

FINANCIAL REPORT

THIRD QUARTERLY
2019



MATCO FOODS LIMITED

CONTENTS

02	Our Legacy
03	Business Profile
04	Company Information
06	Mission & Vision
08	Directors' Review Report
15	Directors' Review Report Urdu
16	Condensed Interim Unconsolidated Statements of Financial Position
18	Condensed Interim Unconsolidated Profit or Loss
19	Condensed Interim Unconsolidated Statement Of Comprehensive Income
20	Condensed Interim Unconsolidated Statement of Change in Equity
21	Condensed Interim Unconsolidated Statement Of Cash Flows
22	Notes To The Condensed Interim Unconsolidated Financial Statements
32	Condensed Interim Consolidated Statements of Financial Position
34	Condensed Interim Consolidated Profit or Loss
35	Condensed Interim Consolidated Statement Of Comprehensive Income
36	Condensed Interim Consolidated Statement of Changes In Equity
37	Condensed Interim Consolidated Statement Of Cash Flows
38	Notes To The Condensed Interim Consolidated Financial Statements

Our Legacy

The journey of Matco started with the entrepreneurial aptitude of Syed Sarfaraz Ali Ghor, 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 40 countries worldwide. The company also holds Organic Certifications from the US NOP and EU Organic Certification from Control Union, and is an IFC investee company since 2012.

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



Business Profile

Matco Foods Limited is a leading Food Processing & Export Company in South-Asia which provides packed consumer foods products that offer convenience, and supplies quality ingredients to the pharmaceutical and confectionery industries. Matco's mission is to offer convenient, hygienic and quality food product solutions to its customers. 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 150 corporate customers, the company is the largest basmati rice exporter from Pakistan, and its flagship brand "Falak Basmati Rice" is available in more than 40 countries worldwide. Matco also exports private label brands to over 60 countries in the world. The company operates 5 rice processing and milling plants which include vertically-integrated paddy drying, storage, husking and processing facilities in Sadhoke, Punjab and Karachi, Sindh.

Matco Foods has recently diversified its operation within domain specialized products i.e. Rice Glucose and Rice Protein, with plant production capacity of 10,000 MT per annum of rice glucose and 1,000 MT of Rice Protein per annum. The project is complete and the commercial production of Rice Glucose and Rice Protein has started.

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
Dr. Tariq Ghori	Director
Mr. Faizan Ali Ghori- CFA	Director
Mr. Syed Kamran Rashid	Independent Director
Mr. Naeem ur Rehman Akhoond	Independent Director
Mr. Abdul Samad Khan	Independent Director
Mrs. Faryal Murtaza	Non-Executive Director
Ms. Umme Habibah	Independent Director

AUDIT COMMITTEE

Mr. Naeem ur Rehman Akhoond	Chairman
Syed Kamran Rasheed	Member
Mr. Abdul Samad Khan	Member

CHIEF FINANCIAL OFFICER

Mr. Muhammad Aamir Farooqui

HUMAN RESOURCE & REMUNERATION COMMITTEE

Ms. Umme Habibah	Chairman
Mrs. Faryal Murtaza	Member
Mr. Faizan Ali Ghori	Member

COMPANY SECRETARY

Muhammad Latif Qureshi

HEAD OF INTERNAL AUDIT

Mr. Saad Bin Aziz

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 Motor House
Beaumont Road Karachi, Pakistan
Tel (Office): +92 (21) 3567 2951-6
Fax: +92 (21) 3568 8834
Website: www.gtpak.com

SHARE REGISTRAR

THK Associates (Private Limited)

1st Floor, 40-C Block 6, P.E.C.H.S
Karachi, 75400, P.O. Box. No. 8533
UAN: +92 (021) 111-000-322
Direct: +92 (021) 3416 8266-68-70
Fax: +92 (021) 3416 8271

BANKERS

Askari Bank Limited
Allied Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
Habib Bank Limited

JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Standard Chartered Bank
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 No. 75340
Phone: +92(21) 36323137, +92(301) 8250969

RICE PLANT

A 15-16, S.I.T.E. Super Highway,
Karachi, Pakistan
Phone: +92(21) 3688 1297, +92(333) 120 7780

RICE GLUCOSE PLANT

G-205, Gadap Road, S.I.T.E. Super highway,
Karachi, Pakistan

SADHOKE PLANT

50 KM, Main G.T. Road
Sadhoke District, Gujranwala, Punjab
P.O. Box No. 52386
Phone: +92(55) 666 5774, +92(55) 666 5676

Web Address
Email Address

www.matcofoods.com
contact@matcofoods.com

MISSION

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

VISION

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

Directors' Review Report

By the Grace of Allah (SWT), the Directors of your company take pleasure in presenting un-audited condensed interim financial information of the Company and Group for the nine-months period ended March 31, 2019.

OPERATING RESULTS

Description	UNCONSOLIDATED		CONSOLIDATED	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	Rupees in '000		Rupees in '000	
Sales - net	6,128,717	4,510,283	6,134,769	4,519,439
Cost of sales	(5,306,285)	(3,779,532)	(5,307,183)	(3,779,532)
Gross Profit	822,432	730,751	827,586	739,907
Selling and distribution	(236,856)	(181,052)	(236,856)	(184,160)
Administrative	(189,919)	(151,773)	(196,764)	(154,052)
Operating profit	395,657	397,926	393,966	401,695
Other Income	164,000	26,835	164,000	26,835
Financial Charges	(197,605)	(188,313)	(197,776)	(188,564)
Profit Before Tax	362,052	236,448	360,190	239,966
Income Tax	(62,412)	(33,673)	(62,412)	(33,673)
Profit For the Period	299,640	202,775	297,778	206,293
Earnings Per Share	2.45	2.07	2.43	2.10

During the nine months i.e. July 2018 – March 2019, the Company has earned net profit of Rs. 299.64 million as compared to Rs. 202.775 million in the last period, thereby, represent increase of 47.8%. During the period, Pakistan's exports of Basmati rice has increased by 14.44% in volumetric terms and increased by 5.81% in value terms. However, the Company has captured good volumes and registered overall revenue growth by 39.77% as compared to last period. The Company has exported 29,554 metric tons of basmati rice as compared to 24,382 metric tons in the last comparative period and thereby represents increase of 21.21%. The average export selling price per metric ton during this nine months is USD 1,073 which was USD 1,135 in the last comparative nine months and represents decrease of 5%. However, the Company was benefited from increase in USD/PKR parity by 22.25% and this was contributed in overall topline of the Company. In addition, the Company has earned a total exchange gain of Rs. 62.198 million and capital gain of Rs. 68.55 million through sale of its land and building due to which other income has increased by 511.14%.

The Group profitability was almost on the same level as reported for the Company although the Subsidiary Company is facing challenges in the GCC region due to VAT implementation, region's political turmoil and overall sluggish business environment.

RICE DIVISION

The Company is committed to increase the recognition of its Brand FALAK in the local as well in the export market. During the quarter under review, the Company has participated internationally in Gulf Foods Expo (Dubai), IFE London (UK) and locally exhibited in Rawal Expo (Rawalpindi), My Karachi (Expo center). The Company has received good response from new consumers and distributors and recently new distributors from Germany, UK and Norway have added to our International distribution network.

The Company also aggressively taking measures in brand marketing campaign and approaching new customers in local market particularly in Central Region namely Sialkot, Gujranwala and Sahiwal. Van branding and market sampling in all major cities of Pakistan are parallel efforts for the same.

GLUCOSE DIVISION

The Company's new project Rice Glucose Division Phase – II is about to complete. The Company also updates the developments in the project to the Pakistan Stock Exchange, Securities and Exchange Commission of Pakistan and shareholders through quarterly progress report on timely basis. Plant is expected to come into production by June 2019 – INSHA ALLAH.

The Company existing Rice Glucose Plant Phase – I is operating at optimum capacity. Repeated orders are generating from existing customers in the local as well as in the export market that is a proof of our Success of Quality. The management is targeting major portion of sales through export to fetch high returns in the export markets and improve profitability.

NEW PRODUCT DEVELOPMENT

The Company has diversified its business into new range of products such as masalas' variety, Pink Salt and Falak Kheer. All of these products showing good track record of sales and its sales growing day by day. During the quarter under review, The Company have launched new products in the local market such as Zafran Kheer / Pistachio Kheer and Desi Shakar. The Company has also launched new unique masalas, Peri masala and Dahi Bara masala under the umbrella of Falak brand which are demonstrating good customer demand. The Company is planning to launch Ginger Paste, Garlic Paste and Ginger Garlic Paste in the local market after successful outcome from the international market.

