



MATCO FOODS LIMITED

REACHING NEW HEIGHTS

HALF YEARLY REPORT 2024



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Our Legacy

The journey of Matco started with the entrepreneurial aptitude of Syed Sarfaraz Ali Ghorī, who established his own company by the name of Muhammad Ali Trading Company (MATCO) in 1964 and initially began supplying and commissioning rice plant and equipment for the Government of Pakistan. Today, Matco has over 150 global customers and exports its consumer products to over 65 countries worldwide.

The Company also holds Organic Certifications from the US NOP and EU Organic Certification from the Control Union and has been an IFC investee company since 2012.

In 2015, MATCO Rice Processing (Pvt.) Limited changed its name to Matco Foods (Pvt.) Limited, and subsequently to Matco Foods Limited before listing in PSX, reflecting its mission of becoming a leading food corporation. Matco is a committed member of society and strives to make constructive efforts for the welfare of the community.



Business Profile

Matco Foods Limited is a leading agro-processor and food products Company in South Asia since 1964. The Company is dedicated to providing convenient packaged goods and quality ingredients to the pharmaceuticals and confectionery industries. The Company's products include predominantly basmati rice, rice glucose, rice protein, rice maltodextrin, Himalayan pink salt, and other gourmet salts, spices, dessert mixes, and many more.

With over 50 years of experience in the rice industry, and a global portfolio of more than 150 corporate customers, the Company is the largest basmati rice exporter from Pakistan, and among the top 100 Exporters of Pakistan. and its flagship brand "Falak" is a recognized household name in the rice, condiments, and spices category and is available in more than 65 countries worldwide. Matco also exports private-label brands to over 65 countries across the globe.

Matco Foods Limited operates 2 rice syrup plants, and 5 rice processing and milling plants, which include vertically integrated paddy drying, storage, husking, and processing facilities in Sadhoke, Punjab, and Karachi, Sindh.

Matco Foods Limited's state-of-the-art organic rice syrup and rice protein manufacturing facility is a natural business extension that leverages the company's technical and industry acumen while catering to evolving global food trends.

Matco Foods Limited's Corn Division launched its range of Starches and Animal Nutrition products in 2022. The Company brings its deep expertise in grain procurement and handling, processing excellence, and customer-first sales approach to corn products. The state-of-the-art plant has been commissioned with the best technology and expertise from Asia, the USA, and Europe.

Matco Foods has also launched its Falak Food Division in 2022, focusing on introducing new products under its flagship brand Falak and employing innovative marketing strategies to adapt to evolving global food trends.

Matco Foods possesses the essential capacities and infrastructure necessary to ensure compliance with a multitude of quality and hygiene standards. Our laboratories and quality control units are overseen by proficient and well-qualified personnel, and they are outfitted with Wet Labs, Instrumentation Labs, and Microbiology Labs, facilitating comprehensive analysis of intermediate, in-process, and final products. The organization takes great pride in its legacy of delivering high-quality products and tailored solutions to meet the specific needs of our valued customers.

Vision

To become a leading global supplier of quality ingredients and consumer food products that offer convenience.

Mission

To provide premium quality products globally to customers; to be innovative, customer-oriented and create strong partnerships with suppliers; to continuously invest in our staff – the biggest asset of the company; and to create long-term value for all stakeholders – shareholders, staff, customers, suppliers, and the wider community







Corporate Information

BOARD OF DIRECTORS

Mr. Jawed Ali Ghori
Mr. Khalid Sarfaraz Ghori
Mr. Faizan Ali Ghori, CFA
Mr. Safwan Khalid Ghori
Syed Kamran Rashid
Mr. Abdul Samad Khan
Mrs. Faryal Murtaza
Ms. Umme Habibah
Mr. Mohammad Mohsin

Chairman
Chief Executive Officer
Executive Director
Executive Director
Independent Director
Independent Director
Non-executive Director
Independent Director
Independent Director

AUDIT COMMITTEE

Syed Kamran Rashid
Mr. Abdul Samad Khan
Mr. Mohammad Mohsin

Chairman
Member
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Ms. Umme Habibah
Mr. Jawed Ali Ghori
Mr. Khalid Sarfaraz Ghori
Mr. Faizan Ali Ghori, CFA
Mrs. Faryal Murtaza

Chairman
Member
Member
Member
Member

CHIEF FINANCIAL OFFICER

Mr. Muhammad Aamir Farooqui, FCMA

COMPANY SECRETARY

Mr. Muhammad Noman Ansari, ACMA

HEAD OF INTERNAL AUDIT

Mr. Bilal Ahmed, ACCA

LEGAL ADVISOR

Muhammad Javaid Akhter
A-55/56, Federal 'B' Area, Karachi,
Pakistan

AUDITORS

Grant Thornton Anjum Rahman

Grant Thornton Anjum Rahman (GTAR)
1st and 3rd Floor, Modern Motors House
Beaumont Road, Karachi, Pakistan
Tel (Office): +92 (21) 3567 2951-6
Fax: +92 (21) 3568 8834
Website: www.gtpak.com

SHARE REGISTRAR

CDC Share Registrar Services Limited

CDC House, 99-B, Block B,
S.M.C.H.S. Main Shakra-e-Faisal, Karachi - 74400
Tel: (92) 0800-23275
Fax: (92-21) 34326053
URL: www.cdcsrsl.com
Email: info@cdcsrsl.com

BANKERS

Allied Bank Limited	MCB Islamic Bank Limited
Al Baraka (Pakistan) Limited	Meezan Bank Limited
Askari Bank Limited	National Bank of Pakistan
Bank Alfalah Limited	PAIR Investment Company Limited
BankIslami Pakistan Limited	Pak Brunei Investment Company Limited
Dubai Islamic Bank Pakistan Limited	Pak Oman Investment Company Limited
Faysal Bank Limited	Soneri Bank Limited
Habib Bank Limited	Standard Chartered Bank (Pakistan) Limited
Habib Metropolitan Bank Limited	The Bank of Punjab
JS Bank Limited	United Bank Limited
MCB Bank Limited	

COMPANY LOCATIONS

REGISTERED OFFICE

Matco Foods Limited
B-1/A, S.I.T.E. Phase 1, Super Highway Industrial,
Area, Karachi, Pakistan P.O. Box 75950

Phone: +92 (301) 8250969, +92 (21) 3631 5099
Fax: +92 (21) 3632 0509
Email: contact@matcofoods.com

FAISALABAD OFFICE

Matco Foods Limited – Corn Starch Division
Plot 87, Block - K, Wapda City, Faisalabad

RICE PLANT – KARACHI

A 15-16, S.I.T.E. Super Highway, Karachi, Pakistan

RICE GLUCOSE & DEXTROSE MONOHYDRATE PLANTS – KARACHI

G-205, Gadap Road, S.I.T.E. Super Highway Industrial Area, Karachi, Pakistan

RICE PLANT – SADHOKE

50 KM, Main G.T. Road, Sadhoke District, Gujranwala, Pakistan

CORN STARCH PLANT – FAISALABAD

Plot # 53, Allama Iqbal Industrial City, SEZ, Faisalabad, Pakistan

WEBSITE

www.matcofoods.com

EMAIL

contact@matcofoods.com



DIRECTORS' REVIEW REPORT

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

By the Grace of Allah (SWT), the Directors of your Company take pleasure in presenting unaudited condensed interim financial information of the Company and Group for the six months ended December 31, 2023.

Financial Results:

Description	Unconsolidated		Consolidated	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	-----Rupees in '000-----		-----Rupees in '000-----	
Sales – net	13,952,826	7,238,539	13,955,436	7,259,332
Cost of sales	(12,249,052)	(6,181,207)	(12,249,052)	(6,181,207)
Gross Profit	1,703,774	1,057,332	1,706,384	1,078,125
Selling and distribution	(251,382)	(148,011)	(263,315)	(148,011)
Administrative	(323,172)	(293,605)	(325,977)	(294,198)
Operating profit	1,129,220	615,716	1,117,092	635,916
Other Operating Income	24,428	24,841	24,431	24,847
Exchange Gain/(Loss)	32,852	150,283	32,852	150,283
Financial Charges	(1,039,796)	(470,217)	(1,039,944)	(470,463)
Share of profit/(loss) from Associated Company	-	-	5,739	(1,506)
Profit Before Tax	146,704	320,623	140,170	339,077
Income Tax	(62,320)	(64,492)	(62,320)	(64,492)
Profit for the Period	84,384	256,131	77,850	274,585
Earnings Per Share	0.69	2.09	0.64	2.24

During the six months ended December 31, 2023, your Company demonstrated substantial growth, achieving net sales of Rs. 13.95 billion – a notable 93% increase compared to Rs. 7.24 billion in the same period last year. This impressive growth was offset by financial charges, resulting in a net profit of Rs. 84.38 billion, as compared to Rs. 256.13 billion in the corresponding period of the previous year.

The Company exhibited international market prowess, exporting 20,567 metric tons of basmati rice, a 44% increase from the 14,275 metric tons recorded in the same period last year. Negotiations led to an average export selling price of USD 1,305 per metric ton, surpassing the USD 1,150 achieved in the previous year.

This year, Pakistan experienced a substantial increase in its rice crop yield, coupled with strong demand from the international market. Despite these favorable conditions, the surge in paddy prices within local markets has offset potential gains, contributing to a situation where the Company's profit margins have not seen significant improvement.

The Rice Glucose Division experienced a decline in sales compared to the same period last year due to the rise in prices of broken rice, a key raw material for the product. Despite this inflationary pressure, the sales prices of the Division's products in both local and international markets have not fully reflected these cost increases. As a result, the Company's strategy has shifted towards prioritizing production and sales for orders that offer substantial value, ensuring a focus on worthwhile transactions.

The Company's diversification strategy is yielding significant benefits, particularly evident in the stellar performance of the Corn Starch Division. Having successfully secured a notable market share in its inaugural year, the division has demonstrated remarkable growth, with production, market share, and sales all escalating at an exponential pace. The division's net sales have surged to Rs. 2.32 billion, a substantial increase compared to Rs. 0.47 billion in the same period last year.

The momentum of the Company's Falak Food Division is noteworthy, as it has been gaining traction and solidifying its market share within the convenience-based food products industry. This division has not only made strides in market penetration but has also made a positive contribution to the overall profitability of the Company.

As of December 2023, the Company's Dextrose Monohydrate (DMH) commenced its commercial operations, making a favorable impact on the Company's top-line. The successful initiation of DMH operations has contributed positively to the overall financial performance.

Throughout the period under review, the Company prudently managed its operating expenses, ensuring they remained within acceptable parameters. Foreign Exchange gains had a limited impact on profitability as the PKR remained robust against the USD. Conversely, higher financing costs presented a substantial challenge, exerting a notable impact on the Company's overall profitability during this period.

