



MATCO FOODS LIMITED

REACHING NEW HEIGHTS

3rd QUARTERLY REPORT 2023



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OUR LEGACY

The journey of Matco started with the entrepreneurial aptitude of Syed Sarfaraz Ali Ghorī, who established his own company by the name of Muhammad Ali Trading Company (MATCO) in 1964 and initially began supplying and commissioning rice plant and equipment for the Government of Pakistan.

Today, Matco has over 250 global customers and exports its consumer products to over 70 countries worldwide. The Company also holds Organic Certifications from the US NOP and EU Organic Certification from Control Union and is an IFC investee company since 2012.

In 2015, Matco Rice Processing (Pvt.) Limited changed its name to Matco Foods (Pvt.) Limited, and subsequently to Matco Foods Limited before listing in PSX, reflecting its mission of becoming a leading food corporation. Matco is a committed member of the society and strives to make constructive efforts for the welfare of the community.



BUSINESS PROFILE

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

With over 50 years of experience in the rice industry, and a global portfolio of more than 250 corporate customers, the Company is the largest basmati rice exporter from Pakistan, and its flagship brand “Falak Basmati Rice” is available in more than 70 countries worldwide. Matco also exports private-label brands to over 70 countries across the globe. The Company operates 5 rice processing and milling plants which include vertically-integrated paddy drying, storage, husking, and processing facilities in Sadhoke, Punjab and Karachi, Sindh.

In 2017 and 2019, Matco Foods recently diversified its operation within the domain of specialized products i.e., Rice Glucose and Rice Protein, with a plant production capacity of 30,000 MT per annum and 3,000 MT per annum of Rice Glucose and Rice Protein respectively.

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

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





MATCO FOODS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Muhammad Aamir Farooqui, FCMA

COMPANY SECRETARY

Mr. Muhammad Noman Ansari, ACMA

HEAD OF INTERNAL AUDIT

Mr. Bilal Ahmed, ACCA

LEGAL ADVISOR

Muhammad Javaid Akhter
A-55/56, Federal 'B' Area, Karachi, Pakistan

AUDITORS

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



MATCO FOODS LIMITED

SHARE REGISTRAR

CDC Share Registrar Services Limited

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

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited

Meezan Bank Limited
National Bank of Pakistan
PAIR Investment Company Limited
Pak Brunei Investment Company Limited
Pak Oman Investment Company Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
United Bank Limited

COMPANY LOCATIONS

REGISTERED OFFICE

Matco Foods Limited
B-1/A, S.I.T.E. Phase 1, Super Highway Industrial,
Area, Karachi, Pakistan P.O. Box 75950
Phone: +92 (301) 8250969, +92 (21) 3631 5099
Fax: +92 (21) 3632 0509
Email: contact@matcofoods.com

FAISALABAD OFFICE

Matco Foods Limited – Corn Starch Division
Plot 87, Block - K, Wapda City, Faisalabad
A 15-16, S.I.T.E. Super Highway, Karachi,
Pakistan

RICE PLANT – KARACHI

RICE GLUCOSE PLANT – KARACHI

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

RICE PLANT – SADHOKE

50 KM, Main G.T. Road, Sadhoke District,
Gujranwala, Punjab

CORN STARCH PLANT – FAISALABAD

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

Web Address

www.matcofoods.com

Email Address

contact@matcofoods.com



VISION

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

MISSION

To provide premium quality products globally to customers; to be innovative, customer-oriented and create strong partnerships with suppliers; to continuously invest in our staff – the biggest asset of the company; and to create long-term value for all stakeholders – shareholders, staff, customers, suppliers, and wider community.

DIRECTORS' REVIEW REPORT

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

By the Grace of Allah (SWT), the Directors of your Company take pleasure in presenting un-audited condensed interim financial information of the Company and Group for the nine-months period ended March 31, 2023.

Financial Results:

Description	Unconsolidated		Consolidated	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	-----Rupees in '000-----		-----Rupees in '000-----	
Sales – net	13,945,426	8,686,411	13,967,590	8,692,010
Cost of sales	(12,183,497)	(7,801,680)	(12,183,497)	(7,801,680)
Gross Profit	1,761,929	884,731	1,784,093	890,330
Selling and distribution	(253,894)	(160,333)	(253,894)	(161,506)
Administrative	(490,652)	(241,867)	(491,285)	(242,017)
Operating profit	1,017,383	482,531	1,038,914	486,807
Financial Charges	(767,260)	(265,569)	(767,522)	(265,777)
Exchange Gain/(Loss)	223,654	(40,773)	223,654	(40,773)
Other Operating Income	28,154	34,560	28,160	34,564
Share of loss from Associated Company	-	-	(8,711)	(1,193)
Profit Before Tax	501,931	210,749	514,495	213,628
Income Tax	(90,403)	(64,159)	(90,403)	(64,159)
Profit for the Period	411,528	146,590	424,092	149,469
Earnings Per Share	3.36	1.20	3.46	1.22

During the past nine months i.e., July 2022 – March 2023:

- The Company has earned a net profit of Rs. 411.53 million compared to a profit of Rs. 146.59 million in the last period, representing an increase of 181%.
- The Company has exported 24,969 metric tons of basmati rice as compared to 29,926 metric tons in the last comparative period and thereby representing a decrease of 17%.
- The average export selling price per metric ton of basmati rice during the period was USD 1,169 which was USD 969 in the last comparative period representing an increase of 20%.

The Rice Glucose Division has continued to perform in the local and international markets and contributed positively to the Company's bottom line.

The Corn Starch Division of the Company started its commercial operation during the current financial year and is successfully getting export orders from the international market at attractive prices and contributing positively to the topline of the Company.

The Falak Foods Division of the Company has been making valuable progress in convenience-based food products, locally and internationally, and also contributed positively to the profitability of the Company.

The decline in the PKR/USD parity and increase in the world commodity prices have impacted positively the top line of the Company. However, the increase in the finance cost and the highest level of inflation have also driven the cost of operating the business to higher levels which negatively contributed to the bottom line.

Future Outlook:

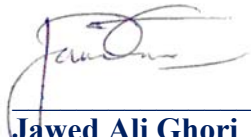
At the global level, there will be a shortfall in the supply of rice, due to falling production in China, the US, and Europe, which will be pulling up the prices of the commodity. However, at the local level, higher raw material prices and higher fuel and energy costs, political instability, inconsistent economic policies, higher financing rates, and tightening of fiscal policy coupled with extreme weather conditions in the region will be challenging for the Company in the upcoming months.

