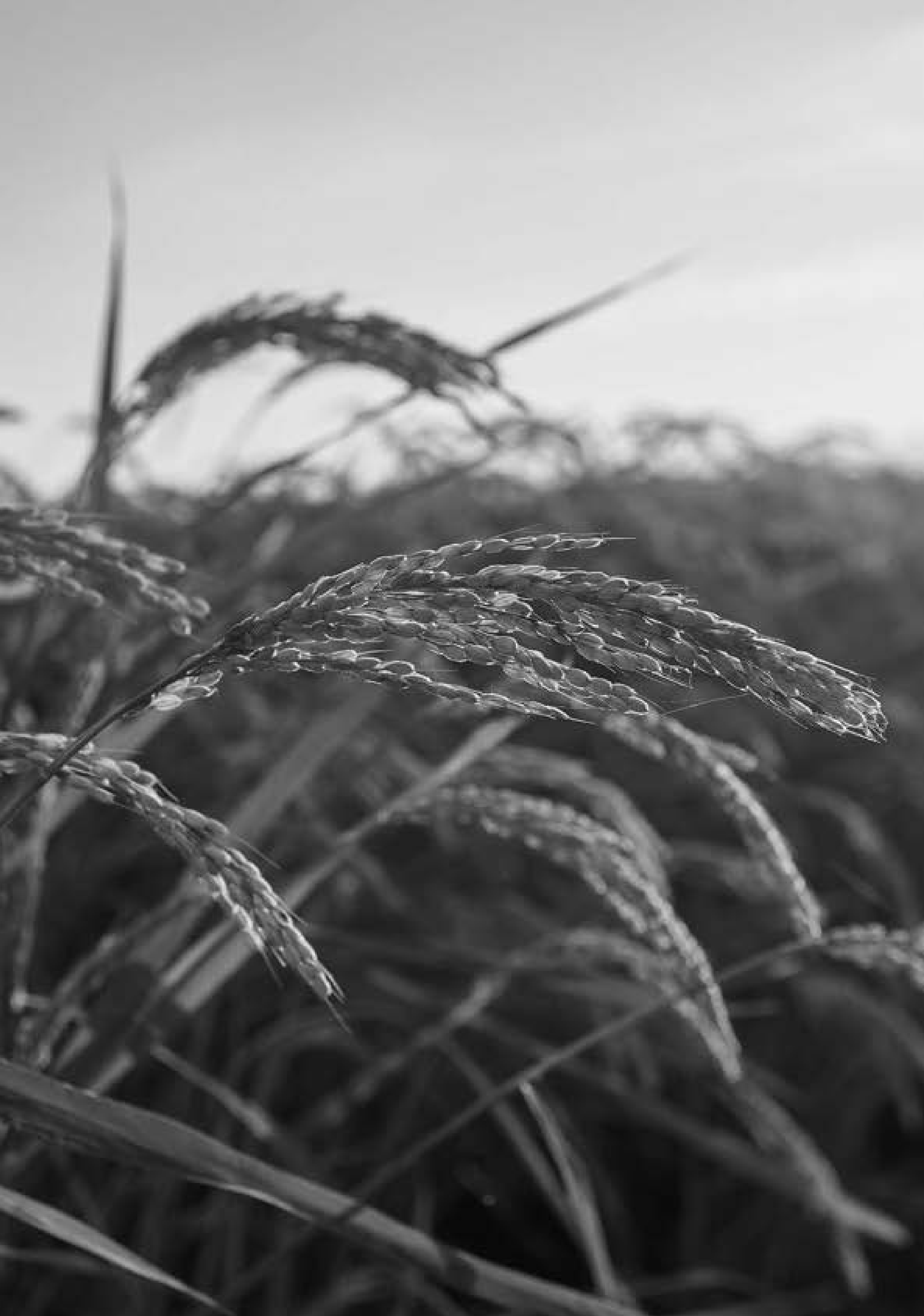
MATCO FOODS LIMITED

REACHING NEW HEIGHTS

ANNUAL REPORT 2024



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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 plants and equipment for the Government of Pakistan. Today, Matco has over 150 global customers and exports its consumer products to over 65 countries worldwide.

The Company also holds Organic Certifications from the US NOP and EU Organic Certification from the Control Union and has been an International Finance Corporation (IFC) investee company since 2012.

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

BusinessProfile

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

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

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

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

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

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

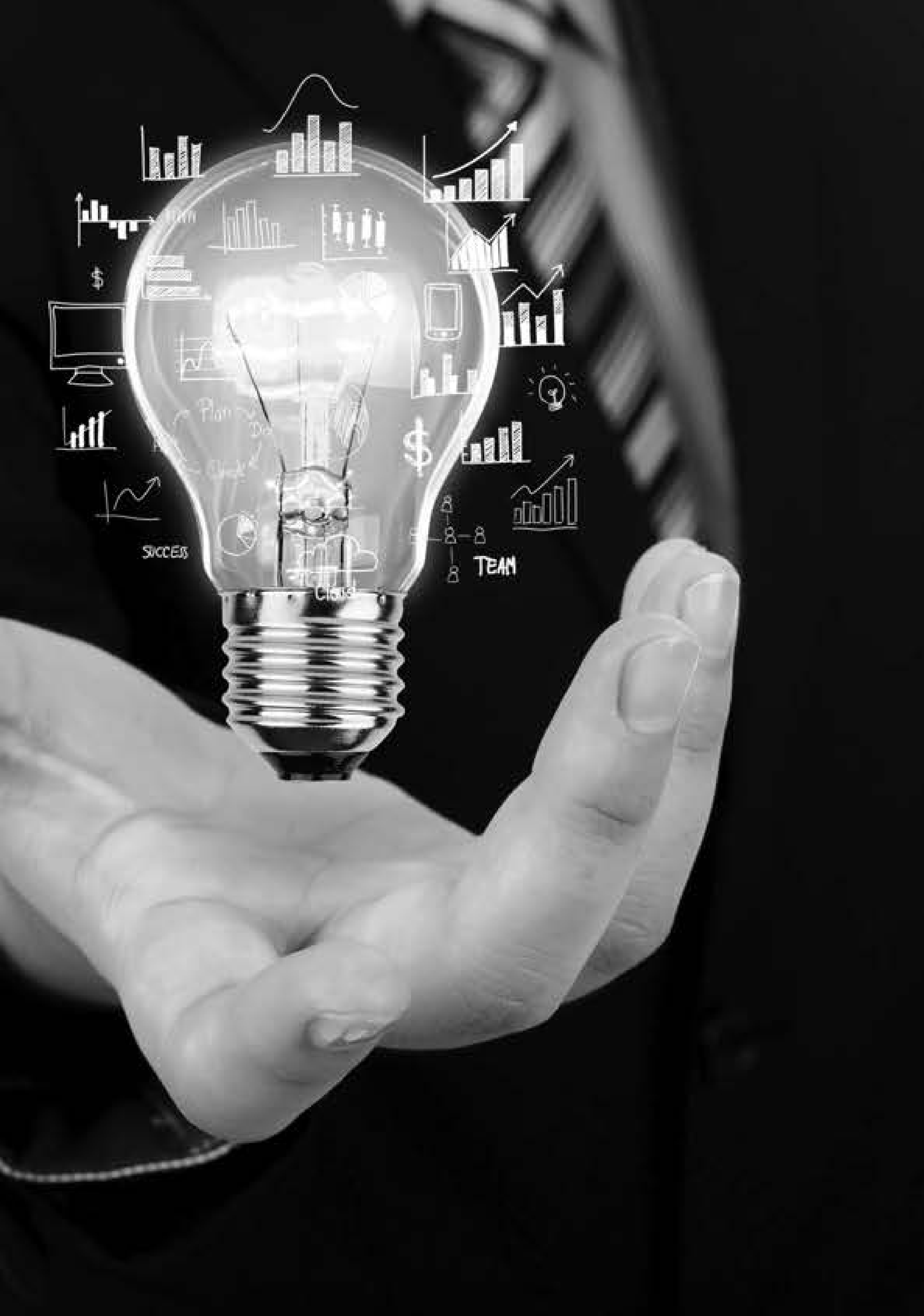
Matco Foods possesses the essential capacities and infrastructure necessary to ensure compliance with a multitude of quality and hygiene standards. Our laboratories, and quality control units are overseen by proficient and well-qualified personnel. and they are outfitted with Wet Labs, Instrumentation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

Vision

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

Mission

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


SUCCESS
TEAM

Corporate Information

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Muhammad Aamir Farooqui, FCMA

COMPANY SECRETARY

Mr. Muhammad Noman Ansari, ACMA

HEAD OF INTERNAL AUDIT

Mr. Bilal Ahmed, ACCA

LEGAL ADVISOR

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

AUDITORS

Grant Thornton Anjum Rahman

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

SHARE REGISTRAR
CDC Share Registrar Services Limited

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

BANKERS
Allied Bank Limited
Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
PAIR Investment Company Limited
Pak Brunei Investment Company Limited
Pak Oman Investment Company Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
United Bank Limited

COMPANY LOCATIONS

REGISTERED OFFICE
Matco Foods Limited
B-1/A, S.I.T.E. Phase 1, Super Highway Industrial,
Area, Karachi, Pakistan. 75950

Phone: +92 (301) 8250969, +92 (21) 3631 5099
Fax: +92 (21) 3632 0509
Email: contact@matcofoods.com

DHA OFFICE
Plot # 8C, Shahbaz Commercial, 3rd Floor and 4th Floor,
Lane 2, Phase-VI, DHA, Karachi

FAISALABAD OFFICE
Matco Foods Limited – Corn Starch Division
Plot 87, Block - K, Wapda City, Faisalabad, Punjab

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

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

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

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

WEBSITE
www.matcofoods.com

EMAIL
contact@matcofoods.com

Directors' Profile

MR. JAWED ALI GHORI

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

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

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

MR. KHALID SARFARAZ GHORI

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

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

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

MR. FAIZAN ALI GHORI

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

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

MR. SAFWAN KHALID GHORI

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

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

SYED KAMRAN RASHID

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

MR. ABDUL SAMAD KHAN

Abdul Samad Khan has been serving as the CEO of AGVEN (Pvt) Ltd since July 2015 which is involved in the import, manufacturing, and marketing of fertilizer products in Pakistan. The company markets fertilizer products under its own brand in Pakistan.

Samad Khan completed his MBA from IBA, Karachi in 1988 and joined Engro. He worked in various roles at Engro Corporation and left in Dec 2014 when he was the CEO of Engro Eximp (Pvt) Ltd.

He has extensive knowledge and experience of the agricultural input and agri-processing industries in Pakistan which includes the fertilizer, seeds, dairy and rice sectors.

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

MRS. FARYAL MURTAZA

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

MS. UMME HABIBAH

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

MR. MOHAMMAD MOHSIN SULEMAN

Mohammad Mohsin holds a bachelor's degree in Commerce from the 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 the USA, he has been in the field of construction and real estate managing his Company (Mayar Properties). Apart from developing and dealing in properties he has experience in trading commodities to and from Pakistan.

Chairman's Review

I am honored to present my annual review in my capacity as Chairman of the Board of Directors of Matco Foods Limited for the financial year concluded on June 30, 2024.

The country's challenging economic and political conditions, including record-high inflation and interest rates, significantly impacted consumer purchasing power, leading to reduced local demand for food products. Despite these hurdles, the Company showed resilience, achieving a 39% increase in net sales driven by a 25% rise in basmati rice exports. However, higher costs due to inflation and a 90% jump in finance expenses contributed to a net loss of PKR 262 million, compared to a profit of PKR 556 million last year. Despite these challenges, the Company remains committed to navigating the economic landscape and maintaining its market leadership.

The Board comprises nine (9) members, all elected at the Annual General Meeting held on October 21, 2021, for a three-year term, as per Section 159 of the Companies Act, 2017. Each member brings a wealth of experience and diverse expertise, fostering a robust and effective decision-making process that has been instrumental in guiding the Company's strategic direction.

The Board, in collaboration with its committees, actively participated in the strategic planning process, significantly influencing the Company's vision. As a result, the Board worked closely with the Management team to define and align corporate goals with the Company's overarching Vision, Mission, and Values.

In accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, an annual evaluation of the Board of Directors is conducted. This evaluation aims to assess and benchmark the Board's overall performance and effectiveness against the established objectives for the Company.

For the financial year ending June 30, 2024, the Board's overall performance and effectiveness have been rated as Satisfactory. Continuous improvement remains a focus, leading to the development of action plans. This assessment is based on a comprehensive evaluation of key components, including the alignment with the Company's vision, mission, and values; involvement in strategic planning; policy formulation; oversight of business activities; management of financial resources; fiscal oversight; equitable treatment of all employees; and the efficient execution of the Board's responsibilities.

The Board of Directors of your Company receives agendas and supporting materials, including follow-up documents, well in advance of board and committee meetings. The Board convenes frequently enough to effectively fulfill its responsibilities. Non-executive and independent directors are actively engaged in all significant decisions.

We extend our sincere gratitude to our dedicated employees, esteemed clients, banking partners, valued shareholders, and the local administration for their invaluable contributions to the Company during the reporting period.

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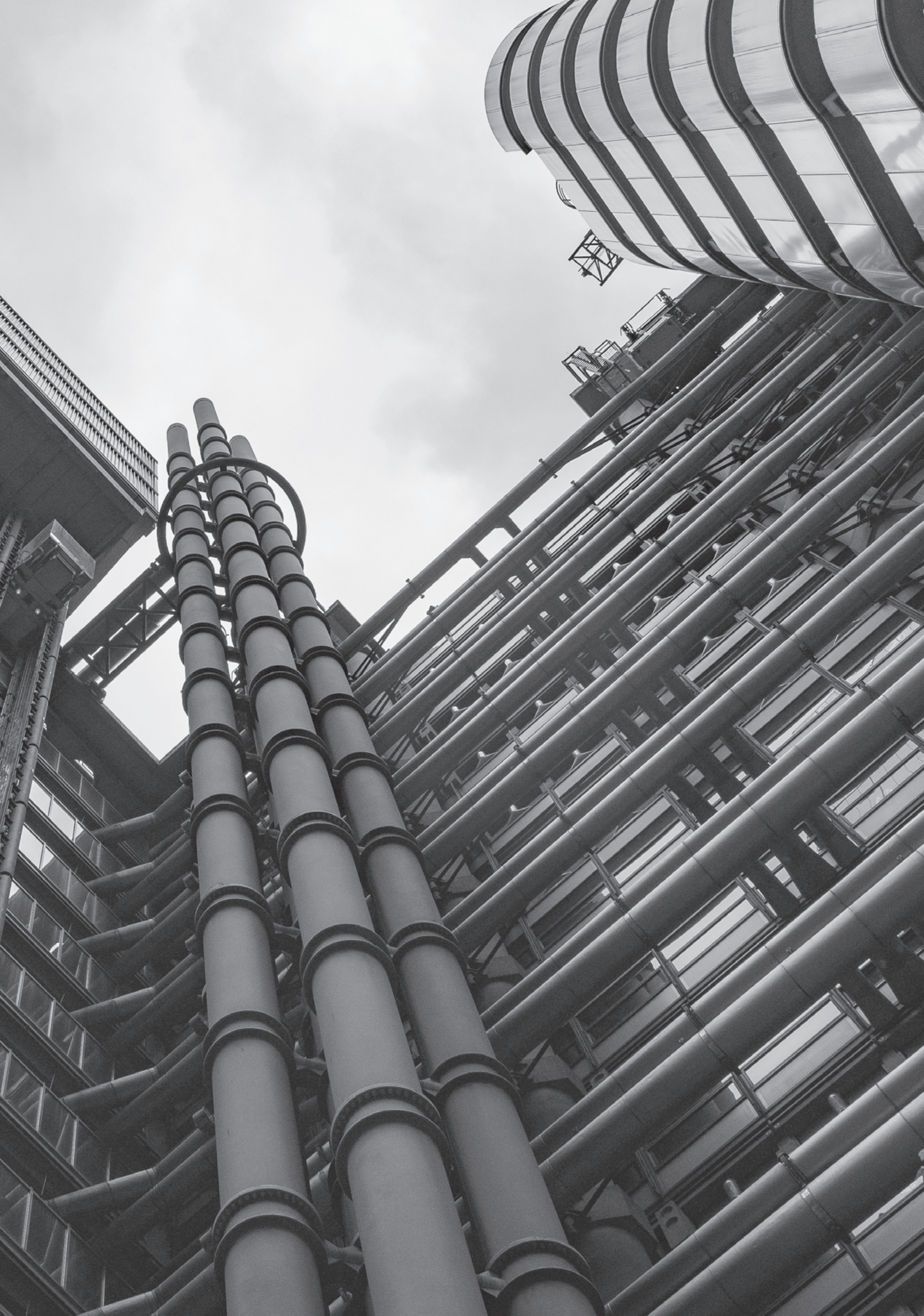
Jawed Ali Ghori
Chairman
Karachi: September 05, 2024



DIRECTORS' REPORT

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِيْمِ

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, 2024, along with the audited Financial Statements and Auditors' Report thereon.

OPERATING RESULTS:

	Unconsolidated		Consolidated	
	2024	2023 (Restated)	2024	2023 (Restated)
	---Rupees---			
Sales - net	**27,695,667,805**	19,985,401,101	**27,705,171,773**	20,009,062,264
Cost of sales	**(24,524,645,802)**	(17,532,145,553)	**(24,524,645,802)**	(17,532,145,553)
GROSS PROFIT	**3,171,022,003**	2,453,255,548	**3,180,525,971**	2,476,916,711
Selling and distribution expenses	**(590,691,407)**	(355,178,974)	**(603,352,830)**	(355,999,148)
Administrative expenses	**(681,528,249)**	(564,506,396)	**(708,750,049)**	(571,567,962)
	(1,272,219,656)	(919,685,370)	**(1,312,102,879)**	(927,567,110)
OPERATING PROFIT	**1,898,802,347**	1,533,570,178	**1,868,423,092**	1,549,349,601
Finance cost	**(2,243,877,030)**	(1,182,362,299)	**(2,244,155,913)**	(1,182,574,596)
Other income	**86,370,402**	53,694,455	**86,374,911**	53,703,050
Share of profit/(loss) from associated company	**-**	-	**8,504,933**	(11,249,566)
Exchange gain - net	**190,389,508**	412,369,039	**190,389,508**	412,369,039
Provision for workers' welfare fund	**-**	(15,276,100)	**-**	(15,276,100)
Provision for workers' profit participation fund	**-**	(38,190,251)	**-**	(38,190,251)
(LOSS) / PROFIT BEFORE LEVIES AND INCOME TAX	**(68,314,773)**	763,805,022	**(90,463,469)**	768,131,177
Levies - Final and Minimum Tax	**(258,998,630)**	(222,056,149)	**(258,998,630)**	(222,056,149)
Taxation	**64,847,527**	13,869,148	**64,847,527**	13,869,148
(LOSS) / PROFIT FOR THE YEAR	**(262,465,876)**	555,618,021	**(284,614,572)**	559,944,176
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	**(2.14)**	4.54	**(2.33)**	4.57

The company reported a notable improvement in financial performance for the current fiscal year, highlighted by significant growth in net sales and gross profit, despite facing substantial economic challenges. Net sales surged by 39%, reaching PKR 27,696 million, compared to PKR 19,985 million in the previous year. This strong growth reflects an expansion in sales activities, driven by a 25% increase in the export volume of basmati rice, which reached 40,923 metric tons. The average export price slightly improved, rising from USD 1,220 to USD 1,237. However, local sales of basmati rice declined by 33%, signaling reduced purchasing power among local consumers and the impact of a weakened domestic market.

Gross profit increased by 29%, from PKR 2,453 million to PKR 3,171 million, but this growth was slower than the rise in sales, indicating that the cost of sales grew at a faster rate of 40%. This increase in cost of sales is attributed to inflationary pressures on power, electricity, and other utility charges. The Company's selling and distribution expenses also rose significantly by 66%, suggesting that increased investment in marketing, distribution, and logistics was essential for expanding market reach. In contrast, administrative expenses increased by a more moderate 20.7%, reflecting general inflationary pressures.

One of the major challenges faced was the substantial 90% rise in finance costs, which jumped from PKR 1,182 million to PKR 2,244 million. This increase was primarily due to higher financing rates and an increase in the borrowing rates of subsidized financing for exporters. Despite the stable USD-PKR exchange rate, the exchange gains did not alleviate the impact of these higher finance costs, the Company experienced a downturn in profitability, swinging from a profit of PKR 556 million in 2023 to a loss of PKR 262 million in 2024. Key economic pressures included record-high energy and power costs, inflationary impacts on production and administrative expenses, and diminished purchasing power in the local market. Furthermore, on the export side, supply chain disruptions in the Red Sea region significantly hampered the company's export performance.

PRINCIPAL RISKS AND UNCERTAINTIES

The Country is set for a more robust rice harvest this season compared to the previous year. However, the company faces numerous economic challenges that could impact its performance and growth.

Foreign Exchange Rate Fluctuations remain a critical concern. While there is some improvement in foreign exchange liquidity, the Country still grapples with structural challenges. Significant debt repayments in the coming years are expected to put further pressure on foreign exchange reserves, increasing the risk of currency devaluation, which could adversely affect the company's international transactions and profitability.

Persistent Inflation and high interest rates continue to raise the cost of doing business, while also eroding consumer purchasing power. These conditions have created a challenging economic environment, placing strain on the company's cost structure and reducing demand for its products, particularly in the domestic market.

Government Regulations, combined with political instability and the broader geopolitical climate, pose additional risks. Uncertainty in government policy can lead to slower economic growth and reduced consumer demand. The political instability in the region further adds to the unpredictability, affecting business continuity, the investment climate, and long-term planning.

Environmental Concerns are also increasingly becoming a key risk factor. Adverse environmental conditions, including climate change, may force the company to modify its operations to align with sustainability practices, potentially increasing costs.

Additionally, Higher Interest Rates in the economy are increasing the company's borrowing costs, impacting its ability to finance growth initiatives.

Trade Route Disruptions caused by geopolitical issues, particularly in the Red Sea region, further complicate the company's ability to efficiently export its products to international markets, potentially affecting revenue streams.

In response to these complex challenges, the company is implementing comprehensive strategies, including business diversification, to mitigate risks and maintain stability. Management is dedicated to optimizing operational efficiencies, focusing on cost reduction, and strengthening risk management practices. By embracing innovation, the company seeks to enhance value delivery for its stakeholders, ensuring it remains competitive despite economic uncertainties. Although current headwinds such as inflation, political instability, and interest rate hikes pose challenges, the company is optimistic about its long-term prospects. With a commitment to adaptability and resilience, management aims to navigate evolving market conditions successfully, ensuring sustained growth and stability.

BRIEF ON RICE GLUCOSE DIVISION

In the current financial year, while the division faced challenges due to inflationary pressures on the cost of basic raw materials, which had been rising since the last quarters of the previous year, there is an optimistic outlook ahead. A significant drop in raw material prices in the final quarter of this year signals a positive shift. This decrease is expected to enhance production efficiency and positively impact the division's financial performance in the coming year, positioning it for stronger results and improved profitability.

BRIEF ON CORN STARCH DIVISION

In the current financial year, the division has performed exceptionally well, with export sales increasing by 38% and local market sales growing by 56%. The division has also achieved impressive operating profits, reflecting its strong financial performance. Additionally, the company is taking proactive steps to reduce electricity costs for the division, as it is the largest consumer of electricity within the company. To address this, the company is investing in solar energy, with the installation of 1.5 kW solar panels currently underway. This initiative is expected to contribute to cost savings and enhance sustainability in the division's operations.