Business and Future Outlook:

Alhamdulillah, in 2024, Matco Foods celebrates its remarkable 60-year journey in the rice industry, concurrently marking the silver jubilee of its flagship brand, FALAK, which has proudly completed 25 years. To commemorate this significant milestone, the company has launched the "Purana Chaawal" campaign, comprising a compelling short film and television commercials.

This campaign stands out as a testament to FALAK's unique position as the category captain in the Pakistani Basmati Rice Industry. The brand has not only set a new standard but has also distinguished itself by being the only rice brand in Pakistan to produce a film of such magnitude. FALAK, "The Purana Chaawal" from Pakistan, proudly boasts over 25 years of experience, reflecting the brand's commitment to excellence.

This dedicated campaign underscores the company's pledge to its customers - delivering Perfectly Aged Rice rich in aroma and flavor, complemented by top-quality seasoning and spices under its flagship brand. Anticipated outcomes include an expanded market reach, heightened customer loyalty, and an upsurge in sales, showcasing the enduring success and commitment of Matco Foods in serving its customers with distinction.

The Company maintains a proactive approach in staying connected with its customers and staying abreast of market trends and opportunities. To achieve this, the Company actively participates in renowned international food exhibitions such as Anuga (Germany), SIAL (France), Biofach (Germany), among others. Notably, the Company recently engaged in Gulfood 2024, one of the world's largest food exhibitions.

Gulfood 2024 served as a comprehensive platform for the Company, encompassing networking, marketing, business development, brand building, competitor analysis, and the exploration of new opportunities. All divisions of the Company participated in this exhibition, showcasing their diverse range of products to potential customers. Alhamdulillah, the Company has been successful in securing fresh export orders for Rice, Rice Glucose, Falak Foods, and Corn Starch products, underscoring the effectiveness of its global engagement strategy.

The economic landscape of Pakistan has displayed resilience in recent quarters, yet formidable challenges such as elevated inflation, current account deficit, issues with balance of payment, and foreign exchange

reserves pose significant hurdles for the early recovery of the economy. Additionally, higher financing and utility costs are anticipated to diminish competitiveness on the international front, exerting pressure on local business activities.

From a political standpoint, the Company holds an optimistic view, anticipating that the establishment of the elected government will bring stability to the political landscape. It is hoped that the government will take proactive measures to address inflation and lower the discount rate, fostering a more conducive business environment in the country.

In the impending quarters, the Company foresees challenges stemming from inflation in international economies, escalated freight costs due to global supply chain disruptions, a potential reduction in rice prices prompted by the lifting of export bans and revisions in floor prices for exports by India, along with an abundant supply of rice in the international market.

In response to this challenging economic and business climate, the Company is actively formulating a strategy to adapt and thrive within this environment. The focus is on maintaining competitiveness in the international market, bolstering market presence, and expanding market share in local markets. These strategic efforts aim to navigate the complex economic landscape and position the Company for sustained success amid evolving global and domestic challenges.

In the forthcoming quarters, the Company is poised to explore new international markets, leveraging its robust production capacity in Corn Starch. The Rice Glucose division anticipates gains from the reduction in broken rice prices, aiming to bridge production gaps experienced in previous quarters. The Falak Food Division is set to benefit from the introduction of new products in the convenience-based food industry.

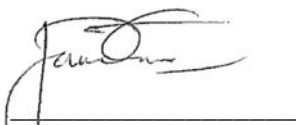
Profitability is expected to see an upturn through an increased share in the Dextrose Monohydrate market. Additionally, by meeting the international demand for basmati rice with the finest quality, the Company aims to contribute to the country's foreign exchange earnings.

With a strategic focus on securing market share and sustaining profitability, the Company remains committed to vigilant monitoring and adaptive strategies aligned with dynamic circumstances. These initiatives are geared towards fortifying the Company's position in the market and ensuring continued success.

Acknowledgement:

The directors extend sincere gratitude to our esteemed customers, financial institutions, shareholders, and other stakeholders for their unwavering trust and support. We deeply appreciate the dedication and hard work of all our employees, whose contributions have been invaluable to the Company's achievements and successes.

On behalf of the Board

A handwritten signature in blue ink, appearing to read "Jawed Ali Ghori".
Jawed Ali Ghori
ChairmanA handwritten signature in blue ink, appearing to read "Khalid Sarfaraz Ghori".
Khalid Sarfaraz Ghori
Chief Executive Officer

Karachi
February 27, 2024

ڈائریکٹرز کی جائزہ رپورٹ

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

اللہ سبحانہ و تعالیٰ کے فضل سے، آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والے چھ ماہ کے لیے کمپنی اور گروپ کی غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی نتائج:

Description	Unconsolidated		Consolidated	
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Profit for the Period	84,384	256,131	77,850	274,585
Earnings Per Share	0.69	2.09	0.64	2.24

31 دسمبر 2023 کو ختم ہونے والے چھ مہینوں کے دوران، آپ کی کمپنی نے 13.95 بلین روپے کی خالص فروخت حاصل کرتے ہوئے خاطر خواہ ترقی کا مظاہرہ کیا۔ جو پچھلے سال کی اسی مدت میں 7.24 بلین روپے کے مقابلے میں 93 فیصد اضافہ ہے۔ مالیاتی چارجز اس متاثر کن نمو کی تلافی کرتے ہیں، جس کے نتیجے میں 84.38 بلین روپے کا خالص منافع ہوا، جو کہ گزشتہ سال کی اسی مدت میں 256.13 بلین روپے تھا۔

کمپنی نے 20,567 میٹرک ٹن باسمنی چاول برآمد کرتے ہوئے بین الاقوامی مارکیٹ میں مہارت ظاہر کی، جو کہ گزشتہ سال کی اسی مدت میں ریکارڈ کیے گئے 14,275 میٹرک ٹن کے مقابلے میں 44 فیصد زیادہ ہے۔ کمپنی کی مصالحت کے نتیجے میں اوسطاً USD 1,305 فی میٹرک ٹن کی برآمدی قیمت فروخت ہوئی، جو پچھلے سال حاصل کردہ USD 1,150 کو چھوڑ گئی۔

اس سال، پاکستان نے اپنے فصلیں میں معتبر اضافہ حاصل کیا، جس کے ساتھ بین الاقوامی منڈی میں زبردست مانگ بھی تھی۔ ان سازگار حالات کے باوجود، مقامی منڈیوں میں دھان کی قیمتوں میں اضافے نے ممکنہ فوائد کو بے اثر کر دیا ہے، جس کی وجہ سے کمپنی کے منافع کے مارجن میں نمایاں بہتری نہیں دیکھی گئی۔

رائس گلوکز ڈویژن نے ٹوٹے ہوئے چاول کی قیمتوں میں اضافے کی وجہ سے، جو کہ مصنوعات کے لیے ایک اہم خام مال ہے، پچھلے سال کے متناظر دورانیے کے مقابلے میں فروخت میں کمی کا سامنا کیا۔ اس مہنگائی کے دباؤ کے باوجود، ڈویژن کی مصنوعات کی فروختی قیمتیں مقامی اور بین الاقوامی دونوں منڈیوں میں لاگت میں اضافے کی پوری طرح عکاسی نہیں کرتی ہیں۔ اس کے نتیجے میں کمپنی کی حکمت عملی ان آرڈروں کے لیے پیداوار اور فروخت کو ترجیح دینے کی طرف منتقل ہو گئی ہے جو قیمتی فائدہ فراہم کرتے ہیں۔

کمپنی کی مختلفیت کی حکمت عملی نے اہم فوائد دینا شروع کیا ہے، خصوصی طور پر کارن سٹراچ ڈویژن کی شاندار کارکردگی میں واضح سے ہے۔ اپنے افتتاحی سال میں نمایاں مارکیٹ شیئر حاصل کرنے کے بعد، ڈویژن نے شاندار ترقی کا ثبوت دیا ہے، جہاں پیداوار، مارکیٹ شیئر، اور فروخت تمام ایک تناسبی رفتار سے بڑھ رہی ہے۔ ڈویژن کی خالص فروخت 2.32 ارب روپے تک بڑھ گئی ہیں، جو پچھلے سال کی موافق مدت میں 0.47 ارب روپے کے مقابلے میں اہم اضافہ ہے۔

کمپنی کی فلک فوڈ ڈویژن کی رفتار قابل ذکر ہے، کیونکہ یہ سہولت پر مبنی فوڈ پروڈکٹس کی صنعت میں پیش رفت اختیار کر رہی ہے اور اپنے مارکیٹ شیئر کو مضبوط بنا رہی ہے۔ اس ڈویژن نے نہ صرف مارکیٹ کی رسائی میں ترقی کی ہے بلکہ کمپنی کے مجموعی منافع میں بھی مثبت کردار ادا کیا ہے۔

دسمبر 2023 میں کمپنی کے ڈیکٹوس مونیٹائزڈ (ڈی ایم ایچ) نے اپنی تجارتی کاروائیوں کا آغاز کیا، جس سے کمپنی کی ٹاپ لائن پر سازگار اثر پڑا۔ ڈی ایم ایچ آپریشنز کے کامیاب آغاز نے مجموعی مالی کارکردگی میں مثبت کردار ادا کیا ہے۔

زیر نظر مدت کے دوران، کمپنی نے اپنے عملی اخراجات کا تدبیر سے منظم کیا، اس بات کو یقینی بناتے ہوئے کہ وہ قابل قبول حدود کے اندر رہیں۔ جیسا کہ پاکستانی روپیہ ڈالر کے مقابلے میں مضبوط رہا، غیر ملکی زرمبادلہ کے فوائد کا منافع پر محدود اثر پڑا۔ اس کے برعکس، زیادہ مالیاتی اخراجات نے ایک کافی چیلنج پیش کیا، جو اس مدت کے دوران کمپنی کے مجموعی منافع پر قابل ذکر اثر ڈالتا ہے۔

کاروبار اور مستقبل کا منظر:

