,374	64,557
	Traveling and automobile expenses		15,620	12,163
	Provision of technical support fee		19,847	19,479
	Freight and distribution		149,032	144,830
	Insurance		2,610	2,669
	Rent, rates and taxes		2,390	2,201
	Repair and maintenance		36	59
	Electricity charges		1,030	1,120
	Printing and stationery		322	488
	Telephone and postage		3,165	2,614
	Advertising and sales promotion		1,588	1,329
	Depreciation	5.1.2	4,723	3,996
	Market research and development		494	233
	Miscellaneous expenses		4,673	3,234
			289,904	258,972

24.1 Salaries and amenities include Rs. 6,064 thousands (2014: Rs. 4,571 thousands) in respect of contribution to pension and gratuity fund and Rs. 3,331 thousands (2014: Rs. 2,706 thousands) in respect of contribution to provident fund.

		Note	2015	2014
			(Rupees in thousands)	
25	**Administrative expenses**			
	Salaries and amenities	25.1	268,306	208,538
	Traveling and automobile expenses		25,842	25,878
	Insurance		1,082	1,324
	Rent, rates and taxes		2,029	2,027
	IT, networking and data communication		66,898	70,305
	Repair and maintenance		180	135
	Electricity charges		1,780	2,045
	Printing and stationery		1,702	2,040
	Telephone and postage		3,843	3,367
	Legal and professional charges		2,925	5,445
	Depreciation	5.1.2	12,540	11,622
	Amortization of intangible assets	6	6,214	6,712
	Auditors' remuneration	25.2	2,980	2,778
	Miscellaneous expenses		7,435	6,886
	Donation and charity	25.3	5,116	4,995
			408,872	354,097

25.1 Salaries and amenities include Rs. 20,844 thousands (2014: Rs. 15,578 thousands) in respect of contribution to pension and gratuity fund and Rs. 10,324 thousands (2014: Rs. 8,470 thousands) in respect of contribution to provident fund.

		2015	2014
		(Rupees in thousands)	
25.2	**Auditors' remuneration**		
	Statutory audit fee	1,220	1,125
	Review of half yearly accounts	400	375
	Services in connection with review and reporting of accounts to Ingredion Inc. (formerly CPI Inc.)	1,074	1,005
	Audit of gratuity and pension funds	115	100
	Miscellaneous certifications	36	33
	Out of pocket expenses reimbursed	135	140
		2,980	2,778

25.3 This represents donation to different associations and trusts. None of Directors has any interest in the donee.

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		Note	2015	2014
			(Rupees in thousands)	
26	**Other income**			
	Income from financial assets			
	Mark up on staff loans and profit on bank deposits		83,393	42,194
	Income from non-financial assets			
	Profit on sale of scrap		74,095	38,882
	Profit on sale of property, plant and equipment	5.1.3	1,978	26,407
	Reversal of provision for doubtful debts	11.3	1,197	1,464
	Miscellaneous income		16,813	5,702
			177,476	114,649
27	**Other expenses**			
	Workers' welfare fund	16.3	83,892	74,976
	Workers' profit participation fund	16.4	230,511	197,583
	Foreign exchange loss		3,742	15,105
			318,145	287,664
28	**Finance cost**			
	Mark up on short term running finances		28	103,128
	Bank charges and commission		15,267	13,890
			15,295	117,018
29	**Taxation**			
	Current Taxation			
	- for the year		1,424,224	1,311,661
	- prior year		(65,416)	(46,976)
			1,358,808	1,264,685
	Deferred Taxation	17.1	(34,572)	(27,579)
			1,324,236	1,237,106

		2015	2014
		----------Percentage----------	
29.1	**Reconciliation of effective tax rate:**		
	Applicable tax rate	32.00	33.00
	Tax effect of inadmissible expenses	3.35	0.05
	Tax effect of admissible expenses	(3.05)	(0.05)
	Effect of prior period adjustments	(1.39)	-
	Effect of presumptive tax regime and others	(2.12)	(0.04)
	Average effective tax rate (tax expense divided by profit before tax)	28.79	32.96

29.2 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.