BARENTZ PAKISTAN (PROPOSED JOINT VENTURE COMPANY)

Matco Foods Limited has entered into an agreement with Barentz International (B.V.) to establish a Joint Venture company in Pakistan which was subject to receipt of approval of Competition Commission of Pakistan and to completion of requisite compliance requirements under applicable law. The Competition Commission of Pakistan has approved the pre-merger application of Matco Foods and Barentz and we have also obtained the approval from the shareholders as well in the recent extraordinary general meeting. Currently, the proposed JV Company is in process of incorporation with Securities and Exchange Commission of Pakistan.

The principal activities of the proposed JV Company will be the import, sales, and distribution of ingredients used in pharmaceutical, personal care, food & nutrition, and animal nutrition in the life science and food nutrition sector. These activities are in line with Matco Foods existing rice glucose and rice protein business.

Directors' Review Report

FUTURE OUTLOOK

A delegation of the IMF is due to visit Pakistan in the coming week in order to finalize a bailout package, while news flow regarding contours of the upcoming budget is also likely to be tighten. In addition to this, market participants are also likely to track macroeconomic developments.

Pakistani economy is under pressure with widening depletion in reserves and reliance on external sources to cope up current account deficit and support the economic stability. During this quarter, new government has taken macro-economic steps such as devaluation of Pakistani Rupees and increase in KIBOR rate which resulted in increase in production cost and financial charges. Any further tough economic reforms may make business environment more suppressive and will likely impact on overall financial position.

The Company is well aware of these challenges and actively adopting cost effective measures including re-engineering its business processes to boost the efficiency of business operations in supply chain and logistics activities and revamping quality control department so that production losses can be minimized. The Company also planned to further reduce its short term borrowings to minimize the financial charges. The focus for the Company's management will be on volumetric growth for both Basmati exports & local and also for Rice Glucose export & local sales in the last quarter of the year.

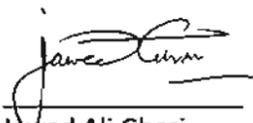
HEALTH, SAFETY & ENVIRONMENT

Keeping in view the polluted environment and energy shortage in the country, Matco has adopted the option of energy production from solar power which would result in the reduction of annual CO2 emission and saving of energy cost and its smooth availability all the time.

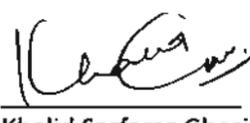
"The implementation of Matco Solar Power Plant will reduce the CO2 emission by 308 metric tons per year which is equivalent to the CO2 sequestration done by planting 15,375 trees per year."

ACKNOWLEDGEMENT

We wish to thank the Shareholders, Customers, Suppliers, Bankers and Distributors for providing us valuable support during the reporting period. We also wish to thank our Staff who remained committed to deliver towards the growth of the Company.



Jawed Ali Ghori
Chairman



Khalid Sarfaraz Ghori
Chief Executive Officer

کیا۔ جس کے نتیجے میں سالانہ CO2 اخراج میں کمی اور توانائی کی لاگت میں بچت اور ہر وقت اس کی آسان فراوانی ہوگی۔

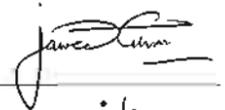
میٹکو شمسی توانائی منصوبے کے عمل درآمد سے ہر سال CO2 اخراج میں 308 میٹرک ٹن سے کمی ہوگی جو کہ ہر سال 15,375 درخت لگانے کے برابر ہے۔

اعتراف:

اس عرصے کے دوران ہم شیئر ہولڈرز، سپلائرز، کسٹمرز، بینکرز اور ڈسٹری بیوٹرز کی جانب سے ان کی قیمتی حمایت فراہم کرنے پر تہ دل سے مشکور ہیں اس کے ساتھ ساتھ ہم اپنے عملے کے بھی مشکور ہیں جن کی محنت اور لگن کے باعث کمپنی کی ترقی میں اضافہ ممکن ہوا۔



خالد سر فاراز غوری
چیف ایگزیکٹو آفیسر



جاوید علی غوری
چیرمین

غذائیت کی شعبوں میں استعمال ہوگا۔ یہ سرگرمیاں کمپنی کے موجودہ رائس گلوکوز اور رائس پروٹین کے کاروبار سے منسلک ہیں۔

مستقبل کا خاکہ:

آئی ایم ایف کے وفد کا دورہ پاکستان آئندہ ہفتے متوقع ہے جس میں بیل آؤٹ پیکیج کو حتمی شکل دی جائے گی جب کہ خبریں گردش کر رہی ہیں کہ آئندہ آنے والا بجٹ کافی سخت ہوگا۔ اس کے علاوہ کاروباری حضرات کے مطابق اقتصادی ترقی بھی ہوتی نظر آ رہی ہے۔

پاکستانی معیشت پر اس وقت ذخائر کی بڑھتی ہوئی کمی اور بیرونی ذرائع پر انحصار کرنے کا دباؤ ہے۔ موجودہ اکاؤنٹ کے خسارے اور مالیاتی خسارے کو استحکام دینے کیلئے نئی حکومت نے سہ ماہی کے دوران روپے کی قدر میں کمی اور (KIBOR) (سود کی شرح) میں اضافے جیسے اقتصادی اقدامات اٹھائے جس سے پیداواری لاگت اور مالیاتی اخراجات میں اضافہ ہوا ہے ایسے مزید سخت معاشی اقدامات کاروباری ماحول اور مجموعی مالیاتی پوزیشن پر ممکنہ طور پر منفی اثرات مرتب کر سکتے ہیں۔

کمپنی ان درپیش چیلنجز سے بخوبی آگاہ ہے اور اس کو بہتر بنانے اور پیداواری لاگت میں اپنے نقصانات کو کم سطح پر لانے کیلئے سپلائی چین اور لاجسٹک سرگرمیوں کی ری انجینئرنگ اور کوالٹی کنٹرول کو بہتر بنانے جیسے اقدامات لے رہی ہے مالیاتی چارجز کو کم کرنے کیلئے کمپنی نے ذیلی مدتی قرضے کو مزید کم کرنے کا فیصلہ کیا ہے۔ آئندہ تین ماہ کے دوران کمپنی انتظامیہ کی توجہ باسستی اور رائس گلوکوز برآمد اور مقامی فروخت کے حجم میں اضافے پر ہوگی۔

صحت، حفاظت اور ماحول:

ملک میں آلودگی کا ماحول اور توانائی کی قلت کو دیکھتے ہوئے، میٹکو نے سٹشس توانائی سے بجلی بنانے کا راستہ اختیار

جون 2019ء تک پلانٹ کا پیداواری عمل شروع ہو جائے گا۔ کمپنی کا موجودہ رائس گلوکوز پلانٹ فیزا منافع بخش حیثیت سے کام کر رہا ہے۔ برآمدی مارکیٹ اور مقامی صارفین سے دوبارہ آرڈرز موصول ہو رہے ہیں جو کہ ہمارے معیار کا منہ بولتا ثبوت ہے۔ انتظامیہ برآمدی مارکیٹ میں زیادہ مارجن اور منافع میں اضافہ حاصل کرنے کیلئے برآمد کے ذریعے فروخت کے بڑے حصے کو ہدف بنانا چاہتی ہے۔

نئی مصنوعات کی ڈویلپمنٹ:

کمپنی نے اپنے کاروبار کو متنوع بنانے کیلئے نئی مصنوعات متعارف کروائی ہیں جس میں مصالے کی ورائٹی، پنک سالٹ اور فلک کھیر شامل ہے۔ تمام مصنوعات کی فروخت اچھے ہدف حاصل کر رہی ہے اور ان کو فروخت میں روز بروز اضافہ ہو رہا ہے۔ کمپنی نے مقامی مارکیٹ میں نئی مصنوعات متعارف کروائی ہیں جس میں زعفران کھیر، پستہ کھیر اور گڑ شکر شامل ہے۔ اس کے علاوہ کمپنی نے فلک برانڈ کے تحت منفرد مصالے متعارف کروائے ہیں جس میں پیری پیری مصالہ اور دہی بڑا مصالہ صارفین کی توجہ اور طلب کا مرکز ہے۔

Barentz پاکستان (تجویز کردہ مشترکہ منصوبہ بندی)

میٹکو فوڈز نے Barentz انٹرنیشنل کمپنی کے ساتھ پاکستان میں مشترکہ منصوبہ بندی کے تحت ایک کمپنی بنانے کا معاہدہ کیا۔ جس کا قیام (Competition Commission of Pakistan) کی اجازت اور قابل اطلاق قانون کی ضرورت سے مشروط ہے۔ (Competition Commission of Pakistan) نے میٹکو اور Barentz کی جانب سے دائر کردہ پیشگی (Merger) کی درخواست قبول کر لی ہے۔ اور ہم نے بذریعہ غیر معمولی اجلاس عام اپنے تمام شیئرز ہولڈرز سے زیر بحث Merger کی اجازت حاصل کر لی ہے۔ فی الوقت تجویز کردہ مشترکہ کمپنی اپنے قیام کے حصول کے لئے SECP سے رابطے میں ہے۔

