



MATCO FOODS LIMITED

REACHING NEW HEIGHTS

2nd QUARTERLY REPORT 2023



TABLE OF CONTENTS

<i>Our Legacy</i>	01
<i>Business Profile</i>	02
<i>Company Information</i>	03
<i>Mission & Vision</i>	05
<i>Directors' Review Report – English</i>	06
<i>Directors' Review Report – Urdu</i>	08
<i>Independent Auditors' Review Report</i>	11
<i>Condensed Interim Unconsolidated Statement of Financial Position (Un-audited)</i>	14
<i>Condensed Interim Unconsolidated Statement of Profit or Loss (Un-audited)</i>	16
<i>Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)</i>	17
<i>Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)</i>	18
<i>Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)</i>	19
<i>Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)</i>	20
<i>Condensed Interim Consolidated Statement of Financial Position (Un-audited)</i>	32
<i>Condensed Interim Consolidated Statement of Profit or Loss (Un-audited)</i>	34
<i>Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)</i>	35
<i>Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)</i>	36
<i>Condensed Interim Consolidated Statement of Cash Flows (Un-audited)</i>	38
<i>Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)</i>	39

OUR LEGACY

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

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

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



BUSINESS PROFILE

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

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

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

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

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



COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Muhammad Aamir Farooqui, FCMA

COMPANY SECRETARY

Mr. Danish Ahmed, ACA

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 Shakra-e-Faisal, Karachi - 74400
Tel: (92)) 0800-23275
Fax: (92-21) 34326053
URL: www.cdcsrsl.com
Email: info@cdcsrsl.com

BANKERS

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

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

COMPANY LOCATIONS

REGISTERED OFFICE

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

FAISALABAD OFFICE

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

RICE PLANT – KARACHI

RICE GLUCOSE PLANT – KARACHI

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

RICE PLANT – SADHOKE

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

CORN STARCH PLANT – FAISALABAD

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

Web Address

www.matcofoods.com

Email Address

contact@matcofoods.com



VISION

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

MISSION

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

DIRECTORS' REVIEW REPORT

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

By the Grace of Allah (SWT), the Directors of your Company take pleasure in presenting un-audited condensed interim financial information of the Company and Group for the six-months period ended December 31, 2022.

Financial Results:

Description	Unconsolidated		Consolidated	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	-----Rupees in '000-----		-----Rupees in '000-----	
Sales – net	7,238,539	4,845,562	7,259,332	4,849,650
Cost of sales	(6,181,207)	(4,299,531)	(6,181,207)	(4,299,531)
Gross Profit	1,057,332	546,031	1,078,125	550,119
Selling and distribution	(148,011)	(109,601)	(148,011)	(110,408)
Administrative	(293,605)	(159,841)	(294,198)	(159,991)
Operating profit	615,716	276,589	635,916	279,720
Other Operating Income	24,841	23,777	24,847	23,777
Exchange Gain/(Loss)	150,283	(33,547)	150,283	(33,547)
Financial Charges	(470,217)	(158,986)	(470,463)	(159,063)
Share of loss from Associated Company	-	-	(1,506)	(5,561)
Profit Before Tax	320,623	107,829	339,077	105,326
Income Tax	(64,492)	(47,543)	(64,492)	(47,543)
Profit for the Period	256,131	60,286	274,585	57,783
Earnings Per Share	2.09	0.49	2.24	0.47

During the past six months i.e., July 2022 – December 2022:

- The Company has earned a net profit of Rs. 256.13 million compared to a profit of Rs. 60.29 million in the last period, representing an increase of 375%.
- The Company has exported 14,275 metric tons of basmati rice as compared to 14,848 metric tons in the last comparative period and thereby representing a decrease of 4%.
- The average export selling price per metric ton of basmati rice during six months was USD 1,150 which was USD 1,073 in the last comparative six months.

The production of basmati rice in Punjab is in surplus but the stockiest have hoarded the large quantities that resulted in an increase in price, two to three folds in the local market. The production of non-basmati rice in Sindh has been devastated due to the unprecedented recent floods but since the Company is more focused on basmati rice has managed to secure good returns.

Rice Glucose Division has picked up the pace and contributing positively to the profitability of the Company, local and international prices have been improved significantly during the period resulting in healthy inventory gains.

In line with our strategy of diversification, during the year the Company's Corn Starch Division commenced its commercial operations. The division is in a phase of market penetration locally and globally and is successfully making local and international sales. However, the slowdown in economic activities is adversely affecting growth.

The increase in the value of the US dollar against the Pak rupee has positively contributed to the bottom line of the Company. However, on the other hand, the increasing discount rate coupled with the increase in the financing rates of the Export Finance Schemes by SBP has negatively impacted profitability.

Future Outlook:

During the last fiscal year, Pakistan exported 262,179 tons of basmati rice, valuing around USD 280 million. However, basmati rice exports fell down by 25 percent compared to exports of FY2021-22 due to inflationary pressures around the world. Contrary to the industry performance, the Company has managed to retain its market share and is also putting efforts into exploring new markets and expanding its customer base.

In accordance with the above strategy, the Company participates in the world's largest food exhibition i.e. Gulf foods 2023, and presented its products to new potential customers. Alhamdulillah, Company is getting fresh orders of exports for Rice, Rice Glucose, and Corn Starch products.

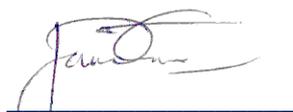
A new Project for the production of Dextrose Monohydrate, (DMH) is expected to be operational by the end of 2023. The installation activities are in full swing, almost all related machinery has been already imported, and civil works are carried on a fast track.

In the upcoming months, the Company will face challenges on the economic front resulting from depleting foreign exchange reserves, import rationing, fluctuating exchange rates, hike in taxation and regulatory duties, the surge in raw material prices, increased finance cost, reduction in subsidies to exporting sector, which will further be intensified due to the present political turmoil. The Company will continue to attentively monitor and make strategies congruent to circumstances in order to secure its market share and maintain its profitability.

Acknowledgement:

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

On behalf of the Board



Jawed Ali Ghori
Chairman



Khalid Sarfaraz Ghori
Chief Executive Officer

ڈائریکٹرز کی جائزہ رپورٹ

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

اللہ کے فضل و کرم سے، آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر، 2022 کو ختم ہونے والے چھ ماہ کی مدت کے کمپنی اور گروپ کے غیر آڈٹ کنڈنسنڈ عبوری مالی معلومات پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالی نتائج:

Description	Unconsolidated		Consolidated	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	-----Rupees in '000-----		-----Rupees in '000-----	
Sales – net	7,238,539	4,845,562	7,259,332	4,849,650
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Income Tax	(64,492)	(47,543)	(64,492)	(47,543)
Profit/(loss) for the Period	256,131	60,286	274,585	57,783
Earnings Per Share	2.09	0.49	2.24	0.47

چھ ماہ کے دوران یعنی جولائی 2022ء - دسمبر 2022ء:

