



MATCO FOODS LIMITED

# 1<sup>ST</sup> QUARTERLY REPORT 2021-2022



## The Taste You Trust !



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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 50 countries worldwide. The Company also holds Organic Certifications from the US NOP and EU Organic Certification from Control Union, and is 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 the society and strives to make constructive efforts for the welfare of the community.



## BUSINESS PROFILE

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Matco Foods Limited is a leading Food Processing & Export Company in South-Asia which provides packed consumer foods products that offer convenience, and supplies quality ingredients to the pharmaceuticals and confectionery industries. The Company's products include basmati rice, rice glucose, rice protein, pink salt, masalas and spices, dessert mixes and more.

With over 50 years of experience in the rice industry, a global portfolio of more than 150 corporate customers, the Company is the largest basmati rice exporter from Pakistan, and its flagship brand "Falak Basmati Rice" is available in more than 70 countries worldwide. Matco also exports private label brands to over 70 countries across the globe. The Company operates 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 has recently diversified its operation within domain specialized products i.e., Rice Glucose and Rice Protein, with plant production capacity of 30,000 MT per annum and 3,000 MT per annum of Rice Glucose and Rice Protein respectively.

The Company aims to serve the changing needs and preferences of global consumers and therefore holds Organic Certification from the US NOP and EU Organic Certification from Control Union. Matco Foods Limited is also the only IFC investee company in its sector since 2012.





## **COMPANY INFORMATION**

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### **BOARD OF DIRECTORS**

Mr. Jawed Ali Ghorl	Chairman
Mr. Khalid Sarfaraz Ghorl	Chief Executive Officer
Mr. Faizan Ali Ghorl, CFA	Executive Director
Mr. Safwan Khalid Ghorl	Executive Director
Syed Kamran Rasheed	Independent Director
Mr. Abdul Samad Khan	Independent Director
Mrs. Faryal Murtaza	Non-executive Director
Ms. Umme Habibah	Independent Director
Mr. Agha Ahmed Shah	Independent Director

### **AUDIT COMMITTEE**

Syed Kamran Rasheed	Chairman
Mr. Abdul Samad Khan	Member
Mr. Agha Ahmed Shah	Member

### **HUMAN RESOURCE & REMUNERATION COMMITTEE**

Ms. Umme Habibah	Chairman
Mr. Jawed Ali Ghorl	Member
Mr. Khalid Sarfaraz Ghorl	Member
Mr. Faizan Ali Ghorl, CFA	Member
Mrs. Faryal Murtaza	Member

### **CHIEF FINANCIAL OFFICER**

Mr. Muhammad Aamir Farooqui, FCMA

### **COMPANY SECRETARY**

Mr. Danish Ahmed, ACA

### **HEAD OF INTERNAL AUDIT**

Mr. Saad Bin Aziz, ACA



**MATCO FOODS LIMITED**

## **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](http://www.gtpak.com)

## **SHARE REGISTRAR**

CDC Share Registrar Services Limited

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

## **BANKERS**

Askari Bank Limited  
Allied Bank Limited  
Bank Alfalah Limited  
Faysal Bank Limited  
Habib Metropolitan Bank Limited  
Habib Bank Limited  
Soneri Bank Limited  
Pak Burnei Investment Company Limited

JS Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
Standard Chartered Bank  
United Bank Limited  
MCB Islamic Bank Limited  
Pak Oman Investment Company Limited  
Bank of Punjab

## **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](mailto:contact@matcofoods.com)





**MATCO FOODS LIMITED**

**FAISALABAD OFFICE**

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

**RICE PLANT**

A 15-16, S.I.T.E. Super Highway, Karachi, Pakistan  
Phone: +92 (21) 3688 1297, +92 (333) 120 7780

**RICE GLUCOSE PLANT**

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

**SADHOKE PLANT**

50 KM, Main G.T. Road, Sadhoke District,  
Gujranwala, Punjab P.O. Box No. 52386  
Phone: +92 (55) 666 5774, +92 (55) 666 5676

Web Address

[www.matcofoods.com](http://www.matcofoods.com)

Email Address

[contact@matcofoods.com](mailto:contact@matcofoods.com)



## **VISION**

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

## **MISSION**

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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 wider community.



# **DIRECTORS' REVIEW REPORT**



By the Grace of Allah (SWT), the Directors of your company take pleasure in presenting un-audited condensed interim financial information of the Company and Group for the three-months period ended September 30, 2021.

## **Financial Results:**

Description	Unconsolidated		Consolidated	
	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20
	-----Rupees in '000-----		-----Rupees in '000-----	
<b>Sales – net</b>	<b>1,589,224</b>	2,795,561	<b>1,590,322</b>	2,795,561
<b>Cost of sales</b>	<b>(1,439,708)</b>	(2,630,338)	<b>(1,439,708)</b>	(2,630,338)
<b>Gross Profit</b>	<b>149,516</b>	165,223	<b>150,614</b>	165,223
<b>Selling and distribution</b>	<b>(36,872)</b>	(50,587)	<b>(36,930)</b>	(50,587)
<b>Administrative</b>	<b>(66,839)</b>	(65,509)	<b>(66,921)</b>	(65,900)
<b>Operating profit</b>	<b>45,805</b>	49,127	<b>46,763</b>	48,736
<b>Other Operating Income</b>	<b>5,507</b>	6,554	<b>5,507</b>	6,554
<b>Exchange gain</b>	<b>11,834</b>	(54,351)	<b>11,834</b>	(54,351)
<b>Financial Charges</b>	<b>(78,152)</b>	(63,222)	<b>(78,152)</b>	(63,222)
<b>Share of loss from Associated Company</b>	<b>-</b>	-	<b>(2,434)</b>	(1,218)
<b>Loss Before Tax</b>	<b>(15,006)</b>	(61,892)	<b>(16,482)</b>	(63,601)
<b>Income Tax</b>	<b>(14,703)</b>	(20,886)	<b>(14,703)</b>	(20,886)
<b>Loss for the Period</b>	<b>(29,709)</b>	(82,778)	<b>(31,185)</b>	(84,487)
<b>Loss Per Share</b>	<b>(0.24)</b>	(0.68)	<b>(0.25)</b>	(0.69)

During the three-months i.e., July 2021 – September 2021:

- The Company has incurred a net loss of Rs. 29.71 million in this quarter as compared to loss of Rs. 82.78 million in the last period, thereby, represent decrease in loss by 64%.
- The Company has exported 5,971 metric tons of basmati rice as compared to 11,447 metric tons in the last comparative period and thereby represents decrease of 48%.
- The average export selling price per metric ton during three months was USD 1,024 which was USD 995 in the last comparative three months.