تجویز کردہ مشترکہ منصوبہ بندی کے تحت قائم کمپنی کی بنیادی سرگرمیاں درآمد، فروختگی اور اجزاء کی تقسیم ہوگی جو کہ فارماسیوٹیکل، ذاتی دیکھ بھال، خوراک اور غذائیت، لائف سائنس کے مطابق جانوروں کی خوراک اور غذا کی

ڈائریکٹران جائزہ رپورٹ

اللہ تعالیٰ کے فضل و کرم سے، آپ کی کمپنی کے ڈائریکٹران 31 مارچ 2019ء کو ختم ہونے والے نو ماہی مالیاتی گوشوارے (غیر آڈٹ شدہ) کو پیش کرنے میں خوشی محسوس کرتے ہیں۔

کارکردگی کے نتائج:

Description	UNCONSOLIDATED		CONSOLIDATED	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	Rupees in '000		Rupees in '000	
Sales - net	6,128,717	4,510,283	6,134,769	4,519,439
Cost of sales	(5,306,285)	(3,779,532)	(5,307,183)	(3,779,532)
Gross Profit	822,432	730,751	827,586	739,907
Selling and distribution	(236,856)	(181,052)	(236,856)	(184,160)
Administrative	(189,919)	(151,773)	(196,764)	(154,052)
Operating profit	395,657	397,926	393,966	401,695
Other Income	164,000	26,835	164,000	26,835
Financial Charges	(197,605)	(188,313)	(197,776)	(188,564)
Profit Before Tax	362,052	236,448	360,190	239,966
Income Tax	(62,412)	(33,673)	(62,412)	(33,673)
Profit For the Period	299,640	202,775	297,778	206,293
Earnings Per Share	2.45	2.07	2.43	2.10

نو ماہ کے دوران (جولائی 2018 تا مارچ 2019) کمپنی نے 299.64 ملین خالص منافع کمایا۔ جبکہ گزشتہ نو ماہ کے مقابلے میں 202.78 ملین کمائے تھے جو کہ تقریباً 47.80 فیصد سے بڑھا ہے۔ اسی دورانیے میں باسستی چاول کی پاکستانی برآمدات 14.44 فیصد حجم کی مد میں بڑھی ہیں اور قدر کی مد میں 5.81 فیصد بڑھی ہیں۔ البتہ کمپنی نے اچھا حجم حاصل کیا اور گزشتہ نو ماہ کے مقابلے میں آمدن کو 39.77 فیصد سے بڑھایا۔ کمپنی نے نو ماہ میں 29,554 میٹرک ٹن باسستی چاول برآمد کیا جبکہ گزشتہ نو ماہ میں 24,382 میٹرک ٹن چاول برآمد کیا تھا جو کہ 21.21 فیصد اضافہ دکھاتا ہے۔

نو ماہ کے دوران اوسطاً برآمدی قیمت امریکی ڈالر میں 1073 فی میٹرک ٹن رہی جو کہ گزشتہ نو ماہ کے دوران 1135 فی میٹرک ٹن رہی۔ یعنی 5 فیصد سے کمی واقع ہوئی۔ پاکستانی روپے کی قدر میں 22.25 فیصد کمی سے کمپنی کو فائدہ پہنچا اور اس نے کمپنی کے مجموعی آمدن میں اضافہ کیا۔ اس کے علاوہ کمپنی نے کرنسی کے تبادلے میں 62.198 ملین روپے کا اور زمین و عمارت کی فروخت سے 68.55 ملین روپے کا فائدہ حاصل کیا۔ جس کی وجہ سے دیگر ذرائع آمدنی میں 511.14 فیصد اضافہ ہوا۔

گروپ کا منافع بھی تقریباً کمپنی کی سطح پر رہا البتہ ذیلی کمپنی کو GCC میں VAT کے عمل درآمد، سیاسی افراتفری اور مجموعی تجارتی مندی کی فضاء کے باعث مشکلات درپیش ہیں۔

چاول کا شعبہ:

کمپنی نے اپنے برانڈ ”فلک“ کی ملکی اور غیر ملکی سطح پر پہچان کو مزید بڑھانے کا تہیہ کیا ہوا ہے۔ زیر نظر سہ ماہی جائزے کے دوران، کمپنی نے بین الاقوامی طور پر Gulf Foods Expo، لندن (UK) اور مقامی طور پر Rawal Expo (راولپنڈی) My Karachi ایکسپو سینٹر میں منعقدہ نمائشوں میں حصہ لیا۔ کمپنی کو صارفین اور تقسیم کاروں سے اچھا تاثر موصول ہوا اور حالیہ طور پر کمپنی کے بین الاقوامی تقسیم کاروں کے دائرہ کار میں جرمنی، UK، اور ناروے سے کچھ نئے تقسیم کار شامل ہوئے ہیں۔

کمپنی اپنے برانڈ کی تشہیری مہم میں جارحانہ انداز میں اقدامات کر رہی ہے اور مقامی سطح پر نئے صارفین تک رسائی حاصل کر رہی ہے۔ خاص طور پر وسطی پنجاب میں سیالکوٹ، گجرانوالہ اور ساہیوال شامل ہیں۔ اسی کے ساتھ ساتھ، وین برانڈنگ اور مارکیٹنگ سیمپلنگ پاکستان کے تمام بڑے شہروں میں جاری ہے۔

گلوکوز کا شعبہ:

کمپنی کا نیا پروجیکٹ رائس گلوکوز ڈویژن فیبرا 11 جلد مکمل ہونے والا ہے۔ کمپنی پروجیکٹ میں کی جانے والی تعمیرات سے پاکستان اسٹاک ایکسچینج اور شیئرز ہولڈرز کو بذریعہ سہ ماہی رپورٹ بروقت مطلع کرتی ہے۔ توقع ہے کہ

MATCO FOODS LIMITED

Consolidated Interim Unconsolidated Statements Of Financial Position
As At March 31, 2019

	Note	Un-audited March 31, 2019 -----Rupees in '000-----	Audited June 30, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	7	2,518,130	2,168,585
Long term deposits - net		14,065	13,049
Long-term investment	8	31,083	31,083
Total non-current assets		2,563,278	2,212,717
Current assets			
Stores, spares and loose tools		26,243	18,727
Stock-in-trade		5,869,206	5,138,981
Trade debts - considered goods	9	866,038	674,464
Short-term loans and advances		430,672	83,732
Trade deposits and prepayments		18,703	10,843
Short-term investment		295	500
Other receivables		200,259	85,370
Cash and bank balances	10	150,172	823,079
Total current assets		7,561,588	6,835,696
Total assets		10,124,867	9,048,413

The annexed selected notes from 1 to 22 form an integral part of this condensed interim financial information.



Chief Executive Officer



Chief Financial Officer



Director

MATCO FOODS LIMITED

Consolidated Interim Unconsolidated Statements Of Financial Position
As At March 31, 2019

EQUITY AND LIABILITIES

Share capital and reserves

Authorized share capital

200,000,000 (June 2018: 200,000,000)

ordinary shares of Rs. 10 each

Issued, subscribed and paid-up share capital 11

Capital reserve

Unappropriated profit

Surplus on revaluation of property, plant
and equipment - net of tax

Total shareholders' equity

Non-current liabilities

Long term finances - secured

Liabilities against assets subject to finance lease

Deferred liabilities 12

Deferred income

Total non-current liabilities

Current liabilities

Trade and other payables

Advance from customers - secured

Accrued mark-up

Short-term borrowings - secured

Current portion of long term finances - secured

Current portion of liabilities against assets subject to finance lease

Unpaid dividend

Provision for taxation - net

Total current liabilities

Total liabilities

Contingencies and commitments 13

Total equity and liabilities

The annexed selected notes from 1 to 22 form an integral part of this condensed interim financial information.



