



MATCO FOODS LIMITED

REACHING NEW HEIGHTS



HALF YEARLY REPORT 2022

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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.





COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Mr. Syed Kamran Rasheed	Chairman
Mr. Abdul Samad Khan	Member
Mr. 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, FCMA

COMPANY SECRETARY

Mr. Danish Ahmed, ACA

HEAD OF INTERNAL AUDIT

Mr. Saad Bin Aziz, ACA

LEGAL ADVISOR

Muhammad Javaid Akhter

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



AUDITORS

Grant Thornton Anjum Rahman

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

SHARE REGISTRAR

CDC Share Registrar Services Limited

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

BANKERS

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

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

COMPANY LOCATIONS

REGISTERED OFFICE

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

RICE PLANT

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

RICE GLUCOSE PLANT

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



MATCO FOODS LIMITED

SADHOKE PLANT

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

Web Address

www.matcofoods.com

Email Address

contact@matcofoods.com



VISION

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

MISSION

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

DIRECTORS' REVIEW REPORT

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

By the Grace of Allah (SWT), the Directors of your company take pleasure in presenting un-audited condensed interim financial information of the Company and Group for the six-months period ended December 31, 2021.

Financial Results:

Description	Unconsolidated		Consolidated	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	-----Rupees in '000-----		-----Rupees in '000-----	
Sales – net	4,845,562	5,340,715	4,849,650	5,343,450
Cost of sales	(4,299,531)	(4,921,565)	(4,299,531)	(4,921,565)
Gross Profit	546,031	419,150	550,119	421,885
Selling and distribution	(109,601)	(92,809)	(110,408)	(92,328)
Administrative	(159,841)	(144,763)	(159,991)	(144,563)
Operating profit	276,589	181,578	279,720	184,994
Other Operating Income	23,777	30,984	23,777	30,988
Exchange loss	(33,547)	(73,979)	(33,547)	(73,979)
Financial Charges	(158,986)	(125,480)	(159,063)	(127,569)
Share of loss from Associated Company	-	-	(5,561)	(2,854)
Profit Before Tax	107,829	13,103	105,326	11,580
Income Tax	(47,543)	(52,069)	(47,543)	(52,069)
Profit/(loss) for the Period	60,286	(38,966)	57,783	(40,489)
Earnings Per Share	0.49	(0.32)	0.47	(0.33)

During the six-months i.e., July 2021 – December 2021:

- The Company has earned a net profit of Rs. 60.29 million in the six months as compared to loss of Rs. 38.97 million in the last period, thereby, represent increase of 255%.
- The Company has exported 14,848 metric tons of basmati rice as compared to 20,870 metric tons in the last comparative period and thereby represents decrease of 28.85%.
- The average export selling price per metric ton of Basmati during six months was USD 1,073 which was USD 1,098 in the last comparative six months.

Global supply chain disruption and shortages caused by the Covid pandemic continued during the period which has reduced the basmati rice export. Customers from USA, UK and Australia are delaying their orders due to non-availability of containers and higher freight costs. The Company had shifted its focus on Middle East, Far East and Malaysia where the supply chain disruption and shortages are comparatively less which resulted in increase of non-basmati rice export.

Future Outlook:

During the last fiscal year, Pakistan exported 3.50 million tons of rice, valuing \$2.11 billion. However, rice exports fell 12 percent compared to exports of FY2019-20 due to Covid-19 related disruption in shipments. With the hope of shipment disruption gets easing, Pakistani Rice Exporters are making every effort to increase the volume of rice exports.

The Company is struggling hard to achieve due share of its market expansions and parallel new contracts are made on FOB terms to make ourselves out of burden from freight expenses hit which is affecting all exports industries badly. We are catching IRRI orders just to maintain our business result at par this year.

The Company is expecting positive outcomes from recently participated Gulf foods 2022, where new potential customers are welcomed both for Rice and Glucose exports. Alhamdulillah, Company is getting fresh orders of exports for Rice Glucose products.

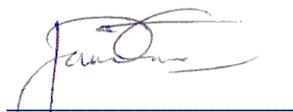
New Project (Corn Starch Division) is expected to be operational by stipulated time as civil work is on fast track and almost all related machineries are already imported and are in installation phases.

The Company is facing big challenges in recent months that are increasing our cost of doing business mainly price hike in petroleum products, gas loadshedding, increase in electricity rates and uncomfortable environment for easy business due to various taxation in associated business which are ultimately affecting us too.

Acknowledgement:

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

On behalf of the Board



Jawed Ali Ghori
Chairman



Khalid Sarfaraz Ghori
Chief Executive Officer

ڈائریکٹرز کی جائزہ رپورٹ

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

اللہ کے فضل و کرم سے، آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر، 2021 کو ختم ہونے والے چھ ماہ کی مدت کے کمپنی اور گروپ کے غیر آڈٹ کنڈنسنڈ عبوری مالی معلومات پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالی نتائج:

Description	Unconsolidated		Consolidated	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	-----Rupees in '000-----		-----Rupees in '000-----	
Sales – net	4,845,562	5,340,715	4,849,650	5,343,450
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Profit/(loss) for the Period	60,286	(38,966)	57,783	(40,489)
Earnings Per Share	0.49	(0.32)	0.47	(0.33)

چھ ماہ کے دوران یعنی جولائی 2021ء - دسمبر 2021ء:

- پچھلی مدت میں 38.97 ملین روپے کے خسارے کے مقابلے میں کمپنی کو اس چھ ماہی میں 60.29 ملین روپے کا خالص منافع ہوا ہے، اس طرح منافع میں 255 فیصد کا اضافہ ہوا ہے۔

کمپنی نے گزشتہ تقابلی مدت میں 20,870 میٹرک ٹن کے مقابلے میں 14,848 میٹرک ٹن باسستی چاول برآمد کیے ہیں اور اس طرح یہ 28.85 فیصد کی کمی کو ظاہر کرتا ہے۔

- چھ مہینوں کے دوران فی میٹرک ٹن اوسط برآمد قیمت 1,073 امریکی ڈالر تھی جو گزشتہ تقابلی چھ مہینوں میں 1,098 امریکی ڈالر تھی۔

اس عرصے کے دوران، کووڈ وبائی امراض کی وجہ سے عالمی سپلائی چین میں خلل اور قلت جاری رہی جس نے باسستی چاول کی برآمد کو کم کر دیا ہے۔ USA، UK اور آسٹریلیا کے صارفین کنٹینرز کی عدم دستیابی اور

زیادہ مال برداری کے اخراجات کی وجہ سے اپنے آرڈرز میں تاخیر کر رہے ہیں۔ کمپنی نے اپنی توجہ مشرق وسطیٰ، مشرق بعید اور ملائیشیا پر مرکوز کر دی تھی جہاں سپلائی چین میں خلل اور قلت نسبتاً کم ہے جس کے نتیجے میں غیر باسستی چاول کی برآمد میں اضافہ ہوا ہے۔

