



MATCO FOODS LIMITED

REACHING NEW HEIGHTS



THIRD QUARTERLY REPORT 2021

TABLE OF CONTENTS

<i>Our Legacy</i>	01
<i>Business Profile</i>	02
<i>Company Information</i>	03
<i>Mission & Vision</i>	06
<i>Directors' Review Report – English</i>	07
<i>Directors' Review Report – Urdu</i>	09
<i>Condensed Interim Unconsolidated Statement of Financial Position (Unaudited)</i>	12
<i>Condensed Interim Unconsolidated Statement of Profit or Loss (Unaudited)</i>	14
<i>Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)</i>	15
<i>Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)</i>	16
<i>Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)</i>	17
<i>Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)</i>	18
<i>Condensed Interim Consolidated Statement of Financial Position (Unaudited)</i>	26
<i>Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)</i>	28
<i>Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)</i>	29
<i>Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)</i>	30
<i>Condensed Interim Consolidated Statement of Cash Flows (Unaudited)</i>	31
<i>Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)</i>	32

OUR LEGACY

The journey of Matco started with the entrepreneurial aptitude of Syed Sarfaraz Ali Ghori, 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

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

BOARD OF DIRECTORS

Mr. Jawed Ali Ghori	Chairman
Mr. Khalid Sarfaraz Ghori	Chief Executive Officer
Dr. Tariq Ghori	Executive Director
Mr. Faizan Ali Ghori, CFA	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 Ghori	Member
Mr. Khalid Sarfaraz Ghori	Member
Mr. Faizan Ali Ghori, 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,
Chartered Accountants

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

SHARE REGISTRAR

CDC Share Registrar Services Limited

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

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

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

Email Address

contact@matcofoods.com

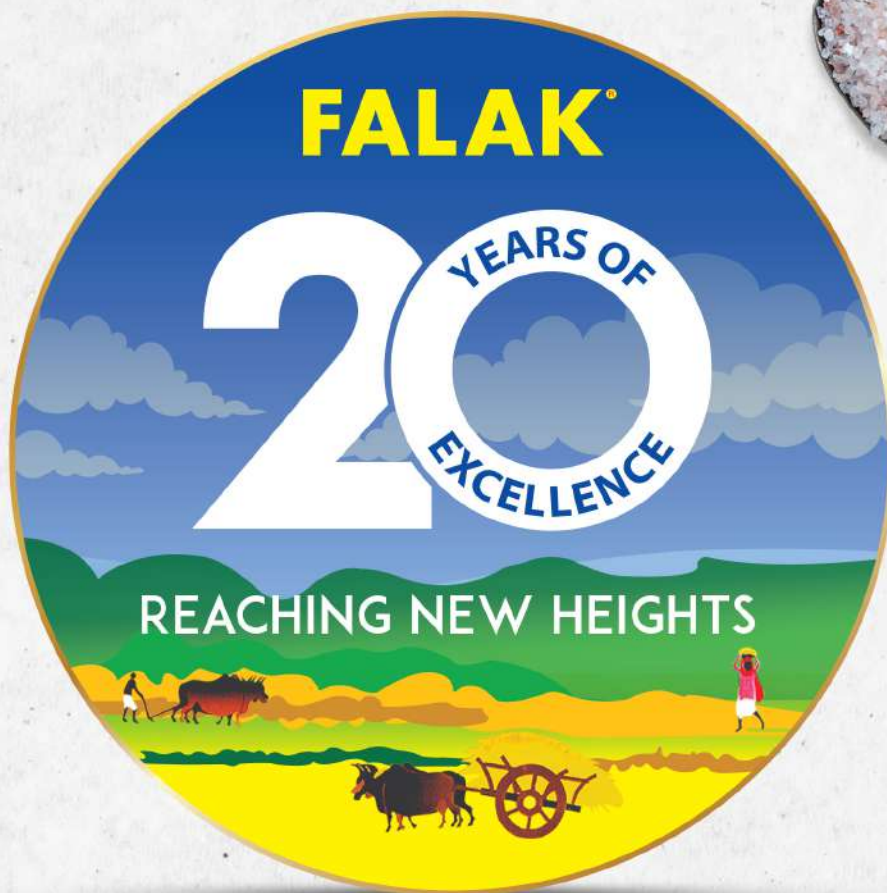


VISION

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.



This year we celebrate 20 Years of our Flagship Brand Falak, a legacy that spans over 60 countries, and reaches the hearts and households of millions.

Falak started as a brand for premium quality Basmati Rice in 2000, building trust amongst its customers with consistently premium and superior quality products. Today, the name Falak is synonymous with branded Pakistani Basmati Rice across the globe. Owing to this success and our promise of quality, excellence and innovation, we have successfully ventured into new food categories which have been met with tremendous success. Our new products under the Falak brand include Himalayan Pink Salt, Masalas and Herbs, Organic Brown Basmati Rice, Organic Rice Flour, Jaggery Powder and several others.

Our commitment to serve our global family with the best quality food products has paved the way for us to become a leading brand in households across the globe. We give thanks to all our valued business partners, stakeholders and loyal customers without whom this would not be possible, and look forward to reaching new heights with them in the future.

FALAK RICE



Falak range extension has been met with tremendous enthusiasm in the local and International markets. We continue to focus on premium quality customer-centric products which live up to our stringent taste and quality standards



FALAK NEW PRODUCTS



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 nine-months period ended March 31, 2021.

Financial Results:

Description	Unconsolidated		Consolidated	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	-----Rupees in '000-----		-----Rupees in '000-----	
Sales – net	8,032,141	6,721,567	8,034,847	6,723,361
Cost of sales	(7,331,605)	(6,027,989)	(7,331,605)	(6,027,989)
Gross Profit	700,536	693,578	703,242	695,372
Selling and distribution	(149,763)	(145,583)	(149,763)	(155,699)
Administrative	(208,899)	(199,616)	(210,127)	(200,383)
Operating profit	341,874	348,379	343,352	339,290
Other Operating Income	32,082	24,234	32,084	24,234
Exchange loss	(91,873)	36,939	(91,873)	36,939
Financial Charges	(208,090)	(269,301)	(208,254)	(269,444)
Share of loss from Associated Company	-	-	(3,345)	(6,214)
Profit Before Tax	73,993	140,251	71,964	124,805
Income Tax	(59,113)	(43,643)	(59,113)	(43,643)
Profit for the Period	14,880	96,608	12,851	81,162
Earnings Per Share	0.12	0.79	0.10	0.66

During the nine-months i.e. July 2020 – March 2021:

- The Company has incurred a net profit of Rs. 14.88 million in the nine months as compared to profit of Rs. 96.61 million in the last period, thereby, represent decrease of 84.60%.
- Increasing cost of production due to inflationary pressure and exchange loss has decreased the profit before tax by 47.24% as compared to last comparative period.
- The Company has exported 32,664 metric tons of basmati rice as compared to 32,067 metric tons in the last comparative period and thereby represents increase of 1.86%.
- The average export selling price per metric ton during nine months was USD 1,089 which was USD 975 in the last comparative nine months.