During the quarter, the Company has lost the revenue around Rs. 1 billion due to increased freight rates across the world. The customers are delaying their orders and waiting for the issue of freight rates to resolve. The ready orders are pending with the Company which increasing the storage cost and borrowings of the Company as well.

### **Future Outlook:**

Majority of the experts said that uptrend in inflation remains an international phenomenon and it was not specific to Pakistan alone. Price hikes are being experienced on the back of scarce supplies of food, petroleum products and other commodities at world markets and not due to uptick in demand for such commodities.

A combination of factors has led to the higher shipping costs, with soaring demand amid stimulus packages the key. Saturated ports and not enough ships, dockworkers and truckers has aggravated the situation. Easing of restrictions after the second Covid wave is another contributing factor. Shipping companies expect the global crunch to continue. That's massively increasing the cost of moving cargo and could add to the upward pressure on consumer prices. The supply chain crisis could last into 2023 unless governments boost spending in ports, railways, and warehouses, as per shipping line experts.

Matco in the above Freight crises trying to move exports towards middle-east countries or far east countries where Freight / containers issues are on normal.

The interest rate and flexible rupee-dollar parity are the two major tools available with central banks all over the world to control inflation reading and give a direction to economic trajectory in their respective countries. It is expected that the SBP would be making a token increase of 25-50 basis points in the monetary policy in November 2021 or in January 2022 under its newly adopted global practice of deliberating forward guidance.

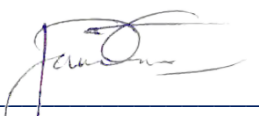
Upward trend of Dollar prices is good for Export oriented sectors like Matco but on the other hand it is affecting inflation in the market and for the better business environment, stability in dollars prices does matter.

With the above all stagnant crisis, some positive updates are of our corn starch division which is timely machineries installation and expedited civil works at site, hopefully we will be in operation by next financial year.

### **Acknowledgement:**

The Board places on record its gratitude for the hard work and dedication of every employee of the Company. The Board also appreciates and acknowledges the assistance, guidance and cooperation of all stakeholders including the Government of Pakistan, financial institutions, commercial banks, business associates, customers, and all others whose efforts and contributions strengthened the Company.

On behalf of the Board

  
**Jawed Ali Ghori**  
**Chairman**  
**Khalid Sarfaraz Ghori**  
**Chief Executive Officer**



## ڈائریکٹرز کی جائزہ رپورٹ

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

اللہ کے فضل و کرم سے، آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر، 2021 کو ختم ہونے والے تین ماہ کی مدت کے کمپنی اور گروپ کے غیر آڈٹ کنڈنسڈ عبوری مالی معلومات پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالی نتائج:

Description	Unconsolidated		Consolidated	
	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-19
	-----Rupees in '000-----		-----Rupees in '000-----	
Sales – net	1,589,224	2,795,561	1,590,322	2,108,593
Cost of sales	(1,439,708)	(2,630,338)	(1,439,708)	(1,851,690)
Gross Profit	149,516	165,223	150,614	256,903
Selling and distribution	(36,872)	(50,587)	(36,930)	(51,459)
Administrative	(66,839)	(65,509)	(66,921)	(62,615)
Operating profit	45,805	49,127	46,763	142,829
Other Operating Income	5,507	6,554	5,507	6,629
Exchange gain	11,834	(54,351)	11,834	(12,140)
Financial Charges	(78,152)	(63,222)	(78,152)	(67,603)
Share of loss from Associated Company	-	-	(2,434)	(3,719)
Loss Before Tax	(15,006)	(61,892)	(16,482)	65,996
Income Tax	(14,703)	(20,886)	(14,703)	(18,518)
Loss for the Period	(29,709)	(82,778)	(31,185)	47,478
Loss Per Share	(0.24)	(0.68)	(0.25)	0.39

تین ماہ کے دوران یعنی جولائی 2021ء – ستمبر 2021ء:

- پچھلی مدت میں 82.78 ملین روپے کے خالص خسارہ کے مقابلے میں کمپنی کو اس سہ ماہی میں 29.71 ملین روپے کا خالص خسارہ ہوا ہے، اس طرح خسارے میں 64 فیصد کمی واقع ہوئی ہے۔
- کمپنی نے گزشتہ تقابلی مدت میں 11,447 میٹرک ٹن کے مقابلے میں 5,971 میٹرک ٹن باسمتی چاول برآمد کیا ہے اور اس طرح 48% فیصد اضافے کی نمائندگی کی ہے۔
- تین مہینوں کے دوران فی میٹرک ٹن اوسط برآمد قیمت 1,024 امریکی ڈالر تھی جو گزشتہ تقابلی تین مہینوں میں 995 امریکی ڈالر تھی۔

سہ ماہی کے دوران، کمپنی کو تقریباً 1 بلین روپے کی آمدنی کا نقصان ہوا ہے۔ دنیا بھر میں مال برداری کی شرح میں اضافے کی وجہ سے صارفین اپنے آرڈرز میں تاخیر کر رہے ہیں اور فریٹ ریٹس کا مسئلہ حل ہونے کا انتظار کر رہے ہیں۔ تیار آرڈرز کمپنی کے پاس زیر التوا ہیں جس سے کمپنی کی اسٹوریج لاگت اور قرضے بھی بڑھ رہے ہیں۔