In order to cope with the challenges, the Company will remain vigilant to capitalize on the opportunities that will be created by the changes in the environment, continue to follow its diversification strategies to improve the economic value of the Company, and focus on increasing the export sales that also benefit the Country in terms of attracting the foreign exchange. The installation of the Dextrose Monohydrate (DMH) plant is on schedule and will start its commercial operations by the end of 2023.

Acknowledgement:

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

On behalf of the Board



Jawed Ali Ghori
Chairman



Khalid Sarfaraz Ghori
Chief Executive Officer

ڈائریکٹرز کی جائزہ رپورٹ

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

اللہ کے فضل و کرم سے، آپ کی کمپنی کے ڈائریکٹرز 31 مارچ، 2023 کو ختم ہونے والے نو ماہ کی مدت کے کمپنی اور گروپ کے غیر آڈٹ کنڈنسنڈ عبوری مالی معلومات پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالی نتائج:

Description	Unconsolidated		Consolidated	
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	-----Rupees in '000-----		-----Rupees in '000-----	
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Profit for the Period	411,528	146,590	424,092	149,469
Earnings Per Share	3.36	1.20	3.46	1.22

نومہ کے دوران یعنی جولائی 2022ء - مارچ 2023ء:

- کمپنی نے گزشتہ تقابلی مدت میں 146.59 ملین روپے کے خالص منافع کے مقابلے میں 411.53 ملین روپے کا خالص منافع ہوا ہے، اس طرح منافع میں 181 فیصد اضافہ ظاہر کرتا ہے۔

- کمپنی نے گزشتہ تقابلی مدت میں 29,926 میٹرک ٹن کے مقابلے میں 24,969 میٹرک ٹن باسمتی چاول برآمد کیے ہیں اور اس طرح 17 فیصد کمی کو ظاہر کرتا ہے۔

- اس عرصے کے دوران باسمتی چاول کی فی میٹرک ٹن کی اوسط برآمدی فروخت قیمت USD 1,169 تھی جو کہ گزشتہ تقابلی مدت میں USD 969 تھی جو کہ 20% کے اضافے کی نمائندگی کرتی ہے۔

رائس گلوکوز ڈویژن نے مقامی اور بین الاقوامی مارکیٹوں میں اپنی کارکردگی کو جاری رکھا ہوا ہے اور کمپنی کے منافع میں مثبت کردار ادا کیا ہے۔

کمپنی کے کارن سٹارچ ڈویژن نے رواں مالی سال کے دوران اپنا تجارتی آپریشن شروع کیا اور کامیابی کے ساتھ بین الاقوامی مارکیٹ سے پرکشش قیمتوں پر برآمدی آرڈرز حاصل کر رہے ہیں اور کمپنی کی آمدنی میں مثبت کردار ادا کر رہے ہیں۔

کمپنی کا فلک فوڈز ڈویژن مقامی اور بین الاقوامی سطح پر سہولت پر مبنی کھانے کی مصنوعات میں قابل قدر پیش رفت کر رہا ہے اور کمپنی کے منافع میں بھی مثبت کردار ادا کر رہا ہے۔

PKR/USD برابری میں کمی اور عالمی اجناس کی قیمتوں میں اضافے نے کمپنی کے سیلز ریونیو کو مثبت طور پر متاثر کیا ہے۔ تاہم، مالیاتی لاگت میں اضافے اور افراط زر کی بلند ترین سطح نے بھی کاروبار کو چلانے کی لاگت کو بلند سطح پر پہنچا دیا ہے جس نے منافع میں منفی کردار ادا کیا۔

مستقبل کا خاکہ:

آنے والے مہینوں میں عالمی سطح پر چاول کی سپلائی میں کمی ہوگی جس کی وجہ چین، امریکا اور یورپ میں پیداوار میں کمی ہے جس سے اجناس کی قیمتوں میں اضافہ ہوگا۔ تاہم، مقامی سطح پر، خام مال کی زیادہ قیمتیں اور ایندھن اور توانائی کی زیادہ قیمتیں، سیاسی عدم استحکام، متضاد اقتصادی پالیسیاں، زیادہ شرح سود، اور مالیاتی پالیسی کو سخت کرنا اور خطے میں انتہائی موسمی حالات کمپنی کے لیے چیلنجنگ ہوں گے۔

چیلنجوں سے نمٹنے کے لیے، کمپنی ماحول میں ہونے والی تبدیلیوں سے پیدا ہونے والے مواقع سے فائدہ اٹھانے کے لیے چوکس رہے گی، کمپنی کی اقتصادی قدر کو بہتر بنانے کے لیے اپنی تنوع کی حکمت عملیوں پر عمل پیرا رہے گی، اور برآمدات کو بڑھانے پر توجہ دے گی۔ جس سے ملک کو زرمبادلہ حاصل کرنے میں بھی فائدہ ہوتا ہے۔ Dextrose Monohydrate (DMH) پلانٹ کی تنصیب شیڈول کے مطابق ہے اور یہ 2023 کے آخر تک اپنے تجارتی کام شروع کر دے گا۔

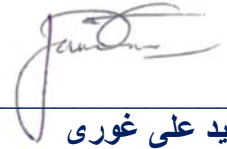
اعتراف:

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

بورڈ کی جانب سے



خالد سرفراز غوری
چیف ایگزیکٹو آفیسر



جاوید علی غوری
چیئرمین

3rd Quarterly
Financial Statements
Unconsolidated

March 31, 2023

(Un-audited)



MATCO FOODS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL
AS AT MARCH 31, 2023

		Un-Audited March 31, 2023	Audited June 30, 2022
	Note	-----Rupees in '000-----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	7,198,636	6,569,614
Intangible assets		-	-
Right-of-use assets		240,067	235,567
Long term deposits		16,759	16,759
Long term investments	7	63,944	62,738
Total non-current assets		7,519,406	6,884,678
Current assets			
Stores, spares and loose tools		98,057	86,091
Stock in trade	8	8,896,067	7,662,054
Trade debts	9	2,277,714	1,818,339
Loans and advances		336,293	155,032
Trade deposits and short term prepayments		12,939	10,683
Short term investment		3,862	4,255
Sales tax refundable		118,086	105,057
Due from related parties		62,499	51,047
Taxation - net		31,038	-
Cash and bank balances	10	385,064	303,566
Total current assets		12,221,619	10,196,124
Total assets		19,741,025	17,080,802

