

**MATCO FOODS LIMITED**

B-1/A, S.I.T.E., Phase 1, Super Highway
Industrial Area, Karachi-75340.
Tel: +92 21 36411661-3
Cell: +92 300 8610651
Fax: +92 21 36881443
Email: contact@matcofoods.com

June 5, 2025

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Subject: NOTICE OF EXTRAORDINARY GENERAL MEETING

Dear Sir,

Enclosed please find a copy of the Notice of Extraordinary General Meeting of the Members of Matco Foods Limited to be held on Friday, June 27, 2025, at 11:00 a.m. for circulation amongst the TRE certificate holders. The said notice has been published in newspapers Daily Pakistan Today and Roznama Dunya on June 5, 2025.

Yours sincerely,

Muhammad Noman Ansari
Company Secretary

Encl: Notice of EOGM

Copy to:-

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

**MATCO FOODS LIMITED**

B-1/A, S.I.T.E., Phase 1, Super Highway
Industrial Area, Karachi - 75340.

Tel: +92 21 36411661-3

Cell: +92 300 8610651

Fax: +92 21 36881443

Email: contact@matcofoods.com

NOTICE OF EXTRAORDINARY GENERAL MEETING JUNE 25, 2025

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that pursuant to the Order of the Honourable High Court of Sindh at Karachi dated June 3, 2025, passed in Civil Miscellaneous Application No. 3231 of 2025, in Petition bearing J. C. M. No. 21 of 2025, an Extraordinary General Meeting (“EOGM”) of **Matco Foods Limited** (the “**Company**”) shall be held at, and conducted from, the Institute of Cost and Management Accountants of Pakistan, Seminar Room, ICMA Pakistan Building ST-18/C, ICMAP Avenue, Block 6, Gulshan-e-Iqbal, Karachi 75300, on Friday, June 27, 2025, at 11:00 a.m., including through video link facility, to transact the following business:

A. Special Business

Pursuant to the Order of the High Court of Sindh at Karachi dated June 3, 2025, passed in Civil Miscellaneous Application No. 3231 of 2025, in Petition bearing J. C. M. No. 21 of 2025, to consider and, if thought fit, to pass, with or without modification, the following resolution for the corporate restructuring / reorganization of the Company, involving, *inter alia*, the bifurcation / separation of the Company into two segments / undertakings i.e. the Corn Starch Undertaking and the Retained Undertaking, and the merger, by way of amalgamation, of the Corn Starch Undertaking with and into the Company’s wholly owned subsidiary i.e. Matco Corn Products (Private) Limited, along with all ancillary matters thereto, in accordance with the Scheme of Arrangement dated May 23, 2025, as approved by the Board of Directors of the Company on May 23, 2025.

The proposed resolution to be passed by the requisite majority of members of the Company under Sections 279 and 282 of the Companies Act, 2017 is as under:

“RESOLVED THAT the Scheme of Arrangement dated May 23, 2025, prepared under the provisions of Sections 279 to 283 and 285(8) of the Companies Act, 2017, for the corporate restructuring / reorganization of Matco Foods Limited, involving, inter alia, the bifurcation / separation of Matco Foods Limited into two segments / undertakings (i.e. the Corn Starch Undertaking and the Retained Undertaking), and the merger, by way of amalgamation, of the Corn Starch Undertaking with and into Matco Corn Products (Private) Limited, along with all ancillary matters thereto, placed before the meeting for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required, or conditions imposed by the High Court of Sindh at Karachi, subject to sanction by the High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017.”

B. Other Business

To transact any other business that may be placed before the meeting with the permission of the Chair.

(a) Copies of the (i) Statement of Material Facts under Section 134(3) of the Companies Act, 2017 concerning the Special Business; and (ii) Statement under Section 281 of the Companies Act, 2017, along with the (b) the QR code and web link to access, view and download copies of the (i) Scheme of Arrangement; (ii) Letter dated May 16, 2025, issued by Grant Thornton Anjum Rahman; and (iii) Special purpose financial statements of the Company audited for the period ended December 31, 2024, are being circulated to the members along with this notice of the EOGM.

By the Order of the Board

Muhammad Noman Ansari
Company Secretary

Karachi: June 5, 2025



MATCO FOODS LIMITED

Notes:

1. The share transfer books of the Company will remain closed from June 20, 2025 to June 27, 2025 (both days inclusive). Transfers received in order at the office of the Company's share registrar, namely CDC Share Registrar Services Limited, situated at CDC House, 99-B, Block B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi – 74400, by the close of business on June 19, 2025 will be treated in time for the determination of entitlement of members to attend and vote at the EOGM.
2. A member of the Company entitled to attend, speak and vote at the EOGM may appoint another member as his / her proxy to attend, speak and vote in place of the member. Proxies, in order to be effective, must be received at the Company's registered office, situated at B-1/A, S.I.T.E. Phase 1, Super Highway Industrial Area, Karachi, at least 48 hours before the time of holding the EOGM and no account shall be taken of any part of the day that is not a working day. A member shall not be entitled to appoint more than one proxy. Form of proxy can be downloaded from the Company's website: <https://matcofoods.com>.
3. Any Individual Beneficial Owner of CDC, entitled to attend and vote at the EOGM, must bring his / her original Computerized National Identity Card (CNIC) to prove identity, and in case of proxy, a copy of shareholder's attested CNIC must be attached with the proxy form. Representatives of corporate members should bring the usual documents required for such purpose (and as detailed below).

CDC Account Holders will also be required to follow the under mentioned guidelines, as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP):

For Attending the EOGM

- 3.1 In case of individuals, the account holder or sub-account holder and / or the person, whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall authenticate identity by showing his / her original CNIC or original passport at the time of attending the EOGM.
- 3.2 Members registered on CDC are also requested to bring their particulars, I. D. Numbers and account numbers in CDS.
- 3.3 In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the EOGM (unless it has been provided earlier).

For Appointing Proxies

- 3.4 In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.
- 3.5 The proxy form shall be witnessed by the person whose name, address and CNIC number shall be mentioned on the form.
- 3.6 Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- 3.7 The proxy shall produce his / her original CNIC or original passport at the time of the EOGM.
- 3.8 The proxy shall produce his / her original CNIC or original passport at the time of the EOGM.
- 3.9 In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.



MATCO FOODS LIMITED

4. Participation through Video Conference Facility

If the Company receives a demand (at least 2 days before the date of the EOGM) from members holding an aggregate of at least 10% shareholding residing in any other city, to participate in the EOGM through video link, the Company will arrange video conference facility in that city (subject to availability thereof in such city).

In this regard please send a duly signed request as per the following format at the registered address of the Company, at least 2 days before holding of the EOGM.

I/We, _____ of _____, being a member of Matco Foods Limited, holder of _____ ordinary share(s) as per registered Folio / CDC Account No _____, hereby opt for video conference facility at _____.

Signature of member

5. Virtual Participation in the EOGM Proceedings

5.1 In order to maximize the member's participation, the Company is convening this EOGM via video link in addition to holding a physical meeting with the members.

5.2 In order to attend the EOGM through electronic facility, members are requested to register themselves with the Company Secretariat by providing the requisite details at least 48 hours before the time of the EOGM (i.e. by 11 a.m. on June 25, 2025) through e-mail to be sent at **corporate@matcofoods.com**.

5.3 Members are advised to provide the following particulars, along with the scanned copy of their CNIC and that of their proxies, if so appointed. Moreover, in the case of a corporate member, the scanned copy of the resolution of the Board of Directors / Power of Attorney with a specimen signature of the nominee must also be provided.

Name of Member*	CNIC / NTN No.	Folio No. / CDC Account No.	Cell No.	Email address
-----------------	----------------	-----------------------------	----------	---------------

* Where applicable, please also give the above particulars of the proxy-holder or nominee of the member.

5.4 The details of the electronic facility (video link and the login credentials) will only be sent to the interested members (whose email containing all the required and correct particulars are timely received) at their provided e-mail addresses. Accordingly, the members will be able to participate in EOGM proceedings through their smartphones or computer devices. In addition to the above, the members can also provide their comments and / or suggestions in connection with the agenda items of the EOGM by using the aforesaid means.

5.5 The login facility will be opened at 30 minutes before on June 27, 2025, enabling the participants to join the proceedings after identification and verification process before joining the meeting, which will start at 11:00 a.m. sharp.

6. Postal Ballot / E-Voting

Members are hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018, read with Sections 143-144 of the Companies Act, 2017, and SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for the special business in accordance with the conditions mentioned therein. The following options are being provided to members for voting:



MATCO FOODS LIMITED

6.1 E-Voting Procedure

- (i) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on June 20, 2025.
- (ii) The web address, login details and password will be communicated to members via email. The security codes will be communicated to members through SMS and email from web portal of the e-voting service provider.
- (iii) Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- (iv) E-voting lines will start from June 23, 2025, 9:00 a.m. and shall close on June 25, 2025 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a member, he / she shall not be allowed to change it subsequently.

6.2 Postal Ballot

- (i) Members may alternatively opt for voting through postal ballot. Ballot paper shall also be available for download from the website of the Company at <https://matcofoods.com/> or members may use the same as annexed to this Notice and published in newspapers.
- (ii) Members shall ensure that duly filled and signed ballot paper, along with copy of CNIC should reach the Chairman of the meeting through post at the Company's registered address (*Attention of the Company Secretary*) OR through the registered email address of the member at corporate@matcofoods.com with subject of 'Voting in EOGM' by June 26, 2025 before 5:00 p.m. The signature on the ballot paper shall match with the signature on the CNIC. A postal ballot received after this time / date shall not be considered for voting.
- (iii) Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman of the meeting shall be the deciding authority.

7 Statutory Code of Conduct at EOGM: Members are requested to observe the conduct referred to in sub-regulation 2 of Regulation 55 of the Companies Regulations, 2024 while attending the EOGM.

8 Provision of Information by Members


To comply with various statutory requirements, and to avoid any non-compliance of law or any inconvenience in future, all members are hereby advised to coordinate / update their records with their respective Participant / CDC Investor Account Services / the Company's Share Registrar in connection with the following:

- Submission of copies of their valid / updated CNIC / NTN Certificate / Zakat Declaration (Exemption) Form / Tax Exemption Certificate.
- Provision of relevant details including valid bank account details / IBAN in order to enable the Company to pay any unclaimed / future cash dividends, if any.
- In case of a joint account, provision of shareholding proportions between principal shareholder and joint holder(s).
- Convert their physical shares into scrip less form, which will also facilitate the members having physical shares in many ways, including safe custody, efficient trading and convenience in other corporate actions.
- Provision of mandatory registration details in terms of Section 119 of the Companies Act, 2017 and other applicable laws, including mobile number / landline number and email address (if available).



MATCO FOODS LIMITED

- Promptly notify any change in mailing address, email address and mobile number by writing to the office of the Company's Share Registrar.
- 9 No gifts will be distributed at the EOGM.
- 10 Copies of the Memorandum and Articles of Association of the Company; Statement under Section 134(3) of the Companies Act, 2017 in respect of the material facts of the special business; Statement under Section 281 of the Companies Act, 2017; Scheme of Arrangement dated May 23, 2024; Letter dated May 16, 2025, issued by Grant Thornton Anjum Rahman; annual audited financial statements of the Company for the year ended June 30, 2024; special purpose financial statements of the Company audited for the period ended December 31, 2024, and any other information relevant to the special business in respect of the Company shall be available upon request, and for inspection, by any person entitled to attend the EOGM from the registered office of the Company, located at B-1/A, S.I.T.E. Phase 1, Super Highway Industrial Area, Karachi, free of cost during normal office hours, from the date of this notice till the conclusion of the EOGM. The said information shall also be placed for inspection of members of the Company during the EOGM. Furthermore, a member shall be entitled to receive (at their registered address) copies of the Scheme of Arrangement, Letter dated May 16, 2025 and the special purpose audited financial statements of the Company, free of cost, upon a request being made to the Company on the standard request form, which is available at Company's website <https://matcofoods.com/>.
- 11 The notice of the EOGM along with the statements, the Scheme of Arrangement, the latest annual audited financial statements, and the special purpose audited financial statements of the Company have also been placed on the website of the Company.

QR Code	Web link
	https://matcofoods.com/investor-relations#notices



MATCO FOODS LIMITED



MATCO FOODS LIMITED

The Company Secretary
Matco Foods Limited
 B-1/A, S.I.T.E., Phase 1
 Super Highway Industrial Area
 Karachi

PROXY FORM

I/we, _____ s/o / d/o _____ of _____ being a member of **MATCO FOODS LIMITED** and holder of _____ number of shares as per Share Register Folio No. _____ and/or CDC Participant ID No. _____ hereby appoint _____ of _____, or _____ failing him/her to act as my/our proxy and to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Shareholders of the Company to be held on the 27th day of June 2025, including via video-conferencing facility, and at any adjournment thereof.

Signed this _____ day of June 2025.

Please affix
 Revenue
 Stamp of Rs. 5/-

Witness 1

Witness 2

Signature _____

Signature _____

Name _____

Name _____

CNIC No. _____

CNIC No. _____

Address _____

Address _____

Notes:

1. The proxy must be a member of the company.
2. The signature must tally with the specimen signature/s registered with the Company.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.
4. If a proxy is granted by a member who has deposited his/her shares into Central Depository Company of Pakistan Limited, the proxy must be accompanied by the participant's ID number and account/sub-account number along with attested photocopies of Computerized National Identity Card (CNIC) or the Passport of the beneficial owner. Representatives of corporate members should bring the usual documents required for such purposes.
5. The instrument of Proxy properly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.
6. In case of corporate & entity, the Board of directors resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the Company through email (as mentioned in the notes to the Notice of the EOGM).



MATCO FOODS LIMITED



MATCO FOODS LIMITED

POSTAL BALLOT PAPER

Ballot paper for voting through post for the Special Business at the scheduled Extraordinary General Meeting to be on Friday, June 27, 2025, at 11:00 a.m. at Institute of Cost and Management Accountants of Pakistan, Seminar Room, ICMA Pakistan Building ST-18/C, ICMAP Avenue, Block 6, Gulshan-e-Iqbal, Karachi 75300. Website: www.matcofoods.com.

Folio/CDS Account Number	
Name of Shareholder/Proxy Holder	
Registered Address	
Number of Shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation, and Federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

Agenda Item # A

The proposed resolution to be passed by the requisite majority of members of the Company under Sections 279 and 282 of the Companies Act, 2017 is as under:

“RESOLVED THAT the Scheme of Arrangement dated May 23, 2025, prepared under the provisions of Sections 279 to 283 and 285(8) of the Companies Act, 2017, for the corporate restructuring / reorganization of Matco Foods Limited, involving, inter alia, the bifurcation / separation of Matco Foods Limited into two segments / undertakings (i.e. the Corn Starch Undertaking and the Retained Undertaking), and the merger, by way of amalgamation, of the Corn Starch Undertaking with and into Matco Corn Products (Private) Limited, along with all ancillary matters thereto, placed before the meeting for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required, or conditions imposed by the High Court of Sindh at Karachi, subject to sanction by the High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017.”

Instructions For Poll

1. Please indicate your vote by ticking (✓) the relevant box.		
2. In case, if both the boxes are marked as (✓), your poll shall be treated as “Rejected”.		
I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing a tick (✓) mark in the appropriate box below:		
Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Agenda Item # A		

NOTES:

- Dully filled ballot paper should be sent to the Chairman (Attention of the Company Secretary), B-1/A, S.I.T.E. Phase 1, Super Highway Industrial Area, Karachi 75340, or email at corporate@matcofoods.com.
- A copy of CNIC / Passport (in case of a foreigner) should be enclosed with the postal ballot form.
- Ballot paper should reach the Chairman within business hours by or before June 26, 2025, one day before the Extraordinary General Meeting. Any postal ballot received after this date / time, will not be considered for voting.
- The signature on the ballot paper should match with the signature on the CNIC.
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, or over-written poll paper will be rejected.
- In case of a representative of a body corporate, corporation, or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of the Board Resolution/Power of Attorney/Authorization Letter, etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
- Ballot paper form has also been placed on the website of the Company at: www.matcofoods.com. Members may download the ballot paper from the website or use an original/photocopy published in newspapers.

Shareholder / Proxy holder Signature/Authorized Signatory

(In case of corporate entity, please affix company stamp)

Date: _____



MATCO FOODS LIMITED

Statement under Section 134(3) of the Companies Act, 2017 concerning the Special Business to be transacted at the Extraordinary General Meeting of Matco Foods Limited

The Board of Directors of Matco Foods Limited (the “**Company**”), vide resolutions passed through circulation on May 23, 2025, has resolved to enter into an arrangement with its wholly owned subsidiary, Matco Corn Products (Private) Limited (“**MCPPL**”), which shall be carried out, and effectuated, in terms of the Scheme of Arrangement between the companies and their respective members, dated May 23, 2025 (the “**Scheme of Arrangement**”) under Sections 279 to 283 and 285(8) of the Companies Act, 2017.

Capitalized terms, unless defined herein, shall have the meanings ascribed thereto in the Scheme of Arrangement.

Subject to the sanction of the High Court of Sindh at Karachi, under the Scheme of Arrangement, a corporate restructuring / reorganization of the Company shall be carried out, in terms of which, *inter alia*, the business / undertaking of the Company shall be demerged / bifurcated into two segments / undertakings i.e. the Corn Starch Undertaking and the Retained Undertaking. Simultaneously, the Corn Starch Undertaking shall be merged, by way of amalgamation, with and into MCPPL, by transfer to and vesting in MCPPL the specific assets, rights, liabilities, benefits, powers, contracts, authorizations, bank accounts, authorizations, obligations, dues etc. comprising the Corn Starch Undertaking (as detailed in the Scheme of Arrangement) (the “**Proposed Arrangement**”), with effect from the start of business at 00:00 hours on July 1, 2025, or at such other date stated by the Court (the “**Effective Date**”). Furthermore, the Retained Undertaking shall be retained by the Company.

The Proposed Arrangement detailed above, along with all ancillary and related matters thereto, shall be effective by way of the Scheme of Arrangement, in accordance with the provisions of Sections 279 to 283 and 285(8) of the Companies Act, 2017. The Scheme of Arrangement has been filed with the High Court of Sindh at Karachi vide Petition bearing J. C. M. No. 21 of 2025. Furthermore, in accordance with the directions of the High Court of Sindh, notice of the said petition has been provided to the registrar, Securities and Exchange Commission of Pakistan.

A copy of the Scheme of Arrangement is available for inspection to any person entitled to attend the Extraordinary General Meeting, at the registered office of the Company, situated at B-1/A, S.I.T.E. Phase 1, Super Highway Industrial Area, Karachi, free of cost during normal office hours. Copies of the same may also be obtained upon request by such persons from the registered office of the Company free of cost during normal office hours, or upon a request being made to the Company on the standard request form available on the Company’s website. Furthermore, the QR Code and web link to access, view and download the Scheme of Arrangement have been provided in the notice of the meeting circulated to the members of the Company.

The indicative assets, rights, liabilities, obligations etc. comprising the Corn Starch Undertaking and the Retained Undertaking are based on the audited special purpose financial statements of the Company for the half year ended December 31, 2024, which shall be updated for actuals (per line item) as on the Effective Date in accordance with the Scheme of Arrangement.

The objects and benefits of the Proposed Arrangement are also provided in detail in the Scheme of Arrangement. It may be noted that MCPPL is currently a wholly owned subsidiary of the Company; consequently, the Proposed Arrangement constitutes a corporate reorganization of group companies.

As part of the corporate reorganization, and in consideration of the Proposed Arrangement, MCPPL shall allot and issue an aggregate of 121,513,981 (One Hundred Twenty One Million Five Hundred Thirteen Thousand Nine Hundred Eighty One) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, to the Company, credited as fully paid up, at par, as detailed in the Scheme of Arrangement. The same has been approved by the Board of Directors of the respective companies based on the (i) audited special purpose financial statements of the Company for the half year ended December 31, 2024 (including the determination / break-up of the Corn Starch Undertaking); and (ii) calculations stated in the letter dated May 16, 2025, issued by Grant Thornton Anjum Rahman, under the net asset value approach. The said letter has been adopted by the Board of Directors of the respective companies.



MATCO FOODS LIMITED

The directors of the Company are interested in the Scheme of Arrangement to the extent of their respective directorships (including common directorships) and (direct and indirect) shareholdings in the Company and / or MCPPL (to the extent applicable). The effect of the Scheme of Arrangement on the interests of these directors does not differ from its effect on the like interests of other members, except as stated herein or under the Scheme of Arrangement.

The directors of the Company shall continue as the directors after the arrangement (subject to their ceasing to be directors prior to the completion of the Proposed Arrangement).

In view of the above, the Board of Directors of the Company have approved and recommended the Scheme of Arrangement, along with the arrangements stipulated thereunder which have been described above.

Statement under Section 281 of the Companies Act, 2017 concerning the Special Business

The statement setting forth the terms of the Scheme of Arrangement and explanation of its effects, including the interests of the directors of the Company and the effect of those interests and other ancillary information may be obtained upon request by any person entitled to attend the Extraordinary General Meeting from the registered office of the Company situated at B-1/A, S.I.T.E. Phase 1, Super Highway Industrial Area, Karachi, free of cost during normal office hours.

The aforesaid statement is also enclosed along with the notice of the Extraordinary General Meeting.



MATCO FOODS LIMITED

**STATEMENT UNDER SECTION 281(1)(A) OF THE COMPANIES ACT, 2017, ACCOMPANYING THE NOTICES TO
THE MEMBERS AND SECURED CREDITORS OF MATCO FOODS LIMITED**

Pursuant to the Order dated June 3, 2025, passed by the Honourable High Court of Sindh at Karachi in Civil Miscellaneous Application No. 3231 of 2025, in Petition bearing J. C. M. No. 21 of 2025, under Sections 279 to 283 and 285(8) of the Companies Act, 2017, the Court has directed, *inter alia*, that separate meetings of the members and secured creditors of Matco Foods Limited (the “**Company**”) be convened for seeking approval with respect to the Scheme of Arrangement dated May 23, 2025 (the “**Scheme of Arrangement**”), pertaining to the corporate restructuring / reorganization of the Company, involving, *inter alia*, the bifurcation / separation of the Company into two segments / undertakings i.e. the Corn Starch Undertaking and the Retained Undertaking, and the merger, by way of amalgamation, of the Corn Starch Undertaking with and into the Company’s wholly owned subsidiary i.e. Matco Corn Products (Private) Limited (“**MCPPL**”), by transfer to and vesting in MCPPL the specific assets, rights, liabilities, benefits, powers, contracts, authorizations, bank accounts, authorizations, obligations, dues etc. comprising the Corn Starch Undertaking (the “**Proposed Arrangement**”), along with all ancillary matters thereto, as approved by the Board of Directors of the Company on May 23, 2025.

Capitalized terms, unless defined herein, shall have the meanings ascribed thereto in the Scheme of Arrangement.

For persons entitled to attend the respective meetings, a copy of the Scheme of Arrangement (along with its annexures) may be obtained from the registered office of the Company, situated at B-1/A, S.I.T.E. Phase 1, Super Highway Industrial Area, Karachi, free of cost during normal business hours, or upon a request being made to the Company on the standard request form available on the Company’s website. Furthermore, the QR Code and web link to access, view and download the Scheme of Arrangement have been / shall be provided in the notices of the respective meetings circulated / to be circulated to the members and secured creditors of the Company.

The notices issued and published to the members of the Company are for the purpose of convening a meeting of the members of the Company, as directed by the Court, for the purpose of passing, *inter alia*, the following resolution for obtaining approval in respect of the Scheme of Arrangement and the Proposed Arrangement contemplated thereunder, along with ancillary matters:

“RESOLVED THAT the Scheme of Arrangement dated May 23, 2025, prepared under the provisions of Sections 279 to 283 and 285(8) of the Companies Act, 2017, for the corporate restructuring / reorganization of Matco Foods Limited, involving, inter alia, the bifurcation / separation of Matco Foods Limited into two segments / undertakings (i.e. the Corn Starch Undertaking and the Retained Undertaking), and the merger, by way of amalgamation, of the Corn Starch Undertaking with and into Matco Corn Products (Private) Limited, along with all ancillary matters thereto, placed before the meeting for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required, or conditions imposed by the High Court of Sindh at Karachi, subject to sanction by the High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017.”

As required under Section 279(2) of the Companies Act, 2017, the above resolution is required to be passed at the meeting of the members convened pursuant to the Order of the Court, by a majority representing three-fourths in value of the issued shares held by the members of the Company, present in person or by proxy, and voting at the Extraordinary General Meeting. The sanctioning of the Scheme of Arrangement and the making of other appropriate orders in connection therewith will be considered by the Court after the Scheme of Arrangement is approved as aforesaid.

In the manner prayed in terms of the application filed with the Court, Mr. Faizan Ali Ghori, or in his absence, any other director of the Company, shall chair the meeting of the members. Furthermore, the Court has directed the Chairman to submit the report with respect to the meeting with the Court.

The notices issued / to be issued to the secured creditors of the Company are for the purpose of convening a meeting of the secured creditors of the Company, as directed by the Court, for the purpose of obtaining their approval in respect of the Scheme of Arrangement and the Proposed Arrangement contemplated thereunder. With respect to the secured creditors of the Company, under Section 279(2) of the Companies Act, 2017, the



MATCO FOODS LIMITED

Scheme of Arrangement is required to be approved by three-fourths of the creditors (in value) present and voting at the meeting of the secured creditors (through their authorized representatives).

In the manner prayed in terms of the application filed with the Court, Mr. Ali Asghar or, in his absence, Mr. Danish Ahmed, shall chair the meeting of the secured creditors. Furthermore, the Court has directed the Chairman to submit the report with respect to the meeting with the Court.

The Scheme of Arrangement is subject to the sanction of the Court and may be sanctioned in its present form or with any modification thereof or addition thereto as the Court may approve and the Scheme, with such modification or addition if any, is also subject to any conditions which the Court may impose. The respective Boards of Directors of the Company and MCPPL have the power (in the manner specified under the Scheme of Arrangement) to consent on behalf of all concerned to any modifications of, or additions to, the Scheme of Arrangement, or to any conditions which the Court may think fit to impose.

The Scheme of Arrangement has been filed with the High Court of Sindh at Karachi vide Petition bearing J. C. M. No. 21 of 2025. Furthermore, in accordance with the directions of the High Court, notice of the said petition has been provided to the registrar, Securities and Exchange Commission of Pakistan.

Companies involved in the Scheme of Arrangement

Matco Foods Limited

The Company is a public company, the shares of which are listed on the Pakistan Stock Exchange Limited. It was incorporated as Matco Rice Processing (Private) Limited, a private company limited by shares, on April 14, 1990. Subsequently, its name was changed to Matco Foods (Private) Limited on March 30, 2015. Finally, the status of the Company changed from a private company to a public company with effect from July 25, 2017.

The Company has an authorized share capital of PKR 2,000,000,000/- (Pak Rupees Two Billion), divided into 200,000,000 (Two Hundred Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, out of which 122,400,698 (One Hundred Twenty Two Million Four Hundred Thousand Six Hundred Ninety Eight) ordinary shares have been issued, fully subscribed to and paid up.

The principal activity of the Company is to carry out the business of processing and export of rice, rice glucose, rice protein and pink salt, masala and kheer, as well as corn starch.

Matco Corn Products (Private) Limited

MCPPL is a private company limited by shares. It has an authorized share capital of PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million), divided into 150,000,000 (One Hundred Fifty Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, out of which 10,000 (Ten Thousand) ordinary shares have been issued, fully subscribed to and paid up. Currently, MCPPL is the wholly owned subsidiary of the Company (including through its nominees).

The principal line of business of MCPPL is to, *inter alia*, produce, store, and process corn and other agricultural products to create value-added products for human nutrition ingredients, animal nutrition ingredients and general industrial purposes. MCPPL has not commenced operations to date, and has been incorporated for the purposes of the Proposed Arrangement.