## مستقبل کا خاکہ:

ماہرین کی اکثریت نے کہا کہ افراط زر میں اضافہ ایک بین الاقوامی رجحان ہے اور یہ صرف پاکستان کے لیے مخصوص نہیں ہے۔ قیمتوں میں اضافے کا تجربہ خوراک، پیٹرولیم مصنوعات اور دیگر اشیاء کی عالمی منڈیوں میں کمی کی وجہ سے کیا جا رہا ہے نہ کہ ایسی اشیاء کی مانگ میں اضافے کی وجہ سے۔

محرك پیکجوں کی کلید کے درمیان بڑھتی ہوئی مانگ کے ساتھ عوامل کے امتزاج کی وجہ سے شپنگ کے اخراجات میں اضافہ ہوا ہے۔ سیر شدہ بندرگاہوں اور کافی بحری جہازوں، ڈاک ورکرز اور ٹرکوں نے صورتحال کو مزید خراب کر دیا ہے۔ دوسری کویڈ لہر کے بعد پابندیوں میں نرمی ایک اور اہم عنصر ہے۔ شپنگ کمپنیاں توقع کرتی ہیں کہ عالمی بحران جاری رہے گا۔ اس سے کارگو کو منتقل کرنے کی لاگت میں بڑے پیمانے پر اضافہ ہو رہا ہے اور اس سے صارفین کی قیمتوں پر اوپر کی طرف دباؤ بڑھ سکتا ہے۔ شپنگ لائن کے ماہرین کے مطابق، سپلائی چین کا بحران 2023 تک برقرار رہ سکتا ہے جب تک کہ حکومتیں بندرگاہوں، ریلوے اور گوداموں میں اخراجات میں اضافہ نہیں کرتیں۔

مندرجہ بالا مال برداری کے بحران میں Matco برآمدات کو مشرق وسطیٰ کے ممالک یا مشرق بعید کے ممالک کی طرف لے جانے کی کوشش کر رہا ہے جہاں فریٹ/کنٹینرز کے مسائل معمول پر ہیں۔

سود کی شرح اور لچکدار روپیہ ڈالر برابری وہ دو بڑے ٹولز ہیں جو پوری دنیا کے مرکزی بینکوں کے پاس دستیاب ہیں تاکہ افراط زر کی ریڈنگ کو کنٹرول کیا جاسکے اور اپنے اپنے ممالک میں اقتصادی رفتار کو ایک سمت دیں۔ توقع ہے کہ اسٹیٹ بینک نومبر 2021 میں یا جنوری 2022 میں زری پالیسی میں 25-50 بیسز پوائنٹس کا اضافہ کرے گا اپنے نئے اختیار کیے گئے آگے کی رہنمائی پر غور کرنے کے عالمی طرز عمل کے تحت۔


ڈالر کی قیمتوں میں اضافے کا رجحان ایکسپورٹ پر مبنی شعبوں جیسے Matco کے لیے اچھا ہے لیکن دوسری طرف یہ مارکیٹ میں افراط زر کو متاثر کر رہا ہے اور بہتر کاروباری ماحول کے لیے ڈالر کی قیمتوں میں استحکام اہم ہے۔

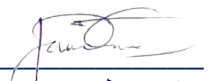
مندرجہ بالا تمام جمود کے بحران کے ساتھ، ہمارے کارن سٹارچ ڈویژن کی کچھ مثبت اپ ڈیٹس ہیں جو کہ بروقت مشینری کی تنصیب ہے اور سائٹ پر سول ورکس کو تیز کر دیا گیا ہے، امید ہے کہ ہم اگلے مالی سال تک کام شروع کر دیں گے۔

## اعتراف:

بورڈ کمپنی کے ہر ملازم کی محنت اور لگن کے لئے اس کا شکریہ ادا کرتا ہے۔ بورڈ حکومت پاکستان، مالیاتی اداروں، تجارتی بینکوں، کاروباری ساتھیوں، صارفین، اور ان تمام افراد کی مدد، رہنمائی اور تعاون کو بھی سراہتا ہے جن کی کوششوں اور شراکت سے کمپنی کو تقویت ملی ہے۔

بورڈ کی جانب سے

  
خالد سرفراز غوری  
چیف ایگزیکٹو آفیسر

  
جاوید علی غوری  
چیئرمین

**1<sup>st</sup> Quarterly Accounts**  
**Unconsolidated**  
**September 30, 2021**  
**(Unaudited)**





# Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2021

		Un-Audited September 30, 2021	Audited June 30, 2021
	Note	-----Rupees in '000-----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	5,741,320	4,907,931
Intangible assets		-	-
Right-of-use assets		164,186	171,533
Long term deposits		16,889	16,322
Long term investments	7	55,583	55,583
Total non-current assets		5,977,978	5,151,369
Current assets			
Stores, spares and loose tools		66,881	70,444
Stock in trade	8	7,311,536	7,171,281
Trade debts	9	647,611	1,041,125
Loans and advances		298,631	103,660
Trade deposits and short term prepayments		12,680	10,131
Short-term investment		1,594	1,580
Other receivables		156,783	166,964
Taxation - net		35,699	31,683
Cash and bank balances	10	113,371	104,960
Total current assets		8,644,786	8,701,828
Total assets		14,622,764	13,853,197

