



**MATCO FOODS LIMITED**

# **REACHING NEW HEIGHTS**

## **1<sup>st</sup> QUARTERLY REPORT 2023**





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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 250 global customers and exports its consumer products to over 70 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

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 250 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.

In 2017 and 2019, 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.

Matco Foods has commissioned its 200 Tons per Day Corn Starch Plant in Faisalabad Special Economic Zone in August 2022 and start its commercial production in the month of September 2022 which inches your company more towards diversification.

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 Ghor	Chairman
Mr. Khalid Sarfaraz Ghor	Chief Executive Officer
Mr. Faizan Ali Ghor	Executive Director
Mr. Safwan Khalid Ghor	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. Mohammad Mohsin	Independent Director

### **AUDIT COMMITTEE**

Syed Kamran Rasheed	Chairman
Mr. Abdul Samad Khan	Member
Mr. Mohammad Mohsin	Member

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

Ms. Umme Habibah	Chairman
Mr. Jawed Ali Ghor	Member
Mr. Khalid Sarfaraz Ghor	Member
Mr. Faizan Ali Ghor, 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

### **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  
Meezan Bank 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)

### 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 PLANT – 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, Punjab

CORN STARCH PLANT – FAISALABAD

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

Web Address

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

Email Address

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





## **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 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, 2022.

## **Financial Results:**

Description	Unconsolidated		Consolidated	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	-----Rupees in '000-----		-----Rupees in '000-----	
<b>Sales – net</b>	<b>2,980,820</b>	1,589,224	<b>2,996,044</b>	1,590,322
<b>Cost of sales</b>	<b>(2,484,507)</b>	(1,439,708)	<b>(2,484,596)</b>	(1,439,708)
<b>Gross Profit</b>	<b>496,313</b>	149,516	<b>511,448</b>	150,614
<b>Selling and distribution</b>	<b>(52,462)</b>	(36,872)	<b>(53,211)</b>	(36,930)
<b>Administrative</b>	<b>(99,735)</b>	(66,839)	<b>(99,735)</b>	(66,921)
<b>Operating profit</b>	<b>344,116</b>	45,805	<b>358,502</b>	46,763
<b>Other Operating Income</b>	<b>9,985</b>	5,507	<b>9,985</b>	5,507
<b>Exchange gain</b>	<b>88,122</b>	11,834	<b>88,122</b>	11,834
<b>Financial Charges</b>	<b>(198,891)</b>	(78,152)	<b>(198,891)</b>	(78,152)
<b>Share of profit / (loss) from Associated Company</b>	<b>-</b>	-	<b>3,397</b>	(2,434)
<b>Profit / (Loss) Before Tax</b>	<b>243,332</b>	(15,006)	<b>261,114</b>	(16,482)
<b>Income Tax</b>	<b>(22,540)</b>	(14,703)	<b>(22,540)</b>	(14,703)
<b>Profit / (Loss) for the Period</b>	<b>220,792</b>	(29,709)	<b>238,574</b>	(31,185)
<b>Profit / (Loss) Per Share</b>	<b>1.80</b>	(0.24)	<b>1.95</b>	(0.25)

During the three-months i.e., July 2022 – September 2022:

- The Company has incurred a net profit of Rs. 220.79 million in this quarter as compared to loss of Rs. 29.71 million in the last period, thereby, represents increase in profit by 843%.
- The Company has exported 6,811 metric tons of basmati rice as compared to 5,971 metric tons in the last comparative period and thereby represents increase of 14%.
- The average export selling price per metric ton during three months was USD 1,115 which was USD 1,024 in the last comparative three months.

During the quarter, the Company has benefited from the inventory margins and higher export prices of rice, on the other hand, freight prices has also started to settle down which was also one of the positive factors. Whereas, with the constant efforts of the management, the quantity of rice glucose exports is increasing gradually which is also fetching high margins. The Company has earned the exchange gain on realization of export proceeds in the quarter but the same has been adjusted against financial charges which has increased due to higher interest rates and excess borrowings due to ongoing projects.

**Dividend:**

The Board of Directors announced interim cash dividend of Rs 0.5 per share (5%) for the period ending September 30, 2022.

**Future Outlook:**

Our country's economy is going through a challenging phase impacted by high inflationary forces arising from fuel and power costs, rupee depreciation against the dollar and compounded by the recent floods which caused severe devastation in the country. According to estimates by The Asian Development Bank, GDP growth could slow down to 3.5% in FY2023 from 6% in FY2022. The economic outlook will be shaped largely by the restoration of political stability and the continued implementation of reforms under the revived International Monetary Fund program to stabilize the economy and restore fiscal and external buffers. The State Bank of Pakistan (SBP) maintained the policy rate at 15% to support a contracting economy while inflation numbers appear to be declining and rupee depreciation seems to be reversed amid measures taken by the regulatory authorities.

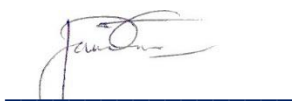
According to flood extent mapping using Sentinel-1 satellite images acquired during 22–28 August, over 18% of Sindh's total area was directly inundated. In the summer (kharif) season, most of the area in Sindh is cultivated under three commercial crops: rice, cotton, and sugarcane. The flood inundation is highest in the rice crop zone, which has resulted in an overall estimated loss of 1.8 million tons of rice, or an 80% loss of the expected total rice production in Sindh. The Punjab area of rice cultivation is unaffected, fortunately, our company mostly purchases the basmati rice from the Punjab region. But there will be definite price hike in the paddy due to shorter supply and damaged crops.

