



MATCO FOODS LIMITED

REACHING NEW HEIGHTS



ANNUAL REPORT 2022



Table of Contents

About Our Company

- 003 Our Legacy
- 004 Business Profile
- 005 Vision & Mission

Stakeholder Information

- 007 Company's Information

Corporate Governance

- 009 Directors' Profile
- 012 Chairman's Review Report
- 015 Directors' Report

Financial Review

- 021 6 Years Financial Performance
- 023 6 Years Financial Ratios
- 024 Vertical Analysis
- 025 Horizontal Analysis
- 026 Pattern of Shareholding

Financial Reports

029	Statement of Compliance
032	Review Report by Auditors
033	Auditors Report on Unconsolidated Financial Statements
038	Unconsolidated Financial Statements
090	Auditors Report on Consolidated Financial Statements
095	Consolidated Financial Statements

Others

147	Notice of Annual General Meeting
164	Urdu Directors' Reports
165	Urdu Chairman's Reports
166	Proxy Form

Our Legacy

The journey of Matco started with the entrepreneurial aptitude of Syed Sarfaraz Ali Ghori, who established his own company by the name of Muhammad Ali Trading Company (MATCO) in 1964 and initially began supplying and commissioning rice plant and equipment for the Government of Pakistan. Today, Matco has over 150 global customers and exports its consumer products to over 50 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 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, 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 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.

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

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.



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.



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

AUDIT COMMITTEE

Syed Kamran Rasheed	Chairman
Mr. Abdul Samad Khan	Member
Mr. Safwan Khalid Ghori	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

COMPANY SECRETARY

Mr. Danish Ahmed

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 Motors House
Beaumont Road, Karachi, Pakistan
Tel (Office): +92 (21) 3567 2951-6
Fax: +92 (21) 3568 8834

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

Askari Bank Limited
Allied Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
Habib Bank Limited
Soneri Bank Limited
Pak Burnei Investment Company Limited
Meezan Bank Limited

JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Standard Chartered Bank
United Bank Limited
MCB Islamic Bank Limited
Pak Oman Investment Company Limited
Bank of Punjab

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

RICE PLANT KARACHI

A 15-16, S.I.T.E. Super Highway, Karachi, Pakistan

RICE GLUCOSE PLANT

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

Plot no. 53, Allama Iqbal Industrial City,
SEZ, Faisalabad, Punjab

WEBSITE

www.matcofoods.com

EMAIL

contact@matcofoods.com

DIRECTORS’ PROFILE

JAWED ALI GHORI **Chairman**

Jawed Ali Ghori completed his Diploma in Associate Engineering in 1968 and a BSc. In Economics and Political Science from University of Karachi in 1971. After graduation, he joined the family business and completed several government and semi-government projects that were awarded to Matco Engineering.

A few of the notable projects were the Greater Hyderabad Water Project (1981), the Faisalabad Development Authority Water Project (1984), the Chitral Water Project (1989), OGDC and Attock Oil Projects and numerous telecommunication and SCADA Projects for both Sui Southern Gas Company (SSGC) and Sui Northern Gas Pipelines Limited (SNGPL). Jawed Ali Ghori's rice related projects include the supply of four rice plants to Rice Export Corporation of Pakistan at Pipri, Sindh in 1978. In 1985, he supplied and commissioned an automatic parboil rice plant of 10 MT/hour capacity on turn - key basis for P.N.P Rice Mills at Dhaunkal, Punjab. In further developments to the Dhaunkal project, Jawed Ali Ghori supplied and installed six color sorters for the parboil plant in 1988. When the private sector Basmati export in Pakistan was allowed, Jawed Ali Ghori conceptualized the idea of establishing a modern rice processing plant that would add sophistication to the existing rice processing standards. This marked the birth of Matco Rice Processing in 1990. As the Managing Director of Matco Foods, he has over 40 years of experience in rice processing, establishment of rice industries and worldwide rice exports. He has travelled extensively across the globe buying rice related machinery from many countries including China, Germany, Great Britain, India, Japan, Korea, Thailand and USA.

KHALID SARFARAZ GHORI **Chief Executive Officer**

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

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

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

FAIZAN ALI GHORI **Executive Director**

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

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

SAFWAN KHALID GHORI **Executive Director**

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

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

MR. MUHAMMAD MOHSIN **Independent Director**

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

SYED KAMRAN RASHID **Independent Director**

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

ABDUL SAMAD KHAN **Independent Director**

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

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

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

FARYAL MURTAZA **Non-Executive Director**

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

UMME HABIBAH **Independent Director**

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

Chairman's Review

I am pleased to present annual review as Chairman of the Board of Directors of Matco Foods Limited for the year ended June 30, 2022.

The Board comprises of nine (9) members, that were elected at the Annual General Meeting held on October 21, 2021, for the next term of three years, under the provisions of Section 159 of the Companies Act, 2017. The board comprises members with vast experience and diversified knowledge that led to an effective decision-making process. The Board together with its committees was fully involved in the planning process and in developing the vision for the Company. As such the Board worked closely with Management in setting the goals with Vision, Mission and Values of your Company.

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

For the financial year ended June 30, 2022, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvements are an ongoing process leading to action plans. The above overall assessment is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's responsibility.

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

We are extremely thankful to our dedicated employees, valued customers, our bankers, esteemed shareholders and local administration for their valuable contribution extended to the Company during the period under report.



Jawed Ali Ghori

Chairman
Karachi: September 07, 2022



Directors' Report

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

By the Grace of ALLAH (SWT) and on behalf of the Board of Directors (BOD), I am pleased to present the Annual Report of Matco Foods Limited for the year ended June 30th, 2022, along with the audited Financial Statements and Auditors' Report thereon.

OPERATING RESULTS:

	Unconsolidated		Consolidated	
	2022	2021	2022	2021
	Rupees			
Sales - net	12,375,920,766	10,556,620,789	12,399,470,102	10,574,095,621
Cost of sales	(11,056,103,781)	(9,909,427,766)	(11,056,103,781)	(9,909,427,766)
GROSS PROFIT	1,319,816,985	647,193,023	1,343,366,321	664,667,855
Distribution expenses	(229,279,801)	(185,997,143)	(229,279,801)	(187,321,615)
Administrative expenses	(356,460,731)	(309,688,284)	(358,270,742)	(312,402,873)
OPERATING PROFIT	734,076,453	151,507,596	755,815,778	164,943,367
Finance cost	(387,872,994)	(272,830,931)	(388,135,728)	(273,181,730)
Other income	19,789,701	77,029,758	19,801,519	77,035,369
Share of profit/(loss) from associate company	-	-	4,883,940	(5,276,389)
Exchange gain - net	202,334,249	65,215,796	202,334,249	65,215,796
Provision for worker's welfare fund	(10,622,942)	(391,070)	(10,622,942)	(391,070)
Provision for worker's profit participation fund	(26,557,356)	(977,674)	(26,557,356)	(977,674)
PROFIT BEFORE TAX	531,147,111	19,553,475	557,519,460	27,367,669
Income tax expense	(108,731,143)	(80,420,184)	(108,731,143)	(80,420,184)
PROFIT / (LOSS) FOR THE YEAR	422,415,968	(60,866,709)	448,788,317	(53,052,515)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED	3.45	(0.50)	3.67	(0.43)

The Company reported net sales of Rs. 12,376 million as against sales of Rs. 10,557 million representing a sales increase of 17.23%. The gross profit for the year was Rs. 1,319 million as compared to Rs. 647 million showing an increase of 103.93%. Besides this the Company has witnessed a net profit of Rs. 422 million in the current year as compared to net loss of Rs. 60.87 million in the last year, constituting increase of 794%. During the year, the Company has exported the 42,114 MT basmati rice whereas 41,066 MT basmati rice was exported in the corresponding period last year. The Company's basmati average export prices were USD 981 against USD 961 last year.

Increases in the sales volumes, inventory gains, and increases in average prices and margins of the rice glucose products led to higher gross profitability of the Company. The bottom line was offset to some extent by increases in financial expenses and applicability of additional super tax at the rate of 4% on taxable profits

effective tax year 2021-22 in addition to corporate taxation at the rate of 29%. A significant contribution to the bottom line was from the devaluation of the PKR against the USD.

APPROPRIATION

Considering financial performance and liquidity shortage of the Company for the year ended June 30, 2022, the directors have not recommended any dividend for the year ended June 30, 2022.

PRINCIPAL RISKS AND UNCERTAINTIES

Currently, the Company is facing the biggest risk of uncertainty in upcoming rice crop due to devastating flood in the country. Apart from risky rice crop, the Company is exposed to certain inherent risks and uncertainties, such as:

- ☒ Adverse fluctuations in foreign exchange rates;
- ☒ High inflation rates over the years;
- ☒ Changes in Government regulations and political instability; and
- ☒ Uncertainties relating COVID-19 on the sales side.

The Company is proactive to minimize the risk to an acceptable level and the likely impacts of aforesaid risks with internal and external stakeholders.

BRIEF ON RICE GLUCOSE DIVISION

This year, the Rice Glucose Division performed well with significant increases in sales and profitability. On the domestic side, Raw material prices for Rice Glucose Division increased substantially due to parallel and unexpected demand from the poultry sector in Pakistan. Overall export sales of Rice Glucose increased as compared to last year fetching good margins for the company.

BRIEF ON CORN STARCH DIVISION

Alhamdulillah, on 26 August 2022, subsequent to the year-end, the Company achieved commercial production within 16 months from the date of Groundbreaking without any major incidents or injuries with CAPEX of Rs. 2.1 billion. On September 06, 2022, the Company dispatched its first sale to its customers.

Now, we are looking to produce modified starches covering the needs of specific industries such as Textile Grade, Paper Grade, Food Grade, and Pharmaceutical Grade. We are hopeful that we will achieve profitability in the first year of production.

In the medium term, we will pursue an increase in grind capacity to 300 TPD with minimal capital expenditure additions along with enhancements to our storage capacity.

BRIEF ON BARENTZ PAKISTAN (PRIVATE) LIMITED

The associated company Barentz Pakistan (Pvt.) Limited has witnessed a net profit of Rs. 19.17 million in the first six-months of its financial year 2022. In the last period, Barentz Pakistan has entered into a distribution agreement with a Swiss multinational manufacturer of flavors, fragrances and active cosmetic ingredients to distribute its products in Pakistan which turned out to be favorable for the Company and made a huge contribution in achieving the overall profitability of the Barentz Pakistan.

We are hopeful that the Company will achieve the overall profitability and recover all its previous losses in the near future.

COMPOSITION OF BOARD

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

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

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

REMUNERATION POLICY OF NON -EXECUTIVE DIRECTORS

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Listed Companies (Code of Corporate Governance), 2017, it is ensured that no director takes part in deciding his own remuneration. We do not pay remuneration to non-executive directors except fee for attending meetings of the Board. In order to retain the best talent, our remuneration policies are structured in line with prevailing industry trends and best business practices.

REMUNERATION PACKAGE OF CHIEF EXECUTIVE AND EXECUTIVE DIRECTORS

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

MEETINGS OF THE BOARD AND ATTENDANCE

During the year under review, four (04) Board meetings were held and attendance by each director is given below:

Members Name	Attendance
Mr. Jawed Ali Ghorī – Chairman	3
Mr. Khalid Sarfaraz Ghorī	3
Mr. Faizan Ali Ghorī	4
Mr. Safwan Khalid Ghorī	4
Mr. Syed Kamran Rashid	4
Mr. Abdul Samad Khan	2
Mrs. Faryal Murtaza	4
Ms. Umme Habibah	2
Mr. Agha Ahmed Shah*	2
Mr. Mohammad Mohsin*	2

* Mr. Agha Ahmed Shah retired from the directorship at the end of his term on October 31, 2022 and in his place Mr. Mohammad Mohsin was elected in the election of directors.

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

BOARD AUDIT COMMITTEE

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

Members Name	Attendance
Mr. Syed Kamran Rashid – Chairman	4
Mr. Abdul Samad Khan	2
Mr. Agha Ahmed Shah*	2
Mr. Safwan Khalid Ghori*	1

* Mr. Agha Ahmed Shah retired from the directorship at the end of his term on October 31, 2022 and therefore, in his place Mr. Safwan Khalid Ghori was selected by the directors to be member of Audit Committee.

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

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

DIRECTORS' TRAINING PROGRAMS

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

DIRECTORS' PERFORMANCE EVALUATION

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

APPOINTMENT OF AUDITORS

The present auditors M/s Grant Thornton Anjum Rahman, Chartered Accountants are set to retire this year. As recommended by the Audit Committee, the Board of Directors has recommended the re-appointment of M/s Grant Thornton Anjum Rahman as auditors of the Company for year ended June 2022-23 subject to approval of the shareholders on a fee mutually agreed.

PATTERN OF SHAREHOLDING

The pattern of shareholding has been annexed to this report.

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

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

HEALTH, SAFETY AND ENVIRONMENT

The Company's employees and contractors are expected to conform to its HSE management systems and processes which have been designed keeping in view international standards and best practices. The Company endeavors to keep its work force, infrastructure & operations safe and secure and encourages healthy work environment and practices. A workplace safety program has been implemented that actively seeks to reduce the potential risk of injuries within the workplace by conducting safety gap analyses.

The Company's business strategies are also fully aligned with this vision. In an on-going effort to preserve the natural habitat, the Company has shifted to solar powered energy, thereby minimizing the carbon footprint of the Company.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to social and environmental cause of the society and believes in building strong bonds with all segments of society. In this regard, the Company has consistently shown commitment to make education more easily available and to provide financial support for children of employees. Another goal is to make health care more accessible without any discrimination, to all patients regardless of their ability to pay.

The Company has made donations amounting to PKR 10.84 million in Ghori Trust, the Trust established to support and uplift the quality of education in Pakistan and making such quality education accessible to all without any discrimination, provide healthcare facilities to the underprivileged employees and other local people as well and to supply rice to multiple organizations like orphanage on monthly basis.

INTERNAL FINANCIAL CONTROLS

The directors are aware of their responsibility with respect to internal financial controls. Through discussions with management and auditors (both internal and external), they confirm that adequate controls have been implemented by the Company.

CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in its Listing Regulations, relevant for the year ended June 30, 2021, have been adopted by the Company and have been duly complied with. A statement to this effect is annexed with the report.

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

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

- Information about taxes and levies is given in the notes to and forming part of financial statements.
- There is no likelihood of any delayed payments or default in respect of all loans availed by the Company.

INDUSTRY OUTLOOK

Since, mid-June 22, Pakistan has received 3 times higher rainfall than its 30 Years average, with some provinces receiving as much as 5 times. The National Disaster Management Authority has categorized 81 affected districts so-far as 'calamity hit'.

About 8.3 million acres of crops have been destroyed according to revised estimates by the Government. 3.4 million acres of total crop area have been damaged in Sindh alone. Official revised estimates suggest losses of over USD 17-18 billion.

Rice contributes 2.4% to the agriculture sector and 0.5% to the GDP of Pakistan. In FY22, rice was cultivated over an area of 8.7 million acres, resulting in the production of 9.3 million tons. 35% of production takes place in Sindh; 55% in Punjab and the rest in KPK and Balochistan. 4.9 million tons of rice was exported earning USD 2.5 billion in valuable foreign exchange for the country. Pakistan is the world's fourth largest rice exporter. A drop in domestic production amid the floods may also hit Pakistan's rice exports market share on the global scale to suppliers like India.

SUBSEQUENT EVENTS

During the year, the Company has recognized Rs. 1,772 million (2021: Rs.175 million) in Capital work in progress for the Corn Starch Project. Subsequent to the year end on 26 August 2022, Matco Foods Limited (MFL) has announced the successful commissioning and commercial operations of its new 72,000 MT per year Corn Starch Plant, located in Allama Iqbal Industrial City, Special Economic Zone Faisalabad, FIEDMC.

FUTURE OUTLOOK

Post-pandemic recovery of the global economy has been severely impacted by the ongoing Russia-Ukraine conflict. Consequently, prices in the international commodity markets soared to an all-time high. The effects of this unprecedented inflation and energy crisis are being faced around the world, leading to a mixed global economic outlook with risks of a recession. Monetary tightening measures are being deployed across all major global economies to curtail demand-led inflation, which may eventually lead to a decline in economic activity.

The volatility in global markets has also impacted Pakistan's economy, which continued to demonstrate cycles of 'boom and bust'. An impressive GDP growth rate of almost 6% for FY'2021-22 was overshadowed by ballooning twin fiscal and current account deficits. This combined with an uncertain political environment and high international fuel and commodity prices, exerted immense pressure on foreign exchange reserves resulting in a significant depreciation of the Pakistani Rupee against the US dollar, which in turn contributed to high inflation. Long-standing structural weaknesses of the economy and low productivity growth pose risks to a sustained recovery. To control consumption, the State Bank of Pakistan increased the policy rate by 800 bps since September 2021 including the ERF rate, along with various measures to curb imports.

On the fiscal side, the main challenge would be to squeeze out space for relief and rehabilitation costs along with managing IMF expectations. Whereas the external outlook seems stable despite higher CAD expectations and some pressure on the Rupee.

In this context, the Company will continue its focus on curtailing costs, while driving forward with enhanced efficiencies, increased throughput, and aggressive sales efforts during this challenging time.

RETIREMENT FUND

The company is maintaining unfunded gratuity, during the year, the Company have made a provision of Rupees 43.93 million on the basis of actuarial valuation.

RELATED PARTY TRANSACTIONS

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

TRADING IN SHARES OF THE COMPANY

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

Director/Related Party	Number of Shares	Nature of Transaction
Ms. Umme Habibah	2,000	Buy
Mr. Faizan Ali Ghori	320,000	Buy
Dr. Tariq Ghori	24,054,896	Transmitted to Nominee due to death
Mrs. Sadaf Tariq	24,054,896	Transmitted from Nominator due to death

ACKNOWLEDGEMENT

The Directors would like to place on record their sincere appreciation for the hard work and dedication shown by the management and the employees of the Company throughout the year. On behalf of the Board of Directors and employees of the Company, we express our gratitude and appreciation to all our valued customers, distributors, stockists, dealers and bankers for the trust and confidence reposed in the Company and look forward to their continued support and participation in achieving the growth of the Company in the coming years.

For and on behalf of the Board of Directors



Khalid Sarfaraz Ghori
Chief Executive Director



Faizan Ali Ghori
Director

FINANCIAL SUMMARY

	2021-22 Rupees	2020-21 Rupees	2019-20 Rupees	2018-19 Rupees	2017-18 Rupees	2016-17 Rupees
EQUITY AND LIABILITIES						
Share capital and reserves						
Authorised capital	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Issued, subscribed and paid up capital	1,224,006,980	1,224,006,980	1,224,006,980	1,224,006,980	1,165,720,940	874,290,940
Capital reserve	680,467,220	680,467,220	680,467,220	680,467,220	739,367,162	318,382,823
Unappropriated profit	2,723,394,977	2,287,144,791	2,241,380,358	2,157,355,170	1,676,797,324	1,378,821,835
	4,627,869,177	4,191,618,991	4,145,854,558	4,061,829,370	3,581,885,426	2,571,495,598
Surplus on revaluation of property, plant and equipment	2,433,901,302	2,459,499,494	2,622,193,143	445,144,929	546,781,614	571,665,218
Unrealized (loss) revaluation on investment at fair value through OCI	(3,390,337)	-	-	-	-	-
Total shareholders' equity	7,058,380,142	6,651,118,485	6,768,047,701	4,506,974,299	4,128,667,040	3,143,160,816
Non-current liabilities						
Long term finances-secured	1,582,432,193	492,910,736	396,447,541	265,191,113	246,556,904	322,791,864
Liabilities against assets subject to finance lease	175,602,488	126,630,601	120,977,441	44,763,773	29,284,420	17,162,341
Deferred liability- staff gratuity	251,713,331	221,515,463	205,636,300	146,803,371	143,634,827	158,304,034
Deferred grant	-	952,280	2,317,051	-	-	-
Deferred income	-	-	-	269,842	632,508	995,175
Total non-current liabilities	2,009,748,012	842,009,080	725,378,333	457,028,099	420,108,659	499,253,414
Current liabilities						
Trade and other payables	671,152,778	519,888,056	1,015,172,075	248,077,697	225,928,452	332,612,662
Advance from customers - secured	22,612,550	35,747,606	51,979,051	58,666,494	24,883,671	193,592,016
Accrued mark-up	120,739,263	57,877,929	56,305,363	64,696,362	48,767,428	46,056,163
Due to related party	10,555,958	7,865,756	6,970,908	-	-	-
Short term borrowings-secured	6,979,644,808	5,533,005,240	5,115,897,038	4,139,227,403	4,081,779,753	3,886,835,593
Current portion of deferred grant	1,561,352	6,176,233	3,807,127	-	-	-
Current portion of long term finances-secured	172,857,144	175,076,206	57,673,116	86,709,085	84,029,706	96,733,247
Current portion of lease liabilities to finance lease	27,634,388	23,644,793	21,497,206	13,094,930	12,226,289	7,999,276
Unpaid Dividend	783,668	787,654	13,555,468	489,804	761,095	-
Taxation-net	5,131,962	-	-	-	21,260,847	28,936,787
Total current liabilities	8,012,673,871	6,360,069,473	6,342,857,352	4,610,961,775	4,499,637,241	4,592,765,744
Total liabilities	10,022,421,883	7,202,078,553	7,068,235,685	5,067,989,874	4,919,745,900	5,092,019,158
Contingencies and commitments						
Total equity and liabilities	17,080,802,025	13,853,197,038	13,836,283,386	9,574,964,173	9,048,412,940	8,235,179,974
Non-current assets						
Property, plant and equipment	6,569,614,069	4,907,931,000	4,938,035,706	2,620,484,642	2,168,585,255	2,141,308,121
Right-of-use assets	235,566,923	171,532,871	159,940,356	83,094,097	-	-
Intangible assets	-	-	-	-	-	-
Long term deposits	16,759,174	16,322,284	12,578,078	9,938,831	13,048,793	10,990,923
Long term investment	62,738,015	55,582,707	55,582,707	31,082,707	31,082,707	23,582,747
Total non-current assets	6,884,678,181	5,151,368,862	5,166,136,847	2,744,600,277	2,212,716,755	2,175,881,791
Current assets						
Stores, spares and loose tools	86,091,117	70,444,301	45,022,530	23,107,682	18,727,268	13,829,554
Stock in trade	7,662,053,984	7,171,280,359	6,642,523,350	5,204,978,692	5,138,980,796	5,240,490,964
Trade debts - considered good	1,818,339,385	1,041,124,344	1,334,500,510	941,093,236	674,463,623	541,532,773
Short-term Loans and advances	155,031,810	103,660,064	118,619,714	355,385,133	83,732,051	58,171,589
Trade deposits and short term prepayments	10,683,047	10,130,679	8,164,088	5,268,471	10,843,438	8,973,160
Short-term investment	4,254,742	1,579,910	263,440	255,362	500,000	500,000
Other receivables	105,056,731	166,964,553	171,694,202	188,843,920	85,369,946	84,745,163
Advance tax - net	51,046,611	31,683,482	51,068,680	33,050,458	-	-
Accrued markup on term deposit certificates	-	-	-	-	-	-
Cash and bank balances	303,566,417	104,960,484	298,290,025	78,380,942	823,079,063	111,054,980
Total current assets	10,196,123,844	8,701,828,176	8,670,146,539	6,830,363,896	6,835,696,185	6,059,298,183
Total assets	17,080,802,025	13,853,197,038	13,836,283,386	9,574,964,173	9,048,412,940	8,235,179,974

FINANCIAL SUMMARY

	2021-22 Rupees	2020-21 Rupees	2019-20 Rupees	2018-19 Rupees	2017-18 Rupees	2016-17 Rupees
Sales - net	12,375,920,766	10,556,620,789	11,289,961,893	7,863,052,901	6,722,731,288	6,134,424,678
Cost of sales	(11,056,103,781)	(9,909,427,766)	(10,273,971,964)	(6,948,543,163)	(5,862,040,117)	(5,169,060,783)
GROSS PROFIT	1,319,816,985	647,193,023	1,015,989,929	914,509,738	860,691,171	965,363,895
Distribution expenses	(229,279,801)	(185,997,143)	(207,020,855)	(167,111,014)	(153,476,336)	(291,888,742)
Administrative expenses	(356,460,731)	(309,688,284)	(271,369,378)	(240,332,519)	(198,099,318)	(175,231,633)
	(585,740,532)	(495,685,427)	(478,390,233)	(407,443,533)	(351,575,654)	(467,120,375)
OPERATING PROFIT	734,076,453	151,507,596	537,599,696	507,066,205	509,115,517	498,243,520
Finance cost	(387,872,994)	(272,830,931)	(350,287,990)	(275,503,177)	(239,704,316)	(211,904,903)
Other income	19,789,701	77,029,758	56,513,137	106,655,675	17,849,819	36,616,630
Exchange gain - net	202,334,249	65,215,796	14,015,389	152,934,910	72,858,009	34,999,406
Provision for worker's welfare fund	(10,622,942)	(391,070)	(7,113,214)	(7,270,451)	(7,066,909)	(3,073,894)
Provision for worker's profit participation fund	(26,557,356)	(977,674)	(12,218,347)	(23,388,267)	(15,263,606)	(12,836,230)
PROFIT BEFORE TAX	531,147,111	19,553,475	238,508,671	460,494,895	337,788,513	342,044,529
Income tax expense	(108,731,143)	(80,420,184)	(86,580,493)	(46,658,608)	(29,495,558)	(73,075,620)
PROFIT / (LOSS) FOR THE YEAR	422,415,968	(60,866,709)	151,928,178	413,836,287	308,292,955	268,968,909
BASIC EARNING / (LOSS) PER SHARE	3.45	(0.50)	1.24	3.38	2.96	3.08

KEY OPERATING AND FINANCIAL DATA FOR SIX YEARS FROM 2016-17 TO 2021-22

Profitability and Operating Ratios		2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Gross profit	Percent	10.66%	6.13%	9.00%	11.63%	12.80%	15.74%
Net profit to sales	Percent	3.41%	-0.58%	1.35%	5.26%	4.59%	4.38%
EBITDA margins to sales	Percent	8.01%	3.89%	6.99%	8.62%	9.99%	10.36%
Operating leverage	Percent	8.01%	3.89%	6.99%	8.62%	9.99%	10.36%
Return on equity	Percent	5.98%	-0.92%	2.24%	9.18%	7.47%	8.56%
Return on capital employed	Percent	8.09%	2.02%	7.17%	10.21%	11.19%	13.68%
Liquidity ratios		2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Current	Times	1.27	1.37	1.37	1.48	1.38	1.32
Quick / Acid test ratio	Times	0.26	0.18	0.26	0.22	0.19	0.14
Cash to current liabilities	Times	0.04	0.02	0.05	0.01	0.04	0.02
Cash flows from operations to sales (Operating cash flow / Net sales)		-3%	-5%	-4%	-2%	2%	-7%
Activity / Turn Over Ratios		2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Inventory turnover	Times	1.48	1.42	1.72	1.34	1.13	1.06
No. of days in inventory	Days	246.62	257.04	212.21	272.39	323.01	344.34
Debtors turnover	Times	8.66	8.89	9.92	9.73	11.06	13.25
No. of days in receivables	Days	42.15	41.06	36.79	37.51	33.00	27.55
Creditors turnover	Times	18.57	12.91	16.27	29.32	20.99	19.59
No. of days in payables	Days	19.66	28.27	22.43	12.45	17.39	18.63
Total assets turnover	Times	0.72	0.76	0.82	0.82	0.74	0.74
Fixed Assets turnover	Times	1.88	2.15	2.29	3.00	3.10	2.86
Operating Cycle		288.77	298.10	249.00	309.90	356.01	371.89
Investment / Market Ratios		2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Earning per share	Rs.	(0.50)	(0.50)	1.24	3.38	2.96	3.08
Cash Dividend per share	Rs.	0.45	0.45	0.70	0.40	0.30	0.4118
Dividend	%	4.50%	4.50%	7.00%	4.00%	3.00%	4.12%
Market value per share as at June 30	Rs.	41.05	41.05	19.06	27.02	37.58	-
Price earning (Market value price per	Times	(82.10)	(82.10)	15.37	7.99	12.70	-
Price to book ratio	Times	0.71	0.76	0.34	0.73	1.06	-
Dividend Yield	%	1.10%	1.10%	3.67%	1.48%	0.80%	-
Dividend payout	%	(0.90)	(0.90)	0.56	0.12	0.10	0.13
Dividend cover	Times	(1.11)	(1.11)	1.77	8.45	9.87	7.48
Bonus shares issued	Rs.	-	-	-	58,285,050	-	-
Bonus per share	%	-	-	-	5%	-	-
surplus on revaluation of property, plant and equipment	Rs.	37.78	34.25	33.87	33.18	30.73	29.41
on revaluation of property, plant and equipment	Rs.	57.67	54.34	55.29	36.82	35.42	35.95
Capital Structure Ratios		2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Financial leverage	Times	1.42	1.08	1.04	1.12	1.19	1.62
Debt to Equity	%	24 : 76	14 : 86	11 : 89	11 : 89	11 : 89	16 : 84
Interest cover	Times	1.89	0.56	1.53	1.84	2.12	2.35

VERTICAL ANALYSIS

Statement of Financial Position	2021-22		2020-21		2019-20		2018-19		2017-18		2016-17	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Property, Plant & Equipment	6,569,614,069	38.5%	4,907,931,000	35.4%	4,938,035,706	35.7%	2,620,484,642	27.4%	2,158,585,255	24.0%	2,141,308,121	26.0%
Right-of-use assets	235,566,923	1.4%	171,532,871	1.2%	159,940,356	1.2%	83,094,097	0.9%	-	-	-	-
Other Non-Current Assets	79,497,189	0.5%	71,904,991	0.5%	68,160,785	0.5%	41,021,538	0.4%	44,131,500	0.5%	34,573,670	0.4%
Current Assets	10,196,123,844	59.7%	8,701,828,176	62.8%	8,670,146,539	62.7%	6,830,363,896	71.3%	6,835,696,185	75.5%	6,059,298,183	73.6%
Total Assets	17,080,802,025	100%	13,853,197,038	100%	13,836,283,386	100%	9,574,964,173	100%	9,048,412,940	100%	8,235,179,974	100%
Shareholders' Equity	7,058,380,142	41.3%	6,651,118,485	48.0%	6,768,047,701	48.9%	4,506,974,299	47.1%	4,128,667,040	45.6%	3,143,160,816	38.2%
Non-Current Liabilities	2,009,748,012	11.8%	842,009,080	6.1%	725,378,333	5.2%	457,028,099	4.8%	420,108,659	4.6%	499,253,414	6.1%
Current Liabilities	8,012,673,871	46.9%	6,360,069,473	45.9%	6,342,857,352	45.8%	4,610,961,775	48.2%	4,499,637,241	49.7%	4,592,765,744	55.8%
Total Shareholders' Equity & Liabilities	17,080,802,025	100%	13,853,197,038	100%	13,836,283,386	100%	9,574,964,173	100%	9,048,412,940	100%	8,235,179,974	100%

Statement of Comprehensive Income	2021-22		2020-21		2019-20		2018-19		2017-18		2016-17	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Net Sales	12,375,920,766	100.00%	10,556,620,789	100.00%	11,289,961,893	100.00%	7,863,052,901	100.00%	6,722,731,288	100.0%	6,134,424,678	100.0%
Cost of Products Sold	11,056,103,781	-89.34%	9,909,427,766	-93.87%	10,279,971,964	-91.00%	6,948,543,163	-88.37%	5,852,040,117	-87.2%	5,169,060,783	-84.3%
Gross profit	1,319,816,985	10.66%	647,193,023	6.13%	1,015,989,929	9.00%	914,509,738	11.63%	860,691,171	12.8%	965,363,895	15.7%
Operating Profit	734,076,453	5.93%	151,507,596	1.44%	537,599,696	4.76%	507,066,205	6.45%	509,115,517	7.6%	498,243,520	8.1%
Profit before taxation	531,147,111	4.29%	19,553,475	0.19%	238,508,671	2.11%	460,494,895	5.86%	337,788,513	5.0%	342,044,529	5.6%
Profit for the year	422,415,968	3.41%	(60,866,709)	-0.58%	151,928,178	1.35%	413,836,287	5.26%	308,292,955	5%	268,968,909	4%