Chief Executive Officer



Chief Financial Officer



Director

	Un-audited March 31, 2019 -----Rupees in '000-----	Audited June 30, 2018
Authorized share capital	2,000,000	2,000,000
Issued, subscribed and paid-up share capital	1,224,007	1,165,721
Capital reserve	680,467	739,367
Unappropriated profit	2,028,554	1,676,797
Surplus on revaluation of property, plant and equipment - net of tax	445,899	546,782
Total shareholders' equity	4,378,927	4,128,667
Non-current liabilities		
Long term finances - secured	264,969	246,557
Liabilities against assets subject to finance lease	44,630	29,284
Deferred liabilities	143,027	143,635
Deferred income	361	633
Total non-current liabilities	452,987	420,109
Current liabilities		
Trade and other payables	566,586	225,928
Advance from customers - secured	25,509	24,884
Accrued mark-up	47,952	48,767
Short-term borrowings - secured	4,549,349	4,081,780
Current portion of long term finances - secured	86,931	84,030
Current portion of liabilities against assets subject to finance lease	13,159	12,226
Unpaid dividend	1,630	761
Provision for taxation - net	1,837	21,261
Total current liabilities	5,292,953	4,499,637
Total liabilities	5,745,940	4,919,746
Contingencies and commitments		
Total equity and liabilities	10,124,867	9,048,413

MATCO FOODS LIMITED

Condensed Interim Unconsolidated Statements Of Profit Or Loss
For The Nine Months Period Ended March 31, 2019

Note	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Un-audited	Un-audited	Un-audited	Un-audited
	-----Rupees in '000-----			
Sales - net	6,128,717	4,510,283	2,476,098	1,869,018
Cost of sales	(5,306,285)	(3,779,532)	(2,132,273)	(1,605,725)
Gross profit	822,432	730,751	343,825	263,293
Operating expenses				
Selling and distribution	(236,856)	(181,052)	(91,955)	(73,703)
Administrative	(189,919)	(151,773)	(69,750)	(58,576)
	(426,775)	(332,825)	(161,705)	(132,279)
Operating profit	395,657	397,926	182,120	131,014
Other operating income	164,000	26,835	74,544	11,688
	559,657	424,761	256,664	142,702
Financial charges	(197,605)	(188,313)	(77,853)	(62,492)
Profit before income tax	362,052	236,448	178,811	80,210
Taxation	(62,412)	(33,673)	(31,173)	(7,180)
Profit for the period	299,640	202,775	147,638	73,030
	-----Rupees-----			
		Restated		Restated
Earnings per share - Basic and Diluted	2.45	2.07	1.21	0.74

The annexed selected notes from 1 to 22 form an integral part of this condensed interim financial information.

MATCO FOODS LIMITED

Condensed Interim Unconsolidated Statements Of Comprehensive Income
For The Nine Months Period Ended March 31, 2019

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Un-audited	Un-audited	Un-audited	Un-audited
	-----Rupees in '000-----			
PROFIT FOR THE PERIOD	299,640	202,775	147,638	73,030
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				
- Remeasurement of defined benefits obligations	(2,137)	-	-	-
Other comprehensive loss	(2,137)	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	297,503	202,775	147,638	73,030

The annexed selected notes from 1 to 22 form an integral part of this condensed interim financial information.

Chief Executive Officer

Chief Financial Officer

Director

Chief Executive Officer

Chief Financial Officer

Director

MATCO FOODS LIMITED

Condensed Interim Unconsolidated Statements Of Changes In Equity For The Nine Months Period Ended March 31, 2019

	Issued, subscribed and paid up capital	Capital reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment	Total
-----Rupees in '000'-----					
Balance as at July 01, 2017	874,291	318,383	1,378,822	571,665	3,143,161
Total comprehensive income for the period					
Profit for the period	-	-	202,775	-	202,775
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	202,775	-	202,775
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	18,396	(18,396)	-
Transactions with owners					
Shares issued in initial public offerings	291,430	-	-	-	291,430
Premium received in initial public offerings - net of expenses	-	420,614	-	-	420,614
Dividend paid	-	-	-	-	-
Balance as at March 31, 2018	1,165,721	738,997	1,599,993	553,269	4,057,980
Balance as at July 01, 2018	1,165,721	739,367	1,676,797	546,782	4,128,667
Total comprehensive income for the period					
Profit for the period	-	-	299,640	-	299,640
Other comprehensive loss	-	-	(2,137)	-	(2,137)
Total comprehensive income	-	-	297,503	-	297,503
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	16,237	(16,237)	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of land and building	-	-	84,646	(84,646)	-
Preliminary expenses incurred for IPO	-	(614)	-	-	(614)
Transactions with owners					
Bonus shares issued in the ratio of 5 shares for every 100 shares held	58,286	(58,286)	-	-	-
Dividend paid @ Rs. 0.04 per share	-	-	(46,629)	-	(46,629)
Balance as at March 31, 2019	1,224,007	680,467	2,028,554	445,899	4,378,927

The annexed selected notes from 1 to 22 form an integral part of this condensed interim financial information.



Chief Executive Officer



Chief Financial Officer



Director



Chief Executive Officer



Chief Financial Officer



Director

MATCO FOODS LIMITED

Condensed Interim Unconsolidated Statements Of Cash Flows For The Nine Months Period Ended March 31, 2019

		Nine months ended	
		March 31, 2019	March 31, 2018
		Un-audited	Un-audited
		-----Rupees in '000'-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations after working capital changes	17	(435,834)	(114,487)
Gratuity paid		(2,833)	(6,719)
Taxes paid		(88,796)	(38,294)
Finance cost paid		(198,420)	(171,383)
Net cash used in operating activities		(725,883)	(330,883)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure including capital work in progress		(610,130)	(155,101)
Proceeds from disposal of property, plant and equipment		205,336	19,689
Long term deposit		(1,016)	(974)
Long term investment	8	-	(7,500)
Net cash used in investing activities		(405,811)	(143,886)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares - net of expenses		-	712,044
Long term finances obtained - net of repayment		21,313	(72,332)
Finance lease obligation obtained - net of repayment		16,279	13,716
Preliminary expenses for initial public offering		(614)	-
Dividend paid		(45,760)	-
Short term finances obtained - net of repayment		467,569	513,513
Net cash generated from financing activities		458,787	1,166,941
Net (decrease) / increase in cash and cash equivalents		(672,907)	692,172
Cash and cash equivalents at the beginning of the period		823,079	111,055
Cash and cash equivalents at the end of the period		150,172	803,227

The annexed selected notes from 1 to 22 form an integral part of this condensed interim financial information.

MATCO FOODS LIMITED

Notes To The Condensed Interim Unconsolidated Financial Statements For The Nine Months Period Ended March 31, 2019

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. The Company is listed on Pakistan Stock Exchange on February 13, 2018. Principal activity of the Company is to carry on the business of processing, export of rice and trade of biscuit, bran oil, rice glucose and rice protein. Registered office of the Company is situated at B-1/A, S.I.T.E. Phase 1, Super Highway Industrial Area, Karachi; whereas the factories of the Company are situated at (i) M-II, A-15 & 16, SITE-II, Super highway Karachi; (ii) Riviana, A-21, SITE-II, Super highway Karachi; and (iii) M-III, Sadhoki, Tehsil Kamoki, District Gujranwala.

The Company has 100% ownership in JKT General Trading FZE (subsidiary) a U.A.E based company is situated at P.O.Box 123347, Sharjah- U.A.E, and registered with government of Sharjah. The operational status of the company is purchasing and selling of processed rice and the auditors of the company has expressed unqualified opinion as on financial year ended June 30, 2018.

The Company having 99.99% ownership in Matco Marketing (Private) Limited which was incorporated on June 16, 2016 with authorized and proposed paid-up 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 Company since its incorporation.

2 SIGNIFICANT EVENTS AND TRANSACTIONS

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

3 STATEMENT OF COMPLIANCE

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

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

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

4 BASIS OF PREPARATION

4.1 These condensed interim unconsolidated 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, 2018.

4.2 The figures in the condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows together with the relevant notes to the interim unconsolidated financial statements for the three-months and nine-months period

MATCO FOODS LIMITED

Notes To The Condensed Interim Unconsolidated Financial Statements For The Nine Months Period Ended March 31, 2019

ended March 31, 2018 are neither reviewed nor audited. Further, the figures for the three-months period ended March 31, 2019 in the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income have also not been reviewed by auditors.

5 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, 2018, except for the adoption of IFRS 15 "Revenue from contracts with customers". The accounting policy adopted by the management are as follows:

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with Customers' supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

Revenue from sale of goods is recognized when the Company satisfies a performance obligation by transferring promised goods to customer. Goods are transferred when the customer obtains their control (i.e. on dispatch of goods to customers). Revenue is recognized at transaction price (which excludes estimates of variable consideration). Hence, the Company has concluded that it is in compliance with the requirements of the new accounting standard.

6 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim unconsolidated 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 condensed interim unconsolidated 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, 2018.