Business operations and economic environment will continue to remain challenging and competitive intensity is expected to be high in periods ahead. Our primary focus is still on aggressive volume driven sales growth through both new and existing products which will further allow us to take advantage of economies of scale. The Company has a long-term optimistic outlook for its business and is taking appropriate measures by optimizing operations and diversification of businesses. We believe that our dedicated and focused efforts will allow us to provide better value to meet customers' everyday needs and deliver profitable growth for the benefit of all stakeholders.

**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 اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

اللہ کے فضل و کرم سے، آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر، 2022 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-22	30-Sep-21	30-Sep-22	30-Sep-21
	-----Rupees in '000-----		-----Rupees in '000-----	
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Income Tax	(22,540)	(14,703)	(22,540)	(14,703)
Profit / (Loss) for the Period	220,792	(29,709)	238,574	(31,185)
Profit / (Loss) Per Share	1.80	(0.24)	1.95	(0.25)

تین ماہ کے دوران یعنی جولائی 2022ء – ستمبر 2022ء:

- پچھلی مدت میں 29.71 ملین روپے کے خالص خسارہ کے مقابلے میں کمپنی کو اس سہ ماہی میں 220.79 ملین روپے کا خالص منافع ہوا ہے، اس طرح منافع میں 843 فیصد اضافہ ظاہر کرتا ہے۔

- کمپنی نے گزشتہ تقابلی مدت میں 5,971 میٹرک ٹن کے مقابلے میں 6,811 میٹرک ٹن باسستی چاول برآمد کیے ہیں اور اس طرح اس میں 14 فیصد اضافہ ہے۔

- تین مہینوں کے دوران فی میٹرک ٹن اوسط برآمد قیمت 1,115 امریکی ڈالر تھی جو گزشتہ تقابلی تین مہینوں میں 1,024 امریکی ڈالر تھی۔

سہ ماہی کے دوران، کمپنی کو انوینٹری مارجن اور چاول کی اعلیٰ برآمدی قیمتوں سے فائدہ ہوا ہے، دوسری طرف مال برداری کی قیمتیں بھی نیچے آنا شروع ہو گئی ہیں جو کہ مثبت عوامل میں سے ایک تھا۔ جبکہ انتظامیہ کی مسلسل کوششوں سے چاول گلوکوز کی برآمدات کی مقدار میں بتدریج اضافہ ہو رہا ہے جس سے زیادہ مارجن بھی مل رہا ہے۔



کمپنی نے سہ ماہی میں برآمدی رقم کی وصولی پر ایکسچینج نفع حاصل کیا ہے لیکن اسے مالیاتی چارجز کے خلاف ایڈجسٹ کیا گیا ہے جو جاری منصوبوں کی وجہ سے زیادہ شرح سود اور اضافی قرض لینے کی وجہ سے بڑھ گیا ہے۔

### ڈیویڈنڈ:

بورڈ آف ڈائریکٹرز نے 30 ستمبر 2022 کو ختم ہونے والی مدت کے لیے 0.5 روپے فی شیئر (5%) کے عبوری نقد منافع کا اعلان کیا۔

### مستقبل کا خاکہ:

ہمارے ملک کی معیشت ایک چیلنجنگ مرحلے سے گزر رہی ہے جو ایندھن اور بجلی کی قیمتوں، ڈالر کے مقابلے میں روپے کی قدر میں کمی اور حالیہ سیلاب کی وجہ سے پیدا ہونے والی بلند افراط زر کی وجہ سے متاثر ہوئی ہے جس نے ملک میں شدید تباہی مچائی ہے۔ ایشیائی ترقیاتی بینک کے تخمینے کے مطابق، جی ڈی پی کی شرح نمو مالی سال 2022 میں 6 فیصد سے کم ہو کر مالی سال 2023 میں 3.5 فیصد رہ سکتی ہے۔ اقتصادی نقطہ نظر بڑی حد تک سیاسی استحکام کی بحالی اور معیشت کو مستحکم کرنے اور مالیاتی اور بیرونی بفرز کو بحال کرنے کے لیے بین الاقوامی مالیاتی فنڈ کے بحالی شدہ پروگرام کے تحت اصلاحات کے مسلسل نفاذ سے تشکیل پائے گا۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) نے سکرٹری ہوئی معیشت کو سہارا دینے کے لیے پالیسی ریٹ کو 15 فیصد پر برقرار رکھا جبکہ مہنگائی کی تعداد کم ہوتی دکھائی دے رہی ہے اور ریگولیٹری حکام کے اقدامات کے درمیان روپے کی قدر میں کمی نظر آتی ہے۔


22-28 اگست کے دوران حاصل کی گئی سینٹینیل-1 سیٹلائٹ امیجز کا استعمال کرتے ہوئے سیلاب کی حد کی نقشہ سازی کے مطابق، سندھ کے کل رقبے کا 18 فیصد سے زیادہ حصہ براہ راست ڈوب گیا تھا۔ موسم گرما (خریف) کے موسم میں، سندھ میں زیادہ تر رقبہ تین تجارتی فصلوں کے تحت کاشت کیا جاتا ہے: چاول، کپاس اور گنا۔ چاول کی فصل کے علاقے میں سیلاب سب سے زیادہ ہے، جس کے نتیجے میں مجموعی طور پر 1.8 ملین ٹن چاول کا نقصان ہوا ہے، یا سندھ میں چاول کی متوقع کل پیداوار کا 80 فیصد نقصان ہوا ہے۔ چاول کی کاشت کا پنجاب کا علاقہ غیر متاثر ہے، خوش قسمتی سے ہماری کمپنی زیادہ تر باسیتی چاول پنجاب کے علاقے سے خریدتی ہے۔ لیکن کم رسد اور فصلوں کو نقصان پہنچنے کی وجہ سے دھان کی قیمت میں یقینی اضافہ ہوگا۔