The Company has paid Rs. 58,613 thousands in prior years and made provision of the remaining amount in the financial statements. 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.

29.3 The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or modaraba, that derives profits for tax year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40% of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of the tax year.

		2015	2014
30 Earnings per share - basic and diluted			
30.1 Earning per share - basic			
Profit attributable to ordinary shareholders	(Rupees in thousands)	3,275,165	2,516,766
Weighted average number of ordinary shares	(Numbers)	9,236,428	9,236,428
Earnings per share - basic	(Rupees)	354.59	272.48

30.2 Earning per share - diluted

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

	Note	2015	2014
		(Rupees in thousands)	
31 Cash generated from operation			
Profit before tax		4,599,401	3,753,872
Adjustment for:			
Depreciation of property, plant and equipment	5.1	441,038	446,229
Amortization of intangible assets	6	6,214	6,712
Provision for employees retirement benefits	7	59,392	42,938
Reversal of provision for doubtful debts	26	(1,197)	(1,464)
(Reversal of provision) / provision for slow moving and obsolete items		(12,492)	7,288
Gain on disposal of property, plant and equipment	26	(1,978)	(26,407)
Interest income	26	(83,393)	(42,194)
Finance cost	28	15,295	117,018
Loss on foreign exchange transactions	27	3,742	15,105
		426,621	565,225
Cash generated from operation before working capital changes		5,026,022	4,319,097
Effect on cash flow due to working capital changes			
Decrease / (increase) in current assets:			
Stores and spares		(22,998)	(138,788)
Stock in trade		(698,658)	2,328,170
Trade debts		(100,266)	(130,255)
Loans and advances		70,195	(32,461)
Trade deposits and short term prepayments		(26,874)	40,778
Other receivables		(7,623)	19,446
		(786,224)	2,086,890
Decrease in current liabilities:			
Trade and other payables		(103,515)	(355,812)
Net decrease / (increase) in working capital		(889,739)	1,731,078
Cash generated from operations		4,136,283	6,050,175

32 Financial instruments - Fair values and risk management

32.1 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 recognised at the end of the reporting period during which the changes have occurred.

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

	Carrying amount			Fair value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31 December 2015	Rupees in thousands						
Financial assets - measured at fair value							
Forward exchange contract	307	-	307	-	307	-	307
Financial assets - not measured at fair value							
Long term loans	7,016	-	7,016	-	-	-	-
Trade debts	1,004,129	-	1,004,129	-	-	-	-
Loans and advances	9,139	-	9,139	-	-	-	-
Trade deposits	34,204	-	34,204	-	-	-	-
Other receivables	27,769	-	27,769	-	-	-	-
Cash and bank balances	2,786,410	-	2,786,410	-	-	-	-
	3,868,667	-	3,868,667	-	-	-	-
Financial liabilities - not measured at fair value							
Trade and other payables	-	1,807,614	1,807,614	-	-	-	-
Mark up accrued on short term running finances	-	36	36	-	-	-	-
	-	1,807,650	1,807,650	-	-	-	-
31 December 2014							
Financial assets - not measured at fair value							
Long term loans	4,243	-	4,243	-	-	-	-
Trade debts	2,727,126	-	2,727,126	-	-	-	-
Loans and advances	9,910	-	9,910	-	-	-	-
Trade deposits	34,585	-	34,585	-	-	-	-
Other receivables	18,759	-	18,759	-	-	-	-
Cash and Bank balances	3,115,831	-	3,115,831	-	-	-	-
	5,910,454	-	2,775,864	-	-	-	-
Financial liabilities - measured at fair value							
Forward exchange contract	-	22,779	22,779		22,779		22,779
Financial liabilities - not measured at fair value							
Trade and other payables	-	1,961,657	1,961,657	-	-	-	-
Mark up accrued on short term running finances	-	14	14	-	-	-	-
	-	1,961,671	1,961,671	-	-	-	-

32.2 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.