7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work in progress

	Un-audited March 31, 2019	Audited June 30, 2018
	-----Rupees in '000-----	
7.1	1,956,324	2,163,163
7.2	561,806	5,422
	2,518,130	2,168,585

MATCO FOODS LIMITED

Notes To The Condensed Interim Unconsolidated Financial Statements For The Nine Months Period Ended March 31, 2019

7.1 Details of additions and disposals to operating assets during the nine months ended March 31, 2019 are as follows:

Note	Additions at cost -----Rupees in '000-----	Deletions at net book value
Leasehold land	-	(90,000)
Factory land	-	-
Factory building	1,775	(15,963)
Plant and machinery	7,790	(109)
Electric cables and fitting	575	-
Furniture and fixture	1,348	-
Motor Vehicles	38,936	(3,455)
Office Equipment	411	-
Factory Equipment	2,278	(807)
Computer	603	-
Mobile phone	30	-
March 31, 2019	53,746	(110,335)
June 30, 2018	546,416	(2,930)

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

Note	Un-audited March 31, 2019 -----Rupees in '000-----	Audited June 30, 2018
Opening balance	5,422	359,377
Additions during the period	556,384	55,051
	561,806	414,428
Transferred to operating fixed assets	-	(409,006)
Closing balance	561,806	5,422

8 LONG-TERM INVESTMENT (at cost) - in related party

JKT General Trading (FZE)- Sharjah Airport Free Zone	8.1	23,583	23,583
Matco Marketing (Private) Limited	8.2	7,500	7,500
		31,083	31,083

MATCO FOODS LIMITED

Notes To The Condensed Interim Unconsolidated Financial Statements For The Nine Months Period Ended March 31, 2019

8.1 This represents investment in a wholly owned subsidiary, JKT General Trading FZE based in U.A.E. The Company has made an equity investment of USD 225,000 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 had subscribed 749,996 shares of Matco Marketing (Private) Limited. However, Matco Marketing (Private) Limited has not commenced its operations since incorporation.

Note	Un-audited March 31, 2019 -----Rupees in '000-----	Audited June 30, 2018
9 TRADE DEBTS		
Considered good		
- Export - secured	543,562	500,159
- Local - unsecured	322,476	174,305
	866,038	674,464

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

Note	Un-audited March 31, 2019 -----Rupees in '000-----	Audited June 30, 2018
10 CASH AND BANK BALANCES		
Cash in hand	7,658	4,507
Cash at bank	141,314	520,372
Term deposit certificates	1,200	298,200
	150,172	823,079

11 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

	Un-audited March 31, 2019 (Number of shares)	Audited June 30, 2018	Un-audited March 31, 2019 -----Rupees in '000-----	Audited June 30, 2018
Ordinary shares of Rs. 10 each:				
- fully paid in cash	50,340,213	50,340,213	503,402	503,402
- issued for consideration other than cash	6,002,950	6,002,950	60,030	60,030
- issued as fully paid bonus shares	66,057,536	60,228,931	660,575	602,289
	122,400,699	116,572,094	1,224,007	1,165,721

12 DEFERRED LIABILITIES

Staff gratuity scheme - unfunded	65,774	59,423
Deferred tax liability	77,253	84,212
	143,027	143,635

MATCO FOODS LIMITED

Notes To The Condensed Interim Unconsolidated Financial Statements
For The Nine Months Period Ended March 31, 2019

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 The civil suit No. 1635 of 2009 for possession and injunction was filed by the Company. The Company had filed the suit for possession of land as it was dispossessed by the defendants to be restored to it and a permanent injunction to restrain the defendants from alienation or transferring the land. The Honorable High Court of Sindh passed an order on November 19, 2009, thereafter the Honorable High Court of Sindh has granted permanent injunction in above suit on December 11, 2018 as we understand that the Company is not likely to suffer any losses on account of the above suit.

The Company has filed an appeal no. 157/2018 in the High Court of Sindh against order passed in appeal no. 311/2017. We have apprised the learned judge that the order passed in appeal no. 311/2017 was not in accordance with law, we have further submitted that the instant proceedings were a third round of litigation and not only both the earlier suit dismissed but indeed the dismissal order so passed were upheld in appeals. We further highlighted that law does not permit fresh proceeding having same cause of action which issue has already been adjudicated by the Courts and the suit (2141/2015) was dismissed by the trial court. In appeal no. 311/2017, the additional district judge committed a error of law in setting aside the suit dismissal order passed in suit no. 2141/2015. The learned judge on the basis of facts and applicable law granted us stay order duly suspending the operation of the impugned judgement passed in appeal no. 311/2017. We strongly understand that the Company is not likely to suffer any losses on account of proceeding in this suit.

13.1.2 The Petition No. 3358/2011 and 1823/2013 were filed on December 13, 2011 and April 29, 2013 by the Company against Federal Board of Revenue (FBR) and Others, whereby, the chargeability of the customs duty against import of storage silos has been challenged. It is pertinent to point out that the said import was exempt from duties and taxes vide SRO No. 575(I) 2006. Now through SRO dated October 23, 2012, the said silos have been added as clarificatory being exempt. The said chargeability of Customs Duty has been challenged of the intervening period through Writ Petition No. 3358/11 and 1823/13. The Company has filed intra court appeal ICA no. 84/2015 and 85/2015 both are pending in honorable Islamabad High Court, Islamabad notice are issued and no proceeding till to date. We believe that the Company is not likely to suffer any losses on account of the above petition.

13.1.3 In prior years Sindh Government 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 Honorable High Court of Sindh. Honorable High Court of Sindh has issued an interim order allowing release of imported goods on 50% payment and 50% bank guarantee. The litigation is pending adjudication. This suit was filed on June 10, 2013 and no proceeding till date and we understand that the Company is not likely to suffer any losses due to above suit.

Except for the above, there are no material changes in the status of the income tax and sales tax contingencies as reported in the annual audited financial statements for the year ended June 30, 2018.

MATCO FOODS LIMITED

Notes To The Condensed Interim Unconsolidated Financial Statements
For The Nine Months Period Ended March 31, 2019

13.2 Commitments

Capital expenditure
Letter of credit
Ijara contracts

Un-audited March 31, 2019	Audited June 30, 2018
-----Rupees in '000-----	
26,174	345,992
-	300,482
-	75
26,174	646,549

14 COST OF SALES

Rice consumed
Packing materials consumed
Stores, spares and loose tools consumed

Un-audited March 31, 2019	Un-audited March 31, 2018
-----Rupees in '000-----	
5,283,184	3,330,682
195,030	130,869
30,632	17,469
5,508,846	3,479,020

Processing expenses

Salaries, wages and benefits
Electricity and power
Telephone and mobile
Insurance
Repairs and maintenance
Other purchases
Fumigation charges
Staff welfare
Security expenses
Rent, rates and taxes
Vehicle running expenses
Depreciation

210,507	157,341
111,825	91,273
624	1,072
6,952	8,572
22,382	15,435
13,129	-
9,177	9,036
6,937	3,731
11,787	10,237
15,628	8,617
4,617	3,495
100,043	115,573

MATCO FOODS LIMITED

Notes To The Condensed Interim Unconsolidated Financial Statements
For The Nine Months Period Ended March 31, 2019

Others	18,642	8,438
Cost of goods available for sale	532,251	432,820
Finished goods		
Opening stock	883,119	827,310
Closing stock	(1,617,931)	(959,618)
	(734,812)	(132,308)
	5,306,285	3,779,532
15 OTHER OPERATING INCOME	Un-audited March 31, 2019	Un-audited March 31, 2018
	-----Rupees in '000-----	
From financial assets and liabilities		
- Profit on short term deposits	14,824	4,775
From non-financial assets		
- Amortization of deferred income	272	150
- Exchange gain - net	62,198	16,947
- Gain or (loss) on sale of fixed assets - net	73,016	10
- Others	13,690	4,953
	164,000	26,835
16 EARNINGS PER SHARE - Basic and Diluted		
Basic earnings per share		
Profit for the period (Rupees in thousands)	299,640	202,775
Weighted average number of shares	122,400,699	98,150,319
Earnings per share (Rupees - Restated)	2.45	2.07

16.1 Diluted earning per share

There is no dilution effect on the basic earning per share of the company as the company has no such commitments.