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



Chief Executive Officer



Chief Financial Officer



Director

MATCO FOODS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL
AS AT MARCH 31, 2023

	Note	Un-Audited March 31, 2023	Audited June 30, 2022
-----Rupees in '000-----			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid up share capital	11	1,224,007	1,224,007
Capital reserve		680,467	680,467
Unappropriated profit		3,089,755	2,723,395
Surplus on revaluation of property, plant and equipment - net of tax		2,417,869	2,433,901
Unrealized loss on revaluation of investments at fair value through OCI		(2,184)	(3,390)
Total shareholders' equity		7,409,914	7,058,380
Non-current liabilities			
Long term finances-secured	12	1,776,838	1,582,432
Lease liabilities		206,462	175,603
Deferred liabilities		251,872	251,713
Deferred grant		-	-
Total non-current liabilities		2,235,172	2,009,748
Current liabilities			
Trade and other payables		1,052,435	671,153
Advance from customers - secured		85,524	22,613
Accrued mark-up		224,347	120,739
Due to related parties		6,808	10,556
Short term borrowings-secured	13	8,437,127	6,979,645
Taxation-net		-	5,132
Current portion of deferred grant		-	1,561
Current portion of long term finances-secured	12	249,658	172,857
Current portion of lease liabilities		30,026	27,634
Unpaid dividend		10,014	784
Total current liabilities		10,095,939	8,012,674
Total liabilities		12,331,111	10,022,422
Contingencies and commitments			
Total equity and liabilities		19,741,025	17,080,802

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



Chief Executive Officer



Chief Financial Officer



Director

MATCO FOODS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Note	Nine months ended		Quarter ended	
		March 31, 2023 Un-Audited	March 31, 2022 Un-Audited	March 31, 2023 Un-Audited	March 31, 2022 Un-Audited
-----Rupees in '000-----					
Sales - net		13,945,426	8,686,411	6,706,887	3,840,849
Cost of sales	14	(12,183,497)	(7,801,680)	(6,002,290)	(3,502,149)
Gross profit		1,761,929	884,731	704,597	338,700
Operating expenses					
Selling and distribution		(253,894)	(160,333)	(105,883)	(50,732)
Administrative		(490,652)	(241,867)	(197,047)	(82,026)
		(744,546)	(402,200)	(302,930)	(132,758)
Operating profit		1,017,383	482,531	401,667	205,942
Financial charges		(767,260)	(265,569)	(297,043)	(106,583)
Exchange Gain/(loss)		223,654	(40,773)	73,371	(7,226)
		473,777	176,189	177,995	92,133
Other operating income		28,154	34,560	3,313	10,787
Profit before income tax		501,931	210,749	181,308	102,920
Taxation		(90,403)	(64,159)	(25,911)	(16,616)
Profit for the period		411,528	146,590	155,397	86,304
-----Rupees-----					
Earnings per share - Basic and Diluted	15	3.36	1.20	1.27	0.71

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



Chief Executive Officer



Chief Financial Officer



Director

MATCO FOODS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Nine months ended		Quarter ended	
	March 31, 2023 Un-Audited	March 31, 2022 Un-Audited	March 31, 2023 Un-Audited	March 31, 2022 Un-Audited
	-----Rupees in '000-----			
PROFIT FOR THE PERIOD	411,528	146,590	155,397	86,304
OTHER COMPREHENSIVE INCOME				
<i>Items that may be reclassified to statement of profit or loss subsequently</i>	-	-	-	-
<i>Items that will not be reclassified to statement of profit or loss subsequently</i>				
Unrealized gain/(loss) on revaluation of investment at fair value through OCI during the period	1,206	(3,640)	(63)	(788)
Remeasurement of defined benefit obligation	-	-	-	-
Other comprehensive Income/(loss)	1,206	(3,640)	(63)	(788)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>412,734</u>	<u>142,950</u>	<u>155,334</u>	<u>85,516</u>

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



Chief Executive Officer



Chief Financial Officer



Director

MATCO FOODS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Issued, subscribed and paid up share capital	Capital reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net	Unrealized gain/(loss) on revaluation of investments at fair value through OCI	Total
----- Rupees in '000 -----						
Balance as at July 01, 2021	1,224,007	680,467	2,287,145	2,459,499	-	6,651,118
Total comprehensive income for the period						
Profit for the period	-	-	146,590	-	-	146,590
Other comprehensive loss	-	-	(3,640)	-	-	(3,640)
Total comprehensive income	-	-	142,950	-	-	142,950
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	17,852	(17,852)	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of plant and equipment - net of tax	-	-	1,352	(1,352)	-	-
Balance as at March 31, 2022	<u>1,224,007</u>	<u>680,467</u>	<u>2,449,299</u>	<u>2,440,295</u>	<u>-</u>	<u>6,794,068</u>
Balance as at July 01, 2022	1,224,007	680,467	2,723,395	2,433,901	(3,390)	7,058,380
Total comprehensive income for the period						
Profit for the period	-	-	411,528	-	-	411,528
Other comprehensive Income	-	-	-	-	1,206	1,206
Total comprehensive income	-	-	411,528	-	1,206	412,734
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	16,032	(16,032)	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of plant and equipment - net of tax	-	-	-	-	-	-
Transaction with Owners						
Dividend paid @ Re. 0.50 per share	-	-	(61,200)	-	-	(61,200)
Balance as at March 31, 2023	<u>1,224,007</u>	<u>680,467</u>	<u>3,089,755</u>	<u>2,417,869</u>	<u>(2,184)</u>	<u>7,409,914</u>

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

Chief Executive Officer

Chief Financial Officer

Director

MATCO FOODS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Note	Nine months ended	
		March 31, 2023 (Un-audited)	March 31, 2022 (Un-audited)
		-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	16	165,826	39,911
Gratuity paid		(24,055)	(9,680)
Taxes paid		(123,179)	(55,572)
Finance cost paid		(663,652)	(228,041)
Net cash used in operating activities		(645,060)	(253,381)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(950,977)	(1,543,053)
Proceeds from disposal of property, plant and equipment		10,205	7,307
Right-of-use assets		(32,210)	(4,923)
Long term deposits		-	(437)
Long term investments	7	-	(9,467)
Net cash used in investing activities		(972,982)	(1,550,573)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net of repayment		271,207	902,578
Finance lease obligations - net of repayment		22,821	(9,620)
Dividend paid		(51,970)	(4)
Short term finances - net of repayment		1,457,482	1,312,651
Net cash generated from financing activities		1,699,540	2,205,605
Net change in cash and cash equivalents		81,498	401,651
Cash and cash equivalents at the beginning of the period		303,566	104,960
Cash and cash equivalents at the end of the period		385,064	506,611

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



Chief Executive Officer



Chief Financial Officer



Director

1 LEGAL STATUS AND OPERATIONS

Matco Foods Limited (the Company) was incorporated in Karachi on April 14, 1990, 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 exporting rice, rice glucose, rice protein, and trade of pink salt, masala, kheer, and other NPD items. 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 Kamoke, District Gujranwala and (v) Plot # 53, S.E.Z, Allama Iqbal Industrial City in Faisalabad.