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

# Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2021

		Un-Audited September 30, 2021	Audited June 30, 2021
		-----Rupees in '000-----	
	Note		
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorized share capital</b>			
200,000,000 (June 30, 2020: 200,000,000) shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital		1,224,007	1,224,007
Capital reserve		680,467	680,467
Unappropriated profit		2,263,430	2,287,145
Surplus on revaluation of property, plant and equipment - net of tax		2,453,505	2,459,499
<b>Total shareholders' equity</b>		<b>6,621,409</b>	<b>6,651,118</b>
<b>Non-current liabilities</b>			
Long-term finances-secured		1,075,701	492,911
Lease liabilities		118,124	126,631
Deferred liabilities		215,751	221,515
Deferred grant		394	952
<b>Total non-current liabilities</b>		<b>1,409,970</b>	<b>842,009</b>
<b>Current liabilities</b>			
Trade and other payables		342,836	519,888
Advance from customers - secured		62,627	35,748
Accrued mark-up		61,380	57,878
Due to related parties		6,971	7,866
Short-term borrowings-secured	11	5,920,062	5,533,005
Current portion of deferred grant		5,409	6,176
Current portion of long term finances-secured		168,954	175,076
Current portion of lease liabilities		22,358	23,645
Unpaid dividend		788	788
<b>Total current liabilities</b>		<b>6,591,385</b>	<b>6,360,070</b>
<b>Total liabilities</b>		<b>8,001,355</b>	<b>7,202,079</b>
<b>Contingencies and commitments</b>			
	12		
<b>Total equity and liabilities</b>		<b>14,622,764</b>	<b>13,853,197</b>

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

# Unconsolidated Condensed Interim Statement of Profit Or Loss

For the Three-Months Period Ended September 30, 2021

		Quarter ended	
		September 30, 2021	September 30, 2020
		Un-Audited	Un-Audited
Note		-----Rupees in '000-----	

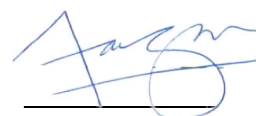
The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director



# Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Three-Months Period Ended September 30, 2021

	Quarter ended	
	September	September 30,
	30, 2021	2020
	Un-Audited	Un-Audited
	-----Rupees in '000-----	
<b>LOSS FOR THE PERIOD</b>	<b>(29,709)</b>	<b>(82,778)</b>
<b>Other comprehensive income</b>		
Items that may be reclassified to statement of profit or loss subsequently	-	-
Items that will not be reclassified to statement of profit or loss subsequently	-	-
Remeasurement of defined benefit obligation	-	-
<b>Other comprehensive loss</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(29,709)</b>	<b>(82,778)</b>

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Director

# Unconsolidated Condensed Interim Statement of Changes In Equity

For the Three-Months Period Ended September 30, 2021

	Issued, subscribed and paid up share capital	Capital reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment	Total
	----- Rupees in '000' -----				
Balance as at July 01, 2020	1,224,007	680,467	2,241,380	2,622,193	6,768,047
Total comprehensive income for the period					
Loss for the period	-	-	(82,778)	-	(82,778)
Other comprehensive loss	-	-	-	-	-
Total comprehensive income	-	-	(82,778)	-	(82,778)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	6,606	(6,606)	-
Balance as at September 30, 2020	1,224,007	680,467	2,165,208	2,615,587	6,685,269
<b>Balance as at July 01, 2021</b>	<b>1,224,007</b>	<b>680,467</b>	<b>2,287,145</b>	<b>2,459,499</b>	<b>6,651,118</b>
<b>Total comprehensive income for the period</b>					
Loss for the period	-	-	(29,709)	-	(29,709)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss	-	-	(29,709)	-	(29,709)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	5,994	(5,994)	-
<b>Balance as at September 30, 2021</b>	<b>1,224,007</b>	<b>680,467</b>	<b>2,263,430</b>	<b>2,453,505</b>	<b>6,621,410</b>

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

# Unconsolidated Condensed Interim Statement of Cash Flows

For the Three-Months Period Ended September 30, 2021

		Three months ended	
		September 30, 2021 (Un-audited)	September 30, 2020 (Un-audited)
		-----Rupees in '000-----	
	Note		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operating activities	15	39,167	67,253
Gratuity paid		(3,196)	(681)
Taxes paid		(21,288)	(10,117)
Finance cost paid		(71,755)	(83,742)
<b>Net cash used in operating activities</b>		<b>(57,072)</b>	<b>(27,287)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(888,975)	(20,911)
Proceeds from disposal of property, plant and equipment		1,094	-
Long term deposit		(567)	-
<b>Net cash used in investing activities</b>		<b>(888,448)</b>	<b>(20,911)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term finances - net of repayment		576,668	103,291
Finance lease obligation - net of repayment		(9,794)	(4,264)
Dividend paid		-	(14)
Short term finances - net of repayment		387,057	(164,920)
<b>Net cash generated from/ (used in) financing activities</b>		<b>953,931</b>	<b>(65,907)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>8,411</b>	<b>(114,105)</b>
Cash and cash equivalents at the beginning of the period		104,960	298,290
<b>Cash and cash equivalents at the end of the period</b>		<b>113,371</b>	<b>184,185</b>

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

# Notes To The Unconsolidated Condensed Interim Financial Statements

For the Three-Months Period Ended September 30, 2021

## 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 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.

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.

## 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 followed.

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, 2021.



# Notes To The Unconsolidated Condensed Interim Financial Statements

For the Three-Months Period Ended September 30, 2021

## 4 SIGNIFICANT 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, 2021 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 uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2021.

		(Un-Audited) September 30, 2021	(Audited) June 30, 2021
	Note	-----Rupees in '000-----	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	4,599,165	4,643,668
Capital work in progress		1,142,155	264,263
		<b>5,741,320</b>	<b>4,907,931</b>

6.1 Details of additions and disposals to fixed operating assets during the three months ended September 30, 2021 are as follows:

		Additions at cost	Disposals at net book value
	Note	-----Rupees in '000-----	
Factory building		4,459	-
Plant and machinery		1,272	-
Furniture and fixture		1,028	-
Motor vehicles		-	480
Office equipment		108	-
Factory equipment		1,887	-
Computers		258	-
Camera		9	-
Mobile phone		63	-
Generator		2,000	-
<b>September 30, 2021</b>		<b>11,084</b>	<b>480</b>
June 30, 2021		62,592	167,864

