

**MATCO FOODS LIMITED**

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Industrial Area, Karachi - 75340.
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April 29, 2022

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi – 74000, Pakistan

Subject: **Transmission of Quarterly Report for the period ended March 31, 2022**

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the period ended March 31, 2022 have been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours truly,

For and on behalf of Matco Foods Limited



Danish Ahmed
Company Secretary

Encl: 3rd Quarterly Report 2022

CC: The Director/HOD
Surveillance, Supervision and Enforcement Department
Securities and Exchange Commission of Pakistan
NIC Building, 63-Jinnah Avenue, Blue Area,
Islamabad.



MATCO FOODS LIMITED

REACHING NEW HEIGHTS



3rd QUARTERLY REPORT 2022

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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
Mr. Faizan Ali Ghori, CFA	Executive Director
Mr. Safwan Khalid Ghori	Executive Director
Mr. Syed Kamran Rasheed	Independent Director
Mr. Abdul Samad Khan	Independent Director
Mrs. Faryal Murtaza	Non-executive Director
Ms. Umme Habibah	Independent Director
Mr. Muhammad Mohsin	Independent Director

AUDIT COMMITTEE

Mr. Syed Kamran Rasheed	Chairman
Mr. Abdul Samad Khan	Member
Mr. Safwan Khalid Ghori	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

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

SHARE REGISTRAR

CDC Share Registrar Services Limited

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

BANKERS

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

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



MATCO FOODS LIMITED

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.

DIRECTORS' REVIEW REPORT

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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, 2022.

Financial Results:

Description	Unconsolidated		Consolidated	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	-----Rupees in '000-----		-----Rupees in '000-----	
Sales – net	8,686,411	8,032,141	8,692,010	8,034,847
Cost of sales	(7,801,680)	(7,340,309)	(7,801,680)	(7,340,309)
Gross Profit	884,731	691,832	890,330	694,538
Selling and distribution	(160,333)	(149,763)	(161,506)	(149,763)
Administrative	(241,867)	(208,899)	(242,017)	(210,127)
Operating profit	482,531	333,170	486,807	334,648
Other Operating Income	34,560	32,082	34,564	32,084
Exchange loss	(40,773)	(91,873)	(40,773)	(91,873)
Financial Charges	(265,569)	(199,386)	(265,777)	(199,550)
Share of loss from Associated Company	-	-	(1,193)	(3,345)
Profit Before Tax	210,749	73,993	213,628	71,964
Income Tax	(64,159)	(59,113)	(64,159)	(59,113)
Profit for the Period	146,590	14,880	149,469	12,851
Earnings Per Share	1.20	0.12	1.22	0.10

During the nine-months i.e., July 2021 – March 2022:

- The Company has earned a net profit of Rs. 146.59 million in the nine months as compared to profit of Rs. 14.88 million in the last corresponding period, thereby, represent increase of 885%.
- The Company has exported 29,926 metric tons of basmati rice as compared to 32,664 metric tons in the last comparative period and thereby represents decrease of 8.38%.
- The average export selling price per metric ton of Basmati during nine months was USD 969 which was USD 1,089 in the last comparative nine months.

Supply chain crisis is still harming the basmati rice exports in western countries which has changed the focus of the Company towards non-basmati rice exports, therefore the volume of basmati rice decreased from the comparative period. During the nine-months period, the export of rice glucose has increased by 34% in volumetric terms which has contributed the significant margins in the Company's profitability.

Future Outlook:

Although rice exports from Pakistan have grown this year, both Basmati and non-Basmati varieties of rice have fetched a lower per-ton price as compared to last year. Rice is perhaps the only commodity which has not

experienced higher international trade prices which other cereals and grains have witnessed in post-covid environment.

Our Rice Glucose unit is performing well and in this period exports orders are increased from last years. Company has decided to add a unit for Dextrose Monohydrate – food grade, in the Rice Glucose factory, which will be initiated very soon. InShaAllah


Corn Starch Division civil work is as per schedule reaching to its completion and it is expected to be operational as per given target time, construction of buildings is almost completed and plant & machineries installation is on full pace.

Global situation with war in Ukraine – Russian, higher international fuel prices, domestic political uncertainty and change of government, continuous rupee devaluation, increase in discount rates and inflationary environment obviously is a big challenge and we are trying our level best to perform better and make our targets in-line with changing circumstances that needs to be focused and vigilant all the times and in all segments of the Business.

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، 2022 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-22	31-Mar-21	31-Mar-22	31-Mar-21
	-----Rupees in '000-----		-----Rupees in '000-----	
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Earnings Per Share	1.20	0.12	1.22	0.10

نو مہینوں کے دوران یعنی جولائی 2021ء - مارچ 2022ء:

- پچھلی مدت میں 14.88 ملین روپے کے منافع کے مقابلے میں کمپنی کو اس نو ماہ میں 146.59 ملین روپے کا خالص منافع ہوا ہے، اس طرح منافع میں 855 فیصد کا اضافہ ہوا ہے۔

- کمپنی نے گزشتہ تقابلی مدت میں 32,664 میٹرک ٹن کے مقابلے میں 29,926 میٹرک ٹن باسٹمی چاول برآمد کیے ہیں اور اس طرح یہ 8.38 فیصد کی کمی کو ظاہر کرتا ہے۔

- نو مہینوں کے دوران فی میٹرک ٹن اوسط برآمد قیمت 969 امریکی ڈالر تھی جو گذشتہ تقابلی نو مہینوں میں 1,089 امریکی ڈالر تھی۔