The Company has 100% ownership in JKT General Trading FZE (subsidiary) a U.A.E. based company which is situated at P.O.Box 123347, Sharjah - U.A.E, and registered with Government of Sharjah. The business of the subsidiary is purchasing and selling of processed rice.

The Company has 99.99% ownership in Matco Marketing (Private) Limited (subsidiary) which was incorporated on June 16, 2016 with authorized and paid-up share capital of PKR 10,000,000 and PKR 7,500,000 respectively. The subsidiary is situated at B-1/A, S.I.T.E. Phase 1, Super Highway Industrial Area, Karachi. However, no business activity has been carried out by the subsidiary since its incorporation.

Matco Foods Limited has 49% ownership in Barentz Pakistan (Private) Limited which was incorporated on June 28, 2019 with authorized and paid-up capital of PKR 100,000,000 and PKR 50,000,000 respectively.

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

2 SIGNIFICANT EVENTS AND TRANSACTIONS

During the period, the Company has capitalized Capital work in progress for the Corn Starch Project to Operating fixed assets amounting to Rs. 2,334,411.

3 BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the unconsolidated annual audited financial statements, and should be read in conjunction with Company's unconsolidated annual audited financial statements for the year ended June 30, 2022.

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

3.3.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2023

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

3.3.2 New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2023

There are new standards and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or expected to have any significant effect on the Company's financial reporting.

4 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2022 unless otherwise specified.

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparations of this unconsolidated condensed interim financial statements, the significant judgement made by management in applying the Company's accounting policies and the key sources of estimations and uncertainly were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2022.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Note	(Un-Audited)	(Audited)
		March 31, 2023	June 30, 2022
		-----Rupees in '000-----	
6	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	6.1 6,687,500	4,620,285
	Capital work in progress	6.2 511,136	1,949,329
		<u>7,198,636</u>	<u>6,569,614</u>

6.1 Details of additions and disposals to operating fixed assets during the nine months ended March 31, 2023 are as follows:

	Additions at cost	Disposals / Transfers at net book value
	-----Rupees in '000-----	
Plant and Machinery	1,210,573	-
Electric cables and fittings	115,829	-
Furniture and fixtures	3,339	-
Motor Vehicles	97	-
Lease hold land	193,002	-
Factory Building	720,111	-
Office Equipment	6,535	-
Factory Equipment	121,445	-
Computers	8,387	-
Cameras	1,297	-
Mobile Phones	2,462	8
Generators	6,093	-
March 31, 2023	<u>2,389,170</u>	<u>8</u>
June 30, 2022	<u>209,432</u>	<u>5,847</u>

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

	(Un-Audited)	(Audited)
	March 31, 2023	June 30, 2022
		-----Rupees in '000-----
Opening balance	1,949,329	264,263
Additions during the period	896,218	1,830,496
	2,845,547	2,094,759
Transferred to operating fixed assets	(2,334,411)	(145,430)
Closing balance	<u>511,136</u>	<u>1,949,329</u>

7 LONG - TERM INVESTMENTS

<i>Subsidiaries - at cost</i>		
JKT General Trading (FZE)	23,583	23,583
Matco Marketing (Private) Limited	7,500	7,500
<i>Associate - at cost</i>		
Barentz Pakistan (Private) Limited	24,500	24,500
<i>Other investments - at fair value through OCI - net</i>		
	8,361	7,155
	<u>63,944</u>	<u>62,738</u>

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

		(Un-Audited) March 31, 2023	(Audited) June 30, 2022
		-----Rupees in '000-----	
8	STOCK IN TRADE		
	Raw materials	6,195,412	5,864,610
	Packing materials	371,274	219,576
	Finished goods	2,349,856	1,598,343
		<u>8,916,542</u>	<u>7,682,529</u>
	Provision for slow moving/obsolete items	(20,475)	(20,475)
		<u><u>8,896,067</u></u>	<u><u>7,662,054</u></u>
9	TRADE DEBTS		
	Considered good		
	- Export - secured	1,886,972	1,693,674
	- Local - unsecured	390,742	124,665
		<u>2,277,714</u>	<u>1,818,339</u>
10	CASH AND BANK BALANCES		
	Cash in hand	2,852	8,861
	Cash at bank	382,212	294,705
		<u>385,064</u>	<u>303,566</u>
11	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
		(Un-audited) March 31, 2023 (Number of shares)	(Audited) June 30, 2022
		(Un-Audited) March 31, 2023	(Audited) June 30, 2022
		-----Rupees in '000-----	
	Ordinary shares of Rs. 10 each:		
	- fully paid in cash	50,340,213	50,340,213
	- issued for consideration other than cash	6,002,950	6,002,950
	- issued as fully paid bonus shares	66,057,535	66,057,535
		<u>122,400,698</u>	<u>122,400,698</u>
		<u>503,402</u>	503,402
		<u>60,030</u>	60,030
		<u>660,575</u>	660,575
		<u>1,224,007</u>	<u>1,224,007</u>
12	LONG TERM FINANCES - SECURED		
	<i>From banking companies and financial institution:</i>		
	LTFP/ILTFP	648,248	413,741
	TERF/ITERF	1,005,454	986,349
	FFSAP/IFFASP	282,337	278,783
	Demand Finance	90,457	26,391
	Salary Refinance	-	50,025
		<u>2,026,496</u>	<u>1,755,289</u>
	Current portion of long term finances	(249,658)	(172,857)
		<u>1,776,838</u>	<u>1,582,432</u>