مستقبل کا خاکہ:-

گزشتہ مالی سال کے دوران پاکستان نے 3.50 ملین ٹن چاول برآمد کیے جس کی مالیت 2.11 بلین ڈالر تھی۔ تاہم، چاول کی برآمدات میں مالی سال 2019-20 کی برآمدات کے مقابلے میں 12 فیصد کمی واقع ہوئی ہے جس کی وجہ سے متعلقہ ترسیل میں رکاوٹ ہے۔ شپمنٹ میں رکاوٹ کم ہونے کی امید کے ساتھ، پاکستانی چاول کے برآمد کنندگان چاول کی برآمدات کے حجم کو بڑھانے کے لیے ہر ممکن کوشش کر رہے ہیں۔

کمپنی اپنی مارکیٹ کی توسیع میں مناسب حصہ حاصل کرنے کے لیے سخت جدوجہد کر رہی ہے اور FOB کی شرائط پر متوازی نئے معاہدے کیے گئے ہیں تاکہ خود کو مال برداری کے اخراجات کے بوجھ سے باہر نکالا جاسکے جس سے تمام برآمدی صنعتیں بری طرح متاثر ہو رہی ہیں۔ ہم IRRI کے آرڈرز حاصل کر رہے ہیں تاکہ اس سال اپنے کاروباری نتائج کو برابری پر برقرار رکھا جاسکے۔

کمپنی حال ہی میں حصہ لینے والے گلف فوٹرز 2022 سے مثبت نتائج کی توقع کر رہی ہے، جہاں چاول اور گلوکوز دونوں کی برآمدات کے لیے نئے ممکنہ صارفین کا خیر مقدم کیا جاتا ہے۔ الحمد للہ، کمپنی کو چاول گلوکوز کی مصنوعات کی برآمدات کے نئے آرڈر مل رہے ہیں۔

نئے پروجیکٹ (کارن سٹارچ ڈویژن) کے مقررہ وقت تک کام کرنے کی توقع ہے کیونکہ سول ورک تیزی سے جاری ہے اور تقریباً تمام متعلقہ مشینری پہلے ہی درآمد کی جا چکی ہے اور تنصیب کے مراحل میں ہے۔

کمپنی کو حالیہ مہینوں میں بڑے چینجز کا سامنا ہے جو ہمارے کاروبار کرنے کی لاگت میں اضافہ کر رہے ہیں خاص طور پر پٹرولیم مصنوعات کی قیمتوں میں اضافہ، گیس کی لوڈ شیڈنگ، بجلی کے نرخوں میں اضافہ اور متعلقہ کاروبار میں مختلف ٹیکسوں کی وجہ سے آسان کاروبار کے لیے غیر آرام دہ ماحول جو بالآخر ہمیں بھی متاثر کر رہے ہیں۔

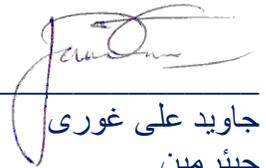
اعتراف:

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

بورڈ کی جانب سے



خالد سرفراز غوری
چیف ایگزیکٹو آفیسر



جاوید علی غوری
چیئرمین

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Matco Foods Limited

**Report on review of Unconsolidated Condensed
Interim Financial Statements**

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Matco Foods Limited** as at **December 31, 2021** and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-months period then ended (here-in-after referred to as the “unconsolidated condensed interim financial statements”). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

The figures of unconsolidated condensed interim financial statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarter ended December 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the half yearly ended December 31, 2021.

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



Grant Thornton Anjum Rahman
Chartered Accountants
Karachi

February 25, 2022
UDIN: RR202110154z7H1Cd9Pq

Half Yearly
Financial Statements
Unconsolidated
December 31, 2021
(Un-audited)



Unconsolidated Condensed Interim Statement of Financial Position

As at December 31, 2021

	Note	Un-Audited December 31, 2021	Audited June 30, 2021
-----Rupees in '000-----			
ASSETS			
Non-current assets			
Property, plant and equipment	6	6,103,384	4,907,931
Intangible assets	7	-	-
Right-of-use assets		161,992	171,533
Long term deposits		16,525	16,322
Long term investments	8	62,198	55,583
Total non-current assets		6,344,099	5,151,369
Current assets			
Stores, spares and loose tools		70,504	70,444
Stock in trade	9	7,846,762	7,171,280
Trade debts	10	1,282,670	1,041,124
Loans and advances		184,472	103,660
Trade deposits and short term prepayments		8,713	10,131
Short term investment		2,515	1,580
Sales tax refundable		107,785	123,598
Due from related parties		26,406	43,366
Taxation - net		29,416	31,683
Cash and bank balances	11	127,421	104,960
Total current assets		9,686,664	8,701,828
Total assets		16,030,763	13,853,197

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



Chief Executive Officer



Chief Financial Officer



Director

Unconsolidated Condensed Interim Statement of Financial Position

As at December 31, 2021

		Un-Audited December 31, 2021	Audited June 30, 2021
	Note	-----Rupees in '000-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
200,000,000 (June 30, 2020: 200,000,000) shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital	12	1,224,007	1,224,007
Capital reserve		680,467	680,467
Unappropriated profit		2,357,851	2,287,145
Surplus on revaluation of property, and equipment - net of tax		2,446,227	2,459,499
Total shareholders' equity		6,621,409	6,651,118
Non-current liabilities			
Long-term finances-secured	13	1,351,791	492,911
Lease liabilities		119,871	126,631
Deferred liabilities	14	227,922	221,515
Deferred grant		123	952
Total non-current liabilities		1,409,970	842,009
Current liabilities			
Trade and other payables		757,719	519,888
Advance from customers - secured		29,967	35,748
Accrued mark-up		89,065	57,878
Due to related parties		9,003	7,866
Short-term borrowings-secured	15	6,548,802	5,533,005
Current portion of deferred grant		2,945	6,176
Current portion of long term finances-secured		162,364	175,076
Current portion of lease liabilities		21,855	23,645
Unpaid dividend		784	788
Total current liabilities		7,622,504	6,360,070
Total liabilities		9,322,211	7,202,079
Contingencies and commitments	16		
Total equity and liabilities		16,030,763	13,853,197