سپلائی چین کا بحران اب بھی مغربی ممالک میں باسٹمی چاول کی برآمدات کو نقصان پہنچا رہا ہے جس نے کمپنی کی توجہ غیر باسٹمی چاول کی برآمدات کی طرف بدل دی ہے، اس لیے باسٹمی چاول کا حجم تقابلی مدت سے کم

ہوا۔ نو ماہ کی مدت کے دوران، چاول کے گلوکوز کی برآمد میں حجم کے لحاظ سے 34 فیصد اضافہ ہوا ہے جس نے کمپنی کے منافع میں نمایاں مارجن کا حصہ ڈالا ہے۔

مستقبل کا خاکہ:-

اگرچہ اس سال پاکستان سے چاول کی برآمدات میں اضافہ ہوا ہے، لیکن چاول کی باسمتی اور غیر باسمتی دونوں قسموں کی قیمت گزشتہ سال کے مقابلے میں کم فی ٹن حاصل ہوئی ہے۔ چاول شاید واحد اجناس ہے جس نے اعلیٰ بین الاقوامی تجارتی قیمتوں کا تجربہ نہیں کیا ہے جو دوسرے اناج اور اناج نے کووڈ کے بعد کے ماحول میں دیکھا ہے۔

ہمارا چاول گلوکوز یونٹ اچھی کارکردگی کا مظاہرہ کر رہا ہے اور اس عرصے میں برآمدات کے آرڈرز پچھلے سالوں سے بڑھے ہیں۔ کمپنی نے چاول گلوکوز فیکٹری میں ڈیکسٹروس مونوہائیڈریٹ - فوڈ گریڈ کے لیے ایک یونٹ شامل کرنے کا فیصلہ کیا ہے، جو بہت جلد شروع کیا جائے گا۔ انشاء اللہ

کارن سٹارچ ڈویژن کا سول ورک شیڈول کے مطابق اپنی تکمیل کو پہنچ رہا ہے اور توقع ہے کہ مقررہ ہدف کے مطابق اس کا کام شروع ہو جائے گا، عمارتوں کی تعمیر تقریباً مکمل ہو چکی ہے اور پلانٹ اور مشینری کی تنصیب پوری رفتار سے جاری ہے۔

یوکرین اور روسی میں جنگ کے ساتھ عالمی صورتحال، ایندھن کی بلند بین الاقوامی قیمتیں، ملکی سیاسی غیر یقینی صورتحال اور حکومت کی تبدیلی، روپے کی مسلسل قدر میں کمی، رعایتی شرحوں میں اضافہ اور مہنگائی کا ماحول ظاہر ہے کہ ایک بڑا چیلنج ہے اور ہم اپنی سطح پر بہتر کارکردگی دکھانے کی پوری کوشش کر رہے ہیں۔ ہمارے اہداف بدلتے ہوئے حالات کے مطابق ہیں جن پر ہر وقت اور کاروبار کے تمام شعبوں میں توجہ مرکوز اور چوکس رہنے کی ضرورت ہے۔

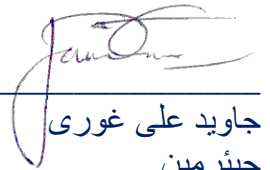
اعتراف:

ڈائریکٹرز ہمارے قابل قدر صارفین، مالیاتی اداروں، شیئر ہولڈرز اور دیگر اسٹیک ہولڈرز کے مسلسل اعتماد کے لیے ان کے شکر گزار ہیں۔ تمام ملازمین کی محنت کو تسلیم اور سراہا جاتا ہے۔

بورڈ کی جانب سے



خالد سرفراز غوری
چیف ایگزیکٹو آفیسر



جاوید علی غوری
چیئرمین

3rd Quarterly
Financial Statements
Unconsolidated
March 31, 2022
(Un-audited)



Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2022

	Note	Un-Audited March 31, 2022	Audited June 30, 2021
-----Rupees in '000-----			
ASSETS			
Non-current assets			
Property, plant and equipment	6	6,281,080	4,907,931
Intangible assets		-	-
Right-of-use assets		153,767	171,533
Long term deposits		16,759	16,322
Long term investments	7	61,410	55,583
Total non-current assets		6,513,016	5,151,369
Current assets			
Stores, spares and loose tools		76,285	70,444
Stock in trade	8	7,413,246	7,171,280
Trade debts	9	1,659,641	1,041,124
Loans and advances		127,665	103,660
Trade deposits and short term prepayments		23,685	10,131
Short term investment		4,515	1,580
Sales tax refundable		117,294	123,598
Due from related parties		50,501	43,366
Taxation - net		14,865	31,683
Cash and bank balances	10	506,611	104,960
Total current assets		9,994,308	8,701,828
Total assets		16,507,324	13,853,197

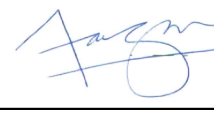
The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2022

	Note	Un-Audited March 31, 2022	Audited June 30, 2021
-----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	11	1,224,007	1,224,007
Capital reserve		680,467	680,467
Unappropriated profit		2,449,299	2,287,145
Surplus on revaluation of property, and equipment - net of tax		2,440,295	2,459,499
Total shareholders' equity		6,794,068	6,651,118
Non-current liabilities			
Long-term finances-secured	12	1,396,003	492,911
Lease liabilities		116,359	126,631
Deferred liabilities		224,341	221,515
Deferred grant		-	952
Total non-current liabilities		1,736,703	842,009
Current liabilities			
Trade and other payables		797,877	519,888
Advance from customers - secured		25,509	35,748
Accrued mark-up		95,406	57,878
Due to related parties		10,434	7,866
Short-term borrowings-secured	13	6,845,656	5,533,005
Current portion of deferred grant		2,028	6,176
Current portion of long term finances-secured	12	174,562	175,076
Current portion of lease liabilities		24,297	23,645
Unpaid dividend		784	788
Total current liabilities		7,976,553	6,360,070
Total liabilities		9,713,256	7,202,079
Contingencies and commitments			
Total equity and liabilities		16,507,324	13,853,197