کاروباری سرگرمیاں اور اقتصادی ماحول بدستور چیلنجنگ رہے گا اور توقع ہے کہ آنے والے ادوار میں مسابقتی شدت زیادہ رہے گی۔ ہماری بنیادی توجہ اب بھی نئی اور موجودہ دونوں مصنوعات کے ذریعے فروخت کے بڑھتے ہوئے حجم پر مرکوز ہے جس سے ہمیں مزید پیمانے کی معیشتوں سے فائدہ اٹھانے کا موقع ملے گا۔ کمپنی اپنے کاروبار کے لیے ایک طویل مدتی پرامید نقطہ نظر رکھتی ہے اور آپریشنز کو بہتر بنانے اور کاروبار کو متنوع بنا کر مناسب اقدامات کر رہی ہے۔ ہمیں یقین ہے کہ ہماری وقف اور مرکوز کوششیں ہمیں صارفین کی روزمرہ کی ضروریات کو پورا کرنے کے لیے بہتر قیمت فراہم کرنے اور تمام اسٹیک ہولڈرز کے فائدے کے لیے منافع بخش ترقی فراہم کرنے کی اجازت دیں گی۔

### 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 خوری  
چیف ایگزیکٹو آفیسر

  
جاوید علی خوری  
چیئرمین

# *1<sup>st</sup> Quarterly Accounts*

## *Unconsolidated*

*September 30, 2022*  
*(Unaudited)*



# Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2022

		Un-Audited September 30, 2022	Audited June 30, 2022
		-----Rupees in '000-----	
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		6,720,342	6,569,614
Intangible assets		-	-
Right-of-use assets		231,848	235,567
Long term deposits		16,759	16,759
Long term investments	6	65,051	62,738
Total non-current assets		7,034,000	6,884,678
Current assets			
Stores, spares and loose tools		107,026	86,091
Stock in trade	7	8,289,858	7,662,054
Trade debts	8	1,260,300	1,818,339
Loans and advances		270,165	155,032
Trade deposits and short term prepayments		8,271	10,683
Short-term investment		4,188	4,255
Other receivables		191,379	156,103
Taxation - net		9,359	-
Cash and bank balances	9	670,849	303,566
Total current assets		10,811,395	10,196,124
Total assets		17,845,395	17,080,802

The annexed notes from 1 to 22 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, 2022

		Un-Audited September 30, 2022	Audited June 30, 2022
	Note	-----Rupees in '000-----	
<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	10	1,224,007	1,224,007
Capital reserve		680,467	680,467
Unappropriated profit		2,949,550	2,723,395
Surplus on revaluation of property, and equipment - net of tax		2,428,538	2,433,901
Unrealized (loss) revaluation on investment at fair value through OCI		(1,078)	(3,390)
<b>Total shareholders' equity</b>		<b>7,281,484</b>	<b>7,058,380</b>
<b>Non-current liabilities</b>			
Long-term finances-secured	11	1,558,015	1,582,432
Lease liabilities		175,673	175,602
Deferred liabilities		240,114	251,713
Deferred grant		-	-
<b>Total non-current liabilities</b>		<b>1,973,802</b>	<b>2,009,748</b>
<b>Current liabilities</b>			
Trade and other payables		370,993	671,153
Advance from customers - secured		113,585	22,613
Accrued mark-up		157,968	120,739
Due to related parties		6,807	10,556
Short-term borrowings-secured	12	7,739,834	6,979,645
Taxation-net		-	5,132
Current portion of deferred grant		-	1,561
Current portion of long term finances-secured	11	170,468	172,857
Current portion of lease liabilities		29,701	27,634
Unpaid dividend		753	784
<b>Total current liabilities</b>		<b>8,590,109</b>	<b>8,012,674</b>
<b>Total liabilities</b>		<b>10,563,911</b>	<b>10,022,422</b>
<b>Contingencies and commitments</b>	13		
<b>Total equity and liabilities</b>		<b>17,845,395</b>	<b>17,080,802</b>

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer

13

Matco Foods Limited



Chief Financial Officer



Director

1st Quarterly Report 2023

# Unconsolidated Condensed Interim Statement of Profit Or Loss

For the Three-Months Period Ended September 30, 2022

		Quarter ended	
		September 30, 2022	September 30, 2021
		Un-Audited	Un-Audited
Note		-----Rupees in '000-----	
		2,980,820	1,589,224
	14	(2,484,507)	(1,439,708)
		496,313	149,516
		(52,462)	(36,872)
		(99,735)	(66,839)
		(152,197)	(103,711)
		344,116	45,805
		(198,891)	(78,152)
		88,122	11,834
		233,347	(20,513)
		9,985	5,507
		243,332	(15,006)
		(22,540)	(14,703)
		220,792	(29,709)
		-----Rupees-----	
	15	1.80	(0.24)