- پچھلی مدت میں 60.29 ملین روپے کے منافع کے مقابلے میں کمپنی کو اس چھ ماہی میں 256.13 ملین روپے کا خالص منافع ہوا ہے، اس طرح منافع میں 325 فیصد کا اضافہ ہوا ہے۔
- کمپنی نے گزشتہ تقابلی مدت میں 14,848 میٹرک ٹن کے مقابلے میں 14,275 میٹرک ٹن باسستی چاول برآمد کیے ہیں اور اس طرح یہ 4 فیصد کی کمی کو ظاہر کرتا ہے۔
- چھ مہینوں کے دوران فی میٹرک ٹن اوسط برآمد قیمت 1,150 امریکی ڈالر تھی جو گزشتہ تقابلی چھ مہینوں میں 1,073 امریکی ڈالر تھی۔

پنجاب میں باسمتی چاول کی پیداوار سرپلس ہے لیکن ذخیرہ اندوزوں نے بڑی مقدار میں ذخیرہ کر رکھا ہے۔ جس کے نتیجے میں مقامی مارکیٹ میں قیمت میں دو سے تین گنا اضافہ ہوا۔ سندھ میں غیر باسمتی چاول کی پیداوار غیر معمولی حالیہ سیلاب کی وجہ سے تباہ ہوئی ہے لیکن چونکہ کمپنی باسمتی چاول پر زیادہ توجہ مرکوز کرنے میں کامیاب رہی ہے اس نے اچھا منافع حاصل کیا ہے۔

چاول گلوکوز ڈویژن نے ترقی کرنا شروع کر دی ہے اور کمپنی کے منافع میں مثبت کردار ادا کرنا شروع کر دیا ہے، اس عرصے کے دوران مقامی اور بین الاقوامی قیمتوں میں نمایاں بہتری آئی ہے جس کے نتیجے میں انویٹنٹری میں صحت مند اضافہ ہوا ہے۔

تنوع کی ہماری حکمت عملی کے مطابق، سال کے دوران کمپنی کے کارن سٹارچ ڈویژن نے اپنی تجارتی کارروائیوں کا آغاز کیا۔ یہ ڈویژن مقامی اور عالمی سطح پر مارکیٹ میں رسائی کے مرحلے میں ہے اور کامیابی کے ساتھ مقامی اور بین الاقوامی فروخت کر رہا ہے۔ تاہم معاشی سرگرمیوں میں سست روی ترقی کو بری طرح متاثر کر رہی ہے۔

پاکستانی روپے کے مقابلے امریکی ڈالر کی قدر میں اضافے نے کمپنی کے منافع پر مثبت کردار ادا کیا ہے۔ تاہم، دوسری طرف، ایس بی پی کی جانب سے ایکسپورٹ فنانس اسکیموں کی فنانسنگ کی شرح میں اضافے کے ساتھ ساتھ بڑھتی ہوئی رعایتی شرح نے منافع پر منفی اثر ڈالا ہے۔

مستقبل کا خاکہ:-

گزشتہ مالی سال کے دوران، پاکستان نے 262,179 ٹن باسمتی چاول برآمد کیے، جن کی مالیت تقریباً 280 ملین امریکی ڈالر تھی۔ تاہم، دنیا بھر میں افراط زر کے دباؤ کی وجہ سے باسمتی چاول کی برآمدات مالی سال 2021-22 کی برآمدات کے مقابلے میں 25 فیصد کم ہو گئیں۔ صنعت کی کارکردگی کے برعکس، کمپنی اپنے مارکیٹ شیئر کو برقرار رکھنے میں کامیاب رہی ہے اور نئی منڈیوں کی تلاش اور اپنے کسٹمر بیس کو بڑھانے میں بھی کوششیں کر رہی ہے۔

مذکورہ حکمت عملی کے مطابق، کمپنی دنیا کی سب سے بڑی فوڈ نمائش یعنی گلف فوڈز 2023 میں شرکت کرتی ہے، اور اپنی مصنوعات کو نئے ممکنہ صارفین کے سامنے پیش کرتی ہے۔ الحمدللہ، کمپنی کو چاول، چاول گلوکوز، اور کارن سٹارچ کی مصنوعات کی برآمدات کے تازہ آرڈر مل رہے ہیں۔

Dextrose Monohydrate (DMH) کا ایک نیا پروجیکٹ 2023 کے آخر تک فعال ہونے کی توقع ہے۔ تنصیب کی سرگرمیاں زوروں پر ہیں، تقریباً تمام متعلقہ مشینری پہلے ہی درآمد کی جا چکی ہے، اور سول کام تیزی سے جاری ہیں۔

آنے والے مہینوں میں، زرمبادلہ کے ذخائر میں کمی، درآمدی راشن، شرح مبادلہ میں اتار چڑھاؤ، ٹیکسیشن اور ریگولیٹری ڈیوٹی میں اضافہ، خام مال کی قیمتوں میں اضافہ، مالیاتی لاگت میں اضافہ، برآمدی سیکٹر کی سبسڈی میں کمی کے نتیجے میں کمپنی کو معاشی محاذ پر چیلنجز کا سامنا کرنا پڑے گا۔ جو کہ موجودہ سیاسی انتشار کی وجہ سے مزید شدت اختیار کرے گا۔ کمپنی اپنے مارکیٹ شیئر کو محفوظ رکھنے اور اپنے منافع کو برقرار رکھنے کے لیے توجہ سے نگرانی کرتی رہے گی اور حالات کے مطابق حکمت عملی بنائے گی۔

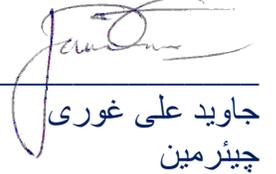
اعتراف:

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

بورڈ کی جانب سے



خالد سرفراز غوری
چیف ایگزیکٹو آفیسر



جاوید علی غوری
چیئرمین

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Matco Foods Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Matco Foods Limited** as at **December 31, 2022** and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-months period then ended (here-in-after referred to as the “unconsolidated condensed interim financial statements”). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim unconsolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of unconsolidated condensed interim financial statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarter ended December 31, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended December 31, 2022.

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



Grant Thornton Anjum Rahman
Chartered Accountants
Karachi

February 24, 2023
UDIN: RR202210154p7PdfnHLR

2nd Quarterly Financial Statements

Unconsolidated

December 31, 2022

(Un-audited)



Unconsolidated Condensed Interim Statement of Financial Position

As at December 31, 2022

	Note	Un-Audited December 31, 2022	Audited June 30, 2022
-----Rupees in '000-----			
ASSETS			
Non-current assets			
Property, plant and equipment	6	6,872,878	6,569,614
Intangible assets	7	-	-
Right-of-use assets		259,953	235,567
Long term deposits		16,759	16,759
Long term investments	8	64,007	62,738
Total non-current assets		7,213,597	6,884,678
Current assets			
Stores, spares and loose tools		142,751	86,091
Stock in trade	9	9,518,957	7,662,054
Trade debts	10	1,528,908	1,818,339
Loans and advances		443,109	155,032
Trade deposits and short term prepayments		6,748	10,683
Short term investment		3,983	4,255
Sales tax refundable		122,306	105,057
Due from related parties		69,210	51,047
Taxation - net		10,495	-
Cash and bank balances	11	204,309	303,566
Total current assets		12,050,775	10,196,124
Total assets		19,264,372	17,080,802