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



Chief Executive Officer



Chief Financial Officer



Director

Unconsolidated Condensed Interim Statement of Profit Or Loss

For the Nine-Months Period Ended March 31, 2022

	Note	Nine months ended		Quarter ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		Un-Audited	Un-Audited	Un-Audited	Un-Audited
		-----Rupees in '000-----		-----Rupees in '000-----	
Sales - net		8,686,411	8,032,141	3,840,849	2,691,426
Cost of sales	14	(7,801,680)	(7,340,309)	(3,502,149)	(2,413,956)
Gross profit		884,731	691,832	338,700	277,470
Operating expenses					
Selling and distribution		(160,333)	(149,763)	(50,732)	(57,435)
Administrative		(241,867)	(208,899)	(82,026)	(65,579)
		(402,200)	(358,662)	(132,758)	(123,014)
Operating profit		482,531	333,170	205,942	154,456
Financial charges		(265,569)	(199,386)	(106,583)	(76,770)
Exchange gain/(loss)		(40,773)	(91,873)	(7,226)	(17,894)
		176,189	41,911	92,133	59,792
Other operating income		34,560	32,082	10,787	1,098
Profit before income tax		210,749	73,993	102,920	60,890
Taxation		(64,159)	(59,113)	(16,616)	(7,044)
Profit for the period		146,590	14,880	86,304	53,846
		-----Rupees-----		-----Rupees-----	
Earnings per share - Basic and Diluted	15	1.20	0.12	0.71	0.44

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



Chief Executive Officer



Chief Financial Officer



Director

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Nine-Months Period Ended March 31, 2022

	Nine months ended		Quarter ended	
	March 31, 2022 Un-Audited	March 31, 2021 Un-Audited	March 31, 2022 Un-Audited	March 31, 2021 Un-Audited
	-----Rupees in '000-----		-----Rupees in '000-----	
PROFIT FOR THE PERIOD	146,590	14,880	86,304	53,846
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	(3,640)	(12,767)	(788)	-
Other comprehensive loss	(3,640)	(12,767)	(788)	-
TOTAL COMPREHENSIVE INCOME/ PROFIT FOR THE PERIOD	142,950	2,113	85,516	53,846

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



Chief Executive Officer



Chief Financial Officer



Director

Unconsolidated Condensed Interim Statement of Changes In Equity

For the Nine-Months Period Ended March 31, 2022 (Un-audited)

	Issued, subscribed and paid up share capital	Capital reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment	Total
----- Rupees in '000' -----					
Balance as at July 01, 2020	1,224,007	680,467	2,241,380	2,622,193	6,768,047
Total comprehensive income for the period					
Loss for the period	-	-	14,880	-	14,880
Other comprehensive loss	-	-	(12,767)	-	(12,767)
Total comprehensive income	-	-	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. 0.045 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>
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					
Profit for the period	-	-	146,590	-	146,590
Other comprehensive loss	-	-	(3,640)	-	(3,640)
Total comprehensive income	-	-	142,950	-	142,950
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	17,852	(17,852)	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of plant and equipment - net of tax	-	-	1,352	(1,352)	-
Balance as at March 31, 2022	<u>1,224,007</u>	<u>680,467</u>	<u>2,449,299</u>	<u>2,440,295</u>	<u>6,794,068</u>

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



Chief Executive Officer



Chief Financial Officer



Director

Unconsolidated Condensed Interim Statement of Cash Flows

For the Nine-Months Period Ended March 31, 2022

	Note	Nine months ended	
		March 31, 2022 (Un-audited) -----Rupees in '000-----	December 31, 2020 (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	16	39,911	(841,235)
Gratuity paid		(9,680)	(4,954)
Taxes paid		(55,572)	(42,939)
Finance cost paid		(228,041)	(198,506)
Net cash used in operating activities		(253,381)	(1,087,634)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,543,053)	(157,098)
Proceeds from disposal of property, plant and equipment		7,307	15,547
Right-of-use assets		(4,923)	(5,937)
Long term deposits		(437)	(2,959)
Long term investments	7	(9,467)	-
Net cash used in investing activities		(1,550,573)	(150,447)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net of repayment		902,578	156,070
Finance lease obligation - net of repayment		(9,620)	(8,693)
Dividend paid		(4)	(67,848)
Short term finances - net of repayment		1,312,651	1,019,165
Net cash generated from financing activities		2,205,605	1,098,694
Net increase/(decrease) in cash and cash equivalents		401,651	(139,387)
Cash and cash equivalents at the beginning of the period		104,960	298,290
Cash and cash equivalents at the end of the period		506,611	158,903

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



Chief Executive Officer



Chief Financial Officer



Director

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Nine-Months Period Ended March 31, 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 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.

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

During the period, the Company has recognized Rs. 1,444 million in Capital work in progress for the Cornstarch Project, which will commence its commercial operation in near future.

3 BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act,
- 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 Nine-Months Period Ended March 31, 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 year ended June 30, 2021.