الحمد للہ، 2024 میں، بینکو فوڈز نے چاول کی صنعت میں اپنے 60 سالہ شاندار سفر کا جشن منایا، جو اپنے معروف برانڈ FALAK کی سلور جوبلی کی سالگرہ کے موقع پر 25 سال مکمل کر چکا ہے۔ اس اہم سنگ میل کو یادگار بنانے کے لیے، کمپنی نے ایک زبردست مختصر فلم اور ٹیلی ویژن اشتہارات پر مشتمل "پرانا چاول" مہم کا آغاز کیا ہے۔ یہ مہم پاکستانی باسیتی چاول کی صنعت میں کیٹیگری کے کپتان کے طور پر FALAK کے منفرد مقام کے ثبوت کے طور پر نمایاں ہے۔ یہ برانڈ نہ صرف ایک نیا معیار قائم کیا ہے بلکہ خود کو پاکستان کے وہ واحد چاول کے برانڈ کے طور پر معترف کرایا ہے جو ایسی اتنی بڑی فلم تخلیق کرتا ہے۔ یہ منہمک مہم کمپنی کے اپنے صارفین کے ساتھ اس وعدے کی نشاندہی کرتی ہے کہ کمپنی خوشبو اور ذائقے سے بھرپور پر فیکٹری ایڈڈ رائس فراہم کرتی ہے، جو اس کے فلیگ شپ برانڈ کے تحت اعلیٰ معیار کے مصالحوں سے بھرپور ہے۔ متوقع نتائج میں مارکیٹ کی توسیع، صارفین کی وفاداری میں اضافہ، اور فروخت میں اضافہ شامل ہے، جو بینکو فوڈز کی دائمی کامیابی اور صارفین کی خصوصیت سے خدمت فراہم کرنے کی پرعزمی کا نائنہ ہے۔

کمپنی صارفین کے ساتھ جڑے رہنے اور مارکیٹ کی روایات اور مواقع کے بارے میں مطلع رہنے میں فعالیت رکھتی ہے۔ اس مقصد کو حاصل کرنے کے لیے، کمپنی معروف بین الاقوامی فوڈ مائنشوں جیسے کہ Anuga (جرمنی)، SIAL (فرانس)، Biofach (جرمنی) وغیرہ میں سرگرمی سے حصہ لیتی ہے۔ قابل ذکر بات یہ ہے کہ کمپنی نے حال ہی میں گلفوڈ 2024 میں شمولیت اختیار کی ہے، جو دنیا کی سب سے بڑی خوراک کی مائنشوں میں سے ایک ہے۔

گلفوڈ 2024 نے کمپنی کے لئے ایک جامع پلیٹ فارم فراہم کیا، جس میں نیٹ ورکنگ، مارکیٹنگ، پرنس ڈیپلٹمنٹ، براؤنڈ بلڈنگ، مسابقتی تجزیہ، اور نئے مواقع کا تلاش شامل ہے۔ کمپنی کے تمام ڈویژنز نے اس نمائش میں حصہ لیا، جس میں ممکنہ صارفین کے سامنے اپنی مختلف مصنوعات کی نمائش کی گئی۔ الحمد للہ، کمپنی نے چاول، رائس گلوکوز، فلک فوڈز، اور کارن سنارچ مصنوعات کے لئے تازہ برآمدی آرڈرز حاصل کرنے میں کامیاب رہی ہے جو اس کی عالمی مشغولیت کی حکمت عملی کی تاثیر کو اجاگر کرتی ہے۔



MATCO FOODS LIMITED

پاکستان کے معاشی منظر نامے نے حالیہ سہ ماہیوں میں کچک کا مظاہرہ کیا ہے، پھر بھی مہنگائی میں اضافہ، کرنٹ اکاؤنٹ خسارہ، ادائیگی کے توازن کے مسائل اور زرمبادلہ کے ذخائر جیسے سنگین چیلنجز معیشت کی جلد بحالی میں اہم رکاوٹیں ہیں۔ مزید برآں، زیادہ مالیاتی اور یوٹیلٹی کے اخراجات متوقع طور پر بین الاقوامی محاذ پر مسابقت کو کم کرے گا، جس سے مقامی کاروباری سرگرمیوں پر دباؤ پڑے گا۔

سیاسی نقطہ نظر سے، کمپنی ایک پرامید نظریہ رکھتی ہے، اس توقع کے ساتھ کہ منتخب حکومت کے قیام سے سیاسی منظر نامے میں استحکام آئے گا۔ امید ہے کہ حکومت مہنگائی سے نمٹنے اور ڈسکاؤنٹ ریٹ کو کم کرنے کے لیے فعال اقدامات کرے گی، جس سے ملک میں کاروبار کے لیے زیادہ سازگار ماحول پیدا ہوگا۔

آنے والی سہ ماہیوں میں، کمپنی بین الاقوامی معیشتوں میں افراط زر سے پیدا ہونے والے چیلنجز، عالمی سپلائی چین میں رکاوٹوں کی وجہ سے مال برداری کی بڑھتی ہوئی لاگت، بھارت کی طرف سے برآمدی پابندیوں کے خاتمے اور برآمدات کے لیے فلور پرائسز میں نظر ثانی کے ساتھ ہی بین الاقوامی مارکیٹ میں چاول کی وافر فراہمی کے باعث چاول کی قیمتوں میں ممکنہ کمی کی پیشین گوئی کرتی ہے۔

اس مشکل معاشی اور کاروباری ماحول کے جواب میں، کمپنی اس ماحول کے اندر موافقت اور ترقی کی منازل طے کرنے کے لیے فعال طور پر ایک حکمت عملی تیار کر رہی ہے۔ بین الاقوامی مارکیٹ میں مسابقت کو برقرار رکھنے، مارکیٹ کی موجودگی کو تقویت دینے اور مقامی مارکیٹوں میں مارکیٹ شیئر کو بڑھانے پر توجہ مرکوز کی گئی ہے۔ یہ اسٹریٹیجک اقدامات پیچیدہ معاشی منظر نامے میں چلنے اور کمپنی کو ترقی کی راستے پر رکھنے کے لئے ہیں اور عالمی اور داخلی چیلنجز کے درمیان کمپنی کو مستقل کامیابی کے لیے پوزیشن دینا ہے۔

آنے والی سہ ماہیوں میں، کمپنی کارن سٹارچ میں اپنی مضبوط پیداواری صلاحیت کا فائدہ اٹھاتے ہوئے، نئی بین الاقوامی منزلوں کو تلاش کرنے کے لیے تیار ہے۔ چاول گلوکوز ڈویژن کا امید ہے کہ ٹوٹی ہوئی چاول کی قیمتوں میں کمی سے فائدہ حاصل ہو گا، جس کا مقصد پیچھے ماہوں میں ہونے والی پیداوار کے درمیان خلا کو پورا کرنا ہے۔ فلک فوڈ ڈویژن سہولت پر مبنی فوڈ انڈسٹری میں نئی مصنوعات متعارف کروانے سے مستفید ہونے کے لیے تیار ہے۔ ڈیکسٹروس منو ہائیڈریٹ مارکیٹ میں بڑھتے ہوئے حصہ کے ذریعے منافع میں اضافے کی توقع ہے۔ مزید برآں، بہترین معیار کے ساتھ باسمنی چاول کی بین الاقوامی مانگ کو پورا کرتے ہوئے، کمپنی کا مقصد ملک کی غیر ملکی زرمبادلہ کمائی میں حصہ ڈالنا ہے۔

کمپنی نے مارکیٹ شیئر حاصل کرنے اور منافع برقرار رکھنے پر ایک اسٹریٹیجک مرکز بنایا ہوا ہے، کمپنی واقعات کے متناسب انتہائی نگرانی اور ترتیبات کے ساتھ مطابقت رکھنے والی ترقیاتی اسٹریٹیجیوں پر مستقل پرمزمن رہتی ہے۔ یہ اقدامات مارکیٹ میں کمپنی کی پوزیشن کو مستحکم کرنے اور مسلسل کامیابی کو یقینی بنانے کے لیے تیار کیے گئے ہیں۔

اعتراف:

ڈائریکٹرز ہمارے معزز صارفین، مالیاتی اداروں، شیئر ہولڈرز اور دیگر اسٹیک ہولڈرز کا ان کے غیر متزلزل اعتماد اور تعاون کے لیے تہہ دل سے شکریہ ادا کرتے ہیں۔ ہم اپنے تمام ملازمین کی لگن اور محنت کی دل کی گہرائیوں سے تعریف کرتے ہیں، جن کی شراکتیں کمپنی کی کامیابیوں اور حصولات میں انمول رہی ہیں۔

بورڈ کی جانب سے

خالد سرفراز غوری۔

چیف ایگزیکٹو آفیسر

جاوید علی غوری۔

چیرمین

کراچی

فروری 27، 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Matco Foods Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Grant Thornton Anjum Rahman

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Matco Foods Limited** as at **December 31, 2023** and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim unconsolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three months period ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended December 31, 2023.



Grant Thornton

The engagement partner on the audit resulting in this independent auditor's report is **Khurram Jameel**.

Khurram Jameel

Chartered Accountants

Karachi

Date: February 28, 2024

UDIN: RR202310093zBKXNbutc

MATCO FOODS LIMITED


UNCONSOLIDATED FINANCIAL STATEMENTS

MATCO FOODS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		Un-Audited December 31, 2023	Audited June 30, 2023
	Note	-----Rupees in '000'-----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	7,864,957	7,741,823
Right-of-use assets		222,088	243,533
Long term deposits		17,577	17,477
Long term investments	7	55,583	65,310
Total non-current assets		8,160,205	8,068,143
Current assets			
Stores, spares and loose tools		171,623	105,323
Stock in trade	8	11,167,927	9,574,431
Trade debts	9	3,375,825	2,194,184
Loans and advances		587,008	514,851
Trade deposits and short term prepayments		30,462	15,043
Short-term investment		1,200	4,222
Sales tax refundable		-	64,936
Due from related parties		49,692	81,821
Taxation - net		165,663	64,957
Cash and bank balances	10	878,584	358,996
Total current assets		16,427,984	12,978,764
Total assets		24,588,189	21,046,907

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director

MATCO FOODS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		Un-Audited December 31, 2023	Audited June 30, 2023
	Note	-----Rupees in '000-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
200,000,000 (June 30, 2023: 200,000,000) shares of Rs. 10 each		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid up share capital	11	<u>1,224,007</u>	1,224,007
Capital reserve		<u>680,467</u>	680,467
Unappropriated profit		<u>3,213,770</u>	3,171,667
Surplus on revaluation of property, plant and equipment - net of tax		<u>2,389,905</u>	2,408,824
Unrealized (loss) revaluation on investment at fair value through OCI		<u>-</u>	(819)
Total shareholders' equity		7,508,149	7,484,146
Non-current liabilities			
Long-term finances-secured	13	<u>1,608,664</u>	1,756,572
Lease liabilities		<u>164,704</u>	180,641
Deferred liabilities	12	<u>330,132</u>	308,764
Total non-current liabilities		2,103,500	2,245,977
Current liabilities			
Trade and other payables		<u>2,416,438</u>	1,848,557
Advance from customers - secured		<u>362,345</u>	297,507
Accrued mark-up		<u>576,148</u>	368,364
Due to related parties		<u>6,808</u>	6,808
Short-term borrowings-secured	14	<u>11,207,922</u>	8,416,682
Current portion of long term finances-secured	13	<u>343,363</u>	323,293
Current portion of lease liabilities		<u>34,978</u>	36,287
Unpaid dividend	15	<u>28,538</u>	19,286
Total current liabilities		14,976,540	11,316,784
Total liabilities		17,080,040	13,562,761
Contingencies and commitments			
Total equity and liabilities	16	<u>24,588,189</u>	<u>21,046,907</u>