Brief of the Scheme of Arrangement

Summary and Objective

The principal object of the Scheme of Arrangement is, *inter alia*, to effect the Proposed Arrangement, as further detailed in the Scheme of Arrangement, with effect from the start of business at 00:00 hours on July 1, 2025 or at such other date stated by the Court (the “**Effective Date**”), by transfer to and vesting in MCPPL the specific assets, rights, liabilities, benefits, powers, contracts, authorizations, bank accounts, authorizations, obligations, dues etc. comprising the Corn Starch Undertaking (as detailed in the Scheme of Arrangement) with effect from



MATCO FOODS LIMITED

the Effective Date, without any further act or deed or documents being required to be executed, registered or filed in respect of such transfer, vesting, and / or assumption, in the manner stipulated under the Scheme of Arrangement. The Retained Undertaking shall remain with the Company.

Accordingly, subject to the sanction of the Scheme of Arrangement by the Court, as of the Effective Date and thereafter, until the Corn Starch Undertaking is actually transferred to and vested in MCPPL, and all mandatory regulatory or third party related formalities, if any, required to be separately completed are fulfilled / completed, in terms of the Scheme of Arrangement, the business of the Company, to the extent of the Corn Starch Undertaking, will be deemed to have been carried for and on account and for the benefit of MCPPL.

The indicative assets, rights, liabilities, obligations etc. comprising the Corn Starch Undertaking and the Retained Undertaking, as detailed in the pro forma split balance sheet (attached as Annexure A to the Scheme of Arrangement), are based on the audited special purpose financial statements of the Company for the half year ended December 31, 2024, which shall be updated for actuals (per line item) as on the Effective Date in accordance with the Scheme of Arrangement.

Benefits

The respective directors of the Company and MCPPL have considered it prudent and beneficial to carry out the Proposed Arrangement for the reasons and benefits stipulated in the Scheme of Arrangement. Among other benefits as are also elaborated in detail in the Scheme of Arrangement, the Proposed Arrangement is expected to result in facilitation of the objectives of long term growth and expansion for each of the companies as the separation of business segments will also allow the Company and MCPPL to direct their efforts towards the applicable segments, thus providing greater stability and allowing the respective companies to thrive in growing markets which will benefit the companies and, consequently, the shareholders. Since the Company's corn starch division is distinct from the rest of the Company's operations and business, the same can be managed, developed and operated independently and efficiently. Furthermore, each company shall benefit from a greater distribution of risk of carrying out business, since any loss, damage, market variation and / or other potential risks arising out of any adverse and uncertain operating environment with respect to one business segment will not necessarily undermine or have a detrimental impact on the other, alongside being able to using the facilities and managements available to the companies more effectively, including enhancing quality assurance, optimization of asset utilization, focussed marketing and sales activities, improving financial planning and long-term strategic goals, and benefiting from greater cost savings and investment potential.

Consideration

As part of the corporate reorganization, and in consideration of the Proposed Arrangement, MCPPL shall allot and issue an aggregate of 121,513,981 (One Hundred Twenty One Million Five Hundred Thirteen Thousand Nine Hundred Eighty One) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, to the Company, credited as fully paid up, at par, as detailed in the Scheme of Arrangement. The same has been approved by the Board of Directors of the respective companies based on the (i) audited special purpose financial statements of the Company for the half year ended December 31, 2024 (including the determination / break-up of the Corn Starch Undertaking); and (ii) calculations stated in the letter dated May 16, 2025, issued by Grant Thornton Anjum Rahman, under the net asset value approach. The said letter has been adopted by the Board of Directors of the respective companies.

General

All information / particulars with respect to the Proposed Arrangement and matters in respect thereof, including all ancillary matters thereto, are provided in detail in the Scheme of Arrangement, including details of the companies, the objects and benefits of the entire arrangement, consideration related matters, books of accounts, treatment of employees and arrangements with respect to the secured creditors of the Company.

As a consequence of the Proposed Arrangement, both companies shall continue to exist as independent entities without either company being wound up, in the manner prescribed under the Scheme of Arrangement.


MATCO FOODS LIMITED

**Summary of Operating and Financial Performance of the Company
(previous 5 years and current year up to the last half year)**

Statement of Financial Position	Dec-24 Rs.	Jun-24 Rs.	Jun-23 Rs.	Jun-22 Rs.	Jun-21 Rs.	Jun-20 Rs.
Property, Plant & Equipment	11,060,363,361	11,419,860,903	7,741,823,327	6,569,614,069	4,907,931,000	4,938,035,706
Right-of-use assets	429,529,702	239,635,175	243,532,862	235,566,923	171,532,871	159,940,356
Other Non-Current Assets	76,291,257	75,291,257	82,786,587	79,497,189	71,904,991	68,160,785
Current Assets	18,870,578,460	15,804,287,662	12,978,763,862	10,196,123,844	8,701,828,176	8,670,146,539
Total Assets	30,436,762,780	27,539,074,997	21,046,906,638	17,080,802,025	13,853,197,038	3,836,283,386
Shareholders' Equity	10,225,371,614	9,987,621,860	7,484,145,951	7,058,380,142	6,651,118,485	6,768,047,701
Non-Current Liabilities	2,537,929,044	2,628,706,315	2,245,977,168	2,009,748,012	842,009,080	725,378,333
Current Liabilities	17,673,462,122	14,922,746,822	11,316,783,519	8,012,673,871	6,360,069,473	6,342,857,352
Total Shareholders' Equity & Liabilities	30,436,762,780	27,539,074,997	21,046,906,638	17,080,802,025	13,853,197,038	13,836,283,386

Statement of Comprehensive Income	Dec-24 Rs.	Jun-24 Rs.	Jun-23 Rs.	Jun-22 Rs.	Jun-21 Rs.	Jun-20 Rs.
Net Sales	12,936,528,132	27,695,667,805	19,985,401,101	12,375,920,766	10,556,620,789	11,289,961,893
Gross Profit	1,758,596,367	3,171,022,003	2,453,255,548	1,319,816,985	647,193,023	1,015,989,929
Operating Profit	1,122,463,369	1,898,802,347	1,533,570,178	734,076,453	151,507,596	537,599,696
Profit Before Taxation	303,747,308	(68,314,773)	763,805,022	531,147,111	19,553,475	238,508,671
Profit for the year	238,300,020	(262,465,876)	555,618,021	422,415,968	(60,866,709)	151,928,178

The latest annual audited financial statements of the Company for the year ended June 30, 2024 are available on its website, which contains the summarized operating and financial performance as well as details about company specific risk factors.

Furthermore, the QR Code and web link to access, view and download the special purpose financial statements of the Company audited for the half year ended December 31, 2024 have also been / shall be provided in the notices of the respective meetings circulated / to be circulated to the members and secured creditors of the



MATCO FOODS LIMITED

Company. The same are available for inspection to any person entitled to attend the respective meetings, at the registered office of the Company, free of cost during normal office hours. Copies of the same may also be obtained upon request by such persons from the registered office of the Company, free of cost during normal office hours, or upon a request being made to the Company by such persons on the standard request form available on the Company's website.

Potential Risk Factors with respect to the Amalgamation

The Board of Directors of the Company do not foresee potential risks arising as a result of the Proposed Arrangement itself, and are of the view that the same is likely to enhance shareholder value as well as future returns for the members.

Information pertaining to the Creditors of the Company

In accordance with the provisions of the Scheme of Arrangement, as of the Effective Date, all the liabilities and obligations of the Company, to the extent relevant to the Corn Starch Undertaking, including the liabilities and obligations towards the secured creditors of the Company with respect to the Corn Starch Undertaking (as identified in the Scheme of Arrangement), shall immediately, and without any further act or deed, be assumed by and become the liabilities and obligations of MCPPL, which shall pay, undertake, satisfy, discharge and perform, when due, all such liabilities and obligations. The obligations and liabilities with respect to the Retained Undertaking shall continue to vest with the Company.

Furthermore, the Scheme of Arrangement details the arrangements going forward with respect to the charges / encumbrances existing in favour of the Company's secured creditors over the assets comprising the Corn Starch Undertaking and the Retained Undertaking, including the continuing nature of the security. Approval by the members of the Company to the Scheme of Arrangement shall constitute approval for all matters thereunder, including by way of special resolution for the provision / continuity of security in the manner contemplated in Article 6.3(iv) of the Scheme of Arrangement.

Material Interests of Directors (if any)

The respective directors of the Company and MCPPL are interested in the Scheme of Arrangement to the extent of their respective directorships (including common directorships) and (direct and / or indirect) shareholdings in the said companies (to the extent applicable). The effect of the Scheme of Arrangement on the interests of these directors does not differ from its effect on the like interests of other members, except as stated herein or under the Scheme of Arrangement.

Furthermore, subject to the sanction of the Scheme of Arrangement, the respective directors of the Company and MCPPL are expected to continue as the directors of the respective companies, subject to compliance with the applicable laws.

Muhammad Noman Ansari
Company Secretary
MATCO FOODS LIMITED

Karachi

Dated: June 5, 2025

SCHEME OF ARRANGEMENT

**UNDER SECTIONS 279 TO 283 AND 285(8) OF
THE COMPANIES ACT, 2017**

INVOLVING

MATCO FOODS LIMITED

AND ITS MEMBERS

AND

MATCO CORN PRODUCTS (PRIVATE) LIMITED

AND ITS MEMBERS

FOR

The separation / de-merger of certain assets, liabilities, obligations and undertakings from Matco Foods Limited and the merger / amalgamation of the same with and into Matco Corn Products (Private) Limited, involving, *inter alia*, a corporate restructuring of the said group companies and their members, along with all ancillary matters.

SCHEME OF ARRANGEMENT

UNDER SECTIONS 279 TO 283 AND 285(8) OF THE COMPANIES ACT, 2017

BETWEEN

MATCO FOODS LIMITED, a public company limited by shares and listed on the Pakistan Stock Exchange Limited, incorporated and existing under the laws of Pakistan and having its registered office at B-1/A, S.I.T.E. Phase 1, Super Highway Industrial Area, Karachi (hereinafter referred to as "**Matco**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

MATCO CORN PRODUCTS (PRIVATE) LIMITED, a private company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at Plot No. 8-C (3rd and 4th Floors), Shahbaz Lane No. 2, Phase VI, D.H.A., Karachi (hereinafter referred to as "**MCPPL**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

THEIR RESPECTIVE MEMBERS.

RECITALS

WHEREAS by this Scheme of Arrangement ("**Scheme**"), it is, *inter alia*, proposed that:

1. The undertaking, comprising the Assets, Liabilities and Obligations, of Matco shall be split into 2 (two) separate segments i.e. the Corn Starch Undertaking and the Retained Undertaking.
2. The segment, comprising all the Assets, Liabilities and Obligations, pertaining to the Corn Starch Undertaking shall be carved out and, as at the Effective Date, stand merged with, transferred to, vested in, and be assumed by MCPPL.
3. As consideration for the above, it is proposed that MCPPL Shares shall be issued to Matco in accordance with this Scheme.
4. Upon the merger and transfer of the Corn Starch Undertaking to MCPPL in the manner prescribed under this Scheme, Matco shall continue to own and operate the Retained Undertaking, while the Corn Starch Undertaking shall vest in MCPPL, and both the companies shall continue to exist as independent companies without either company being wound up.
5. This Scheme, if approved through a resolution by the requisite majority of the respective members of Matco and MCPPL, along with the requisite majority of creditors (as may be applicable), and sanctioned by the Court by an order passed in this respect, is to be binding on Matco and MCPPL along with all the members, creditors, employees, Customers, contracting parties, governments, tax and regulatory / statutory authorities, bodies and departments of, or with respect to, Matco and MCPPL (as applicable) respectively.

BENEFITS OF THIS SCHEME

A. Arrangement Between Matco, MCPPL and their Respective Members

The Amalgamation shall allow Matco and MCPPL (being the holding company and the wholly owned subsidiary company respectively) to effectuate the arrangement envisaged by the parties, including the companies and their respective members, through the provisions of sections 279 to 283 and 285(8) of the Act, in a seamless and tax efficient manner.

B. Separation of Businesses of Matco being Distinct in Nature

The corn starch business division / segment of Matco, which commenced in 2021, is entirely distinct from the rest of Matco's business and operations, comprising processing and export of rice, rice glucose, rice protein, pink salt, masala and kheer; in fact, the assets related to the corn starch segment are located in a different facility and serve a distinct business line that does not overlap with the core rice operations of Matco, including from an operational perspective. Furthermore, the corn starch division also follows an independent business plan and separate strategies from the rest of Matco's operations.

Since each of the business undertakings / segments of Matco are different from one another, it is prudent and beneficial to separate these segments so that the same can be managed, operated and developed independently and effectively. Furthermore, by separating the business segments (pursuant to the Amalgamation), the individual companies shall have unique identities and a more focussed business and customer base.

C. Objectives of Long Term Growth and Expansion

Separation of the Corn Starch Undertaking from Matco, and merger of the same with and into MCPPL, will allow the management of MCPPL to focus on the business segment intended to be carried out by it, resulting in better performance of the same. The management of MCPPL shall be able to apply their skills and experience towards the long term growth of MCPPL and even potentially expand the business, which will ultimately benefit the stakeholders of Matco. The separation of the business segments will also allow Matco and MCPPL to direct their efforts towards the applicable segments, thus providing greater stability and allowing the respective companies to thrive in growing markets which will benefit the shareholders and the companies.

D. Distribution of Risk

The separation of the Corn Starch Undertaking from Matco, and the amalgamation of the same with and into MCPPL, shall distribute the risk of carrying on business. Subsequent to the Amalgamation, loss, damage, market variation and / or other potential risks arising out of any adverse and uncertain operating environment with respect to one business segment will not necessarily undermine or have a detrimental impact on the other. This shall provide greater stability to each company and protection to the shareholders of Matco.

E. Specialization

The Amalgamation would allow each of Matco and MCPPL to focus on, and specialize in, their respective businesses / segments, using the facilities and managements available to the companies more effectively, including enhancing quality assurance, optimization of asset utilization, focussed marketing and sales activities, improving financial planning and long-term strategic goals, potentially making them leading market suppliers, which is expected result in greater revenue.

At the same time, since Matco will continue to be the holding company of MCPPL (as a consequence of this Scheme), it will still be in a position to oversee, supervise and control the business and operations of MCPPL (to the extent applicable), while the management of MCPPL shall operate the businesses on a regular basis. This structure would result in the businesses being managed and carried out in a more effective and efficient manner, thus benefitting Matco's shareholders.

F. Preferable for Investors

Business strategies involving the specialization of fields, particularly where the business segments have potential and / or are large enough to diversify and expand within the field, are also more attractive to investors which may potentially result in more equity and growth for the respective companies (and ultimately benefit Matco and its shareholders). This will benefit the shareholders of Matco, including in the event that investors are introduced to invest in the shares of MCPPL (including through sale of the same).

G. Cost Savings

The Amalgamation would enable Matco and MCPPL, and their shareholders, to save costs under the applicable laws while effectuating the envisaged arrangements.

NOW THEREFORE, this Scheme is presented as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

- 1.1. In this Scheme, including in the recitals and benefits above, unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them below:

"Act" means the Companies Act, 2017;

"Amalgamation" shall have the same meaning as prescribed thereto in Article 2.1;

"Annexure A" is the annexure attached hereto which contains the pro forma split balance sheet of Matco, indicative as at the Determination Date, illustrating / detailing the break-ups of the Corn Starch Undertaking and Retained Undertaking, inclusive of certain notes, which is to be updated as on the Effective Date in accordance with the provisions of this Scheme;

"Annexure B" is the annexure attached hereto which lists the current members of the Board of Directors of Matco;

"Annexure C" is the annexure attached hereto which lists the current members of the Board of Directors of MCPPL;

"Annexure D" is the annexure attached hereto which lists the current Corn Starch Undertaking Employees;

"Annexure E" is the annexure attached hereto containing the Letter;

"Assets" mean assets, properties and rights of every description and kind (whether present or future, actual or contingent, tangible or intangible) and includes properties held on trust and benefit of securities obtained from Customers, benefits, interests, powers, rights, authorities, privileges, contracts, Government consents, Government subsidies, tax refunds / credits, tax protections, remissions and exemptions (including holding period of such assets and liabilities along with all the rights attached and accrued thereto including, but not limited to, equity-based tax credits for unexpired periods), sanctions and authorizations, including all registrations, licences, certifications, approvals, Claims, no objection certificates / letters, permits, categories, exemptions, quotas, entitlements, sanctions, empowerments, dispensations, charters, immunities, grants, prerogatives, permissions and benefits relating to the business / company, all trademarks, patents, copyrights, intellectual property rights (whether registered or not), licences, liberties, secret processes, know-how, good-will, data and confidential information belonging / pertaining to a company. Without in any way limiting or prejudicing the generality of the foregoing, it is hereby clarified that the term 'Assets' shall include: (i) all properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated belonging to a company, as well as equity, stocks, debentures, bonds, rights under

futures, options, derivative contracts, commodities etc. (and all rights, titles, interests and easements associated therewith); (ii) all inventory, stock-in trade, raw materials, ingredients, packaging, consignments from shipments, consumable stores, plant, machinery, equipment, furniture and fixtures, work-in-progress, computer hardware and software, software applications and licences, motor vehicles, office and laboratory equipment and supplies, appliances and accessories, spare parts and tools; (iii) all Claims, choses-in-action, instruments, decretal amounts, bank and other accounts, cash balances, goodwill, revaluation surplus, reserve funds, revenue balances, investments, interest / profit / dividends accrued on investments, loans, advances, guarantees, deposits, prepayments, receivables, book debts, trade debts and all other rights and interest in and arising out of such property in the ownership, possession, power or control of a company, whether legal or beneficial, whether within or out of Pakistan; (iv) all books of accounts, registers, records, information, data, documents of title, reports, policies, surveys, research, advertising or other promotional material, and all other documents of whatever nature relating thereto, in every form; (v) all benefits and rights under Contracts, including rights under or relating to Contracts; (vi) all the utility connections, equipment, installations and facilities for telecommunications, electricity, gas, water, sewerage and other installations, owned by, or leased or licensed to, a company (including related deposits); (vii) the Contingent Claims, tax credits / carry forward losses and proceeds realized from the Liquidation of the Contingent Claims; (viii) unadjusted tax receivables / losses and tax refunds; (ix) sales tax carry forward balance and sales tax refunds; (x) any subsidy receivable claims; and (xi) registrations, approvals, certifications and licences with / from any and all regulatory authorities and bodies, the Federal Board of Revenue, Provincial Boards of Revenue, including in respect of income tax, sales tax, excise duty and otherwise;

“CDC” means the Central Depository Company of Pakistan Limited;

“CDS” means the Central Depository System (an electronic book entry system for the recording and transfer of securities, established under the Central Depositories Act, 1997 and maintained by the CDC);

“Claim” means claim, counter-claim, demand or cause of action and includes a Contingent Claim;

“Contingent Claims” means any potential Claim that a company may have against any person prior to the Effective Date which may not be disclosed or reflected as part of its Assets on its books or records;

“Contracts” means any contracts, agreements, deeds, instruments, insurance policies, letters or undertakings of every description, creating any obligations enforceable against the parties thereto, including any finance agreements;

“Corn Starch Undertaking” means all the Assets, Liabilities and Obligations of Matco, which are to be demerged from Matco and merged with and into MCPPL, as more specifically ascertained in terms of the pro forma indicative split balance sheet of Matco, appearing in Annexure A (along with all related and incidental Assets, Liabilities and Obligations in respect thereof), which shall be updated as on the Effective Date in accordance with the provisions of this Scheme;

“Corn Starch Undertaking Employees” means all the employees of Matco who are employed wholly or principally for the purposes of the business segment pertaining to the Corn Starch Undertaking immediately prior to the date of sanction of this Scheme, or the Effective Date, whichever is later, the current list of which is stipulated in Annexure D;

“Court” means the High Court of Sindh at Karachi, or any other Court / authority for the time being having jurisdiction under the Act in connection with the arrangements under this Scheme (including the Amalgamation);

“Customer” means any person having entered into a transaction, arrangement or other dealing with a company;

“Determination Date” means the close of business at 23:59 hours on December 31, 2024;

“Effective Date” shall have the same meaning as prescribed thereto in Article 3.1;

“existing” means existing, outstanding or in force immediately prior to the Effective Date (unless stated otherwise);

“Letter” means the letter dated May 16, 2025, issued by Grant Thornton Anjum Rahman to the respective Board of Directors of Matco and MCPPL, attached hereto as Annexure E, pertaining to the Amalgamation and ancillary matters thereto, including the issuance of the MCPPL Shares;

“Liabilities and Obligations” includes all borrowings, liabilities, duties, commitments and obligations of every description (whether present or future, actual or contingent) arising out of any Contract, law or otherwise whatsoever, and all Securities, and the term **“Liabilities”** and **“Obligations”** are used interchangeably and / or in conjunction with each other;

“Liquidation” means the release, compromise, satisfaction, settlement or reduction to judgment of any Claim by a competent court of law;

“Matco” shall have the meaning as prescribed in the Preamble above;

“MCPPL” shall have the meaning as prescribed in the Preamble above;

“MCPPL Shares” means the ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, in the share capital of MCPPL;

“Retained Undertaking” means all the Assets, Liabilities and Obligations of Matco, excluding the Corn Starch Undertaking, which shall be retained by Matco (as also identifiable in terms of the pro forma split balance sheet of Matco appearing in Annexure A (along with all related and incidental Assets, Liabilities and Obligations in respect thereof), which shall be updated as on the Effective Date in accordance with the provisions of this Scheme);

“Scheme” means this Scheme of Arrangement, in its present form with any modifications thereof or additions thereto, approved or with any conditions imposed by the Court; and

“Security” or “Securities” means interest, right or title in and to any and all mortgages, encumbrances or charges (whether legal or equitable), debenture, bill of exchange, promissory note, guarantee, lien, pledge (whether actual or constructive), hypothecation, assignment by way of security, right of set-off, undertaking or other means of securing payment or discharge of any Liabilities and Obligations.

1.2. In this Scheme, unless specified otherwise:

- (i) the headings in this Scheme are for convenience only and shall not affect the construction or interpretation thereof;
- (ii) a reference to any legislation or legislative provision includes any statutory modification of, or re-enactment of, or legislative provision substituted for, and any subordinate legislation under that legislation or legislative provision;
- (iii) a reference to any agreement or document is to that agreement or document and, where applicable, any of its provisions, as amended, novated, restated or replaced from time to time;
- (iv) a reference to an Article or Annexure is to an article or annexure of or to this Scheme;
- (v) words denoting the singular shall include the plural and vice versa;
- (vi) a reference to a person includes a company, firm, trust, authority or government and vice versa;
- (vii) a reference to any person includes that person’s executors, administrators, successors, legal heirs, and permitted assigns;
- (viii) “including” and “include” shall be deemed to mean “including, without limitation” and “include, without limitation”; and
- (ix) the word “hereof”, “herein”, “hereto” and “hereunder” and words of similar import when used, with the required linguistic and / or grammatical derivation, in this Scheme refer to this Scheme as a whole and not to any particular provision thereof.

ARTICLE 2

OBJECTS OF THE SCHEME

- 2.1. The principal object of this Scheme is to separate / demerge the Corn Starch Undertaking from Matco and amalgamate the same with and into MCPPL, by transferring to, merging with and vesting in MCPPL the whole of the Corn Starch Undertaking, including all Assets, Liabilities and Obligations of the Corn Starch Undertaking, as of the Effective Date (the **“Amalgamation”**), against the allotment and issue of MCPPL Shares to Matco, in accordance with the provisions of this Scheme.

- 2.2. It is hereby clarified that although all of the above steps will take place on the same date (unless otherwise detailed in this Scheme), the same shall be deemed to be effective as of the Effective Date.
- 2.3. The Retained Undertaking shall not be transferred to or vest in MCPPL as a consequence of the Amalgamation / Scheme, and the same shall remain part of Matco after the Amalgamation.

ARTICLE 3

EFFECTIVE DATE

- 3.1. This Scheme shall become operative and bind Matco and MCPPL as soon as an order is passed by the Court under Sections 279 / 282 of the Act, sanctioning this Scheme and making the necessary provisions under Section 282 of the Act (along with other enabling provisions under the applicable laws). When this Scheme becomes operative upon its sanction, the Amalgamation (along with all other matters), in accordance with this Scheme, will be treated as having effect from the start of business at 00:00 hours on July 1, 2025, or such other date as may be stated by the Court (hereinafter referred to as the "Effective Date"). Each company shall file a certified copy of the order passed by the Court with the Registrar of Companies, Karachi in accordance with Section 279 of the Act.
- 3.2. Accordingly, as of the Effective Date and thereafter, until the Corn Starch Undertaking (including the Assets, Liabilities and Obligations thereof) is actually physically transferred to and vested in MCPPL, and all mandatory regulatory or third party related formalities, if any, required to be separately completed are fulfilled / completed, in terms of this Scheme, the business of Matco, to the extent of the Corn Starch Undertaking, will be deemed to have been carried for and on account and for the benefit of MCPPL.
- 3.3. All income, profits, gains and losses accruing or arising to, or incurred by, Matco (including any taxes paid or deducted or withheld), with respect to the Corn Starch Undertaking, from the Effective Date shall be treated as the income, profits, gains or losses (including any taxes paid or deducted or withheld), as the case may be, of MCPPL. Furthermore, the reserves, including un-appropriated profits and revaluation surplus of Matco, up to and immediately preceding the Effective Date, if any, to the extent allocated for the Corn Starch Undertaking, shall constitute and be treated as reserves / losses of a corresponding nature in MCPPL, and shall be accounted for on that basis in the books of account of MCPPL.

ARTICLE 4

CAPITAL

- 4.1. The authorized share capital of Matco is PKR 2,000,000,000/- (Pak Rupees Two Billion), divided into 200,000,000 (Two Hundred Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, out of which 122,400,698 (One Hundred Twenty Two Million Four Hundred Thousand Six Hundred Ninety Eight) ordinary shares have been issued, fully subscribed to and paid up.

- 4.2. The authorized share capital of MCPPL is PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million), divided into 150,000,000 (One Hundred Fifty Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, out of which 10,000 (Ten Thousand) ordinary shares have been issued, fully subscribed to and paid up.
- 4.3. It is hereby clarified that consequent upon this Scheme becoming effective, the authorized share capital of Matco and MCPPL shall remain unchanged.

ARTICLE 5

BOARD OF DIRECTORS

- 5.1. The current directors of Matco are listed in Annexure B.
- 5.2. The current directors of MCPPL are listed in Annexure C.
- 5.3. The respective directors of Matco and MCPPL are expected to continue as the directors of the respective companies after the Amalgamation / sanction of this Scheme, subject to compliance with the applicable laws and / or their ceasing to be directors in the meantime due to any reason(s) and appointments being made to the vacancies thus created and / or fresh elections being held prior to the sanction of this Scheme in compliance with applicable laws.
- 5.4. All the respective directors of Matco and MCPPL have interest in the Amalgamation to the extent of their respective directorships and (direct and / or indirect) shareholdings in the said companies (to the extent applicable). The effect of this Scheme on the interest of these directors does not differ from the respective interests of the members of each of Matco and MCPPL, except to the extent stipulated in this Scheme, if any. MCPPL is currently a wholly owned subsidiary of Matco i.e. all the shares of MCPPL are beneficially wholly owned by Matco (including through its nominees).

ARTICLE 6

AMALGAMATION

6.1. General Description

- (i) Subject to the sanction of this Scheme, and as of the Effective Date, the entire Corn Starch Undertaking shall be demerged / separated from Matco, as a going concern (without discontinuation) for the purpose of all laws, standards and conventions, and be amalgamated with, stand transferred to and vest in MCPPL upon the terms and conditions set forth in this Scheme without any further act, deed, matter or thing, process or procedure.
- (ii) MCPPL shall be able to carry out all the business with respect to the Corn Starch Undertaking and shall be entitled to all the rights and the benefits thereof.
- (iii) The Retained Undertaking shall be retained by Matco.

- (iv) In consideration of the Amalgamation, MCPPL shall allot and issue MCPPL Shares to Matco in accordance with Article 9.