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

3.3.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2022

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

3.3.2 New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2022

There are new standards and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or expected to have any significant effect on the Company's financial reporting.

4 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2021 unless otherwise specified.

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparations of this unconsolidated condensed interim financial statements, the significant judgement made by management in applying the Company's accounting policies and the key sources of estimations and uncertainly were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2021.

6	PROPERTY, PLANT AND EQUIPMENT	Note	(Un-Audited)	(Audited)
			March 31, 2022	June 30, 2021
			-----Rupees in '000-----	
	Operating fixed assets	6.1	4,605,513	4,643,668
	Capital work in progress	6.2	1,675,567	264,263
			<u>6,281,080</u>	<u>4,907,931</u>

6.1 Details of additions and disposals to operating fixed assets during the nine months ended March 31, 2022 are as follows:

Notes To The Unconsolidated Condensed Interim Financial Statements
For the Nine-Months Period Ended March 31, 2022

	Additions at cost	Disposals at net book value
Note	-----Rupees in '000-----	
Plant and Machinery	110,299	-
Electric cables and fitting	3,944	-
Furniture and fixture	1,383	-
Motor Vehicles	-	185
Office Equipment	1,217	-
Factory Equipment	9,493	-
Computers	1,296	-
Camera	53	-
Mobile Phone	564	-
Generator	3,500	3,938
March 31, 2022	131,749	4,123
June 30, 2021	62,592	167,864

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

	(Un-Audited) March 31, 2022	(Audited) June 30, 2021
	-----Rupees in '000-----	
Opening balance	264,263	61,980
Additions during the period	1,518,141	307,659
	1,782,404	369,638
Transferred to operating fixed assets	(106,837)	(105,375)
Closing balance	1,675,567	264,263

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Nine-Months Period Ended March 31, 2022

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
		-----Rupees in '000-----	
7	LONG-TERM INVESTMENTS	Note	
	<i>Subsidiaries - at cost</i>		
	JKT General Trading (FZE)	23,583	23,583
	Matco Marketing (Private) Limited	7,500	7,500
	<i>Associate - at cost</i>		
	Barentz Pakistan (Private) Limited	24,500	24,500
	<i>Other investments - at fair value through OCI - net</i>		
	Pakistan Aluminium Beverage Cans Limited	5,827	-
		<u>61,410</u>	<u>55,583</u>
8	STOCK IN TRADE		
	Raw materials	5,362,144	5,523,329
	Packing materials	155,736	122,293
	Finished goods	1,915,247	1,545,539
		<u>7,433,127</u>	<u>7,191,161</u>
	Provision for slow moving / obsolete items	(19,881)	(19,881)
		<u>7,413,246</u>	<u>7,171,280</u>
9	TRADE DEBTS		
	Considered good		
	- Export - secured	1,524,271	930,393
	- Local - unsecured	135,370	110,731
		<u>1,659,641</u>	<u>1,041,124</u>
10	CASH AND BANK BALANCES		
	Cash in hand	3,194	3,530
	Cash at bank	503,417	101,430
		<u>506,611</u>	<u>104,960</u>
11	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
		(Un-audited) March 31, 2022	(Audited) June 30, 2021
		-----Rupees in '000-----	
		(Number of shares)	
	Ordinary shares of Rs. 10 each:		
	50,340,213	50,340,213	- fully paid in cash
	6,002,950	6,002,950	- issued for consideration other than
	66,057,535	66,057,535	- issued as fully paid bonus shares
	<u>122,400,698</u>	<u>122,400,698</u>	
		<u>503,402</u>	<u>503,402</u>
		<u>60,030</u>	<u>60,030</u>
		<u>660,575</u>	<u>660,575</u>
		<u>1,224,007</u>	<u>1,224,007</u>

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Nine-Months Period Ended March 31, 2022

		(Un-Audited) March 31, 2022 -----Rupees in '000-----	(Audited) June 30, 2021
12	LONG TERM FINANCES - SECURED		
	<i>From banking companies and financial institution:</i>		
	LTF/ILTF	283,849	316,752
	TERF/ITERF	842,844	111,691
	FFSAP/IFFASP	270,969	60,455
	Demand Finance	107,482	56,989
	Salary Refinance	65,421	122,100
		<u>1,570,565</u>	<u>667,987</u>
	Current portion of long term finances	(174,562)	(175,076)
		<u>1,396,003</u>	<u>492,911</u>
13	SHORT TERM BORROWINGS SECURED		
	Export re-finance	4,443,673	4,331,949
	Own resource	2,401,983	1,201,056
		<u>6,845,656</u>	<u>5,533,005</u>
		(Un-Audited) March 31, 2022 -----Rupees in '000-----	(Audited) March 31, 2021
14	COST OF SALES		
	Rice consumed	6,899,201	6,701,737
	Packing materials consumed	348,996	346,064
	Stores, spares and loose tools consumed	121,953	89,094
		<u>7,370,150</u>	<u>7,136,895</u>
	Salaries, wages and benefits	322,804	297,999
	Electricity and power	122,786	133,374
	Telephone and mobile	694	1,064
	Insurance	6,442	6,597
	Repairs and maintenance	22,632	23,023
	Fumigation charges	48,920	17,756
	Diesel & water	44,637	42,527
	Staff welfare	10,172	11,435
	Security expenses	13,166	12,103
	Godown expenses	17,084	12,171
	Rent, rates and taxes	1,176	1,785
	Vehicle running expenses	7,474	5,548
	Medical	2,437	2,881
	Depreciation	132,604	141,597
	Depreciation on right-of-assets	18,085	14,476
	<i>Balance carried forward</i>	<u>8,141,263</u>	<u>7,861,231</u>