HORIZONTAL ANALYSIS

Statement of Financial Position	2021-22		2020-21		2019-20		2018-19		2017-18		2016-17	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Property, Plant & Equipment	6,569,614,069	34%	4,907,931,000	-1%	4,938,035,706	88%	2,620,484,642	21%	2,168,585,255	1%	2,141,308,121	20%
Right-of-use assets	235,566,923	37%	171,532,871	7%	159,940,356	92%	83,094,097	100%	-	-	-	-
Other Non-Current Assets	79,497,189	11%	71,904,991	5%	68,160,785	66%	41,021,538	-7%	44,131,500	28%	34,573,670	-13%
Current Assets	10,195,123,844	17%	8,701,828,176	0%	8,670,146,599	27%	6,830,963,896	0%	6,835,596,185	13%	6,059,298,183	19%
Total Assets	17,080,802,025	23%	13,853,197,038	0%	13,836,283,386	45%	9,574,964,173	6%	9,048,412,940	10%	8,235,179,974	19%

Shareholders' Equity	7,058,380,142	6%	6,651,118,485	-2%	6,768,047,701	50%	4,506,974,299	9%	4,128,567,040	31%	3,143,160,816	5%
Non-Current Liabilities	2,009,748,012	139%	842,009,080	16%	725,378,333	59%	457,028,099	9%	420,108,659	-16%	499,253,414	154%
Current Liabilities	8,012,673,871	26%	6,360,069,473	0%	6,342,857,352	38%	4,610,961,775	2%	4,499,537,241	-2%	4,592,765,744	24%
Total Shareholders' Equity & Liabilities	17,080,802,025	23%	13,853,197,038	0%	13,836,283,386	45%	9,574,964,173	6%	9,048,412,940	10%	8,235,179,974	19%

Statement of Comprehensive Income	2022-21		2020-21		2019-20		2018-19		2017-18		2016-17	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Net Sales	12,375,920,766	17.23%	10,556,620,789	-6.50%	11,289,961,893	43.58%	7,863,052,901	16.96%	6,722,731,268	10%	6,134,424,678	10%
Cost of Products Sold	11,056,103,781	11.57%	9,909,427,766	-3.55%	10,273,971,964	47.86%	6,948,543,163	18.53%	5,862,040,117	13%	5,169,060,783	5%
Gross profit	1,319,816,985	103.93%	647,193,023	-36.30%	1,015,989,929	11.10%	914,509,738	6.25%	860,691,171	-11%	965,363,895	51%
Operating Profit	734,076,453	384.51%	151,507,596	-71.82%	537,599,696	6.02%	507,066,205	-0.40%	509,115,517	2%	498,243,520	155%
Profit before taxation	531,147,111	2616.38%	19,553,475	-91.80%	238,508,671	-48.21%	460,494,895	36.33%	337,788,513	-1%	342,044,529	801%
Profit for the year	422,415,968	-794.00%	[60,866,709]	-140.06%	151,928,178	-63.29%	413,836,287	34.23%	308,292,955	15%	268,969,909	6769%

MATCO FOODS LIMITED
Pattern of Shareholding
As at June 30, 2022

CATEGORIES OF SHAREHOLDERS	Shareholders	Shares Held	Percentage
DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN			
JAWED ALI GHORI	1	23,964,021	19.58
KHALID SARFARAZ GHORI	1	24,031,271	19.63
FAIZAN ALI GHORI	1	843,250	0.69
SAFWAN KHALID GHORI	1	5,250	0.00
NAHEED JAWED	1	448,875	0.37
NUZHAT KHALID GHORI	1	448,875	0.37
FARYAL MURTAZA	1	500	0.00
MURTAZA MAHFOOZ TALIB	1	336,821	0.28
UMME HABIBAH	2	2,500	0.00
SYED KAMRAN RASHID	1	7,029	0.01
ABDUL SAMAD KHAN	1	500	0.00
MOHAMMAD MOHSIN	1	500	0.00
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	1	18,360,109	15.00
NIT AND ICP	2	389,326	0.32
BANKS DEVELOPMENTS FINANCIAL INSTITUTIONS, NON-BANKING FINANCIAL INSTITUTIONS	0	-	-
INSURANCE COMPANIES	1	373,000	0.30
MODARABAS AND MUTUAL FUNDS	3	197,000	0.16
GENERAL PUBLIC			
a. Local	1768	49,694,893	40.60
b. Foreign	10	24,025	0.02
Foreign Companies	0	-	-
Others	18	3,272,953	2.67
Totals	1816	122,400,698	100.00
SHARE HOLDERS HOLDING 10% OR MORE		Shares Held	Percentage
INTERNATIONAL FINANCE CORPORATION		18,360,109	15.00
JAWED ALI GHORI		23,964,021	19.58
KHALID SARFARAZ GHORI		24,031,271	19.63
SADAF TARIQ		24,054,896	19.65

MATCO FOODS LIMITED
Pattern of Shareholding
As at June 30, 2022

S.No.	Folio #	Name of shareholder	Number of shares	Per %	
Directors and their spouse(s) and minor children					
1	03277-80043	JAWED ALI GHORI	23,964,021	19.58	
2	03277-80045	KHALID SARFARAZ GHORI	24,031,271	19.63	
3	03277-80034	FAIZAN ALI GHORI	843,250	0.69	
4	01826-107011	SAFWAN KHALID GHORI	5,250	0.00	
5	03277-80052	NAHEED JAWED	448,875	0.37	
6	03277-80048	NUZHAT KHALID GHORI	448,875	0.37	
7	03277-99607	FARYAL MURTAZA	500	0.00	
8	03277-88198	MURTAZA MAHFOOZ TALIB	336,821	0.28	
9	16253-13790	UMME HABIBAH	500	0.00	
10	10629-221492	UMME HABIBAH	2,000	0.00	
11	03277-8352	SYED KAMRAN RASHID	7,029	0.01	
12	10629-114697	ABDUL SAMAD KHAN	500	0.00	
13	03277-89894	MOHAMMAD MOHSIN	500	0.00	
		13	50,089,392	40.92	
Associated companies, undertakings and related parties					
1	00547-8404	INTERNATIONAL FINANCE CORPORATION	18,360,109	15.00	
		1	18,360,109	15.00	
NIT and ICP					
1	12120-28	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	234,663	0.19	
2	14902-21	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	154,663	0.13	
		2	389,326	0.32	
Banks Development Financial Institutions, Non-Banking Financial Institutions					
1		NIL	-	-	
		0	-	-	
Insurance Companies					
1	18085-28	EFU LIFE ASSURANCE LIMITED	373,000	0.30	
		1	373,000	0.30	
Mudarabas and Mutual Funds					
1	14472-25	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	107,500	0.09	
2	16030-25	CDC - TRUSTEE AWT STOCK FUND	76,000	0.06	
3	17541-22	CDC - TRUSTEE UBL DEDICATED EQUITY FUND	13,500	0.01	
		3	197,000	0.16	
General Public Foreign					
1	01826-131037	FAISAL SHAHZAD	500	0.00	
2	03277-106329	SAJJAD AHMAD	1,000	0.00	
3	03277-106923	MUHAMMAD ASHFAQ	3,500	0.00	
4	03277-110598	Zafar Alam	5,000	0.00	
5	03277-112288	MAHAM KASHIF	5,000	0.00	
6	03277-112330	TAHIR MAHMOOD FAROOQUI	1,000	0.00	
7	03277-113058	Muhammad Anzak Aleem	500	0.00	
8	03277-113490	Khalid Aziz	6,500	0.01	
9	03277-117438	RAZA ALI KHAN	500	0.00	
10	16253-8071	MUHAMMAD BASIT ANIS	525	0.00	
		10	24,025	0.02	
Foreign Companies					
1		Nil	-	-	
		0	-	-	
Others					
1	1073	BONUS FRACTION (B-1)	53	0.00	
2	03277-50590	TECHNOLOGY LINKS (PVT.) LIMITED	2,100	0.00	
3	03277-94268	AL-RAHIM TRADING COMPANY (PRIVATE) LIMITED	75,000	0.06	
4	03525-67537	SHAMALIK BROTHERS (PVT) LTD	2,100	0.00	
5	04085-24	MRA SECURITIES LIMITED	70,000	0.06	
6	04085-111946	H. H. K.SECURITIES (PRIVATE) LIMITED	36,000	0.03	
7	04226-26	ZILLION CAPITAL SECURITIES (PVT) LTD.	3,675	0.00	
8	06684-29	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LIMITED	1,825,000	1.49	
9	06684-97843	TRUSTEES-E A CONSULTING (PVT) LTD EMPLOYEES PROVIDENT FUND	50,000	0.04	
10	11544-6959	UNITED TOWEL EXPORTERS (PVT.) LIMITED	9,000	0.01	
11	12690-1192	WELLCOME PAKISTAN LIMITED PROVIDENT FUND	3,525	0.00	
12	14118-27	ASDA SECURITIES (PVT.) LTD.	10,000	0.01	
13	15198-28	INSIGHT SECURITIES (PVT.) LTD	76,000	0.06	
14	16857-26	MRA SECURITIES LIMITED - MF	126,000	0.10	
15	16899-22	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	966,500	0.79	
16	16923-27	N. U. A. SECURITIES (PRIVATE) LIMITED - MF	1,000	0.00	
17	17053-22	ORIENTAL SECURITIES (PRIVATE) LIMITED - MF	10,000	0.01	
18	17509-26	TRUST SECURITIES & BROKERAGE LIMITED - MF	7,000	0.01	
		18	3,272,953	2.67	
General Public Local			1768	49,694,893	40.60
Total			1816	122,400,698	100.00



MATCO FOODS LIMITED
Pattern of Shareholding
As at June 30, 2022

Sr. No	# Of Shareholders	Shareholdings'Slab			Total Shares Held
1	338	1	to	100	10346
2	192	101	to	500	75586
3	538	501	to	1000	338629
4	482	1001	to	5000	1030018
5	94	5001	to	10000	715884
6	51	10001	to	15000	619075
7	23	15001	to	20000	410450
8	23	20001	to	25000	538975
9	6	25001	to	30000	173500
10	2	30001	to	35000	69375
11	8	35001	to	40000	305207
12	3	40001	to	45000	129603
13	4	45001	to	50000	197525
14	1	50001	to	55000	54500
15	1	55001	to	60000	57000
16	2	65001	to	70000	140000
17	2	70001	to	75000	150000
18	4	75001	to	80000	308500
19	1	85001	to	90000	89000
20	1	90001	to	95000	95000
21	6	95001	to	100000	598500
22	1	100001	to	105000	105000
23	2	105001	to	110000	217000
24	1	110001	to	115000	112556
25	1	115001	to	120000	120000
26	2	125001	to	130000	256000
27	1	130001	to	135000	131275
28	1	140001	to	145000	145000
29	1	150001	to	155000	154663
30	1	175001	to	180000	176000
31	2	195001	to	200000	400000
32	1	215001	to	220000	215500
33	1	230001	to	235000	234663
34	1	265001	to	270000	267500
35	1	275001	to	280000	276000
36	1	335001	to	340000	336821
37	1	370001	to	375000	373000
38	2	445001	to	450000	897750
39	1	535001	to	540000	536000
40	1	840001	to	845000	843250
41	1	915001	to	920000	915500
42	1	965001	to	970000	966500
43	1	985001	to	990000	990000
44	1	1820001	to	1825000	1825000
45	1	2210001	to	2215000	2215000
46	1	2745001	to	2750000	2748500
47	1	9995001	to	10000000	10000000
48	1	18360001	to	18365000	18360109
49	1	23960001	to	23965000	23964021
50	1	24030001	to	24035000	24031271
51	1	24480001	to	24485000	24480146
	1816				122400698

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

Name of Company: MATCO FOODS LIMITED

Year Ended: June 30, 2022

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

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

2. The composition of the Board is as follows:

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

The election of director was due on October 31, 2021 therefore the election was held on the date of Annual General Meeting and the above directors were elected for a period of three (3) years.

3. The Directors have confirmed that none of them is serving as a Director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

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

8. The Board of directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. The Board remained fully compliant with the provision with regard to their directors' training program. Eight directors out of nine directors already completed the Director Training Program, remaining one director will complete the requirement within the stipulated time as per the requirement of the Code.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before the approval of the Board.
12. The Board has formed the following Committees that are required under the Code. The Committees comprise of members as given below:

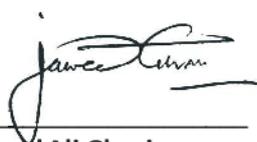
Audit Committee	Syed Kamran Rasheed – Chairman Mr. Abdul Samad Khan Mr. Safwan Khalid Ghori Mr. Mohammad Mohsin
HR and Remuneration Committee	Ms. Umme Habibah – Chairman Mr. Jawed Ali Ghori Mr. Khalid Sarfaraz Ghori Mrs. Faryal Murtaza Mr. Faizan Ali Ghori

During the meeting held on September 07, 2022, the resolution was passed to replace the Mr. Safwan Khalid Ghori with Mr. Mohammad Mohsin as member of Audit Committee from upcoming meetings.

- a) Risk Management Committee: (No separate committee formed, as its issues are deliberated in Board meetings)
- b) Nomination Committee (No separate committee formed, as its issues are deliberated in Board meetings)
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committee were as per following:
 - a. Audit Committee – 04 Meetings were held during FY 2020-21
 - b. HR and Remuneration Committee – 01 Meeting were held during FY 2020-21
15. The Board has set up an effective internal audit function. The Head of Internal Audit is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

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

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. The Company continued to present the details of all related party transactions as disclosed in the financial statements before the Board Audit Committee and upon their recommendation to the Board for review and approval. The Company also has in place a process to identify the related parties and related transactions entered into with them. However, full compliance of the requirements as laid down in Section 208 of the Companies Act, 2017 is dependent on clarification from SECP with respect to definition of related parties.
19. We confirm that all other requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
20. We confirm that the Company has complied with respect to all other material requirements of the Regulations.



Jawed Ali Ghori
Chairman

Karachi

Dated: September 07, 2022

Independent Auditors' Review Report

To the members of Matco Foods Limited Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Matco Foods Limited (the Company) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended June 30, 2022.



Chartered Accountants

Karachi

Date: September 27, 2022

UDIN: CR202210154eTb1vqrWX

INDEPENDENT AUDITOR'S REPORT

To the members of Matco Foods Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Matco Foods Limited** (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2022, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

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

Following is the Key audit matter:

S. No.	Key audit matters	How the matter was addressed in our audit
1.	<p>Valuation of Stock in Trade</p> <p>As at June 30, 2022, the Company held stock in trade amounting to Rs. 7,662 million (2021: Rs. 7,171 million) as disclosed in note 24 of accompanying unconsolidated financial statements. The stock in trade account for 75.1% (2021: 82.4%) of the total current assets. The value of stock is based on the purchase price using weighted average method. Therefore, the Company is exposed to the risk of valuation of stock in trade as a result of volatility in prices.</p> <p>The Company is required to measure its stock in trade at the lower of cost and net realizable value (NRV). There is an element of judgement involved relating to the valuation, which is required for the estimation of the NRV and allowance for slow-moving and obsolete stock in trades. Such estimation is made after taking into consideration factors such as movement in prices, current and expected future market demands and pricing competitions.</p> <p>This was the key audit mater because of its materiality and significance in terms of judgments involved in estimating the NRV of underlying inventories.</p>	<p>As part of our audit, we have performed the following audit procedures:</p> <ul style="list-style-type: none"> • Attended the stock counts at locations to observe the stock count process and evaluate the condition of stock in trade. • Tested the valuation method used by the management in valuation of stock in trade. • Compared on sample basis specific purchases with underlying supporting documents. • Evaluated the appropriateness of the basis and processes used by management in determining the net realizable value of stock in trade. • Performed testing on sample of items to assess the NRV of the inventories held and evaluating the adequacy of provision for slow moving and obsolete stock. • Reviewed the adequacy of the disclosures on stock in trade in the unconsolidated financial statements.

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

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

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

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

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

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

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

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

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

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

economic decisions of users taken on the basis of these unconsolidated financial statements.

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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


Chartered Accountants

Karachi

Date: September 27, 2022

UDIN: AR202210154BRdyvPm01

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	2022	2021
Note	-----Rupees-----	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital	6.1 2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	6.2 1,224,006,980	1,224,006,980
Capital reserve	7 680,467,220	680,467,220
Unappropriated profit	2,723,394,977	2,287,144,791
Surplus on revaluation of property, plant and equipment - net of tax	8 2,433,901,302	2,459,499,494
Unrealized (loss) revaluation on investment at fair value through OCI	(3,390,337)	-
Total shareholders' equity	7,058,380,142	6,651,118,485
Non-current liabilities		
Long-term finances-secured	9 1,582,432,193	492,910,736
Lease liabilities	10 175,602,488	126,630,601
Deferred liabilities	11 251,713,331	221,515,463
Deferred grant	12 -	952,280
Total non-current liabilities	2,009,748,012	842,009,080
Current liabilities		
Trade and other payables	13 671,152,778	519,888,056
Advance from customers - secured	22,612,550	35,747,606
Accrued mark-up	14 120,739,263	57,877,929
Due to related party	15 10,555,958	7,865,756
Short-term borrowings-secured	16 6,979,644,808	5,533,005,240
Taxation-net	5,131,962	-
Current portion of deferred grant	12 1,561,352	6,176,233
Current portion of long term finances-secured	9 172,857,144	175,076,206
Current portion of lease liabilities	10 27,634,388	23,644,793
Unpaid dividend	17 783,668	787,654
Total current liabilities	8,012,673,871	6,360,069,473
Total liabilities	10,022,421,883	7,202,078,553
Contingencies and commitments	18	
Total equity and liabilities	17,080,802,025	13,853,197,038

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


Khalid Sarfaraz Ghori
 Chief Executive Officer


M. Aamir Farooqui
 Chief Financial Officer


Faizan Ali Ghori
 Director

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

		2022	2021
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment	19	6,569,614,069	4,907,931,000
Right-of-use assets	20	235,566,923	171,532,871
Intangible assets	21	-	-
Long-term deposits		16,759,174	16,322,284
Long-term investments	22	62,738,015	55,582,707
Total non-current assets		6,884,678,181	5,151,368,862
Current assets			
Stores, spares and loose tools	23	86,091,117	70,444,301
Stock in trade	24	7,662,053,984	7,171,280,359
Trade debts	25	1,818,339,385	1,041,124,344
Loans and advances	26	155,031,810	103,660,064
Trade deposits and short term prepayments	27	10,683,047	10,130,679
Short-term investment	28	4,254,742	1,579,910
Sales tax refundable	29	105,056,731	123,598,158
Due from related parties	30	51,046,611	43,366,395
Taxation - net		-	31,683,482
Cash and bank balances	31	303,566,417	104,960,484
Total current assets		10,196,123,844	8,701,828,176
Total assets		17,080,802,025	13,853,197,038

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


Khalid Sarfaraz Ghori
 Chief Executive Officer


M. Aamir Farooqui
 Chief Financial Officer


Faizan Ali Ghori
 Director

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 -----Rupees-----	2021
Sales - net	32	12,375,920,766	10,556,620,789
Cost of sales	33	(11,056,103,781)	(9,909,427,766)
GROSS PROFIT		1,319,816,985	647,193,023
Selling and Distribution expenses	34	(229,279,801)	(185,997,143)
Administrative expenses	35	(356,460,731)	(309,688,284)
		(585,740,532)	(495,685,427)
		734,076,453	151,507,596
Finance cost	36	(387,872,994)	(272,830,931)
Other income	37	19,789,701	77,029,758
Exchange gain - net	38	202,334,249	65,215,796
Provision for worker's welfare fund	13.1	(10,622,942)	(391,070)
Provision for worker's profit participation fund	13.2	(26,557,356)	(977,674)
PROFIT BEFORE TAX		531,147,111	19,553,475
Income tax expense	39	(108,731,143)	(80,420,184)
PROFIT / (LOSS) FOR THE YEAR		422,415,968	(60,866,709)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED	44	3.45	(0.50)

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


Khalid Sarfaraz Ghori
 Chief Executive Officer


M. Aamir Farooqui
 Chief Financial Officer


Faizan Ali Ghori
 Director

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
Note	-----Rupees-----	
PROFIT / (LOSS) FOR THE YEAR	422,415,968	(60,866,709)
OTHER COMPREHENSIVE LOSS		
<i>Items that may be reclassified subsequently to the unconsolidated statement of profit or loss</i>	-	-
<i>Items that will not to be reclassified subsequently to the unconsolidated statement of profit or loss</i>		
- Remeasurement of defined benefits obligation	11.2.5 (11,763,974)	(982,193)
- Unrealized loss on revaluation of investment at fair value through OCI during the year	(3,390,337)	-
Other comprehensive loss	(15,154,311)	(982,193)
TOTAL COMPREHENSIVE INCOME /(LOSS) FOR THE YEAR	407,261,657	(61,848,902)

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


Khalid Sarfaraz Ghori
 Chief Executive Officer


M. Aamir Farooqui
 Chief Financial Officer


Faizan Ali Ghori
 Director

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 -----Rupees-----	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		531,147,111	19,553,475
Adjustments for:			
Depreciation	19	226,967,664	232,491,504
Depreciation on right of use assets		30,008,456	26,925,392
Exchange gain - net	38	(203,480,971)	(64,232,621)
Short-term investment		(2,674,832)	(116,470)
Provision for slow moving stock		594,383	186,342
Finance cost	36	401,566,347	284,806,019
Provision for staff gratuity	11.2	43,929,752	32,336,550
Gain on disposal of property, plant and equipment	37	(2,299,686)	(48,814,578)
		494,611,113	463,582,138
		1,025,758,224	483,135,613
Changes in working capital			
(Increase)/decrease in current assets			
Stores, spares and loose tools		(15,646,816)	(25,421,771)
Stock-in-trade		(491,368,008)	(528,943,351)
Trade debts - considered good		(574,880,792)	358,591,962
Loans and advances		(51,371,746)	14,959,650
Trade deposits and prepayments		(552,368)	(1,966,591)
Sales tax refundable		18,541,427	42,791,173
Due from related parties		(7,680,216)	(38,061,524)
		(1,122,958,519)	(178,050,452)
Increase / (decrease) in current liabilities			
Trade and other payables		151,264,722	(495,284,019)
Due to related party		2,690,202	894,848
Deferred grant		(5,567,161)	1,004,335
Advances from customers		(13,135,056)	(16,231,445)
		135,252,707	(509,616,281)
Cash generated from/(used in) operations			
		38,052,412	(204,531,120)
Finance cost paid		(338,705,013)	(271,258,365)
Income taxes paid		(82,058,315)	(72,358,944)
Gratuity paid	11.2	(15,353,244)	(6,115,622)
Net cash used in operating activities		(398,064,160)	(554,264,051)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure including capital work in progress		(1,908,382,235)	(379,010,425)
Proceeds from disposal of property, plant and equipment		9,814,000	216,678,100
Long term investment		(10,545,645)	-
Long-term deposits		(436,890)	(3,744,206)
Net cash used in investing activities		(1,909,550,770)	(166,076,531)
<i>Balance carried forward</i>		(2,307,614,930)	(720,340,582)

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	2022	2021
Note	-----Rupees-----	
<i>Balance brought forward</i>	(2,307,614,930)	(720,340,582)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term finances - net	1,087,302,395	213,866,285
Lease rentals paid during the year	(28,863,836)	(33,932,143)
Dividend paid	(3,986)	(67,848,128)
Short-term borrowings - net	1,446,639,568	417,108,202
Net cash generated from financing activities	2,505,074,141	529,194,216
Net change in cash and cash equivalents during the year	197,459,211	(191,146,366)
Cash and cash equivalents as at the beginning of year	104,960,484	297,090,025
Effects of exchange rate changes on cash and cash equivalents	1,146,722	(983,175)
Cash and cash equivalents as at the end of year	303,566,417	104,960,484
	31	

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



Khalid Sarfaraz Ghori
Chief Executive Officer



M. Aamir Farooqui
Chief Financial Officer



Faizan Ali Ghori
Director

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid up share capital	Capital reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Unrealized (loss) revaluation of investment at fair value to OCI	Total
		Share premium reserve				
-----Rupees-----						
Balance as at July 01, 2020	1,224,006,980	680,467,220	2,241,380,358	2,622,193,143	-	6,768,047,701
Total comprehensive income for the year						
Loss for the year	-	-	(60,866,709)	-	-	(60,866,709)
Other comprehensive loss	-	-	(982,193)	-	-	(982,193)
Total comprehensive loss	-	-	(61,848,902)	-	-	(61,848,902)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation net of tax - (note 8)	-	-	26,422,570	(26,422,570)	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of land and building net of tax	-	-	136,271,079	(136,271,079)	-	-
Transactions with owners						
Dividend paid @ Re. 0.45 per share	-	-	(55,080,314)	-	-	(55,080,314)
Balance as on June 30, 2021	1,224,006,980	680,467,220	2,287,144,791	2,459,499,494	-	6,651,118,485
Balance as on July 01, 2021	1,224,006,980	680,467,220	2,287,144,791	2,459,499,494	-	6,651,118,485
Total comprehensive income for the year						
Profit for the year	-	-	422,415,968	-	-	422,415,968
Other comprehensive loss	-	-	(11,763,974)	-	(3,390,337)	(15,154,311)
Total comprehensive income	-	-	410,651,994	-	(3,390,337)	407,261,657
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation net of tax - (note 8)	-	-	23,666,099	(23,666,099)	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of land net of tax	-	-	1,932,093	(1,932,093)	-	-
Balance as on June 30, 2022	1,224,006,980	680,467,220	2,723,394,977	2,433,901,302	(3,390,337)	7,058,380,142

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


Khalid Sarfaraz Ghori
 Chief Executive Officer


M. Aamir Farooqui
 Chief Financial Officer


Faizan Ali Ghori
 Director

MATCO FOODS LIMITED

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

1 STATUS AND NATURE OF BUSINESS

Matco Foods Limited, ('the Company') was incorporated on April 14, 1990 in Karachi as a private limited company under the repealed Companies Ordinance, 1984 (Now: Companies Act, 2017). The Company was listed on Pakistan Stock Exchange Limited on February 13, 2018. The principal activity of the Company is to carry out the business of processing and export of rice, rice glucose, rice protein and pink salt, masala and kheer. The registered office of the Company is situated at B-1/A, S.I.T.E.-II Phase1, 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 Kamonki, District Gujranwala.

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

The Company has 99.99% ownership in Matco Marketing (Private) Limited (subsidiary) which was incorporated on June 16, 2016 with authorized and paid-up share capital of 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.

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

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

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

During the year the Company has recognized Rs. 1,772 million (2021: Rs. 175 Million) in Capital work in progress for the Cornstarch Project, which will commence its business operation in near future.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

3.2 Basis of measurement

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

3.3 Functional and presentation currency

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

3.4 Standards, Amendments and Interpretations to Approved Accounting Standards

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

There are no standard amendments and interpretations of IFRSs which became effective during the current year.

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

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

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to IFRS 9)	January 1, 2022
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)	January 1, 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	January 1, 2022
Subsidiary as a First-time Adopter (Amendment to IFRS 1)	January 1, 2022
Taxation in Fair Value Measurements (Amendment to IAS 41)	January 1, 2022

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)	January 1, 2022
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023
Disclosure Initiative—Accounting Policies	January 1, 2023

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

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

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 17 'Insurance Contracts'	January 1, 2023
Amendments to IFRS 17 Insurance Contracts	January 1, 2023
IFRS 1 'First-time Adoption of International Financial Reporting Standards'	January 1, 2009

4 CRITICAL ASSUMPTIONS AND ESTIMATES

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

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

	Note
(a) useful lives of property, plant and equipmen	5.1
(b) useful lives of right-of-use asset	5.2
(c) impairment of financial asset	5.5
(d) staff retirement pla	5.9
(e) income taxes	5.12
(f) contingencie	5.17
(g) provision	5.22
(h) impairment of non-financial asse	5.24

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property, plant and equipment

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

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

Revaluation model

Any revaluation increase arising on the revaluation of land, factory buildings, plant and machinery and generators is recognised in statement of other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of property, plant and equipment - net of tax", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in unconsolidated statement of profit or loss, in which case the increase is credited to statement of profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation is charged to unconsolidated statement of profit or loss to the extent that it exceeds the balance, if any, held in the Surplus on revaluation of property, plant and equipment relating to a previous revaluation of that asset. The Surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit. Impairment losses if any are recorded on the basis as defined in note 5.24.

Depreciation

Depreciation is charged so as to write off the cost or revalued amount of assets (other than land and capital work in progress) over their estimated useful lives, using the diminishing balance method at rates specified in note 19.1 to the unconsolidated financial statements. Depreciation on addition is charged from the day an asset is available for use upto the day prior to its disposal.

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

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date. The Company's estimate of residual value of property, plant and equipment as at June 30, 2022 did not require any adjustment.

Capital work-in-progress

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

5.2 Right-of-use assets and related liabilities

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

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

5.3 Intangible assets

Intangible assets having definite useful life are stated at cost less accumulated amortization and impairment losses (if any). However, Intangible assets having indefinite life are stated at cost less impairment losses (if any). Impairment losses (if any) are recorded on the basis as defined in note 5.24.

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

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

All intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Where the carrying amount of an asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount. The carrying amount of other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated. The recoverable amount is the greater of its value in use and fair value less cost to sell.

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

5.4 Investments

5.4.1 Investment in subsidiary, joint venture and associated companies

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

5.4.2 Other investments

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

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

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

Classification of financial assets

The Company classifies its financial instruments in the following categories:

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

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

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

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

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

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

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

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

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

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

Subsequent measurement

i) Financial assets at FVTOCI

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

ii) Financial assets and liabilities at amortized cost

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

iii) Financial assets and liabilities at FVTPL

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

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

Impairment of financial assets

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

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

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

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

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

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

Derecognition

i) Financial assets

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

ii) Financial liabilities

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

5.6 Derivative financial instruments

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

5.7 Stores, spares and loose tools

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

5.8 Stock-in-trade

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

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

5.9 Staff retirement benefits

Defined benefit plan

The Company operates an unapproved gratuity scheme for its employees completing the eligibility period of service as defined under the plan. The scheme provides for a graduated scale of benefits dependent on the length of service of an employee on terminal date, subject to the completion of minimum qualifying period of service. Gratuity is based on employees' last drawn gross salary.

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

5.10 Trade debts

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

5.11 Cash and cash equivalents

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

5.12 Taxation

Current

The charge for current tax is based on taxable income at current rates of taxation after taking into account tax credits, rebates and exemptions available, if any, or in accordance with the final tax regime, where applicable, of the Income Tax Ordinance, 2001 (the Ordinance) or the minimum tax under section 113 of the Ordinance or Alternate Corporate Tax (ACT) under section 113C of the said Ordinance, whichever is higher.

Deferred

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

Deferred tax liabilities are recognized for all major taxable temporary differences.

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

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

5.13 Borrowings and their costs

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

5.14 Leases

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

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

i. Lease liabilities

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

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

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

5.27 Dividend

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

5.15 Deferred grant

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

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

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

5.16 Trade and other payables

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

5.17 Contingencies

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

5.18 IFRS 15 'Revenue from Contracts with Customers'

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

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

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

5.19 Interest income

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

5.20 Foreign currency transaction & translation

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

5.21 Off-setting of financial assets and financial liabilities

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

5.22 Provisions

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

5.23 Operating segments

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

Operating Segment are reported in manner consistent with the internal reporting provided to the Chief operating decision maker. The Chief Operating Decision maker; who is responsible for allocating resources and assessing performance of the operating segments. has been identified as the Board of Directors of the Company that makes strategic decisions. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segments.