The annexed notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Unconsolidated Condensed Interim Statement of Financial Position

As at December 31, 2022

		Un-Audited December 31, 2022	Audited June 30, 2022
	Note	-----Rupees in '000-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
200,000,000 (June 30, 2020: 200,000,000) shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital	12	1,224,007	1,224,007
Capital reserve		680,467	680,467
Unappropriated profit		2,929,052	2,287,145
Surplus on revaluation of property, and equipment - net of tax		2,423,175	2,459,499
Unrealized (loss) revaluation on investment at fair value through OCI		(2,121)	(3,390)
Total shareholders' equity		7,254,580	7,058,380
Non-current liabilities			
Long-term finances-secured	13	1,500,774	1,582,432
Lease liabilities		188,231	175,602
Deferred liabilities	14	262,986	251,713
Deferred grant		-	-
Total non-current liabilities		1,951,991	2,009,748
Current liabilities			
Trade and other payables		904,541	671,153
Advance from customers - secured		215,616	22,613
Accrued mark-up		257,808	120,739
Due to related parties		6,808	10,556
Short-term borrowings-secured	15	8,382,116	6,979,645
Taxation-net		-	5,132
Current portion of deferred grant		-	1,561
Current portion of long term finances-secured	13	253,102	172,857
Current portion of lease liabilities		27,798	27,634
Unpaid dividend		10,014	784
Total current liabilities		10,057,803	8,012,674
Total liabilities		12,009,794	10,022,422
Contingencies and commitments	16		
Total equity and liabilities		19,264,374	17,080,802

The annexed notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Unconsolidated Condensed Interim Statement of Profit Or Loss

For the Six-Months Period Ended December 31, 2022

	Note	Six months ended		Quarter ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		Un-Audited	Un-Audited	Un-Audited	Un-Audited
		-----Rupees in '000-----		-----Rupees in '000-----	
Sales - net	17	7,238,539	4,845,562	4,257,719	3,256,338
Cost of sales	18	(6,181,207)	(4,299,531)	(3,696,700)	(2,859,823)
Gross profit		1,057,332	546,031	561,019	396,515
Operating expenses					
Selling and distribution		(148,011)	(109,601)	(95,549)	(72,729)
Administrative		(293,605)	(159,841)	(193,870)	(93,002)
		(441,616)	(269,442)	(289,419)	(165,731)
Operating profit		615,716	276,589	271,600	230,784
Financial charges		(470,217)	(158,986)	(271,326)	(80,834)
Exchange gain/(loss)		150,283	(33,547)	62,161	(45,381)
		295,782	84,056	62,435	104,569
Other operating income		24,841	23,773	14,856	18,266
Profit before income tax		320,623	107,829	77,291	122,835
Taxation		(64,492)	(47,543)	(41,952)	(32,840)
Profit for the period		256,131	60,286	35,339	89,995
		-----Rupees-----		-----Rupees-----	
Earnings per share - Basic and Diluted	19	2.09	0.49	0.29	0.74

The annexed notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Six-Months Period Ended December 31, 2022

	Six months ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	Un-Audited		Un-Audited	
	-----Rupees in '000-----		-----Rupees in '000-----	
PROFIT FOR THE PERIOD	256,131	60,286	35,339	89,995
Other comprehensive income				
Items that may be reclassified to statement of profit or loss subsequently	-	-	-	-
Items that will not be reclassified to statement of profit or loss subsequently				
- Unrealized gain on revaluation of investment at fair value through OCI during the period	1,269	(2,852)	(1,043)	-
Other comprehensive loss	1,269	(2,852)	(1,043)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	257,400	57,434	35,339	89,995

The annexed notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Unconsolidated Condensed Interim Statement of Changes In Equity

For the Six-Months Period Ended December 31, 2022 (Un-audited)

	Issued, subscribed and paid-up share capital	Capital reserve	Unappropri- ated profit	Surplus on revaluation of property, plant and equipment- net	Unrealized (loss) revaluation of investment at fair value to OCI	Total
----- Rupees in '000' -----						
Balance as at July 01, 2021	1,224,007	680,467	2,287,145	2,459,499	-	6,651,118
Total comprehensive income for the period						
Profit for the period	-	-	60,286	-	-	60,286
Other comprehensive loss	-	-	-	-	(2,852)	(2,852)
Total comprehensive income	-	-	60,286	-	(2,852)	57,434
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	11,920	(11,920)	-	-
Transferred from surplus on						
revaluation of property, plant and equipment on account of disposal of plant and equipment - net of tax						
Balance as at December 31, 2021	<u>1,224,007</u>	<u>680,467</u>	<u>2,360,703</u>	<u>2,446,227</u>	<u>(5,704)</u>	<u>6,708,552</u>
Balance as at July 01, 2022	1,224,007	680,467	2,723,395	2,433,901	(3,390)	7,058,380
Total comprehensive income for the period						
Profit for the period	-	-	256,131	-	-	256,131
Other comprehensive profit	-	-	-	-	1,269	1,269
Total comprehensive income	-	-	256,131	-	1,269	257,400
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	10,727	(10,727)	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of plant and equipment - net of tax	-	-	-	-	-	-
Transaction with Owners						
Dividend paid @0.5 per share	-	-	(61,200)	-	-	(61,200)
Balance as at December 31, 2022	<u>1,224,007</u>	<u>680,467</u>	<u>2,929,052</u>	<u>2,423,174</u>	<u>(2,121)</u>	<u>7,254,580</u>

The annexed notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.



 Chief Executive Officer



 Chief Financial Officer



 Director

Unconsolidated Condensed Interim Statement of Cash Flows

For the Six-Months Period Ended December 31, 2022

	Note	Six months ended	
		December 31, 2022	December 31, 2021
		(Un-audited)	(Un-audited)
-----Rupees in '000-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	20	(490,950)	(333,660)
Gratuity paid		(15,214)	(8,642)
Taxes paid		(84,713)	(50,961)
Finance cost paid		(333,148)	(122,051)
Net cash used in operating activities		(924,026)	(515,313)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(505,472)	(1,309,428)
Proceeds from disposal of property, plant and equipment		9,511	3,384
Right-of-use assets		(39,878)	(4,923)
Long term deposits		-	(203)
Long term investments	8	(1,269)	(4,467)
Net cash used in investing activities		(537,108)	(1,315,637)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net of repayment		(1,413)	846,168
Finance lease obligation - net of repayment		12,792	(8,550)
Dividend paid		(51,970)	(4)
Short term finances - net of repayment		1,402,471	1,015,797
Net cash generated from financing activities		1,361,880	1,853,411
Net increase/(decrease) in cash and cash equivalents		(99,254)	22,461
Cash and cash equivalents at the beginning of the period		303,566	104,960
Cash and cash equivalents at the end of the period		204,312	127,421

The annexed notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

1 LEGAL STATUS AND OPERATIONS

Matco Foods Limited (the Company) was incorporated on April 14, 1990 in Karachi as a private limited company under the repealed Companies Ordinance, 1984 (Now: Companies Act, 2017). The Company was listed on Pakistan Stock Exchange Limited on February 13, 2018. The principal activity of the Company is to carry out the business of processing, export of rice, rice glucose, rice protein and trade of biscuits, pink salt, bran oil, masala and kheer. The registered office of the Company is situated at B-1/A, S.I.T.E.-II Phase 1, Super Highway Industrial Area, Karachi; whereas the factories of the Company are situated at (i) Plot A-15 & 16, SITE-II, Super highway Karachi; (ii) A-21, SITE-II, Super highway Karachi; (iii) G-205, SITE-II, Super highway Karachi and (iv) 50 KM G.T Road, Sadhoke, Tehsil Kamoke, District Gujranwala.