BRIEF ON FALAK FOODS DIVISION

The Falak Foods Division of the Company has made substantial strides in the convenience-based food products industry, achieving success both locally and internationally. Its growth and innovation in this sector have not only strengthened its market position but also contributed significantly to the Company's overall profitability.

BRIEF ON DEXTROSE MONOHYDRATE (DMH)

During the current year, the DMH plant commenced its commercial operations, operating under the Rice Glucose Division of the Company. While the division's sales were not substantial due to its shorter operational period, it has still contributed positively to the Company's topline. Looking ahead, the division is expected to have a more significant impact on the Company's profitability in the upcoming year as it ramps up production and extends its operational period.

BRIEF ON BARENTZ PAKISTAN (PRIVATE) LIMITED

The associated entity, Barentz Pakistan (Pvt.) Limited, reported a net profit of Rs. 9.820 million (audited) for the year ending December 31, 2023. However, during the first six months of its fiscal year 2024, the company incurred a loss after tax of Rs. 6.338 million (unaudited). Barentz Pakistan serves a wide range of industries, including dairy, beverages, baked goods, snacks, processed meats and fish, sauces and condiments, sweets and confectionery, as well as oils and fats. Despite the recent loss, we remain optimistic that the company will achieve overall profitability and recover its losses shortly.

COMPOSITION OF BOARD

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

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

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

REMUNERATION POLICY OF NON-EXECUTIVE DIRECTORS

Board member remuneration is determined and approved by the Board, following the principle that no director participates in the decision-making process regarding their own compensation. To ensure transparency and compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, directors abstain from discussions related to their personal remuneration.

Non-executive directors, in particular, do not receive any compensation other than fees for attending Board meetings. Our remuneration policies are carefully crafted to attract and retain top talent, ensuring alignment with industry standards and best practices in the business world.

REMUNERATION PACKAGE OF CHIEF EXECUTIVE AND EXECUTIVE DIRECTORS

The remuneration package of the Chief Executive and other directors is disclosed in note 44 of 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 Ghori – Chairman	4
Mr. Khalid Sarfaraz Ghori	4
Mr. Faizan Ali Ghori	4
Mr. Safwan Khalid Ghori	4
Mr. Syed Kamran Rashid	3

Mr. Abdul Samad Khan	3
Mrs. Faryal Murtaza	3
Ms. Umme Habibah	3
Mr. Mohammad Mohsin	4

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	3
Mr. Abdul Samad Khan	3
Mr. Mohammad Mohsin	4

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

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

DIRECTORS' TRAINING PROGRAMS

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

DIRECTORS' PERFORMANCE EVALUATION

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

APPOINTMENT OF AUDITORS

The present Auditors M/s Grant Thornton Anjum Rahman, Chartered Accountants are set to retire this year. As recommended by the Audit Committee, the Board of Directors has proposed the re-appointment of M/s Grant Thornton Anjum Rahman as auditors of the Company for the year ending June 30, 2025, subject to approval by the shareholders on a fee mutually agreed upon.

PATTERN OF SHAREHOLDING

The pattern of shareholding has been annexed to this report.

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

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

HEALTH, SAFETY AND ENVIRONMENT

In line with our commitment to upholding the highest standards of safety and environmental stewardship, the company prioritizes strict adherence to safety protocols by both our employees and contractors. These systems and processes are meticulously designed to meet international standards and align with industry best practices.

We are dedicated to fostering a secure and healthy work environment by promoting sustainable workplace practices. As part of this effort, we have implemented a comprehensive workplace safety program. This initiative includes conducting safety gap analyses to proactively identify and mitigate potential hazards. By doing so, we aim to ensure the well-being of our workforce and maintain a safe, productive environment.

SUSTAINABLE BUSINESS STRATEGIES

Our business strategies are deeply aligned with our vision of sustainability and environmental stewardship. We are proud to report significant progress in reducing our carbon footprint and protecting the natural environment. One of the most impactful initiatives has been our successful transition to solar-powered energy sources. This eco-conscious shift underscores our unwavering commitment to environmental responsibility and is a meaningful step towards a cleaner, more sustainable future.

CORPORATE SOCIAL RESPONSIBILITY

At Matco Foods Limited, we are passionate about contributing to social and environmental causes, and we take pride in building strong and meaningful connections with all parts of our community. This dedication is reflected in the impactful initiatives we lead, with education and healthcare at the heart of our efforts.

We firmly believe in the transformative power of education, and we are proud to make quality learning more accessible to all. We also provide financial support for the education of our employees' children, helping to shape a brighter, more prosperous future. Additionally, our commitment to healthcare ensures that everyone has access to the care they need, regardless of financial circumstances. By making healthcare available to all, we foster a healthier, more inclusive society.

We are equally proud of our philanthropic contributions, having donated a total of PKR 17.43 million to meaningful causes. Of this, PKR 16.59 million was dedicated to the Ghori Trust, an organization committed to improving education in Pakistan and ensuring it is accessible to everyone. Through a partnership with The Citizens Foundation (TCF), the Trust plays a key role in creating lasting, positive change by supporting education for underserved communities.

These initiatives highlight our core values and reflect our optimism for a better future. We are excited to continue driving positive impact through our ongoing commitment to social and environmental progress.

INTERNAL FINANCIAL CONTROLS

The directors are fully aware of their responsibility regarding the Company's internal financial controls. After thorough discussions with management, as well as both internal and external auditors, they are confident that the Company has implemented robust controls to ensure the integrity and efficiency of its financial operations.

GENDER DIVERSITY

The importance of gender diversity in organizations stems from its historical underrepresentation, highlighting the need for a broader range of views and perspectives crucial for business growth in today's evolving environment. An equality-based culture serves as a powerful driver of innovation and success. A diverse and inclusive workforce, enriched by varying perspectives and approaches, enhances competitiveness in a globalized economy. Gender diversity is essential in fostering inclusive, safer workplaces, improving employee satisfaction, and bringing in diverse viewpoints. To this end, the Company is committed to providing equal opportunities to all genders, resulting in positive and productive outcomes.

RISK MANAGEMENT

Risk management empowers the Company to identify potential risks and equip itself with the necessary tools and strategies to address them effectively. Through the implementation of Enterprise Risk Management (ERM), the Company proactively seizes new opportunities while minimizing the likelihood of risks. This system is overseen by the Board Audit Committee, with the Board of Directors bearing ultimate responsibility for monitoring potential risks.

The Company identifies, assesses, and evaluates any risks that may impact the business. When a significant risk is detected, prompt actions are taken to mitigate its effects. The Company closely monitors the outcomes of these actions and regularly reviews their effectiveness in controlling the risks.

While the identification of potential risks rests with the Board of Directors, senior management is tasked with the detection and management of risks under their supervision. The Board Audit Committee ensures the effective organization-wide application of the ERM methodology adopted by the Board.

Significant risks are carefully noted, assessed, and assigned to the relevant functional areas. To mitigate these risks, the Company focuses on upgrading standard operating procedures (SOPs), restructuring processes, and continuously improving operational procedures.

COMPLIANCE WITH CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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, 2024, have been adopted by the Company and have been duly complied with. A statement to this effect is annexed to the report.

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

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

INDUSTRY OUTLOOK

The year 2023-24 marked a significant achievement for Pakistan with a bumper rice crop, a major improvement over the previous year when floods impacted production. Rice, one of Pakistan's most valuable export commodities, contributes 8.4% of total goods export revenue. For the first time in the Country's history, rice exports across all varieties exceeded 6 million metric tons, bringing in USD 3.93 billion. This remarkable growth can be attributed to the expansion of planting areas and the adoption of advanced farming technologies, ensuring direct benefits for our hardworking growers.

Thanks to favorable conditions, rice prices have surged by nearly 30% compared to last year, significantly boosting Pakistan's foreign exchange earnings. Global rice prices have reached their highest levels in 15 years, driven by factors such as wars, protectionism, and panic buying. India's temporary ban on non-basmati white rice exports in July 2023, along with a 20% export duty on parboiled rice, has created a unique opportunity for Pakistan. By successfully entering new regions, including Southeast Asia and the Western Hemisphere, Pakistan has capitalized on these market conditions, expanding its footprint beyond traditional markets.

Basmati varieties performed exceptionally well, with exports totaling 773,775 tons (up from 595,617 tons in 2023), generating $877,077 in revenue (compared to $650,532 last year) at an average per ton (APT) rate of $1,134. Meanwhile, non-basmati exports reached 5.245 million tons (up from 3.122 million tons in 2023), yielding $3.055 billion in revenue, a significant increase from $1.498 billion in the previous year. This exceptional growth showcases Pakistan's strong position in the global rice market.

Despite the rising costs of production, Pakistan remains competitive on the global stage. By upgrading standard operating procedures (SOPs) and focusing on efficiency improvements, the rice industry is well-positioned to continue thriving in both established and emerging markets.

FUTURE OUTLOOK

The economic indicators have shown slight improvement. Despite continued debt repayments and weak inflows, foreign exchange reserves have stabilized around USD 9.5 billion. Inflation has seen a marked improvement, decreasing to 9.6% in August 2024 due to contained demand, improved supplies of key food items, and a significant drop in global oil prices. The discount rate remains at 19.5%, resulting in a positive real interest rate of 10%, which signals a likely rate cut in the upcoming months. This sharp decline in inflation creates an opportunity for the government to inject liquidity into the private sector, further stimulating economic growth. A lower cost of borrowing will encourage increased private sector investment, which will undoubtedly boost economic activity.

The government's recent shift to a hybrid tax regime for the rice industry, comprising a 29% standard tax and a combination of a 1% minimum tax, 1% advance tax, and a 10% super tax, has led to discussions within the industry. While these policy changes pose certain challenges, they also offer opportunities for innovation and adaptation. The industry is actively working with the government to ensure that these new tax policies are aligned with the goal of sustaining export growth.

In Pakistan, many farmers are unaware of legal limits on pesticide use for export crops, or which agrochemicals are permitted and the appropriate time intervals between applications. Our "Kisan Dost Program" continues to play a crucial role in educating farmers on these matters and promoting the Sustainable Rice Platform (SRP) guidelines to improve both productivity and sustainability within the rice sector.

Looking forward, the anticipated return of the La Niña weather system is expected to bolster rice production across the Asia-Pacific region, including Indonesia, the Philippines, Vietnam, Australia, and India. This recovery will likely stabilize global rice prices, presenting further opportunities for Pakistan to strengthen its position in the international market and explore new avenues for export. Additionally, India's forthcoming review of its rice export policies after the October harvest may influence Pakistani exports in the next year.

As we navigate a period of both economic challenges and opportunities, your Company remains well-positioned to capitalize on emerging trends and market conditions. With inflation easing, borrowing costs expected to decrease, and global rice production stabilizing, we are optimistic about the future. Our proactive approach in adapting to regulatory changes and our continued efforts to support sustainable farming practices through initiatives like the "Kisan Dost Program" will enable us to drive growth while maintaining our commitment to social and environmental responsibility. We believe that the steps we are taking today will strengthen our market presence and deliver long-term value for our shareholders in the years to come.

RETIREMENT FUND

The Company is maintaining unfunded gratuity, during the year, the Company has made a provision of Rupees 95.44 million based on actuarial valuation.

RELATED PARTY TRANSACTIONS

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

TRADING IN SHARES OF THE COMPANY

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

Director/Related Party	Number of Shares	Nature of Transaction
Mr. Faizan Ali Ghori	105,000	Buy
Mr. Faizan Ali Ghori	150,000	Gifted to Syed Bilal Ali Ghori
Mr. Safwan Khalid Ghori	150,000	Gifted to Mr. Salar Khalid Ghori
Syed Kamran Rashid	100	Buy
Syed Kamran Rashid	7,029	Sale

ACKNOWLEDGEMENT

The Directors express their heartfelt appreciation to the diligent and dedicated management and employees of the Company for their unwavering commitment and hard work throughout the year. On behalf of the Board of Directors and the entire Company, we also extend our sincere thanks to our valued customers, distributors, stockists, dealers, and banking partners for their trust and confidence in us. We look forward to their continued support and active engagement as we work together to drive the Company's growth and success in the years ahead.

For and on behalf of the Board of Directors

Khalid Sarfaraz Ghori
Chief Executive /Director

Faizan Ali Ghori
Director

Karachi: September 5, 2024

KEY OPERATING AND FINANCIAL DATA FOR SIX YEAR FROM 2019 to 2024

FINANCIAL SUMMARY

	2023-24 Rupees	2022-23 Rupees	2021-22 Rupees	2020-21 Rupees	2019-20 Rupees	2018-19 Rupees
EQUITY AND LIABILITIES						
Share capital and reserves						
Authorised capital	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Issued, subscribed and paid up share capital	1,224,006,980	1,224,006,980	1,224,006,980	1,224,006,980	1,224,006,980	1,224,006,980
Capital reserve	680,467,220	680,467,220	680,467,220	680,467,220	680,467,220	680,467,220
Unappropriated profit	2,888,861,750	3,171,666,606	2,723,394,977	2,287,144,791	2,241,380,358	2,157,355,170
	4,793,335,950	5,076,140,806	4,627,869,177	4,191,618,991	4,145,854,558	4,061,829,370
Surplus on revaluation of property, plant and equipment - net of tax	5,194,285,910	2,408,823,880	2,433,901,302	2,459,499,494	2,622,193,143	445,144,929
Unrealized loss on revaluation on investment at fair value through OCI	-	(818,735)	(3,390,337.00)	-	-	-
Total shareholders' equity	9,987,621,860	7,484,145,951	7,058,380,142	6,651,118,485	6,768,047,701	4,506,974,299
Non-current liabilities						
Long-term finances-secured	1,475,635,466	1,756,572,205	1,582,432,193	492,910,736	396,447,541	265,191,113
Lease liabilities	172,253,368	180,641,166	175,602,488	126,630,601	120,977,441	44,763,773
Deferred liabilities	980,817,481	308,763,797	251,713,331	221,515,463	205,636,300	146,803,371
Deferred grant	-	-	-	952,280	2,317,051	-
Deferred income	-	-	-	-	-	269,842
Total non-current liabilities	2,628,706,315	2,245,977,168	2,009,748,012	842,009,080	725,378,333	457,028,099
Current liabilities						
Trade and other payables	2,375,995,644	1,848,557,183	671,152,778	519,888,056	1,015,172,075	248,077,697
Advance from customers - secured	430,489,596	297,506,811	22,612,550	35,747,606	51,979,051	58,666,494
Accrued mark-up	560,017,210	368,363,511	120,739,263	57,877,929	56,305,363	64,696,362
Due to related party	6,563,777	6,807,598	10,555,958	7,865,756	6,970,908	-
Short-term borrowings-secured	11,123,990,753	8,416,681,873	6,979,644,808	5,533,005,240	5,115,897,038	4,139,227,403
Current portion of deferred grant	-	-	1,561,352	6,176,233	3,807,127	-
Current portion of long term finances-secured	359,121,960	323,293,242	172,857,144	175,076,206	57,673,116	86,709,085
Current portion of lease liabilities	38,071,886	36,287,024	27,634,388	23,644,793	21,497,206	13,094,930
Unpaid dividend	28,495,996	19,286,277	783,668	787,654	13,555,468	489,804
Taxation-net	-	-	5,131,962	-	-	-
Total current liabilities	14,922,746,822	11,316,783,519	8,012,673,871	6,360,069,473	6,342,857,352	4,610,961,775
Total liabilities	17,551,453,137	13,562,760,687	10,022,421,883	7,202,078,553	7,068,235,685	5,067,989,874
Contingencies and commitments						
Total equity and liabilities	27,539,074,997	21,046,906,638	17,080,802,025	13,853,197,038	13,836,283,386	9,574,964,173
Non-current assets						
Property, plant and equipment	11,419,860,903	7,741,823,327	6,569,614,069	4,907,931,000	4,938,035,706	2,620,484,642
Right-of-use assets	239,635,175	243,532,862	235,566,923	171,532,871	159,940,356	83,094,097
Intangible assets	-	-	-	-	-	-
Long-term deposits	19,708,550	17,476,970	16,759,174	16,322,284	12,578,078	9,938,831
Long-term investments	55,582,707	65,309,617	62,738,015	55,582,707	55,582,707	31,082,707
Total non-current assets	11,734,787,335	8,068,142,776	6,884,678,181	5,151,368,862	5,166,136,847	2,744,600,277
Current assets						
Stores, spares and loose tools	277,847,378	105,323,099	86,091,117	70,444,301	45,022,530	23,107,682
Stock in trade	11,613,570,893	9,574,431,337	7,662,053,984	7,171,280,359	6,642,523,350	5,204,978,692
Trade debts	2,334,768,358	2,194,183,664	1,818,339,385	1,041,124,344	1,334,500,510	941,093,236
Loans and advances	1,009,946,411	514,850,992	155,031,810	103,660,064	118,619,714	355,385,133
Trade deposits and short term prepayments	27,920,651	15,042,533	10,683,047	10,130,679	8,164,088	5,268,471
Short-term investment	1,200,000	4,222,323	4,254,742	1,579,910	1,463,440	255,362
Sales tax refundable	25,000,000	64,935,578	105,056,731	123,598,158	166,389,331	183,026,846
Due from related parties	50,326,380	81,821,177	51,046,611	43,366,395	5,304,871	5,817,074
Taxation - net	106,288,895	64,956,818	-	31,683,482	51,068,680	33,050,458
Cash and bank balances	357,418,696	358,996,341	303,566,417	104,960,484	297,090,025	78,380,942
Total current assets	15,804,287,662	12,978,763,862	10,196,123,844	8,701,828,176	8,670,146,539	6,830,363,896
Total assets	27,539,074,997	21,046,906,638	17,080,802,025	13,853,197,038	13,836,283,386	9,574,964,173

FINANCIAL SUMMARY

	2023-24 Rupees	2022-23 Rupees	2021-22 Rupees	2020-21 Rupees	2019-20 Rupees	2018-19 Rupees
Sales - net	**27,695,667,805**	**19,985,401,101**	12,375,920,766	10,556,620,789	11,289,961,893	7,863,052,901
Cost of sales	**(24,524,645,802)**	**(17,532,145,553)**	(11,056,103,781)	(9,909,427,766)	(10,273,971,964)	(6,948,543,163)
GROSS PROFIT	**3,171,022,003**	**2,453,255,548**	1,319,816,985	647,193,023	1,015,989,929	914,509,738
Selling and distribution expenses	**(590,691,407)**	**(355,178,974)**	(229,279,801)	(185,997,143)	(207,020,855)	(167,111,014)
Administrative expenses	**(681,528,249)**	**(564,506,396)**	(356,460,731)	(309,688,284)	(271,369,378)	(240,332,519)
	(1,272,219,656)	**(919,685,370)**	(585,740,532)	(495,685,427)	(478,390,233)	(407,443,533)
OPERATING PROFIT	**1,898,802,347**	**1,533,570,178**	734,076,453	151,507,596	537,599,696	507,066,205
Finance cost	**(2,243,877,030)**	**(1,182,362,299)**	(387,872,994)	(272,830,931)	(350,287,990)	(275,503,177)
Other income	**86,370,402**	**53,694,455**	19,789,701	77,029,758	56,513,137	106,655,675
Exchange gain - net	**190,389,508**	**412,369,039**	202,334,249	65,215,796	14,015,389	152,934,910
Provision for worker's welfare fund	-	**(15,276,100)**	(10,622,942)	(391,070)	(7,113,214)	(7,270,451)
Provision for worker's profit participation fund	-	**(38,190,251)**	(26,557,356)	(977,674)	(12,218,347)	(23,388,267)
PROFIT BEFORE TAX	**(68,314,773)**	**763,805,022**	531,147,111	19,553,475	238,508,671	460,494,895
Income tax expense	**(194,151,103)**	**(208,187,001)**	(108,731,143)	(80,420,184)	(86,580,493)	(46,658,608)
(LOSS)/PROFIT FOR THE YEAR	**(262,465,876)**	**555,618,021**	422,415,968	(60,866,709)	151,928,178	413,836,287
BASIC (LOSS)/EARNINGS PER SHARE	**(2.14)**	**4.54**	3.45	(0.50)	1.24	3.38

RATIO ANALYSIS

Profitability and Operating Ratios	UoM	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Gross profit	Percent	11.45%	12.28%	10.66%	6.13%	9.00%	11.63%
Net profit to sales	Percent	-0.95%	2.78%	3.41%	-0.58%	1.35%	5.26%
EBITDA margins to sales	Percent	8.72%	9.88%	8.01%	3.89%	6.99%	8.62%
Operating leverage	Percent	8.72%	9.88%	8.01%	3.89%	6.99%	8.62%
Return on equity	Percent	-2.63%	7.42%	5.98%	-0.92%	2.24%	9.18%
Return on capital employed	Percent	15.05%	15.76%	8.09%	2.02%	7.17%	10.21%

Liquidity ratios		2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Current ratio	Times	1.06	1.15	1.27	1.37	1.37	1.48
Quick / Acid test ratio	Times	0.18	0.23	0.26	0.18	0.26	0.22
Cash to current liabilities	Times	0.02	0.03	0.04	0.02	0.05	0.01
Cash flows from operations to sales (Operating cash flow / Net sales)	Percent	-6%	0%	-3%	-5%	-4%	-2%

Activity / Turnover Ratios		2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Inventory turnover	Times	2.27	2.01	1.48	1.42	1.72	1.34
No. of days in inventory	Days	160.79	181.59	246.62	257.04	212.21	272.39
Debtors turnover	Times	12.23	9.96	8.66	8.89	9.92	9.73
No. of days in receivables	Days	29.84	36.65	42.15	41.06	36.79	37.51
Creditors turnover	Times	11.61	13.92	18.57	12.91	16.27	29.32
No. of days in payables	Days	31.44	26.22	19.66	28.27	22.43	12.45
Total assets turnover	Times	1.01	0.95	0.72	0.76	0.82	0.82
Fixed assets turnover	Times	2.43	2.58	1.88	2.15	2.29	3.00
Operating cycle	Days	190.64	218.24	288.77	298.10	249.00	309.90

Investment / Market Ratios		2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Earning per share	Rs.	(2.14)	4.54	3.45	(0.50)	1.24	3.38
Cash dividend per share	Rs.	-	1.50	-	0.45	0.70	0.40
Dividend	Percent	0%	15.00%	0%	4.50%	7.00%	4.00%
Market value per share as at June 30	Rs.	27.07	27.23	24.92	41.05	19.06	27.02
Price earning (Market value per share / EPS)	Times	(12.65)	6.00	7.22	(82.10)	15.37	7.99
Price to book ratio	Times	0.33	0.45	0.43	0.76	0.34	0.73
Dividend yield	Percent	0%	5.51%	0%	1.10%	3.67%	1.48%
Dividend payout	Percent	-	0.33	-	(0.90)	0.56	0.12
Dividend cover	Times	-	3.03	-	(1.11)	1.77	8.45
Bonus shares issued	Rs.	-	-	-	-	-	58,286,040
Bonus per share	Percent	-	-	-	-	-	-
Break-up value per share without surplus on revaluation of property, plant and equipment	Rs.	39.16	41.46	37.78	34.25	33.87	33.18
Break-up value per share with surplus on revaluation of property, plant and equipment	Rs.	81.60	61.14	57.67	54.34	55.29	36.82

Capital Structure Ratios		2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Financial leverage	Times	1.76	1.81	1.42	1.08	1.04	1.12
Debt to equity	Percent	23 : 77	26 : 74	24 : 76	14 : 86	11 : 89	11 : 89
Interest cover	Times	0.85	1.30	1.89	0.56	1.53	1.84