# Notes To The Unconsolidated Condensed Interim Financial Statements

For the Three-Months Period Ended September 30, 2021

		(Un-Audited) September 30, 2021 -----Rupees in '000-----	(Audited) June 30, 2021
<b>7</b>	<b>LONG-TERM INVESTMENTS</b>		
	JKT General Trading (FZE)	23,583	23,583
	Matco Marketing (Private) Limited	7,500	7,500
	Barentz Pakistan (Private) Limited	24,500	24,500
		<u>55,583</u>	<u>55,583</u>
<b>8</b>	<b>STOCK IN TRADE</b>		
	Raw materials	5,497,325	5,523,329
	Packing materials	117,857	122,293
	Work in process	-	-
	Finished goods	1,716,235	1,545,539
		<u>7,331,417</u>	<u>7,191,161</u>
	Provision for slow moving / obsolete items	(19,881)	(19,881)
		<u>7,311,536</u>	<u>7,171,280</u>
<b>9</b>	<b>TRADE DEBTS</b>		
	<b>Considered good</b>		
	- Export - secured	531,806	930,393
	- Local - unsecured	115,805	110,731
		<u>647,611</u>	<u>1,041,124</u>
<b>10</b>	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	3,944	3,530
	Cash at bank	109,427	101,430
		<u>113,371</u>	<u>104,960</u>
<b>11</b>	<b>SHORT-TERM BORROWINGS SECURED</b>		
	Export re-finance	4,302,570	4,331,949
	Own resource	1,617,492	1,201,056
		<u>5,920,062</u>	<u>5,533,005</u>
<b>12</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>12.1</b>	<b>Contingencies</b>		
	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, 2021		

# Notes To The Unconsolidated Condensed Interim Financial Statements

For the Three-Months Period Ended September 30, 2021

(Un-Audited) September 30, 2021	(Un-Audited) September 30, 2020
-----Rupees in '000-----	

## 13 COST OF SALES

Rice consumed	1,339,619	2,549,347
Packing materials consumed	67,918	95,817
Stores, spares and loose tools consumed	18,273	15,286
	<u>1,425,810</u>	<u>2,660,450</u>
Salaries, wages and benefits	74,489	80,909
Electricity and power	15,821	25,722
Telephone and mobile	297	295
Insurance	2,444	2,451
Repairs and maintenance	4,696	14,371
Fumigation charges	6,553	8,744
Diesel & oil	768	2,007
Water Charges	9,859	16,618
Canteen	2,356	1,968
Staff welfare	432	537
Security expenses	4,295	3,903
Godown expenses	4,890	3,253
Rent, rates and taxes	253	186
Vehicle running expenses	2,503	1,652
Medical	768	1,824
Depreciation	50,399	51,403
Inspection charges	3,599	5,906
Others	173	143
<b>Cost of goods available for sale</b>	<u>1,610,405</u>	<u>2,882,342</u>
<b>Finished goods</b>		
Opening stock	1,545,538	1,141,723
Closing stock	(1,716,235)	(1,393,727)
	<u>(170,697)</u>	<u>(252,004)</u>
	<u>1,439,708</u>	<u>2,630,338</u>

## 14 LOSS PER SHARE - BASIC & DILUTED

### Basic loss per share

Loss for the period	(29,709)	(82,778)
Number of ordinary shares	122,400,698	122,400,698
Loss per share	<u>(0.24)</u>	<u>(0.68)</u>

# Notes To The Unconsolidated Condensed Interim Financial Statements

For the Three-Months Period Ended September 30, 2021

## 14.1 Diluted earning per share

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

## 15 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

		(Un-Audited) September 30, 2021	(Un-Audited) September 30, 2020
	Note	-----Rupees in '000-----	
Loss before taxation		(15,006)	(61,892)
<b>Adjustments for non-cash charges and other items:</b>			
Depreciation		62,453	63,729
Exchange (gain)/loss - net		(11,834)	54,351
Finance cost		75,257	60,283
Gain on disposal of property, plant and equipment		(613)	-
Unrealized gain on short term investment		(14)	-
Working capital changes	15.1	(71,076)	(49,218)
Cash generated from operations		<u>39,167</u>	<u>67,253</u>

## 15.1 Working capital changes

### (Increase)/ decrease in current assets

Stores, spares and loose tools	3,563	(1,003)
Stock-in-trade	(140,255)	194,684
Trade debts - considered good	405,348	250,640
Loans and advances	(194,971)	(97,234)
Trade deposits and prepayments	(2,549)	(824)
Other receivables	10,181	(2,386)
Balance carried forward	<u>81,317</u>	<u>343,877</u>



# Notes To The Unconsolidated Condensed Interim Financial Statements

## For the Three-Months Period Ended September 30, 2021

	(Un-Audited) September 30, 2021	(Un-Audited) September 30, 2020
	-----Rupees in '000-----	
<i>Balance brought forward</i>	81,317	343,877
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	(177,052)	(386,360)
Deferred grant	(1,325)	4,389
Due to related parties	(895)	-
Advance from customers - secured	26,879	(11,124)
<b>Net increase in working capital</b>	<b>(71,076)</b>	<b>(49,218)</b>

## 16 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 16.1 Financial risk

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 this unconsolidated condensed interim financial statements does not include all the financial risk management information and disclosures required in the audited annual financial statements.

### 16.2 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.

## 17 TRANSACTIONS WITH RELATED PARTIES

### 17.1 Transactions with related parties, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

			(Un-Audited) September 30, 2021	(Un-Audited) September 30, 2020
			-----Rupees in '000-----	
Nature of relationship	Percentage of Holding	Transactions		
<b>Directors</b>		Godown rent paid to director	5,481	3,971
<b>Subsidiary</b>				
JKT General Trading FZE	100%	Sales	5,482	-
		Payment received on account of sales	68,675	-
Matco Marketing (Private)	99.99%	Paid expenses on behalf	81	-
<b>Joint Venture</b>				
Barentz Pakistan (Private)	49%	Paid expenses on behalf	4,058	1st Quarterly R 6,948
Limited		Payment received on account of expenses	2,912	807
		Interest Income	780	-
<b>Common directors</b>				
Faiyaz Center Owner Association		Paid expenses on behalf	167	-
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	1,536	1

# Notes To The Unconsolidated Condensed Interim Financial Statements

## For the Three-Months Period Ended September 30, 2021

### Trust operated by the Company

			(Un-Audited) September 30, 2021 -----Rupees in '000-----	(Un-Audited) September 30, 2020
Ghori Trust	0%	Paid expenses on behalf	1,268	1,447
		Payment received on account of expenses	-	500
		Donations paid	1,159	2,095

## 18 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim unconsolidated statement of financial position comprise of balances as per the audited unconsolidated financial statements of the Company for the year ended June 30, 2021 and the corresponding figures in the condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity comprise of balances of comparable period as per the condensed interim unconsolidated financial statements of the Company for the three months period ended September 30, 2021.