The annexed notes from 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer

14

Matco Foods Limited



Chief Financial Officer



Director

1st Quarterly Report 2023

# Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Three-Months Period Ended September 30, 2022

Quarter ended	
September 30, 2022 Un-Audited	September 30, 2021 Un-Audited
-----Rupees in '000-----	

PROFIT/(LOSS) FOR THE PERIOD	220,792	(29,709)
------------------------------	---------	----------

Other comprehensive income

- Unrealized Profit on revaluation of investment at fair value through OCI during the period

2,312	-
2,312	-

Other comprehensive income

TOTAL COMPREHENSIVE PROFIT/(LOSS)  
FOR THE PERIOD

223,104	(29,709)
---------	----------

The annexed notes from 1 to 22 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, 2022

	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, 2021	1,224,007	680,467	2,287,145	2,459,499	-	6,651,118
Total comprehensive income for the period						
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)	-	-
Balance as at September 30, 2021	<u>1,224,007</u>	<u>680,467</u>	<u>2,263,430</u>	<u>2,453,505</u>	<u>-</u>	<u>6,621,409</u>

# Unconsolidated Condensed Interim Statement of Changes In Equity

For the Three-Months Period Ended September 30, 2022

	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	2,723,395	2,433,901	(3,390)	7,058,380
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	220,792	-	-	220,792
Other comprehensive Profit	-	-	-	-	2,312	2,312
Total comprehensive Profit	-	-	220,792	-	2,312	223,104
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	5,363	(5,363)	-	-
<b>Balance as at September 30, 2022</b>	<b>1,224,007</b>	<b>680,467</b>	<b>2,949,550</b>	<b>2,428,538</b>	<b>(1,078)</b>	<b>7,281,484</b>

The annexed notes from 1 to 22 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, 2022

		Three months ended	
		September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
		-----Rupees in '000-----	
	Note		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operating activities	16	75,891	39,167
Gratuity paid		(9,301)	(3,196)
Taxes paid		(39,330)	(21,288)
Finance cost paid		(161,662)	(71,755)
<b>Net cash used in operating activities</b>		<b>(134,402)</b>	<b>(57,072)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(237,558)	(888,975)
Proceeds from disposal of property, plant and equipment		3,754	1,094
Long term investment		2,313	-
Long term deposit		-	(567)
<b>Net cash used in investing activities</b>		<b>(233,804)</b>	<b>(888,448)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term finances - net of repayment		(26,806)	576,668
Finance lease obligation - net of repayment		2,137	(9,794)
Dividend paid		(31)	-
Short term finances - net of repayment		760,189	387,057
<b>Net cash generated from/ (used in) financing activities</b>		<b>735,489</b>	<b>953,931</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>367,283</b>	<b>8,411</b>
Cash and cash equivalents at the beginning of the period		303,566	104,960
<b>Cash and cash equivalents at the end of the period</b>		<b>670,849</b>	<b>113,371</b>

The annexed notes from 1 to 22 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, 2022

### 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 Guiranwala.

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.

The Company has started a new business venture of Corn Starch at Plot # 53, S.E.Z, Allama Iqbal Industrial City in Faisalabad.

### 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
- 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.

## **Notes To The Unconsolidated Condensed Interim Financial Statements**

### **For the Three-Months Period Ended September 30, 2022**

- 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 quarter ending September 30, 2022.

#### **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, 2022 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, 2022.

## Notes To The Unconsolidated Condensed Interim Financial Statements

For the Three-Months Period Ended September 30, 2022

	(Un-Audited) September 30, 2022 -----Rupees in '000-----	(Audited) June 30, 2022
6 LONG-TERM INVESTMENTS		
<i>Subsidaries</i>		
JKT General Trading (FZE)	23,583	23,583
Matco Marketing (Private) Limited	7,500	7,500
<i>Joint Venture</i>		
Barentz Pakistan (Private) Limited	24,500	24,500
Other investments - at fair value through OCI	<u>9,468</u>	<u>7,155</u>
	<u>65,051</u>	<u>62,738</u>
7 STOCK IN TRADE		
Raw materials	6,386,279	5,864,610
Packing materials	236,760	219,576
Work in process	-	-
Finished goods	1,687,294	1,598,343
	8,310,333	7,682,529
Provision for slow moving / obsolete items	(20,475)	(20,475)
	<u>8,289,858</u>	<u>7,662,054</u>
8 TRADE DEBTS		
Considered good		
- Export - secured	1,126,050	1,693,674
- Local - unsecured	134,250	124,665
	<u>1,260,300</u>	<u>1,818,339</u>
9 CASH AND BANK BALANCES		
Cash in hand	5,652	8,861
Cash at bank	665,197	294,705
	<u>670,849</u>	<u>303,566</u>
10 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
	(Un-audited) September 30, 2022 (Number of shares)	
	(Audited) June 30, 2022	
		(Un-Audited) September 30, 2022 -----Rupees in '000-----
		(Audited) June 30,
		Ordinary shares of Rs. 10 each:
		50,340,213     50,340,213
		- fully paid in cash                 503,402          503,402
		- issued for consideration other than
		cash                                     60,030          60,030
		- issued as fully paid bonus sh:     660,575          660,575
		122,400,698     122,400,698                 1,224,007          1,224,007

