MATCO FOODS LIMITED

REACHING NEW HEIGHTS

ANNUAL REPORT 2023

TABLE OF CONTENTS

OurLegacy

The journey of Matco started with the entrepreneurial aptitude of Syed Sarfaraz Ali Ghori, who established his own company by the name of Muhammad Ali Trading Company (MATCO) in 1964 and initially began supplying and commissioning rice plant and equipment for the Government of Pakistan. Today, Matco has over 150 global customers and exports its consumer products to over 65 countries worldwide.

The Company also holds Organic Certifications from the US NOP and EU Organic Certification from the Control Union and has been 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 society and strives to make constructive efforts for the welfare of the community.

BusinessProfile

Matco Foods Limited is a leading agro-processor and food products Company in South Asia since 1964. The Company is dedicated to providing convenient packaged goods and quality ingredients to the pharmaceuticals and confectionery industries. The Company's products include predominantly basmati rice, rice glucose, rice protein, rice maltodextrin, Himalayan pink salt, and other gourmet salts, spices, dessert mixes, and many more.

With over 50 years of experience in the rice industry, and a global portfolio of more than 150 corporate customers, the Company is the largest basmati rice exporter from Pakistan, and among the top 100 Exporters of Pakistan. and its flagship brand "Falak" is a recognized household name in the rice, condiments, and spices category and is available in more than 65 countries worldwide. Matco also exports private-label brands to over 65 countries across the globe.

Matco Foods Limited operates 2 rice syrup plants, and 5 rice processing and milling plants, which include vertically integrated paddy drying, storage, husking, and processing facilities in Sadhoke, Punjab, and Karachi, Sindh.

Matco Foods Limited's state-of-the-art organic rice syrup and rice protein manufacturing facility is a natural business extension that leverages the company's technical and industry acumen while catering to evolving global food trends.

Matco Foods Limited's Corn Division launched its range of Starches and Animal Nutrition products in 2022. The Company brings its deep expertise in grain procurement and handling, processing excellence, and customer-first sales approach to corn products. The state-of-the-art plant has been commissioned with the best technology and expertise from Asia, the USA, and Europe.

Matco Foods has also launched its Falak Food Division in 2022, focusing on introducing new products under its flagship brand Falak and employing innovative marketing strategies to adapt to evolving global food trends.

Matco Foods possesses the essential capacities and infrastructure necessary to ensure compliance with a multitude of quality and hygiene standards. Our laboratories and quality control units are overseen by proficient and well-qualified personnel, and they are outfitted with Wet Labs, Instrumentation Labs, and Microbiology Labs, facilitating comprehensive analysis of intermediate, in-process, and final products. The organization takes great pride in its legacy of delivering high-quality products and tailored solutions to meet the specific needs of our valued customers.

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 the wider community


Plan
Do
Check
Act
SUCCESS
TEAM
Cloud

Corporate 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
Syed Kamran Rashid	Independent Director
Mr. Abdul Samad Khan	Independent Director
Mrs. Faryal Murtaza	Non-executive Director
Ms. Umme Habibah	Independent Director
Mr. Mohammad Mohsin	Independent Director

AUDIT COMMITTEE

Syed Kamran Rashid	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

SHARE REGISTRAR
CDC Share Registrar Services Limited

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

BANKERS

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

RICE PLANT – KARACHI
A 15-16, S.I.T.E. Super Highway, Karachi, Pakistan

RICE GLUCOSE PLANT – KARACHI
G-205, Gadap Road, S.I.T.E. Super Highway Industrial Area, Karachi, Pakistan

RICE PLANT – SADHOKE
50 KM, Main G.T. Road, Sadhoke District, Gujranwala, Punjab

CORN STARCH PLANT – FAISALABAD
Plot # 53, Allama Iqbal Industrial City, SEZ, Faisalabad, Punjab

WEBSITE
www.matcofoods.com

EMAIL
contact@matcofoods.com

Directors' Profile

MR. JAWED ALI GHORI

Jawed Ali Ghori completed his Diploma in Associate Engineering in 1968 and a B.Sc. in Economics and Political Science from the University of Karachi in 1971. Following his graduation, he entered into the family business and completed several government and semi-government projects awarded to Matco Engineering. Among these projects, some noteworthy projects included the Greater Hyderabad Water Project (1981), the Faisalabad Development Authority Water Project (1984), the Chitral Water Project (1989), OGDC and Attock Oil Projects. He also contributed significantly to numerous telecommunication and SCADA Projects for both Sui Southern Gas Company (SSGC) and Sui Northern Gas Pipelines Limited (SNGPL). In the realm of rice-related projects, Jawed Ali Ghori supplied four rice plants to the Rice Export Corporation of Pakistan at Pipri, Sindh in 1978. In 1985, he successfully delivered and commissioned an automatic parboil rice plant with a capacity of 10 metric tons per hour on a turn-key basis for P.N.P Rice Mills in Dhaunkal, Punjab. Furthermore, in 1988, as part of the Dhaunkal project expansion, Jawed Ali Ghori oversaw the supply and installation of six color sorters for the parboil plant.

During the period when the private sector in Pakistan was permitted to engage in Basmati rice export, Jawed Ali Ghori conceived the idea of establishing a modern rice processing facility that would elevate the existing standards of rice processing. This pivotal moment marked the establishment of Matco Rice Processing in 1990.

In his capacity as the Managing Director of Matco Foods, he possesses more than four decades of expertise in the fields of rice processing, the establishment of rice industries, and the facilitation of global rice exports. His extensive professional journey has taken him on extensive international travels, during which he procured rice-related machinery from a multitude of nations, including but not limited to China, Germany, Great Britain, India, Japan, Korea, Thailand, and the United States of America.

MR. KHALID SARFARAZ GHORI

Khalid Ghori graduated from University of Karachi in 1981 and pursued an articleship from ICAP (Institute of Chartered Accountants of Pakistan) Karachi between 1981 and 1984. However, rapid growth in the business required his immediate presence at Dhaunkal turnkey projects in 1984, which involved the complete testing and operation of a parboil rice plant. Between 1986 and 1989, he was in charge of Jawed Rice Mills in Larkana. In 1990, when Matco Rice Processing was being set up in Karachi, Khalid Ghori contributed to the project from the drawing board stage to the final fabrication, installation and operations.

In 1995, Khalid Ghori initiated setting up Matco Unit-2 for providing additional capacity, using in-house design and system engineering capabilities, consisting of Japanese, Thai and Chinese machinery. Working closely with growers and suppliers from the rice growing belt in Punjab, he established a unique Rice Cultivating Monitoring Program and opened a research and control office for Matco in Lahore to improve crop quality. With experience of over 30 years in the purchase and processing of rice, Khalid Ghori is rightly dubbed the "guru of rice buyers in Pakistan." He utilizes his vast experience in assessing the qualities of agri-products and pays special attention to the entire procurement and production process.

Khalid Ghori has established a wide network of farmers who are linked to Matco's rice paddy supply chain, allowing them to get better prices for their produce by avoiding the middlemen. His insights into crop survey and harvest are aimed to help farmers and Matco to achieve procurement targets.

MR. FAIZAN ALI GHORI

Faizan Ali Ghori joined Matco Foods in 2006 with the overall responsibility of Accounts and Finance Departments and the Company's liaison with Financial Institutions. He spearheaded the Company's backwards integration paddy project at Sadhoke, district Gujranwala and attracted the first foreign direct investment by the IFC (World Bank Group) in the agriculture sector of Pakistan through its investment in Matco. Prior to Matco Foods he worked with Bank of America in London, where he was an Analyst within the Corporate Finance and Mergers & Acquisitions Investment Banking Division, covering the European Energy & Power Sector.

Faizan Ghori is also a CFA Charterholder. He graduated with honors (Cum Laude) from New York University's Leonard N. Stern School of Business, completing his Bachelor of Science degree with a double major in Finance and Accounting. Faizan Ghori has also completed his Master of Science degree in Finance and Accounting with honors (Merit) from The London School of Economics and Political Sciences. He is a certified director accredited by Risk Metrics Group USA having completed the Director Education programmed conducted by the Pakistan Institute of Corporate Governance.

MR. SAFWAN KHALID GHORI

Safwan Ghori joined Matco Foods Limited in 2017 and currently heads the Rice Glucose Division. During his time at Matco, he was part of the team leading Matco's IPO process. Most recently, he has spearheaded a new project which has tripled the capacity for the company's Rice Glucose Division.

Safwan has previously worked at Citigroup in New York where he was an analyst in the Hedge Fund Risk division servicing Prime Brokerage clients. He graduated with honors (Cum Laude) from New York University's Leonard N. Stern School of Business, completing his Bachelor of Science degree with a double major in Finance and Accounting. Safwan is a CFA Charterholder.

MR. SYED KAMRAN RASHID

He is a graduate of the University of Karachi. He joined EFU General Insurance Company Limited in 1989 as Business Development Officer. He has served in different capacities and locations in EFU and at present he is Executive Director of the Central Division Karachi of the said Company.

MR. ABDUL SAMAD KHAN

Abdul Samad Khan is serving as the CEO of AGVEN (Pvt.) Limited since July 2015 which is involved in the import and marketing of fertilizer products in Pakistan. The Company imports and markets fertilizer products under its own brand in Pakistan.

Mr. Samad completed his MBA from IBA, Karachi in 1988 and joined Engro. He worked in various roles in Engro Corporation and left in Dec 2014 when he was the CEO of Engro Eximp (Pvt.) Ltd. He served on various Boards in Engro which include Engro Foods Limited, Engro Polymer and Chemicals Limited, Engro Eximp (Pvt.) Limited and Engro Eximp Agriproducts (Pvt.) Limited. He was involved in various business development roles in Engro which included the expansion of import-based fertilizers, as well as, rice procurement and export. He has extensive experience of the rice industry in Pakistan and the export market.

Mr. Samad completed the Director's Training Program conducted by the Pakistan Institute of Corporate Governance in 2014.

MRS. FARYAL MURTAZA

Faryal Murtaza holds a BBA and an MBA degree from the prestigious Institute of Business Administration (IBA), Karachi. After graduation, she worked at Matco Foods Limited till 2017. During her stay at Matco Foods, Faryal launched our flagship brand "FALAK" in Pakistan and was responsible for pioneering the branded rice segment in the market. Faryal was actively involved in marketing 'FALAK' with a focus on TV and multi-media communication. Before joining Matco, Faryal has also worked on assignments at British Petroleum, Colgate-Palmolive and American Express.

MS. UMME HABIBAH

Umme Habibah is a diversified Human Resource specialist with over 15 years of experience in core and strategic activities of Human Resource Management. She is currently working as Head of Human Resources in Lotte Kolson Pakistan and was previously associated with Novo Nordisk Pharma (Private) Limited as Director of People and Organization. She holds a master's degree in human resource from Karachi University and has previously been associated with Walmart and Unilever Pakistan Limited in the Human Resource department.

MR. MOHAMMAD MOHSIN SULEMAN

Mohammad Mohsin holds a bachelor's degree in Commerce from University of Karachi studying at Govt. College of Commerce & Economic Karachi graduating in year 1998. After his graduation he started his career working for Standard Chartered Bank and eventually moved to California USA. After doing a few business courses at California State University Northridge he returned back to Pakistan. Since his return from USA, he has been in field of construction and real estate managing his Company (Mayar Properties). Apart from developing and dealing in properties he has experience of trading commodities to and from Pakistan.

Chairman's Review

I am honored to present my annual review in my capacity as Chairman of the Board of Directors of Matco Foods Limited for the financial year concluded on June 30, 2023.

The Board consists of nine (9) members, all of whom were duly elected during the Annual General Meeting convened on October 21, 2021, and are poised to serve for the ensuing three-year term, in accordance with the stipulations outlined in Section 159 of the Companies Act, 2017. The composition of the Board is marked by individuals possessing extensive experience and a broad spectrum of knowledge, which has significantly contributed to a highly effective decision-making process.

In collaboration with its respective committees, the Board actively engaged in the strategic planning process, playing a pivotal role in shaping the Company's vision. Consequently, the Board closely collaborated with the Management team to establish and align corporate goals with the overarching Vision, Mission, and Values of your esteemed Company.

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019, an annual evaluation of the Board of Directors of the Company is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2023, the Board's overall performance and effectiveness have been assessed as Satisfactory. Improvements are an ongoing process leading to action plans. The above overall assessment is based on an evaluation of integral components, including vision, mission, and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitoring financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's responsibility.

The Board of Directors of your Company received agendas and supporting written material including follow-up materials in sufficient time prior to the board and its committee meetings. The board meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.

We express our profound gratitude to our committed employees, esteemed clientele, banking partners, valued shareholders, and the local administration for their invaluable contributions rendered to the Company during the reporting period.

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Jawed Ali Ghori
Chairman
Karachi: September 07, 2023

DIRECTORS' REPORT

بِسۡمِ اللّٰہِ الرَّحۡمٰنِ الرَّحِیۡمِ

By the Grace of ALLAH (SWT) and on behalf of the Board of Directors (BOD), I am pleased to present the Annual Report of Matco Foods Limited for the year ended June 30th, 2023, along with the audited Financial Statements and Auditors' Report thereon.

OPERATING RESULTS:

	Unconsolidated		Consolidated	
	2023	2022	**2023**	2022
	Rupees			
Sales - net	**19,985,401,101**	12,375,920,766	**20,009,062,264**	12,399,470,102
Cost of sales	**(17,532,145,553)**	(11,056,103,781)	**(17,532,145,553)**	(11,056,103,781)
GROSS PROFIT	**2,453,255,548**	1,319,816,985	**2,476,916,711**	1,343,366,321
Selling and distribution expenses	**(355,178,974)**	(229,279,801)	**(355,999,148)**	(229,279,801)
Administrative expenses	**(564,506,396)**	(356,460,731)	**(571,567,962)**	(358,270,742)
	(919,685,370)	(585,740,532)	**(927,567,110)**	(587,550,543)
Operating Profit	**1,533,570,178**	734,076,453	**1,549,349,601**	755,815,778
Finance cost	**(1,182,362,299)**	(387,872,994)	**(1,182,574,596)**	(388,135,728)
Other income	**53,694,455**	19,789,701	**53,703,050**	19,801,519
Share of (loss)/profit from associate company	**-**	-	**(11,249,566)**	4,883,940
Exchange gain - net	**412,369,039**	202,334,249	**412,369,039**	202,334,249
Provision for worker's welfare fund	**(15,276,100)**	(10,622,942)	**(15,276,100)**	(10,622,942)
Provision for worker's profit participation fund	**(38,190,251)**	(26,557,356)	**(38,190,251)**	(26,557,356)
PROFIT BEFORE TAX	**763,805,022**	531,147,111	**768,131,177**	557,519,460
Income tax expense	**(208,187,001)**	(108,731,143)	**(208,187,001)**	(108,731,143)
PROFIT FOR THE YEAR	**555,618,021**	422,415,968	**559,944,176**	448,788,317
EARNINGS PER SHARE - BASIC AND DILUTED	**4.54**	3.45	**4.57**	3.67

The Company has reported a notable increase in its financial performance during the current fiscal year. Net sales amounted to Rs. 19,985 million, compared to Rs. 12,375 million in the previous fiscal year, marking a substantial growth of 61%. Furthermore, the gross profit for the year reached Rs. 2,453 million, representing an 86% increase compared to the previous fiscal year's figure of Rs. 1,319 million. In addition, the company achieved a net profit of

Rs. 556 million in the current fiscal year, as opposed to the previous fiscal year's net profit of Rs. 422 million, reflecting a commendable rise of 32%.

During the fiscal year, the company successfully exported 32,829 metric tons of basmati rice, whereas in the corresponding period of the previous year, the export volume stood at 42,114 metric tons. It is worth noting that the Company's average export prices for basmati rice also sawan increase, reaching USD 1220, compared to USD 981 in the previous year.

The improvement in the Company's gross profitability can be attributed to several factors, including increased sales volumes, gains in inventory value, higher average pricing, enhanced margins on rice glucose products, and the favorable impact of a stronger US dollar. However, it is important to mention that the overall financial performance was partially offset by the rise in financial expenses and the imposition of an additional 10% super tax on taxable profits for the tax year 2022-23, in addition to the standard corporate tax rate of 29%.

APPROPRIATION

The Board of Directors has proposed a final cash dividend of Re. 0.50 (5%) per share. When combined with the interim dividend of Re. 1.00 (10%) per share distributed earlier in the year, the total dividend for the financial year 2023 will be Rs. 1.50 (15%) per ordinary share with a face value of Rs. 10 each, compared to no dividend paid the in the previous year (FY22).

PRINCIPAL RISKS AND UNCERTAINTIES

In contrast to the previous year, the Country is poised for a more robust rice harvest in the current season. However, the Company is confronted with a myriad of economic challenges, including:

Foreign Exchange Rate Fluctuations: Unpredictable shifts in foreign exchange rates can impact the Company's international transactions and profitability.

Persistent Inflation: Sustained high inflation rates over the years have the potential to erode the Company's purchasing power and cost structure.

Government Regulations: Frequent changes in government regulations pose a risk to the Company's operations, requiring adaptability and compliance efforts.

Political Instability: Political instability in the region can lead to uncertainty, affecting business continuity and investment climate.

Environmental Concerns: Adverse environmental conditions may require the Company to adapt its processes and practices to meet sustainability standards.

Higher Interest Rates: Elevated interest rates in the economy can increase the Company's borrowing costs and impact its financing decisions.

To address these multifaceted challenges, the Company is proactively implementing comprehensive strategies, like business diversification, to minimize risks to an acceptable level.

BRIEF ON RICE GLUCOSE DIVISION

In the current financial year, the Rice Glucose Division has exhibited a commendable performance, characterized by significant advancements in sales and profitability. Nevertheless, we encountered a notable challenge within the domestic landscape, where the raw material prices for the Rice Glucose Division experienced an unforeseen surge.

This surge was primarily instigated by parallel and unanticipated demand from sectors such as confectionery, pharmaceuticals, and poultry in Pakistan.

Conversely, on the international front, our exports faced a decline due to insufficient demand. However, it is worth highlighting that the division has experienced a favorable response from local markets, resulting in more promising profits for the Company.

BRIEF ON CORN STARCH DIVISION

Following the remarkable achievement of commencing commercial production within just 16 months of the groundbreaking, the Division has not only managed to secure robust sales but has also captured a moderate market share. The Company's proficiency in grain procurement, handling, and processing has played a pivotal role in delivering high-quality products to its customers.

The Company's product portfolio extends beyond serving the Textile sector, encompassing the Paper and Corrugated Board Industry, industrial-grade starches for Paint, Ceramic, and Chemical Industries, food-grade starches for the Food and Beverage sector, pharmaceutical applications, and products tailored for the fiber and feeds needed in the livestock and poultry industry.

BRIEF ON FALAK FOODS DIVISION

Falak Foods Division of the Company has been making substantial advancements in the convenience-based food products industry, both at the local and international levels. It has also contributed to the Company's profitability.

BRIEF ON NEW PROJECT OF DEXTORSE MONOHYDRATE (DMH)

As part of the Company's strategy to diversify into related sectors, the Company is engaged in the installation of a new project for the production of Dextrose Monohydrate (DMH), with operations expected to commence by the end of 2023. Dextrose monohydrate serves as a versatile ingredient widely utilized in the food and beverage industry, serving as a sweetener, thickener, and bulking agent. Its applications span various sectors, including baking, confectionery, beverages, dairy products, and processed foods. Additionally, it finds use in the pharmaceutical and medical fields as a source of glucose in intravenous fluids. This strategic initiative will significantly contribute to the diversification and strengthening of our product portfolio.

BRIEF ON BARENTZ PAKISTAN (PRIVATE) LIMITED

The associated entity, Barentz Pakistan (Pvt.) Limited, has recorded a net loss of Rs. 0.143 million during the initial six months of its fiscal year 2023. Barentz Pakistan has successfully positioned itself as a comprehensive solution provider for both standard and specialty food ingredients. This achievement has been realized through the synergy of Barentz International's extensive expertise and diverse portfolio, combined with the local partner's in-depth understanding of the customer base. As a result, Barentz Pakistan is exceptionally equipped to deliver top-quality services and products to the local markets.

Barentz Pakistan serves a diverse clientele across various industries, encompassing dairy, beverages, baked goods, snacks, processed meats and fish, sauces and condiments, sweets and confectionery, as well as oils and fats.

We remain optimistic that the company will attain overall profitability and recover its losses in the foreseeable future.

COMPOSITION OF BOARD

The board consists of 7 male and 2 female directors with the following composition:

Independent directors	4
Non-executive directors	2
Executive directors	3
Total number of directors	9

The above directors have been elected in the Annual General Meeting which was held on October 21, 2021, for three (3) years starting from October 31, 2021.

REMUNERATION POLICY OF NON-EXECUTIVE DIRECTORS

Board member remuneration is determined and approved by the Board, adhering to a principle of non-participation by any director in the decision-making process regarding their own compensation. To maintain transparency and adhere to corporate governance guidelines as per the Listed Companies (Code of Corporate Governance), 2017, directors do not participate in setting their own remuneration.

Non-executive directors, in particular, do not receive remuneration, except for fees associated with their attendance at Board meetings. Our remuneration policies are strategically designed to attract and retain the best talent, aligning with current industry standards and best practices in the business world.

REMUNERATION PACKAGE OF CHIEF EXECUTIVE AND EXECUTIVE DIRECTORS

The remuneration package of the Chief Executive and other directors is disclosed in note 42 of the financial statements.

MEETINGS OF THE BOARD AND ATTENDANCE

During the year under review, six (06) Board meetings were held and attendance by each director is given below:

Members Name	Attendance
Mr. Jawed Ali Ghori – Chairman	4
Mr. Khalid Sarfaraz Ghori	5
Mr. Faizan Ali Ghori	5
Mr. Safwan Khalid Ghori	5
Mr. Syed Kamran Rashid	5
Mr. Abdul Samad Khan	3
Mrs. Faryal Murtaza	5
Ms. Umme Habibah	4
Mr. Mohammad Mohsin	5

Leave of absence was granted to directors who could not attend some of the Board meetings.

BOARD AUDIT COMMITTEE

During the year under review, four (04) Board Audit Committee meetings were held and attendance by each member is given below;

Members Name	Attendance
Mr. Syed Kamran Rashid – Chairman	4
Mr. Abdul Samad Khan	3
Mr. Safwan Khalid Ghori*	1
Mr. Mohammad Mohsin*	3

* Mr. Safwan Khalid Ghori resigned from the membership of the Audit Committee, in his place Mr. Mohammad Mohsin was selected by the directors to be a member of the Audit Committee.

HUMAN RESOURCE AND REMUNERATION COMMITTEE

During the year under review, one (01) Human Resource and Remuneration Committee meeting was held and attendance by each member is given below;

Members Name	Attendance
Ms. Umme Habibah – Chairman	1
Mr. Jawed Ali Ghori	1
Mr. Khalid Sarfaraz Ghori	1
Mrs. Faryal Murtaza	1
Mr. Faizan Ali Ghori	1

DIRECTORS’ TRAINING PROGRAMS

Eight (8) of the Directors of the Company are certified as per the requirement of the Directors’ Training program. The Directors of the Company are adequately trained to perform their duties and are aware of their powers and responsibilities under the Companies Act, 2017, and the Regulations of PSX rule book.

DIRECTORS’ PERFORMANCE EVALUATION

The Board of Directors has put in place an effective mechanism to review its performance on a self-assessment basis. The Board duly provides valuable guidance and ensures effective corporate governance.

APPOINTMENT OF AUDITORS

The present Auditors M/s Grant Thornton Anjum Rahman, Chartered Accountants are set to retire this year. As recommended by the Audit Committee, the Board of Directors has proposed the re-appointment of M/s Grant Thornton Anjum Rahman as auditors of the Company for the year ending June 30, 2023-24, subject to approval by the shareholders on a fee mutually agreed upon.

PATTERN OF SHAREHOLDING

The pattern of shareholding has been annexed to this report.

The Directors, executives, and their spouses and minor children have made no transactions of the Company’s shares during the year, except those reported in the pattern of shareholding.

Executives mean Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary, and other executives (as defined by the Board).

HEALTH, SAFETY AND ENVIRONMENT

Following our dedication to maintaining the highest standards of safety and environmental responsibility, the Company places a premium on ensuring that both our employees and contractors adhere rigorously to these systems and processes. These protocols have been thoughtfully designed to align with international standards and industry best practices. In pursuit of creating a secure and safe work environment, we actively encourage and foster healthy workplace practices. To this end, we have implemented a comprehensive workplace safety program. This program conducts safety gap analyses, effectively identifying and mitigating potential workplace hazards, thus promoting the overall well-being of our workforce.

SUSTAINABLE BUSINESS STRATEGIES

Our business strategies are closely aligned with our vision of sustainability and environmental stewardship. We are pleased to report that we have taken significant steps towards reducing our carbon footprint and preserving our natural habitat. One notable initiative in this regard has been our successful transition to solar-powered energy sources. This eco-friendly shift demonstrates our unwavering commitment to environmental responsibility and actively contributes to a cleaner, more sustainable future.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is deeply committed to advancing social and environmental causes within our society, and we are dedicated to forging strong bonds with all segments of our community. This commitment is exemplified through several significant initiatives. Our unwavering dedication to making quality education more accessible to all is a cornerstone of our corporate ethos. Additionally, we take pride in providing financial support for the education of our employees' children, recognizing the transformative power of education in shaping a brighter future. We are steadfast in our goal to ensure that healthcare is accessible to every individual, without any form of discrimination based on financial capabilities. Our aim is to extend healthcare services to all patients, regardless of their ability to pay, thereby promoting a healthier, and more inclusive society.

The Company has actively contributed to philanthropic causes, with donations totaling PKR 12.33 million. A significant portion of this amount, PKR 11.65 million, was generously donated to the Ghori Trust. This Trust was established with a noble mission - to uplift and enhance the quality of education in Pakistan while ensuring it remains accessible to all, regardless of their background or means. In alignment with this mission, the Trust has collaborated with The Citizens Foundation (TCF), a prominent non-profit organization dedicated to bringing about positive social change through education for the less privileged.

These initiatives epitomize our core values and principles, reflecting our steadfast commitment to making a positive impact on society and the environment. We pledge to continue our efforts towards these noble causes.

INTERNAL FINANCIAL CONTROLS

The directors are cognizant of their duty concerning internal financial controls. Following discussions with both the management and auditors, which include both internal and external auditors, they affirm that the Company has implemented sufficient controls to ensure the integrity and effectiveness of its financial operations.

CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in its Listing Regulations, relevant for the year ended June 30, 2023, have been adopted by the Company and have been duly complied with. A statement to this effect is annexed to the report.

In compliance with the provisions of the Code, the Board members are pleased to place the following statement on record:

- The financial statements prepared by the management of the Company present its state of affairs fairly, the results of its operations, cash flows, and changes in equity.
- The Company has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Summary of key operational and financial data for the last six years annexed in this annual report.
- Information about taxes and levies is given in the notes to and forming part of financial statements.
- There is no likelihood of any delayed payments or default in respect of all loans availed by the Company.

INDUSTRY OUTLOOK

The catastrophic floods that occurred in 2022 were unparalleled in Pakistan's history, causing extensive damage, particularly in the highly productive Indus plains. The floods, coupled with torrential rains, inflicted substantial harm to paddy crops, with Sindh and South Punjab districts incurring the most significant losses, estimated at approximately 20% of the overall crop. Additionally, other rice-producing regions experienced adverse effects from extreme heatwaves, leading to diminished yields and subsequent losses in the export sector.

The decline in exports can be primarily attributed to reduced production. In contrast to the 9.1 million tons of rice produced in 2021-22, the country harvested only about 6 million tons in FY23, representing a substantial drop of over 34%. Nonetheless, the rice sector demonstrated remarkable resilience and robustness despite a series of challenges, including the devastating floods that wiped out a third of Sindh's crop, volatile movements of the rupee, intense competition from India, high freight charges, and vessel unavailability during the first six months of 2022-23.

In terms of rice exports, basmati varieties accounted for 595,120 tons (compared to 758,219 tons in 2022), generating $650,423 in revenue (compared to $694,549 in 2022) at an average per ton (APT) rate of $1,092 (compared to $916 in 2022). Exports of non-basmati varieties reached 3.122 million tons (compared to 4.217 million tons in 2022), yielding $1.498 billion in revenue (compared to $1.818 billion in 2022) at an APT rate of $480 (compared to $431 in 2022).

India, the world's largest rice exporter, implemented a ban on non-basmati rice exports to ensure sufficient domestic supplies amid rising food inflation. This decision is anticipated to have significant repercussions on global rice trade dynamics. Pakistan, as the world's fourth-largest rice exporter, stands to benefit from this situation, potentially creating a favorable trade environment for its rice exports. This presents a golden opportunity for Pakistan to address the supply gap and expand its market share in major rice-importing nations, especially with India's rice exports curtailed due to drought.

International rice prices are currently at an 11-year high. Therefore, Pakistan can expect to reap benefits from this situation, as buyers who typically source rice from India may turn to Pakistan in such circumstances. While the new rice crop is yet to be harvested, traders are optimistic about the prospects for the country's exports in this favorable environment.

SUBSEQUENT EVENTS

Subsequent to the year-end, the Board of Directors of the Company in its meeting held on Thursday, September 07, 2023, has recommended a Final Cash Dividend @ Re. 0.50 per share i.e., 5%, subject to the approval of the shareholders in the Annual General Meeting. This is in addition to Interim Cash Dividends already paid @ Re.1.00 per share i.e., 10%.

FUTURE OUTLOOK

Looking ahead, we foresee a challenging economic and operational environment marked by ongoing high inflation, elevated interest rates, economic slowdown, and diminished consumer purchasing power. These difficulties, encompassing political polarization, PKR depreciation, stringent import restrictions, and the looming threat of climate change, have the potential to impact productivity. Rising temperatures may lead to reduced crop yields, and the increased likelihood of extreme events, such as the catastrophic 2022 floods, adds further complexity. It is noteworthy that many of these challenges are anticipated to endure into FY 2024 and the medium-term future.

However, amidst these challenges, the country has successfully navigated the risk of sovereign default through agreements with the IMF and support from friendly nations. Our adaptable business model equips us to enhance efficiency throughout the value chain, bolster resilience, and secure sustainable growth. Our commitment to providing value-for-money products persists, and we continue to optimize profitability through effective pricing and cost management. Our strategic pivot toward a value-added portfolio positions us favorably to address the challenges posed by inflationary pressures.

Our commitment to the "Kisan Dost Program" continues, supporting farmers in adopting Sustainable Rice Platform (SRP) guidelines to enhance productivity and sustainability.

Looking forward to FY 2024, we are optimistic about a strong rice crop and promising export opportunities on the horizon. Despite the challenges that may arise, our Company is fully committed to striving for excellence and meeting the targets set for the upcoming year, upholding the highest standards of food safety, hygiene, and sustainability, and providing safe, affordable, and nutritious products to consumers. Our vision extends beyond building a successful enterprise to making a lasting impact on the national and international landscape.

RETIREMENT FUND

The company is maintaining unfunded gratuity, during the year, the Company has made a provision of Rupees 79.18 million based on actuarial valuation.

RELATED PARTY TRANSACTIONS

The details of all related party transactions have been provided in the notes to the financial statements.

TRADING IN SHARES OF THE COMPANY

Following trade in the shares of the Company were carried out by the Directors, Executives, and Related Parties:

Director/Related Party	Number of Shares	Nature of Transaction
Mr. Jawed Ali Ghori	56,800	Gift from Mr. Faizan Ali Ghori
Mr. Faizan Ali Ghori	438,000	Buy
Mr. Faizan Ali Ghori	56,800	Gift to Mr. Jawed Ali Ghori
Mr. Safwan Khalid Ghori	356,500	Buy

ACKNOWLEDGEMENT

The Directors extend their sincere gratitude to the diligent and dedicated management and employees of the Company for their unwavering commitment throughout the year. On behalf of the Board of Directors and the entire Company team, we wish to convey our sincere thanks to our esteemed customers, distributors, stockists, dealers, and banking partners for their trust and confidence in the Company. We eagerly anticipate their continued support and active involvement in advancing the Company's growth in the years ahead.