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director

MATCO FOODS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Note	Six-months ended		Three-months ended	
		December 31,	December 31,	December 31,	December 31,
		2023	2022	2023	2022
		Un-Audited	Un-Audited	Un-Audited	Un-Audited
		-----Rupees in '000-----		-----Rupees in '000-----	
Sales - net	17	13,952,826	7,238,538	7,114,844	4,257,719
Cost of sales	17	(12,249,052)	(6,181,207)	(6,219,028)	(3,696,700)
Gross profit		1,703,774	1,057,331	895,816	561,019
Operating expenses					
Selling and distribution		(251,382)	(148,011)	(133,414)	(95,549)
Administrative		(323,172)	(293,605)	(177,744)	(193,870)
		(574,554)	(441,616)	(311,158)	(289,419)
Operating profit		1,129,220	615,715	584,658	271,600
Financial charges		(1,039,796)	(470,217)	(574,743)	(271,326)
Exchange gain / (loss)		32,852	150,283	(20,427)	62,161
		122,276	295,781	(10,512)	62,435
Other operating income		24,428	24,841	12,625	14,856
Profit before taxation		146,704	320,622	2,113	77,291
Taxation		(62,320)	(64,492)	4,969	(41,952)
Profit for the period		84,384	256,130	7,082	35,339
		-----Rupees-----		-----Rupees-----	
Earnings per share -					
Basic and Diluted	18	0.69	2.09	0.06	0.29

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director

MATCO FOODS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Six-months ended		Three-months ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Un-Audited	Un-Audited	Un-Audited	Un-Audited
	-----Rupees in '000-----		-----Rupees in '000-----	
PROFIT FOR THE PERIOD	84,384	256,130	7,082	35,339
Other comprehensive income				
Unrealized profit/(loss) on revaluation of investment at fair value through OCI during the period	819	1,269	71	(1,043)
Other comprehensive income / (loss)	819	1,269	71	(1,043)
TOTAL COMPREHENSIVE				
PROFIT FOR THE PERIOD	85,203	257,399	7,153	34,296

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director

MATCO FOODS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Issued, subscribed and paid up share capital	Capital reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment	Unrealized Profit/(loss) revaluation of investment at fair value to OCI	Total
----- Rupees in '000' -----						
Balance as at July 01, 2022	1,224,007	680,467	2,723,394	2,433,901	(3,390)	7,058,379
Total comprehensive income for the period						
Profit for the period	-	-	256,130	-	-	256,130
Other comprehensive income	-	-	-	-	1,269	1,269
Total comprehensive income	-	-	256,130	-	1,269	257,399
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	10,727	(10,727)	-	-
Transactions with owners						
Dividend paid @ Rs. 0.5 per share	-	-	(61,200)	-	-	(61,200)
Balance as at December 31, 2022	<u>1,224,007</u>	<u>680,467</u>	<u>2,929,051</u>	<u>2,423,174</u>	<u>(2,121)</u>	<u>7,254,578</u>
Balance as at July 01, 2023	1,224,007	680,467	3,171,667	2,408,824	(819)	7,484,146
Total comprehensive income for the period						
Profit for the period	-	-	84,384	-	-	84,384
Other comprehensive income	-	-	-	-	819	819
Total comprehensive income	-	-	84,384	-	819	85,203
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	18,919	(18,919)	-	-
Transactions with owners						
Dividend paid @ Rs. 0.5 per share	-	-	(61,200)	-	-	(61,200)
Balance as at December 31, 2023	<u>1,224,007</u>	<u>680,467</u>	<u>3,213,770</u>	<u>2,389,905</u>	<u>-</u>	<u>7,508,149</u>

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director

MATCO FOODS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

		Six-months ended	
		December 31, 2023	December 31, 2022
		(Un-Audited)	(Un-Audited)
Note		-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
	19	(743,075)	(492,221)
Cash generated from operating activities			
Gratuity paid		(10,115)	(15,214)
Long term deposit paid		(100)	-
Taxes paid		(171,134)	(84,713)
Finance cost paid		(821,848)	(333,148)
Net cash used in operating activities		(1,746,272)	(925,296)
CASH FLOWS FROM INVESTING ACTIVITIES			
		(337,865)	(505,472)
Purchase of property, plant and equipment		-	9,511
Proceeds from disposal of property, plant and equipment		3,022	-
Proceeds from disposal of investments		-	(39,878)
Right-of-use assets		16,661	1,269
Long term investment		(318,182)	(534,570)
Net cash used in investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
		(127,838)	(1,413)
Long term finances - net of repayment		(27,412)	12,792
Finance lease obligation - net of repayment		(51,948)	(51,970)
Dividend paid		2,791,240	1,402,471
Short term finances - net of repayment		2,584,042	1,361,880
Net cash generated from financing activities			
Net increase/(decrease) in cash and cash equivalents		519,588	(97,986)
Cash and cash equivalents at the beginning of the period		358,996	303,566
Cash and cash equivalents at the end of the period		878,584	205,580

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director

1 LEGAL STATUS AND OPERATIONS

Matco Foods Limited, ('the Company') was incorporated on April 14, 1990 in Karachi as a private limited company under the repealed Companies Ordinance, 1984 (Now: Companies Act, 2017). The Company was listed on Pakistan Stock Exchange Limited on February 13, 2018. The principal activity of the Company is to carry out the business of processing, export of rice, rice glucose, rice protein, corn starch and trade of biscuits, pink salt, bran oil, masala and kheer. The registered office of the Company is situated at B-1/A, S.I.T.E.-II Phase 1, Super Highway Industrial Area, Karachi; whereas the factories of the Company are situated at (i) Plot A-15 & 16, SITE-II, Super highway Karachi; (ii) A-21, SITE-II, Super highway Karachi; (iii) G-205, SITE-II, Super highway Karachi and (iv) 50 KM G.T Road, Sadhoke, Tehsil Kamoke, District Gujranwala and (v) Plot # 53, S.E.Z, Allama Iqbal Industrial City in Faisalabad.

The Company has 100% ownership in JKT General Trading FZE (subsidiary) a U.A.E. based company which is situated at P.O.Box 123347, Sharjah - U.A.E, and registered with Government of Sharjah. The business of the subsidiary is purchasing and selling of processed rice.

The Company has 99.99% ownership in Matco Marketing (Private) Limited (subsidiary) which was incorporated on June 16, 2016 with authorized and paid-up share capital of PKR 10,000,000 and PKR 7,500,000 respectively. The subsidiary is situated at B-1/A, S.I.T.E. Phase 1, Super Highway Industrial Area, Karachi. However, no business activity has been carried out by the subsidiary since its incorporation.

Matco Foods Limited has 49% ownership in Barentz Pakistan (Private) Limited which was incorporated on June 28, 2019 with authorized and paid-up capital of PKR 100,000,000 and PKR 50,000,000 respectively.

These are the separate financial statements of the Company in which investments in subsidiaries and joint venture are stated at cost less impairment losses, if any.

2 SIGNIFICANT EVENTS AND TRANSACTIONS

There are no significant events and transactions occurred during the period.

3 BASIS OF PREPARATION**3.1** These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been applied.

3.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the unconsolidated annual audited financial statements, and should be read in conjunction with Company's unconsolidated annual audited financial statements for the year ended June 30, 2023.

3.3 Standards, amendments and interpretations to approved accounting standards**3.3.1 Standards, amendments and interpretations to the published standards that may be relevant to the company and adopted in the current period**

There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

3.3.2 Standards, amendments and interpretations to the published standards that may be relevant but not early adopted by the Company.

There were certain standards and other amendments to accounting and reporting standards that are not yet effective and notified and are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

3.3.3 Standards, amendments and interpretations to the published standards that may be relevant but not early adopted by the Securities exchange commission of Pakistan.

There are standards and certain other amendments to accounting and reporting standards that are not yet effective and notified and are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been adopted by the Securities exchange commission of Pakistan.

4 MATERIAL ACCOUNTING INFORMATION AND POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2023 unless otherwise specified.

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of the applying the Company's accounting policies. Estimates and judgement are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparations of this unconsolidated condensed interim financial statements, the significant judgement made by management in applying the Company's accounting policies and the key sources of estimations and uncertainly were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2023.

		(Un-Audited) December 31, 2023	(Audited) June 30, 2023
	Note	-----Rupees in '000-----	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	6,693,305	6,838,282
Capital work in progress		1,171,652	903,541
		<u>7,864,957</u>	<u>7,741,823</u>

MATCO FOODS LIMITED
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

- 6.1** Details of additions and disposals to fixed operating assets during the three months ended December 31, 2023 are as follows:

	Additions at cost	Disposals at net book value
	-----Rupees in '000-----	
Factory building	7,698	-
Plant and machinery	31,209	-
Electric cables and fitting	102	-
Furniture and fixture	2,144	-
Motor vehicles	7,512	-
Office equipment	4,177	-
Factory equipment	10,798	-
Computers	3,619	-
Camera	494	-
Mobile phone	2,001	-
December 31, 2023	69,754	-
June 30, 2023	2,634,694	29,935

- 6.2** Following is the movement in capital work in progress during the period / year.

	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees in '000-----	
Opening balance	903,541	1,949,329
Additions during the period / year	268,111	1,322,562
	1,171,652	3,271,891
Transferred to operating fixed assets	-	(2,368,350)
Closing balance	1,171,652	903,541

7 LONG-TERM INVESTMENTS

Subsidiaries

JKT General Trading (FZE)	7.1	23,583	23,583
Matco Marketing (Private) Limited	7.2	7,500	7,500

Joint Venture

Barentz Pakistan (Private) Limited	7.3	24,500	24,500
------------------------------------	-----	--------	--------

Other investments - at fair value through OCI

Pakistan Aluminium Beverage Cans Limited		-	8,737
Engro Fertilizers Limited	7.4	-	990
		55,583	65,310

- 7.1** On October 8, 2013, the Company incorporated a new wholly owned subsidiary, JKT General Trading FZE in U.A.E. The principal activities are general trading, export / import and other related activities. The Company has made an equity investment of USD 255,000 (June 30, 2023: USD 255,000) out of which shares of USD 40,872 (June 30, 2023: USD 40,872) have been issued. Shares for the remaining amount would be issued after completion of necessary regulatory formalities.
- 7.2** On November 13, 2017, the Company has subscribed 749,996 shares (June 30, 2023: 749,996 shares) out of 750,000 shares (June 30, 2023: 750,000 shares) of Matco Marketing (Private) Limited. However, Matco Marketing (Private) Limited has not commenced its operations since incorporation.