# Notes To The Unconsolidated Condensed Interim Financial Statements

## For the Three-Months Period Ended September 30, 2022

(Un-Audited) September 30, 2022	(Audited) June 30, 2022
-----Rupees in '000-----	

### 11 LONG TERM FINANCES - SECURED

*From banking companies and financial institution:*

LTFF/ILTFF	415,977	413,741
TERF/ITERF	986,349	986,349
FFSAP/IFFASP	270,880	278,783
Demand Finance	24,742	26,391
Salary Refinance	30,536	50,025
	<u>1,728,483</u>	<u>1,755,289</u>
Current portion of long term finances	(170,468)	(172,857)
	<u>1,558,015</u>	<u>1,582,432</u>

### 12 SHORT-TERM BORROWINGS SECURED

Export re-finance	5,010,193	4,537,949
Own resource	2,729,641	2,441,696
	<u>7,739,834</u>	<u>6,979,645</u>

### 13 CONTINGENCIES AND COMMITMENTS

#### 13.1 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, 2022

(Un-Audited) September 30, 2022	(Audited) September 30, 2021
-----Rupees in '000-----	

### 14 COST OF SALES

Raw Material	2,112,324	1,339,619
Packing materials consumed	117,108	67,918
Stores, spares and loose tools consumed	44,137	18,273
	<u>2,273,569</u>	<u>1,425,810</u>
Salaries, wages and benefits	110,554	74,489
Electricity and power	30,688	15,821
Telephone and mobile	469	297
Insurance	3,149	2,444
Repairs and maintenance	14,703	4,696
Fumigation charges	24,138	6,553
Diesel & oil	811	768
Water Charges	11,461	9,859
Canteen	4,391	2,356
Staff welfare	1,299	432
Balance c/f	<u>2,475,232</u>	<u>1,543,525</u>



# Notes To The Unconsolidated Condensed Interim Financial Statements

## For the Three-Months Period Ended September 30, 2022

		(Un-Audited) September 30, 2022	(Audited) September 30, 2021
		-----Rupees in '000-----	
	Balance b/f	2,475,232	1,543,525
	Security expenses	5,161	4,295
	Godown expenses	6,748	4,890
	Rent, rates and taxes	-	253
	Vehicle running expenses	6,953	2,503
	Medical	1,097	768
	Depreciation	72,324	50,399
	Inspection charges	5,935	3,599
	Others	9	173
	<b>Cost of goods available for sale</b>	<b>2,573,459</b>	<b>1,610,405</b>
	<b>Finished goods</b>		
	Opening stock	1,598,342	1,545,538
	Closing stock	(1,687,294)	(1,716,235)
		(88,952)	(170,697)
		<b>2,484,507</b>	<b>1,439,708</b>
<b>15</b>	<b>EARNINGS/(LOSS) PER SHARE - BASIC &amp; DILUTED</b>		
	Basic earnings/(loss) per share		
	Profit/(Loss) for the period	220,792	(29,709)
	Number of ordinary shares	122,400,698	122,400,698
	Earning/(Loss) per share	1.80	(0.24)
<b>15.1</b>	<b>Diluted earning per share</b>		
	There is no dilutive effect on earnings per share as the Company does not have any convertible instruments.		
<b>16</b>	<b>CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES</b>	(Un-Audited) September 30, 2022	(Un-Audited) September 30, 2021
		-----Rupees in '000-----	
	Profit/(Loss) before taxation	243,332	(15,006)
	<b>Adjustments for non-cash charges and other items:</b>		
	Depreciation	89,730	62,453
	Exchange (gain)/loss - net	(88,122)	(11,834)
	Finance cost	198,891	75,257
	Gain on disposal of property, plant and equipment	(2,936)	(613)
	Unrealized gain/(loss) on short term investment	67	(14)
	Working capital changes	(365,071)	(71,076)
	Cash generated from operations	75,891	39,167

Note

16.1

# Notes To The Unconsolidated Condensed Interim Financial Statements

For the Three-Months Period Ended September 30, 2022

		(Un-Audited) September 30, 2022	(Un-Audited) September 30, 2021
	Note	-----Rupees in '000-----	
<b>16.1 Working capital changes</b>			
<b>(Increase)/ decrease in current assets</b>			
Stores, spares and loose tools		(20,935)	3,563
Stock-in-trade		(627,804)	(140,255)
Trade debts - considered good		646,161	405,348
Loans and advances		(115,133)	(194,971)
Trade deposits and prepayments		2,412	(2,549)
Other receivables		(35,276)	10,181
		<u>(150,574)</u>	<u>81,317</u>
<b>Increase/(decrease) in current liabilities</b>			
Trade and other payables		(300,160)	(177,052)
Deferred grant		(1,561)	(1,325)
Due to related parties		(3,749)	(895)
Advance from customers - secured		90,972	26,879
<b>Net increase in working capital</b>		<u><u>(365,071)</u></u>	<u><u>(71,076)</u></u>

# Notes To The Unconsolidated Condensed Interim Financial Statements

## For the Three-Months Period Ended September 30, 2022

### 17 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.

#### 17.1 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.

#### 17.2 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.

### 18 TRANSACTIONS WITH RELATED PARTIES

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

# Notes To The Unconsolidated Condensed Interim Financial Statement

## For the Three-Months Period Ended September 30, 2022

			(Un-Audited) September 30, 2022	(Un-Audited) September 30, 2021
			-----Rupees in '000-----	
Nature of relationship	Percentage of Holding	Transactions		
<b>Directors</b>		Godown rent paid to director	5,065	5,481
<b>Subsidiary</b>				
JKT General Trading FZE	100%	Sales	55,006	5,482
		Payment received on account of sales	68,675	68,675
Matco Marketing (Private) Limited	99.99%	Paid expenses on behalf	-	81
<b>Joint Venture</b>				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	106,571	4,058
		Payment received on account of expenses	100,464	2,912
		Interest Income	1,854	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
<b>Trust operated by the Company</b>				
Ghori Trust	0%	Paid expenses on behalf	6,952	1,268
		Payment received on account of expenses	-	-
		Donations paid	3,757	1,159

## 19 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, 2022 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, 2022.