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Nine-Months Period Ended March 31, 2022

		(Un-Audited) March 31, 2022 -----Rupees in '000-----	(Audited) March 31, 2021
	<i>Balance brought forward</i>	8,141,263	7,861,231
	Interest expense on lease liabilities	8,557	8,705
	Inspection charges	16,641	14,562
	Others	4,927	20,244
	<i>Cost of goods available for sale</i>	8,171,388	7,904,742
	Finished goods		
	Opening stock	1,545,539	1,141,723
	Closing stock	(1,915,247)	(1,706,156)
		(369,708)	(564,433)
		7,801,680	7,340,309
15	EARNINGS PER SHARE - BASIC & DILUTED		
	Basic earnings per share		
	Profit for the period (Rupees in thousands)	146,590	14,880
	Number of ordinary shares	122,400,698	122,400,698
	Earnings per share	1.20	0.12
15.1	Diluted earning per share		
	There is no dilutive effect on earnings per share as the Company does not have any convertible instruments.		
16	CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	Un-Audited March 31, 2022 -----Rupees in '000-----	Un-Audited March 31, 2021
		Note	
	Profit before taxation	210,749	73,993
	Adjustments for non-cash charges and other items:		
	Depreciation	186,725	193,517
	Exchange loss - net	40,773	91,873
	Finance cost	265,569	199,385
	(Gain)/Loss on disposal of property, plant and equipment	(1,437)	(12,481)
	Provision for staff gratuity	20,736	14,322
	Unrealized gain on short term investment	(2,935)	(94)
	Working capital changes	(680,268)	(1,401,750)
	Cash used in operations	39,911	(841,235)

Notes To The Unconsolidated Condensed Interim Financial Statements
For the Nine-Months Period Ended March 31, 2022

Note	Un-Audited March 31, 2022	Un-Audited March 31, 2021
	-----Rupees in '000-----	
16.1 Working capital changes		
(Increase)/ decrease in current assets		
Stores, spares and loose tools	(5,841)	(18,493)
Stock-in-trade	(241,966)	(1,172,764)
Trade debts - considered good	(659,290)	(34,511)
Loans and advances	(24,005)	(101,696)
Trade deposits and short term prepayments	(13,554)	(544)
Other receivable	(830)	(5,514)
	(945,486)	(1,333,522)
Increase/(decrease) in current liabilities		
Trade and other payables	277,989	(44,229)
Due to related party	2,568	(81)
Deferred grant	(5,100)	(355)
Advance from customers - secured	(10,239)	(23,563)
Net decrease in working capital	(680,268)	(1,401,750)

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Nine-Months Period Ended March 31, 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 hierachy

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing par ties 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.

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Nine-Months Period Ended March 31, 2022

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:

			(Un-Audited) March 31, 2022	(Un-Audited) March 31, 2021
-----Rupees in '000-----				
Nature of relationship	Percentage of Holding	Transactions		
Directors		Godown rent paid to director	11,216	10,512
Subsidiary				
JKT General Trading FZE	100%	Sales	76,514	84,013
		Payment received on account of sales	139,706	22,896
Matco Marketing (Private) Limited	99.99%	Paid expenses on behalf	81	81
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	52,609	102,252
		Payment received on account of expenses	49,344	62,095
		Interest Income	3,080	1,973
		Commission paid	1,136	896
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	1,918	1,005
		Payment received on account of expenses	-	1,085
Trust operated by the Company				
Ghori Trust	0%	Paid expenses on behalf	5,070	3,592
		Payment received on account of expenses	1	5,946
		Donations paid	7,719	3,042
			(Un-Audited) March 31, 2021	(Audited) June 30, 2021
-----Rupees in '000-----				
Nature of relationship	Percentage of Holding	Balances		
Subsidiary				
JKT General Trading FZE	100%	Trade receivables outstanding	-	63,192
Matco Marketing (Private) Limited	99.99%	Advance outstanding	6,806	6,876
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Receivable against expenses	42,272	40,144
		Interest receivable	1,530	1,194
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Receivable against expenses	3,490	1,572
Faiyaz Center Owner Association	0%	Receivable against expenses	2,928	160
Trust operated by the Company				
Ghori Trust	0%	Payable against donation	3,626	977

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Nine-Months Period Ended March 31, 2022

19 GENERAL

- 19.1 Figures have been rounded off to the nearest thousand of PKR, unless otherwise stated.
- 19.2 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.

20 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 27, 2022, by the board of directors of the Company.



Chief Executive Officer



Chief Financial Officer



Director

3rd Quarterly
Financial Statements
Consolidated

March 31, 2022

(Un-audited)



Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2022

	Note	Un-Audited March 31, 2022	Audited June 30, 2021
-----Rupees in '000-----			
ASSETS			
Non-current assets			
Property, plant and equipment	6	6,281,080	4,907,931
Intangible assets		-	-
Right-of-use assets		153,767	171,533
Long term deposits		16,759	16,322
Long term investments	7	18,005	13,371
Total non-current assets		6,469,611	5,109,157
Current assets			
Stores, spares and loose tools		76,285	70,444
Stock in trade	8	7,413,246	7,171,280
Trade debts	9	1,706,353	1,060,859
Loans and advances		127,665	103,660
Trade deposits and short term prepayments		24,855	10,793
Short term investment		4,515	1,580
Sales tax refundable		117,294	123,598
Due from related parties		50,199	43,071
Taxation - net		14,865	31,683
Cash and bank balances	10	531,407	142,315
Total current assets		10,066,684	8,759,283
Total assets		16,536,295	13,868,440