MATCO FOODS LIMITED
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
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7.3 On June 28, 2019, the company has been incorporated in Paksitan as per agreement between Matco Foods Limited and Barentz International B.V. Matco Foods Limited has subscribed 49% of total shahreholding of Rs. 50 million (June 30, 2023: Rs. 50 million), thereby, constituting a joint venture.

7.4 This represents the fair value of 193,201 shares (June 30, 2023: 193,201 shares) of Pakistan Beverages Aluminum Can's acquired by the Company through initial public offering at the rate of Rs. 49 per share and the fair value of 12,000 shares (June 30, 2023: 12,000 shares) of Engro Fertilizers acquired by the company during the year ended June 30, 2022 at the rate of Rs. 89.90 per share. These shares have been disposed of during the period.

		(Un-Audited) December 31, 2023	(Audited) June 30, 2023
		-----Rupees in '000-----	
8	STOCK IN TRADE - net		
	Raw materials	6,930,321	6,001,844
	Packing materials	413,142	465,737
	Finished goods	3,845,418	3,127,804
		11,188,881	9,595,385
	Provision for slow moving / obsolete items	(20,954)	(20,954)
		11,167,927	9,574,431
9	TRADE DEBTS - net		
	Considered good		
	- Export - secured	2,675,839	1,744,841
	- Local - unsecured	699,986	449,343
		3,375,825	2,194,184
10	CASH AND BANK BALANCES		
	Cash in hand	8,066	3,922
	Cash at bank	870,518	355,074
		878,584	358,996
11	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
	(Un-audited) December 31, 2023	(Audited) June 30, 2023	(Un-Audited) December 31, 2023
	(Number of shares)		(Audited) June 30, 2023
		-----Rupees in '000-----	
		Ordinary shares of Rs. 10 each:	
	50,340,213	50,340,213	- fully paid in cash
			- issued for consideration other
	6,002,950	6,002,950	than cash
			- issued as fully paid bonus
	66,057,535	66,057,535	shares
	122,400,698	122,400,698	
12	DEFERRED LIABILITIES		
	Staff gratuity scheme - unfunded	268,791	69,449
	Deferred tax liability	61,341	239,315
		330,132	308,764

MATCO FOODS LIMITED
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees in '000-----	
13 LONG TERM FINANCES - SECURED		
<i>From banking companies and financial institution:</i>		
LTFF/ILTFF	533,224	587,907
TERF/ITERF	964,404	1,002,551
FFSAP/IFFASP	209,426	230,374
Demand Finance	244,973	259,035
	<u>1,952,027</u>	<u>2,079,867</u>
Current portion of long term finances	<u>(343,363)</u>	<u>(323,293)</u>
	<u><u>1,608,664</u></u>	<u><u>1,756,574</u></u>
13.1	The Company has obtained long term finance facility from various banks for plant & machinery expansion. The facilities available from different banks are secured by way of 1st pari passu hypothecation charge of present and future fixed assets (excluding land and building) of the Company. The mark up charged on these finances are same as disclosed in unconsolidated annual financial statements as at June 30, 2023.	
	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees in '000-----	
14 SHORT-TERM BORROWINGS SECURED		
Export re-finance	6,140,059	5,401,101
Own resource	5,067,863	3,015,581
	<u>11,207,922</u>	<u>8,416,682</u>
14.1	The facilities available from various banks amount to Rs. 12,411 million (2023: Rs. 9,050 million). These facilities are secured by way of hypothecation charge of all present and future cash collateral/TDR, receivable, stocks & current assets. These facilities are registered by mortgage charge of land, building, plant and machinery and all present & future fixed assets. The mark up charged on these finances are same as disclosed in unconsolidated annual financial statements as at June 30, 2023.	
15 UNPAID DIVIDEND		
This represents part of interim dividend for the period ended December 31, 2017, September 30, 2022 and March 31, 2023 and final dividend for the year ended June 30, 2018, June 30, 2019, June 30, 2020 and June 30, 2023 ,which remained unpaid to the shareholders who have not provided their valid Central Depository System (CDS) Account no, and International Bank Account Number (IBAN). The company has already sent letters to those shareholders for the purpose of above stated information.		
16 CONTINGENCIES AND COMMITMENTS		
16.1 Contingencies		
The current status of the contingencies is same as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2023.		
	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees in '000-----	
16.2 Commitments		
Letter of credit	84,150	78,649
Letter of gurantee	46,521	38,397
Capital expenditure	40,000	85,000
Cheques issued in favor of Nazir of high court in relation to SSGC case	7,732	7,732

MATCO FOODS LIMITED
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
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17 SEGMENT INFORMATION

A segment is a distinguishable component of the Company that is engaged in business activities from which the Company earn revenues and incur expenses and its results are regularly reviewed by the Company's chief operating decision maker to make decision about resources to be allocated to the segment and assess its performance. Further, discrete financial information is available for each segment.

Based on internal management reporting structure and products produced and sold, the Company is organized into the following two operating segments:

- Rice and Allied Products
- Corn Starch Products

Segment revenues, segment results, costs, assets and liabilities for the period are as follows:

	(Un-Audited)											
	Three-months Period Ended						Six-months Period Ended					
	Rice and Allied Products		Corn Starch Products		Total		Rice and Allied Products		Corn Starch Products		Total	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Disaggregation of revenue	Rupees in '000											
Sales												
Export	4,581,151	2,220,167	69,840	27,316	4,650,991	2,247,484	8,721,406	4,437,705	134,334	37,831	8,855,740	4,475,536
Local	375,640	995,337	1,280,032	455,986	1,655,672	1,451,323	1,468,022	1,787,618	2,613,960	508,645	4,081,982	2,296,263
By-Product	1,172,743	806,426	1,793	-	1,174,536	806,426	1,770,527	1,033,313	2,130	-	1,772,657	1,033,313
	6,129,534	4,021,930	1,351,664	483,302	7,481,199	4,505,233	11,959,955	7,258,636	2,750,424	546,476	14,710,379	7,805,112
Less:												
Sales returns and discount	(26,758)	(39,198)	(6,357)	-	(33,115)	(39,198)	(47,454)	(65,804)	(31,629)	-	(79,083)	(65,804)
Sales tax	(36,405)	(23,186)	(187,438)	(65,287)	(223,843)	(88,473)	(66,925)	(36,334)	(387,608)	(73,906)	(454,533)	(110,240)
Freight	(103,434)	(132,820)	(1,921)	(324)	(105,355)	(133,144)	(191,966)	(356,103)	(3,300)	(384)	(195,266)	(356,487)
Clearing & Forwarding	93	13,301	(4,135)	-	(4,042)	13,301	(24,158)	(34,043)	(4,513)	-	(28,671)	(34,043)
	(166,504)	(181,903)	(199,851)	(65,611)	(366,355)	(247,514)	(330,503)	(492,284)	(427,050)	(74,290)	(757,553)	(566,574)
Net Sales	5,963,030	3,840,027	1,151,813	417,691	7,114,844	4,257,719	11,629,452	6,766,352	2,323,374	472,186	13,952,826	7,238,538
Cost of Sales	(5,338,696)	(2,925,006)	(880,332)	(771,694)	(6,219,028)	(3,696,700)	(10,202,742)	(5,351,046)	(2,046,310)	(830,161)	(12,249,052)	(6,181,207)
Selling and Distribution	(124,693)	(92,953)	(8,721)	(2,596)	(133,414)	(95,549)	(233,387)	(142,373)	(17,995)	(5,638)	(251,382)	(148,011)
Administrative expenses	(149,787)	(168,755)	(27,957)	(25,115)	(177,744)	(193,870)	(264,814)	(264,046)	(58,358)	(29,559)	(323,172)	(293,605)
	(5,613,176)	(3,186,714)	(917,010)	(799,405)	(6,530,186)	(3,986,119)	(10,700,943)	(5,757,465)	(2,122,663)	(865,358)	(12,823,606)	(6,622,823)
Segment result	349,854	653,313	234,803	(381,714)	584,658	271,599	928,509	1,008,887	200,711	(393,172)	1,129,220	615,715
Unallocation income and expenses												
Finance cost											(1,039,796)	(470,217)
Exchange gain/(loss)											32,852	150,283
Other operating income											24,428	24,841
Profit before taxation											146,704	320,622
Income tax expense											(62,320)	(64,492)
Profit after taxation											84,384	256,130

Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Un-Audited
Rice and Allied Products		Corn Starch Products		Total	
December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023
Rupees in '000					
18,688,431	15,958,386	3,891,899	3,657,375	22,580,330	19,615,761
-	-	-	-	2,007,859	1,431,146
18,688,431	15,958,386	3,891,899	3,657,375	24,588,189	21,046,907
12,468,607	9,462,722	3,359,521	2,837,198	15,828,128	12,299,919
-	-	-	-	1,251,912	1,262,842
12,468,607	9,462,722	3,359,521	2,837,198	17,080,040	13,562,761

17.5 There were no inter segment transaction of the Company during the period. (December 31, 2022: Nil)

MATCO FOODS LIMITED**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	(Un-Audited) December 31, 2023	(Un-Audited) June 30, 2023
	-----Rupees in '000-----	
17.6 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES		
Assets		
Total assets for reportable segments	22,580,330	19,615,761
Administrative capital assets	222,088	243,533
Investments	56,783	69,532
Loans and advances	587,008	514,851
Cash and bank balances	878,584	358,996
Others	263,396	244,234
Total assets	<u>24,588,189</u>	<u>21,046,907</u>
Liabilities		
Total liabilities for reportable segments	15,828,128	12,299,919
Deferred tax liabilities	330,132	308,764
Lease liabilities	199,683	216,928
Trade and other payables - Others	686,750	711,055
Due to related parties	6,808	6,808
Unpaid dividend	28,539	19,287
Total liabilities	<u>17,080,040</u>	<u>13,562,761</u>
	(Un-Audited) December 31, 2023	(Un-Audited) December 31, 2022
	-----Rupees in '000-----	
18 EARNINGS PER SHARE - BASIC & DILUTED		
Basic earnings per share		
Profit for the period	<u>84,384</u>	<u>256,130</u>
Number of ordinary shares	<u>122,400,698</u>	<u>122,400,698</u>
Earning per share	<u>0.69</u>	<u>2.09</u>

18.1 Diluted earning per share

There is no dilutive effect on earnings per share as the Company does not have any convertible instruments.