During this period, Sea Freight was heavily increased worldwide due to which cost of goods sold was on higher side resulted in less margins. Whereas, appreciation of Pak Rupee has affected adversely to exports proceeds. Continuous increase in utilities rates is a big concern for manufacturers as it is a major part of our cost of doing business.

Future Outlook:

Lockdowns, local restrictions and the rising fear of Covid-19 have impacted basmati rice demand in the past two months. Businesses at hotels, restaurants and cafés has fallen, hurting demand for these commodities.

Basmati rice sales have dropped by 20% since the beginning of March, even basmati rice exporters are facing challenges in markets. Current conditions are not on the straight line that's why upcoming quarter may affect accordingly. Current Damaging wave of Covid-19 in Neighbor Country may result in future demand for Pakistan Exporters.

Pakistan has received the Geographical Indicator (GI) tag for its Basmati, paving the way for creating a local registry for the particular strain of rice and making a case in the international market, as our country fought a case in the EU against India's move to get Basmati rice registered as its product.

The issue of protecting Basmati rice as a product of Pakistan came to the forefront after India submitted an application to the European Union claiming sole ownership of the commodity in September last year.

In corn starch project, Alhamdulillah, your Company has received approval of Site Plan of 20 acres land in Allama Iqbal Industrial City, Faisalabad and import LCs for Plant & Machineries has opened in the month of March successfully. We are hopeful to start the construction / installation of machines as soon as NOC for construction is received.

Condolence:

We regret very much on the sudden demise of our director Dr. Tariq Ghori and wish to address our deepest sympathy and heartfelt condolences to the entire family and to all employees of Matco Foods Limited.

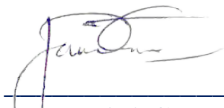
Indeed, it is a big tragedy for the Company as he was one of the founding members of the Matco Foods Limited and had a vast experience in developing new markets for Matco Food's products and appointing distributors in strategic locations. He had been instrumental in the brand development and positioning of Falak Basmati Rice in over 35 countries. In addition to, Dr. Tariq Ghori was a founding member of the Rice Exporters' Association of Pakistan (REAP) and had served as a member of REAP's Managing Committee as well as being the president of the Pakistan Basmati Rice Promotion Committee of REAP. We commemorate the life of Dr. Tariq whose principled leadership, strong work ethic, innovative business sense, and dedication to public service exemplified our family and our company.

We pray to the Almighty ALLAH for Dr. Tariq Ghori and seek solace from Him at this time of grief.

Acknowledgement:

The directors are thankful to our valued customers, financial institutions, shareholders and other stakeholders for their continued trust. The hard work of all employees is recognized and appreciated.

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 31 مارچ، 2021 کو ختم ہونے والے نو 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	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	-----Rupees in '000-----		-----Rupees in '000-----	
Sales – net	8,032,141	6,721,567	8,034,847	6,723,361
Cost of sales	(7,331,605)	(6,027,989)	(7,331,605)	(6,027,989)
Gross Profit	700,536	693,578	703,242	695,372
Selling and distribution	(149,763)	(145,583)	(149,763)	(155,699)
Administrative	(208,899)	(199,616)	(210,127)	(200,383)
Operating profit	341,874	348,379	343,352	339,290
Other Operating Income	32,082	24,234	32,084	24,234
Exchange loss	(91,873)	36,939	(91,873)	36,939
Financial Charges	(208,090)	(269,301)	(208,254)	(269,444)
Share of loss from Associated Company	-	-	(3,345)	(6,214)
Profit Before Tax	73,993	140,251	71,964	124,805
Income Tax	(59,113)	(43,643)	(59,113)	(43,643)
Profit for the Period	14,880	96,608	12,851	81,162
Earnings Per Share	0.12	0.79	0.10	0.66

نو ماہ کے دوران یعنی جولائی 2020ء - مارچ 2021ء:

- پچھلی مدت میں 96.61 ملین روپے کے منافع کے مقابلے میں کمپنی کو اس نو ماہ میں 14.88 ملین روپے کا خالص منافع ہوا ہے، اس طرح منافع میں 84.60 فیصد کمی واقع ہوئی ہے۔
- مہنگائی کے دباؤ کی وجہ سے پیداواری لاگت میں اضافہ اور زر مبادلہ کے نقصان کی وجہ سے گزشتہ تقابلی مدت کے مقابلے میں ٹیکس سے پہلے منافع میں 47.24 فیصد کمی واقع ہوئی ہے۔
- کمپنی نے گزشتہ تقابلی مدت میں 32,067 میٹرک ٹن کے مقابلے میں 32,664 میٹرک ٹن باسمتی چاول برآمد کیا ہے اور اس طرح 1.86 فیصد اضافے کی نمائندگی کی ہے۔
- نو مہینوں کے دوران فی میٹرک ٹن اوسط برآمد قیمت 1,089 امریکی ڈالر تھی جو گزشتہ تقابلی نو مہینوں میں 975 امریکی ڈالر تھی۔

اس مدت کے دوران ، سی فریٹ میں دنیا بھر میں بہت زیادہ اضافہ ہوا تھا جس کی وجہ سے فروخت ہونے والے سامان کی قیمت زیادہ ہونے کے نتیجے میں کم مارجن کا نتیجہ برآمد ہوا تھا۔ جبکہ برآمدی آمدنی پر پاک روپے کی قدر و منفی اثر پڑ رہی ہے۔ یوٹیلیٹیز کی شرحوں میں مسلسل اضافہ مینوفیکچررز کے لئے ایک بہت بڑا تشویش ہے کیوں کہ یہ ہمارے کاروبار میں لاگت کا ایک اہم حصہ ہے۔