32.2.1 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.

32.2.2 Credit risk

Credit risk represents the financial loss that would be recognised at the balance sheet 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.

32.2.2.1 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	**2015**	2014
		(Rupees in thousands)	
Long term loans	8	7,016	4,243
Trade debts	11	1,004,129	902,666
Loans and advances	12	93,234	162,408
Trade deposits		34,204	34,585
Other receivables	14	27,769	18,759
Bank balances	15	2,780,677	3,111,770
		3,947,029	4,234,431
Secured		692,251	604,473
Unsecured		3,254,778	3,632,829
		3,947,029	4,237,302

32.2.2.2 Credit quality of financial assets

The credit quality of financial assets can be assessed by reference to external credit ratings or to historical information about counterparty:

32.2.2.2.1 Bank balances

Banks	Rating Short term	Rating Long term	Rating agency	2015 (Rupees in thousands)	2014 (Rupees in thousands)
Meezan Bank Limited	A 1+	AA	JCR-VIS	233,652	388,108
Standard Chartered Bank (Pakistan) Limited	A 1+	AAA	PACRA	185,960	448,622
Citi Bank Limited	P 1	A2	Moody's	294	159
MCB Bank Limited	A 1+	AAA	PACRA	767,437	945,248
Habib Bank Limited	A 1+	AAA	JCR-VIS	390,237	604,671
National Bank of Pakistan	A 1+	AAA	PACRA	1,103,095	702,515
Bank Alfalah Ltd	A 1+	AA	PACRA	100,002	-
Cash in transit				-	22,447
				2,780,677	3,111,770

32.2.2.2.2 Trade debts

The maximum exposure to credit risk for trade debts by geographic regions was:

	Note	2015 (Rupees in thousands)	2014 (Rupees in thousands)
Domestic		871,788	795,809
Foreign		132,341	106,857
		1,004,129	902,666

The aging of trade receivables that are not impaired at the reporting date is:

	Note	2015	2014
Neither past due nor impaired		883,329	822,829
Past due:			
1-30 days		93,727	15,389
31-60 days		11,702	25,383
61-90 days		9,338	16,883
91-365 days		6,575	22,931
more than 365 days		-	1,000
		121,342	81,586
Provision for doubtful debts	11.3	(542)	(1,749)
		1,004,129	902,666

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties. Sales made to major customers are secured through security deposits, bank guarantees and letters of credit.

All transactions are settled / paid for upon delivery. The Company's policy is to enter into financial instrument contract by following internal guidelines such as approving counterparties and approving credits.

32.2.2.2.3 Other financial assets

Long term loans, short term loans, trade deposits and other receivables are mostly due from related parties, employees and Government institutions. Based on past experience the management believes that no impairment allowance is necessary in respect of these financial assets. There are reasonable grounds to believe that these amounts will be recovered in short course of time.

32.2.2.2.4 Derivatives

The derivatives are entered with banks and financial institution counterparties, which are rated AA based on JCR-VIS ratings.

32.2.2.2.5 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.

	2015	2014
	(Rupees in thousands)	
Paper and Board	12,269	37,918
Confectionary	246,421	219,083
Textile	93,871	289,323
Poultry	23,653	72,089
Pharmaceuticals	8	5,324
Dealers	628,449	280,678
Bank	2,780,677	3,111,770
Employees	16,155	14,153
Others	63,648	55,019
Provision for doubtful balances	(2,217)	(3,424)
	3,862,934	4,081,933

32.2.3 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:

	2015			
	Carrying amount	**Contractual cash flows**	**Up to one year or less**	**More than one year**
Non- derivative financial liabilities	**(Rupees in thousand)**			
Trade and other payables	1,807,614	1,807,614	1,807,614	-
Mark up accrued on short term running finances	36	36	36	-
	1,807,650	1,807,650	1,807,650	-

	2014			
	Carrying amount	Contractual cash flows	Up to one year or less	More than one year
Non- derivative financial liabilities	(Rupees in thousand)			
Trade and other payables	1,961,657	1,961,657	1,961,657	-
Mark up accrued on short term running finances	14	14	14	-
	1,961,671	1,961,671	1,961,671	-
Derivative financial liabilities				
Forward exchange contract	22,779	22,779	22,779	-
	1,984,450	1,984,450	1,984,450	-

The gross outflows disclosed in the above table represents the contractual undiscounted cashflows 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.