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

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

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

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

2 SIGNIFICANT EVENTS AND TRANSACTIONS

During the period, the Company has capitalized Capital work in progress in respect of Cornstarch Project to Operating fixed assets by amounting Rs. 2,334,411/-.

3 BASIS OF PREPARATION

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

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

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

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

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

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

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

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

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

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

4 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

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

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

6	PROPERTY, PLANT AND EQUIPMENT	Note	(Un-Audited)	(Audited)
			December 31, 2022	June 30, 2022
			-----Rupees in '000-----	
	Operating fixed assets	6.1	6,788,403	4,620,285
	Capital work in progress	6.2	84,475	1,949,329
			<u>6,872,878</u>	<u>6,569,614</u>

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

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

	Additions at cost	Disposals at net book value
Note	-----Rupees in '000-----	
Plant and Machinery	1,201,672	-
Furniture and fixture	3,339	-
Motor Vehicles	97	-
Lease hold land	193,002	-
Factory Building	720,111	-
Office Equipment	6,535	-
Electric cables and fitting	115,829	-
Factory Equipment	119,216	-
Computers	8,387	-
Camera	1,297	-
Mobile Phone	2,462	8
Generator	6,093	-
December 31, 2022	2,378,040	8
June 30, 2022	64,002	5,847

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

	(Un-Audited) December 31, 2022	(Audited) June 30, 2022
	-----Rupees in '000-----	
Opening balance	1,949,329	264,263
Additions during the period	469,557	1,830,496
	2,418,886	2,094,759
Transferred to operating fixed assets	(2,334,411)	(145,431)
Closing balance	84,475	1,949,329

7 INTANGIBLE ASSETS

This represent fully amortised computer software having cost of Rs. 14.71 million (June 2022: Rs. 14.71 million).

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

	Note	(Un-Audited) December 31, 2022	(Audited) June 30, 2022
-----Rupees in '000-----			
8	LONG-TERM INVESTMENTS		
	<i>Subsidiaries - at cost</i>		
	JKT General Trading (FZE)	23,583	23,583
	Matco Marketing (Private) Limited	7,500	7,500
	<i>Associate - at cost</i>		-
	Barentz Pakistan (Private) Limited	24,500	24,500
	<i>Other investments - at fair value through OCI - net</i>		-
	Pakistan Aluminium Beverage Cans Limited	8,425	6,092
	Engro Fertilizers Limited	-	1,064
		64,007	62,738
8.1	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.		
8.2	On November 13, 2017, the Company has subscribed 749,996 shares out of 750,000 shares of Matco Marketing (Private) Limited. However, Matco Marketing (Private) Limited has not commenced its operations since incorporation.		
8.3	On June 28, 2019, the Company has been incorporated in Paksitan as per agreement between Matco Foods Limited and Barentz International B.V. Matco Foods Limited has subscribed 49% of total shareholding of Rs. 50 million, thereby, constituting a joint venture.		
8.4	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 December 31, 2022, the share was revalued at Rs. 38.83 per share, resulting a gain of Rs. 1.4 million (loss in 2021: Rs. 2.85 million) during the period. Further the fair value of 12,000 shares of Engro Fertilizers acquired by the company during the year ended June 30, 2022 at the rate of Rs. 89.90 per share. As at December 31, 2022 the share was revalued at Rs. 76.89 per share, resulting a loss Rs. 0.14 million (2021: Nil).		
		7,115,842	5,864,610
		332,410	219,576
		2,091,181	1,598,343
		9,539,432	7,682,529
		(20,475)	(20,475)
		9,518,957	7,662,054
9	STOCK IN TRADE		
	Raw materials	7,115,842	5,864,610
	Packing materials	332,410	219,576
	Finished goods	2,091,181	1,598,343
		9,539,432	7,682,529
	Provision for slow moving / obsolete items	(20,475)	(20,475)
		9,518,957	7,662,054

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

9.1 Borrowings are secured by way of pledge over stock in trade of the Company.

	Note	December 31,	June 30,
		2022	2022
		-----Rupees in '000-----	
10 TRADE DEBTS			
Considered good			
- Export - secured		1,241,466	1,693,674
- Local - unsecured		287,442	124,665
		<u>1,528,908</u>	<u>1,818,339</u>

10.1 Borrowings are secured by way of charge over trade debts of the Company.

11 CASH AND BANK BALANCES

Cash in hand	7,801	8,861
Cash at bank	196,508	294,706
	<u>204,309</u>	<u>303,566</u>

12 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

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

13 LONG TERM FINANCES - SECURED

From banking companies and financial institution:

LTF/ILTF	460,400	413,741
TERF/ITERF	1,004,833	986,349
FFSAP/IFFASP	254,504	278,783
Demand Finance	23,092	26,391
Salary Refinance	11,046	50,025
	<u>1,753,876</u>	<u>1,755,289</u>
Current portion of long term finances	(253,102)	(172,857)
	<u>1,500,774</u>	<u>1,582,432</u>

13.1 The Company has obtained long term finance facility from various banks for plant & machinery expansion. The facilities available from different banks are secured by way of 1st pari passu hypothecation charge of present and future fixed assets (excluding land and building) of the Company.

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

	(Un-Audited) December 31, 2022 -----Rupees in '000-----	(Audited) June 30, 2022
14 DEFERRED LIABILITIES		
Staff gratuity scheme - unfunded	189,015	173,145
Deferred tax liability	73,971	78,568
	<u>262,986</u>	<u>251,713</u>
15 SHORT TERM BORROWINGS SECURED		
Export re-finance	5,035,135	4,537,949
Own resource	3,346,981	2,441,696
	<u>8,382,116</u>	<u>6,979,645</u>
16 CONTINGENCIES AND COMMITMENTS		
16.1 Contingencies		
The current status of the contingencies is same as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2022.		
	(Un-Audited) December 31, 2022 -----Rupees in '000-----	(Audited) June 30, 2022
16.2 Commitments		
Letter of credit	210,297	386,270
Letter of guarantee	45,296	45,296
Capital expenditures	183,550	2,400
Cheques issued in favour of Nazir of high court in relation to SSGC case	7,498	5,165
	<u>446,641</u>	<u>439,132</u>
17 SALES - NET		
Export sales	4,475,537	4,035,945
Local sales	3,329,576	1,346,512
	7,805,113	5,382,457
Sales discount / return	(65,804)	(36,260)
Sales tax	(110,240)	(19,407)
Freight	(356,487)	(454,601)
Clearing & Forwarding	(34,043)	(26,627)
	<u>7,238,539</u>	<u>4,845,562</u>