VERTICAL ANALYSIS

Statement of Financial Position	2023-24		2022-23		2021-22		2020-21		2019-20		2018-19	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Property, Plant & Equipment	11,419,860,903	41%	7,741,823,327	37%	6,569,614,069	38%	4,907,931,000	35%	4,938,035,706	36%	2,620,484,642	27%
Right-of-use assets	239,635,175	1%	243,532,862	1%	235,566,923	1%	171,532,871	1%	159,940,356	1%	83,094,097	1%
Other Non-Current Assets	75,291,257	0%	82,786,587	0%	79,497,189	0%	71,904,991	1%	68,160,785	0%	41,021,538	0%
Current Assets	15,804,287,662	57%	12,978,763,862	62%	10,196,123,844	60%	8,701,828,176	63%	8,670,146,539	63%	6,830,363,896	71%
Total Assets	**27,539,074,997**	**100%**	**21,046,906,638**	**100%**	**17,080,802,025**	**100%**	**13,853,197,038**	**100%**	**13,836,283,386**	**100%**	**9,574,964,173**	**100%**
Shareholders' Equity	9,987,621,860	36%	7,484,145,951	36%	7,058,380,142	41%	6,651,118,485	48%	6,768,047,701	49%	4,506,974,299	47%
Non-Current Liabilities	2,628,706,315	10%	2,245,977,168	11%	2,009,748,012	12%	842,009,080	6%	725,378,333	5%	457,028,099	5%
Current Liabilities	14,922,746,822	54%	11,316,783,519	54%	8,012,673,871	47%	6,360,069,473	46%	6,342,857,352	46%	4,610,961,775	48%
Total Equity & Liabilities	**27,539,074,997**	**100%**	**21,046,906,638**	**100%**	**17,080,802,025**	**100%**	**13,853,197,038**	**100%**	**13,836,283,386**	**100%**	**9,574,964,173**	**100%**

Statement of Comprehensive Income	2023-24		2022-23		2021-22		2020-21		2019-20		2018-19	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Net Sales	27,695,667,805	100%	19,985,401,101	100%	12,375,920,766	100%	10,556,620,789	100%	11,289,961,893	100%	7,863,052,901	100%
Cost of Sales	24,524,645,802	-89%	17,532,145,553	-88%	11,056,103,781	-89%	9,909,427,766	-94%	10,273,971,964	-91%	6,948,543,163	-88%
Gross Profit	3,171,022,003	11%	2,453,255,548	12%	1,319,816,985	11%	647,193,023	6%	1,015,989,929	9%	914,509,738	12%
Operating Profit	1,898,802,347	7%	1,533,570,178	8%	734,076,453	6%	151,507,596	1%	537,599,696	5%	507,066,205	6%
Profit Before Taxation	(68,314,773)	0%	763,805,022	4%	531,147,111	4%	19,553,475	0%	238,508,671	2%	460,494,895	6%
Profit for the year	(262,465,876)	-1%	555,618,021	3%	422,415,968	3%	(60,866,709)	-1%	151,928,178	1%	413,836,287	5%

HORIZONTAL ANALYSIS

Statement of Financial Position	2023-24		2022-23		2021-22		2020-21		2019-20		2018-19	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Property, Plant & Equipment	**11,419,860,903**	48%	**7,741,823,327**	18%	**6,569,614,069**	34%	**4,907,931,000**	-1%	4,938,035,706	88%	2,620,484,642	21%
Right-of-use assets	**239,635,175**	-2%	**243,532,862**	3%	**235,566,923**	37%	**171,532,871**	7%	159,940,356	92%	83,094,097	n/m
Other Non-Current Assets	**75,291,257**	-9%	**82,786,587**	4%	**79,497,189**	11%	**71,904,991**	5%	68,160,785	66%	41,021,538	-7%
Current Assets	**15,804,287,662**	22%	**12,978,763,862**	27%	**10,196,123,844**	17%	**8,701,828,176**	0%	8,670,146,539	27%	6,830,363,896	0%
Total Assets	**27,539,074,997**	**31%**	**21,046,906,638**	**23%**	**17,080,802,025**	**23%**	**13,853,197,038**	**0%**	13,836,283,386	**45%**	9,574,964,173	**6%**
Shareholders' Equity	**9,987,621,860**	33%	**7,484,145,951**	6%	**7,058,380,142**	6%	**6,651,118,485**	-2%	6,768,047,701	50%	4,506,974,299	9%
Non-Current Liabilities	**2,628,706,315**	17%	**2,245,977,168**	12%	**2,009,748,012**	139%	**842,009,080**	16%	725,378,333	59%	457,028,099	9%
Current Liabilities	**14,922,746,822**	32%	**11,316,783,519**	41%	**8,012,673,871**	26%	**6,360,069,473**	0%	6,342,857,352	38%	4,610,961,775	2%
Total Equity & Liabilities	**27,539,074,997**	**31%**	**21,046,906,638**	**23%**	**17,080,802,025**	**23%**	**13,853,197,038**	**0%**	13,836,283,386	**45%**	9,574,964,173	**6%**

Statement of Comprehensive Income	2023-24		2022-23		2021-22		2020-21		2019-20		2018-19	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Net Sales	**27,695,667,805**	39%	**19,985,401,101**	61%	**12,375,920,766**	17%	**10,556,620,789**	-6%	11,289,961,893	44%	7,863,052,901	17%
Cost of Sales	**24,524,645,802**	40%	**17,532,145,553**	59%	**11,056,103,781**	12%	**9,909,427,766**	-4%	10,273,971,964	48%	6,948,543,163	19%
Gross Profit	**3,171,022,003**	29%	**2,453,255,548**	86%	**1,319,816,985**	104%	**647,193,023**	-36%	1,015,989,929	11%	914,509,738	6%
Operating Profit	**1,898,802,347**	24%	**1,533,570,178**	109%	**734,076,453**	385%	**151,507,596**	-72%	537,599,696	6%	507,066,205	0%
Profit Before Taxation	**(68,314,773)**	-109%	**763,805,022**	44%	**531,147,111**	2616%	**19,553,475**	-92%	238,508,671	-48%	460,494,895	36%
Profit for the year	**(262,465,876)**	-147%	**555,618,021**	32%	**422,415,968**	-794%	**(60,866,709)**	-140%	151,928,178	-63%	413,836,287	34%

MATCO FOODS LIMITED
Pattern of Shareholding
as at June 30, 2024

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
JAWED ALI GHORI	1	24,020,821	19.62
KHALID SARFARAZ GHORI	1	24,031,271	19.63
FAIZAN ALI GHORI	1	1,179,450	0.96
SAFWAN KHALID GHORI	1	211,750	0.17
NAHEED JAWED	1	448,875	0.37
NUZHAT KHALID GHORI	1	448,875	0.37
FARYAL MURTAZA	1	500	0.00
MURTAZA MAHFOOZ TALIB	1	336,821	0.28
UMME HABIBAH	1	2,500	0.00
SYED KAMRAN RASHID	1	100	0.00
ABDUL SAMAD KHAN	1	500	0.00
MOHAMMAD MOHSIN	1	500	0.00
Associated Companies, undertakings and related parties	2	42,840,255	35.00
NIT and ICP	1	159663	0.13
Banks Development Financial Institutions, Non-Banking Financial Institutions	-	-	-
Insurance Companies	-	-	-
Modarabas and Mutual Funds	6	4,947,793	4.04
General Public			
a. Local	1898	20,939,183	17.11
b. Foreign	14	54,425	0.04
Foreign Companies	-	-	-
Others	27	2,777,416	2.27
Totals	**1960**	**122,400,698**	**100.00**

Share holders holding 10% or more		Shares Held	Percentage
JAWED ALI GHORI		24,020,821	19.62
KHALID SARFARAZ GHORI		24,031,271	19.63
INTERNATIONAL FINANCE CORPORATION		18,360,109	15.00
SADAF TARIQ		24,480,146	20.00

MATCO FOODS LIMITED
Pattern of Shareholding
as at June 30, 2024

S.No.	Folio #	Name of shareholder	Number of shares	Per %
Directors, Chief Executive Officer and their spouse(s) and minor children				
1	03277-80043	JAWED ALI GHORI	24,020,821	19.62
2	03277-80045	KHALID SARFARAZ GHORI	24,031,271	19.63
3	03277-80034	FAIZAN ALI GHORI	1,179,450	0.96
4	01826-107011	SAFWAN KHALID GHORI	211,750	0.17
5	03277-80052	NAHEED JAWED	448,875	0.37
6	03277-80048	NUZHAT KHALID GHORI	448,875	0.37
7	03277-99607	FARYAL MURTAZA	500	0.00
8	03277-88198	MURTAZA MAHFOOZ TALIB	336,821	0.28
9	10629-221492	UMME HABIBAH	2,500	0.00
10	07054-5627	SYED KAMRAN RASHID	100	0.00
11	10629-114697	ABDUL SAMAD KHAN	500	0.00
12	03277-89894	MOHAMMAD MOHSIN	500	0.00
		12	**50,681,963**	**41.41**
Associated companies, undertakings and related parties				
1	00547-8404	INTERNATIONAL FINANCE CORPORATION	18,360,109	15.00
2	03277-80047	SADAF TARIQ	24,480,146	20.00
		2	**42,840,255**	**35.00**
NIT and ICP				
1	12120-28	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	159,663	0.13
		1	**159,663**	**0.13**
Banks Development Financial Institutions, Non-Banking Financial Institutions				
		NIL		
		0	**-**	**-**
Insurance Companies				
		NIL		-
		0	**-**	**-**
Modarabas and Mutual Funds				
1	05959-27	CDC - TRUSTEE ATLAS STOCK MARKET FUND	3,266,793	2.67
2	06197-29	CDC - TRUSTEE ALFALAH GHP VALUE FUND	100,000	0.08
3	07377-26	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1,142,000	0.93
4	10603-21	CDC - TRUSTEE APF-EQUITY SUB FUND	196,500	0.16
5	14472-25	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	30,500	0.02
6	14860-27	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	212,000	0.17
		6	**4,947,793**	**4.04**
General Public Foreign				
1	03277-106313	MUHAMMAD ASIF KHAN	1,000	0.00
2	03277-106923	MUHAMMAD ASHFAQ	9,500	0.01
3	03277-107524	MUHAMMED BILAL	5,500	0.00
4	03277-110741	Amer Sohail	5,000	0.00
5	03277-112288	MAHAM KASHIF	500	0.00
6	03277-112330	TAHIR MAHMOOD FAROOQUI	1,000	0.00
7	03277-113058	Muhammad Anzak Aleem	500	0.00
8	03277-113448	Sadia Malik	2,000	0.00
9	03277-117438	RAZA ALI KHAN	500	0.00
10	03277-117613	KHAWAJA MUHAMMAD MUTAHIR GHOURI	15,700	0.01
11	03277-118596	HAFIZ IRSHAD AHMAD	1,700	0.00
12	03277-121243	Bilal Shehbaz	1,000	0.00
13	03277-123237	Muhammad Tayyab Farid	10,000	0.01
14	16253-8071	MUHAMMAD BASIT ANIS	525	0.00
		14	**54,425**	**0.04**
Foreign Companies				
1		Nil		-
		0	**-**	**-**

MATCO FOODS LIMITED
Pattern of Shareholding
as at June 30, 2024

S.No.	Folio #	Name of shareholder	Number of shares	Per %
Others				
1	1073	BONUS FRACTION (B-1)	53	0.00
2	00521-8117	TRUSTEE-ANPL MAN STAFF DEFINED CONTRIBUTIO SUPERANNUATION FD	18,500	0.02
3	00521-8125	TRUSTEE-ANPL MANAGEMENT STAFF PENSION FUND	13,500	0.01
4	00521-8133	TRUSTEE-ANPL MANAGEMENT STAFF GRATUITY FUND	24,000	0.02
5	00521-8141	TRUSTEE-ANPL MANAGEMENT STAFF PROVIDENT FUND	21,500	0.02
6	01339-43588	M. A. OILS (PVT.) LIMITED	196,463	0.16
7	03277-50590	TECHNOLOGY LINKS (PVT.) LIMITED	1,000	0.00
8	03277-81210	H. H. K. SECURITIES (PRIVATE) LIMITED	36,000	0.03
9	03277-94268	AL-RAHIM TRADING COMPANY (PRIVATE) LIMITED	100,000	0.08
10	03277-101910	MUHAMMAD ANAF KAPADIA SECURITIES (SMC-PRIVATE) LIMITED	500,000	0.41
11	03525-67537	SHAMALIK BROTHERS (PVT) LTD	2,100	0.00
12	04002-22	MEMON SECURITIES (PVT.) LIMITED	35,000	0.03
13	04952-28	SHERMAN SECURITIES (PRIVATE) LIMITED	200,000	0.16
14	05264-100201	FIVE RIVERS TECHNOLOGIES (PVT.) LIMITED	100,000	0.08
15	06684-29	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LIMITED	1,350,000	1.10
16	12690-889	ENGRO CORP LTD MPT EMPLOYEES DEF CONTR PENSION FUND	4,000	0.00
17	12690-1218	ENGRO FOODS LIMITED EMPLOYEES GRATUITY FUND	15,000	0.01
18	12690-1424	ENGRO FERTILIZERS LIMITED NON-MPT EMPLOYEES GRATUITY FUND	4,500	0.00
19	12690-1671	THE CRESCENT TEXTILE MILLS LTD EMPLOYEES PROVIDENT FUND	8,000	0.01
20	12690-2174	ABBOTT LABORATORIES (PAKISTAN) LIMITED STAFF PENSION FUND	14,500	0.01
21	12690-2182	ABBOTT LABORATORIES (PAKISTAN) LIMITED STAFF PROVIDENT FUND	4,000	0.00
22	13748-667	TRUSTEE-THE KOT ADDU POWER CO. LTD. EMPLOYEES PENSION FUND	37,500	0.03
23	14118-27	ASDA SECURITIES (PVT.) LTD.	25,000	0.02
24	16857-26	MRA SECURITIES LIMITED - MF	58,500	0.05
25	17053-22	ORIENTAL SECURITIES (PRIVATE) LIMITED - MF	3,500	0.00
26	17103-25	DARSON SECURITIES (PRIVATE) LIMITED - MF	3,500	0.00
27	18432-28257	YASIR MAHMOOD SECURITIES (PVT.) LIMITED	1,300	0.00
		27	**2,777,416**	**2.27**

General Public Local

MATCO FOODS LIMITED
Pattern of Shareholding
as at June 30, 2024

# Of Shareholders	Shareholdings'Slab			Total Shares Held
474	1	to	100	10,858
194	101	to	500	75,227
513	501	to	1000	333,232
474	1001	to	5000	1,079,587
103	5001	to	10000	823,528
58	10001	to	15000	733,620
26	15001	to	20000	494,570
15	20001	to	25000	352,518
10	25001	to	30000	289,000
10	30001	to	35000	330,502
11	35001	to	40000	423,357
4	40001	to	45000	171,103
4	45001	to	50000	198,275
1	50001	to	55000	51,500
4	55001	to	60000	232,500
3	60001	to	65000	191,000
4	65001	to	70000	276,500
4	70001	to	75000	294,000
1	75001	to	80000	77,000
1	80001	to	85000	85,000
2	85001	to	90000	176,000
2	90001	to	95000	190,000
6	95001	to	100000	600,000
2	100001	to	105000	203,000
1	110001	to	115000	112,556
1	115001	to	120000	116,500
2	125001	to	130000	257,500
1	130001	to	135000	131,275
1	140001	to	145000	145,000
3	145001	to	150000	450,000
1	155001	to	160000	159,663
1	160001	to	165000	165,000
3	195001	to	200000	592,963
2	210001	to	215000	423,750
1	275001	to	280000	279,500
1	300001	to	305000	302,500
1	305001	to	310000	306,000
1	335001	to	340000	336,821
1	400001	to	405000	401,000
2	445001	to	450000	897,750
1	495001	to	500000	500,000
1	800001	to	805000	800,453
1	1140001	to	1145000	1,142,000
1	1175001	to	1180000	1,179,450
1	1345001	to	1350000	1,350,000
1	3265001	to	3270000	3,266,793
1	10495001	to	10500000	10,500,000
1	18360001	to	18365000	18,360,109
1	24020001	to	24025000	24,020,821
1	24030001	to	24035000	24,031,271
1	24480001	to	24485000	24,480,146
1,960				**122,400,698**

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

Name of Company: MATCO FOODS LIMITED
Year Ended: June 30, 2024

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

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

2. The composition of the Board is as follows:

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

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

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

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

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

Name of Company: MATCO FOODS LIMITED
Year Ended: June 30, 2024

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 the Act and the Regulations with respect to frequency, recording, and circulating minutes of meetings of the Board.

8. The Board of Directors has 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.

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

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

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

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

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

Name of Company: MATCO FOODS LIMITED
Year Ended: June 30, 2024

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

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

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

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

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

Name of Company: MATCO FOODS LIMITED
Year Ended: June 30, 2024

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

19. Explanation for non – compliance with requirements, other than regulation 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No	Requirement	Reg. No.	Explanation
1.	The Board is responsible for governance and oversight of sustainability risks and opportunities and takes appropriate measures to address them. Further, the Board ensures that the Company's sustainability and DE&I-related strategies are periodically reviewed and monitored.	10A (1)(3)(4)	The Board will ensure that the Company has addressed sustainability-related risks and opportunities. Also, it will ensure that the Company's sustainability and DE&I-related strategies are periodically reviewed and monitored in the future.
2.	The Board may establish a dedicated Sustainability Committee having at least one female director, or assign additional responsibilities to an existing Board Committee.	10A (5)	Currently, the Board has not constituted a separate Sustainability Committee and the functions will be performed by the Board Audit Committee.

Jawed Ali Ghori
Chairman

Khalid Sarfaraz Ghori
CEO

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Matco Foods Limited

Grant Thornton Anjum Rahman
1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Matco Foods Limited (the Company) for the year ended June 30, 2024 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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Grant Thornton Anjum Rahman
Chartered Accountants

Karachi
Dated: September 30, 2024

UDIN: CR202410093EOhvcWws6

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, 2024, 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 material 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, 2024 and of the loss and other comprehensive income, 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 are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1.	**Revaluation of Property, plant and equipment** As at June 30, 2024, the carrying amount of operating fixed assets as disclosed in note 19 of accompanying unconsolidated financial statements amounting to Rs. 11,420 million which represents 41.47 of the Company's total assets. The highly judgmental and subjective nature of valuation coupled with the significance to the financial statements results in operating fixed assets being an area of audit focus. Management engaged an independent valuer approved by the Pakistan Bankers Association (PBA) to determine the fair value of these assets. As a result of full scope valuation, a revaluation surplus of Rs. 3,428 million has been recorded in accompanying unconsolidated statement of financial position to increase the carrying amount of assets to Rs. 11,420 million being its fair value. Valuation of operating fixed assets was significant to our audit due to its magnitude and is highly dependent on a range of estimates that require significant management judgment.	As part of our audit, we have performed the following audit procedures: ▪ Assessed the competence, qualifications, independent and objectivity of the external valuer; ▪ Assessed the significant assumptions applied by the valuer including the valuation methods applied, replacement cost assumptions, assets condition assessments and the effective of optimization on the overall value; ▪ Reviewed the data provided by the Company to the independent valuer, for use as inputs to the valuations on a sample basis to assess accuracy and completeness; ▪ Engaged auditor's expert to evaluate appropriateness of the assumptions used in valuation by the management's expert; ▪ Ensured that all assts of the class were revalued; and ▪ Evaluated the appropriateness an adequacy of disclosure in the unconsolidated financial statements.

S. No.	Key audit matters	How the matter was addressed in our audit
2.	**Valuation of Stock in Trade** As at June 30, 2024, the Company held stock in trade amounting to Rs. 11,614 million as disclosed in note 24 of accompanying unconsolidated financial statements. The stock in trade account for 73.48% of the total current assets. The value of stock is based on the purchase price using weighted average method. Therefore, the Company is exposed to the risk of valuation of stock in trade as a result of volatility in prices. The Company is required to measure its stock in trade at the lower of cost and net realizable value (NRV). There is an element of judgement involved relating to the valuation, which is required for the estimation of the NRV and allowance for slow-moving and obsolete stock in trades. Such estimation is made after taking into consideration factors such as movement in prices, current and expected future market demands and pricing competitions. This was the key audit mater because of its materiality and significance in terms of judgments involved in estimating the NRV of underlying inventories.	As part of our audit, we have performed the following audit procedures: ▪ Attended the stock counts at locations to observe the stock count process and evaluate the condition of stock in trade. ▪ Tested the valuation method used by the management in valuation of stock in trade. ▪ Inspected on sample basis specific purchases with underlying supporting documents. ▪ Evaluated the appropriateness of the basis and processes used by management in determining the net realizable value of stock in trade. ▪ Performed testing on sample of items to assess the NRV of the inventories held and evaluating the adequacy of provision for slow moving and obsolete stock. ▪ Evaluated 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **Khurram Jameel.**

Chartered Accountants

Karachi
Date: September 30, 2024

UDIN: AR202410093nFTzWq7UR

MATCO FOODS LIMITED
UNCONSOLIDATED
FINANCIAL STATEMENTS

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
		----------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		**2,888,861,750**	3,171,666,606
Surplus on revaluation of property, plant and equipment - net of tax	8	**5,194,285,910**	2,408,823,880
Unrealized loss on revaluation on investment at fair value through OCI		**-**	(818,735)
Total shareholders' equity		**9,987,621,860**	7,484,145,951
Non-current liabilities			
Long-term finances-secured	9	**1,475,635,466**	1,756,572,205
Lease liabilities	10	**172,253,368**	180,641,166
Deferred liabilities	11	**980,817,481**	308,763,797
Total non-current liabilities		**2,628,706,315**	2,245,977,168
Current liabilities			
Trade and other payables	13	**2,375,995,644**	1,848,557,183
Advance from customers - secured		**430,489,596**	297,506,811
Accrued mark-up	14	**560,017,210**	368,363,511
Due to related party	15	**6,563,777**	6,807,598
Short-term borrowings-secured	16	**11,123,990,753**	8,416,681,873
Current portion of deferred grant	12	**-**	-
Current portion of long term finances-secured	9	**359,121,960**	323,293,242
Current portion of lease liabilities	10	**38,071,886**	36,287,024
Unpaid dividend	17	**28,495,996**	19,286,277
Total current liabilities		**14,922,746,822**	11,316,783,519
Total liabilities		**17,551,453,137**	13,562,760,687
Contingencies and commitments	18		
Total equity and liabilities		**27,539,074,997**	21,046,906,638

The annexed notes from 1 to 52 form an integral part of these unconsolidated financial statements.

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

	Note	2024	2023
		----------Rupees----------	
ASSETS			
Non-current assets			
Property, plant and equipment	19	**11,419,860,903**	7,741,823,327
Right-of-use assets	20	**239,635,175**	243,532,862
Intangible assets	21	**-**	-
Long-term deposits		**19,708,550**	17,476,970
Long-term investments	22	**55,582,707**	65,309,617
Total non-current assets		**11,734,787,335**	8,068,142,776
Current assets			
Stores, spares and loose tools	23	**277,847,378**	105,323,099
Stock in trade	24	**11,613,570,893**	9,574,431,337
Trade debts	25	**2,334,768,358**	2,194,183,664
Loans and advances	26	**1,009,946,411**	514,850,992
Trade deposits and short term prepayments	27	**27,920,651**	15,042,533
Short-term investment	28	**1,200,000**	4,222,323
Sales tax refundable	29	**25,000,000**	64,935,578
Due from related parties	30	**50,326,380**	81,821,177
Taxation and levies - net	31	**106,288,895**	64,956,818
Cash and bank balances	32	**357,418,696**	358,996,341
Total current assets		**15,804,287,662**	12,978,763,862
Total assets		**27,539,074,997**	21,046,906,638

The annexed notes from 1 to 52 form an integral part of these unconsolidated financial statements.