For and on behalf of the Board of Directors

Khalid Sarfaraz Ghori
Chief Executive /Director

Faizan Ali Ghori
Director

FINANCIAL SUMMARY

	2022-23 Rupees	2021-22 Rupees	2020-21 Rupees	2019-20 Rupees	2018-19 Rupees	2017-18 Rupees
EQUITY AND LIABILITIES						
Share capital and reserves						
Authorised capital	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	1,224,006,980	1,224,006,980	1,224,006,980	1,224,006,980	1,224,006,980	1,165,720,940
Capital reserve	680,467,220	680,467,220	680,467,220	680,467,220	680,467,220	739,367,162
Unappropriated profit	3,171,666,606	2,723,394,977	2,287,144,791	2,241,380,358	2,157,355,170	1,676,797,324
	5,076,140,806	4,627,869,177	4,191,618,991	4,145,854,558	4,061,829,370	3,581,885,426
Surplus on revaluation of property, plant and equipment - net of tax	2,408,823,880	2,433,901,302	2,459,499,494	2,622,193,143	445,144,929	546,781,614
Unrealized loss on revaluation on investment at fair value through OCI	(818,735)	(3,390,337.00)	-	-	-	-
Total shareholders' equity	7,484,145,951	7,058,380,142	6,651,118,485	6,768,047,701	4,506,974,299	4,128,667,040
Non-current liabilities						
Long-term finances-secured	1,756,572,205	1,582,432,193	492,910,736	396,447,541	265,191,113	246,556,904
Lease liabilities	180,641,166	175,602,488	126,630,601	120,977,441	44,763,773	29,284,420
Deferred liabilities	308,763,797	251,713,331	221,515,463	205,636,300	146,803,371	143,634,827
Deferred grant	-	-	952,280	2,317,051		
Deferred income	-	-	-	-	269,842	632,508
Total non-current liabilities	2,245,977,168	2,009,748,012	842,009,080	725,378,333	457,028,099	420,108,659
Current liabilities						
Trade and other payables	1,848,557,183	671,152,778	519,888,056	1,015,172,075	248,077,697	225,928,452
Advance from customers - secured	297,506,811	22,612,550	35,747,606	51,979,051	58,666,494	24,883,671
Accrued mark-up	368,363,511	120,739,263	57,877,929	56,305,363	64,696,362	48,767,428
Due to related party	6,807,598	10,555,958	7,865,756	6,970,908		-
Short-term borrowings-secured	8,416,681,873	6,979,644,808	5,533,005,240	5,115,897,038	4,139,227,403	4,081,779,753
Current portion of deferred grant	-	1,561,352	6,176,233	3,807,127	-	-
Current portion of long term finances-secured	323,293,242	172,857,144	175,076,206	57,673,116	86,709,085	84,029,706
Current portion of lease liabilities	36,287,024	27,634,388	23,644,793	21,497,206	13,094,930	12,226,289
Unpaid Dividend	19,286,277	783,668	787,654	13,555,468	489,804	761,095
Taxation-net	-	5,131,962	-	-	-	21,260,847
Total current liabilities	11,316,783,519	8,012,673,871	6,360,069,473	6,342,857,352	4,610,961,775	4,499,637,241
Total liabilities	13,562,760,687	10,022,421,883	7,202,078,553	7,068,235,685	5,067,989,874	4,919,745,900
Contingencies and commitments						
Total equity and liabilities	21,046,906,638	17,080,802,025	13,853,197,038	13,836,283,386	9,574,964,173	9,048,412,940
Non-current assets						
Property, plant and equipment	**7,741,823,327**	**6,569,614,069**	**4,907,931,000**	**4,938,035,706**	**2,620,484,642**	**2,168,585,255**
Right-of-use assets	**243,532,862**	**235,566,923**	**171,532,871**	**159,940,356**	**83,094,097**	**-**
Intangible assets	**-**	**-**	**-**	**-**	**-**	**-**
Long-term deposits	**17,476,970**	**16,759,174**	**16,322,284**	**12,578,078**	**9,938,831**	**13,048,793**
Long-term investments	**65,309,617**	**62,738,015**	**55,582,707**	**55,582,707**	**31,082,707**	**31,082,707**
Total non-current assets	**8,068,142,776**	**6,884,678,181**	**5,151,368,862**	**5,166,136,847**	**2,744,600,277**	**2,212,716,755**
Current assets						
Stores, spares and loose tools	**105,323,099**	**86,091,117**	**70,444,301**	**45,022,530**	**23,107,682**	**18,727,268**
Stock in trade	**9,574,431,337**	**7,662,053,984**	**7,171,280,359**	**6,642,523,350**	**5,204,978,692**	**5,138,980,796**
Trade debts	**2,194,183,664**	**1,818,339,385**	**1,041,124,344**	**1,334,500,510**	**941,093,236**	**674,463,623**
Loans and advances	**514,850,992**	**155,031,810**	**103,660,064**	**118,619,714**	**355,385,133**	**83,732,051**
Trade deposits and short term prepayments	**15,042,533**	**10,683,047**	**10,130,679**	**8,164,088**	**5,268,471**	**10,843,438**
Short-term investment	**4,222,323**	**4,254,742**	**1,579,910**	**1,463,440**	**255,362**	**500,000**
Sales tax refundable	**64,935,578**	**105,056,731**	**123,598,158**	**166,389,331**	**183,026,846**	**84,564,331**
Due from related parties	**81,821,177**	**51,046,611**	**43,366,395**	**5,304,871**	**5,817,074**	**805,615**
Taxation - net	**64,956,818**	**-**	**31,683,482**	**51,068,680**	**33,050,458**	**-**
Cash and bank balances	**358,996,341**	**303,566,417**	**104,960,484**	**297,090,025**	**78,380,942**	**823,079,063**
Total current assets	**12,978,763,862**	**10,196,123,844**	**8,701,828,176**	**8,670,146,539**	**6,830,363,896**	**6,835,696,185**
Total assets	**21,046,906,638**	**17,080,802,025**	**13,853,197,038**	**13,836,283,386**	**9,574,964,173**	**9,048,412,940**

FINANCIAL SUMMARY

	2022-23 Rupees	2021-22 Rupees	2020-21 Rupees	2019-20 Rupees	2018-19 Rupees	2017-18 Rupees
Sales - net	**19,985,401,101**	**12,375,920,766**	10,556,620,789	11,289,961,893	7,863,052,901	6,722,731,288
Cost of sales	**(17,532,145,553)**	**(11,056,103,781)**	(9,909,427,766)	(10,273,971,964)	(6,948,543,163)	(5,862,040,117)
GROSS PROFIT	**2,453,255,548**	**1,319,816,985**	647,193,023	1,015,989,929	914,509,738	860,691,171
Selling and distribution expenses	**(355,178,974)**	**(229,279,801)**	(185,997,143)	(207,020,855)	(167,111,014)	(153,476,336)
Administrative expenses	**(564,506,396)**	**(356,460,731)**	(309,688,284)	(271,369,378)	(240,332,519)	(198,099,318)
	(919,685,370)	**(585,740,532)**	(495,685,427)	(478,390,233)	(407,443,533)	(351,575,654)
OPERATING PROFIT	**1,533,570,178**	**734,076,453**	151,507,596	537,599,696	507,066,205	509,115,517
Finance cost	**(1,182,362,299)**	**(387,872,994)**	(272,830,931)	(350,287,990)	(275,503,177)	(239,704,316)
Other income	**53,694,455**	**19,789,701**	77,029,758	56,513,137	106,655,675	17,849,819
Exchange gain - net	**412,369,039**	**202,334,249**	65,215,796	14,015,389	152,934,910	72,858,009
Provision for worker's welfare fund	**(15,276,100)**	**(10,622,942)**	(391,070)	(7,113,214)	(7,270,451)	(7,066,909)
Provision for worker's profit participation fund	**(38,190,251)**	**(26,557,356)**	(977,674)	(12,218,347)	(23,388,267)	(15,263,606)
PROFIT BEFORE TAX	**763,805,022**	**531,147,111**	19,553,475	238,508,671	460,494,895	337,788,513
Income tax expense	**(208,187,001)**	**(108,731,143)**	(80,420,184)	(86,580,493)	(46,658,608)	(29,495,558)
PROFIT / (LOSS) FOR THE YEAR	**555,618,021**	**422,415,968**	(60,866,709)	151,928,178	413,836,287	308,292,955
BASIC EARNING / (LOSS) PER SHARE	**4.54**	**3.45**	(0.50)	1.24	3.38	2.96

KEY OPERATING AND FINANCIAL DATA FOR SIX YEARS FROM 2018 to 2023

Profitability and Operating Ratios	UoM	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Gross profit	Percent	**12.28%**	10.66%	6.13%	9.00%	11.63%	12.80%
Net profit to sales	Percent	**2.78%**	3.41%	-0.58%	1.35%	5.26%	4.59%
EBITDA margins to sales	Percent	**9.88%**	8.01%	3.89%	6.99%	8.62%	9.99%
Operating leverage	Percent	**9.88%**	8.01%	3.89%	6.99%	8.62%	9.99%
Return on equity	Percent	**7.42%**	5.98%	-0.92%	2.24%	9.18%	7.47%
Return on capital employed	Percent	**15.76%**	8.09%	2.02%	7.17%	10.21%	11.19%
Liquidity ratios		**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**
Current ratio	Times	1.15	1.27	1.37	1.37	1.48	1.38
Quick / Acid test ratio	Times	**0.23**	0.26	0.18	0.26	0.22	0.19
Cash to current liabilities	Times	**0.03**	0.04	0.02	0.05	0.01	0.04
Cash flows from operations to sales (Operating cash flow / Net sales)	Percent	**0%**	-3%	-5%	-4%	-2%	2%

Activity / Turnover Ratios		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Inventory turnover	Times	2.01	1.48	1.42	1.72	1.34	1.13
No. of days in inventory	Days	**181.59**	246.62	257.04	212.21	272.39	323.01
Debtors turnover	Times	**9.96**	8.66	8.89	9.92	9.73	11.06
No. of days in receivables	Days	**36.65**	42.15	41.06	36.79	37.51	33.00
Creditors turnover	Times	**13.92**	18.57	12.91	16.27	29.32	20.99
No. of days in payables	Days	**26.22**	19.66	28.27	22.43	12.45	17.39
Total assets turnover	Times	**0.95**	0.72	0.76	0.82	0.82	0.74
Fixed assets turnover	Times	**2.58**	1.88	2.15	2.29	3.00	3.10
Operating cycle	Days	**218.24**	288.77	298.10	249.00	309.90	356.01

Investment / Market Ratios		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Earning per share	Rs.	**4.54**	3.45	(0.50)	1.24	3.38	2.96
Cash dividend per share	Rs.	**1.50**	-	0.45	0.70	0.40	0.30
Dividend	Percent	**15.00%**	-	4.50%	7.00%	4.00%	3.00%
Market value per share as at June 30	Rs.	**27.23**	24.92	41.05	19.06	27.02	37.58
Price earning (Market value per share / EPS)	Times	**6.00**	7.22	(82.10)	15.37	7.99	12.70
Price to book ratio	Times	**0.45**	0.43	0.76	0.34	0.73	1.06
Dividend yield	Percent	**5.51%**	0.00%	1.10%	3.67%	1.48%	0.80%
Dividend payout	Percent	**0.33**	-	(0.90)	0.56	0.12	0.10
Dividend cover	Times	**3.03**	-	(1.11)	1.77	8.45	9.87
Bonus shares issued	Rs.	**-**	-	-	-	58,286,040	-
Bonus per share	Percent	**-**	-	-	-	-	-
Break-up value per share without surplus on revaluation of property, plant and equipment	Rs.	**41.46**	37.78	34.25	33.87	33.18	30.73
Break-up value per share with surplus on revaluation of property, plant and equipment	Rs.	**61.14**	57.67	**54.34**	55.29	36.82	35.42

Capital Structure Ratios		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Financial leverage	Times	**1.81**	1.42	1.08	1.04	1.12	1.19
Debt to equity	Percent	**26 : 74**	24 : 76	14 : 86	11 : 89	11 : 89	11 : 89
Interest cover	Times	**1.30**	1.89	0.56	1.53	1.84	2.12

VERTICAL ANALYSIS

Statement of Financial Position	2022-23 Rs.	%	2021-22 Rs.	%	2020-21 Rs.	%	2019-20 Rs.	%	2018-19 Rs.	%	2017-18 Rs.	%
Property, Plant & Equipment	7,741,823,327	36.8%	6,569,614,069	38.5%	4,907,931,000	35.4%	4,938,035,706	35.7%	2,620,484,642	27.4%	2,168,585,255	24.0%
Right-of-use assets	243,532,862	1.2%	235,566,923	1.4%	171,532,871	1.2%	159,940,356	1.2%	83,094,097	0.9%	-	-
Other Non-Current Assets	82,786,587	0.4%	79,497,189	0.5%	71,904,991	0.5%	68,160,785	0.5%	41,021,538	0.4%	44,131,500	0.5%
Current Assets	12,978,763,862	61.7%	10,196,123,844	59.7%	8,701,828,176	62.8%	8,670,146,539	62.7%	6,830,363,896	71.3%	6,835,696,185	75.5%
Total Assets	21,046,906,638	100%	17,080,802,025	100%	13,853,197,038	100%	13,836,283,386	100%	9,574,964,173	100%	9,048,412,940	100%
Shareholders' Equity	7,484,145,951	35.6%	7,058,380,142	41.3%	6,651,118,485	48.0%	6,768,047,701	48.9%	4,506,974,299	47.1%	4,128,667,040	45.6%
Non-Current Liabilities	2,245,977,168	10.7%	2,009,748,012	11.8%	842,009,080	6.1%	725,378,333	5.2%	457,028,099	4.8%	420,108,659	4.6%
Current Liabilities	11,316,783,519	53.8%	8,012,673,871	46.9%	6,360,069,473	45.9%	6,342,857,352	45.8%	4,610,961,775	48.2%	4,499,637,241	49.7%
Total Shareholders' Equity & Liabilities	21,046,906,638	100%	17,080,802,025	100%	13,853,197,038	100%	13,836,283,386	100%	9,574,964,173	100%	9,048,412,940	100%

Statement of Comprehensive Income	2022-23 Rs.	%	2021-22 Rs.	%	2020-21 Rs.	%	2019-20 Rs.	%	2018-19 Rs.	%	2017-18 Rs.	%
Net Sales	19,985,401,101	100.00%	12,375,920,766	100.00%	10,556,620,789	100.00%	11,289,961,893	100.00%	7,863,052,901	100.00%	6,722,731,288	100.0%
Cost of Sales	17,532,145,553	-87.72%	11,056,103,781	-89.34%	9,909,427,766	-93.87%	10,273,971,964	-91.00%	6,948,543,163	-88.37%	5,862,040,117	-87.2%
Gross Profit	2,453,255,548	12.28%	1,319,816,985	10.66%	647,193,023	6.13%	1,015,989,929	9.00%	914,509,738	11.63%	860,691,171	12.8%
Operating Profit	1,533,570,178	7.67%	734,076,453	5.93%	151,507,596	1.44%	537,599,696	4.76%	507,066,205	6.45%	509,115,517	7.6%
Profit Before Taxation	763,805,022	3.82%	531,147,111	4.29%	19,553,475	0.19%	238,508,671	2.11%	460,494,895	5.86%	337,788,513	5.0%
Profit for the year	555,618,021	2.78%	422,415,968	3.41%	(60,866,709)	-0.58%	151,928,178	1.35%	413,836,287	5.26%	308,292,955	4.6%

HORIZONTAL ANALYSIS

Statement of Financial Position	2022-23 Rs.	%	2021-22 Rs.	%	2020-21 Rs.	%	2019-20 Rs.	%	2018-19 Rs.	%	2017-18 Rs.	%
Property, Plant & Equipment	7,741,823,327	18%	6,569,614,069	34%	4,907,931,000	-1%	4,938,035,706	88%	2,620,484,642	21%	2,168,585,255	1%
Right-of-use assets	243,532,862	3%	235,566,923	37%	171,532,871	7%	159,940,356	92%	83,094,097	n/m	-	-
Other Non-Current Assets	82,786,587	4%	79,497,189	11%	71,904,991	5%	68,160,785	66%	41,021,538	-7%	44,131,500	28%
Current Assets	12,978,763,862	27%	10,196,123,844	17%	8,701,828,176	0%	8,670,146,539	27%	6,830,363,896	0%	6,835,696,185	13%
Total Assets	21,046,906,638	23%	17,080,802,025	23%	13,853,197,038	0%	13,836,283,386	45%	9,574,964,173	6%	9,048,412,940	10%
Shareholders' Equity	7,484,145,951	6%	7,058,380,142	6%	6,651,118,485	-2%	6,768,047,701	50%	4,506,974,299	9%	4,128,667,040	31%
Non-Current Liabilities	2,245,977,168	12%	2,009,748,012	139%	842,009,080	16%	725,378,333	59%	457,028,099	9%	420,108,659	-16%
Current Liabilities	11,316,783,519	41%	8,012,673,871	26%	6,360,069,473	0%	6,342,857,352	38%	4,610,961,775	2%	4,499,637,241	-2%
Total Shareholders' Equity & Liabilities	21,046,906,638	23%	17,080,802,025	23%	13,853,197,038	0%	13,836,283,386	45%	9,574,964,173	6%	9,048,412,940	10%

Statement of Comprehensive Income	2022-23 Rs.	%	2021-22 Rs.	%	2020-21 Rs.	%	2019-20 Rs.	%	2018-19 Rs.	%	2017-18 Rs.	%
Net Sales	19,985,401,101	61%	12,375,920,766	17%	10,556,620,789	-6%	11,289,961,893	44%	7,863,052,901	17%	6,722,731,288	10%
Cost of Sales	17,532,145,553	59%	11,056,103,781	12%	9,909,427,766	-4%	10,273,971,964	48%	6,948,543,163	19%	5,862,040,117	13%
Gross Profit	2,453,255,548	86%	1,319,816,985	104%	647,193,023	-36%	1,015,989,929	11%	914,509,738	6%	860,691,171	-11%
Operating Profit	1,533,570,178	109%	734,076,453	385%	151,507,596	-72%	537,599,696	6%	507,066,205	0%	509,115,517	2%
Profit Before Taxation	763,805,022	44%	531,147,111	2616%	19,553,475	-92%	238,508,671	-48%	460,494,895	36%	337,788,513	-1%
Profit for the year	555,618,021	32%	422,415,968	-794%	(60,866,709)	-140%	151,928,178	-63%	413,836,287	34%	308,292,955	15%

MATCO FOODS LIMITED
Pattern of Shareholding
As at June 30, 2023

CATEGORIES OF SHAREHOLDERS	Shareholders	Shares Held	Percentage
DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN			
JAWED ALI GHORI	1	24,020,821	19.62
KHALID SARFARAZ GHORI	1	24,031,271	19.63
FAIZAN ALI GHORI	1	1,224,450	1.00
SAFWAN KHALID GHORI	1	361,750	0.30
NAHEED JAWED	1	448,875	0.37
NUZHAT KHALID GHORI	1	448,875	0.37
FARYAL MURTAZA	1	500	0.00
MURTAZA MAHFOOZ TALIB	1	336,821	0.28
UMME HABIBAH	1	2,500	0.00
SYED KAMRAN RASHID	1	7,029	0.01
ABDUL SAMAD KHAN	1	500	0.00
MOHAMMAD MOHSIN	1	500	0.00
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	1	18,360,109	15.00
NIT AND ICP	1	184,663	0.15
BANKS DEVELOPMENTS FINANCIAL INSTITUTIONS, NON-BANKING FINANCIAL INSTITUTIONS	0	-	-
INSURANCE COMPANIES	0	-	-
MODARABAS AND MUTUAL FUNDS	1	11,000	0.01
GENERAL PUBLIC			
a. Local	1727	49,226,571	40.22
b. Foreign	9	38,035	0.03
Foreign Companies	0	-	-
Others	17	3,696,428	3.02
Totals	**1768**	**122,400,698**	**100.00**

SHAREHOLDERS HOLDING 10% OR MORE		Shares Held	Percentage
JAWED ALI GHORI		24,020,821	19.62
KHALID SARFARAZ GHORI		24,031,271	19.63
INTERNATIONAL FINANCE CORPORATION		18,360,109	15.00
SADAF TARIQ		24,480,146	20.00

MATCO FOODS LIMITED
Pattern of Shareholding
As at June 30, 2023

S.No.	Folio #	Name of shareholder	Number of shares	Per %
Directors and their spouse(s) and minor children				
1	03277-80043	JAWED ALI GHORI	24,020,821	19.62
2	03277-80045	KHALID SARFARAZ GHORI	24,031,271	19.63
3	03277-80034	FAIZAN ALI GHORI	1,224,450	1.00
4	01826-107011	SAFWAN KHALID GHORI	361,750	0.30
5	03277-80052	NAHEED JAWED	448,875	0.37
6	03277-80048	NUZHAT KHALID GHORI	448,875	0.37
7	03277-99607	FARYAL MURTAZA	500	0.00
8	03277-88198	MURTAZA MAHFOOZ TALIB	336,821	0.28
9	10629-221492	UMME HABIBAH	2,500	0.00
10	03277-8352	SYED KAMRAN RASHID	7,029	0.01
11	10629-114697	ABDUL SAMAD KHAN	500	0.00
12	03277-89894	MOHAMMAD MOHSIN	500	0.00
		12	**50,883,892**	**41.57**
Associated companies, undertakings and related parties				
1	00547-8404	INTERNATIONAL FINANCE CORPORATION	18,360,109	15.00
		1	**18,360,109**	**15.00**
NIT and ICP				
1	12120-28	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	184,663	0.15
		1	**184,663**	**0.15**
Banks Development Financial Institutions, Non-Banking Financial Institutions				
1		NIL		
		0	**-**	**-**
Insurance Companies				
		NIL		-
		0	**-**	**-**
Modarabas and Mutual Funds				
1	14472-25	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	11,000	0.01
		1	**11,000**	**0.01**
General Public Foreign				
1	03277-106923	MUHAMMAD ASHFAQ	4,500	0.00
2	03277-108461	MUHAMMAD TAHIR ABBAS	10	0.00
3	03277-112288	MAHAM KASHIF	500	0.00
4	03277-112330	TAHIR MAHMOOD FAROOQUI	1,000	0.00
5	03277-113058	Muhammad Anzak Aleem	500	0.00
6	03277-113490	Khalid Aziz	5,000	0.00
7	03277-117438	RAZA ALI KHAN	500	0.00
8	03277-117563	Muhammad Rizwan	25,500	0.02
9	16253-8071	MUHAMMAD BASIT ANIS	525	0.00
		9	**38,035**	**0.03**
Foreign Companies				
1		Nil		
		0	**-**	**-**
Others				
1	1073	BONUS FRACTION (B-1)	53	0.00
2	03277-50590	TECHNOLOGY LINKS (PVT.) LIMITED	2,100	0.00
3	03277-81210	H. H. K. SECURITIES (PRIVATE) LIMITED	36,000	0.03
4	03277-94268	AL-RAHIM TRADING COMPANY (PRIVATE) LIMITED	100,000	0.08
5	03277-101910	MUHAMMAD ANAF KAPADIA SECURITIES (SMC-PRIVATE) LIMITED	432,500	0.35
6	03525-67537	SHAMALIK BROTHERS (PVT) LTD	2,100	0.00
7	04085-24	MRA SECURITIES LIMITED	42,500	0.03
8	04085-111953	MUHAMMAD ANAF KAPADIA SECURITIES (SMC-PRIVATE) LIMITED	6,500	0.01
9	04226-26	ZILLION CAPITAL SECURITIES (PVT) LTD.	3,675	0.00
10	06684-29	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LIMITED	1,838,500	1.50
11	06684-154214	YOUSUF YAQOOB KOLIA AND COMPANY (PRIVATE) LIMITED	61,000	0.05
12	06684-204365	AL HAYY TRADING (PRIVATE) LIMITED	6,000	0.00
13	11544-6959	UNITED TOWEL EXPORTERS (PVT.) LIMITED	9,000	0.01
14	14118-27	ASDA SECURITIES (PVT.) LTD.	10,000	0.01
15	16857-26	MRA SECURITIES LIMITED - MF	23,000	0.02
16	16899-22	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	1,123,000	0.92
17	17293-24	CREATIVE CAPITAL SECURITIES (PRIVATE) LIMITED - MF	500	0.00
		17	**3,696,428**	**3.02**
General Public Local		**1727**	**49,226,571**	**40.22**
Total		**1768**	**122,400,698**	**100.00**

MATCO FOODS LIMITED
Pattern of Shareholding
As at June 30, 2023

Sr. No	# Of Shareholders	Shareholdings'Slab			Total Shares Held
1	444	1	to	100	10,501
2	168	101	to	500	64,907
3	482	501	to	1000	292,754
4	443	1001	to	5000	973,745
5	79	5001	to	10000	604,619
6	45	10001	to	15000	552,825
7	22	15001	to	20000	394,550
8	14	20001	to	25000	330,725
9	7	25001	to	30000	200,000
10	4	30001	to	35000	133,875
11	5	35001	to	40000	191,707
12	3	40001	to	45000	126,603
13	3	45001	to	50000	144,775
14	5	60001	to	65000	320,000
15	1	65001	to	70000	70,000
16	1	70001	to	75000	70,500
17	2	80001	to	85000	165,000
18	2	90001	to	95000	188,000
19	2	95001	to	100000	200,000
20	2	105001	to	110000	217,000
21	1	110001	to	115000	112,556
22	2	115001	to	120000	237,000
23	1	125001	to	130000	130,000
24	1	130001	to	135000	131,275
25	1	140001	to	145000	145,000
26	1	155001	to	160000	160,000
27	1	180001	to	185000	184,663
28	1	195001	to	200000	200,000
29	1	215001	to	220000	215,500
30	1	235001	to	240000	237,000
31	1	250001	to	255000	255,000
32	1	255001	to	260000	257,500
33	1	275001	to	280000	279,500
34	1	310001	to	315000	313,000
35	1	335001	to	340000	336,821
36	1	360001	to	365000	361,750
37	1	375001	to	380000	379,500
38	1	430001	to	435000	432,500
39	2	445001	to	450000	897,750
40	1	495001	to	500000	500,000
41	1	535001	to	540000	536,000
42	1	865001	to	870000	870,000
43	1	1120001	to	1125000	1,123,000
44	1	1220001	to	1225000	1,224,450
45	1	1770001	to	1775000	1,771,500
46	1	1835001	to	1840000	1,838,500
47	1	2745001	to	2750000	2,748,500
48	1	10375001	to	10380000	10,378,000
49	1	18360001	to	18365000	18,360,109
50	1	24020001	to	24025000	24,020,821
51	1	24030001	to	24035000	24,031,271
52	1	24480001	to	24485000	24,480,146
	1768				**122,400,698**

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: MATCO FOODS LIMITED
Year Ended: June 30, 2023

The Company has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors is nine as per the following:
   a. Male: 7
   b. Female: 2

2. The composition of the Board is as follows:

Category	Names
a) Independent	Syed Kamran Rasheed Mr. Abdul Samad Khan Ms. Umme Habibah Mr. Mohammad Mohsin
b) Other Non-executive Directors	Mr. Jawed Ali Ghori Mrs. Faryal Murtaza
c) Executive Director	Mr. Khalid Sarfaraz Ghori Mr. Faizan Ali Ghori Mr. Safwan Khalid Ghori

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: MATCO FOODS LIMITED
Year Ended: June 30, 2023

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board of directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9. The Board remained fully compliant with the provision with regard to their directors' training program. Eight directors out of nine directors already completed the Director Training Program, remaining one director will complete the requirement within the stipulated time as per the requirement of the Code.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before the approval of the Board.

12. The Board has formed the following Committees that are required under the Code. The Committees comprise of members as given below:

Audit Committee	Syed Kamran Rasheed – Chairman Mr. Abdul Samad Khan Mr. Mohammad Mohsin
HR and Remuneration Committee	Ms. Umme Habibah – Chairman Mr. Jawed Ali Ghori Mr. Khalid Sarfaraz Ghori Mrs. Faryal Murtaza Mr. Faizan Ali Ghori

a) Risk Management Committee: (No separate committee formed, as its issues are deliberated in Board meetings)

b) Nomination Committee (No separate committee formed, as its issues are deliberated in Board meetings)

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: MATCO FOODS LIMITED
Year Ended: June 30, 2023

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings of the committee were as per following:

    a. Audit Committee – 04 Quarterly Meetings
    b. HR and Remuneration Committee – 01 Annual Meeting

15. The Board has set up an effective internal audit function. The Head of Internal Audit is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Jawed Ali Ghori
Chairman

Khalid Sarfaraz Ghori
CEO

Karachi
Dated: September 07, 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Matco Foods Limited

Grant Thornton Anjum Rahman
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Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Matco Foods Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of Companies Act 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Chartered Accountants

Karachi
Dated: September 27, 2023
UDIN: CR2023101543rXWwJQ79

A Million Sustainable Promises

At Matco Foods Limited, the United Nations Sustainable Development Goals (SDGs) have been embraced as a strategic blueprint, guiding our journey towards sustainability. Throughout this year, we have steadfastly aligned our practices with the global goals, recognizing them as essential drivers of progress towards a more sustainable future.

By integrating the SDGs into our core business operations, we have fostered a profound understanding that sustainable development is a powerful response to the challenges faced by society—a way to employ business-driven approaches that generate enduring economic growth while addressing social needs and empowering communities.

The UN SDGs serve as a shared vision and road-map that guides us in our collective pursuit of a better world. For Matco Foods Limited, these goals represent a win-win opportunity—enhancing the well-being of future generations while advancing our vision of becoming a value-based, sustainable company.

Out of the 17 SDG’s outlined by the United Nations, we have prioritized the integration of 16 SDG’s into our business operations. Our commitment to these goals is not merely rhetorical; rather, we have translated them into tangible action plans that infuse sustainable development principles into our overall business strategy. Our efforts towards meeting the UN SDGs are grounded in concrete initiatives and steadfast determination to create a positive impact.

MATCO FOODS KISAN DOST PROGRAM

Matco Food's Kisan Dost Program supports farmers in adhering to Sustainable Rice Platform (SRP) guidelines, aiming to enhance productivity and sustainability. Over the past four years, we have assisted 300-400 farmers with high-quality Basmati seeds and providing crucial support by focusing on moisture levels in paddy. This program is a partnership with AGAHE and Oxfam under the GRAISEA project in Gujranwala and Sheikhupura.
Furthermore, MATCO has collaborated with AGAHE to strengthen the Women Business Hub for Women Economic Growth. The Kisan Dost Program emphasizes capacity building, best practices, and market engagement for farmers, including women. By actively purchasing high-quality paddy from these regions, MATCO helps small farmers by reducing poverty, and improving economic conditions.

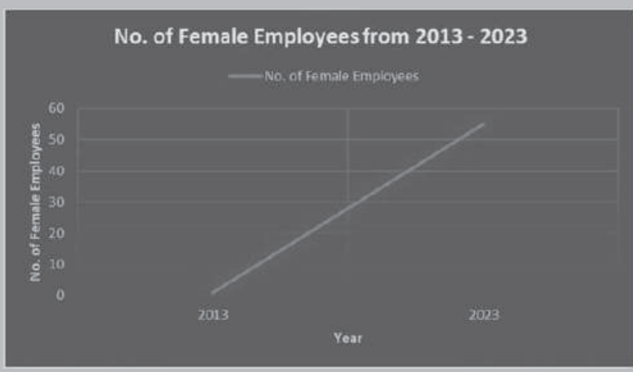
Sustainable Rice Platform (SRP) is a multi-stakeholder platform established in December 2011. The SRP is co-convened by UN Environment and the International Rice Research Institute (IRRI) to promote resource efficiency and sustainability in trade flows, production and consumption operations, and supply chains in the global rice sector.

Matco a member of Sustainable Rice Platform (SRP) in 2016 as a number of the goals that Matco wanted to achieve through its Farmer's friendly Program were common with SRP.

MATCO's FARMER TRAINING PROGRAM

Matco takes a proactive approach to empower farmers through specialized training programs aimed at boosting rice production and nurturing their skills. The initiative aligns with the company's commitment to the United Nations' Sustainable Development Goals.

MATCO FOODS CELEBRATING WOMEN AT A GLANCE



Educating for a Brighter Future

Matco provides hands on training to women farmers to minimize grain losses through specialized training workshops.

HEALTH AND SAFETY STANDARDS

On January 13, 2023, Matco Foods Limited conducted an evacuation fire drill with commendable results. The conducted evacuation fire drill at Matco Foods Limited proved to be highly beneficial for the organization as it allowed the company to assess its emergency preparedness and response capabilities in the event of a fire incident. Hence, enhancing employees' awareness of fire safety and creating a well-organized workplace.

Empowering Smiles

Matco Foods Limited proudly sponsored and celebrated the cause of Kids with Down Syndrome (KDSP) on 5th February, 2023 with their heartwarming initiative, FALAK. The event was a fun-filled carnival featuring a wide array of engaging activities, delectable food, and thoughtful gifts.

MATCO's CSR Activities with NOWPDP

Matco Foods Ltd. has formed a collaborative partnership with (National Organization for Working Communities with Physical Disabilities) NOWPDP to empower and nurture children with special needs, enabling them to utilize their unique talents. As part of this initiative, these remarkable individuals were entrusted with the task of creating Eid greeting cards which were distributed to our esteemed corporate customers

Establishment of clean drinking water coolers at selected farms

A JOURNEY TOWARDS A RESPONSIBLE AND SOCIALLY CONSCIOUS FUTURE

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INDEPENDENT AUDITOR'S REPORT

To the members of Matco Foods Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Matco Foods Limited** (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2023, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, 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 forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Unconsolidated 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.

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 matters	How the matter was addressed in our audit
1.	**Valuation of Stock in Trade** As at June 30, 2023, the Company held stock in trade amounting to Rs. 9,574 million (2022: Rs. 7,662 million) as disclosed in note 24 of accompanying unconsolidated financial statements. The stock in trade account for 73.77% (2022: 75.1%) of the total current assets. The value of stock is based on the purchase price using weighted average method. Therefore, the Company is exposed to the risk of valuation of stock in trade as a result of volatility in prices. 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. This was the key audit mater because of its materiality and significance in terms of judgments involved in estimating the NRV of underlying inventories.	As part of our audit, we have performed the following audit procedures: • 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 evaluating the adequacy of provision for slow moving and obsolete stock. • Reviewed the adequacy of the disclosures on stock in trade in the unconsolidated financial statements.

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Information other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated 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.

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

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 as applicable in Pakistan 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 unconsolidated financial statements.

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

- Identify and assess the risks of material misstatement of the unconsolidated 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 unconsolidated 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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 the board of directors 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, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated 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.