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



Chief Executive Officer



Chief Financial Officer



Director

Unconsolidated Condensed Interim Statement of Profit Or Loss

For the Six-Months Period Ended December 31, 2021

	Note	Six months ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		Un-Audited	Un-Audited	Un-Audited	Un-Audited
		-----Rupees in '000-----		-----Rupees in '000-----	
Sales - net	17	4,845,562	5,340,715	3,256,338	2,545,154
Cost of sales	18	(4,299,531)	(4,921,565)	(2,859,823)	(2,287,311)
Gross profit		546,031	419,150	396,515	257,843
Operating expenses					
Selling and distribution		(109,601)	(92,809)	(72,729)	(41,741)
Administrative		(159,841)	(144,763)	(93,002)	(77,811)
		(269,442)	(237,572)	(165,731)	(119,552)
Operating profit		276,589	181,578	230,784	138,291
Financial charges		(158,986)	(125,480)	(80,834)	(68,098)
Exchange gain/(loss)		(33,547)	(73,979)	(45,381)	(19,628)
		84,056	(17,881)	104,569	50,565
Other operating income		23,773	30,984	18,266	24,430
Profit before income tax		107,829	13,103	122,835	74,995
Taxation		(47,543)	(52,069)	(32,840)	(31,183)
Profit /(Loss) for the period		60,286	(38,966)	89,995	43,812
		-----Rupees-----		-----Rupees-----	
Earnings /(loss) per share - Basic and Diluted	19	0.49	(0.32)	0.74	0.36

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



Chief Executive Officer



Chief Financial Officer



Director

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Six-Months Period Ended December 31, 2021

	Six months ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Un-Audited	Un-Audited	Un-Audited	Un-Audited
	-----Rupees in '000-----		-----Rupees in '000-----	
PROFIT/(LOSS) FOR THE PERIOD	60,286	(38,966)	89,995	43,812
Other comprehensive income				
Items that may be reclassified to statement of profit or loss subsequently	-	-	-	-
Items that will not be reclassified to statement of profit or loss subsequently	(2,852)	-	-	-
Remeasurement of defined benefit obligation	-	(12,767)	-	-
Other comprehensive loss	(2,852)	(12,767)	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	57,434	(51,733)	89,995	43,812

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



Chief Executive Officer



Chief Financial Officer



Director

Unconsolidated Condensed Interim Statement of Changes In Equity

For the Six-Months Period Ended December 31, 2021 (Un-audited)

	Issued, subscribed and paid up share capital	Capital reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment	Total
----- Rupees in '000' -----					
Balance as at July 01, 2020	1,224,007	680,467	2,241,380	2,622,193	6,768,047
Total comprehensive income for the period					
Loss for the period	-	-	(38,966)	-	(38,966)
Other comprehensive loss	-	-	(12,767)	-	(12,767)
Total comprehensive income	-	-	(51,733)	-	(51,733)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	13,211	(13,211)	-
Transactions with owners					
Dividend paid @ Rs. 0.045 per share	-	-	(55,081)	-	(55,081)
Balance as at December 31, 2020	<u>1,224,007</u>	<u>680,467</u>	<u>2,147,778</u>	<u>2,608,982</u>	<u>6,661,234</u>
Balance as at July 01, 2021	1,224,007	680,467	2,287,145	2,459,499	6,651,118
Total comprehensive income for the period					
Profit for the period	-	-	60,286	-	60,286
Other comprehensive loss	-	-	(2,852)	-	(2,852)
Total comprehensive income	-	-	57,434	-	57,434
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	11,920	(11,920)	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of plant and equipment - net of tax	-	-	1,352	(1,352)	-
Balance as at December 31, 2021	<u>1,224,007</u>	<u>680,467</u>	<u>2,357,851</u>	<u>2,446,227</u>	<u>6,708,552</u>

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



Chief Executive Officer



Chief Financial Officer



Director

Unconsolidated Condensed Interim Statement of Cash Flows

For the Six-Months Period Ended December 31, 2021

	Note	Six months ended	
		December 31, 2021	December 31, 2020
		(Un-audited)	(Un-audited)
-----Rupees in '000-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	20	(333,660)	(804,532)
Gratuity paid		(8,642)	(2,977)
Taxes paid		(50,961)	(38,189)
Finance cost paid		(122,051)	(119,978)
Net cash used in operating activities		(515,313)	(965,676)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,309,428)	(124,495)
Proceeds from disposal of property, plant and equipment		3,384	15,547
Right-of-use assets		(4,923)	(5,937)
Long term deposits		(203)	(1,847)
Long term investments	8	(4,467)	-
Net cash used in investing activities		(1,315,637)	(116,732)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net of repayment		846,168	121,819
Finance lease obligation - net of repayment		(8,550)	(5,344)
Dividend paid		(4)	(67,842)
Short term finances - net of repayment		1,015,797	962,139
Net cash generated from financing activities		1,853,411	1,010,772
Net increase/(decrease) in cash and cash equivalents		22,461	(71,636)
Cash and cash equivalents at the beginning of the period		104,960	298,290
Cash and cash equivalents at the end of the period		127,421	226,654

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



Chief Executive Officer



Chief Financial Officer



Director

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

1 LEGAL STATUS AND OPERATIONS

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

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

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

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

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

2 SIGNIFICANT EVENTS AND TRANSACTIONS

During the period, the Company has recognized Rs. 1,297 million in Capital work in progress for the Cornstarch Project, which will commence its commercial operation in near future.

3 BASIS OF PREPARATION

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

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

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

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

3.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the unconsolidated annual audited financial statements, and should be read in conjunction with Company's unconsolidated annual audited financial statements for the year ended June 30, 2021.

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

3.3.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2022

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

3.3.2 New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2022

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

4 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2021 unless otherwise specified.

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparations of this unconsolidated condensed interim financial statements, the significant judgement made by management in applying the Company's accounting policies and the key sources of estimations and uncertainly were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2021.

6	PROPERTY, PLANT AND EQUIPMENT	Note	(Un-Audited)	(Audited)
			December 31, 2021	June 30, 2021
			-----Rupees in '000-----	
	Operating fixed assets	6.1	4,648,048	4,643,668
	Capital work in progress	6.2	1,455,336	264,263
			<u>6,103,384</u>	<u>4,907,931</u>

6.1 Details of additions and disposals to operating fixed assets during the six months ended December 31, 2021 are as follows:

Notes To The Unconsolidated Condensed Interim Financial Statements
For the Six-Months Period Ended December 31, 2021

	Additions at cost	Disposals at net book value
Note	-----Rupees in '000-----	
Plant and Machinery	1,272	-
Furniture and fixture	1,275	-
Motor Vehicles	-	185
Office Equipment	535	-
Factory Equipment	3,788	-
Computers	744	-
Camera	53	-
Mobile Phone	351	-
Generator	3,500	3,938
December 31, 2021	11,518	4,123
June 30, 2021	62,592	167,864

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

	(Un-Audited) December 31, 2021	(Audited) June 30, 2021
	-----Rupees in '000-----	
Opening balance	264,263	61,980
Additions during the period	1,297,910	307,659
	1,562,173	369,638
Transferred to operating fixed assets	(106,837)	(105,375)
Closing balance	1,455,336	264,263

7 INTANGIBLE ASSETS

This represent fully amortised computer software having cost of Rs. 14.71 million (2020: Rs. 14.71 million)