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

	(Un-Audited) December 31, 2022 -----Rupees in '000-----	(Audited) June 30, 2022
18 COST OF SALES		
Rice consumed	5,317,951	3,358,937
Packing materials consumed	275,760	189,040
Stores, spares and loose tools consumed	154,154	78,592
	<u>5,747,865</u>	<u>3,626,569</u>
Salaries, wages and benefits	290,723	214,254
Electricity and power	274,051	84,622
Telephone and mobile	1,475	531
Insurance	8,328	4,394
Repairs and maintenance	28,323	17,174
Fumigation charges	39,839	31,323
Diesel & water	34,790	29,320
Staff welfare	10,708	6,805
Security expenses	10,967	8,554
Godown expenses	14,547	10,478
Rent, rates and taxes	647	576
Vehicle running expenses	15,504	5,036
Medical	2,822	1,849
Depreciation	161,760	87,881
Depreciation on right-of-assets	11,568	12,059
Interest expense on lease liabilities	6,533	5,748
Inspection charges	12,044	8,954
Others	1,551	726
<i>Cost of goods available for sale</i>	<u>6,674,045</u>	<u>4,156,853</u>
Finished goods		
Opening stock	<u>1,598,343</u>	<u>1,545,539</u>
Closing stock	<u>(2,091,181)</u>	<u>(1,402,861)</u>
	<u>(492,838)</u>	<u>142,678</u>
	<u>6,181,207</u>	<u>4,299,531</u>
19 EARNINGS/(LOSS) PER SHARE - BASIC & DILUTED		
Basic earnings/(loss) per share		
Profit/(Loss) for the period (Rupees in thousands)	<u>256,131</u>	<u>60,286</u>
Number of ordinary shares	<u>122,400,698</u>	<u>122,400,698</u>
Earnings/(Loss) per share	<u>2.09</u>	<u>0.49</u>
19.1 Diluted earning per share		

There is no dilutive effect on earnings per share as the Company does not have any convertible instruments as at Decemeber 31, 2022 and June 30, 2022.

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

20	CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	Un-Audited December 31, 2022	Un-Audited December 31, 2022
	Note	-----Rupees in '000-----	
		320,623	107,829
		Adjustments for non-cash charges and other items:	
		215,308	123,835
		(150,283)	33,547
		1,269	-
		470,217	153,238
		(7,119)	1,218
		31,084	20,736
		272	(935)
	20.1	<u>(1,372,321)</u>	<u>(773,128)</u>
		<u>(490,950)</u>	<u>(333,660)</u>
20.1	Working capital changes		
	(Increase)/ decrease in current assets		
	Stores, spares and loose tools	(56,660)	(60)
	Stock-in-trade	(1,856,903)	(675,482)
	Trade debts - considered good	439,714	(275,093)
	Loans and advances	(288,077)	(85,812)
	Trade deposits and short term prepayments	3,935	1,418
	Due from related parties	(18,164)	16,960
	Sales tax refundable	(17,249)	15,813
		<u>(1,793,403)</u>	<u>(1,002,255)</u>
	Increase/(decrease) in current liabilities		
	Trade and other payables	233,388	237,831
	Due to related party	(3,748)	1,137
	Deferred grant	(1,561)	(4,060)
	Advance from customers - secured	193,003	(5,781)
	Net decrease in working capital	<u>(1,372,321)</u>	<u>(773,128)</u>

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

21 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

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

21.1 Fair value of financial assets and liabilities

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

21.2 Fair value hierachy

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

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

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

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

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

22 TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Percentage of Holding	Transactions	(Un-Audited)	(Un-Audited)
			December 31, 2022	December 31, 2022
			-----Rupees in '000-----	
Directors		Godown rent paid to director	11,421	8,456
Subsidiary				
JKT General Trading FZE	100%	Sales	72,602	48,376
		Payment received on account of sales	106,863	70,760
Matco Marketing (Private) Limited	99.99%	Paid expenses on behalf	-	81
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	121,824	7,233
		Payment received on account of expenses	106,980	25,511
		Interest Income	4,545	1,549
		Commission paid	60	1,114
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	-	1,911
Trust operated by the Company				
Ghori Trust	0%	Paid expenses on behalf	12,189	3,219
		Payment received on account of expenses	63	1
		Donations paid	3,837	4,462
			(Un-Audited)	(Audited)
			December 31, 2022	June 30, 2022
			-----Rupees in '000-----	
Nature of relationship	Percentage of Holding	Balances		
Subsidiary				
JKT General Trading FZE	100%	Trade receivables outstanding	-	41,104
Matco Marketing (Private) Limited	99.99%	Advance outstanding	6,807	6,806
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Receivable against expenses	61,668	20,714
		Interest receivable	1,852	770
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Receivable against expenses	-	3,483
Faiyaz Center Owner Association	0%	Receivable against expenses	-	1,141
Trust operated by the Company				
Ghori Trust	0%	Payable against donation	4,540	2,195

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

23 OPERATING SEGMENT

These unconsolidated condensed interim financial statements have been prepared on the basis of a single reportable segment.

- 23.1 Revenue from sale of rice represents 82.94% (December 31, 2021: 89.78%) of the total revenue of the Company. Whereas 10.92% (December 31, 2021: 8.58%) and 6.14% represents revenue from sale of rice glucose and Corn Starch and remaining represents other items.
- 23.2 All non-current assets of the Company as at December 31, 2022 are located in Pakistan except investment in JKT General Trading (FZE) which is disclosed in note 8 of these unconsolidated condensed interim financial statements. Further, debtors from rice represents 89.02% (June 30 2022: 83.58%) of the total debtors.

24 GENERAL

- 24.1 Figures have been rounded off to the nearest thousand of PKR, unless otherwise stated.
- 24.2 Comparative figures have been rearranged and/or reclassified, wherever necessary, for the purpose of comparison in these unconsolidated condensed interim financial statements. However, no material reclassification has been made.

25 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on **February 23, 2023**, by the board of directors of the Company.