Grant Thornton

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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Khalid Aziz.**

Grant Thornton Anjum Rahman
Chartered Accountants

Karachi
Date: September 26, 2023
UDIN: AR202310154KjvewRr82

MATCO FOODS LIMITED
UNCONSOLIDATED
FINANCIAL STATEMENTS

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
		----------------------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		**3,171,666,606**	2,723,394,977
Surplus on revaluation of property, plant and equipment - net of tax	8	**2,408,823,880**	2,433,901,302
Unrealized loss on revaluation on investment at fair value through OCI		**(818,735)**	(3,390,337)
Total shareholders' equity		**7,484,145,951**	7,058,380,142
Non-current liabilities			
Long-term finances-secured	9	**1,756,572,205**	1,582,432,193
Lease liabilities	10	**180,641,166**	175,602,488
Deferred liabilities	11	**308,763,797**	251,713,331
Total non-current liabilities		**2,245,977,168**	2,009,748,012
Current liabilities			
Trade and other payables	13	**1,848,557,183**	671,152,778
Advance from customers - secured		**297,506,811**	22,612,550
Accrued mark-up	14	**368,363,511**	120,739,263
Due to related party	15	**6,807,598**	10,555,958
Short-term borrowings-secured	16	**8,416,681,873**	6,979,644,808
Taxation-net		**-**	5,131,962
Current portion of deferred grant	12	**-**	1,561,352
Current portion of long term finances-secured	9	**323,293,242**	172,857,144
Current portion of lease liabilities	10	**36,287,024**	27,634,388
Unpaid dividend	17	**19,286,277**	783,668
Total current liabilities		**11,316,783,519**	8,012,673,871
Total liabilities		**13,562,760,687**	10,022,421,883
Contingencies and commitments	18		
Total equity and liabilities		**21,046,906,638**	17,080,802,025

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

Khalid Sarfaraz Ghori	**M. Aamir Farooqui**	**Faizan Ali Ghori**
Chief Executive Officer	Chief Financial Officer	Director

	Note	2023	2022
		---Rupees---	
ASSETS			
Non-current assets			
Property, plant and equipment	19	**7,741,823,327**	6,569,614,069
Right-of-use assets	20	**243,532,862**	235,566,923
Intangible assets	21	**-**	-
Long-term deposits		**17,476,970**	16,759,174
Long-term investments	22	**65,309,617**	62,738,015
Total non-current assets		**8,068,142,776**	6,884,678,181
Current assets			
Stores, spares and loose tools	23	**105,323,099**	86,091,117
Stock in trade	24	**9,574,431,337**	7,662,053,984
Trade debts	25	**2,194,183,664**	1,818,339,385
Loans and advances	26	**514,850,992**	155,031,810
Trade deposits and short term prepayments	27	**15,042,533**	10,683,047
Short-term investment	28	**4,222,323**	4,254,742
Sales tax refundable	29	**64,935,578**	105,056,731
Due from related parties	30	**81,821,177**	51,046,611
Taxation - net		**64,956,818**	-
Cash and bank balances	31	**358,996,341**	303,566,417
Total current assets		**12,978,763,862**	10,196,123,844
Total assets		**21,046,906,638**	17,080,802,025

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

Khalid Sarfaraz Ghori	**M. Aamir Farooqui**	**Faizan Ali Ghori**
Chief Executive Officer	Chief Financial Officer	Director

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		---Rupees---	
Sales - net	32	**19,985,401,101**	12,375,920,766
Cost of sales	33	**(17,532,145,553)**	(11,056,103,781)
GROSS PROFIT		**2,453,255,548**	1,319,816,985
Selling and distribution expenses	34	**(355,178,974)**	(229,279,801)
Administrative expenses	35	**(564,506,396)**	(356,460,731)
		(919,685,370)	(585,740,532)
		1,533,570,178	734,076,453
Finance cost	36	**(1,182,362,299)**	(387,872,994)
Other income	37	**53,694,455**	19,789,701
Exchange gain - net	38	**412,369,039**	202,334,249
Provision for worker's welfare fund	13.1	**(15,276,100)**	(10,622,942)
Provision for worker's profit participation fund	13.2	**(38,190,251)**	(26,557,356)
PROFIT BEFORE TAX		**763,805,022**	531,147,111
Income tax expense	39	**(208,187,001)**	(108,731,143)
PROFIT FOR THE YEAR		**555,618,021**	422,415,968
EARNINGS PER SHARE - BASIC AND DILUTED	44	**4.54**	3.45

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

Khalid Sarfaraz Ghori	**M. Aamir Farooqui**	**Faizan Ali Ghori**
Chief Executive Officer	Chief Financial Officer	Director

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		------------------Rupees---------------	
PROFIT FOR THE YEAR		**555,618,021**	422,415,968
OTHER COMPREHENSIVE LOSS			
Items that may be reclassified subsequently to the unconsolidated statement of profit or loss		-	-
Items that will not to be reclassified subsequently to the unconsolidated statement of profit or loss			
- Remeasurement of defined benefits obligation	11.2.5	**(10,023,116)**	(11,763,974)
- Unrealized gain/(loss) on revaluation of at fair value through OCI during the year		**2,571,602**	(3,390,337)
Other comprehensive loss		**(7,451,514)**	(15,154,311)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**548,166,507**	407,261,657

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

Khalid Sarfaraz Ghori	**M. Aamir Farooqui**	**Faizan Ali Ghori**
Chief Executive Officer	Chief Financial Officer	Director

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		-----------------Rupees--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**763,805,022**	531,147,111
Adjustments for:			
Depreciation	19	**395,408,023**	226,967,664
Depreciation on right of use assets		**45,592,190**	30,008,456
Exchange gain - net	38	**(412,370,705)**	(203,480,971)
Provision for slow moving stock		**479,122**	594,383
Finance cost	36	**1,203,490,744**	401,566,347
Provision for staff gratuity	11.2	**79,182,095**	43,929,752
Gain on disposal of property, plant and equipment	37	**(5,587,254)**	(2,299,686)
		1,306,194,215	497,285,945
		2,069,999,237	1,028,433,056
Changes in working capital			
Increase in current assets			
Stores, spares and loose tools		**(19,231,982)**	(15,646,816)
Stock-in-trade		**(1,912,856,475)**	(491,368,008)
Trade debts - considered good		**36,524,760**	(574,880,792)
Loans and advances		**(359,819,182)**	(51,371,746)
Trade deposits and prepayments		**(4,359,486)**	(552,368)
Short-term investment		**32,419**	(2,674,832)
Sales tax refundable		**40,121,153**	18,541,427
Due from related parties		**(30,774,566)**	(7,680,216)
		(2,250,363,359)	(1,125,633,351)
Increase in current liabilities			
Trade and other payables		**1,177,404,405**	151,264,722
Due to related party		**(3,748,360)**	2,690,202
Deferred grant		**(1,561,352)**	(5,567,161)
Advances from customers		**274,894,261**	(13,135,056)
		1,446,988,954	135,252,707
Cash generated from operations		**1,266,624,832**	38,052,412
Finance cost paid		**(955,866,496)**	(338,705,013)
Income taxes paid		**(287,395,121)**	(82,058,315)
Gratuity paid	11.2	**(23,035,408)**	(15,353,244)
Net cash generated from / (used in) operating activities		**327,807**	(398,064,160)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure including capital work in progress		**(1,600,225,749)**	(1,908,382,235)
Proceeds from disposal of property, plant and equipment		**30,531,000**	9,814,000
Long term investment		**-**	(10,545,645)
Long-term deposits		**(717,796)**	(436,890)
Net cash used in investing activities		**(1,570,412,545)**	(1,909,550,770)
Balance carried forward		**(1,570,084,738)**	(2,307,614,930)

Khalid Sarfaraz Ghori	**M. Aamir Farooqui**	**Faizan Ali Ghori**
Chief Executive Officer	Chief Financial Officer	Director

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		---Rupees---	
Balance brought forward		**(1,570,084,738)**	(2,307,614,930)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finances - net		**324,576,110**	1,087,302,395
Lease rentals paid during the year		**(32,202,091)**	(28,863,836)
Dividend paid		**(103,898,088)**	(3,986)
Short-term borrowings - net		**1,437,037,065**	1,446,639,568
Net cash generated from financing activities		**1,625,512,996**	2,505,074,141
Net change in cash and cash equivalents during the year		**55,428,258**	197,459,211
Cash and cash equivalents as at the beginning		**303,566,417**	104,960,484
Effects of exchange rate changes on cash and cash equivalents		**1,666**	1,146,722
Cash and cash equivalents as at the end of year	31	**358,996,341**	303,566,417

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

Khalid Sarfaraz Ghori	**M. Aamir Farooqui**	**Faizan Ali Ghori**
Chief Executive Officer	Chief Financial Officer	Director

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed and paid up share capital	Capital reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment -net of tax	Unrealized loss revaluation of investment at fair value to OCI	Total
		Share premium reserve				
	------------	------------	------------	Rupees	------------	------------
Balance as at July 01, 2021	1,224,006,980	680,467,220	2,287,144,791	2,459,499,494	-	6,651,118,485
Total comprehensive income for the year						
Profit for the year	-	-	422,415,968	-	-	422,415,968
Other comprehensive loss	-	-	(11,763,974)	-	(3,390,337)	(15,154,311)
Total comprehensive income / (loss)	-	-	410,651,994	-	(3,390,337)	407,261,657
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation net of tax - (note 8)	-	-	23,666,099	(23,666,099)	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of land and building net of tax	-	-	1,932,093	(1,932,093)	-	-
Balance as on June 30, 2022	1,224,006,980	680,467,220	2,723,394,977	2,433,901,302	(3,390,337)	7,058,380,142
Balance as on July 01, 2022	**1,224,006,980**	**680,467,220**	**2,723,394,977**	**2,433,901,302**	**(3,390,337)**	**7,058,380,142**
Total comprehensive income for the year						
Profit for the year	**-**	**-**	**555,618,021**	**-**	**-**	**555,618,021**
Other comprehensive (loss) / gain	**-**	**-**	**(10,023,116)**	**-**	**2,571,602**	**(7,451,514)**
Total comprehensive income	**-**	**-**	**545,594,905**	**-**	**2,571,602**	**548,166,507**
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation net of tax - (note 8)	**-**	**-**	**21,278,456**	**(21,278,456)**	**-**	**-**
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of land net of tax	**-**	**-**	**3,798,967**	**(3,798,967)**	**-**	**-**
Transactions with owners						
Dividend paid during the year	**-**	**-**	**(122,400,698)**	**-**	**-**	**(122,400,698)**
Balance as on June 30, 2023	**1,224,006,980**	**680,467,220**	**3,171,666,606**	**2,408,823,880**	**(818,735)**	**7,484,145,951**

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 YEAR ENDED JUNE 30, 2023

1 STATUS AND NATURE OF BUSINESS

Matco Foods Limited, ('the Company') was incorporated on April 14, 1990 in Karachi as a private limited company under the repealed Companies Ordinance, 1984 (Now: Companies Act, 2017). The Company was listed on Pakistan Stock Exchange Limited on February 13, 2018. The principal activity of the Company is to carry out the business of processing 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

During the year, the Company has commenced the commercial production of corn starch at August 26, 2022.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. 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 Basis of measurement

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

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3.3 Functional and presentation currency

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

3.4 Standards, Amendments and Interpretations to Approved Accounting Standards

3.4.1 Standards, amendments and interpretations to the published standards that are relevant to the company and adopted in the current year

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

New or Revised Standard or Interpretation	Effective Date (Annual periods beginning on or after)
Annual improvements to IFRSs 2018 - 2020 Cycle	January 1, 2022
IFRS 3 References to Conceptual Framework	January 1, 2022
IAS 16 Proceeds before intended use	January 1, 2022
IAS 37 Onerous Contracts- Cost of Fulfilling a contract	January 1, 2022

3.4.2 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
IAS 12 - International tax reform- pillar 'Two model rules'	January 1, 2023
'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
IAS 8 - 'Definition of Accounting Estimates	January 1, 2023
IAS 1 - Classification of Liabilities as Current or Non-current	January 1, 2024
IAS 1 - Non-current Liabilities with covenants	January 1, 2024
IFRS 16- Lease liability in a sale and leaseback	January 1, 2024
Amendments to IAS 7 and IFRS 7- Supplier finance arrangements	January 1, 2024

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

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

Following new standards 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.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 17 'Insurance Contracts' and amendments to IFRS 17	January 1, 2023

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	5.17
(g) provisions	5.22
(h) impairment of non-financial asset	5.24

5 SUMMARY OF SIGNIFICANT 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, 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 5.24.

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 19.1 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, 2023 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.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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 5.24.

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 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.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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.

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).

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.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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.

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 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.

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.

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 Deferred grant

The Company has obtained long term financing facility under State Bank of Pakistan Refinance Scheme for payment of wages and salaries to the Workers and Employees of Business Concerns ('Refinance Scheme'). It carries mark-up rate of SBP plus 1%, payable on quarterly basis, which is below prevailing market-rate. The government's underlying objective for introducing the said Refinance Scheme for businesses is to support the employment of workers in the face of economic challenges posed by the spread of novel coronavirus (COVID-19).

The Refinance Scheme shall be considered as the transfer of resources from government as reflected by below-market mark-up rate on the loans obtained under the Refinance Scheme. The said transfer shall be accounted for as Government grant in accordance with the circular # 11 of 2020 issued by Institute of Chartered Accountants of Pakistan (ICAP).

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Government grants are first recognised in the statement of financial position and then subsequently accounted for in the unconsolidated statement of profit or loss on a systematic basis over the periods in which the Company recognises as expense the related cost for which the grants were intended to compensate.

5.16 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.

5.17 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).

5.18 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.

5.19 Interest income

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

5.20 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.

5.21 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.

5.22 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.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

5.23 Operating segments

Operating segment is component of the company that engages in business activities from which it may earn revenues and incurred expenses. Board of Directors has been identified as chief operating decision maker and is responsible for performance, allocation of resources and assessment of results.

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. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segments.

5.24 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.

5.25 Related party transactions

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

5.26 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.

5.27 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 YEAR ENDED JUNE 30, 2023

6 SHARE CAPITAL

6.1 Authorized share capital

2023	2022		2023	2022
Number of shares			------Rupees------	
200,000,000	200,000,000	Ordinary shares of Rs. 10 (2022: Rs. 10)	**2,000,000,000**	2,000,000,000

6.2 Issued, subscribed and paid up share capital

2023	2022		2023	2022
Number of shares			------Rupees------	
		Ordinary shares of Rs. 10		
50,340,213	50,340,213	- 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
122,400,698	122,400,698		**1,224,006,980**	1,224,006,980

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	2023	2022
	--Number of Shares--	
Director and their spouse		
Mr. Jawed Ali Ghori	**24,020,821**	23,964,021
Mr. Khalid Sarfaraz Ghori	**24,031,271**	24,031,271
Mr. Faizan Ali Ghori	**1,224,450**	843,250
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	**361,750**	5,250
Mr. Syed Kamran Rasheed	**7,029**	7,029
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 YEAR ENDED JUNE 30, 2023

		2023	2022
6.5	**Reconciliation of number of shares outstanding is as under:**	--------Number of Shares--------	
	Shares at the beginning of the year	**122,400,698**	122,400,698
	Shares issued during the year in cash	**-**	-
	Bonus shares issued during the year	**-**	-
	Shares at the end of the 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.

			2023	2022
7	**CAPITAL RESERVE**	**Note**	--------------Rupees-------------	
	Share premium	7.1 & 7.2	**680,467,220**	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 revaluation was carried by Oceanic Surveyors (Private) Limited on June 29, 2020.

	2023	2022
	--------------Rupees-------------	
Surplus on revaluation at the beginning of the year	**2,512,469,475**	2,548,210,281
Transferred to unappropriated profit in respect of disposal of property, plant and equipment	**(3,798,966)**	- (1,932,093)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	**(30,397,794)**	(33,808,713)
Surplus on revaluation of operating fixed assets as at June 30	**2,478,272,715**	2,512,469,475
Less: related deferred tax liability:		
- at beginning of the year	**(78,568,173)**	(88,710,787)
- on incremental depreciation charged during the year	**9,119,338**	10,142,614
	2,408,823,880	2,433,901,302

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		Note	2023	2022
9	**LONG TERM FINANCES - SECURED**		--------------Rupees-------------	
	From banking companies and financial institution:			
	LTFF/ILTFF	**9.1**	**587,906,603**	413,740,791
	TERF/ITERF	**9.2**	**1,002,550,581**	986,349,285
	FFSAP	**9.3**	**230,373,554**	278,782,716
	Demand Finance	**9.4**	**259,034,709**	26,391,304
	Salary Refinance	**9.5**	**-**	50,025,241
			2,079,865,447	1,755,289,337
	Current portion of long term finances		**(323,293,242)**	(172,857,144)
			1,756,572,205	1,582,432,193

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 (2022: 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 (2022: 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 (2022: SBP rate + 1.25% to 1.5% 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 (2022: KIBOR+ 1% to 1.5% per annum).

9.5 The Company had obtained Diminishing Musharakah Islamic Long Term Financing Facility (ILTFF) under SBP Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees as per the SBP Circular # 06 of 2020 dated: April 10, 2020. The loan has been repaid during the year. The effective rate of mark-up on the facility was SBP rate plus 1% per annum.

9.6 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.

9.7 The maximum available amount from above mentioned facilities amounts to Rs. 307.48 million (2022: Rs. 27 million).

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

10 LEASE LIABILITIES

	Note	2023 Vehicle	2023 Godown	2023 Generator	2023 Total	2022 Vehicle	2022 Godown	2022 Generator	2022 Total
		---Rupees---							
Opening balance		**102,829,532**	**100,407,344**	**-**	**203,236,876**	62,159,861	88,115,533	-	150,275,394
Impact of adoption of IFRS-16		**-**	**-**	**-**	**-**	-	-	-	-
Reassessment of lease liability		**-**	**655,485**	**-**	**655,485**	-	17,437,503	-	17,437,503
At July 1		**102,829,532**	**101,062,829**	**-**	**203,892,361**	62,159,861	105,553,036	-	167,712,897
Additions for the year		**30,437,920**	**-**	**14,800,000**	**45,237,920**	64,387,816	-	-	64,387,816
Accrued interest during the year		**19,457,294**	**21,128,445**	**808,607**	**41,394,346**	8,604,527	13,693,353	-	22,297,880
		152,724,746	**122,191,274**	**15,608,607**	**290,524,627**	135,152,204	119,246,389	-	254,398,593
Payment made during the year		**(47,740,642)**	**(24,628,000)**	**(1,227,795)**	**(73,596,437)**	(32,322,672)	(18,839,045)	-	(51,161,717)
		104,984,104	**97,563,274**	**14,380,812**	**216,928,190**	102,829,532	100,407,344	-	203,236,876
Current portion of lease liabilities		**27,941,566**	**6,419,648**	**1,925,810**	**36,287,024**	20,193,971	7,440,417	-	27,634,388
Non-current		**77,042,538**	**91,143,626**	**12,455,002**	**180,641,166**	82,635,561	92,966,927	-	175,602,488

10.1 Maturity analysis of lease liabilities

	2023 Vehicle	2023 Godown	2023 Generator	2023 Total	2022 Vehicle	2022 Godown	2022 Generator	2022 Total
Upto one year	**27,941,566**	**6,419,648**	**1,925,810**	**36,287,024**	20,193,971	7,440,417	-	27,634,388
After one year	**77,042,538**	**91,143,626**	**12,455,002**	**180,641,166**	82,635,561	92,966,927	-	175,602,488
Lease liabilities	**104,984,104**	**97,563,274**	**14,380,812**	**216,928,190**	102,829,532	100,407,344	-	203,236,876

11 DEFERRED LIABILITIES

	Note	2023	2022
		---Rupees---	
Deferred tax liability	11.1	**69,448,836**	78,568,173
Staff gratuity scheme - unfunded	11.2	**239,314,961**	173,145,158
		308,763,797	251,713,331

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. 33.23 million (2022: Rs. 21.25 million). However, the Company has not recorded deferred tax asset in of these unconsolidated financial statements.

11.2 Staff gratuity scheme - unfunded

	Note	2023	2022
		---Rupees---	
Balance at beginning of the year		**173,145,158**	132,804,676
Charge for the year	11.2.7	**79,182,095**	43,929,752
Actuarial losses		**10,023,116**	11,763,974
Payments made during the year		**(23,035,408)**	(15,353,244)
Balance at end of the year	11.2.3	**239,314,961**	173,145,158

11.2.1 Staff retirement benefits - unfunded

In accordance with the requirements of IAS-19 “Employee Benefits”, actuarial valuation was carried out as at June 30, 2022, 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:

	2023	2022
Discount rate - per annum	**16.25%**	13.25%
Expected rate of increase in salaries - per annum	**14.25%**	12.25%
Mortality rate	**SLIC (2001-05)**	SLIC (2001-05)

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
11.2.2 The amounts recognized in the unconsolidated statement of financial position are as follows:		--------------Rupees-------------	
Present value of defined benefit obligation	11.2.3	**239,314,961**	173,145,158
11.2.3 Movements in the net liability recognized in the unconsolidated statement of financial position are as follows:			
Opening liability		**173,145,158**	132,804,676
Charge for the year	11.2.4	**79,182,095**	43,929,752
Actuarial losses		**10,023,116**	11,763,974
Benefits paid		**(23,035,408)**	(15,353,244)
Balance at end of the year		**239,314,961**	173,145,158
11.2.4 The amounts recognized in the unconsolidated statement of profit or loss against defined benefit scheme are as follows:			
Current service cost		**57,766,457**	31,416,947
Interest cost		**21,415,638**	12,512,805
Charge for the year		**79,182,095**	43,929,752
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		**(26,512,109)**	393,317
- experience adjustment		**36,535,225**	11,370,657
		10,023,116	11,763,974
11.2.6 Expense chargeable to unconsolidated statement of profit or loss for the next year			
Current service cost		**62,886,034**	39,226,611
Interest cost		**38,888,681**	22,941,733
Charge for the year		**101,774,715**	62,168,344
11.2.7 The expense for the staff retirement benefit scheme has been allocated as follows:			
Cost of sales	33.4	**51,175,761**	27,805,465
Selling and distribution	34.1	**4,460,190**	3,305,420
Administrative expenses	35.1	**23,546,144**	12,818,867
		79,182,095	43,929,752

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:

	Increase in assumptions	Decrease in assumptions
	--------------Rupees-------------	
Discount rate	218,817,888	261,737,822
Expected salary increase	261,732,034	218,815,200

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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.

11.2.10 Maturity profile	2023	2022
Average expected remaining working lifetime of members	**10 Years**	10 Years
Average duration of liability	**09 Years**	09 Years

12 DEFERRED GRANT

In Prior year, State Bank of Pakistan introduced a temporary Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of business concerns to support payment of salaries and wages under economic challenges due to COVID-19.

The Company has availed this facility from MCB Islamic Bank. The loan carries mark-up rate of SBP plus 1% per annum. However, the effective interest rate is calculated as 8.95% per annum and the loan has been recognised at the present value. The differential mark-up has been recognised as government grant which will be amortized to interest income over the period of facility.

	Note	2023	2022
		--------------Rupees-------------	
Opening Balance		**1,561,352**	7,128,513
Grant recognized during the year		**-**	-
Amortization of grant	36.1	**(1,561,352)**	(5,567,161)
		-	1,561,352
Less: current portion of deferred grant		**-**	(1,561,352)
		-	-

12.1 The grant was conditional upon the fact that the company would not terminate any employee, due/owing to cash flow limitations, for a period of three months from the date of receipt of the first tranche.

13 TRADE AND OTHER PAYABLES	Note	2023	2022
		--------------Rupees-------------	
Creditors		**1,658,589,205**	539,068,297
Accrued liabilities		**119,961,113**	90,742,704
Tax deducted at source and payable to statutory authorities		**16,540,514**	4,156,573
Worker's welfare fund	13.1	**15,276,100**	10,622,942
Worker's profit participation fund	13.2	**38,190,251**	26,562,262
		1,848,557,183	671,152,778

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
13.1	**Worker's welfare fund**	--------------Rupees-------------	
	Opening balance	**10,622,942**	7,504,284
	Allocation for the year	**15,276,100**	10,622,942
	Reversal of WWF	**(8,585,383)**	(6,081,207)
	Amount paid	**(2,037,559)**	(1,423,077)
	Closing balance	**15,276,100**	10,622,942
13.2	**Worker's profit participation fund**		
	Opening balance	**26,562,262**	990,112
	Allocation for the year	**38,190,251**	26,557,356
	Amount paid	**(26,562,262)**	(985,206)
	Closing balance	**38,190,251**	26,562,262
14	**ACCRUED MARK-UP**		
	Mark-up on long term finances	**26,109,244**	21,697,763
	Mark-up on short term borrowings	**342,254,267**	99,041,500
		368,363,511	120,739,263

15 DUE TO RELATED PARTY

This represents amount received from the Matco Marketing (Private) Limited and Ghori Trust 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. 6.80 million and Rs. Nil respectively (2022: Rs. 6.89 million and Rs. 4.66 million respectively).

		Note	2023	2022
16	**SHORT-TERM BORROWINGS SECURED**	**Note**	-----------------Rupees----------------	
	Export re-finance	16.1	**5,401,100,486**	4,537,949,000
	Own resource	16.2	**3,015,581,387**	2,441,695,808
			8,416,681,873	6,979,644,808

16.1 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 (2022: SBP rate plus 1% per annum).

16.2 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% per annum (2022: 3-month/6-month KIBOR plus 0.75% to 2% per annum).

16.3 The facilities available from various banks amount to Rs. 9,050 million (2022: Rs. 7,120 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.

16.4 As at June 30, 2023, the unavailed facilities from above borrowings amounting to Rs. 633.32 million (2022: 624 million).

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

17 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 and June 30, 2020 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.

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 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 favour 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 favour of the Company.

18.1.2 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 favour of the Company.

18.1.3 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 starting 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.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

18.1.4 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.

18.1.5 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.

18.1.6 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.

18.1.7 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 managment is of the view that the Company is not likely to suffer any losses due to above suit.

18.1.8 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.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

GIDC was challenged in Honourable 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 Honourable 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 favour 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 Honourable 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. 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.

18.1.9 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.

			2023	2022
18.2	**Commitments**	**Note**	-----------------**Rupees**	----------------
	Letter of credit		**78,649,278**	386,270,071
	Letter of guarantees		**38,937,390**	45,296,400
	Capital Expenditures		**85,000,000**	2,400,000
	Cheques issued in favour of Nazir of high court in relation to SSGC case	18.1.4	**7,732,192**	5,165,163
			210,318,860	439,131,634

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

19 PROPERTY PLANT AND EQUIPMENT

	Note	2023	2022
		----------------Rupees----------------	
Operating fixed assets	19.1	6,838,282,595	4,620,285,400
Capital work in progress	19.2	903,540,732	1,949,328,669
		7,741,823,327	6,569,614,069

19.1 Operating fixed assets

2023

Particulars	Cost / Revaluation						Depreciation					
	Cost at July 01, 2022	Additions	Transfers in / (out)	Revaluation surplus	Disposals	Cost at June 30, 2023	Accumulated depreciation at July 01, 2022	Depreciation for the year	Depreciation on disposals	Accumulated depreciation at June 30, 2023	Book value at June 30, 2023	Rate per annum %
Owned Assets												
Factory land	2,478,880,001	-	214,544,450	-	-	2,693,424,451	-	-	-	-	2,693,424,451	-
Factory building	1,332,526,645	1,608,972	753,172,146	-	-	2,087,307,763	619,604,850	130,486,101	-	750,090,951	1,337,216,812	10
Plant and machinery	2,051,761,457	148,725,421	1,088,431,701	-	-	3,288,918,579	917,175,043	202,066,460	-	1,119,241,503	2,169,677,076	10
Electric cables and fitting	62,610,229	-	125,829,943	-	-	188,440,172	31,962,496	13,151,414	-	45,113,910	143,326,262	10
Furniture and fixture	16,311,893	2,214,555	2,049,672	-	-	20,576,120	8,380,004	1,076,192	-	9,456,196	11,119,924	10
Motor vehicles	77,866,812	28,801,926	-	-	13,114,000	93,554,738	56,366,182	4,600,212	3,130,283	57,836,111	35,718,627	20
Office equipment	41,442,610	10,158,011	4,540,551	-	-	56,141,172	17,780,472	2,899,834	-	20,680,306	35,460,866	10
Factory equipment	168,965,317	56,415,458	122,455,127	-	-	347,835,902	38,618,352	23,579,992	-	62,198,344	285,637,558	10
Computers	25,080,666	4,949,500	7,189,493	-	122,000	37,097,659	19,208,181	4,688,000	63,027	23,833,154	13,264,505	33
Camera	4,433,424	4,345,995	-	-	-	8,779,419	3,993,156	971,241	-	4,964,397	3,815,022	33
Godown & Shops	33,036,051	-	-	-	-	33,036,051	15,949,656	1,708,639	-	17,658,295	15,377,756	10
Sewing machine	1,369,205	-	-	-	-	1,369,205	967,794	40,141	-	1,007,935	361,270	10
Mobile phone	5,652,323	2,699,550	-	-	463,530	7,888,343	3,679,897	1,039,083	363,976	4,355,004	3,533,339	33
Generator	105,321,340	6,424,784	50,137,131	-	16,235,308	145,647,947	51,286,490	9,100,714	5,088,384	55,298,820	90,349,127	10
Total	6,405,257,973	266,344,172	2,368,350,214	-	29,934,838	9,010,017,521	1,784,972,573	395,408,023	8,645,670	2,171,734,926	6,838,282,595	

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Particulars	2022											
	Cost / Revaluation						Depreciation					
	Cost at July 01, 2021	Additions	Transfers in / (out)	Revaluation surplus	Disposals	Cost at June 30, 2022	Accumulated depreciation at July 01, 2021	Depreciation for the year	Depreciation on disposals	Accumulated depreciation at June 30, 2022	Book value at June 30, 2022	Rate per annum %
Owned Assets												
Factory land	2,478,880,001	-	-	-	-	2,478,880,001	-	-	-	-	2,478,880,001	-
Factory building	1,292,887,310	1,045,933	38,593,402	-	-	1,332,526,645	544,650,500	74,954,350	-	619,604,850	712,921,795	10
Plant and machinery	1,921,649,543	24,517,037	105,594,877	-	-	2,051,761,457	799,416,108	117,758,935	-	917,175,043	1,134,586,414	10
Electric cables and fitting	58,666,318	3,943,911	-	-	-	62,610,229	28,826,053	3,136,443	-	31,962,496	30,647,733	10
Furniture and fixture	14,608,983	1,702,910	-	-	-	16,311,893	7,552,347	827,657	-	8,380,004	7,931,889	10
Motor vehicles	72,953,442	9,690,000	-	-	(4,776,630)	77,866,812	55,877,957	3,356,038	(2,867,813)	56,366,182	21,500,630	20
Office equipment	37,186,736	3,013,624	1,242,250	-	-	41,442,610	15,546,848	2,233,624	-	17,780,472	23,662,138	10
Factory equipment	161,052,018	7,913,299	-	-	-	168,965,317	24,615,880	14,002,472	-	38,618,352	130,346,965	10
Computers	21,896,117	3,184,549	-	-	-	25,080,666	17,460,731	1,747,450	-	19,208,181	5,872,485	33
Camera	4,380,524	52,900	-	-	-	4,433,424	3,788,585	204,571	-	3,993,156	440,268	33
Godown & Shops	33,036,051	-	-	-	-	33,036,051	14,051,168	1,898,488	-	15,949,656	17,086,395	10
Sewing machine	1,369,205	-	-	-	-	1,369,205	923,193	44,601	-	967,794	401,411	10
Mobile phone	4,544,914	1,107,409	-	-	-	5,652,323	3,069,511	610,386	-	3,679,897	1,972,426	33
Generator	103,624,806	7,830,214	-	-	(6,133,680)	105,321,340	47,289,431	6,192,649	(2,195,590)	51,286,490	54,034,850	10
Total	6,206,735,968	64,001,786	145,430,529	-	(10,910,310)	6,405,257,973	1,563,068,312	226,967,664	(5,063,403)	1,784,972,573	4,620,285,400	

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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

	Note	2023	2022
		-----Rupees-----	
Cost of sales	33	**316,326,418**	181,574,131
Selling and distribution expenses	34	**19,770,401**	11,348,383
Administrative expenses	35	**59,311,203**	34,045,150
		395,408,023	226,967,664

19.1.2 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 Honourable High Court Sindh Karachi (*refer note 18.1.1, 18.1.2, 18.1.3 & 18.1.6*).

19.1.3 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 16*).

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

Description of Assets	Forced sale value Rupees
Land	2,230,524,000
Building	700,400,000
Plant and machinery	886,259,750
Generators	37,730,534

The above forced sale value has been taken from revaluation report of Oceanic Surveyors (Private) Limited as on June 29, 2020.