MATCO FOODS LIMITED

Notes To The Condensed Interim Unconsolidated Financial Statements
For The Nine Months Period Ended March 31, 2019

	Un-audited March 31, 2019	Un-audited March 31, 2018
	-----Rupees in '000-----	
17 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES		
Profit before taxation	362,052	236,448
Adjustments for non-cash items and other items:		
Depreciation	126,130	137,585
Exchange (gain)/loss - net	(62,198)	-
Finance cost	197,605	188,564
Gain on disposal of property, plant and equipment	(73,016)	(5,220)
Provision for staff gratuity	9,183	7,225
Unrealized loss on short term investment	205	107
Amortization of deferred income	(272)	248
Cash generated from operations after working capital changes	(995,524)	(679,193)
	(435,834)	(114,487)
17.1 Working capital changes		
(Increase)/ decrease in current assets		
Stores, spares and loose tools	(7,516)	(12,720)
Stock-in-trade	(730,225)	(349,378)
Trade debts - considered goods	(129,377)	14,337
Loans and advances	(346,940)	(68,319)
Trade deposits and prepayments	(7,860)	(4,147)
Other receivables	(114,889)	(23,058)
	(1,336,807)	(443,285)
Increase/(decrease) in current liabilities		
Trade and other payables	340,658	(109,639)
Advance from customers - secured	625	(126,269)
Net (increase) in working capital	(995,524)	(679,193)

MATCO FOODS LIMITED

Notes To The Condensed Interim Unconsolidated Financial Statements
For The Nine Months Period Ended March 31, 2019

18 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

18.1 Financial risk factors

The Company's activities exposes 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 this condensed interim unconsolidated financial statements does not include all the financial risk management information and disclosures required in the audited annual financial statements.

18.2 Fair value of financial assets and liabilities

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

19 TRANSACTIONS WITH RELATED PARTIES

Nature of relationship	Percentage of Holding	Transactions	Un-audited	Un-audited
			March 31, 2019	March 31, 2018
Directors				
		Godown rent paid to director	11,341	8,189
Subsidiary				
JKT General Trading FZE	100%	Sales	38,219	41,015
		Payment recieved on account of sales	54,188	34,408
Matco Marketing (Pvt.) Ltd	100%	Advance recieved	-	7,500
		Paid expenses on behalf	13	89
Common Directors				
Matco Engineering Co. (Private) Limited	0%	Paid against service	39	489
Trust operated by the Group				
Ghori Trust	0%	Paid against expenses (recievable)	1,709	-
		Donation of funds	-	136

Note

Un-audited
March 31,
2019
-----Rupees in '000-----

Un-audited	Un-audited
March 31, 2019	March 31, 2018
11,341	8,189
38,219	41,015
54,188	34,408
-	7,500
13	89
39	489
1,709	-
-	136

MATCO FOODS LIMITED

Notes To The Condensed Interim Unconsolidated Financial Statements
For The Nine Months Period Ended March 31, 2019

20 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34- 'Interim Financial Reporting', corresponding figures in the condensed interim unconsolidated statement of financial position comprise of balances as per the audited unconsolidated financial statements of the Company for the year ended June 30, 2018 and the corresponding figures in the condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity comprise of balances of comparable period as per the condensed interim unconsolidated financial statements of the Company for the nine months period ended March 31, 2018.

Moreover, Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards.

21 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim unconsolidated financial statements was authorized for issue on April 29, 2019, by the board of directors of the Company.

22 GENERAL

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

Chief Executive Officer

Chief Financial Officer

Director

MATCO FOODS LIMITED

Consolidated Interim Consolidated Statements Of Financial Position
As At March 31, 2019

		Un-audited March 31, 2019	Audited June 30, 2018
	Note	-----Rupees in '000-----	
ASSETS			
Non-current assets			
Property, plant and equipment	7	2,518,130	2,168,585
Long term deposits - net		14,065	13,049
Total non-current assets		2,532,195	2,181,634
Current assets			
Stores, spares and loose tools		26,243	18,727
Stock-in-trade		5,869,206	5,138,981
Trade debts - considered goods	8	898,100	709,705
Short-term loans and advances		430,672	83,732
Trade deposits and prepayments		20,531	13,735
Short-term investment		295	500
Other receivables		200,148	85,074
Cash and bank balances	9	162,265	827,012
Total current assets		7,607,460	6,877,466
Total assets		10,139,655	9,059,100

The annexed selected notes from 1 to 21 form an integral part of this condensed interim financial information.



Chief Executive Officer



Chief Financial Officer



Director

MATCO FOODS LIMITED

Consolidated Interim Consolidated Statements Of Financial Position
As At March 31, 2019

EQUITY AND LIABILITIES

Share capital and reserves

Authorized share capital
200,000,000 (June 2018: 200,000,000)
ordinary shares of Rs. 10 each

Issued, subscribed and paid-up share capital

Capital reserve

Exchange revaluation reserve

Unappropriated profit

Surplus on revaluation of property, plant
and equipment - net of tax

Total shareholders' equity

Non-current liabilities

Long term finances - secured

Liabilities against assets subject to finance lease

Deferred liabilities

Deferred income

Total non-current liabilities

Current liabilities

Trade and other payables

Advance from customers - secured

Accrued mark-up

Short-term borrowings - secured

Current portion of long term finances - secured

Current portion of liabilities against assets subject to finance lease

Unpaid dividend

Provision for taxation - net

Total current liabilities

Total liabilities

Contingencies and commitments

Total equity and liabilities

The annexed selected notes from 1 to 21 form an integral part of this condensed interim financial information.



Chief Executive Officer



Chief Financial Officer



Director

	Un-audited March 31, 2019	Audited June 30, 2018
	-----Rupees in '000-----	
	2,000,000	2,000,000
	1,224,007	1,165,721
	680,467	739,367
	11,312	5,160
	2,037,968	1,688,073
	445,899	546,782
	4,399,653	4,145,103
	264,969	246,557
	44,630	29,284
	143,252	143,804
	361	633
	453,212	420,278
	560,423	219,983
	25,509	24,884
	47,952	48,767
	4,549,349	4,081,780
	86,931	84,030
	13,159	12,226
	1,630	761
	1,837	21,288
	5,286,790	4,493,719
	5,740,002	4,913,997
	10,139,655	9,059,100

MATCO FOODS LIMITED

Condensed Interim Consolidated Statements Of Profit Or Loss
For The Nine Months Period Ended March 31, 2019

	Note	Nine months ended		Quarter ended	
		March 31, 2019 Un-audited	March 31, 2018 Un-audited	March 31, 2019 Un-audited	March 31, 2018 Un-audited
-----Rupees in '000-----					
Sales - net		6,134,769	4,519,439	2,476,523	1,870,224
Cost of sales	13	(5,307,183)	(3,779,532)	(2,131,801)	(1,605,725)
Gross profit		827,586	739,907	344,722	264,499
Operating expenses					
Selling and distribution		(236,856)	(184,160)	(91,955)	(74,919)
Administrative		(196,764)	(154,052)	(73,849)	(58,765)
		(433,620)	(338,212)	(165,804)	(133,684)
Operating profit		393,966	401,695	178,918	130,815
Other operating income	14	164,000	26,835	74,544	11,687
		557,966	428,530	253,462	142,502
Financial charges		(197,776)	(188,564)	(77,917)	(62,743)
Profit before income tax		360,190	239,966	175,545	79,759
Income tax expense		(62,412)	(33,673)	(31,172)	(7,180)
Profit for the period		297,778	206,293	144,373	72,579
-----Rupees-----					
			--Restated--		--Restated--
Earnings per share - Basic and Diluted	15	2.43	2.10	1.18	0.74

The annexed selected notes from 1 to 21 form an integral part of this condensed interim financial information.

MATCO FOODS LIMITED

Condensed Interim Consolidated Statements Of Comprehensive Income
For The Nine Months Period Ended March 31, 2019

	Nine months ended		Quarter ended	
	March 31, 2019 Un-audited	March 31, 2018 Un-audited	March 31, 2019 Un-audited	March 31, 2018 Un-audited
-----Rupees in '000-----				
PROFIT FOR THE PERIOD	297,778	206,293	144,373	72,579
Other comprehensive income				
Items that may be reclassified to statement of profit or loss subsequently				
- Exchange difference on translation of foreign currency	6,152	(3,691)	-	(4,587)
Items that will not be reclassified to statement of profit or loss				
- Remeasurement of defined benefits obligations	(2,137)	-	-	-
Other comprehensive loss	4,015	(3,691)	-	(4,587)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	301,793	202,602	144,373	67,992
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:				
Shareholders of the Holding Company	301,793	202,602	144,373	67,992
Non-controlling interest	-	-	-	-
	301,793	202,602	144,373	67,992

The annexed selected notes from 1 to 21 form an integral part of this condensed interim financial information.