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

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023 (Restated)
		---Rupees---	
Sales - net	33	**27,695,667,805**	19,985,401,101
Cost of sales	35	**(24,524,645,802)**	(17,532,145,553)
GROSS PROFIT		**3,171,022,003**	2,453,255,548
Selling and distribution expenses	36	**(590,691,407)**	(355,178,974)
Administrative expenses	37	**(681,528,249)**	(564,506,396)
		(1,272,219,656)	(919,685,370)
		1,898,802,347	1,533,570,178
Finance cost	38	**(2,243,877,030)**	(1,182,362,299)
Other income	39	**86,370,402**	53,694,455
Exchange gain - net	40	**190,389,508**	412,369,039
Provision for workers' welfare fund	13.1	**-**	(15,276,100)
Provision for workers' profit participation fund	13.2	**-**	(38,190,251)
(LOSS) / PROFIT BEFORE LEVIES AND INCOME TAX		**(68,314,773)**	763,805,022
Levies - Final and Minimum Tax		**(258,998,630)**	(222,056,149)
Taxation	41	**64,847,527**	13,869,148
(LOSS) / PROFIT FOR THE YEAR		**(262,465,876)**	555,618,021
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	46	**(2.14)**	4.54

The annexed notes from 1 to 52 form an integral part of these unconsolidated financial statements.

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

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		-------------------Rupees---------------	
(LOSS)/PROFIT FOR THE YEAR		**(262,465,876)**	555,618,021
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that may be reclassified subsequently to the unconsolidated statement of profit or loss		**-**	-
Items that will not to be reclassified subsequently to the unconsolidated statement of profit or loss			
- Remeasurement of defined benefits obligation	11.2.5	**17,947,901**	(10,023,116)
- Surplus on revaluation of fixed assets - net of deferred tax		**2,804,381,253**	-
- Unrealized gain on revaluation of investment at fair value through OCI during the year		**4,812,980**	2,571,602
Other comprehensive income/(loss)		**2,827,142,134**	(7,451,514)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,564,676,258**	548,166,507

The annexed notes from 1 to 52 form an integral part of these unconsolidated financial statements.

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

MATCO FOODS LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		-----------------Rupees--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before levies and income tax		**(68,314,773)**	763,805,022
Adjustments for:			
Depreciation	19	**473,929,712**	395,408,023
Depreciation on right of use assets	20	**42,715,540**	45,592,190
Exchange gain - net	40	**(186,336,842)**	(412,370,705)
Provision for slow moving stock		**898,075**	479,122
Finance cost	38	**2,265,810,924**	1,203,490,744
Provision for staff gratuity	11.2	**95,436,914**	79,182,095
Loss / (gain) on disposal of property, plant and equipment	39	**14,282**	(5,587,254)
		2,692,468,605	1,306,194,215
		2,624,153,832	2,069,999,237
Changes in working capital			
(Increase)/decrease in current assets			
Stores, spares and loose tools		**(172,524,279)**	(19,231,982)
Stock-in-trade		**(2,040,037,631)**	(1,912,856,475)
Trade debts - considered good		**49,804,814**	36,524,760
Loans and advances		**(495,095,419)**	(359,819,182)
Trade deposits and prepayments		**(12,878,118)**	(4,359,486)
Short-term investment		**3,022,323**	32,419
Sales tax refundable		**39,935,578**	40,121,153
Due from related parties		**31,494,797**	(30,774,566)
		(2,596,277,935)	(2,250,363,359)
Increase/(decrease) in current liabilities			
Trade and other payables		**527,438,461**	1,177,404,405
Due to related party		**(243,821)**	(3,748,360)
Deferred grant		**-**	(1,561,352)
Advances from customers		**132,982,785**	274,894,261
		660,177,425	1,446,988,954
Cash generated from operations		**688,053,322**	1,266,624,832
Finance cost paid		**(2,074,157,225)**	(955,866,496)
Income taxes and levies paid		**(243,594,159)**	(287,395,121)
Gratuity paid	11.2	**(21,728,011)**	(23,035,408)
Net cash (used in) / generated from operating activities		**(1,651,426,073)**	327,807
Balance carried forward		**(1,651,426,073)**	327,807

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

	Note	2024	2023
		-----------------Rupees--------------	
Balance brought forward		**(1,651,426,073)**	327,807
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure including capital work in progress		**(731,459,066)**	(1,600,225,749)
Proceeds from disposal of property, plant and equipment		**90,000**	30,531,000
Proceeds from sales of investment in shares		**14,542,631**	-
Long-term deposits		**(2,231,580)**	(717,796)
Net cash used in investing activities		**(719,058,015)**	(1,570,412,545)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finances - net		**(245,108,021)**	324,576,110
Lease liabilities paid during the year		**(37,251,120)**	(32,202,091)
Dividend paid		**(51,990,630)**	(103,898,088)
Short-term borrowings - net		**2,707,308,880**	1,437,037,065
Net cash generated from financing activities		**2,372,959,109**	1,625,512,996
Net change in cash and cash equivalents during the year		**2,475,021**	55,428,258
Cash and cash equivalents as at the beginning of year		**358,996,341**	303,566,417
Effects of exchange rate changes on cash and cash equivalents		**(4,052,666)**	1,666
Cash and cash equivalents as at the end of year	32	**357,418,696**	358,996,341

The annexed notes from 1 to 52 form an integral part of these unconsolidated financial statements.

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

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

	Issued, subscribed and paid up share capital	Capital reserve Share premium	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Unrealized (loss) / gain revaluation of investment at fair value to OCI	Total
	---Rupees	---				
Balance as at July 01, 2022	1,224,006,980	680,467,220	2,723,394,977	2,433,901,302	(3,390,337)	7,058,380,142
Total comprehensive income for the year						
Profit for the year	-	-	555,618,021	-	-	555,618,021
Other comprehensive (loss) / income	-	-	(10,023,116)	-	2,571,602	(7,451,514)
Total comprehensive income	-	-	545,594,905	-	2,571,602	548,166,507
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation net of tax - (note 8)	-	-	21,278,456	(21,278,456)	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of land and building net of tax	-	-	3,798,966	(3,798,966)	-	-
Transactions with owners						
Dividend paid during the year	-	-	(122,400,698)	-	-	(122,400,698)
Balance as on June 30, 2023	1,224,006,980	680,467,220	3,171,666,606	2,408,823,880	(818,735)	7,484,145,951
Balance as on July 01, 2023	**1,224,006,980**	**680,467,220**	**3,171,666,606**	**2,408,823,880**	**(818,735)**	**7,484,145,951**
Total comprehensive income for the year						
Loss for the year	**-**	**-**	**(262,465,876)**	**-**	**-**	**(262,465,876)**
Other comprehensive income	**-**	**-**	**17,947,901**	**2,804,381,253**	**4,812,980**	**2,827,142,134**
Total comprehensive (loss)/income	**-**	**-**	**(244,517,975)**	**2,804,381,253**	**4,812,980**	**2,564,676,258**
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation net of tax - (note 8)	**-**	**-**	**18,919,223**	**(18,919,223)**	**-**	**-**
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of land net of tax	**-**	**-**	**-**	**-**	**-**	**-**
Realized gain transferred to equity on disposal of share	**-**	**-**	**3,994,245**	**-**	**(3,994,245)**	**-**
Transactions with owners						
Dividend paid during the year	**-**	**-**	**(61,200,349)**	**-**	**-**	**(61,200,349)**
Balance as on June 30, 2024	**1,224,006,980**	**680,467,220**	**2,888,861,750**	**5,194,285,910**	**-**	**9,987,621,860**

The annexed notes from 1 to 52 form an integral part of these unconsolidated financial statements.

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

MATCO FOODS LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 STATUS AND NATURE OF BUSINESS

Matco Foods Limited, ('the Company') was incorporated on April 14, 1990 in Karachi as a private limited company under the repealed Companies Ordinance, 1984 (Now: Companies Act, 2017). The Company was listed on Pakistan Stock Exchange Limited on February 13, 2018. The principal activity of the Company is to carry out the business of processing and export of rice, rice glucose, rice protein and pink salt, masala and kheer. The registered office of the Company is situated at B-1/A, S.I.T.E.-II Phase 1, Super Highway Industrial Area, Karachi; whereas the factories of the Company are situated at (i) Plot A-15 & 16, SITE-II, Super highway Karachi; (ii) A-21, SITE-II, Super highway Karachi; (iii) G-205, SITE-II, Super highway Karachi; (iv) 50 KM G.T Road, Sadhoke, Tehsil Kamonki, District Gujranwala and Plot No. 53, Allama Iqbal Industrial City, Faisalabad.

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

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

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

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

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

During the year, revaluation carried out on property, plant and equipment that has resulted in a revaluation surplus of Rs. 3,421 million as at June 30, 2024.

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.

MATCO FOODS LIMITED
NOTES TO THE UCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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 Restatement for better presentation

Prior year figures, have been restated, wherever necessary, for better presentation. The Company has reclassified the amount of taxes paid and charged to the unconsolidated statement of profit or loss over income tax, subject to and determined using general enacted rate of taxation under Income Tax Ordinance, 2001, classified as current income tax in the unconsolidated statement of profit and loss account to levy as reflected in unconsolidated statement of profit or loss and note 41 of these unconsolidated financial statement.

3.5 New and amended standards and interpretations

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

Further, certain IFRS 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.

3.5.2 Standards, amendments to approved accounting standards effective in current year

New and amended standards and interpretations mandatory for the first time for the financial year beginning July 1, 2023:

(a) IAS 1: Disclosure of accounting policies **Effective date:January 1, 2023**

Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

(b) IAS 8: Definition of accounting estimates **Effective date:January 1, 2023**

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

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(c) IAS 12: Deferred Tax **Effective date:January 1, 2023**

The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on April 1, 2023 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

3.5.3 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2023 and have not been early adopted by the Company:

(a) IAS 1: Classification of liabilities as current or non current **Effective date:January 1, 2024**

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

(b) IAS 12: Deferred Tax **Effective date:January 1, 2024**

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

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(c) IFRS 16: Sale and leaseback transaction **Effective date:January 1, 2024**

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.

(d) IAS 21: Lack of exchangeability **Effective date:January 1, 2025**

Amendments to IAS 21 'The effects of Changes in Foreign Exchange Rates' address situations where a currency may lack exchangeability, often due to government-imposed controls. In such cases, companies must estimate a spot exchange rate reflecting orderly transactions at the measurement date. The amendments provide flexibility, allowing the use of observable rates without adjustment or other estimation techniques, provided they meet the estimation objective. The assessment considers factors like the availability of multiple rates, purpose, nature, and update frequency. The amendments requires new disclosures, including the nature and financial impact of non-exchangeability, the spot exchange rate used, the estimation process, and associated risks.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

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.

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

	Note
(a) useful lives of property, plant and equipment	5.1
(b) useful lives of right-of-use assets	5.2
(c) impairment of financial assets	5.5
(d) staff retirement plan	5.9
(e) income taxes	5.12
(f) contingencies	5.17
(g) provisions	5.22
(h) impairment of non-financial asset	5.24

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

5.1 Property, plant and equipment

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

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

Revaluation model

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

Depreciation

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

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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, 2024 did not require any adjustment.

Capital work-in-progress

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

5.2 Right-of-use assets and related liabilities

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

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

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.

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

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

5.4 Investments

5.4.1 Investment in subsidiary, joint venture and associated companies

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

5.4.2 Other investments

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

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

Initial recognition

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

Classification of financial assets

The Company classifies its financial instruments in the following categories:
- at fair value through profit or loss ("FVTPL")
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortized cost.

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.

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the financial asset is held within a business model whose objective achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:
- at fair value through profit or loss ("FVTPL"), or
- at amortized cost

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

Subsequent measurement

i) Financial assets at FVTOCI

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

ii) Financial assets and liabilities at amortized cost

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

iii) Financial assets and liabilities at FVTPL

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

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

Impairment of financial assets

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

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

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

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

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

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

Derecognition

i) Financial assets

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

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ii) Financial liabilities

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

5.6 Derivative financial instruments

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

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.

The Company reviews the carrying amount of stock-in-trade on an on-going basis and as appropriate, inventory is written down to its net realisable value or provision is made for obsolescence if there is any change in usage pattern and physical form of related inventory.

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.

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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. Further, levies are accounted for in accordance with the requirement of IFRIC - 21.

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.

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

i. Lease liabilities

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

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

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

5.15 Deferred grant

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

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

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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.

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5.23 Operating segments

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. Operating segments comprises of rice and allied products and corn starch products.

5.24 Impairment of non-financial assets

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

5.25 Related party transactions

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

5.26 Earnings per share

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

5.27 Dividend

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

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6 SHARE CAPITAL

6.1 Authorized share capital

2024	2023		2024	2023
Number of shares			--------------Rupees-------------	
200,000,000	200,000,000	Ordinary shares of Rs. 10 (2023: Rs. 10)	**2,000,000,000**	2,000,000,000

6.2 Issued, subscribed and paid up share capital

2024	2023		2024	2023
Number of shares			--------------Rupees-------------	
		Ordinary shares of Rs. 10		
50,340,213	50,340,213	- fully paid in cash	**503,402,130**	503,402,130
6,002,950	6,002,950	- issued for consideration other than cash	**60,029,500**	60,029,500
66,057,535	66,057,535	- issued as fully paid bonus shares	**660,575,350**	660,575,350
122,400,698	122,400,698		**1,224,006,980**	1,224,006,980

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

6.4 Shares held by the related parties of the Company	2024	2023
	--Number of Shares--	
Director and their spouse		
Mr. Jawed Ali Ghori	**24,020,821**	24,020,821
Mr. Khalid Sarfaraz Ghori	**24,031,271**	24,031,271
Mr. Faizan Ali Ghori	**1,179,450**	1,224,450
Ms. Naheed Jawed	**448,875**	448,875
Ms. Nuzhat Khalid Ghori	**448,875**	448,875
Mrs. Faryal Murtaza	**500**	500
Mr. Murtaza Mahfooz Talib (Spouse of Faryal Murtaza)	**336,821**	336,821
Mr. Safwan Ghori	**211,750**	361,750
Mr. Syed Kamran Rashid	**100**	7,029
Mr. Abdul Samad Khan	**500**	500
Ms. Umme Habibah	**2,500**	2,500
Mr. Muhammad Mohsin	**500**	500
Substantial shareholder		
International Finance Corporation	**18,360,109**	18,360,109
Ms. Sadaf Tariq	**24,480,146**	24,480,146

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		2024	2023
6.5	**Reconciliation of number of shares outstanding is as under:**	**--Number of Shares--**	
	Shares at the beginning of the year	**122,400,698**	122,400,698
	Shares issued during the year in cash	**-**	-
	Bonus shares issued during the year	**-**	-
	Shares at the end of the year	**122,400,698**	122,400,698

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

		Note	2024	2023
7	**CAPITAL RESERVE**	**Note**	**--------------Rupees-------------**	
	Share premium	7.1 & 7.2	**680,467,220**	680,467,220

7.1 Premium received over and above face value of the shares issued to IFC amounting to Rs. 341 million out of which Rs. 22.9 million had been utilized under section 83 of the repealed Companies Ordinance, 1984 (now section 81 of the Companies Act, 2017) during the year ended June 30, 2014.

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

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

This represents surplus arising on revaluation of land, buildings, plant and machinery and generators, net of deferred tax. The latest revaluation was carried by MYK Associates (Private) Limited on June 28, 2024.

	2024	2023
	--------------Rupees-------------	
Surplus on revaluation at the beginning of the year	**2,478,272,715**	2,512,469,475
Surplus on revaluaton recognized during the year	**3,428,782,174**	-
Transferred to unappropriated profit in respect of disposal of property, plant and equipment	-	(3,798,966)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	**(27,027,461)**	(30,397,794)
Surplus on revaluation of operating fixed assets as at June 30	**5,880,027,428**	2,478,272,715
Less: related deferred tax liability:		
- at beginning of the year	**(69,448,835)**	(78,568,173)
- on surplus arising on revaluation during the year	**(624,400,921)**	-
- on incremental depreciation charged during the year	**8,108,238**	9,119,338
	5,194,285,910	2,408,823,880

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8.1 Restriction on distribution

The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

		Note	2024	2023
9	**LONG TERM FINANCES - SECURED**		--------------Rupees-------------	
	From banking companies and financial institution:			
	LTFF/ILTFF	9.1	**168,564,430**	587,906,603
	TERF/ITERF	9.2	**910,985,999**	1,002,550,581
	FFSAP	9.3	**187,651,714**	230,373,554
	Demand Finance	9.4	**567,555,283**	259,034,709
			1,834,757,426	2,079,865,447
	Current portion of long term finances		**(359,121,960)**	(323,293,242)
			1,475,635,466	1,756,572,205

9.1 The Company has obtained Long Term Financing/Islamic Long Term Financing Facility (LTFF/ILTFF) under SBP Schemes from various commercial banks. The effective rates of mark-up on these facilities vary from SBP rate+ 1% to 2.5% per annum (2023: SBP rate+ 1% to 2.5% per annum).

9.2 The Company has obtained Temporary Economic/Islamic Temporary Economic Refinance Facility (TERF/ITERF) under SBP Schemes from various commercial banks and Islamic banks. The effective rates of mark-up on these facilities vary from SBP rate+ 1.50% to 2% per annum (2023: SBP+ 1.5% to 2% per annum).

9.3 The Company has obtained Financing Facility for Storage of Agricultural Produce (FFSAP) under SBP Scheme from various financial institutions. The effective rates of mark-up on these facilities vary from SBP rate + 1.25% to 2.00% per annum (2023: SBP rate + 1.25% to 2.00% per annum).

9.4 The Company has obtained Demand Finance Facility (DF) from various commercial banks. The effective rates of mark-up on these facilities vary from KIBOR+ 1% to 2.25% per annum (2023: KIBOR+ 1% to 2.25% per annum).

9.5 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.

9.6 The maximum available amount from above mentioned facilities amounts to Rs. 552.59 million (2023: Rs. 307.48 million).

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10 LEASE LIABILITIES

	Note	2024 Vehicle	2024 Godown	2024 Generator	2024 Total	2023 Vehicle	2023 Godown	2023 Generator	2023 Total
		---Rupees---							
Opening balance		**104,984,104**	**97,563,274**	**14,380,812**	**216,928,190**	102,829,532	100,407,344	-	203,236,876
Impact of adoption of IFRS-16		-	-	-	-	-	-	-	-
Reassessment of lease liability		-	**30,648,183**	-	**30,648,183**	-	655,485	-	655,485
At July 1		**104,984,104**	**128,211,458**	**14,380,812**	**247,576,374**	102,829,532	101,062,829	-	203,892,361
Additions for the year		-	-	-	-	30,437,920	-	14,800,000	45,237,920
Accrued interest during the year		**21,648,470**	**21,933,894**	**3,156,179**	**46,738,543**	19,457,294	21,128,445	808,607	41,394,346
		126,632,574	**150,145,352**	**17,536,991**	**294,314,917**	152,724,746	122,191,274	15,608,607	290,524,627
Payment made during the year		**(47,205,622)**	**(31,752,000)**	**(5,032,041)**	**(83,989,663)**	(47,740,642)	(24,628,000)	(1,227,795)	(73,596,437)
		79,426,952	**118,393,352**	**12,504,950**	**210,325,254**	104,984,104	97,563,274	14,380,812	216,928,190
Current portion of lease liabilities		**25,984,229**	**9,716,913**	**2,370,744**	**38,071,886**	27,941,566	6,419,648	1,925,810	36,287,024
Non-current		**53,442,723**	**108,676,439**	**10,134,206**	**172,253,368**	77,042,538	91,143,626	12,455,002	180,641,166

10.1 Maturity analysis of lease liabilities

Upto one year	**25,984,229**	**9,716,913**	**2,370,744**	**38,071,886**	27,941,566	6,419,648	1,925,810	36,287,024
After one year	**53,442,723**	**108,676,439**	**10,134,206**	**172,253,368**	77,042,538	91,143,626	12,455,002	180,641,166
Lease liabilities	**79,426,952**	**118,393,352**	**12,504,950**	**210,325,254**	104,984,104	97,563,274	14,380,812	216,928,190

11 DEFERRED LIABILITIES

	Note	2024	2023
		---Rupees---	
Deferred tax liability	11.1	**685,741,518**	69,448,836
Staff gratuity scheme - unfunded	11.2	**295,075,963**	239,314,961
		980,817,481	308,763,797

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. 22.26 million (2023: Rs. 33.23 million). However, the Company has not recorded deferred tax asset in of these unconsolidated financial statements.

11.2 Staff gratuity scheme - unfunded

	Note	2024	2023
		---Rupees---	
Balance at beginning of the year		**239,314,961**	173,145,158
Charge for the year	11.2.7	**95,436,914**	79,182,095
Actuarial (gains) / losses		**(17,947,901)**	10,023,116
Payments made during the year		**(21,728,011)**	(23,035,408)
Balance at end of the year	11.2.3	**295,075,963**	239,314,961

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, 2024, 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:

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			2024	2023
	Discount rate - per annum		**14.75%**	16.25%
	Expected rate of increase in salaries - per annum		**12.75%**	14.25%
	Mortality rate		**SLIC (2001-05)**	SLIC (2001-05)

		Note	**2024**	2023
11.2.2	**The amounts recognized in the unconsolidate statement of financial position are as follows:**		--------------Rupees-------------	
	Present value of defined benefit obligation	11.2.3	**295,075,963**	239,314,961
11.2.3	**Movements in the net liability recognized in the unconsolidated statement of financial position are as follows:**			
	Opening liability		**239,314,961**	173,145,158
	Charge for the year	11.2.4	**95,436,914**	79,182,095
	Actuarial losses		**(17,947,901)**	10,023,116
	Benefits paid		**(21,728,011)**	(23,035,408)
	Balance at end of the year		**295,075,963**	239,314,961

		2024	2023
11.2.4	**The amounts recognized in the unconsolidated statement of profit or loss against defined benefit scheme are as follows:**	--------------Rupees-------------	
	Current service cost	**58,313,634**	57,766,457
	Interest cost	**37,123,280**	21,415,638
	Charge for the year	**95,436,914**	79,182,095
11.2.5	**The amounts recognized in the other comprehensive income against defined benefit scheme are as follows:**		
	Actuarial loss arising from		
	- changes in financial assumptions	**12,469,056**	(26,512,109)
	- experience adjustment	**(30,416,957)**	36,535,225
		(17,947,901)	10,023,116
11.2.6	**Expense chargeable to unconsolidated statement of profit or loss for the next year**		
	Current service cost	**68,614,496**	58,313,634
	Interest cost	**43,523,705**	37,123,280
	Charge for the year	**112,138,201**	95,436,914

		Note	**2024**	2023
11.2.7	**The expense for the staff retirement benefit scheme has been allocated as follows:**			
	Cost of sales	35.4	**62,135,490**	51,175,761
	Selling and distribution	36.1	**5,942,467**	4,460,190
	Administrative expenses	37.1	**27,358,957**	23,546,144
			95,436,914	79,182,095

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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	269,803,019	218,817,888
Expected salary increase	322,716,272	261,732,034

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	**2024**	2023
Average expected remaining working lifetime of members	**10 Years**	10 Years
Average duration of liability	**09 Years**	09 Years

12 DEFERRED GRANT

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

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

	Note	**2024**	2023
		--------------Rupees-------------	
Opening Balance		-	1,561,352
Grant recognized during the year		-	-
Amortization of grant	38.1	-	(1,561,352)
		-	-
Less: current portion of deferred grant		-	-
		-	-

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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.