MATCO FOODS LIMITED
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

19	CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	Note	(Un-Audited) December 31, 2023	(Un-Audited) December 31, 2022
			Rupees	
	Profit before taxation		146,704	320,622
	Adjustments for non-cash charges and other items:			
	Depreciation		236,178	215,308
	Exchange gain - net		(32,852)	(150,283)
	Gain on sale of shares		(6,115)	-
	Unrealized gain on long term investment		-	-
	Finance cost		1,039,796	470,217
	Gain on disposal of property, plant and equipment		-	(7,119)
	Provision for staff gratuity		39,591	31,084
	Unrealized gain on short term investment		-	272
	Working capital changes	19.1	<u>(2,166,377)</u>	<u>(1,372,322)</u>
	Cash used in from operations		<u>(743,075)</u>	<u>(492,221)</u>
19.1	Working capital changes			
	(Increase)/ decrease in current assets			
	Stores, spares and loose tools		(66,300)	(56,660)
	Stock-in-trade		(1,593,496)	(1,856,903)
	Trade debts - considered good		(1,148,789)	439,714
	Loans and advances		(72,157)	(288,077)
	Trade deposits and prepayments		(15,419)	3,935
	Sales tax refundable		64,936	(17,249)
	Other receivables		<u>32,129</u>	<u>(18,164)</u>
			(2,799,096)	(1,793,404)
	Increase/(decrease) in current liabilities			
	Trade and other payables		567,881	233,388
	Deferred grant		-	(1,561)
	Due to related parties		-	(3,748)
	Advance from customers - secured		<u>64,838</u>	<u>193,003</u>
	Net increase in working capital		<u>(2,166,377)</u>	<u>(1,372,322)</u>

MATCO FOODS LIMITED**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023****20 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

There have been no changes in the risk management policies during the period, consequently these unconsolidated condensed interim financial statements does not include all the financial risk management information and disclosures required in the audited annual financial statements.

20.1 Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in these condensed interim unconsolidated financial statements approximate their fair values.

20.2 Fair value hierarchy

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

21 TRANSACTIONS WITH RELATED PARTIES**21.1 Transactions with related parties, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:**

Nature of relationship	Percentage of Holding	Transactions	(Un-Audited) December 31, 2023	(Un-Audited) December 31, 2022
			-----Rupees in '000-----	
Directors		Godown rent paid to director	<u>20,932</u>	<u>11,421</u>
Subsidiary				
JKT General Trading FZE	100%	Sales	<u>32,907</u>	<u>72,602</u>
		Payment received on account of sales	<u>27,642</u>	<u>106,863</u>
Matco Marketing (Private) Limited	99.99%	Paid expenses on behalf	<u>-</u>	<u>-</u>
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	<u>79,045</u>	<u>121,824</u>
		Payment received on account of expenses	<u>106,091</u>	<u>106,980</u>
		Interest income	<u>6,555</u>	<u>4,545</u>
		Interest received	<u>10,340</u>	<u>-</u>
		Rental and service income	<u>371</u>	<u>-</u>
		Rental and service income received	<u>371</u>	<u>-</u>
		Commission paid	<u>1,297</u>	<u>60</u>

MATCO FOODS LIMITED
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

			(Un-Audited) December 31, 2023	(Un-Audited) December 31, 2022
			-----Rupees in '000-----	
Associates based on common directorship				
Faiyaz Center Owner Association		Paid expenses on behalf	207	-
		Payment received on account of expenses	207	-
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	6,902	-
		Payment received on account of expenses	6,902	-
Trust operated by the Company				
Ghori Trust	0%	Paid expenses on behalf	11,453	12,189
		Payment received on account of expenses	3,339	63
		Donations paid	8,114	3,837
Nature of relationship	Percentage of Holding	Balances	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
Subsidiary				
JKT General Trading FZE	100%	Trade receivable outstanding	-	-
		Advance outstanding against sales	2,580	5,266
		Payable against expenses	14,865	15,388
Matco Marketing (Private) Limited	99.99%	Advance outstanding	6,808	6,808
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Receivable against expenses	43,864	72,207
		Interest receivable	2,580	6,365
		Receivable against rent and services	3,249	3,249

22 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 27-02-2024, by the board of directors of the Company.

23 GENERAL

Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.


Chief Executive Officer


Chief Financial Officer


Director

MATCO FOODS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		Un-Audited December 31, 2023	Audited June 30, 2023
	Note	-----Rupees in '000'-----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	7,865,118	7,741,823
Right-of-use assets		222,088	243,533
Long term deposits		17,577	17,477
Long term investments	7	12,748	16,733
Total non-current assets		8,117,531	8,019,566
Current assets			
Stores, spares and loose tools		171,623	105,323
Stock in trade	8	11,167,927	9,574,431
Trade debts	9	3,501,302	2,315,844
Loans and advances		587,008	514,851
Trade deposits and short term prepayments		33,225	16,456
Short-term investment		1,200	4,222
Sales tax refundable		-	64,936
Due from related parties		49,692	81,821
Taxation - net		165,663	64,957
Cash and bank balances	10	880,267	375,642
Total current assets		16,557,907	13,118,483
Total assets		24,675,438	21,138,049

The annexed notes from 1 to 23 form an integral part of these consolidated condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director

MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		Un-Audited December 31, 2023	Audited June 30, 2023
	Note	-----Rupees in '000'-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
200,000,000 (June 30, 2023: 200,000,000) shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital	11	1,224,007	1,224,007
Capital reserve		680,467	680,467
Exchange revaluation reserve		75,269	77,321
Unappropriated profit		3,243,328	3,207,759
Surplus on revaluation of property, plant and equipment - net of tax		2,389,905	2,408,824
Unrealized (loss) revaluation on investment at fair value through OCI		-	(819)
Total shareholders' equity		7,612,976	7,597,559
Non-current liabilities			
Long-term finances-secured	12	1,608,664	1,756,572
Lease liabilities		164,704	180,641
Deferred liabilities	13	330,584	309,223
Total non-current liabilities		2,103,952	2,246,436
Current liabilities			
Trade and other payables		2,401,112	1,835,985
Advance from customers - secured		366,449	294,156
Accrued mark-up		576,148	368,364
Due to related parties		-	-
Short-term borrowings-secured	14	11,207,922	8,416,682
Current portion of long term finances-secured	12	343,363	323,293
Current portion of lease liabilities		34,978	36,287
Unpaid dividend	15	28,538	19,286
Total current liabilities		14,958,510	11,294,054
Total liabilities		17,062,462	13,540,490
Contingencies and commitments			
Total equity and liabilities	16	24,675,438	21,138,049

The annexed notes from 1 to 23 form an integral part of these consolidated condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director

MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Note	Six-months ended		Three-months ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		Un-Audited	Un-Audited	Un-Audited	Un-Audited
		-----Rupees in '000'-----		-----Rupees in '000'-----	
Sales - net	17	13,955,436	7,259,332	7,116,613	4,263,288
Cost of sales	17	(12,249,052)	(6,181,207)	(6,219,028)	(3,696,611)
Gross profit		1,706,384	1,078,125	897,585	566,677
Operating expenses					
Selling and distribution		(263,315)	(148,011)	(140,282)	(94,800)
Administrative		(325,977)	(294,198)	(178,944)	(194,463)
		(589,292)	(442,209)	(319,226)	(289,263)
Operating profit		1,117,092	635,916	578,359	277,414
Financial charges		(1,039,944)	(470,463)	(574,822)	(271,572)
Share of gain/(loss) from associated company		5,739	(1,506)	1,335	(4,903)
Exchange gain / (loss)		32,852	150,283	(20,427)	62,161
		115,739	314,230	(15,556)	63,100
Other operating income		24,431	24,847	12,628	14,862
Profit before taxation		140,170	339,077	(2,928)	77,962
Taxation		(62,320)	(64,492)	4,969	(41,952)
Profit for the period		77,850	274,585	2,041	36,010
		-----Rupees-----		-----Rupees-----	
Earnings per share -					
Basic and Diluted	18	0.64	2.24	0.02	0.29

The annexed notes from 1 to 23 form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director

MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUD
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Six-months ended		Three-months ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Un-Audited	Un-Audited	Un-Audited	Un-Audited
	-----Rupees in '000'-----		-----Rupees in '000'-----	
PROFIT FOR THE PERIOD	77,850	274,585	2,041	36,010
Other comprehensive income				
<i>Items that may be reclassified to statement of profit or loss subsequently</i>				
- Exchange difference on translation of foreign currency	(2,052)	10,295	(2,958)	(943)
<i>Items that will not be reclassified to statement of profit or loss subsequently</i>				
- Unrealized gain/(loss) on revaluation of investment at fair value through OCI during the year	819	1,269	71	(1,043)
Other comprehensive income / (loss)	(1,233)	11,564	(2,887)	(1,986)
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	76,617	286,149	(846)	34,024

The annexed notes from 1 to 23 form an integral part of these consolidated condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director

MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Issued, subscribed and paid up share capital	Capital reserve	Exchange revaluation reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Unrealized Profit/(loss) revaluation of investment at fair value through OCI	Equity attributable to the Holding Company 's shareholders	Total
----- Rupees in '000' -----								
Balance as at July 01, 2022	1,224,007	680,467	35,814	2,755,161	2,433,901	(3,390)	7,125,960	7,125,960
Total comprehensive income for the period								
Profit for the period	-	-	-	274,585	-	-	274,585	274,585
Other comprehensive income	-	-	10,295	-	-	1,269	11,564	11,564
Total comprehensive income	-	-	10,295	274,585	-	1,269	286,149	286,149
Transferred from surplus on revaluation property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	10,727	(10,727)	-	-	-
Transactions with owners								
Dividend paid @ Rs. 0.5 per share	-	-		(61,200)	-	-	(61,200)	(61,200)
Balance as at December 31, 2022	1,224,007	680,467	46,109	2,979,273	2,423,174	(2,121)	7,350,909	7,350,909

MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Issued, subscribed and paid up share capital	Capital reserve	Exchange revaluation reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Unrealized Profit/(loss) revaluation of investment at fair value through OCI	Equity attributable to the Holding Company 's shareholders	Total
	----- Rupees in '000' -----							
Balance as at July 01, 2023	1,224,007	680,467	77,321	3,207,759	2,408,824	(819)	7,597,560	7,597,560
Total comprehensive income for the period								
Profit for the period	-	-	-	77,850	-	-	77,850	77,850
Other comprehensive (loss)/gain	-	-	(2,052)	-	-	819	(1,233)	(1,233)
Total comprehensive income	-	-	(2,052)	77,850	-	819	76,617	76,617
Transferred from surplus on revaluation property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	18,919	(18,919)	-	-	-
Transactions with owners								
Dividend paid during the year	-	-	-	(61,200)	-	-	(61,200)	(61,200)
Balance as at December 31, 2023	1,224,007	680,467	75,269	3,243,328	2,389,905	-	7,612,976	7,612,976

The annexed notes from 1 to 23 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