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.

## 20 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on October 26, 2022, by the board of directors of the Company.



# Notes To The Unconsolidated Condensed Interim Financial Statement

## For the Three-Months Period Ended September 30, 2022

### 21 NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors approved interim cash dividend at the rate of Rs 0.5 per share amounting to Rs. 61.2 million in its meeting held on October 26, 2022.

### 22 GENERAL

22.1 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, 2022*  
*(Unaudited)*



# Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2022

		Un-Audited September 30, 2022	Audited June 30, 2022
	Note	-----Rupees in '000-----	
ASSETS			
Non-current assets			
Property, plant and equipment		6,720,342	6,569,614
Right-of-use assets		231,848	235,567
Long term deposits		16,759	16,759
Long term investments	6	31,120	25,411
Total non-current assets		7,000,069	6,847,351
Current assets			
Stores, spares and loose tools		107,026	86,091
Stock in trade	7	8,289,858	7,662,054
Trade debts	8	1,371,168	1,897,930
Loans and advances		270,165	155,032
Trade deposits and short term prepayments		8,811	11,705
Short-term investment		4,188	4,255
Other receivables		191,379	156,103
Taxation - net		9,359	-
Cash and bank balances	9	683,693	322,021
Total current assets		10,935,647	10,295,191
Total assets		17,935,716	17,142,542

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, 2022

		Un-Audited September 30, 2022	Audited June 30, 2022
	Note	-----Rupees in '000-----	
<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		47,052	35,814
Unappropriated profit		2,999,098	2,755,161
Surplus on revaluation of property, and equipment - net of tax		2,428,538	2,433,901
Unrealized revaluation (loss) on at fair value through OCI		(1,078)	(3,390)
<b>Total shareholders' equity</b>		<b>7,378,084</b>	<b>7,125,960</b>
<b>Non-current liabilities</b>			
Long-term finances-secured	10	1,558,015	1,582,432
Lease liabilities		175,674	175,602
Deferred liabilities		240,481	252,042
Deferred grant		-	-
<b>Total non-current liabilities</b>		<b>1,974,170</b>	<b>2,010,076</b>
<b>Current liabilities</b>			
Trade and other payables		371,074	671,792
Advance from customers - secured		113,583	22,614
Accrued mark-up		157,968	120,739
Due to related parties		82	3,748
Short-term borrowings-secured	10	7,739,834	6,979,645
Taxation-net		-	5,132
Current portion of deferred grant		-	1,561
Current portion of long term finances-secured		170,468	172,857
Current portion of lease liabilities		29,701	27,634
Unpaid dividend		753	784
<b>Total current liabilities</b>		<b>8,583,462</b>	<b>8,006,506</b>
<b>Total liabilities</b>		<b>10,557,632</b>	<b>10,016,582</b>
<b>Contingencies and commitments</b>	11		
<b>Total equity and liabilities</b>		<b>17,935,716</b>	<b>17,142,542</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, 2022

		Quarter ended	
		September 30, 2022	September 30, 2021
		Un-Audited	Un-Audited
Note		-----Rupees in '000-----	
		2,996,044	1,590,322
	12	(2,484,596)	(1,439,708)
		511,448	150,614
Operating expenses			
	Selling and distribution	(53,211)	(36,930)
	Administrative	(99,735)	(66,921)
		(152,946)	(103,851)
	Operating profit	358,502	46,763
	Financial charges	(198,891)	(78,152)
	Exchange gain	88,122	11,834
		247,733	(19,555)
	Other operating income	9,985	5,507
	Share of profit/(loss) from associated company	3,397	(2,434)
	Profit/(Loss) before income tax	261,114	(16,482)
	Taxation	(22,540)	(14,703)
	Profit/(Loss) for the period	238,574	(31,185)
		-----Rupees-----	
	Earning/(Loss) per share -		
	Basic and Diluted	1.95	(0.25)

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, 2022

	Quarter ended	
	September 30, 2022 Un-Audited	September 30, 2021 Un-Audited
	-----Rupees in '000-----	
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>238,574</b>	<b>(31,185)</b>
<b>Other comprehensive income</b>		
- Exchange difference on translation of foreign currency	11,238	4,693
- Unrealized Profit on revaluation of investment at fair value through OCI during the period	2,312	-
<b>Other comprehensive profit</b>	<b>13,550</b>	<b>4,693</b>
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD</b>	<b>252,124</b>	<b>(26,492)</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 Changes In Equity