			2024	2023
13	**TRADE AND OTHER PAYABLES**	**Note**	--------------Rupees-------------	
	Creditors		**2,228,581,315**	1,658,589,205
	Accrued liabilities		**127,141,293**	119,961,113
	Tax deducted at source and payable to statutory authorities		**7,800,016**	16,540,514
	Sales tax payable to statutoty authorities		**12,473,020**	-
	Workers' welfare fund	13.1	**-**	15,276,100
	Workers' profit participation fund	13.2	**-**	38,190,251
			2,375,995,644	1,848,557,183
13.1	**Worker's welfare fund**			
	Opening balance		**15,276,100**	10,622,942
	Allocation for the year		**-**	15,276,100
	Reversal of WWF		**(14,737,054)**	(8,585,383)
	Amount paid		**(539,046)**	(2,037,559)
	Closing balance		**-**	15,276,100
13.2	**Worker's profit participation fund**			
	Opening balance		**38,190,251**	26,562,262
	Allocation for the year		**-**	38,190,251
	Amount paid		**(38,190,251)**	(26,562,262)
	Closing balance		**-**	38,190,251
14	**ACCRUED MARK-UP**			
	Mark-up on long term finances		**39,369,552**	26,109,244
	Mark-up on short term borrowings		**520,647,658**	342,254,267
			560,017,210	368,363,511

15 DUE TO RELATED PARTY

This represents amount received from the Matco Marketing (Private) Limited for the purpose of expenses to be incurred by the Company on their behalf. . The maximum aggregate amount at the end of any month during the year was Rs. 6.80 million (2023: Rs. 6.80 million).

			2024	2023
16	**SHORT-TERM BORROWINGS SECURED**	**Note**	-----------------Rupees----------------	
	Export re-finance	16.1	**6,021,089,048**	5,401,100,486
	Own resource	16.2	**4,947,573,341**	3,015,581,387
	FE-25 Scheme	16.3	**81,041,424**	-
	Foreign bills purchased/negotiated	16.4	**74,286,940**	-
			11,123,990,753	8,416,681,873

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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 (2023: 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 2.5% per annum (2023: 3-month/6-month KIBOR plus 0.75% to 2% per annum).

16.3 The Company has obtained short term running finance facility under FE-25 loan scheme of the State Bank of Pakistan from commercial banks during the year. The effective rates of mark-up on these facilities is 9% to 10% per annum (2023: Nil).

16.4 The sanctioned limit is Rs. 100 million (2023: Nil). It carries mark-up that is to be negotiated on case to case basis (2023: Nil). This facility is secured by ranking hypothecation charge over stocks and receivables duly insured in bank's favour covering all risks with premium payment receipt.

16.5 The facilities available from various banks amount to Rs. 12,420 million (2023: Rs. 9,050 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.

16.6 As at June 30, 2024, the unavailed facilities from above borrowings amounting to Rs. 1,296.01 million (2023: 633.32 million).

17 UNPAID DIVIDEND

This represents part of interim dividend for the period ended December 31, 2017, September 30, 2022 and March 31, 2023 and final dividend for the year ended June 30, 2018, June 30, 2019, June 30, 2020 and June 30, 2023 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.

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18.1.2 The Company had filed the civil suit no. 1635 of 2009 for possession of land which was illegally dispossessed by the Syed Alay Sadaqain Naqvi (defendants) and to issue a permanent injunction to restrain the defendants from alienation or transferring the land. The Honorable Sindh High Court (SHC) passed an order on November 19, 2009, in which SHC has granted permanent injunction in above suit on October 17, 2018. The matter is fixed for hearing and the management of the Company believes that the matter will be decided in favour of the Company.

18.1.3 Suit no. 2141 of 2015 has been filed against the Company for declaration, possession, damages, mesne profit and injunction before the Senior Civil Judge (west) at Karachi. The plaintiff claims to be the lawful owner of a piece of land measuring 10 acres ("Subject Land"), which also includes the land which is also subject matter of suit no. 1635 of 2009. The plaintiff has sought declaration as to the ownership and occupation of Subject Land. The Company has filed an application under Order 7 Rule 11 starting therein that the instant suit is barred by law as the plaintiff's earlier suits raising the same dispute were dismissed. On August 29, 2017, the learned Judge was pleased to allow the application of the Company and the plaintiff appeal was rejected accordingly. The Plaintiff aggrieved by the said order appealed the same matter before IVth Additional and District Judge (ADJ) bearing Appeal No. 311 of 2017 ("Appeal"). On September 12, 2018, the learned Appellate Court decided the Appeal in favor of the Plaintiff and against the Company, set aside the order dated August 29, 2017 and restored the above suit. Aggrieved by the order of ADJ in Appeal no. 311 of 2017 the Company filed appeal no 157 of 2018. The Company contended that the order passed by ADJ was bad in law as the law does not permit fresh proceedings on the same cause of action of which issue has already been adjudicated upon by the Courts and the suit 2141 of 2015 was rightly rejected by the trial court. The learned Judge after hearing the Company's submission and arguments was pleased to suspend the operation of the impugned Judgement (passed in Appeal no. 311 of 2017) via order dated December 17, 2018. The matter is fixed for hearing and the management of the Company believes that the matter will be decided in favor of the Company.

18.1.4 The Company has filed suit no. 1378 of 2019 in SHC against Sui Southern Gas Company Limited. The case has been filed on the ground that the gas tariff/price has been increased by SSGC illegally. The case is pending before SHC and is fixed for hearing. Furthermore, the management of the Company in consultation of legal advisor is of the view that based on the merit of the case, the same will be decided in favor of the Company.

18.1.5 The Company had filed suit no 1820 of 2020 in SHC against Sui Southern Gas Company Limited. The case has been filed on the ground that the gas tariff/price has been increased by SSGC illegally. Previously, SHC had directed the Company to pay their bills according to previous judgement by either bank guarantee or deposit cheque ready to encash to the satisfaction of the Nazir of the court and SSGC shall issue revised bills. However, SHC has concluded on February 18, 2023, that the price increase is not illegal and argument of increase in sale price does not have force. Consequent to said decision the Company has filed an appeal under SHC, The SHC via HCA No. 212 of 2023 stated, till the conclusion of the case, the Company shall deposit a cheque to the Nazir and the Nazir shall not encash the cheques, which according to the Company being the differential amount of the gas bill, which have been deposited. If the cheques expired, it will be replaced by a fresh one. Further SHC via HCA No. 220 of 2023 stated, the judgement passed on February 18, 2023 is suspended till the next date of hearing. Further the management of the Company in consultation of legal advisor is of the view that based on the merit of the case, the same will be decided in favor of the Company.

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18.1.6 The Company has filed a suit for declaration and permanent injunction against the Syed Alay Sadaqain Naqvi (defendants) for continuously interfering with the peaceful possession of the extended portion of 0.5 acres of land that was regularized in favor of the Company on February 07, 2020 by virtue of a registered deed of Addenda of lease. The Company has pleaded that the Company is the absolute and lawful owner in possession of an immovable property, name Plot. No. G-205 SITE Super Highway Phase II Karachi measuring 4.5 acres by virtue of lease deed dated November 10, 2008 executed by Sindh Industrial Trading Estate Limited. The Company intends to utilize the 0.5 acres of land that was regularized recently in favor of the Company however, the defendants is interfering with the possession of the property. The Company has asked the SHC to declare that the defendant is wrongfully and illegally claiming to be the owner of the property and requested SHC to stop interfering with the Company's peaceful possession on the extended portion measuring 0.5 acres. Based on the merit of case the management of the Company believes that the matter will be decided in favor of the Company.

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

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

GIDC was challenged in Honourable Peshawar High Court (PHC) in December 2013, PHC declared the levy of GIDC unconstitutional. PHC further directed the GoP to return the collected amount, GoP challenged the decision of PHC in the Honourable Supreme Court of Pakistan (SCP), however, SCP upheld the decision of PHC by declaring GIDC a fee and not a tax that can be charged.

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

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

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On October 15, 2020, the Company filed suit no. 1531 of 2020 in Honourable High Court of Sindh (SHC), with a plea that the Company did not pass on the GIDC burden to the end consumer, therefore in accordance with section 8 (2) of Gas Infrastructure Development Cess Act, 2015 (GIDC Act, 2015) the GIDC is not applicable on the Company, which is pending for decision, however, the SHC has issued sustaining order to Gas companies from taking any coercive action against the Company.

The management of the Company in consultation of its legal advisor is of the view that since the Company has not passed on the burden to its consumer/clients, it is not liable to pay GIDC as they clearly falls within the ambit of the exception in line with section 8 (2) of GIDC Act, 2015. Furthermore, on prudent basis the Company has made a provision of Rs. 18 million.

18.1.9 The Company has filed suit No. 730 of 2015 before SHC against the imposition of the Captive Power Plant rate instead of the Industrial Consumer rate. The Company contends that they do not fall into the category of Captive Power Plant, but rather an Industrial Consumer, so the rate charged by the SSGC i.e. Rs.200 per MMBTU, is not applicable in the case of the company. The case has been decreed in favor of the Company vide order dated February 02, 2020. SSGC had challenged the Judgment before the Divisional bench of SHC. However, SHC has concluded that no intention to sell the surplus power can be discerned on the part of plaintiffs either at the time of contracting with SSGC or thereafter, and hence the inhouse power generation does not meet the test of captive power plant for the purpose of NEPRA regulations to attract tariff for captive power due to the foregoing reasons the suit is decreed in favor of the Company.

			2024	2023
18.2	**Commitments**	**Note**	**-----------------Rupees**	**----------------**
	Letter of credit		**225,808,899**	78,649,278
	Letter of guarantees		**46,167,500**	38,937,390
	Capital Expenditures		**172,000,000**	85,000,000
	Cheques issued in favour of Nazir of high court in relation to SSGC case	18.1.4	**7,732,192**	7,732,192
			451,708,591	210,318,860

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19 PROPERTY PLANT AND EQUIPMENT

	Note	2024	2023
		-----Rupees-----	
Operating fixed assets	19.1	11,257,083,475	6,838,282,595
Capital work in progress	19.2	162,777,428	903,540,732
		11,419,860,903	7,741,823,327

19.1 Operating fixed assets

2024

Particulars	Cost / Revaluation						Depreciation					
	Cost at July 01, 2023	Additions	Transfers in / (out)	Revaluation surplus	Disposals	Cost at June 30, 2024	Accumulated depreciation at July 01, 2023	Depreciation for the year	Depreciation on disposals	Accumulated depreciation at June 30, 2024	Book value at June 30, 2024	Rate per annum %
Owned Assets												
Factory land	2,693,424,451	-	-	1,275,675,550	-	3,969,100,001	-	-	-	-	3,969,100,001	-
Factory building	2,087,307,763	35,482,881	430,998,818	724,494,492	-	3,278,283,953	750,090,951	144,517,814	-	894,608,765	2,383,675,188	10
Plant and machinery	3,288,918,579	91,937,712	708,552,236	1,379,200,035	-	5,468,608,562	1,119,241,503	247,643,759	-	1,366,885,262	4,101,723,300	10
Electric cables and fitting	188,440,172	1,003,455	84,892,215	-	-	274,335,842	45,113,910	17,660,292	-	62,774,202	211,561,640	10
Furniture and fixture	20,576,120	2,927,709	1,746,575	-	-	25,250,404	9,456,196	1,311,675	-	10,767,871	14,482,533	10
Motor vehicles	93,554,738	26,206,875	-	-	-	119,761,613	57,836,111	9,149,823	-	66,985,934	52,775,679	20
Office equipment	56,141,172	16,014,330	2,711,701	-	-	74,867,203	20,680,306	4,122,410	-	24,802,716	50,064,487	10
Factory equipment	347,835,902	28,437,946	28,881,788	-	-	405,155,636	62,198,344	30,370,997	-	92,569,341	312,586,295	10
Computers	37,097,659	7,084,819	36,500	-	-	44,218,978	23,833,154	5,391,974	-	29,225,128	14,993,850	33
Camera	8,779,419	2,586,300	-	-	-	11,365,719	4,964,397	1,528,587	-	6,492,984	4,872,735	33
Godown & Shops	33,036,051	-	-	-	-	33,036,051	17,658,295	1,541,989	-	19,200,284	13,835,767	10
Sewing machine	1,369,205	-	-	-	-	1,369,205	1,007,935	36,226	-	1,044,161	325,044	10
Mobile phone	7,888,343	2,674,610	-	-	275,379	10,287,574	4,355,004	1,708,310	171,098	5,892,216	4,395,358	33
Generator	145,647,947	-	45,900	41,242,427	-	186,936,274	55,298,820	8,945,856	-	64,244,676	122,691,598	10
Total	9,010,017,521	214,356,637	1,257,865,733	3,420,612,504	275,379	13,902,577,015	2,171,734,926	473,929,712	171,098	2,645,493,540	11,257,083,475	

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

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

	Note	2024	2023
		----------------Rupees----------------	
Cost of sales	35	**379,143,770**	316,326,418
Selling and distribution expenses	36	**23,696,486**	19,770,401
Administrative expenses	37	**71,089,456**	59,311,203
		473,929,712	395,408,023

19.1.2 Factory land includes a plot in which a law suit has been filed by the plaintiff who is claiming the possession and injunction of the property. The case is in process under the Honourable High Court Sindh Karachi (*refer note 18.1.1, 18.1.2, 18.1.3 & 18.1.6*).

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

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

Description of Assets	Forced sale value Rupees
Land	3,572,190,000
Building	1,954,957,500
Plant and machinery	3,077,224,162
Generators	110,246,588

The above forced sale value has been taken from revaluation report of MYK Associates (Private) Limited as on June 28, 2024.

19.1.5 No item of property, plant and equipment having book value above Rs. 500,000 were disposed off during the year.

19.1.6 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	2.00	79,155
A-21, SITE-II, Super highway, Karachi	1.50	47,131
G-205, SITE-II, Super highway, Karachi	4.00	409,416
50 KM G.T Road, Sadhoke District, Gujranwala	14.68	136,060
B-1/A, SITE-II, Super highway, Karachi	0.97	34,850
Plot H-162, SITE-II, Super highway, Karachi	2.00	81,340
Plot F-193, SITE-II, Super highway, Karachi	2.00	60,870
50 KM G.T Road, Sadhoke District, Gujranwala	3.47	27,987
Plot # 53, S.E.Z, Allama Iqbal Industrial City, Faisalabad	20.00	373,128
House # 87, Block K, Street # 24, Al Bairuni Road, WAPDA City, Faisalabad	0.06	2,723

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		2024	2023
19.2	**Capital work in progress - Tangibles**	**-----------------Rupees**	**----------------**
	Land	**1,800,000**	1,800,000
	Factory Building	**24,117,453**	243,211,486
	Plant and machinery	**54,035,832**	560,978,695
	Electric cables and fitting	**-**	75,050,595
	Furniture & Fixture	**-**	40,000
	Office equipment	**-**	19,000
	Factory equipment	**79,523,473**	19,140,286
	Computers	**3,300,670**	3,300,670
		162,777,428	903,540,732

19.3 Movement in capital work in progress is as under:

	Cost			
	As at July 01, 2023	**Additions during the year**	**Transferred to Property, plant and equipment**	**As at June 30, 2024**
	--------------------------------Rupees			**--------------------------------**
Land	**1,800,000**	**-**	**-**	**1,800,000**
Factory Building	**243,211,486**	**211,904,785**	**(430,998,818)**	**24,117,453**
Plant and machinery	**560,978,695**	**201,609,373**	**(708,552,236)**	**54,035,832**
Electric cables and fitting	**75,050,595**	**9,841,620**	**(84,892,215)**	**-**
Furniture & Fixture	**40,000**	**1,706,575**	**(1,746,575)**	**-**
Motor Vehicles	**-**	**-**	**-**	**-**
Office equipment	**19,000**	**2,692,701**	**(2,711,701)**	**-**
Factory equipment	**19,140,286**	**89,264,975**	**(28,881,788)**	**79,523,473**
Computers	**3,300,670**	**36,500**	**(36,500)**	**3,300,670**
Generator	**-**	**45,900**	**(45,900)**	**-**
	903,540,732	**517,102,429**	**(1,257,865,733)**	**162,777,428**

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

19.4 The amount of borrowing costs capitalised during the year ended June 30, 2024 was Rs. 54.5 million (2023: Rs. 5.18 million). The rate used to determine the amount of borrowing costs eligible for capitalisation was 11.37% (2023: 3.10%), 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:

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	2024	2023
Net book value	-----------------Rupees----------------	
Land	**447,775,087**	447,775,087
Building	**1,532,878,841**	1,196,881,419
Plant and machinery	**2,626,496,861**	2,061,600,794
Generators	**61,772,526**	68,486,187
	4,668,923,315	3,774,743,487

20 RIGHT-OF-USE ASSETS

	2024				2023			
	Vehicle	**Godown**	**Generator**	**Total**	Vehicle	Godown	Generator	Total
	--Rupees--							
Cost								
Opening balance	**252,136,149**	**113,716,329**	**18,500,000**	**384,352,478**	224,605,429	113,060,844	-	337,666,273
Impact of adoption of IFRS-16	**-**	**-**	**-**	**-**	-	-	-	-
Reassessment of lease liability	**-**	**30,648,183**	**-**	**30,648,183**	-	655,485	-	655,485
As at July 1	**252,136,149**	**144,364,512**	**18,500,000**	**415,000,661**	224,605,429	113,716,329	-	338,321,758
Additions during the year	**-**	**-**	**-**	**-**	38,057,220	-	18,500,000	56,557,220
Revaluation Surplus during the y	**-**	**-**	**8,169,670**	**8,169,670**				
Disposal during the year	**-**	**-**	**-**	**-**	(10,526,500)	-	-	(10,526,500)
Total	**252,136,149**	**144,364,512**	**26,669,670**	**423,170,331**	252,136,149	113,716,329	18,500,000	384,352,478
Accumulated depreciation								
Opening balance	**101,697,264**	**38,554,681**	**567,671**	**140,819,616**	74,188,406	27,910,944	-	102,099,350
Charge for the year	**30,180,016**	**10,737,378**	**1,798,146**	**42,715,540**	34,380,782	10,643,737	567,671	45,592,190
Disposal adjustment	**-**	**-**	**-**	**-**	(6,871,924)	-	-	(6,871,924)
Closing	**131,877,280**	**49,292,059**	**2,365,817**	**183,535,156**	101,697,264	38,554,681	567,671	140,819,616
Net book value	**120,258,869**	**95,072,453**	**24,303,853**	**239,635,175**	150,438,885	75,161,648	17,932,329	243,532,862
Lease term	**5 Years**	**10 Years**	**5 Years**		5 Years	10 Years	5 Years	

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

	Note	2024	2023
		-----------------Rupees----------------	
Depreciation expense of right-of-use assets	35	**42,715,540**	45,592,190
Interest expense on lease liabilities on Godov	35	**21,933,894**	21,128,445
Interest expense on lease liabilities on vehicle	38	**24,804,650**	20,265,901
Total amount recognised in unconsolidated statement of profit or loss		**89,454,084**	86,986,536

21 INTANGIBLE ASSETS

	2024	2023
Cost		
Opening	**14,710,766**	14,710,766
Addition during the year	**-**	-
Closing	**14,710,766**	14,710,766
Amortization		
Opening	**(14,710,766)**	(14,710,766)
Charge for the year	**-**	-
Closing	**(14,710,766)**	(14,710,766)
Balance as at June 30	**-**	-

21.1 This represents accounting software which has been fuly amortized.

MATCO FOODS LIMITED
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22	**LONG TERM INVESTMENTS**		**2024**	2023
	Investment - at cost		-----------------Rupees-----------------	
	Subsidiary			
	JKT General Trading FZE	22.1	**23,582,747**	23,582,747
	Matco Marketing (Private) Limited	22.2	**7,499,960**	7,499,960
	Joint Venture			
	Barentz Pakistan Private Limited	22.3	**24,500,000**	24,500,000
	Other investments - at fair value through OCI	22.4		
	Pakistan Aluminium Beverage Cans Limited		**-**	8,736,550
	Engro Fertilizers Limited		**-**	990,360
			55,582,707	65,309,617

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, 2024.

	2024	2023
	-----------------Rupees-----------------	
Assets	**240,445,082**	460,430,281
Liabilities	**208,790,447**	446,125,837
Revenues	**503,749,179**	454,420,050
Profit/(Loss) for the period	**18,747,754**	(22,951,479)

22.4 This represents the fair value of 193,201 shares of Pakistan Aluminium Beverage Cans Limited acquired by the Company through initial public offering at the rate of Rs. 49 per share and the fair value of 12,000 shares of Engro Fertilizers acquired by the Company at the rate of Rs. 89.90 per share. During the year, as part of investment strategy, the Company has disposed of the investment.

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.

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		Note	2024	2023
23	**STORES, SPARES AND LOOSE TOOLS**		----------------Rupees----------------	
	Stores and spares	35.3	**279,391,307**	106,867,028
	Provision for slow moving / obsolete items	23.1	**(1,543,929)**	(1,543,929)
			277,847,378	105,323,099
23.1	**Movement in provision for slow moving / obsolete items**			
	Balance at beginning of the year		**1,543,929**	1,543,929
	Charge for the year		**-**	-
	Balance at end of the year		**1,543,929**	1,543,929
24	**STOCK IN TRADE**			
	Raw materials	24.2	**6,259,076,247**	6,001,843,594
	Packing materials	35.1	**500,647,685**	465,737,585
	Finished goods	24.3	**4,875,699,241**	3,127,804,363
			11,635,423,173	9,595,385,542
	Provision for slow moving / obsolete items	24.1	**(21,852,280)**	(20,954,205)
			11,613,570,893	9,574,431,337
24.1	**Movement in provision for slow moving / obsolete items**			
	Opening balance		**20,954,205**	20,475,083
	Charge for the year		**898,075**	479,122
	Write off during the year		**-**	-
	Closing balance		**21,852,280**	20,954,205

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. 716.13 million (2023: Rs. 459.12 million) and stock-in-transit amounting to Nil (2023: Nil)

		Note	2024	2023
25	**TRADE DEBTS**		----------------Rupees----------------	
	Considered good			
	Export - secured	25.2	**1,660,447,146**	1,744,840,542
	Local - unsecured		**674,321,212**	449,343,122
	Considered doubtful			
	Local - unsecured		**13,567,967**	13,567,967
	Less: Allowance for expected credit losses	25.4	**(13,567,967)**	(13,567,967)
			2,334,768,358	2,194,183,664

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

25.2 It includes the amount of Rs. Nil which is past due up to 3 months (2023: Nil) and Rs. Nil which is past due up to 6 months, (2023: 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. 13.41 million (2023: Rs. 55.01 million).

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		Note	2024	2023
25.3	As of June 30, 2024, the age analysis of trade debts is as follows:		-----------------Rupees-----------------	
	Not yet due		**-**	-
	Past due:			
	- Up to 3 months		**2,303,026,902**	1,987,190,523
	- 3 to 6 months		**27,819,137**	97,265,314
	- 6 to 12 months		**2,480,373**	109,727,827
	- More than 12 months		**1,441,946**	-
			2,334,768,358	2,194,183,664
	Trade debts - Gross		**2,334,768,358**	2,194,183,664
25.4	Allowance for expected credit losses			
	Opening balance		**13,567,967**	13,567,967
	Charge during the year		**-**	-
	Closing balance		**13,567,967**	13,567,967
26	**LOANS AND ADVANCES**			
	Loans			
	Staff - unsecured, considered good	26.1	**25,773,562**	23,096,353
	Advances			
	- against services and others		**3,335,362**	3,422,967
	- against purchases		**980,837,487**	488,331,672
			1,009,946,411	514,850,992

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

26.2 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 3.12 million (2023: Rs. 3.23 million).