6.2. Transfer of the Assets

- (i) As of the Effective Date, all the Assets comprised in the Corn Starch Undertaking, shall immediately, without any conveyance or transfer, and without any further act or deed, be vested in and become the undertaking and Assets of MCPPL, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by Matco prior to the Amalgamation.
- (ii) The vesting / transfer of the Assets comprising the Corn Starch Undertaking shall be subject to all Securities subsisting thereon (if any), including in the manner prescribed under this Scheme.
- (iii) It is clarified that any licences, permits, quotas, rights, permissions, certifications, concessions, privileges, sanctions, approvals, registrations, empowerments, dispensations, charters, immunities, grants, exceptions, entitlements etc. in relation to the business or undertaking of Matco, which are, or may be, applicable to the Corn Starch Undertaking and the Retained Undertaking (and the operations and business pertaining thereto), the benefit of which Matco may be eligible and which are subsisting or having effect immediately prior to the Effective Date, shall, from the Effective Date, continue to vest in Matco for the joint benefit, use and entitlement of Matco and MCPPL. The benefits, rights and entitlements with respect to the same (including the applicability thereof) shall be shared by Matco and MCPPL without any further act or deed till such time that the same expire, and are renewed or separately procured by the respective companies.
- (iv) As part of this Scheme, since the Corn Starch Undertaking (which shall vest in MCPPL) shall be treated as operating on a continuing basis, MCPPL shall be entitled to use the past performance history of Matco as MCPPL's past performance (i.e. the same shall be deemed to be MCPPL's past performance history as well as that of Matco, as though the same was jointly carried out by Matco and MCPPL) to, *inter alia*, enable MCPPL to apply for any Export Refinance Facility, Long Term Financing Facility, bond facilities, etc. as may be permitted.

6.3. Transfer of Liabilities and Obligations

- (i) As of the Effective Date, all the Liabilities and Obligations, to the extent relevant to the Corn Starch Undertaking, including the Liabilities and Obligations towards the secured creditors of Matco with respect to the Corn Starch Undertaking (as identified in this Scheme), shall immediately, and without any further act or deed, be assumed by and become the Liabilities and Obligations of MCPPL, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.
- (ii) It is clarified that the Corn Starch Undertaking comprises a portion of Matco's long-term secured financing, lease liabilities and short-term secured borrowing, as identified in Annexure A (and which shall be updated as on the Effective Date in

accordance with the provisions of this Scheme). Such financing arrangements (including all related Liabilities and Obligations) shall be demerged from Matco, and shall stand transferred to, vested in and assumed by MCPPL as part of the Amalgamation. Consequently, MCPPL shall be the obligor towards the relevant secured creditors with respect to such financing arrangements (i.e. the Liabilities and Obligations of Matco towards such secured creditors, to the extent of such financing arrangements, shall vest with MCPPL).

- (iii) Having said that, the Securities over the Assets comprising the Corn Starch Undertaking in favour of any secured creditors of Matco, if any, shall subsist, in the manner detailed in Article 6.12(iv), and continue to secure the relevant facilities availed by Matco (i.e. as they did prior to the sanction of this Scheme, and subject to the release / vacation thereof), as well as the relevant facilities of Matco that stand transferred to and vested in MCPPL (as part of the Corn Starch Undertaking) pursuant to this Scheme, including as third-party security. Approval to this Scheme by the members of MCPPL shall constitute requisite approval (by way of special resolution) under the applicable laws, including under Section 199 of the Act, for provision of such security in favour of the secured creditors of Matco on a continuing basis (till the same are released).
- (iv) Furthermore, the Securities over the Assets comprising the Retained Undertaking in favour of the secured creditors of Matco, if any, shall subsist and continue to secure the relevant facilities availed by Matco (i.e. as they did prior to the sanction of this Scheme, and subject to the release / vacation thereof), as well as the relevant facilities of Matco that stand transferred to and vested in MCPPL (as part of the Corn Starch Undertaking) pursuant to this Scheme, including as third-party security, in the manner detailed in this Scheme. Approval to this Scheme by the members of Matco shall constitute requisite approval (by way of special resolution) under the applicable laws, including under Section 199 of the Act, for provision of such security in favour of the secured creditors of MCPPL on a continuing basis (till the same are released).

6.4. MCPPL's Right to Execute Deeds

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Obligations and Liabilities with respect to the Corn Starch Undertaking may, if required, at any time be executed by officers and / or directors of MCPPL authorized in this regard.

6.5. References to Assets and Liabilities and Obligations

Any reference in this Scheme to Assets or Liabilities and Obligations comprised in the Corn Starch Undertaking is a reference to Assets or Liabilities and Obligations comprised in the Corn Starch Undertaking (and as determined in terms of this Scheme) to which Matco is for the time being entitled or subject to (whether beneficially or in any fiduciary capacity) immediately preceding the Effective Date, wherever such Assets or Obligations and Liabilities are situated or arise, and whether or not capable of being transferred or assigned to or by Matco under any applicable law or instrument.

6.6. Assets held in Trust, etc.

Any Asset comprised in the Corn Starch Undertaking which immediately before the Effective Date was held by Matco as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, as of the Effective Date, be held by MCPPL in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

6.7. Contracts

Every Contract to which Matco is a party, which pertains to the Corn Starch Undertaking, shall have effect as of the Effective Date as if:

- (i) MCPPL had been a party thereto instead of Matco; and
- (ii) For any reference (however worded and whether express or implied) to Matco therein shall stand substituted, as respects anything to be done as of the Effective Date, to a reference to MCPPL.

6.8. Bank Accounts

The accounts maintained by Matco, which pertain to the Corn Starch Undertaking, with any bank or financial institution, as detailed below (and / or as otherwise identified by Matco), shall, as of the date of sanction of this Scheme, but with effect from the Effective Date, become account(s) between MCPPL and such bank or financial institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall affect any right of MCPPL to vary the conditions or incidents subject to which any account is kept:

Name of Bank	Branch	Account Title	Account No.
MCB Bank Limited	FIEDMC Branch Sahianwala, Br. Code 1893	Matco Foods Limited	PK94 MUCB 0911 9916 8100 2043
Meezan Bank Limited	Chak Jhumra Branch, Br. Code 1260	Matco Foods Limited	PK08 MEZN 0012 6001 0683 5150
MCB Bank Limited	Circular Road Corp. Branch, Br. Code 0326	Matco Foods Limited	PK66 MUCB 0530 1301 5100 0385
Habib Bank Limited	Chak Jhumra Branch, Br. Code 0672	Matco Foods Limited	PK23 HABB 0006 7279 0118 1903

6.9. Instructions

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to Matco in writing (pertaining to the Corn Starch Undertaking) shall have effect, as of the Effective Date, as if given to MCPPL.

6.10. Negotiable Instruments

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, Matco, or payable at any place of business of Matco, whether so drawn, given, accepted or endorsed before, as of the Effective Date, with respect to matters comprising the Corn Starch Undertaking, shall have the same effect as of the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by MCPPL, or were payable at the place of business of MCPPL.

6.11. Custody of Documents

The custody of any document, record or goods held by Matco as bailee and duly recorded in their books that pass to Matco under any Contract of bailment relating to any such document, record or goods, which pertain to the Corn Starch Undertaking, shall, on the Effective Date, become rights and obligations of MCPPL.

6.12. Securities:

- (i) Any Security held immediately before the Effective Date by Matco or by a nominee or agent of or trustee for Matco, as security for the payment or discharge of any liability and obligation of a Customer, with respect to the Corn Starch Undertaking, shall, as of the Effective Date, be held by MCPPL, or, as the case may require, by that nominee, agent or trustee for MCPPL and be available to MCPPL (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability and obligation.
- (ii) In relation to any Security vested in MCPPL in accordance with provisions of this Scheme and any Liabilities and Obligations thereby secured, MCPPL shall be entitled to the rights and priorities to which Matco would have been entitled if they had continued to hold the Security.
- (iii) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities (pertaining to the Corn Starch Undertaking) shall, as of the Effective Date, be available to MCPPL (whether for its own benefit or as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances by or liabilities to, Matco or, as the case may be, MCPPL were secured thereby immediately before that time (to the extent applicable to the Corn Starch Undertaking).
- (iv) All Securities of any nature (whether legal or equitable) granted / created by Matco, over the Assets comprising the Corn Starch Undertaking, in favour of its secured creditors (including where the same have been (or shall, pursuant to this Scheme be) provided as third party security), if any, will continue to remain operative and effective as Securities in favour of such secured creditors (including to secure the financing arrangements vested in MCPPL pursuant to this Scheme) in the manner detailed below, unless the same have been vacated / released prior to the sanction of this Scheme. In this respect, upon the Amalgamation (and the sanction of this Scheme):

- (a) the *pari passu* Security holders of Matco, having Securities over the present and future Assets of Matco (excluding land and building), or any part or class thereof, forming part of the Corn Starch Undertaking, shall rank *pari passu* with the *pari passu* Security holders of MCPPL (if any), having Securities over the same (class of) present and future Assets (excluding land and building) of MCPPL;
- (b) the ranking Security holders of Matco, having ranking charges / Securities over the present and future Assets of Matco (excluding land and building), or any part or class thereof, forming part of the Corn Starch Undertaking, shall continue to be treated as ranking charges / Securities over the combined Assets (or same class thereof) of MCPPL. The ranking of such charges / Securities (including the ranking of Securities created by MCPPL in favour of its creditors, if any) shall be determined based on the date on which the same were registered with the Securities and Exchange Commission of Pakistan, irrespective of which company had created the same;
- (c) any first exclusive charge or Security interest, including by way of pledge, granted to a creditor of Matco, by Matco, over specific assets of Matco forming part of the Corn Starch Undertaking, will continue to remain and retain its priority over such specific Assets forming part of the Corn Starch Undertaking (which stand merged with and into MCPPL), notwithstanding the time of creation and registration of any other charge / Security; and
- (d) any mortgage over an immovable property of Matco forming part of the Corn Starch Undertaking (if any), granted in favour of a creditor of Matco, shall continue to remain as is (i.e. over such immovable property which stands transferred to and vested in MCPPL, as part of the Corn Starch Undertaking, upon the Amalgamation).

6.13. Legal Proceedings

Where by virtue of this Scheme any right, Claim or Liability of Matco pertaining to the Corn Starch Undertaking, becomes a right, Claim or Liability of MCPPL as of the Effective Date, MCPPL shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of MCPPL, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against Matco with respect to the Corn Starch Undertaking may be continued by or against MCPPL.

6.14. Judgments

Any judgment or award obtained by or against Matco with respect to the Corn Starch Undertaking and not fully satisfied before the Effective Date shall at that time, to the extent to which it is enforceable by or against Matco with respect to the Corn Starch Undertaking, become enforceable by or against MCPPL.

6.15. Evidence

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against Matco with respect to the Corn Starch Undertaking, shall be admissible in evidence in respect of the same matter for or against MCPPL.

6.16. Authorizations

Any authorizations / powers of attorney granted by Matco to any persons (and particularly the Corn Starch Undertaking Employees) with respect to matters pertaining to the Corn Starch Undertaking shall continue to subsist subsequent to the Amalgamation and shall be deemed to be authorizations / powers of attorney granted by MCPPL to such persons, until or unless otherwise revoked or modified by MCPPL.

6.17. Clarification

The provisions contained in Articles 6.2 to 6.16 above are without prejudice to the generality of any other provisions in this Scheme, but subject to any specific provision in this Scheme which expressly has the contrary effect.

ARTICLE 7

CERTAIN OBLIGATIONS AND REPRESENTATIONS

- 7.1. Upon the Amalgamation, MCPPL shall take all necessary and expedient steps to properly and efficiently manage the entire business pertaining to the Corn Starch Undertaking and affairs thereof, and shall operate and promote its entire business and affairs in the normal course.
- 7.2. Upon the sanction of this Scheme, but with effect from the Effective Date, MCPPL shall undertake, pay, satisfy, discharge, perform and fulfil the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of Matco with respect to the Corn Starch Undertaking.

ARTICLE 8

THE SCHEME'S EFFECT

- 8.1. The provisions of this Scheme shall be effective and binding by operation of law and shall become effective in terms of Article 3.
- 8.2. The execution and / or sanction of this Scheme, and the implementation of the Amalgamation, shall not: (i) constitute any assignment, transfer, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any Contract or Security (except to the extent stipulated in this Scheme); (iv) give rise to any right of first refusal or pre-emptive right that any person may have in respect of any investment made by such person in Matco and / or

MCPPL; and / or (v) constitute a contractual transfer, but instead a vesting by operation of law.

- 8.3. Without prejudice to the Amalgamation being effective on the Effective Date, in the event any further acts, deeds, matters or things, process or procedures are required to be fulfilled / completed by any regulatory authority or third party for the physical and practical commencement of the business of Matco, to the extent of the Corn Starch Undertaking, as a going concern by MCPPL, the same shall be treated as actions and deeds in pursuance, and for the purposes, of implementing this Scheme, and not as separate transactions of transfer or otherwise between Matco and MCPPL.
- 8.4. Upon the sanction of this Scheme, and with effect from the Effective Date, the terms of this Scheme shall be binding on Matco and MCPPL, and also on all the respective shareholders / members of Matco and MCPPL, the Customers of each of Matco and MCPPL, the creditors of the companies and on any other person having any right or liability in relation to either of them.
- 8.5. On the date of sanction of this Scheme, and with effect from the Effective Date, this Scheme will override the constitution / constitutive documents of the respective companies, to the extent of any inconsistency.

ARTICLE 9

CONSIDERATION FOR THE AMALGAMATION AND RELATED MATTERS

- 9.1. As consideration for the Amalgamation, MCPPL shall allot and issue an aggregate of 121,513,981 (One Hundred Twenty One Million Five Hundred Thirteen Thousand Nine Hundred Eighty One) MCPPL Shares to Matco, credited as fully paid up, at par, as approved by the Board of Directors of each of Matco and MCPPL, based on the (i) audited special purpose financial statements of Matco for the half year ended December 31, 2024 (including the determination / break-up of the Corn Starch Undertaking); and (ii) calculations as stated in the Letter, under the net asset value approach. The Letter has been adopted by the respective Board of Directors of each of Matco and MCPPL.
- 9.2. The allotment of the MCPPL Shares (in accordance with the provisions of this Article 9) shall be made by MCPPL within 45 (forty five) days from the date of sanction of this Scheme. The share certificates for such shares shall be made ready for delivery as soon as practicable thereafter and notices of their readiness for their delivery shall be given to Matco in the manner provided in the Articles of Association of MCPPL. Share certificates not collected within the time specified in any such notice shall be sent by post in prepaid envelopes addressed to Matco at its registered address. MCPPL shall not be responsible for loss of the share certificates in such transmission. Alternatively, in the event that the MCPPL Shares are or have been inducted in book entry form through the CDS, book entries relating to the MCPPL Shares to be issued in terms of this Article 9 shall be credited into the CDC account / sub-account of Matco. Such allotment / issuance shall be carried out in accordance with the rules and regulations of the CDC.

- 9.3. The MCPPL Shares, allotted and issued to Matco in accordance with the provisions of this Scheme, shall, in all respects, rank *pari passu* with the ordinary shares of MCPPL and shall be entitled to all dividends declared by MCPPL after the date of sanction of this Scheme.
- 9.4. The MCPPL Shares, to be issued by MCPPL in accordance with this Article 9, shall be recorded in the books of account of MCPPL at par value. As a consequence of the Amalgamation, where required, including to balance and adjust the books of MCPPL (and / or factor in any differential amount) as of the Effective Date, the shareholders' equity of MCPPL shall stand adjusted, as per the applicable legal and accounting framework, to take into account the carrying values of the net assets comprised in the Corn Starch Undertaking which shall vest in MCPPL pursuant to this Scheme.

ARTICLE 10

DETERMINATION / ILLUSTRATION OF THE UNDERTAKINGS

- 10.1. The Assets, Liabilities, and Obligations comprising the Corn Starch Undertaking and Retained Undertaking have been determined by the Board of Directors of Matco, and are based on the audited special purpose financial statements of Matco for the half year ended December 31, 2024.
- 10.2. A pro forma split balance sheet, indicative as at the Determination Date, has been prepared by Matco, attached hereto as Annexure A, which illustrates / details the break-ups of the Corn Starch Undertaking and Retained Undertaking, inclusive of certain notes.
- 10.3. The numbers / details / balances appearing in the pro forma split balance sheet of Matco, including the break-ups of the Corn Starch Undertaking and Retained Undertaking, shall be updated for actuals (per line item) as on the Effective Date (subject to the sanction of this Scheme). For the purposes of the same, a split / segment wise balance sheet shall be prepared by Matco with respect to the Assets, Liabilities and Obligations of Matco comprising each of the Corn Starch Undertaking and Retained Undertaking, as reflected in the books of accounts of Matco (maintained in accordance with the provisions of this Scheme) existing immediately prior to the Effective Date. For the purposes of the same, from the Determination Date, transactions / arrangements allocated / attributed to, or forming part of, an undertaking of Matco shall be recorded accordingly, and attributed / allocated to that respective undertaking as on the Effective Date.

ARTICLE 11

BOOKS OF ACCOUNT

- 11.1. On and from the Determination Date, Matco shall maintain separate books and accounts with respect to the Corn Starch Undertaking and Retained Undertaking (along with the books of accounts pertaining to Matco as a whole). The same shall be based on the separation of Assets, Liabilities and Obligations determined in accordance with this Scheme.

- 11.2. It is clarified that any Assets acquired / disposed subsequent to the Effective Date, including by way of trading, which are for the purposes of, or attributable to, the Corn Starch Undertaking, and are recorded in such manner in the separate books and accounts being maintained, shall form part of the Corn Starch Undertaking irrespective of the fact that the same are routed through Matco.

ARTICLE 12

EMPLOYEES

- 12.1. On and from the sanction of this Scheme, but with effect from the Effective Date (or from the Effective Date if the same occurs after the date of sanction of this Scheme), all full time officers and employees (including workmen) of Matco, comprising the Corn Starch Undertaking Employees existing on the Effective Date, shall become the employees of MCPPL (in lieu of their employment with Matco) at the same level of remuneration and under similar terms and conditions of service which they were receiving or, as the case may be, by which they were governed immediately before the Effective Date, including those relating to entitlements and benefits arising upon termination of services, on the basis of continuation of service (which shall be taken into account for the purposes of all benefits to which such Corn Starch Undertaking Employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits), except where the employment of any such person(s) is terminated (including pursuant to resignation or otherwise) prior to the sanction of this Scheme / Effective Date (whichever is later).
- 12.2. Matco's employees receive the benefit of a gratuity arrangement (based on terms and conditions of employment), which is unfunded in nature, and is provided for in the accounts of Matco. It is clarified that the determination of the Corn Starch Undertaking (vis-à-vis the Retained Undertaking) has factored in proportionate amounts of the gratuity arrangement (as at the Determination Date) relating to the Corn Starch Undertaking Employees (and which shall also stand vested in MCPPL).
- 12.3. Notwithstanding the list / details of the persons stipulated in Annexure D, subsequent to the sanction of this Scheme or the Effective Date, whichever is later, the Board of Directors of Matco shall finalize the list of the Corn Starch Undertaking Employees, and communicate the same to MCPPL, which shall be final. Accordingly, the quantum of the proportionate amounts of the gratuity arrangement allocated between the Corn Starch Undertaking and the Retained Undertaking shall also stand updated as part of the exercise under Article 10.3.

ARTICLE 13

GENERAL

13.1. Modifications by the Court

This Scheme shall be subject to such modification of conditions, as the Court may deem expedient to impose. The Board of Directors of Matco and MCPPL respectively may consent to any modifications or additions to this Scheme or to any conditions which the Court may

think fit. In case of any difficulty in implementation of any aspect of this Scheme, clarifications, directions and / or approvals may be obtained from the Court. Notwithstanding the above, in the event that the terms of this Scheme are not approved by the members and / or creditors of Matco and / or MCPPL (as applicable) in its entirety and / or this Scheme, as approved by the respective companies, is modified by the Court, the Board of Directors of Matco and / or MCPPL shall be entitled to withdraw this Scheme (whether or not approval from the members and creditors of the respective companies has been obtained).

13.2. Severability

If any provision of this Scheme is found to be unlawful and unenforceable by a competent court of law, then to the fullest extent possible, all of the remaining provisions of this Scheme shall remain in full force and effect.

13.3. Annexure

Notwithstanding anything to the contrary contained herein, the Annexures to this Scheme shall be subject to modification / revision (to the extent permitted under this Scheme and / or to rectify any errors) so as to accurately and validly reflect the position existing as of the Effective Date and all provisions contained herein shall be interpreted and construed accordingly.

13.4. Costs and expenses

All costs, charges and expenses in respect of the preparation of this Scheme and carrying the same into effect, till the sanction thereof, shall be borne by Matco. Subsequent to the sanction of this Scheme, costs, charges and expenses shall be borne by the respective companies in accordance with the applicable laws, or as otherwise agreed between the companies.

13.5. Implementation of this Scheme

The respective Board of Directors of Matco and MCPPL, to the extent applicable, are hereby authorized and empowered to take all necessary steps and execute all documents, as they may consider necessary, expedient or appropriate, to give effect to the provisions of this Scheme and for the implementation hereof, including to delegate any powers from time to time.

Karachi.

Dated: May 23, 2025.

Noman



For and on behalf of
MATCO FOODS LIMITED

Name: Muhammad Noman Ansari

Designation: Senior Manager Accounts & Finance

Noman



For and on behalf of
MATCO CORN PRODUCTS (PRIVATE) LIMITED

Name: Muhammad Noman Ansari

Designation: Senior Manager Accounts & Finance

LIST OF ANNEXURES

- “Annexure A” – Pro forma split balance sheet of Matco, indicative as at the Determination Date, illustrating / detailing the break-ups of the Corn Starch Undertaking and the Retained Undertaking, inclusive of certain notes, which is to be updated as on the Effective Date in accordance with the provisions of this Scheme.
- “Annexure B” – List of current members of Board of Directors of Matco.
- “Annexure C” – List of current members of Board of Directors of MCPPL.
- “Annexure D” – List of the current Corn Starch Undertaking Employees.
- “Annexure E” – Letter dated May 16, 2025, issued by Grant Thornton Anjum Rahman.

ANNEXURE A

PRO FORMA SPLIT BALANCE SHEET OF MATCO FOODS LIMITED AS AT THE DETERMINATION DATE

		Matco Foods Limited	Corn Starch Undertaking	Retained Undertaking
Note		Rs.		
ASSETS				
Non-current assets				
Property, plant and equipment	1	11,060,363,361	2,629,064,441	8,431,298,920
Right-of-use assets	2	429,529,702	174,131,232	255,398,470
Long-term deposits		20,708,550	-	20,708,550
Investment in subsidiary MCPPL*		-	-	1,215,139,810
Long-term investments		55,582,707	-	55,582,707
Total non-current assets		11,566,184,320	2,803,195,673	9,978,128,457
Current assets				
Stores, spares and loose tools		325,052,111	180,961,166	144,090,945
Stock in trade	3	13,740,555,933	1,095,970,685	12,644,585,248
Trade debts	4	2,578,489,075	503,371,726	2,075,117,349
Loans and advances		1,754,941,120	358,077,362	1,396,863,758
Trade deposits and short term prepayments		13,031,348	-	13,031,348
Short-term investment		1,200,000	-	1,200,000
Sales tax refundable		25,000,000	-	25,000,000
Due from related parties		74,398,259	-	74,398,259
Taxation - net		221,387,679	-	221,387,679
Cash and bank balances	5	136,522,935	26,842,120	109,680,815
Total current assets		18,870,578,460	2,165,223,058	16,705,355,402
Total assets		30,436,762,780	4,968,418,731	26,683,483,859



Khalid Sarfaraz Ghori
Chief Executive Officer



Faizan Ali Ghori
Director

LIABILITIES

Non-current liabilities

Long-term finances-secured	6	1,651,699,015	927,499,023	724,199,992
Lease liabilities	7	429,876,964	149,858,010	280,018,954
Deferred liabilities	8	898,531,376	216,786,593	681,744,783
Total non-current liabilities		2,980,107,355	1,294,143,626	1,685,963,729

Current liabilities

Trade and other payables	9	2,601,954,364	691,039,456	1,910,914,908
Advance from customers - secured		675,418,619	302,916,248	372,502,371
Accrued mark-up		221,588,252	8,812,288	212,775,964
Due to related party		6,412,777	-	6,412,777
Short-term borrowings-secured	10	13,724,816,475	1,084,673,759	12,640,142,716
Unpaid dividend		1,093,324	-	1,093,324
Total current liabilities		17,231,283,811	2,087,441,752	15,143,842,059
Total liabilities		20,211,391,166	3,381,585,378	16,829,805,788

Net Assets/Equity

	10,225,371,614	1,586,833,353	9,853,678,071
--	----------------	---------------	---------------

Net Assets/Equity:

Share Capital	1,224,006,980	-	1,224,006,980
Shares to be issued pursuant to the Scheme*	-	1,215,139,810	-
Capital reserves	680,467,220	-	680,467,220
Accumulated Profits	3,212,282,188	861,625	3,211,420,563
Revaluation surplus property, plant - and equipment - net of tax	5,108,615,226	370,831,918	4,737,783,308
	10,225,371,614	1,586,833,353	9,853,678,071

* Once the Scheme is sanctioned, MCPPI will allot and issue 121,513,981 ordinary shares in favour of Matco, credited as fully paid up, at a par value of PKR 10/- each, which will be considered as investment of the parent company (i.e. Matco) into the subsidiary (MCPPI).

The annexed notes from 1 to 10 form an integral part of this split balance sheet, which shall be subject to the provisions of Article 10 of the Scheme (to the extent applicable)


Khalid Sarfaraz Ghori
 Chief Executive Officer


Faizan Ali Ghori
 Director

Notes to the Pro Forma Split Balance Sheet:

1. PROPERTY PLANT AND EQUIPMENT

Operating fixed assets
O&P

Note	Dec-24 Rs.
1.1	2,609,753,099
	<u>19,691,542</u>
	<u>2,629,444,641</u>

1.1 Operating fixed assets

Particulars	Cost / Recalculation					Depreciation					Book value at Dec 31, 2024	Rate per annum %
	Cost at July 01, 2024	Additions	Transfers in / (out)	Revaluation surplus	Disposals	Cost at Dec 31, 2024	Accumulated depreciation at July 01, 2024	Depreciation for the year	Depreciation on disposals	Accumulated depreciation at Dec 31, 2024		
Owned Assets												
Factory land	-	-	-	-	-	-	-	-	-	-	-	-
Factory building	957,546,521	1,266,854	-	-	-	958,813,375	129,985,521	41,340,051	-	171,325,572	787,487,803	10
Plant and machinery	1,739,186,999	2,246,377	-	-	-	1,741,433,376	183,506,417	78,481,398	-	261,987,815	1,479,445,561	10
Electric cables and fitting	133,163,586	7,167,379	-	-	-	140,330,965	21,740,728	5,692,934	-	27,433,662	112,897,303	10
Furniture and fixtures	2,558,670	645,200	-	-	-	3,203,870	432,227	133,103	-	565,330	2,638,540	10
Motor vehicles	20,019,425	462,540	-	-	13,940,850	6,539,115	5,822,896	819,921	1,842,457	4,799,366	1,725,796	20
Office equipment	5,628,635	1,291,092	-	-	-	6,919,727	873,295	261,096	-	1,134,391	5,785,336	10
Factory equipment	156,147,414	28,099,974	120,886,770	-	120,886,770	164,247,388	21,136,579	7,519,846	-	28,656,425	135,590,963	10
Computers	8,041,843	36,600	-	-	-	8,078,443	3,882,086	697,296	-	4,579,381	3,499,062	33
Camera	-	-	-	-	-	-	-	-	-	-	-	33
Generator & Shaper	-	-	-	-	-	-	-	-	-	-	-	10
Sewing machine	-	-	-	-	-	-	-	-	-	-	-	10
Mobile phone	162,600	765,000	-	-	-	927,600	54,711	114,086	-	168,797	758,803	33
Generator	71,101,150	-	-	-	-	71,101,150	8,784,806	3,141,432	-	11,926,238	59,174,912	10
	3,094,025,945	41,981,047	120,886,770	-	131,845,630	3,122,030,151	276,319,386	138,770,153	1,842,457	412,647,092	2,609,383,059	

2. RIGHT OF USE ASSETS

Motor vehicles	57,519,971	12,202,637	-	-	3,991,000	66,361,007	23,204,521	4,141,075	2,768,420	25,581,277	42,779,730	20
Factory Equipment-Solar Pm	-	134,709,410	-	-	-	134,709,410	-	3,358,509	-	3,358,509	131,350,901	10
Generator	-	-	-	-	-	-	-	-	-	-	-	10
Total	3,151,578,914	148,893,104	120,886,770	-	136,234,630	3,323,091,169	299,424,907	145,772,837	4,610,877	539,366,837	2,783,724,331	

Matco Foods Limited	Corn Starch Undertaking	Retained Undertaking
Rs.		