5.24 Impairment of non-financial assets

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

5.25 Related party transactions

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

5.26 Earnings per share

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

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

6 SHARE CAPITAL

6.1 Authorized Share Capital

2022	2021		2022	2021
Number of shares			-----Rupees-----	
<u>200,000,000</u>	200,000,000	Ordinary shares of Rs. 10 each (2020: Rs. 10 each)	<u>2,000,000,000</u>	2,000,000,000

6.2 Issued, Subscribed And Paid Up Share Capital

2021	2020		2021	2020
Number of shares			-----Rupees-----	
		Ordinary shares of Rs. 10 each:		
50,340,213	50,340,213	- fully paid in cash	503,402,130	503,402,130
6,002,950	6,002,950	- issued for consideration other than cash	60,029,500	60,029,500
66,057,535	66,057,535	- issued as fully paid bonus shares	660,575,350	660,575,350
<u>122,400,698</u>	<u>122,400,698</u>		<u>1,224,006,980</u>	<u>1,224,006,980</u>

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

6.4 Shares held by the related parties of the Company

Director and their spouse

	2022	2021
	--Number of Shares--	
Mr. Jawed Ali Ghori	23,964,021	23,964,021
Mr. Khalid Sarfaraz Ghori	24,031,271	24,031,271
Mr. Faizan Ali Ghori	843,250	523,250
Ms. Naheed Jawed (Spouse of Jawed Ali Ghori)	448,875	448,875
Ms. Nuzhat Khalid Ghori (Spouse of Khalid Sarfaraz Ghori)	448,875	448,875
Mrs. Faryal Murtaza	500	500
Mr. Murtaza Mahfooz Talib (Spouse of Faryal Murtaza)	336,821	336,821
Mr. Safwan Ghori	5,250	5,250
Mr. Syed Kamran Rasheed	7,029	7,029
Mr. Abdul Samad Khan	500	500
Ms. Umme Habibah	2,500	500
Mr Muhammad Mohsin	500	-

Substantial shareholder

International Finance Corporation	18,360,109	18,360,109
Ms. Sadaf Tariq	24,480,146	425,250

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

6.5 Reconciliation of number of shares outstanding is as under:	2022	2021
Shares at the beginning of the year	122,400,698	122,400,698
Shares issued during the year in cash	-	-
Bonus shares issued during the year	-	-
Shares at the end of the year	122,400,698	122,400,698

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

7 CAPITAL RESERVE	Note	2022	2021
		-----Rupees-----	
Share premium	7.1 & 7.2	680,467,220	680,467,220

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

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

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

This represents surplus arising on revaluation of land, buildings, plant and machinery and generators, net of deferred tax. The revaluation was carried by Oceanic Surveyors (Private) Limited on June 29, 2020.

	Note	2022	2021
		-----Rupees-----	
Surplus on revaluation at the beginning of the year		2,548,210,281	2,722,227,888
Transferred to unappropriated profit in respect of disposal of property, plant and equipment		(1,932,093)	(136,271,079)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		(33,808,713)	(37,746,528)
Surplus on revaluation of operating fixed assets as at June 30		2,512,469,475	2,548,210,281
Less: related deferred tax liability:			
- at beginning of the year		(88,710,787)	(100,034,745)
- on incremental depreciation charged during the year		10,142,614	11,323,958
		2,433,901,302	2,459,499,494

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		Rupees	
9	LONG TERM FINANCES - SECURED		
	<i>From banking companies and financial institution:</i>		
	LTFE/ILTFE	413,740,791	316,751,724
	TERE/ITERE	986,349,285	111,690,996
	FFSAP	278,782,716	60,455,042
	Demand Finance	26,391,304	56,989,128
	Salary Refinance	50,025,241	122,100,052
		1,755,289,337	667,986,942
	Current portion of long term finances	(172,857,144)	(175,076,206)
		1,582,432,193	492,910,736

- 9.1** The Company has obtained Long Term Financing/Islamic Long Term Financing Facility (LTFE/ILTFE) under SBP Schemes from various commercial banks. The effective rates of mark-up on these facilities vary from SBP rate+ 1% to 2.5% per annum (2021: SBP rate+ 1% to 2.5% per annum).
- 9.2** The Company has obtained Temporary Economic/Islamic Temporary Economic Refinance Facility (TERE/ITERE) under SBP Schemes from various commercial banks and islamic banks. The effective rates of mark-up on these facilities vary from SBP rate+ 1.50% to 2% per annum (2021: SBP +1.5% to 2 % Per Annum).
- 9.3** The Company has obtained Financing Facility for Storage of Agricultural Produce (FFSAP) under SBP Scheme from various financial institutions. The effective rates of mark-up on these facilities vary from SBP rate+ 1.25% to 1.5% per annum (2021: SBP rate+ 1% to 1.25% per annum).
- 9.4** The Company has obtained Demand Finance Facility (DF) from various commercial banks. The effective rates of mark-up on these facilities vary from KIBOR+ 1% to 1.5% per annum (2021:KIBOR+ .75% to 1.75% per annum).
- 9.5** The Company has obtained Diminishing Musharakah Islamic Long Term Financing Facility(ILTFE) under SBP Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees as per the SBP Circular # 06 of 2020 dated: April 10, 2020. The effective rate of mark-up on the facility is SBP rate plus 1% (2021: SBP rate plus 1% per annum).
- 9.6** These facilities are secured by way of hypothecation charge of present/future fixed assets (land, building, plant & machinery) of the Company with 25% margin / 1st Exclusive charge over specific machinery assets.
- 9.7** The maximum available amount from above mentioned facilities amounts to Rs. 27 million (2021:Rs. 674 million).

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

10 LEASE LIABILITIES

Note	2022			2021		
	Vehicle	Godown	Total	Vehicle	Godown	Total
	Rupees					
Opening balance	62,159,861	88,115,533	150,275,394	53,104,121	89,370,526	142,474,647
Impact of adoption of IFRS-16	-	-	-	-	-	-
Reassessment of lease liability	-	17,437,503	17,437,503	-	3,225,802	3,225,802
At July 1	62,159,861	105,553,036	167,712,897	53,104,121	92,596,328	145,700,449
Additions for the year	64,387,816	-	64,387,816	26,532,000	-	26,532,000
Accrued interest during the year	8,604,527	13,693,353	22,297,880	4,519,909	11,975,088	16,494,997
	135,152,204	119,246,389	254,398,593	84,156,030	104,571,416	188,727,446
Payment made during the year	(32,322,672)	(18,839,045)	(51,161,717)	(21,996,169)	(16,455,883)	(38,452,052)
	102,829,532	100,407,344	203,236,876	62,159,861	88,115,533	150,275,394
Current portion of lease liabilities	20,193,971	7,440,417	27,634,388	18,277,390	5,367,403	23,644,793
Non-current	82,635,561	92,966,927	175,602,488	43,882,471	82,748,130	126,630,601

10.1 Maturity analysis of lease liabilities

Upto one year	20,193,971	7,440,417	27,634,388	18,277,390	5,367,403	23,644,793
After one year	82,635,561	92,966,927	175,602,488	43,882,471	82,748,130	126,630,601
Lease liabilities	102,829,532	100,407,344	203,236,876	62,159,861	88,115,533	150,275,394

11 DEFERRED LIABILITIES	Note	2022	2021
		Rupees	
Deferred tax liability	11.1	78,568,173	88,710,787
Staff gratuity scheme - unfunded	11.2	173,145,158	132,804,676
		251,713,331	221,515,463

11.1 This represent deferred tax on surplus on revaluation of property, plant and equipment. Further, the Company has deferred tax asset amounting to Rs. 21.25 million (2021: Rs. 13.83 million). However, the Company has not recorded deferred tax asset in of these unconsolidated financial statements.

11.2 Staff gratuity scheme - unfunded	Note	2022	2021
		Rupees	
Balance at beginning of the year		132,804,676	105,601,555
Charge for the year	11.2.7	43,929,752	32,336,550
Actuarial losses		11,763,974	982,193
Payments made during the year		(15,353,244)	(6,115,622)
Balance at end of the year	11.2.3	173,145,158	132,804,676

11.2.1 Staff retirement benefits - unfunded

In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at June 30, 2022, using the "Projected Unit Credit Method". Provision has been made in these unconsolidated financial statements to cover obligations in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation in respect of above-mentioned schemes are as follows:

	2022	2021
Discount rate - per annum	13.25%	10.00%
Expected rate of increase in salaries - per annum	12.25%	9.00%
Mortality rate	SLIC (2001-05)	SLIC (2001-05)

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
	Note	-----Rupees-----	
11.2.2 The amounts recognized in the unconsolidated statement of financial position are as follows:			
Present value of defined benefit obligation	11.2.3	<u>173,145,158</u>	<u>132,804,676</u>
11.2.3 Movements in the net liability recognized in the unconsolidated statement of financial position are as follows:			
Opening liability		132,804,676	105,601,555
Charge for the year	11.2.4	43,929,752	32,336,550
Actuarial losses		11,763,974	982,193
Benefits paid		<u>(15,353,244)</u>	<u>(6,115,622)</u>
Balance at end of the year		<u>173,145,158</u>	<u>132,804,676</u>
11.2.4 The amounts recognized in the unconsolidated statement of profit or loss against defined benefit scheme are as follows:			
Current service cost		31,416,947	23,620,332
Interest cost		12,512,805	8,716,218
Charge for the year		<u>43,929,752</u>	<u>32,336,550</u>
11.2.5 The amounts recognized in the other comprehensive income against defined benefit scheme are as follows:			
Actuarial loss arising from - experience adjustment		<u>11,763,974</u>	<u>982,193</u>
11.2.6 Expense chargeable to unconsolidated statement of profit or loss for the next year			
Current service cost		39,226,611	28,190,867
Interest cost		<u>22,941,733</u>	<u>13,280,468</u>
Charge for the year		<u>62,168,344</u>	<u>41,471,335</u>
11.2.7 The expense for the staff retirement benefit scheme has been allocated as follows:			
Cost of sales	33.4	27,805,465	20,845,668
Selling and distribution	34.1	3,305,420	2,600,385
Administrative expenses	35.1	<u>12,818,867</u>	<u>8,890,497</u>
		<u>43,929,752</u>	<u>32,336,550</u>
11.2.8 Sensitivity analysis of actuarial assumptions			
The sensitivity analysis is prepared using same computation model and assumptions as used to determine defined benefit obligation based on Projected Credit Unit Method. There is no change from prior year in respect of methods and assumptions used to prepare sensitivity analysis. The impact of 1% change in following variables on defined benefit obligation is as follows:			
		Increase in assumptions	Decrease in assumptions
		-----Rupees-----	
Discount rate		158,315,458	189,368,170
Expected salary increase		189,363,983	158,313,513

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

11.2.9 Risks on account of defined benefit scheme

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

Final salary risk

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

Discount rate fluctuation

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

11.2.10 Maturity profile	2022	2021
Average expected remaining working lifetime of members	10 Years	10 Years
Average duration of liability	09 Years	09 Years

12 DEFERRED GRANT

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

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

		2022	2021
	Note	—Rupees—	
Opening Balance		7,128,513	6,124,178
Grant recognized during the year		-	5,973,613
Amortization of grant	36.1	(5,567,161)	(4,969,278)
		1,561,352	7,128,513
Less: current portion of deferred grant		(1,561,352)	(6,176,233)
		-	952,280

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

13 TRADE AND OTHER PAYABLES	Note	2022	2021
		—Rupees—	
Creditors		539,068,297	459,356,401
Accrued liabilities		90,742,704	49,314,422
Tax deducted at source and payable to statutory authorities		4,156,573	2,722,837
Worker's welfare fund	13.1	10,622,942	7,504,284
Worker's profit participation fund	13.2	26,562,262	990,112
		671,152,778	519,888,056

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	-----Rupees-----	
13.1 Worker's welfare fund		
Opening balance	7,504,284	7,113,214
Allocation for the year	10,622,942	391,070
Reversal of WWF	(6,081,207)	-
Amount paid	(1,423,077)	-
Closing balance	<u>10,622,942</u>	<u>7,504,284</u>
13.2 Worker's profit participation fund		
Opening balance	990,112	12,234,103
Allocation for the year	26,557,356	977,674
Amount paid	(985,206)	(12,221,665)
Closing balance	<u>26,562,262</u>	<u>990,112</u>
14 ACCRUED MARK-UP		
Mark-up on long term finances	21,697,763	8,243,265
Mark-up on short term borrowings	99,041,500	49,634,664
	<u>120,739,263</u>	<u>57,877,929</u>

15 DUE TO RELATED PARTY

This represents amount received from the Matco Marketing (Private) Limited and Ghori Trust for the purpose of expenses to be incurred by the Company on their behalf. The maximum aggregate amount at the end of any month during the year was Rs. 6.89 million and Rs. 4.66 million (2021: Rs. 6.89 million and Rs. 0.98 million respectively).

		2022	2021
		-----Rupees-----	
16 SHORT-TERM BORROWINGS	Note		
SECURED			
Export re-finance	16.1	4,537,949,000	4,331,949,000
Own resource	16.2	2,441,695,808	1,201,056,240
		<u>6,979,644,808</u>	<u>5,533,005,240</u>

16.1 The Company has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from Commercial banks and Islamic banks. The effective rates of mark-up on these facilities at SBP rate plus 1% per annum (2021: SBP rate plus 1% per annum).

16.2 The Company has short term running finance facility under own resource from Commercial banks and Islamic banks. The effective rates of mark-up on these facilities vary from 3-month/6-month KIBOR plus 0.75% to 2% per annum (2021: 3-month/6-month KIBOR plus 0.75% to 2% per annum).

16.3 The facilities available from various banks amount to Rs. 7,120 million (2021: Rs. 6,150 million). These facilities are secured by way of hypothecation charge of all present and future cash collateral/TDR, receivable, stocks & current assets. These facilities are registered by mortgage charge of land, building, plant and machinery and all present & future fixed assets.

16.4 As at June 30, 2022, the unavailed facilities from above borrowings amounting to Rs. 624 million (2021: 617 million).

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

17 UNPAID DIVIDEND

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

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

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

18.1.2 The Company had filed the civil suit no. 1635 of 2009 for possession of land which was illegally dispossessed by the Syed Alay Sadaqain Naqvi (defendants) and to issue a permanent injunction to restrain the defendants from alienation or transferring the land. The Honorable Sindh High Court (SHC) passed an order on November 19, 2009, in which SHC has granted permanent injunction in above suit on December 11, 2018. The matter is fixed for hearing and the management of the Company believes that the matter will be decided in favour of the Company.

18.1.3 Suit no. 2141 of 2015 has been filed against the Company for declaration, possession, damages, mesne profit and injunction before the Senior Civil Judge (west) at Karachi. The plaintiff claims to be the lawful owner of a piece of land measuring 10 acres ("Subject Land"), which also includes the land which is also subject matter of suit no. 1635 of 2009. The plaintiff has sought declaration as to the ownership and occupation of Subject Land. The Company has filed an application under Order 7 Rule 11 starting therein that the instant suit is barred by law as the plaintiff's earlier suits raising the same dispute were dismissed. On August 29, 2017, the learned Judge was pleased to allow the application of the Company and the plaintiff appeal was rejected accordingly. The Plaintiff aggrieved by the said order appealed the same matter before IVth Additional and District Judge (ADJ) bearing Appeal No. 311 of 2017 ("Appeal"). On September 09, 2018, the learned Appellate Court decided the Appeal in favor of the Plaintiff and against the Company, set aside the order dated August 29, 2017 and restored the above suit. Aggrieved by the order of ADJ in Appeal no. 311 of 2017 the Company filed appeal no 157 of 2018. The Company contended that the order passed by ADJ was bad in law as the law does not permit fresh proceedings on the same cause of action of which issue has already been adjudicated upon by the Courts and the suit 2141 of 2015 was rightly rejected by the trial court. The learned Judge after hearing the Company's submission and arguments was pleased to suspend the operation of the impugned Judgement (passed in Appeal no. 311 of 2017) via order dated December 17, 2018. The matter is fixed for hearing and the management of the Company believes that the matter will be decided in favor of the Company.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

- 18.1.4 The Company has filed suit no. 1378 of 2019 and suit 1820 of 2020 in SHC against Sui Southern Gas Company Limited. The case has been filed on the ground that the gas tariff/price has been increased by SSGC illegally. The case is pending before SHC and is fixed for hearing, however, SHC has directed the Company to pay their bills according to previous judgement by either bank guarantee or deposit cheque ready to encash to the satisfaction of the Nazir of the court and SSGC shall issue revised bills, further the management of the Company in consultation of legal advisor is of the view that based on the merit of the case, the same will be decided in favor of the Company.
- 18.1.5 The Company has filed a suit for declaration and permanent injunction against the Syed Alay Sadaqain Naqvi (defendants) for continuosly interfering with the peaceful possession of the extended portion of 0.5 acres of land that was regularized in favor of the Company on February 07, 2020 by virtue of a registered deed of Addenda of lease. The Company has pleaded that the Company is the absolute and lawful owner in possession of an immovable property, name Plot. No. G-205 SITE Super Highway Phase II Karachi measuring 4.5 acres by virtue of lease deed dated November 10, 2008 executed by Sindh Industrial Trading Estate Limited. The Company intends to utilize the 0.5 acres of land that was regularized recently in favor of the Company however, the defendants is interfering with the possession of the property. The Company has asked the SHC to declare that the defendant is wrongfully and illegally claiming to be the owner of the property and requested SHC to stop interfering with the Company's peaceful possession on the extended portion measuring 0.5 acres. SHC through an order dated May 19, 2020 restrained the defendant from creating any interference in the Company's extended portion of the property. Being aggrieved from the decision the defendant has filed an appeal H.C.A D-110 of 2020 in SHC, in which defendant has pleaded that SHC entertained the suit despite clear instructions from Honorable Chief Justice, High Court not to entertain civil matters during COVID-19 pandemic. Defendant has also alleged that the bench failed to examine the documents relied upon by the Company as the title of Sindh Industrial Trading Estate Limited cannot be established on the basis of such documents. Further, it is contended that the Company misled the Honourable bench and obtained the Order by not disclosing the pendency of earlier suit bearing No. 1635/2009 for possession of the same subject property. Based on the merit of case the management of the Company believes that the matter will be decided in favor of the Company.
- 18.1.6 In prior years Government of Sindh imposed infrastructure cess @ 0.85% of import value on all imports into Pakistan. A large number of importers including the Company challenged the matter in the SHC. The SHC has issued an interim order allowing release of imported goods on 50% payment and 50% bank guarantee. This suit no. 2173 of 2013 was filed on June 10, 2013, the SHC has passed the judgement in the subject matter wherein SHC has declared the imposition of cess valid piece of Legislation. The Company alongwith other industries affected by the SHC order has challenged the judgement of SHC in Honourable Supreme Court of Pakistan (SCP). The management is of the view that the Company is not likely to suffer any losses due to above suit.
- 18.1.7 In 2011, Government of Pakistan (GoP) impose a levy on gas consumers in the industrial sector, known as The Gas Infrastructure Development Cess (GIDC). The amount collected was to be used for the construction of infrastructure projects.
- GIDC was challenged in Honourable Peshawar High Court (PHC) in December 2013, PHC declared the levy of GIDC unconstitutional. PHC further directed the GoP to return the collected amount, GoP challenged the decision of PHC in the Honourable Supreme Court of Pakistan (SCP), however, SCP upheld the decision of PHC by declaring GIDC a fee and not a tax that can be charged.
- In 2015, the Gas Infrastructure Development Cess Act, 2015 was introduced which re-imposed the GIDC. The affected industries again approached the SCP stating that the earlier tax money was not used for the construction of infrastructure projects. SCP granted stay order against payment of any GIDC levies.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

On October 15, 2020, the Company filed suit no. 1531 of 2020 in Honourable High Court of Sindh (SHC), with a plea that the Company did not pass on the GIDC burden to the end consumer, therefore in accordance with section 8 (2) of Gas Infrastructure Development Cess Act, 2015 (GIDC Act, 2015) the GIDC is not applicable on the Company, which is pending for decision, however, the SHC has issued sustaining order to Gas companies from taking any coercive action against the Company. The management of the Company in consultation of its legal advisor is of the view that since the Company has not passed on the burden to its consumer/clients, it is not liable to pay GIDC as they clearly falls within the ambit of the exception in line with section 8 (2) of GIDC Act, 2015.

- 18.1.8** The Company has filed suit No. 730 of 2015 before SHC against the imposition of Captive Power Plant rate instead of Industrial Consumer rate. The Company contends that they donot fall into the category of Captive Power Plant, but rather an Industrial Consumer, so the rate charged by the SSGC i.e. Rs.200 per MMBTU, is not applicable in the case of the company. The case has been decreed in favour of the Company vide order dated February 02, 2020. SSGC has challenged the Judgment before the Divisional bench of SHC which is pending for adjudication. Based on the merit of case the management of the Company believes that the matter will be decided in favor of the Company.

18.2 Commitments	Note	2022	2021
		Rupees	
Letter of credit		386,270,071	912,150,112
Letter of guarantees		45,296,400	34,620,480
Capital Expenditures		2,400,000	543,478,892
Cheques issued in favour of Nazir of high court in relation to SSGC case	18.1.4	5,165,163	1,828,689
		<u>439,131,634</u>	<u>1,492,078,173</u>

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

19 PROPERTY PLANT AND EQUIPMENT

	2022	2021
Operating fixed assets	4,620,285,400	4,643,667,656
Capital work-in progress	1,949,328,660	264,263,344
	<u>6,569,614,060</u>	<u>4,907,931,000</u>

19.1 Operating fixed assets

Particulars	Cost / Revaluation				Depreciation		Book value at June 30, 2022	Rate per annum %					
	Cost at July 01, 2021	Additions	Transfers in / (out)	Revaluation surplus	Di disposals	Cost at June 30, 2022			Accumulated depreciation at July 01, 2021	Depreciation for the year	Depreciation on disposals	Accumulated depreciation at June 30, 2022	
Owned Assets													
Factory land	2,478,880,001	-	-	-	-	2,478,880,001	-	-	-	-	2,478,880,001	-	-
Factory building	1,292,887,310	1,045,933	38,893,402	-	-	1,332,826,645	544,650,500	74,954,350	-	619,604,850	712,921,795	10	10
Plant and machinery	1,921,649,543	24,517,037	105,894,877	-	-	2,051,761,457	799,416,108	117,758,935	-	917,175,043	1,134,586,414	10	10
Electric cables and fitting	58,666,318	3,943,911	-	-	-	62,610,229	28,826,063	3,136,443	-	31,962,496	30,647,733	10	10
Furniture and fixture	14,608,983	1,702,500	-	-	-	16,311,483	7,452,347	827,657	-	8,300,004	7,531,889	10	10
Motor vehicles	72,931,442	9,690,000	-	-	4,776,630	77,866,012	55,877,957	3,356,038	2,867,813	56,366,192	21,500,630	20	20
Office equipment	37,186,736	3,013,624	1,242,250	-	-	41,442,610	15,546,848	2,233,624	-	17,780,472	23,662,138	10	10
Factory equipment	161,652,018	7,913,299	-	-	-	169,565,317	24,615,880	14,002,472	-	38,618,352	130,946,965	10	10
Computers	21,896,117	3,184,549	-	-	-	25,080,666	17,460,731	1,747,450	-	19,208,181	5,872,485	33	33
Camera	4,181,524	52,900	-	-	-	4,234,424	3,785,585	204,571	-	3,993,156	440,268	33	33
Godown & Shops	33,036,051	-	-	-	-	33,036,051	14,051,168	1,898,488	-	15,949,656	17,086,395	10	10
Sewing machine	1,369,205	-	-	-	-	1,369,205	923,193	44,601	-	967,794	401,411	10	10
Mobile phone	4,544,914	1,307,409	-	-	-	5,852,323	3,069,311	610,386	-	3,679,697	1,972,426	33	33
Generator	103,624,806	7,830,714	-	-	6,133,680	105,324,340	47,280,431	6,192,649	2,195,590	51,286,490	54,034,850	10	10
Total	6,208,735,968	64,801,786	146,430,529	-	10,910,310	6,405,257,973	1,563,060,312	228,967,664	5,163,403	1,784,972,573	4,620,285,400		

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

2021

Particulars	Cost / Revaluation					Depreciation			Rate per annum %			
	Cost at July 01, 2020	Additions	Transfers in / (out)	Revaluation surplus	Disposals	Cost at June 30, 2021	Accumulated depreciation at July 01, 2020	Depreciation for the year		Depreciation on disposals	Accumulated depreciation at June 30, 2021	Book value at June 30, 2021
Owned Assets												
Factory land	2,643,880,001	-	-	-	165,000,000	2,478,880,001	-	-	-	-	2,478,880,001	-
Factory building	1,285,887,301	7,000,009	-	-	-	1,292,887,310	461,887,298	82,763,202	-	544,650,500	748,236,810	10
Plant and machinery	1,858,701,081	23,885,436	39,063,026	-	-	1,921,649,543	680,188,090	119,228,018	-	799,416,108	1,122,233,435	10
Electric cables and fitting	58,666,318	-	-	-	-	58,666,318	25,510,468	3,315,585	-	28,826,053	29,840,265	10
Furniture and fixture	14,146,903	462,080	-	-	-	14,608,983	6,799,108	753,739	-	7,552,847	7,056,636	10
Motor vehicles	84,445,341	6,536,741	-	-	18,028,640	72,953,442	67,842,801	3,237,228	15,202,072	55,877,957	17,075,485	20
Office equipment	27,705,353	3,965,723	5,514,660	-	-	37,186,736	13,711,774	1,835,074	-	15,546,848	21,639,888	10
Factory equipment	82,144,680	18,110,093	60,797,245	-	-	161,052,018	14,150,878	10,465,002	-	24,615,880	136,436,138	10
Computers	20,879,567	1,016,550	-	-	-	21,896,117	15,755,511	1,705,221	-	17,460,731	4,435,386	33
Camera	4,344,524	36,000	-	-	-	4,380,524	3,514,554	274,031	-	3,788,585	591,939	33
Godown & Shops	33,036,051	-	-	-	-	33,036,051	11,941,736	2,108,431	-	14,051,168	18,984,883	10
Sewing machine	1,369,205	-	-	-	-	1,369,205	873,636	49,557	-	923,193	446,012	10
Mobile phone	3,640,479	1,053,995	-	-	149,560	4,544,914	2,641,927	540,290	112,606	3,069,511	1,475,403	33
Generator	103,100,806	524,000	-	-	-	103,624,806	41,073,806	6,215,626	-	47,289,431	56,335,375	10
Total	6,221,947,610	62,591,627	105,374,931	-	183,178,200	6,208,735,968	1,345,891,486	232,491,504	15,314,078	1,583,068,312	4,625,667,656	



MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

	Note	2022	2021
		-----Rupees-----	
Cost of sales	33	181,574,131	185,993,203
Selling and distribution expenses	34	11,348,383	11,624,575
Administrative expenses	35	34,045,150	34,873,726
		226,967,664	232,491,504

19.1.2 Factory land includes a plot in which a law suit has been filed by the plaintiff who is claiming the possession and injunction of the property. The case is in process under the Honourable High Court Sindh Karachi (refer note 18.1.2, 18.1.3, 18.1.4 & 18.1.6).

19.1.3 Operating fixed assets include assets that are subject to mortgage with various banks against long-term finances and short-term borrowings (refer note 09 and 16).

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

Description of Assets	Forced sale value Rupees
Land	2,230,524,000
Building	700,400,000
Plant and machinery	886,259,750
Generators	46,645,250

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

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

	Cost / Revaluation	Accumulated depreciation	Net book amount	Sale proceeds	Gain / Loss	Mode of disposal	Particulars of buyer
 Rupees						
Generator							
Diesel Generator 100 KW	6,133,680	2,195,590	3,938,090	1,500,000	(2,438,090)	Tender	Soyal Sons
Motor Vehicles							
Toyota Altis	2,227,500	1,368,384	859,116	2,075,000	1,215,884	Tender	Mr. Noman Khan
Changan Karwan	1,627,630	281,626	1,346,004	1,755,000	408,996	Tender	King Motors

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

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

Locations	Total Area in Acres	Covered Area in Square Feet
Plot A-15 & 16, SITE-II, Super highway Karachi	2	79155
A-21, SITE-II, Super highway, Karachi	1.5	49631
G-205, SITE-II, Super highway, Karachi	4	76566
50 KM G.T Road, Sadhoke District, Gujranwala	15	133024
B1-A, SITE-II, Super highway, Karachi	0.97	34850
Plot H-162, SITE-II, Super highway, Karachi	2.5	-
Plot F-193, SITE-II, Super highway, Karachi	2	60871
50 KM G.T Road, Sadhoke District, Gujranwala	3.38	-
Plot # 53, S.E.Z, Allama Iqbal Industrial City, Faisalabad	20	723358
House # 87, Block K, Street # 24, Al Bairuni Road, WAPDA City, Faisalabad	0.063	2723

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
	Note	-----Rupees-----	
19.2 Capital work in progress			
<i>Tangibles</i>			
Plant and machinery		1,154,791,242	154,616,058
Electric cables and fitting		68,653,446	4,182,422
Office equipment		226,000	1,242,250
Factory equipment		5,060,072	17,982
Furniture & Fixture		789,432	180,100
Generator		50,137,131	715,522
Land		81,778,739	40,133,739
Factory Building		581,395,975	62,902,671
Computers		1,632,042	272,600
Motor Vehicles		4,864,590	-
		1,949,328,669	264,263,344

19.3 Movement in capital work in progress is as under:

	Cost			
	As at July 01, 2021	Additions during the year	Transferred to Property, plant and equipment	As at June 30, 2022
	-----Rupees-----			
Plant and machinery	154,616,058	1,105,770,060	(105,594,876)	1,154,791,242
Electric cables and fitting	4,182,422	64,471,024	-	68,653,446
Office equipment	1,242,250	226,000	(1,242,250)	226,000
Factory equipment	17,982	5,042,090	-	5,060,072
Furniture & Fixture	180,100	609,332	-	789,432
Generator	715,522	49,421,609	-	50,137,131
Land	40,133,739	41,645,000	-	81,778,739
Factory Building	62,902,671	557,086,706	(38,593,402)	581,395,975
Computers	272,600	1,359,442	-	1,632,042
Motor Vehicles	-	4,864,590	-	4,864,590
	264,263,344	1,830,495,853	(145,430,528)	1,949,328,669

	Cost			
	As at July 01, 2020	Additions during the year	Transferred to Property, plant and equipment	As at June 30, 2021
	-----Rupees-----			
Plant and machinery	-	193,679,084	(39,063,026)	154,616,058
Electric cables and fitting	-	4,182,422	-	4,182,422
Office equipment	4,225,158	2,531,752	(5,514,660)	1,242,250
Factory equipment	57,754,424	3,060,803	(60,797,245)	17,982
Furniture & Fixture	-	180,100	-	180,100
Generator	-	715,522	-	715,522
Land	-	40,133,739	-	40,133,739
Factory Building	-	62,902,671	-	62,902,671
Computers	-	272,600	-	272,600
	61,979,582	307,658,693	(105,374,931)	264,263,344

19.4 The amount of borrowing costs capitalised during the year ended June 30, 2022 was Rs. 25.2 million (2021: 0.295 million). The rate used to determine the amount of borrowing costs eligible for capitalisation was 2.56%, which is the EIR of the specific borrowings.