32.2.4 Market risk

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 2015.

32.2.4.1 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 Dollars is as follows:

	USD 2015	USD 2014
Foreign debtors	1,262,198	1,058,510
Foreign currency bank balance	6,313	2,671
Trade and other payables	(594,042)	(374,829)
Net balance sheet exposure	674,469	686,352
Forward exchange contracts	702	8,573
Net exposure	675,171	694,925

The following significant exchange rates have been applied:

	Average rate for the year		Reporting date rate	
	2015	2014	2015	2014
USD to PKR	102.77	101.06	104.85	100.95

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.

	2015	2014
	(Rupees in thousands)	
Effect on profit and loss		
US Dollar	7,079	7,015

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

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

32.2.4.2 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	
	2015	2014	2015	2014
Financial assets	(Percentage)		(Rupees in thousands)	
Fixed rate instruments:				
Long term loans	8.0%	8.0%	10,908	7,114
Variable rate instruments:				
Bank balances - saving	4.0% to 9.0%	5.71% to 9.0%	2,525,572	2,803,742
			2,536,480	2,810,856

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 and loss. Therefore a change in interest rates at the reporting date would not affect profit and loss account.

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 and loss 100 bps	
	Increase	Decrease
	(Rupees in thousands)	
As at 31 December 2015	834	(834)
As at 31 December 2014	609	(609)

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

32.2.4.3 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.

32.2.4.4 Capital management

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

The Company's objectives when managing capital are:

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

(ii) to provide an adequate return to shareholders.

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

For working capital requirement and capital expenditure, the Company relies substantially on short term borrowings.

33 Remuneration of Chief Executive, paid Directors and Executives

	Chief Executive and Managing Director		Executive Director		Executives	
	2015	2014	**2015**	2014	**2015**	2014
	(Rupees in thousands)					
Managerial remuneration	19,779	17,504	3,907	3,311	110,650	85,642
Rent, medical and other allowances	3,626	3,209	3,653	3,097	111,317	86,764
Bonus and leave encashment	10,352	6,332	2,518	1,580	43,385	33,032
Retirement benefits	4,827	3,969	954	751	27,004	19,420
Club subscription	40	37	-	-	29	15
	38,624	31,051	11,032	8,739	292,385	224,873
Number	1	1	1	1	107	92

33.1 Meeting fees aggregating to Rs. 180 thousands (2014: Rs. 102 thousands) were paid to 4 (2014: 4) non-executive directors for attending board meetings. In addition Chief Executive & Managing Director, full time working director and some executives are provided with company maintained cars. Number of non-executive directors of the Company as at 31 December 2015 are 9 (2014: 9).

34 Transactions with related parties and associates

The related parties comprise parent company, related group companies, local associated company, directors of the Company, key management personnel and staff retirement funds. Details of transactions with related parties, other than those disclosed else where in these financial statements are as follows:

Name of parties	Nature of relationship	Nature and description of related party transaction	2015 Total value of transaction	2015 Closing balance	2014 Total value of transaction	2014 Closing balance
			(Rupees in thousands)		(Rupees in thousands)	
Unilever Pakistan Food Limited	Associate	Sales	1,142,768	89,247	1,166,428	77,282
Ingredion Inc.(formerly Corn Products International Inc.) Chicago U.S.A.	Holding company	Services received	(49,256)	(20,630)	(38,134)	(15,406)
Ingredion Inc.(formerly Corn Products International Inc.) Chicago U.S.A.	Holding company	Expenses reimbursement	757	754	257	257
Ingredion Inc.(formerly Corn Products International Inc.) Chicago U.S.A.	Holding company	Export Sales	-	-	68,897	-
Ingredion Inc.(formerly Corn Products International Inc.) Chicago U.S.A.	Holding company	Dividend paid	(909,179)	-	(876,708)	-
Corn Products Development Inc.	Associate	Technical support fee	(19,847)	(3,505)	(19,479)	(4,809)
Ingredion Holding LLC Kenya	Associate	Export Sales	481,121	71,904	434,697	63,974
Ingredion Malaysia Sdn. Bhd.	Associate	Export Sales	10,392	2,693	1,231	-
Ingredion UK Limited	Associate	Export Sales	-	-	188	-
Ingredion China Limited	Associate	Export Sales	-	-	31,133	5,858
Ingredion Philippines, Inc.	Associate	Export Sales	27,675	7,723	13,286	-
National Starch & Chemical (Thailand) Ltd	Associate	Export Sales	-	-	2,883	-
Ingredion Singapore Pte. Ltd.	Associate	Export Sales	49,421	6,836	65,416	7,050
Ingredion Germany GmbH	Associate	Export Sales	104	103	-	-
Ingredion India Private Limited	Associate	Export Sales	157	-	-	-
Ingredion Germany GmbH	Associate	Imports	(17,637)	(15,282)	(440)	(251)
National Starch & Chemical (Thailand) Ltd	Associate	Imports	(4,597)	(839)	(966)	-
Ingredion Singapore Pte. Ltd.	Associate	Imports	(44,457)	(6,233)	(45,608)	(6,867)
Employee benefits	Other related Parties	Contribution to funds	(94,614)	(2,906)	(71,692)	(1,893)

The transactions were carried out at an arm's length basis.

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

	2015	2014
	------(Metric tons)------	
35 Plant capacity and production		
Average grind capacity per day	1,841	1,841
Grind capacity for 350 working days	644,350	644,350
Actual days worked	280	274
Actual grind	514,925	505,667

36 Number of employees

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

	2015	2014
	(Number of persons)	
Total number of employees as at 31 December	2,080	2,072
Average number of employees during the year	2,067	2,048

37 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 judgments were exercised in application of accounting policies are as follows:

a) Taxation - (note 4.14 & 29)
b) Useful life of depreciable assets - (note 4.1 & 5.1)
c) Useful life of intangibles - (note 4.2 & 6)
d) Employees retirement benefits - (note 4.3 & 7)
e) Provision against stores and spares and stock in trade (note 4.4 & 4.5)
f) Provision for doubtful debt - (note 4.8 & 11)
g) Provision and contingencies - (note 4.8 & 21)

38 Dividends

The Board of Directors have proposed a final dividend for the year ended 31 December 2015 of Rs. 120 per share, amounting to Rs. 1,108,371 thousands at their meeting held on 24 February 2016, for approval of members at the Annual General Meeting to be held on 29 March 2016 (2014 : Rs. 85 per share amounting to Rs.785,096 thousands).

39 Operating segments

The financial statements have been prepared on the basis of a single reportable segment.
95.38% (2014: 95.59%) out of total sales of the Company relates to customers in Pakistan.
All non current assets of the Company as at 31 December 2015 are located in Pakistan.

40 Date of authorization of issue

These financial statements were authorized for issue on 24 February 2016 by the Board of Directors of the Company.

41 General

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

Dr. Abid Ali
Director

Ansar Yahya
Chief Executive and
Managing Director

Zulfikar Mannoo
Director

Pattern of Shareholding
As at 31 December 2015

Number of Shareholders	Shareholding			Total Shares Held
650	1	-	100	30,846
138	101	-	500	32,882
40	501	-	1000	30,913
38	1001	-	5000	95,717
6	5001	-	10000	42,510
2	10001	-	15000	21,739
1	15001	-	20000	20,000
1	25001	-	30000	25,730
2	30001	-	35000	66,874
1	40001	-	45000	43,140
3	50001	-	55000	154,144
1	55001	-	60000	58,252
1	60001	-	65000	63,822
2	65001	-	70000	133,508
1	90001	-	95000	90,289
1	100001	-	105000	100,131
2	110001	-	115000	226,265
2	140001	-	145000	283,066
1	150001	-	155000	152,139
2	165001	-	170000	332,964
1	200001	-	205000	200,085
1	235001	-	240000	236,578
1	300001	-	305000	300,595
1	6490001	-	6495000	6,494,239
899				**9,236,428**