مستقبل کا خاکہ:-

لاک ڈاؤن ، مقامی پابندیوں اور کوویڈ 19 کے بڑھتے ہوئے خوف نے پچھلے دو مہینوں میں باسمتی چاول کی طلب کو متاثر کیا ہے۔ ہوٹلوں ، ریستوراں اور کیفوں کے کاروبار گر گئے ہیں ، جس سے ان اشیاء کی طلب کو نقصان پہنچا ہے۔ مارچ کے آغاز سے ہی بسمتی چاول کی فروخت میں 20 فیصد کمی واقع ہوئی ہے ، یہاں تک کہ باسمتی چاول برآمد کنندگان کو بھی مارکیٹوں میں چیلنجز کا سامنا ہے۔ موجودہ حالات سیدھی لائن پر نہیں ہیں اسی لئے آئندہ سہ ماہی اس کے مطابق اثر انداز ہوسکتی ہے۔ پڑوسی ملک میں کوویڈ 19 کی موجودہ نقصان دہ لہر کا نتیجہ مستقبل میں پاکستان برآمد کنندگان کی مانگ کا سبب بن سکتا ہے۔

پاکستان کو اپنی باسمتی کے لئے جغرافیائی اشارے (جی آئی) ٹیگ مل گیا ہے ، جس سے چاول کے خاص تناؤ کے لئے مقامی رجسٹری بنانے اور بین الاقوامی مارکیٹ میں کیس بنانے کی راہ ہموار ہوگی ، کیونکہ ہمارے ملک نے ہندوستان کے اس اقدام کے خلاف یورپی یونین میں ایک کیس لڑا تھا۔ باسمتی چاول کو بطور مصنوعہ رجسٹرڈ کروائیں۔

پچھلے سال ستمبر میں، باسمتی چاول کو بطور پاکستان کی مصنوعات کی حفاظت کا معاملہ اس وقت منظر عام پر آگیا تھا جب ہندوستان کی جانب سے یورپی یونین میں درخواست جمع کروانے کے بعد اس سامان کی واحد ملکیت کا دعویٰ کیا گیا تھا۔

کارن اسٹارچ پروجیکٹ میں، الحمد للہ ، علامہ اقبال انڈسٹریل سٹی ، فیصل آباد میں آپ کی کمپنی کو 20 ایکڑ اراضی کے سائٹ پلان کی منظوری ملی ہے اور مارچ کے مہینے میں پلانٹ اینڈ مشینری کے لئے درآمدی LCs کامیابی کے ساتھ کھل گئی ہے۔ ہمیں امید ہے کہ جیسے ہی تعمیر کے لئے این او سی موصول ہوگا مشینوں کی تعمیر / تنصیب کا کام شروع کردیں گے۔

تعزیت:

ہمیں اپنے ڈائریکٹر ڈاکٹر طارق غوری کے اچانک انتقال پر بہت افسوس ہے اور ہم پورے اہل خانہ اور میٹکو فوڈز لمیٹڈ کے تمام ملازمین سے گہری ہمدردی اور دلی تعزیت کا اظہار کرتے ہیں۔

در حقیقت، کمپنی کے لئے یہ ایک بہت بڑا المیہ ہے کیوں کہ وہ میٹکو فوڈز لمیٹڈ کے بانی ممبروں میں سے ایک تھا اور انہیں میٹکو فوڈ کی مصنوعات کے لئے نئی منڈی تیار کرنے اور اسٹریٹجک مقامات پر تقسیم کاروں کی تقرری کا وسیع تجربہ حاصل تھا۔ وہ 35 سے زیادہ ممالک میں فلک باسمتی چاول کے برانڈ کی ترقی اور ان کی پوزیشننگ میں اہم کردار ادا کر چکے ہیں۔ اس کے علاوہ ، ڈاکٹر طارق غوری رائس ایکسپورٹرز 'ایسوسی ایشن آف پاکستان (REAP) کے بانی ممبر تھے اور انہوں نے REAP کی مینجنگ کمیٹی کے ممبر کی حیثیت سے ساتھ ہی REAP کی پاکستان باسمتی رائس پروموشن کمیٹی کے صدر بھی رہ چکے ہیں۔ ہم ڈاکٹر طارق کی زندگی کی یاد مناتے ہیں جن کی اصولی قیادت ، مضبوط کام اخلاقی ، جدید کاروباری احساس ، اور عوامی خدمت میں لگن نے ہمارے کنبے اور ہماری کمپنی کی مثال بنائی۔


ہم اللہ تعالیٰ سے ڈاکٹر طارق غوری کے لئے دعاگو ہیں اور غم کے اس وقت ان سے راحت طلب ہیں۔

اعتراف:

ڈائریکٹرز ہمارے قابل قدر گراہکوں ، مالیاتی اداروں ، شیئر ہولڈرز اور دوسرے اسٹیک ہولڈرز کا ان کے مسلسل اعتماد پر شکریہ ادا کرتے ہیں۔ تمام ملازمین کی محنت کو تسلیم کیا جاتا ہے اور ان کی تعریف کی جاتی ہے۔

بورڈ کی جانب سے


خالد سرفراز غوری
چیف ایگزیکٹو آفیسر


جاوید علی غوری
چیئرمین

INTERNATIONAL EVENTS

GULFOOD EXHIBITION

Matco Foods Limited participated successfully in the 2021's first food trade show Gulfood, in Dubai held in February with all strict protocols. The show was a resounding success in the all important world food trade economy



Matco Foods did extensive branding at ethnic shops & vans in
USA and Canada in 2020



Falak Van Branding in Canada



Branding at Kashmiri Bazar, USA



Calgary Produce Mart, Canada



Al Noor Halal Mart, Canada



Spice & Curry, USA



Branding at Bombay Store, USA

Third Quarterly Accounts

Unconsolidated

March 31, 2021

(Unaudited)



Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2021

		Un-Audited March 31, 2021	Audited June 30, 2020
	Note	-----Rupees in '000-----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	4,750,071	4,938,036
Intangible assets	7	-	-
Right-of-use assets		149,357	159,940
Long term deposits		15,537	12,578
Long term investments	8	55,583	55,583
Total non-current assets		4,970,548	5,166,137
Current assets			
Stores, spares and loose tools		63,515	45,022
Stock in trade	9	7,815,287	6,642,523
Trade debts	10	1,277,139	1,334,501
Loans and advances		220,316	118,620
Trade deposits and short term prepayments		8,708	8,164
Short-term investment		357	263
Other receivables		177,208	171,694
Taxation - net		26,402	51,069
Cash and bank balances	11	158,903	298,290
Total current assets		9,747,835	8,670,146
Assets classified as held for sale	12	165,000	-
Total assets		14,883,383	13,836,283

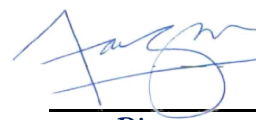
The annexed notes from 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2021