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

	2022	2021
	-----Rupees-----	
Net book value		
Land	233,230,637	233,230,637
Building	556,993,579	574,646,438
Plant and machinery	1,015,743,907	988,805,928
Generators	26,069,878	23,297,704
	1,832,038,001	1,819,980,707

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

20	RIGHT-OF-USE ASSETS	2022			2021		
		Vehicle	Godown	Total	Vehicle	Godown	Total
		Rupees					
	Cost						
	Opening balance	150,416,518	95,623,341	246,039,859	115,124,413	92,397,539	207,521,952
	Impact of adoption of IFRS-16	-	-	-	-	-	-
	Reassessment of lease liability	-	17,437,503	17,437,503	-	3,225,802	3,225,802
	As at July 1	150,416,518	113,060,844	263,477,362	115,124,413	95,623,341	210,747,754
	Additions during the year	78,272,411	-	78,272,411	35,292,105	-	35,292,105
	Disposal during the year	(4,083,500)	-	(4,083,500)	-	-	-
	Total	224,605,429	113,060,844	337,666,273	150,416,518	95,623,341	246,039,859
	Accumulated depreciation						
	Opening balance	57,384,855	17,122,132	74,506,987	39,181,819	8,399,776	47,581,595
	Charge for the year	19,219,644	10,788,812	30,008,456	18,203,036	8,722,356	26,925,392
	Disposal adjustment	(2,416,093)	-	(2,416,093)	-	-	-
	Closing	74,188,406	27,910,944	102,099,350	57,384,855	17,122,132	74,506,987
	Net book value	150,417,023	85,149,900	235,566,923	93,031,663	78,501,208	171,532,871
	Lease term	5 Years	10 Years		5 Years	10 Years	

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

	Note	2022	2021
		Rupees	
Depreciation expense of right-of-use assets	33	30,008,456	26,925,392
Interest expense on lease liabilities on Godown	33	13,693,353	11,975,388
Interest expense on lease liabilities on vehicles	36	8,604,527	4,519,909
Total amount recognised in unconsolidated statement of profit or loss		52,306,336	43,420,689

21 INTANGIBLE ASSETS

Cost

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

Amortization

Opening	(14,710,766)	(14,710,766)
Charge for the year	-	-
Closing	(14,710,766)	(14,710,766)

Balance as at June 30

	-	-
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22 LONG TERM INVESTMENTS

Investment - at cost

Subsidiary

JKT General Trading FZE	22.1	23,582,747	23,582,747
Matco Marketing (Private) Limited	22.2	7,499,960	7,499,960

Joint Venture

Barentz Pakistan Private Limited	22.3	24,500,000	24,500,000
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Other investments - at fair value through OCI

Pakistan Aluminium Beverage Cans Limited	22.4	6,091,628	-
Engro Fertilizers Limited		1,063,680	-
		62,738,015	55,582,707

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

- 22.1** On October 8, 2013, the Company incorporated a new wholly owned subsidiary, JKT General Trading FZE in U.A.E. The principal activities are general trading, export / import and other related activities. The Company has made an equity investment of USD 255,000 out of which shares of USD 40,872 have been issued. Shares for the remaining amount would be issued after completion of necessary regulatory formalities.
- 22.2** On November 13, 2017, the Company has subscribed 749,996 shares of Matco Marketing (Private) Limited. However, Matco Marketing (Private) Limited has not commenced its operations since incorporation.
- 22.3** On June 28, 2019, the Company has been incorporated in Pakistan as per agreement between Barentz International B.V. and Matco Foods Limited. Matco Foods Limited has subscribed 49% of total shareholding of Rs. 50 Million, thereby, constituting a Joint Venture.

The following table provides summarized financial information for the joint venture. The information disclosed reflects the amounts presented in the financial statements of the associates and not the Company's share of those amounts. The financial information presented below are based on the interim financial statements for the period ended June 30, 2022.

	2022	2021
	—————Rupees—————	
Assets	190,341,423	142,508,771
Liabilities	104,282,191	115,220,069
Revenues	258,968,579	144,620,437
Profit/(Loss) for the period	9,967,224	(7,425,089)

- 22.4** This represents the fair value of 193,201 shares of Pakistan Beverages Aluminum Can's acquired by the Company through initial public offering at the rate of Rs. 49 per share. As at June 30, 2022, the share was revalued at Rs. 31.53 per share, resulting a loss of Rs. 3.38 million (2021: Nil) during the period. Further the fair value of 12,000 shares of Engro Fertilizers acquired by the company during the year at the rate of Rs. 89.90 per share. As at June 30, 2022 the share was revalued at Rs. 88.64 per share, resulting a loss 0.015 million (2021: Nil).
- 22.5** The investment in subsidiary and associates have been made in accordance with the requirements of Companies Act, 2017. Further, no such terms and conditions has been made at the time of investment. The Company has beneficial ownership of the investee companies. No return on investment has been made since incorporation. There are no litigation against the subsidiaries and associates of the company that may impact the interest of the company.

		2022	2021
		—————Rupees—————	
23 STORES, SPARES AND LOOSE TOOLS	Note		
Stores and spares	33.3	87,635,046	71,988,230
Provision for slow moving / obsolete items	23.1	(1,543,929)	(1,543,929)
		<u>86,091,117</u>	<u>70,444,301</u>
23.1 Movement in provision for slow moving / obsolete items			
Balance at beginning of the year		1,543,929	1,543,929
Charge for the year		-	-
Balance at end of the year		<u>1,543,929</u>	<u>1,543,929</u>
24 STOCK IN TRADE			
Raw materials	24.2	5,864,610,205	5,523,328,949
Packing materials	33.2	219,576,329	122,293,225
Finished goods	24.3	1,598,342,533	1,545,538,885
		<u>7,682,529,067</u>	<u>7,191,161,059</u>
Provision for slow moving / obsolete items	24.1	(20,475,083)	(19,880,700)
		<u>7,662,053,984</u>	<u>7,171,280,359</u>

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
		Rupees	
24.1	Movement in provision for slow moving / obsolete items		
	Opening balance	19,880,700	19,694,358
	Charge for the year	594,383	186,342
	Write off during the year	-	-
	Closing balance	<u>20,475,083</u>	<u>19,880,700</u>
24.2	This includes pledged raw material with various banks under long term and short term borrowing arrangements (refer note 09 and 16).		
24.3	This includes by product amounting to Rs. 354.4 million (2021: Rs. 116.43 million) and stock-in-transit amounting to Rs. 118.3 million (2021: Rs. 54.31 million)		
		2022	2021
		Rupees	
25	TRADE DEBTS		
	Considered good		
	Export - secured	1,693,674,417	930,393,038
	Local - unsecured	124,664,968	110,731,306
	Considered doubtful		
	Local - unsecured	13,567,967	13,567,967
	Less: Allowance for expected credit losses	<u>(13,567,967)</u>	<u>(13,567,967)</u>
		<u>1,818,339,385</u>	<u>1,041,124,344</u>
25.1	Borrowings are secured by way of charge over book debts of the Company (refer notes 09 and 16).		
25.2	It includes the amount of Rs. 23.6 million which is past due up to 3 months (2021: Rs. 63.1 million) and Rs. 10.6 million which is past due up to 6 months, (2021: Rs. Nil) due from JKT General Trading FZE (related party). The maximum aggregate amount due from related party at the end of any month during the year was Rs. 40.8 million (2021: Rs. 63.1 million).		
25.3	As of June 30, 2022, the age analysis of trade debts is as follows:	2022	2021
		Rupees	
	Not yet due	-	-
	Past due:		
	- Up to 3 months	1,510,256,012	832,927,550
	- 3 to 6 months	264,482,259	170,189,719
	- 6 to 12 months	43,601,114	34,767,261
	- More than 12 months	-	3,239,814
		<u>1,818,339,385</u>	<u>1,041,124,344</u>
	Trade debts - Gross	<u>1,818,339,385</u>	<u>1,041,124,344</u>
25.4	Allowance for expected credit losses		
	Opening balance	13,567,967	13,567,967
	Charge during the year	-	-
	Closing balance	<u>13,567,967</u>	<u>13,567,967</u>

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
		-----Rupees-----	
26	LOANS AND ADVANCES		
	Note		
	Loans		
	Staff - unsecured, considered good	13,245,862	14,697,971
	Advances		
	- against services and others	3,318,622	1,338,081
	- against purchases	138,467,326	82,457,247
	- to contractors	-	166,765
	- against shares	-	5,000,000
		155,031,810	103,660,064
26.1	It represent interest free loans to various staff in accordance with the Company's policy.		
26.2	The maximum aggregate amount due from executives at the end of any month during the year was Rs. 0.78 million (2021: Rs. 0.62 million).		
26.3	It represents the amount provided to suppliers of rice, stores & spares and packaging which is adjustable against future purchases.		
26.4	It represents the amount paid to Pakistan Aluminum Beverage Cans Limited for purchase of shares in IPO.		
27	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
	Note		
	Deposits		
	- Capital management account	-	681,549
	- Guarantee margin	1,448,588	1,604,650
		1,448,588	2,286,199
	Prepayments		
	- Prepaid expense	3,122,592	3,228,065
	- Prepaid insurance	6,111,867	4,616,415
		9,234,459	7,844,480
		10,683,047	10,130,679
27.1	This include prepaid expense relating to godown rent and system maintenance charges.		
28	SHORT-TERM INVESTMENT		
	Note		
	Mutual fund units	3,054,742	379,910
	Term deposit certificates	1,200,000	1,200,000
		4,254,742	1,579,910
28.1	It represent mutual funds unit 39,210 (2021: 5,643) of Al-Meezan Islamic fund , AL-Ameen Islamic Fund, Al-Ameen Islamic Stock Fund.		
28.2	These represent term deposit certificates of Askari Bank Limited amounting to Rs. 1.2 million (2021: Rs. 1.2 million) respectively. The rate of profit on these certificates is 6.25% per annum (2021: 6.5%) these term deposit certificates will mature on June 2022.		

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

			2022	2021
		Note	-----Rupees-----	
29	SALES TAX REFUNDABLE			
	Sales tax refundable	29.1	<u>105,056,731</u>	<u>123,598,158</u>
29.1	Movement in sales tax refundable is as under:			
	Balance at beginning of the year		123,598,158	166,389,331
	Refunds claim for the year		188,680,494	127,104,175
	Received during the year		(138,591,280)	(160,604,293)
	Adjusted during the year		(68,630,641)	(9,291,055)
	Balance at end of the year		<u>105,056,731</u>	<u>123,598,158</u>
30	DUE FROM RELATED PARTIES			
	Unsecured			
	Matco Engineering Company (Private) Limited	30.1	-	1,572,277
	Barentz Pakistan (Private) Limited	30.2	51,046,611	41,338,226
	JKT General Trading FZE	30.3	-	295,831
	Faiyaz Centre Owner Association	30.4	-	160,061
			<u>51,046,611</u>	<u>43,366,395</u>

30.1 The maximum aggregate amount due from Matco Engineering Company (Private) Limited, at the end of any month during the year was Rs. 3.48 million (2021: Rs. 1.62 million).

30.2 This includes an amount of Rs. 3.4 million receivable in respect of interest on loan. The maximum aggregate amount of loan due from Barentz Pakistan (Private) Limited at the end of any month during the year was Rs. 48.58 million (2021: Rs. 43.36 million). The amount will be utilized by the associated company to meet the working capital requirement of the associated company. The effective rates of mark-up on this receivable is 3 months KIBOR+2% (2021: 3 months KIBOR+2%).

30.3 The maximum aggregate amount due from JKT General Trading FZE at the end of any month during the year was Rs. 0.3 million (2021: Rs. 0.3 million).

30.4 The maximum aggregate amount due from Faiyaz Centre Owner Association at the end of any month during the year was Rs. 1.14 million (2021: Rs. 0.2 million).

30.5 All above dues are payable on demand.

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

	Matco Engineering Company (Private) Limited	Barentz Pakistan (Private) Limited	JKT General Trading FZE	Faiyaz Centre Owner Association
Up to 3 Months	-	51,046,611	-	-
3 to 6 Months	-	-	-	-
06 to 12 Months	-	-	-	-
More than 12 Months	-	-	-	-
	-	<u>51,046,611</u>	-	-

			2022	2021
		Note	-----Rupees-----	
31	CASH AND BANK BALANCES			
	Cash in hand		8,860,885	3,530,324
	Cash at bank			
	- current accounts		<u>264,668,224</u>	75,258,254
	- deposit accounts	31.1	<u>30,037,308</u>	26,171,906
			<u>294,705,532</u>	101,430,160
			<u>303,566,417</u>	<u>104,960,484</u>

31.1 These carry weighted average profit of 11% per annum (2021: 11% per annum).

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	Rupees	
32 SALES - NET		
Export sales	10,476,272,078	8,248,706,121
Local sales		
Rice	816,897,975	724,198,889
By-products	2,447,665,117	2,100,535,538
	3,264,563,092	2,824,734,427
	13,740,835,170	11,073,440,548
Sales discount / return	(78,969,129)	(82,749,024)
Freight	(1,146,956,926)	(360,920,422)
Clearing and forwarding	(89,216,337)	(43,322,987)
Sales tax	(49,772,012)	(29,827,326)
	12,375,920,766	10,556,620,789

32.1 Disaggregation of sales

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

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

		2022	2021
		Rupees	
Major product Lines	Note		
Rice		11,935,342,157	9,893,449,787
Others		1,805,493,013	1,179,990,761
		13,740,835,170	11,073,440,548
Primary geographical Markets			
Local		3,264,563,092	2,824,734,427
Africa		815,185,624	374,284,303
Asia		3,012,567,597	3,030,259,281
Australia & New Zealand		1,941,121,649	1,456,649,113
Europe		3,488,535,180	2,290,121,196
USA & Canada		1,218,862,028	1,097,392,228
		13,740,835,170	11,073,440,548
33 COST OF SALES			
Rice consumed	33.1	9,212,220,732	8,577,211,227
Packing materials consumed	33.2	497,392,298	457,437,640
Stores and spares consumed	33.3	165,235,085	133,265,478
Processing expenses			
Salaries, wages and benefits	33.4	478,731,750	445,917,170
Electricity and power		200,076,597	209,626,919
Telephone and mobile		1,087,510	1,419,046
Insurance		9,476,678	8,980,473
Repairs and maintenance		26,238,178	25,178,363
Other purchases		88,946,902	42,131,127
Provision for slow moving stock	24.1	594,383	186,342
Fumigation charges		74,835,705	33,737,005
Water charges		32,677,840	49,206,266
Canteen		11,087,556	11,165,787
Diesel and oil		311,725	462,820
Staff welfare		2,308,308	2,797,963
Security expenses		18,299,672	16,330,349
Godown expenses		23,546,498	16,873,130

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
	Note	-----Rupees-----	
Rent, rates and taxes		1,675,166	23,451,490
Vehicle running expenses		11,916,618	7,460,610
Medical		3,690,618	3,766,863
Depreciation	19.1.1	181,574,132	185,993,203
Depreciation on right-of-use assets	20.1	30,008,456	26,925,392
Interest expense on lease liabilities	20.1	13,693,353	11,975,088
Processing charges		220,930	2,161,945
Inspection charges		23,060,739	19,582,415
Cost of goods manufactured		11,108,907,429	10,313,244,112
Finished goods			
Opening stock		1,545,538,885	1,141,722,539
Closing stock	24	(1,598,342,533)	(1,545,538,885)
		<u>(52,803,648)</u>	<u>(403,816,346)</u>
		<u>11,056,103,781</u>	<u>9,909,427,766</u>
33.1 Rice consumed			
Opening stock of raw material		5,523,328,949	5,435,050,944
Purchases		9,277,485,006	8,488,184,359
Cartage inwards		276,016,982	177,304,873
Closing stock of raw material	24	(5,864,610,205)	(5,523,328,949)
		<u>9,212,220,732</u>	<u>8,577,211,227</u>
33.2 Packing material consumed			
Opening stock		122,293,225	85,444,225
Purchases		594,675,402	494,286,640
		716,968,627	579,730,865
Closing stock-gross	24	(219,576,329)	(122,293,225)
		<u>497,392,298</u>	<u>457,437,640</u>
33.3 Stores and spares consumed			
Opening stock		71,988,230	46,566,459
Purchases		180,881,901	158,687,249
		252,870,131	205,253,708
Closing stock-gross	23	(87,635,046)	(71,988,230)
		<u>165,235,085</u>	<u>133,265,478</u>
33.4	It includes provision for gratuity amounting to Rs. 27.8 million (2021: Rs. 20.8 million).		
34 SELLING AND DISTRIBUTION EXPENSES		2022	2021
		-----Rupees-----	
	Note		
Salaries and benefits	34.1	56,910,005	55,625,772
Travelling		14,282,161	8,199,157
Sales promotion		34,969,628	15,221,120
Insurance		2,120,366	1,946,871
Export charges		80,106,245	52,286,127
Export commission		23,995,061	20,546,306
Depreciation	19.1.1	11,348,383	11,624,575
Shop rent		2,520,000	2,720,000
General		3,027,952	17,827,215
		<u>229,279,801</u>	<u>185,997,143</u>

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

34.1 It includes provision for gratuity amounting to Rs. 3.3 million (2021: Rs. 2.6 million).

35	ADMINISTRATIVE EXPENSES	Note	2022	2021
			Rupees	
	Salaries and benefits	35.1	220,704,770	190,179,802
	Vehicle running		11,423,116	8,536,441
	Entertainment		1,394,156	936,656
	Printing and stationery		1,701,925	1,197,997
	Fee and subscription		20,899,680	20,281,570
	Legal and professional		200,000	1,535,000
	Auditor's remuneration	35.3	3,255,655	3,465,327
	Postage and telegrams		2,344,015	1,787,505
	General expenses		2,297,385	2,913,622
	Newspaper and periodicals		73,353	60,309
	Electricity and gas charges	35.2	2,748,956	21,492,276
	Taxes, duty and fee		21,802,289	257,246
	Medical		2,889,170	2,162,186
	Insurance		3,547,762	2,632,037
	Software maintenance		503,249	495,616
	Computer expenses		6,198,327	4,574,968
	Depreciation	19.1.1	34,045,150	34,873,726
	Donations	35.4	11,335,724	6,263,200
	Advertisement		1,219,792	564,900
	Others		7,876,257	5,477,901
			356,460,731	309,688,284

35.1 It includes directors' remuneration amounting to Rs. 18.71 million (2021: Rs. 19.61 million) and provision for gratuity amounting to Rs. 12.80 million (2021: Rs. 8.89 million).

35.2 It includes provision of GIDC Cess amounting to Rs. Nil (2021: Rs. 18 million).

35.3	Auditor's remuneration	Note	2022	2021
			Rupees	
	- audit fee of unconsolidated financial statements		2,000,000	2,000,000
	- audit fee of consolidated financial statements		100,000	100,000
	- audit fee of half yearly review		609,930	484,402
	- fee for review code of corporate governance		150,000	150,000
	- other certifications		150,000	150,000
	- out of pocket expenses		245,725	245,725
	- other services	35.3.1	-	335,200
			3,255,655	3,465,327

35.3.1 This represents services relating to taxation.

35.4 Donation includes amount of Rs.10.84 million (2021: Rs.5.26 million) paid to Ghori Trust, which is operated by Board of directors of the company and their spouse namely Mr. Jawed Ali Ghori, Mr. Khalid Sarfaz Ghori, Mr. Faizan Ali Ghori, Mrs. Naheed Jawed, Mrs. Nuzhat Khalid and Mrs. Dr. Sadaf Tariq.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
		-----Rupees-----	
36	FINANCE COST		
	Mark up		
	- long term finances - net	29,090,951	26,983,531
	- short term borrowings	347,800,253	235,927,358
	- interest expense on lease liabilities	8,604,527	4,519,909
	Bank charges and commission	2,377,263	5,400,133
		<u>387,872,994</u>	<u>272,830,931</u>
36.1	The mark-up presented is net of amortization of grant amounting to Rs.5.57 million (2021: Rs.4.97 million).		
37	OTHER INCOME	2022	2021
		-----Rupees-----	
	From financial assets		
	- Profit on bank/short term deposits	2,577,677	3,008,532
	- Interest income on account of due from related parties	4,959,465	3,680,954
	From non-financial assets		
	- Reversal of Worker's Welfare Fund	6,081,207	-
	- Gain on sale of operating fixed assets	2,299,686	48,814,578
	- Scrap sales	-	19,035,694
	- Rental income	2,389,000	2,490,000
	- Others	1,482,666	-
		<u>19,789,701</u>	<u>77,029,758</u>
38	EXCHANGE GAIN - NET		
	This represents exchange gain incurred on foreign currency denominated trade debts, advances from customers, creditors and bank balances.		
39	INCOME TAX EXPENSE	2022	2021
		-----Rupees-----	
	- Current	138,778,927	91,744,142
	- prior year	(19,905,170)	-
	- Deferred	(10,142,614)	(11,323,958)
		<u>108,731,143</u>	<u>80,420,184</u>
39.1	Reconciliation of income tax expense for the year and accounting profit		
	Profit before tax	531,147,111	-
	Tax at the applicable tax rate of 29% (2021:29%)	154,032,662	-
	Tax effect of poverty elevation tax	13,511,757	-
	Prior year charge	(19,905,170)	-
	Tax charge on temporary difference	(10,142,614)	-
	Tax effect of income under FTR	(27,306,931)	-
	Other	(1,458,561)	-
		<u>108,731,143</u>	<u>-</u>
39.2	Current year taxation has been charged on the basis of provisions in Income Tax Ordinance, 2001 and accounted for after taking effect of admissible expenses in normal taxation with proportion of local sales and on final tax regime applicable to the Company based on tax withheld from export proceeds which is deemed as full and final discharge of the tax liability.		

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

39.3 During the year, the company has received notice U/S 221(2) from FBR regarding WWF and WPPF for the tax year 2019 and 2020. The deputy commissioner is of view that the company has adjusted the liability of WWF and WPPF against the refund. He quoted the section 170(3) of the ordinance that the refund can only be adjusted against any other liability of tax. Since WWF and WPPF are not classifiable as "Tax" hence the same cannot be adjusted against the tax liability or credit. The company has responded that they had not adjusted any liability of WWF and WPPF against the refundable income tax amount upon filing of income tax return for tax year 2019 and 2020. The deputy commissioner has passed the order, without being considering the point raised by the company, against the company u/s 221(1) to rectify mistakes of mistreatment of WWF and WPPF amounting to Rs. 4.96 million and Rs. 4.15 million for the tax year 2019 and 2020 respectively. The company has filed appeal before the commissioner inland revenue (Appeals-II), Karachi against the order and has taken stay order from High Court of Sindh, Karachi with reference of C.P.No. D-6595 of 2021 and C.P.No. D-6596 of 2021 against the recovery notice of tax year 2019 and 2020 respectively. On the basis of factual and legal position in above pending appeals before with CIRA, we anticipate favorable outcome of such appeals in the favor of the Company.

39.4 Return of 2016-17 filed on January 17, 2018, is an assessment order u/s 120 unless amended under section 122 of the Income Tax Ordinance, 2001. The ADCIR initiated the proceeding u/s 122(5A) of the Income Tax Ordinance, 2001 vide notice dated 21-05-2018 for amendment of deemed assessment. The response of the above notice submitted by the Company till November 15, 2018, no further notice has been received.

39.5 Return of 2020-21 filed on February 26, 2022, is an assessment order under section 120 unless amended under section 122 of the Income Tax Ordinance, 2001.

40	NUMBER OF EMPLOYEES	2022	2021
	Number of employees as at June 30	750	708
	Average number of employees during the year	729	688

41 **TRANSACTION WITH RELATED PARTIES**

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

Nature of relationship	Percentage of Holding	Transactions	June 30, 2022	June 30, 2021
			—Rupees in —	
Directors		Godown rent paid to director	<u>14,622,631</u>	<u>13,019,342</u>
Subsidiary				
JKT General Trading FZE	100%	Sales	<u>151,501,167</u>	<u>151,255,186</u>
		Payment received on account of sales	<u>180,432,477</u>	<u>88,062,856</u>
Matco Marketing (Private) Limited	99.99%	Paid expenses on behalf	<u>81,475</u>	<u>81,835</u>
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	<u>108,381,383</u>	<u>124,782,682</u>
		Payment received on account of expenses	<u>100,022,391</u>	<u>85,325,438</u>
		Interest Income	<u>4,189,553</u>	<u>3,680,954</u>
		Interest Received	<u>1,973,986</u>	<u>2,486,642</u>
		Commission paid	<u>1,678,675</u>	<u>-</u>
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	<u>1,911,001</u>	<u>1,040,181</u>
		Payment received on account of expenses	<u>3,483,278</u>	<u>1,085,000</u>
Faiyaz Center Owner Association	0%	Paid expenses on behalf	<u>981,021</u>	<u>160,061</u>
		Payment received on account of expenses	<u>1,141,082</u>	<u>-</u>
Trust operated by the Company				
Ghori Trust	0%	Paid expenses on behalf	<u>8,138,247</u>	<u>4,487,539</u>
		Payment received on account of expenses	<u>74,200</u>	<u>5,946,122</u>
		Donation expense	<u>10,835,724</u>	<u>5,265,700</u>
Nature of relationship	Percentage of Holding	Balances	June 30, 2022	June 30, 2021
—Rupees in —				
Subsidiary				
JKT General Trading FZE	100%	Trade receivables outstanding	<u>34,261,020</u>	<u>63,192,330</u>
Matco Marketing (Private) Limited	99.99%	Advance outstanding	<u>6,807,598</u>	<u>6,889,073</u>
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Receivable against expenses	<u>47,636,733</u>	<u>40,143,915</u>
		Interest receivable	<u>3,409,878</u>	<u>1,194,311</u>
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Receivable against expenses	<u>-</u>	<u>1,572,277</u>
Faiyaz Center Owner Association	0%	Receivable against expenses	<u>-</u>	<u>160,061</u>
Trust operated by the Company				
Ghori Trust	0%	Payable against donation	<u>3,748,360</u>	<u>976,683</u>

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

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

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

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

42 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	Chief Executive Officer		Directors		Executives		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees							
Short-term employee benefits								
Managerial remuneration	3,524,800	3,609,872	8,950,800	9,464,347	56,892,363	36,527,567	69,367,963	49,601,786
House rent allowances	1,409,920	1,624,442	3,580,320	4,258,956	22,756,945	16,437,405	27,747,185	22,320,803
Utilities	1,595,898	1,113,478	2,379,848	3,054,896	6,240,811	2,296,572	10,216,557	6,464,946
Bonus	791,000	385,000	1,362,000	950,000	5,653,895	4,475,583	7,806,895	5,810,583
Fuel expense	516,076	628,515	1,670,646	1,803,931	7,699,712	3,573,948	9,886,434	6,006,394
Medical expense	214,705	58,658	298,048	406,982	1,301,046	685,800	1,813,799	1,151,440
Vehicle expense	69,861	178,668	1,552,862	838,303	1,060,185	800,401	2,682,908	1,817,372
Other expense	207,220	89,520	405,563	633,220	-	-	612,783	722,740
	8,329,480	7,688,153	20,200,087	21,410,635	101,604,957	64,797,276	130,134,524	93,896,064
Value of motor vehicles	5,105,267	17,906,727	21,568,043	15,434,901	43,812,448	20,810,638	70,485,758	54,152,266
Number of Persons	1	1	2	3	35	19		

42.1 In addition to above, fees of 0.719 million (2021: 0.950 million) was paid to independent directors of the company for attending board of directors meeting during the year.

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

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

43	PLANT CAPACITY AND PRODUCTION	2022	2021
		(Tons)	(Tons)
	Annual Plant Capacity		
	- Rice processing	178,500	134,700
	- Rice Glucose	33,000	33,000
	Actual Production		
	- Rice processing	118,266	103,962
	- Rice Glucose	12,081	11,878

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

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	-----Rupees-----	
44 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED		
Profit / (Loss) for the year	422,415,968	(60,866,709)
Number of ordinary shares	122,400,698	122,400,698
Weighted average number of ordinary shares	122,400,698	122,400,698
Earnings / (loss) per share - basic and diluted	3.45	(0.50)

There is no dilutive effect on earnings per share as the Company does not have any convertible instruments as at June 30, 2022 and June 30, 2021.

45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

45.1 Market risk

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

45.1.1 Currency risk

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

Exposure to Foreign currency risk

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

	2022	2021
	----- Amount in USD -----	
Trade debts	8,268,009	5,905,758
Cash and bank balances	104,534	20,087
Advance from customer	(30,170)	(129,973)
Net Exposure	8,342,373	5,795,872

The following significant exchange rates were applied during the year:

	2022	2021
	Rupee per USD	
Average rate	179.00	160.33
Reporting date rate	204.85	157.54

Foreign currency sensitivity analysis

A 10% strengthening of the PKR against the USD at June 30, 2022 would have effect on the equity and unconsolidated statement of profit or loss of the company as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2022.

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	-----Rupees-----	
Strengthening of PKR against respective currencies	<u>(170,890,764)</u>	<u>(91,308,160)</u>
Weakening of PKR against respective currencies	<u>170,890,764</u>	<u>91,308,160</u>

A 10 percentage weakening of the PKR against the USD at June 30, 2022 would have had the equal but opposite effect on USD to the amounts shown above, on the basis that all other variables remain constant.

45.1.2 Price risk

Price risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest or currency rate risk), whether those changes are caused by factors specified to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is exposed to price risk because of investments in equity securities amounting to Rs. 10,210,050 (2021: Rs. 379,910) as changes in prices of equity securities affect the Company. The Company is not exposed to commodity price risk.

As of June 30, 2022, if fair value had been 1% higher/ (lower) with all the variables held constant, profit before tax for the year would have been higher / (lower) by Rs. 102,100.5 (2021: Rs. 3,791.9).

45.1.3 Interest/Mark-up rate risk

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

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

		2022				
		Mark-up / profit bearing			Non mark-up /	Total
Note		Less than one year	One year to Five years	Over five years	profit bearing	
Rupees						
Financial assets						
Amortised cost						
	Long-term deposits	-	-	-	16,759,174	16,759,174
22	Long-term investments	-	-	-	55,582,707	55,582,707
25	Trade debts - considered goods	-	-	-	1,818,339,385	1,818,339,385
26	Loans	-	-	-	13,245,862	13,245,862
27	Deposits	-	-	-	1,448,588	1,448,588
28	Short-term investment	1,200,000	-	-	-	1,200,000
30	Due from related parties	51,046,611	-	-	-	51,046,611
31	Cash and bank balances	30,037,308	-	-	273,529,109	303,566,417
		82,283,919	-	-	2,178,904,824	2,261,188,743
	Fair value through profit or loss					
28	Short-term investment	-	-	-	3,054,742	3,054,742
	Fair value through other comprehensive Income					
22	Long-term investments	-	-	-	7,155,308	7,155,308
Financial liabilities						
At amortized cost						
9	Long term finances - secured	172,857,144	1,582,432,193	-	-	1,755,289,337
15	Due to related party	-	-	-	10,555,958	10,555,958
13	Trade and other payables	-	-	-	629,811,001	629,811,001
14	Accrued mark-up	-	-	-	120,739,263	120,739,263
16	Short term borrowings - secured	6,979,644,808	-	-	-	6,979,644,808
17	Unpaid dividend	-	-	-	783,668	783,668
10	Lease liabilities	27,634,388	129,119,024	46,483,464	-	203,236,876
		7,180,136,340	1,711,551,217	46,483,464	761,889,889	9,700,060,910
	On balance sheet gap	(7,097,852,421)	(1,711,551,217)	(46,483,464)	1,417,014,935	(7,438,872,166)
Off balance sheet items						
18.2	Guarantees	-	-	-	45,296,400	45,296,400
18.2	Letter of credit	-	-	-	386,270,071	386,270,071
18.2	Capital Expenditures	-	-	-	2,400,000	2,400,000
18.2	Cheques issued in favour of Nazir of high court in relation to SSGC case	-	-	-	5,165,163	5,165,163
		2021				
		Mark-up / profit bearing			Non mark-up /	Total
Note		Less than one year	One year to Five years	Over five years	profit bearing	
Rupees						
Financial assets						
Amortised cost						
	Long-term deposits	-	-	-	16,322,284	16,322,284
22	Long-term investments	-	-	-	55,582,707	55,582,707
25	Trade debts - considered goods	-	-	-	1,041,124,344	1,041,124,344
26	Loans	-	-	-	14,697,971	14,697,971
27	Deposits	-	-	-	2,286,199	2,286,199
28	Short-term investment	1,200,000	-	-	-	1,200,000
30	Due from related parties	41,338,226	-	-	2,028,169	43,366,395
31	Cash and bank balances	26,171,906	-	-	78,788,578	104,960,484
		68,710,132	-	-	1,210,830,252	1,279,540,384
	Fair value through profit or loss					
28	Short-term investment	-	-	-	379,910	379,910
Financial liabilities						
At amortized cost						
9	Long term finances - secured	175,076,206	492,910,736	-	-	667,986,942
15	Due to related party	-	-	-	7,865,756	7,865,756
13	Trade and other payables	-	-	-	508,670,823	508,670,823
14	Accrued mark-up	-	-	-	57,877,929	57,877,929
16	Short term borrowings	5,533,005,240	-	-	-	5,533,005,240
17	Unpaid dividend	-	-	-	787,654	787,654
10	Lease liabilities	-	67,527,264	82,748,130	-	150,275,394
		5,708,081,446	560,438,000	82,748,130	575,202,162	6,926,469,738
	On balance sheet gap	(5,639,371,314)	(560,438,000)	(82,748,130)	635,628,090	(5,646,929,354)
Off balance sheet items						
18.2	Guarantees	-	-	-	34,620,480	34,620,480
18.2	Letter of credit	-	-	-	912,150,112	912,150,112
18.2	Capital Expenditures	-	-	-	543,478,892	543,478,892
18.2	Cheques issued in favour of Nazir of high	-	-	-	1,828,689	1,828,689

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

Financial liabilities	2022	2021
Long term finances - secured	SBP rate+ 1% to 2.5% & KIBOR + 1% to 1.5%	SBP rate+ 1% to 2.5% & KIBOR + 1% to 1.5%
Short term borrowings	SBP rate+ 1% & KIBOR + 0.75% to 2%	SBP rate+ 1% & KIBOR + 0.75% to 1.75%

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2022, if interest rates on long term financing had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been Rs. 17.55 million (2021: Rs. 6.68 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

At June 30, 2022, if interest rates on short term borrowings had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been Rs. 69.8 million (2021: Rs. 55.30 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

45.2 Credit risk

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

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

Financial assets	2022	2021
	Rupees	
Long-term investments	55,582,707	55,582,707
Long-term deposits	16,759,174	16,322,284
Trade debts	1,818,339,385	1,041,124,344
Loans	13,245,862	14,697,971
Trade deposit	1,448,588	2,286,199
Short-term investment	4,254,742	1,579,910
Due from related parties	51,046,611	43,366,395
Bank balances	294,705,532	101,430,160
	2,255,382,601	1,276,389,970

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

Bank balances

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

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

	Short-term Ratings	2022	2021
		Rupees	
MCB Bank Limited	A1+	21,449,332	38,391,155
Meezan Bank Limited	A1+	18,306,880	10,244,734
National Bank of Pakistan	A1+	1,400,712	2,652,575
Standard Chartered Bank Limited	A1+	33,028,302	114,953
United Bank Limited	A1+	8,299,915	6,881,097
Allied Bank Limited	A1+	4,446,577	1,247,631
Askari Bank Limited	A1+	17,293,543	7,019,543
Bank Alfalah Limited	A1+	73,095,514	15,019,069
Faysal Bank Limited	A1+	28,663,442	1,946,405
Habib Bank Limited	A1+	52,510,236	8,425,469
Habib Metropolitan Bank Limited	A1+	11,354,257	3,300,398
Soneri Bank Limited	A1+	542,742	570,177
Bank Al Habib Limited	A1+	7,727,330	3,190,623
JS Bank	A1+	147,589	-
MCB Islamic Bank	A1	-	2,733,731
Bank of Punjab	A1+	39,678,021	892,600
		317,944,392	102,630,160

Exposure to credit risk

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

	Note	2022	2021
		Rupees	
Due from related parties	30	51,046,611	43,366,395
Trade debts	25	1,818,339,385	1,041,124,344
Loans	26	13,245,862	14,697,971
Short-term investment	28	4,254,742	1,579,910
Bank balances	31	294,705,532	101,430,160
		2,181,592,132	1,202,198,780

45.3 Liquidity risk

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

As on reporting date, the Company had cash and bank balances and term deposit amounting to Rs 295.27 million & Rs. 1.2 million respectively (2021: Rs. 105 million & 1.2 million), and unutilized credit lines of Rs. 464 million (2021: 566 million).