19.1.5 Following items of property, plant and equipment having book value above Rs. 500,000 were disposed off during the year:

	Cost / Revaluation	Accumulated depreciation	Net book amount	Sale proceeds	Gain / Loss	Mode of disposal	Particulars of buyer
	..... Rupees						
Generator							
Gas Generator (320 KVA)	5,112,569	1,545,001	3,567,568	1,000,000	(2,567,568)	Tender	Generator Corner
Gas Generator (500 KVA)	7,622,739	3,050,576	4,572,163	2,500,000	(2,072,163)	Tender	Generator Corner
Gas Generator (250 KVA)	3,500,000	492,807	3,007,193	500,000	(2,507,193)	Tender	Generator Corner
Motor Vehicles							
Suzuki Swift 1.3 Automatic	2,300,000	87,840	2,212,160	2,300,000	87,840	Tender	First Habib Modarba
Suzuki Swift 1.3 Automatic	2,485,000	94,905	2,390,095	2,485,000	94,905	Tender	First Habib Modarba
Suzuki Swift 1.3 Automatic	2,550,000	43,292	2,506,708	2,550,000	43,292	Tender	First Habib Modarba
Suzuki Swift 1.3 Automatic	2,355,000	39,982	2,315,018	2,355,000	39,982	Tender	First Habib Modarba

19.1.6 Buyer of the disposed vehicle has no relation with the company and its directors.

19.1.7 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	79155
A-21, SITE-II, Super highway, Karachi	1.5	49631
G-205, SITE-II, Super highway, Karachi	4	76566
50 KM G.T Road, Sadhoke District, Gujranwala	15	133024
B1-A, SITE-II, Super highway, Karachi	0.97	34850

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Locations	Total Area in Acres	Covered Area in Square Feet
Plot H-162, SITE-II, Super highway, Karachi	2.5	-
Plot F-193, SITE-II, Super highway, Karachi	2	60871
50 KM G.T Road, Sadhoke District, Gujranwala	3.38	-
Plot # 53, S.E.Z, Allama Iqbal Industrial City, Faisalabad	20	723358
House # 87, Block K, Street # 24, Al Bairuni Road, WAPDA City, Faisalabad	0.063	2723

19.2 Capital work in progress

	2023	2022
	-----------------Rupees----------------	
Tangibles		
Plant and machinery	**560,978,695**	1,154,791,242
Electric cables and fitting	**75,050,595**	68,653,446
Office equipment	**19,000**	226,000
Factory equipment	**19,140,286**	5,060,072
Furniture & Fixture	**40,000**	789,432
Generator	**-**	50,137,131
Land	**1,800,000**	81,778,739
Factory Building	**243,211,486**	581,395,975
Computers	**3,300,670**	1,632,042
Motor Vehicles	**-**	4,864,590
	903,540,732	1,949,328,669

19.3 Movement in capital work in progress is as under:

	Cost			
	As at July 01, 2022	**Additions during the year**	**Transferred to Property, plant and equipment**	**As at June 30, 2023**
	--------------------------------Rupees--------------------------------			
Plant and machinery	**1,154,791,242**	**494,619,154**	**(1,088,431,701)**	**560,978,695**
Electric cables and fitting	**68,653,446**	**132,227,092**	**(125,829,943)**	**75,050,595**
Office equipment	**226,000**	**4,333,551**	**(4,540,551)**	**19,000**
Factory equipment	**5,060,072**	**136,535,341**	**(122,455,127)**	**19,140,286**
Furniture & Fixture	**789,432**	**1,300,240**	**(2,049,672)**	**40,000**
Generator	**50,137,131**	**-**	**(50,137,131)**	**-**
Land	**81,778,739**	**134,565,711**	**(214,544,450)**	**1,800,000**
Factory Building	**581,395,975**	**414,987,657**	**(753,172,146)**	**243,211,486**
Computers	**1,632,042**	**8,858,121**	**(7,189,493)**	**3,300,670**
Motor Vehicles	**4,864,590**	**(4,864,590)**	**-**	**-**
	1,949,328,669	**1,322,562,277**	**(2,368,350,214)**	**903,540,732**

	Cost			
	As at July 01, 2021	Additions during the year	Transferred to Property, plant and equipment	As at June 30, 2022
	--------------------------------Rupees--------------------------------			
Plant and machinery	154,616,058	1,105,770,060	(105,594,876)	1,154,791,242
Electric cables and fitting	4,182,422	64,471,024	-	68,653,446
Office equipment	1,242,250	226,000	(1,242,250)	226,000
Factory equipment	17,982	5,042,090	-	5,060,072
Furniture & Fixture	180,100	609,332	-	789,432
Generator	715,522	49,421,609	-	50,137,131
Land	40,133,739	41,645,000	-	81,778,739
Factory Building	62,902,671	557,086,706	(38,593,402)	581,395,975
Computers	272,600	1,359,442	-	1,632,042
Motor Vehicles	-	4,864,590	-	4,864,590
	264,263,344	1,830,495,853	(145,430,529)	1,949,328,669

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

19.4

The amount of borrowing costs capitalised during the year ended June 30, 2023 was Rs. 5.18 million (2022: Rs.25.2 million). The rate used to determine the amount of borrowing costs eligible for capitalisation was 3.10% (2022: 2.56%), which is the EIR of the specific borrowings.

19.5 Had there been no revaluation, the net book value of specific classes of operating property, plant and equipment would have been amounted to:

	2023	2022
Net book value	-----------------Rupees----------------	
Land	**447,775,087**	233,230,637
Building	**1,196,881,419**	556,993,579
Plant and machinery	**2,061,600,794**	1,015,743,907
Generators	**68,486,187**	26,069,878
	3,774,743,487	1,832,038,001

20 RIGHT-OF-USE ASSETS

	2023				2022			
	Vehicle	**Godown**	**Generator**	**Total**	Vehicle	Godown	Generator	Total
	--Rupees--							
Cost								
Opening balance	**224,605,429**	**113,060,844**	**-**	**337,666,273**	150,416,518	95,623,341	-	246,039,859
Impact of adoption of IFRS-16	**-**	**-**	**-**	**-**	-	-	-	-
Reassessment of lease liability	**-**	**655,485**	**-**	**655,485**	-	17,437,503	-	17,437,503
As at July 1	**224,605,429**	**113,716,329**	**-**	**338,321,758**	150,416,518	113,060,844	-	263,477,362
Additions during the year	**38,057,220**	**-**	**18,500,000**	**56,557,220**	78,272,411	-	-	78,272,411
Disposal during the year	**(10,526,500)**	**-**	**-**	**(10,526,500)**	(4,083,500)	-	-	(4,083,500)
Total	**252,136,149**	**113,716,329**	**18,500,000**	**384,352,478**	224,605,429	113,060,844	-	337,666,273
Accumulated depreciation								
Opening balance	**74,188,406**	**27,910,944**	**-**	**102,099,350**	57,384,855	17,122,132	-	74,506,987
Charge for the year	**34,380,782**	**10,643,737**	**567,671**	**45,592,190**	19,219,644	10,788,812	-	30,008,456
Disposal adjustment	**(6,871,924)**	**-**	**-**	**(6,871,924)**	(2,416,093)	-	-	(2,416,093)
Closing	**101,697,264**	**38,554,681**	**567,671**	**140,819,616**	74,188,406	27,910,944	-	102,099,350
Net book value	**150,438,885**	**75,161,648**	**17,932,329**	**243,532,862**	150,417,023	85,149,900	-	235,566,923
Lease term	**5 Years**	**10 Years**	**5 Years**		5 Years	10 Years	5 Years	

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

	Note	2023	2022
		-----------------Rupees----------------	
Depreciation expense of right-of-use assets	**33**	**45,592,190**	30,008,456
Interest expense on lease liabilities on Godown	**33**	**21,128,445**	13,693,353
Interest expense on lease liabilities on vehicles	**36**	**20,265,901**	8,604,527
Total amount recognised in unconsolidated statement of profit or loss		**86,986,536**	52,306,336

21 INTANGIBLE ASSETS

	2023	2022
Cost		
Opening	**14,710,766**	14,710,766
Addition during the year	**-**	-
Closing	**14,710,766**	14,710,766
Amortization		
Opening	**(14,710,766)**	(14,710,766)
Charge for the year	**-**	-
Closing	**(14,710,766)**	(14,710,766)
Balance as at June 30	**-**	-

21.1 This represents accounting software which has been fuly amortized.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

22 LONG TERM INVESTMENTS

Investment - at cost		**2023**	2022
Subsidiary			
JKT General Trading FZE	22.1	**23,582,747**	23,582,747
Matco Marketing (Private) Limited	22.2	**7,499,960**	7,499,960
Joint Venture			
Barentz Pakistan Private Limited	22.3	**24,500,000**	24,500,000
Other investments - at fair value through OCI	22.4		
Pakistan Aluminium Beverage Cans Limited		**8,736,550**	6,091,628
Engro Fertilizers Limited		**990,360**	1,063,680
		65,309,617	62,738,015

22.1 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.

22.2 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.

22.3 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 Company's share of those amounts. The financial information presented below are based on the interim financial statements for the period ended June 30, 2023.

	2023	2022
	-----------------Rupees	**----------------**
Assets	**460,430,281**	190,341,423
Liabilities	**446,125,837**	104,282,191
Revenues	**454,420,050**	258,968,579
Profit/(Loss) for the period	**(22,951,479)**	9,967,224

22.4 This represents the fair value of 193,201 shares of Pakistan Beverages Aluminum Can's acquired by the Company through initial public offering at the rate of Rs. 49 per share. As at June 30, 2023, the share was revalued at Rs. 45.22 per share, resulting a gain of Rs. 2.64 million (2022: Rs. 31.53 per share, resulting a loss of Rs. 3.38 million) during the period. Further the fair value of 12,000 shares of Engro Fertilizers acquired by the company at the rate of Rs. 89.90 per share. As at June 30, 2023 the share was revalued at Rs. 82.53 per share, resulting a loss 0.073 million (2022: Rs. 88.64 per share, resulting a loss 0.015 million).

22.5 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.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		Note	2023	2022
23	**STORES, SPARES AND LOOSE TOOLS**		-----------------Rupees-----------------	
	Stores and spares	33.3	**106,867,028**	87,635,046
	Provision for slow moving / obsolete items	23.1	**(1,543,929)**	(1,543,929)
			105,323,099	86,091,117
23.1	**Movement in provision for slow moving / obsolete items**			
	Balance at beginning of the year		**1,543,929**	1,543,929
	Charge for the year		**-**	-
	Balance at end of the year		**1,543,929**	1,543,929
24	**STOCK IN TRADE**			
	Raw materials	24.2	**6,001,843,594**	5,864,610,205
	Packing materials	33.2	**465,737,585**	219,576,329
	Finished goods	24.3	**3,127,804,363**	1,598,342,533
			9,595,385,542	7,682,529,067
	Provision for slow moving / obsolete items	24.1	**(20,954,205)**	(20,475,083)
			9,574,431,337	7,662,053,984

		2023	2022
24.1	**Movement in provision for slow moving / obsolete items**	-----------------Rupees-----------------	
	Opening balance	**20,475,083**	19,880,700
	Charge for the year	**479,122**	594,383
	Write off during the year	**-**	-
	Closing balance	**20,954,205**	20,475,083

24.2 This includes pledged raw material with various banks under long term and short term borrowing arrangements (refer note 09 and 16).

24.3 This includes by product amounting to Rs. 459.12 million (2022: Rs. 354.4 million) and stock-in-transit amounting to Nil (2022: Rs. 118.3 million)

		Note	2023	2022
25	**TRADE DEBTS**		-----------------Rupees-----------------	
	Considered good			
	Export - secured	25.2	**1,744,840,542**	1,693,674,417
	Local - unsecured		**449,343,122**	124,664,968
	Considered doubtful			
	Local - unsecured		**13,567,967**	13,567,967
	Less: Allowance for expected credit losses	25.4	**(13,567,967)**	(13,567,967)
			2,194,183,664	1,818,339,385

25.1 Borrowings are secured by way of charge over book debts of the Company (refer notes 09 and 16).

25.2 It includes the amount of Rs. Nil which is past due up to 3 months (2022: Rs. 23.6 million) and Rs. Nil which is past due up to 6 months, (2022: Rs. 10.6) 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. 55.01 million (2022: Rs. 40.8 million).

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		Note	2023	2022
25.3	As of June 30, 2023, the age analysis of trade debts is as follows:		-----------------Rupees-----------------	
	Not yet due		**-**	-
	Past due:			
	- Up to 3 months		**1,987,190,523**	1,510,256,012
	- 3 to 6 months		**97,265,314**	264,482,259
	- 6 to 12 months		**109,727,828**	43,601,114
	- More than 12 months		**-**	-
			2,194,183,665	1,818,339,385
	Trade debts - Gross		**2,194,183,665**	1,818,339,385
25.4	Allowance for expected credit losses			
	Opening balance		**13,567,967**	13,567,967
	Charge during the year		**-**	-
	Closing balance		**13,567,967**	13,567,967
26	**LOANS AND ADVANCES**			
	Loans			
	Staff - unsecured, considered good	26.1	**23,096,353**	13,245,862
	Advances			
	- against services and others		**3,422,967**	3,318,622
	- against purchases	26.3	**488,331,672**	138,467,326
			514,850,992	155,031,810

26.1 It represent interest free loans to various staff in accordance with the Company's policy.

26.2 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 3.23 million (2022: Rs. 0.78 million).

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

		Note	2023	2022
27	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**		-----------------Rupees-----------------	
	Deposits			
	- Guarantee margin		**2,812,742**	1,448,588
	Prepayments			
	- Prepaid expense	27.1	**6,345,184**	3,122,592
	- Prepaid insurance		**5,884,607**	6,111,867
			12,229,791	9,234,459
			15,042,533	10,683,047

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

		Note	2023	2022
28	**SHORT-TERM INVESTMENT**		-----------------Rupees-----------------	
	Mutual fund units	28.1	**3,022,323**	3,054,742
	Term deposit certificates	28.2	**1,200,000**	1,200,000
			4,222,323	4,254,742

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

28.1 It represent mutual funds unit 39,210 (2022: 39,210) of Al-Meezan Islamic fund, Al-Ameen Islamic Fund and Al-Ameen Islamic Stock Fund.

28.2 These represent term deposit certificates of Askari Bank Limited amounting to Rs. 1.2 million (2022: Rs. 1.2 million) respectively. The rate of profit on these certificates is 12.5% per annum (2022: 6.25%) these term deposit certificates will mature on June 2024.

		Note	2023	2022
			-----------------Rupees----------------	
29	**SALES TAX REFUNDABLE**			
	Sales tax refundable	29.1	**64,935,578**	105,056,731
29.1	**Movement in sales tax refundable is as under:**			
	Balance at beginning of the year		**105,056,731**	123,598,158
	Refunds claim for the year		**34,340,882**	188,680,494
	Received during the year		**(47,285,047)**	(138,591,280)
	Adjusted during the year		**(27,176,988)**	(68,630,641)
	Balance at end of the year		**64,935,578**	105,056,731
30	**DUE FROM RELATED PARTIES**			
	Unsecured			
	Barentz Pakistan (Private) Limited	30.1	**81,821,177**	51,046,611

30.1 This includes an amount of Rs. 6.36 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. 89.45 million (2022: Rs. 48.58 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% (2022: 3 months KIBOR+2%).

30.2 All above dues are payable on demand.

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

	Note	Barentz Pakistan (Private) Limited 2023	2022
		-----------------Rupees----------------	
Up to 3 Months		**81,821,177**	51,046,611
3 to 6 Months		**-**	-
06 to 12 Months		**-**	-
More than 12 Months		**-**	-
		81,821,177	51,046,611

			2023	2022
31	**CASH AND BANK BALANCES**			
	Cash in hand		**3,922,666**	8,860,885
	Cash at bank			
	- current accounts		**327,232,138**	264,668,224
	- deposit accounts	31.1	**27,841,537**	30,037,308
			355,073,675	294,705,532
			358,996,341	303,566,417

31.1 These carry weighted average profit of 16% per annum (2022: 11% per annum).

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		Note	2023	2022
32	**SALES - NET**		----------------Rupees----------------	
	Export sales		**12,547,395,426**	10,476,272,078
	Local sales			
	Rice		**1,925,474,103**	816,897,975
	Corn Starch		**1,871,764,925**	-
	By-products and others		**4,847,589,124**	2,447,665,117
			8,644,828,152	3,264,563,092
			21,192,223,578	13,740,835,170
	Sales discount / return		**(114,709,922)**	(78,969,129)
	Freight		**(578,069,875)**	(1,146,956,926)
	Clearing and forwarding		**(81,936,250)**	(89,216,337)
	Sales tax		**(432,106,430)**	(49,772,012)
			19,985,401,101	12,375,920,766

32.1 Disaggregation of sales

The Company disaggregated revenue recognized from customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

In the following table, revenue is disaggregated by primary geographical markets and major product lines:

	Note	2023	2022
Major product Lines		----------------Rupees----------------	
Rice		**16,266,398,112**	11,935,342,157
Corn Starch		**1,871,764,925**	-
By-products and others		**3,054,060,541**	1,805,493,013
		21,192,223,578	13,740,835,170
Primary geographical Markets			
Local		**8,644,828,152**	3,264,563,092
Africa		**972,213,330**	815,185,624
Asia		**3,761,994,350**	3,012,567,597
Australia & New Zealand		**1,991,592,046**	1,941,121,649
Europe		**4,601,454,109**	3,488,535,180
USA & Canada		**1,220,141,591**	1,218,862,028
		21,192,223,578	13,740,835,170

		Note	2023	2022
33	**COST OF SALES**			
	Rice consumed	33.1	**15,492,956,632**	9,212,220,732
	Packing materials consumed	33.2	**625,861,403**	497,392,298
	Stores and spares consumed	33.3	**523,224,863**	165,235,085
	Processing expenses			
	Salaries, wages and benefits	33.4	**806,882,824**	478,731,750
	Electricity and power		**546,004,089**	200,076,597
	Telephone and mobile		**2,446,913**	1,087,510
	Insurance		**17,137,163**	9,476,678
	Repairs and maintenance		**64,073,458**	26,238,178
	Other purchases		**277,385,390**	88,946,902
	Provision for slow moving stock	24.1	**479,122**	594,383
	Balance carried forward		**18,356,451,857**	10,680,000,113

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		Note	2023	2022
			-----------------Rupees----------------	
	Balance brought forward		**18,356,451,857**	10,680,000,113
	Fumigation charges		**80,110,886**	74,835,705
	Water charges		**57,518,864**	32,677,840
	Canteen		**19,674,618**	11,087,556
	Diesel and oil		**9,555,311**	311,725
	Staff welfare		**7,864,033**	2,308,308
	Security expenses		**32,843,571**	18,299,672
	Godown expenses		**30,824,829**	23,546,498
	Rent, rates and taxes		**1,012,137**	1,675,166
	Vehicle running expenses		**33,552,215**	11,916,618
	Medical		**6,963,000**	3,690,618
	Depreciation	19.1.1	**316,326,418**	181,574,131
	Depreciation on right-of-use assets	20.1	**45,592,190**	30,008,456
	Interest expense on lease liabilities	20.1	**21,128,445**	13,693,353
	Processing charges		**4,400,585**	220,931
	Inspection charges		**37,788,424**	23,060,739
	Cost of goods manufactured		**19,061,607,383**	11,108,907,429
	Finished goods			
	Opening stock		**1,598,342,533**	1,545,538,885
	Closing stock	24	**(3,127,804,363)**	(1,598,342,533)
			(1,529,461,830)	(52,803,648)
			17,532,145,553	11,056,103,781
33.1	**Rice consumed**			
	Opening stock of raw material		**5,864,610,205**	5,523,328,949
	Purchases		**15,243,592,415**	9,277,485,006
	Cartage inwards		**386,597,606**	276,016,982
	Closing stock of raw material	24	**(6,001,843,594)**	(5,864,610,205)
			15,492,956,632	9,212,220,732
33.2	**Packing material consumed**			
	Opening stock		**219,576,329**	122,293,225
	Purchases		**872,022,659**	594,675,402
			1,091,598,988	716,968,627
	Closing stock-gross	24	**(465,737,585)**	(219,576,329)
			625,861,403	497,392,298
33.3	**Stores and spares consumed**			
	Opening stock		**87,635,046**	71,988,230
	Purchases		**542,456,845**	180,881,901
			630,091,891	252,870,131
	Closing stock-gross	23	**(106,867,028)**	(87,635,046)
			523,224,863	165,235,085

33.4 It includes provision for gratuity amounting to Rs. 51.18 million (2022: Rs. 27.8 million).

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		Note	2023	2022
34	**SELLING AND DISTRIBUTION EXPENSES**	**Note**	-----------------Rupees-----------------	
	Salaries and benefits	34.1	**70,323,334**	56,910,005
	Travelling		**49,677,998**	14,282,161
	Sales promotion		**84,883,155**	34,969,628
	Insurance		**4,746,308**	2,120,366
	Export charges		**84,842,929**	80,106,245
	Export commission		**36,211,021**	23,995,061
	Depreciation	19.1.1	**19,770,401**	11,348,383
	Shop rent		**2,520,000**	2,520,000
	General		**2,203,828**	3,027,952
			355,178,974	229,279,801

34.1 It includes provision for gratuity amounting to Rs. 4.46 million (2022: Rs. 3.31 million).

			2023	2022
35	**ADMINISTRATIVE EXPENSES**	**Note**	-----------------Rupees-----------------	
	Salaries and benefits	35.1	**371,249,568**	220,704,770
	Vehicle running		**25,776,735**	11,423,116
	Entertainment		**2,464,752**	1,394,156
	Printing and stationery		**2,313,632**	1,701,925
	Fee and subscription		**37,443,719**	20,899,680
	Legal and professional		**568,000**	200,000
	Auditor's remuneration	35.2	**3,569,579**	3,255,655
	Postage and telegrams		**4,110,438**	2,344,015
	General expenses		**4,443,366**	2,297,385
	Newspaper and periodicals		**95,035**	73,353
	Electricity and gas charges		**846,935**	2,748,956
	Taxes, duty and fee		**8,954,265**	21,802,289
	Medical		**4,903,494**	2,889,170
	Insurance		**5,096,597**	3,547,762
	Software maintenance		**549,230**	503,249
	Computer expenses		**7,521,499**	6,198,327
	Depreciation	19.1.1	**59,311,203**	34,045,150
	Donations	35.3	**12,325,058**	11,335,724
	Advertisement		**405,885**	1,219,792
	Others		**12,557,406**	7,876,257
			564,506,396	356,460,731

35.1 It includes directors' remuneration amounting to Rs. 38.95 million (2022: Rs. 18.71 million) and provision for gratuity amounting to Rs. 23.55 million (2022: Rs. 12.82 million).

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		Note	2023	2022
35.2	**Auditor's remuneration**		---Rupees---	
	- audit fee of unconsolidated financial statements		**2,200,000**	2,000,000
	- audit fee of consolidated financial statements		**110,000**	100,000
	- audit fee of half yearly review		**614,498**	609,930
	- fee for review code of corporate governance		**165,000**	150,000
	- other certifications		**150,000**	150,000
	- out of pocket expenses		**330,081**	245,725
	- other services	35.2.1	**-**	-
			3,569,579	3,255,655

35.2.1 This represents services relating to taxation.

35.3 Donation includes amount of Rs. 11.65 million (2022: Rs. 10.84 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 Sarfaz Ghori, Mr. Faizan Ali Ghori, Mrs. Naheed Jawed, Mrs. Nuzhat Khalid and Mrs. Dr. Sadaf Tariq.

		Note	2023	2022
36	**FINANCE COST**		---Rupees---	
	Mark up			
	- long term finances - net	36.1	**72,655,436**	29,090,951
	- short term borrowings		**1,086,303,348**	347,800,253
	- interest expense on lease liabilities		**20,265,901**	8,604,527
	Bank charges and commission		**3,137,614**	2,377,263
			1,182,362,299	387,872,994

36.1 The mark-up presented is net of amortization of grant amounting to Rs. 1.56 million (2022: Rs. 5.57 million).

		2023	2022
37	**OTHER INCOME**	---Rupees---	
	From financial assets		
	- Profit on bank/short term deposits	**9,194,461**	2,577,677
	- Interest income on account of due from related parties	**11,322,643**	4,959,465
	From non-financial assets		
	- Reversal of Worker's Welfare Fund	**8,585,383**	6,081,207
	- Gain on sale of operating fixed assets	**5,587,254**	2,299,686
	- Scrap sales	**11,684,573**	-
	- Rental income	**3,695,900**	2,389,000
	- Others	**3,624,241**	1,482,666
		53,694,455	19,789,701

38 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 YEAR ENDED JUNE 30, 2023

		2023	2022
39	**INCOME TAX EXPENSE**	---Rupees---	
	- Current	**222,056,149**	138,778,927
	- Prior year	**(4,749,810)**	(19,905,170)
	- Deferred	**(9,119,338)**	(10,142,614)
		208,187,001	108,731,143

39.1 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 presumptive tax regime.

39.2 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.

39.3 During the 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. On the basis of factual and legal position in above pending appeals before with CIRA, we anticipate favorable outcome of such appeals in the favor of the Company.

39.4 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.

39.5 Return of 2021-22 filed on December 30, 2022, is an assessment order under section 120 unless amended under section 122 of the Income Tax Ordinance, 2001.

		2023	2022
40	**NUMBER OF EMPLOYEES**		
	Number of employees as at June 30	**969**	750
	Average number of employees during the year	**923**	729

41 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:

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Nature of relationship	Percentage of Holding	Transactions	June 30, 2023	June 30, 2022
			--------Rupees--------	
Directors		Godown rent paid to director	**26,215,611**	14,622,631
Subsidiary				
JKT General Trading FZE	100%	Sales	**76,003,698**	151,501,167
		Payment received on account of sales	**114,274,078**	180,432,477
		Payment made on our behalf	**14,865,220**	-
Matco Marketing (Private) Limited	99.99%	Paid expenses on behalf	**81,475**	81,475
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	**206,394,592**	108,381,383
		Payment received on account of expenses	**180,188,579**	100,022,391
		Interest Income	**12,092,555**	4,189,553
		Interest Received	**9,137,105**	1,973,986
		Rental and service income	**3,586,240**	812,500
		Rental and service income received	**1,150,000**	-
		Commission paid	**823,138**	1,678,675
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	**595,572**	1,911,001
		Payment received on account of expenses	**595,572**	3,483,278
Faiyaz Center Owner Association	0%	Paid expenses on behalf	**6,161,165**	981,021
		Payment received on account of expenses	**6,161,165**	1,141,082
Trust operated by the Company				
Ghori Trust	0%	Paid expenses on behalf	**23,166,215**	8,138,247
		Payment received on account of expenses	**7,766,817**	74,200
		Donation expense	**11,615,038**	10,835,724

Nature of relationship	Percentage of Holding	Balances	June 30, 2023	June 30, 2022
			--------Rupees in --------	
Subsidiary				
JKT General Trading FZE	100%	Trade receivables outstanding	**-**	34,261,020
		Advance outstanding against sales	**5,265,758**	-
		Payable against expenses	**15,388,145**	-
Matco Marketing (Private) Limited	99.99%	Advance outstanding	**6,807,598**	6,807,598
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Receivable against expenses	**72,207,108**	47,636,733
		Interest receivable	**6,365,328**	3,409,878
		Receivable against rent and services	**3,248,741**	812,500
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	**-**	3,748,360

41.1 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	Jawed Ali Ghori	100%	Active	Clean

41.2 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 42 to these unconsolidated financial statements.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

41.3 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.

42 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	
	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees							
Short-term employee benefits								
Managerial remuneration	**3,589,189**	3,524,800	**10,919,110**	8,950,800	**119,263,976**	56,892,363	**133,772,275**	69,367,963
House rent allowances	**1,435,676**	1,409,920	**4,367,643**	3,580,320	**47,705,590**	22,756,945	**53,508,909**	27,747,185
Utilities	**2,393,095**	1,595,898	**3,121,595**	2,379,848	**13,590,957**	6,240,811	**19,105,647**	10,216,557
Bonus	**1,028,000**	791,000	**6,084,660**	1,362,000	**15,821,949**	5,653,895	**22,934,609**	7,806,895
Fuel expense	**900,117**	516,076	**2,912,073**	1,670,646	**26,896,965**	7,699,712	**30,709,154**	9,886,434
Medical expense	**198,063**	214,705	**517,294**	298,048	**3,221,802**	1,301,046	**3,937,159**	1,813,799
Vehicle expense	**86,671**	69,861	**825,010**	1,552,862	**2,878,215**	1,060,185	**3,789,896**	2,682,908
Other expense	**263,271**	207,220	**1,221,947**	405,563	**-**	-	**1,485,218**	612,783
	9,894,082	8,329,480	**29,969,332**	20,200,087	**229,379,454**	101,604,957	**269,242,867**	130,134,524
Value of motor vehicles	**8,686,677**	5,105,267	**24,175,634**	21,568,043	**92,599,900**	43,812,448	**125,462,211**	70,485,758
Number of Persons	**1**	1	**2**	2	**62**	35		

42.1 In addition to above, fees of Rs. 1.15 million (2022: Rs. 0.719 million) was paid to independent directors of the company for attending board of directors meeting during the year.

42.2 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.

42.3 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.

43 PLANT CAPACITY AND PRODUCTION

	2023	2022
	(Tons)	
Annual Plant Capacity		
- Rice processing	**178,500**	178,500
- Rice Glucose	**33,000**	33,000
- Corn Starch	**72,000**	-
Actual Production		
- Rice processing	**105,625**	118,266
- Rice Glucose	**13,063**	12,081
- Corn Starch	**25,200**	-

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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

44 EARNINGS PER SHARE - BASIC AND DILUTED

	2023	2022
	-----------------Rupees----------------	
Profit for the year	**555,618,021**	422,415,968
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	**4.54**	3.45

There is no dilutive effect on earnings per share as the Company does not have any convertible instruments as at June 30, 2023 and June 30, 2022.

45 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:

45.1 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.

45.1.1 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:

	2023	2022
	---------- Amount in USD ----------	
Trade debts	**6,096,951**	8,268,009
Cash and bank balances	**24,840**	104,534
Advance from customer	**(62,611)**	(30,170)
Net Exposure	**6,059,180**	8,342,373

The following significant exchange rates were applied during the year:

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	Rupee per USD	
Average rate	**244.87**	179.00
Reporting date rate	**286.18**	204.85

Foreign currency sensitivity analysis

A 10% strengthening of the PKR against the USD at June 30, 2023 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 June 30, 2023.

	2023	2022
	-----------------Rupees----------------	
Strengthening of PKR against respective currencies	**(173,403,128)**	(170,890,764)
Weakening of PKR against respective currencies	**173,403,128**	170,890,764

A 10 percentage weakening of the PKR against the USD at June 30, 2023 would have had the equal but opposite effect on USD to the amounts shown above, on the basis that all other variables remain constant.

45.1.2 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 exposed to price risk because of investments in equity securities amounting to Rs. 12,749,232 (2022: Rs. 10,210,050) as changes in prices of equity securities affect the Company. The Company is not exposed to commodity price risk.

As of June 30, 2023, if fair value had been 1% higher/ (lower) with all the variables held constant, profit before tax for the year would have been higher / (lower) by Rs. 127,492.3 (2022: Rs. 102,100.5).

45.1.3 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.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		2023				
		Mark-up / profit bearing			Non mark-up / profit bearing	Total
	Note	Less than one year	One year to Five years	Over five years		
Financial assets		Rupees				
Amortised cost						
Long-term deposits		-	-	-	17,476,970	17,476,970
Long-term investments	22	-	-	-	55,582,707	55,582,707
Trade debts - considered goods	25	-	-	-	2,194,183,664	2,194,183,664
Loans	26	-	-	-	23,096,353	23,096,353
Deposits	27	-	-	-	2,812,742	2,812,742
Short-term investment	28	1,200,000	-	-	-	1,200,000
Due from related parties	30	81,821,177	-	-	-	81,821,177
Cash and bank balances	31	27,841,537	-	-	331,154,804	358,996,341
		110,862,714	-	-	2,624,307,240	2,735,169,954
Fair value through profit or loss						
Short-term investment	28	-	-	-	3,022,323	3,022,323
Fair value through other comprehensive income						
Long-term investments	22	-	-	-	9,726,910	9,726,910
Financial liabilities						
At amortized cost						
Long term finances - secured	9	323,293,242	1,756,572,205	-	-	2,079,865,447
Due to related party	15	-	-	-	6,807,598	6,807,598
Trade and other payables	13	-	-	-	1,778,550,318	1,778,550,318
Accrued mark-up	14	-	-	-	368,363,511	368,363,511
Short term borrowings - secured	16	8,416,681,873	-	-	-	8,416,681,873
Unpaid dividend	17	-	-	-	19,286,277	19,286,277
Lease liabilities	10	27,634,388	129,119,024	60,174,778	-	216,928,190
		8,767,609,503	1,885,691,229	60,174,778	2,173,007,705	12,886,483,216
On balance sheet gap		(8,656,746,789)	(1,885,691,229)	(60,174,778)	464,048,768	(10,138,564,029)
Off balance sheet items						
Guarantees	18.2	-	-	-	38,937,390	38,937,390
Letter of credit	18.2	-	-	-	78,649,278	78,649,278
Capital Expenditures	18.2	-	-	-	85,000,000	85,000,000
Cheques issued in favour of Nazir of high court in relation to SSGC case	18.2	-	-	-	7,732,192	7,732,192

		2022				
		Mark-up / profit bearing			Non mark-up / profit bearing	Total
	Note	Less than one year	One year to Five years	Over five years		
Financial assets		Rupees				
Amortised cost						
Long-term deposits		-	-	-	16,759,174	16,759,174
Long-term investments	22	-	-	-	55,582,707	55,582,707
Trade debts - considered goods	25	-	-	-	1,818,339,385	1,818,339,385
Loans	26	-	-	-	13,245,862	13,245,862
Deposits	27	-	-	-	1,448,588	1,448,588
Short-term investment	28	1,200,000	-	-	-	1,200,000
Due from related parties	30	51,046,611	-	-	-	51,046,611
Cash and bank balances	31	30,037,308	-	-	273,529,109	303,566,417
		82,283,919	-	-	2,178,904,824	2,261,188,743
Fair value through profit or loss						
Short-term investment	28	1,200,000	-	-	3,054,742	4,254,742
Fair value through other comprehensive income						
Long-term investments	22	-	-	-	7,155,308	7,155,308
Financial liabilities						
At amortized cost						
Long term finances - secured	9	172,857,144	1,582,432,193	-	-	1,755,289,337
Due to related party	15	-	-	-	10,555,958	10,555,958
Trade and other payables	13	-	-	-	629,811,001	629,811,001
Accrued mark-up	14	-	-	-	120,739,263	120,739,263
Short term borrowings	16	6,979,644,808	-	-	-	6,979,644,808
Unpaid dividend	17	-	-	-	783,668	783,668
Lease liabilities	10	27,634,388	129,119,024	46,483,464	-	203,236,876
		7,180,136,340	1,711,551,217	46,483,464	761,889,889	9,700,060,910
On balance sheet gap		(7,096,652,421)	(1,711,551,217)	(46,483,464)	1,427,224,985	(7,427,462,116)
Off balance sheet items						
Guarantees	18.2	-	-	-	45,296,400	45,296,400
Letter of credit	18.2	-	-	-	386,270,071	386,270,071
Capital Expenditures	18.2	-	-	-	2,400,000	2,400,000
Cheques issued in favour of Nazir of high court in relation to SSGC case	18.2	-	-	-	5,165,163	5,165,163

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

(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	**2023**	2022
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 June 30, 2023, if interest rates on long term financing had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been Rs. 20.80 million (2022: Rs. 17.55 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

At June 30, 2023, if interest rates on short term borrowings had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been Rs. 84.17 million (2022: Rs. 69.8 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

45.2 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:

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
Financial assets		-----------------Rupees----------------	
Long-term investments	22	**55,582,707**	55,582,707
Long-term deposits		**17,476,970**	16,759,174
Trade debts	25	**2,194,183,664**	1,818,339,385
Loans	26	**23,096,353**	13,245,862
Trade deposit	27	**2,812,742**	1,448,588
Short-term investment	28	**4,222,323**	4,254,742
Due from related parties	30	**81,821,177**	51,046,611
Bank balances	31	**355,073,675**	294,705,532
		2,734,269,611	2,255,382,601

The ageing of trade debts and related movement of ECL has been disclosed in note 25.3 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.