Chief Executive Officer



Chief Financial Officer



Director

2nd Quarterly
Financial Statements
Consolidated
December 31, 2022
(Un-audited)



Consolidated Condensed Interim Statement of Financial Position

As at December 31, 2022

		Un-Audited December 31, 2022	Audited June 30, 2022
	Note	-----Rupees in '000-----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	6,872,877	6,569,614
Intangible assets	7	-	-
Right-of-use assets		259,953	235,567
Long term deposits		16,759	16,759
Long term investments	8	25,175	25,411
Total non-current assets		7,174,764	6,847,351
Current assets			
Stores, spares and loose tools		142,750	86,091
Stock in trade	9	9,518,958	7,662,054
Trade debts	10	1,647,929	1,897,930
Loans and advances		443,109	155,032
Trade deposits and short term prepayments		9,613	11,705
Short term investment		3,983	4,255
Sales tax refundable		122,306	105,057
Due from related parties		69,210	51,047
Taxation - net		10,495	-
Cash and bank balances	11	211,232	322,021
Total current assets		12,179,584	10,295,191
Total assets		19,354,348	17,142,542

The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Consolidated Condensed Interim Statement of Financial Position

As at December 31, 2022

		Un-Audited December 31, 2022	Audited June 30, 2022
	Note	-----Rupees in '000-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
200,000,000 (June 30, 2020: 200,000,000) shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital	12	1,224,007	1,224,007
Capital reserve		680,467	680,467
Exchange revaluation reserve		46,112	35,814
Unappropriated profit		2,979,273	2,755,161
Surplus on revaluation of property, and equipment - net of tax		2,423,174	2,433,901
Unrealized (loss) revaluation on investment at fair value through OCI		(2,121)	(3,390)
Total shareholders' equity		7,350,912	7,125,961
Non-current liabilities			
Long-term finances-secured	13	1,500,773	1,582,432
Lease liabilities		188,231	175,602
Deferred liabilities	14	263,349	252,042
Deferred grant		-	-
Total non-current liabilities		1,952,353	2,010,077
Current liabilities			
Trade and other payables		904,629	671,791
Advance from customers - secured		215,616	22,613
Accrued mark-up		257,808	120,739
Due to related parties		-	3,748
Short term borrowings-secured	15	8,382,116	6,979,645
Taxation-net		-	5,132
Current portion of deferred grant		-	1,561
Current portion of long term finances-secured	13	253,102	172,857
Current portion of lease liabilities		27,798	27,634
Unpaid dividend		10,014	784
Total current liabilities		10,051,083	8,006,505
Total liabilities		12,003,436	10,016,582
Contingencies and commitments	16		
Total equity and liabilities		19,354,348	17,142,542

The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Consolidated Condensed Interim Statement of Profit Or Loss

For the Six-Months Period Ended December 31, 2022

	Note	Six months ended		Quarter ended	
		December 31, 2022	December 31, 2022	December 31, 2022	December 31, 2022
		Un-Audited	Un-Audited	Un-Audited	Un-Audited
		-----Rupees in '000-----		-----Rupees in '000-----	
Sales - net	17	7,259,332	4,849,650	4,263,288	3,259,328
Cost of sales	18	(6,181,207)	(4,299,531)	(3,696,611)	(2,859,823)
Gross profit		1,078,125	550,119	566,677	399,505
Operating expenses					
Selling and distribution		(148,011)	(110,408)	(94,800)	(73,478)
Administrative		(294,198)	(159,991)	(194,463)	(93,070)
		(442,209)	(270,399)	(289,263)	(166,548)
Operating profit		635,916	279,720	277,414	232,957
Financial charges		(470,463)	(159,063)	(271,572)	(80,911)
Share of loss from associated company		(1,506)	(5,561)	(4,903)	(3,127)
Exchange loss		150,283	(33,547)	62,161	(45,381)
		314,230	81,549	63,100	103,538
Other operating income		24,847	23,777	14,862	18,270
Profit before income tax		339,077	105,326	77,962	121,808
Taxation		(64,492)	(47,543)	(41,952)	(32,840)
Profit for the period		274,585	57,783	36,010	88,968
		-----Rupees-----		-----Rupees-----	
Earnings per share - Basic and Diluted	19	2.24	0.47	0.29	0.73

The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Consolidated Condensed Interim Statement of Comprehensive Income

For the Six-Months Period Ended December 31, 2022

	Six months ended		Quarter ended	
	December 31, 2022 Un-Audited -----Rupees in '000-----			
PROFIT FOR THE PERIOD	274,585	57,783	36,010	88,968
Other comprehensive income				
<i>Items that may be reclassified to statement of profit or loss subsequently</i>				
- Exchange difference on translation of foreign currency	10,295	6,885	(943)	-
<i>Items that will not be reclassified to statement of profit or loss subsequently</i>	1,269	(2,852)	(1,043)	-
Other comprehensive income / (loss)	11,564	4,033	(1,986)	-
TOTAL COMPREHENSIVE INCOME/ FOR THE PERIOD	286,149	61,816	34,024	88,968

The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Consolidated Condensed Interim Statement of Changes In Equity

For the Six-Months Period Ended December 31, 2022 (Un-audited)

	Issued, subscribed and paid up capital	Capital reserve	Exchange Revaluation Reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Unrealized (loss) on revaluation of investment at fair value through OCI	Equity attributable to the Holding Company's shareholders	Total
----- Rupees in '000' -----								
Balance as at July 01, 2021	1,224,007	680,467	15,811	2,292,539	2,459,499	-	6,672,323	6,672,323
Total comprehensive income for the period								
Profit for the period	-	-	-	57,783	-	-	57,783	57,783
Other comprehensive income/(loss)	-	-	6,885	-	-	(2,852)	4,033	4,033
Total comprehensive loss	-	-	6,885	57,783	-	(2,852)	61,816	61,816
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	11,920	(11,920)	-	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of plant and equipment - net of tax	-	-	-	1,352	(1,352)	-	-	-
Balance as at December 31, 2021	<u>1,224,007</u>	<u>680,467</u>	<u>22,696</u>	<u>2,363,594</u>	<u>2,446,227</u>	<u>(5,704)</u>	<u>6,734,139</u>	<u>6,734,139</u>

Consolidated Condensed Interim Statement of Changes In Equity

For the Six-Months Period Ended December 31, 2022 (Un-audited)

	Issued, subscribed and paid up capital	Capital reserve	Exchange Revaluation Reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Unrealized (loss) on revaluation of investment at fair value through OCI	Equity attributable to the Holding Company's shareholders	Total
----- Rupees in '000' -----								
Balance as at July 01, 2022	1,224,007	680,467	35,814	2,755,161	2,433,901	(3,390)	7,125,960	7,125,960
Total comprehensive profit for the period								
Profit for the period	-	-	-	274,585	-	-	274,585	274,585
Other comprehensive income/(loss)	-	-	10,295	-	-	10,295	-	11,564
Total comprehensive income	-	-	10,295	274,585	-	1,269	286,149	286,149
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	10,727	(10,727)	-	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of plant and equipment - net of tax	-	-	-	-	-	-	-	-
Transaction with Owners								
Dividend paid @ 0.5 per share	-	-	-	(61,200)	-	-	(61,200)	(61,200)
Balance as at December 31, 2022	1,224,007	680,467	46,109	2,979,273	2,423,174	(2,121)	7,350,909	7,350,909