46 FAIR VALUE HIERARCHY

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

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

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

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

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

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

The following table represents the Company's assets that are measured at fair value as at June 30, 2022 and June 30, 2021:

	2022			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
<i>Non-financial assets</i>				
Property, plant and equipment	-	-	5,797,041,660	5,797,041,660
<i>Financial assets</i>				
Financial assets held at fair value through profit or loss	3,054,742	-	-	3,054,742
Financial assets held at fair value through other comprehensive income	7,155,308	-	-	7,155,308
	2021			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
<i>Non-financial assets</i>				
Property, plant and equipment	-	-	4,366,622,594	4,366,622,594
<i>Financial assets</i>				
Financial assets held at fair value through profit or loss	379,910	-	-	379,910

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

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

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

The Company's strategy is to maintain leveraged gearing. The gearing ratios as at June 30, 2022 and 2021 were as follows:

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 -----Rupees-----	2021
Total borrowings		8,948,367,908	5,712,492,342
Less: Cash and bank	31	(303,566,417)	(298,290,025)
Net debt		8,644,801,491	5,414,202,317
Total equity		7,058,380,142	6,651,118,485
Total equity and debt		15,703,181,633	12,065,320,802
Gearing ratio (%)		55%	45%

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

48 OPERATING SEGMENTS

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

48.1 Revenue from sale of rice represents 88.68% (2021: 89.59%) of the total revenue of the Company. Whereas 9.59% (2021: 9.43%) represents revenue from sale of rice glucose and remaining represents other items.

48.2 All non-current assets of the Company as at June 30, 2022 are located in Pakistan except for investment in JKT General Trading (FZE) which is disclosed in note 22 of these unconsolidated financial statements. Further, debtors from rice represents 83.58% (2021: 90.13%) of the total debtors.

49 CORRESPONDING FIGURES

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

50 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on **September 07, 2022**.

50.1 Non-adjusting events after the reporting date

Subsequent to the year end on 26 August 2022, Matco Foods Limited (MFL) has announced the successful commissioning and commercial operations of its new 72,000 MT per year Corn Starch Plant, located in Allama Iqbal Industrial City, Special Economic Zone Faisalabad, FIEDMC.

51 GENERAL

51.1 Figures have been rounded off to the nearest Rupee.


Khalid Sarfaraz Ghori
 Chief Executive Officer


M. Aamir Farooqui
 Chief Financial Officer


Faizan Ali Ghori
 Director

INDEPENDENT AUDITOR'S REPORT

To the members of Matco Foods Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Matco Foods Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2022, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key Audit Matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	<p>Valuation of Stock in Trade</p> <p>As at June 30, 2022, the Group held stock in trade amounting to Rs. 7,662 million (2021: Rs. 7,171 million) as disclosed in the consolidated financial statements. The stock in trade account for 74.4% (2021: 81.9%) of the total current assets. The value of stock is based on the purchase price using weighted average method. Therefore, the Group is exposed to the risk of valuation of stock in trade as a result of volatility in prices.</p> <p>The Group is required to measure its stock in trade at the lower of cost and net realizable value (NRV). There is an element of judgement involved relating to the valuation, which is required for the estimation of the NRV and allowance for slow-moving and obsolete stock in trades. Such estimation is made after taking into consideration factors such as movement in prices, current and expected future market demands and pricing competitions.</p> <p>This was the key audit mater because of its materiality and significance in terms of judgments involved in estimating the NRV of underlying inventories.</p>	<p>As part of our audit, we have performed the following audit procedures:</p> <ul style="list-style-type: none"> • Attended the stock counts at locations to observe the stock count process and evaluate the condition of stock in trade. • Tested the valuation method used by the management in valuation of stock in trade. • Compared on sample basis specific purchases with underlying supporting documents. • Evaluated the appropriateness of the basis and processes used by management in determining the net realizable value of stock in trade. • Performed testing on sample of items to assess the NRV of the inventories held and evaluating the adequacy of provision for slow moving and obsolete stock. • Reviewed the adequacy of the disclosures on stock in trade in the consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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


Chartered Accountants

Karachi

Dated: September 27, 2022

UDIN: AR2022101542uIRf7yVJ

MATCO FOODS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 -----Rupees-----	2021
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	6.1	<u>2,000,000,000</u>	<u>2,000,000,000</u>
Issued, subscribed and paid up share capital	6.2	<u>1,224,006,980</u>	1,224,006,980
Capital reserve	7	<u>680,467,220</u>	680,467,220
Exchange revaluation reserve		<u>35,813,942</u>	15,811,102
Unappropriated profit		<u>2,755,161,471</u>	2,292,538,936
Surplus on revaluation of property, plant and equipment - net of tax	8	<u>2,433,901,302</u>	2,459,499,494
Unrealized revaluation (loss) on investment at fair value through OCI		<u>(3,390,337)</u>	-
Total shareholders' equity		7,125,960,578	6,672,323,732
Non-current liabilities			
Long-term finances-secured	9	<u>1,582,432,193</u>	492,910,736
Lease liabilities	10	<u>175,602,488</u>	126,630,601
Deferred liabilities	11	<u>252,041,979</u>	221,768,163
Deferred grant	12	<u>-</u>	952,280
Total non-current liabilities		2,010,076,660	842,261,780
Current liabilities			
Trade and other payables	13	<u>671,791,401</u>	520,549,749
Advance from customers - secured		<u>22,612,550</u>	35,747,606
Accrued mark-up	14	<u>120,739,263</u>	57,877,929
Due to related party	15	<u>3,748,359</u>	989,503
Short-term borrowings-secured	16	<u>6,979,644,808</u>	5,533,005,240
Taxation-net		<u>5,131,962</u>	-
Current portion of deferred grant	12	<u>1,561,352</u>	6,176,233
Current portion of long term finances-secured	9	<u>172,857,144</u>	175,076,206
Current portion of lease liabilities	10	<u>27,634,388</u>	23,644,793
Unpaid dividend	17	<u>783,668</u>	787,654
Total current liabilities		8,006,504,895	6,353,854,913
Total liabilities		10,016,581,555	7,196,116,693
Contingencies and commitments	18		
Total equity and liabilities		<u>17,142,542,133</u>	<u>13,868,440,425</u>

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


Khalid Sarfaraz Ghori
 Chief Executive Officer


M. Aamir Farooqui
 Chief Financial Officer


Faizan Ali Ghori
 Director

MATCO FOODS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	2022	2021
Note	-----Rupees-----	
ASSETS		
Non-current assets		
Property, plant and equipment	19 6,569,614,069	4,907,931,000
Right-of-use assets	20 235,566,923	171,532,871
Intangible assets	21 -	-
Long-term deposits	16,759,174	16,322,284
Long-term investments	22 25,410,712	13,371,464
Total non-current assets	6,847,350,878	5,109,157,619
Current assets		
Stores, spares and loose tools	23 86,091,117	70,444,301
Stock in trade	24 7,662,053,984	7,171,280,359
Trade debts	25 1,897,929,702	1,060,858,614
Loans and advances	26 155,031,810	103,660,064
Trade deposits and short term prepayments	27 11,705,111	10,792,520
Short-term investment	28 4,254,742	1,579,910
Sales tax refundable	29 105,056,731	123,598,158
Due from related parties	30 51,046,611	43,070,564
Taxation - net	-	31,683,482
Cash and bank balances	31 322,021,447	142,314,834
Total current assets	10,295,191,255	8,759,282,806
Total assets	17,142,542,133	13,868,440,425

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


Khalid Sarfaraz Ghori
 Chief Executive Officer


M. Aamir Farooqui
 Chief Financial Officer


Faizan Ali Ghori
 Director

MATCO FOODS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 -----Rupees-----	2021
Sales - net	32	12,399,470,102	10,574,095,621
Cost of sales	33	(11,056,103,781)	(9,909,427,766)
GROSS PROFIT		1,343,366,321	664,667,855
Selling and Distribution expenses	34	(229,279,801)	(187,321,615)
Administrative expenses	35	(358,270,742)	(312,402,873)
		(587,550,543)	(499,724,488)
		755,815,778	164,943,367
Finance cost	36	(388,135,728)	(273,181,730)
Other income	37	19,801,519	77,035,369
Share of profit/(loss) from associate company		4,883,940	(5,276,389)
Exchange gain - net	38	202,334,249	65,215,796
Provision for worker's welfare fund	13.1	(10,622,942)	(391,070)
Provision for worker's profit participation fund	13.2	(26,557,356)	(977,674)
PROFIT BEFORE TAX		557,519,460	27,367,669
Income tax expense	39	(108,731,143)	(80,420,184)
PROFIT / (LOSS) FOR THE YEAR		448,788,317	(53,052,515)
Attributable to:			
Shareholders of Holding Company		448,788,317	(53,052,515)
Non-controlling interest		-	-
		448,788,317	(53,052,515)
EARNINGS / (LOSS) PER SHARE - BASIC			
AND DILUTED	44	3.67	(0.43)

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


Khalid Sarfaraz Ghori
 Chief Executive Officer


M. Aamir Farooqui
 Chief Financial Officer


Faizan Ali Ghori
 Director

MATCO FOODS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 -----Rupees-----	2021
PROFIT / (LOSS) FOR THE YEAR		448,788,317	(53,052,515)
OTHER COMPREHENSIVE LOSS			
<i>Items that may be reclassified subsequently to the consolidated statement of profit or loss</i>			
- Exchange difference of translation of foreign operations		20,002,840	(3,773,523)
<i>Items that will not to be reclassified subsequently to the consolidated statement of profit or loss</i>			
- Remeasurement of defined benefits obligation	11.2.5	(11,763,974)	(982,193)
- Unrealized loss on revaluation of investment at fair value through OCI during the year		(3,390,337)	-
Other comprehensive loss		(15,154,311)	(982,193)
TOTAL COMPREHENSIVE INCOME /(LOSS) FOR THE YEAR		453,636,846	(57,808,231)
Attributable to:			
Shareholders of Holding Company		453,636,846	(57,808,231)
Non-controlling interest		-	-
		453,636,846	(57,808,231)

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


Khalid Sarfaraz Ghori
 Chief Executive Officer


M. Aamir Farooqui
 Chief Financial Officer


Faizan Ali Ghori
 Director

MATCO FOODS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		557,519,460	27,367,669
Adjustments for:			
Depreciation	19	226,967,664	232,491,504
Depreciation on right of use assets		30,008,456	26,925,392
Exchange gain - net	38	(203,480,971)	(65,215,796)
Short-term investment		(2,674,832)	(116,470)
Provision for slow moving stock		594,383	186,342
Share of (profit) / loss from associates		(4,883,940)	5,276,389
Finance cost	36	401,829,081	285,156,818
Provision for staff gratuity	11.2	43,929,752	32,336,550
Gain on disposal of property, plant and equipment	37	(2,299,686)	(48,814,578)
		489,989,907	468,226,151
		1,047,509,367	495,593,820
Changes in working capital			
(Increase)/decrease in current assets			
Stores, spares and loose tools		(15,646,816)	(25,421,771)
Stock-in-trade		(491,368,008)	(528,943,351)
Trade debts - considered good		(634,736,839)	378,509,224
Loans and advances		(51,371,746)	14,959,650
Trade deposits and prepayments		(912,591)	(908,771)
Sales tax refundable		18,541,427	42,791,173
Due from related parties		(7,976,047)	(38,061,524)
		(1,183,470,620)	(157,075,370)
Increase / (decrease) in current liabilities			
Trade and other payables		151,241,652	(495,259,839)
Due to related party		2,758,856	989,503
Deferred grant		(5,567,161)	1,004,335
Advances from customers		(13,135,056)	(16,231,445)
		135,298,291	(509,497,446)
Cash used in operations			
		(662,962)	(170,978,996)
Finance cost paid		(338,891,799)	(271,609,164)
Income taxes paid		(82,058,316)	(72,336,350)
Gratuity paid	11.2	(15,353,244)	(6,115,622)
Net cash used in operating activities		(436,966,321)	(521,040,132)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure including capital work in progress		(1,908,382,234)	(379,010,425)
Proceeds from disposal of property, plant and equipment		9,814,000	216,678,100
Long term investment		(10,545,645)	-
Long-term deposits		(436,890)	(3,744,206)
Net cash used in investing activities		(1,909,550,769)	(166,076,531)
<i>Balance carried forward</i>		(2,346,517,090)	(687,116,663)



MATCO FOODS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
	Note	-----Rupees-----	
<i>Balance brought forward</i>		(2,346,517,090)	(687,116,663)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finances - net		1,087,302,395	213,866,285
Lease rentals paid during the year		(28,863,837)	(33,932,143)
Dividend paid		(3,986)	(67,848,128)
Short-term borrowings - net		1,446,639,568	417,108,202
Net cash generated from financing activities		2,505,074,140	529,194,216
Net change in cash and cash equivalents during the year		158,557,051	(157,922,447)
Effect of exchange rate changes on value of foreign operation		20,002,840	(3,773,523)
Cash and cash equivalents as at the beginning of year		142,314,834	304,050,251
Effects of exchange rate changes on cash and cash equivalents		1,146,722	(39,447)
Cash and cash equivalents as at the end of year	31	322,021,447	142,314,834

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


Khalid Sarfaraz Ghori
Chief Executive Officer


M. Aamir Farooqui
Chief Financial Officer


Faizan Ali Ghori
Director

MATCO FOODS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid up share capital	Capital reserve Share premium reserve	Exchange Revaluation Reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Unrealized (loss) on revaluation of investment at fair value through OCI	Equity attributable to the Holding Company's shareholders	Total
Balance as at July 01, 2020	1,224,006,980	680,467,220	19,584,625	2,238,960,309	2,622,193,143	-	6,785,212,277	6,785,212,277
Total comprehensive income for the year								
Loss for the year	-	-	(3,773,523)	(53,052,515)	-	-	(53,052,515)	(53,052,515)
Other comprehensive loss	-	-	(3,773,523)	(982,193)	-	-	(4,755,716)	(4,755,716)
Total comprehensive loss	-	-	(3,773,523)	(54,034,708)	-	-	(57,808,231)	(57,808,231)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation net of tax - (note 8)	-	-	-	26,422,570	(26,422,570)	-	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of land and building net of tax	-	-	-	136,271,079	(136,271,079)	-	-	-
Transactions with owners								
Dividend paid @ Rs. 0.45 per share	-	-	-	(55,080,314)	-	-	(55,080,314)	(55,080,314)
Balance as on June 30, 2021	1,224,006,980	680,467,220	15,811,102	2,292,538,936	2,459,499,494	-	6,672,323,732	6,672,323,732
Balance as on July 01, 2021	1,224,006,980	680,467,220	15,811,102	2,292,538,936	2,459,499,494	-	6,672,323,732	6,672,323,732
Total comprehensive income for the year								
Profit for the year	-	-	-	448,788,317	-	-	448,788,317	448,788,317
Other comprehensive income/(loss)	-	-	20,002,840	(11,763,974)	-	(3,390,337)	4,848,529	4,848,529
Total comprehensive income	-	-	20,002,840	437,024,343	-	(3,390,337)	453,636,846	453,636,846
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation net of tax - (note 8)	-	-	-	23,666,099	(23,666,099)	-	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of land net of tax	-	-	-	1,932,093	(1,932,093)	-	-	-
Balance as on June 30, 2022	1,224,006,980	680,467,220	35,813,942	2,755,161,471	2,433,901,302	(3,390,337)	7,125,960,578	7,125,960,578

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



Khalid Sarfaraz Ghori
Chief Executive Officer



M. Aamir Farooqui
Chief Financial Officer



Faizan Ali Ghori
Director

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 STATUS AND NATURE OF BUSINESS

The 'Group' consists of:

Holding Company

- Matco Foods Limited (the Holding Group)

Subsidiary Companies

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

Associated Company

- Barentz Pakistan (Private) Limited

The Group is engaged in the business of processing and export of rice, 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 and (iv) 50 KM G.T Road, Sadhoke,

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

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

b) JKT General Trading FZE

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

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

The subsidiary has been established on October 8, 2013.

c) Matco Marketing (Private) Limited

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

d) Barentz Pakistan (Private) Limited

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

During the year the Group has recognized Rs.1,772 million (2021:Rs. 175 million) in Capital work in progress in respect of Cornstarch Project, which has commenced its commercial operation subsequent to the reporting date.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

3.2 Basis of measurement

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

3.3 Functional and presentation currency

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

3.4 Standards, Amendments and Interpretations to Approved Accounting Standards

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

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

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
Various Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020
IFRS 3 'Definition of a business' Amendment to IFRS 3	January 1, 2020
IAS 1/IAS 8 'Definition of Material' (Amendments to IAS 1 and IAS 8)	January 1, 2020
IFRS 9, and IAS 39 - Interest Rate Benchmark Reform - Phase I	January 1, 2020

Adoption of the above standards have no significant effect on the amounts for the year ended June 30, 2021.

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

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to IFRS 9)	January 1, 2022
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)	January 1, 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	January 1, 2022
Subsidiary as a First-time Adopter (Amendment to IFRS 1)	January 1, 2022
Taxation in Fair Value Measurements (Amendment to IAS 41)	January 1, 2022
Updating a Reference to the Conceptual Framework (Amendments to	January 1, 2022
Standard or Interpretation	Effective Date (Annual periods beginning on or after)
Classification of Liabilities as Current or Non-current (Amendments to	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023
Disclosure Initiative—Accounting Policies	January 1, 2023
The Group is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Group.	
3.4.3 Standards, amendments and Interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)	
Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.	
Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 17 'Insurance Contracts'	January 1, 2023
Amendments to IFRS 17 Insurance Contracts	January 1, 2023
IFRS 1 'First-time Adoption of International Financial Reporting	January 1, 2009

4 CRITICAL ASSUMPTIONS AND ESTIMATES

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

	Note
(a) useful lives of property, plant and equipment	5.2
(b) useful lives of right-of-use assets	5.3
(c) impairment of financial assets	5.6
(d) staff retirement plan	5.1
(e) income taxes	5.13
(f) contingencies	5.18
(g) provisions	5.23
(h) impairment of non-financial asset	5.25

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Basis of consolidation

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

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

Business combination

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

Subsidiaries

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

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

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

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

5.2 Property, plant and equipment

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

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

Revaluation model

Any revaluation increase arising on the revaluation of land, factory buildings, plant and machinery and generators is recognised in statement of other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of property, plant and equipment - net of tax", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in consolidated statement of profit or loss, in which case the increase is credited to statement of profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation is charged to consolidated statement of profit or loss to the extent that it exceeds the balance, if any, held in the Surplus on revaluation of property, plant and equipment relating to a previous revaluation of that asset. The Surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit. Impairment losses if any are recorded on the basis as defined in note 5.24.

Depreciation

Depreciation is charged so as to write off the cost or revalued amount of assets (other than land and capital work in progress) over their estimated useful lives, using the diminishing balance method at rates specified in note 19.1 to the consolidated financial statements. Depreciation on addition is charged from the day an asset is available for use upto the day prior to its disposal.

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

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date. The Group's estimate of residual value of property, plant and equipment as at June 30, 2021 did not require any adjustment.

Capital work-in-progress

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

5.3 Right-of-use assets and related liabilities

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

The right-of-use asset is depreciated on straight line basis in case of Godown and written down value method in case of vehicles, from the lease commencement date to the earlier of the end of the useful

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

5.4 Intangible assets

Intangible assets having definite useful life are stated at cost less accumulated amortization and impairment losses (if any). However, intangible assets having indefinite life are stated at cost less impairment losses (if any). Impairment losses (if any) are recorded on the basis as defined in note 5.24.

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

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

All intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Where the carrying amount of an asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount. The carrying amount of other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated. The recoverable amount is the greater of its value in use and fair value less cost to sell.

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

5.5 Investments

5.5.1 Investment in Associates & Joint Venture

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

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

5.5.2 Other Investments

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

5.6 IFRS 9 - Financial Instruments - Initial recognition and subsequent measurement
Initial recognition

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

Classification of financial assets

The Group classifies its financial instruments in the following categories:

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

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

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

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

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

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

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

Classification of financial liabilities

The Group classifies its financial liabilities in the following categories:

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

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

Subsequent measurement

i) Financial assets at FVTOCI

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

ii) Financial assets and liabilities at amortized cost

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

iii) Financial assets and liabilities at FVTPL

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

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

Impairment of financial assets

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

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

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

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

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

Derecognition

i) Financial assets

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

ii) Financial liabilities

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

5.7 Derivative financial instruments

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

5.8 Stores, spares and loose tools

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

5.9 Stock-in-trade

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

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

5.10 Staff retirement benefits
Defined benefit plan

The Group operates an unapproved gratuity scheme for its employees completing the eligibility period of service as defined under the plan. The scheme provides for a graduated scale of benefits dependent on the length of service of an employee on terminal date, subject to the completion of minimum qualifying period of service. Gratuity is based on employees' last drawn gross salary.

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

5.11 Trade debts

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

5.12 Cash and cash equivalents

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

5.13 Taxation

Current

The charge for current tax is based on taxable income at current rates of taxation after taking into account tax credits, rebates and exemptions available, if any, or in accordance with the final tax regime, where applicable, of the Income Tax Ordinance, 2001 (the Ordinance) or the minimum tax under section 113 of the Ordinance or Alternate Corporate Tax (ACT) under section 113C of the said Ordinance, whichever is higher.

Deferred

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

Deferred tax liabilities are recognized for all major taxable temporary differences.

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

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

5.14 Borrowings and their costs

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

5.15 Leases

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

i. Lease liabilities

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

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

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

5.16 Deferred grant

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

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

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

5.17 Trade and other payables

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

5.18 Contingencies

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

5.19 IFRS 15 'Revenue from Contracts with Customers'

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

expects to be entitled in exchange for those goods.

The Group has concluded that based on the contractual arrangement control of goods are transferred and performance obligations are satisfied at a point in time when the goods are dispatched to the In case of export the control is transferred when the goods are shipped to the destination and Bill of Lading has been prepared, thus completing the performance obligation. Whereas in case of local sales, control is transferred when the goods are dispatched to customers from the warehouse.

5.20 Interest Income

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

5.21 Foreign currency transaction & translation

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

5.22 Off-setting of financial assets and financial liabilities

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

5.23 Provisions

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

5.24 Operating segments

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

Operating Segment are reported in manner consistent with the internal reporting provided to the Chief operating decision maker.

5.25 Impairment of non-financial assets

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

5.26 Related party transactions

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

5.27 Earnings per share

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

5.28 Dividend

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

6 SHARE CAPITAL

6.1 Authorized Share Capital

2022	2021	2022	2021
Number of shares		-----Rupees-----	
200,000,000	200,000,000	2,000,000,000	2,000,000,000

Ordinary shares of Rs. 10 (2021:
Rs. 10)

6.2 Issued, Subscribed and Paid up Share Capital

2022	2021	2022	2021
Number of shares		-----Rupees-----	
50,340,213	50,340,213	503,402,130	503,402,130
6,002,950	6,002,950	60,029,500	60,029,500
66,057,535	66,057,535	660,575,350	660,575,350
122,400,698	122,400,698	1,224,006,980	1,224,006,980

Ordinary shares of Rs. 10 each:
- fully paid in cash
- issued for consideration other than cash

- issued as fully paid bonus shares

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

	2022	2021
	--Number of Shares--	
6.4 Shares held by the related parties of the Group		
Director and their spouse		
Mr. Jawed Ali Ghori	23,964,021	23,964,021
Mr. Khalid Sarfaraz Ghori	24,031,271	24,031,271
Mr. Faizan Ali Ghori	843,250	523,250
Ms. Naheed Jawed (Spouse of Jawed Ali Ghori)	448,875	448,875
Ms. Nuzhat Khalid Ghori (Spouse of Khalid Sarfaraz Ghori)	448,875	448,875
Mrs. Faryal Murtaza	500	500
Mr. Murtaza Mahfooz Talib (Spouse of Faryal Murtaza)	336,821	336,821
Mr. Safwan Ghori	5,250	5,250
Mr. Syed Kamran Rasheed	7,029	7,029
Mr. Abdul Samad Khan	500	500
Ms. Umme Habibah	2,500	500
Mr Muhammad Mohsin	500	-
Substantial shareholder		
International Finance Corporation	18,360,109	18,360,109
Ms. Sadaf Tariq	24,480,146	425,250

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
6.5 Reconciliation of number of shares outstanding is as under:		--Number of Shares--	
Shares at the beginning of the year		122,400,698	122,400,698
Shares issued during the year in cash		-	-
Bonus shares issued during the year		-	-
Shares at the end of the year		122,400,698	122,400,698
6.6	The Group has issued 15% shares to International Finance Corporation (IFC) (registered with World Bank) under an agreement with the Group. During the year 2012, the Group offered shares as fully paid right shares which were declined by the existing members and the directors issued those shares to the IFC. These shares have been issued at a price of Rs. 39.28 per share resulting in overall premium from IFC on issue of shares amounting to Rs. 341.311 million.		
7 CAPITAL RESERVE	Note	2022	2021
		-----Rupees-----	
Share premium	7.1 & 7.2	680,467,220	680,467,220
7.1	Premium received over and above face value of the shares issued to IFC amounting to Rs. 341 million out of which Rs. 22.9 million had been utilized under section 83 of the repealed Companies Ordinance, 1984 (now section 81 of the Companies Act, 2017) during the year ended June 30, 2014.		
7.2	Premium received over and above face value of the shares issued to general public through IPO amounting to Rs. 466.3 million out of which Rs. 45.9 million had been utilized under section 81 of the Companies Act, 2017 during the year ended June 30, 2019.		
8 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX			
This represents surplus arising on revaluation of land, buildings, plant and machinery and generators, net of deferred tax. The revaluation was carried by Oceanic Surveyors (Private) Limited			
		2022	2021
		-----Rupees-----	
Surplus on revaluation at the beginning of the year		2,548,210,281	2,722,227,888
Transferred to unappropriated profit in respect of disposal of property, plant and equipment		(1,932,093)	(136,271,079)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		(33,808,713)	(37,746,528)
Surplus on revaluation of operating fixed assets as at June 30		2,512,469,475	2,548,210,281
Less: related deferred tax liability:			
- at beginning of the year		(88,710,787)	(100,034,745)
- on incremental depreciation charged during the year		10,142,614	11,323,958
		2,433,901,302	2,459,499,494

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

9	LONG TERM FINANCES - SECURED	Note	2022 -----Rupees-----	2021
	<i>From banking companies and financial institution:</i>			
	LTFE/ILTFE	9.1	413,740,791	316,751,724
	TERF/ITERF	9.2	986,349,285	111,690,996
	FFSAP	9.3	278,782,716	60,455,042
	Demand Finance	9.4	26,391,304	56,989,128
	Salary Refinance	9.5	50,025,241	122,100,052
			<u>1,755,289,337</u>	<u>667,986,942</u>
	Current portion of long term finances		<u>(172,857,144)</u>	<u>(175,076,206)</u>
			<u>1,582,432,193</u>	<u>492,910,736</u>

- 9.1** The Group has obtained Long Term Financing/Islamic Long Term Financing Facility (LTFE/ILTFE) under SBP Schemes from various commercial banks. The effective rates of mark-up on these facilities vary from SBP rate+ 1% to 2.5% per annum (2021: SBP rate+ 1% to 2.5% per annum).
- 9.2** The Group has obtained Temporary Economic/Islamic Temporary Economic Refinance Facility (TERF/ITERF) under SBP Schemes from various commercial banks and islamic banks. The effective rates of mark-up on these facilities vary from SBP rate+ 1.50% to 2% per annum (2021: SBP+ 1.5% to 2% per annum).
- 9.3** The Group has obtained Financing Facility for Storage of Agricultural Produce (FFSAP) under SBP Scheme from various financial institutions. The effective rates of mark-up on these facilities vary from SBP rate+ 1.25% to 2.00% per annum (2021: SBP rate+ 1% to 1.25% per annum).
- 9.4** The Group has obtained Demand Finance Facility (DF) from various commercial banks. The effective rates of mark-up on these facilities vary from KIBOR+ 1% to 1.5% per annum (2021: KIBOR+ 0.75% to 1.75% per annum).
- 9.5** The Group has obtained Diminishing Musharakah Islamic Long Term Financing Facility(ILTFE) under SBP Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees as per the SBP Circular # 06 of 2020 dated: April 10, 2020. The effective rate of mark-up on the facility is SBP rate plus 1% (2021: SBP rate plus 1% per annum).
- 9.6** These facilities are secured by way of hypothecation charge of present/future fixed assets (land, building, plant & machinery) of the Group with 25% margin / 1st Exclusive charge over specific machinery assets.
- 9.7** The maximum available amount from above mentioned facilities amounts to Rs. 27 million (2021:Rs. 674 million).