3 STOCK IN TRADE

Raw material	6,478,458,608	699,181,501	5,779,277,107
Packing material	459,838,850	81,494,605	378,344,245
Finished goods	6,824,876,683	317,741,714	6,507,134,969
	13,763,174,141	1,098,417,820	12,664,756,321
Less: Provision for slow moving	(22,618,208)	(2,447,135)	(20,171,073)
	13,740,555,933	1,095,970,685	12,644,585,248

4 TRADE DEBTS

Export	1,627,955,926	60,273,854	1,567,682,072
Local	950,533,149	443,097,872	507,435,277
	2,578,489,075	503,371,726	2,075,117,349

5 CASH AND BANK BALANCES

Cash in hand	10,313,253	1,448,634	8,864,619
Cash at bank	126,209,682	25,393,486	100,816,196
	136,522,935	26,842,120	109,680,815

6 LONG TERM FINANCES - SECURED

From banking companies and financial institutions:

LTFF/ILTF		139,359,733	-	139,359,733
TERF/ITERF	6.1	848,165,108	783,298,899	64,866,209
FFSAP	6.2	283,088,051	144,200,125	138,887,926
Demand Finance		381,086,123	-	381,086,123
		1,651,699,015	927,499,023	724,199,992

6.1 TERF/ITERF Facility

The above-mentioned facility from the following banks will be transferred to demerged undertaking:

United Bank Limited	390,035,062
Meezan Bank Limited	393,263,837
	<u>783,298,899</u>

6.2 FFSAP Facility

The above-mentioned facility from the following banks will be transferred to demerged undertaking:

Faysal Bank Limited	107,034,378
Meezan Bank Limited	37,165,746
	<u>144,200,125</u>

	Matco Foods Limited	Corn Starch Undertaking	Retained Undertaking
	Rs.		
7 LEASE LIABILITIES			
On vehicles	162,308,734	35,371,416	126,937,318
On Godown	141,776,422	-	141,776,422
On solar panels	114,486,594	114,486,594	-
On Generators	11,305,213	-	11,305,213
	<u>429,876,963</u>	<u>149,858,010</u>	<u>280,018,953</u>

8 DEFERRED LIABILITIES			
Deferred tax liability	651,004,038	165,576,264	485,427,774
Staff gratuity scheme - unfunded	247,527,338	51,210,329	196,317,009
	<u>898,531,376</u>	<u>216,786,593</u>	<u>681,744,783</u>

9 TRADE AND OTHER PAYABLES			
Trade Creditors	2,379,297,191	629,494,742	1,749,802,449
Accrued liabilities	135,829,043	61,544,714	74,284,329
Tax deducted at source and payable to statutory authorities	8,312,718	-	8,312,718
Sales tax payable to statutory authorities	57,253,101	-	57,253,101
Workers' welfare fund	6,074,946	-	6,074,946
Workers' profit participation fund	15,187,365	-	15,187,365
	<u>2,601,954,364</u>	<u>691,039,456</u>	<u>1,910,914,907</u>

10 SHORT TERM BORROWINGS FROM BANKS			
Export re-finance	7,553,475,628	-	7,553,475,628
Own resource	4,081,693,853	1,084,673,759	2,997,020,094
FF-25 Scheme	1,825,130,688	-	1,825,130,688
Foreign bills purchased/negotiated	264,516,306	-	264,516,306
	<u>13,724,816,475</u>	<u>1,084,673,759</u>	<u>12,640,142,716</u>

10.1 Own resource

The above-mentioned facility from the following banks will be transferred to demerged undertaking:

Meezan Bank Limited - Istisna Facility	442,269,081
United Bank Limited - Running Finance Facility	-
Inter-division financing	642,404,678
	<u>1,084,673,759</u>

- 10.2 This will be inter-company loan from the Parent Company (Matco Foods Limited) and this amount will be payable to Parent Company and chargeable to interest rate once the Scheme is finalized.

ANNEXURE B

**LIST OF CURRENT MEMBERS OF THE BOARD OF DIRECTORS OF
MATCO FOODS LIMITED**

Mr. Jawed Ali Ghorì

Mr. Khalid Sarfaraz Ghorì

Mr. Faizan Ali Ghorì

Mr. Safwan Khalid Ghorì

Mr. Syed Kamran Rashid

Mr. Abdul Samad Khan

Mrs. Faryal Murtaza

Ms. Umme Habibah

Mr. Mohammad Mohsin Suleman

ANNEXURE C

LIST OF CURRENT MEMBERS OF THE BOARD OF DIRECTORS OF MATCO CORN PRODUCTS (PRIVATE) LIMITED

Mr. Syed Bilal Ali Ghori

Mr. Khalid Sarfaraz Ghori

Mr. Faizan Ali Ghori

Mr. Safwan Khalid Ghori

Mr. Salar Khalid Ghori

ANNEXURE D

LIST OF THE CURRENT CORN STARCH UNDERTAKING EMPLOYEES

S. N.	Employee Code	Name	Designation
1.	623	Muhammad Shahbaz	DGM-Accounts
2.	1223	Danish Ahmed	CFO (Corn Starch Division)
3.	1536	Imran Haider	Commercial Officer
4.	1546	Osama Shahab	Supervisor
5.	1589	Israr Ahmed	Cook
6.	1590	Amjad Abbas	General Manager
7.	1598	Muhammad Waqas	Q.A. Analyst
8.	1626	Muhammad Sajid	Asst. Manager Civil Projects
9.	1652	Major Mumtaz Shafique (R)	Manager IR & Legal Affairs
10.	1671	Ahsan Idrees	Assistant Manager
11.	1692	Muhammad Sarwar Aslam	Assistant Manager Stores
12.	1694	Zeeshan Azeem Khan	Sr. Manager Prod & Mfg Excl
13.	1708	Khurram Iqbal	Manager Wet Milling & Mfg Excl
14.	1724	Muhammad Shahid Khan	Boiler & Utility Manager
15.	1731	Naeem Iqbal Nasir	Engineering Manager
16.	1732	Muhammad Afzal	A.M Security & Admin
17.	1733	Muhammad Imran	Manager Corn Dev & Proc
18.	1735	Nadeem Tahir	Deputy Manager QA
19.	1751	Muhammad Nauman Haider	Assistant Manager Production
20.	1756	Manzoor Ahmad	A.M Technical Procurement
21.	1762	Mudassir Sarosh	Deputy Manager Production
22.	1778	Asad Ali	Gate Office & Weighbridge Inch
23.	1781	Muhammad Tayyab Yasin	Supervisor
24.	1782	Muhammad Arslan	Supervisor
25.	1785	M. Nabeel Nisar	Assistant Supervisor
26.	1786	Rohail Hasan	Asst. Electrical Engineer
27.	1787	Muhammad Ayub	Assistant Supervisor
28.	1788	Shahbaz Shabbir	Supervisor
29.	1789	Muhammad Imran	Supervisor
30.	1792	Ali Raza	Supervisor
31.	1793	Muhammad Irfan	Assistant Supervisor
32.	1798	Muhammad Abid Khan	Assistant Manager
33.	1799	Hafiz Muhammad Arslan	Deputy Manager
34.	1805	Shrafat Ali	Lead HR & Admin
35.	1806	Abdul Rehman	Lifter Operator
36.	1807	Alam Sher	Assistant Supervisor

37.	1808	Waqas Rasheed	Assistant Supervisor
38.	1809	Hafiz Muhammad Zubair	Q.C. Analyst
39.	1810	Muhammad Asif	Q.C. Analyst
40.	1811	Muhammad Zeeshan Ali	Sampling Coordinator
41.	1813	Tabish Nawaz	A.M Warehousing
42.	1814	Muhammad Usman	Assistant Supervisor
43.	1815	Abdul Rashid Bhatti	Cashier
44.	1816	Azeen Ali	Assistant Supervisor
45.	1818	Adnan	Supervisor
46.	1821	Abdul Razaq	Pump Fitter-P
47.	1825	Usman Ghani	Assistant Supervisor
48.	1826	Muhammad Adil Naseer	Supervisor
49.	1827	Muhammad Atif Sohail	Supervisor
50.	1831	Muhammad Furqan	Assistant Supervisor
51.	1836	Muhammad Afzal	Assistant Supervisor
52.	1840	Shoaib Shehzad	Assistant Supervisor
53.	1841	Muhammad Tayyab	Assistant Supervisor
54.	1842	Ghulam Haider	Assistant Supervisor
55.	1843	Naeem Mahmood Zia	Supervisor
56.	1845	Muhammad Usman Shahzad	Assistant Supervisor
57.	1847	Kashif Iqbal	DM Internal Audit
58.	1848	Faisal Rasheed	Assistant Supervisor
59.	1849	Muhammad Junaid	Maintenance Engineer
60.	1931	Nasir Mahmood Siddiqui	Senior Manager Sales
61.	1932	Mudassar Ishfaq Choudhary	Sales & Business Dev. Manager
62.	1942	Muhammad Sarwar	Consultant
63.	1943	Muhammad Nauman Ahmad	Production Engineer
64.	1944	Muhammad Usman	Q.C. Analyst
65.	1946	Muhammad Ijaz Ahmad	Production Engineer
66.	1947	Asif Ali	Foreman
67.	1948	Muhammad Mudassir Hussain	Supervisor-P
68.	1949	Mubasher Ali	Supervisor-P
69.	1951	Ibtsam Imran	Trainee Instrument Technician
70.	1952	Muhammad Waseem Aslam	Supervisor-P
71.	1953	Muhammad Nouman Sharif	Supervisor-P
72.	1978	Muhammad Sarwar	Chief Commercial Officer
73.	1979	Muhammad Arshad Javaid	Head E&I & Energy Coordinator
74.	1983	Tariq Bashir	Weight Bridge Operator -P
75.	1984	Zafar Iqbal	Supervisor-P
76.	1985	Yasir Mehmood	Assistant Supervisor-P
77.	1986	Mirza Naeem Iqbal Saghar	Oil Man-P
78.	1987	Muhammad Ramzan	Assistant Supervisor-P

79.	1988	Muhammad Abdul Haseeb	Assistant Supervisor
80.	1989	Mohammad Shafique	Supervisor Turner-P
81.	1990	Usama Iqbal	Supervisor-P
82.	1991	Imam Baksh Rand	Security Guard-P
83.	1992	Bilal Shahid	Weighbridge Operator
84.	1993	Sohail Ali	Supervisor-P
85.	1996	Muhammad Hannan Saleem	Production Engineer
86.	1997	Naeem Ejaz	Sample Man-P
87.	1998	Kashif Mahmood	Assistant Supervisor-P
88.	1999	Shahbaz Amin	Assistant Supervisor-P
89.	2000	Muhammad Abubakar	Supervisor-P
90.	2001	Abdul Rehman	Senior Cook-P
91.	2005	Umer Farooq	Assistant Supervisor-P
92.	2006	Fahad Fiaz	Assistant Supervisor-P
93.	2007	Muhammad Waqas	Assistant Supervisor-P
94.	2009	Hassan Arshad	Supervisor-P
95.	2011	Muhammad Nadeem	Supervisor-P
96.	2012	Shoaib Ali	Supervisor-P
97.	2014	Waqar Ali	Supervisor-P
98.	2016	Ghulam Haider	Supervisor-P
99.	2018	Awais Anjum	Officer
100.	2020	Muhammad Imran	Assistant Supervisor
101.	2021	Ali Asghar	Assistant Supervisor
102.	2022	Shoaib Anwar	Lifter Operator
103.	2023	Touseef Shoukat	Assistant Supervisor
104.	2024	Muhammad Shaban	Weight Bridge Operator
105.	2026	Muhammad Imran Haider	Motor Winder
106.	2076	Syed Asad Ikram	Electrical Engineer
107.	2077	Muhammad Saad Akram	Sales Operation Executive
108.	2079	Wasim Abbas	Assistant Supervisor
109.	2081	Abdul Sattar	Consultant
110.	2082	Gulzaman Ali	Supervisor
111.	2083	Kashif Tanveer	Supervisor
112.	2084	Adnan Bashir	Boiler Engineer
113.	2089	Khadim Hussain Bhatti	Supervisor
114.	2090	Muhammad Aslam	Lifter Operator
115.	2092	Rafaqat Ali Shah	Assistant Supervisor
116.	2094	Muhammad Azeem Mirza	Tools Clerk-P
117.	2095	Muhammad Younis	Production Coordinator
118.	2096	Muhammad Fazil Siddiqui	Supervisor
119.	2106	Muhammad Shafique	Assistant Supervisor
120.	2107	Muhammad Sohail Asif	Supervisor

121.	2109	Ghulam Murtaza Mughal	Assistant Supervisor
122.	2120	Sarfraz Ahmed	Supervisor
123.	2122	Naveed Ahmed	Lifter Operator
124.	2123	Rizwan Mahmood	Foreman
125.	2124	Muhammad Ghulam Murtaza	Supervisor
126.	2125	Hafiz Muhammad Abdul Rehman	Warehouse Assistant
127.	2143	Allah Ditta	Assistant Supervisor
128.	2146	Muhammad Mudasir	Supervisor
129.	2147	Sadar Khan	Assistant Supervisor
130.	2150	Muhammad Usman	Deputy Manager
131.	2154	Adnan Tariq	Welder-P
132.	2155	Muhammad Faizan Anjum	Assistant Manager
133.	2158	Muhammad Waqas Khalid	Deputy Manager
134.	2160	Nabeel Waseem	Assistant Manager
135.	2179	Haseeb Ahmed	Assistant Manager
136.	2189	Muhammad Shahnawaz	Manager
137.	2198	Saghar Ali	Senior Officer
138.	2213	Rehan	Sales Coordinator South
139.	2217	Adeel Raza	Assistant Supervisor
140.	2218	Irfan Khan Niazi	Assistant Supervisor
141.	2223	Faisal Amin	Cook
142.	2224	Muhammad Arshad	Office Boy
143.	2228	Tahir Hussain	Sales Operation Executive
144.	2237	Sabir Hussain	Assistant Manager
145.	2238	Sultan Mahmood	Supervisor
146.	2240	Muhammad Irfan	Assistant Supervisor
147.	2242	Mukhtar Ahmad	Supervisor
148.	2248	Haider Ali	Assistant Supervisor
149.	2251	Muhammad Saeed	Assistant Supervisor
150.	2260	Qamar Saeed	Supervisor
151.	2263	Arham Shahzad	Supervisor
152.	2265	Muhammad Qaisar	HR Assistant
153.	2266	Muhammad Wahaj	Assistant Supervisor
154.	2267	Bilal Hasan	Assistant Supervisor
155.	2268	Muhammad Talha Saeed	Assistant Supervisor
156.	2271	Usama Ehtesham	Assistant Manager
157.	2277	Qazi Mohtashim Ahmed	Manager-US Export Sales
158.	2285	Hammad Hussain	Supervisor
159.	2290	Muhammad Kamran Haider	Manager
160.	2315	Hammad ul Hassan	Assistant Supervisor
161.	2345	Muhammad Asghar	Assistant Supervisor

162.	2349	Muhammad Zeeshan Yasin	Assistant Supervisor
163.	2352	Muhammad Ahmed	Supervisor
164.	2355	Ali Haseeb Gul	Assistant Sales Coordinator-P
165.	2369	Muhammad Yousuf	Deputy Manager Accounts
166.	2370	Muhammad Seerat	Q.C. Analyst -P
167.	2379	Muhammad Abbas Ahmad	Trainee Engineer
168.	2380	Mujahid Hussain	M.T.O.
169.	2381	Ammar Ahad	Officer
170.	2393	Muhammad Afzaal Arshad	Officer
171.	2418	Umar Hayat	Officer
172.	2423	Muhammad Aslam	Consultant
173.	2434	Muhammad Rehan	Q.C Analyst
174.	2436	Haider Ali	Assistant Supervisor
175.	2438	Hassan Raza	Supervisor
176.	2440	Muhammad Akhtar	Assistant Supervisor
177.	2442	Muhammad Waseem	Deputy Manager
178.	2443	Muhammad Shahbaz	Trainee Engineer
179.	2480	Ishtiaq Ahmed	Assistant Supervisor
180.	2495	Ghulam Ali	Assistant Supervisor-P
181.	2535	Muhammad Umar	Assistant Supervisor
182.	2541	Abdullah Azmat	Assistant Supervisor-P
183.	2542	Muhammad Junaid Ghous	Assistant Supervisor
184.	2549	Faisal Mehmood	Officer
185.	2552	Muhammad Arslan	Assistant Supervisor
186.	2553	Farhan Aslam	Shift Engineer
187.	2554	Muhammad Waqas	Entomologist
188.	2563	Muhammad Ahsan	Purchase Officer
189.	2592	Faizan Zia	Sample Man-P
190.	2601	Asad Ali Asghar	Assistant Supervisor-P
191.	2622	Furqan Rasheed	A.M Bio Mass Procurement
192.	2633	Hasnain Haider	Assistant Supervisor-P
193.	2634	Muhammad Hasnain	Assistant Supervisor-P
194.	2641	Ahmed Tallal Khan	Trainee Engineer -P

BAS/C145/25/0516

May 16, 2025

The Board of Directors of

Matco Foods Limited
B-01/A, S.I.T.E, Phase 1
Super Highway Industrial Area
Karachi

Matco Corn Products (Private) Limited
Plot No. 8-C, 3rd and 4th Floors,
Shahbaz Lane No.2, Phase VI, D.H.A,
Karachi

Dear Sirs

**Grant Thornton Anjum
Rahman**

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

T +92 21 35672951-56

**ENVISAGED SCHEME OF ARRANGEMENT BETWEEN MATCO FOODS
LIMITED AND MATCO CORN PRODUCTS (PRIVATE) LIMITED**

1. We refer to the envisaged Scheme of Arrangement under Sections 279 to 283 and 285(8) of the Companies Act, 2017 between Matco Foods Limited ('Matco') and its members, and Matco Corn Products (Private) Limited ('MCPPL') and its members (hereinafter referred to as 'the Scheme').
2. The Scheme, the draft of which has been shared with us, principally envisages demerging / carving out of the business / segment comprising the Assets, Liabilities and Obligations of the corn starch business (the 'Demerged Undertaking') of Matco (the 'Carve Out'), and vesting of the same with and into MCPPL, by transferring the Assets, Liabilities and Obligations pertaining to the Demerged Undertaking into MCPPL (the 'Amalgamation'), while retaining the Assets, Liabilities and Obligations of Matco other than the Demerged Undertaking (the 'Retained Undertaking') in Matco, without any company being wound up. The Carve Out and the Amalgamation, in terms of the Scheme, is to be effective from the start of business on July 1, 2025 (or such other date as may be stated by the Court).
3. We have been given to understand by the managements of Matco and MCPPL that, as of the date of this letter, MCPPL has an issued share capital of Rs. 10,000/-, which is beneficially wholly owned by Matco (including through its nominees); hence MCPPL is a wholly owned subsidiary of Matco.
4. The management and the Board has selected the Net Asset Value (NAV) method to value the demerged undertaking, which is a wholly owned subsidiary, as it provides a reliable measure of fair value based on assets and liabilities of the company.

5. Based on the calculations stipulated below, and taking into account that MCPPL shall remain a wholly owned subsidiary of Matco as a consequence of the Carve-out and Amalgamation, in consideration of the Amalgamation, MCPPL shall allot and issue 121,513,981 ordinary shares, having face value of Rs. 10/- each, to Matco in accordance with Article 9 of the Scheme. The same is based on the net asset value of the Demerged Undertaking, which is being vested in MCPPL pursuant to the Amalgamation.
6. Based on the special purpose financial statements of Matco for the period ended December 31, 2024, and split balance sheet as attached in Annexure-A, the net asset value of the Demerged Undertaking (to be vested in MCPPL pursuant to the Amalgamation), and the consequential shares of MCPPL to be issued to Matco, are calculated as follows:

Number of Shares Calculation for Scheme of Arrangement

Item	As per Split Balance Sheet	
	Amount in Rs.	
Net Asset Value as per Split Balance Sheet	1,586,833,353	A
Less: Revaluation Surplus	(370,831,918)	
Less: Accumulated profits	(861,625)	
Net Shareholders' Equity	1,215,139,810	B
Par Value of Share	10	C
Number of Shares to be issued	121,513,981	D=B/C

7. Unless otherwise specified herein, all defined terms shall have the meaning ascribed thereto under the Scheme.
8. This letter has been prepared for the above named addressees only in relation to the Scheme and accordingly, is not to be used by any other person or for any other purpose.

Yours truly

Anal - P. L. Singh - L.

MATCO FOODS LIMITED

UNCONSOLIDATED SPECIAL PURPOSE

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2024

Grant Thornton Anjum Rahman
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF MATCO FOODS LIMITED

**Grant Thornton Anjum
Rahman**

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

Opinion

T +92 21 35672951 56

We have audited the special purpose financial statements of Matco Foods Limited (the Company), which comprise the unconsolidated statement of financial position as at December 31, 2024, and unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, unconsolidated statement of cash flows and unconsolidated statement of changes in equity for the period then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the period then ended in accordance with the basis of preparation described in note 3.2 of these special purpose financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters - Basis of Accounting and Restriction on Distribution and Use

We draw attention to note 3.2 of these special purpose financial statements, which describes the basis of accounting. These special purpose financial statements have been prepared by the management to accompany the scheme of arrangement to be filed with the Court for the potential demerger of one of the divisions of the Company. As a result, these financial statements may not be suitable for another purpose and should not be distributed or used for any other purpose. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These

matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	<p>Valuation of Stock in Trade</p> <p>As at December 31, 2024, the Company held stock in trade amounting to Rs. 13,741 million as disclosed in note 23 of accompanying unconsolidated financial statements. The stock in trade account for 72.81% of the total current assets. The value of stock is based on the purchase price using moving weighted average method. Therefore, the Company is exposed to the risk of valuation of stock in trade as a result of volatility in prices.</p> <p>The Company is required to measure its stock in trade at the lower of cost and net realizable value (NRV). There is an element of judgement involved relating to the valuation, which is required for the estimation of the NRV and allowance for slow-moving and obsolete stock in trades. Such estimation is made after taking into consideration factors such as movement in prices, current and expected future market demands and pricing competitions.</p> <p>This was the key audit matter because of its materiality and significance in terms of judgments involved in estimating the NRV of underlying inventories.</p>	<p>As part of our audit, we have performed the following audit procedures:</p> <ul style="list-style-type: none"> • Attended the stock counts at locations to observe the stock count process and evaluate the condition of stock in trade. • Tested the valuation method used by the management in valuation of stock in trade. • Inspected on sample basis specific purchases with underlying supporting documents. • Evaluated the appropriateness of the basis and processes used by management in determining the net realizable value of stock in trade. • Performed testing on sample of items to assess the NRV of the inventories held and evaluate the adequacy of provision for slow moving and obsolete stock. • Evaluated the adequacy of the disclosures on stock in trade in the unconsolidated financial statements.

Other Matter

The Company has prepared a separate set of condensed interim financial statements for the period ended December 31, 2024 in accordance with IFRS Accounting Standards as issued by



the International Accounting Standards Board on which we issued a separate auditor's review report to the shareholders of the Company dated February 27, 2025.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of preparation described in note 3.2 of these special purpose financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists



related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980);



Grant Thornton

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

Khurram Jameel
Chartered Accountants

Karachi

Date: April 15, 2025

MATCO FOODS LIMITED
UNCONSOLIDATED SPECIAL PURPOSE
FINANCIAL STATEMENTS

For the period ended December 31, 2024

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	December 31, 2024	June 30, 2024
		-----Rupees-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	6.1	2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	6.2	1,224,006,980	1,224,006,980
Capital reserve	7	680,467,220	680,467,220
Unappropriated profit		3,212,282,188	2,888,861,750
Surplus on revaluation of property, plant and equipment - net of tax	8	5,108,615,226	5,194,285,910
Total shareholders' equity		10,225,371,614	9,987,621,860
Non-current liabilities			
Long-term finances-secured	9	1,288,939,794	1,475,635,466
Lease liabilities	10	350,457,874	172,253,368
Deferred liabilities	11	898,531,376	980,817,481
Total non-current liabilities		2,537,929,044	2,628,706,315
Current liabilities			
Trade and other payables	12	2,601,954,364	2,375,995,644
Advance from customers - secured		675,418,619	430,489,596
Accrued mark-up	13	221,588,252	560,017,210
Due to related party	14	6,412,777	6,563,777
Short-term borrowings-secured	15	13,724,816,475	11,123,990,753
Current portion of long term finances-secured	9	362,759,221	359,121,960
Current portion of lease liabilities	10	79,419,090	38,071,886
Unpaid dividend	16	1,093,324	28,495,996
Total current liabilities		17,673,462,122	14,922,746,822
Total liabilities		20,211,391,166	17,551,453,137
Contingencies and commitments	17		
Total equity and liabilities		30,436,762,780	27,539,074,997

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.

QTM



Khalid Sarfaraz Ghori
Chief Executive Officer



M. Aamir Farooqui
Chief Financial Officer



Faizan Ali Ghori
Director

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment	18	11,060,363,361	11,419,860,903
Right-of-use assets	19	429,529,702	239,635,175
Intangible assets	20	-	-
Long-term deposits		20,708,550	19,708,550
Long-term investments	21	55,582,707	55,582,707
Total non-current assets		11,566,184,320	11,734,787,335
Current assets			
Stores, spares and loose tools	22	325,052,111	277,847,378
Stock in trade	23	13,740,555,933	11,613,570,893
Trade debts	24	2,578,489,075	2,334,768,358
Loans and advances	25	1,754,941,120	1,009,946,411
Trade deposits and short term prepayments	26	13,031,348	27,920,651
Short-term investment	27	1,200,000	1,200,000
Sales tax refundable	28	25,000,000	25,000,000
Due from related parties	29	74,398,259	50,326,380
Taxation and levies - net	30	221,387,679	106,288,895
Cash and bank balances	31	136,522,935	357,418,696
Total current assets		18,870,578,460	15,804,287,662
Total assets		30,436,762,780	27,539,074,997

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.

grd



Khalid Sarfaraz Ghori
Chief Executive Officer



M. Aamir Farooqui
Chief Financial Officer



Faizan Ali Ghori
Director

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

	Note	Six-Months Ended	
		December 31,	December 31,
		2024	2023
		Un-Audited	
		-----Rupees-----	
Sales - net	32	12,936,528,132	13,952,825,845
Cost of sales	34	(11,177,931,764)	(12,249,052,234)
GROSS PROFIT		1,758,596,368	1,703,773,611
Selling and distribution expenses	35	(264,373,394)	(251,381,918)
Administrative expenses	36	(371,759,605)	(313,076,588)
		(636,132,999)	(564,458,506)
Operating profit		1,122,463,369	1,139,315,105
Finance cost	37	(1,072,415,926)	(1,039,795,896)
Other income	38	63,008,502	24,427,865
Exchange gain - net	39	211,953,674	32,851,720
Provision for workers' welfare fund	12.1	(6,074,946)	(2,884,347)
Provision for workers' profit participation fund	12.2	(15,187,365)	(7,210,868)
PROFIT BEFORE LEVIES AND INCOME TAX		303,747,308	146,703,579
Levies - Final and Minimum Tax	40	(100,184,768)	(127,167,148)
Taxation	40	34,737,480	64,847,527
PROFIT FOR THE PERIOD		238,300,020	84,383,958
EARNINGS PER SHARE - BASIC AND DILUTED	45	1.95	0.69

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.