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	(Un-Audited) March 31, 2023	(Un-Audited) March 31, 2022
	-----Rupees in '000-----	
13 SHORT TERM BORROWINGS - SECURED		
Export re-finance	5,077,949	4,537,949
Own resource	3,359,178	2,441,696
	<u>8,437,127</u>	<u>6,979,645</u>
14 COST OF SALES		
Raw materials consumed	10,670,319	6,899,201
Packing materials consumed	492,495	348,996
Stores, spares and loose tools consumed	213,654	121,953
	<u>11,376,468</u>	<u>7,370,150</u>
Salaries, wages and benefits	480,227	322,804
Electricity and power	509,277	122,786
Telephone and mobile	1,909	694
Insurance	10,358	6,442
Repairs and maintenance	38,665	22,632
Fumigation charges	55,896	48,920
Diesel & water	49,857	44,637
Staff welfare	18,214	10,172
Security expenses	25,642	13,166
Godown expenses	22,911	17,084
Rent, rates and taxes	647	1,176
Vehicle running expenses	30,498	7,474
Medical	4,974	2,437
Depreciation	257,558	132,604
Depreciation on right-of-assets	17,127	18,085
Interest expense on lease liabilities	9,709	8,557
Inspection charges	22,871	16,641
Others	2,202	4,927
Cost of goods available for sale	<u>12,935,010</u>	<u>8,171,388</u>
Finished goods		
Opening stock	1,598,343	1,545,539
Closing stock	(2,349,856)	(1,915,247)
	<u>(751,513)</u>	<u>(369,708)</u>
	<u>12,183,497</u>	<u>7,801,680</u>
15 EARNINGS PER SHARE - BASIC & DILUTED		
Basic earnings per share		
Profit for the period (Rupees in thousands)	411,528	146,590
Number of ordinary shares	122,400,698	122,400,698
Earnings per share	3.36	1.20
15.1 Diluted earnings per share		

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

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

16	CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	Note	Un-Audited	Un-Audited
			March 31, 2023	March 31, 2022
			-----Rupees in '000-----	
	Profit before taxation		501,931	210,749
	Adjustments for non-cash changes and other items:			
	Depreciation		341,492	186,725
	Exchange (gain)/loss - net		(223,654)	40,773
	Finance cost		767,260	265,569
	Gain on disposal of property, plant and equipment		(1,866)	(1,437)
	Provision for staff gratuity		31,084	20,736
	Unrealized loss/(gain) on short term investments		393	(2,935)
	Working capital changes	16.1	(1,250,814)	(680,268)
	Cash generated from operations		<u>165,826</u>	<u>39,912</u>
16.1	Working capital changes			
	(Increase)/decrease in current assets			
	Stores, spares and loose tools		(11,966)	(5,841)
	Stock-in-trade		(1,234,013)	(241,966)
	Trade debts - considered good		(235,721)	(659,290)
	Loans and advances/Short term investment		(181,261)	(24,005)
	Trade deposits and short term prepayments		(2,256)	(13,554)
	Sales tax refundable/Due from related parties		(24,481)	(830)
			<u>(1,689,698)</u>	<u>(945,486)</u>
	Increase/(decrease) in current liabilities			
	Trade and other payables		381,282	277,989
	Due to related party		(3,748)	2,568
	Deferred grant		(1,561)	(5,100)
	Advance from customers - secured		62,911	(10,239)
	Net increase in working capital		<u>(1,250,814)</u>	<u>(680,268)</u>

17 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

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

17.1 Fair value of financial assets and liabilities

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

17.2 Fair value hierachy

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

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

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

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

MATCO FOODS LIMITED
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**
18 TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Percentage of Holding	Transactions	(Un-Audited)	(Un-Audited)
			March 31, 2023	March 31, 2022
-----Rupees in '000-----				
Directors		Godown rent paid to director	<u>18,025</u>	<u>11,216</u>
Subsidiary				
JKT General Trading FZE	100%	Sales	<u>72,602</u>	<u>76,514</u>
		Payment received on account of sales	<u>106,863</u>	<u>139,706</u>
Matco Marketing (Private) Limited	99.99%	Paid expenses on behalf	<u>-</u>	<u>81</u>
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	<u>151,205</u>	<u>52,609</u>
		Payment received on account of expenses	<u>150,760</u>	<u>49,344</u>
		Interest Income	<u>6,611</u>	<u>3,080</u>
		Commission paid	<u>440</u>	<u>1,136</u>
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	<u>-</u>	<u>1,918</u>
		Payment received on account of expenses	<u>-</u>	<u>-</u>
Trust operated by the Company				
Ghori Trust	0%	Paid expenses on behalf	<u>18,074</u>	<u>5,070</u>
		Payment received on account of expenses	<u>75</u>	<u>1</u>
		Donation expense	<u>6,664</u>	<u>7,719</u>
			(Un-Audited)	(Audited)
			March 31, 2023	June 30, 2022
-----Rupees in '000-----				
Nature of relationship	Percentage of Holding	Balances		
Subsidiary				
JKT General Trading FZE	100%	Trade receivables outstanding	<u>-</u>	<u>34,261</u>
Matco Marketing (Private) Limited	99.99%	Advance outstanding	<u>6,808</u>	<u>6,808</u>
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Receivable against expenses	<u>46,968</u>	<u>47,637</u>
		Interest receivable	<u>3,918</u>	<u>3,410</u>
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Receivable against expenses	<u>-</u>	<u>-</u>
Faiyaz Center Owner Association	0%	Receivable against expenses	<u>-</u>	<u>-</u>
Trust operated by the Company				
Ghori Trust	0%	Payable against donation	<u>7,585</u>	<u>3,748</u>

MATCO FOODS LIMITED

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

19 GENERAL

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

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

20 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 27, 2023, by the board of directors of the Company.