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

	Agency name	**2023**	
		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+	AA+
Bank Alfalah Limited	PACRA	A1+	AA+
Faysal Bank Limited	PACRA	A1+	AA
Habib Bank Limited	PACRA	A1	A+
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+

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		-----------------Rupees----------------	
Long-term investments	22	**55,582,707**	55,582,707
Long-term deposits		**17,476,970**	16,759,174
Trade debts	25	**2,194,183,664**	1,818,339,385
Loans	26	**23,096,353**	13,245,862
Trade deposit	27	**2,812,742**	1,448,588
Short-term investment	28	**4,222,323**	4,254,742
Due from related parties	30	**81,821,177**	51,046,611
Bank balances	31	**355,073,675**	294,705,532
		2,734,269,611	2,255,382,601

45.3 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 358.9 million & Rs. 1.2 million respectively (2022: Rs. 295.27 million & Rs. 1.2 million), and unutilized credit lines of Rs. 633.32 million (2022: 624 million).

46 FAIR VALUE HIERARCHY

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

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

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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 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 June 30, 2023 and June 30, 2022:

	2023			
	Level 1	Level 2	Level 3	Total
	------------------Rupees-------------------			
Non-financial assets				
Property, plant and equipment	-	-	5,968,489,443	5,968,489,443
Financial assets				
Financial assets held at fair value through profit or loss	3,022,323	-	-	3,022,323
Financial assets held at fair value through other comprehensive income	9,726,910	-	-	9,726,910

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	2022			
	Level 1	Level 2	Level 3	Total
	------------------Rupees------------------			
Non-financial assets				
Property, plant and equipment	-	-	5,797,041,660	5,797,041,660
Financial assets				
Financial assets held at fair value through profit or loss	3,054,742	-	-	3,054,742
Financial assets held at fair value through other comprehensive income	7,155,308	-	-	7,155,308

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.

47 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 June 30, 2023 and 2022 were as follows:

	Note	**2023**	2022
		-----------------Rupees-----------------	
Total borrowings		**10,532,834,344**	8,948,367,908
Less: Cash and bank	31	**(358,996,341)**	(303,566,417)
Net debt		**10,173,838,003**	8,644,801,491
Total equity		**7,484,145,951**	7,058,380,142
Total equity and debt		**17,657,983,954**	15,703,181,633
Gearing ratio (%)		**58%**	55%

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.

48 OPERATING SEGMENTS

These unconsolidated financial statements have been prepared on the basis of a single reportable segment as the Company's asset allocation decision are based on single, integrated business strategy and the Company's business performace is evaluated on an overall basis.

48.1 Revenue from sale of rice and byproducts & others represents 91.17% (2022: 100%) of the total revenue of the Company. Whereas 8.83% (2022: Nil) represents revenue from sale of corn starch.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

48.2 All non-current assets of the Company as at June 30, 2023 are located in Pakistan except for investment in JKT General Trading (FZE) which is disclosed in note 22 of these unconsolidated financial statements. Further, debtors from rice represents 79.89% (2022: 83.58%) of the total debtors.

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 financial statements.

50 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on September 7, 2023.

50.1 Non-adjusting events after the reporting date

Subsequent to the year end, the Board of Directors in their meeting held on September 07, 2023, has proposed a final dividend of Re. 0.50 per share. The unconsolidated financial statements for the year ended June 30, 2023, do not include the effect of the proposed final cash dividend which will be accounted for in the year ending June 30, 2024.

51 GENERAL

51.1 Figures have been rounded off to the nearest Rupee.

Khalid Sarfaraz Ghori	**M. Aamir Farooqui**	**Faizan Ali Ghori**
Chief Executive Officer	Chief Financial Officer	Director

MATCO FOODS LIMITED
CONSOLIDATED
FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Matco Foods Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Matco Foods Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of the 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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.	**Valuation of Stock in Trade** As at June 30, 2023, the Group held stock in trade amounting to Rs. 9,574 million (2022: Rs. 7,662 million) as disclosed in the consolidated financial statements. The stock in trade account for 72.98% (2022: 74.42%) of the total current assets. The value of stock is based on the purchase price using weighted average method. Therefore, the Group is exposed to the risk of valuation of stock in trade as a result of volatility in prices. The Group 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. This was the key audit mater because of its materiality and significance in terms of judgments involved in estimating the NRV of underlying inventories.	As part of our audit, we have performed the following audit procedures: • 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 evaluating the adequacy of provision for slow moving and obsolete stock. • Reviewed the adequacy of the disclosures on stock in trade in the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 as applicable in Pakistan 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 the Board of Directors 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, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Khalid Aziz.**

Chartered Accountants

Karachi
Dated October 2, 2023
UDIN: AR2023101546W7NedgVn

MATCO FOODS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
		---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
Exchange revaluation reserve		**77,320,881**	35,813,942
Unappropriated profit		**3,207,759,256**	2,755,161,471
Surplus on revaluation of property, plant and equipment - net of tax	8	**2,408,823,879**	2,433,901,302
Unrealized loss on revaluation on investment at fair value through OCI		**(818,735)**	(3,390,337)
Total shareholders' equity		**7,597,559,481**	7,125,960,578
Non-current liabilities			
Long-term finances-secured	9	**1,756,572,205**	1,582,432,193
Lease liabilities	10	**180,641,166**	175,602,488
Deferred liabilities	11	**309,222,937**	252,041,979
Total non-current liabilities		**2,246,436,308**	2,010,076,660
Current liabilities			
Trade and other payables	13	**1,835,985,355**	671,791,401
Advance from customers - secured		**294,156,161**	22,612,550
Accrued mark-up	14	**368,363,511**	120,739,263
Due to related party	15	**-**	3,748,359
Short-term borrowings-secured	16	**8,416,681,873**	6,979,644,808
Taxation-net		**-**	5,131,962
Current portion of deferred grant	12	**-**	1,561,352
Current portion of long term finances-secured	9	**323,293,242**	172,857,144
Current portion of lease liabilities	10	**36,287,024**	27,634,388
Unpaid dividend	17	**19,286,277**	783,668
Total current liabilities		**11,294,053,443**	8,006,504,895
Total liabilities		**13,540,489,751**	10,016,581,555
Contingencies and commitments	18		
Total equity and liabilities		**21,138,049,232**	17,142,542,133

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

Khalid Sarfaraz Ghori	**M. Aamir Farooqui**	**Faizan Ali Ghori**
Chief Executive Officer	Chief Financial Officer	Director

	Note	2023	2022
		--------------------Rupees--------------------	
ASSETS			
Non-current assets			
Property, plant and equipment	19	**7,741,823,327**	6,569,614,069
Right-of-use assets	20	**243,532,862**	235,566,923
Intangible assets	21	**-**	-
Long-term deposits		**17,476,970**	16,759,174
Long-term investments	22	**16,732,748**	25,410,712
Total non-current assets		**8,019,565,907**	6,847,350,878
Current assets			
Stores, spares and loose tools	23	**105,323,099**	86,091,117
Stock in trade	24	**9,574,431,337**	7,662,053,984
Trade debts	25	**2,315,844,355**	1,897,929,702
Loans and advances	26	**514,850,992**	155,031,810
Trade deposits and short term prepayments	27	**16,455,905**	11,705,111
Short-term investment	28	**4,222,323**	4,254,742
Sales tax refundable	29	**64,935,578**	105,056,731
Due from related parties	30	**81,821,177**	51,046,611
Taxation - net		**64,956,818**	-
Cash and bank balances	31	**375,641,741**	322,021,447
Total current assets		**13,118,483,325**	10,295,191,255
Total assets		**21,138,049,232**	17,142,542,133

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

Khalid Sarfaraz Ghori	**M. Aamir Farooqui**	**Faizan Ali Ghori**
Chief Executive Officer	Chief Financial Officer	Director

MATCO FOODS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		-------------------Rupees----------------	
Sales - net	32	**20,009,062,264**	12,399,470,102
Cost of sales	33	**(17,532,145,553)**	(11,056,103,781)
GROSS PROFIT		**2,476,916,711**	1,343,366,321
Selling and distribution expenses	34	**(355,999,148)**	(229,279,801)
Administrative expenses	35	**(571,567,962)**	(358,270,742)
		(927,567,110)	(587,550,543)
		1,549,349,601	755,815,778
Finance cost	36	**(1,182,574,596)**	(388,135,728)
Other income	37	**53,703,050**	19,801,519
Share of (loss)/profit from associate company		**(11,249,566)**	4,883,940
Exchange gain - net	38	**412,369,039**	202,334,249
Provision for worker's welfare fund	13.1	**(15,276,100)**	(10,622,942)
Provision for worker's profit participation fund	13.2	**(38,190,251)**	(26,557,356)
PROFIT BEFORE TAX		**768,131,177**	557,519,460
Income tax expense	39	**(208,187,001)**	(108,731,143)
PROFIT FOR THE YEAR		**559,944,176**	448,788,317
Attributable to:			
Shareholders of Holding Company		559,944,176	448,788,317
Non-controlling interest		-	-
EARNINGS PER SHARE - BASIC AND DILUTED	44	**4.57**	3.67

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

Khalid Sarfaraz Ghori	**M. Aamir Farooqui**	**Faizan Ali Ghori**
Chief Executive Officer	Chief Financial Officer	Director

MATCO FOODS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		------------------Rupees---------------	
PROFIT FOR THE YEAR		**559,944,176**	448,788,317
OTHER COMPREHENSIVE LOSS			
Items that may be reclassified subsequently to the unconsolidated statement of profit or loss			
- Exchange difference of translation of foreign operations		**41,506,939**	20,002,840
Items that will not to be reclassified subsequently to the unconsolidated statement of profit or loss			
- Remeasurement of defined benefits obligation	11.2.5	**(10,023,116)**	(11,763,974)
- Unrealized gain/(loss) on revaluation of at fair value through OCI during the year		**2,571,602**	(3,390,337)
Other comprehensive loss		**(7,451,514)**	(15,154,311)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**593,999,601**	453,636,846

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

Khalid Sarfaraz Ghori	**M. Aamir Farooqui**	**Faizan Ali Ghori**
Chief Executive Officer	Chief Financial Officer	Director

MATCO FOODS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		-----------------Rupees--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**768,131,177**	557,519,460
Adjustments for:			
Depreciation	19	**395,408,022**	226,967,664
Depreciation on right of use assets		**45,592,190**	30,008,456
Exchange gain - net	38	**(412,370,705)**	(203,480,971)
Provision for slow moving stock		**479,122**	594,383
Share of (profit) / loss from associates		**11,249,566**	(4,883,940)
Finance cost	36	**1,203,703,041**	401,829,081
Provision for staff gratuity	11.2	**79,312,587**	43,929,752
Gain on disposal of property, plant and equipment	37	**(5,587,254)**	(2,299,686)
		1,317,786,569	492,664,739
		2,085,917,746	1,050,184,199
Changes in working capital			
Increase in current assets			
Stores, spares and loose tools		**(19,231,982)**	(15,646,816)
Stock-in-trade		**(1,912,856,475)**	(491,368,008)
Trade debts - considered good		**(5,545,614)**	(634,736,839)
Loans and advances		**(359,819,182)**	(51,371,746)
Trade deposits and prepayments		**(4,750,794)**	(912,591)
Short-term investment		**32,419**	(2,674,832)
Sales tax refundable		**40,121,153**	18,541,427
Due from related parties		**(30,774,566)**	(7,976,047)
		(2,292,825,041)	(1,186,145,452)
Increase in current liabilities			
Trade and other payables		**1,164,193,954**	151,241,652
Due to related party		**(3,748,359)**	2,758,856
Deferred grant		**(1,561,352)**	(5,567,161)
Advances from customers		**271,543,611**	(13,135,056)
		1,430,427,854	135,298,291
Cash generated from operations		**1,223,520,559**	(662,962)
Finance cost paid		**(956,078,793)**	(338,891,799)
Income taxes paid		**(287,395,120)**	(82,058,316)
Gratuity paid	11.2	**(23,035,408)**	(15,353,244)
Net cash used in operating activities		**(42,988,762)**	(436,966,321)

Khalid Sarfaraz Ghori	**M. Aamir Farooqui**	**Faizan Ali Ghori**
Chief Executive Officer	Chief Financial Officer	Director

MATCO FOODS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		-----------------Rupees--------------	
Balance carried forward		**(42,988,762)**	(436,966,321)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure including capital work in progress		**(1,600,225,749)**	(1,908,382,234)
Proceeds from disposal of property, plant and equipment		**30,531,000**	9,814,000
Long term investment		**-**	(10,545,645)
Long-term deposits		**(717,796)**	(436,890)
Net cash used in investing activities		**(1,570,412,545)**	(1,909,550,769)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finances - net		**324,576,110**	1,087,302,395
Lease rentals paid during the year		**(32,202,091)**	(28,863,836)
Dividend paid		**(103,898,088)**	(3,986)
Short-term borrowings - net		**1,437,037,065**	1,446,639,568
Net cash generated from financing activities		**1,625,512,996**	2,505,074,141
Net change in cash and cash equivalents during the year		**12,111,689**	158,557,051
Effect of exchange rate changes on value of foreign operations		**41,506,939**	20,002,840
Cash and cash equivalents as at the beginning of year		**322,021,447**	142,314,834
Effects of exchange rate changes on cash and cash equivalents		**1,666**	1,146,722
Cash and cash equivalents as at the end of year	31	**375,641,741**	322,021,447

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

Khalid Sarfaraz Ghori	**M. Aamir Farooqui**	**Faizan Ali Ghori**
Chief Executive Officer	Chief Financial Officer	Director

MATCO FOODS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed and paid up share capital	Capital reserve - Share premium reserve	Exchange Revaluation Reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Unrealized loss revaluation of investment at fair value to OCI	Equity attributable to the Holding Company's Shareholders	Total
	Rupees							
Balance as at July 01, 2021	1,224,006,980	680,467,220	15,811,102	2,292,538,936	2,459,499,494	-	6,672,323,732	6,672,323,732
Total comprehensive income for the year								
Profit for the year	-	-	-	448,788,317	-	-	448,788,317	448,788,317
Other comprehensive loss	-	-	20,002,840	(11,763,974)	-	(3,390,337)	4,848,529	4,848,529
Total comprehensive income / (loss)	-	-	20,002,840	437,024,343	-	(3,390,337)	453,636,846	453,636,846
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation net of tax - (note 8)	-	-	-	23,666,099	(23,666,099)	-	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of land and building net of tax	-	-	-	1,932,093	(1,932,093)	-	-	-
Balance as on June 30, 2022	1,224,006,980	680,467,220	35,813,942	2,755,161,471	2,433,901,302	(3,390,337)	7,125,960,578	7,125,960,578
Balance as on July 01, 2022	**1,224,006,980**	**680,467,220**	**35,813,942**	**2,755,161,471**	**2,433,901,302**	**(3,390,337)**	**7,125,960,578**	**7,125,960,578**
Total comprehensive income for the year								
Profit for the year	**-**	**-**	**-**	**559,944,176**	**-**	**-**	**559,944,176**	**559,944,176**
Other comprehensive (loss) / gain	**-**	**-**	**41,506,939**	**(10,023,116)**	**-**	**2,571,602**	**34,055,425**	**34,055,425**
Total comprehensive income	**-**	**-**	**41,506,939**	**549,921,060**	**-**	**2,571,602**	**593,999,601**	**593,999,601**
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation net of tax - (note 8)	**-**	**-**	**-**	**21,278,456**	**(21,278,456)**	**-**	**-**	**-**
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of land net of tax	**-**	**-**	**-**	**3,798,967**	**(3,798,967)**	**-**	**-**	**-**
Transactions with owners								
Dividend paid during the year	**-**	**-**	**-**	**(122,400,698)**	**-**	**-**	**(122,400,698)**	**(122,400,698)**
Balance as on June 30, 2023	**1,224,006,980**	**680,467,220**	**77,320,881**	**3,207,759,256**	**2,408,823,879**	**(818,735)**	**7,597,559,481**	**7,597,559,481**

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

Khalid Sarfaraz Ghori
Chief Executive Officer

M. Aamir Farooqui
Chief Financial Officer

Faizan Ali Ghori
Director

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 STATUS AND NATURE OF BUSINESS

The 'Group' consists of:

Holding Group

- Matco Foods Limited (the Holding Group)

Subsidiary Companies

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

Associated Group

- Barentz Pakistan (Private) Limited

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

a) Matco Foods Limited

Matco Foods Limited, ('the Holding Group') 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 Group was listed on Pakistan Stock Exchange Limited on February 13, 2018. The principal activity of the Holding Group 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 Holding Group is situated at B-1/A, S.I.T.E.-II Phase 1, Super Highway Industrial Area, Karachi; whereas the factories of the Holding Group are situated at (i) Plot A-15 & 16, SITE-II, Super highway Karachi; (ii) A-21, SITE-II, Super highway Karachi; (iii) G-205, SITE-II, Super highway Karachi and (iv) 50 KM G.T Road, Sadhoke, Tehsil Kamonki, District Gujranwala.

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 was established on October 8, 2013.

c) Matco Marketing (Private) Limited

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

on June 28, 2019 with the approval of Securities & Exchange Commission of Pakistan and Competition Commission of Pakistan.

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

During the year, the Group has commenced the commercial production of corn starch at August 26, 2022.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. 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 Basis of measurement

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

3.3 Functional and presentation currency

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

3.4 Standards, Amendments and Interpretations to Approved Accounting Standards

3.4.1 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Group

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
IAS 12 - International tax reform- pillar 'Two model rules"	January 1, 2023
'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 8 - 'Definition of Accounting Estimates	January 1, 2023
IAS 1 - Classification of Liabilities as Current or Non-current	January 1, 2024
IAS 1 - Non-current Liabilities with covenants	January 1, 2024
IFRS 16- Lease liability in a sale and leaseback	January 1, 2024
Amendments to IAS 7 and IFRS 7- Supplier finance arrangements	January 1, 2024

The Group is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Group.

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

Following new standards 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.

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 17 'Insurance Contracts' and amendments to IFRS 17	January 1, 2023

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 Group'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	5.2
(b) useful lives of right-of-use assets	5.3
(c) impairment of financial assets	5.6
(d) staff retirement plan	5.1
(e) income taxes	5.13
(f) contingencies	5.18
(g) provisions	5.23
(h) impairment of non-financial asset	5.25

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

5 SUMMARY OF SIGNIFICANT 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 Basis of consolidation

The consolidated financial statements consists of financial statements of the Holding Company and its subsidiary companies as disclosed in note 1 to these consolidated financial statements (here in after referred as the Group).

The financial statements of the Holding Company and its subsidiary companies are prepared up to the same reporting date and are combined on a line-by-line basis.

Business combination

The Group accounts for business combination using the acquisition method when control is transferred to the Group. The consideration transferred (including contingent consideration) in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that acquire is not amortized but tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction cost are expensed as incurred, except if related to the issue of debt or equity securities. When the initial accounting for a business combination is incomplete at the end of a reporting period, provisional amounts are used. During the measurement period, the provisional amounts are retrospectively adjusted and additional assets and liabilities may be recognized, to reflect new information obtained about the facts and circumstances that existed at the acquisition date which would have affected the measurement of the amounts recognized at that date, had they been known the measurement period does not exceed twelve months from the date of acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity generally accompanying Grouping a shareholding of more than fifty percent of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and up to the date when the control ceases. Non-controlling interest is that portion of equity in a subsidiary that is not attributable, directly or indirectly, to the Parent. Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Non-controlling interests are presented as a separate item in the consolidated financial statements.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in the equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Changes in the Group interest in a subsidiary that do not result in a loss of control are accounted for as equity as transactions.

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in consolidated pro t and loss account. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

group transactions are eliminated.

5.2 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 consolidated 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 consolidated 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, 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 5.25.

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 19.1 to the consolidated 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 Group's estimate of residual value of property, plant and equipment as at June 30, 2023 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.

5.3 Right-of-use assets and related liabilities

After the commencement date, the Group 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 Godown 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 Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group 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.

5.4 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 5.25.

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 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.

5.5 Investments

5.5.1 Investment in Associates & Joint Venture

Associates are all entities of which the Holding Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights or common directorship.

Investment in associated companies and Joint ventures is accounted for using the equity method of accounting. It is initially recognized at cost. The Group's share in its associate's & joint venture is post acquisition profits or losses and other consolidated statements if profit or loss and other comprehensive income. The cumulative post acquisition movements are adjusted against the carrying amount of the instrument. Impairment loss is recognized whenever the carrying amount of investment exceeds its recoverable amount. An impairment loss is recognized in a statement of profit or loss.

5.5.2 Other investments

All regular way purchases / sales of investment are recognized on the trade date, i.e., the date the Group 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.

5.6 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 Group 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 Group determines the classifications of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Group'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.
By default, all other financial assets are subsequently measured at FVTPL.

Classification of financial liabilities

The Group 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 Group 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.

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Where the management has opted to recognize a financial liability at FVTPL, any changes associated with the Group'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 Group 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 determined 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).

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

Derecognition

i) Financial assets

The Group 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 Group 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 Group 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 Group's financial liabilities include long term finances, trade and other payables, accrued mark-up and short term borrowing.

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

5.7 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.

5.8 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.

5.9 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.

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.

5.10 Staff retirement benefits

Defined benefit plan

The Group 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 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.

5.11 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.

5.12 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.

5.13 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.

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.

5.14 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.

5.15 Leases

The Group 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.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group 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 Group 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.

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

5.16 Deferred grant

The Group has obtained long term financing facility under State Bank of Pakistan Refinance Scheme for payment of wages and salaries to the Workers and Employees of Business Concerns ('Refinance Scheme'). It carries mark-up rate of SBP plus 1%, payable on quarterly basis, which is below prevailing market-rate. The government's underlying objective for introducing the said Refinance Scheme for businesses is to support the employment of workers in the face of economic challenges posed by the spread of novel coronavirus (COVID-19).

The Refinance Scheme shall be considered as the transfer of resources from government as reflected by below-market mark-up rate on the loans obtained under the Refinance Scheme. The said transfer shall be accounted for as Government grant in accordance with the circular # 11 of 2020 issued by Institute of Chartered Accountants of Pakistan (ICAP).

Government grants are first recognised in the statement of financial position and then subsequently accounted for in the unconsolidated statement of profit or loss on a systematic basis over the periods in which the Group recognises as expense the related cost for which the grants were intended to compensate.

5.17 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.

5.18 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 Group, 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).

5.19 IFRS 15 'Revenue from Contracts with Customers'

The Group 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 Group expects to be entitled in exchange for those goods.

The Group 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.

5.20 Interest income

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

5.21 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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

5.22 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 Group has a legally enforceable right to off-set the recognized amounts and the Group intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.23 Provisions

A provision is recognized in the unconsolidated statement of financial position when the Group 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.

5.24 Operating segments

Operating segment is component of the company that engages in business activities from which it may earn revenues and incurred expenses. Board of Directors has been identified as chief operating decision maker and is responsible for performance, allocation of resources and assessment of results.

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 Group that makes strategic decisions. On the basis of its internal reporting structure, the Group considers itself to be a single reportable segments.

5.25 Impairment of non-financial assets

The carrying amount of the Group'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 consolidated statement of profit or loss for the carrying amount of the asset that exceeds its recoverable amount.

5.26 Related party transactions

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

5.27 Earnings per share

The Group 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 Group 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.

5.28 Dividend

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

6 SHARE CAPITAL

6.1 Authorized share capital

2023	2022		2023	2022
Number of shares			--------------Rupees-------------	
200,000,000	200,000,000	Ordinary shares of Rs. 10 (2022: Rs. 10)	**2,000,000,000**	2,000,000,000

6.2 Issued, subscribed and paid up share capital

2023	2022		2023	2022
Number of shares			--------------Rupees-------------	
		Ordinary shares of Rs. 10		
50,340,213	50,340,213	- 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
122,400,698	122,400,698		**1,224,006,980**	1,224,006,980

6.3 On April 30, 2008 the Group entered into an agreement to takeover the running business of Matco Marketing Group (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 Group

	2023	2022
	--Number of Shares--	
Director and their spouse		
Mr. Jawed Ali Ghori	**24,020,821**	23,964,021
Mr. Khalid Sarfaraz Ghori	**24,031,271**	24,031,271
Mr. Faizan Ali Ghori	**1,224,450**	843,250
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	**361,750**	5,250
Mr. Syed Kamran Rasheed	**7,029**	7,029
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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
6.5	**Reconciliation of number of shares outstanding is as under:**	**--Number of Shares--**	
	Shares at the beginning of the year	**122,400,698**	122,400,698
	Shares issued during the year in cash	**-**	-
	Bonus shares issued during the year	**-**	-
	Shares at the end of the year	**122,400,698**	122,400,698

6.6 The Group has issued 15% shares to International Finance Corporation (IFC) (registered with World Bank) under an agreement with the Group. During the year 2012, the Group 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.

			2023	2022
7	**CAPITAL RESERVE**	**Note**	**--------------Rupees-------------**	
	Share premium	7.1 & 7.2	**680,467,220**	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 revaluation was carried by Oceanic Surveyors (Private) Limited on June 29, 2020.

	2023	2022
	--------------Rupees-------------	
Surplus on revaluation at the beginning of the year	**2,512,469,475**	2,548,210,281
Transferred to unappropriated profit in respect of disposal of property, plant and equipment	**(3,798,966)**	- (1,932,093)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	**(30,397,794)**	(33,808,713)
Surplus on revaluation of operating fixed assets as at June 30	**2,478,272,715**	2,512,469,475
Less: related deferred tax liability:		
- at beginning of the year	**(78,568,173)**	(88,710,787)
- on incremental depreciation charged during the year	**9,119,338**	10,142,614
	2,408,823,880	2,433,901,302

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
9 LONG TERM FINANCES - SECURED		--------------Rupees-------------	
From banking companies and financial institution:			
LTFF/ILTFF	**9.1**	**587,906,603**	413,740,791
TERF/ITERF	**9.2**	**1,002,550,581**	986,349,285
FFSAP	**9.3**	**230,373,554**	278,782,716
Demand Finance	**9.4**	**259,034,709**	26,391,304
Salary Refinance	**9.5**	**-**	50,025,241
		2,079,865,447	1,755,289,337
Current portion of long term finances		**(323,293,242)**	(172,857,144)
		1,756,572,205	1,582,432,193

9.1 The Group 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 (2022: SBP rate+ 1% to 2.5% per annum).

9.2 The Group 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 (2022: SBP+ 1.5% to 2% per annum).

9.3 The Group 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 (2022: SBP rate + 1.25% to 1.5% per annum).

9.4 The Group 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 (2022: KIBOR+ 1% to 1.5% per annum).

9.5 The Group had obtained Diminishing Musharakah Islamic Long Term Financing Facility (ILTFF) under SBP Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees as per the SBP Circular # 06 of 2020 dated: April 10, 2020. The loan has been repaid during the year. The effective rate of mark-up on the facility was SBP rate plus 1% per annum.

9.6 These facilities are secured by way of hypothecation charge of present/future fixed assets (land, building, plant & machinery) of the Group with 25% margin / 1st Exclusive charge over specific machinery assets.

9.7 The maximum available amount from above mentioned facilities amounts to Rs. 307.48 million (2022: Rs. 27 million).

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

10 LEASE LIABILITIES

	Note	2023 Vehicle	2023 Godown	2023 Generator	2023 Total	2022 Vehicle	2022 Godown	2022 Generator	2022 Total
		Rupees							
Opening balance		**102,829,532**	**100,407,344**	**-**	**203,236,876**	62,159,861	88,115,533	-	150,275,394
Impact of adoption of IFRS-16		**-**	**-**	**-**	**-**	-	-	-	-
Reassessment of lease liability		**-**	**655,485**	**-**	**655,485**	-	17,437,503	-	17,437,503
At July 1		**102,829,532**	**101,062,829**	**-**	**203,892,361**	62,159,861	105,553,036	-	167,712,897
Additions for the year		**30,437,920**	**-**	**14,800,000**	**45,237,920**	64,387,816	-	-	64,387,816
Accrued interest during the year		**19,457,294**	**21,128,445**	**808,607**	**41,394,346**	8,604,527	13,693,353	-	22,297,880
		152,724,746	**122,191,274**	**15,608,607**	**290,524,627**	135,152,204	119,246,389	-	254,398,593
Payment made during the year		**(47,740,642)**	**(24,628,000)**	**(1,227,795)**	**(73,596,437)**	(32,322,672)	(18,839,045)	-	(51,161,717)
		104,984,104	**97,563,274**	**14,380,812**	**216,928,190**	102,829,532	100,407,344	-	203,236,876
Current portion of lease liabilities		**27,941,566**	**6,419,648**	**1,925,810**	**36,287,024**	20,193,971	7,440,417	-	27,634,388
Non-current		**77,042,538**	**91,143,626**	**12,455,002**	**180,641,166**	82,635,561	92,966,927	-	175,602,488

10.1 Maturity analysis of lease liabilities

Upto one year	**27,941,566**	**6,419,648**	**1,925,810**	**36,287,024**	20,193,971	7,440,417	-	27,634,388
After one year	**77,042,538**	**91,143,626**	**12,455,002**	**180,641,166**	82,635,561	92,966,927	-	175,602,488
Lease liabilities	**104,984,104**	**97,563,274**	**14,380,812**	**216,928,190**	102,829,532	100,407,344	-	203,236,876

11 DEFERRED LIABILITIES

	Note	2023	2022
		Rupees	
Deferred tax liability	11.1	**69,448,836**	78,568,173
Staff gratuity scheme - unfunded	11.2	**239,314,961**	173,145,158
Employees' end of services benefit	11.3	**459,140**	328,648
		309,222,937	252,041,979

11.1 This represent deferred tax on surplus on revaluation of property, plant and equipment. Further, the Group has deferred tax asset amounting to Rs. 33.23 million (2022: Rs. 21.25 million). However, the Group has not recorded deferred tax asset in of these unconsolidated financial statements.