Khalid Sarfaraz Ghori
 Chief Executive Officer


M. Aamir Farooqui
 Chief Financial Officer


Farzan Ali Ghori
 Director

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

	Note	Six-Months Ended	
		December 31,	December 31,
		2024	2023
			Un-Audited
		-----Rupees-----	
PROFIT FOR THE PERIOD		238,300,020	84,383,958
OTHER COMPREHENSIVE (LOSS) / INCOME			
<i>Items that may be reclassified subsequently to the unconsolidated statement of profit or loss</i>			
<i>Items that will not to be reclassified subsequently to the unconsolidated statement of profit or loss</i>			
- Remeasurement of defined benefits obligation	11.2.5	(550,266)	-
- Unrealized gain on revaluation of investment at fair value through OCI during the year		-	819,000
Other comprehensive (loss) / income		(550,266)	819,000
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		237,749,754	85,202,958

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.

a7ad.


Khalid Sarfaraz Ghori
 Chief Executive Officer


M. Aamir Farooqui
 Chief Financial Officer


Faizan Ali Ghori
 Director

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

		Six-Months Ended	
		December 31, 2024	December 31, 2023
			Un-Audited
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levies and income tax		303,747,308	146,703,579
Adjustments for:			
Depreciation	18.1	372,910,873	236,178,061
Depreciation on right of use assets	19	27,057,059	-
Exchange gain - net		(212,946,054)	(32,851,520)
Gain on sale of shares		-	(6,115,215)
Provision for slow moving stock		765,928	-
Finance cost		1,081,124,257	1,039,795,896
Provision for staff gratuity	11.2.7	52,349,655	39,591,048
Gain on disposal of property, plant and equipment		(29,926,268)	-
		<u>1,291,335,450</u>	<u>1,276,598,270</u>
		1,595,082,758	1,423,301,849
Changes in working capital			
(Increase)/decrease in current assets			
Stores, spares and loose tools		(47,204,733)	(66,300,000)
Stock-in-trade		(2,127,750,968)	(1,593,496,000)
Trade debts - considered good		(31,767,043)	(1,148,789,480)
Loans and advances		(744,994,709)	(72,157,000)
Trade deposits and prepayments		14,889,303	(15,419,000)
Sales tax refundable		-	64,935,578
Due from related parties		(24,071,879)	32,129,177
		(2,960,900,029)	(2,799,096,725)
Increase/(decrease) in current liabilities			
Trade and other payables		225,958,720	567,881,265
Due to related party		(151,000)	-
Advances from customers		244,929,023	64,838,235
		<u>470,736,743</u>	<u>632,719,500</u>
Cash used in operations		(895,080,528)	(743,075,376)
Finance cost paid		(1,419,553,215)	(821,847,993)
Income taxes and levies paid		(215,283,554)	(171,133,759)
Gratuity paid		(100,448,546)	(10,114,812)
Net cash used in operating activities		<u>(2,630,365,843)</u>	<u>(1,746,171,940)</u>
<i>Balance carried forward</i>		(2,630,365,843)	(1,746,171,940)

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

	December 31, 2024	December 31, 2023 Un-Audited
	-----Rupees-----	
<i>Balance brought forward</i>	(2,630,365,843)	(1,746,171,940)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure including capital work in progress	(177,047,954)	(337,865,126)
Proceeds from disposal of property, plant and equipment	223,139,500	-
Proceeds from disposal of investments	-	3,022,000
Long term investment	-	16,661,000
Long-term deposits	(1,000,000)	(100,000)
Net cash generated from / (used in) investing activities	45,091,546	(318,282,126)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term finances - net	(183,058,411)	(127,838,000)
Lease liabilities paid during the year	(26,978,483)	(27,411,902)
Dividend paid	(27,402,672)	(51,948,349)
Short-term borrowings - net	2,600,825,722	2,791,240,000
Net cash generated from financing activities	2,363,386,156	2,584,041,749
Net change in cash and cash equivalents during the period	(221,888,141)	519,587,683
Cash and cash equivalents as at the beginning of period	357,418,696	358,996,000
Effects of exchange rate changes on cash and cash equivalents	992,380	-
Cash and cash equivalents as at the end of period	136,522,935	878,583,683

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.

avial



Khalid Sarfaraz Ghori
Chief Executive Officer



M. Aamir Farooqui
Chief Financial Officer



Faizan Ali Ghori
Director

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

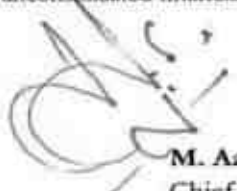
	Issued, subscribed and paid up share capital	Capital reserve Share premium reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Unrealized (loss) / gain on revaluation of investment at fair value to OCI	Total
	-----Rupees-----					
Balance as at July 01, 2023	1,224,006,980	680,467,220	3,171,666,606	2,408,823,880	(818,735)	7,484,145,951
<i>Total comprehensive income for the period</i>						
Profit for the period	-	-	84,383,958	-	-	84,383,958
Other comprehensive income	-	-	-	-	819,000	819,000
Total comprehensive income	-	-	84,383,958	-	819,000	85,202,958
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation net of tax	-	-	18,919,223	(18,919,223)	-	-
Transactions with owners						
Dividend paid during the period	-	-	(61,200,349)	-	-	(61,200,349)
Balance as on December 31, 2023	<u>1,224,006,980</u>	<u>680,467,220</u>	<u>3,213,769,438</u>	<u>2,389,904,657</u>	<u>265</u>	<u>7,508,148,560</u>

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

	Issued, subscribed and paid up share capital	Capital reserve Share premium reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Unrealized (loss) / gain on revaluation of investment at fair value to OCI	Total
	-----Rupees-----					
Balance as on July 01, 2024	1,224,006,980	680,467,220	2,888,861,750	5,194,285,910	-	9,987,621,860
<i>Total comprehensive income for the period</i>						
Profit for the period	-	-	238,300,020	-	-	238,300,020
Other comprehensive loss	-	-	(550,266)	-	-	(550,266)
Total comprehensive income	-	-	237,749,754	-	-	237,749,754
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation net of tax	-	-	85,046,931	(85,046,931)	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal net of tax	-	-	623,753	(623,753)	-	-
Balance as on December 31, 2024	1,224,006,980	680,467,220	3,212,282,188	5,108,615,226	-	10,225,371,614

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.


Khalid Sarfaraz Ghori
 Chief Executive Officer


M. Aamir Farooqui
 Chief Financial Officer


Faizan Ali Ghori
 Director

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

1 STATUS AND NATURE OF BUSINESS

Marco 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 and export of rice, rice glucose, rice protein and pink salt, 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; (iv) 50 KM G.T Road, Sadhoke, Tehsil Kamonki, District Gujranwala and Plot No. 53, Allama Iqbal Industrial City, Faisalabad.

The Company has 100% ownership in JKT General Trading FZE (subsidiary) a United Arab Emirates 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 Rs. 10,000,000 and Rs. 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.

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

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

2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

These non-statutory unconsolidated special purpose financial statements, herein after referred as unconsolidated financial statements, have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan and are solely intended for the use of the Company to fulfill the requirements of stakeholders, including financial institutions and creditors. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the required of IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed in preparation of these unconsolidated financial statements.

3.2 These financial statements have been prepared by the management to accompany the scheme of arrangement to be filed with the Court for the potential demerger of one of the divisions of the Company. As a result, these financial statements may not be suitable for another purpose.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

3.3 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except as stated otherwise in these unconsolidated financial statements.

3.4 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupees which is the Company's functional currency and presentation currency.

3.5 Restatement for better presentation

Prior year figures, have been restated, wherever necessary, for better presentation. The Company has reclassified the amount of taxes paid and charged to the unconsolidated statement of profit or loss over income tax, subject to and determined using general enacted rate of taxation under Income Tax Ordinance, 2001, classified as current income tax in the unconsolidated statement of profit and loss account to levy as reflected in unconsolidated statement of profit or loss.

3.6 New and amended standards and interpretations

3.6.1 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Further, certain IFRS have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

3.6.2 Standards, amendments to approved accounting standards effective in current year

New and amended standards and interpretations mandatory for the first time for the financial year beginning July 1, 2023:

(a) IAS 1: Disclosure of accounting policies

Effective date: January 1, 2023

Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

(b) IAS 8: Definition of accounting estimates

Effective date: January 1, 2023

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

(c) IAS 12: Deferred Tax

Effective date: January 1, 2023

The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on April 1, 2023 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

3.6.3 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2023 and have not been early adopted by the Company:

(a) IAS 1: Classification of liabilities as current or non current **Effective date: January 1, 2024**

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

(b) IAS 12: Deferred Tax **Effective date: January 1, 2024**

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

(c) IFRS 16: Sale and leaseback transaction **Effective date: January 1, 2024**

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.

(d) IAS 21: Lack of exchangeability **Effective date: January 1, 2025**

Amendments to IAS 21 'The effects of Changes in Foreign Exchange Rates' address situations where a currency may lack exchangeability, often due to government-imposed controls. In such cases, companies must estimate a spot exchange rate reflecting orderly transactions at the measurement date. The amendments provide flexibility, allowing the use of observable rates without adjustment or other estimation techniques, provided they meet the estimation objective. The assessment considers factors like the availability of multiple rates, purpose, nature, and update frequency. The amendments requires new disclosures, including the nature and financial impact of non-exchangeability, the spot exchange rate used, the estimation process, and associated risks.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

4 CRITICAL ASSUMPTIONS AND ESTIMATES

The preparation of these unconsolidated financial statements in conformity with approved financial reporting framework requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the unconsolidated financial statements are as follows:

	Note
(a) useful lives of property, plant and equipment	5.1
(b) useful lives of right-of-use assets	5.2
(c) impairment of financial assets	5.5
(d) staff retirement plan	5.9
(e) income taxes	5.12
(f) contingencies	5.16
(g) provisions	5.21
(h) impairment of non-financial asset	5.23

5 MATERIAL ACCOUNTING POLICIES

The principal accounting policies have been applied on consistent basis. These policies have been adopted in the preparation of these unconsolidated financial statements are as follows:

5.1 Property, plant and equipment

Items of property, plant and equipment other than land, factory buildings, plant and machinery and generators are measured at cost less accumulated depreciation and impairment loss (if any).

Land, factory buildings, plant and machinery and generators are measured at the revalued amount less accumulated depreciation and impairment loss (if any).

Revaluation model

Any revaluation increase arising on the revaluation of land, factory buildings, plant and machinery and generators is recognised in statement of other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of property, plant and equipment - net of tax", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in unconsolidated statement of profit or loss, in which case the increase is credited to statement of profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation is charged to unconsolidated statement of profit or loss to the extent that it exceeds the balance, if any, held in the Surplus on revaluation of property, plant and equipment relating to a previous revaluation of that asset. The Surplus on revaluation of property,

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

plant and equipment to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit. Impairment losses if any are recorded on the basis as defined in note 5.23.

Depreciation

Depreciation is charged so as to write off the cost or revalued amount of assets (other than land and capital work in progress) over their estimated useful lives, using the diminishing balance method at rates specified in note 18.1 to the unconsolidated financial statements. Depreciation on addition is charged from the day an asset is available for use up to the day prior to its disposal.

Gains and losses on disposal of assets are taken to the unconsolidated statement of profit or loss, and related surplus on revaluation of property and plant is transferred directly to retained earnings / unappropriated profits.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date. The Company's estimate of residual value of property, plant and equipment as at June 30, 2024 did not require any adjustment.

Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. Cost also includes applicable borrowing cost. These are transferred to specific assets as and when assets are available for use.

5.2 Right-of-use assets and related liabilities

After the commencement date, the Company measures the right-of-use asset applying a cost model whereby the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability.

The right-of-use asset is depreciated on straight line basis in case of Go down and written down value method in case of vehicles, from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option in which case the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. The estimated useful lives of assets are determined on the same basis as that for owned assets. The right-of-use asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets.

5.3 Intangible assets

Intangible assets having definite useful life are stated at cost less accumulated amortization and impairment losses (if any). However, Intangible assets having indefinite life are stated at cost less impairment losses (if any). Impairment losses (if any) are recorded on the basis as defined in note 5.23.

Subsequent cost is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Amortization is charged to the unconsolidated statement of profit or loss on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets are charged from the month in which an asset is acquired or capitalized while no amortization is charged in the month in which the asset is disposed of.

All intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Where the carrying amount of an asset exceeds its estimated recoverable amount it is written down immediately

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

to its recoverable amount. The carrying amount of other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists than the assets recoverable amount is estimated. The recoverable amount is the greater of its value in use and fair value less cost to sell.

Useful lives of intangibles assets are reviewed at each reporting date and unadjusted if the impact on amortization is material.

5.4 Investments

5.4.1 Investment in subsidiary, joint venture and associated companies

Investment in subsidiary, joint venture and associated companies is initially recognized and carried at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as expense. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in unconsolidated statement of profit or loss.

5.4.2 Other investments

All regular way purchases / sales of investment are recognized on the trade date, i.e., the date the Company commits to purchase / sell the investments. Regular way purchases or sales of investment require delivery of securities within the time frame generally established by regulation or convention in the market place.

5.5 IFRS 9 - Financial Instruments - initial recognition and subsequent measurement

Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortized cost as the case may be.

Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit or loss ("FVTPL")
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortized cost.

The Company determines the classifications of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortized cost

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instrument held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Subsequent measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value being recognized in unconsolidated statement of other comprehensive income.

ii) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the unconsolidated statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of financial assets and liabilities held at FVTPL are included in the unconsolidated statement of profit or loss in the period in which they arise.

Where the management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognised in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial assets

The Company recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost and FVTOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determine to have low credit risk at the reporting date, in which case twelve months' ECL is recorded. The following were either determined to have low or there was no credit risk since initial recognition and at the reporting date:

- bank balances;
- due from related parties;
- deposits; and
- loan and advances

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve months ECLs are portion of ECL that result from default events that are possible within twelve months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash short falls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the company expects to receive).

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in entirety or a portion thereof.

Derecognition

i) Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable is recognised in unconsolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to unconsolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to unconsolidated statement of profit or loss, but is transferred to unconsolidated statement of changes in equity.

ii) Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in unconsolidated statement of profit or loss account. The Company's financial liabilities include long term finances, trade and other payables, accrued mark-up and short term borrowing.

5.6 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the dates on which the derivative contracts are entered into and are subsequently re-measured at fair value using appropriate valuation techniques. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative instruments is taken to the unconsolidated statement of profit or loss.

5.7 Stores, spares and loose tools

These are valued at the cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice value plus other charges incurred thereon, up to the reporting date.

5.8 Stock-in-trade

These are valued at lower of cost and net realizable value less impairment loss, if any. Raw material is valued at moving weighted average cost, packing material is valued at cost, work in process is valued at manufacturing cost and finished goods is valued at cost allocated on sales value of finish and by-product for each job completion or net realizable value (NRV) whichever is lower.

The Company reviews the carrying amount of stock-in-trade on an on-going basis and as appropriate, inventory is written down to its net realisable value or provision is made for obsolescence if there is any change in usage pattern and physical form of related inventory.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

5.9 Staff retirement benefits - Defined benefit plan

The Company operates an unapproved gratuity scheme for its employees completing the eligibility period of service as defined under the plan. The scheme provides for a graduated scale of benefits dependent on the

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

length of service of an employee on terminal date, subject to the completion of minimum qualifying period of service. Gratuity is based on employees' last drawn gross salary.

Provisions are made to cover the obligations under the scheme on the basis of actuarial valuation carried out annually by an external expert, using the 'Projected Unit Credit Method'. All re-measurement gains and losses are recognized in 'Statement Of Other Comprehensive Income' as these occur. The amount recognized in the unconsolidated statement of financial position represents the present value of defined benefit obligations. The past service cost, current service cost and interest cost are recognized in the unconsolidated statement of profit or loss when they incur.

5.10 Trade debts

These are measured at original invoice amount less an estimate made for allowance for expected credit loss based on the probability of default at reporting period. Bad debts are written off when identified.

5.11 Cash and cash equivalents

Cash and cash equivalents are carried in the unconsolidated statement of financial position at cost. For the purpose of statement cash flows, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid short-term investments that are convertible to known amounts of cash and are subject to insignificant risk of change in value.

5.12 Taxation

Current

The charge for current tax is based on taxable income at current rates of taxation after taking into account tax credits, rebates and exemptions available, if any, or in accordance with the final tax regime, where applicable, of the Income Tax Ordinance, 2001 (the Ordinance) or the minimum tax under section 113 of the Ordinance or Alternate Corporate Tax (ACT) under section 113C of the said Ordinance, whichever is higher. Further, levies are accounted for as an operating expense in accordance with the requirement of IFRIC - 21. Any excess over the amount designated as a levy is then recognized as current tax expense in accordance with IAS-12.

Deferred

Deferred tax is recognized using the unconsolidated statement of financial position liability method on all temporary differences between the carrying amount of the assets and liabilities and their tax bases. Deferred tax liabilities are recognized for all major taxable temporary differences.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it becomes probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the reporting date.

5.13 Borrowings and their costs

All borrowings are recorded at the proceeds received net of transaction cost. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to unconsolidated statement of profit or loss in the period in which these are incurred.

5.14 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest rate method and remeasured (with a corresponding adjustment to the related ROU assets when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options).

ii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

5.15 Trade and other payables

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in future for goods and services.

5.16 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence/non-occurrence of the uncertain future event(s).

5.17 IFRS 15 'Revenue from Contracts with Customers'

The Company is in the business of the manufacture and sale of goods. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer and thereby the performance obligations are satisfied, at amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

The Company has concluded that based on the contractual arrangement control of goods are transferred and performance obligations are satisfied at a point in time when the goods are dispatched to the customers.

In case of export the control is transferred when the goods are shipped to the destination and Bill of Lading has been prepared, thus completing the performance obligation. Whereas in case of local sales, control is transferred when the goods are dispatched to customers from the warehouse.

5.18 Interest income

Interest income is recognized on a time proportion basis that takes into account the effective yield.

5.19 Foreign currency transaction & translation

Transactions in foreign currencies are accounted for in Pak Rupee at the rate of exchange prevailing on the date of transaction. Monetary assets and monetary liabilities in foreign currencies as at the reporting date are expressed in Rupee at rates of exchange prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences are taken to the unconsolidated statement of profit or loss.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

5.20 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are off-set and the net amount is reported in the unconsolidated financial statements only when the Company has a legally enforceable right to off-set the recognized amounts and the Company intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.21 Provisions

A provision is recognized in the unconsolidated statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

5.22 Operating segments

Operating segment are reported in manner consistent with the internal reporting provided to the Chief operating decision maker. The Chief Operating Decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions. Operating segments comprises of rice and allied products and corn starch

5.23 Impairment of non-financial assets

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated and accordingly an impairment loss is recognized in the unconsolidated statement of profit or loss for the carrying amount of the asset that exceeds its recoverable amount.

5.24 Related party transactions

All related party transactions are carried out by the Company on arm's length basis.

5.25 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

5.26 Dividend

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's unconsolidated financial statements in the period in which such dividends are approved by the Board.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024
6 SHARE CAPITAL
6.1 Authorized share capital

December 31, 2024	June 30, 2024		December 31, 2024	June 30, 2024
Number of shares			-----Rupees-----	
200,000,000	200,000,000	Ordinary shares of Rs. 10 (June 2024: Rs. 10)	2,000,000,000	2,000,000,000

6.2 Issued, subscribed and paid up share capital

December 31, 2024	June 30, 2024		December 31, 2024	June 30, 2024
Number of shares			-----Rupees-----	
50,340,213	50,340,213	Ordinary shares of Rs. 10 - fully paid in cash	503,402,130	503,402,130
6,002,950	6,002,950	- issued for consideration other than cash	60,029,500	60,029,500
66,057,535	66,057,535	- issued as fully paid bonus shares	660,575,350	660,575,350
<u>122,400,698</u>	<u>122,400,698</u>		<u>1,224,006,980</u>	<u>1,224,006,980</u>

6.3 On April 30, 2008 the Company entered into an agreement to takeover the running business of Matco Marketing Company (the "Firm"), a sole proprietorship firm against the issuance of shares. The firm's capital account as per the audit conducted by M/S Rafiq & Co, Chartered Accountant was Rs. 60 million, against which shares were issued to Mr. Tariq Ghori (Late) in lieu of this takeover in accordance with the regulation 8 of Companies (Issue of Capital) Rules, 1996.

6.4 Shares held by the related parties of the Company
Director and their spouse

	December 31, 2024	June 30, 2024
	--Number of Shares--	
Mr. Jawed Ali Ghori	24,020,821	24,020,821
Mr. Khalid Sarfaraz Ghori	24,031,271	24,031,271
Mr. Faizan Ali Ghori	1,199,450	1,179,450
Ms. Naheed Jawed	448,875	448,875
Ms. Nuzhat Khalid Ghori	448,875	448,875
Mrs. Faryal Murtaza	500	500
Mr. Murtaza Mahfooz Talib (Spouse of Faryal Murtaza)	336,821	336,821
Mr. Safwan Ghori	211,750	211,750
Mr. Syed Kamran Rasheed	100	100
Mr. Abdul Samad Khan	500	500
Ms. Umme Habibah	2,500	2,500
Mr. Muhammad Mohsin	500	500

Substantial shareholder

International Finance Corporation	18,360,109	18,360,109
Ms. Sadaf Tariq	24,480,146	24,480,146

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

	December 31, 2024	June 30, 2024
6.5 Reconciliation of number of shares outstanding is as under:	--Number of Shares--	
Shares at the beginning of the period/year	122,400,698	122,400,698
Shares issued during the year in cash	-	-
Bonus shares issued during the period/year	-	-
Shares at the end of the period/year	122,400,698	122,400,698

- 6.6** The Company has issued 15% shares to International Finance Corporation (IFC) (registered with World Bank) under an agreement with the Company. During the year 2012, the Company offered shares as fully paid right shares which were declined by the existing members and the directors issued those shares to the IFC. These shares have been issued at a price of Rs. 39.28 per share resulting in overall premium from IFC on issue of shares amounting to Rs. 341.311 million.

	December 31, 2024	June 30, 2024
7 CAPITAL RESERVE	-----Rupees-----	
Share premium	7.1 & 7.2	680,467,220

- 7.1** Premium received over and above face value of the shares issued to IFC amounting to Rs. 341 million out of which Rs. 22.9 million had been utilized under section 83 of the repealed Companies Ordinance, 1984 (now section 81 of the Companies Act, 2017) during the year ended June 30, 2014.

- 7.2** Premium received over and above face value of the shares issued to general public through IPO amounting to Rs. 466.3 million out of which Rs. 45.9 million had been utilized under section 81 of the Companies Act, 2017 during the year ended June 30, 2019.

8 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX

This represents surplus arising on revaluation of land, buildings, plant and machinery and generators, net of deferred tax. The latest revaluation was carried by MYK Associates (Private) Limited on June 28, 2024.

	December 31, 2024	June 30, 2024
	-----Rupees-----	
Surplus on revaluation at the beginning of the period/year	5,880,027,428	2,478,272,715
Surplus on revaluation recognized during the period/year	-	3,428,782,174
Transferred to unappropriated profit in respect of disposal of property, plant and equipment	(878,525)	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the period/year	(119,784,410)	(27,027,461)
Surplus on revaluation of operating fixed assets as at June 30	5,759,364,493	5,880,027,428
Less: related deferred tax liability:		
- at beginning of the period/year	(685,741,518)	(69,448,835)
- on surplus arising on revaluation during the period/year	-	(624,400,921)
- on disposed off during the period/year	254,772	-
- on incremental depreciation charged during the period/year	34,737,479	8,108,238
	5,108,615,226	5,194,285,910

MATCO FOODS LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

8.1 Restriction on distribution

The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

		December 31, 2024	June 30, 2024
9	LONG TERM FINANCES - SECURED	Note	-----Rupees-----
	<i>From banking companies and financial institution:</i>		
	LTFF/ILTFF	9.1	139,359,733
	TERF/ITERF	9.2	848,165,108
	FFSAP	9.3	283,088,051
	Demand Finance	9.4	381,086,123
			<u>1,651,699,015</u>
	Current portion of long term finances - secured		<u>(362,759,221)</u>
			<u>1,288,939,794</u>

- 9.1** The Company has obtained Long Term Financing/Islamic Long Term Financing Facility (LTFF/ILTFF) under SBP Schemes from various commercial banks. The effective rates of mark-up on these facilities vary from SBP rate+ 1% to 2.5% per annum (June 2024: SBP rate+ 1% to 2.5% per annum).
- 9.2** The Company has obtained Temporary Economic/Islamic Temporary Economic Refinance Facility (TERF/ITERF) under SBP Schemes from various commercial banks and Islamic banks. The effective rates of mark-up on these facilities vary from SBP rate+ 1.50% to 2% per annum (June 2024: SBP+ 1.5% to 2% per annum).
- 9.3** The Company has obtained Financing Facility for Storage of Agricultural Produce (FFSAP) under SBP Scheme from various financial institutions. The effective rates of mark-up on these facilities vary from SBP rate + 1.25% to 2.00% per annum (June 2024: SBP rate + 1.25% to 2.00% per annum).
- 9.4** The Company has obtained Demand Finance Facility (DF) from various commercial banks. The effective rates of mark-up on these facilities vary from KIBOR+ 1% to 2.25% per annum (June 2024: KIBOR+ 1% to 2.25% per annum).
- 9.5** These facilities are secured by way of hypothecation charge of present/future fixed assets (land, building, plant & machinery) of the Company with 25% margin / 1st Exclusive charge over specific machinery assets.
- 9.6** The maximum available amount from above mentioned facilities amounts to Rs. 896.30 million (June 2024: Rs. 552.59 million).

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

10 LEASE LIABILITIES

	December 31, 2024					June 30, 2024				
Note	Vehicle	Godown	Solar	Generator	Total	Vehicle	Godown	Generator	Total	
	Rupees									
Opening balance	79,426,952	118,393,351	-	12,504,950	210,325,253	104,984,104	97,563,274	14,380,812	216,928,190	
Impact of adoption of IFRS-16	-	-	-	-	-	-	-	-	-	
Reassessment of lease liability	-	32,134,740	-	-	32,134,740	-	30,648,183	-	30,648,183	
At July 1	79,426,952	150,528,091	-	12,504,950	242,459,993	104,984,104	128,211,457	14,380,812	247,576,373	
Additions for the period	97,495,453	-	116,900,000	-	214,395,453	-	-	-	-	
Disposal during the period	(1,524,545)	-	-	-	(1,524,545)	-	-	-	-	
Accrued interest during the period	11,954,918	8,708,331	3,894,786	1,156,616	25,714,651	21,648,470	21,933,894	3,156,179	46,738,543	
	187,352,778	159,236,422	120,794,786	13,661,566	481,045,552	126,632,574	150,145,351	17,536,991	294,314,916	
Payments made during the period	(25,044,044)	(17,460,000)	(6,308,192)	(2,356,353)	(51,168,589)	(47,205,622)	(31,752,000)	(5,032,041)	(83,989,663)	
	162,308,734	141,776,422	114,486,594	11,305,213	429,876,963	79,426,952	118,393,351	12,504,950	210,325,253	
Current portion of lease liabilities	41,665,930	19,130,749	15,639,816	2,982,595	79,419,090	25,984,229	9,716,913	2,370,744	38,071,886	
Non-current	120,642,804	122,645,673	98,846,778	8,322,618	350,457,873	53,442,723	108,676,438	10,134,206	172,253,367	

10.1 Maturity analysis of lease liabilities

Upto one year	41,665,930	19,130,749	15,639,816	2,982,595	79,419,090	25,984,229	9,716,913	2,370,744	38,071,886
After one year	120,642,804	122,645,673	98,846,778	8,322,618	350,457,873	53,442,723	108,676,439	10,134,206	172,253,368
Lease liabilities	162,308,734	141,776,422	114,486,594	11,305,213	429,876,963	79,426,952	118,393,352	12,504,950	210,325,254

10.2 Sale and Leaseback Transactions

It reflects the sale and leaseback liabilities included in the above lease liabilities and discloses the impact on financial statements due to the said transactions:

10.21 Reason for sale and leaseback transactions

During the period, the Company initiated a sale and leaseback transaction to enhance its liquidity and optimize cash flow. The transaction involved the disposal of vehicles, for which liabilities had been fully settled but remained in the Company's possession, and the solar project installed in the Corn Starch division.