Chief Executive Officer



Chief Financial Officer



Director

3rd Quarterly
Financial Statements
Consolidated
March 31, 2023
(Un-audited)



MATCO FOODS LIMITED

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023**

		Un-Audited March 31, 2023	Audited June 30, 2022
	Note	-----Rupees in '000-----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	7,198,636	6,569,614
Intangible assets		-	-
Right-of-use assets		240,067	235,567
Long term deposits		16,759	16,759
Long term investments	7	17,905	25,411
Total non-current assets		7,473,367	6,847,351
Current assets			
Stores, spares and loose tools		98,057	86,091
Stock in trade	8	8,896,067	7,662,054
Trade debts	9	2,426,887	1,897,929
Loans and advances		336,293	155,032
Trade deposits and short term prepayments		16,530	11,705
Short term investment		3,862	4,255
Sales tax refundable		118,086	105,057
Due from related parties		62,499	51,047
Taxation - net		31,038	-
Cash and bank balances	10	393,670	322,021
Total current assets		12,382,989	10,295,191
Total assets		19,856,356	17,142,542

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



Chief Executive Officer



Chief Financial Officer



Director

MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

		Un-Audited March 31, 2023	Audited June 30, 2022
	Note	-----Rupees in '000-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
		2,000,000	2,000,000
Issued, subscribed and paid up share capital	11	1,224,007	1,224,007
Capital reserve		680,467	680,467
Exchange revaluation reserve		77,289	35,814
Unappropriated profit		3,134,085	2,755,161
Surplus on revaluation of property, plant and equipment - net of tax		2,417,869	2,433,901
Unrealized loss on revaluation of investments at fair value through OCI		(2,184)	(3,390)
Total shareholders' equity		7,531,533	7,125,960
Non-current liabilities			
Long term finances-secured	12	1,776,838	1,582,432
Lease liabilities		206,462	175,603
Deferred liabilities		252,327	252,042
Deferred grant		-	-
Total non-current liabilities		2,235,627	2,010,077
Current liabilities			
Trade and other payables		1,052,500	671,792
Advance from customers - secured		85,524	22,613
Accrued mark-up		224,347	120,739
Due to related parties		-	3,748
Short term borrowings-secured	13	8,437,127	6,979,645
Taxation-net		-	5,132
Current portion of deferred grant		-	1,561
Current portion of long term finances-secured	12	249,658	172,857
Current portion of lease liabilities		30,026	27,634
Unpaid dividend		10,014	784
Total current liabilities		10,089,196	8,006,505
Total liabilities		12,324,823	10,016,582
Contingencies and commitments			
Total equity and liabilities		19,856,356	17,142,542

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



Chief Executive Officer



Chief Financial Officer



Director

MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Note	Nine months ended		Quarter ended	
		March 31, 2023 Un-Audited	March 31, 2022 Un-Audited	March 31, 2023 Un-Audited	March 31, 2022 Un-Audited
-----Rupees in '000-----					
Sales - net		13,967,590	8,692,010	6,708,258	3,842,360
Cost of sales	14	(12,183,497)	(7,801,680)	(6,002,290)	(3,502,149)
Gross profit		1,784,093	890,330	705,968	340,211
Operating expenses					
Selling and distribution		(253,894)	(161,506)	(105,883)	(51,098)
Administrative		(491,285)	(242,017)	(197,087)	(82,026)
		(745,179)	(403,523)	(302,970)	(133,124)
Operating profit		1,038,914	486,807	402,998	207,087
Financial charges		(767,522)	(265,777)	(297,059)	(106,714)
Share of loss from associated company		(8,711)	(1,193)	(7,205)	4,368
Exchange gain/(loss)		223,654	(40,773)	73,371	(7,226)
		486,335	179,064	172,105	97,515
Other operating income		28,160	34,564	3,313	10,787
Profit before income tax		514,495	213,628	175,418	108,302
Taxation		(90,403)	(64,159)	(25,911)	(16,616)
Profit for the period		424,092	149,469	149,507	91,686
-----Rupees-----					
Earnings per share - Basic and Diluted	15	3.46	1.22	1.22	0.75

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



Chief Executive Officer



Chief Financial Officer



Director

MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Nine months ended		Quarter ended	
	March 31, 2023 Un-Audited	March 31, 2022 Un-Audited	March 31, 2023 Un-Audited	March 31, 2022 Un-Audited
	-----Rupees in '000-----			
PROFIT FOR THE PERIOD	424,092	149,469	149,507	91,686
OTHER COMPREHENSIVE INCOME				
<i>Items that may be reclassified to statement of profit or loss subsequently</i>				
- Exchange difference on translation of foreign Currency	41,475	9,504	31,180	2,619
<i>Items that will not be reclassified to statement of profit or loss subsequently</i>				
Unrealized gain/(loss) on revaluation of investment at fair value through OCI during the period	1,206	(3,640)	(63)	(788)
Other comprehensive income	42,681	5,864	31,117	1,831
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	466,773	155,333	180,624	93,517

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



Chief Executive Officer



Chief Financial Officer



Director

MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Issued, subscribed and paid up share capital	Capital reserve	Exchange Revaluation Reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net	Unrealized gain/(loss) on revaluation of investment at fair value through OCI	Equity attributable to the Holding Company's shareholder	Total
----- Rupees in '000 -----								
Balance as at July 01, 2021	1,224,007	680,467	15,811	2,292,539	2,459,499	-	6,672,323	6,672,323
Total comprehensive income for the period								
Profit for the period	-	-	-	149,469	-	-	149,469	149,469
Other comprehensive income/(loss)	-	-	9,504	(3,640)	-	-	5,864	5,864
Total comprehensive income	-	-	9,504	145,829	-	-	155,333	155,333
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	17,852	(17,852)	-	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of plant and equipment - net of tax	-	-	-	1,352	(1,352)	-	-	-
Balance as at March 31, 2022	1,224,007	680,467	25,315	2,457,572	2,440,295	-	6,827,656	6,827,656
Balance as at July 01, 2022	1,224,007	680,467	35,814	2,755,161	2,433,901	(3,390)	7,125,960	7,125,960
Total comprehensive income for the period								
Profit for the period	-	-	-	424,092	-	-	424,092	424,092
Other comprehensive Income	-	-	41,475	-	-	1,206	42,681	42,681
Total comprehensive income	-	-	41,475	424,092	-	1,206	466,773	466,773
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	16,032	(16,032)	-	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of plant and equipment - net of tax	-	-	-	-	-	-	-	-
Transaction with Owners								
Dividend paid @Re. 0.50 per share	-	-	-	(61,200)	-	-	(61,200)	(61,200)
Balance as at March 31, 2023	1,224,007	680,467	77,289	3,134,085	2,417,869	(2,184)	7,531,533	7,531,533