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

	Note	(Un-Audited) December 31, 2021 -----Rupees in '000-----	(Audited) June 30, 2021
8 LONG-TERM INVESTMENTS			
<i>Subsidiaries - at cost</i>			
JKT General Trading (FZE)	8.1	23,583	23,583
Matco Marketing (Private) Limited	8.2	7,500	7,500
<i>Associate - at cost</i>			
Barentz Pakistan (Private) Limited	8.3	24,500	24,500
<i>Other investments - at fair value through OCI - net</i>			
Pakistan Aluminium Beverage Cans Limited	8.4	6,615	-
		<u>62,198</u>	<u>55,583</u>
8.1	On October 8, 2013, the Company incorporated a new wholly owned subsidiary, JKT General Trading FZE in U.A.E. The principal activities are general trading, export / import and other related activities. The Company has made an equity investment of USD 255,000 out of which shares of USD 40,872 have been issued. Shares for the remaining amount would be issued after completion of necessary regulatory formalities.		
8.2	On November 13, 2017, the Company has subscribed 749,996 shares out of 750,000 shares of Matco Marketing (Private) Limited. However, Matco Marketing (Private) Limited has not commenced its operations since incorporation.		
8.3	On June 28, 2019, the Company has been incorporated in Paksitan as per agreement between Matco Foods Limited and Barentz International B.V. Matco Foods Limited has subscribed 49% of total shareholding of Rs. 50 million, thereby, constituting a joint venture.		
8.4	This represents the fair value of 193,201 shares of Pakistan Beverages Aluminum Can's acquired by the Company through initial public offering at the rate of Rs. 49 per share. As at December 31, 2021, the share was revalued at Rs. 34.24 per share, resulting a loss of Rs. 2.85 million (2021: Nil) during the period.		
	Note	(Un-Audited) December 31, 2021 -----Rupees in '000-----	(Audited) June 30, 2021
9 STOCK IN TRADE			
Raw materials		6,313,093	5,523,329
Packing materials		150,689	122,293
Finished goods		1,402,861	1,545,539
		<u>7,866,643</u>	<u>7,191,161</u>
Provision for slow moving / obsolete items		(19,881)	(19,881)
		<u>7,846,762</u>	<u>7,171,280</u>
9.1	Borrowings are secured by way of pledge over stock in trade of the Company.		

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

		December 31, 2021	June 30, 2021
		-----Rupees in '000-----	
	Note		
10	TRADE DEBTS		
	Considered good		
	- Export - secured	1,181,509	930,393
	- Local - unsecured	101,161	110,731
		<u>1,282,670</u>	<u>1,041,124</u>
10.1	Borrowings are secured by way of charge over trade debts of the Company.		
11	CASH AND BANK BALANCES		
	Cash in hand	5,046	3,530
	Cash at bank	122,375	101,430
		<u>127,421</u>	<u>104,960</u>
12	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		
		(Un-audited)	(Audited)
		December 31,	June 30,
		2021	2021
		(Number of shares)	
		(Un-Audited)	(Audited)
		December 31,	June 30,
		2021	2021
		-----Rupees in '000-----	
	Ordinary shares of Rs. 10 each:		
	50,340,213 50,340,213 - fully paid in cash	503,402	503,402
	6,002,950 6,002,950 - issued for consideration other than	60,030	60,030
	<u>66,057,535</u> <u>66,057,535</u> - issued as fully paid bonus shares	<u>660,575</u>	<u>660,575</u>
	<u>122,400,698</u> <u>122,400,698</u>	<u>1,224,007</u>	<u>1,224,007</u>
13	LONG TERM FINANCES - SECURED		
	<i>From banking companies and financial institution:</i>		
	LTF/ILTF	297,138	316,752
	TERF/ITERF	776,795	111,691
	FFSAP/IFFASP	238,622	60,455
	Demand Finance	116,690	56,989
	Salary Refinance	84,910	122,100
		<u>1,514,155</u>	<u>667,987</u>
	Current portion of long term finances	<u>(162,364)</u>	<u>(175,076)</u>
		<u>1,351,791</u>	<u>492,911</u>
13.1	The Company has obtained long term finance facility from various banks for plant & machinery expansion. The facilities available from different banks are secured by way of 1st pari passu hypothecation charge of present and future fixed assets (excluding land and building) of the Company.		

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

	(Un-Audited) December 31, 2021 -----Rupees in '000-----	(Audited) June 30, 2021
14 DEFERRED LIABILITIES		
Staff gratuity scheme - unfunded	144,899	132,805
Deferred tax liability	83,023	88,711
	<u>227,922</u>	<u>221,515</u>
15 SHORT TERM BORROWINGS SECURED		
Export re-finance	4,242,949	4,331,949
Own resource	2,305,853	1,201,056
	<u>6,548,802</u>	<u>5,533,005</u>
16 CONTINGENCIES AND COMMITMENTS		
16.1 Contingencies		
The current status of the contingencies is same as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2021.		
	(Un-Audited) December 31, 2021 -----Rupees in '000-----	(Audited) June 30, 2021
16.2 Commitments		
Letter of credit	267,371	912,150
Letter of guarantee	34,620	34,620
Capital expenditures	316,452	543,479
Cheques issued in favour of Nazir of high court in relation to SSGC case	3,277	1,829
	<u>621,720</u>	<u>1,492,078</u>
17 SALES - NET		
Export sales	4,035,945	4,138,742
Local sales	1,346,512	1,406,841
	<u>5,382,457</u>	<u>5,545,583</u>
Sales discount / return	(36,260)	(27,373)
Sales tax	(19,407)	(14,456)
Freight	(454,601)	(141,769)
Clearing & Forwarding	(26,627)	(21,270)
	<u>4,845,562</u>	<u>5,340,715</u>

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

	(Un-Audited) December 31, 2021 -----Rupees in '000-----	(Audited) June 30, 2021
18 COST OF SALES		
Rice consumed	3,358,937	4,446,486
Packing materials consumed	189,040	243,985
Stores, spares and loose tools consumed	78,592	68,433
	<u>3,626,569</u>	<u>4,758,904</u>
Salaries, wages and benefits	214,254	213,282
Electricity and power	84,622	86,247
Telephone and mobile	531	794
Insurance	4,394	4,194
Repairs and maintenance	17,174	20,538
Fumigation charges	31,323	13,886
Diesel & water	29,320	31,451
Canteen	-	-
Staff welfare	6,805	8,284
Security expenses	8,554	6,761
Godown expenses	10,478	7,076
Rent, rates and taxes	576	300
Vehicle running expenses	5,036	3,642
Medical	1,849	2,295
Depreciation	87,881	88,226
Depreciation on right-of-assets	12,059	13,180
Interest expense on lease liabilities	5,748	5,841
Inspection charges	8,954	10,421
Others	726	19,246
<i>Cost of goods available for sale</i>	<u>4,156,853</u>	<u>5,294,568</u>
Finished goods		
Opening stock	<u>1,545,539</u>	<u>1,141,723</u>
Closing stock	<u>(1,402,861)</u>	<u>(1,514,726)</u>
	<u>142,678</u>	<u>(373,003)</u>
	<u>4,299,531</u>	<u>4,921,565</u>
19 EARNINGS/(LOSS) PER SHARE - BASIC & DILUTED		
Basic earnings/(loss) per share		
Profit/(Loss) for the period (Rupees in thousands)	<u>60,286</u>	<u>(38,966)</u>
Number of ordinary shares	<u>122,400,698</u>	<u>122,400,698</u>
Earnings/(Loss) per share	<u>0.49</u>	<u>(0.32)</u>
19.1 Diluted earning per share		

There is no dilutive effect on earnings per share as the Company does not have any convertible instruments as at Decemeber 31, 2021 and June 30, 2021.