	Un-Audited March 31, 2021	Audited June 30, 2020
Note	-----Rupees in '000-----	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital		
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	2,208,230	2,241,381
Surplus on revaluation of property, plant and equipment - net of tax	2,602,376	2,622,193
Total shareholders' equity	6,715,080	6,768,048
Non-current liabilities		
Long-term finances-secured	453,343	396,448
Lease liabilities	110,905	120,977
Deferred liabilities	219,278	205,636
Deferred grant	943	2,317
Total non-current liabilities	784,469	725,378
Current liabilities		
Trade and other payables	970,943	1,015,172
Advance from customers - secured	28,416	51,979
Accrued mark-up	57,185	56,306
Due to related parties	6,890	6,971
Short-term borrowings-secured	6,135,062	5,115,897
Current portion of deferred grant	4,826	3,807
Current portion of long term finances-secured	156,848	57,673
Current portion of lease liabilities	22,876	21,497
Unpaid dividend	788	13,555
Total current liabilities	7,383,834	6,342,857
Total liabilities	8,168,303	7,068,235
Contingencies and commitments		
Total equity and liabilities	14,883,383	13,836,283

The annexed notes from 1 to 21 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 Nine Months And Three Months Period Ended March 31, 2021

		Nine months ended		Quarter ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Un-Audited	Un-Audited	Un-Audited	Un-Audited
Note	-----Rupees in '000-----				
Sales - net		8,032,141	6,721,567	2,691,426	2,928,839
Cost of sales	15	(7,331,605)	(6,027,989)	(2,413,956)	(2,738,323)
Gross profit		700,536	693,578	277,470	190,516
Operating expenses					
Selling and distribution		(149,763)	(145,583)	(57,435)	(50,087)
Administrative		(208,899)	(199,616)	(65,579)	(57,196)
		(358,662)	(345,199)	(123,014)	(107,283)
Operating profit		341,874	348,379	154,456	83,233
Financial charges		(208,090)	(269,301)	(76,770)	(115,422)
Exchange gain/(loss)		(91,873)	36,939	(17,894)	50,003
		41,911	116,017	59,792	17,814
Other operating income		32,082	24,234	1,098	7,547
Profit before income tax		73,993	140,251	60,890	25,361
Taxation		(59,113)	(43,643)	(7,044)	(6,609)
Profit/(Loss) for the period		14,880	96,608	53,846	18,752
-----Rupees-----					
Earnings/(Loss) per share - Basic and Diluted	16	0.12	0.79	0.44	0.15

The annexed notes from 1 to 21 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 Nine Months And Three Months Period Ended March 31, 2021

	Nine months ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Un-Audited	Un-Audited	Un-Audited	Un-Audited
	-----Rupees in '000-----			
(LOSS)/PROFIT FOR THE PERIOD	14,880	96,608	53,846	18,752
Other comprehensive income				
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	(12,767)	(9,282)	-	-
Other comprehensive loss	(12,767)	(9,282)	-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	2,113	87,326	53,846	18,752

The annexed notes from 1 to 21 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 Nine Months And Three Months Period Ended March 31, 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, 2019	1,224,007	680,467	2,157,355	445,145	4,506,974
Total comprehensive income for the period					
Profit for the period	-	-	96,608	-	96,608
Other comprehensive loss	-	-	(9,282)	-	(9,282)
Total comprehensive income	-	-	87,326	-	87,326
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	14,215	(14,215)	-
Transactions with owners					
Dividend paid @ Rs. 0.07 per share	-	-	(85,680)	-	(85,680)
Balance as at March 31, 2020	<u>1,224,007</u>	<u>680,467</u>	<u>2,173,216</u>	<u>430,930</u>	<u>4,508,620</u>
Balance as at July 01, 2020	1,224,007	680,467	2,241,381	2,622,193	6,768,048
Loss for the period	-	-	14,880	-	14,880
Other comprehensive loss	-	-	(12,767)	-	(12,767)
Total comprehensive loss	-	-	2,113	-	2,113
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	19,817	(19,817)	-
Transactions with owners					
Dividend paid @ Rs. 0.45 per share	-	-	(55,081)	-	(55,081)
Balance as at March 31, 2021	<u>1,224,007</u>	<u>680,467</u>	<u>2,208,230</u>	<u>2,602,376</u>	<u>6,715,080</u>

The annexed notes from 1 to 21 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 Nine Months And Three Months Period Ended March 31, 2021

		Nine months ended	
		March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
		-----Rupees in '000-----	
		Note	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	17	(841,235)	(984,596)
Gratuity paid		(4,954)	(3,311)
Taxes paid		(42,939)	(65,966)
Finance cost paid		(198,506)	(247,292)
Net cash used in operating activities		(1,087,634)	(1,301,165)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(157,098)	(246,226)
Proceeds from disposal of property, plant and equipment		15,547	8,456
Right of use of asset		(5,937)	3,468
Long term deposit		(2,959)	(2,639)
Long term investment	8	-	(24,500)
Net cash used in investing activities		(150,447)	(261,441)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net of repayment		156,070	(66,941)
Finance lease obligation - net of repayment		(8,693)	(1,146)
Dividend paid		(67,848)	(72,615)
Short term finances - net of repayment		1,019,165	1,815,237
Net cash generated from financing activities		1,098,694	1,674,535
Net (decrease)/increase in cash and cash equivalents		(139,387)	111,929
Cash and cash equivalents at the beginning of the period		298,290	78,381
Cash and cash equivalents at the end of the period		158,903	190,310

The annexed notes from 1 to 21 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 Nine Months And Three Months Period Ended March 31, 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

During the current period, the Board of directors approved the sale of its existing land at G- 06, Eastern Industrial Zone, Bin Qasim amounting to Rs. 165 million as discussed in note 12 to these unconsolidated condensed interim financial statements. The asset, therefore, has been classified under "IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations".

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

- 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

Notes To The Unconsolidated Condensed Interim Financial Statements

For The Nine Months And Three Months Period Ended March 31, 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, 2020 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, 2020.

6 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
		-----Rupees in '000-----	
Operating fixed assets	6.1	4,661,796	4,876,056
Capital work in progress	6.2	88,275	61,980
		<u>4,750,071</u>	<u>4,938,036</u>

6.1 Details of additions and disposals to fixed operating assets during the nine months ended March 31, 2021 are as follows:

	Note	Additions at cost	Disposals / Transfers at net book value
		-----Rupees in '000-----	
Factory building		3,974	-
Land	12	-	165,000
Plant and machinery		19,710	-
Electric cables and fitting		180	-
Furniture and fixture		412	-
Motor vehicles		30,303	3,049
Office equipment		1,450	-
Factory equipment		12,058	-
Computers		941	-
Mobile phone		1,143	17
Generator		65	-
Camera		36	-
March 31, 2021		<u>70,272</u>	<u>168,066</u>
June 30, 2020		<u>252,812</u>	<u>3,682</u>

Notes To The Unconsolidated Condensed Interim Financial Statements

For The Nine Months And Three Months Period Ended March 31, 2021

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

	(Un-Audited) March 31, 2021 -----Rupees in '000-----	(Audited) June 30, 2020
Opening balance	61,979	6,258
Additions during the period	92,762	61,979
	154,741	68,237
Transferred to operating fixed assets	(66,466)	(6,258)
Closing balance	88,275	61,979

7 INTANGIBLE ASSETS

This represent fully amortised computer software having cost of Rs. 14.71 million.