Moreover, Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards.

## 19 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on October 27, 2021, by the board of directors of the Company.

## 20 GENERAL

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

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

**1<sup>st</sup> Quarterly Accounts**  
**Consolidated**  
**September 30, 2021**  
**(Unaudited)**



# Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2021

		Un-Audited September 30, 2021	Audited June 30, 2021
	Note	-----Rupees in '000-----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	5,741,320	4,907,931
Right-of-use assets		164,186	171,533
Long term deposits		16,889	16,322
Long term investments	7	10,937	13,371
Total non-current assets		5,933,332	5,109,157
Current assets			
Stores, spares and loose tools		66,881	70,444
Stock in trade	8	7,311,536	7,171,280
Trade debts	9	698,911	1,060,859
Loans and advances		298,631	103,660
Trade deposits and short term prepayments		13,396	10,793
Short-term investment		1,594	1,580
Other receivables		156,481	166,669
Taxation - net		35,699	31,683
Cash and bank balances	10	124,703	142,315
Total current assets		8,707,832	8,759,283
Total assets		14,641,164	13,868,440

The annexed notes from 1 to 20 form an integral part of these consolidated condensed interim financial statements.

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Director




# Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2021

		Un-Audited September 30, 2021	Audited June 30, 2021
		-----Rupees in '000-----	
	Note		
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorized share capital</b>			
200,000,000 (June 30, 2020: 200,000,000) shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital		1,224,007	1,224,007
Capital reserve		680,467	680,467
Exchange revaluation reserve		20,504	15,811
Unappropriated profit		2,267,348	2,292,539
Surplus on revaluation of property, plant and equipment - net of tax		2,453,505	2,459,499
<b>Total shareholders' equity</b>		<b>6,645,831</b>	<b>6,672,323</b>
<b>Non-current liabilities</b>			
Long-term finances-secured		1,075,701	492,911
Lease liabilities		118,124	126,631
Deferred liabilities		216,025	221,768
Deferred grant		394	952
<b>Total non-current liabilities</b>		<b>1,410,244</b>	<b>842,262</b>
<b>Current liabilities</b>			
Trade and other payables		343,416	520,550
Advance from customers - secured		62,627	35,748
Accrued mark-up		61,380	57,878
Due to related parties		95	989
Short-term borrowings-secured	11	5,920,062	5,533,005
Current portion of deferred grant		5,409	6,176
Current portion of long term finances-secured		168,954	175,076
Current portion of lease liabilities		22,358	23,645
Unpaid dividend		788	788
<b>Total current liabilities</b>		<b>6,585,089</b>	<b>6,353,855</b>
<b>Total liabilities</b>		<b>7,995,333</b>	<b>7,196,117</b>
<b>Contingencies and commitments</b>			
	12		
<b>Total equity and liabilities</b>		<b>14,641,164</b>	<b>13,868,440</b>

The annexed notes from 1 to 20 form an integral part of these consolidated condensed interim financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

# Consolidated Condensed Interim Statement of Profit Or Loss

For the Three-Months Period Ended September 30, 2021

		Quarter ended	
		September 30, 2021	September 30, 2020
		Un-Audited	Un-Audited
Note		-----Rupees in '000-----	
		1,590,322	2,795,561
	13	(1,439,708)	(2,630,338)
		150,614	165,223
		(36,930)	(50,587)
		(66,921)	(65,900)
		(103,851)	(116,487)
		46,763	48,736
		(78,152)	(63,322)
		11,834	(54,351)
		(19,555)	(68,937)
		5,507	6,554
		(2,434)	(1,218)
		(16,482)	(63,601)
		(14,703)	(20,886)
		(31,185)	(84,487)
		-----Rupees-----	
	14	(0.25)	(0.69)

The annexed notes from 1 to 20 form an integral part of these consolidated condensed interim financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

# Consolidated Condensed Interim Statement of Comprehensive Income

For the Three-Months Period Ended September 30, 2021

Quarter ended	
September 30, 2021	September 30, 2020
Un-Audited	Un-Audited
-----Rupees in '000-----	

## LOSS FOR THE PERIOD

(31,185)

(84,487)

## Other comprehensive income

Items that may be reclassified to statement of profit or loss subsequently

- Exchange difference on translation of foreign currency

Items that will not be reclassified to statement of profit or loss subsequently

Remeasurement of defined benefit obligation

## Other comprehensive loss

## TOTAL COMPREHENSIVE LOSS FOR THE PERIOD

-	-
4,693	(983)
-	-
-	-
4,693	(983)

(26,492)	(84,487)
----------	----------

The annexed notes from 1 to 20 form an integral part of these consolidated condensed interim financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

**Consolidated Condensed Interim Statement of Changes In Equity**  
For the Three-Months Period Ended September 30, 2021

Balance as at July 01, 2020

Total comprehensive loss for the period

Profit for the period

Other comprehensive loss

Total comprehensive loss

Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax

Balance as at September 30, 2020

Balance as at July 01, 2021

Total comprehensive loss for the period

Loss for the period

Other comprehensive loss

Total comprehensive income

Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax

Balance as at September 30, 2021

The annexed selected notes from 1 to 25 form an integral part of this condensed interim financial information.