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

20	CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	Note	Un-Audited	Un-Audited
			December 31, 2021	December 31, 2020
			-----Rupees in '000-----	
	Profit before taxation		107,829	13,103
	Adjustments for non-cash charges and other items:			
	Depreciation		123,835	128,113
	Exchange loss - net		33,547	73,979
	Finance cost		153,238	125,479
	(Gain)/Loss on disposal of property, plant and equipment		1,218	(12,481)
	Provision for staff gratuity		20,736	14,322
	Unrealized gain on short term investment		(935)	(52)
	Working capital changes	20.1	(773,128)	(1,146,995)
	Cash used in operations		<u>(333,660)</u>	<u>(804,532)</u>
20.1	Working capital changes			
	(Increase)/ decrease in current assets			
	Stores, spares and loose tools		(60)	(15,004)
	Stock-in-trade		(675,482)	(936,080)
	Trade debts - considered good		(275,093)	358,159
	Loans and advances		(85,812)	(21,472)
	Trade deposits and short term prepayments		1,418	1,836
	Due from related parties		16,960	(49,622)
	Sales tax refundable		15,813	37,128
			<u>(1,002,255)</u>	<u>(625,055)</u>
	Increase/(decrease) in current liabilities			
	Trade and other payables		237,831	(497,706)
	Due to related party		1,137	-
	Deferred grant		(4,060)	1,611
	Advance from customers - secured		(5,781)	(25,845)
	Net decrease in working capital		<u>(773,128)</u>	<u>(1,146,995)</u>

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

21 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

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

21.1 Fair value of financial assets and liabilities

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

21.2 Fair value hierachy

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

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

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

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

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

22 TRANSACTIONS WITH RELATED PARTIES

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

			(Un-Audited) December 31, 2021	(Un-Audited) December 31, 2020
-----Rupees in '000-----				
Nature of relationship	Percentage of Holding	Transactions		
Directors		Godown rent paid to director	8,456	8,352
Subsidiary				
JKT General Trading FZE	100%	Sales	48,376	14,919
		Payment received on account of sales	70,760	14,919
Matco Marketing (Private) Limited	99.99%	Paid expenses on behalf	81	-
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	7,233	99,553
		Payment received on account of expenses	25,511	60,520
		Interest Income	1,549	1,677
		Commission paid	1,114	252
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	1,911	5
		Payment received on account of expenses	-	1,085
Trust operated by the Company				
Ghori Trust	0%	Paid expenses on behalf	3,219	2,403
		Payment received on account of expenses	1	1,500
		Donations paid	4,462	3,042
			(Un-Audited) December 31, 2021	(Audited) June 30, 2021
-----Rupees in '000-----				
Nature of relationship	Percentage of Holding	Balances		
Subsidiary				
JKT General Trading FZE	100%	Trade receivables outstanding	41,104	63,192
Matco Marketing (Private) Limited	99.99%	Advance outstanding	6,806	6,876
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Receivable against expenses	20,714	40,144
		Interest receivable	770	1,194
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Receivable against expenses	3,483	1,572
Faiyaz Center Owner Association	0%	Receivable against expenses	1,141	160
Trust operated by the Company				
Ghori Trust	0%	Payable against donation	2,195	977

Notes To The Unconsolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

23 OPERATING SEGMENT

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

- 23.1 Revenue from sale of rice represents 89.78% (December 31, 2020: 91.3%) of the total revenue of the Company. Whereas 8.58% (December 31, 2020: 7.9%) represents revenue from sale of rice glucose and remaining represents other items.
- 23.2 All non-current assets of the Company as at December 31, 2021 are located in Pakistan except investment in JKT General Trading (FZE) which is disclosed in note 8 of these unconsolidated condensed interim financial statements. Further, debtors from rice represents 93.39% (June 30 2021: 96.39%) of the total debtors.

24 GENERAL

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

25 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on **February 23, 2022**, by the board of directors of the Company.



Chief Executive Officer



Chief Financial Officer



Director

Half Yearly
Financial Statements
Consolidated
December 31, 2021
(Un-audited)



Consolidated Condensed Interim Statement of Financial Position

As at December 31, 2021

	Note	Un-Audited December 31, 2021	Audited June 30, 2021
-----Rupees in '000-----			
ASSETS			
Non-current assets			
Property, plant and equipment	6	6,103,384	4,907,931
Intangible assets	7	-	-
Right-of-use assets		161,992	171,533
Long term deposits		16,525	16,322
Long term investments	8	14,425	13,371
Total non-current assets		6,296,326	5,109,157
Current assets			
Stores, spares and loose tools		70,504	70,444
Stock in trade	9	7,846,762	7,171,280
Trade debts	10	1,333,757	1,060,859
Loans and advances		184,551	103,660
Trade deposits and short term prepayments		10,194	10,793
Short term investment		2,515	1,580
Sales tax refundable		107,785	123,598
Due from related parties		26,104	43,071
Taxation - net		29,416	31,683
Cash and bank balances	11	143,982	142,315
Total current assets		9,755,570	8,759,283
Total assets		16,051,897	13,868,440

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



Chief Executive Officer



Chief Financial Officer



Director

Consolidated Condensed Interim Statement of Financial Position

As at December 31, 2021

		Un-Audited December 31, 2021	Audited June 30, 2021
	Note	-----Rupees in '000-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
200,000,000 (June 30, 2020: 200,000,000) shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital	12	1,224,007	1,224,007
Capital reserve		680,467	680,467
Exchange revaluation reserve		22,696	15,811
Unappropriated profit		2,360,742	2,292,539
Surplus on revaluation of property, and equipment - net of tax		2,446,227	2,459,499
Total shareholders' equity		6,734,139	6,672,323
Non-current liabilities			
Long-term finances-secured	13	1,351,791	492,911
Lease liabilities		119,871	126,631
Deferred liabilities	14	228,205	221,768
Deferred grant		123	952
Total non-current liabilities		1,699,990	842,262
Current liabilities			
Trade and other payables		757,870	520,550
Advance from customers - secured		31,888	35,747
Accrued mark-up		89,065	57,878
Due to related parties		2,195	990
Short term borrowings-secured	15	6,548,802	5,533,005
Current portion of deferred grant		2,945	6,176
Current portion of long term finances-secured	13	162,364	175,076
Current portion of lease liabilities		21,855	23,645
Unpaid dividend		784	788
Total current liabilities		7,617,768	6,353,855
Total liabilities		9,317,758	7,196,117
Contingencies and commitments	16		
Total equity and liabilities		16,051,897	13,868,440