Chief Executive Officer

Chief Financial Officer

Director

Chief Executive Officer

Chief Financial Officer

Director

MATCO FOODS LIMITED

Condensed Interim Consolidated Statements Of Change In Equity
For The Nine Months Period Ended March 31, 2019

	Issued, subscribed and paid up capital	Capital reserve	Exchange revaluation reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment	Equity attributable to the Holding Company's Shareholders	Total
Rupees in '000'							
Balance as at July 01, 2017	874,291	318,383	(354)	1,390,325	571,665	3,154,310	3,154,310
Total comprehensive income for the period							
Profit for the period	-	-	-	206,293	-	206,293	206,293
Other comprehensive income	-	-	(3,691)	-	-	(3,691)	(3,691)
Total comprehensive income	-	-	(3,691)	206,293	-	202,602	202,602
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation net of tax	-	-	-	18,396	(18,396)	-	-
Transactions with owners							
Shares issued in initial public offerings	291,430	-	-	-	-	291,430	291,430
Premium received in initial public offerings - net of expenses	-	420,614	-	-	-	420,614	420,614
Dividend paid	-	-	-	-	-	-	-
Balance as at March 31, 2018	1,165,721	738,997	(4,045)	1,615,014	553,269	4,068,956	4,068,956
Balance as at July 01, 2018	1,165,721	739,367	5,160	1,688,073	546,782	4,145,103	4,145,103
Total comprehensive income for the period							
Profit for the period	-	-	-	297,778	-	297,778	297,778
Other comprehensive income	-	-	6,152	(2,137)	-	4,015	4,015
Total comprehensive income	-	-	6,152	295,641	-	301,793	301,793
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation net of tax	-	-	-	16,237	(16,237)	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of land and building	-	-	-	84,646	(84,646)	-	-
Preliminary expenses incurred for IPO	-	(614)	-	-	-	(614)	(614)
Transactions with owners							
Bonus shares issued in the ratio of 5 shares for every 100 shares held	58,286	(58,286)	-	-	-	-	-
Dividend paid @ Rs. 0.04 per share	-	-	-	(46,629)	-	(46,629)	(46,629)
Balance as at March 31, 2019	1,224,007	680,467	11,312	2,037,968	445,899	4,399,653	4,399,653

The annexed selected notes from 1 to 21 form an integral part of this condensed interim financial information.

MATCO FOODS LIMITED

Condensed Interim Consolidated Statements Of Cash Flow
For The Nine Months Period Ended March 31, 2019

	Nine months ended	
	March 31, 2019 Un-audited	March 31, 2018 Un-audited
	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations after working capital changes	(433,660)	(93,285)
Gratuity paid	(2,833)	(7,579)
Taxes paid	(88,796)	(38,294)
Finance cost paid	(198,585)	(171,634)
Exchange revaluation reserve	6,152	(3,691)
Net cash used in operating activities	(717,722)	(314,483)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure including capital work in progress	(610,130)	(155,101)
Proceeds from disposal of property, plant and equipment	205,336	19,689
Long term deposit	(1,016)	(974)
Net cash used in investing activities	(405,811)	(136,386)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares - net of expenses	-	712,044
Long term finances obtained - net of repayment	21,313	(72,332)
Finance lease obligation obtained - net of repayment	16,278	13,716
Preliminary expenses incurred for initial public offering	(614)	-
Dividend paid	(45,760)	-
Short term finances obtained - net of repayment	467,569	491,981
Net cash generated from financing activities	458,786	1,145,409
Net (decrease) / increase in cash and cash equivalents	(664,747)	694,540
Cash and cash equivalents at the beginning of the period	827,012	115,042
Cash and cash equivalents at the end of the period	162,265	809,582

Note

The annexed selected notes from 1 to 21 form an integral part of this condensed interim financial information.

Chief Executive Officer

Chief Financial Officer

Director

Chief Executive Officer

Chief Financial Officer

Director

MATCO FOODS LIMITED

Notes To The Condensed Interim Consolidated Financial Statements
For The Nine Months Period Ended March 31, 2019

1 LEGAL STATUS AND OPERATIONS

The 'Group' consists of:

Holding Company

- Matco Foods Limited (the Holding Company)

Subsidiary Group

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

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

a) Matco Foods Limited

Matco Foods Limited, ('the Company') was incorporated on April 14, 1990 in Karachi as a private limited company under the repealed Companies Ordinance, 1984. The Company is listed on Pakistan Stock Exchange on February 13, 2018. Principal activity of the Company is to carry on the business of processing and export of rice and flour. Registered office of the Company is situated at B-1/A, S.I.T.E. Phase 1, Super Highway Industrial Area, Karachi; whereas the factories of the Company are situated at (i) M-II, A-15 & 16, SITE-II, Super highway Karachi; (ii) Riviana, A-21, SITE-II, Super highway Karachi; and (iii) M-III, Sadhoke, Tehsil Kamoki, District Gujranwala.

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 Company is purchasing and selling of processed rice.

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

The subsidiary has been established on October 8, 2013.

c) Matco Marketing (Private) Limited

Matco Marketing (Private) Limited ('the company') has been established on June 16, 2016 with authorized and paid-up capital of PKR 10,000,000 and PKR 7,500,000 respectively. However, no business activity has been carried out by the company since its incorporation.

The registered office of the company is situated at B-1/A, S.I.T.E. Phase 1, Super Highway Industrial Area, Karachi. The principal activities of the company are wholesale, indenting agents and manufacturer's representative, sale representative either on commission or profit sharing basis, import, export, local distribution and sale of all kind of rice, cereals and related commodities.

MATCO FOODS LIMITED

Notes To The Condensed Interim Consolidated Financial Statements
For The Nine Months Period Ended March 31, 2019

2 SIGNIFICANT EVENTS AND TRANSACTIONS

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

3 STATEMENT OF COMPLIANCE

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

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

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

4 BASIS OF PREPARATION

4.1 These condensed interim consolidated financial statements do not include all the information and disclosures required in the consolidated annual audited financial statements, and should be read in conjunction with Group's consolidated annual audited financial statements for the year ended June 30, 2018.

4.2 The figures in the condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows together with the relevant notes to the interim consolidated financial statements for the three-months and nine-months period ended March 31, 2018 are neither reviewed nor audited. Further, the figures for the three-months period ended March 31, 2019 in the condensed interim consolidated statement of profit or loss and condensed interim consolidated statement of comprehensive income have also not been reviewed by auditors.

5 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, 2018, except for the adoption of IFRS 15 "Revenue from contracts with customers". The accounting policy adopted by the management are as follows:

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with Customers' supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

MATCO FOODS LIMITED

Notes To The Condensed Interim Consolidated Financial Statements For The Nine Months Period Ended March 31, 2019

Revenue from sale of goods is recognized when the Group satisfies a performance obligation by transferring promised goods to customer. Goods are transferred when the customer obtains their control (i.e. on dispatch of goods to customers). Revenue is recognized at transaction price (which excludes estimates of variable consideration). Hence, the Group has concluded that it is in compliance with the requirements of the new accounting standard.

6 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim consolidated 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 condensed interim consolidated 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, 2018.

7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work in progress

Note	Un-audited	Audited
	March 31, 2019	June 30, 2018
	-----Rupees in '000-----	
7.1	1,956,324	2,163,163
	561,806	5,422
	2,518,130	2,168,585

MATCO FOODS LIMITED

Notes To The Condensed Interim Consolidated Financial Statements For The Nine Months Period Ended March 31, 2019

7.1 Details of additions and disposals to operating assets during the nine months ended March 31, 2019 are as follows:

Leasehold land
Factory land
Factory building
Plant and machinery
Electric cables and fitting
Furniture and fixture
Motor Vehicles
Office Equipment
Factory Equipment
Computer
Mobile phone

March 31, 2019

June 30, 2018

Note	Additions at cost	Deletions at net book value
	-----Rupees in '000-----	
	-	(90,000)
	-	-
	1,775	(15,963)
	7,790	(109)
	575	-
	1,348	-
	38,936	(3,455)
	411	-
	2,278	(807)
	603	-
	30	-
	53,746	(20,335)
	546,416	(2,930)

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

Opening balance
Additions during the period

Transferred to operating fixed assets
Closing balance

Note	Un-audited	Audited
	March 31, 2019	June 30, 2018
	-----Rupees in '000-----	
	5,422	359,377
	556,384	55,051
	561,806	414,428
	-	(409,006)
	561,806	5,422

MATCO FOODS LIMITED

Notes To The Condensed Interim Consolidated Financial Statements
For The Nine Months Period Ended March 31, 2019

	Note	Un-audited	Audited
		March 31, 2019	June 30, 2018
		-----Rupees in '000-----	
8 TRADE DEBTS			
Considered good			
- Export - secured		575,624	535,401
- Local - unsecured		322,476	174,305
		898,100	709,705

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

	Note	Un-audited	Audited
		March 31, 2019	June 30, 2018
		-----Rupees in '000-----	
9 CASH AND BANK BALANCES			
Cash in hand		7,658	4,507
Cash at bank		153,407	524,304
Term deposit certificates		1,200	298,200
		162,265	827,012

10 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

	Un-audited	Audited		Un-audited	Audited
	March 31, 2019	June 30, 2018		March 31, 2019	June 30, 2018
		(Number of shares)		-----Rupees in '000-----	
			Ordinary shares of Rs. 10 each:		
	50,340,213	50,340,213	- fully paid in cash	503,402	503,402
	6,002,950	6,002,950	- issued for consideration other than cash	60,030	60,030
	66,057,536	60,228,931	- issued as fully paid bonus shares	660,575	602,289
	122,400,699	116,572,094		1,224,007	1,165,721

11 DEFERRED LIABILITIES

Staff gratuity scheme - unfunded	65,774	59,423
Deferred tax liability	77,253	84,212
Employee's end of service benefit	225	169
	143,252	143,804

MATCO FOODS LIMITED

Notes To The Condensed Interim Consolidated Financial Statements
For The Nine Months Period Ended March 31, 2019

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 The civil suit No. 1635 of 2009 for possession and injunction was filed by the Holding Company. The Holding Company had filed the suit for possession of land as it was dispossessed by the defendants to be restored to it and a permanent injunction to restrain the defendants from alienation or transferring the land. The Honorable High Court of Sindh passed an order on November 19, 2009, thereafter the Honorable High Court of Sindh has granted permanent injunction in above suit on December 11, 2018 as we understand that the Holding Company is not likely to suffer any losses on account of the above suit.