10.22 Key terms and conditions

The leaseback arrangement is structured under Diminishing Musharaka and Modaraba agreements, with a liability repayment period of 5 years. The financing facility for vehicles and solar, obtained from the bank, amounts to Rs. 312 million, subject to a profit rate of 3-month KIBOR + 1.5%.

10.23 Disclosure of transaction and effects on financial statements

During the period, the Company entered into a sale and leaseback transaction, whereby certain assets were sold and subsequently leased back. The transaction has been accounted for in accordance with IFRS 16 - Leases, after determining that the transfer of assets meets the definition of a sale under IFRS 15 - Revenue from Contracts with Customers.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

As a result of the transaction, the Company has recognized a Right-of-Use (ROU) asset at an amount equal to the proportionate carrying value of the asset sold, adjusted for any prepaid or accrued lease payments. A gain or loss on sale has been recognized in profit or loss, reflecting only the portion of the asset's carrying amount transferred to the buyer-lessor. The remaining gain related to the retained interest in the leased asset has been deferred and will be recognized over the lease term.

The value of transaction which is included in the sale and leaseback transactions:

	Carrying Value	Sale Proceed	Gain/(Loss)	Lease Liability
Vehicles	65,313,850	97,544,500	13,377,976	97,544,500
Solar	120,856,770	116,865,000	13,852,640	116,865,000
			December 31, 2024	June 30, 2024

11	DEFERRED LIABILITIES	Note	-----Rupees-----	
	Deferred tax liability	11.1	651,004,038	685,741,518
	Staff gratuity scheme - unfunded	11.2	247,527,338	295,075,963
			898,531,376	980,817,481

- 11.1 This represent deferred tax on surplus on revaluation of property, plant and equipment. Further, the Company has deferred tax asset amounting to Rs. 90.65 million (June 2024: Rs. 22.26 million). However, the Company has not recorded deferred tax asset in of these unconsolidated financial statements.

			December 31, 2024	June 30, 2024
11.2	Staff gratuity scheme - unfunded	Note	-----Rupees-----	
	Balance at beginning of the period/year		295,075,963	239,314,961
	Charge for the period/year	11.2.7	52,349,655	95,436,914
	Actuarial (gains) / losses		550,266	(17,947,901)
	Payments made during the period/year		(100,448,546)	(21,728,011)
	Balance at end of the period/year	11.2.3	247,527,338	295,075,963

11.2.1 Staff retirement benefits - unfunded

In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at December 31, 2024, using the "Projected Unit Credit Method". Provision has been made in these unconsolidated financial statements to cover obligations in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation in respect of above-mentioned schemes are as follows:

	Note	December 31, 2024	June 30, 2024
Discount rate - per annum		12.25%	14.75%
Expected rate of increase in salaries - per annum		11.25%	12.75%
Mortality rate		SLIC (2001-05)	SLIC (2001-05)

11.2.2 The amounts recognized in the unconsolidated statement of financial position are as follows:

Present value of defined benefit obligation	11.2.3	247,527,338	295,075,963
---	--------	--------------------	--------------------

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

	Note	December 31, 2024	June 30, 2024
11.2.3 Movements in the net liability recognized in the unconsolidated statement of financial position are as follows:			
Opening liability		295,075,963	239,314,961
Charge for the year	11.2.4	52,349,655	95,436,914
Actuarial losses		550,266	(17,947,901)
Benefits paid		(100,448,546)	(21,728,011)
Balance at end of the year		<u>247,527,338</u>	<u>295,075,963</u>
11.2.4 The amounts recognized in the unconsolidated statement of profit or loss against defined benefit scheme are as follows:			
Current service cost		34,307,248	58,313,634
Interest cost		18,042,407	37,123,280
Charge for the year		<u>52,349,655</u>	<u>95,436,914</u>
11.2.5 The amounts recognized in the other comprehensive income against defined benefit scheme are as follows:			
Actuarial loss arising from			
- changes in financial assumptions		(2,109,642)	12,469,056
- experience adjustment		2,659,908	(30,416,957)
		<u>550,266</u>	<u>(17,947,901)</u>
11.2.6 Expense chargeable to unconsolidated statement of profit or loss for the next year			
Current service cost		68,614,496	68,614,496
Interest cost		38,864,480	43,523,705
Charge for the year		<u>107,478,976</u>	<u>112,138,201</u>
11.2.7 The expense for the staff retirement benefit scheme has been allocated as follows:			
Cost of sales	34.4	36,189,938	62,135,490
Selling and distribution	35.1	3,018,171	5,942,467
Administrative expenses	36.1	13,141,546	27,358,957
		<u>52,349,655</u>	<u>95,436,914</u>

11.2.8 Sensitivity analysis of actuarial assumptions

The sensitivity analysis is prepared using same computation model and assumptions as used to determine defined benefit obligation based on Projected Credit Unit Method. There is no change from prior year in respect of methods and assumptions used to prepare sensitivity analysis. The impact of 1% change in following variables on defined benefit obligation is as follows:

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

	Increase in assumptions	Decrease in assumptions
	-----Rupees-----	
Discount rate	289,565,297	289,536,522
Expected salary increase	346,979,492	347,559,436

11.2.9 Risks on account of defined benefit scheme

The Company faces the following risks on account of defined benefit scheme:

Final salary risk

The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Discount rate fluctuation

The defined benefit liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase defined benefit liabilities.

	December 31, 2024	June 30, 2024
11.2.10 Maturity profile		
Average expected remaining working lifetime of members	10 Years	10 Years
Average duration of liability	09 Years	09 Years

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

			December 31, 2024	June 30, 2024
			-----Rupees-----	
12	TRADE AND OTHER PAYABLES	Note		
	Creditors		2,379,297,191	2,228,581,315
	Accrued liabilities		135,829,043	127,141,293
	Tax deducted at source and payable to statutory authorities		8,312,718	7,800,016
	Sales tax payable to statutory authorities		57,253,101	12,473,020
	Workers' welfare fund	12.1	6,074,946	-
	Workers' profit participation fund	12.2	15,187,365	-
			<u>2,601,954,364</u>	<u>2,375,995,644</u>
12.1	Worker's welfare fund			
	Opening balance		-	15,276,100
	Allocation for the period/year		6,074,946	-
	Reversal of WWF		-	(14,737,054)
	Amount paid		-	(539,046)
	Closing balance		<u>6,074,946</u>	<u>-</u>
12.2	Worker's profit participation fund			
	Opening balance		-	38,190,251
	Allocation for the period/year		15,187,365	-
	Amount paid		-	(38,190,251)
	Closing balance		<u>15,187,365</u>	<u>-</u>
13	ACCRUED MARK-UP			
	Mark-up on long term finances		32,617,875	39,369,552
	Mark-up on short term borrowings		188,970,377	520,647,658
			<u>221,588,252</u>	<u>560,017,210</u>
14	DUE TO RELATED PARTY			
	This represents amount received from the Matco Marketing (Private) Limited for the purpose of expenses to be incurred by the Company on their behalf. The maximum aggregate amount at the end of any month during the year was Rs. 6.56 million (June 2024: Rs. 6.80 million).			
			December 31, 2024	June 30, 2024
15	SHORT-TERM BORROWINGS SECURED	Note	-----Rupees-----	
	Export re-finance	15.1	7,553,475,628	6,021,089,048
	Own resource	15.2	4,081,693,853	4,947,573,341
	FE-25 Scheme	15.3	1,825,130,688	81,041,424
	Foreign bills purchased/negotiated	15.4	264,516,306	74,286,940
			<u>13,724,816,475</u>	<u>11,123,990,753</u>

MATCO FOODS LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

- 15.1** The Company has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from Commercial banks and Islamic banks. The effective rates of mark-up on these facilities at SBP rate plus 1% per annum (June 2024: SBP rate plus 1% per annum).
- 15.2** The Company has short term running finance facility under own resource from Commercial banks and Islamic banks. The effective rates of mark-up on these facilities vary from 3-month/6-month KIBOR plus 0.75% to 2.5% per annum (June 2024: 3-month/6-month KIBOR plus 0.75% to 2.5% per annum).
- 15.3** The Company has obtained short term running finance facility under FE-25 loan scheme of the State Bank of Pakistan from commercial banks during the year. The effective rates of mark-up on these facilities is 8.85% to 10.2% per annum (June 2024: 9% to 10% per annum).
- 15.4** It carries mark-up that is to be negotiated on case to case basis (June 2024: negotiated on case to case basis). This facility is secured by ranking hypothecation charge over stocks and receivables duly insured in bank's favor covering all risks with premium payment receipt.
- 15.5** The facilities available from various banks amount to Rs. 15,270 million (June 2024: Rs. 12,420 million). These facilities are secured by way of hypothecation charge of all present and future cash collateral/TDR, receivable, stocks & current assets. These facilities are registered by mortgage charge of land, building, plant and machinery and all present & future fixed assets.
- 15.6** As at December 31, 2024, the unavailed facilities from above borrowings amounting to Rs. 1,809.70 million (June 2024: 1,296.01 million).

16 UNPAID DIVIDEND

This represents part of interim dividend for the period ended December 31, 2017, September 30, 2022 and March 31, 2023 and final dividend for the year ended June 30, 2018, June 30, 2019, June 30, 2020 and June 30, 2023 which remained unpaid to the shareholders who have not provided their valid Central Depository System (CDS) Account no. and International Bank Account Number (IBAN). The Company has already sent letters to those shareholders for the purpose of above stated information.

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

- 17.1.1** The Company has filed a civil suit No. 1061 of 2021, for declaration and permanent injunction against Sindh Industrial Trading Estates Limited (SITE). The SITE issued an impugned notice to the Company cancelling the Company's lease of plot H/162 SITE ("Subject Property") in alleged compliance of a Supreme Court order, declaring the plot in question to be an amenity plot. The Company has opposed such cancellation of its lease on the basis that the Master Plan of site shows the Subject Property to be an industrial plot. Furthermore, it is contended that the SITE has issued the impugned notice in defiance of the Company's proprietary rights in the land and such notice is illegal and in excess of their authority. The Company has a stay order in favor of the Company dated April 29, 2021 restraining the SITE from taking any coercive action in pursuance of the notice. The matter is fixed for hearing and the management of the Company believes that the matter will be decided in favor of the Company.

MATCO FOODS LIMITED**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS****FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024**

- 17.1.2** The Company had filed the civil suit no. 1635 of 2009 for possession of land which was illegally dispossessed by the Syed Alay Sadaqain Naqvi (defendants) and to issue a permanent injunction to restrain the defendants from alienation or transferring the land. The Honorable Sindh High Court (SHC) passed an order on November 19, 2009, in which SHC has granted permanent injunction in above suit on October 17, 2018. The matter is fixed for hearing and the management of the Company believes that the matter will be decided in favor of the Company.
- 17.1.3** Suit no. 2141 of 2015 has been filed against the Company for declaration, possession, damages, mesne profit and injunction before the Senior Civil Judge (west) at Karachi. The plaintiff claims to be the lawful owner of a piece of land measuring 10 acres ("Subject Land"), which also includes the land which is also subject matter of suit no. 1635 of 2009. The plaintiff has sought declaration as to the ownership and occupation of Subject Land. The Company has filed an application under Order 7 Rule 11 stating therein that the instant suit is barred by law as the plaintiff's earlier suits raising the same dispute were dismissed. On August 29, 2017, the learned Judge was pleased to allow the application of the Company and the plaintiff appeal was rejected accordingly. The Plaintiff aggrieved by the said order appealed the same matter before IVth Additional and District Judge (ADJ) bearing Appeal No. 311 of 2017 ("Appeal"). On September 12, 2018, the learned Appellate Court decided the Appeal in favor of the Plaintiff and against the Company, set aside the order dated August 29, 2017 and restored the above suit. Aggrieved by the order of ADJ in Appeal no. 311 of 2017 the Company filed appeal no 157 of 2018. The Company contended that the order passed by ADJ was bad in law as the law does not permit fresh proceedings on the same cause of action of which issue has already been adjudicated upon by the Courts and the suit 2141 of 2015 was rightly rejected by the trial court. The learned Judge after hearing the Company's submission and arguments was pleased to suspend the operation of the impugned Judgement (passed in Appeal no. 311 of 2017) via order dated December 17, 2018. The matter is fixed for hearing and the management of the Company believes that the matter will be decided in favor of the Company.
- 17.1.4** The Company has filed suit no. 1378 of 2019 in SHC against Sui Southern Gas Company Limited. The case has been filed on the ground that the gas tariff/price has been increased by SSGC illegally. The case is pending before SHC and is fixed for hearing. Furthermore, the management of the Company in consultation of legal advisor is of the view that based on the merit of the case, the same will be decided in favor of the Company.
- 17.1.5** The Company had filed suit no 1820 of 2020 in SHC against Sui Southern Gas Company Limited. The case has been filed on the ground that the gas tariff/price has been increased by SSGC illegally. Previously, SHC had directed the Company to pay their bills according to previous judgement by either bank guarantee or deposit cheque ready to encash to the satisfaction of the Nazir of the court and SSGC shall issue revised bills. However, SHC has concluded on February 18, 2023, that the price increase is not illegal and argument of increase in sale price does not have force. Consequent to said decision the Company has filed an appeal under SHC, The SHC via HCA No. 212 of 2023 stated, till the conclusion of the case, the Company shall deposit a cheque to the Nazir and the Nazir shall not encash the cheques, which according to the Company being the differential amount of the gas bill, which have been deposited. If the cheques expired, it will be replaced by a fresh one. Further SHC via HCA No. 220 of 2023 stated, the judgement passed on February 18, 2023 is suspended till the next date of hearing. Further the management of the Company in consultation of legal advisor is of the view that based on the merit of the case, the same will be decided in favor of the Company.

MATCO FOODS LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

- 17.1.6** The Company has filed a suit for declaration and permanent injunction against the Syed Alay Sadaqain Naqvi (defendants) for continuously interfering with the peaceful possession of the extended portion of 0.5 acres of land that was regularized in favor of the Company on February 07, 2020 by virtue of a registered deed of Addenda of lease. The Company has pleaded that the Company is the absolute and lawful owner in possession of an immovable property, name Plot. No. G-205 SITE Super Highway Phase II Karachi measuring 4.5 acres by virtue of lease deed dated November 10, 2008 executed by Sindh Industrial Trading Estate Limited. The Company intends to utilize the 0.5 acres of land that was regularized recently in favor of the Company however, the defendants is interfering with the possession of the property. The Company has asked the SHC to declare that the defendant is wrongfully and illegally claiming to be the owner of the property and requested SHC to stop interfering with the Company's peaceful possession on the extended portion measuring 0.5 acres. Based on the merit of case the management of the Company believes that the matter will be decided in favor of the Company.
- 17.1.7** In prior years Government of Sindh imposed infrastructure cess @ 0.85% of import value on all imports into Pakistan. A large number of importers including the Company challenged the matter in the SHC. The SHC has issued an interim order allowing release of imported goods on 50% payment and 50% bank guarantee. This suit no. 2173 of 2013 was filed on June 10, 2013, the SHC has passed the judgement in the subject matter wherein SHC has declared the imposition of cess valid piece of Legislation. The Company along with other industries affected by the SHC order has challenged the judgement of SHC in Honorable Supreme Court of Pakistan (SCP) and in that appeal stay has been granted by Honorable Supreme Court of Pakistan (SCP) subject to furnishing bank guarantee of the disputed amount. The management is of the view that the Company is not likely to suffer any losses due to above suit.
- 17.1.8** In 2011, Government of Pakistan (GoP) impose a levy on gas consumers in the industrial sector, known as The Gas Infrastructure Development Cess (GIDC). The amount collected was to be used for the construction of infrastructure projects.

GIDC was challenged in Honorable Peshawar High Court (PHC) in December 2013, PHC declared the levy of GIDC unconstitutional. PHC further directed the GoP to return the collected amount, GoP challenged the decision of PHC in the Honorable Supreme Court of Pakistan (SCP), however, SCP upheld the decision of PHC by declaring GIDC a fee and not a tax that can be charged.

In 2015, the Gas Infrastructure Development Cess Act, 2015 was introduced which re-imposed the GIDC. The affected industries again approached the SCP stating that the earlier tax money was not used for the construction of infrastructure projects. SCP granted stay order against payment of any GIDC levies.

In their judgement dated August 13, 2020, SCP dismissed all petitions against the GIDC levy and ruled in favor of the GoP which would collect the GIDC from different companies. The affected industries filed a review petition against the judgement of SCP which has also been dismissed by SCP vide its order dated November 03, 2020.

On October 15, 2020, the Company filed suit no. 1531 of 2020 in Honorable High Court of Sindh (SHC), with a plea that the Company did not pass on the GIDC burden to the end consumer, therefore in accordance with section 8 (2) of Gas Infrastructure Development Cess Act, 2015 (GIDC Act, 2015) the GIDC is not applicable on the Company, which is pending for decision, however, the SHC has issued sustaining order to Gas companies from taking any coercive action against the Company.

MATCO FOODS LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

The management of the Company in consultation of its legal advisor is of the view that since the Company has not passed on the burden to its consumer/clients, it is not liable to pay GIDC as they clearly falls within the ambit of the exception in line with section 8 (2) of GIDC Act, 2015. Furthermore, on prudent basis the Company has made a provision of Rs. 18 million.

- 17.1.9** The Company has filed suit No. 730 of 2015 before SHC against the imposition of the Captive Power Plant rate instead of the Industrial Consumer rate. The Company contends that they do not fall into the category of Captive Power Plant, but rather an Industrial Consumer, so the rate charged by the SSGC i.e. Rs.200 per MMBTU, is not applicable in the case of the company. The case has been decreed in favor of the Company vide order dated February 02, 2020. SSGC had challenged the Judgment before the Divisional bench of SHC. However, SHC has concluded that no intention to sell the surplus power can be discerned on the part of plaintiffs either at the time of contracting with SSGC or thereafter, and hence the inhouse power generation does not meet the test of captive power plant for the purpose of NEPRA regulations to attract tariff for captive power due to the foregoing reasons the suit is decreed in favor of the Company.

		December 31, 2024	June 30, 2024
17.2	Commitments		
	Note	-----Rupees-----	
	Letter of credit	133,815,142	225,808,899
	Letter of guarantees	46,137,500	46,167,500
	Capital Expenditures	125,000,000	172,000,000
	Cheques issued in favor of Nazir of high court in relation to SSGC case	17.1.4	
		7,732,192	7,732,192
		<u>312,684,834</u>	<u>451,708,591</u>

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

18 PROPERTY PLANT AND EQUIPMENT

	December 31, 2024	June 30, 2024
	Rupees	
Operating fixed assets	10,958,126,016	11,257,083,475
Capital work in progress	102,237,545	162,777,428
	<u>11,060,363,561</u>	<u>11,419,860,903</u>

18.1 Operating fixed assets

December 31, 2024												
Particulars	Cost / Revaluation					Depreciation						
	Cost at July 01, 2024	Additions	Transfers in / (out)	Revaluation surplus	Disposals	Cost at December 31, 2024	Accumulated depreciation at July 01, 2024	Depreciation for the year	Depreciation on disposals	Accumulated depreciation at December 31,	Book value at December 31, 2024	Rate per annum %
Owned Assets												
Factory land	3,969,100,001	-	-	-	-	3,969,100,001	-	-	-	-	3,969,100,001	-
Factory building	3,278,283,933	23,663,502	-	-	-	3,301,947,435	894,608,765	119,902,372	-	1,014,511,137	2,287,436,318	10
Plant and machinery	5,468,608,562	9,472,255	-	-	3,427,338	5,474,653,479	1,366,885,262	207,088,822	813,825	1,573,160,239	3,901,493,220	10
Electric cables and fitting	274,335,842	7,167,379	-	-	-	281,503,221	62,774,202	10,741,826	-	73,513,228	207,987,993	10
Furniture and fixture	23,250,404	1,930,686	-	-	-	27,181,090	10,767,871	793,756	-	11,561,627	15,619,463	10
Motor vehicles	119,761,613	38,287,358	-	-	76,169,455	81,879,516	66,985,934	3,871,776	10,855,605	68,002,105	21,877,411	20
Office equipment	74,867,203	2,852,111	-	-	-	77,719,314	24,802,716	2,334,966	-	27,337,682	50,381,632	10
Factory equipment	405,155,636	58,023,487	120,856,770	-	122,306,794	461,729,099	92,569,341	16,818,040	42,202	109,343,178	352,383,921	10
Computers	44,218,978	556,350	-	-	324,900	44,450,628	29,225,128	2,565,818	262,860	31,528,086	12,922,542	33
Camers	11,365,719	-	-	-	-	11,365,719	6,492,984	810,610	-	7,303,594	4,062,125	33
Cadown & Shops	33,036,051	-	-	-	-	33,036,051	19,200,384	697,474	-	19,897,758	13,138,293	10
Sewing machine	1,369,205	-	-	-	-	1,369,205	1,044,161	16,388	-	1,060,547	308,658	10
Mobile phone	10,287,574	1,493,450	-	-	383,070	11,197,954	3,892,236	873,136	406,931	6,358,421	4,839,533	33
Generator	186,936,274	80,000	-	-	-	187,016,274	64,244,676	6,196,692	-	70,441,368	116,574,906	10
Total	13,902,577,015	143,526,778	120,856,770	-	202,811,557	13,964,149,086	2,645,493,340	372,910,873	12,381,422	3,008,022,990	10,958,126,016	

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

	June 30, 2024											
Particulars	Cost / Revaluation					Depreciation						
	Cost at July 01, 2023	Additions	Transfers in / (out)	Revaluation surplus	Disposals	Cost at June 30, 2024	Accumulated depreciation at July 01, 2023	Depreciation for the year	Depreciation on disposals	Accumulated depreciation at June 30, 2024	Book value at June 30, 2024	Rate per annum %
Owned Assets												
Factory land	2,693,424,451	-	-	1,275,675,550	-	3,969,100,001	-	-	-	-	3,969,100,001	-
Factory building	2,087,307,263	35,482,881	430,998,818	724,494,492	-	3,278,283,553	750,090,951	144,517,814	-	894,608,765	2,383,675,188	10
Plant and machinery	3,288,918,579	91,937,712	708,552,236	1,379,200,035	-	5,468,608,562	1,119,241,503	247,643,759	-	1,366,885,262	4,101,723,300	10
Electric cables and fitting	188,440,172	1,003,455	84,892,215	-	-	274,335,842	45,113,910	17,660,292	-	62,774,202	211,561,640	10
Furniture and fixture	20,576,120	2,927,709	1,746,575	-	-	25,250,404	9,456,196	1,511,675	-	10,767,871	14,482,533	10
Motor vehicles	93,554,738	26,206,875	-	-	-	119,761,613	57,836,111	9,149,823	-	66,985,934	52,775,679	20
Office equipment	56,141,172	16,014,330	2,711,701	-	-	74,867,203	20,680,306	4,122,410	-	24,802,716	50,064,487	10
Factory equipment	347,835,902	28,437,946	28,881,788	-	-	405,155,636	62,198,344	30,370,997	-	92,569,341	312,586,295	10
Computers	37,097,659	7,084,819	36,300	-	-	44,218,978	23,833,154	5,391,974	-	29,225,128	14,993,850	33
Camera	8,779,419	2,586,300	-	-	-	11,365,719	4,964,397	1,528,587	-	6,492,984	4,872,735	33
Godown & Shops	33,036,051	-	-	-	-	33,036,051	17,658,295	1,541,989	-	19,200,284	13,835,767	10
Sewing machine	1,369,205	-	-	-	-	1,369,205	1,007,935	36,226	-	1,044,161	325,044	10
Mobile phone	7,888,343	2,674,610	-	-	275,379	10,287,574	4,355,004	1,708,310	171,098	5,892,216	4,395,358	33
Generator	145,647,947	-	45,900	41,242,427	-	186,936,274	55,298,820	8,045,856	-	64,244,676	122,691,598	10
Total	9,010,017,521	214,356,636	1,257,865,733	3,420,612,504	275,379	13,902,577,015	2,171,734,926	473,929,712	171,098	2,645,495,540	11,257,083,475	

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

18.1.1 The depreciation charge for the year has been allocated as follows:

	Note	December 31, 2024	June 30, 2024
		-----Rupees-----	
Cost of sales:	34	298,328,698	379,143,770
Selling and distribution expenses	35	18,645,544	23,696,486
Administrative expenses	36	55,936,631	71,089,456
		<u>372,910,873</u>	<u>473,929,712</u>

18.1.2 Factory land includes a plot in which a law suit has been filed by the plaintiff who is claiming the possession and injunction of the property. The case is in process under the Honorable High Court Sindh Karachi (refer note 17.1.1, 17.1.2, 17.1.3 & 17.1.6).

18.1.3 Operating fixed assets include assets that are subject to mortgage with various banks against long-term finances and short-term borrowings (refer note 09 and 15).

18.1.4 Details of forced sale value of revalued property, plant and equipment

Description of Assets	Forced sale value Rupees
Land	3,572,190,000
Building	1,954,957,500
Plant and machinery	3,075,264,027
Generators	110,246,588

The above forced sale value has been taken from revaluation report of MYK Associates (Private) Limited as on June 28, 2024.