8 LONG-TERM INVESTMENTS

JKT General Trading (FZE)	23,583	23,583
Matco Marketing (Private) Limited	7,500	7,500
Barentz Pakistan (Private) Limited	24,500	24,500
	55,583	55,583

9 STOCK IN TRADE

Raw materials	5,979,743	5,435,051
Packing materials	149,082	85,443
Work in process	-	-
Finished goods	1,706,156	1,141,723
	7,834,981	6,662,217
Provision for slow moving / obsolete items	(19,694)	(19,694)
	7,815,287	6,642,523

10 TRADE DEBTS

Considered good

- Export - secured	1,140,057	1,192,598
- Local - unsecured	137,082	141,903
	1,277,139	1,334,501

11 CASH AND BANK BALANCES

Cash in hand	8,869	5,139
Cash at bank	148,834	291,951
Term deposit certificates	1,200	1,200
	158,903	298,290

Notes To The Unconsolidated Condensed Interim Financial Statements

For The Nine Months And Three Months Period Ended March 31, 2021

12 ASSETS CLASSIFIED AS HELD FOR SALE

Certain assets (land) have been classified as held for sale due to the decision of the directors of the Company to sale its existing land at G- 06, Eastern Industrial Zone, Bin Qasim . The Company has identified the proposed buyer and in the process of finalization of deal. Therefore, the assets have been classified under IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations. Since the carrying value of assets (at revalued amount) were lower than fair value less cost to sell, therefore no adjustment was made in these unconsolidated condensed interim financial statements.

13 SHORT-TERM BORROWINGS SECURED

	(Un-Audited) March 31, 2021 -----Rupees in '000-----	(Audited) June 30, 2020
Export re-finance	4,366,949	3,931,349
Own resource	1,581,079	893,066
FE-25 Scheme	-	266,616
Foreign bills purchased/negotiated	187,034	24,866
	<u>6,135,062</u>	<u>5,115,897</u>

14 CONTINGENCIES AND COMMITMENTS

14.1 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, 2020, except for the below mentioned updates.

This contingency has been explained in note 19.1.6 to the financial statement of the year ended June 30, 2020. Subsequently, the Company has obtained the stay order from the Sindh High court (SHC) on October 15, 2020 against the gas distribution companies for recovering of outstanding GIDC and disconnection of gas supply. The Company estimates that potential exposure in respect of GIDC would be Rs. 16 million. In view of the stay order, management is of the view that since the company has neither collected nor passed the burden of its cess to its customers therefore the company is under no obligation to pay GIDC, hence no provision is recorded in these unconsolidated condensed interim financial statements.

14.2 Commitments

	(Un-Audited) March 31, 2021 -----Rupees in '000-----	(Audited) June 30, 2020
Letter of credit	995,707	24,580
Letter of guarantee	15,398	15,398
	<u>1,011,105</u>	<u>39,978</u>
Clearing & Forwarding	(31,869)	(36,350)
	<u>8,032,141</u>	<u>6,721,567</u>

Notes To The Unconsolidated Condensed Interim Financial Statements

For The Nine Months And Three Months Period Ended March 31, 2021

15 COST OF SALES

	Un-Audited March 31, 2021 -----Rupees in '000-----	Un-Audited March 31, 2020
Rice consumed	6,701,737	5,705,134
Packing materials consumed	346,064	224,015
Stores, spares and loose tools consumed	89,094	49,202
	7,136,895	5,978,351
Salaries, wages and benefits	297,999	265,525
Electricity and power	133,374	111,282
Telephone and mobile	1,064	918
Insurance - COS	6,597	7,004
Repairs and maintenance	23,023	14,577
Fumigation charges	17,756	12,505
Water charges	42,527	40,349
Staff welfare	11,435	11,115
Security expenses	12,103	12,172
Godown expenses	12,171	15,335
Rent, rates and taxes	1,785	3,197
Vehicle running expenses	5,548	4,688
Medical	2,881	1,986
Depreciation - COS	156,074	145,358
Inspection charges	14,562	10,849
Others	20,244	19,784
Cost of goods available for sale	7,896,038	6,654,995
Finished goods		
Opening stock	1,141,723	882,396
Closing stock	(1,706,156)	(1,497,586)
	(564,433)	(615,190)
	7,331,605	6,039,805

16 (LOSS)/EARNINGS PER SHARE - BASIC & DILUTED

Basic (loss)/earnings per share

(Loss)/Profit for the period (Rupees in thousands)	14,880	96,608
Number of ordinary shares	122,400,698	122,400,698
(Loss)/Earnings per share	0.12	0.79

16.1 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.

Notes To The Unconsolidated Condensed Interim Financial Statements

For The Nine Months And Three Months Period Ended March 31, 2021

17	CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	Note	Un-Audited March 31, 2021	Un-Audited March 31, 2020
			-----Rupees in '000-----	
	Profit before taxation		73,993	140,251
	Adjustments for non-cash charges and other items:			
	Depreciation		193,517	181,697
	Exchange loss - net		91,873	(36,939)
	Finance cost		199,385	269,301
	Gain on disposal of property, plant and equipment		(12,481)	(1,236)
	Provision for staff gratuity		14,322	14,677
	Unrealized gain on short term investment		(94)	(44)
	Amortization of deferred income		-	(98)
	Working capital changes	17.1	(1,401,750)	(1,552,205)
	Cash used in operations		<u>(841,235)</u>	<u>(984,596)</u>
17.1	Working capital changes			
	(Increase)/ decrease in current assets			
	Stores, spares and loose tools		(18,493)	(3,197)
	Stock-in-trade		(1,172,764)	(1,824,145)
	Trade debts - considered good		(34,511)	(260,084)
	Loans and advances		(101,696)	121,658
	Trade deposits and prepayments		(544)	(9,029)
	Other receivables		(5,514)	5,890
			<u>(1,333,522)</u>	<u>(1,968,907)</u>
	Increase/(decrease) in current liabilities			
	Trade and other payables		(44,229)	384,923
	Deferred grant		(355)	-
	Due to related parties		(81)	-
	Advance from customers - secured		(23,563)	31,779
	Net increase/(decrease) in working capital		<u>(1,401,750)</u>	<u>(1,552,205)</u>

18 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

18.1 Financial risk factors

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.