For the Three-Months Period Ended September 30, 2022

	Issued, subscribed and paid up capital	Capital reserve	Exchange Revaluation Reserve	Unappropri- ated profit	Surplus on revaluation of property, plant and equipment - net of tax	Unrealized Profit/(loss) revaluation of investment at fair value to OCI	Equity attributable to the Holding Company's shareholders	Total
	----- Rupees in '000' -----							
Balance as at July 01, 2021	1,224,007	680,467	15,811	2,292,539	2,459,499	-	6,672,323	6,672,323
Total comprehensive loss for the period								
Loss for the period	-	-	-	(31,185)	-	-	(31,185)	(31,185)
Other comprehensive loss	-	-	4,693	-	-	-	4,693	4,693
Total comprehensive loss	-	-	4,693	(31,185)	-	-	(26,492)	(26,492)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-		5,994	(5,994)	-	-	-
Balance as at September 30, 2021	<u>1,224,007</u>	<u>680,467</u>	<u>20,504</u>	<u>2,267,348</u>	<u>2,453,505</u>	<u>-</u>	<u>6,645,831</u>	<u>6,645,831</u>

# Consolidated Condensed Interim Statement of Changes In Equity

For the Three-Months Period Ended September 30, 2022

	Issued, subscribed and paid up capital	Capital reserve	Exchange Revaluation Reserve	Unappropri ated profit	Surplus on revaluation of property, plant and equipment - net of tax	Unrealized Profit/(loss) revaluation of investment at fair value to 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 loss for the period								
Profit for the period	-	-	-	238,574	-	-	238,574	238,574
Other comprehensive income	-	-	11,238	-	-	2,312	13,550	13,550
Total comprehensive income	-	-	11,238	238,574	-	2,312	252,124	252,124
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	5,363	(5,363)	-	-	-
Balance as at September 30, 2022	<u>1,224,007</u>	<u>680,467</u>	<u>47,052</u>	<u>2,999,098</u>	<u>2,428,538</u>	<u>(1,078)</u>	<u>7,378,084</u>	<u>7,378,084</u>

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

# Unconsolidated Condensed Interim Statement of Cash Flows

For the Three-Months Period Ended September 30, 2022

		Three months ended	
		September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
		-----Rupees in '000-----	
		Note	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operating activities	14	62,398	5,996
Gratuity paid		(9,301)	(3,175)
Taxes paid		(39,330)	(21,288)
Finance cost paid		(161,622)	(71,755)
Exchange revaluation reserve		11,238	4,693
<b>Net cash used in operating activities</b>		<b>(136,617)</b>	<b>(85,529)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(237,558)	(888,975)
Proceeds from disposal of property, plant and equipment		3,754	1,094
Long term deposit		-	(567)
Long term investment	10	(3,397)	2,434
<b>Net cash used in investing activities</b>		<b>(237,201)</b>	<b>(886,014)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term finances - net of repayment		(26,806)	576,668
Finance lease obligation - net of repayment		2,138	(9,794)
Dividend paid		(31)	-
Short term finances - net of repayment		760,189	387,057
<b>Net cash generated from financing activities</b>		<b>735,490</b>	<b>953,931</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>361,672</b>	<b>(17,612)</b>
Cash and cash equivalents at the beginning of the period		322,021	142,315
<b>Cash and cash equivalents at the end of the period</b>		<b>683,693</b>	<b>124,703</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, 2022

### 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-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; (iv) 50 KM G.T Road, Sadhoke, Tehsil Kamoke, District Gujranwala; (v) Plot # 53, S.E.Z, Allama Iqbal Industrial City, Faisalabad and (vi) House # 87, Block K, Street # 24, Al Bairuni Road, WAPDA City, Faisalabad.

#### **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.



# Notes To The Consolidated Condensed Interim Financial Statements

## For the Three-Months Period Ended September 30, 2022

### 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, 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, 2022 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 uncertainly were the same as those that applied to the audited annual financial statements of the Group for the year ended June 30, 2022.

# Notes To The Consolidated Condensed Interim Financial Statements

For the Three-Months Period Ended September 30, 2022

		(Un-Audited) September 30, 2022 -----Rupees in '000-----	(Audited) June 30, 2022
<b>6</b>	<b>LONG TERM INVESTMENTS</b>		
	<i>Unquoted</i>		
	Associate - equity accounted investment	6.1 21,652	18,255
	<i>Quoted</i>		
	<i>Other investments - at fair value through OCI</i>		
	Pakistan Aluminium Beverage Cans Limited	8,532	6,092
	Engro Fertilizers Limited	936	1,064
		<u>31,120</u>	<u>25,411</u>
<b>6.1</b>	<b>Equity accounted investment - Barentz International B.V</b>		
	Balance at beginning of the period	18,255	13,371
	Share of profit for the year - net of tax	3,397	4,884
		<u>21,652</u>	<u>18,255</u>
<b>7</b>	<b>STOCK IN TRADE</b>		
	Raw materials	6,386,279	5,864,610
	Packing materials	236,760	219,576
	Finished goods	1,687,294	1,598,343
		<u>8,310,333</u>	<u>7,682,529</u>
	Provision for slow moving / obsolete items	(20,475)	(20,475)
		<u>8,289,858</u>	<u>7,662,054</u>
<b>8</b>	<b>TRADE DEBTS</b>		
	<b>Considered good</b>		
	- Export - secured	1,236,918	1,773,265
	- Local - unsecured	134,250	124,665
		<u>1,371,168</u>	<u>1,897,930</u>
<b>9</b>	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	5,652	8,861
	Cash at bank	678,042	313,160
		<u>683,694</u>	<u>322,021</u>
<b>10</b>	<b>LONG TERM FINANCES - SECURED</b>		
	<i>From banking companies and financial institution:</i>		
	LTFF/ILTFF	415,977	413,741
	TERF/ITERF	986,349	986,349
	FFSAP/IFFASP	270,880	278,783
	Demand Finance	24,742	26,391
	Salary Refinance	30,536	50,025
		<u>1,728,483</u>	<u>1,755,289</u>
	Current portion of long term finances	(170,468)	(172,857)
		<u>1,558,015</u>	<u>1,582,432</u>