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

		Note	2024	2023
27	**TRADE DEPOSITS AND SHORT TERI PREPAYMENTS**		-----------------Rupees-----------------	
	Deposits			
	- Capital management account		**45,572**	-
	- Guarantee margin		**1,938,143**	2,812,742
	Prepayments			
	- Prepaid expense	27.1	**12,734,714**	6,345,184
	- Prepaid insurance		**13,202,222**	5,884,607
			25,936,936	12,229,791
			27,920,651	15,042,533

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

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		Note	2024	2023
28	**SHORT-TERM INVESTMENT**		-----------------Rupees	----------------
	Mutual fund units	28.1	**-**	3,022,323
	Term deposit certificates	28.2	**1,200,000**	1,200,000
			1,200,000	4,222,323

28.1 It represent mutual funds unit of Al-Meezan Islamic fund, Al-Ameen Islamic Fund and Al-Ameen Islamic Stock Fund which were disposed off during the year (2023: 39,210).

28.2 These represent term deposit certificates of Askari Bank Limited amounting to Rs. 1.2 million (2023: Rs. 1.2 million) respectively. The rate of profit on these certificates is 20% per annum (2023: 12.5%) these term deposit certificates will mature on June 2025.

		Note	2024	2023
29	**SALES TAX REFUNDABLE**		-----------------Rupees	----------------
	Sales tax refundable	29.1	**25,000,000**	64,935,578
29.1	**Movement in sales tax refundable is as under:**			
	Balance at beginning of the year		**64,935,578**	105,056,731
	Deposited against the sales tax petition	41.6	**25,000,000**	-
	Refunds claim for the year		**-**	34,340,882
	Received during the year		**(58,873,613)**	(47,285,047)
	Adjusted during the year		**(6,061,965)**	(27,176,988)
	Balance at end of the year		**25,000,000**	64,935,578
30	**DUE FROM RELATED PARTIES**			
	Unsecured			
	Barentz Pakistan (Private) Limited	30.1	**50,326,380**	81,821,177

30.1 This includes an amount of Rs. 9.13 million (2023: Rs. 6.36 million) receivable in respect of interest on loan. The maximum aggregate amount of loan due from Barentz Pakistan (Private) Limited at the end of any month during the year was Rs. 77.23 million (2023: Rs. 89.45 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% (2023: 3 months KIBOR+2%).

30.2 All above dues are payable on demand.

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

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		Note	Barentz Pakistan (Private) Limited	
			2023	2022
			-----------------**Rupees**----------------	
	Up to 3 Months		**50,326,380**	81,821,177
	3 to 6 Months		**-**	-
	06 to 12 Months		**-**	-
	More than 12 Months		**-**	-
			50,326,380	81,821,177
31	**TAXATION AND LEVIES - NET**			
	Advance income tax / levies		**365,287,525**	287,012,967
	Provision for levies and taxation		**(258,998,630)**	(222,056,149)
			106,288,895	64,956,818
32	**CASH AND BANK BALANCES**			
	Cash in hand		**4,227,097**	3,922,666
	Cash at bank			
	- current accounts		**273,457,152**	327,232,138
	- deposit accounts	32.1	**79,734,447**	27,841,537
			353,191,599	355,073,675
			357,418,696	358,996,341

32.1 These carry weighted average profit of 19% per annum (2023: 16% per annum).

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		Note	Rice and Allied Products 2024	Rice and Allied Products 2023	Corn Starch Products 2024	Corn Starch Products 2023	Total 2024	Total 2023
			-----Rupees-----					
33	**OPERATING RESULTS**							
	Disaggregation of revenue							
	Export Sales		**16,835,757,898**	12,142,041,326	**658,958,498**	405,354,100	**17,494,716,396**	12,547,395,426
	Local Sales							
	- Main Products		**3,067,682,981**	2,833,665,191	**4,447,766,343**	2,195,674,771	**7,515,449,324**	5,029,339,962
	- By-Products and Others		**3,617,643,222**	3,615,488,190	**863,935,009**	-	**4,481,578,231**	3,615,488,190
			6,685,326,203	6,449,153,381	**5,311,701,352**	2,195,674,771	**11,997,027,555**	8,644,828,152
	Gross Sales		**23,521,084,101**	18,591,194,707	**5,970,659,850**	2,601,028,871	**29,491,743,951**	21,192,223,578
	Sales discount / return		**(75,122,121)**	(97,690,764)	**(81,802,572)**	(17,019,158)	**(156,924,693)**	(114,709,922)
	Sales tax		**(156,880,624)**	(108,196,584)	**(759,180,136)**	(323,909,846)	**(916,060,760)**	(432,106,430)
	Freight		**(574,168,807)**	(574,433,112)	**(77,803,795)**	(3,636,763)	**(651,972,602)**	(578,069,875)
	Clearing and forwarding		**(61,567,265)**	(81,906,250)	**(9,550,826)**	(30,000)	**(71,118,091)**	(81,936,250)
	Net Sales		**22,653,345,284**	17,728,967,997	**5,042,322,521**	2,256,433,104	**27,695,667,805**	19,985,401,101
	Cost of Sales		**(19,760,951,138)**	(15,171,385,927)	**(4,763,694,664)**	(2,360,759,626)	**(24,524,645,802)**	(17,532,145,553)
	Gross profit / (loss)		**2,892,394,146**	2,557,582,070	**278,627,857**	(104,326,522)	**3,171,022,003**	2,453,255,548
	Selling and distribution expenses		**(524,455,983)**	(339,528,008)	**(66,235,424)**	(15,650,966)	**(590,691,407)**	(355,178,974)
	Administrative expenses		**(556,020,682)**	(487,594,101)	**(125,507,566)**	(76,912,295)	**(681,528,249)**	(564,506,396)
			(1,080,476,665)	(827,122,109)	**(191,742,990)**	(92,563,261)	**(1,272,219,656)**	(919,685,370)
	Operating profit / (loss)		**1,811,917,481**	1,730,459,961	**86,884,867**	(196,889,783)	**1,898,802,347**	1,533,570,178
	Unallocated items							
	Finance cost						**(2,243,877,030)**	(1,182,362,299)
	Other income						**86,370,402**	53,694,455
	Exchange gain - net						**190,389,508**	412,369,039
	Provision for worker's welfare fund						**-**	(15,276,100)
	Provision for worker's profit participation fund						**-**	(38,190,251)
	(Loss) / profit before levies and income tax						**(68,314,773)**	763,805,022
	Levies - Final and Minimum Tax						**(258,998,630)**	(222,056,149)
	Taxation						**64,847,527**	13,869,148
	(Loss) / profit for the year						**(262,465,876)**	555,618,021

		Rice and Allied Products 2024	Rice and Allied Products 2023	Corn Starch Products 2024	Corn Starch Products 2023	Total 2024	Total 2023
		-----Rupees-----					
33.1	Segment assets	**21,785,336,509**	15,953,044,321	**3,860,711,023**	3,662,717,106	**25,646,047,532**	19,615,761,427
33.2	Unallocated assets	**-**	-	**-**	-	**1,893,027,465**	1,431,145,211
		21,785,336,509	15,953,044,321	**3,860,711,023**	3,662,717,106	**27,539,074,997**	21,046,906,638
33.3	Segment liabilities	**11,797,632,152**	9,579,122,430	**4,003,345,092**	2,965,841,546	**15,800,977,244**	12,544,963,976
33.4	Unallocated liabilities	**-**	-	**-**	-	**1,750,475,893**	1,017,796,711
		11,797,632,152	9,579,122,430	**4,003,345,092**	2,965,841,546	**17,551,453,137**	13,562,760,687
33.5	Major non-cash items						
	- Depreciation and amortisation	**315,363,594**	272,077,973	**201,281,659**	168,922,239	**516,645,253**	441,000,212
	- Gratuity	**71,890,722**	65,131,266	**23,546,192**	14,050,829	**95,436,914**	79,182,095
		387,254,316	337,209,239	**224,827,851**	182,973,068	**612,082,167**	520,182,307
33.6	Capital expenditure	**1,172,484,128**	1,009,038,377	**420,948,841**	2,583,726,525	**1,593,432,969**	3,592,764,902

33.7 The Company's export sales have been primarily made to continents in the Asia, Africa, Europe, North America and Australia & New Zealand.

	2024	2023
	-----Rupees-----	
Africa	**1,363,033,579**	972,213,330
Asia	**5,165,922,375**	3,761,994,350
Australia & New Zealand	**2,362,253,453**	1,991,592,046
Europe	**7,294,966,690**	4,601,454,109
USA & Canada	**1,308,540,299**	1,220,141,591
	17,494,716,396	12,547,395,426

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34 RECONCILIATION OF REPORTABLE SEGMENT SALES, COST OF SALES, ASSETS AND LIABILITIES

34.1 Assets

Total assets for reportable segments	**25,646,047,532**	19,615,761,427
Administrative capital assets	**239,635,175**	243,532,862
Investments	**55,582,707**	65,309,617
Loans and advances	**1,009,946,411**	514,850,992
Cash and bank balances	**357,418,696**	358,996,341
Others	**230,444,476**	248,455,399
Total assets	**27,539,074,997**	21,046,906,638

	2024	2023
	-----------------Rupees-----------------	
34.2 Liabilities		
Total liabilities for reportable segments	**15,800,977,244**	12,299,919,413
Deferred liabilities	**980,817,481**	308,763,797
Lease liabilities	**210,325,254**	216,928,190
Trade and other payables - Others	**524,273,385**	711,055,412
Due to related parties	**6,563,777**	6,807,598
Unpaid dividend	**28,495,996**	19,286,277
Total liabilities	**17,551,453,137**	13,562,760,687

		Reportable Segment					
		Rice and Allied Products		Corn Starch Products		Total	
		2024	2023	**2024**	2023	**2024**	2023
35 COST OF SALES	**Note**	---------------Rupees---------------					
Raw material consumed	35.1	**17,849,633,565**	13,682,816,570	**3,188,662,318**	1,810,140,062	**21,038,295,883**	15,492,956,632
Packing materials consumed	35.2	**727,238,873**	565,188,849	**207,229,973**	60,672,554	**934,468,846**	625,861,403
Stores and spares consumed	35.3	**732,880,821**	412,329,808	**288,926,374**	110,895,055	**1,021,807,195**	523,224,863
Processing expenses							
Salaries, wages and benefits	35.4	**713,109,069**	573,471,091	**306,069,692**	233,411,733	**1,019,178,761**	806,882,824
Electricity and power		**448,309,843**	297,625,446	**478,467,345**	248,378,643	**926,777,188**	546,004,089
Telephone and mobile		**2,006,862**	1,993,841	**131,561**	453,072	**2,138,423**	2,446,913
Insurance		**23,140,896**	14,140,986	**916,004**	2,996,176	**24,056,900**	17,137,163
Repairs and maintenance		**42,753,784**	52,678,602	**5,972,479**	11,394,856	**48,726,263**	64,073,458
Other purchases		**371,901,922**	276,204,630	**110,854**	1,180,760	**372,012,776**	277,385,390
Provision for slow moving stock		**898,075**	479,122	**-**	-	**898,075**	479,122
Fumigation charges		**81,494,175**	76,847,026	**5,676,945**	3,263,860	**87,171,120**	80,110,886
Water charges		**120,789,676**	57,438,264	**173,632**	80,600	**120,963,308**	57,518,864
Canteen		**18,893,501**	18,623,760	**666,506**	1,050,858	**19,560,007**	19,674,618
Diesel and oil		**172,238**	9,555,311	**-**	-	**172,238**	9,555,311
Staff welfare		**7,128,563**	5,890,767	**3,426,380**	1,973,266	**10,554,943**	7,864,033
Security expenses		**26,737,776**	25,054,243	**10,674,707**	7,789,328	**37,412,483**	32,843,571
Godown expenses		**34,166,148**	30,824,829	**-**	-	**34,166,148**	30,824,829
Rent, rates and taxes		**350,119**	1,012,137	**-**	-	**350,119**	1,012,137
Brought Forward		**21,201,605,906**	16,102,175,283	**4,497,104,770**	2,493,680,822	**25,698,710,676**	18,595,856,106

		Reportable Segment					
		Rice and Allied Products		Corn Starch Products		Total	
		2024	2023	**2024**	2023	**2024**	2023
	Note	---------------Rupees---------------					
Carried Forward		**21,201,605,906**	16,102,175,283	**4,497,104,770**	2,493,680,822	**25,698,710,676**	18,595,856,106
Vehicle running expenses		**42,129,065**	31,036,493	**3,579,553**	2,515,722	**45,708,618**	33,552,215
Medical		**7,214,071**	6,115,221	**2,484,658**	847,779	**9,698,729**	6,963,000
Depreciation	19.1.1	**218,499,763**	181,679,344	**160,644,007**	134,647,074	**379,143,770**	316,326,418
Depreciation on right-of-use assets	20.1	**42,238,890**	44,978,793	**476,650**	613,397	**42,715,540**	45,592,190
Interest expense on lease liabilities	20.1	**21,933,894**	21,128,445	**-**	-	**21,933,894**	21,128,445
Processing charges		**5,257,087**	4,400,585	**67,144**	-	**5,324,231**	4,400,585
Inspection charges		**68,074,934**	37,788,424	**1,230,288**	-	**69,305,222**	37,788,424
Cost of goods manufactured		**21,606,953,610**	16,429,302,589	**4,665,587,070**	2,632,304,794	**26,272,540,680**	19,061,607,383
Finished goods							
Opening stock		**2,856,259,195**	1,598,342,533	**271,545,168**	-	**3,127,804,363**	1,598,342,533
Closing stock		**(4,702,261,667)**	(2,856,259,195)	**(173,437,574)**	(271,545,168)	**(4,875,699,241)**	(3,127,804,363)
		(1,846,002,472)	(1,257,916,662)	**98,107,594**	(271,545,168)	**(1,747,894,878)**	(1,529,461,830)
Cost of Sales		**19,760,951,138**	15,171,385,927	**4,763,694,664**	2,360,759,626	**24,524,645,802**	17,532,145,553

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35.1	**Raw material consumed**						
	Opening stock	**5,379,157,483**	5,187,099,547	**622,686,111**	677,510,658	**6,001,843,594**	5,864,610,205
	Purchases	**17,885,475,116**	13,562,393,873	**2,771,920,649**	1,681,198,542	**20,657,395,765**	15,243,592,415
	Cartage inwards	**582,069,026**	312,480,633	**56,063,745**	74,116,973	**638,132,771**	386,597,606
	Closing stock	**(5,997,068,060)**	(5,379,157,483)	**(262,008,187)**	(622,686,111)	**(6,259,076,247)**	(6,001,843,594)
		17,849,633,565	13,682,816,570	**3,188,662,318**	1,810,140,061	**21,038,295,883**	15,492,956,632
35.2	**Packing material consumed**						
	Opening stock	**348,662,538**	219,576,329	**117,075,047**	-	**465,737,585**	219,576,329
	Purchases	**818,242,832**	694,275,058	**151,136,114**	177,747,601	**969,378,946**	872,022,659
	Closing stock-gross	**(439,666,497)**	(348,662,538)	**(60,981,188)**	(117,075,047)	**(500,647,685)**	(465,737,585)
		727,238,873	565,188,849	**207,229,973**	60,672,554	**934,468,846**	625,861,403
35.3	**Stores and spares consumed**						
	Opening stock	**66,092,226**	87,635,046	**40,774,802**	-	**106,867,028**	87,635,046
	Purchases	**783,777,317**	390,786,987	**410,554,157**	151,669,858	**1,194,331,474**	542,456,845
	Closing stock-gross	**(116,988,722)**	(66,092,226)	**(162,402,585)**	(40,774,802)	**(279,391,307)**	(106,867,028)
		732,880,821	412,329,808	**288,926,374**	110,895,056	**1,021,807,195**	523,224,863

35.4 It includes provision for gratuity amounting to Rs. 62.14 million (2023: Rs. 51.18 million).

		Reportable Segment					
		Rice and Allied Products		Corn Starch Products		Total	
		2024	2023	**2024**	2023	**2024**	2023
	Note	---Rupees---					
36 SELLING AND DISTRIBUTION EXPENSES							
Salaries and benefits	36.1	**89,423,865**	68,433,823	**8,047,584**	1,889,511	**97,471,449**	70,323,334
Travelling		**51,857,887**	46,510,475	**8,717,477**	3,167,523	**60,575,364**	49,677,998
Sales promotion		**162,780,471**	83,722,757	**8,104,194**	1,160,398	**170,884,665**	84,883,155
Insurance		**7,988,407**	3,812,022	**224,849**	934,286	**8,213,256**	4,746,308
Export charges		**163,338,520**	84,842,929	**31,101,070**	-	**194,439,590**	84,842,929
Export commission		**32,212,851**	36,127,215	**-**	83,806	**32,212,851**	36,211,021
Depreciation	19.1.1	**13,656,236**	11,354,959	**10,040,250**	8,415,442	**23,696,486**	19,770,401
Shop rent		**2,820,000**	2,520,000	**-**	-	**2,820,000**	2,520,000
General		**377,746**	2,203,828	**-**	-	**377,746**	2,203,828
		524,455,983	339,528,008	**66,235,424**	15,650,966	**590,691,407**	355,178,974

36.1 It includes provision for gratuity amounting to Rs. 5.94 million (2023: Rs. 4.46 million).

		Reportable Segment					
		Rice and Allied Products		Corn Starch Products		Total	
		2024	2023	**2024**	2023	**2024**	2023
37 ADMINISTRATIVE EXPENSES	Note	---Rupees---					
Salaries and benefits	37.1	**376,612,094**	328,374,760	**72,143,816**	42,874,808	**448,755,910**	371,249,568
Vehicle running		**37,047,645**	24,934,555	**353,416**	842,180	**37,401,061**	25,776,735
Entertainment		**2,415,027**	2,066,940	**374,144**	397,812	**2,789,171**	2,464,752
Printing and stationery		**449,625**	2,059,571	**39,742**	254,061	**489,367**	2,313,632
Fee and subscription		**25,139,498**	34,842,711	**13,039,868**	2,601,008	**38,179,365**	37,443,719
Legal and professional		**-**	568,000	**-**	-	**-**	568,000
Auditor's remuneration	37.2	**4,110,646**	3,569,579	**-**	-	**4,110,646**	3,569,579
Postage and telegrams		**5,494,147**	3,285,659	**3,549,452**	824,779	**9,043,600**	4,110,438
General expenses		**4,631,623**	4,443,366	**-**	-	**4,631,623**	4,443,366
Newspaper and periodicals		**57,400**	91,275	**35,530**	3,760	**92,930**	95,035
Electricity and gas charges		**2,607,308**	846,935	**49,942**	-	**2,657,250**	846,935
Taxes, duty and fee		**641,674**	6,677,346	**3,986,238**	2,276,919	**4,627,912**	8,954,265
Medical		**5,917,000**	4,649,247	**1,253,189**	254,247	**7,170,189**	4,903,494
Insurance		**3,670,669**	4,935,305	**36,979**	161,292	**3,707,648**	5,096,597
Software maintenance		**674,976**	549,230	**-**	-	**674,976**	549,230
Computer expenses		**8,334,383**	7,521,499	**486,759**	-	**8,821,143**	7,521,499
Depreciation	19.1.1	**40,968,705**	34,064,877	**30,120,751**	25,246,326	**71,089,456**	59,311,203
Donations		**17,432,385**	12,325,058	**-**	-	**17,432,385**	12,325,058
Advertisement		**94,793**	405,885	**-**	-	**94,793**	405,885
Loss on sale of operating fixed assets		**14,282**	-	**-**	-	**14,282**	-
Others		**19,706,802**	11,382,303	**37,740**	1,175,103	**19,744,542**	12,557,406
		556,020,682	487,594,101	**125,507,566**	76,912,295	**681,528,249**	564,506,396

37.1 It includes directors' remuneration amounting to Rs. 48.99 million (2023: Rs. 38.95 million) and provision for gratuity amounting to Rs. 27.36 million (2023: Rs. 23.55 million).

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		Note	2024	2023
37.2	**Auditor's remuneration**		-----------------Rupees	----------------
	- audit fee of unconsolidated financial statements		**2,420,000**	2,200,000
	- audit fee of consolidated financial statements		**110,000**	110,000
	- audit fee of half yearly review		**825,565**	614,498
	- fee for review code of corporate governance		**165,000**	165,000
	- other certifications		**150,000**	150,000
	- out of pocket expenses		**440,081**	330,081
			4,110,646	3,569,579

37.3 Donation includes amount of Rs. 19.92 million (2023: Rs. 11.65 million) paid to Ghori Trust, which is operated by Board of directors of the company and their spouse namely Mr. Jawed Ali Ghori, Mr. Khalid Sarfaz Ghori, Mr. Faizan Ali Ghori, Mrs. Naheed Jawed, Mrs. Nuzhat Khalid and Mrs. Dr. Sadaf Tariq.

		Note	2024	2023
38	**FINANCE COST**		-----------------Rupees	----------------
	Mark up			
	- long term finances - net	38.1	**110,940,084**	72,655,436
	- short term borrowings		**2,102,900,126**	1,086,303,348
	- interest expense on lease liabilities	20.1	**24,804,650**	20,265,901
	Bank charges and commission		**5,232,170**	3,137,614
			2,243,877,030	1,182,362,299

38.1 The mark-up presented is net of amortization of grant amounting to Nil (2023: Rs. 1.56 million).

		2024	2023
39	**OTHER INCOME**	-----------------Rupees	----------------
	From financial assets		
	- Profit on bank/short term deposits	**10,871,340**	9,194,461
	- Interest income on account of due from related partie	**13,087,160**	11,322,643
	From non-financial assets		
	- Reversal of Worker's Welfare Fund	**14,737,054**	8,585,383
	- Gain on sale of operating fixed assets	**-**	5,587,254
	- Scrap sales	**42,012,129**	11,684,573
	- Rental income	**4,065,490**	3,695,900
	- Dividend income	**784,204**	36,000
	- Others	**813,025**	3,588,241
		86,370,402	53,694,455

40 EXCHANGE GAIN - NET

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

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41.1 The relationship between tax expense and accounting profit has not been presented in these financial statements as almost all income of the company falls under the ambit of presumptive tax regime.

41.2 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.

41.3 During the previous 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. During the year, the Appellate Tribunal Inland Revenue has passed the order ITA No. 2833/KB/2023 and ITA No. 2834/KB/2023 stating that the order of learned CIR(A) thereon are illegal and cannot sustain in the eye of law and the learned AR has contested the case with the forceful arguments along with supporting evidence which is persued and found correct.

41.4 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.

41.5 The Deputy Commissioner of Inland Revenue (DC-IR) has raised a demand of Rs. 37,839,301/- for 'Super Tax' under Section 4C of the Ordinance for the tax year 2023, as per the order with Barcode No. 100000192819317 dated 05 April 2024. The company has appealed before the Commissioner Inland Revenue (Appeals) [CIR-A], and the matter is currently pending.

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41.6 A Post Refund Sales Tax Audit was conducted by the DC-IR for the tax periods from June 2021 to August 2022. A demand of Rs. 51,856,323/- was raised on account of 'Inadmissible Input Tax on Goods and Services', along with penalty and default surcharge, as per the Order-in-Original [ONO] Ref. No. 27 of 270/2024 dated 22 February 2024.