Notes To The Unconsolidated Condensed Interim Financial Statements

For The Nine Months And Three Months Period Ended March 31, 2021

18.2 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.

19 TRANSACTIONS WITH RELATED PARTIES

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

			(Un-Audited) March 31, 2021	(Un-Audited) March 31, 2020
			-----Rupees in '000-----	
Nature of relationship	Percentage of Holding	Transactions		
Directors		Godown rent paid to director	10,512	14,981
Subsidiary				
JKT General Trading FZE	100%	Sales	14,919	13,185
		Payment received on account of sales	14,919	13,185
Matco Marketing (Private) Limited	99.99%	Advance outstanding	6,890	81
		Paid expenses on behalf	81	-
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	102,252	18,675
		Payment received on account of expenses	62,095	23,668
		Receivable against expenses	40,157	-
		Interest Income	1,973	-
		Interest receivable	892	-
		Commission paid	896	-
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	1,005	1,112
		Payment received on account of expenses	1,085	23
		Receivable against expenses	1,537	-
			(Un-Audited) March 31, 2021	(Un-Audited) March 31, 2020
			-----Rupees in '000-----	
Trust operated by the Company				
Ghori Trust	0%	Paid expenses on behalf	3,592	2,351
		Receivable against expenses	351	1,484
		Payment received on account of expenses	5,946	-
		Donation paid	3,042	-

Notes To The Unconsolidated Condensed Interim Financial Statements

For The Nine Months And Three Months Period Ended March 31, 2021

20 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 28, 2021, by the board of directors of the Company.

21 GENERAL

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

21.2 Comparative figures have been rearranged and/or reclassified, wherever necessary, for the purpose of comparison in these unconsolidated condensed interim financial statements. However, no material reclassification has been made.



Chief Executive Officer



Chief Financial Officer



Director

LOCAL EVENTS

FALAK SHOP BRANDING

Falak does regular shop branding in all the major stores in Pakistan.



Branding at Sherry's Mart, Sadiqabad



Branding at P Mart, Karachi



Branding at Moon Shopping Mall, Wah Cantt



Branding at Gelani , Wah Cantt



Branding at Inspire Mart, Peshawar

BLOOD DONATION

Due to the Covid19- pandemic, hospitals were facing severe blood shortages for their cancer and thalassemia patients.

On 14th January 2021 blood drive was conducted at Matco Foods Head Office, to play its part in giving back to the community.



Third Quarterly Accounts

Consolidated

March 31, 2021

(Unaudited)



Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2021

		Un-Audited March 31, 2021	Audited June 30, 2020
	Note	-----Rupees in '000-----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	4,750,071	4,938,036
Intangible assets	7	-	-
Right-of-use assets		149,357	159,940
Long term deposits		15,537.0	12,578
Long term investments	8	15,303	18,648
Total non-current assets		4,930,268	5,129,202
Current assets			
Stores, spares and loose tools		63,515	45,022
Stock in trade	9	7,815,287	6,642,523
Trade debts	10	1,290,901	1,374,153
Loans and advances		241,983	118,620
Trade deposits and short term prepayments		9,070	9,884
Short-term investment		357	263
Other receivables		178,229	171,398
Taxation - net		26,402	51,069
Cash and bank balances	11	169,113	305,250
Total current assets		9,794,857	8,718,182
Assets classified as held for sale	12	165,000	-
Total assets		14,890,125	13,847,384

The annexed notes from 1 to 21 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 March 31, 2021

	Un-Audited March 31, 2021	Audited June 30, 2020
Note	-----Rupees in '000-----	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital		
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	14,934	19,585
Unappropriated profit	2,203,780	2,238,960
Surplus on revaluation of property, plant and equipment - net of tax	2,602,376	2,622,193
Total shareholders' equity	6,725,564	6,785,212
Non-current liabilities		
Long-term finances-secured	453,343	396,448
Lease liabilities	110,905	120,977
Deferred liabilities	219,523	205,906
Deferred grant	943	2,317
Total non-current liabilities	784,714.00	725,648
Current liabilities		
Trade and other payables	973,846	1,015,810
Advance from customers - secured	28,416	51,979
Accrued mark-up	57,185	56,306
Short-term borrowings-secured	6,135,062	5,115,897
Current portion of deferred grant	4,826	3,807
Current portion of long term finances-secured	156,848	57,673
Current portion of lease liabilities	22,876	21,497
Unpaid dividend	788	13,555
Total current liabilities	7,379,847	6,336,524
Total liabilities	8,164,561	7,062,172
Contingencies and commitments		
Total equity and liabilities	14,890,125	13,847,384

The annexed notes from 1 to 21 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 Nine Months And Three Months Period Ended March 31, 2021

		Nine months ended		Quarter ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Un-Audited	Un-Audited	Un-Audited	Un-Audited
Note		-----Rupees in '000-----			
		8,034,847	6,723,361	2,691,397	2,929,217
	15	(7,331,605)	(6,027,989)	(2,413,956)	(2,738,323)
Gross profit		703,242	695,372	277,441	190,894
Operating expenses					
	Selling and distribution	(149,763)	(155,699)	(57,435)	(50,087)
	Administrative	(210,127)	(200,383)	(65,564)	(57,196)
		(359,890)	(356,082)	(122,999)	(107,283)
Operating profit		343,352	339,290	154,442	83,611
	Financial charges	(208,254)	(269,444)	(76,769)	(115,708)
	Share of loss from associated company	(3,345)	(6,214)	(491)	(810)
	Exchange gain/(loss)	(91,873)	36,939	(17,894)	50,003
		39,880	100,571	59,288	17,096
	Other operating income	32,084	24,234	1,096	7,547
Profit before income tax		71,964	124,805	60,384	24,643
	Taxation	(59,113)	(43,643)	(7,044)	(6,609)
Profit for the period		12,851	81,162	53,340	18,034
		-----Rupees-----			
		0.10	0.66	0.44	0.15
Earnings per share - Basic and Diluted					

The annexed notes from 1 to 21 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 Nine Months And Three Months Period Ended March 31, 2021