11.2 Staff gratuity scheme - unfunded

	Note	2023	2022
		Rupees	
Balance at beginning of the year		**173,145,158**	132,804,676
Charge for the year	11.2.7	**79,182,095**	43,929,752
Actuarial losses		**10,023,116**	11,763,974
Payments made during the year		**(23,035,408)**	(15,353,244)
Balance at end of the year	11.2.3	**239,314,961**	173,145,158

11.2.1 Staff retirement benefits - unfunded

In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at June 30, 2023, using the "Projected Unit Credit Method". Provision has been made in these consolidated 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:

	2023	2022
Discount rate - per annum	**16.25%**	13.25%
Expected rate of increase in salaries - per annum	**14.25%**	12.25%
Mortality rate	**SLIC (2001-05)**	SLIC (2001-05)

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
11.2.2 The amounts recognized in the consolidated statement of financial position are as follows:		--------------Rupees-------------	
Present value of defined benefit obligation	11.2.3	**239,314,961**	173,145,158
11.2.3 Movements in the net liability recognized in the consolidated statement of financial position are as follows:			
Opening liability		**173,145,158**	132,804,676
Charge for the year	11.2.4	**79,182,095**	43,929,752
Actuarial losses		**10,023,116**	11,763,974
Benefits paid		**(23,035,408)**	(15,353,244)
Balance at end of the year		**239,314,961**	173,145,158
11.2.4 The amounts recognized in the consolidated statement of profit or loss against defined benefit scheme are as follows:			
Current service cost		**57,766,457**	31,416,947
Interest cost		**21,415,638**	12,512,805
Charge for the year		**79,182,095**	43,929,752
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		**(26,512,109)**	393,317
- experience adjustment		**36,535,225**	11,370,657
		10,023,116	11,763,974
11.2.6 Expense chargeable to consolidated statement of profit or loss for the next year			
Current service cost		**62,886,034**	39,226,611
Interest cost		**38,888,681**	22,941,733
Charge for the year		**101,774,715**	62,168,344
11.2.7 The expense for the staff retirement benefit scheme has been allocated as follows:			
Cost of sales	33.4	**51,077,622**	27,805,465
Selling and distribution	34.1	**4,451,637**	3,305,419
Administrative expenses	35.1	**23,652,837**	12,818,868
		79,182,096	43,929,752

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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Increase in assumptions	Decrease in assumptions
	--------------Rupees-------------	
Discount rate	218,817,888	261,737,822
Expected salary increase	261,732,034	218,815,200

11.2.9 Risks on account of defined benefit scheme

The Group 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 Group 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.

11.2.10 Maturity profile

	2023	2022
Average expected remaining working lifetime of members	**10 Years**	10 Years
Average duration of liability	**09 Years**	09 Years

11.3 Employees' end of service benefit

	2023	2022
Opening liability	**328,648**	252,700
Charge for the year	**130,492**	75,948
Payment during the year	**-**	-
Closing liability	**459,140**	328,648

12 DEFERRED GRANT

In Prior year, State Bank of Pakistan introduced a temporary Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of business concerns to support payment of salaries and wages under economic challenges due to COVID-19.

The Group has availed this facility from MCB Islamic Bank. The loan carries mark-up rate of SBP plus 1% per annum. However, the effective interest rate is calculated as 8.95% per annum and the loan has been recognised at the present value. The differential mark-up has been recognised as government grant which will be amortized to interest income over the period of facility.

	Note	2023	2022
		--------------Rupees-------------	
Opening Balance		**1,561,352**	7,128,513
Grant recognized during the year		**-**	-
Amortization of grant	36.1	**(1,561,352)**	(5,567,161)
		-	1,561,352
Less: current portion of deferred grant		**-**	(1,561,352)
		-	-

12.1 The grant was conditional upon the fact that the company would not terminate any employee, due/owing to cash flow limitations, for a period of three months from the date of receipt of the first tranche.

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		Note	2023	2022
13	**TRADE AND OTHER PAYABLES**		--------------Rupees-------------	
	Creditors		**1,646,017,377**	539,143,298
	Accrued liabilities		**119,961,113**	91,306,326
	Tax deducted at source and payable to statutory authorities		**16,540,514**	4,156,573
	Worker's welfare fund	13.1	**15,276,100**	10,622,942
	Worker's profit participation fund	13.2	**38,190,251**	26,562,262
			1,835,985,355	671,791,401
13.1	**Worker's welfare fund**			
	Opening balance		**10,622,942**	7,504,284
	Allocation for the year		**15,276,100**	10,622,942
	Reversal of WWF		**(8,585,383)**	(6,081,207)
	Amount paid		**(2,037,559)**	(1,423,077)
	Closing balance		**15,276,100**	10,622,942
13.2	**Worker's profit participation fund**			
	Opening balance		**26,562,262**	990,112
	Allocation for the year		**38,190,251**	26,557,356
	Amount paid		**(26,562,262)**	(985,206)
	Closing balance		**38,190,251**	26,562,262
14	**ACCRUED MARK-UP**			
	Mark-up on long term finances		**26,109,244**	21,697,763
	Mark-up on short term borrowings		**342,254,267**	99,041,500
			368,363,511	120,739,263

15 DUE TO RELATED PARTY

This represents amount due to Ghori Trust for the purpose of expenses to be incurred by the Group on their behalf. . The maximum aggregate amount at the end of any month during the year was Rs. Nil respectively (2022: Rs. 4.66 million respectively).

		Note	2023	2022
16	**SHORT-TERM BORROWINGS SECURED**		-----------------Rupees----------------	
	Export re-finance	16.1	**5,401,100,486**	4,537,949,000
	Own resource	16.2	**3,015,581,387**	2,441,695,808
			8,416,681,873	6,979,644,808

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

16.1 The Group 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 (2022: SBP rate plus 1% per annum).

16.2 The Group 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% per annum (2022: 3-month/6-month KIBOR plus 0.75% to 2% per annum).

16.3 The facilities available from various banks amount to Rs. 9,050 million (2022: Rs. 7,120 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.

16.4 As at June 30, 2023, the unavailed facilities from above borrowings amounting to Rs. 633.32 million (2022: Rs. 624 million).

17 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 and June 30, 2020 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 Group has already sent letters to those shareholders for the purpose of above stated information.

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 The Group 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 Group cancelling the Group'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 Group 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 Group's proprietary rights in the land and such notice is illegal and in excess of their authority. The Group has a stay order in favour of the Group 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 Group believes that the matter will be decided in favour of the Group.

18.1.2 The Group 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 Group believes that the matter will be decided in favour of the Group.

18.1.3 Suit no. 2141 of 2015 has been filed against the Group 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 Group has filed an application under Order 7 Rule 11 starting 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 Group 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 Ap+peal in favor of the Plaintiff and against the Group, 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 Group filed Appeal no. 157 of 2018. The Group 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 Group'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 Group believes that the matter will be decided in favor of the Group.

18.1.4 The Group has filed suit no. 1378 of 2019 in SHC against Sui Southern Gas Group 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 Group 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 Group.

18.1.5 The Group had filed suit no 1820 of 2020 in SHC against Sui Southern Gas Group 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 Group 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 Group has filed an appeal under SHC, The SHC via HCA No. 212 of 2023 stated, till the conclusion of the case, the Group shall deposit a cheque to the Nazir and the Nazir shall not encash the cheques, which according to the Group 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 Group 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 Group.

18.1.6 The Group 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 Group on February 07, 2020 by virtue of a registered deed of Addenda of lease. The Group has pleaded that the Group 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 Group intends to utilize the 0.5 acres of land that was regularized recently in favor of the Group however, the defendants is interfering with the possession of the property. The Group 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 Group's peaceful possession on the extended portion measuring 0.5 acres. Based on the merit of case the management of the Group believes that the matter will be decided in favor of the Group.

18.1.7 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 Group 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 Group 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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Supreme Courtof Pakistan (SCP) subject to furnishing bank guarantee of the disputed amount. The managment is of the view that the Group is not likely to suffer any losses due to above suit.

18.1.8 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 Honourable 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 Honourable 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 favour 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 Group filed suit no. 1531 of 2020 in Honourable High Court of Sindh (SHC), with a plea that the Group 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 Group, which is pending for decision, however, the SHC has issued sustaining order to Gas companies from taking any coercive action against the Group. The management of the Group in consultation of its legal advisor is of the view that since the Group 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 Group has made a provision of Rs. 18 million.

18.1.9 The Group 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 Group 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 Group 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 Group.

			2023	2022
18.2	**Commitments**	**Note**	**-----------------Rupees**	**----------------**
	Letter of credit		**78,649,278**	386,270,071
	Letter of guarantees		**38,937,390**	45,296,400
	Capital Expenditures		**85,000,000**	2,400,000
	Cheques issued in favour of Nazir of high court in relation to SSGC case	18.1.4	**7,732,192**	5,165,163
			210,318,860	439,131,634

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

19 PROPERTY PLANT AND EQUIPMENT

	Note	2023	2022
		------Rupees------	
Operating fixed assets	19.1	6,838,282,595	4,620,285,400
Capital work in progress	19.2	903,540,732	1,949,328,669
		7,741,823,327	6,569,614,069

19.1 Operating fixed assets

2023

Particulars	Cost / Revaluation: Cost at July 01, 2022	Additions	Transfers in / (out)	Revaluation surplus	Disposals	Cost at June 30, 2023	Depreciation: Accumulated depreciation at July 01, 2022	Depreciation for the year	Depreciation on disposals	Accumulated depreciation at June 30, 2023	Book value at June 30, 2023	Rate per annum %
Owned Assets												
Factory land	2,478,880,001	-	214,544,450	-	-	2,693,424,451	-	-	-	-	2,693,424,451	-
Factory building	1,332,526,645	1,608,972	753,172,146	-	-	2,087,307,763	619,604,850	130,486,101	-	750,090,951	1,337,216,812	10
Plant and machinery	2,051,761,457	148,725,421	1,088,431,701	-	-	3,288,918,579	917,175,043	202,066,460	-	1,119,241,503	2,169,677,076	10
Electric cables and fitting	62,610,229	-	125,829,943	-	-	188,440,172	31,962,496	13,151,414	-	45,113,910	143,326,262	10
Furniture and fixture	16,311,893	2,214,555	2,049,672	-	-	20,576,120	8,380,004	1,076,192	-	9,456,196	11,119,924	10
Motor vehicles	77,866,812	28,801,926	-	-	13,114,000	93,554,738	56,366,182	4,600,212	3,130,283	57,836,111	35,718,627	20
Office equipment	41,442,610	10,158,011	4,540,551	-	-	56,141,172	17,780,472	2,899,834	-	20,680,306	35,460,866	10
Factory equipment	168,965,317	56,415,458	122,455,127	-	-	347,835,902	38,618,352	23,579,992	-	62,198,344	285,637,558	10
Computers	25,080,666	4,949,500	7,189,493	-	122,000	37,097,659	19,208,181	4,688,000	63,027	23,833,154	13,264,505	33
Camera	4,433,424	4,345,995	-	-	-	8,779,419	3,993,156	971,241	-	4,964,397	3,815,022	33
Godown & Shops	33,036,051	-	-	-	-	33,036,051	15,949,656	1,708,639	-	17,658,295	15,377,756	10
Sewing machine	1,369,205	-	-	-	-	1,369,205	967,794	40,141	-	1,007,935	361,270	10
Mobile phone	5,652,323	2,699,550	-	-	463,530	7,888,343	3,679,897	1,039,083	363,976	4,355,004	3,533,339	33
Generator	105,321,340	6,424,784	50,137,131	-	16,235,308	145,647,947	51,286,490	9,100,714	5,088,384	55,298,820	90,349,127	10
Total	6,405,257,973	266,344,172	2,368,350,214	-	29,934,838	9,010,017,521	1,784,972,573	395,408,022	8,645,670	2,171,734,926	6,838,282,595	

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	2022											
	Cost / Revaluation						Depreciation					
Particulars	Cost at July 01, 2021	Additions	Transfers in / (out)	Revaluation surplus	Disposals	Cost at June 30, 2022	Accumulated depreciation at July 01, 2021	Depreciation for the year	Depreciation on disposals	Accumulated depreciation at June 30, 2022	Book value at June 30, 2022	Rate per annum %
Owned Assets												
Factory land	2,478,880,001	-	-	-	-	2,478,880,001	-	-	-	-	2,478,880,001	-
Factory building	1,292,887,310	1,045,933	38,593,402	-	-	1,332,526,645	544,650,500	74,954,350	-	619,604,850	712,921,795	10
Plant and machinery	1,921,649,543	24,517,037	105,594,877	-	-	2,051,761,457	799,416,108	117,758,935	-	917,175,043	1,134,586,414	10
Electric cables and fitting	58,666,318	3,943,911	-	-	-	62,610,229	28,826,053	3,136,443	-	31,962,496	30,647,733	10
Furniture and fixture	14,608,983	1,702,910	-	-	-	16,311,893	7,552,347	827,657	-	8,380,004	7,931,889	10
Motor vehicles	72,953,442	9,690,000	-	-	(4,776,630)	77,866,812	55,877,957	3,356,038	(2,867,813)	56,366,182	21,500,630	20
Office equipment	37,186,736	3,013,624	1,242,250	-	-	41,442,610	15,546,848	2,233,624	-	17,780,472	23,662,138	10
Factory equipment	161,052,018	7,913,299	-	-	-	168,965,317	24,615,880	14,002,472	-	38,618,352	130,346,965	10
Computers	21,896,117	3,184,549	-	-	-	25,080,666	17,460,731	1,747,450	-	19,208,181	5,872,485	33
Camera	4,380,524	52,900	-	-	-	4,433,424	3,788,585	204,571	-	3,993,156	440,268	33
Godown & Shops	33,036,051	-	-	-	-	33,036,051	14,051,168	1,898,488	-	15,949,656	17,086,395	10
Sewing machine	1,369,205	-	-	-	-	1,369,205	923,193	44,601	-	967,794	401,411	10
Mobile phone	4,544,914	1,107,409	-	-	-	5,652,323	3,069,511	610,386	-	3,679,897	1,972,426	33
Generator	103,624,806	7,830,214	-	-	(6,133,680)	105,321,340	47,289,431	6,192,649	(2,195,590)	51,286,490	54,034,850	10
Total	6,206,735,968	64,001,786	145,430,529	-	(10,910,310)	6,405,257,973	1,563,068,312	226,967,664	(5,063,403)	1,784,972,573	4,620,285,400	

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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

	Note	2023	2022
		-----------------Rupees----------------	
Cost of sales	33	**316,326,418**	181,574,131
Selling and distribution expenses	34	**19,770,401**	11,348,383
Administrative expenses	35	**59,311,203**	34,045,150
		395,408,022	226,967,664

19.1.2 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 Honourable High Court Sindh Karachi (*refer note 18.1.1, 18.1.2, 18.1.3 & 18.1.6*).

19.1.3 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 16*).

19.1.4 **Details of forced sale value of revalued property, plant and equipment**

Description of Assets	**Forced sale value Rupees**
Land	2,230,524,000
Building	700,400,000
Plant and machinery	886,259,750
Generators	37,730,534

The above forced sale value has been taken from revaluation report of Oceanic Surveyors (Private) Limited as on June 29, 2020.

19.1.5 Following items of property, plant and equipment having book value above Rs. 500,000 were disposed off during the year:

	Cost / Revaluation	Accumulated depreciation	Net book amount	Sale proceeds	Gain / Loss	Mode of disposal	Particulars of buyer
	.... Rupees						
Generator							
Gas Generator (320 KVA)	5,112,569	1,545,001	3,567,568	1,000,000	(2,567,568)	Tender	Generator Corner
Gas Generator (500 KVA)	7,622,739	3,050,576	4,572,163	2,500,000	(2,072,163)	Tender	Generator Corner
Gas Generator (250 KVA)	3,500,000	492,807	3,007,193	500,000	(2,507,193)	Tender	Generator Corner
Motor Vehicles							
Suzuki Swift 1.3 Automatic	2,300,000	87,840	2,212,160	2,300,000	87,840	Tender	First Habib Modarba
Suzuki Swift 1.3 Automatic	2,485,000	94,905	2,390,095	2,485,000	94,905	Tender	First Habib Modarba
Suzuki Swift 1.3 Automatic	2,550,000	43,292	2,506,708	2,550,000	43,292	Tender	First Habib Modarba
Suzuki Swift 1.3 Automatic	2,355,000	39,982	2,315,018	2,355,000	39,982	Tender	First Habib Modarba

19.1.6 Buyer of the disposed vehicle has no relation with the company and its directors.

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

Locations	**Total Area in Acres**	**Covered Area in Square Feet**
Plot A-15 & 16, SITE-II, Super highway Karachi	2	79155
A-21, SITE-II, Super highway, Karachi	1.5	49631
G-205, SITE-II, Super highway, Karachi	4	76566
50 KM G.T Road, Sadhoke District, Gujranwala	15	133024
B1-A, SITE-II, Super highway, Karachi	0.97	34850

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Locations	Total Area in Acres	Covered Area in Square Feet
Plot H-162, SITE-II, Super highway, Karachi	2.5	-
Plot F-193, SITE-II, Super highway, Karachi	2	60871
50 KM G.T Road, Sadhoke District, Gujranwala	3.38	-
Plot # 53, S.E.Z, Allama Iqbal Industrial City, Faisalabad	20	723358
House # 87, Block K, Street # 24, Al Bairuni Road, WAPDA City, Faisalabad	0.063	2723

	2023	2022
19.2 Capital work in progress	**-----------------Rupees----------------**	
Tangibles		
Plant and machinery	**560,978,695**	1,154,791,242
Electric cables and fitting	**75,050,595**	68,653,446
Office equipment	**19,000**	226,000
Factory equipment	**19,140,286**	5,060,072
Furniture & Fixture	**40,000**	789,432
Generator	**-**	50,137,131
Land	**1,800,000**	81,778,739
Factory Building	**243,211,486**	581,395,975
Computers	**3,300,670**	1,632,042
Motor Vehicles	**-**	4,864,590
	903,540,732	1,949,328,669

19.3 Movement in capital work in progress is as under:

	Cost			
	As at July 01, 2022	**Additions during the year**	**Transferred to Property, plant and equipment**	**As at June 30, 2023**
	--------------------------------Rupees--------------------------------			
Plant and machinery	**1,154,791,242**	**494,619,154**	**(1,088,431,701)**	**560,978,695**
Electric cables and fitting	**68,653,446**	**132,227,092**	**(125,829,943)**	**75,050,595**
Office equipment	**226,000**	**4,333,551**	**(4,540,551)**	**19,000**
Factory equipment	**5,060,072**	**136,535,341**	**(122,455,127)**	**19,140,286**
Furniture & Fixture	**789,432**	**1,300,240**	**(2,049,672)**	**40,000**
Generator	**50,137,131**	**-**	**(50,137,131)**	**-**
Land	**81,778,739**	**134,565,711**	**(214,544,450)**	**1,800,000**
Factory Building	**581,395,975**	**414,987,657**	**(753,172,146)**	**243,211,486**
Computers	**1,632,042**	**8,858,121**	**(7,189,493)**	**3,300,670**
Motor Vehicles	**4,864,590**	**(4,864,590)**	**-**	**-**
	1,949,328,669	**1,322,562,277**	**(2,368,350,214)**	**903,540,732**

	Cost			
	As at July 01, 2021	Additions during the year	Transferred to Property, plant and equipment	As at June 30, 2022
	--------------------------------Rupees--------------------------------			
Plant and machinery	154,616,058	1,105,770,060	(105,594,876)	1,154,791,242
Electric cables and fitting	4,182,422	64,471,024	-	68,653,446
Office equipment	1,242,250	226,000	(1,242,250)	226,000
Factory equipment	17,982	5,042,090	-	5,060,072
Furniture & Fixture	180,100	609,332	-	789,432
Generator	715,522	49,421,609	-	50,137,131
Land	40,133,739	41,645,000	-	81,778,739
Factory Building	62,902,671	557,086,706	(38,593,402)	581,395,975
Computers	272,600	1,359,442	-	1,632,042
Motor Vehicles	-	4,864,590	-	4,864,590
	264,263,344	1,830,495,853	(145,430,529)	1,949,328,669

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

19.4 The amount of borrowing costs capitalised during the year ended June 30, 2023 was Rs. 5.18 million (2022: Rs.25.2 million). The rate used to determine the amount of borrowing costs eligible for capitalisation was 3.10% (2022: 2.56%), which is the EIR of the specific borrowings.

19.5 Had there been no revaluation, the net book value of specific classes of operating property, plant and equipment would have been amounted to:

	2023	2022
Net book value	-----------------Rupees-----------------	
Land	**447,775,087**	233,230,637
Building	**1,196,881,419**	556,993,579
Plant and machinery	**2,061,600,794**	1,015,743,907
Generators	**68,486,187**	26,069,878
	3,774,743,487	1,832,038,001

20 RIGHT-OF-USE ASSETS

	2023				2022			
	Vehicle	Godown	Generator	Total	Vehicle	Godown	Generator	Total
	--------------------------------Rupees--------------------------------							
Cost								
Opening balance	224,605,429	113,060,844	-	337,666,273	150,416,518	95,623,341	-	246,039,859
Impact of adoption of IFRS-16	-	-	-	-	-	-	-	-
Reassessment of lease liability	-	655,485	-	655,485	-	17,437,503	-	17,437,503
As at July 1	224,605,429	113,716,329	-	338,321,758	150,416,518	113,060,844	-	263,477,362
Additions during the year	38,057,220	-	18,500,000	56,557,220	78,272,411	-	-	78,272,411
Disposal during the year	(10,526,500)	-	-	(10,526,500)	(4,083,500)	-	-	(4,083,500)
Total	252,136,149	113,716,329	18,500,000	384,352,478	224,605,429	113,060,844	-	337,666,273
Accumulated depreciation								
Opening balance	74,188,406	27,910,944	-	102,099,350	57,384,855	17,122,132	-	74,506,987
Charge for the year	34,380,782	10,643,737	567,671	45,592,190	19,219,644	10,788,812	-	30,008,456
Disposal adjustment	(6,871,924)	-	-	(6,871,924)	(2,416,093)	-	-	(2,416,093)
Closing	101,697,264	38,554,681	567,671	140,819,616	74,188,406	27,910,944	-	102,099,350
Net book value	150,438,885	75,161,648	17,932,329	243,532,862	150,417,023	85,149,900	-	235,566,923
Lease term	5 Years	10 Years	5 Years		5 Years	10 Years	5 Years	

20.1 The following are the amounts recognised in consolidated statement of profit or loss:

	Note	2023	2022
		-----------------Rupees-----------------	
Depreciation expense of right-of-use assets	**33**	**45,592,190**	30,008,456
Interest expense on lease liabilities on Godown	**33**	**21,128,445**	13,693,353
Interest expense on lease liabilities on vehicles	**36**	**20,265,901**	8,604,528
Total amount recognised in consolidated statement of profit or loss		**86,986,536**	52,306,337

21 INTANGIBLE ASSETS

	2023	2022
Cost		
Opening	**14,710,766**	14,710,766
Addition during the year	**-**	-
Closing	**14,710,766**	14,710,766
Amortization		
Opening	**(14,710,766)**	(14,710,766)
Charge for the year	**-**	-
Closing	**(14,710,766)**	(14,710,766)
Balance as at June 30	**-**	-

21.1 This represents accounting software which has been fuly amortized.

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

22 LONG TERM INVESTMENTS

Investment - at cost	Note	2023	2022
Unquoted			
Associate-equity accounted investment	22.1.1	**7,005,838**	18,255,404
Quoted			
Other investments - at fair value through OCI	22.2		
Pakistan Aluminium Beverage Cans Limited		**8,736,550**	6,091,628
Engro Fertilizers Limited		**990,360**	1,063,680
		16,732,748	25,410,712

22.1 Equity accounted investment - Barentz International B.V.

Balance at beginning of the period	**18,255,404**	13,371,464
Investment in associate	**-**	-
Share of profit/(loss) for the year - net of tax	**(11,249,566)**	4,883,940
Dividend received during the year	**-**	-
	7,005,838	18,255,404

22.1.1 On June 28, 2019, the Group 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 Group's share of those amounts. The financial information presented below are based on the interim financial statements for the period ended June 30, 2023.

	2023	2022
	-----------------Rupees----------------	
Assets	**460,430,281**	190,341,423
Liabilities	**446,125,837**	104,282,191
Revenues	**454,420,050**	258,968,579
Profit/(Loss) for the period	**(22,951,479)**	9,967,224

22.2 This represents the fair value of 193,201 shares of Pakistan Beverages Aluminum Can's acquired by the Group through initial public offering at the rate of Rs. 49 per share. As at June 30, 2023, the share was revalued at Rs. 45.22 per share, resulting a gain of Rs. 2.64 million (2022: Rs. 31.53 per share, resulting a loss of Rs. 3.38 million) during the period. Further the fair value of 12,000 shares of Engro Fertilizers acquired by the Group at the rate of Rs. 89.90 per share. As at June 30, 2023 the share was revalued at Rs. 82.53 per share, resulting a loss 0.073 million (2022: Rs. 88.64 per share, resulting a loss Rs. 0.015 million).

22.3 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 Group 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 Group.

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		Note	2023	2022
23	**STORES, SPARES AND LOOSE TOOLS**	**Note**	**-----------------Rupees**	**----------------**
	Stores and spares	33.3	**106,867,028**	87,635,046
	Provision for slow moving / obsolete items	23.1	**(1,543,929)**	(1,543,929)
			105,323,099	86,091,117
23.1	**Movement in provision for slow moving / obsolete items**			
	Balance at beginning of the year		**1,543,929**	1,543,929
	Charge for the year		**-**	-
	Balance at end of the year		**1,543,929**	1,543,929
24	**STOCK IN TRADE**			
	Raw materials	24.2	**6,001,843,594**	5,864,610,205
	Packing materials	33.2	**465,737,585**	219,576,329
	Finished goods	24.3	**3,127,804,363**	1,598,342,533
			9,595,385,542	7,682,529,067
	Provision for slow moving / obsolete items	24.1	**(20,954,205)**	(20,475,083)
			9,574,431,337	7,662,053,984
24.1	**Movement in provision for slow moving / obsolete items**			
	Opening balance		**20,475,083**	19,880,700
	Charge for the year		**479,122**	594,383
	Write off during the year		**-**	-
	Closing balance		**20,954,205**	20,475,083

24.2 This includes pledged raw material with various banks under long term and short term borrowing arrangements (refer note 09 and 16).

24.3 This includes by product amounting to Rs. 459.12 million (2022: Rs. 354.4 million) and stock-in-transit amounting to Nil (2022: Rs. 118.3 million)

		Note	2023	2022
25	**TRADE DEBTS**	**Note**	**-----------------Rupees**	**----------------**
	Considered good			
	Export - secured		**1,866,501,233**	1,773,264,734
	Local - unsecured		**449,343,122**	124,664,968
	Considered doubtful			
	Local - unsecured		**13,567,967**	13,567,967
	Less: Allowance for expected credit losses	25.3	**(13,567,967)**	(13,567,967)
			2,315,844,355	1,897,929,702

25.1 Borrowings are secured by way of charge over book debts of the Group (refer notes 09 and 16).

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		Note	2023	2022
25.2	As of June 30, 2023, the age analysis of trade debts is as follows:		----------Rupees----------	
	Not yet due		**-**	-
	Past due:			
	- Up to 3 months		**1,987,190,523**	1,589,846,329
	- 3 to 6 months		**97,265,314**	264,482,259
	- 6 to 12 months		**148,135,994**	43,601,114
	- More than 12 months		**83,252,524**	-
			2,315,844,355	1,897,929,702
	Trade debts - Gross		**2,315,844,355**	1,897,929,702
25.3	Allowance for expected credit losses			
	Opening balance		**13,567,967**	13,567,967
	Charge during the year		**-**	-
	Closing balance		**13,567,967**	13,567,967
26	**LOANS AND ADVANCES**			
	Loans			
	Staff - unsecured, considered good	26.1	**23,096,353**	13,245,862
	Advances			
	- against services and others		**3,422,967**	3,318,622
	- against purchases	26.3	**488,331,672**	138,467,326
			514,850,992	155,031,810

26.1 It represent interest free loans to various staff in accordance with the Group's policy.

26.2 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 3.23 million (2022: Rs. 0.78 million).

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

		Note	2023	2022
27	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**		----------Rupees----------	
	Deposits			
	- Guarantee margin		**2,812,742**	1,448,588
	Prepayments			
	- Prepaid expense	27.1	**7,758,556**	4,144,657
	- Prepaid insurance		**5,884,607**	6,111,866
			13,643,163	10,256,523
			16,455,905	11,705,111

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

		Note	2023	2022
28	**SHORT-TERM INVESTMENT**		----------Rupees----------	
	Mutual fund units	28.1	**3,022,323**	3,054,742
	Term deposit certificates	28.2	**1,200,000**	1,200,000
			4,222,323	4,254,742

28.1 It represent mutual funds unit 39,210 (2022: 39,210) of Al-Meezan Islamic fund, Al-Ameen Islamic Fund and Al-Ameen Islamic Stock Fund.

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

28.2 These represent term deposit certificates of Askari Bank Limited amounting to Rs. 1.2 million (2022: Rs. 1.2 million) respectively. The rate of profit on these certificates is 12.5% per annum (2022: 6.25%) these term deposit certificates will mature on June 2024.

		Note	2023	2022
29	**SALES TAX REFUNDABLE**		-----------------Rupees-----------------	
	Sales tax refundable	29.1	**64,935,578**	105,056,731
29.1	**Movement in sales tax refundable is as under:**			
	Balance at beginning of the year		**105,056,731**	123,598,158
	Refunds claim for the year		**34,340,882**	188,680,494
	Received during the year		**(47,285,047)**	(138,591,280)
	Adjusted during the year		**(27,176,988)**	(68,630,641)
	Balance at end of the year		**64,935,578**	105,056,731
30	**DUE FROM RELATED PARTIES**			
	Unsecured			
	Barentz Pakistan (Private) Limited	30.1	**81,821,177**	51,046,611

30.1 This includes an amount of Rs. 6.36 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. 89.45 million (2022: Rs. 48.58 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% (2022: 3 months KIBOR+2%).

30.2 All above dues are payable on demand.

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

		Note	Barentz Pakistan (Private) Limited 2023	2022
			-----------------Rupees-----------------	
	Up to 3 Months		**81,821,177**	51,046,611
	3 to 6 Months		**-**	-
	06 to 12 Months		**-**	-
	More than 12 Months		**-**	-
			81,821,177	51,046,611
31	**CASH AND BANK BALANCES**			
	Cash in hand		**3,922,666**	8,860,885
	Cash at bank			
	- current accounts		**343,877,538**	283,123,254
	- deposit accounts	31.1	**27,841,537**	30,037,308
			371,719,075	313,160,562
			375,641,741	322,021,447

31.1 These carry weighted average profit of 16% per annum (2022: 11% per annum).

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		Note	2023	2022
32	**SALES - NET**		-----------------Rupees----------------	
	Export sales		**12,571,056,589**	10,499,821,413
	Local sales			
	Rice		**1,925,474,103**	816,897,974
	Corn Starch		**1,871,764,925**	-
	By-products and others		**4,847,589,124**	2,447,665,117
			8,644,828,152	3,264,563,091
			21,215,884,741	13,764,384,504
	Sales discount / return		**(114,709,922)**	(78,969,127)
	Freight		**(578,069,875)**	(1,146,956,926)
	Clearing and forwarding		**(81,936,250)**	(89,216,337)
	Sales tax		**(432,106,430)**	(49,772,012)
			20,009,062,264	12,399,470,102

32.1 Disaggregation of sales

The Group disaggregated revenue recognized from customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

In the following table, revenue is disaggregated by primary geographical markets and major product lines:

	Note	2023	2022
Major product Lines		-----------------Rupees----------------	
Rice		**16,290,059,275**	11,958,891,491
Corn Starch		**1,871,764,925**	-
By-products and others		**3,054,060,541**	1,805,493,013
		21,215,884,741	13,764,384,504
Primary geographical Markets			
Local		**8,644,828,152**	3,264,563,091
Africa		**974,267,519**	815,185,624
Asia		**3,781,530,635**	3,036,116,932
Australia & New Zealand		**1,993,662,735**	1,941,121,649
Europe		**4,601,454,109**	3,488,535,180
USA & Canada		**1,220,141,591**	1,218,862,028
		21,215,884,741	13,764,384,504

		Note	2023	2022
33	**COST OF SALES**			
	Rice consumed	33.1	**15,492,956,632**	9,212,220,732
	Packing materials consumed	33.2	**625,861,403**	497,392,298
	Stores and spares consumed	33.3	**523,224,863**	165,235,085
	Processing expenses			
	Salaries, wages and benefits	33.4	**806,882,824**	478,731,750
	Electricity and power		**546,004,089**	200,076,597
	Telephone and mobile		**2,446,913**	1,087,510
	Insurance		**17,137,163**	9,476,678
	Balance carried forward		**18,014,513,887**	10,564,220,650

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		Note	2023	2022
			-----Rupees-----	
	Balance brought forward		**18,014,513,887**	10,564,220,650
	Repairs and maintenance		**64,073,458**	26,238,178
	Other purchases		**277,385,390**	88,946,902
	Provision for slow moving stock	24.1	**479,122**	594,383
	Fumigation charges		**80,110,886**	74,835,705
	Water charges		**57,518,864**	32,677,840
	Canteen		**19,674,618**	11,087,556
	Diesel and oil		**9,555,311**	311,725
	Staff welfare		**7,864,033**	2,308,308
	Security expenses		**32,843,571**	18,299,672
	Godown expenses		**30,824,829**	23,546,498
	Rent, rates and taxes		**1,012,137**	1,675,166
	Vehicle running expenses		**33,552,215**	11,916,618
	Medical		**6,963,000**	3,690,618
	Depreciation	19.1.1	**316,326,418**	181,574,131
	Depreciation on right-of-use assets	20.1	**45,592,190**	30,008,456
	Interest expense on lease liabilities	20.1	**21,128,445**	13,693,353
	Processing charges		**4,400,585**	220,931
	Inspection charges		**37,788,424**	23,060,739
	Cost of goods manufactured		**19,061,607,383**	11,108,907,429
	Finished goods			
	Opening stock		**1,598,342,533**	1,545,538,885
	Closing stock	24	**(3,127,804,363)**	(1,598,342,533)
			(1,529,461,830)	(52,803,648)
			17,532,145,553	11,056,103,781
33.1	**Rice consumed**			
	Opening stock of raw material		**5,864,610,205**	5,523,328,949
	Purchases		**15,243,592,415**	9,277,485,006
	Cartage inwards		**386,597,606**	276,016,982
	Closing stock of raw material	24	**(6,001,843,594)**	(5,864,610,205)
			15,492,956,632	9,212,220,732
33.2	**Packing material consumed**			
	Opening stock		**219,576,329**	122,293,225
	Purchases		**872,022,659**	594,675,402
			1,091,598,988	716,968,627
	Closing stock-gross	24	**(465,737,585)**	(219,576,329)
			625,861,403	497,392,298
33.3	**Stores and spares consumed**			
	Opening stock		**87,635,046**	71,988,230
	Purchases		**542,456,845**	180,881,901
			630,091,891	252,870,131
	Closing stock-gross	23	**(106,867,028)**	(87,635,046)
			523,224,863	165,235,085

33.4 It includes provision for gratuity amounting to Rs. 51.18 million (2022: Rs. 27.8 million).

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

			2023	2022
34	**SELLING AND DISTRIBUTION EXPENSES**	**Note**	-----------------Rupees-----------------	
	Salaries and benefits	34.1	**70,323,334**	56,910,005
	Travelling		**49,677,998**	14,282,161
	Sales promotion		**85,703,329**	34,969,628
	Insurance		**4,746,308**	2,120,366
	Export charges		**84,842,929**	80,106,245
	Export commission		**36,211,021**	23,995,061
	Depreciation	19.1.1	**19,770,401**	11,348,383
	Shop rent		**2,520,000**	2,520,000
	General		**2,203,828**	3,027,952
			355,999,148	229,279,801

34.1 It includes provision for gratuity amounting to Rs. 4.46 million (2022: Rs. 3.31 million).

			2023	2022
35	**ADMINISTRATIVE EXPENSES**	**Note**	-----------------Rupees-----------------	
	Salaries and benefits	35.1	**373,648,323**	220,704,770
	Vehicle running		**25,776,735**	11,423,116
	Entertainment		**2,464,752**	1,394,156
	Printing and stationery		**2,313,632**	1,701,925
	Fee and subscription		**41,351,778**	22,135,697
	Legal and professional		**568,000**	200,000
	Auditor's remuneration	35.2	**4,324,331**	3,829,649
	Postage and telegrams		**4,110,438**	2,344,015
	General expenses		**4,443,366**	2,297,385
	Newspaper and periodicals		**95,035**	73,353
	Electricity and gas charges		**846,935**	2,748,956
	Taxes, duty and fee		**8,954,265**	21,802,289
	Medical		**4,903,494**	2,889,170
	Insurance		**5,096,597**	3,547,762
	Software maintenance		**549,230**	503,249
	Computer expenses		**7,521,499**	6,198,327
	Depreciation	19.1.1	**59,311,203**	34,045,150
	Donations	35.3	**12,325,058**	11,335,724
	Advertisement		**405,885**	1,219,792
	Others		**12,557,406**	7,876,257
			571,567,962	358,270,742

35.1 It includes directors' remuneration amounting to Rs. 38.95 million (2022: Rs. 18.71 million) and provision for gratuity amounting to Rs. 23.55 million (2022: Rs. 12.80 million).