Being aggrieved of such Order, the Company has appealed to the Commissioner-IR Appeals, and the appeal is currently underway. We anticipate a favorable outcome; therefore, no provision is required at this stage. Please note that the company has deposited Rs. 25,000,000/- of the sales tax demand under protest (Refer Note 29.1).

41.7 The Commissioner-IR selected the Company for audit under Section 25(1) for the Tax Year 2022. Following the audit, the DC-IR raised a sales tax demand of Rs. 2,682,084/-, along with a penalty of Rs. 404,104/- for 'Inadmissible Input Tax on Goods and Services', as per ONO Ref. No. 28/156/2023-24 dated 18 March 2024. Being aggrieved of such Order, the Company has filed an appeal before the Commissioner-IR Appeals, which is currently in process. We expect a favorable outcome and, as such, no provision is required at this stage.

41.8 Return of 2022-23 filed on January 15, 2024, is an assessment order under section 120 unless amended under section 122 of the Income Tax Ordinance, 2001.

42	**NUMBER OF EMPLOYEES**	**2024**	2023
	Number of employees as at June 30	**1,006**	969
	Average number of employees during the year	**988**	923

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43 TRANSACTION WITH RELATED PARTIES

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

Nature of relationship	Percentage of Holding	Transactions	June 30, 2024	June 30, 2023
			--------Rupees--------	
Directors		Godown rent paid to director	**28,747,612**	26,215,611
Subsidiary				
JKT General Trading FZE	100%	Sales	**53,608,776**	76,003,698
		Payment received on account of sales	**36,066,865**	114,274,078
		Payment made on our behalf	**720,819**	14,865,220
Matco Marketing (Private) Limited	99.99%	Paid expenses on behalf	**243,821**	81,475
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	**174,944,619**	206,394,592
		Payment received on account of expenses	**208,318,084**	180,188,579
		Interest Income	**13,108,144**	12,092,555
		Interest Received	**10,340,400**	9,137,105
		Rental and service income	**779,625**	3,586,240
		Rental and service income received	**371,250**	1,150,000
		Commission paid	**1,297,451**	823,138
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	**6,907,490**	595,572
		Payment received on account of expenses	**6,907,490**	595,572
Faiyaz Center Owner Association	0%	Paid expenses on behalf	**450,577**	6,161,165
		Payment received on account of expenses	**450,577**	6,161,165
Trust operated by the Company				
Ghori Trust	0%	Paid expenses on behalf	**19,917,947**	23,166,215
		Payment received on account of expenses	**3,328,242**	7,766,817
		Donation expense	**16,589,705**	11,615,038

Nature of relationship	Percentage of Holding	Balances	June 30, 2024	June 30, 2023
			--------Rupees in --------	
Subsidiary				
JKT General Trading FZE	100%	Trade receivables outstanding	**12,276,153**	-
		Advance outstanding against sales	**-**	5,265,758
		Payable against expenses	**15,586,039**	15,388,145
Matco Marketing (Private) Limited	99.99%	Advance outstanding	**6,563,777**	6,807,598
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Receivable against expenses	**37,536,192**	72,207,108
		Interest receivable	**9,133,072**	6,365,328
		Receivable against rent and services	**3,657,116**	3,248,741
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Receivable against expenses	**-**	-
Faiyaz Center Owner Association	0%	Receivable against expenses	**-**	-
Trust operated by the Company				
Ghori Trust	0%	Payable against donation	**-**	-

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

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

43.2 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.

43.3 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.

44 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	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	-----Rupees-----							
Short-term employee benefits								
Managerial remuneration	**3,621,384**	3,589,189	**14,251,038**	10,919,110	**172,806,824**	119,263,976	**190,679,246**	133,772,275
House rent allowances	**1,629,623**	1,435,676	**6,412,967**	4,367,643	**69,122,730**	47,705,590	**77,165,320**	53,508,909
Utilities	**2,866,699**	2,393,095	**4,961,814**	3,121,595	**17,280,682**	13,590,957	**25,109,196**	19,105,647
Bonus	**1,800,000**	1,028,000	**6,741,000**	6,084,660	**20,359,000**	15,821,949	**28,900,000**	22,934,609
Fuel expense	**1,954,361**	900,117	**3,367,188**	2,912,073	**40,490,335**	26,896,965	**45,811,884**	30,709,154
Medical expense	**813,750**	198,063	**228,860**	517,294	**3,782,048**	3,221,802	**4,824,658**	3,937,159
Vehicle expense	**3,573,261**	86,671	**1,107,000**	825,010	**3,763,095**	2,878,215	**8,443,356**	3,789,896
Other expense	**321,989**	263,271	**21,963**	1,221,947	**-**	-	**343,952**	1,485,218
	16,581,067	9,894,082	**37,091,830**	29,969,332	**327,604,714**	229,379,454	**381,277,612**	269,242,867
Value of motor vehicles	**6,944,582**	8,686,677	**16,600,603**	24,175,634	**90,056,242**	92,599,900	**113,601,427**	125,462,211
Number of Persons	**1**	1	**2**	2	**77**	62		

44.1 In addition to above, fees of Rs. 0.99 million (2023: Rs. 1.15 million) was paid to independent directors of the company for attending board of directors meeting during the year.

44.2 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.

44.3 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.

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		2024	2023
45	**PLANT CAPACITY AND PRODUCTION**	**(Tons)**	
	Annual Plant Capacity		
	- Rice processing	**178,500**	178,500
	- Rice Glucose	**33,000**	33,000
	- Corn Starch	**72,000**	72,000
	Actual Production		
	- Rice processing	**110,732**	105,625
	- Rice Glucose	**10,659**	13,063
	- Corn Starch	**49,212**	25,200

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

		2024	2023
46	**(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED**	-----------------Rupees-----------------	
	(Loss)/Profit for the year	**(262,465,876)**	555,618,021
	Number of ordinary shares	**122,400,698**	122,400,698
	Weighted average number of ordinary shares	**122,400,698**	122,400,698
	(Loss) / earnings per share - basic and diluted	**(2.14)**	4.54

There is no dilutive effect on earnings per share as the Company does not have any convertible instruments as at June 30, 2024 and June 30, 2023.

47 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:

47.1 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.

47.1.1 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.

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Exposure to Foreign currency risk

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

	2024	2023
	---------- Amount in USD ----------	
Trade debts	**5,965,510**	6,096,951
Cash and bank balances	**127,962**	24,840
Advance from customer	**(590,110)**	(62,611)
Net Exposure	**5,503,361**	6,059,180

The following significant exchange rates were applied during the year:

	2024	2023
	Rupee per USD	
Average rate	**282.53**	244.87
Reporting date rate	**278.34**	286.18

Foreign currency sensitivity analysis

A 10% strengthening of the PKR against the USD at June 30, 2024 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, 2024.

	2024	2023
	-----------------Rupees----------------	
Strengthening of PKR against respective currencies	**(153,181,210)**	(173,403,099)
Weakening of PKR against respective currencies	**153,181,210**	173,403,099

A 10 percentage weakening of the PKR against the USD at June 30, 2024 would have had the equal but opposite effect on USD to the amounts shown above, on the basis that all other variables remain constant.

47.1.2 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 not exposed to price risk as well as the commodity price risk.

47.1.3 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.

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	Note	2024				
		Mark-up / profit bearing			Non mark-up / profit bearing	Total
		Less than one year	One year to Five years	Over five years		
		---Rupees---				
Financial assets						
Amortised cost						
Long-term deposits		-	-	-	19,708,550	19,708,550
Long-term investments	22	-	-	-	55,582,707	55,582,707
Trade debts - considered goods	25	-	-	-	2,334,768,358	2,334,768,358
Loans	26	-	-	-	25,773,562	25,773,562
Deposits	27	-	-	-	1,983,715	1,983,715
Short-term investment	28	1,200,000	-	-	-	1,200,000
Due from related parties	30	50,326,380	-	-	-	50,326,380
Cash and bank balances	32	79,734,447	-	-	277,684,249	357,418,696
		131,260,827	-	-	2,715,501,141	2,846,761,968
Fair value through profit or loss						
Short-term investment	28	-	-	-	-	-
Fair value through other comprehensive income						
Long-term investments	22	-	-	-	-	-
Financial liabilities						
At amortized cost						
Long term finances - secured	9	359,121,960	1,475,635,466	-	-	1,834,757,426
Due to related party	15	-	-	-	6,563,777	6,563,777
Trade and other payables	13	-	-	-	2,355,722,608	2,355,722,608
Accrued mark-up	14	-	-	-	560,017,210	560,017,210
Short term borrowings - secured	16	11,123,990,753	-	-	-	11,123,990,753
Unpaid dividend	17	-	-	-	28,495,996	28,495,996
Lease liabilities	10	38,071,886	137,802,694	34,450,674	-	210,325,254
		11,521,184,599	1,613,438,160	34,450,674	2,950,799,591	16,119,873,024
On balance sheet gap		(11,389,923,772)	(1,613,438,160)	(34,450,674)	(235,298,450)	(13,273,111,056)
Off balance sheet items						
Guarantees	18.2	-	-	-	46,167,500	46,167,500
Letter of credit	18.2	-	-	-	225,808,899	225,808,899
Capital Expenditures	18.2	-	-	-	172,000,000	172,000,000
Cheques issued in favour of Nazir of high court in relation to SSGC case	18.2	-	-	-	7,732,192	7,732,192

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		2023				
		Mark-up / profit bearing				
	Note	Less than one year	One year to Five years	Over five years	Non mark-up / profit bearing	Total
Financial assets		------------	------------	Rupees	------------	------------
Amortised cost						
Long-term deposits		-	-	-	17,476,970	17,476,970
Long-term investments	22	-	-	-	55,582,708	55,582,708
Trade debts - considered goods	25	-	-	-	2,194,183,664	2,194,183,664
Loans	26	-	-	-	23,096,353	23,096,353
Deposits	27	-	-	-	2,812,742	2,812,742
Short-term investment	28	1,200,000	-	-	-	1,200,000
Due from related parties	30	81,821,177	-	-	-	81,821,177
Cash and bank balances	32	27,841,537	-	-	331,154,804	358,996,341
		110,862,714	-	-	2,624,307,240	2,735,169,955
Fair value through profit or loss						
Short-term investment	28	-	-	-	3,022,323	3,022,323
Fair value through other comprehensive income						
Long-term investments	22	-	-	-	9,726,910	9,726,910
Financial liabilities						
At amortized cost						
Long term finances - secured	9	323,293,242	1,756,572,205	-	-	2,079,865,447
Due to related party	15	-	-	-	6,807,598	6,807,598
Trade and other payables	13	-	-	-	1,778,550,318	1,778,550,318
Accrued mark-up	14	-	-	-	368,363,511	368,363,511
Short term borrowings	16	8,416,681,873	-	-	-	8,416,681,873
Unpaid dividend	17	-	-	-	19,286,277	19,286,277
Lease liabilities	10	27,634,388	129,119,024	60,174,778	-	216,928,190
		8,767,609,503	1,885,691,229	60,174,778	2,173,007,705	12,886,483,214
On balance sheet gap		(8,656,746,789)	(1,885,691,229)	(60,174,778)	464,048,768	(10,138,564,026)
Off balance sheet items						
Guarantees	18.2	-	-	-	38,937,390	38,937,390
Letter of credit	18.2	-	-	-	78,649,278	78,649,278
Capital Expenditures	18.2	-	-	-	85,000,000	85,000,000
Cheques issued in favour of Nazir of high court in relation to SSGC case	18.2	-	-	-	7,732,192	7,732,192

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(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	2024	2023
Long term finances - secured	**SBP rate+ 1% to 2.5% & KIBOR + 1% to 1.5%**	SBP rate+ 1% to 2.5% & KIBOR + 1% to 1.5%
Short term borrowings	**SBP rate+ 1% & KIBOR + 0.75% to 2%**	SBP rate+ 1% & KIBOR + 0.75% to 2%

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2024, 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. 18.35 million (2023: Rs. 20.80 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

At June 30, 2024, 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. 111.24 million (2023: Rs. 84.17 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

47.2 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.

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

		2024	2023
Financial assets		-----------------Rupees----------------	
Long-term investments	22	**55,582,707**	55,582,708
Long-term deposits		**19,708,550**	17,476,970
Trade debts	25	**2,334,768,358**	2,194,183,664
Loans	26	**25,773,562**	23,096,353
Trade deposit	27	**1,983,715**	2,812,742
Short-term investment	28	**1,200,000**	4,222,323
Due from related parties	30	**50,326,380**	81,821,177
Bank balances	32	**353,191,599**	355,073,675
		2,842,534,871	2,734,269,611

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

Bank balances

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

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

	Agency name	2024 Short term	2024 Long term
MCB Bank Limited	PACRA	A1+	A+
Meezan Bank Limited	JCR VIS	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
Standard Chartered Bank Limited	PACRA	A1+	AAA
United Bank Limited	JCR VIS	A1+	AAA
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
Bank Alfalah Limited	PACRA	A1+	AAA
Faysal Bank Limited	PACRA	A1+	AA
Habib Bank Limited	PACRA	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Soneri Bank Limited	PACRA	A1+	AA-
Bank Al Habib Limited	PACRA	A1+	AAA
JS Bank	PACRA	A1+	AA
MCB Islamic Bank	PACRA	A1+	A+
Bank of Punjab	PACRA	A1+	AA+

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- 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, 2024 and June 30, 2023:

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
	------------------Rupees ------------------			
Non-financial assets				
Property, plant and equipment	**-**	**-**	**12,902,928,790**	**12,902,928,790**
Financial assets				
Financial assets held at fair value through profit or loss	**-**	**-**	**-**	**-**
Financial assets held at fair value through other comprehensive income	**-**	**-**	**-**	**-**

	2023			
	Level 1	Level 2	Level 3	Total
	------------------Rupees ------------------			
Non-financial assets				
Property, plant and equipment	-	-	8,215,298,740	8,215,298,740
Financial assets				
Financial assets held at fair value through profit or loss	3,022,323	-	-	3,022,323
Financial assets held at fair value through other comprehensive income	9,726,910	-	-	9,726,910

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.

49 CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

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

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

MATCO FOODS LIMITED
NOTES TO THE UCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

The Company's strategy is to maintain leveraged gearing. The gearing ratios as at June 30, 2024 and 2023 were as follows:

	Note	2024	2023
		----------------Rupees----------------	
Total borrowings		**12,958,748,179**	10,496,547,320
Less: Cash and bank	32	**(357,418,696)**	(358,996,341)
Net debt		**12,601,329,483**	10,137,550,979
Total equity		**9,987,621,860**	7,484,145,951
Total equity and debt		**22,588,951,343**	17,621,696,930
Gearing ratio (%)		**56%**	58%

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.

50 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.

51 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 5, 2024.

51.1 Non-adjusting events after the reporting date

The Board of Directors in their meeting held on September 5, 2024 has proposed cash dividend of Rs. Nil per share (2023: Rs. 0.5 per share) amounting to Rs. Nil (2023: Rs. 61.2 million).

52 GENERAL

Figures have been rounded off to the nearest Rupee.

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

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Matco Foods Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Matco Foods Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2024, 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 material 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, 2024, 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 are the Key Audit Matters:

S. No.	Key audit matters	How the matters were addressed in our audit
1.	**Revaluation of Property, plant and equipment** As at June 30, 2024, the carrying amount of operating fixed assets as disclosed in note 18 of accompanying consolidated financial statements amounting to Rs. 11,420 million, which represents 41.42% of the Company's total assets. The highly judgmental and subjective nature of valuation coupled with the significance to the financial statements results in operating fixed assets being an area of audit focus. Management engaged an independent valuer approved by the Pakistan Bankers Association (PBA) to determine the fair value of these assets. As a result of full scope valuation, a revaluation surplus of Rs. 3,421 million has been recorded in accompanying consolidated statement of financial position to increase the carrying amount of assets to Rs. 11,420 million being its fair value. Valuation of operating fixed assets was significant to our audit due to its magnitude and is highly dependent on a range of estimates that require significant management judgment.	As part of our audit, we have performed the following audit procedures: ▪ Assessed the competence, qualifications, independence and objectivity of the external valuer; ▪ Assessed the significant assumptions applied by the valuer including the valuation methods applied, replacement cost assumptions, assets condition assessments and the effective optimization on the overall value; ▪ Reviewed the data provided by the Company to the independent valuer, for use as inputs to the valuations on a sample basis to assess accuracy and completeness; ▪ Engaged auditor's expert to evaluate appropriateness of the assumptions used in valuation by the management's expert; ▪ Ensured that all assets of the class were revalued; and ▪ Evaluated the appropriateness and adequacy of disclosure in the consolidated financial statements.

S. No.	Key audit matters	How the matters were addressed in our audit
2.	**Valuation of Stock in Trade** As at June 30, 2024, the Company held stock in trade amounting to Rs. 11,614 million as disclosed in note 23 of accompanying consolidated financial statements. The stock in trade account for 73.15% of the total current assets. The value of stock is based on the purchase price using weighted average method. Therefore, the Company is exposed to the risk of valuation of stock in trade as a result of volatility in prices. The Company is required to measure its stock in trade at the lower of cost and net realizable value (NRV). There is an element of judgement involved relating to the valuation, which is required for the estimation of the NRV and allowance for slow-moving and obsolete stock in trades. Such estimation is made after taking into consideration factors such as movement in prices, current and expected future market demands and pricing competitions. This was the key audit mater because of its materiality and significance in terms of judgments involved in estimating the NRV of underlying inventories.	As part of our audit, we have performed the following audit procedures: ▪ Attended the stock counts at locations to observe the stock count process and evaluate the condition of stock in trade. ▪ Tested the valuation method used by the management in valuation of stock in trade. ▪ Inspected on sample basis specific purchases with underlying supporting documents. ▪ Evaluated the appropriateness of the basis and processes used by management in determining the net realizable value of stock in trade. ▪ Performed testing on sample of items to assess the NRV of the inventories held and evaluating the adequacy of provision for slow moving and obsolete stock. ▪ Evaluated the adequacy of the disclosures on stock in trade in the consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is **Khurram Jameel.**

Chartered Accountants

Karachi
Dated: October 02, 2024
UDIN: AR202410093ZJMREXqcx

MATCO FOODS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
		------------------------Rupees----------------	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	6.1	**2,000,000,000**	2,000,000,000
Issued, subscribed and paid up share capital	6.2	**1,224,006,980**	1,224,006,980
Capital reserve	7	**680,467,220**	680,467,220
Exchange revaluation reserve		**66,746,361**	77,320,881
Unappropriated profit		**2,902,805,704**	3,207,759,256
Surplus on revaluation of property, plant and equipment - net of tax	8	**5,194,285,909**	2,408,823,879
Unrealized loss on revaluation on investment at fair value through OCI		**-**	(818,735)
Total shareholders' equity		**10,068,312,174**	7,597,559,481
Non-current liabilities			
Long-term finances-secured	9	**1,475,635,466**	1,756,572,205
Lease liabilities	10	**172,253,368**	180,641,166
Deferred liabilities	11	**981,264,040**	309,222,937
Total non-current liabilities		**2,629,152,874**	2,246,436,308
Current liabilities			
Trade and other payables	13	**2,335,199,297**	1,835,985,355
Advance from customers - secured		**428,038,515**	294,156,161
Accrued mark-up	14	**560,017,210**	368,363,511
Due to related party	15	**-**	-
Short-term borrowings-secured	15	**11,123,990,753**	8,416,681,873
Current portion of deferred grant	12	**-**	-
Current portion of long term finances-secured	9	**359,121,960**	323,293,242
Current portion of lease liabilities	10	**38,071,886**	36,287,024
Unpaid dividend	16	**28,495,996**	19,286,277
Total current liabilities		**14,872,935,617**	11,294,053,443
Total liabilities		**17,502,088,491**	13,540,489,751
Contingencies and commitments	17		
Total equity and liabilities		**27,570,400,665**	21,138,049,232

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

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

	Note	2024	2023
		--------------------Rupees	--------------------
ASSETS			
Non-current assets			
Property, plant and equipment	18	**11,419,972,144**	7,741,823,327
Right-of-use assets	19	**239,635,175**	243,532,862
Intangible assets	20	**-**	-
Long-term deposits		**19,708,550**	17,476,970
Long-term investments	21	**15,510,771**	16,732,748
Total non-current assets		**11,694,826,640**	8,019,565,907
Current assets			
Stores, spares and loose tools	22	**277,847,378**	105,323,099
Stock in trade	23	**11,613,570,893**	9,574,431,337
Trade debts	24	**2,399,676,087**	2,315,844,355
Loans and advances	25	**1,009,946,411**	514,850,992
Trade deposits and short term prepayments	26	**29,269,473**	16,455,905
Short-term investment	27	**1,200,000**	4,222,323
Sales tax refundable	28	**25,000,000**	64,935,578
Due from related parties	29	**50,326,380**	81,821,177
Taxation and levies - net	30	**106,288,895**	64,956,818
Cash and bank balances	31	**362,448,508**	375,641,741
Total current assets		**15,875,574,025**	13,118,483,325
Total assets		**27,570,400,665**	21,138,049,232

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

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

MATCO FOODS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023 (Restated)
		-------------------Rupees----------------	
Sales - net	32	**27,705,171,773**	20,009,062,264
Cost of sales	34	**(24,524,645,802)**	(17,532,145,553)
GROSS PROFIT		**3,180,525,971**	2,476,916,711
Selling and distribution expenses	35	**(603,352,830)**	(355,999,148)
Administrative expenses	36	**(708,750,049)**	(571,567,962)
		(1,312,102,879)	(927,567,110)
		1,868,423,092	1,549,349,601
Finance cost	37	**(2,244,155,913)**	(1,182,574,596)
Other income	38	**86,374,911**	53,703,050
Share of profit/(loss) from associated company		**8,504,933**	(11,249,566)
Exchange gain - net	39	**190,389,508**	412,369,039
Provision for workers' welfare fund	13.1	**-**	(15,276,100)
Provision for workers' profit participation fund	13.2	**-**	(38,190,251)
(LOSS) / PROFIT BEFORE LEVIES AND INCOME TAX		**(90,463,469)**	768,131,177
Levies - Final and Minimum Tax		**(258,998,630)**	(222,056,149)
Taxation	40	**64,847,527**	13,869,148
(LOSS) / PROFIT FOR THE YEAR		**(284,614,572)**	559,944,176
Attributable to:			
Shareholders of Holding Company		**(284,614,572)**	559,944,176
Non-controlling interest		**-**	-
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	45	**(2.33)**	4.57

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, 2024

	Note	2024	2023
		------------------Rupees---------------	
(LOSS)/PROFIT FOR THE YEAR		**(284,614,572)**	559,944,176
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that may be reclassified subsequently to the unconsolidated statement of profit or loss			
- Exchange difference of translation of foreign operations		**(10,574,520)**	41,506,939
Items that will not to be reclassified subsequently to the unconsolidated statement of profit or loss			
- Remeasurement of defined benefits obligation	11.2.5	**17,947,901**	(10,023,116)
- Surplus on revaluation of fixed assets - net of deferred tax		**2,804,381,253**	-
- Unrealized gain on revaluation of investment at fair value through OCI during the year		**4,812,980**	2,571,602
Other comprehensive income/(loss)		**2,827,142,134**	(7,451,514)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,531,953,042**	593,999,601