# Notes To The Consolidated Condensed Interim Financial Statements

## For the Three-Months Period Ended September 30, 2022

### 10 SHORT-TERM BORROWINGS SECURED

Export re-finance  
Own resource

(Un-Audited) September 30, 2022 -----Rupees in '000-----	(Audited) June 30, 2022
4,302,570	4,537,949
1,617,492	2,441,696
<b>5,920,062</b>	<b>6,979,645</b>

### 11 CONTINGENCIES AND COMMITMENTS

#### 11.1 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, 2022.

### 12 COST OF SALES

Raw Material  
Packing materials consumed  
Stores, spares and loose tools consumed

Salaries, wages and benefits

Electricity and power

Telephone and mobile

Insurance

Repairs and maintenance

Fumigation charges

Diesel & oil

Water Charges

Canteen

Staff welfare

Security expenses

Godown expenses

Rent, rates and taxes

Vehicle running expenses

Medical

Depreciation

Inspection charges

Others

*Cost of goods available for sale*

**Finished goods**

Opening stock

Closing stock

(Un-Audited) September 30, 2022 -----Rupees in '000-----	(Un-Audited) September 30, 2021
2,112,413	1,339,619
117,108	67,918
44,137	18,273
<b>2,273,658</b>	<b>1,425,810</b>
110,554	74,489
30,688	15,821
469	297
3,149	2,444
14,703	4,696
24,138	6,553
811	768
11,461	9,859
4,391	2,356
1,299	432
5,161	4,295
6,748	4,890
-	253
6,953	2,503
1,097	768
72,324	50,399
5,935	3,599
9	173
<b>2,573,548</b>	<b>1,610,405</b>
<b>1,598,342</b>	<b>1,545,538</b>
<b>(1,687,294)</b>	<b>(1,716,235)</b>
<b>(88,952)</b>	<b>(170,697)</b>
<b>2,484,596</b>	<b>1,439,708</b>

# Notes To The Consolidated Condensed Interim Financial Statements

For the Three-Months Period Ended September 30, 2022

	(Un-Audited) September 30, 2022	(Un-Audited) September 30, 2021
	-----Rupees in '000-----	
<b>13 LOSS PER SHARE - BASIC &amp; DILUTED</b>		
Basic loss per share		
Profit/(Loss) for the period	238,574	(31,185)
Number of ordinary shares	122,400,698	122,400,698
Earning/(Loss) per share	1.95	(0.25)

## 13.1 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.

		(Un-Audited) September 30, 2022	(Un-Audited) September 30, 2021
	Note	-----Rupees in '000-----	
<b>14 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES</b>			
Profit/(Loss) before taxation		261,114	(16,482)
<b>Adjustments for non-cash charges and other items:</b>			
Depreciation		89,730	62,453
Exchange (gain) - net		(88,122)	(11,834)
Finance cost		198,891	75,257
Gain on disposal of property, plant and equipment		(2,936)	(613)
Unrealized gain on short term investment		67	(14)
Working capital changes	14.1	(396,346)	(102,771)
Cash generated from operations		62,398	5,996

## 14.1 Working capital changes

### (Increase)/ decrease in current assets

Stores, spares and loose tools	(20,935)	3,563
Stock-in-trade	(627,804)	(140,256)
Trade debts - considered good	614,884	373,782
Loans and advances	(115,133)	(194,971)
Trade deposits and prepayments	2,894	(2,603)
Other receivables	(35,276)	10,188
	(181,370)	49,703

### Increase/(decrease) in current liabilities

Trade and other payables	(300,718)	(177,134)
Deferred grant	(1,561)	(1,325)
Due to related parties	(3,666)	(894)
Advance from customers - secured	90,969	26,879
<b>Net increase in working capital</b>	<b>(396,346)</b>	<b>(102,771)</b>

# Notes To The Consolidated Condensed Interim Financial Statements

## For the Three-Months Period Ended September 30, 2022

### 15 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

#### 15.1 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.

#### 15.2 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.

### 16 TRANSACTIONS WITH RELATED PARTIES

16.1 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, 2022	(Un-Audited) September 30, 2021
			-----Rupees in '000-----	
Nature of relationship	Percentage of Holding	Transactions		
<b>Directors</b>		Godown rent paid to director	5,065	5,481
<b>Joint Venture</b>				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	106,571	4,058
		Payment received on account of expenses	100,464	2,912
		Interest Income	1,854	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
			(Un-Audited) September 30, 2022	(Un-Audited) September 30, 2021
			-----Rupees in '000-----	
<b>Trust operated by the Company</b>				
Ghori Trust	0%	Paid expenses on behalf	6,952	1,268
		Payment received on account of expenses	-	-
		Donations paid	3,757	1,159



# Notes To The Consolidated Condensed Interim Financial Statements

## For the Three-Months Period Ended September 30, 2022

### 17 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, 2022 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, 2022.

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.

### 18 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on October 26, 2022, by the board of directors of the Group.

### 19 NON-ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors approved interim cash dividend at the rate of Rs 0.5 per share amounting to Rs. 61.2 million in its meeting held on October 26, 2022.

### 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