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

10 LEASE LIABILITIES

Note	2022			2021		
	Vehicle	Godown	Total	Vehicle	Godown	Total
	-----Rupees-----					
Opening balance	62,159,861	88,115,533	150,275,394	53,104,121	89,370,526	142,474,647
Impact of adoption of IFRS-16	-	-	-	-	-	-
Reassessment of lease liability	-	17,437,503	17,437,503	-	3,225,802	3,225,802
At July 1	62,159,861	105,553,036	167,712,897	53,104,121	92,596,328	145,700,449
Additions for the year	64,387,816	-	64,387,816	26,532,000	-	26,532,000
Accrued interest during the year	8,604,527	13,693,353	22,297,880	4,519,909	11,975,088	16,494,997
	135,152,204	119,246,389	254,398,593	84,156,030	104,571,416	188,727,446
Payment made during the year	(32,322,672)	(18,839,045)	(51,161,717)	(21,996,169)	(16,455,883)	(38,452,052)
	102,829,532	100,407,344	203,236,876	62,159,861	88,115,533	150,275,394
Current portion of lease liabilities	20,193,971	7,440,417	27,634,388	18,277,390	5,367,403	23,644,793
Non-current	82,635,561	92,966,927	175,602,488	43,882,471	82,748,130	126,630,601

10.1 Maturity analysis of lease liabilities

Upto one year	20,193,971	7,440,417	27,634,388	18,277,390	5,367,403	23,644,793
After one year	82,635,561	92,966,927	175,602,488	43,882,471	82,748,130	126,630,601
Lease liabilities	102,829,532	100,407,344	203,236,876	62,159,861	88,115,533	150,275,394

11 DEFERRED LIABILITIES

Note	2022	2021	
	-----Rupees-----		
Deferred tax liability	11.1	78,568,173	88,710,787
Staff gratuity scheme - unfunded	11.2	173,145,158	132,804,676
Employees' end of service benefit	11.3	328,648	252,700
		252,041,979	221,768,163

11.1 This represent deferred tax on surplus on revaluation of property, plant and equipment. Further, the Group has deferred tax asset amounting to Rs. 21.25 million (2021: Rs. 13.83 million). However, the Group has not recorded deferred tax asset in of these consolidated financial statements.

Note	2022	2021	
	-----Rupees-----		
11.2 Staff gratuity scheme - unfunded			
Balance at beginning of the year	132,804,676	105,601,555	
Charge for the year	11.2.7	43,929,752	32,336,550
Actuarial losses		11,763,974	982,193
Payments made during the year		(15,353,244)	(6,115,622)
Balance at end of the year	11.2.3	173,145,158	132,804,676

11.2.1 Staff retirement benefits - unfunded

In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at June 30, 2022, using the "Projected Unit Credit Method". Provision has been made in these

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

consolidated financial statements to cover obligations in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation in respect of above-mentioned schemes are as follows:

		2022	2021
Discount rate - per annum		13.25%	10.00%
Expected rate of increase in salaries - per annum		12.25%	9.00%
Mortality rate		SLIC (2001-05)	SLIC (2001-05)
		2022	2021
11.2.2 The amounts recognized in the consolidated statement of financial position are as follows:	Note	-----Rupees-----	
Present value of defined benefit obligation	11.2.3	<u>173,145,158</u>	<u>132,804,676</u>
11.2.3 Movements in the net liability recognized in the consolidated statement of financial position are as follows:			
Opening liability		132,804,676	105,601,555
Charge for the year	11.2.4	43,929,752	32,336,550
Actuarial losses		11,763,974	982,193
Benefits paid		<u>(15,353,244)</u>	<u>(6,115,622)</u>
Balance at end of the year		<u>173,145,158</u>	<u>132,804,676</u>
11.2.4 The amounts recognized in the consolidated statement of profit or loss against defined benefit scheme are as follows:			
Current service cost		31,416,947	23,620,332
Interest cost		12,512,805	8,716,218
Charge for the year		<u>43,929,752</u>	<u>32,336,550</u>
11.2.5 The amounts recognized in the other comprehensive income against defined benefit scheme are as follows:			
Actuarial loss arising from - experience adjustment		<u>11,763,974</u>	<u>982,193</u>
11.2.6 Expense chargeable to consolidated statement of profit or loss for the next year			
Current service cost		39,226,611	28,190,867
Interest cost		22,941,733	13,280,468
Charge for the year		<u>62,168,344</u>	<u>41,471,335</u>
11.2.7 The expense for the staff retirement benefit scheme has been allocated as follows:			
Cost of sales	33.4	27,805,465	20,845,668
Selling and distribution	34.1	3,305,419	2,600,385
Administrative expenses	35.1	12,818,868	8,890,497
		<u>43,929,752</u>	<u>32,336,550</u>
11.2.8 Sensitivity analysis of actuarial assumptions			

The sensitivity analysis is prepared using same computation model and assumptions as used to

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

	Increase in assumptions	Decrease in assumptions
	-----Rupees-----	
Discount rate	158,315,458	121,430,096
Expected salary increase	189,363,983	145,244,734

11.2.9 Risks on account of defined benefit scheme

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

Final salary risk

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

Discount rate fluctuation

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

11.2.10 Maturity profile

	2022	2021
Average expected remaining working lifetime of members	10 Years	10 Years
Average duration of liability	09 Years	09 Years

11.3 Employees' end of service benefit

	-----Rupees-----	
Opening liability	252,700	269,553
Charge for the year	75,948	-
Payment during the year	-	(16,853)
Closing liability	<u>328,648</u>	<u>252,700</u>

12 DEFERRED GRANT

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

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

	2022	2021
	-----Rupees-----	
Opening Balance	7,128,513	6,124,178
Grant recognized during the year	-	5,973,613
Amortization of grant	36.1 <u>(5,567,161)</u>	<u>(4,969,278)</u>
	<u>1,561,352</u>	<u>7,128,513</u>
Less: current portion of deferred grant	<u>(1,561,352)</u>	<u>(6,176,233)</u>
	<u>-</u>	<u>952,280</u>

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

		2022	2021
13	TRADE AND OTHER PAYABLES	-----Rupees-----	
	Note		
Creditors		539,143,298	459,356,401
Accrued liabilities		91,306,326	49,901,115
Tax deducted at source and payable to statutory authorities		4,156,573	2,722,837
Worker's welfare fund	13.1	10,622,942	7,504,284
Worker's profit participation fund	13.2	26,562,262	990,112
		671,791,401	520,474,749

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	-----Rupees-----	
13.1 Worker's welfare fund		
Opening balance	7,504,284	7,113,214
Allocation for the year	10,622,942	391,070
Reversal of WWF	(6,081,207)	-
Amount paid	(1,423,077)	-
Closing balance	<u>10,622,942</u>	<u>7,504,284</u>
13.2 Worker's profit participation fund		
Opening balance	990,112	12,234,103
Allocation for the year	26,557,356	977,674
Amount paid	(985,206)	(12,221,665)
Closing balance	<u>26,562,262</u>	<u>990,112</u>
14 ACCRUED MARK-UP		
Mark-up on long term finances	21,697,763	8,243,265
Mark-up on short term borrowings	99,041,500	49,634,664
	<u>120,739,263</u>	<u>57,877,929</u>

15 DUE TO RELATED PARTY

This represents amount received from the Ghori Trust for the purpose of expenses to be incurred by the Group on their behalf. . The maximum aggregate amount at the end of any month during the year was Rs. 4.66 million (2021: Rs. 0.98 million).

		2022	2021
		-----Rupees-----	
16 SHORT-TERM BORROWINGS	Note		
SECURED			
Export re-finance	16.1	4,537,949,000	4,331,949,000
Own resource	16.2	2,441,695,808	1,201,056,240
		<u>6,979,644,808</u>	<u>5,533,005,240</u>

16.1 The Group has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from Commercial banks and Islamic banks. The effective rates of mark-up on these facilities at SBP rate plus 1% per annum (2021: SBP rate plus 1% per annum).

16.2 The Group has short term running finance facility under own resource from Commercial banks and Islamic banks. The effective rates of mark-up on these facilities vary from 3-month/6-month KIBOR plus 0.75% to 2% per annum(2021: 3-month/6-month KIBOR plus 0.75% to 2% per annum).

16.3 The facilities available from various banks amount to Rs. 7,120 million (2021: Rs. 6,150 million). These facilities are secured by way of hypothecation charge of all present and future cash collateral/TDR, receivable, stocks & current assets. These facilities are registered by mortgage charge of land, building, plant and machinery and all present & future fixed assets.

16.4 As at June 30, 2022, the unavailed facilities from above borrowings amounting to Rs. 624 million (2021: Rs. 617 million).

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

17 UNPAID DIVIDEND

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

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

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

18.1.2 The Group had filed the civil suit no. 1635 of 2009 for possession of land which was illegally dispossessed by the Syed Alay Sadaqain Naqvi (defendants) and to issue a permanent injunction to restrain the defendants from alienation or transferring the land. The Honorable Sindh High Court (SHC) passed an order on November 19, 2009, in which SHC has granted permanent injunction in above suit on December 11, 2018. The matter is fixed for hearing and the management of the Group believes that the matter will be decided in favour of the Group.

18.1.3 Suit no. 2141 of 2015 has been filed against the Group for declaration, possession, damages, mesne profit and injunction before the Senior Civil Judge (west) at Karachi. The plaintiff claims to be the lawful owner of a piece of land measuring 10 acres ("Subject Land"), which also includes the land which is also subject matter of suit no. 1635 of 2009. The plaintiff has sought declaration as to the ownership and occupation of Subject Land. The Group has filed an application under Order 7 Rule 11 stating therein that the instant suit is barred by law as the plaintiff's earlier suits raising the same dispute were dismissed. On August 29, 2017, the learned Judge was pleased to allow the application of the Group and the plaintiff appeal was rejected accordingly. The Plaintiff aggrieved by the said order appealed the same matter before IVth Additional and District Judge (ADJ) bearing Appeal No. 311 of 2017 ("Appeal"). On September 09, 2018, the learned Appellate Court decided the Appeal in favor of the Plaintiff and against the Group, set aside the order dated August 29, 2017 and restored the above suit. Aggrieved by the order of ADJ in Appeal no. 311 of 2017 the Group filed appeal no 157 of 2018. The Group contended that the order passed by ADJ was bad in law as the law does not permit fresh proceedings on the same cause of action of which issue has already been adjudicated upon by the Courts and the suit 2141 of 2015 was rightly rejected by the trial court. The learned Judge after hearing the Group's submission and arguments was pleased to suspend the operation of the impugned Judgement (passed in Appeal

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

no. 311 of 2017) via order dated December 17, 2018. The matter is fixed for hearing and the management of the Group believes that the matter will be decided in favor of the Group.

18.1.4 The Group has filed suit no. 1378 of 2019 and suit 1820 of 2020 in SHC against Sui Southern Gas Company Limited. The case has been filed on the ground that the gas tariff/price has been increased by SSGC illegally. The case is pending before SHC and is fixed for hearing, however, SHC has directed the Group to pay their bills according to previous judgement by either bank guarantee or deposit cheque ready to encash to the satisfaction of the Nazir of the court and SSGC shall issue revised bills, further the management of the Group in consultation of legal advisor is of the view that based on the merit of the case, the same will be decided in favor of the Group.

18.1.5 The Group has filed a suit for declaration and permanent injunction against the Syed Alay Sadaqain Naqvi (defendants) for continuosly interfering with the peaceful possession of the extended portion of 0.5 acres of land that was regularized in favor of the Group on February 07, 2020 by virtue of a registered deed of Addenda of lease. The Group has pleaded that the Group is the absolute and lawful owner in possession of an immovable property, name Plot. No. G-205 SITE Super Highway Phase II Karachi measuring 4.5 acres by virtue of lease deed dated November 10, 2008 executed by Sindh Industrial Trading Estate Limited. The Group intends to utilize the 0.5 acres of land that was regularized recently in favor of the Group however, the defendants is interfering with the posseseion of the property. The Group has asked the SHC to declare that the defendant is wrongfully and illegally claiming to be the owner of the property and requested SHC to stop interfering with the Group's peaceful possession on the extended portion measuring 0.5 acres. SHC through an order dated May 19, 2020 restrained the defendant from creating any interference in the Group's extended portion of the property. Being aggrieved from the decision the defendant has filed an appeal H.C.A D-110 of 2020 in SHC, in which defendant has pleaded that SHC entertained the suit despite clear instructions from Honorable Chief Justice, High Court not to entertain civil matters during COVID-19 pandemic. Defendant has also alleged that the bench failed to examine the documents relied upon by the Group as the title of Sindh Industrial Trading Estate Limited cannot be established on the basis of such documents. Further, it is contended that the Group misled the Honourable bench and obtained the Order by not disclosing the pendency of earlier suit bearing No. 1635/2009 for possession of the same subject property. Based on the merit of case the management of the Group believes that the matter will be decided in favor of the Group.

18.1.6 In prior years Government of Sindh imposed infrastructure cess @ 0.85% of import value on all imports into Pakistan. A large number of importers including the Group challenged the matter in the SHC. The SHC has issued an interim order allowing release of imported goods on 50% payment and 50% bank guarantee. This suit no. 2173 of 2013 was filed on June 10, 2013, the SHC has passed the judgement in the subject matter wherein SHC has declared the imposition of cess valid piece of Legislation. The Group alongwith other industries affected by the SHC order has challenged the judgement of SHC in Honourable Supreme Court of Pakistan (SCP). The management is of the view that the Group is not likely to suffer any losses due to above suit.

18.1.7 In 2011, Government of Pakistan (GoP) impose a levy on gas consumers in the industrial sector, known as The Gas Infrastructure Development Cess (GIDC). The amount collected was to be used for the construction of infrastructure projects.

GIDC was challenged in Honourable Peshawar High Court (PHC) in December 2013, PHC declared the levy of GIDC unconstitutional. PHC further directed the GoP to return the collected amount, GoP challenged the decision of PHC in the Honourable Supreme Court of Pakistan (SCP), however,

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

SCP upheld the decision of PHC by declaring GIDC a fee and not a tax that can be charged.

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

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

On October 15, 2020, the Group filed suit no. 1531 of 2020 in Honourable High Court of Sindh (SHC), with a plea that the Group did not pass on the GIDC burden to the end consumer, therefore in accordance with section 8 (2) of Gas Infrastructure Development Cess Act, 2015 (GIDC Act, 2015) the GIDC is not applicable on the Group, which is pending for decision, however, the SHC has issued sustaining order to Gas companies from taking any coercive action against the Group. The management of the Group in consultation of its legal advisor is of the view that since the Group has not passed on the burden to its consumer/clients, it is not liable to pay GIDC as they clearly falls within the ambit of the exception in line with section 8 (2) of GIDC Act, 2015.

18.1.8 The Group has filed suit No. 730 of 2015 before SHC against the imposition of Captive Power Plant rate instead of Industrial Consumer rate. The Group contends that they donot fall into the category of Captive Power Plant, but rather an Industrial Consumer, so the rate charged by the SSGC i.e. Rs.200 per MMBTU, is not applicable in the case of the Group. The case has been decreed in favour of the Group vide order dated February 02, 2020. SSGC has challenged the Judgment before the Divisional bench of SHC which is pending for adjudication. Based on the merit of case the management of the Group believes that the matter will be decided in favor of the Group.

18.2	Commntments	Note	2022	2021
			-----Rupees-----	
	Letter of credit		386,270,071	912,150,112
	Letter of guarantees		45,296,400	34,620,480
	Capital Expenditures		2,400,000	543,478,892
	Cheques issued in favour of Nazir of high court in relation to SSGC case	18.1.4	5,165,163	1,828,689
			<u>439,131,634</u>	<u>1,492,078,173</u>

MATCO FOODS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

19 PROPERTY PLANT AND EQUIPMENT	Note	Rupees	
		2022	2021
Operating fixed assets	19.1	4,620,285,400	4,643,667,656
Capital work in progress	19.2	1,949,328,669	264,263,344
		<u>6,569,614,069</u>	<u>4,907,931,000</u>

19.1 Operating fixed assets

Particulars	Cost / Revaluation				Depreciation			Rate per annum %			
	Cost at July 01, 2021	Additions	Transfers in / (out)	Revaluation surplus	Disposals	Cost at June 30, 2022	Accumulated depreciation at July 01, 2021		Depreciation for the year on disposals	Accumulated depreciation at June 30, 2022	Book value at June 30, 2022
Owned Assets											
Factory land	2,478,880,001	-	-	-	-	2,478,880,001	-	-	-	2,478,880,001	-
Factory building	1,292,887,310	1,045,934	38,593,402	-	-	1,332,526,646	544,660,500	74,954,351	619,604,851	712,921,795	10
Plant and machinery	1,921,640,543	24,512,036	105,594,876	-	-	2,051,761,455	799,416,108	117,758,934	917,175,042	1,134,586,413	10
Electric cables and fitting	58,666,318	3,943,912	-	-	-	62,610,230	28,826,053	3,136,443	31,962,496	30,647,734	10
Furniture and fixture	14,608,983	1,702,910	-	-	-	16,311,893	7,552,347	827,657	8,380,004	7,931,889	10
Motor vehicles	72,957,442	9,690,000	-	-	4,776,630	77,866,812	55,877,957	3,356,038	2,867,812	21,500,629	20
Office equipment	37,186,736	3,013,624	1,242,250	-	-	41,442,610	15,546,848	2,233,624	17,780,472	23,662,138	10
Factory equipment	161,052,018	7,913,299	-	-	-	168,965,317	24,615,880	14,002,472	38,618,352	130,346,965	10
Computers	21,896,117	3,184,550	-	-	-	25,080,667	17,460,731	1,747,450	19,208,181	5,872,486	33
Camera	4,380,524	52,900	-	-	-	4,433,424	3,788,585	204,571	3,993,156	440,268	33
Godown & Shops	33,036,051	-	-	-	-	33,036,051	14,051,168	1,898,488	15,949,656	17,086,395	10
Sewing machine	1,369,205	-	-	-	-	1,369,205	923,193	44,601	967,794	401,411	10
Mobile phone	4,544,914	1,107,408	-	-	-	5,652,322	3,069,511	610,386	3,679,897	1,972,425	33
Generator	103,624,806	7,830,215	-	-	6,133,680	105,321,341	47,289,431	6,192,649	2,195,590	51,286,490	10
Total	6,206,735,968	64,001,768	145,430,528	-	10,910,310	6,405,257,574	1,563,068,312	226,967,664	5,063,402	1,784,372,574	4,620,285,400



MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

2021

Particulars	Cost / Revaluation				Depreciation				Rate per annum %		
	Cost at July 01, 2020	Additions	Transfers in / (out)	Revaluation surplus	Disposals	Cost at June 30, 2021	Accumulated depreciation at July 01, 2020	Depreciation for the year on disposals		Accumulated depreciation at June 30, 2021	Book value at June 30, 2021
Owned Assets											
Factory land	2,643,880,001	-	-	-	155,000,000	2,478,880,001	-	-	-	2,478,880,001	-
Factory building	1,285,887,301	7,000,009	-	-	-	1,292,887,310	461,887,298	82,763,202	544,650,500	748,236,810	10
Plant and machinery	1,858,701,081	23,885,436	39,063,026	-	-	1,921,649,543	680,188,090	119,228,018	799,416,108	1,122,233,435	10
Electric cables and fitting	58,666,318	-	-	-	-	58,666,318	25,510,468	3,315,585	28,826,053	29,840,765	10
Furniture and fixture	14,146,903	462,080	-	-	-	14,608,983	6,799,108	753,239	7,552,347	7,056,636	10
Motor vehicles	84,445,341	6,536,741	-	-	18,028,640	72,953,442	67,842,801	3,237,228	55,877,957	17,075,485	20
Office equipment	27,705,353	3,966,723	5,514,660	-	-	37,186,736	13,711,774	1,835,074	15,546,848	21,639,888	10
Factory equipment	82,144,680	18,110,093	60,797,245	-	-	161,052,018	14,150,878	10,465,002	24,615,880	136,436,138	10
Computers	20,879,567	1,016,550	-	-	-	21,896,117	15,755,511	1,705,221	17,460,731	4,435,386	33
Camera	4,344,524	36,000	-	-	-	4,380,524	3,514,554	274,031	3,788,585	591,939	33
Godown & Shops	33,036,051	-	-	-	-	33,036,051	11,941,736	2,109,431	14,051,168	18,984,883	10
Sewing machine	1,369,205	-	-	-	-	1,369,205	873,636	49,557	923,193	446,012	10
Mobile phone	3,640,479	1,033,995	-	-	149,560	4,544,914	2,641,827	540,290	3,069,511	1,475,403	33
Generator	103,100,806	524,000	-	-	-	103,624,806	41,073,806	6,215,626	47,289,431	56,335,375	10
Total	6,221,947,610	62,591,627	105,374,931	-	183,178,200	6,206,735,968	1,345,891,486	232,491,504	1,563,068,312	4,643,667,656	

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

	Note	2022	2021
		-----Rupees-----	
Cost of sales	33	181,574,131	185,993,203
Selling and distribution expenses	34	11,348,383	11,624,575
Administrative expenses	35	34,045,150	34,873,726
		<u>226,967,664</u>	<u>232,491,504</u>

19.1.2 Factory land includes a plot in which a law suit has been filed by the plaintiff who is claiming the possession and injunction of the property. The case is in process under the Honourable High Court Sindh Karachi (refer note 18.1.2, 18.1.3, 18.1.4 & 18.1.6).

19.1.3 Operating fixed assets include assets that are subject to mortgage with various banks against long-term finances and short-term borrowings (refer note 09 and 16).

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

Description of Assets	Forced sale value Rupees
Land	2,230,524,000
Building	700,400,000
Plant and machinery	886,259,750
Generators	46,645,250

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

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

	Cost / Revaluation	Accumulated depreciation	Net book amount	Sale proceeds	Gain / Loss	Mode of disposal	Particulars of buyer
 Rupees						
<i>Generator</i>							
Diesel Generator 100 KW	6,133,680	2,195,590	3,938,090	1,500,000	(2,438,090)	Tender	Soyal Sons
<i>Motor Vehicles</i>							
Toyota Altis	2,227,500	1,368,384	859,116	2,075,000	1,215,884	Tender	Mr. Noman Khan
Changan Karwan	1,627,630	281,626	1,346,004	1,755,000	408,996	Tender	King Motors

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

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

Locations	Total Area in Acres	Covered Area in Square Feet
Plot A-15 & 16, SITE-II, Super highway Karachi	2	79155
A-21, SITE-II, Super highway, Karachi	1.5	49631
G-205, SITE-II, Super highway, Karachi	4	76566
50 KM G.T Road, Sadhoke District, Gujranwala	15	133024
B1-A, SITE-II, Super highway, Karachi	0.97	34850
Plot H-162, SITE-II, Super highway, Karachi	2.5	-
Plot F-193, SITE-II, Super highway, Karachi	2	60871
50 KM G.T Road, Sadhoke District, Gujranwala	3.38	-
Plot # 53, S.E.Z, Allama Iqbal Industrial City, Faisalabad	20	723358
House # 87, Block K, Street # 24, Al Bairuni Road, WAPDA City, Faisalabad	0.063	2723

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

19.2 Capital work in progress	Note	2022	2021
		-----Rupees-----	
<i>Tangibles</i>			
Plant and machinery		1,154,791,242	154,616,058
Electric cables and fitting		68,653,446	4,182,422
Office equipment		226,000	1,242,250
Factory equipment		5,060,072	17,982
Furniture & Fixture		789,432	180,100
Generator		50,137,131	715,522
Land		81,778,739	40,133,739
Factory Building		581,395,975	62,902,671
Computers		1,632,042	272,600
Motor Vehicles		4,864,590	-
		<u>1,949,328,669</u>	<u>264,263,344</u>

19.3 Movement in capital work in progress is as under:

	Cost			
	As at July 01, 2021	Additions during the year	Transferred to Property, plant and equipment	As at June 30, 2022
-----Rupees-----				
Plant and machinery	154,616,058	1,105,770,060	(105,594,876)	1,154,791,242
Electric cables and fitting	4,182,422	64,471,024	-	68,653,446
Office equipment	1,242,250	226,000	(1,242,250)	226,000
Factory equipment	17,982	5,042,090	-	5,060,072
Furniture & Fixture	180,100	609,332	-	789,432
Generator	715,522	49,421,609	-	50,137,131
Land	40,133,739	41,645,000	-	81,778,739
Factory Building	62,902,671	557,086,706	(38,593,402)	581,395,975
Computers	272,600	1,359,442	-	1,632,042
Motor Vehicles	-	4,864,590	-	4,864,590
	<u>264,263,344</u>	<u>1,830,495,853</u>	<u>(145,430,528)</u>	<u>1,949,328,669</u>
-----Rupees-----				
	Cost			
	As at July 01, 2020	Additions during the year	Transferred to Property, plant and equipment	As at June 30, 2021
-----Rupees-----				
Plant and machinery	-	193,679,084	(39,063,026)	154,616,058
Electric cables and fitting	-	4,182,422	-	4,182,422
Office equipment	4,225,158	2,531,752	(5,514,660)	1,242,250
Factory equipment	57,754,424	3,060,803	(60,797,245)	17,982
Furniture & Fixture	-	180,100	-	180,100
Generator	-	715,522	-	715,522
Land	-	40,133,739	-	40,133,739
Factory Building	-	62,902,671	-	62,902,671
Computers	-	272,600	-	272,600
	<u>61,979,582</u>	<u>307,658,693</u>	<u>(105,374,931)</u>	<u>264,263,344</u>

19.4 The amount of borrowing costs capitalised during the year ended June 30, 2022 was Rs. 25.2 million (2021: 0.295 million). The rate used to determine the amount of borrowing costs eligible for capitalisation was 2.56%, which is the EIR of the specific borrowings.

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
Net book value	-----Rupees-----	
Land	233,230,637	233,230,637
Building	556,993,579	574,646,438
Plant and machinery	1,015,743,907	988,805,928
Generators	26,069,878	23,297,704
	1,832,038,001	1,819,980,707

20 RIGHT-OF-USE ASSETS

	2022			2021		
	Vehicle	Godown	Total	Vehicle	Godown	Total
	-----Rupees-----					
Cost						
Opening balance	150,416,518	95,623,341	246,039,859	115,124,413	92,397,539	207,521,952
Impact of adoption of IFRS-16	-	-	-	-	-	-
Reassessment of lease liability	-	17,437,503	17,437,503	-	3,225,802	3,225,802
As at July 1	150,416,518	113,060,844	263,477,362	115,124,413	95,623,341	210,747,754
Additions during the year	78,272,411	-	78,272,411	35,292,105	-	35,292,105
Disposal during the year	(4,083,500)	-	(4,083,500)	-	-	-
Total	224,605,429	113,060,844	337,666,273	150,416,518	95,623,341	246,039,859
Accumulated depreciation						
Opening balance	57,384,855	17,122,132	74,506,987	39,181,819	8,399,776	47,581,595
Charge for the year	19,219,644	10,788,812	30,008,456	18,203,036	8,722,356	26,925,392
Disposal adjustment	(2,416,093)	-	(2,416,093)	-	-	-
Closing	74,188,406	27,910,944	102,099,350	57,384,855	17,122,132	74,506,987
Net book value	150,417,023	85,149,900	235,566,923	93,031,663	78,501,208	171,532,871
Lease term	5 Years	10 Years		5 Years	10 Years	

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

	Note	2022	2021
		-----Rupees-----	
Depreciation expense of right-of-use assets	33	30,008,456	26,925,392
Interest expense on lease liabilities on Godown	33	13,693,353	11,975,388
Interest expense on lease liabilities on vehicles	36	8,604,528	4,519,909
Total amount recognised in consolidated statement of profit or loss		52,306,337	43,420,689

21 INTANGIBLE ASSETS

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

22 LONG TERM INVESTMENTS

Unquoted		
Associate - equity accounted investment	22.1	18,255,404
Quoted		
Other investments - at fair value through OCI	22.2	
Pakistan Aluminium Beverage Cans Limited		6,091,628
Engro Fertilizers Limited		1,063,680
		25,410,712
		13,371,464

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	-----Rupees-----	
22.1 Equity accounted investment - Barentz International B.V		
Balance at beginning of the period	13,371,464	18,647,853
Investment in associate	-	-
Share of profit/(loss) for the year - net of tax	4,883,940	(5,276,389)
Dividend received during the year	-	-
	<u>18,255,404</u>	<u>13,371,464</u>

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

The following table provides summarized financial information for the joint venture. The information disclosed reflects the amounts presented in the financial statements of the associates and not the Group's share of those amounts. The financial information presented below are based on the interim financial statements for the period ended June 30, 2022.

	2022	2021
	-----Rupees-----	
Assets	190,341,423	142,508,771
Liabilities	104,282,191	115,220,069
Revenues	258,968,579	144,620,437
Profit/(Loss) for the period	9,967,224	(7,425,089)

22.2 This represents the fair value of 193,201 shares of Pakistan Beverages Aluminum Can's acquired by the Group through initial public offering at the rate of Rs. 49 per share. As at June 30, 2022, the share was revalued at Rs. 31.53 per share, resulting a loss of Rs. 3.38 million (2021: Nil) during the period. Further the fair value of 12,000 shares of Engro Fertilizers acquired by the Group during the year at the rate of Rs. 89.90 per share. As at June 30, 2022 the share was revalued at Rs. 88.64 per share, resulting a loss 0.015 million (2021: Nil).

22.3 The investment in associates have been made in accordance with the requirements of Companies Act, 2017. Further, no such terms and conditions has been made at the time of investment. The Group has beneficial ownership of the investee companies. No return on investment has been made since incorporation. There are no litigation against the subsidiaries and associates of the Group that may impact the interest of the Group.

		2022	2021
		-----Rupees-----	
23 STORES, SPARES AND LOOSE TOOLS	Note		
Stores and spares	33.3	87,635,046	71,988,230
Provision for slow moving / obsolete items	23.1	(1,543,929)	(1,543,929)
		<u>86,091,117</u>	<u>70,444,301</u>

23.1 Movement in provision for slow moving / obsolete items

	2022	2021
Balance at beginning of the year	1,543,929	1,543,929
Charge for the year	-	-
Balance at end of the year	<u>1,543,929</u>	<u>1,543,929</u>

24 STOCK IN TRADE

		2022	2021
Raw materials	24.2	5,864,610,205	5,523,328,949
Packing materials	33.2	219,576,329	122,293,225
Finished goods	24.3	1,598,342,533	1,545,538,885
		<u>7,682,529,067</u>	<u>7,191,161,059</u>
Provision for slow moving / obsolete items	24.1	(20,475,083)	(19,880,700)
		<u>7,662,053,984</u>	<u>7,171,280,359</u>

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
		-----Rupees-----	
24.1	Movement In provision for slow moving / obsolete items		
	Opening balance	19,880,700	19,694,358
	Charge for the year	594,383	186,342
	Write off during the year	-	-
	Closing balance	<u>20,475,083</u>	<u>19,880,700</u>
24.2	This includes pledged raw material with various banks under long term and short term borrowing arrangements (refer note 09 and 16).		
24.3	This includes by product amounting to Rs. 354.40 million (2021: Rs. 116.43 million) and stock-in-transit amounting to Rs. 118.30 million (2021: Rs. 54.31 million)		
25	TRADE DEBTS	2022	2021
		-----Rupees-----	
	Considered good		
	Export - secured	1,773,264,734	950,127,308
	Local - unsecured	124,664,968	110,731,306
	Considered doubtful		
	Local - unsecured	13,567,967	13,567,967
	Less: Allowance for expected credit losses	25.3 (13,567,967)	(13,567,967)
		<u>1,897,929,702</u>	<u>1,060,858,614</u>
25.1	Borrowings are secured by way of charge over book debts of the Group (refer notes 09 and 16).		
25.2	As of June 30, 2022, the age analysis of trade debts is as follows:	2022	2021
		-----Rupees-----	
	Not yet due	-	-
	Past due:		
	- Up to 3 months	1,589,846,329	832,927,550
	- 3 to 6 months	264,482,259	170,189,719
	- 6 to 12 months	43,601,114	34,767,261
	- More than 12 months	-	3,239,814
		<u>1,897,929,702</u>	<u>1,041,124,344</u>
	Trade debts - Gross	<u>1,897,929,702</u>	<u>1,041,124,344</u>
25.3	Allowance for expected credit losses		
	Opening balance	13,567,967	13,567,967
	Charge during the year	-	-
	Closing balance	<u>13,567,967</u>	<u>13,567,967</u>
26	LOANS AND ADVANCES		
	Loans		
	Staff - unsecured, considered good	26.1 13,245,862	14,697,971
	Advances		
	- against services and others	3,318,622	1,338,081
	- against purchases	26.3 138,467,327	82,457,247
	- to contractors	-	166,765
	- against shares	26.4 -	5,000,000
		<u>155,031,810</u>	<u>103,660,064</u>

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

- 26.1** It represent interest free loans to various staff in accordance with the Group's policy.
- 26.2** The maximum aggregate amount due from executives at the end of any month during the year was Rs. 0.78 million (2021: Rs. 0.62 million).
- 26.3** It represents the amount provided to suppliers of rice, stores & spares and packaging which is adjustable against future purchases.
- 26.4** It represents the amount paid to Pakistan Aluminium Beverage Cans Limited for purchase of shares in IPO.