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



Chief Executive Officer



Chief Financial Officer



Director

Unconsolidated Condensed Interim Statement of Cash Flows

For the Six-Months Period Ended December 31, 2022

	Note	Six months ended	
		December 31, 2022 (Un-audited) -----Rupees in '000-----	December 31, 2022 (Un-audited) (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	20	(515,107)	(366,851)
Gratuity paid		(15,214)	(8,612)
Taxes paid		(84,714)	(50,961)
Finance cost paid		(333,394)	(122,128)
Exchange revaluation reserve		10,329	6,885
Net cash used in operating activities		(938,099)	(541,667)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(505,471)	(1,309,428)
Proceeds from disposal of property, plant and equipment		9,511	3,384
Right-of-use assets		(39,878)	(4,923)
Long term deposits		-	(203)
Long term investments	8	1,269	1,093
Net cash used in investing activities		(534,569)	(1,310,077)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net of repayment		(1,414)	846,168
Finance lease obligation - net of repayment		12,792	(8,550)
Dividend paid		(51,970)	(4)
Short term finances - net of repayment		1,402,471	1,015,797
Net cash generated from financing activities		1,361,879	1,853,411
Net increase/(decrease) in cash and cash equivalents		(110,789)	1,667
Cash and cash equivalents at the beginning of the period		322,021	142,315
Cash and cash equivalents at the end of the period		211,232	143,982

The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

1 LEGAL STATUS AND OPERATIONS

The 'Group' consists of:

Holding Company

- Matco Foods Limited (the Holding Company)

Subsidiary Company

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

Associated Company

- Barentz Pakistan (Private) Limited

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

a) Matco Foods Limited

Matco Foods Limited, ('the Holding Company') was incorporated on April 14, 1990 in Karachi as a private limited company under the repealed Companies Ordinance, 1984 (Now: Companies Act, 2017). The Holding Company was listed on Pakistan Stock Exchange Limited on February 13, 2018. The principal activity of the Holding 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 Holding Company is situated at B-1/A, S.I.T.E.-II Phase 1, Super Highway Industrial Area, Karachi; whereas the factories of the Holding Company are situated at (i) Plot A-15 & 16, SITE-II, Super highway Karachi; (ii) A-21, SITE-II, Super highway Karachi; (iii) G-205, SITE-II, Super highway Karachi; (iv) 50 KM G.T Road, Sadhoke, Tehsil Kamonki, District Gujranwala and v) Plot # 53, S.E.Z. Allama Iqbal Industrial Citv. Faisalabad.

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

b) JKT General Trading FZE

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

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

The subsidiary has been established on October 8, 2013.

c) Matco Marketing (Private) Limited

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

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

d) Barentz Pakistan (Private) Limited

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

2 SIGNIFICANT EVENTS AND TRANSACTIONS

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

3 BASIS OF PREPARATION

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

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

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

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

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

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

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

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

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

4 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

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

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

6 PROPERTY, PLANT AND EQUIPMENT	Note	(Un-Audited)	(Audited)
		December 31, 2022	June 30, 2022
		-----Rupees in '000-----	
Operating fixed assets	6.1	6,788,403	4,620,285
Capital work in progress	6.2	84,474	1,949,329
		<u>6,872,877</u>	<u>6,569,614</u>

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

	Note	Additions at cost	Disposals at net book value
		-----Rupees in '000-----	
Plant and Machinery		1,201,672	-
Furniture and fixture		3,339	-
Motor Vehicles		97	2,392
Lease hold land		193,002	-
Factory Building		720,111	-
Office Equipment		6,535	-
Electric cables and fitting		115,829	-
Factory Equipment		119,216	-
Computers		8,387	-
Camera		1,297	-
Mobile Phone		2,462	8
Generator		6,093	-
December 31, 2022		<u>2,378,040</u>	<u>2,400</u>
June 30, 2022		<u>64,002</u>	<u>5,847</u>

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

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

	(Un-Audited) December 31, 2022	(Audited) June 30, 2022
Note	-----Rupees in '000-----	
Opening balance	1,949,329	264,263
Additions during the period	469,556	1,830,496
	2,418,885	2,094,759
Transferred to operating fixed assets	(2,334,411)	(145,430)
Closing balance	84,474	1,949,329

7 INTANGIBLE ASSETS

This represent fully amortised computer software having cost of Rs. 14.71 million (June 2022: Rs. 14.71 million).

	(Un-Audited) December 31, 2022	(Audited) June 30, 2022
Note	-----Rupees in '000-----	
8 LONG-TERM INVESTMENTS		
<i>Associate - Equity Accounting</i>		
Barentz Pakistan (Private) Limited	8.1 16,750	18,255
<i>Other investments - at fair value through OCI - net</i>		-
Pakistan Aluminium Beverage Cans Limited	8.2 7,502	6,092
Engro Fertilizers Limited	923	1,064
	25,175	25,410

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

8.2 This represents the fair value of 193,201 shares of Pakistan Beverages Aluminum Can's acquired by the Holding Company through initial public offering at the rate of Rs. 49 per share. As at December 31, 2022, the share was revalued at Rs. 38.83 per share, resulting a gain of Rs. 1.4 million (loss in 2021: Rs. 2.85 million) during the period. Further the fair value of 12,000 shares of Engro Fertilizers acquired by the company during the year ended June 30, 2022 at the rate of Rs. 89.90 per share. As at December 31, 2022 the share was revalued at Rs. 76.89 per share, resulting a loss Rs. 0.14 million (2021: Nil).

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

		(Un-Audited) December 31, 2022	(Audited) June 30, 2022
	Note	-----Rupees in '000-----	
9	STOCK IN TRADE		
	Raw materials	7,115,842	5,864,610
	Packing materials	332,410	219,576
	Finished goods	2,091,181	1,598,343
		<u>9,539,433</u>	<u>7,682,529</u>
	Provision for slow moving / obsolete items	(20,475)	(20,475)
		<u>9,518,958</u>	<u>7,662,054</u>
9.1	Borrowings are secured by way of pledge over stock in trade of the Group.		
		(Un-Audited) December 31, 2022	(Audited) June 30, 2022
		-----Rupees in '000-----	
10	TRADE DEBTS		
	Considered good		
	- Export - secured	1,360,487	1,773,265
	- Local - unsecured	287,442	124,665
		<u>1,647,929</u>	<u>1,897,930</u>
10.1	Borrowings are secured by way of charge over trade debts of the Group.		
		(Un-Audited) December 31, 2022	(Audited) June 30, 2022
		-----Rupees in '000-----	
11	CASH AND BANK BALANCES		
	Cash in hand	7,801	8,861
	Cash at bank	203,431	313,161
		<u>143,982</u>	<u>104,960</u>
12	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		(Number of shares)	
		(Un-Audited) December 31, 2022	(Audited) June 30, 2022
		-----Rupees in '000-----	
	Ordinary shares of Rs. 10 each:		
	50,340,213	50,340,213	
	6,002,950	6,002,950	
	66,057,535	66,057,535	
	<u>122,400,698</u>	<u>122,400,698</u>	
	- fully paid in cash	503,402	503,402
	- issued for consideration other than cash	60,030	60,030
	- issued as fully paid bonus shares	660,575	660,575
		<u>1,224,007</u>	<u>1,224,007</u>

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

(Un-Audited) December 31, 2022 -----Rupees in '000-----	(Audited) June 30, 2022
------------------------------------------------------------------	-------------------------------

13 LONG TERM FINANCES - SECURED

From banking companies and financial institution:

LTF/ILTF	460,400	413,741
TERF/ITERF	1,004,833	986,349
FFSAP/IFFSAP	254,504	278,783
Demand Finance	23,092	26,391
Salary Refinance	11,046	50,025
	<u>1,753,875</u>	<u>1,755,289</u>
Current portion of long term finances	<u>(253,102)</u>	<u>(172,857)</u>
	<u>1,500,773</u>	<u>1,582,432</u>

- 13.1 The Holding Company has obtained long term finance facility from various banks for plant & machinery expansion. The facilities available from different banks are secured by way of 1st pari passu hypothecation charge of present and future fixed assets (excluding land and building) of the Group.