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



Chief Executive Officer



Chief Financial Officer



Director

Consolidated Condensed Interim Statement of Profit Or Loss

For the Six-Months Period Ended December 31, 2021

	Note	Six months ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		Un-Audited	Un-Audited	Un-Audited	Un-Audited
		-----Rupees in '000-----		-----Rupees in '000-----	
Sales - net	17	4,849,650	5,343,450	3,259,328	2,547,889
Cost of sales	18	(4,299,531)	(4,921,565)	(2,859,823)	(2,287,311)
Gross profit		550,119	421,885	399,505	260,578
Operating expenses					
Selling and distribution		(110,408)	(92,328)	(73,478)	(41,741)
Administrative		(159,991)	(144,563)	(93,070)	(78,663)
		(270,399)	(236,891)	(166,548)	(120,404)
Operating profit		279,720	184,994	232,957	140,173
Financial charges		(159,063)	(127,569)	(80,911)	(68,163)
Share of loss from associated company		(5,561)	(2,854)	(3,127)	(1,636)
Exchange loss		(33,547)	(73,979)	(45,381)	(19,628)
		81,549	(19,408)	103,538	50,746
Other operating income		23,777	30,988	18,270	24,434
Profit before income tax		105,326	11,580	121,808	75,180
Taxation		(47,543)	(52,069)	(32,840)	(31,183)
Profit/(Loss) for the period		57,783	(40,489)	88,968	43,997
		-----Rupees-----		-----Rupees-----	
Earnings/(loss) per share - Basic and Diluted	19	0.47	(0.33)	0.73	0.36

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



Chief Executive Officer



Chief Financial Officer



Director

Consolidated Condensed Interim Statement of Comprehensive Income

For the Six-Months Period Ended December 31, 2021

	Six months ended		Quarter ended	
	December 31, 2021 Un-Audited -----Rupees in '000-----	December 31, 2020 Un-Audited -----Rupees in '000-----	December 31, 2021 Un-Audited -----Rupees in '000-----	December 31, 2020 Un-Audited -----Rupees in '000-----
PROFIT/(LOSS) FOR THE PERIOD	57,783	(40,489)	88,968	43,997
Other comprehensive income				
<i>Items that may be reclassified to statement of profit or loss subsequently</i>				
- Exchange difference on translation of foreign currency	6,885	(2,645)	-	-
<i>Items that will not be reclassified to statement of profit or loss subsequently</i>				
Remeasurement of defined benefit obligation	(2,852)	-	-	-
Other comprehensive income / (loss)	4,033	(15,412)	-	-
TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD	61,816	(55,901)	88,968	43,997

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



Chief Executive Officer



Chief Financial Officer



Director

Consolidated Condensed Interim Statement of Changes In Equity

For the Six-Months Period Ended December 31, 2021 (Un-audited)

	Issued, subscribed and paid up capital	Capital reserve	Exchange Revaluation Reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Equity attributable to the Holding Company 's shareholders	Total
----- Rupees in '000' -----							
Balance as at July 01, 2020	1,224,007	680,467	19,585	2,238,960	2,622,193	6,785,212	6,785,212
Total comprehensive loss for the period							
Loss for the period	-	-	-	(40,490)	-	(40,490)	(40,490)
Other comprehensive loss	-	-	(2,645)	(12,767)	-	(15,412)	(15,412)
Total comprehensive loss	-	-	(2,645)	(53,257)	-	(55,902)	(55,902)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	13,211	(13,211)	-	-
Transactions with owners	-	-	-	-	-	-	-
Dividend paid @ Rs. 0.45 per share	-	-	-	(55,081)	-	(55,081)	(55,081)
Balance as at December 31, 2020	<u>1,224,007</u>	<u>680,467</u>	<u>16,940</u>	<u>2,143,833</u>	<u>2,608,982</u>	<u>6,674,230</u>	<u>6,674,230</u>

Consolidated Condensed Interim Statement of Changes In Equity

For the Six-Months Period Ended December 31, 2021 (Un-audited)

	Issued, subscribed and paid up capital	Capital reserve	Exchange Revaluation Reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Equity attributable to the Holding Company's shareholders	Total
----- Rupees in '000' -----							
Balance as at July 01, 2021	1,224,007	680,467	15,811	2,292,539	2,459,499	6,672,323	6,672,323
Total comprehensive profit for the period							
Profit for the period	-	-	-	57,783	-	57,783	57,783
Other comprehensive income/(loss)	-	-	6,885	(2,852)	-	4,033	4,033
Total comprehensive income	-	-	6,885	54,931	-	61,816	61,816
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of tax	-	-	-	11,920	(11,920)	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of plant and equipment - net of tax	-	-	-	1,352	(1,352)	-	-
Balance as at December 31, 2021	1,224,007	680,467	22,696	2,360,742	2,446,227	6,734,139	6,734,139

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



Chief Executive Officer



Chief Financial Officer



Director

Unconsolidated Condensed Interim Statement of Cash Flows

For the Six-Months Period Ended December 31, 2021

	Note	Six months ended	
		December 31, 2021	December 31, 2020
		(Un-audited)	(Un-audited)
-----Rupees in '000-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	20	(366,851)	(800,852)
Gratuity paid		(8,612)	(2,991)
Taxes paid		(50,961)	(38,189)
Finance cost paid		(122,128)	(120,143)
Exchange revaluation reserve		6,885	(2,645)
Net cash used in operating activities		(541,667)	(964,820)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,309,428)	(124,495)
Proceeds from disposal of property, plant and equipment		3,384	15,547
Right-of-use assets		(4,923)	(5,937)
Long term deposits		(203)	(1,847)
Long term investments	8	1,093	2,854
Net cash used in investing activities		(1,310,077)	(113,878)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net of repayment		846,168	121,819
Finance lease obligation - net of repayment		(8,550)	(5,344)
Dividend paid		(4)	(67,842)
Short term finances - net of repayment		1,015,797	962,139
Net cash generated from financing activities		1,853,411	1,010,772
Net increase/(decrease) in cash and cash equivalents		1,667	(67,926)
Cash and cash equivalents at the beginning of the period		142,315	305,250
Cash and cash equivalents at the end of the period		143,982	237,324

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



Chief Executive Officer



Chief Financial Officer



Director

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

1 LEGAL STATUS AND OPERATIONS

The 'Group' consists of:

Holding Company

- Matco Foods Limited (the Holding Company)

Subsidiary Company

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

Associated Company

- Barentz Pakistan (Private) Limited

The Group is engaged in the business of processing and export of rice, glucose, protein and flour, manufacturing, general trading, exports/imports and other related activities. Brief profile of the Holding Company, subsidiaries and associated company 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 is listed on Pakistan Stock Exchange on February 13, 2018. Principal activity of the Holding Company is to carry on the business of processing, export of rice, rice glucose, rice protein and trade of biscuits, pink salt, bran oil, masala and kheer. Registered office of the Holding Company is situated at B-01/A, S.I.T.E, Phase 1, Super Highway Industrial Area, Karachi; whereas the factories of the Group are situated at (i) M-II, A-15 & 16, SITE-II, Super highway Karachi; (ii) Riviana, A-21, SITE-II, Super highway Karachi; (iii) Rice Glucose Plant, G-205, SITE-II, Super highway Karachi and (iv) M-III, Sadoke, Tehsil Kamoke, District Guiranwala.

b) JKT General Trading FZE

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

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

The subsidiary has been established on October 8, 2013.

c) Matco Marketing (Private) Limited

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

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

d) Barentz Pakistan (Private) Limited

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

2 SIGNIFICANT EVENTS AND TRANSACTIONS

During the period, the Group has recognized Rs. 1,297 million in Capital work in progress for the Cornstarch Project, which will commence its commercial operation in near future.

3 BASIS OF PREPARATION

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

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

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

3.2 These consolidated condensed interim financial statements do not include all the information and disclosures required in the consolidated annual audited financial statements, and should be read in conjunction with the Group's consolidated annual audited financial statements for the year ended June 30, 2021.

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

3.3.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2022

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or have any significant effect on the Group's financial reporting.

3.3.2 New standards and amendments to approved accounting standards that are effective for the Group's accounting periods beginning on or after July 1, 2022

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

4 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2021 unless otherwise specified.

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparations of this consolidated condensed interim financial statements, the significant judgement made by management in applying the Group's accounting policies and the key sources of estimations and uncertainly were the same as those that applied to the audited annual financial statements of the Group for the year ended June 30, 2021.

6 PROPERTY, PLANT AND EQUIPMENT	Note	(Un-Audited)	(Audited)
		December 31, 2021	June 30, 2021
		-----Rupees in '000-----	
Operating fixed assets	6.1	4,648,048	4,643,668
Capital work in progress	6.2	1,455,336	264,263
		<u>6,103,384</u>	<u>4,907,931</u>

6.1 Details of additions and disposals to operating fixed assets during the six months ended December 31, 2021 are as follows:

	Note	Additions at cost	Disposals at net book value
		-----Rupees in '000-----	
Plant and Machinery		1,272	-
Furniture and fixture		1,275	-
Motor Vehicles		-	185
Office Equipment		535	-
Factory Equipment		3,788	-
Computers		744	-
Camera		53	-
Mobile Phone		351	-
Generator		3,500	3,938
December 31, 2021		<u>11,518</u>	<u>4,123</u>
June 30, 2021		<u>62,592</u>	<u>167,864</u>

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

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

	(Un-Audited) December 31, 2021	(Audited) June 30, 2021
Note	-----Rupees in '000-----	
Opening balance	264,263	61,980
Additions during the period	1,297,910	307,659
	1,562,173	369,638
Transferred to operating fixed assets	(106,837)	(105,375)
Closing balance	1,455,336	264,263

7 INTANGIBLE ASSETS

This represent fully amortised computer software having cost of Rs. 14.71 million (2020: Rs. 14.71 million)

	(Un-Audited) December 31, 2021	(Audited) June 30, 2021
Note	-----Rupees in '000-----	
8 LONG-TERM INVESTMENTS		
<i>Associate - Equity Accounting</i>		
Barentz Pakistan (Private) Limited	7,810	13,371
<i>Other investments - at fair value through OCI - net</i>		
Pakistan Aluminium Beverage Cans Limited	6,615	-
	14,425	13,371

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

8.2 This represents the fair value of 193,201 shares of Pakistan Aluminum Beverage Cans Limited acquired by the Holding Company through initial public offering at the rate of Rs. 49 per share. As at December 31, 2021, the share was revalued at Rs. 34.24 per share, resulting a loss of Rs. 2.85 million (2021: Nil) during the period.

	(Un-Audited) December 31, 2021	(Audited) June 30, 2021
Note	-----Rupees in '000-----	
9 STOCK IN TRADE		
Raw materials	6,313,093	5,523,329
Packing materials	150,689	122,293
Finished goods	1,402,861	1,545,539
	7,866,643	7,191,161
Provision for slow moving / obsolete items	(19,881)	(19,881)
	7,846,762	7,171,280

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

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

	(Un-Audited) December 31, 2021 -----Rupees in '000-----	(Audited) June 30, 2021
10 TRADE DEBTS		
Considered good		
- Export - secured	1,232,596	950,128
- Local - unsecured	101,161	110,731
	<u>1,333,757</u>	<u>1,060,859</u>

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

	(Un-Audited) December 31, 2021 -----Rupees in '000-----	(Audited) June 30, 2021
11 CASH AND BANK BALANCES		
Cash in hand	5,046	3,530
Cash at bank	138,936	101,430
	<u>143,982</u>	<u>104,960</u>

12 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

(Un-audited) December 31, 2021 (Number of shares)	(Audited) June 30, 2021		(Un-Audited) December 31, 2021 -----Rupees in '000-----	(Audited) June 30, 2021
		Ordinary shares of Rs. 10 each:		
50,340,213	50,340,213	- fully paid in cash	503,402	503,402
6,002,950	6,002,950	- issued for consideration other than cash	60,030	60,030
<u>66,057,535</u>	<u>66,057,535</u>	- issued as fully paid bonus shares	<u>660,575</u>	<u>660,575</u>
<u>122,400,698</u>	<u>122,400,698</u>		<u>1,224,007</u>	<u>1,224,007</u>

13 LONG TERM FINANCES - SECURED

From banking companies and financial institution:

LTF/ILTF	297,138	316,752
TERF/ITERF	776,795	111,691
FFSAP/IFFSAP	238,622	60,455
Demand Finance	116,690	56,989
Salary Refinance	84,910	122,100
	<u>1,514,155</u>	<u>667,987</u>
Current portion of long term finances	<u>(162,364)</u>	<u>(175,076)</u>
	<u>1,351,791</u>	<u>492,911</u>