27	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS	Note	2022	2021
			-----Rupees-----	
	Deposits			
	- Capital management account		-	681,549
	- Guarantee margin		1,448,588	1,604,650
			1,448,588	2,286,199
	Prepayments			
	- Prepaid expense	27.1	4,144,657	3,889,906
	- Prepaid insurance		6,111,866	4,616,415
			10,256,523	8,506,321
			11,705,111	10,792,520

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

28	SHORT-TERM INVESTMENT	Note	2022	2021
			-----Rupees-----	
	Mutual fund units	28.1	3,054,742	379,910
	Term deposit certificates	28.2	1,200,000	1,200,000
			4,254,742	1,579,910

- 28.1** It represent mutual funds unit 39,210 (2021: 5,643) of Al-Meezan Islamic fund , AL-Ameen islamic Fund, Al-Ameen Islamic Stock Fund.
- 28.2** These represent term deposit certificates of Askari Bank Limited amounting to Rs. 1.2 million (2021: Rs. 1.2 million) respectively. The rate of profit on these certificates is 6.25% per annum (2021: 6.5%) these term deposit certificates will mature on June 2022.

29	SALES TAX REFUNDABLE	Note	2022	2021
			-----Rupees-----	
	Sales tax refundable	29.1	105,056,731	123,598,158
29.1	Movement in sales tax refundable is as under:			
	Balance at beginning of the year		123,598,158	166,389,331
	Refunds claim for the year		188,680,494	127,104,175
	Received during the year		(138,591,280)	(160,604,293)
	Adjusted during the year		(68,630,641)	(9,291,055)
	Balance at end of the year		105,056,731	123,598,158

30	DUE FROM RELATED PARTIES		2022	2021
	<i>Unsecured</i>			
	Matco Engineering Company (Private) Limited	30.1	-	1,572,277
	Barentz Pakistan (Private) Limited	30.2	51,046,611	41,338,226
	Faiyaz Centre Owner Association	30.3	-	160,061
			51,046,611	43,070,564

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

- 30.1** The maximum aggregate amount due from Matco Engineering Group (Private) Limited, at the end of any month during the year was Rs. 3.48 million (2021: Rs. 1.62 million).
- 30.2** This includes an amount of Rs. 3.4 million receivable in respect of interest on loan. The maximum aggregate amount due from Barentz Pakistan (Private) Limited at the end of any month during the year was Rs. 48.58 million (2021: Rs. 43.36 million). The amount will be utilized by the associated Group to meet the working capital requirement of the associated company. The effective rates of mark-up on this receivable is 3 months KIBOR+2% (2021: 3 months KIBOR+2%).
- 30.3** The maximum aggregate amount due from Faiyaz Centre Owner Association at the end of any month during the year was Rs. 1.14 million (2021: Rs. 0.2 million).
- 30.4** All above dues are payable on demand.
- 30.5** Ageing analysis of receivables from related parties past due but not impaired are as follows:

	Matco Engineering Company (Private) Limited	Barentz Pakistan (Private) Limited	Faiyaz Centr Owner Association
Up to 3 Months	-	51,046,611	
3 to 6 Months	-	-	
06 to 12 Months	-	-	
More than 12 Months	-	-	
	-	51,046,611	

	2022	2021
31 CASH AND BANK BALANCES	Note	-----Rupees-----
Cash in hand		8,860,885
Cash at bank		3,530,324
- current accounts		283,123,254
- deposit accounts	31.1	30,037,308
		313,160,562
		322,021,447

- 31.1** These carry weighted average profit of 11% per annum (2021: 11% per annum).

	2022	2021
32 SALES - NET	Note	-----Rupees-----
Export sales		10,499,821,413
Local sales		8,266,180,953
Rice		816,897,974
By-products		2,447,665,117
		3,264,563,091
		13,764,384,504
Sales discount / return		(78,969,127)
Freight		(1,146,956,926)
Clearing and forwarding		(89,216,337)
Sales tax		(49,772,012)
		12,399,470,102
		10,574,095,621

32.1 Disaggregation of sales

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

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
		-----Rupees-----	
Major product Lines	Note		
Rice		11,958,891,491	9,910,924,619
Others		1,805,493,013	1,179,990,761
		<u>13,764,384,504</u>	<u>11,090,915,380</u>
		2022	2021
		-----Rupees-----	
Primary geographical Markets	Note		
Local		3,264,563,091	2,824,734,427
Africa		815,185,624	374,284,303
Asia		3,036,116,932	3,047,734,113
Australia & New Zealand		1,941,121,649	1,456,649,113
Europe		3,488,535,180	2,290,121,196
USA & Canada		1,218,862,028	1,097,392,228
		<u>13,764,384,504</u>	<u>11,090,915,380</u>
33 COST OF SALES			
Rice consumed	33.1	9,212,220,732	8,577,211,227
Packing materials consumed	33.2	497,392,298	457,437,640
Stores and spares consumed	33.3	165,235,085	133,265,478
Processing expenses			
Salaries, wages and benefits	33.4	478,731,750	445,917,170
Electricity and power		200,076,597	209,626,919
Telephone and mobile		1,087,510	1,419,046
Insurance		9,476,678	8,980,473
Repairs and maintenance		26,238,178	25,178,363
Other purchases		88,946,902	42,131,127
Provision for slow moving stock	24.1	594,383	186,342
Fumigation charges		74,835,705	33,737,005
Water charges		32,677,840	49,206,266
Canteen		11,087,556	11,165,787
Diesel and oil		311,725	462,820
Staff welfare		2,308,308	2,797,963
Security expenses		18,299,672	16,330,349
Godown expenses		23,546,498	16,873,130
Rent, rates and taxes		1,675,167	23,451,490
Vehicle running expenses		11,916,618	7,460,610
Medical		3,690,618	3,766,863
Depreciation	19.1.1	181,574,131	185,993,203
Depreciation on right-of-use assets	20.1	30,008,456	26,925,392
Interest expense on lease liabilities	20.1	13,693,353	11,975,088
Processing charges		220,930	2,161,945
Inspection charges		23,060,739	19,582,415
Cost of goods manufactured		<u>11,108,907,429</u>	<u>10,313,244,112</u>
Finished goods			
Opening stock		1,545,538,885	1,141,722,539
Closing stock	24	(1,598,342,533)	(1,545,538,885)
		<u>(52,803,648)</u>	<u>(403,816,346)</u>
		<u>11,056,103,781</u>	<u>9,909,427,766</u>

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
		-----Rupees-----	
33.1	Rice consumed		
	Opening stock of raw material	5,523,328,949	5,435,050,944
	Purchases	9,277,485,006	8,488,184,359
	Cartage inwards	276,016,982	177,304,873
	Closing stock of raw material	(5,864,610,205)	(5,523,328,949)
		<u>9,212,220,732</u>	<u>8,577,211,227</u>
33.2	Packing material consumed		
	Opening stock	122,293,225	85,444,225
	Purchases	594,675,402	494,286,640
		716,968,627	579,730,865
	Closing stock-gross	(219,576,329)	(122,293,225)
		<u>497,392,298</u>	<u>457,437,640</u>
33.3	Stores and spares consumed		
	Opening stock	71,988,230	46,566,459
	Purchases	180,881,901	158,687,249
		252,870,131	205,253,708
	Closing stock-gross	(87,635,046)	(71,988,230)
		<u>165,235,085</u>	<u>133,265,478</u>
33.4	It includes provision for gratuity amounting to Rs. 27.8 million (2021: Rs. 20.8 million).		
34	SELLING AND DISTRIBUTION EXPENSES	2022	2021
		-----Rupees-----	
	Salaries and benefits	56,910,005	55,625,772
	Travelling	14,282,161	8,199,157
	Sales promotion	34,969,628	16,545,593
	Insurance	2,120,365	1,946,871
	Export charges	80,106,245	52,286,127
	Export commission	23,995,061	20,546,306
	Depreciation	11,348,383	11,624,575
	Shop rent	2,520,000	2,720,000
	General	3,027,953	17,827,214
		<u>229,279,801</u>	<u>187,321,615</u>
34.1	It includes provision for gratuity amounting to Rs. 3.3 million (2021: Rs. 2.6 million).		
35	ADMINISTRATIVE EXPENSES	2022	2021
		-----Rupees-----	
	Salaries and benefits	220,704,770	190,179,802
	Vehicle running	11,423,116	8,536,441
	Entertainment	1,394,156	936,656
	Printing and stationery	1,701,925	1,197,998
	Fee and subscription	22,135,697	22,403,229
	Legal and professional	200,000	1,535,000
	Auditor's remuneration	3,829,649	3,894,400
	Postage and telegrams	2,344,015	1,787,505
	General expenses	2,297,385	2,913,622
	Newspaper and periodicals	73,353	60,309
	Electricity and gas charges	2,748,956	21,492,276

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
	Note	-----Rupees-----	
Taxes, duty and fee		21,802,289	257,246
Medical		2,889,170	2,162,186
Insurance		3,547,762	2,632,037
Software maintenance		503,249	495,616
Computer expenses		6,198,327	4,574,968
Depreciation	19.1.1	34,045,150	34,873,726
Donations	35.4	11,335,724	6,263,200
Advertisement		1,219,792	564,900
Others		7,876,258	5,641,757
		<u>358,270,742</u>	<u>312,402,873</u>
35.1	It includes directors' remuneration amounting to Rs. 18.71 million (2021: Rs. 19.61 million) and provision for gratuity amounting to Rs. 12.80 million (2021: Rs. 8.89 million).		
35.2	It includes provision of GDC Cess amounting to Rs. Nil (2021: Rs. 18 million).		
35.3 Auditor's remuneration			
- audit fee of unconsolidated financial statements		2,573,994	2,429,073
- audit fee of consolidated financial statements		100,000	100,000
- audit fee of half yearly review		609,930	484,402
- fee for review code of corporate governance		150,000	150,000
- other certifications		150,000	150,000
- out of pocket expenses		245,725	245,725
- other services	35.3.1	-	335,200
		<u>3,829,649</u>	<u>3,894,400</u>
35.3.1	This represents services relating to taxation.		
35.4	Donation includes amount of Rs.10.84 million (2021: Rs.5.26 million) paid to Ghorri Trust, which is operated by Board of directors of the Group and their spouse namely Mr. Jawed Ali Ghorri, Mr. Khalid Sarfraz Ghorri, Mr. Faizan Ali Ghorri, Mrs. Naheed Jawed, Mrs. Nuzhat Khalid and Mrs. Dr. Sadaf Tariq.		
36 FINANCE COST	Note	2022	2021
		-----Rupees-----	
Mark up			
- long term finances - net	36.1	29,090,951	26,983,531
- short term borrowings		347,800,252	235,927,358
- interest expense on lease liabilities		8,604,528	4,519,909
Bank charges and commission		2,639,997	5,750,932
		<u>388,135,728</u>	<u>273,181,730</u>
36.1	The mark-up presented is net of amortization of grant amounting to Rs.5.57 million (2021: Rs.4.97 million).		
37 OTHER INCOME		2022	2021
		-----Rupees-----	
<i>From financial assets</i>			
- Profit on bank/short term deposits		2,589,495	3,014,143
- Interest income on account of due from related parties		4,959,465	3,680,954
<i>From non-financial assets</i>			
- Reversal of Worker's Welfare Fund		6,081,207	-
- Gain on sale of operating fixed assets		2,299,686	48,814,578

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	-----Rupees-----	
- Scrap sales	-	19,035,694
- Rental income	2,389,000	2,490,000
- Others	1,482,666	-
	<u>19,801,519</u>	<u>77,035,369</u>

38 EXCHANGE GAIN - NET

This represents exchange gain incurred on foreign currency denominated trade debts, advances from customers, creditors and bank balances.

39 INCOME TAX EXPENSE

- Current	138,778,927	91,744,142
- Prior	(19,905,170)	-
- Deferred	(10,142,614)	(11,323,958)
	<u>108,731,143</u>	<u>80,420,184</u>

39.1 Reconciliation of income tax expense for the year and accounting profit

	2022	2021
	-----Rupees-----	
Profit before tax	557,519,460	-
Tax at the applicable tax rate of 29% (2020:29%)	161,680,643	-
Tax effect of poverty elevation tax	13,511,757	-
Prior year charge	(19,905,170)	-
Tax charge on temporary difference	(10,142,614)	-
Tax effect of income under FTR	(27,306,931)	-
Others	(9,106,543)	-
	<u>108,731,143</u>	<u>-</u>

39.2 Current year taxation has been charged on the basis of provisions in Income Tax Ordinance, 2001 and accounted for after taking effect of admissible expenses in normal taxation with proportion of local sales and on final tax regime applicable to the Group based on tax withheld from export proceeds which is deemed as full and final discharge of the tax liability.

39.3 During the year, the Group has received notice U/S 221(2) from FBR regarding WWF and WPPF for the tax year 2019 and 2020. The deputy commissioner is of view that the Group has adjusted the liability of WWF and WPPF against the refund. He quoted the section 170(3) of the ordinance that the refund can only be adjusted against any other liability of tax. Since WWF and WPPF are not classifiable as "Tax" hence the same cannot be adjusted against the tax liability or credit. The Group has repoded that they had not adjusted any liability of WWF and WPPF against the refundable income tax amount upon filing of income tax return for tax year 2019 and 2020. The deputy commissioner has passed the order, without being considering the point raised by the Group, against the Group u/s 221(1) to rectify mistakes of mistreatment of WWF and WPPF amounting to Rs. 4.96 million and Rs. 4.15 million for the tax year 2019 and 2020 respectively. The Group has filed appeal before the commissioner inland revenue (Appeals-II), Karachi against the order and has taken stay order from High Court of Sindh, Karachi with refernce of C.P.No. D-6595 of 2021 and C.P.No. D-6596 of 2021 against the recovery notice of tax year 2019 and 2020

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

39.4 Return of 2016-17 filed on January 17, 2018, is an assessment order u/s 120 unless amended under section 122 of the Income Tax Ordinance, 2001. The ADCIR initiated the proceeding u/s 122(5A) of the Income Tax Ordinance, 2001 vide notice dated 21-05-2018 for amendment of deemed assessment. The response of the above notice submitted by the Group till November 15, 2018, no further notice has been received.

39.5 Return of 2020-21 filed on February 26, 2022, is an assessment order under section 120 unless amended under section 122 of the Income Tax Ordinance, 2001.

40	NUMBER OF EMPLOYEES	2022	2021
	Number of employees as at June 30	750	708
	Average number of employees during the year	729	688

41 TRANSACTION WITH RELATED PARTIES

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

Nature of relationship	Percentage of Holding	Transactions	June 30, 2022	June 30, 2021
			-----Rupees in -----'	
Directors		Godown rent paid to director	14,622,631	13,019,342
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	108,381,383	124,782,682
		Payment received on account of expenses	100,022,391	85,325,438
		Interest Income	4,189,553	3,680,954
		Interest Received	1,973,986	2,486,642
		Commission paid	1,678,675	-
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	1,911,001	1,040,181
		Payment received on account of expenses	3,483,278	1,085,000
Faiyaz Center Owner Association	0%	Paid expenses on behalf	981,021	160,061
		Payment received on account of expenses	1,141,082	-
Trust operated by the Company				
Ghori Trust	0%	Paid expenses on behalf	8,138,247	4,487,539
		Payment received on account of expenses	74,200	5,946,122
		Donation expense	10,835,724	5,265,700
Nature of relationship	Percentage of Holding	Balances	June 30, 2022	June 30, 2021
			-----Rupees in -----'	
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Receivable against expenses	47,636,733	40,143,915
		Interest receivable	3,409,878	1,194,311

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Associates based on common directorship					
Matco Engineering Co (Private) Limited	0%	Receivable against expenses	-	1,572,277	
Faiyaz Center Owner Association	0%	Receivable against expenses	-	160,061	
Trust operated by the Company					
Ghori Trust	0%	Payable against donation	3,748,360	976,683	

41.1 Following are the related parties with whom the Group had entered into transactions or have arrangement / agreement in place:

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

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

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

42 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	Chief Executive Officer		Directors		Executives		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	Rupees							
Short-term employee benefits								
Managerial remuneration	3,524,800	3,609,872	8,950,800	9,464,347	56,892,363	36,527,567	69,367,963	49,601,786
House rent allowances	1,409,920	1,624,442	3,580,320	4,258,956	22,786,948	16,437,405	27,747,185	22,320,803
Utilities	1,895,898	1,113,478	2,379,848	3,054,896	6,240,811	2,296,572	10,216,557	6,464,946
Bonus	791,000	385,000	1,362,000	950,000	5,653,895	4,475,583	7,806,895	5,810,583
Fuel expense	516,076	628,515	1,670,646	1,803,931	7,699,712	3,573,948	9,886,434	6,006,394
Medical expense	214,705	58,658	298,048	406,982	1,301,046	685,800	1,813,799	1,151,440
Vehicle expense	69,861	178,668	1,552,862	838,303	1,060,185	800,401	2,682,908	1,817,372
Other expense	207,220	89,520	405,563	633,220	-	-	612,783	722,740
	8,329,480	7,688,153	20,200,087	21,410,635	101,604,957	64,797,276	130,134,524	93,896,064
Value of motor vehicles	5,105,267	17,906,727	21,568,043	15,434,901	43,812,448	20,810,638	70,485,758	54,152,266
Number of Persons	1	1	2	3	35	19		

42.1 In addition to above, fees of 0.719 million (2021: 0.950 million) was paid to independent directors of the Group for attending board of directors meeting during the year.

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

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

43	PLANT CAPACITY AND PRODUCTION	2022 (Tons)	2021 (Tons)
	Annual Plant Capacity		
	- Rice processing	178,500	134,700
	- Rice Glucose	33,000	33,000
	Actual Production		
	- Rice processing	118,266	89,555
	- Rice Glucose	12,081	11,878
43.1	Actual production is less than installed capacity due to planned maintenance shutdown and production planned as per market demand.		

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	-----Rupees-----	
44 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED		
Profit / (Loss) for the year	<u>448,788,317</u>	<u>(53,052,515)</u>
Number of ordinary shares	<u>122,400,698</u>	<u>122,400,698</u>
Weighted average number of ordinary shares	<u>122,400,698</u>	<u>122,400,698</u>
Earnings / (loss) per share - basic and diluted	<u>3.67</u>	<u>(0.43)</u>

There is no dilutive effect on earnings per share as the Group does not have any convertible instruments as at June 30, 2022 and June 30, 2021.

45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

45.1 Market risk

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

45.1.1 Currency risk

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

Exposure to Foreign currency risk

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

	2022	2021
	----- Amount in USD -----	
Trade debts	<u>9,045,081</u>	<u>6,031,023</u>
Cash and bank balances	<u>193,280</u>	<u>255,442</u>
Advance from customer	<u>(30,170)</u>	<u>(129,973)</u>
Net Exposure	<u>9,208,191</u>	<u>6,156,491</u>

The following significant exchange rates were applied during the year:

	2022	2021
	Rupee per USD	
Average rate	<u>179.00</u>	<u>160.33</u>
Reporting date rate	<u>204.85</u>	<u>157.54</u>

Foreign currency sensitivity analysis

A 10% strengthening of the PKR against the USD at June 30, 2022 would have effect on the equity and statement of profit or loss of the Group as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2022.

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	-----Rupees-----	
Strengthening of PKR against respective currencies	<u>(188,626,763)</u>	<u>(91,308,160)</u>
Weakening of PKR against respective currencies	<u>188,626,763</u>	<u>91,308,160</u>

A 10 percentage weakening of the PKR against the USD at June 30, 2022 would have had the equal but opposite effect on USD to the amounts shown above, on the basis that all other variables remain constant.

45.1.2 Price risk

Price risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest or currency rate risk), whether those changes are caused by factors specified to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is exposed to price risk because of investments in equity securities amounting to Rs. 10,210,050 (2021: Rs. 379,910) as changes in prices of equity securities affect the Group. The Group is not exposed to commodity price risk.

As of June 30, 2022, if fair value had been 1% higher/ (lower) with all the variables held constant, profit before tax for the year would have been higher / (lower) by Rs. 102,100.5 (2021: Rs. 3,791.9).

45.1.3 Interest/Mark-up rate risk

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

Financial liabilities	2022	2021
Long term finances - secured	SBP rate+ 1% to 2.5% & KIBOR + 1% to 1.5%	SBP rate+ 1% to 2.5% & KIBOR + 1% to 1.5%
Short term borrowings	SBP rate+ 1% & KIBOR + 0.75% to 2%	SBP rate+ 1% & KIBOR + 0.75% to 1.75%

Fair value sensitivity analysis for fixed rate instruments

The group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet would not affect profit or loss of the group.

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2022, if interest rates on long term financing had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been Rs. 17.49 million (2021: Rs. 6.68 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

At June 30, 2022, if interest rates on short term borrowings had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been Rs. 69.80 million (2021: Rs. 55.30 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

45.2 Credit risk

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

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

Financial assets	2022	2021
	-----Rupees-----	
Long-term investments	18,255,404	13,371,464
Long-term deposits	16,759,174	16,322,284
Trade debts	1,897,929,702	1,060,858,614
Loans	13,245,862	14,697,971
Trade deposit	1,448,588	2,286,199
Short-term investment	4,254,742	1,579,910
Due from related parties	51,046,611	43,070,564
Bank balances	313,160,562	138,784,510
	<u>2,316,100,644</u>	<u>1,290,971,516</u>

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Bank balances

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

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

	Short-term Ratings	2022	2021
-----Rupees-----			
MCB Bank Limited	A1+	39,904,362	38,391,155
Meezan Bank Limited	A1+	18,306,880	10,244,734
National Bank of Pakistan	A1+	1,400,712	2,652,575
Standard Chartered Bank Limited	A1+	33,028,302	114,953
United Bank Limited	A1+	8,299,915	6,881,097
Allied Bank Limited	A1+	4,446,577	1,247,631
Askari Bank Limited	A1+	17,293,543	7,019,543
Bank Alfalah Limited	A1+	73,095,514	15,019,069
Faysal Bank Limited	A1+	28,663,442	1,946,405
Habib Bank Limited	A1+	52,510,236	8,425,469
Habib Metropolitan Bank Limited	A1+	11,354,257	3,300,398
Soneri Bank Limited	A1+	542,742	570,177
Bank Al Habib Limited	A1+	7,727,330	3,190,623
JS Bank	A1+	147,589	-
MCB Islamic Bank	A1	-	2,733,731
Bank of Punjab	A1+	39,678,021	892,600
		336,399,422	102,630,160

Exposure to credit risk

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

	Note	2022	2021
-----Rupees-----			
Due from related parties	30	51,046,611	43,070,564
Trade debts	25	1,897,929,702	1,060,858,614
Loans	26	13,245,862	14,697,971
Short-term investment	28	4,254,742	1,200,000
Bank balances	31	313,160,562	138,784,510
		2,279,637,479	1,258,611,659

45.3 Liquidity risk

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

As on reporting date, the group had cash and bank balances and term deposit amounting to Rs 313.26 million & Rs. 1.2 million respectively (2021: Rs. 105 million & 1.2 million), and unutilized credit lines of Rs. 464 million (2021: 566 million).

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

46 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:

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

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

The group's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

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

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

The following table represents the group's assets that are measured at fair value as at June 30, 2022 and June 30, 2021:

	2022			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
<i>Non-financial assets</i>				
Property, plant and equipment	-	-	5,797,041,660	5,797,041,660
<i>Financial assets</i>				
Financial assets held at fair value through profit or loss	3,054,742	-	-	3,054,742
Financial assets held at fair value through other comprehensive income	7,155,308	-	-	7,155,308
	2021			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
<i>Non-financial assets</i>				
Property, plant and equipment	-	-	4,366,622,594	4,366,622,594
<i>Financial assets</i>				
Financial assets held at fair value through profit or loss	379,910	-	-	379,910

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

47 CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

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

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

The Group's strategy is to maintain leveraged gearing. The gearing ratios as at June 30, 2022 and 2021 were as follows:

		2022	2021
	Note	-----Rupees-----	
Total borrowings		8,948,367,908	6,351,267,576
Less: Cash and bank	31	(322,021,447)	(142,314,834)
Net debt		8,626,346,461	6,208,952,742
Total equity		7,125,960,578	6,672,323,732
Total equity and debt		<u>15,752,307,039</u>	<u>12,881,276,474</u>
Gearing ratio (%)		<u>55%</u>	<u>48%</u>

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

48 OPERATING SEGMENTS

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

48.1 Revenue from sale of rice represents 88.68% (2021: 89.59%) of the total revenue of the Group. Whereas 9.59% (2021: 9.43%) represents revenue from sale of rice glucose and remaining represents other items.

48.2 All non-current assets of the Group as at June 30, 2022 are located in Pakistan. Further, debtors from rice represents 83.58% (2021: 90.13%) of the total debtors.

49 CORRESPONDING FIGURES

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

50 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Group and authorized for issue on **September 07, 2022**.

50.1 Non-adjusting events after the reporting date

Subsequent to the year end on 26 August 2022, Matco Foods Limited (MFL) has announced the successful commissioning and commercial operations of its new 72,000 MT per year Corn Starch Plant, located in Allama Iqbal Industrial City, Special Economic Zone Faisalabad, FIEDMC.

51 GENERAL

51.1 Figures have been rounded off to the nearest Rupee.


Khalid Sarfaraz Ghori
 Chief Executive Officer


M. Aamir Farooqui
 Chief Financial Officer


Faizan Ali Ghori
 Director

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to the members that Annual General Meeting of Matco Foods Limited will be held on Monday, October 24, 2022 at 11:15 a.m. at Institute of Cost and Management Accountants of Pakistan, Seminar Room, ICMA Pakistan Building ST-18/C, ICMAP Avenue, Block 6, Gulshan-e-Iqbal, Karachi 75300 and through Video Conference to transact the following business:

A. Ordinary Business:

1. To read and confirm the minutes of the previous annual general meeting held on October 21, 2021.
2. To receive, consider and adopt the Audited Annual Financial Statements of the Company together with the Directors' and Auditors' reports thereon for the year ended June 30, 2022 along with the Audited Consolidated Financial Statements of the company and Auditor's report thereon for the year ended June 30, 2022.
3. To appoint Auditors of the Company for the year ending June 30, 2023 at a mutually agreed rate of remuneration. The Board of Directors on the recommendation of the Audit Committee has proposed appointment of M/s Grant Thornton Anjum Rehman Chartered Accountants. The retiring Auditors being eligible offer themselves for re-appointment.

B. Special Business

4. To consider and if deemed fit, pass the following Special Resolutions with or without modification(s):

Investment in Associated Companies & Associated Undertakings:

"Resolved by way of special resolution that consent and approval of Matco Foods Limited (the "Company") be and is hereby accorded under Section 199 of the Companies Act, 2017 (the "Act") for investment in the form of loans/advances from time to time to Barentz Pakistan (Private) Limited, the associated company, up to an aggregate sum of Rs. 100 million (Rupees hundred million only) at the mark-up rate of three (3) months KIBOR plus 2%. Vide special resolution passed in general meeting held on October 24, 2020 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 50 million."

Resolved further that Chief Executive Officer Mr. Khalid Sarfaraz Ghori, Director Mr. Faizan Ali Ghori and Secretary of the Company be and are hereby authorized singly to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of transactions in relation to the loans / advances to the holding company but not limited to filing of all the requisite statutory forms and all other documents with the Securities and Exchange Commission of Pakistan, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolutions."

C. Any Other Business

5. To transact any other business with the permission of the Chairman.

Karachi
October 03, 2022

By order of the Board
Danish Ahmed
Company Secretary

NOTES:

1) CLOSURE OF SHARE TRANSFER BOOK

The share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from October 17, 2022 to October 24, 2022 (both days inclusive). Transfers received in order at the Company's Registrar Office at CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S. Main Shakra-e-Faisal, Karachi - 74400, by the close of business on October 14, 2022 will be treated in time to attend and vote at the meeting.

2) PARTICIPATION IN THE ANNUAL GENERAL MEETING VIA PHYSICAL PRESENCE OR THROUGH VIDEO-CONFERENCING

(a) In line with the direction issued to listed companies by the Securities & Exchange Commission of Pakistan, vide its Circular No. 4 of 2021 dated February 15, 2021 and subsequent Circular No.6 of 2021 dated March 03, 2021, the Company intends to convene this AGM physically and virtually via video conference facility while ensuring compliance with the quorum requirements and request to the Members to consolidate their attendance and voting at the AGM through proxies.

(i) Shareholders interested in attending the AGM through Zoom application will be requested to get themselves registered with Share Registrars of the Company M/s. CDC Share Registrar Services Limited at least 48 hours before the time of AGM at danish.ahmed@matcofoods.com by providing the following details:

CDC Participant ID / Folio No.	Company	Name of Shareholder	CNIC No. / NTN No.	Cell No.	Email address
	Matco Foods Limited				

Video-link for the meeting will be sent to members at their provided email addresses enabling them to attend the meeting on the given date and time.

Login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.

(ii) Shareholders may send their comments and suggestions relating to the agenda items of the AGM to the Company Secretary Office at least two (2) working days before the AGM, at the given email address danish.ahmed@matcofoods.com. Shareholders are requested to mention their full name, CNIC # and Folio/CDC Account # for this purpose.

(iii) Shareholders are encouraged to participate in the AGM to consolidate their attendance and participation through proxies.

(b) A member entitled to attend the meeting may appoint any other member as his/her proxy to attend the meeting physically or through video-link. A proxy form is annexed in the Annual Report.

- (c) The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of power of attorney must be deposited at the Share Registrar of the Company M/s. CDC Share Registrar Services Limited at least 72 hours before the time of the AGM (i.e., latest by Friday, October 21, 2022 at 11:15 a.m.).
- (d) For appointing proxies, the shareholders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:
- (i) In case of individuals having physical shareholding or the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form accordingly.
 - (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
 - (iii) Notarized copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - (iv) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

3) CNIC/NTN NUMBER ON DIVIDEND WARRANT (MANDATORY)

As it has already been notified from time to time, SECP has directed vide its Notification S.R.O. 831(1)/2012 dated July 5, 2012 that the Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).

In order to comply with the SECP's directives and in terms of Section 243(2)(a) of the Companies Act, 2017, the Company shall be constrained to withhold the Dividend Warrant(s), in case of non-availability of a copy of valid CNIC (for individuals) and National Tax Number (for corporate entities).

Accordingly, shareholders who have not yet submitted a copy of their valid CNIC or NTN are once again requested to immediately submit the same to the Company or Share Registrar, CDC Share Registrar Services Limited.

4) DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNT

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission.

The Shareholders having physical shareholding are encouraged to open CDC sub - account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

5) UNCLAIMED DIVIDEND/SHARES

Information of unclaimed dividend/shares has been placed at the website of the Company www.matcofoods.com. Respective shareholders are requested to contact Share Registrar of the Company to collect their unclaimed dividend/shares.

6) TRANSMISSION OF ANNUAL AUDITED ACCOUNTS THROUGH EMAIL

The Securities and Exchange Commission of Pakistan through its notification SRO787(1)/2014 dated 8th September 2014 has permitted / allowed companies to circulate Annual Financial Statements along with the Notice of Annual General Meeting to its members through email. Accordingly, members are requested to send written request to the company's registered office at mentioned above along with your valid email address to provide you the financial statements at your valid email address. In case you don't wish to avail this facility, the financial statements will be sent to you at your registered address as per normal practice.

7) PLACEMENT OF FINANCIAL ACCOUNTS ON WEBSITE

Pursuant to the notification of the SECP (SRO 634(I)/2014) dated July 10, 2014, the financial statements of the Company have been placed on the Company's website at www.matcofoods.com.

8) CHANGE OF ADDRESS (IF ANY)

The shareholders are requested to notify the Company at its registered office at aforesaid address if there is any change in their addresses and update zakat status with their participants immediately.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

INVESTMENTS IN ASSOCIATED COMPANIES & ASSOCIATED UNDERTAKINGS

The Board of Directors of the Company has approved the specific limits of investments in the form of loans / advances in the following associated companies and associated undertakings subject to the consent of members under Section 199 of the Companies Act, 2017 / Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017. The Board of Directors do hereby undertake / certify that necessary due diligence for the following proposed investments have been carried out.