The Holding Company has filed an appeal no. 157/2018 in the High Court of Sindh against order passed in appeal no. 311/2017. We have apprised the learned judge that the order passed in appeal no. 311/2017 was not in accordance with law, we have further submitted that the instant proceedings were a third round of litigation and not only both the earlier suit dismissed but indeed the dismissal order so passed were upheld in appeals. We further highlighted that law does not permit fresh proceeding having same cause of action which issue has already been adjudicated by the Courts and the suit (2141/2015) was dismissed by the trial court. In appeal no. 311/2017, the additional district judge committed a error of law in setting aside the suit dismissal order passed in suit no. 2141/2015. The learned judge on the basis of facts and applicable law granted us stay order duly suspending the operation of the impugned judgement passed in appeal no. 311/2017. We strongly understand that the Holding Company is not likely to suffer any losses on account of proceeding in this suit.

12.1.2 The Petition No. 3358/2011 and 1823/2013 were filed on December 13, 2011 and April 29, 2013 by the Holding Company against Federal Board of Revenue (FBR) and Others, whereby, the chargeability of the customs duty against import of storage silos has been challenged. It is pertinent to point out that the said import was exempt from duties and taxes vide SRO No. 575(I) 2006. Now through SRO dated October 23, 2012, the said silos have been added as clarificatory being exempt. The said chargeability of Customs Duty has been challenged of the intervening period through Writ Petition No. 3358/11 and 1823/13. The Holding Company has filed intra court appeal ICA no. 84/2015 and 85/2015 both are pending in honorable Islamabad High Court, Islamabad notice are issued and no proceeding till to date. We believe that the Holding Company is not likely to suffer any losses on account of the above petition.

12.1.3 In prior years Sindh Government imposed infrastructure cess @ 0.85% of import value on all imports into Pakistan. A large number of importers including the Holding Company challenged the matter in the Honorable High Court of Sindh. The Honorable High Court of Sindh has issued an interim order allowing release of imported goods on 50% payment and 50% bank guarantee. The litigation is pending adjudication. This suit was filed on June 10, 2013 and no proceeding till date and we understand that the Holding Company is not likely to suffer any losses due to above suit.

Except for the above, there are no material changes in the status of the income tax and sales tax contingencies as reported in the annual audited financial statements for the year ended June 30, 2018.

MATCO FOODS LIMITED

Notes To The Condensed Interim Consolidated Financial Statements
For The Nine Months Period Ended March 31, 2019

	Un-audited March 31, 2019	Audited June 30, 2018
	-----Rupees in '000-----	
12.2 Commitments		
Capital expenditure	26,174	345,992
Letter of credit	-	300,482
Ijara contracts	-	75
	26,174	646,549
	Un-audited March 31, 2019	Un-audited March 31, 2018
	-----Rupees in '000-----	
13 COST OF SALES		
Rice consumed	5,284,082	3,330,682
Packing materials consumed	195,030	130,869
Stores, spares and loose tools consumed	30,632	17,469
	5,509,744	3,479,020
Processing expenses		
Salaries, wages and benefits	210,507	157,341
Electricity and power	111,825	91,273
Telephone and mobile	624	1,072
Insurance	6,952	8,572
Repairs and maintenance	22,382	15,435
Other purchases	13,129	-
Fumigation charges	9,177	9,036
Staff welfare	6,937	3,731
Security expenses	11,787	10,237
Rent, rates and taxes	15,628	8,617
Vehicle running expenses	4,617	3,495
Depreciation	100,043	115,573
Others	18,642	8,438
Cost of goods available for sale	532,251	432,820

MATCO FOODS LIMITED

Notes To The Condensed Interim Consolidated Financial Statements
For The Nine Months Period Ended March 31, 2019

	Un-audited March 31, 2019	Un-audited March 31, 2018
	-----Rupees in '000-----	
Finished goods		
Opening stock	883,119	827,310
Closing stock	(1,617,931)	(959,618)
	(734,812)	(132,308)
	5,307,183	3,779,532
14 OTHER OPERATING INCOME		
<i>From financial assets and liabilities</i>		
- Profit on short term deposits	14,824	4,775
<i>From non-financial assets</i>		
- Amortization of deferred income	272	150
- Exchange gain - net	62,198	16,947
- Gain or (loss) on sale of fixed assets - net	73,016	10
- Others	13,690	4,953
	164,000	26,835
15 EARNINGS PER SHARE - Basic and Diluted		
Basic earnings per share		
Profit for the period (Rupees in thousands)	297,778	206,293
Weighted average number of shares	122,400,699	98,150,319
Earnings per share (Rupees - Restated)	2.43	2.10
15.1 Diluted earning per share		
There is no dilution effect on the basic earning per share of the Group as the Group has no such commitments.		

MATCO FOODS LIMITED

Notes To The Condensed Interim Consolidated Financial Statements
For The Nine Months Period Ended March 31, 2019

	Note	Un-audited March 31, 2019 -----Rupees in '000-----	Un-audited March 31, 2018
16 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES			
Profit before taxation		360,190	239,966
Adjustments for non-cash items and other items:			
Depreciation		126,130	137,585
Exchange (gain)/loss - net		(62,198)	-
Finance cost		197,776	188,564
Gain on disposal of property, plant and equipment		(73,016)	(5,220)
Provision for staff gratuity		9,207	7,225
Unrealized loss on short term investment		205	107
Amortization of deferred income		(272)	248
Cash generated from operations after working capital changes	16.1	(991,683)	(661,760)
		(433,660)	(93,285)
16.1 Working capital changes			
(Increase)/ decrease in current assets			
Stores, spares and loose tools		(7,516)	(12,720)
Stock-in-trade		(730,225)	(348,338)
Trade debts - considered goods		(126,197)	47,936
Loans and advances		(346,940)	(68,319)
Trade deposits and prepayments		(6,797)	(1,460)
Other receivables		(115,074)	(45,822)
		(1,332,748)	(428,723)
Increase/(decrease) in current liabilities			
Trade and other payables		340,440	(106,768)
Advance from customers - secured		626	(126,269)
Net (increase) in working capital		(991,683)	(661,760)

MATCO FOODS LIMITED

Notes To The Condensed Interim Consolidated Financial Statements
For The Nine Months Period Ended March 31, 2019

17 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

17.1 Financial risk factors

The Group's activities exposes 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 this condensed interim consolidated financial statements does not include all the financial risk management information and disclosures required in the audited annual financial statements.

17.2 Fair value of financial assets and liabilities

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

18 TRANSACTIONS WITH RELATED PARTIES

Nature of relationship	Percentage of Holding	Transactions	Note	Un-audited March 31, 2019 -----Rupees in '000-----	Un-audited March 31, 2018
Directors					
		Godown rent paid to director		11,341	8,189
Common Directors					
Matco Engineering Co. (Private) Limited	0%	Paid against service		39	489
Trust operated by the Group					
Ghori Trust	0%	Paid expenses on behalf Donation of funds		1,709	-
				-	136

MATCO FOODS LIMITED

Notes To The Condensed Interim Consolidated Financial Statements For The Nine Months Period Ended March 31, 2019

19 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34- 'Interim Financial Reporting', corresponding figures in the condensed interim consolidated statement of financial position comprise of balances as per the audited consolidated financial statements of the Group for the year ended June 30, 2018 and the corresponding figures in the condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity comprise of balances of comparable period as per the condensed interim consolidated financial statements of the Group for the nine months period ended March 31, 2018.

Moreover, Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards.

20 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial statements was authorized for issue on April 29,2019, by the board of directors of the Group.

21 GENERAL

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



Chief Executive Officer



Chief Financial Officer



Director