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

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

	(Un-Audited) December 31, 2021	(Audited) June 30, 2021
	-----Rupees in '000-----	
14 DEFERRED LIABILITIES		
Staff gratuity scheme - unfunded	144,899	132,805
Employees' end of service benefit	283	253
Deferred tax liability	83,023	88,711
	<u>228,205</u>	<u>221,768</u>
15 SHORT-TERM BORROWINGS SECURED		
Export re-finance	4,242,949	4,331,949
Own resource	2,305,853	1,201,056
	<u>6,548,802</u>	<u>5,533,005</u>
16 CONTINGENCIES AND COMMITMENTS		
16.1 Contingencies		
The current status of the contingencies is same as disclosed in the annual audited financial statements of the Group for the year ended June 30, 2021.		
	(Un-Audited) December 31, 2021	(Audited) June 30, 2021
	-----Rupees in '000-----	
16.2 Commitments		
Letter of credit	267,371	912,150
Letter of guarantees	34,620	34,620
Capital Expenditures	316,452	543,479
Cheques issued in favour of Nazir of high court in relation to SSGC case	3,277	1,829
	<u>621,720</u>	<u>1,492,078</u>
17 SALES - NET		
Export sales	4,040,033	4,141,477
Local sales	1,346,512	1,406,841
	<u>5,386,545</u>	<u>5,548,318</u>
Sales discount / return	(36,260)	(27,373)
Sales tax	(19,407)	(14,456)
Freight	(454,601)	(141,769)
Clearing & Forwarding	(26,627)	(21,270)
	<u>4,849,650</u>	<u>5,343,450</u>

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

	(Un-Audited) December 31, 2021 -----Rupees in '000-----	(Audited) June 30, 2021
18 COST OF SALES		
Rice consumed	3,358,937	4,446,486
Packing materials consumed	189,040	243,985
Stores, spares and loose tools consumed	78,592	68,433
	<u>3,626,569</u>	<u>4,758,904</u>
Salaries, wages and benefits	214,254	213,282
Electricity and power	84,622	86,247
Telephone and mobile	531	794
Insurance	4,394	4,194
Repairs and maintenance	17,174	20,538
Fumigation charges	31,323	13,886
Diesel & water	29,320	31,451
Staff welfare	6,805	8,284
Security expenses	8,554	6,761
Godown expenses	10,478	7,076
Rent, rates and taxes	576	300
Vehicle running expenses	5,036	3,642
Medical	1,849	2,295
Depreciation	87,881	89,347
Depreciation on right-of-assets	12,059	12,059
Interest expense on lease liabilities	5,748	5,841
Inspection charges	8,954	10,421
Others	726	19,246
<i>Cost of goods available for sale</i>	<u>4,156,853</u>	<u>5,294,568</u>
Finished goods		
Opening stock	<u>1,545,539</u>	<u>1,141,723</u>
Closing stock	<u>(1,402,861)</u>	<u>(1,514,726)</u>
	<u>142,678</u>	<u>(373,003)</u>
	<u>4,299,531</u>	<u>4,921,565</u>
19 EARNINGS/(LOSS) PER SHARE - BASIC & DILUTED		
Basic earnings/(loss) per share		
Profit/(Loss) for the period (Rupees in thousands)	<u>57,783</u>	<u>(40,489)</u>
Number of ordinary shares	<u>122,400,698</u>	<u>122,400,698</u>
Earnings/(Loss) per share	<u>0.47</u>	<u>(0.33)</u>
19.1 Diluted earning per share		

There is no dilutive effect on earnings per share as the Holding Company does not have any convertible instruments as at Decemeber 31, 2021 and June 30, 2021.

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

20	CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	Note	(Un-Audited)	(Un-Audited)
			December 31, 2021	June 30, 2021
			-----Rupees in '000-----	
	Profit before taxation		105,326	11,580
	Adjustments for non-cash changes and other items:			
	Depreciation		123,835	128,113
	Exchange loss - net		33,547	73,979
	Finance cost		153,315	125,644
	(Gain)/Loss on disposal of property, plant and equipment		1,218	(12,481)
	Provision for staff gratuity		20,736	14,322
	Unrealized gain on short term investment		(935)	(52)
	Working capital changes	15.1	(803,893)	(1,141,956)
	Cash used in operations		<u>(366,851)</u>	<u>(800,851)</u>
20.1	Working capital changes			
	(Increase)/ decrease in current assets			
	Stores, spares and loose tools		(60)	(15,004)
	Stock-in-trade		(675,482)	(936,080)
	Trade debts - considered good		(306,445)	382,532
	Loans and advances		(85,891)	(21,472)
	Trade deposits and short term prepayments		599	3,178
	Due from related parties		16,967	31,760
	Sales tax refundable		15,813	(45,618)
			<u>(1,034,499)</u>	<u>(600,704)</u>
	Increase/(decrease) in current liabilities			
	Trade and other payables		237,320	(517,018)
	Due to related party		1,205	-
	Deferred grant		(4,060)	1,611
	Advance from customers - secured		(3,859)	(25,845)
	Net decrease in working capital		<u>(803,893)</u>	<u>(1,141,956)</u>

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

21 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

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

21.1 Fair value of financial assets and liabilities

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

21.2 Fair value hierarchy

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

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

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

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

22 TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Percentage of Holding	Transactions	(Un-Audited)	(Un-Audited)
			December 31, 2021	December 31, 2020
-----Rupees in '000-----				
Directors		Godown rent paid to director	<u>8,456</u>	<u>8,352</u>
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	<u>7,233</u>	<u>99,553</u>
		Payment received on account of expenses	<u>25,511</u>	<u>60,520</u>
		Interest Income	<u>1,549</u>	<u>1,677</u>
		Commission paid	<u>1,114</u>	<u>252</u>
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	<u>1,911</u>	<u>5</u>
		Payment received on account of expenses	<u>-</u>	<u>1,085</u>
Trust operated by the Holding Company				
Ghori Trust	0%	Paid expenses on behalf	<u>3,219</u>	<u>2,403</u>
		Payment received on account of expenses	<u>1</u>	<u>1,500</u>
		Donation expense	<u>4,462</u>	<u>3,042</u>

Notes To The Consolidated Condensed Interim Financial Statements

For the Six-Months Period Ended December 31, 2021

(Un-Audited) (Un-Audited)
December 31, June 30, 2021
2021
-----Rupees in '000-----

Nature of relationship	Percentage of Holding	Balances		
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Receivable against expenses	20,714	40,144
		Interest receivable	770	1,194
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Receivable against expenses	3,483	1,572
Faiyaz Center Owner Association	0%	Receivable against expenses	1,141	160
Trust operated by the Holding Company				
Ghori Trust	0%	Payable against donation	2,195	977

23 OPERATING SEGMENT

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

- 23.1 Revenue from sale of rice represents 89.78% (December 31, 2020: 91.3%) of the total revenue of the Group. Whereas 8.58% (December 31, 2020: 7.9%) represents revenue from sale of rice glucose and remaining represents other items.
- 23.2 All non-current assets of the Group as at December 31, 2021 are located in Pakistan.

24 GENERAL

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

25 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on **February 23, 2022**, by the board of directors of the Group.



Chief Executive Officer



Chief Financial Officer



Director