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		Note	2023	2022
35.2	**Auditor's remuneration**		------Rupees------	
	- audit fee of unconsolidated financial statements		**2,954,752**	2,573,994
	- audit fee of consolidated financial statements		**110,000**	100,000
	- audit fee of half yearly review		**614,498**	609,930
	- fee for review code of corporate governance		**165,000**	150,000
	- other certifications		**150,000**	150,000
	- out of pocket expenses		**330,081**	245,725
			4,324,331	3,829,649

35.3 Donation includes amount of Rs. 11.65 million (2022: Rs. 10.84 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 Sarfaz Ghori, Mr. Faizan Ali Ghori, Mrs. Naheed Jawed, Mrs. Nuzhat Khalid and Mrs. Dr. Sadaf Tariq.

		Note	2023	2022
36	**FINANCE COST**		------Rupees------	
	Mark up			
	- long term finances - net	36.1	**72,655,436**	29,090,951
	- short term borrowings		**1,086,303,348**	347,800,253
	- interest expense on lease liabilities		**20,265,901**	8,604,527
	Bank charges and commission		**3,349,911**	2,639,997
			1,182,574,596	388,135,728

36.1 The mark-up presented is net of amortization of grant amounting to Rs. 1.56 million (2022: Rs. 5.57 million).

		2023	2022
37	**OTHER INCOME**	------Rupees------	
	From financial assets		
	- Profit on bank/short term deposits	**9,203,056**	2,589,495
	- Interest income on account of due from related parties	**11,322,643**	4,959,465
	From non-financial assets		
	- Reversal of Worker's Welfare Fund	**8,585,383**	6,081,207
	- Gain on sale of operating fixed assets	**5,587,254**	2,299,686
	- Scrap sales	**11,684,573**	-
	- Rental income	**3,695,900**	2,389,000
	- Others	**3,624,241**	1,482,666
		53,703,050	19,801,519

38 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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
39	**INCOME TAX EXPENSE**	-----------------Rupees----------------	
	- Current	**222,056,149**	138,778,927
	- Prior year	**(4,749,810)**	(19,905,170)
	- Deferred	**(9,119,338)**	(10,142,614)
		208,187,001	108,731,143

39.1 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 presumptive tax regime.

39.2 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 Group based on tax withheld from export proceeds which is deemed as full and final discharge of the tax liability.

39.3 During the 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. On the basis of factual and legal position in above pending appeals before with CIRA, we anticipate favorable outcome of such appeals in the favor of the Group.

39.4 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 Group till November 15, 2018, no further notice has been received.

39.5 Return of 2021-22 filed on December 30, 2022, is an assessment order under section 120 unless amended under section 122 of the Income Tax Ordinance, 2001.

		2023	2022
40	**NUMBER OF EMPLOYEES**		
	Number of employees as at June 30	**969**	750
	Average number of employees during the year	**923**	729

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

41 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	June 30, 2023	June 30, 2022
			--------Rupees--------	
Directors		Godown rent paid to director	**26,215,611**	14,622,631
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	**206,394,592**	108,381,383
		Payment received on account of expenses	**180,188,579**	100,022,391
		Interest Income	**12,092,555**	4,189,553
		Interest Received	**9,137,105**	1,973,986
		Rental and service income	**3,586,240**	812,500
		Rental and service income received	**1,150,000**	-
		Commission paid	**823,138**	1,678,675
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	**595,572**	1,911,001
		Payment received on account of expenses	**595,572**	3,483,278
Faiyaz Center Owner Association	0%	Paid expenses on behalf	**6,161,165**	981,021
		Payment received on account of expenses	**6,161,165**	1,141,082
Trust operated by the Group				
Ghori Trust	0%	Paid expenses on behalf	**23,166,215**	8,138,247
		Payment received on account of expenses	**7,766,817**	74,200
		Donation expense	**11,615,038**	10,835,724

Nature of relationship	Percentage of Holding	Balances	June 30, 2023	June 30, 2022
			--------Rupees in --------	
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Receivable against expenses	**72,207,108**	47,636,733
		Interest receivable	**6,365,328**	3,409,878
		Receivable against rent and services	**3,248,741**	812,500
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 Group				
Ghori Trust	0%	Payable against donation	**-**	3,748,360

41.1 Following are the related parties with whom the Group 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	Jawed Ali Ghori	100%	Active	Clean

41.2 Consideration for services is determined with mutual agreement considering the level of services provided. Expenses charged by / to the Group are determined on actual cost basis. Particulars of remuneration of chief executive officer, directors and executives are disclosed in note 42 to these consolidated financial statements.

41.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Group considers all members of its

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

management team, including the chief executive officer and the directors to be key management personnel.

42 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	
	2023	2022	2023	2022	2023	2022	2023	2022
	---Rupees---							
Short-term employee benefits								
Managerial remuneration	**3,589,189**	3,524,800	**10,919,110**	8,950,800	**119,263,976**	56,892,363	**133,772,275**	69,367,963
House rent allowances	**1,435,676**	1,409,920	**4,367,643**	3,580,320	**47,705,590**	22,756,945	**53,508,909**	27,747,185
Utilities	**2,393,095**	1,595,898	**3,121,595**	2,379,848	**13,590,957**	6,240,811	**19,105,647**	10,216,557
Bonus	**1,028,000**	791,000	**6,084,660**	1,362,000	**15,821,949**	5,653,895	**22,934,609**	7,806,895
Fuel expense	**900,117**	516,076	**2,912,073**	1,670,646	**26,896,965**	7,699,712	**30,709,154**	9,886,434
Medical expense	**198,063**	214,705	**517,294**	298,048	**3,221,802**	1,301,046	**3,937,159**	1,813,799
Vehicle expense	**86,671**	69,861	**825,010**	1,552,862	**2,878,215**	1,060,185	**3,789,896**	2,682,908
Other expense	**263,271**	207,220	**1,221,947**	405,563	**-**	-	**1,485,218**	612,783
	9,894,082	8,329,480	**29,969,332**	20,200,087	**229,379,454**	101,604,957	**269,242,867**	130,134,524
Value of motor vehicles	**8,686,677**	5,105,267	**24,175,634**	21,568,043	**92,599,900**	43,812,448	**125,462,211**	70,485,758
Number of Persons	**1**	1	**2**	2	**62**	35		

42.1 In addition to above, fees of Rs. 1.15 million (2022: Rs. 0.719 million) was paid to independent directors of the Group for attending board of directors meeting during the year.

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

42.3 The Group 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 Group.

43 PLANT CAPACITY AND PRODUCTION

	2023	2022
	(Tons)	
Annual Plant Capacity		
- Rice processing	**178,500**	178,500
- Rice Glucose	**33,000**	33,000
- Corn Starch	**72,000**	-
Actual Production		
- Rice processing	**105,625**	118,266
- Rice Glucose	**13,063**	12,081
- Corn Starch	**25,200**	-

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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

	2023	2022
44 EARNINGS PER SHARE - BASIC AND DILUTED	-----------------Rupees----------------	
Profit for the year	**559,944,176**	448,788,317
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	**4.57**	3.67

There is no dilutive effect on earnings per share as the Group does not have any convertible instruments as at June 30, 2023 and June 30, 2022.

45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group'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 Group'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 Group's risk management framework. The Board is also responsible for developing and monitoring the Group's risk management policies. The Group'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:

45.1 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.

45.1.1 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 Group is exposed to foreign exchange risk arising from currency value fluctuations due to the following:

	2023	2022
	---------- Amount in USD ----------	
Trade debts	**6,994,261**	9,045,081
Cash and bank balances	**82,040**	193,280
Advance from customer	**(69,303)**	(30,170)
Advance to supplier	**18,400**	-
Net Exposure	**7,025,398**	9,208,191

The following significant exchange rates were applied during the year:

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	Rupee per USD	
Average rate	**244.87**	179.00
Reporting date rate	**286.18**	204.85

Foreign currency sensitivity analysis

A 10% strengthening of the PKR against the USD at June 30, 2023 would have effect on the equity and consolidated 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 June 30, 2023.

	2023	2022
	-----------------Rupees----------------	
Strengthening of PKR against respective currencies	**(201,054,596)**	(188,626,763)
Weakening of PKR against respective currencies	**201,054,596**	188,626,763

A 10 percentage weakening of the PKR against the USD at June 30, 2023 would have had the equal but opposite effect on USD to the amounts shown above, on the basis that all other variables remain constant.

45.1.2 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 Group is exposed to price risk because of investments in equity securities amounting to Rs. 12,749,232 (2022: Rs. 10,210,050) as changes in prices of equity securities affect the Group. The Group is not exposed to commodity price risk.

As of June 30, 2023, if fair value had been 1% higher/ (lower) with all the variables held constant, profit before tax for the year would have been higher / (lower) by Rs. 127,492.3 (2022: Rs. 102,100.5).

45.1.3 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 Group has long term and short term finance at variable rates. The Group 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.

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		2023				
		Mark-up / profit bearing			Non mark-up / profit bearing	Total
	Note	Less than one year	One year to Five years	Over five years		
Financial assets		Rupees				
Amortised cost						
Long-term deposits		-	-	-	17,476,970	17,476,970
Long-term investments	22	-	-	-	-	-
Trade debts - considered goods	25	-	-	-	2,315,844,355	2,315,844,355
Loans	26	-	-	-	23,096,353	23,096,353
Deposits	27	-	-	-	2,812,742	2,812,742
Short-term investment	28	1,200,000	-	-	-	1,200,000
Due from related parties	30	81,821,177	-	-	-	81,821,177
Cash and bank balances	31	27,841,537	-	-	347,800,204	375,641,741
		110,862,714	-	-	2,707,030,624	2,817,893,338
Fair value through profit or loss						
Short-term investment	28	-	-	-	3,022,323	3,022,323
Fair value through other comprehensive income						
Long-term investments	22	-	-	-	9,726,910	9,726,910
Financial liabilities						
At amortized cost						
Long term finances - secured	9	323,293,242	1,756,572,205	-	-	2,079,865,447
Due to related party	15	-	-	-	-	-
Trade and other payables	13	-	-	-	1,765,978,490	1,765,978,490
Accrued mark-up	14	-	-	-	368,363,511	368,363,511
Short term borrowings - secured	16	8,416,681,873	-	-	-	8,416,681,873
Unpaid dividend	17	-	-	-	19,286,277	19,286,277
Lease liabilities	10	27,634,388	129,119,024	60,174,778	-	216,928,190
		8,767,609,503	1,885,691,229	60,174,778	2,153,628,278	12,867,103,788
On balance sheet gap		(8,656,746,789)	(1,885,691,229)	(60,174,778)	566,151,578	(10,036,461,217)
Off balance sheet items						
Guarantees	18.2	-	-	-	38,937,390	38,937,390
Letter of credit	18.2	-	-	-	78,649,278	78,649,278
Capital Expenditures	18.2	-	-	-	85,000,000	85,000,000
Cheques issued in favour of Nazir of high court in relation to SSGC case	18.2	-	-	-	7,732,192	7,732,192

		2022				
		Mark-up / profit bearing			Non mark-up / profit bearing	Total
	Note	Less than one year	One year to Five years	Over five years		
Financial assets		Rupees				
Amortised cost						
Long-term deposits		-	-	-	16,759,174	16,759,174
Long-term investments	22	-	-	-	-	-
Trade debts - considered goods	25	-	-	-	1,897,929,702	1,897,929,702
Loans	26	-	-	-	13,245,862	13,245,862
Deposits	27	-	-	-	1,448,588	1,448,588
Short-term investment	28	1,200,000	-	-	-	1,200,000
Due from related parties	30	51,046,611	-	-	-	51,046,611
Cash and bank balances	31	30,037,308	-	-	291,984,139	322,021,447
		82,283,919	-	-	2,221,367,465	2,303,651,384
Fair value through profit or loss						
Short-term investment	28	-	-	-	3,054,742	3,054,742
Fair value through other comprehensive income						
Long-term investments	22	-	-	-	7,155,308	7,155,308
Financial liabilities						
At amortized cost						
Long term finances - secured	9	172,857,144	1,582,432,193	-	-	1,755,289,337
Due to related party	15	-	-	-	3,748,359	3,748,359
Trade and other payables	13	-	-	-	630,449,624	630,449,624
Accrued mark-up	14	-	-	-	120,739,263	120,739,263
Short term borrowings	16	6,979,644,808	-	-	-	6,979,644,808
Unpaid dividend	17	-	-	-	783,668	783,668
Lease liabilities	10	27,634,388	129,119,024	46,483,464	-	203,236,876
		7,180,136,340	1,711,551,217	46,483,464	755,720,913	9,693,891,934
On balance sheet gap		(7,097,852,421)	(1,711,551,217)	(46,483,464)	1,475,856,602	(7,380,030,500)
Off balance sheet items						
Guarantees	18.2	-	-	-	45,296,400	45,296,400
Letter of credit	18.2	-	-	-	386,270,071	386,270,071
Capital Expenditures	18.2	-	-	-	2,400,000	2,400,000
Cheques issued in favour of Nazir of high court in relation to SSGC case	18.2	-	-	-	5,165,163	5,165,163

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
Financial assets		-----------------Rupees----------------	
Long-term investments	**22**	**9,726,910**	7,155,308
Long-term deposits		**17,476,970**	16,759,174
Trade debts	**25**	**2,315,844,355**	1,897,929,702
Loans	**26**	**23,096,353**	13,245,862
Trade deposit	**27**	**2,812,742**	1,448,588
Short-term investment	**28**	**4,222,323**	4,254,742
Due from related parties	**30**	**81,821,177**	51,046,611
Bank balances	**31**	**371,719,075**	313,160,562
		2,826,719,904	2,305,000,548

The ageing of trade debts and related movement of ECL has been disclosed in note 25.3 of these consolidated financial statements.

Bank balances

The Group 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.

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

	Agency name	**2023**	
		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+	AA+
Bank Alfalah Limited	PACRA	A1+	AA+
Faysal Bank Limited	PACRA	A1+	AA
Habib Bank Limited	PACRA	A1	A+
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+

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		-----------------Rupees-----------------	
Long-term investments	**22**	**9,726,910**	7,155,308
Long-term deposits		**17,476,970**	16,759,174
Trade debts	**25**	**2,315,844,355**	1,897,929,702
Loans	**26**	**23,096,353**	13,245,862
Trade deposit	**27**	**2,812,742**	1,448,588
Short-term investment	**28**	**4,222,323**	4,254,742
Due from related parties	**30**	**81,821,177**	51,046,611
Bank balances	**31**	**371,719,075**	313,160,562
		2,826,719,904	2,305,000,549

45.3 Liquidity risk

The Group 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 Group had cash and bank balances and term deposit amounting to Rs 358.9 million & Rs. 1.2 million respectively (2022: Rs. 295.27 million & Rs. 1.2 million), and unutilized credit lines of Rs. 633.32 million (2022: 624 million).

46 FAIR VALUE HIERARCHY

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

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

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).

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

The Group's policy for determining when transfers between levels in the hierarchy have 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 Group's assets that are measured at fair value as at June 30, 2023 and June 30, 2022:

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	2023			
	Level 1	**Level 2**	**Level 3**	**Total**
	------------------Rupees ------------------			
Non-financial assets				
Property, plant and equipment	**-**	**-**	**5,968,489,443**	**5,968,489,443**
Financial assets				
Financial assets held at fair value through profit or loss	**3,022,323**	**-**	**-**	**3,022,323**
Financial assets held at fair value through other comprehensive income	**9,726,910**	**-**	**-**	**9,726,910**

	2022			
	Level 1	Level 2	Level 3	Total
	------------------Rupees ------------------			
Non-financial assets				
Property, plant and equipment	-	-	5,797,041,660	5,797,041,660
Financial assets				
Financial assets held at fair value through profit or loss	3,054,742	-	-	3,054,742
Financial assets held at fair value through other comprehensive income	7,155,308	-	-	7,155,308

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 consolidated 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 consolidated financial statements.

47 CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The objective of the Group 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 Group 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 Group's strategy is to maintain leveraged gearing. The gearing ratios as at June 30, 2023 and 2022 were as follows:

	Note	**2023**	2022
		-----------------Rupees----------------	
Total borrowings		**10,532,834,344**	8,948,367,908
Less: Cash and bank	31	**(375,641,741)**	(322,021,447)
Net debt		**10,157,192,603**	8,626,346,461
Total equity		**7,597,559,481**	7,125,960,578
Total equity and debt		**17,754,752,084**	15,752,307,039
Gearing ratio (%)		**57%**	55%

The Group 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.

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

48 OPERATING SEGMENTS

These consolidated financial statements have been prepared on the basis of a single reportable segment as the Group's asset allocation decision are based on single, integrated business strategy and the Group's business performace is evaluated on an overall basis.

48.1 Revenue from sale of rice and byproducts & others represents 91.18% (2022: 100%) of the total revenue of the Group. Whereas 8.82% (2022: Nil) represents revenue from sale of corn starch.

48.2 All non-current assets of the Group as at June 30, 2023 are located in Pakistan . Further, debtors from rice represents 81.20% (2022: 83.58%) of the total debtors.

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 consolidated financial statements.

50 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Group and authorized for issue on September 7, 2023.

50.1 Non-adjusting events after the reporting date

Subsequent to the year end, the Board of Directors in their meeting held on September 07, 2023, has proposed a final dividend of Re. 0.50 per share. The consolidated financial statements for the year ended June 30, 2023, do not include the effect of the proposed final cash dividend which will be accounted for in the year ending June 30, 2024.

51 GENERAL

51.1 Figures have been rounded off to the nearest Rupee.

Khalid Sarfaraz Ghori	**M. Aamir Farooqui**	**Faizan Ali Ghori**
Chief Executive Officer	Chief Financial Officer	Director

چاول کی بین الاقوامی قیمتیں اس وقت 11 سال کی بلند ترین سطح پر ہیں۔لہذا، پاکستان اس صورت حال سے فائدہ اٹھانے کی توقع کر سکتا ہے، کیونکہ ایسے خریدار جو عام طور پر بھارت سے چاول منگواتے ہیں، ایسے حالات میں پاکستان کا رخ کر سکتے ہیں۔ جبکہ چاول کی نئی فصل کی کٹائی ابھی باقی ہے، تاجر اس سازگار ماحول میں ملکی برآمدات کے امکانات کے بارے میں پر امید ہیں۔

متعاقب واقعات

سال کے اختتام کے بعد، کمپنی کے بورڈ آف ڈائریکٹرز نے جمعرات، 07 ستمبر 2023 کو منعقدہ اپنی میٹنگ میں، فی حصص 0.50 روپے فی حصص یعنی 5%، فائنل کیش ڈیویڈنڈ کی سفارش کی ہے، جو کہ سالانہ اجلاس عام میں حصص یافتگان کی منظوری سے مشروط ہے۔ یہ عبوری کیش ڈیویڈنڈ کے علاوہ ہے جو پہلے ہی ادا کر چکے ہیں @1.00 فی شیئر یعنی 10%۔

مستقبل کا نظریہ

آگے دیکھتے ہوئے، ہم ایک مشکل معاشی اور آپریشنل ماحول کی پیشین گوئی کر رہے ہیں جس کی علامت جاری بلند افراط زر، بلند شرح سود، معاشی سست روی، اور صارفین کی قوت خرید میں کمی ہے۔ سیاسی پولرائزیشن، پی کے آر کی قدر میں کمی، سخت درآمدی پابندیاں، اور موسمیاتی تبدیلی کے بڑھتے ہوئے خطرے پر مشتمل یہ مشکلات پیداوری کو متاثر کرنے کی صلاحیت رکھتی ہیں۔ بڑھتا ہوا درجہ حرارت فصلوں کی پیداوار میں کمی کا باعث بن سکتا ہے، اور 2022 کے تباہ کن سیلاب جیسے انتہائی واقعات کے بڑھتے ہوئے امکانات مزید پیچیدگیوں میں اضافہ کرتے ہیں۔ یہ قابل ذکر ہے کہ ان میں سے بہت سے چیلنجز مالی سال 2024 اور درمیانی مدت کے مستقبل میں سامنا کرنے کی توقع ہے۔

تاہم، ان چیلنجوں کے درمیان، ملک نے آئی ایم ایف کے ساتھ معاہدوں اور دوست ممالک کی حمایت کے ذریعے خود ملکی ڈیفالٹ کے خطرے کو کامیابی کے ساتھ ٹالا ہے۔ ہمارا موافقت پذیر کاروباری ماڈل ہمیں پوری ویلیو چین میں کارکردگی کو بڑھانے، لچک کو بڑھانے اور پائیدار ترقی کو محفوظ بنانے کے لیے تیار کرتا ہے۔ قیمت کے متناسب مصنوعات فراہم کرنے کا ہمارا عزم برقرار ہے، اور ہم موثر قیمتوں اور لاگت کے انتظام کے ذریعے منافع کو بہتر بناتے رہتے ہیں۔ ویلیو ایڈڈ پورٹ فولیو کی طرف ہمارا اسٹریٹجک محور مہنگائی کے دباؤ سے درپیش چیلنجوں سے نمٹنے کے لیے ہمیں سازگار انداز میں پوزیشن دیتا ہے۔ "کسان دوست پروگرام" سے ہماری وابستگی جاری ہے، پیداواری اور پائیداری کو بڑھانے کے لیے سسٹین ایبل رائس پلیٹ فارم (SRP) کے رہنما خطوط کو اپنانے میں کسانوں کو مدد فراہم کر رہی ہے۔ مالی سال 2024 کے منتظر، ہم چاول کی مضبوط فصل اور برآمدی مواقع کے بارے میں پر امید ہیں۔ درپیش چیلنجوں کے باوجود، ہماری کمپنی فوڈ سیفٹی، حفظان صحت اور پائیداری کے اعلیٰ ترین معیارات کو برقرار رکھتے ہوئے، اور صارفین کو محفوظ، سستی، اور غذائیت سے بھرپور مصنوعات فراہم کرنے، بہترین کارکردگی اور آئندہ سال کے لیے مقرر کردہ اہداف کو پورا کرنے کے لیے پوری طرح پر عزم ہے۔ ہمارا وژن قومی اور بین الاقوامی منظر نامے پر دیرپا اثر ڈالنے کے لیے ایک کامیاب انٹر پرائز بنانا ہے۔

ریٹائرمنٹ فنڈ

کمپنی نان فنڈ ڈ گریجوئٹی فنڈ چلا رہی ہے، اس سال کے دوران کمپنی نے (Actuarial Valuation) کی بنیاد پر 43.93 ملین روپے گریجوئٹی فنڈ کیلئے مختص کیے ہیں

متعلقہ پارٹی کے ساتھ ٹرانزیکشن

متعلقہ پارٹیوں کے ساتھ ٹرانزیکشنز (معاملات) کی تفصیل مالی گوشواروں کے نوٹس کے ساتھ مہیا کی گئی ہیں۔

کمپنی کے حصص میں تجارت

ڈائریکٹر/متعلقہ پارٹی	شیئر کی تعداد	ٹرانزیکشن کی قسم
جناب جاوید علی غوری	56,800	جناب فیضان علی غوری کی جانب سے تحفہ
جناب فیضان علی غوری	56,800	جناب جاوید علی غوری کو تحفہ
جناب فیضان علی غوری	438,000	خرید
جناب صفوان خالد غوری	356,500	خرید

اعتراف

ڈائریکٹرز سال بھر انتظامیہ اور کمپنی کے ملازمین کی طرف سے دکھائی جانے والی محنت اور لگن کے لئے ان کی مخلصانہ تعریف کو ریکارڈ کرنا چاہتے ہیں۔ کمپنی کے بورڈ آف ڈائریکٹرز اور ملازمین کی جانب سے، ہم اپنے تمام قابل قدر گراہکوں، تقسیم کاروں، اسٹاکسٹس، ڈیلروں اور بینکروں سے کمپنی میں موجود اعتماد اور اعتماد کے لئے اظہار تشکر کرتے ہیں اور آنے والے سالوں میں کمپنی کی ترقی کو برقرار رکھنے میں ان کی مسلسل حمایت اور شراکت کے منتظر ہیں۔

ڈائریکٹرز کی طرف سے:

خالد سرفراز غوری	فیضان علی غوری۔
چیف ایگزیکٹو	ڈائریکٹر

یہ اقدامات ہماری بنیادی اقدار اور اصولوں کی عکاسی کرتے ہیں، جو معاشرے اور ماحول پر مثبت اثر ڈالنے کے لیے ہماری ثابت قدمی کی عکاسی کرتے ہیں۔ ہم ان نیک مقاصد کے لیے اپنی کوششیں جاری رکھنے کا عہد کرتے ہیں۔

اندرونی مالیاتی کنٹرول

ڈائریکٹرز اندرونی مالیاتی کنٹرول سے متعلق اپنے فرائض سے بخوبی واقف ہیں۔ انتظامیہ اور آڈیٹرز دونوں کے ساتھ بات چیت کے بعد، جس میں اندرونی اور بیرونی آڈیٹرز شامل ہیں، وہ اس بات کی تصدیق کرتے ہیں کہ کمپنی نے اپنے مالیاتی کاموں کی سالمیت اور تاثیر کو یقینی بنانے کے لیے کافی کنٹرولز نافذ کیے ہیں۔

کارپوریٹ گورننس کا کوڈ

30 جون 2023 کو ختم ہونے والے سال کے لیے متعلقہ پاکستان اسٹاک ایکسچینج کی جانب سے اس کے لسٹنگ ریگولیشنز میں کوڈ آف کارپوریٹ گورننس کی ضروریات کو کمپنی نے اپنایا ہے اور اس کی مناسب طریقے سے تعمیل کی گئی ہے۔ اس حوالے سے ایک بیان اس رپورٹ کے ساتھ منسلک ہے۔

ضابطہ اخلاق کی تعمیل میں، بورڈ ممبران درج ذیل بیان کو ریکارڈ پر رکھ کر خوش ہیں:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے اور اس کے معاملات اس کی کاروباری سرگرمیوں کے نتائج اور کیش فلوز اور ایکویٹی میں تبدیلی کی شفاف اور منصفانہ عکاسی کرتے ہیں۔
- کمپنی نے اپنے اکاؤنٹس کے کھاتوں کو محفوظ اور درست انداز میں رکھا ہوا ہے۔
- کمپنی نے مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروری کی ہے اور شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- بین الاقوامی مالیاتی رپورٹنگ معیارات، جیسا کہ پاکستان میں قابل اطلاق ہیں، مالی بیانات کی تیاری میں عمل کیا گیا ہے۔
- اندرونی کنٹرول کا نظام مستحکم ہے اور اسے موثر انداز میں لاگو کیا گیا ہے اور اس کی نگرانی کی جاتی ہے۔
- کمپنی کے کاروبار کو رواں دواں رکھنے کی صلاحیت شکوک وشبہات سے بالاتر ہے۔
- لسٹنگ ریگولیشنز میں تفصیلاً درج کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کسی بھی پہلو کو نظر انداز نہیں کیا گیا۔
- گزشتہ چھ سال کا اہم کاروباری اور مالیاتی معلومات اس سالانہ رپورٹ کے ساتھ منسلک ہے۔
- ٹیکسوں اور محصولات کے بارے میں معلومات مالیاتی گوشوارے کے نوٹس میں دی گئی ہیں۔ اور یہ مالیاتی گوشواروں کا حصہ ہیں۔
- کسی بھی ادائیگی کی تاخیر کا کوئی امکان نہیں ہے اور کسی قرض میں نادہندہ ہونے کا بھی کوئی امکان نہیں ہے۔

انڈسٹری آؤٹ لک

2022 میں آنے والے تباہ کن سیلاب کی پاکستان کی تاریخ میں مثال نہیں ملتی، خاص طور پر سندھ کے انتہائی پیداواری میدانوں میں بڑے پیمانے پر نقصان پہنچا۔ طوفانی بارشوں کے ساتھ سیلاب نے دھان کی فصلوں کو کافی نقصان پہنچایا، سندھ اور جنوبی پنجاب کے اضلاع کو سب سے زیادہ نقصان پہنچا، جس کا تخمینہ کل فصل کا تقریباً 20 فیصد ہے۔ مزید برآں، دیگر چاول پیدا کرنے والے خطوں نے شدید گرمی کی لہروں کے منفی اثرات کا سامنا کیا، جس کی وجہ سے پیداوار میں کمی اور برآمدی شعبے میں نقصانات ہوئے۔

برآمدات میں کمی کی بنیادی وجہ پیداوار میں کمی کو قرار دیا جا سکتا ہے۔ 2021-22 میں چاول کی پیداوار 9.1 ملین ٹن کے برعکس، ملک نے مالی سال 23 میں صرف 6 ملین ٹن کی فصل حاصل کی، جو کہ 34 فیصد سے زیادہ کی نمایاں کمی کو ظاہر کرتا ہے۔ بہرحال، چاول کے شعبے نے کئی چیلنجوں کے باوجود قابل ذکر لچک اور مضبوطی کا مظاہرہ کیا، جس میں تباہ کن سیلاب جس نے سندھ کی ایک تہائی فصل کا صفایا کر دیا، روپے کی غیر مستحکم حرکت، بھارت سے شدید مسابقت، زیادہ فریٹ چارجز، اور 2022-23 کے پہلے چھ ماہ بار جہازوں کی عدم دستیابی شامل ہیں۔

چاول کی برآمدات کے لحاظ سے، باسمتی اقسام کا حصہ 595,120 ٹن تھا (2022 میں 758,219 ٹن کے مقابلے میں)، 2022 میں اوسط USD650,423 (2022 میں USD694,549 کے مقابلے میں) کا منافع کرا۔ جس کی فی ٹن اوسط ریٹ USD1,092 (2022 میں USD916 فی ٹن اوسط ریٹ کے مقابلے میں)۔ غیر باسمتی اقسام کی برآمدات 3.122 ملین ٹن تک پہنچ گئیں (2022 میں 4.217 ملین ٹن کے مقابلے)، جس سے USD1.498 بلین ریونیو حاصل ہوا (2022 میں USD1.818 بلین کے مقابلے) USD480 فی ٹن اوسط ریٹ کی سے (USD431 کے مقابلے میں)۔