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



Chief Executive Officer



Chief Financial Officer



Director

Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2022

		Un-Audited March 31, 2022	Audited June 30, 2021
	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	11	1,224,007	1,224,007
Capital reserve		680,467	680,467
Exchange revaluation reserve		25,315	15,811
Unappropriated profit		2,457,572	2,292,539
Surplus on revaluation of property, and equipment - net of tax		2,440,295	2,459,499
Total shareholders' equity		6,827,656	6,672,323
Non-current liabilities			
Long-term finances-secured	12	1,396,003	492,911
Lease liabilities		116,359	126,631
Deferred liabilities		224,341	221,768
Deferred grant		-	952
Total non-current liabilities		1,736,703	842,262
Current liabilities			
Trade and other payables		798,027	520,550
Advance from customers - secured		27,550	35,747
Accrued mark-up		95,406	57,878
Due to related parties		3,626	990
Short term borrowings-secured	13	6,845,656	5,533,005
Current portion of deferred grant		2,028	6,176
Current portion of long term finances-secured	12	174,562	175,076
Current portion of lease liabilities		24,297	23,645
Unpaid dividend		784	788
Total current liabilities		7,971,936	6,353,855
Total liabilities		9,708,639	7,196,117
Contingencies and commitments			
Total equity and liabilities		16,536,295	13,868,440

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



Chief Executive Officer



Chief Financial Officer



Director

Consolidated Condensed Interim Statement of Profit Or Loss

For the Nine-Months Period Ended March 31, 2022

		Nine months ended		Quarter ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		Un-Audited	Un-Audited	Un-Audited	Un-Audited
Note	-----Rupees in '000-----		-----Rupees in '000-----		
Sales - net		8,692,010	8,034,847	3,842,360	2,691,397
Cost of sales	14	(7,801,680)	(7,340,309)	(3,502,149)	(2,413,956)
Gross profit		890,330	694,538	340,211	277,441
Operating expenses					
Selling and distribution		(161,506)	(149,763)	(51,098)	(57,435)
Administrative		(242,017)	(210,127)	(82,026)	(65,564)
		(403,523)	(359,890)	(133,124)	(122,999)
Operating profit		486,807	334,648	207,087	154,442
Financial charges		(265,777)	(199,550)	(106,714)	(76,769)
Share of loss from associated company		(1,193)	(3,345)	4,368	(491)
Exchange loss		(40,773)	(91,873)	(7,226)	(17,894)
		179,064	39,880	97,515	59,288
Other operating income		34,564	32,084	10,787	1,096
Profit before income tax		213,628	71,964	108,302	60,384
Taxation		(64,159)	(59,113)	(16,616)	(7,044)
Profit for the period		149,469	12,851	91,686	53,340
		-----Rupees-----		-----Rupees-----	
Earnings per share - Basic and Diluted	15	1.22	0.10	0.75	0.44

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 Nine-Months Period Ended March 31, 2022

	Nine months ended		Quarter ended	
	March 31, 2022 Un-Audited	March 31, 2021 Un-Audited	March 31, 2022 Un-Audited	March 31, 2021 Un-Audited
	-----Rupees in '000-----		-----Rupees in '000-----	
PROFIT FOR THE PERIOD	149,469	12,851	91,686	53,340
Other comprehensive income				
<i>Items that may be reclassified to statement of profit or loss subsequently</i>				
- Exchange difference on translation of foreign currency	9,504	(4,651)	2,619	(2,006)
<i>Items that will not be reclassified to statement of profit or loss subsequently</i>				
Remeasurement of defined benefit obligation	(3,640)	(12,767)	(788)	-
Other comprehensive income / (loss)	5,864	(17,418)	1,831	(2,006)
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD	155,333	(4,567)	93,517	51,334

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 Nine-Months Period Ended March 31, 2022 (Un-audited)

	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, 2020	1,224,007	680,467	19,585	2,238,960	2,622,193	6,785,212	6,785,212
Total comprehensive loss for the period							
Loss for the period	-	-	-	12,851	-	12,851	12,851
Other comprehensive loss	-	-	(4,651)	(12,767)	-	(17,418)	(17,418)
Total comprehensive loss	-	-	(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	<u>1,224,007</u>	<u>680,467</u>	<u>14,934</u>	<u>2,203,780</u>	<u>2,602,376</u>	<u>6,725,564</u>	<u>6,725,564</u>

Consolidated Condensed Interim Statement of Changes In Equity

For the Nine-Months Period Ended March 31, 2022 (Un-audited)

	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, 2021	1,224,007	680,467	15,811	2,292,539	2,459,499	6,672,323	6,672,323
Total comprehensive profit for the period							
Profit for the period	-	-	-	149,469	-	149,469	149,469
Other comprehensive income/(loss)	-	-	9,504	(3,640)	-	5,864	5,864
Total comprehensive income	-	-	9,504	145,829	-	155,333	155,333
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	17,852	(17,852)	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of plant and equipment - net of tax	-	-	-	1,352	(1,352)	-	-
Balance as at March 31, 2022	1,224,007	680,467	25,315	2,457,572	2,440,295	6,827,656	6,827,656

The annexed selected notes from 1 to 20 form an integral part of this condensed interim financial information.