(Un-Audited) December 31, 2022 -----Rupees in '000-----	(Audited) June 30, 2022
------------------------------------------------------------------	-------------------------------

14 DEFERRED LIABILITIES

Staff gratuity scheme - unfunded	189,015	173,145
Employees' end of service benefit	363	328,648
Deferred tax liability	73,971	78,568
	<u>263,349</u>	<u>580,361</u>

15 SHORT-TERM BORROWINGS SECURED

Export re-finance	5,035,135	4,537,949
Own resource	3,346,981	2,441,696
	<u>8,382,116</u>	<u>6,979,645</u>

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

The current status of the contingencies is same as disclosed in the annual audited financial statements of the Group for the year ended June 30, 2022.

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

	(Un-Audited) December 31, 2022 -----Rupees in '000-----	(Audited) June 30, 2022
16.2 Commitments		
Letter of credit	210,297	386,270
Letter of guarantees	45,296	45,296
Capital Expenditures	183,550	2,400
Cheques issued in favour of Nazir of high court in relation to SSGC case	7,498	5,165
	<u>446,641</u>	<u>439,132</u>
17 SALES - NET		
Export sales	4,496,330	4,040,033
Local sales	3,329,576	1,346,512
	<u>7,825,906</u>	<u>5,386,545</u>
Sales discount / return	(65,804)	(36,260)
Sales tax	(110,240)	(19,407)
Freight	(356,487)	(454,601)
Clearing & Forwarding	(34,043)	(26,627)
	<u>7,259,332</u>	<u>4,849,650</u>
18 COST OF SALES		
Rice consumed	5,317,951	3,358,937
Packing materials consumed	275,760	189,040
Stores, spares and loose tools consumed	154,154	78,592
	<u>5,747,865</u>	<u>3,626,569</u>
Salaries, wages and benefits	290,723	214,254
Electricity and power	274,051	84,622
Telephone and mobile	1,475	531
Insurance	8,328	4,394
Repairs and maintenance	28,323	17,174
Fumigation charges	39,839	31,323
Diesel & water	34,790	29,320
Staff welfare	10,708	6,805
Security expenses	10,967	8,554
Godown expenses	14,547	10,478
Rent, rates and taxes	647	576
Vehicle running expenses	15,504	5,036
Medical	2,822	1,849
Depreciation	161,760	87,881
Depreciation on right-of-assets	11,568	12,059
Interest expense on lease liabilities	6,533	5,748
Inspection charges	12,044	8,954
Others	1,551	726
<i>Cost of goods available for sale</i>	<u>6,674,045</u>	<u>4,156,853</u>

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

		(Un-Audited) December 31, 2022 -----Rupees in '000-----	(Audited) June 30, 2022
Finished goods			
	Opening stock	1,598,343	1,545,539
	Closing stock	(2,091,181)	(1,402,861)
		<u>(492,838)</u>	<u>142,678</u>
		<u>6,181,207</u>	<u>4,299,531</u>
19	EARNINGS PER SHARE - BASIC & DILUTED		
	Basic earnings per share		
	Profit for the period (Rupees in thousands)	274,585	57,783
	Number of ordinary shares	122,400,698	122,400,698
	Earnings per share	<u>2.24</u>	<u>0.47</u>
19.1	Diluted earning per share		
	There is no dilutive effect on earnings per share as the Group does not have any convertible instruments as at Decemeber 31, 2022 and June 30, 2022.		
20	CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	Note	(Un-Audited) December 31, 2021 -----Rupees in '000-----
	Profit before taxation		339,077
	Adjustments for non-cash changes and other items:		
	Depreciation		215,308
	Exchange loss - net		(150,283)
	Unrealized gain on long term investment		236
	Finance cost		470,463
	(Gain)/Loss on disposal of property, plant and equipment		(7,119)
	Provision for staff gratuity		31,084
	Unrealized gain on short term investment		272
	Working capital changes	15.1	(1,414,145)
	Cash used in operations		<u>(515,107)</u>
20.1	Working capital changes		
	(Increase)/ decrease in current assets		
	Stores, spares and loose tools		(56,659)
	Stock-in-trade		(1,856,904)
	Trade debts - considered good		400,284
	Loans and advances		(288,077)
	Trade deposits and short term prepayments		2,092
	Due from related parties		(18,163)
	Sales tax refundable		(17,249)
			<u>(1,834,676)</u>
			<u>(1,034,499)</u>

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

	(Un-Audited) December 31, 2022 -----Rupees in '000-----	(Un-Audited) December 31, 2021
Increase/(decrease) in current liabilities		
Trade and other payables	232,837	237,320
Due to related party	(3,748)	1,205
Deferred grant	(1,561)	(4,060)
Advance from customers - secured	193,003	(3,859)
Net decrease in working capital	(1,414,145)	(803,893)

21 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

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

21.1 Fair value of financial assets and liabilities

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

21.2 Fair value hierarchy

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

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

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

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

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

22 TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Percentage of Holding	Transactions	(Un-Audited)	
			December 31, 2022	December 31, 2021
			-----Rupees in '000-----	
Directors		Godown rent paid to director	11,421	8,456
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	121,824	7,233
		Payment received on account of expenses	106,980	25,511
		Interest Income	4,545	1,549
		Commission paid	60	1,114
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	-	1,911
Trust operated by the Holding Company				
Ghori Trust	0%	Paid expenses on behalf	12,189	3,219
		Payment received on account of expenses	63	1
		Donation expense	3,837	4,462

Nature of relationship	Percentage of Holding	Balances	(Un-Audited)	
			December 31, 2021	June 30, 2021
			-----Rupees in '000-----	
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Receivable against expenses	61,668	47,637
		Interest receivable	3,002	3,410
Trust operated by the Holding Company				
Ghori Trust	0%	Receivable / (Payable) against donation	4,540	(3,748)

23 OPERATING SEGMENT

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 performance is evaluated on an overall basis.

23.1 Revenue from sale of rice represents 82.94% (December 31, 2021: 89.78%) of the total revenue of the Group. Whereas 10.92% (December 31, 2021: 8.58%) and 6.14% represents revenue from sale of rice glucose and Corn Starch and remaining represents other items.

23.2 All non-current assets of the Group as at December 31, 2022 are located in Pakistan. Further, debtors from rice represents 89.02% (June 30 2022: 83.58%) of the total debtors.

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2022

24 GENERAL

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

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

25 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on February 23, 2023, by the board of directors of the Group.



Chief Executive Officer



Chief Financial Officer



Director