ہندوستان، دنیا کے سب سے بڑے چاول برآمد کنندہ، نے خوراک کی بڑھتی ہوئی افراط زر کے درمیان ملکی رسد کو یقینی بنانے کے لیے غیر باسمتی چاول کی برآمدات پر پابندی کا نفاذ کیا۔ اس فیصلے سے چاول کی عالمی تجارت کی حرکیات پر اہم اثرات مرتب ہوں گے۔ پاکستان، دنیا کے چوتھے بڑے چاول برآمد کنندہ کے طور پر، اس صورت حال سے فائدہ اٹھانے کے لیے کھڑا ہے، جو ممکنہ طور پر اس کی چاول کی برآمدات کے لیے سازگار تجارتی ماحول پیدا کرے گا۔ یہ پاکستان کے لیے سپلائی کے فرق کو دور کرنے اور چاول درآمد کرنے والے بڑے ممالک میں اپنی مارکیٹ شیئر کو بڑھانے کا ایک سنہری موقع پیش کرتا ہے، خاص طور پر خشک سالی کی وجہ سے ہندوستان کی چاول کی برآمدات میں کمی کے ساتھ۔

ڈائریکٹرز کے تربیتی پروگرام

کمپنی کے آٹھ (8) ڈائریکٹرز ڈائریکٹرز کے تربیتی پروگرام کی ضرورت کے مطابق تصدیق شدہ ہیں۔ کمپنی کے ڈائریکٹرا پنے فرائض کی انجام دہی کے لیے مناسب تربیت یافتہ ہیں اور کمپنیز ایکٹ، 2017 اور پی ایس ایکس رول بک کے ریگولیشنز کے تحت اپنے اختیارات اور ذمہ داریوں سے آگاہ ہیں۔

ڈائریکٹرز کی کارکردگی کا جائزہ

بورڈ آف ڈائریکٹرز نے خود تشخیص کی بنیاد پر اپنی کارکردگی کا جائزہ لینے کے لیے ایک موثر طریقہ کار وضع کیا ہے۔ بورڈ مناسب طریقے سے قابل قدر رہنمائی فراہم کرتا ہے اور کارپوریٹ گورننس کو موثر بناتا ہے۔

آڈیٹرز کی تقرری

موجودہ آڈیٹرز میسرز گرانٹ تھورنٹن انجم رحمٰن، چارٹرڈ اکاونٹینٹ رواں سال ریٹائر ہو گئے ہیں۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے میسرز گرانٹ تھورنٹن انجم رحمٰن کو جون 2022-23 ختم ہونے تک بطور کمپنی آڈیٹرز تعینات کرنے کی شفارش کی ہے۔ جس کا فیصلہ باہمی طے شدہ فیس کی بنیاد پر عام اجلاس میں حصص داران کی منظوری سے مشروط ہے۔

حصص داران کی تفصیل

کمپنی کے حصوں داران کی تفصیل اس رپورٹ کے ساتھ منسلک ہے۔

ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں نے سال کے دوران کمپنی کے حصص کا کوئی لین دین نہیں کیا، سوائے ان کے جو شیئر ہولڈنگ کے انداز میں رپورٹ کیے گئے ہیں۔

ایگزیکٹوز کا مطلب ہے چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، اندرونی آڈٹ کا سربراہ، کمپنی سیکرٹری اور دیگر ایگزیکٹوز (جیسا کہ بورڈ نے وضاحت کی ہے)۔

صحت، حفاظت اور ماحول

حفاظت اور ماحولیاتی ذمہ داری کے اعلیٰ ترین معیاروں کو برقرار رکھنے کے ہمارے عزم کے بعد، کمپنی اس بات کو یقینی بنانے پر ایک افتخار دیتی ہے کہ ہمارے ملازمین اور ٹھیکیدار دونوں ان نظاموں اور عمل کی سختی سے پابندی کریں۔ یہ پروٹوکول سوچ سمجھ کر بین الاقوامی معیارات اور صنعت کے بہترین طریقوں کے مطابق بنائے گئے ہیں۔ ایک محفوظ اور محفوظ کام کا ماحول بنانے کی کوشش میں، ہم فعال طور پر کام کی جگہ کے صحت مند طریقوں کی حوصلہ افزائی اور فروغ دیتے ہیں۔ اس مقصد کے لیے، ہم نے کام کی جگہ کی حفاظت کا ایک جامع پروگرام نافذ کیا ہے۔ یہ پروگرام حفاظتی خلاؤں کے تجزیوں کا انعقاد کرتا ہے، مؤثر طریقے سے کام کی جگہ کے ممکنہ خطرات کی شناخت اور تخفیف کرتا ہے، اس طرح ہماری افرادی قوت کی مجموعی بہبود کو فروغ دیتا ہے۔

پائیدار کاروباری حکمت عملی

ہماری کاروباری حکمت عملی پائیداری اور ماحولیاتی ذمہ داری کے ہمارے وژن کے ساتھ ہم آہنگ ہے۔ ہمیں یہ اطلاع دیتے ہوئے خوشی ہو رہی ہے کہ ہم نے اپنے کاربن فوٹ پرنٹ کو کم کرنے اور اپنے قدرتی ماحول کو محفوظ رکھنے کی جانب اہم اقدامات کیے ہیں۔ اس سلسلے میں ایک قابل ذکر اقدام شمسی توانائی سے چلنے والے توانائی کے ذرائع میں ہماری کامیاب منتقلی ہے۔ یہ ماحول دوست تبدیلی ماحولیاتی ذمہ داری کے تئیں ہماری غیر متزلزل وابستگی کو ظاہر کرتی ہے اور ایک صاف ستھرا، زیادہ پائیدار مستقبل میں فعال طور پر حصہ ڈالتی ہے۔

کارپوریٹ سماجی ذمہ داری

آپ کی کمپنی ہمارے معاشرے کے اندر سماجی اور ماحولیاتی وجوہات کو آگے بڑھانے کے لیے پرعزم ہے، اور ہم اپنی کمیونٹی کے تمام طبقات کے ساتھ مضبوط تعلقات استوار کرنے کے لیے وقف ہیں۔ اس عزم کی مثال کئی اہم اقدامات کے ذریعے ملتی ہے۔ معیاری تعلیم کو سب کے لیے زیادہ قابل رسائی بنانے کے لیے ہماری اٹل لگن ہماری کارپوریٹ اخلاقیات کا سنگ بنیاد ہے۔ مزید برآں، ہم اپنے ملازمین کے بچوں کی تعلیم کے لیے مالی مدد فراہم کرنے پر فخر محسوس کرتے ہیں، ایک روشن مستقبل کی تشکیل میں تعلیم کی تبدیلی کی طاقت کو تسلیم کرتے ہیں۔ ہم اس بات کو یقینی بنانے کے اپنے مقصد میں ثابت قدم ہیں کہ مالی صلاحیتوں کی بنیاد پر کسی بھی قسم کے امتیاز کے بغیر صحت کی دیکھ بھال ہر فرد کے لیے قابل رسائی ہو۔ ہمارا مقصد تمام مریضوں کو صحت کی دیکھ بھال کی خدمات فراہم کرنا ہے، خواہ ان کی ادائیگی کی اہلیت کچھ بھی ہو، اس طرح ایک صحت مند، اور زیادہ جامع معاشرے کو فروغ دینا ہے۔

کمپنی نے فلاحی کاموں میں فعال طور پر حصہ ڈالا ہے، جس کے عطیات کل PKR12.33 ملین ہیں۔ اس رقم کا ایک اہم حصہ، PKR11.65 ملین، غوری ٹرسٹ کو دل کھول کر عطیہ کیا گیا۔ یہ ٹرسٹ ایک عظیم مشن کے ساتھ قائم کیا گیا تھا- پاکستان میں تعلیم کے معیار کو بلند کرنے اور اس میں اضافہ کرنے کے ساتھ ساتھ اس بات کو یقینی بناتے ہوئے کہ وہ کسی بھی پس منظر یا ذرائع سے قطع نظر سب کے لیے قابل رسائی رہے۔ اس مشن کے ساتھ ہم آہنگی میں، ٹرسٹ نے دی سٹیزنز فاؤنڈیشن (TCF) کے ساتھ تعاون کیا ہے، جو ایک ممتاز غیر منافع بخش تنظیم ہے جو کم مراعات یافتہ افراد کے لیے تعلیم کے ذریعے مثبت سماجی تبدیلی لانے کے لیے وقف ہے۔

غیر ایگزیکٹوڈائریکٹرز کے معاوضے کی پالیسی

بورڈ ممبران کے معاوضے کا تعین اور منظوری بورڈ کے ذریعے کیا جاتا ہے، کسی بھی ڈائریکٹر کی جانب سے اپنے معاوضے کے بارے میں فیصلہ سازی کے عمل میں عدم شرکت کے اصول کی پابندی کرتے ہوئے شفافیت کو برقرار رکھنے اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) 2017 کے مطابق کارپوریٹ گورننس کے رہنما خطوط پر عمل کرنے کے لیے، ڈائریکٹرز اپنے معاوضے کے تعین میں حصہ نہیں لیتے ہیں۔ غیر ایگزیکٹوڈائریکٹرز، خاص طور پر، معاوضہ وصول نہیں کرتے، سوائے بورڈ کے اجلاسوں میں ان کی حاضری سے منسلک فیس کے۔ ہماری معاوضے کی پالیسیاں بہترین ٹیلنٹ کو راغب کرنے اور برقرار رکھنے کے لیے حکمت عملی کے ساتھ بنائی گئی ہیں، موجودہ صنعتی معیارات اور کاروباری دنیا کے بہترین طریقوں کے مطابق۔

چیف ایگزیکٹیو اور ایگزیکٹیو ڈائریکٹرز کے معاوضے کی پالیسی

چیف ایگزیکٹو اور دیگر ڈائریکٹرز کے معاوضے کا پیکیج نوٹ 42 میں مالی بیانات میں ظاہر کیا گیا ہے۔

بورڈ کے اجلاس اور حاضری

مذکورہ سال میں بورڈ کے چھ (6) اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری درج ذیل ہے۔

جناب جاوید علی غوری، چیئر مین۔	4
جناب خالد سرفراز غوری	5
جناب فیضان علی غوری	5
جناب صفوان خالد غوری	5
جناب سید کامران رشید	5
جناب عبدالصمد خان	3
مسز فریال مرتضیٰ	5
محترمہ اُمہ حبیبہ	4
جناب محمد محسن	5

غیر حاضری کی رخصت ان ڈائریکٹرز کو دی گئی جو بورڈ کے کچھ اجلاسوں میں شرکت نہیں کر سکے۔

بورڈ آڈٹ کمیٹی

زیر نظر سال کے دوران، بورڈ آڈٹ کمیٹی کے چار (04) اجلاس ہوئے اور ہر ممبر کی حاضری ذیل میں دی گئی ہے۔

ممبران کے نام	حاضری
جناب سید کامران رشید۔ چیئر مین	4
جناب عبدالصمد خان	3
جناب صفوان خالد غوری*	1
جناب محمد محسن*	3

*جناب صفوان خالد غوری نے آڈٹ کمیٹی کی رکنیت سے استعفیٰ دے دیا ان کی جگہ جناب محمد محسن کو ڈائریکٹرز نے آڈٹ کمیٹی کا رکن منتخب کر لیا۔

انسانی وسائل اور معاوضہ کمیٹی

زیر نظر سال کے دوران، ایک (01) انسانی وسائل اور معاوضہ کمیٹی کا اجلاس منعقد ہوا اور ہر رکن کی حاضری ذیل میں دی گئی ہے۔

ممبران کے نام	حاضری
محترمہ اُمہ حبیبہ، چیئر مین	1
جناب جاوید علی غوری	1
جناب خالد سرفراز غوری	1
مسز فریال مرتضیٰ	1
جناب فیضان علی غوری	1

چاول گلوکوز ڈویژن پر مختصر

موجودہ مالی سال میں، رائس گلوکوز ڈویژن نے قابل ستائش کارکردگی کا مظاہرہ کیا ہے، جس کی خصوصیت فروخت اور منافع میں نمایاں پیش رفت ہے۔ اس کے باوجود، ہمیں ملکی منظرنامے کے اندر ایک قابل ذکر چیلنج کا سامنا کرنا پڑا، جہاں رائس گلوکوز ڈویژن کے لیے خام مال کی قیمتوں میں غیر متوقع اضافہ ہوا۔ یہ اضافہ بنیادی طور پر پاکستان میں کنفیکشنری، فارماسیوٹیکل اور پولٹری جیسے شعبوں کی متوازی اور غیر متوقع مانگ کی وجہ سے ہوا تھا۔

اس کے برعکس، بین الاقوامی محاذ پر، ناکافی مانگ کی وجہ سے ہماری برآمدات میں کمی کا سامنا کرنا پڑا۔ تاہم، یہ بات اجاگر کرنے کے قابل ہے کہ ڈویژن کو مقامی مارکیٹوں سے سازگار ردعمل کا سامنا کرنا پڑا ہے، جس کے نتیجے میں کمپنی کے لیے زیادہ امید افزا منافع ہوا ہے۔

کارن اسٹارچ ڈویژن پر مختصر

سنگِ بنیاد کے صرف 16 ماہ کے اندر تجارتی پیداوار شروع کرنے کی نمایاں کامیابی کے بعد، ڈویژن نہ صرف مضبوط سیلز حاصل کرنے میں کامیاب ہوا ہے بلکہ اس نے مارکیٹ میں اعتدال پسند حصہ بھی حاصل کیا ہے۔ اناج کی خریداری، ہینڈلنگ، اور پروسیسنگ میں کمپنی کی مہارت نے اپنے صارفین کو اعلیٰ معیار کی مصنوعات کی فراہمی میں اہم کردار ادا کیا ہے۔

کمپنی کا پروڈکٹ پورٹ فولیو ٹیکسٹائل سیکٹر کی خدمت سے آگے پھیلا ہوا ہے، جس میں کاغذ اور نالیدار بورڈ انڈسٹری، پینٹ، سیرامک، اور کیمیکل انڈسٹریز کے لیے صنعتی درجے کے نشاستے، فوڈ اینڈ بیوریج سیکٹر کے لیے فوڈ گریڈ نشاستے، فارماسیوٹیکل ایپلی کیشنز، اور اس کے لیے تیار کردہ مصنوعات شامل ہیں۔ مویشیوں اور پولٹری کی صنعت میں فائبر اور فیڈ کی ضرورت ہے۔

فلک فوڈ ڈویژن پر مختصر

کمپنی کا فلک فوڈز ڈویژن مقامی اور بین الاقوامی دونوں سطحوں پر سہولت پر مبنی کھانے کی مصنوعات کی صنعت میں خاطر خواہ ترقی کر رہا ہے۔ اس نے کمپنی کے منافع میں بھی حصہ ڈالا ہے۔

ڈیکسٹرس مونو ہائیڈریٹ (DMH) کے نئے منصوبے پر مختصر

متعلقہ شعبوں میں تنوع لانے کی کمپنی کی حکمت عملی کے ایک حصے کے طور پر، کمپنی ڈیکسٹروز مونو ہائیڈریٹ (DMH) کی تیاری کے لیے ایک نئے پروجیکٹ کی تنصیب میں مصروف ہے، جس کے آپریشنز 2023 کے آخر تک شروع ہونے کی توقع ہے۔ کھانے اور مشروبات کی صنعت میں بڑے پیمانے پر استعمال ہونے والا جزو، ایک میٹھا کرنے والا، گاڑھا کرنے والا، اور بلکنگ ایجنٹ کے طور پر کام کرتا ہے۔ اس کی ایپلی کیشنز مختلف شعبوں پر محیط ہیں، بشمول بیکنگ، کنفیکشنری، مشروبات، ڈیری مصنوعات، اور پراسیسڈ فوڈز۔ مزید برآں، یہ دواسازی اور طبی شعبوں میں نس کے سیالوں میں گلوکوز کے ذریعہ کے طور پر استعمال ہوتا ہے۔ یہ تزویراتی اقدام ہمارے پروڈکٹ پورٹ فولیو کے تنوع اور مضبوطی میں نمایاں طور پر تعاون کرے گا۔

بارینٹز پاکستان (پرائیویٹ) لمیٹڈ پر مختصر

متعلقہ ادارے، Barentz Pakistan (Pvt.) Limited نے اپنے مالی سال 2023 کے ابتدائی چھ مہینوں کے دوران 0.143 ملین روپے کا خالص نقصان ریکارڈ کیا ہے۔ Barentz پاکستان نے کامیابی کے ساتھ خود کو معیاری اور خصوصی خوراک دونوں کے لیے ایک جامع حل فراہم کرنے والے کے طور پر پوزیشن میں لے لیا ہے۔ اجزاء یہ کامیابی Barentz International کی وسیع مہارت اور متنوع پورٹ فولیو کے تعاون سے حاصل ہوئی ہے، جو کہ مقامی پارٹنر کی کسٹمر بیس کی گہرائی سے سمجھ کے ساتھ مل کر حاصل ہوئی ہے۔ نتیجے کے طور پر، Barentz پاکستان غیر معمولی طور پر مقامی مارکیٹوں میں اعلیٰ معیار کی خدمات اور مصنوعات کی فراہمی کے لیے لیس ہے۔

Barentz Pakistan مختلف صنعتوں میں متنوع گاہکوں کی خدمت کرتا ہے، جس میں ڈیری، مشروبات، بیکڈ اشیا، اسنیکس، پراسیس شدہ گوشت اور مچھلی، چٹنی اور مصالحہ جات، مٹھائیاں اور کنفیکشنری کے ساتھ ساتھ تیل اور چکنائی شامل ہیں۔

ہم پر امید ہیں کہ کمپنی مجموعی طور پر منافع حاصل کرے گی اور مستقبل قریب میں اپنے نقصانات کو پورا کر لے گی۔

بورڈ کی کمپوزیشن

بورڈ کا امتزاج درج ذیل سات (7) مرد اور دو (2) خواتین ڈائریکٹرز پر مشتمل ہے۔ جن کی تفصیل یہ ہے:

خود مختار ڈائریکٹرز	4
نان ایگزیکٹیو ڈائریکٹرز	2
ایگزیکٹیو ڈائریکٹرز	3
ڈائریکٹرز کی مجموعی تعداد	9

مندرجہ بالا ڈائریکٹرز کا انتخاب 31 اکتوبر 2021 سے شروع ہونے والی تین (3) سال کی مدت کے لیے 21 اکتوبر 2021 کو منعقد ہونے والی سالانہ جنرل میٹنگ میں کیا گیا ہے۔

کمپنی نے رواں مالی سال کے دوران اپنی مالی کارکردگی میں قابل ذکر اضافے کی اطلاع دی ہے۔خالص فروخت میں19,985 ملین روپے کی رقم حاصل ہوئی جبکہ پچھلے مالی سال کے مقابلے میں 12,375 ملین روپے تھی، جوکہ 61 فیصد کی خاطر خواہ اضافہ کی نشاندہی کرتا ہے۔مزید برآں، سال کے لیے مجموعی منافع2,453 ملین روپے تک پہنچ گیا۔جوکہ پچھلے مالی سال کے اعداد وشمار کے مقابلے میں 86 فیصد اضافے کی نمائندگی کرتا ہے۔جیسا کہ پچھلے مالی سال1,319 ملین روپے کا مجموعی منافع حاصل کراتھا۔اس کے علاوہ، رواں مالی سال میں556 ملین روپے کا کمپنی نے خالص منافع حاصل کیا۔ جب کہ پچھلے مالی سال422 ملین روپے کا خالص منافع کے مقابلے میں32 فیصد کے قابل ستائش اضافے کی عکاسی کرتا ہے۔

مالی سال کے دوران کمپنی نے کامیابی سے32,829 میٹرک ٹن باسمتی چاول برآمد کیے جبکہ گزشتہ سال کے اسی عرصے میں برآمدات کا حجم42,114 میٹرک ٹن تھا۔یہ بات قابل غور ہے کہ باسمتی چاول کی کمپنی کی اوسط برآمدی قیمتوں میں بھی اضافہ دیکھا گیا، جوپچھلے سال981امریکی ڈالر کے مقابلے میں1220امریکی ڈالرتک پہنچ گئی۔

کمپنی کے مجموعی منافع میں بہتری کوکئی عوامل سے منسوب کیا جاسکتا ہے، بشمول سیلز کے حجم میں اضافہ، مالِ تجارت کی قیمت میں اضافہ، اوسط قیمت میں اضافہ، چاول گلوکوز کی مصنوعات پر بڑھے ہوئے مارجن، اورمضبوط امریکی ڈالر کے سازگار اثرات۔تاہم، یہ بتانا ضروری ہے کہ مالیاتی اخراجات میں اضافے اور معیاری کارپوریٹ ٹیکس کی شرح29 فیصد کے علاوہ ٹیکس سال2022-23 کے لیے قابل ٹیکس منافع پر اضافی10% سپر ٹیکس کے نفاذ سے مجموعی مالیاتی کارکردگی کو جزوی طور پر متاثر کیا۔

تخصیص

بورڈ آف ڈائریکٹرز نے فی حصص0.50 روپے(5%) کے حتمی نقد منافع کی تجویز پیش کی ہے۔جب سال کے شروع میں تقسیم کیے گئےRe.1.00(10%) فی شیئر کے عبوری ڈیویڈنڈ کے ساتھ ملایا جائے تو مالی سال2023 کے لیے کل ڈیویڈنڈ1.50 روپے(15%) فی عام شیئر ہوگا جس کی قیمت روپے ہے۔10، پچھلے سال(FY22) میں ادا کیے گئے صفر ڈیویڈنڈ کے مقابلے میں۔

بنیادی خطرات اور غیر یقینی صورتحال

پچھلے سال کے برعکس، ملک موجودہ سیزن میں چاول کی زیادہ مضبوط فصل کے لیے تیار ہے۔تاہم، کمپنی کو بے شمار اقتصادی چیلنجوں کا سامنا ہے، بشمول:

غیر ملکی زرمبادلہ کی شرح میں اتار چڑھاؤ: غیر ملکی زرمبادلہ کی شرحوں میں غیر متوقع تبدیلیاں کمپنی کے بین الاقوامی لین دین اور منافع کو متاثر کرسکتی ہیں۔

مسلسل افراط زر: کئی سالوں میں مسلسل بلند افراط زر کی شرح کمپنی کی قوت خرید اور لاگت کے ڈھانچے کو ختم کرنے کی صلاحیت رکھتی ہے۔

حکومتی ضابطے: حکومتی ضوابط میں متواتر تبدیلیاں کمپنی کے کاموں کے لیے خطرہ بنتی ہیں، جس کے لیے موافقت اور تعمیل کی کوششوں کی ضرورت ہوتی ہے۔

سیاسی عدم استحکام: خطے میں سیاسی عدم استحکام غیر یقینی صورتحال کا باعث بن سکتا ہے، جس سے کاروبار کے تسلسل اور سرمایہ کاری کا ماحول متاثر ہوتا ہے۔

ماحولیاتی خدشات: منفی ماحولیاتی حالات کمپنی کو اپنے عمل اور طرز عمل کو پائیداری کے معیارات پر پورا اترنے کا تقاضا کر سکتے ہیں۔

زیادہ سود کی شرح: معیشت میں بلند شرح سود کمپنی کے قرض لینے کے اخراجات کو بڑھا سکتی ہے اور اس کے مالیاتی فیصلوں کو متاثر کرسکتی ہے۔

ان کثیر جہتی چیلنجوں سے نمٹنے کے لیے، کمپنی ایک قابل قبول سطح تک خطرات کو کم کرنے کے لیے کاروباری تنوع جیسی جامع حکمت عملیوں کو فعال طور پر نافذ کر رہی ہے۔

ڈائریکٹرز رپورٹ

اللہ (SWT) کے فضل سے اور بورڈ آف ڈائریکٹرز (BOD) کی طرف سے، مجھے 30 جون 2023 کو ختم ہونے والے سال کے لیے Matco Foods Limited کی سالانہ رپورٹ کے ساتھ آڈٹ شدہ مالیاتی گوشواروں اور آڈیٹرز کے ساتھ پیش کرتے ہوئے خوشی ہو رہی ہے۔ اس پر رپورٹ کریں۔

OPERATING RESULTS:

	Unconsolidated		Consolidated	
	2023	2022	**2023**	2022
	Rupees			
Sales - net	**19,985,401,101**	12,375,920,766	**20,009,062,264**	12,399,470,102
Cost of sales	**(17,532,145,553)**	(11,056,103,781)	**(17,532,145,553)**	(11,056,103,781)
GROSS PROFIT	**2,453,255,548**	1,319,816,985	**2,476,916,711**	1,343,366,321
Selling and distribution expenses	**(355,178,974)**	(229,279,801)	**(355,999,148)**	(229,279,801)
Administrative expenses	**(564,506,396)**	(356,460,731)	**(571,567,962)**	(358,270,742)
	(919,685,370)	(585,740,532)	**(927,567,110)**	(587,550,543)
Operating Profit	**1,533,570,178**	734,076,453	**1,549,349,601**	755,815,778
Finance cost	**(1,182,362,299)**	(387,872,994)	**(1,182,574,596)**	(388,135,728)
Other income	**53,694,455**	19,789,701	**53,703,050**	19,801,519
Share of (loss)/profit from associate company	**-**	-	**(11,249,566)**	4,883,940
Exchange gain - net	**412,369,039**	202,334,249	**412,369,039**	202,334,249
Provision for worker's welfare fund	**(15,276,100)**	(10,622,942)	**(15,276,100)**	(10,622,942)
Provision for worker's profit participation fund	**(38,190,251)**	(26,557,356)	**(38,190,251)**	(26,557,356)
PROFIT BEFORE TAX	**763,805,022**	531,147,111	**768,131,177**	557,519,460
Income tax expense	**(208,187,001)**	(108,731,143)	**(208,187,001)**	(108,731,143)
PROFIT FOR THE YEAR	**555,618,021**	422,415,968	**559,944,176**	448,788,317
EARNINGS PER SHARE - BASIC AND DILUTED	**4.54**	3.45	**4.57**	3.67

چیئر مین کی
جائزہ رپوٹ

مجھے ۳۰ جون ۲۰۲۳ کو ختم ہونے والے مالی سال کے لیے میٹکو فوڈز لمیٹڈ کے بورڈ آف ڈائریکٹرز کے چیئر مین کی حیثیت سے اپنی صلاحیت کے مطابق سالانہ جائزہ پیش کرنے کا اعزاز حاصل ہے۔

بورڈ نو (۹) اراکین پر مشتمل ہے، جن میں سے سبھی کو ۲۱ اکتوبر ۲۰۲۱ کو بلائے گئے سالانہ جنرل میٹنگ کے دوران منتخب کیا گیا تھا، اورکمپنیز ایکٹ، ۲۰۱۷ کے سیکشن ۱۵۹ میں بیان کردہ شرائط کے مطابق، آئندہ تین سال کی مدت کے لیے خدمات انجام دینے کے لیے تیار ہیں۔ بورڈ کی تشکیل میں ایسے افراد شامل ہے جن کے پاس وسیع تجربہ اور وسیع العمل علم کا ذخیرہ ہے، جس نے فیصلہ سازی کے انتہائی موثر عمل میں نمایاں طور پر تعاون کیا ہے۔

اپنی متعلقہ کمیٹیوں کے ساتھ مل کر، بورڈ نے اسٹریٹیجک منصوبہ بندی کے عمل میں سرگرمی سے حصہ لیا، کمپنی کے وژن کی تشکیل میں اہم کردار ادا کیا۔ نتیجتاً، بورڈ نے انتظامیہ کی ٹیم کے ساتھ قریبی تعاون کیا تاکہ کارپوریٹ مقاصد کو آپ کی معزز کمپنی کے وسیع وژن، مشن اور اقدار کے ساتھ ترتیب دیا جا سکے۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ کی ضرورت کے مطابق، کمپنی کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ لیا جاتا ہے۔ اس تجزیے کا مقصد اس بات کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور افادیت کو کمپنی کے مقرر کردہ معیار (Benchmark) اور توقعات کے مطابق جانچنا ہے۔

۳۰ جون ۲۰۲۳ کو ختم ہونے والے مالی سال کے لیے، بورڈ کی مجموعی کارکردگی اور افادیت کو تسلی بخش قرار دیا گیا ہے۔ بہتری ایک جاری عمل ہے جو ایکشن پلان کی طرف جاتا ہے۔ مندرجہ بالا مجموعی افادیت کے لازمی اجزاء بورڈ کی ذمہ داری کو نبھانے میں ان کی کارکردگی، بشمول وژن، مشن، اور اقدار؛ اسٹریٹجک منصوبہ بندی میں مشغولیت؛ پالیسیوں کی تشکیل؛ تنظیم کی کاروباری سرگرمیوں کی نگرانی؛ مالی وسائل کے انتظام کی نگرانی؛ مؤثر مالیاتی نگرانی؛ تمام ملازمین کے ساتھ مساوی سلوک اور ان کی تشخیص پر مبنی ہے۔

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کو اجلاسوں اور میٹنگز سے مناسب وقت پہلے ایجنڈا اور معاون تحریری مواد ملا جس میں بورڈ اور اس کی کمیٹی کے اجلاسوں کا فالو اپ مواد بھی شامل ہے۔ بورڈ اپنی ذمہ داریوں کو مناسب طریقے سے ادا کرنے کے لیے اکثر ملاقات کرتا ہے۔ اہم فیصلوں میں نان ایگزیکٹو اور آزاد ڈائریکٹرز برابر کے شریک ہوتے ہیں۔

ہم اپنے پرعزم ملازمین، معزز گاہکوں، بینکنگ پارٹنرز، قابل قدر شیئر ہولڈرز، اور مقامی انتظامیہ کا رپورٹنگ کی مدت کے دوران کمپنی کے لیے ان کی انمول شراکت کے لیے تہہ دل سے شکریہ ادا کرتے ہیں۔

جاوید علی غوری۔
چیئر مین
کراچی: ۷ ستمبر ۲۰۲۳

MATCO FOODS LIMITED

نمائندگی کا فارم

کمپنی سیکریٹری
میٹکو فوڈز لمیٹڈ
B-1/A، سائٹ، فیز ۱،
سپر ہائی وے انڈسٹریل ایریا
کراچی۔

میں/ہم ______________________ جس/جن کا تعلق ______________________________ سے ہے

میٹکو فوڈز لمیٹڈ کے ممبر اور ____________________ تعداد میں حصص کے حامل ہونے کے ناطے جو کہ شیئر رجسٹر فولیو نمبر، ____________________ اور

/ یا سی ڈی سی پارٹیسپنٹ ID، ______________ اور اکاؤنٹ/ ذیلی اکاؤنٹ نمبر، ______________ کے مطابق ہیں، میں/ہم ______________

کو یا ان کی عدم حاضری کی صورت میں ______________ کو اپنا نمائندہ مقرر کرتا ہوں/کرتی ہوں/کرتے ہیں کہ وہ میرے/ میری/ ہمارے پراکسی کے طور پر ویڈیو کانفرنسنگ

کی سہولت کے ذریعے ۲۸ اکتوبر ۲۰۲۳ کو منعقد ہونے والے کمپنی کے حصص یافتگان کے سالانہ اجلاس عام میں اور اس کے کسی بھی التوا ہونے پر میرے/ میری/ ہماری طرف سے ووٹ دیں۔

دستخط برائے
پانچ روپے ریونیو اسٹیمپ

بطور گواہ میرے/ ہمارے ہاتھ/اس پر __________ کے دن __________، ۲۰۲۳

ممبر کے دستخط

گواہ 1:
دستخط: ______________________
شناختی کارڈ نمبر: ______________________
پتہ: ______________________
____

گواہ 2:
دستخط: ______________________
شناختی کارڈ نمبر: ______________________
پتہ: ______________________
____

نوٹ:

۱۔ نمائندہ کے لئے ممبر ہونا لازمی ہے
۲۔ پراکسی فارم پر دستخط کمپنی کے ساتھ رجسٹرڈ نمونہ کے دستخط سے مطابق ہونا چاہیے
۳۔ اگر کوئی رکن ایک سے زیادہ پراکسی کا تقرر کرتا ہے اور اس کی طرف سے پراکسی کے ایک سے زیادہ انسٹرومنٹ کمپنی کے پاس جمع کرائے جاتے ہیں، تو پراکسی کے ایسے تمام انسٹرومنٹ کو غلط قرار دیا جائے گا۔
۴۔ اگر کسی ممبر کی طرف سے پراکسی دی جاتی ہے جس نے اپنے حصص سینٹرل ڈپازیٹری کمپنی آف پاکستان لمیٹڈ میں جمع کرائے ہیں، تو پراکسی کے ساتھ پارٹیسپنٹ ID نمبر اور اکاؤنٹ/سب اکاؤنٹ نمبر، کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل مالک کے پاسپورٹ کی تصدیق شدہ کاپیاں منسلک کرنا ہونگی۔ کارپوریٹ ممبران کے نمائندوں کو اس مقصد کے لیے درکار معمول کی دستاویزات ساتھ لانا ہونگی۔
۵۔ پراکسی فارم مکمل اور دستخط شدہ، میٹنگ کے لیے مقررہ وقت سے کم از کم ۴۸ گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں موصول ہونا چاہیے۔
۶۔ کارپوریٹ ادارے کی صورت میں پراکسی فارم بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی دستخطوں کے نمونہ کے ساتھ بذریعہ ای میل کمپنی میں جمع کرایا جائے گا (اگر پہلے فراہم نہ کیا ہو) (جیسا کہ AGM کے نوٹس کے نکات میں تحریر کیا گیا ہے)

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

MATCO FOODS LIMITED

PROXY FORM

I/We ____ 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. ______________________ and Account / Sub-Account 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 Annual General Meeting of the Shareholders of the Company to be held on the 28th day of October 2023 via video-conferencing facility and at any adjournment thereof.

Signed this __________________________ day of _____________________, 2023.

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 shch 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 AGM).

MATCO FOODS LIMITED

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