Issued, subscribed and paid up capital	Capital reserve	Exchange Revaluation Reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Equity attributable to the Holding Company 's shareholders	Total
----- Rupees in '000' -----						
1,224,007	680,467	19,585	2,238,960	2,622,193	6,785,212	6,785,212
-	-	-	(84,487)	-	(84,487)	(84,487)
-	-	(983)	-	-	(983)	(983)
-	-	(983)	(84,487)	-	(85,470)	(85,470)
-	-	-	6,606	(6,606)	-	-
1,224,007	680,467	18,602	2,161,079	2,615,587	6,699,742	6,699,742
1,224,007	680,467	15,811	2,292,539	2,459,499	6,672,323	6,672,323
-	-	-	(31,185)	-	(31,185)	(31,185)
-	-	4,693	-	-	4,693	4,693
-	-	4,693	(31,185)	-	(26,492)	(26,492)
-	-	-	5,994	(5,994)	-	-
1,224,007	680,467	20,504	2,267,348	2,453,505	6,645,831	6,645,831

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

# Unconsolidated Condensed Interim Statement of Cash Flows

For the Three-Months Period Ended September 30, 2021

		Three months ended	
		September 30, 2021 (Un-audited)	September 30, 2020 (Un-audited)
Note		-----Rupees in '000-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operating activities	15	5,996	78,839
Gratuity paid		(3,175)	(681)
Taxes paid		(21,288)	(10,117)
Finance cost paid		(71,755)	(84,137)
Exchange revaluation reserve		4,693	(691)
<b>Net cash used in operating activities</b>		<b>(85,529)</b>	<b>(16,787)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(888,975)	(20,911)
Proceeds from disposal of property, plant and equipment		1,094	-
Long term deposit		(567)	-
Long term investment	7	2,434	1,218
<b>Net cash used in investing activities</b>		<b>(886,014)</b>	<b>(19,693)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term finances - net of repayment		576,668	103,291
Finance lease obligation - net of repayment		(9,794)	(4,264)
Dividend paid		-	(14)
Short term finances - net of repayment		387,057	(164,920)
<b>Net cash generated from/ (used in) financing activities</b>		<b>953,931</b>	<b>(65,907)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(17,612)</b>	<b>(102,387)</b>
Cash and cash equivalents at the beginning of the period		142,315	305,250
<b>Cash and cash equivalents at the end of the period</b>		<b>124,703</b>	<b>202,863</b>

The annexed notes from 1 to 20 form an integral part of these consolidated condensed interim financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

# Notes To The Consolidated Condensed Interim Financial Statements

For the Three-Months Period Ended September 30, 2021

## 1 LEGAL STATUS AND OPERATIONS

The 'Group' consists of:

### Holding Company

- Matco Foods Limited (the Holding Company)

### Subsidiary Company

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

### Associated Company

- Barentz Pakistan (Private) Limited

The Group is engaged in the business of processing and export of rice, glucose, protein and flour, manufacturing, general trading, exports/imports and other related activities. Brief profile of the Holding Company, subsidiaries and associated company 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 company under the repealed Companies Ordinance, 1984 (Now: Companies Act, 2017). The Holding Company is listed on Pakistan Stock Exchange on February 13, 2018. Principal activity of the Holding Company is to carry on the business of processing, export of rice, rice glucose, rice protein and trade of biscuits, pink salt, bran oil, masala and kheer. Registered office of the Holding Company is situated at B-01/A, S.I.T.E, Phase 1, Super Highway Industrial Area, Karachi; whereas the factories of the Group are situated at (i) M-II, A-15 & 16, SITE-II, Super highway Karachi; (ii) Riviana, A-21, SITE-II, Super highway Karachi; (iii) Rice Glucose Plant, G-205, SITE-II, Super highway Karachi and (iv) M-III, Sadoke, Tehsil Kamoke, District Gujranwala.

#### 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 Company 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.



# Notes To The Consolidated Condensed Interim Financial Statements

For the Three-Months Period Ended September 30, 2021

## 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, 2017; and
- 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, 2021.

## 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, 2021 unless otherwise specified.

## 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 uncertainty were the same as those that applied to the audited annual financial statements of the Group for the year ended June 30, 2021.

## 6 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

Capital work in progress

Note	(Un-Audited) September 30, 2021	(Audited) June 30, 2021
	-----Rupees in '000-----	
6.1	4,599,165	4,643,668
	1,142,155	264,263
	<b>5,741,320</b>	<b>4,907,931</b>

## Notes To The Consolidated Condensed Interim Financial Statements

### For the Three-Months Period Ended September 30, 2021

- 6.1 Details of additions and disposals to fixed operating assets during the three months ended September 30, 2021 are as follows:

		Additions at cost	Disposals at net book value
	Note	-----Rupees in '000-----	
Factory building		4,459	-
Plant and machinery		1,272	-
Furniture and fixture		1,028	-
Motor vehicles		-	480
Office equipment		108	-
Factory equipment		1,887	-
Computers		258	-
Camera		9	-
Mobile phone		63	-
Generator		2,000	-
<b>September 30, 2021</b>		<b>11,084</b>	<b>480</b>
June 30, 2021		62,592	167,864

# Notes To The Consolidated Condensed Interim Financial Statements

For the Three-Months Period Ended September 30, 2021

	(Un-Audited) September 30, 2021 -----Rupees in '000-----	(Audited) June 30, 2021
<b>7 LONG-TERM INVESTMENTS</b>		
Balance at beginning of the period	13,371	18,648
Addition	-	-
Share of loss for the year - net of tax	(2,434)	(5,277)
	<u>10,937</u>	<u>13,371</u>
<b>8 STOCK IN TRADE</b>		
Raw materials	5,497,325	5,523,329
Packing materials	117,857	122,293
Work in process	-	-
Finished goods	1,716,235	1,545,539
	<u>7,331,417</u>	<u>7,191,161</u>
Provision for slow moving / obsolete items	(19,881)	(19,881)
	<u>7,311,536</u>	<u>7,171,280</u>
<b>9 TRADE DEBTS</b>		
<b>Considered good</b>		
- Export - secured	583,106	950,128
- Local - unsecured	115,805	110,731
	<u>698,911</u>	<u>1,060,859</u>
<b>10 CASH AND BANK BALANCES</b>		
Cash in hand	3,944	3,530
Cash at bank	120,759	138,785
	<u>124,703</u>	<u>142,315</u>
<b>11 SHORT-TERM BORROWINGS SECURED</b>		
Export re-finance	4,302,570	4,331,949
Own resource	1,617,492	1,201,056
	<u>5,920,062</u>	<u>5,533,005</u>
<b>12 CONTINGENCIES AND COMMITMENTS</b>		
<b>12.1 Contingencies</b>		
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, 2021		