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

Chief Executive Officer

Chief Financial Officer

Director

MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Note	Nine months ended	
		March 31, 2023 (Un-audited)	March 31, 2022 (Un-audited)
		-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	16	105,767	17,118
Gratuity paid		(24,055)	(9,680)
Taxes paid		(123,179)	(55,572)
Finance cost paid		(663,628)	(228,249)
Exchange revaluation reserve		41,475	9,504
Net cash used in operating activities		(663,620)	(266,879)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(950,977)	(1,543,053)
Proceeds from disposal of property, plant and equipment		10,205	7,053
Right-of-use assets		(32,210)	(4,923)
Long term deposits		-	(437)
Long term investments	7	8,711	(8,274)
Net cash used in investing activities		(964,271)	(1,549,634)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net of repayment		271,207	902,578
Finance lease obligation - net of repayment		22,821	(9,620)
Dividend paid		(51,970)	(4)
Short term finances - net of repayment		1,457,482	1,312,651
Net cash generated from financing activities		1,699,540	2,205,605
Net change in cash and cash equivalents		71,649	389,092
Cash and cash equivalents at the beginning of the period		322,021	142,315
Cash and cash equivalents at the end of the period		393,670	531,407

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



Chief Executive Officer



Chief Financial Officer



Director

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

1 STATUS AND NATURE OF BUSINESS

The 'Group' consists of:

Holding Company

- Matco Foods Limited (the Holding Group)

Subsidiary Companies

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

Associated Company

- Barentz Pakistan (Private) Limited

The Group is engaged in the business of processing and export of rice, rice glucose, rice protein, and rice flour, general trading, exports/imports, and other related activities. A brief profile of the Holding Group and its subsidiaries are as under:

a) Matco Foods Limited

Matco Foods Limited, ('the Holding Company') was incorporated on April 14, 1990 in Karachi as a private limited company under the repealed Companies Ordinance, 1984 (Now: Companies Act, 2017). The Holding Company was listed on Pakistan Stock Exchange Limited on February 13, 2018. The principal activity of the Holding Company is to carry out the business processing and exporting rice, rice glucose, rice protein, and trade of pink salt, masala, kheer, and other NPD items. The registered office of the Holding Company is situated at B-1/A, S.I.T.E.-II Phase 1, Super Highway Industrial Area, Karachi; whereas the factories of the Holding 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 (v) Plot # 53, S.E.Z, Allama Iqbal Industrial City, Faisalabad.

The Group has 100% ownership in JKT General Trading FZE (subsidiary) a UAE based Company and 99.9% in Matco Marketing (Private) Limited based in Pakistan.

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

b) JKT General Trading FZE

JKT General Trading FZE, ('the establishment') is a free zone establishment with limited liability registered in Saif-Zone, Sharjah, United Arab Emirates (UAE) under general trading license no. 12689. The principal activity of the establishment is purchasing and selling of processed rice.

The registered office of the establishment is at PO Box 123347, Sharjah, UAE.

The subsidiary has been established on October 8, 2013.

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

c) Matco Marketing (Private) Limited

The Group has incorporated another subsidiary Matco Marketing (Private) Limited through 100% ownership. The subsidiary is situated at B-01/A, S.I.T.E, Phase 1, Super Highway Industrial Area, Karachi. Matco Marketing (Private) Limited was incorporated on June 16, 2016 with authorized and paid-up share capital of PKR 10 million and PKR 7.5 million respectively. However, no business carried out by the subsidiary company since its incorporation.

d) Barentz Pakistan (Private) Limited

The Barentz Pakistan (Private) Limited (a joint venture between Barentz International B.V and Matco Foods Limited with holding of 51% and 49% respectively) has been incorporated in Pakistan on June 28, 2019 with the approval of Securities & Exchange Commission of Pakistan and Competition Commission of Pakistan.

2 SIGNIFICANT EVENTS AND TRANSACTIONS

During the period, the Group has capitalized Capital work in progress in respect of Corn Starch Project to Operating fixed assets by amounting Rs. 2,334,411.

3 BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 These consolidated condensed interim financial statements do not include all the information and disclosures required in the consolidated annual audited financial statements, and should be read in conjunction with Group's consolidated annual audited financial statements for the year ended June 30, 2022.

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

3.3.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2023

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

3.3.2 New standards and amendments to approved accounting standards that are effective for the Group's accounting periods beginning on or after July 1, 2023

There are new standards and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or expected to have any significant effect on the Groups financial reporting.

4 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2022 unless otherwise specified.

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparations of this consolidated condensed interim financial statements, the significant judgement made by management in applying the Group's accounting policies and the key sources of estimations and uncertainly were the same as those that applied to the audited annual financial statements of the Group for the year ended June 30, 2022.

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Note	(Un-Audited)	(Audited)
		March 31, 2022	June 30,
		-----Rupees in '000-----	
6	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	6,687,500	4,620,285
	Capital work in progress	511,136	1,949,329
		<u>7,198,636</u>	<u>6,569,614</u>

6.1 Details of additions and disposals to operating fixed assets during the six months ended March 31, 2023 are as follows:

	Additions at cost	Disposals / Transfers at net book value
-----Rupees in '000-----		
Plant and Machinery	1,210,573	-
Electric cables and fittings	115,829	-
Furniture and fixtures	3,339	-
Motor Vehicles	97	-
Lease hold land	193,002	-
Factory Building	720,111	-
Office Equipment	6,535	-
Factory Equipment	121,445	-
Computers	8,387	-
Cameras	1,297	-
Mobile Phones	2,462	8
Generators	6,093	-
March 31, 2023	<u>2,389,170</u>	<u>8</u>
June 30, 2022	<u>209,432</u>	<u>5,847</u>

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

	(Un-Audited)	(Audited)
	March 31, 2023	June 30, 2022
-----Rupees in '000-----		
Opening balance	1,949,329	264,263
Additions during the period	896,218	1,830,496
	2,845,547	2,094,759
Transferred to operating fixed assets	(2,334,411)	(145,430)
Closing balance	<u>511,136</u>	<u>1,949,329</u>

7 LONG - TERM INVESTMENTS

<i>Associate - at cost</i>		
Barentz Pakistan (Private) Limited	9,544	18,256
<i>Other investments - at fair value through OCI - net</i>	8,361	7,155
	<u>17,905</u>	<u>25,411</u>