		Six-months ended		
		December 31,	December 31,	
		2023	2022	
		(Un-Audited)	(Un-Audited)	
Note		-----Rupees in '000-----		
CASH FLOWS FROM OPERATING ACTIVITIES				
	Cash generated from operating activities	19	(749,926)	(515,107)
	Gratuity paid		(10,115)	(15,214)
	Long term deposit paid		(100)	-
	Taxes paid		(171,134)	(84,714)
	Finance cost paid		(822,004)	(333,394)
	Exchange revaluation reserve		(2,052)	10,329
	Net cash used in operating activities		(1,755,331)	(938,099)
CASH FLOWS FROM INVESTING ACTIVITIES				
	Purchase of property, plant and equipment		(338,026)	(505,471)
	Proceeds from disposal of property, plant and equipment		-	9,511
	Proceeds from disposal of investments		3,022	-
	Right-of-use assets		-	(39,878)
	Long term investment		10,919	1,269
	Net cash used in investing activities		(324,085)	(534,569)
CASH FLOWS FROM FINANCING ACTIVITIES				
	Long term finances - net of repayment		(127,838)	(1,414)
	Finance lease obligation - net of repayment		(27,412)	12,792
	Dividend paid		(51,948)	(51,970)
	Short term finances - net of repayment		2,791,240	1,402,471
	Net cash generated from financing activities		2,584,042	1,361,879
Net increase/(decrease) in cash and cash equivalents			504,626	(110,789)
Cash and cash equivalents at the beginning of the period			375,642	322,021
Cash and cash equivalents at the end of the period			880,267	211,232

The annexed notes from 1 to 23 form an integral part of these consolidated condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

1 STATUS AND NATURE OF BUSINESS

The 'Group' consists of:

Holding Group

- Matco Foods Limited (the Holding Group)

Subsidiary Companies

- JKT General Trading FZE
- Matco Marketing (Private) Limited

Associated Group

- Barentz Pakistan (Private) Limited

The Group is engaged in the business of processing and export of rice, glucose, protein, corn starch and flour, manufacturing, general trading, exports/imports and other related activities. Brief profile of the Holding Group and its subsidiaries is as under:

a) Matco Foods Limited

Matco Foods Limited, ('the Holding Company') was incorporated on April 14, 1990 in Karachi as a private limited Group under the repealed Companies Ordinance, 1984 (Now: Companies Act, 2017). The Holding Company was listed on Pakistan Stock Exchange Limited on February 13, 2018. The principal activity of the Holding Company is to carry out the business of processing and export of rice, rice glucose, rice protein and pink salt, masala and kheer. The registered office of the Holding Company is situated at B-1/A, S.I.T.E.-II Phase 1, Super Highway Industrial Area, Karachi; whereas the factories of the Holding Group are situated at (i) Plot A-15 & 16, SITE-II, Super highway Karachi; (ii) A-21, SITE-II, Super highway Karachi; (iii) G-205, SITE-II, Super highway Karachi; (iv) 50 KM G.T Road, Sadhoke, Tehsil Kamonki, District Gujranwala and v) Plot # 53, S.E.Z, Allama Iqbal Industrial City, Faisalabad.

The Group has 100% ownership in JKT General Trading FZE (subsidiary) a UAE based Group and 99.9% in Matco Marketing (Private) Limited based in Pakistan.

b) JKT General Trading FZE

JKT General Trading FZE, ('the establishment') is a free zone establishment with limited liability registered in Saif-Zone, Sharjah, United Arab Emirates (UAE) under general trading license no. 12689. The principal activity of the establishment is purchasing and selling of processed rice.

The registered office of the establishment is at PO Box 123347, Sharjah, UAE.

The subsidiary has been established on October 8, 2013.

c) Matco Marketing (Private) Limited

The Group has incorporated another subsidiary Matco Marketing (Private) Limited through 100% ownership. The subsidiary is situated at B-01/A, S.I.T.E, Phase 1, Super Highway Industrial Area, Karachi. Matco Marketing (Private) Limited was incorporated on June 16, 2016 with authorized and paid-up share capital of PKR 10 million and PKR 7.5 million respectively. However, no business carried out by the subsidiary Group since its incorporation.

d) Barentz Pakistan (Private) Limited

The Barentz Pakistan (Private) Limited (a joint venture between Barentz International B.V and Matco Foods Limited with holding of 51% and 49% respectively) has been incorporated in Pakistan on June 28, 2019 with the approval of Securities & Exchange Commission of Pakistan and Competition Commission of Pakistan.

2 SIGNIFICANT EVENTS AND TRANSACTIONS

There are no significant events and transactions occurred during the period.

3 BASIS OF PREPARATION

- 3.1** These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act,
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 3.2** These consolidated condensed interim financial statements do not include all the information and disclosures required in the consolidated annual audited financial statements, and should be read in conjunction with Group's consolidated annual audited financial statements for the year ended June 30, 2023.

3.3 New standards, amendments to approved accounting standards and new interpretations

3.3.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2024

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or have any significant effect on the Group's financial reporting.

3.3.2 New standards and amendments to approved accounting standards that are effective for the Group's accounting periods beginning on or after July 1, 2024

There are new standards and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2024 but are considered not to be relevant or expected to have any significant effect on the Group's financial reporting.

4 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2023 unless otherwise specified.

MATCO FOODS LIMITED**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023****5 ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of the applying the Group's accounting policies. Estimates and judgement are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparations of this consolidated condensed interim financial statements, the significant judgement made by management in applying the Group's accounting policies and the key sources of estimations and uncertainly were the same as those that applied to the audited annual financial statements of the Group for the year ended June 30, 2023.

		(Un-Audited) December 31, 2023	(Audited) June 30, 2023
6 PROPERTY, PLANT AND EQUIPMENT	Note	-----Rupees in '000-----	
Operating fixed assets	6.1	6,693,466	6,838,282
Capital work in progress	6.2	1,171,652	903,541
		<u>7,865,118</u>	<u>7,741,823</u>

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

- 6.1 Details of additions and disposals to fixed operating assets during the three months ended December 31, 2023 are as follows:

	Additions at cost	Disposals at net book value
	-----Rupees in '000-----	
Factory building	7,698	-
Plant and machinery	31,209	-
Electric cables and fitting	102	-
Furniture and fixture	2,144	-
Motor vehicles	7,512	-
Office equipment	4,177	-
Factory equipment	10,798	-
Computers	3,780	-
Camera	494	-
Mobile phone	2,001	-
December 31, 2023	69,915	-
June 30, 2023	2,634,694	29,935

- 6.2 Following is the movement in capital work in progress during the period / year.

	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees in '000-----	
Opening balance	903,541	1,949,329
Additions during the period / year	268,111	1,322,562
	1,171,652	3,271,891
Transferred to operating fixed assets	-	(2,368,350)
Closing balance	1,171,652	903,541

7 LONG-TERM INVESTMENTS
Associate - Equity Accounting

Barentz Pakistan (Private) Limited	7.1	12,748	7,006
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Other investments - at fair value through OCI

Pakistan Aluminium Beverage Cans Limited		-	8,737
Engro Fertilizers Limited	7.2	-	990
		12,748	16,733

- 7.1 On June 28, 2019, the Company has been incorporated in Pakistan as per agreement between Matco Foods Limited and Barentz International B.V. Matco Foods Limited has subscribed 49% of total shareholding of Rs. 50 million, thereby, constituting a joint venture.

- 7.2 This represents the fair value of 193,201 shares (June 30, 2023: 193,201 shares) of Pakistan Beverages Aluminum Can's acquired by the Group through initial public offering at the rate of Rs. 49 per share and the fair value of 12,000 shares (June 30, 2023: 12,000 shares) of Engro Fertilizers acquired by the Group during the year ended June 30, 2022 at the rate of Rs. 89.90 per share. These shares have been disposed of during the period.

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

		(Un-Audited) December 31, 2023	(Audited) June 30, 2023
		-----Rupees in '000-----	
8	STOCK IN TRADE - net		
	Raw materials	6,930,321	6,001,844
	Packing materials	413,142	465,738
	Finished goods	3,845,418	3,127,804
		11,188,881	9,595,386
	Provision for slow moving / obsolete items	(20,954)	(20,954)
		11,167,927	9,574,431
9	TRADE DEBTS - net		
	Considered good		
	- Export - secured	2,801,316	1,866,501
	- Local - unsecured	699,986	449,343
		3,501,302	2,315,844
10	CASH AND BANK BALANCES		
	Cash in hand	8,066	3,923
	Cash at bank	872,201	371,719
		880,267	375,642
11	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
	(Un-audited) (Audited)	(Un-Audited) (Audited)	
	December 31, June 30,	December 31, June 30,	
	2023 2023	2023 2023	
	(Number of shares)	-----Rupees in '000-----	
		Ordinary shares of Rs. 10 each:	
	50,340,213 50,340,213	- fully paid in cash	503,402 503,402
	6,002,950 6,002,950	- issued for consideration other than cash	60,030 60,030
	66,057,535 66,057,535	- issued as fully paid bonus shares	660,575 660,575
	122,400,698 122,400,698		1,224,007 1,224,007
12	LONG TERM FINANCES - SECURED		
	<i>From banking companies and financial institution:</i>		
	LTFF/ILTFF	533,224	587,907
	TERF/ITERF	964,404	1,002,551
	FFSAP/IFFASP	209,426	230,374
	Demand Finance	244,973	259,035
		1,952,027	2,079,865
	Current portion of long term finances	(343,363)	(323,293)
		1,608,664	1,756,572
12.1	The Holding Company has obtained long term finance facility from various banks for plant & machinery expansion. The facilities available from different banks are secured by way of 1st pari passu hypothecation charge of present and future fixed assets (excluding land and building) of the Group. The mark up charged on these finances are same as disclosed in consolidated annual financial statements as at June 30, 2023.		

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees in '000-----	
13 DEFERRED LIABILITIES		
Staff gratuity scheme - unfunded	268,791	239,315
Deferred tax liability	61,341	69,449
Employees' end of services benefit	452	459
	<u>330,584</u>	<u>309,223</u>
14 SHORT-TERM BORROWINGS SECURED		
Export re-finance	6,140,059	5,401,100
Own resource	5,067,863	3,015,581
	<u>11,207,922</u>	<u>8,416,682</u>
14.1	The facilities available from various banks amount to Rs. 12,411 million (2023: Rs. 9,050 million). These facilities are secured by way of hypothecation charge of all present and future cash collateral/TDR, receivable, stocks & current assets. These facilities are registered by mortgage charge of land, building, plant and machinery and all present & future fixed assets. The mark up charged on these finances are same as disclosed in consolidated annual financial statements as at June 30, 2023.	
15 UNPAID DIVIDEND		
	This represents part of interim dividend for the period ended December 31, 2017, September 30, 2022 and March 31, 2023 and final dividend for the year ended June 30, 2018, June 30, 2019, June 30, 2020 and June 30, 2023 ,which remained unpaid to the shareholders who have not provided their valid Central Depository System (CDS) Account no, and International Bank Account Number (IBAN). The Group has already sent letters to those shareholders for the purpose of above stated information.	
16 CONTINGENCIES AND COMMITMENTS		
16.1 Contingencies		
	The current status of the contingencies is same as disclosed in the annual audited financial statements of the Group for the year ended June 30, 2023.	
	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
16.2 Commitments	-----Rupees in '000-----	
Letter of credit	84,150	78,649
Letter of gurantee	46,521	38,397
Capital expenditure	40,000	85,000
Cheques issued in favor of Nazir of high court in relation to SSGC case	7,732	7,732

MATCO FOODS LIMITED
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**
17 SEGMENT INFORMATION

A segment is a distinguishable component of the Group that is engaged in business activities from which the Group earn revenues and incur expenses and its results are regularly reviewed by the Group's chief operating decision maker to make decision about resources to be allocated to the segment and assess its performance. Further, discrete financial information is available for each segment.