Sr. No.	Shareholders Category	Number of Shareholders	Shares Held	Percentage
1	Directors, Chief Executive Officer, their spouses and minor children	11	581,622	6.29
2	Associated Companies, Undertakings and Related Parties	1	6,494,239	70.31
3	NIT and ICP	-	-	-
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	1	50,507	0.55
5	Insurance Companies	4	118,742	1.29
6	Modarabas and Mutual Funds	6	25,396	0.27
7	General Public :			
	a. Local	851	1,930,040	20.90
	b .Foreign	-	-	-
8	Others	25	35,882	0.39
	Total:	899	9,236,428	100.00
	Shareholders holding 10% or more	1	6,494,239	70.31

The above two Statements include 417 shareholders holding 503,385 shares through Central Depository Company of Pakistan Limited.

Pattern of Shareholding

As at 31 December 2015 as required under Code of Corporate Governance

Shareholders' Category		Number of Shareholders	Number of Shares Held
Associated Companies, Undertaking and Related Parties (name wise details)			
Ingredion Incorporated		1	6,494,239
	Total >>	**1**	**6,494,239**
Mutual Funds (name wise details)			
MCBFSL - Trustee JS Value Fund		1	5,180
CDC - Trustee Unit Trust Of Pakistan		1	6,380
CDC - Trustee AKD Index Tracker Fund		1	92
CDC - Trustee JS Pension Savings Fund - Equity Account		1	1,092
MC FSL - Trustee JS Growth Fund		1	11,659
CDC - Trustee JS Islamic Pension Savings Fund-Equity Account		1	993
	Total >>	**6**	**25,396**
Directors and their spouse(s)			
Mr. M. Adil Mannoo		1	155,994
Ms. Christine M.Castellano		1	1
Mr. Jack C. Fortnum		1	1
Mr. Ansar Yahya		1	82
Mr. James Paul Zallie		1	1
Mr. Martin Sonntag		1	1
Mr. Rashid Ali		1	865
Mr. Anis Ahmad Khan		1	1,346
Mr. Wisal Ahmed Mannoo		1	175,698
Mr. Zulfikar H. Mannoo		1	238,263
Mrs. Sarwat Zulfikar W/O Mr. Zulfikar H. Mannoo		1	9,370
	Total >>	**11**	**581,622**
Executives			
	Total >>	**2**	**486**
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 >>	**5**	**111,017**
Shareholder Holding five percent or more voting Rights in the Listed Company (name wise details)			
Ingredion Incorporated		1	6,494,239
	Total >>	**1**	**6,494,239**

Proxy Form
125th General Meeting (Annual Ordinary)

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

I/We...

of..
being shareholder(s) of Rafhan Maize Products Company Limited hereby appoint

....

.... of ....

or failing him ....
as my/our proxy to vote for me/us and on my/our behalf at the 125th General Meeting (Annual Ordinary) of the Company to be held at Karachi on Tuesday, March 29, 2016 at 10:00 a.m. and/or at any adjournment thereof.

Dated this .... day of .... 2016.

____

(Signature of Proxy)

Affix Revenue
Stamp of
Rs.5/-

Witness .... Signature of Shareholder ....

Place .... Folio No./CDC No. ....

No. of Shares held ....

NOTES:

a) This Form of Proxy, duly completed and signed across a revenue stamp, must be deposited at the Company's Registered Office not less than 48 hours before the time of holding the meeting.

b) A proxy need not be a member of the Company.

AFFIX
CORRECT
POSTAGE

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

RafhanMaize
PRODUCTS CO LTD
FAISALABAD - KARACHI

www.rafhanmaize.com