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

		(Un-Audited) March 31, 2023 -----Rupees in '000-----	(Audited) June 30, 2022
8	STOCK IN TRADE		
	Raw materials	6,195,412	5,864,610
	Packing materials	371,274	219,576
	Finished goods	2,349,856	1,598,343
		<u>8,916,542</u>	<u>7,682,529</u>
	Provision for slow moving/obsolete items	(20,475)	(20,475)
		<u><u>8,896,067</u></u>	<u><u>7,662,054</u></u>
9	TRADE DEBTS		
	Considered good		
	- Export - secured	2,036,145	1,773,264
	- Local - unsecured	390,742	124,665
		<u>2,426,887</u>	<u>1,897,929</u>
10	CASH AND BANK BALANCES		
	Cash in hand	2,852	8,861
	Cash at bank	390,818	313,160
		<u>393,670</u>	<u>322,021</u>
11	ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
		(Un-audited) March 31, 2023 (Number of shares)	(Audited) June 30, 2022
		(Un-Audited) March 31, 2023 -----Rupees in '000-----	(Audited) June 30, 2022
	Ordinary shares of Rs. 10 each:		
	50,340,213	50,340,213	
			- fully paid in cash
			503,402
			503,402
			- issued for consideration other than
			cash
	6,002,950	6,002,950	60,030
			60,030
	66,057,535	66,057,535	660,575
			660,575
	122,400,698	122,400,698	1,224,007
			1,224,007
12	LONG TERM FINANCES - SECURED		
	<i>From banking companies and financial institution:</i>		
	LTFE/ILTFE	648,248	413,741
	TERE/ITERE	1,005,454	986,349
	FFSAP/IFFASP	282,337	278,783
	Demand Finance	90,457	26,391
	Salary Refinance	-	50,025
		<u>2,026,496</u>	<u>1,755,289</u>
	Current portion of long term finances	(249,658)	(172,857)
		<u><u>1,776,838</u></u>	<u><u>1,582,432</u></u>

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	(Un-Audited) March 31, 2023 -----Rupees in '000-----	(Un-Audited) March 31, 2022
13 SHORT TERM BORROWINGS - SECURED		
Export re-finance	5,077,949	4,537,949
Own resource	3,359,178	2,441,696
	<u>8,437,127</u>	<u>6,979,645</u>
14 COST OF SALES		
Raw materials consumed	10,670,319	6,899,201
Packing materials consumed	492,495	348,996
Stores, spares and loose tools consumed	213,654	121,953
	<u>11,376,468</u>	<u>7,370,150</u>
Salaries, wages and benefits	480,227	322,804
Electricity and power	509,277	122,786
Telephone and mobile	1,909	694
Insurance	10,358	6,442
Repairs and maintenance	38,665	22,632
Fumigation charges	55,896	48,920
Diesel & water	49,857	44,637
Staff welfare	18,214	10,172
Security expenses	25,642	13,166
Godown expenses	22,911	17,084
Rent, rates and taxes	647	1,176
Vehicle running expenses	30,498	7,474
Medical	4,974	2,437
Depreciation	257,558	132,604
Depreciation on right-of-assets	17,127	18,085
Interest expense on lease liabilities	9,709	8,557
Inspection charges	22,871	16,641
Others	2,202	4,927
Cost of goods available for sale	<u>12,935,010</u>	<u>8,171,388</u>
Finished goods		
Opening stock	1,598,343	1,545,539
Closing stock	(2,349,856)	(1,915,247)
	<u>(751,513)</u>	<u>(369,708)</u>
	<u>12,183,497</u>	<u>7,801,680</u>
15 EARNINGS PER SHARE - BASIC & DILUTED		
Basic earnings per share		
Profit for the period (Rupees in thousands)	424,092	149,469
Number of ordinary shares	122,400,698	122,400,698
Earnings per share	<u>3.46</u>	<u>1.22</u>
15.1 Diluted earnings per share		

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

16	CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	Note	Un-Audited March 31, 2023	Un-Audited March 31, 2022
			-----Rupees in '000-----	
	Profit before taxation		514,495	213,628
	Adjustments for non-cash changes and other items:			
	Depreciation		341,333	186,725
	Exchange (gain)/loss - net		(223,654)	40,773
	Finance cost		767,522	265,777
	Gain on disposal of property, plant and equipment		(1,866)	(1,437)
	Provision for staff gratuity		31,084	20,736
	Unrealized loss/(gain) on short term investments		393	(2,935)
	Working capital changes	16.1	<u>(1,323,540)</u>	<u>(706,149)</u>
	Cash generated from operations		<u><u>105,767</u></u>	<u><u>17,118</u></u>
16.1	Working capital changes			
	(Increase)/decrease in current assets			
	Stores, spares and loose tools		(11,966)	(5,841)
	Stock-in-trade		(1,234,013)	(241,966)
	Trade debts - considered good		(305,304)	(686,268)
	Loans and advances/Short term investment		(181,261)	(24,005)
	Trade deposits and short term prepayments		(4,825)	(14,062)
	Sales tax refundable/Due from related parties		(24,481)	(824)
			<u>(1,761,850)</u>	<u>(972,965)</u>
	Increase/(decrease) in current liabilities			
	Trade and other payables		380,708	277,477
	Due to related party		(3,748)	2,636
	Deferred grant		(1,561)	(5,100)
	Advance from customers - secured		62,911	(8,197)
	Net increase in working capital		<u><u>(1,323,540)</u></u>	<u><u>(706,149)</u></u>

17 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

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

17.1 Fair value of financial assets and liabilities

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

17.2 Fair value hierarchy

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

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

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

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

MATCO FOODS LIMITED

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

18 TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Percentage of Holding	Transactions	(Un-Audited)	(Un-Audited)
			March 31, 2023	March 31, 2022
			-----Rupees in '000-----	
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	-	1,918
		Payment received on account of expenses	-	-
Trust operated by the Company				
Ghori Trust	0%	Paid expenses on behalf	18,074	5,070
		Payment received on account of expenses	75	1
		Donation expense	6,664	7,719

Nature of relationship	Percentage of Holding	Balances	(Un-Audited)	(Audited)
			March 31, 2023	June 30, 2022
			-----Rupees in '000-----	
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Receivable against expenses	-	-
Faiyaz Center Owner Association	0%	Receivable against expenses	-	-
Trust operated by the Company				
Ghori Trust	0%	Payable against donation	7,585	3,748

MATCO FOODS LIMITED

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

19 GENERAL

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

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

20 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 27, 2023, by the board of directors of the Company.



Chief Executive Officer



Chief Financial Officer



Director