18.1.5 Item of property, plant and equipment having book value above Rs. 500,000 are as follows:

	Cost / Revaluation	Accumulated depreciation	Net book amount	Sale proceeds	Gain / Loss	Mode of disposal	Particulars of buyer
	-----Rupees-----						
Factory Equipment							
	1,450,024	(41,200)	1,407,822	1,351,091	145,869	Insurance Claim	EPU Insurance Co. Ltd
	120,856,770	-	120,856,770	116,865,000	13,852,640	Sale and Lease Back	First Habib Modarba
Plant and Machinery							
	3,427,338	(813,623)	2,613,714	2,684,309	270,795	Insurance Claim	EPU Insurance Co. Ltd
Motor Vehicles							
	3,300,000	(3,667,380)	1,632,418	500,000	186,484	Sale and Lease Back	First Habib Modarba
	3,183,000	(3,297,441)	885,559	4,760,000	(1,774,332)	Sale and Lease Back	First Habib Modarba
	2,507,625	(1,940,498)	558,127	3,640,000	(848,375)	Sale and Lease Back	First Habib Modarba
	1,640,000	(1,107,079)	532,921	1,840,000	(355,418)	Sale and Lease Back	First Habib Modarba
	2,835,002	(2,060,097)	794,905	3,200,000	(641,139)	Sale and Lease Back	First Habib Modarba
	2,564,000	(1,713,332)	850,677	3,150,000	(1,094,797)	Sale and Lease Back	First Habib Modarba
	2,016,550	(1,328,840)	687,707	1,620,000	(573,688)	Sale and Lease Back	First Habib Modarba
	2,229,000	(1,620,901)	608,499	3,300,000	(718,200)	Sale and Lease Back	First Habib Modarba
	4,600,000	(3,318,257)	1,281,743	7,200,000	(1,583,653)	Sale and Lease Back	First Habib Modarba
	3,048,046	(2,037,280)	1,010,763	3,010,000	(986,765)	Sale and Lease Back	First Habib Modarba
	3,730,115	(3,237,383)	2,492,732	3,600,000	(901,454)	Sale and Lease Back	First Habib Modarba
	3,975,000	(1,312,768)	2,662,240	2,400,000	(67,532)	Sale and Lease Back	First Habib Modarba
	3,100,000	(983,547)	2,117,453	2,880,000	(256,509)	Sale and Lease Back	First Habib Modarba
	3,931,000	(1,771,242)	4,159,658	3,600,000	(68,068)	Sale and Lease Back	First Habib Modarba
	9,262,000	(2,373,439)	6,888,560	3,920,000	(162,284)	Sale and Lease Back	First Habib Modarba
	3,940,500	(1,268,602)	2,671,898	4,400,000	(565,620)	Sale and Lease Back	First Habib Modarba
	3,700,000	(786,938)	2,913,062	2,480,000	(37,388)	Sale and Lease Back	First Habib Modarba
	3,600,000	(982,209)	3,017,793	2,480,000	(16,441)	Sale and Lease Back	First Habib Modarba
	10,336,830	(1,071,616)	9,265,234	7,360,000	(12,047)	Sale and Lease Back	First Habib Modarba
	4,583,000	(412,469)	4,172,531	2,800,000	(134,566)	Sale and Lease Back	First Habib Modarba
	2,190,000	(213,235)	1,974,765	2,800,000	(305,047)	Sale and Lease Back	First Habib Modarba
	11,620,800	(6,371)	11,620,429	9,040,000	64,086	Sale and Lease Back	First Habib Modarba

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

18.1.6 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Locations	Total Area in Acres	Covered Area in Square Feet
Plot A-15 & 16, SITE-II, Super highway Karachi	2.00	79,155
A-21, SITE-II, Super highway, Karachi	1.50	47,131
G-205, SITE-II, Super highway, Karachi	4.00	409,416
50 KM G.T Road, Sadhoke District, Gujranwala	14.68	136,060
B-1/A, SITE-II, Super highway, Karachi	0.97	34,850
Plot H-162, SITE-II, Super highway, Karachi	2.00	81,340
Plot F-193, SITE-II, Super highway, Karachi	2.00	60,870
50 KM G.T Road, Sadhoke District, Gujranwala	3.47	27,987
Plot # 53, S.E.Z, Allama Iqbal Industrial City, Faisalabad	20.00	373,128
House # 87, Block K, Street # 24, Al Bairuni Road, WAPDA City, Faisalabad	0.06	2,723
Plot No. 8-C, 3rd and 4th Floor, Shahbaz Lane No., Phase VI, DHA, Karachi	0.08	3,600

	December 31, 2024	June 30, 2024
18.2 Capital work in progress - Tangibles	-----Rupees-----	
Land	1,800,000	1,800,000
Factory Building	31,322,108	24,117,453
Plant and machinery	65,814,567	54,035,832
Factory equipment	-	79,523,473
Computers	3,300,670	3,300,670
	<u>102,237,345</u>	<u>162,777,428</u>

18.3 Movement in capital work in progress is as under:

	Cost			
	As at July 01, 2024	Additions during the period	Transferred to Property, plant and equipment	As at December 31, 2024
	-----Rupees-----			
Land	1,800,000	-	-	1,800,000
Factory Building	24,117,453	7,204,655	-	31,322,108
Plant and machinery	54,035,832	11,778,735	-	65,814,567
Electric cables and fitting	-	-	-	-
Furniture & Fixture	-	-	-	-
Motor Vehicles	-	-	-	-
Office equipment	-	-	-	-
Factory equipment	79,523,473	41,333,297	(120,856,770)	-
Computers	3,300,670	-	-	3,300,670
Generator	-	-	-	-
	<u>162,777,428</u>	<u>60,316,687</u>	<u>(120,856,770)</u>	<u>102,237,345</u>

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

	Cost			
	As at July 01, 2023	Additions during the year	Transferred to Property, plant and equipment	As at June 30, 2024
	Rupees			
Land	1,800,000	-	-	1,800,000
Factory Building	243,211,486	211,904,785	(430,998,818)	24,117,453
Plant and machinery	560,978,695	201,609,373	(708,552,236)	54,035,832
Electric cables and fitting	75,050,595	9,841,620	(84,892,215)	-
Furniture & Fixture	40,000	1,706,575	(1,746,575)	-
Motor Vehicles	-	-	-	-
Office equipment	19,000	2,692,701	(2,711,701)	-
Factory equipment	19,140,286	89,264,975	(28,881,788)	79,523,473
Computers	3,300,670	36,500	(36,500)	3,300,670
Generator	-	45,900	(45,900)	-
	903,540,732	517,102,429	(1,257,865,733)	162,777,428

- 18.4 The amount of borrowing costs capitalised during the year ended December 31, 2024 was Nil (June 2024: Rs. 54.5 million). The rate used to determine the amount of borrowing costs eligible for capitalization was Nil (June 2024: 11.37%), which is the EIR of the specific borrowings.
- 18.5 Had there been no revaluation, the net book value of specific classes of operating property, plant and equipment would have been amounted to:

	December 31, 2024	June 30, 2024
	Rupees	
Net book value		
Land	447,775,087	447,775,087
Building	1,479,179,789	1,532,878,841
Plant and machinery	2,500,935,466	2,626,496,861
Generators	74,019,275	61,772,526
	4,501,909,617	4,668,923,315

19 RIGHT-OF-USE ASSETS

	December 31, 2024				June 30, 2024			
	Vehicle	Godown	Solar	Generator	Vehicle	Godown	Generator	Total
	Rupees							
Cost								
Opening balance	252,136,149	144,364,512	-	26,609,670	252,136,149	112,716,329	18,500,000	384,352,478
Impact of adoption of IFRS-16	-	-	-	-	-	-	-	-
Reassessment of lease liability	-	32,134,740	-	-	-	30,648,183	-	30,648,183
As at July 1	252,136,149	176,499,252	-	26,609,670	252,136,149	144,364,512	18,500,000	413,000,661
Additions during the period	78,691,826	-	154,709,410	-	-	-	-	-
Revaluation Surplus during the period	-	-	-	-	-	-	8,169,670	8,169,670
Disposal during the period	(103,037,388)	-	-	-	-	-	-	-
Total	227,790,587	176,499,252	154,709,410	26,609,670	252,136,149	144,364,512	26,609,670	423,170,331
Accumulated depreciation								
Opening balance	131,877,280	49,292,059	-	2,365,017	101,697,264	38,354,681	567,671	140,819,616
Charge for the period	14,550,665	7,922,704	3,338,509	1,225,181	30,180,016	10,737,378	1,798,146	42,715,540
Disposal adjustment	(74,452,997)	-	-	-	-	-	-	-
Closing	71,974,948	57,214,763	3,338,509	3,590,998	131,877,280	49,292,059	2,365,017	183,535,156
Net book value	155,815,639	119,284,489	151,350,901	23,018,672	120,258,869	95,072,453	24,244,653	239,635,175
Lease term	5 Years	10 Years	5 Years	5 Years	5 Years	10 Years	5 Years	

- 19.1 The following are the amounts recognised in unconsolidated statement of profit or loss:

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

		December 31, 2024	June 30, 2024
	Note	-----Rupees-----	
Depreciation expense of right-of-use assets	34	27,057,059	42,715,540
Interest expense on lease liabilities on Godown	34	8,708,331	21,933,894
Interest expense on lease liabilities on vehicles	37	17,070,836	24,804,650
Total amount recognised in unconsolidated statement of profit or loss		52,836,226	89,454,084

20 INTANGIBLE ASSETS

Cost

Opening	14,710,766	14,710,766
Addition during the period/year	-	-
Closing	14,710,766	14,710,766

Amortization

Opening	(14,710,766)	(14,710,766)
Charge for the period/year	-	-
Closing	(14,710,766)	(14,710,766)
Balance as at period end/year end	-	-

20.1 This represents accounting software which has been fully amortized.

		December 31, 2024	June 30, 2024
		-----Rupees-----	
21 LONG TERM INVESTMENTS			
<i>Investment - at cost</i>			
<i>Subsidiary</i>			
JKT General Trading FZE	21.1	23,582,747	23,582,747
Matco Marketing (Private) Limited	21.2	7,499,960	7,499,960
<i>Joint Venture</i>			
Barentz Pakistan Private Limited	21.3	24,500,000	24,500,000
		55,582,707	55,582,707

21.1 On October 8, 2013, the Company incorporated a new wholly owned subsidiary, JKT General Trading FZE in U.A.E. The principal activities are general trading, export / import and other related activities. The Company has made an equity investment of USD 255,000 out of which shares of USD 40,872 have been issued. Shares for the remaining amount would be issued after completion of necessary regulatory formalities.

21.2 On November 13, 2017, the Company has subscribed 749,996 shares of Matco Marketing (Private) Limited. However, Matco Marketing (Private) Limited has not commenced its operations since incorporation.

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

The following table provides summarized financial information for the joint venture. The information disclosed reflects the amounts presented in the financial statements of the associates and not the

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

Company's share of those amounts. The financial information presented below are based on the interim financial statements for the period ended December 31, 2024.

		December 31, 2024	June 30, 2024
		-----Rupees-----	
Assets		405,606,828	240,445,082
Liabilities		343,794,045	208,790,447
Revenues		624,337,872	503,749,179
Profit for the period		32,205,641	18,747,754
21.4	The investment in subsidiary and associates have been made in accordance with the requirements of Companies Act, 2017. Further, no such terms and conditions has been made at the time of investment. The Company has beneficial ownership of the investee companies. No return on investment has been made since incorporation. There are no litigation against the subsidiaries and associates of the company that may impact the interest of the Company.		
		December 31, 2024	June 30, 2024
		-----Rupees-----	
22	STORES, SPARES AND LOOSE TOOLS		
	Stores and spares	34.3	326,596,040
	Provision for slow moving / obsolete items	22.1	(1,543,929)
			<u>325,052,111</u>
22.1	Movement in provision for slow moving / obsolete items		
	Balance at beginning of the year		1,543,929
	Charge for the year		-
	Balance at end of the year		<u>1,543,929</u>
23	STOCK IN TRADE		
	Raw materials	23.2	6,478,458,608
	Packing materials		459,838,850
	Finished goods	23.3	6,824,876,683
			<u>13,763,174,141</u>
	Provision for slow moving / obsolete items	23.1	(22,618,208)
			<u>13,740,555,933</u>
23.1	Movement in provision for slow moving / obsolete items		
	Opening balance		21,852,280
	Charge for the year		765,928
	Write off during the year		-
	Closing balance		<u>22,618,208</u>
23.2	This includes pledged raw material with various banks under long term and short term borrowing arrangements (refer note 09 and 15).		
23.3	This includes by product amounting to Rs. 524.92 million (June 2024: Rs. 716.13 million) and stock-in-transit amounting to Nil (June 2024: Nil).		

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

		December 31, 2024	June 30, 2024
24	TRADE DEBTS	Note	-----Rupees-----
	Considered good		
	Export - secured	24.2	1,627,955,926
	Local - unsecured		950,533,149
	Considered doubtful		
	Local - unsecured		13,567,967
	Less: Allowance for expected credit losses	24.4	(13,567,967)
			<u>2,578,489,075</u>
			<u>2,334,768,358</u>
24.1	Borrowings are secured by way of charge over book debts of the Company (refer notes 09 and 15).		
24.2	It includes the amount of Rs. 12.26 million which is past due up to 3 months (June 2024: Rs. 12.28 million) and Rs. 9.04 million which is past due up to 6 months, (June 2024: Nil) due from JKT General Trading FZE (related party). The maximum aggregate amount due from related party at the end of any month during the year was Rs. 47.01 million (June 2024: Rs. 13.41 million).		
		December 31, 2024	June 30, 2024
24.3	As of December 31, 2024, the age analysis of trade debts is as follows:	Note	-----Rupees-----
	Not yet due		-
	Past due:		
	- Up to 3 months		2,458,737,530
	- 3 to 6 months		102,715,922
	- 6 to 12 months		8,920,835
	- More than 12 months		8,114,789
			<u>2,578,489,075</u>
	Trade debts - Gross		<u>2,334,768,358</u>
24.4	Allowance for expected credit losses		
	Opening balance		13,567,967
	Charge during the year		-
	Closing balance		<u>13,567,967</u>
25	LOANS AND ADVANCES		
	Loans		
	Staff - unsecured, considered good	25.1	25,114,901
	Advances		
	- against services and others		4,916,648
	- against purchases	25.3	1,724,909,571
			<u>1,754,941,120</u>
			<u>1,009,946,411</u>
25.1	It represent interest free loans to various staff in accordance with the Company's policy.		
25.2	The maximum aggregate amount due from executives at the end of any month during the year was Rs. 3.73 million (June 2024: Rs. 3.12 million).		

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

25.3 It represents the amount provided to suppliers of rice, corn, stores & spares and packaging which is adjustable against future purchases.

		December 31, 2024	June 30, 2024
	Note	-----Rupees-----	
26 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Deposits			
- Capital management account		45,572	45,572
- Guarantee margin		1,483,625	1,938,143
Prepayments			
- Prepaid expense	26.1	9,027,167	12,734,714
- Prepaid insurance		2,474,984	13,202,222
		11,502,151	25,936,936
		<u>13,031,348</u>	<u>27,920,651</u>

26.1 This include prepaid expense relating to godown rent and system maintenance charges.

		December 31, 2024	June 30, 2024
	Note	-----Rupees-----	
27 SHORT-TERM INVESTMENT			
Mutual fund units	27.1	-	-
Term deposit certificates	27.2	1,200,000	1,200,000
		<u>1,200,000</u>	<u>1,200,000</u>

27.1 It represent mutual funds unit of Al-Meezan Islamic fund, Al-Ameen Islamic Fund and Al-Ameen Islamic Stock Fund which were disposed off during the year (June 2024: Nil).

27.2 These represent term deposit certificates of Askari Bank Limited amounting to Rs. 1.2 million (June 2024: Rs. 1.2 million) respectively. The rate of profit on these certificates is 11% per annum (June 2024: 20%) these term deposit certificates will mature on June 2025.

		December 31, 2024	June 30, 2024
	Note	-----Rupees-----	
28 SALES TAX REFUNDABLE			
Sales tax refundable	28.1	25,000,000	25,000,000

28.1 Movement in sales tax refundable is as under:

Balance at beginning of the year		25,000,000	64,935,578
Deposited against the sales tax petition	40.6	-	25,000,000
Refunds claim for the year		-	-
Received during the year		-	(58,873,613)
Adjusted during the year		-	(6,061,965)
Balance at end of the year		<u>25,000,000</u>	<u>25,000,000</u>

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024
29 DUE FROM RELATED PARTIES

Barentz Pakistan (Private) Limited	29.1	<u>74,398,259</u>	<u>50,326,380</u>
------------------------------------	------	-------------------	-------------------

- 29.1 This includes an amount of Rs. 9.05 million (June 2024: Rs. 9.13 million) receivable in respect of interest on loan. The maximum aggregate amount of loan due from Barentz Pakistan (Private) Limited at the end of any month during the year was Rs. 74.90 million (June 2024: Rs. 77.23 million). The amount will be utilized by the associated company to meet the working capital requirement of the associated company. The effective rates of mark-up on this receivable is 3 months KIBOR+2% (June 2024: 3 months KIBOR+2%).

- 29.2 All above dues are payable on demand.

- 29.3 Ageing analysis of receivables from related parties past due but not impaired are as follows:

Barentz Pakistan (Private) Limited

	Note	December 31, 2024	June 30, 2024
		-----Rupees-----	
Up to 3 Months		74,398,259	50,326,380
3 to 6 Months		-	-
06 to 12 Months		-	-
More than 12 Months		-	-
		<u>74,398,259</u>	<u>50,326,380</u>

30 TAXATION AND LEVIES - NET

Advance income tax / levies	321,572,447	365,287,525
Provision for levies and taxation	<u>(100,184,768)</u>	<u>(258,998,630)</u>
	<u>221,387,679</u>	<u>106,288,895</u>

31 CASH AND BANK BALANCES

	Note	December 31, 2024	June 30, 2024
		-----Rupees-----	
Cash in hand		10,313,253	4,227,097
Cash at bank			
- current accounts		18,613,459	273,457,152
- deposit accounts	31.1	<u>107,596,223</u>	<u>79,734,447</u>
		<u>126,209,682</u>	<u>353,191,599</u>
		<u>136,522,935</u>	<u>357,418,696</u>

- 31.1 These carry weighted average profit of 9.18% per annum (June 2024: 19% per annum).

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

	Reportable Segment					
	Rice and Allied Products		Corn Starch Products		Total	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Un-Audited		Un-Audited		Un-Audited	
	-----Rupees-----					
32	Note					
OPERATING RESULTS						
Disaggregation of revenue						
Export Sales	6,957,891,349	8,721,405,918	748,758,350	134,333,952	7,706,649,699	8,855,739,870
Local Sales						
- Main Products	1,202,625,202	1,468,022,110	2,288,743,802	2,613,959,784	3,491,369,004	4,081,981,894
- By-Products and Others	2,410,289,712	1,770,527,015	562,472,500	2,129,900	2,972,762,212	1,772,656,915
	3,612,914,914	3,238,549,125	2,851,216,302	2,616,089,684	6,464,131,216	5,854,638,809
Gross Sales	10,570,806,263	11,959,955,043	3,599,974,652	2,750,423,636	14,170,780,915	14,710,378,679
Sales discount / return	(82,727,279)	(47,453,906)	(45,269,166)	(31,629,133)	(127,996,445)	(79,083,039)
Sales tax	(81,234,765)	(66,925,170)	(433,262,939)	(387,607,610)	(514,497,704)	(454,532,780)
Freight	(439,288,770)	(191,966,384)	(110,106,653)	(3,299,771)	(549,395,423)	(195,266,155)
Clearing and forwarding	(34,150,722)	(24,157,860)	(8,212,489)	(4,513,000)	(42,363,211)	(28,670,860)
Net Sales	9,933,404,727	11,629,451,723	3,003,123,405	2,323,374,122	12,936,528,132	13,952,825,845
Cost of Sales	(8,465,091,628)	(10,202,742,243)	(2,712,840,137)	(2,046,309,991)	(11,177,931,765)	(12,249,052,235)
Gross profit	1,468,313,099	1,426,709,480	290,283,268	277,064,131	1,758,596,367	1,703,773,610
Selling and distribution expenses	(225,983,306)	(233,386,633)	(38,390,088)	(17,995,286)	(264,373,393)	(251,381,919)
Administrative expenses	(302,111,701)	(254,718,362)	(69,647,904)	(58,358,226)	(371,759,605)	(313,076,588)
	(528,095,007)	(488,104,995)	(108,037,992)	(76,353,512)	(636,132,998)	(564,458,507)
Operating profit	940,218,092	938,604,485	182,245,276	200,710,619	1,122,463,369	1,139,315,103
Unallocated items						
Finance cost					(1,072,415,926)	(1,039,795,896)
Other income					63,008,502	24,427,865
Exchange gain - net					211,953,674	32,851,720
Provision for worker's welfare fund					(6,074,946)	(2,884,347)
Provision for worker's profit participation fund					(15,187,365)	(7,210,868)
Profit before levies and income tax					303,747,308	146,703,577
Levies - Final and Minimum Tax					(100,184,768)	(127,167,148)
Taxation					34,737,480	64,847,527
Profit for the year					238,300,020	84,383,956

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

	Reportable Segment					
	Rice and Allied Products		Corn Starch Products		Total	
	December 31, 2024	June 30, 2024	December 31, 2024	June 30, 2024	December 31, 2024	June 30, 2024
	-----Rupees-----					
32.1 Segment assets	25,057,035,506	21,785,336,509	4,968,418,731	3,860,711,023	30,025,454,237	25,646,047,532
32.2 Unallocated assets	-	-	-	-	411,308,543	1,893,027,465
	25,057,035,506	21,785,336,509	4,968,418,731	3,860,711,023	30,436,762,780	27,539,074,997
32.3 Segment liabilities	16,822,299,686	11,797,632,152	3,381,585,378	4,003,345,092	20,203,885,064	15,800,977,244
32.4 Unallocated liabilities	-	-	-	-	7,506,101	1,750,475,893
	16,822,299,686	11,797,632,152	3,381,585,378	4,003,345,092	20,211,391,165	17,551,453,137
32.5 Major non-cash items						
- Depreciation and amortisation	254,195,095	315,363,594	145,772,837	201,281,659	399,967,932	516,645,253
- Gratuity	38,736,347	71,890,722	13,613,308	23,546,192	52,349,655	95,436,914
	292,931,442	387,254,316	159,386,145	224,827,851	452,317,587	612,082,167
32.6 Capital expenditure	83,040,981	1,172,484,128	92,747,766	420,948,841	175,788,746	1,593,432,969
32.7 The Company's export sales have been primarily made to continents in the Asia, Africa, Europe, North America and Australia & New Zealand.						
					December 31, 2024	December 31, 2023
						Un-Audited
					-----Rupees-----	
Africa					438,350,853	530,242,189
Asia					2,412,066,486	2,740,555,663
Australia & New Zealand					1,066,796,632	1,399,410,549
Europe					3,128,735,864	3,668,300,273
USA & Canada					660,699,864	517,231,196
					7,706,649,699	8,855,739,870
33 RECONCILIATION OF REPORTABLE SEGMENT SALES, COST OF SALES, ASSETS AND LIABILITIES						
33.1 Assets						
Total assets for reportable segments					30,025,454,237	25,646,047,532
Administrative capital assets					-	239,635,175
Investments					55,582,707	55,582,707
Loans and advances					-	1,009,946,411
Cash and bank balances					-	357,418,696
Others					355,725,836	230,444,476
Total assets					30,436,762,780	27,539,074,997

	December 31, 2024	June 30, 2024
	-----Rupees-----	
33.2 Liabilities		
Total liabilities for reportable segments	20,203,885,064	15,800,977,244
Deferred liabilities	-	980,817,481
Lease liabilities	-	210,325,254
Trade and other payables - Others	-	524,273,385
Due to related parties	6,412,777	6,563,777
Unpaid dividend	1,093,324	28,495,996
Total liabilities	20,211,391,165	17,551,453,137

34	COST OF SALES	Note	Rupees					
	Raw material consumed	34.1	8,123,323,660	9,077,686,600	2,030,405,303	1,465,368,814	10,153,728,963	10,543,055,414
	Packing materials consumed	34.2	489,902,593	429,921,917	102,281,190	61,087,338	592,183,783	491,009,255
	Stores and spares consumed	34.3	263,762,240	293,513,301	193,437,520	193,487,310	457,199,760	487,000,611
	Processing expenses							
	Salaries, wages and benefits	34.4	402,110,136	320,115,413	179,862,591	134,654,415	581,972,727	454,769,828
	Electricity and power		243,281,874	179,562,867	214,504,910	223,963,013	457,786,784	403,525,881
	Telephone and mobile		1,145,224	967,891	180,837	59,937	1,326,061	1,027,828
	Insurance		16,360,890	8,037,105	-	432,018	16,360,890	8,469,123
	Repairs and maintenance		26,749,840	19,040,346	3,817,053	2,580,111	30,566,893	21,620,457
	Other purchases		263,928,324	161,782,742	-	-	263,928,324	161,782,742
	Provision for slow moving stock		765,928	-	-	-	765,928	-
	Fumigation charges		49,308,511	45,447,391	4,309,650	1,821,995	53,618,161	47,269,386
	Water charges		37,426,984	44,611,006	24,816	170,112	37,451,800	44,781,118
	Canteen		9,740,148	9,906,579	920,221	347,662	10,660,369	10,254,241
	Diesel and oil		126,380	47,760	-	-	126,380	47,760
	Staff welfare		5,081,731	2,791,294	1,705,860	1,431,488	6,787,591	4,222,782
	Security expenses		14,311,318	13,158,995	817,500	1,292,083	15,128,818	14,451,078
	Godown expenses		18,547,920	17,766,074	-	-	18,547,920	17,766,074
	Rent, rates and taxes		80,000	-	-	-	80,000	-
	Brought Forward		9,965,953,701	10,624,357,281	2,732,267,451	2,086,696,296	12,698,221,152	12,711,053,578

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

		Reportable Segment					
		Rice and Allied Products		Corn Starch Products		Total	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		Un-Audited		Un-Audited		Un-Audited	
		-----Rupees-----					
Carried Forward		9,965,953,701	10,624,357,281	2,732,267,451	2,086,696,296	12,698,221,152	12,711,053,578
Vehicle running expenses		18,619,443	20,941,530	2,285,276	1,765,645	20,904,719	22,707,175
Medical		5,689,083	4,177,424	1,724,441	1,229,615	7,413,524	5,407,039
Depreciation	18.1.1	187,712,576	110,394,066	110,616,122	79,670,047	298,328,698	190,064,113
Depreciation on right-of-use assets	19.1	19,554,375	-	7,502,684	-	27,057,059	-
Interest expense on lease liabilities	19.1	8,708,331	10,163,903	-	-	8,708,331	10,163,903
Processing charges		4,637,385	731,998	20,720	37,942	4,658,105	769,940
Inspection charges		59,090,036	26,442,263	2,727,583	-	61,817,619	26,442,263
Others		-	57,560	-	-	-	57,560
Cost of goods manufactured		10,269,964,930	10,797,266,025	2,857,144,277	2,169,399,545	13,127,109,207	12,966,665,571
Finished goods							
Opening stock		4,702,261,667	2,856,259,195	173,437,574	271,545,168	4,875,699,241	3,127,804,363
Closing stock		(6,507,134,969)	(3,450,782,977)	(317,741,714)	(394,634,722)	(6,824,876,683)	(3,845,417,699)
		(1,804,873,302)	(594,523,782)	(144,304,140)	(123,089,554)	(1,949,177,442)	(717,613,336)
Cost of Sales		8,465,091,628	10,202,742,243	2,712,840,137	2,046,309,991	11,177,931,765	12,249,052,235
34.1 Raw material consumed							
Opening stock		5,997,068,060	5,379,157,483	262,008,187	622,686,111	6,259,076,247	6,001,843,594
Purchases		7,705,202,083	9,728,722,391	2,425,080,860	1,432,357,297	10,130,282,943	11,161,079,688
Cartage inwards		200,330,624	286,556,412	42,497,757	23,896,376	242,828,381	310,452,788
Closing stock		(5,779,277,107)	(6,316,749,686)	(699,181,501)	(613,570,970)	(6,478,458,608)	(6,930,320,656)
		8,123,323,660	9,077,686,600	2,030,405,303	1,465,368,814	10,153,728,963	10,543,055,414
34.2 Packing material consumed							
Opening stock		439,666,497	348,662,538	60,981,188	117,075,047	500,647,685	465,737,585
Purchases		428,580,341	361,746,796	122,794,607	76,667,277	551,374,948	438,414,073
Closing stock-gross		(378,344,245)	(280,487,417)	(81,494,605)	(132,654,986)	(459,838,850)	(413,142,403)
		489,902,593	429,921,917	102,281,190	61,087,338	592,183,783	491,009,255
34.3 Stores and spares consumed							
Opening stock		116,988,722	66,092,226	162,402,585	40,774,802	279,391,307	106,867,028
Purchases		292,408,392	356,727,391	211,996,101	195,029,056	504,404,493	551,756,447
Closing stock-gross		(145,634,874)	(129,306,316)	(180,961,166)	(42,316,548)	(326,596,040)	(171,622,864)
		263,762,240	293,513,301	193,437,520	193,487,310	457,199,760	487,000,611

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

34.4 It includes provision for gratuity amounting to Rs. 36.19 million (December 2023: Rs. 25.73 million).

Reportable Segment					
Rice and Allied Products		Corn Starch Products		Total	
December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Un-Audited		Un-Audited		Un-Audited	

Note

35 SELLING AND DISTRIBUTION EXPENSES

		-----Rupees-----					
Salaries and benefits	35.1	44,242,360	43,335,795	4,293,051	4,231,354	48,535,411	47,567,149
Travelling		18,040,569	27,389,793	5,971,540	4,857,254	24,012,109	32,247,047
Sales promotion		70,751,658	74,230,264	8,606,466	3,051,568	79,358,124	77,281,832
Insurance		3,598,460	4,086,600	131,170	89,863	3,729,630	4,176,463
Export charges		61,298,689	63,302,874	12,474,353	800,846	73,773,042	64,103,720
Export commission		14,199,091	13,217,221	-	-	14,199,091	13,217,221
Depreciation	18.1.1	11,732,036	6,564,086	6,913,508	4,964,401	18,645,544	11,528,487
Shop rent		1,560,000	1,260,000	-	-	1,560,000	1,260,000
General		560,443	-	-	-	560,443	-
		225,983,306	233,386,633	38,390,088	17,995,286	264,373,394	251,381,919

35.1 It includes provision for gratuity amounting to Rs. 3.02 million (December 2023: Rs. 1.98 million).

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

		Reportable Segment						
		Rice and Allied Products		Corn Starch Products		Total		
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	
		Un-Audited		Un-Audited		Un-Audited		
		-----Rupees-----						
36	ADMINISTRATIVE EXPENSES	Note						
	Salaries and benefits	36.1	176,493,886	166,494,618	34,836,170	36,057,890	211,330,056	202,552,508
	Vehicle running		18,627,945	20,226,827	339,401	101,090	18,967,346	20,327,917
	Entertainment		1,472,191	1,376,706	196,542	158,189	1,668,733	1,534,895
	Printing and stationery		122,079	292,579	23,936	16,957	146,015	309,536
	Fee and subscription		22,119,366	10,675,154	7,202,752	2,417,162	29,322,118	13,092,316
	Legal and professional		-	390,000	-	150,000	-	540,000
	Auditor's remuneration	36.2	3,382,608	913,246	-	-	3,382,608	913,246
	Postage and telegrams		2,670,808	2,760,905	1,782,266	1,927,031	4,453,074	4,687,936
	General expenses		9,117,448	3,117,008	-	-	9,117,448	3,117,008
	Newspaper and periodicals		8,615	45,480	20,100	12,350	28,715	57,830
	Electricity and gas charges		1,059,646	3,159,903	24,235	-	1,083,881	3,159,903
	Taxes, duty and fee		1,258,367	145,000	1,690,898	1,777,306	2,949,265	1,922,306
	Medical		4,030,134	2,549,126	721,062	541,838	4,751,196	3,090,964
	Insurance		532,835	2,854,021	-	36,979	532,835	2,891,000
	Software maintenance		1,388,062	402,232	-	-	1,388,062	402,232
	Computer expenses		5,112,948	4,170,043	298,000	108,159	5,410,948	4,278,202
	Depreciation	18.1.1	35,196,108	19,692,258	20,740,523	14,893,204	55,936,631	34,585,462
	Donations		7,697,578	8,053,060	1,750,069	124,039	9,447,647	8,177,099
	Advertisement		418,594	-	-	-	418,594	-
	Loss on sale of operating fixed assets		-	-	-	-	-	-
	Others		11,402,483	7,400,196	21,950	36,032	11,424,433	7,436,228
			302,111,701	254,718,362	69,647,904	58,358,226	371,759,605	313,076,588

36.1 It includes directors' remuneration amounting to Rs. 13.92 million (December 2023: Rs. 16.53 million) and provision for gratuity amounting to Rs. 13.14 million (December 2023: Rs. 11.88 million).