	Nine months ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Un-Audited	Un-Audited	Un-Audited	Un-Audited
	-----Rupees in '000-----			
PROFIT FOR THE PERIOD	12,851	81,162	53,340	18,034
Other comprehensive income				
Items that may be reclassified to statement of profit or loss subsequently	-	-	-	-
- Exchange difference on translation of foreign currency	(4,651)	563	(2,006)	3,373
Items that will not be reclassified to statement of profit or loss subsequently	-	-	-	-
Remeasurement of defined benefit obligation	(12,767)	(9,282)	-	-
Other comprehensive loss	(17,418)	(8,719)	(2,006)	3,373
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD	(4,567)	72,443	51,334	18,034

The annexed notes from 1 to 21 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 Nine Months And Three Months Period Ended March 31, 2021

	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'						
Balance as at July 01, 2019	1,224,007	680,467	18,361	2,167,424	445,145	4,535,404	4,535,404
Total comprehensive income for the period							
Profit for the period	-	-	-	81,162	-	81,162	81,162
Other comprehensive income/(loss)	-	-	563	(9,282)	-	(8,719)	(8,719)
Total comprehensive income	-	-	563	71,880	-	72,443	72,443
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	14,215	(14,215)	-	-
Transactions with owners							
Dividend paid @ Rs. 0.07 per share	-	-	-	(85,680)	-	(85,680)	(85,680)
Balance as at March 31, 2020	1,224,007	680,467	18,924	2,167,839	430,930	4,522,167	4,522,167
Balance as at July 01, 2020	1,224,007	680,467	19,585	2,238,960	2,622,193	6,785,212	6,785,212
Total comprehensive income for the period							
Profit for the period	-	-	-	12,851	-	12,851	12,851
Other comprehensive loss	-	-	(4,651)	(12,767)	-	(17,418)	(17,418)
Total comprehensive income	-	-	(4,651)	84	-	(4,567)	(4,567)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	19,817	(19,817)	-	-
Transactions with owners							
Dividend paid @ Rs. 0.45 per share	-	-	-	(55,081)	-	(55,081)	(55,081)
Balance as at March 31, 2021	1,224,007	680,467	14,934	2,203,780	2,602,376	6,725,564	6,725,564

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


Chief Executive Officer


Chief Financial Officer


Director

Consolidated Condensed Interim Statement of Cash Flows

For The Nine Months And Three Months Period Ended March 31, 2021

		Nine months ended	
		March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
		-----Rupees in '000-----	
		Note	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	17	(836,490)	(992,801)
Gratuity paid		(4,979)	(3,326)
Taxes paid		(42,939)	(65,966)
Finance cost paid		(198,670)	(247,436)
Exchange revaluation reserve		(4,651)	563
Net cash used in operating activities		(1,087,729)	(1,308,966)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(157,098)	(246,226)
Proceeds from disposal of property, plant and equipment		15,547	8,456
Right of use of asset		(5,937)	3,468
Long term deposit		(2,959)	(2,639)
Long term investment	8	3,345	(18,286)
Net cash used in investing activities		(147,102)	(255,227)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net of repayment		156,070	(66,941)
Finance lease obligation - net of repayment		(8,693)	(1,146)
Dividend paid		(67,848)	(72,615)
Short term finances - net of repayment		1,019,165	1,815,237
Net cash generated from financing activities		1,098,694	1,674,535
Net (decrease)/increase in cash and cash equivalents		(136,137)	110,342
Cash and cash equivalents at the beginning of the period		305,250	84,197
Cash and cash equivalents at the end of the period		169,113	194,539

The annexed notes from 1 to 21 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 Nine Months And Three Months Period Ended March 31, 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 Nine Months And Three Months Period Ended March 31, 2021

2 SIGNIFICANT EVENTS AND TRANSACTIONS

During the current period, the Board of directors approved the sale of its existing land at G- 06, Eastern Industrial Zone, Bin Qasim amounting to Rs. 165 million as discussed in note 12 to these consolidated condensed interim financial statements. The asset, therefore, has been classified under "IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations".

1 BASIS OF PREPARATION

1.1 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;
- 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.

2 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, 2020 unless otherwise specified.

3 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, 2020.

Notes To The Consolidated Condensed Interim Financial Statements

For The Nine Months And Three Months Period Ended March 31, 2021

		(Un-Audited) March 31, 2021	(Audited) June 30, 2020
4	PROPERTY, PLANT AND EQUIPMENT	Note	-----Rupees in '000-----
	Operating fixed assets	4.1	4,661,796
	Capital work in progress	4.2	88,275
			<u>4,750,071</u>
			<u>4,938,036</u>

4.1 Details of additions and disposals to fixed operating assets during the nine months ended March 31, 2021 are as follows:

		Additions at cost	Disposals / Transfers at net book value
	Note	-----Rupees in '000-----	
Factory building		3,974	-
Land	12	-	165,000
Plant and machinery		19,710	-
Electric cables and fitting		180	-
Furniture and fixture		412	-
Motor vehicles		30,303	3,049
Office equipment		1,450	-
Factory equipment		12,058	-
Computers		941	-
Mobile phone		1,143	17
Generator		65	-
Camera		36	-
March 31, 2021		<u>70,272</u>	<u>168,066</u>
June 30, 2020		<u>252,812</u>	<u>3,682</u>

4.2 Following is the movement in capital work in progress during the period.

	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	-----Rupees in '000-----	
Opening balance	61,979	6,258
Additions during the period	92,762	61,979
	154,741	68,237
Transferred to operating fixed assets	(66,466)	(6,258)
Closing balance	88,275	61,979

Notes To The Consolidated Condensed Interim Financial Statements

For The Nine Months And Three Months Period Ended March 31, 2021

7 INTANGIBLE ASSETS

This represent fully amortised computer software having cost of Rs. 14.71 million.

		(Un-Audited)	(Audited)
		March 31, 2021	June 30, 2020
	Note	-----Rupees in '000-----	
8 LONG-TERM INVESTMENTS			
Balance at beginning of the period	8.1	18,648	-
Addition		-	24,500
Share of loss for the year - net of tax		(3,345)	(5,852)
		<u>15,303</u>	<u>18,648</u>

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

9 STOCK IN TRADE

Raw materials	5,979,743	5,435,051
Packing materials	149,082	85,443
Work in process	-	-
Finished goods	<u>1,706,156</u>	<u>1,141,723</u>
	7,834,981	6,662,217
Provision for slow moving / obsolete items	(19,694)	(19,694)
	<u>7,815,287</u>	<u>6,642,523</u>

	(Un-Audited)	(Audited)
	March 31, 2021	June 30, 2020
	-----Rupees in '000-----	

10 TRADE DEBTS

Considered good		
- Export - secured	1,153,819	1,232,250
- Local - unsecured	137,082	141,902
	<u>1,290,901</u>	<u>1,374,152</u>

11 CASH AND BANK BALANCES

Cash in hand	8,869	5,139
Cash at bank	159,044	298,911
Term deposit certificates	1,200	1,200
	<u>169,113</u>	<u>305,250</u>

Notes To The Consolidated Condensed Interim Financial Statements

For The Nine Months And Three Months Period Ended March 31, 2021

12 ASSETS CLASSIFIED AS HELD FOR SALE

Certain assets (land) have been classified as held for sale due to the decision of the directors of the Company to sale its existing land at G- 06, Eastern Industrial Zone, Bin Qasim . The Company has identified the proposed buyer and in the process of finalization of deal. Therefore, the assets have been classified under IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations. Since the carrying value of assets (at revalued amount) were lower than fair value less cost to sell, therefore no adjustment was made in these consolidated condensed interim financial statements.