# Notes To The Consolidated Condensed Interim Financial Statements

For the Three-Months Period Ended September 30, 2021

## 13 COST OF SALES

	(Un-Audited) September 30, 2021 -----Rupees in '000-----	(Un-Audited) September 30, 2020
Rice consumed	1,339,619	2,549,347
Packing materials consumed	67,918	95,817
Stores, spares and loose tools consumed	18,273	15,286
	<b>1,425,810</b>	<b>2,660,450</b>
Salaries, wages and benefits	74,489	80,909
Electricity and power	15,821	25,722
Telephone and mobile	297	295
Insurance	2,444	2,451
Repairs and maintenance	4,696	14,371
Fumigation charges	6,553	8,744
Diesel & oil	768	2,007
Water Charges	9,859	16,618
Canteen	2,356	1,968
Staff welfare	432	537
Security expenses	4,295	3,903
Godown expenses	4,890	3,253
Rent, rates and taxes	253	186
Vehicle running expenses	2,503	1,652
Medical	768	1,824
Depreciation	50,399	51,403
Inspection charges	3,599	5,906
Others	173	143
<b>Cost of goods available for sale</b>	<b>1,610,405</b>	<b>2,882,342</b>
<b>Finished goods</b>		
Opening stock	1,545,538	1,141,723
Closing stock	(1,716,235)	(1,393,727)
	<b>(170,697)</b>	<b>(252,004)</b>
	<b>1,439,708</b>	<b>2,630,338</b>

## 14 LOSS PER SHARE - BASIC & DILUTED

### Basic loss per share

Loss for the period	(31,185)	(84,487)
Number of ordinary shares	122,400,698	122,400,698
Loss per share	(0.25)	(0.69)

# Notes To The Consolidated Condensed Interim Financial Statements

For the Three-Months Period Ended September 30, 2021

## 14.1 Diluted earning per share

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

## 15 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

	Note	(Un-Audited) September 30, 2021 -----Rupees in '000-----	(Un-Audited) September 30, 2020
Loss before taxation		(16,482)	(63,601)
<b>Adjustments for non-cash charges and other items:</b>			
Depreciation		62,453	63,729
Exchange (gain)/loss - net		(11,834)	54,351
Finance cost		75,257	60,283
Gain on disposal of property, plant and equipment		(613)	-
Unrealized gain on short term investment		(14)	-
Working capital changes	15.1	(102,771)	(36,023)
Cash generated from operations		<u>5,996</u>	<u>78,739</u>

## 15.1 Working capital changes

### (Increase)/ decrease in current assets

Stores, spares and loose tools	3,563	(1,003)
Stock-in-trade	(140,256)	194,684
Trade debts - considered good	373,782	263,169
Loans and advances	(194,971)	(97,234)
Trade deposits and prepayments	(2,603)	504
Other receivables	10,188	(2,708)
<i>Balance carried forward</i>	<u>49,703</u>	<u>357,412</u>

# Notes To The Consolidated Condensed Interim Financial Statements

For the Three-Months Period Ended September 30, 2021

	(Un-Audited) September 30, 2021	(Un-Audited) September 30, 2020
	-----Rupees in '000-----	
<i>Balance brought forward</i>	49,703	357,412
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	(177,134)	(386,700)
Deferred grant	(1,325)	4,389
Due to related parties	(894)	-
Advance from customers - secured	26,879	(11,124)
<b>Net increase in working capital</b>	<b>(102,771)</b>	<b>(36,023)</b>

## 16 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 16.1 Financial risk

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 this consolidated condensed interim financial statements does not include all the financial risk management information and disclosures required in the audited annual financial statements.

### 16.2 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.

## 17 TRANSACTIONS WITH RELATED PARTIES

17.1 Transactions with related parties, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:

			(Un-Audited) September 30, 2021	(Un-Audited) September 30, 2020
			-----Rupees in '000-----	
Nature of relationship	Percentage of Holding	Transactions		
<b>Directors</b>		Godown rent paid to director	5,481	3,971
<b>Joint Venture</b>				
Barentz Pakistan (Private)	49%	Paid expenses on behalf	4,058	6,948
Limited		Payment received on account of expenses	2,912	807
		Interest Income	780	-
<b>Common directors</b>				
Faiyaz Center Owner Association		Paid expenses on behalf	167	-
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	1,536	1



# Notes To The Consolidated Condensed Interim Financial Statements

For the Three-Months Period Ended September 30, 2021

## Trust operated by the Company

			(Un-Audited) September 30, 2021 -----Rupees in '000-----	(Un-Audited) September 30, 2020
Ghori Trust	0%	Paid expenses on behalf	1,268	1,447
		Payment received on account of expenses	-	500
		Donations paid	1,159	2,095

## 18 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim consolidated statement of financial position comprise of balances as per the audited consolidated financial statements of the Group for the year ended June 30, 2021 and the corresponding figures in the condensed interim unconsolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity comprise of balances of comparable period as per the condensed interim consolidated financial statements of the Group for the three months period ended September 30, 2021.

Moreover, Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards.

## 19 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on October 27, 2021, by the board of directors of the Group.

## 20 GENERAL

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

  
Chief Executive Officer

  
Chief Financial Officer

  
Director