(a) Disclosure for all types of Investments:																										
(A) Disclosure regarding associated company																										
(i)	Name of the associated company or associated undertaking	Barentz Pakistan (Private) Limited ("BPPL")																								
(ii)	Basis of Relationship	Matco Foods Limited owns 49% shareholding in the Barentz Pakistan (Private) Limited																								
(iii)	Earnings / (Loss) per share for the last three Years	2022: 3.83 * 2021: (3.32) 2020: (0.91)																								
(iv)	Break-up value per share, based on last audited financial statements	2022: PKR 7.45 * 2021: PKR 3.61																								
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Based on the reviewed and audited financial statements for the financial year ended 30 June 2022 and 31 December 2021 respectively, the financial position of BPPL is as under; <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>2022*</th> <th>2021</th> </tr> <tr> <th></th> <th colspan="2" style="text-align: center;">Rs. in Million</th> </tr> </thead> <tbody> <tr> <td>Total Equity</td> <td style="text-align: right;">37.26</td> <td style="text-align: right;">18.08</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">190.34</td> <td style="text-align: right;">122.36</td> </tr> <tr> <td>Total liability</td> <td style="text-align: right;">153.08</td> <td style="text-align: right;">104.28</td> </tr> <tr> <td>Gross profit</td> <td style="text-align: right;">42.40</td> <td style="text-align: right;">10.92</td> </tr> <tr> <td>Profit/(Loss) before tax</td> <td style="text-align: right;">24.06</td> <td style="text-align: right;">(18.84)</td> </tr> <tr> <td>Profit/(Loss) after tax</td> <td style="text-align: right;">19.18</td> <td style="text-align: right;">(16.64)</td> </tr> </tbody> </table>		2022*	2021		Rs. in Million		Total Equity	37.26	18.08	Total assets	190.34	122.36	Total liability	153.08	104.28	Gross profit	42.40	10.92	Profit/(Loss) before tax	24.06	(18.84)	Profit/(Loss) after tax	19.18	(16.64)
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Profit/(Loss) after tax	19.18	(16.64)																								
(vi)	In case of Investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:																									
	I. Description of the project and its history since conceptualization	Not Applicable																								
	II. Starting date and expected date of completion of work	Not Applicable																								
	III. Time by which such project shall become commercially operational	Not Applicable																								
	IV. Expected time by which the project shall start paying return on investment	Not Applicable																								

	V. Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	Not Applicable								
(B) General Disclosure										
(i)	Maximum amount of investment to be made	PKR 100,000,000/- (Rupees Hundred Million Only).								
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p>The investment amount will be utilized by the associated company to meet the working capital requirement of the Company as the business is growing and they have entered into the business of flavors and colors. For flavors business, they entered into a distribution business with multinational company which will surely increase the top and bottom line of the Company.</p> <p>Matco Foods Limited will be benefited ultimately through share of profit/dividend and interest income from the associated company.</p>								
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds, -	Loan and/or advance will be given out of own funds of the Company.								
	I. Justification for investment through borrowings;	N/A								
	II. Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and	N/A								
	III. Cost benefit analysis	N/A								
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	<table border="1"> <thead> <tr> <th>Nature</th> <th>Loan/Advance</th> </tr> </thead> <tbody> <tr> <td>Purpose</td> <td>To earn mark-up/profit on loan/advance being provided to BPPL which will augment the Company's cash flow.</td> </tr> <tr> <td>Rate of Mark-up</td> <td>3-month KIBOR + 2%</td> </tr> <tr> <td>Repayment</td> <td>On demand</td> </tr> </tbody> </table>	Nature	Loan/Advance	Purpose	To earn mark-up/profit on loan/advance being provided to BPPL which will augment the Company's cash flow.	Rate of Mark-up	3-month KIBOR + 2%	Repayment	On demand
Nature	Loan/Advance									
Purpose	To earn mark-up/profit on loan/advance being provided to BPPL which will augment the Company's cash flow.									
Rate of Mark-up	3-month KIBOR + 2%									
Repayment	On demand									
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Director of Investee Company.								
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete	A similar nature of loan/advance facility of Rs. 500 million from time to time for working capital requirements has been granted by the valued shareholders of the Company vide special resolution passed in the Annual General Meeting								

	information/justification for any impairment or write offs	held on October 24, 2020. There is no impairment and/or write off against the above facility.
(vii)	Any other important details necessary for the members to understand the transaction	None
(b) Additional disclosure regarding Loans and Advances		
(i)	category-wise amount of investment	Previously, Matco Foods Limited has subscribed the 2,450,000 shares of BPPL at Par Value Rs. 10 each. Then, loan/advance provided to the BPPL up to Rs. 50 million. Now, the proposal to increase the limit of loan/advance to Rs. 100 million is made to shareholders.
(ii)	average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, for the relevant period	Average borrowing cost of the investing Company ranges from 1-month KIBOR + 0.75% to 1.0%- and 3-month KIBOR + 0.55% to 1.5% in 2021 - 2022.
(iii)	rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	3-month KIBOR + 2%.
(iv)	particulars of collateral or security to be obtained in relation to the proposed investment	No collateral is considered necessary since BPPL is an associated company of the Company.
(v)	if the investment carries conversion feature i.e., it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	Not Applicable
(vi)	repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	The above facility will be repayable on demand.

* The financial year of the associated company have been linked with the Parent Company which is December 31 ended. Therefore, the figures as of June 30, 2022 (six-months ended) reviewed by the statutory auditors of the associated company have been presented here for the better understanding of the Shareholders.

متعلقہ پارٹی کے ساتھ ٹرانزیکشن

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

کمپنی کے حصص میں تجارت

ٹرانزیکشن کی قسم	شیر	ڈائریکٹر / متعلقہ پارٹی
خرید	2,000	محترمہ امہ حبیبہ
خرید	30,000	جناب فیضان علی غوری
موت کی وجہ سے نامزد کو منتقل کیا گیا۔	24,054,896	ڈاکٹر طارق غوری
موت کی وجہ سے Nominator سے منتقل ہوا۔	24,054,896	مسز صدف طارق

اعتراف

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

ڈائریکٹرز کی طرف سے:



فیضان علی غوری
ڈائریکٹر



خالد سرفراز غوری
چیف ایگزیکٹو

سالانہ کارن سٹارچ پلانٹ کی کامیاب کمیشننگ اور کمرشل آپریشنز کا اعلان کیا ہے، جو علامہ اقبال انڈسٹریل سٹی، اسپیشل اکنامک زون فیصل آباد، FIEDMC میں واقع ہے۔

مستقبل کا نقطہ نظر

عالمی معیشت کی وبائی بیماری کے بعد کی بحالی روس اور یوکرین کے جاری تنازعہ سے شدید متاثر ہوئی ہے۔ نتیجتاً، بین الاقوامی اجناس کی منڈیوں میں قیمتیں اب تک کی بلند ترین سطح پر پہنچ گئیں۔ اس بے مثال مہنگائی اور توانائی کے بحران کے اثرات دنیا بھر میں سامنے آرہے ہیں، جس کے نتیجے میں کساد بازاری کے خطرات کے ساتھ ملا جلا عالمی اقتصادی نقطہ نظر ہے۔ مانگ کی وجہ سے افراط زر کو کم کرنے کے لیے تمام بڑی عالمی معیشتوں میں مانیٹری سخت کرنے کے اقدامات کیے جا رہے ہیں، جو بالآخر اقتصادی سرگرمیوں میں کمی کا باعث بن سکتے ہیں۔

عالمی منڈیوں میں اتار چڑھاؤ نے پاکستان کی معیشت کو بھی متاثر کیا ہے، جو 'بوم اینڈ بسٹ' کے چکر کا مظاہرہ کرتی رہی۔ مالی سال 2021-22 کے لیے تقریباً 6 فیصد کی متاثر کن جی ڈی پی کی شرح نمو دوہری مالیاتی اور کرنٹ اکاؤنٹ خسارے کی وجہ سے چھائی ہوئی تھی۔ اس نے غیر یقینی سیاسی ماحول اور ایندھن اور اجناس کی بین الاقوامی قیمتوں کے ساتھ مل کر غیر ملکی زرمبادلہ کے ذخائر پر بہت زیادہ دباؤ ڈالا جس کے نتیجے میں امریکی ڈالر کے مقابلے پاکستانی روپے کی قدر میں نمایاں کمی واقع ہوئی، جس کے نتیجے میں افراط زر میں اضافہ ہوا۔ معیشت کی دیرینہ ساختی کمزوریاں اور کم پیداواری نمو ایک پائیدار بحالی کے لیے خطرات کا باعث ہے۔ کھپت کو کنٹرول کرنے کے لیے، اسٹیٹ بینک آف پاکستان نے ستمبر 2021 سے پالیسی ریٹ میں 800 bps کا اضافہ کیا جس میں ERF کی شرح بھی شامل ہے، درآمدات کو روکنے کے لیے مختلف اقدامات کے ساتھ۔

مالیاتی طور پر، بنیادی چیلنج آئی ایم ایف کی توقعات کو سنبھالنے کے ساتھ ساتھ امداد اور بحالی کے اخراجات کے لیے جگہ کو نچوڑنا ہوگا۔ جبکہ، CAD کی زیادہ توقعات اور روپے پر کچھ دباؤ کے باوجود بیرونی آؤٹ لک مستحکم دکھائی دیتا ہے۔

اس تناظر میں، کمپنی اس مشکل وقت میں بہتر کارکردگی، بڑھتے ہوئے تھروپٹ اور فروخت کی جارحانہ کوششوں کے ساتھ آگے بڑھتے ہوئے لاگت کو کم کرنے کی طرف اپنی توجہ جاری رکھے گی۔

ریٹائرمنٹ فنڈ

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

- لسٹنگ ریگولیشنز میں تفصیلاً درج کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کسی بھی پہلو کو نظر انداز نہیں کیا گیا۔
- گزشتہ چھ سال کا اہم کاروباری اور مالیاتی معلومات اس سالانہ رپورٹ کے ساتھ منسلک ہے۔
- ٹیکسوں اور محصولات کے بارے میں معلومات مالیاتی گوشوارے کے نوٹس میں دی گئی ہیں۔ اور یہ مالیاتی گوشواروں کا حصہ،
- کسی بھی ادائیگی کی تاخیر کا کوئی امکان نہیں ہے اور کسی قرض میں نادہندہ ہونے کا بھی کوئی امکان نہیں ہے۔

صنعت کا جائزہ

22 جون کے وسط سے، پاکستان میں اس کی 30 سال کی اوسط سے 3 گنا زیادہ بارش ہوئی ہے، کچھ صوبوں میں 5 گنا زیادہ بارش ہوئی ہے۔ نیشنل ڈیزاسٹر مینجمنٹ اتھارٹی نے اب تک 81 متاثرہ اضلاع کو آفت زدہ کے طور پر درجہ بندی کیا ہے۔

حکومت کے نظر ثانی شدہ تخمینوں کے مطابق تقریباً 8.3 ملین ایکڑ فصلیں تباہ ہو چکی ہیں۔ صرف سندھ میں 3.4 ملین ایکڑ فصل کے رقبے کو نقصان پہنچا ہے۔ سرکاری نظر ثانی شدہ تخمینے 17-18 بلین امریکی ڈالر سے زیادہ کے نقصانات بتاتے ہیں۔

زرعی شعبے میں چاول کا حصہ 2.4% اور پاکستان کے جی ڈی پی میں 0.5% ہے۔ مالی سال 22 میں، چاول کی کاشت 8.7 ملین ایکڑ رقبے پر کی گئی، جس کے نتیجے میں پیداوار 9.3 ملین ٹن ہوئی۔ 35 فیصد پیداوار سندھ میں ہوتی ہے۔ 55% پنجاب میں اور باقی KPK اور بلوچستان میں۔ 4.9 ملین ٹن چاول برآمد کیا گیا جس سے ملک کو 2.5 بلین امریکی ڈالر کا قیمتی زر مبادلہ حاصل ہوا۔ پاکستان چاول برآمد کرنے والا دنیا کا چوتھا بڑا ملک ہے۔ سیلاب کے دوران ملکی پیداوار میں کمی سے بھارت جیسے سپلائرز کو عالمی سطح پر پاکستان کے چاول کی برآمدات کی مارکیٹ شیئر پر بھی اثر پڑ سکتا ہے۔

بعد از رونما ہوئے واقعات

سال کے دوران، کمپنی نے کارن اسٹارچ پروجیکٹ کے لیے 1,772 ملین روپے (2021:175 ملین روپے) کیپٹل کام کے حوالے سے تسلیم کیے ہیں۔ 26 اگست 2022 کو سال کے اختتام کے بعد، Matco Foods Limited (MFL) نے اپنے نئے MT72,000

اندرونی مالیاتی کنٹرول

ڈائریکٹر داخلی مالیاتی کنٹرول کے حوالے سے اپنی ذمہ داری سے آگاہ ہیں۔ مینجمنٹ اور آڈیٹرز (اندرونی اور بیرونی دونوں) کے ساتھ بات چیت کے ذریعے تصدیق کرتے ہیں کہ کمپنی کی طرف سے مناسب کنٹرول نافذ کیا گیا ہے۔

کارپوریٹ گورننس کا کوڈ

30 جون 2022 کو ختم ہونے والے سال کے لیے متعلقہ پاکستان اسٹاک ایکسچینج کی جانب سے اس کے لسٹنگ ریگولیشنز میں کوڈ آف کارپوریٹ گورننس کی ضروریات کو کمپنی نے اپنایا ہے اور اس کی مناسب طریقے سے تعمیل کی گئی ہے۔ اس حوالے سے ایک بیان اس رپورٹ کے ساتھ منسلک ہے۔

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

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے اور اس کے معاملات اس کی کاروباری سرگرمیوں کے نتائج اور کیش فلوز اور ایکویٹی میں تبدیلی کی شفاف اور منصفانہ عکاسی کرتے ہیں۔
- کمپنی نے اپنے اکاؤنٹس کے کھاتوں کو محفوظ اور درست انداز میں رکھا ہوا ہے۔
- کمپنی نے مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی ہے اور شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- بین الاقوامی مالیاتی رپورٹنگ معیارات، جیسا کہ پاکستان میں قابل اطلاق ہیں، مالی بیانات کی تیاری میں عمل کیا گیا ہے۔
- اندرونی کنٹرول کا نظام مستحکم ہے اور اسے موثر انداز میں لاگو کیا گیا ہے اور اس کی نگرانی کی جاتی ہے۔
- کمپنی کے کاروبار کو رواں دواں رکھنے کی صلاحیت شکوک و شبہات سے بالاتر ہے۔

حصص داران کی تفصیل

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

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

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

صحت، سلامتی اور ماحول

کمپنی کے ملازمین اور ٹھیکیداروں سے توقع کی جاتی ہے کہ وہ اس کے HSE کے انتظامی نظام اور عمل کے مطابق ہوں جو بین الاقوامی معیارات اور بہترین طریقوں کو مد نظر رکھتے ہوئے ڈیزائن کیے گئے ہیں۔ کمپنی اپنی افرادی قوت، انفراسٹرکچر اور آپریشنز کو محفوظ اور محفوظ رکھنے کی کوشش کرتی ہے اور صحت مند کام کے ماحول اور طریقوں کی حوصلہ افزائی کرتی ہے۔ کام کی جگہ پر ایک حفاظتی پروگرام نافذ کیا گیا ہے جو حفاظتی فرق کے تجزیے کر کے کام کی جگہ کے اندر چوٹوں کے ممکنہ خطرے کو کم کرنے کی کوشش کرتا ہے۔

کمپنی کی کاروباری حکمت عملی بھی اس وژن سے پوری طرح ہم آہنگ ہے۔ قدرتی رہائش گاہ کو محفوظ رکھنے کے لیے جاری کوششوں میں، کمپنی شمسی توانائی سے چلنے والی توانائی کی طرف منتقل ہو گئی ہے، اس طرح کمپنی کے کاربن فوٹ پرنٹ کو کم کر دیا گیا ہے۔

کاروباری و سماجی ذمہ داری

آپ کی کمپنی معاشرے کے سماجی اور ماحولیاتی مقصد کے لیے پر عزم ہے اور معاشرے کے تمام طبقات کے ساتھ مضبوط تعلقات استوار کرنے میں یقین رکھتی ہے۔ اس سلسلے میں، کمپنی نے تعلیم کو مزید آسانی سے دستیاب کرنے اور ملازمین کے بچوں کے لیے مالی مدد فراہم کرنے کے لیے مسلسل عزم ظاہر کیا ہے۔ ایک اور مقصد تمام مریضوں کے لیے بغیر کسی امتیاز کے صحت کی دیکھ بھال کو مزید قابل رسائی بنانا ہے۔

کمپنی نے غوری ٹرسٹ میں PKR 10.84 ملین کے عطیات دیے ہیں، یہ ٹرسٹ پاکستان میں تعلیم کے معیار کو سپورٹ کرنے اور اسے بلند کرنے اور اس طرح کی معیاری تعلیم کو بغیر کسی امتیاز کے سب کے لیے قابل رسائی بنانے، پسماندہ ملازمین اور دیگر مقامی لوگوں کو صحت کی سہولیات فراہم کرنے کے لیے قائم کیا گیا ہے۔ اس کے ساتھ ساتھ یتیم خانہ جیسی متعدد تنظیموں کو ماہانہ بنیادوں پر چاول فراہم کرنا۔

انسانی وسائل اور معاوضہ کمیٹی

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

ممبران کے نام	حاضری
محترمہ امہ حبیبہ، چیئرمین	1
جناب جاوید علی غوری	1
جناب خالد سرفراز غوری	1
مسز فریال مرتضیٰ	1
جناب فیضان علی غوری	1

ڈائریکٹرز کے تربیتی پروگرام

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

ڈائریکٹرز کی کارکردگی کا جائزہ

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

آڈیٹرز کی تقرری

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

4	جناب صفوان خالد غوری
4	جناب سید کامران رشید
2	جناب عبدالصمد خان
4	مسز فریال مرتضیٰ
2	محترمہ امہ حبیبہ
2	جناب آغا احمد شاہ*
2	جناب محمد محسن*

* جناب آغا احمد شاہ 31 اکتوبر 2022 کو اپنی مدت ملازمت کے اختتام پر ڈائریکٹر شپ سے ریٹائر ہوئے اور ان کی جگہ جناب محمد محسن کو ڈائریکٹر کے انتخاب میں منتخب کیا گیا۔

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

بورڈ آڈٹ کمیٹی

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

حاضری	ممبران کے نام
4	جناب سید کامران رشید-چیئر مین
2	جناب عبدالصمد خان
2	جناب آغا احمد شاہ*
2	جناب فیضان علی غوری*

* جناب آغا احمد شاہ 31 اکتوبر 2022 کو اپنی مدت ملازمت کے اختتام پر ڈائریکٹر شپ سے ریٹائر ہوئے اور اس لیے ان کی جگہ جناب صفوان خالد غوری کو ڈائریکٹر نے آڈٹ کمیٹی کا رکن منتخب کیا۔

بورڈ کی کمپوزیشن

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

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

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

نان ایگزیکٹو ڈائریکٹرز کے معاوضے کی پالیسی

بورڈ ممبران کی تنخواہ بورڈ کی طرف سے ہی منظور کی جاتی ہے۔ تاہم، لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس)، 2017 کے مطابق، اس بات کو یقینی بنایا گیا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں حصہ نہ لے۔ ہم نان ایگزیکٹو ڈائریکٹرز کو معاوضہ ادا نہیں کرتے سوائے بورڈ کے اجلاسوں میں شرکت کی فیس کے۔ بہترین ٹیلنٹ کو برقرار رکھنے کے لیے، ہماری معاوضے کی پالیسیاں صنعت کے مروجہ رجحانات اور بہترین کاروباری طریقوں کے مطابق ہیں۔

چیف ایگزیکٹو اور ایگزیکٹو ڈائریکٹرز کے معاوضے کی پالیسی

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

بورڈ کے اجلاس اور حاضری

مذکورہ سال میں بورڈ کے چار اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری درج ذیل ہے۔

3	جناب جاوید علی غوری، چیئرمین۔
3	جناب خالد سرفراز غوری
4	جناب فیضان علی غوری

چاول گلو کوز ڈویژن پر بریفنگ

اس سال، رائس گلو کوز ڈویژن نے فروخت اور منافع میں نمایاں اضافہ کے ساتھ اچھی کارکردگی کا مظاہرہ کیا۔ ملکی سطح پر، پاکستان میں پولٹری سیکٹر کی متوازی اور غیر متوقع مانگ کی وجہ سے چاول گلو کوز ڈویژن کے لیے خام مال کی قیمتوں میں خاطر خواہ اضافہ ہوا۔ گزشتہ سال کے مقابلے چاول گلو کوز کی مجموعی برآمدی فروخت میں اضافہ ہوا جس سے کمپنی کو اچھا مارجن ملا۔

کارن اسٹارچ ڈویژن پر بریفنگ

الحمد للہ، 26 اگست 2022 کو سال کے اختتام کے بعد، کمپنی نے گراؤنڈ بریکنگ کی تاریخ سے 16 ماہ کے اندر بغیر کسی بڑے واقعے یا چوٹ کے 2.1 بلین روپے CAPEX کے ساتھ تجارتی پیداوار حاصل کر لی ہے۔ 06 ستمبر 2022 کو، کمپنی نے اپنی پہلی فروخت کسٹمر کو بھیج دی ہے۔

اب، ہم مخصوص صنعتوں جیسے کہ ٹیکسٹائل گریڈ، پیپر گریڈ، فوڈ گریڈ، فارما گریڈ کی ضروریات کو پورا کرتے ہوئے تبدیل شدہ نشاستے تیار کرنے کی کوشش کر رہے ہیں۔ ہمیں امید ہے کہ ہم پیداوار کے پہلے سال میں منافع حاصل کر لیں گے۔

درمیانی مدت میں، ہم کم از کم بنیادی اپ ڈیٹس کے ساتھ ملکی کپینے کی صلاحیت کو TPD300 تک بڑھانے کے لیے کوشش کریں گے اور اپنی ذخیرہ کرنے کی صلاحیت کو بھی بہتر بنائیں گے۔

Barentz پاکستان (پرائیویٹ) لمیٹڈ پر بریفنگ

متعلقہ کمپنی بیرینٹز پاکستان (پرائیویٹ) لمیٹڈ اپنے مالی سال 2022 کے پہلے چھ مہینوں میں 19.17 بلین نے روپے کا خالص منافع دیکھا ہے۔ آخری عرصے میں، Barentz پاکستان نے پاکستان میں اپنی مصنوعات کی تقسیم کے لیے ذائقوں، خوشبوؤں اور فعال کاسمیٹک اجزاء کی سونس ملٹی نیشنل مینوفیکچرر کے ساتھ تقسیم کا معاہدہ کیا ہے۔ جو کمپنی کے لیے سازگار رہا اور Barentz پاکستان کے مجموعی منافع کو حاصل کرنے میں بہت بڑا تعاون کیا۔

میں امید ہے کہ کمپنی مستقبل قریب میں مجموعی منافع حاصل کرے گی اور اپنے تمام سابقہ نقصانات کو پورا کر لے گی۔

مدت میں MT 41,066 باسستی چاول برآمد کیے گئے تھے۔ کمپنی کی باسستی کی اوسط برآمد کی قیمتیں 981 امریکی ڈالر تھیں جو گزشتہ سال 961 ڈالر تھیں۔

فروخت کے حجم میں اضافہ، انویسٹری کے موثر انتظام کے ساتھ ساتھ چاول گلوکوز کی مصنوعات کی اوسط قیمتوں اور اوسط مارجن میں اضافہ اور انویسٹری میں نمایاں اضافہ کمپنی کے مجموعی منافع میں خاطر خواہ اضافہ کا باعث بنا۔ مالیاتی اخراجات میں اضافے اور 29 فیصد کی شرح سے کارپوریٹ ٹیکس کے علاوہ قابل ٹیکس سال 2021-22 کے قابل ٹیکس منافع پر 4% کی شرح سے اضافی سپر ٹیکس کے لاگو ہونے سے خالص منافع کم ہوا۔ خالص منافع میں ایک اہم شراکت بنیادی طور پر امریکی ڈالر کے مقابلے میں PKR کی قدر میں کمی سے فائدہ اٹھانے کی وجہ سے تھی۔

تخصیص

30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کی مالی کارکردگی اور لیکویڈٹی کی کمی کو مد نظر رکھتے ہوئے، ڈائریکٹرز نے 30 جون 2022 کو ختم ہونے والے سال کے لیے کسی قسم کے منافع کی سفارش نہیں کی ہے۔

بنیادی خطرات اور غیر یقینی

فی الحال، کمپنی کو ملک میں تباہ کن سیلاب کی وجہ سے آنے والی چاول کی فصل میں غیر یقینی صورتحال کے سبب سے بڑے خطرے کا سامنا ہے۔ چاول کی خطرناک فصل کے علاوہ، کمپنی بعض موروثی خطرات اور غیر یقینی صورتحال سے دوچار ہے، جیسے:

- غیر ملکی کرنسی کی شرح میں منفی اتار چڑھاؤ؛
- سالوں کے دوران افراط زر کی بلند شرح؛
- حکومتی ضوابط اور سیاسی عدم استحکام میں تبدیلیاں؛ اور
- فروخت کی طرف COVID-19 سے متعلق غیر یقینی صورتحال۔

کمپنی خطرے کو قابل قبول سطح تک کم کرنے اور اندرونی اور بیرونی اسٹیک ہولڈرز کے ساتھ مذکورہ خطرات کے ممکنہ اثرات کے لیے سرگرم عمل ہے۔

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

ڈائریکٹرز کی رپورٹ

اللہ (SWT) کے فضل سے اور بورڈ آف ڈائریکٹرز (BOD) کی جانب سے، مجھے 30 جون، 2022 کو ختم ہونے والے سال کے لیے میٹنگو فوڈز لمیٹڈ کی سالانہ رپورٹ کے ساتھ آڈٹ شدہ مالی بیانات اور آڈیٹرز کی رپورٹ پیش کرنے پر خوشی ہے۔

مالیاتی نتائج

	Unconsolidated		Consolidated	
	2022	2021	2022	2021
	Rupees			
Sales - net	12,375,920,766	10,556,620,789	12,399,470,102	10,574,095,621
Cost of sales	(11,056,103,781)	(9,909,427,766)	(11,056,103,781)	(9,909,427,766)
GROSS PROFIT	1,319,816,985	647,193,023	1,343,366,321	664,667,855
Distribution expenses	(229,279,801)	(185,997,143)	(229,279,801)	(187,321,615)
Administrative expenses	(356,460,731)	(309,688,284)	(358,270,742)	(312,402,873)
OPERATING PROFIT	734,076,453	151,507,596	755,815,778	164,943,367
Finance cost	(387,872,994)	(272,830,931)	(388,135,728)	(273,181,730)
Other income	19,789,701	77,029,758	19,801,519	77,035,369
Share of profit/(loss) from associate company	-	-	4,883,940	(5,276,389)
Exchange gain - net	202,334,249	65,215,796	202,334,249	65,215,796
Provision for worker's welfare fund	(10,622,942)	(391,070)	(10,622,942)	(391,070)
Provision for worker's profit participation fund	(26,557,356)	(977,674)	(26,557,356)	(977,674)
PROFIT BEFORE TAX	531,147,111	19,553,475	557,519,460	27,367,669
Income tax expense	(108,731,143)	(80,420,184)	(108,731,143)	(80,420,184)
PROFIT / (LOSS) FOR THE YEAR	422,415,968	(60,866,709)	448,788,317	(53,052,515)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED	3.45	(0.50)	3.67	(0.43)

کمپنی کی خالص آمدنی 12,376 ملین روپے رہی جو کہ پچھلے سال 10,557 ملین روپے رہی تھی جو آمدن میں 17.23 فیصد اضافہ ظاہر کرتی ہے۔ اس سال مجموعی منافع 1,319 ملین روپے رہا جو پچھلے سال 647 ملین روپے تھا جو پچھلے سال کی نسبت 103.93 فیصد کی شرح سے اضافہ ہوا۔ جبکہ خالص منافع میں 794 فیصد کا اضافہ واقع ہوا جو کہ اس سال 422 ملین روپے خالص منافع ہوا جبکہ پچھلے سال 60.87 ملین روپے خالص نقصان ہوا تھا۔ سال کے دوران، کمپنی نے 42,114 MT باسٹمی چاول برآمد کیے ہیں جبکہ گزشتہ سال کی اسی

چیئر مین کا جائزہ

مجھے 30 جون 2022 کو ختم ہونے والے سال کے لیے میٹکو فوڈ لمیٹڈ کے بورڈ آف ڈائریکٹرز کے چیئر مین کی حیثیت سے سالانہ جائزہ پیش کرنے پر خوشی ہے۔

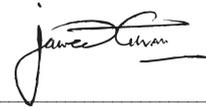
بورڈ نو (9) اراکین پر مشتمل ہے، جنہیں کمپنیز ایکٹ 2017 کے سیکشن 159 کی دفعات کے تحت 21 اکتوبر 2021 کو ہونے والی سالانہ جنرل میٹنگ میں تین سال کی اگلی مدت کے لیے منتخب کیا گیا تھا۔ بورڈ وسیع تجربے اور متنوع علم کے حامل ممبران پر مشتمل ہے جس کی وجہ سے فیصلہ سازی کا ایک موثر عمل شروع ہوا۔ بورڈ اپنی کمیٹیوں کے ساتھ منصوبہ بندی کے عمل میں اور کمپنی کے وژن کو تیار کرنے میں مکمل طور پر شامل تھا۔ اس طرح بورڈ نے آپ کی کمپنی کے وژن، مشن اور اقدار کے ساتھ اہداف طے کرنے میں انتظامیہ کے ساتھ مل کر کام کیا۔

جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت ضرورت ہے، کمپنی کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ لیا جاتا ہے۔ اس تجزیے کا مقصد اس بات کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور تاثیر کو کمپنی کے لیے مقرر کردہ مقاصد کے تناظر میں توقعات کے خلاف ماپا اور بیچ مارک کیا جائے۔

30 جون 2022 کو ختم ہونے والے مالی سال کے لیے، بورڈ کی مجموعی کارکردگی اور تاثیر کو تسلی بخش قرار دیا گیا ہے۔ بہتری ایک جاری عمل ہے جس کے نتیجے میں ایکشن پلان ہوتے ہیں۔ مندرجہ بالا مجموعی تشخیص لازمی اجزاء کی تشخیص پر مبنی ہے، بشمول وژن، مشن اور اقدار؛ اسٹریٹجک منصوبہ بندی میں مشغولیت؛ پالیسیوں کی تشکیل؛ تنظیم کی کاروباری سرگرمیوں کی نگرانی؛ مالی وسائل کے انتظام کی نگرانی؛ مؤثر مالیاتی نگرانی؛ تمام ملازمین کے ساتھ مساوی سلوک اور بورڈ کی ذمہ داری کو نبھانے میں کارکردگی۔

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

ہم اپنے سرشار ملازمین، قابل قدر صارفین، اپنے بینکرز، معزز حصص یافتگان اور مقامی انتظامیہ کے بے حد مشکور ہیں جنہوں نے رپورٹ کے دوران کمپنی کے لیے ان کی قیمتی شراکت کی۔



جاوید علی غوری

چیئر مین

کراچی: 07 ستمبر 2022۔



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

PROXY FORM

I/We _____ of _____ being a member of MATCO FOODS LIMITED and holder of _____ number of shares as per Share Register Folio No. _____ and/or CDC Participant ID No. _____ and Account / Sub-Account No. _____ hereby appoint _____ of _____ or failing him/her _____ to act as my/our proxy and to vote for me/us and on my/our behalf at the Annual General Meeting of the Shareholders of the Company to be held on the 24th day of October 2022 via video-conferencing facility and at any adjournment thereof.

Signed this _____ day of _____, 2022.

Please affix
 Revenue
 Stamp of Rs. 5/-

Witness 1
 Signature _____
 Name _____
 CNIC No. _____
 Address _____

Witness 2
 Signature _____
 Name _____
 CNIC No. _____
 Address _____

Notes:

- The proxy must be a member of the company.
- The signature must tally with the specimen signature/s registered with the Company.
- If a proxy is granted by a member who has deposited his/her shares into Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant's ID number and account/sub-account number alongwith attested photocopies of Computerized National Identity Card (CNIC) or the Passport of the beneficial owner. Representatives of corporate members should bring the usual documents required for such purpose.
- The instrument of Proxy properly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.