13 SHORT-TERM BORROWINGS SECURED

	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	-----Rupees in '000-----	
Export re-finance	4,366,949	3,931,349
Own resource	1,581,079	893,066
FE-25 Scheme	-	266,616
Foreign bills purchased/negotiated	187,034	24,866
	<u>6,135,062</u>	<u>5,115,897</u>

14 CONTINGENCIES AND COMMITMENTS

14.1 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, 2020, except for the below mentioned updates.

This contingency has been explained in note 19.1.6 to the financial statement of the year ended June 30, 2020. Subsequently, the Group has obtained the stay order from the Sindh High court (SHC) on October 15, 2020 against the gas distribution companies for recovering of outstanding GIDC and disconnection of gas supply. The Group estimates that potential exposure in respect of GIDC would be Rs. 16 million. In view of the stay order, management is of the view that since the Group has neither collected nor passed the burden of its cess to its customers therefore the Group is under no obligation to pay GIDC, hence no provision is recorded in these consolidated condensed interim financial statements.

14.2 Commitments

	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	-----Rupees in '000-----	
Letter of credit	995,707	24,580
Letter of guarantee	15,398	15,398
	<u>1,011,105</u>	<u>39,978</u>

Notes To The Consolidated Condensed Interim Financial Statements

For The Nine Months And Three Months Period Ended March 31, 2021

	Un-Audited March 31, 2021 -----Rupees in '000-----	Un-Audited March 31, 2020
15 COST OF SALES		
Rice consumed	6,701,737	5,705,134
Packing materials consumed	346,064	224,015
Stores, spares and loose tools consumed	89,094	49,202
	7,136,895	5,978,351
Salaries, wages and benefits	297,999	265,525
Electricity and power	133,374	111,282
Telephone and mobile	1,064	918
Insurance - COS	6,597	7,004
Repairs and maintenance	23,023	14,577
Fumigation charges	17,756	12,505
Water charges	42,527	40,349
Staff welfare	11,435	11,115
Security expenses	12,103	12,172
Godown expenses	12,171	15,335
Rent, rates and taxes	1,785	3,197
Vehicle running expenses	5,548	4,688
Medical	2,881	1,986
Depreciation - COS	156,074	145,358
Inspection charges	14,562	10,849
Others	20,244	19,784
Cost of goods available for sale	7,896,038	6,654,995
Finished goods		
Opening stock	1,141,723	882,396
Closing stock	(1,706,156)	(1,497,586)
	(564,433)	(615,190)
	7,331,605	6,039,805
16 (LOSS)/EARNINGS PER SHARE - BASIC & DILUTED		
Basic (loss)/earnings per share		
(Loss)/Profit for the period (Rupees in thousands)	12,851	81,162
Number of ordinary shares	122,400,698	122,400,698
(Loss)/Earnings per share	0.10	0.66

16.1 Diluted earning per share

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

Notes To The Consolidated Condensed Interim Financial Statements

For The Nine Months And Three Months Period Ended March 31, 2021

17	CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	Note	Un-Audited March 31, 2021	Un-Audited March 31, 2020
			-----Rupees in '000-----	
	Profit before taxation		71,964	124,805
	Adjustments for non-cash charges and other items:			
	Depreciation		193,517	181,697
	Exchange loss - net		91,873	(36,939)
	Finance cost		199,549	269,444
	Gain on disposal of property, plant and equipment		(12,481)	(1,236)
	Provision for staff gratuity		14,322	14,677
	Unrealized gain on short term investment		(94)	(44)
	Amortization of deferred income		-	(98)
	Working capital changes	17.1	(1,395,140)	(1,545,107)
	Cash used in operations		<u>(836,490)</u>	<u>(992,801)</u>
17.1	Working capital changes			
	(Increase)/ decrease in current assets			
	Stores, spares and loose tools		(18,493)	(3,197)
	Stock-in-trade		(1,172,764)	(1,824,145)
	Trade debts - considered good		(8,621)	(227,756)
	Loans and advances		(123,363)	121,658
	Trade deposits and prepayments		814	(9,424)
	Other receivables		(6,831)	4,458
			<u>(1,329,258)</u>	<u>(1,938,406)</u>
	Increase/(decrease) in current liabilities			
	Trade and other payables		(41,964)	361,519
	Deferred grant		(355)	-
	Advance from customers - secured		(23,563)	31,780
	Net increase/(decrease) in working capital		<u>(1,395,140)</u>	<u>(1,545,107)</u>

18 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

18.1 Financial risk factors

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.

Notes To The Consolidated Condensed Interim Financial Statements

For The Nine Months And Three Months Period Ended March 31, 2021

18.2 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.

19 TRANSACTIONS WITH RELATED PARTIES

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

			March 31, 2021	March 31, 2020
			-----Rupees in '000-----	
Nature of relationship	Percentage of Holding	Transactions		
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	1,005	1,112
		Payment received on account of expenses	1,085	23
		Receivable against expenses	1,537	-
Trust operated by the Company				
Ghori Trust	0%	Paid expenses on behalf	3,592	2,351
		Receivable against expenses	351	1,484
		Payment received on account of expenses	5,946	-
		Donation paid	3,042	-

20 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on April 28, 2021, by the board of directors of the Group.

21 GENERAL

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

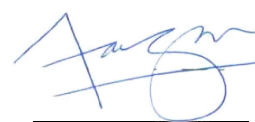
21.2 Comparative figures have been rearranged and/or reclassified, wherever necessary, for the purpose of comparison in these consolidated condensed interim financial statements. However, no material reclassification has been made.



Chief Executive Officer



Chief Financial Officer



Director

NEW VENTURES

MATCO FOODS LIMITED INVESTING IN CORN STARCH BUSINESS