Based on internal management reporting structure and products produced and sold, the Group is organized into the following two operating segments:

- Rice and Allied Products
- Corn Starch Products

Segment revenues, segment results, costs, assets and liabilities for the period are as follows:

	(Un-Audited)											
	Three-months Period Ended						Six-months Period Ended					
	Rice and Allied Products		Corn Starch Products		Total		Rice and Allied Products		Corn Starch Products		Total	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
-----Rupees in '000-----												
Disaggregation of revenue												
Sales												
Export	4,582,920	2,225,736	69,840	27,316	4,652,760	2,253,053	8,724,016	4,458,499	134,334	37,831	8,858,350	4,496,330
Local	375,640	995,337	1,280,032	455,986	1,655,672	1,451,323	1,468,022	1,787,618	2,613,960	508,645	4,081,982	2,296,263
By-Product	1,172,743	806,426	1,793	-	1,174,536	806,426	1,770,527	1,033,313	2,130	-	1,772,657	1,033,313
	6,131,303	4,027,499	1,351,664	483,302	7,482,968	4,510,802	11,962,565	7,279,430	2,750,424	546,476	14,712,989	7,825,906
Less:												
Sales returns and discount	(26,758)	(39,198)	(6,357)	-	(33,115)	(39,198)	(47,454)	(65,804)	(31,629)	-	(79,083)	(65,804)
Sales tax	(36,405)	(23,186)	(187,438)	(65,287)	(223,843)	(88,473)	(66,925)	(36,334)	(387,608)	(73,906)	(454,533)	(110,240)
Freight	(103,434)	(132,820)	(1,921)	(324)	(105,355)	(133,144)	(191,966)	(356,103)	(3,300)	(384)	(195,266)	(356,487)
Clearing & Forwarding	93	13,301	(4,135)	-	(4,042)	13,301	(24,158)	(34,043)	(4,513)	-	(28,671)	(34,043)
	(166,504)	(181,903)	(199,851)	(65,611)	(366,355)	(247,514)	(330,503)	(492,284)	(427,050)	(74,290)	(757,553)	(566,574)
Net Sales	5,964,799	3,845,596	1,151,813	417,691	7,116,613	4,263,288	11,632,062	6,787,146	2,323,374	472,186	13,955,436	7,259,332
Cost of Sales	(5,338,696)	(2,924,917)	(880,332)	(771,694)	(6,219,028)	(3,696,611)	(10,202,742)	(5,351,046)	(2,046,310)	(830,161)	(12,249,052)	(6,181,207)
Selling and Distribution	(131,561)	(92,204)	(8,721)	(2,596)	(140,282)	(94,800)	(245,320)	(142,373)	(17,995)	(5,638)	(263,315)	(148,011)
Administrative expenses	(150,987)	(169,348)	(27,957)	(25,115)	(178,944)	(194,463)	(267,619)	(264,639)	(58,358)	(29,559)	(325,977)	(294,198)
	(5,621,244)	(3,186,469)	(917,010)	(799,405)	(6,538,254)	(3,985,874)	(10,715,681)	(5,758,058)	(2,122,663)	(865,358)	(12,838,344)	(6,623,416)
Segment result	343,555	659,127	234,803	(381,714)	578,359	277,413	916,381	1,029,088	200,711	(393,172)	1,117,092	635,916
Unallocation income and expenses												
Finance cost											(1,039,944)	(470,463)
Share of loss from associated company											5,739	(1,506)
Exchange gain/(loss)											32,852	150,283
Other operating income											24,431	24,847
Profit before taxation											140,170	339,077
Income tax expense											(62,320)	(64,492)
Profit after taxation											77,850	274,585

Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Un-Audited
Rice and Allied Products		Corn Starch Products		Total	
December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023	December 31, 2023	June 30, 2023
-----Rupees in '000-----					
18,814,069	16,080,047	3,891,899	3,657,375	22,705,968	19,737,422
-	-	-	-	1,969,469	1,400,627
18,814,069	16,080,047	3,891,899	3,657,375	24,675,438	21,138,049
12,457,383	9,446,799	3,359,521	2,837,198	15,816,905	12,283,997
-	-	-	-	1,245,557	1,256,493
12,457,383	9,446,799	3,359,521	2,837,198	17,062,462	13,540,490

17.5 There were no inter segment transaction of the Group during the period. (December 31, 2022: Nil)

MATCO FOODS LIMITED
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	(Un-Audited) December 31, 2023	(Un-Audited) June 30, 2023
	-----Rupees in '000-----	
17.6 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES		
Assets		
Total assets for reportable segments	22,705,968	19,737,422
Administrative capital assets	222,088	243,533
Investments	13,948	20,955
Loans and advances	587,008	514,851
Cash and bank balances	880,267	375,642
Others	266,158	245,646
Total assets	<u>24,675,438</u>	<u>21,138,049</u>
Liabilities		
Total liabilities for reportable segments	15,816,905	12,283,997
Deferred tax liabilities	330,584	309,223
Lease liabilities	199,683	216,928
Trade and other payables - Others	686,752	711,055
Due to related parties	-	-
Unpaid dividend	28,539	19,287
Total liabilities	<u>17,062,462</u>	<u>13,540,490</u>
	(Un-Audited) December 31, 2023	(Un-Audited) December 31, 2022
	-----Rupees in '000-----	
18 EARNINGS PER SHARE - BASIC & DILUTED		
Basic earnings per share		
Profit for the period	<u>77,850</u>	<u>274,585</u>
Number of ordinary shares	<u>122,400,698</u>	<u>122,400,698</u>
Earning per share	<u>0.64</u>	<u>2.24</u>

18.1 Diluted earning per share

There is no dilutive effect on earnings per share as the Group does not have any convertible instruments.

MATCO FOODS LIMITED
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19	CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	Note	(Un-Audited) December 31, 2023	(Un-Audited) December 31, 2022
			-----Rupees in '000-----	
	Profit before taxation		140,170	339,077
	Adjustments for non-cash charges and other items:			
	Depreciation		236,178	215,308
	Exchange gain - net		(32,852)	(150,283)
	Gain on sale of shares		(6,115)	-
	Unrealized gain on long term investment		-	236
	Finance cost		1,039,944	470,463
	Gain on disposal of property, plant and equipment		-	(7,119)
	Provision for staff gratuity		39,591	31,084
	Unrealized gain on short term investment		-	272
	Working capital changes	19.1	(2,166,842)	(1,414,145)
	Cash used in from operations		<u>(749,926)</u>	<u>(515,107)</u>
19.1	Working capital changes			
	(Increase)/ decrease in current assets			
	Stores, spares and loose tools		(66,300)	(56,659)
	Stock-in-trade		(1,593,496)	(1,856,904)
	Trade debts - considered good		(1,152,606)	400,284
	Loans and advances		(72,157)	(288,077)
	Trade deposits and prepayments		(16,769)	2,092
	Sales tax refundable		64,936	(17,249)
	Due from related parties		32,129	(18,163)
			<u>(2,804,262)</u>	<u>(1,834,676)</u>
	Increase/(decrease) in current liabilities			
	Trade and other payables		565,127	232,837
	Deferred grant		-	(1,561)
	Due to related parties		-	(3,748)
	Advance from customers - secured		72,293	193,003
	Net increase in working capital		<u>(2,166,842)</u>	<u>(1,414,145)</u>

MATCO FOODS LIMITED**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023****20 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

There have been no changes in the risk management policies during the period, consequently these consolidated condensed interim financial statements does not include all the financial risk management information and disclosures required in the audited annual financial statements.

20.1 Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in these condensed interim consolidated financial statements approximate their fair values.

20.2 Fair value hierarchy

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the:

- 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 or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

21 TRANSACTIONS WITH RELATED PARTIES**21.1 Transactions with related parties, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:**

Nature of relationship	Percentage of Holding	Transactions	(Un-Audited) December 31, 2023	(Un-Audited) December 31, 2022
			-----Rupees in '000-----	
Directors		Godown rent paid to director	<u>20,932</u>	<u>11,421</u>
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	<u>79,045</u>	<u>121,824</u>
		Payment received on account of expenses	<u>106,091</u>	<u>106,980</u>
		Interest income	<u>6,555</u>	<u>4,545</u>
		Interest received	<u>10,340</u>	<u>-</u>
		Rental and service income	<u>371</u>	<u>-</u>
		Rental and service income received	<u>371</u>	<u>-</u>
		Commission paid	<u>1,297</u>	<u>60</u>
Associates based on common directorship				
Faiyaz Center Owner Association		Paid expenses on behalf	<u>207</u>	<u>-</u>
		Payment received on account of expenses	<u>207</u>	<u>-</u>
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	<u>6,902</u>	<u>-</u>
		Payment received on account of expenses	<u>6,902</u>	<u>-</u>
Trust operated by the Company				
Ghori Trust	0%	Paid expenses on behalf	<u>11,453</u>	<u>12,189</u>
		Payment received on account of expenses	<u>3,339</u>	<u>63</u>
		Donations paid	<u>8,114</u>	<u>3,837</u>

MATCO FOODS LIMITED**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

Nature of relationship	Percentage of Holding	Balances	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Receivable against expenses	<u>43,864</u>	<u>72,207</u>
		Interest receivable	<u>2,580</u>	<u>6,365</u>
		Receivable against rent and services	<u>3,249</u>	<u>3,249</u>
Associates based on common directorship				
Faiyaz Center Owner Association	0%	Receivable against expenses	<u>-</u>	<u>-</u>
Matco Engineering Co (Private) Limited	0%	Receivable against expenses	<u>-</u>	<u>-</u>
Trust operated by the Company				
Ghori Trust	0%	Payable against donation	<u>-</u>	<u>-</u>

22 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on 27-02-2024, by the board of directors of the Group.

23 GENERAL

Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.



Chief Executive Officer



Chief Financial Officer



Director