Chief Executive Officer



Chief Financial Officer



Director

Unconsolidated Condensed Interim Statement of Cash Flows

For the Nine-Months Period Ended March 31, 2022

	Note	Six months ended	
		March 31, 2022 (Un-audited) -----Rupees in '000-----	March 31, 2021 (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	16	17,118	(836,490)
Gratuity paid		(9,680)	(4,979)
Taxes paid		(55,572)	(42,939)
Finance cost paid		(228,249)	(198,670)
Exchange revaluation reserve		9,504	(4,651)
Net cash used in operating activities		(266,879)	(1,087,729)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,543,053)	(157,098)
Proceeds from disposal of property, plant and equipment		7,053	15,547
Right-of-use assets		(4,923)	(5,937)
Long term deposits		(437)	(2,959)
Long term investments	7	(8,274)	3,345
Net cash used in investing activities		(1,549,634)	(147,102)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net of repayment		902,578	156,070
Finance lease obligation - net of repayment		(9,620)	(8,693)
Dividend paid		(4)	(67,848)
Short term finances - net of repayment		1,312,651	1,019,165
Net cash generated from financing activities		2,205,605	1,098,694
Net increase/(decrease) in cash and cash equivalents		389,092	(136,137)
Cash and cash equivalents at the beginning of the period		142,315	305,250
Cash and cash equivalents at the end of the period		531,407	169,113

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 Nine-Months Period Ended March 31, 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-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 Guiranwala.

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 Nine-Months Period Ended March 31, 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

During the period, the Group has recognized Rs. 1,444 million in Capital work in progress for the Corn starch Project, which will commence its commercial operation in near future.

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 the Group's consolidated annual audited financial statements for the year ended June 30, 2021.

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

3.3.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2022

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or have any significant effect on the Group's financial reporting.

3.3.2 New standards and amendments to approved accounting standards that are effective for the Group's accounting periods beginning on or after July 1, 2022

There are new standards and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or expected to have any significant effect on the Group's financial reporting.

4 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2021 unless otherwise specified.

Notes To The Consolidated Condensed Interim Financial Statements

For the Nine-Months Period Ended March 31, 2022

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 Company for the year ended June 30, 2021.

6 PROPERTY, PLANT AND EQUIPMENT	Note	(Un-Audited)	(Audited)
		March 31, 2022	June 30, 2021
		-----Rupees in '000-----	
Operating fixed assets	6.1	4,605,513	4,643,668
Capital work in progress	6.2	1,675,567	264,263
		<u>6,281,080</u>	<u>4,907,931</u>

6.1 Details of additions and disposals to operating fixed assets during the nine months ended March 31, 2022 are as follows:

	Note	Additions at cost	Disposals at net book value
		-----Rupees in '000-----	
Plant and Machinery		110,299	-
Electric cables and fitting		3,944	-
Furniture and fixture		1,383	-
Motor Vehicles		-	185
Office Equipment		1,217	-
Factory Equipment		9,493	-
Computers		1,296	-
Camera		53	-
Mobile Phone		564	-
Generator		3,500	3,938
March 31, 2022		<u>131,749</u>	<u>4,123</u>
June 30, 2021		<u>62,592</u>	<u>167,864</u>

Notes To The Consolidated Condensed Interim Financial Statements

For the Nine-Months Period Ended March 31, 2022

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

	(Un-Audited) March 31, 2022	(Audited) June 30, 2021
Note	-----Rupees in '000-----	
Opening balance	264,263	61,980
Additions during the period	1,518,141	307,659
	1,782,404	369,638
Transferred to operating fixed assets	(106,837)	(105,375)
Closing balance	1,675,567	264,263
7 LONG-TERM INVESTMENTS		
<i>Associate - Equity Accounting</i>		
Barentz Pakistan (Private) Limited	12,178	13,371
<i>Other investments - at fair value through OCI - net</i>		
Pakistan Aluminium Beverage Cans Limited	5,827	-
	18,005	13,371
8 STOCK IN TRADE		
Raw materials	5,362,144	5,523,329
Packing materials	155,736	122,293
Finished goods	1,915,247	1,545,539
	7,433,127	7,191,161
Provision for slow moving / obsolete items	(19,881)	(19,881)
	7,413,246	7,171,280
9 TRADE DEBTS		
Considered good		
- Export - secured	1,570,983	950,128
- Local - unsecured	135,370	110,731
	1,706,353	1,060,859
10 CASH AND BANK BALANCES		
Cash in hand	3,194	3,530
Cash at bank	528,213	138,785
	531,407	142,315

Notes To The Consolidated Condensed Interim Financial Statements

For the Nine-Months Period Ended March 31, 2022

11 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

(Un-audited) March 31, 2022 (Number of shares)	(Audited) June 30, 2021		(Un-Audited) March 31, 2022 -----Rupees in '000-----	(Audited) June 30, 2021
		Ordinary shares of Rs. 10 each:		
50,340,213	50,340,213	- fully paid in cash	503,402	503,402
6,002,950	6,002,950	- issued for consideration other than cash	60,030	60,030
66,057,535	66,057,535	- issued as fully paid bonus shares	660,575	660,575
<u>122,400,698</u>	<u>122,400,698</u>		<u>1,224,007</u>	<u>1,224,007</u>

12 LONG TERM FINANCES - SECURED

From banking companies and financial institution:

LTF/ILTF	283,849	316,752
TERF/ITERF	842,844	111,691
FFSAP/IFFASP	270,969	60,455
Demand Finance	107,482	56,989
Salary Refinance	65,421	122,100
	<u>1,570,565</u>	<u>667,987</u>
Current portion of long term finances	<u>(174,562)</u>	<u>(175,076)</u>
	<u>1,396,003</u>	<u>492,911</u>