MATCO FOODS LIMITED
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024**

		December 31, 2024	December 31, 2023 Un-Audited
		-----Rupees-----	
36.2	Auditor's remuneration		
	- audit fee of unconsolidated financial statements	2,420,000	-
	- audit fee of special purpose audit financial statements	-	-
	- audit fee of consolidated financial statements	-	-
	- audit fee of half yearly review	600,000	600,000
	- fee for review code of corporate governance	-	-
	- other certifications	-	-
	- out of pocket expenses	362,608	313,246
		<u>3,382,608</u>	<u>913,246</u>
36.3	Donation includes amount of Rs. 8.83 million (June 2024: Rs. 19.92 million) paid to Ghori Trust, which is operated by Board of directors of the company and their spouse namely Mr. Jawed Ali Ghori, Mr. Khalid Sarfaraz Ghori, Mr. Faizan Ali Ghori, Mrs. Naheed Jawed, Mrs. Nuzhat Khalid and Mrs. Dr. Sadaf Tariq.		
		December 31, 2024	December 31, 2023 Un-Audited
		-----Rupees-----	
37	FINANCE COST		
	Mark up		
	- long term finances - net	61,265,157	38,603,766
	- short term borrowings	992,210,090	985,143,140
	- interest expense on lease liabilities	17,070,836	13,109,552
	Bank charges and commission	1,869,843	2,939,438
		<u>1,072,415,926</u>	<u>1,039,795,896</u>
38	OTHER INCOME		
	<i>From financial assets</i>		
	- Profit on bank/short term deposits	4,046,368	4,452,942
	- Interest income on account of due from related parties	5,447,351	6,533,819
	<i>From non-financial assets</i>		
	- Gain/(loss) on sale of shares	-	6,115,215
	- Gain on sale of operating fixed assets	29,926,268	-
	- Scrap sales	20,583,910	4,191,425
	- Rental income	2,549,730	1,953,600
	- Dividend income	-	784,204
	- Others	454,875	396,550
		<u>63,008,502</u>	<u>24,427,755</u>
39	EXCHANGE GAIN - NET		
	This represents exchange gain incurred on foreign currency denominated trade debts, advances from customers, creditors and bank balances.		

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

		December 31, 2024	December 31, 2023 Un-Audited
		-----Rupees-----	
40	Taxation		
	- Levies - Final and Minimum Tax	100,184,768	127,167,148
	- Prior year	-	(56,739,389)
	- Deferred	(34,737,480)	(8,108,238)
		<u>65,447,288</u>	<u>62,319,521</u>
40.1	The relationship between tax expense and accounting profit has not been presented in these financial statements as almost all income of the company falls under the ambit of minimum tax regime.		
40.2	Current year taxation has been charged on the basis of provisions in Income Tax Ordinance, 2001 and accounted for after taking effect of admissible expenses in normal taxation with proportion of local sales and on final tax regime applicable to the Company based on tax withheld from export proceeds which is deemed as full and final discharge of the tax liability.		
40.3	During the previous year, the Company has received notice U/S 221(2) from FBR regarding WWF and WPPF for the tax year 2019 and 2020. The deputy commissioner is of view that the company has adjusted the liability of WWF and WPPF against the refund. He quoted the section 170(3) of the ordinance that the refund can only be adjusted against any other liability of tax. Since WWF and WPPF are not classifiable as "Tax" hence the same cannot be adjusted against the tax liability or credit. The company has responded that they had not adjusted any liability of WWF and WPPF against the refundable income tax amount upon filing of income tax return for tax year 2019 and 2020. The deputy commissioner has passed the order, without being considering the point raised by the company, against the company u/s 221(1) to rectify mistakes of mistreatment of WWF and WPPF amounting to Rs. 4.96 million and Rs. 4.15 million for the tax year 2019 and 2020 respectively. The company has filed appeal before the commissioner inland revenue (Appeals-II), Karachi against the order and has taken stay order from High Court of Sindh, Karachi with reference of C.P.No. D-6595 of 2021 and C.P.No. D-6596 of 2021 against the recovery notice of tax year 2019 and 2020 respectively. During the year, the Appellate Tribunal Inland Revenue has passed the order ITA No. 2833/KB/2023 and ITA No. 2834/KB/2023 stating that the order of learned CIR(A) thereon are illegal and cannot sustain in the eye of law and the learned AR has contested the case with the forceful arguments along with supporting evidence which is persued and found correct.		
40.4	Return of 2016-17 filed on January 17, 2018, is an assessment order u/s 120 unless amended under section 122 of the Income Tax Ordinance, 2001. The ADCIR initiated the proceeding u/s 122(5A) of the Income Tax Ordinance, 2001 vide notice dated 21-05-2018 for amendment of deemed assessment. The response of the above notice submitted by the Company till November 15, 2018, no further notice has been received.		
40.5	The Deputy Commissioner of Inland Revenue (DC-IR) has raised a demand of Rs. 37,839,301/- for 'Super Tax' under Section 4C of the Ordinance for the tax year 2023, as per the order with Barcode No. 100000192819317 dated 05 April 2024. The company has appealed before the Commissioner Inland Revenue (Appeals) [CIR-A], and the matter is currently pending.		
40.6	A Post Refund Sales Tax Audit was conducted by the DC-IR for the tax periods from June 2021 to August 2022. A demand of Rs. 51,856,323/- was raised on account of 'Inadmissible Input Tax on Goods and Services', along with penalty and default surcharge, as per the Order-in-Original [ONO] Ref. No. 27 of 270/2024 dated 22 February 2024.		

MATCO FOODS LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

Being aggrieved of such Order, the Company has appealed to the Commissioner-IR Appeals, and the appeal is currently underway. We anticipate a favorable outcome; therefore, no provision is required at this stage. Please note that the company has deposited Rs. 25,000,000/- of the sales tax demand under protest (Refer Note 28.1).

40.7 The Commissioner-IR selected the Company for audit under Section 25(1) for the Tax Year 2022. Following the audit, the DC-IR raised a sales tax demand of Rs. 2,682,084/-, along with a penalty of Rs. 404,104/- for 'Inadmissible Input Tax on Goods and Services', as per ONO Ref. No. 28/156/2023-24 dated 18 March 2024. Being aggrieved of such Order, the Company has filed an appeal before the Commissioner-IR Appeals, which is currently in process. We expect a favorable outcome and, as such, no provision is required at this stage.

40.8 Return of 2023-24 filed on January 15, 2022, is an assessment order under section 120 unless amended under section 122 of the Income Tax Ordinance, 2001.

	December 31, 2024	June 30, 2024
41 NUMBER OF EMPLOYEES		
Number of employees as at June 30	965	1,006
Average number of employees during the year	986	988

42 TRANSACTION WITH RELATED PARTIES

Related parties include subsidiary company, entities under common directorship, directors, major shareholders, key management personnel and retirement benefit funds. Transactions with related parties essentially entail rent expense and transactions with key management personnel. Details of transactions with related parties and the balances with them as at year end other than those which have been disclosed else where are as follows:

Nature of relationship	Percentage of Holding	Transactions	December 31, 2024	December 31, 2023 Un-Audited
Directors		Godown rent paid to director	21,892,537	20,932,112
Subsidiary				
JKT General Trading PZEE	100%	Sales	30,902,008	32,007,314
		Payment received on account of sales	41,890,184	27,641,556
		Payment made on behalf	400,000	-
Matco Marketing (Private) Limited	99.99%	Paid expenses on behalf	151,000	-
Joint Venture				
Bamata Pakistan (Private) Limited	49%	Paid expenses on behalf	104,353,026	79,045,169
		Payment received on account of expenses	81,635,323	100,090,813
		Interest Income	5,447,351	6,554,803
		Interest Received	5,528,164	10,540,400
		Rental and service income received	408,375	371,250
		Commission paid	575,438	371,250
		Sale of vehicle	1,048,000	1,297,451
		Purchase from Bamata	2,648,052	-
		Payment made on account of purchases	105,269,303	-
		Sale to Bamata	53,741,259	-
		Payment received on account of sales	89,634,881	-
			103,147,996	-
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	7,157,490	6,902,490
		Payment received on account of expenses	7,157,490	6,902,490
Payex Center Owner Association	0%	Paid expenses on behalf	992,579	207,185
		Payment received on account of expenses	992,579	207,185
Trust operated by the Company				
Ghiso Trust	0%	Paid expenses on behalf	8,875,227	11,452,753
		Payment received on account of expenses	47,960	3,338,883
		Donation expense	8,827,267	8,113,900

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

Nature of relationship	Percentage of Holding	Balances	December 31, 2024	June 30, 2024
Subsidiary				
JKT General Trading FZEE	100%	Trade receivables outstanding	21,288,877	12,276,155
		Advance outstanding against sales	-	-
		Payable against expenses	15,186,039	15,586,039
Matco Marketing (Private) Limited	99.99%	Advance outstanding	6,412,777	6,563,777
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Receivable against expenses	61,855,947	37,536,192
		Interest receivable	9,052,259	9,133,072
		Receivable against rent and services	3,490,053	3,637,116
		Receivable against sales	3,474,471	16,987,615
		Receivable against purchases	51,528,134	-
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Receivable against expenses	-	-
Fayaa Center Owner Association	0%	Receivable against expenses	-	-
Trust operated by the Company				
Ghori Trust	0%	Payable against donation	-	-

- 42.1** Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

S. No.	Company Name	Registered Address	Country of Incorporation	Basis of Association	Name of Chief Executive / Principal Officer / Authorized Agent	Aggregate % of shareholding	Operational Status	Auditor's Opinion
1	JKT General Trading FZE	P.O.Box 123347, Sharjah	UAE	Subsidiary Company	Faizan Ali Ghori	100%	Active	Clean

- 42.2** Consideration for services is determined with mutual agreement considering the level of services provided. Expenses charged by / to the Company are determined on actual cost basis. Particulars of remuneration of chief executive officer, directors and executives are disclosed in note 43 to these unconsolidated financial statements.

- 42.3** Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of its management team, including the chief executive officer and the directors to be key management personnel.

43 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

For the purpose of disclosure those employees are considered as executives whose basic salary exceed twelve hundred thousands rupees in financial year.

	Chief Executive Officer		Directors		Executives		Total	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Rupees							
Short-term employee benefits								
Remuneration	1,810,692	1,810,692	5,635,332	5,635,332	93,694,400	43,201,706	101,148,424	50,647,730
House rent allowances	814,811	814,811	2,335,899	2,335,899	37,477,760	19,440,768	46,828,471	22,791,478
Utilities	1,537,758	1,433,549	645,516	2,480,907	11,408,915	8,640,341	13,392,208	12,554,797
Bonus	-	-	940,000	1,816,000	1,742,694	1,848,000	2,682,694	3,664,000
Fuel expense	1,100,224	977,181	1,351,527	1,683,594	30,304,112	20,243,168	32,755,663	22,905,942
Medical expense	173,421	406,875	42,761	114,430	2,112,302	1,891,024	3,328,484	2,412,329
Vehicle expense	432,380	1,786,631	37,339	353,500	2,357,435	1,881,348	2,827,154	4,221,678
Other expense	65,310	131,636	-	10,982	-	-	65,310	142,617
	5,934,596	7,367,374	11,188,374	14,830,644	179,097,638	97,148,554	196,226,608	119,340,372
Value of motor vehicles	6,316,756	8,686,677	5,599,975	7,769,345	81,850,618	83,330,510	92,967,329	99,795,332
Number of Persons	1	1	2	2	89	68		

- 43.1** In addition to above, fees of Rs. 0.22 million (December 2023: Rs. 0.44 million) was paid to independent directors of the Company for attending board of directors meeting during the period.

MATCO FOODS LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

43.2 In addition to the above, chief executive officer and directors are provided with the use of the Company's vehicles. Certain executives are also provided with Company maintained cars.

43.3 The Company considers its chief executive officer and the executive director as its key management personnel i.e. the personnel having authority and responsibility for planning, directing and controlling the activities of the Company.

	December 31, 2024	June 30, 2024
44 PLANT CAPACITY AND PRODUCTION	(Tons)	
Annual Plant Capacity		
- Rice processing	178,500	178,500
- Rice Glucose	33,000	33,000
- Corn Starch	72,000	72,000
Actual Production		
- Rice processing	45,213	110,732
- Rice Glucose	6,014	10,659
- Corn Starch	26,506	49,212

44.1 Actual production is less than installed capacity due to planned maintenance shutdown and production planned as per market demand.

	December 31, 2024	December 31, 2023
45 EARNINGS PER SHARE - BASIC AND DILUTED	-----Rupees-----	
Profit for the period	238,300,020	84,383,956
Number of ordinary shares	122,400,698	122,400,698
Weighted average number of ordinary shares	122,400,698	122,400,698
Earnings per share - basic and diluted	1.95	0.69

There is no dilutive effect on earnings per share as the Company does not have any convertible instruments as at December 31, 2024 and June 30, 2024.

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance which are as follows:

46.1 Market risk

Market risk refers to fluctuation in value of financial instruments as a result of changes in market prices. Market risk comprise of currency risk, interest rate risk and price risk.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

46.1.1 Currency risk

Foreign exchange risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. It arises mainly where receivables, bank balances, borrowings and payables exist due to transactions entered into foreign currencies.

Exposure to Foreign currency risk

The Company is exposed to foreign exchange risk arising from currency value fluctuations due to the following:

	December 31, 2024	June 30, 2024
	----- Amount in USD -----	
Trade debts	5,844,394	5,965,510
Cash and bank balances	96,497	127,962
Advance from customer	(348,658)	(590,110)
Net Exposure	5,592,233	5,503,361

The following significant exchange rates were applied during the year:

	December 31, 2024	June 30, 2024
	-----Rupee per USD-----	
Average rate	278.24	282.53
Reporting date rate	278.55	278.34

Foreign currency sensitivity analysis

A 10% strengthening of the PKR against the USD at December 31, 2024 would have effect on the equity and unconsolidated statement of profit or loss of the company as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for December 31, 2024.

	December 31, 2024	June 30, 2024
	-----Rupees-----	
Strengthening of PKR against respective currencies	(155,771,650)	(173,403,099)
Weakening of PKR against respective currencies	155,771,650	173,403,099

A 10 percentage weakening of the PKR against the USD at December 31, 2024 would have had the equal but opposite effect on USD to the amounts shown above, on the basis that all other variables remain constant.

46.1.2 Price risk

Price risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest or currency rate risk), whether those changes are caused by factors specified to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to price risk as well as the commodity price risk.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

		December 31, 2024				
		Mark-up / profit bearing			Non mark-up / profit bearing	Total
		Less than one year	One year to Five years	Over five years		
		-----Rupees-----				
Financial assets						
Amortised cost						
Long-term deposits		-	-	-	20,708,550	20,708,550
Long-term investments	21	-	-	-	55,582,707	55,582,707
Trade debts - considered goods	24	-	-	-	2,578,489,075	2,578,489,075
Loans	25	-	-	-	25,114,901	25,114,901
Deposits	26	-	-	-	1,529,197	1,529,197
Short-term investment	27	1,200,000	-	-	-	1,200,000
Due from related parties	29	74,398,259	-	-	-	74,398,259
Cash and bank balances	31	107,596,223	-	-	28,926,712	136,522,935
		183,194,482	-	-	2,710,351,142	2,893,545,624
Fair value through profit or loss						
Short-term investment	27	-	-	-	-	-
Fair value through other comprehensive income						
Long-term investments	21	-	-	-	-	-
Financial liabilities						
At amortized cost						
Long term finances - secured	9	362,759,221	1,049,465,666	239,474,128	-	1,651,699,015
Due to related party	14	-	-	-	6,412,777	6,412,777
Trade and other payables	12	-	-	-	2,515,126,234	2,515,126,234
Accrued mark-up	13	-	-	-	221,588,252	221,588,252
Short term borrowings - secured	15	13,724,816,475	-	-	-	13,724,816,475
Unpaid dividend	16	-	-	-	1,093,324	1,093,324
Lease liabilities	10	79,419,090	331,478,070	18,979,804	-	429,876,964
		14,166,994,786	1,380,943,736	258,453,932	2,744,220,587	18,550,613,041
On balance sheet gap		(13,983,800,304)	(1,380,943,736)	(258,453,932)	(33,869,445)	(15,657,067,417)
Off balance sheet items						
Guarantees	17.2	-	-	-	46,137,500	46,137,500
Letter of credit	17.2	-	-	-	133,815,142	133,815,142
Capital Expenditures	17.2	-	-	-	125,000,000	125,000,000
Cheques issued in favor of Nazir of high court in relation to SSGC case	17.2	-	-	-	7,732,192	7,732,192

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

		June 30, 2024				
		Mark-up / profit bearing			Non mark-up / profit bearing	Total
Note		Less than one year	One year to Five years	Over five years		
-----Rupees-----						
Financial assets						
Amortised cost						
Long-term deposits		-	-	-	19,708,550	19,708,550
Long-term investments	21	-	-	-	55,582,707	55,582,707
Trade debts - considered goods	24	-	-	-	2,334,768,358	2,334,768,358
Loans	25	-	-	-	25,773,562	25,773,562
Deposits	26	-	-	-	1,983,715	1,983,715
Short-term investment	27	1,200,000	-	-	-	1,200,000
Due from related parties	29	50,326,380	-	-	-	50,326,380
Cash and bank balances	31	79,734,447	-	-	277,684,249	357,418,696
		131,260,827	-	-	2,715,501,141	2,846,761,968
Fair value through profit or loss						
Short-term investment	27	-	-	-	-	-
Fair value through other comprehensive income						
Long-term investments	21	-	-	-	-	-
Financial liabilities						
At amortized cost						
Long term finances - secured	9	359,121,960	1,475,635,466	-	-	1,834,757,426
Due to related party	14	-	-	-	6,563,777	6,563,777
Trade and other payables	12	-	-	-	2,355,722,608	2,355,722,608
Accrued mark-up	13	-	-	-	560,017,210	560,017,210
Short term borrowings	15	11,123,990,753	-	-	-	11,123,990,753
Unpaid dividend	16	-	-	-	28,495,996	28,495,996
Lease liabilities	10	38,071,886	137,802,694	34,450,674	-	210,325,254
		11,521,184,599	1,613,438,160	34,450,674	2,950,799,591	16,119,873,024
On balance sheet gap		(11,389,923,772)	(1,613,438,160)	(34,450,674)	(235,298,450)	(13,273,111,056)
Off balance sheet items						
Guarantees	17.2	-	-	-	46,167,500	46,167,500
Letter of credit	17.2	-	-	-	225,808,899	225,808,899
Capital Expenditures	17.2	-	-	-	172,000,000	172,000,000
Cheques issued in favor of Nazir of high court in relation to SSGC case	17.2	-	-	-	7,732,192	7,732,192

MATCO FOODS LIMITED**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS****FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024****46.1.3 Interest/Mark-up rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company has long term and short term finance at variable rates. The Company is exposed to interest/mark-up rate risk on long and short term financing and these are covered by holding "Prepayment Option" and "Rollover Option". Interest rate risk on short term borrowings is covered by holding "Prepayment Option" which can be exercised upon any adverse movement in the underlying interest rates. The local and foreign currency loans carry mark up at the prevailing rate of SBP plus 1% to 2.5%, KIBOR plus 0.75% to 2% respectively. Applicable interest rates for financial assets and liabilities are given in respective notes.

- (a) On balance sheet gap represents the net amounts of unconsolidated statement of financial position items.
- (b) Effective rates of return/mark-up on financial liabilities are as follows:

Financial liabilities	December 31, 2024	June 30, 2024
Long term finances - secured	SBP rate+ 1% to 2.5% & KIBOR + 1% to 1.5%	SBP rate+ 1% to 2.5% & KIBOR + 1% to 1.5%
Short term borrowings	SBP rate+ 1% & KIBOR + 0.75% to 2%	SBP rate+ 1% & KIBOR + 0.75% to 2%

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect unconsolidated statement of profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

At December 31, 2024, if interest rates on long term financing had been 1% higher / lower with all other variables held constant, pre tax profit for the period would have been Rs. 16.52 million (June 2024: Rs. 18.35 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

At December 31, 2024, if interest rates on short term borrowings had been 1% higher / lower with all other variables held constant, pre tax profit for the period would have been Rs. 137.25 million (June 2024: Rs. 111.24 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

MATCO FOODS LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

46.2 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counter-party, therefore, the management does not consider that it has any concentration of credit risk at reporting date. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes allowance for ECLs against those balances considered doubtful of recovery. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees.

The Company's maximum exposure to credit risk at the reporting date is as follows:

		December 31, 2024	June 30, 2024
		-----Rupees-----	
Financial assets			
Long-term investments	21	55,582,707	55,582,708
Long-term deposits		20,708,550	17,476,970
Trade debts	24	2,578,489,075	2,194,183,664
Loans	25	25,114,901	23,096,353
Trade deposit	26	1,529,197	2,812,742
Short-term investment	27	1,200,000	4,222,323
Due from related parties	29	74,398,259	81,821,177
Bank balances	31	126,209,682	353,191,599
		<u>2,883,232,371</u>	<u>2,732,387,536</u>

The ageing of trade debts and related movement of ECL has been disclosed in note 24.3 of these unconsolidated financial statements.

Bank balances

The Company limits its exposure to credit risk by investing in liquid securities and maintaining bank accounts only with counter-parties that have stable credit rating. Given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

The bank balances along with the credit ratings are tabulated below:

	Agency name	December 31, 2024	
		Short term	Long term
MCB Bank Limited	PACRA	A1+	AAA
Meezan Bank Limited	JCR VIS	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
Standard Chartered Bank Limited	PACRA	A1+	AAA
United Bank Limited	JCR VIS	A1+	AAA
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AAA
Bank Alfalah Limited	PACRA	A1+	AAA
Faysal Bank Limited	PACRA	A1+	AA
Habib Bank Limited	PACRA	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Soneri Bank Limited	PACRA	A1+	AA-
Bank Al Habib Limited	PACRA	A1+	AAA
JS Bank	PACRA	A1+	AA
MCB Islamic Bank	PACRA	A1+	A+
Bank of Punjab	PACRA	A1+	AA+

46.3 Liquidity risk

The Company finances its operations through equity and borrowings with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular continued credit lines.

As on reporting date, the Company had cash and bank balances and term deposit amounting to Rs. 136.52 million & Rs. 1.2 million respectively (June 2024: Rs. 357.42 million & Rs. 1.2 million), and unutilized credit lines of Rs. 1,809.70 million (June 2024: 1,296.01 million).

47 FAIR VALUE HIERARCHY

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

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

- 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).

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g., significant increases / decreases in activity)
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market)

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

The following table represents the Company's assets that are measured at fair value as at December 31, 2024 and June 30, 2024:

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
	Rupees			
<i>Non-financial assets</i>				
Property, plant and equipment	-	-	12,932,717,209	12,932,717,209
<i>Financial assets</i>				
Financial assets held at fair value through profit or loss	-	-	-	-
Financial assets held at fair value through other comprehensive income	-	-	-	-
	June 30, 2024			
	Level 1	Level 2	Level 3	Total
	Rupees			
<i>Non-financial assets</i>				
Property, plant and equipment	-	-	12,902,928,790	12,902,928,790
<i>Financial assets</i>				
Financial assets held at fair value through profit or loss	-	-	-	-
Financial assets held at fair value through other comprehensive income	-	-	-	-

Certain categories of operating fixed assets (land, buildings, plant and machinery and generators include revaluation surplus) (level 3 measurement) determined by an independent professional valuer based on their assessment of the market values as disclosed in note 8 to these unconsolidated financial statements. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these unconsolidated financial statements.

48 CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring its debt levels and liquid assets and keeping in view future investments requirements and expectations of the shareholders. Debt is calculated as total borrowings (short term borrowings, long term finances and current portion of long term finances as shown in the balance sheet). Capital signifies equity as reported in statement of financial position and includes share capital, share premium and unappropriated profits.

The Company's strategy is to maintain leveraged gearing. The gearing ratios as at December 31, 2024 and June 30, 2024 were as follows:

MATCO FOODS LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2024

		December 31, 2024	June 30, 2024
	Note	-----Rupees-----	
Total borrowings		15,376,515,490	12,958,748,179
Less: Cash and bank	31	(136,522,935)	(357,418,696)
Net debt		15,239,992,555	12,601,329,483
Total equity		10,225,371,614	9,987,621,860
Total equity and debt		25,465,364,169	22,588,951,343
Gearing ratio (%)		60%	56%

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix amongst various sources of finance to minimize risk.

49 CORRESPONDING FIGURES

Corresponding figures have also been rearranged and/or reclassified, wherever necessary, for better presentation. However, there has been no material reclassification in these unconsolidated special purpose financial statements.

50 DATE OF AUTHORISATION FOR ISSUE

These special purpose financial statements have been approved by the Board of Directors of the Company and authorized for issue on 25 FEB 2025

51 GENERAL

Figures have been rounded off to the nearest Rupee.

linal



Khalid Sarfaraz Ghori
Chief Executive Officer



M. Aamir Farooqui
Chief Financial Officer



Faizan Ali Ghori
Director