13 SHORT-TERM BORROWINGS SECURED

Export re-finance	4,443,673	4,331,949
Own resource	2,401,983	1,201,056
	<u>6,845,656</u>	<u>5,533,005</u>

(Un-Audited) March 31, 2022 -----Rupees in '000-----	(Audited) March 31, 2021
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14 COST OF SALES

Rice consumed	6,899,201	6,701,737
Packing materials consumed	348,996	346,064
Stores, spares and loose tools consumed	121,953	89,094
	<u>7,370,150</u>	<u>7,136,895</u>
Salaries, wages and benefits	322,804	297,999
Electricity and power	122,786	133,374
Telephone and mobile	694	1,064
Insurance	6,442	6,597
Repairs and maintenance	22,632	23,023
<i>Balance carried forward</i>	<u>7,845,508</u>	<u>7,598,952</u>

Notes To The Consolidated Condensed Interim Financial Statements

For the Nine-Months Period Ended March 31, 2022

	(Un-Audited) March 31, 2022 -----Rupees in '000-----	(Audited) March 31, 2021
<i>Balance brought forward</i>	7,845,508	7,598,952
Fumigation charges	48,920	17,756
Diesel & water	44,637	42,527
Staff welfare	10,172	11,435
Security expenses	13,166	12,103
Godown expenses	17,084	12,171
Rent, rates and taxes	1,176	1,785
Vehicle running expenses	7,474	5,548
Medical	2,437	2,881
Depreciation	132,604	141,597
Depreciation on right-of-assets	18,085	14,476
Interest expense on lease liabilities	8,557	8,705
Inspection charges	16,641	14,562
Others	4,927	20,244
<i>Cost of goods available for sale</i>	<u>8,171,388</u>	<u>7,904,742</u>
Finished goods		
Opening stock	<u>1,545,539</u>	<u>1,141,723</u>
Closing stock	<u>(1,915,247)</u>	<u>(1,706,156)</u>
	<u>(369,708)</u>	<u>(564,433)</u>
	<u>7,801,680</u>	<u>7,340,309</u>
15 EARNINGS PER SHARE - BASIC & DILUTED		
Basic earnings per share		
Profit for the period (Rupees in thousands)	<u>149,469</u>	<u>12,851</u>
Number of ordinary shares	<u>122,400,698</u>	<u>122,400,698</u>
Earnings per share	<u>1.22</u>	<u>0.10</u>

15.1 Diluted earning per share

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

Notes To The Consolidated Condensed Interim Financial Statements

For the Nine-Months Period Ended March 31, 2022

16	CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	Note	(Un-Audited)	(Un-Audited)
			March 31, 2022	March 31, 2021
			-----Rupees in '000-----	
	Profit before taxation		213,628	71,964
	Adjustments for non-cash changes and other items:			
	Depreciation		186,725	193,517
	Exchange loss - net		40,773	91,873
	Finance cost		265,777	199,549
	(Gain)/Loss on disposal of property, plant and equipment		(1,437)	(12,481)
	Provision for staff gratuity		20,736	14,322
	Unrealized gain on short term investment		(2,935)	(94)
	Working capital changes	16.1	(706,149)	(1,395,140)
	Cash used in operations		<u>17,118</u>	<u>(836,490)</u>
16.1	Working capital changes			
	(Increase)/ decrease in current assets			
	Stores, spares and loose tools		(5,841)	(18,493)
	Stock-in-trade		(241,966)	(1,172,764)
	Trade debts - considered good		(686,267)	(8,621)
	Loans and advances		(24,005)	(123,363)
	Trade deposits and short term prepayments		(14,062)	814
	Due from related parties		(824)	(6,831)
			<u>(972,965)</u>	<u>(1,329,258)</u>
	Increase/(decrease) in current liabilities			
	Trade and other payables		277,477	(41,964)
	Due to related party		2,636	-
	Deferred grant		(5,100)	(355)
	Advance from customers - secured		(8,197)	(23,563)
	Net decrease in working capital		<u>(706,149)</u>	<u>(1,395,140)</u>

Notes To The Consolidated Condensed Interim Financial Statements

For the Nine-Months Period Ended March 31, 2022

17 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

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

17.1 Fair value of financial assets and liabilities

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

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

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

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

18 TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Percentage of Holding	Transactions	(Un-Audited)	(Un-Audited)
			March 31, 2022	March 31, 2021
			-----Rupees in '000-----	
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	1,918	1,005
		Payment received on account of expenses	-	1,085
Trust operated by the Holding Company				
Ghorī Trust	0%	Paid expenses on behalf	5,070	3,592
		Payment received on account of expenses	1	5,946
		Donation expense	7,719	3,042

Notes To The Consolidated Condensed Interim Financial Statements

For the Nine-Months Period Ended March 31, 2022

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

Nature of relationship	Percentage of Holding	Balances		
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Receivable against expenses	<u>3,490</u>	<u>1,572</u>
Faiyaz Center Owner Association	0%	Receivable against expenses	<u>2,928</u>	<u>160</u>
Trust operated by the Holding Company				
Ghori Trust	0%	Payable against donation	<u>3,626</u>	<u>977</u>

19 GENERAL

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

19.2 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.

20 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on April 27, 2022, by the board of directors of the Group.



Chief Executive Officer



Chief Financial Officer



Director