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

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

MATCO FOODS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		------------------Rupees--------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before levies and income tax		**(90,463,469)**	768,131,177
Adjustments for:			
Depreciation	18	**473,977,387**	395,408,022
Depreciation on right of use assets	19	**42,715,540**	45,592,190
Exchange gain - net	39	**(186,336,842)**	(412,370,705)
Provision for slow moving stock		**898,075**	479,122
Share of (profit)/loss from associated company		**(8,504,933)**	11,249,566
Finance cost	37	**2,266,089,807**	1,203,703,041
Provision for staff gratuity	11.2	**95,436,914**	79,312,587
Loss / (gain) on disposal of property, plant and equipment		**14,282**	(5,587,254)
		2,684,290,230	1,317,786,569
		2,593,826,761	2,085,917,746
Changes in working capital			
(Increase)/decrease in current assets			
Stores, spares and loose tools		**(172,524,279)**	(19,231,982)
Stock-in-trade		**(2,040,037,631)**	(1,912,856,475)
Trade debts - considered good		**106,557,776**	(5,545,614)
Loans and advances		**(495,095,419)**	(359,819,182)
Trade deposits and prepayments		**(12,813,568)**	(4,750,794)
Short-term investment		**3,022,323**	32,419
Sales tax refundable		**39,935,578**	40,121,153
Due from related parties		**31,494,797**	(30,774,566)
		(2,539,460,423)	(2,292,825,041)
Increase/(decrease) in current liabilities			
Trade and other payables		**499,213,942**	1,164,193,954
Due to related party		**-**	(3,748,359)
Deferred grant		**-**	(1,561,352)
Advances from customers		**133,882,354**	271,543,611
		633,096,296	1,430,427,854
Cash generated from operations		**687,462,634**	1,223,520,559
Finance cost paid		**(2,074,436,108)**	(956,078,793)
Income taxes and levies paid		**(243,606,740)**	(287,395,120)
Gratuity paid	11.2	**(21,728,011)**	(23,035,408)
Net cash used in from operating activities		**(1,652,308,225)**	(42,988,762)
Balance carried forward		**(1,652,308,225)**	(42,988,762)

Khalid Sarfaraz Ghori
Chief Executive Officer

M. Aamir Farooqui
Chief Financial Officer

Faizan Ali Ghori
Director

	Note	2024	2023
		-----------------Rupees--------------	
Balance brought forward		**(1,652,308,225)**	(42,988,762)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure including capital work in progress		**(731,617,982)**	(1,600,225,749)
Proceeds from disposal of property, plant and equipment		**90,000**	30,531,000
Proceeds from sales of investment in shares		**14,542,631**	-
Long-term deposits		**(2,231,580)**	(717,796)
Net cash used in investing activities		**(719,216,931)**	(1,570,412,545)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finances - net		**(245,108,021)**	324,576,110
Lease liabilities paid during the year		**(37,251,120)**	(32,202,091)
Dividend paid		**(51,990,630)**	(103,898,088)
Short-term borrowings - net		**2,707,308,880**	1,437,037,065
Net cash generated from financing activities		**2,372,959,109**	1,625,512,996
Net change in cash and cash equivalents during the year		**1,433,953**	12,111,689
Effect of exchange rate changes on value of foreign operations		**(10,574,520)**	41,506,939
Cash and cash equivalents as at the beginning of year		**375,641,741**	322,021,447
Effects of exchange rate changes on cash and cash equivalents		**(4,052,666)**	1,666
Cash and cash equivalents as at the end of year	31	**362,448,508**	375,641,741

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

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

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

	Issued, subscribed and paid up share capital	Capital reserve: Share premium reserve	Exchange Revaluation Reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Unrealized (loss) / gain revaluation of investment at fair value to OCI	Equity attributable to the Holding Company's Shareholders	Total
	--------	--------	--------	Rupees	--------	--------	--------	--------
Balance as at July 01, 2022	1,224,006,980	680,467,220	35,813,942	2,755,161,471	2,433,901,302	(3,390,337)	7,125,960,578	7,125,960,578
Total comprehensive income for the year								
Profit for the year	-	-	-	559,944,176	-	-	559,944,176	559,944,176
Other comprehensive (loss) / income	-	-	41,506,939	(10,023,116)	-	2,571,602	34,055,425	34,055,425
Total comprehensive income	-	-	41,506,939	549,921,060	-	2,571,602	593,999,601	593,999,601
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation net of tax - (note 8)	-	-	-	21,278,456	(21,278,456)	-	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of land and building net of tax	-	-	-	3,798,967	(3,798,967)	-	-	-
Transactions with owners								
Dividend paid during the year	-	-	-	(122,400,698)	-	-	(122,400,698)	(122,400,698)
Balance as on June 30, 2023	1,224,006,980	680,467,220	77,320,881	3,207,759,256	2,408,823,879	(818,735)	7,597,559,481	7,597,559,481
Balance as on July 01, 2023	**1,224,006,980**	**680,467,220**	**77,320,881**	**3,207,759,256**	**2,408,823,879**	**(818,735)**	**7,597,559,481**	**7,597,559,481**
Total comprehensive (loss) / income for the year								
Loss for the year	**-**	**-**	**-**	**(284,614,572)**	**-**	**-**	**(284,614,572)**	**(284,614,572)**
Other comprehensive income	**-**	**-**	**(10,574,520)**	**17,947,901**	**2,804,381,253**	**4,812,980**	**2,816,567,614**	**2,816,567,614**
Total comprehensive (loss)/income	**-**	**-**	**(10,574,520)**	**(266,666,671)**	**2,804,381,253**	**4,812,980**	**2,531,953,042**	**2,531,953,042**
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation net of tax - (note 8)	**-**	**-**	**-**	**18,919,223**	**(18,919,223)**	**-**	**-**	**-**
Transferred from surplus on revaluation of property, plant and equipment on account of disposal of land net of tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Realized gain transferred to equity on disposal of share	**-**	**-**	**-**	**3,994,245**	**-**	**(3,994,245)**	**-**	**-**
Transactions with owners								
Dividend paid during the year	**-**	**-**	**-**	**(61,200,349)**	**-**	**-**	**(61,200,349)**	**(61,200,349)**
Balance as on June 30, 2024	**1,224,006,980**	**680,467,220**	**66,746,361**	**2,902,805,704**	**5,194,285,909**	**-**	**10,068,312,174**	**10,068,312,174**

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

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 STATUS AND NATURE OF BUSINESS

The 'Group' consists of:

Holding Group

- Matco Foods Limited (the Holding Group)

Subsidiary Companies

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

Associated Group

- Barentz Pakistan (Private) Limited

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

a) Matco Foods Limited

Matco Foods Limited, ('the Holding Group') was incorporated on April 14, 1990 in Karachi as a private limited company under the repealed Companies Ordinance, 1984 (Now: Companies Act, 2017). The Holding Group was listed on Pakistan Stock Exchange Limited on February 13, 2018. The principal activity of the Holding Group is to carry out the business of processing and export of rice, rice glucose, rice protein and pink salt, masala and kheer. The registered office of the Holding Group is situated at B-1/A, S.I.T.E.-II Phase 1, Super Highway Industrial Area, Karachi; whereas the factories of the Holding Group are situated at (i) Plot A-15 & 16, SITE-II, Super highway Karachi; (ii) A-21, SITE-II, Super highway Karachi; (iii) G-205, SITE-II, Super highway Karachi and (iv) 50 KM G.T Road, Sadhoke, Tehsil Kamonki, District Gujranwala.

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

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

b) JKT General Trading FZE

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

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

The subsidiary was established on October 8, 2013.

c) Matco Marketing (Private) Limited

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

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

During the year, revaluation carried out on property, plant and equipment that has resulted in a revaluation surplus of Rs. 3,421 million as at June 30, 2024.

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 Restatement for better presentation

Prior year figures, have been restated, wherever necessary, for better presentation. The Group has reclassified the amount of taxes paid and charged to the consolidated statement of profit or loss over income tax, subject to and determined using general enacted rate of taxation under Income Tax Ordinance, 2001, classified as current income tax in the consolidated statement of profit and loss account to levy as reflected in consolidated statement of profit or loss and note 41 of these consolidated financial statement.

3.5 New and amended standards and interpretations

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

Further, certain IFRS 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.

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3.5.2 Standards, amendments to approved accounting standards effective in current year

New and amended standards and interpretations mandatory for the first time for the financial year beginning July 1, 2023:

(a) IAS 1: Disclosure of accounting policies Effective date:January 1, 2023

Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

(b) IAS 8: Definition of accounting estimates Effective date:January 1, 2023

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

(c) IAS 12: Deferred Tax Effective date:January 1, 2023

The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on April 1, 2023 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

3.5.3 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2023 and have not been early adopted by the Company:

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(a) IAS 1: Classification of liabilities as current or non current **Effective date:January 1, 2024**

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

(b) IAS 12: Deferred Tax **Effective date:January 1, 2024**

The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

(c) IFRS 16: Sale and leaseback transaction **Effective date:January 1, 2024**

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.

(d) IAS 21: Lack of exchangeability **Effective date:January 1, 2025**

Amendments to IAS 21 'The effects of Changes in Foreign Exchange Rates' address situations where a currency may lack exchangeability, often due to government-imposed controls. In such cases, companies must estimate a spot exchange rate reflecting orderly transactions at the measurement date. The amendments provide flexibility, allowing the use of observable rates without adjustment or other estimation techniques, provided they meet the estimation objective. The assessment considers factors like the availability of multiple rates, purpose, nature, and update frequency. The amendments requires new disclosures, including the nature and financial impact of non-exchangeability, the spot exchange rate used, the estimation process, and associated risks.

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The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

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. 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 MATERIAL 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.

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Business combination

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

Subsidiaries

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

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

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

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

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

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5.2 Property, plant and equipment

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

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

Revaluation model

Any revaluation increase arising on the revaluation of land, factory buildings, plant and machinery and generators is recognised in statement of other comprehensive income and presented as a separate component of equity as “Surplus on revaluation of property, plant and equipment - net of tax”, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in consolidated statement of profit or loss, in which case the increase is credited to statement of profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation is charged to consolidated statement of profit or loss to the extent that it exceeds the balance, if any, held in the Surplus on revaluation of property, plant and equipment relating to a previous revaluation of that asset. The Surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit. Impairment losses if any are recorded on the basis as defined in note 5.25.

Depreciation

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

Gains and losses on disposal of assets are taken to the 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, 2024 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.

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

5.4 Intangible assets

Intangible assets having definite useful life are stated at cost less accumulated amortization and impairment losses (if any). However, Intangible assets having indefinite life are stated at cost less impairment losses (if any). Impairment losses (if any) are recorded on the basis as defined in note 5.25.

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

Amortization is charged to the 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 than the assets recoverable amount is estimated. The recoverable amount is the greater of its value in use and fair value less cost to sell.

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

5.5 Investments

5.5.1 Investment in Associates & Joint Venture

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

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

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5.5.2 Other investments

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

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

Initial recognition

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

Classification of financial assets

The Group classifies its financial instruments in the following categories:
- at fair value through profit or loss ("FVTPL")
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortized cost.

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

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the financial asset is held within a business model whose objective achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Classification of financial liabilities

The Group classifies its financial liabilities in the following categories:
- at fair value through profit or loss ("FVTPL"), or
- at amortized cost

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

Subsequent measurement

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i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value being recognized in 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 recognize a financial liability at FVTPL, any changes associated with the Group's own credit risk will be recognised in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial assets

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

The following were either determined to have low or there was no credit risk since initial recognition and at the reporting date:

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

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

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

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

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

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Derecognition

i) Financial assets

The Group derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable is recognised in 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 is transferred to consolidated statement of changes in equity.

ii) Financial liabilities

The Group derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in 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.

The Group reviews the carrying amount of stock-in-trade on an on-going basis and as appropriate, inventory is written down to its net realisable value or provision is made for obsolescence if there is any change in usage pattern and physical form of related inventory.

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.

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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. Further, levies are accounted for in accordance with the requirement of IFRIC - 21.

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.

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.

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5.15 Leases

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

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

i. Lease liabilities

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

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

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

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 compensate.

5.17 Trade and other payables

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

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5.18 Contingencies

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

5.19 IFRS 15 'Revenue from Contracts with Customers'

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

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

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

5.20 Interest income

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

5.21 Foreign currency transaction & translation

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

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 liability simultaneously.

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.

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5.24 Operating segments

Operating segment are reported in manner consistent with the internal reporting provided to the Chief operating decision maker. The Chief Operating Decision maker; who is responsible for allocating resources and assessing performance of the operating segments. has been identified as the Board of Directors of the Group that makes strategic decisions. Operating segments comprises of rice and allied products and corn starch products.

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.

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6 SHARE CAPITAL

6.1 Authorized share capital

2024	2023		2024	2023
Number of shares			--------------Rupees-------------	
200,000,000	200,000,000	Ordinary shares of Rs. 10 (2023: Rs. 10)	**2,000,000,000**	2,000,000,000

6.2 Issued, subscribed and paid up share capital

2024	2023		2024	2023
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
122,400,698	122,400,698		**1,224,006,980**	1,224,006,980

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

6.4 Shares held by the related parties of the Holding Company	**2024**	2023
	--Number of Shares--	
Director and their spouse		
Mr. Jawed Ali Ghori	**24,020,821**	24,020,821
Mr. Khalid Sarfaraz Ghori	**24,031,271**	24,031,271
Mr. Faizan Ali Ghori	**1,179,450**	1,224,450
Ms. Naheed Jawed	**448,875**	448,875
Ms. Nuzhat Khalid Ghori	**448,875**	448,875
Mrs. Faryal Murtaza	**500**	500
Mr. Murtaza Mahfooz Talib (Spouse of Faryal Murtaza)	**336,821**	336,821
Mr. Safwan Ghori	**211,750**	361,750
Mr. Syed Kamran Rashid	**100**	7,029
Mr. Abdul Samad Khan	**500**	500
Ms. Umme Habibah	**2,500**	2,500
Mr. Muhammad Mohsin	**500**	500
Substantial shareholder		
International Finance Corporation	**18,360,109**	18,360,109
Ms. Sadaf Tariq	**24,480,146**	24,480,146

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		2024	2023
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 Holding Company has issued 15% shares to International Finance Corporation (IFC) (registered with World Bank) under an agreement with the Holding Company. During the year 2012, the Holding 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.

			2024	2023
7	**CAPITAL RESERVE**	**Note**	--------------Rupees-------------	
	Share premium	7.1 & 7.2	**680,467,220**	680,467,220

7.1 Premium received over and above face value of the shares issued to IFC amounting to Rs. 341 million out of which Rs. 22.9 million had been utilized under section 83 of the repealed Companies Ordinance, 1984 (now section 81 of the Companies Act, 2017) during the year ended June 30, 2014.

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

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

This represents surplus arising on revaluation of land, buildings, plant and machinery and generators, net of deferred tax. The latest revaluation was carried by MYK Associates (Private) Limited on June 28, 2024.

	2024	2023
	--------------Rupees-------------	
Surplus on revaluation at the beginning of the year	**2,478,272,715**	2,512,469,475
Surplus on revaluaton recognized during the year	**3,428,782,174**	-
Transferred to unappropriated profit in respect of disposal of property, plant and equipment	-	(3,798,966)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	**(27,027,461)**	(30,397,794)
Surplus on revaluation of operating fixed assets as at June 30	**5,880,027,428**	2,478,272,715
Less: related deferred tax liability:		
- at beginning of the year	**(69,448,835)**	(78,568,173)
- on surplus arising on revaluation during the year	**(624,400,921)**	-
- on incremental depreciation charged during the year	**8,108,238**	9,119,338
	5,194,285,910	2,408,823,880

8.1 Restriction on distribution

The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

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8.1 Restriction on distribution

The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

		2024	2023
9 LONG TERM FINANCES - SECURED	**Note**	--------------Rupees-------------	
From banking companies and financial institution:			
LTFF/ILTFF	9.1	**168,564,430**	587,906,603
TERF/ITERF	9.2	**910,985,999**	1,002,550,581
FFSAP	9.3	**187,651,714**	230,373,554
Demand Finance	9.4	**567,555,283**	259,034,709
		1,834,757,426	2,079,865,447
Current portion of long term finances		**(359,121,960)**	(323,293,242)
		1,475,635,466	1,756,572,205

9.1 The Group has obtained Long Term Financing/Islamic Long Term Financing Facility (LTFF/ILTFF) under SBP Schemes from various commercial banks. The effective rates of mark-up on these facilities vary from SBP rate+ 1% to 2.5% per annum (2023: 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 (2023: 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 (2023: SBP rate + 1.25% to 2.00% per annum).

9.4 The Group has obtained Demand Finance Facility (DF) from various commercial banks. The effective rates of mark-up on these facilities vary from KIBOR+ 1% to 2.25% per annum (2023: KIBOR+ 1% to 2.25% per annum).

9.5 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.

9.6 The maximum available amount from above mentioned facilities amounts to Rs. 552.59 million (2023: Rs. 307.48 million).

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10 LEASE LIABILITIES

	Note	2024 Vehicle	2024 Godown	2024 Generator	2024 Total	2023 Vehicle	2023 Godown	2023 Generator	2023 Total
		---Rupees---							
Opening balance		**104,984,104**	**97,563,274**	**14,380,812**	**216,928,190**	102,829,532	100,407,344	-	203,236,876
Impact of adoption of IFRS-16		-	-	-	-	-	-	-	-
Reassessment of lease liability		-	**30,648,183**	-	**30,648,183**	-	655,485	-	655,485
At July 1		**104,984,104**	**128,211,457**	**14,380,812**	**247,576,373**	102,829,532	101,062,829	-	203,892,361
Additions for the year		-	-	-	-	30,437,920	-	14,800,000	45,237,920
Accrued interest during the year		**21,648,470**	**21,933,895**	**3,156,179**	**46,738,544**	19,457,294	21,128,445	808,607	41,394,346
		126,632,574	**150,145,352**	**17,536,991**	**294,314,917**	152,724,746	122,191,274	15,608,607	290,524,627
Payment made during the year		**(47,205,622)**	**(31,752,000)**	**(5,032,041)**	**(83,989,663)**	(47,740,642)	(24,628,000)	(1,227,795)	(73,596,437)
		79,426,952	**118,393,352**	**12,504,950**	**210,325,254**	104,984,104	97,563,274	14,380,812	216,928,190
Current portion of lease liabilities		**25,984,229**	**9,716,913**	**2,370,744**	**38,071,886**	27,941,566	6,419,648	1,925,810	36,287,024
Non-current		**53,442,723**	**108,676,439**	**10,134,206**	**172,253,368**	77,042,538	91,143,626	12,455,002	180,641,166

10.1 Maturity analysis of lease liabilities

	2024 Vehicle	2024 Godown	2024 Generator	2024 Total	2023 Vehicle	2023 Godown	2023 Generator	2023 Total
Upto one year	**25,984,229**	**9,716,913**	**2,370,744**	**38,071,886**	27,941,566	6,419,648	1,925,810	36,287,024
After one year	**53,442,723**	**108,676,439**	**10,134,206**	**172,253,368**	77,042,538	91,143,626	12,455,002	180,641,166
Lease liabilities	**79,426,952**	**118,393,352**	**12,504,950**	**210,325,254**	104,984,104	97,563,274	14,380,812	216,928,190

11 DEFERRED LIABILITIES

	Note	2024	2023
		---Rupees---	
Deferred tax liability	11.1	**685,741,518**	69,448,836
Staff gratuity scheme - unfunded	11.2	**295,075,963**	239,314,961
Employees' end of services benefit		**446,559**	459,140
		981,264,040	309,222,937

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. 22.26 million (2023: Rs. 33.23 million). However, the Group has not recorded deferred tax asset in of these consolidated financial statements.

11.2 Staff gratuity scheme - unfunded

	Note	2024	2023
		---Rupees---	
Balance at beginning of the year		**239,314,961**	173,145,158
Charge for the year	11.2.7	**95,436,914**	79,182,095
Actuarial (gains) / losses		**(17,947,901)**	10,023,116
Payments made during the year		**(21,728,011)**	(23,035,408)
Balance at end of the year	11.2.3	**295,075,963**	239,314,961

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, 2024, using the “Projected Unit Credit Method”. Provision has been made in these consolidated financial statements to cover obligations in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation in respect of above-mentioned schemes are as follows:

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		2024	2023
Discount rate - per annum		**14.75%**	16.25%
Expected rate of increase in salaries - per annum		**12.75%**	14.25%
Mortality rate		**SLIC (2001-05)**	SLIC (2001-05)

	Note	**2024**	2023
11.2.2 The amounts recognized in the consolidated statement of financial position are as follows:		--------------Rupees-------------	
Present value of defined benefit obligation	11.2.3	**295,075,963**	239,314,961
11.2.3 Movements in the net liability recognized in the consolidated statement of financial position are as follows:			
Opening liability		**239,314,961**	173,145,158
Charge for the year	11.2.4	**95,436,914**	79,182,095
Actuarial losses		**(17,947,901)**	10,023,116
Benefits paid		**(21,728,011)**	(23,035,408)
Balance at end of the year		**295,075,963**	239,314,961

	Note	**2024**	2023
11.2.4 The amounts recognized in the consolidated statement of profit or loss against defined benefit scheme are as follows:		--------------Rupees-------------	
Current service cost		**58,313,634**	57,766,457
Interest cost		**37,123,280**	21,415,638
Charge for the year		**95,436,914**	79,182,095
11.2.5 The amounts recognized in the other comprehensive income against defined benefit scheme are as follows:			
Actuarial loss arising from			
- changes in financial assumptions		**12,469,056**	(26,512,109)
- experience adjustment		**(30,416,957)**	36,535,225
		(17,947,901)	10,023,116

	Note	**2024**	2023
11.2.6 Expense chargeable to consolidated statement of profit or loss for the next year		--------------Rupees-------------	
Current service cost		**68,614,496**	58,313,634
Interest cost		**43,523,705**	37,123,280
Charge for the year		**112,138,201**	95,436,914
11.2.7 The expense for the staff retirement benefit scheme has been allocated as follows:			
Cost of sales	34.4	**62,135,490**	51,175,761
Selling and distribution	35.1	**5,942,467**	4,460,190
Administrative expenses	36.1	**27,358,957**	23,546,144
		95,436,914	79,182,095

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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	269,803,019	218,817,888
Expected salary increase	322,716,272	261,732,034

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 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	**2024**	2023
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

Opening liability	**459,140**	328,648
Charge for the year	**(12,581)**	130,492
Payment during the year	**-**	-
Closing liability	**446,559**	459,140

12 DEFERRED GRANT

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

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

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	Note	2024	2023
		--------------Rupees-------------	
Opening Balance		-	1,561,352
Grant recognized during the year		-	-
Amortization of grant	37.1	-	(1,561,352)
		-	-
Less: current portion of deferred grant		-	-
		-	-

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 tranche.

13 TRADE AND OTHER PAYABLES

	Note	2024	2023
		--------------Rupees-------------	
Creditors		**2,187,785,686**	1,646,017,377
Accrued liabilities		**127,140,575**	119,961,113
Tax deducted at source and payable to statutory authorities		**7,800,016**	16,540,514
Sales tax payable to statutoty authorities		**12,473,020**	-
Workers' welfare fund	13.1	-	15,276,100
Workers' profit participation fund	13.2	-	38,190,251
		2,335,199,297	1,835,985,355

13.1 Worker's welfare fund

	2024	2023
Opening balance	**15,276,100**	10,622,942
Allocation for the year	-	15,276,100
Reversal of WWF	**(14,737,054)**	(8,585,383)
Amount paid	**(539,046)**	(2,037,559)
Closing balance	-	15,276,100

13.2 Worker's profit participation fund

	2024	2023
Opening balance	**38,190,251**	26,562,262
Allocation for the year	-	38,190,251
Amount paid	**(38,190,251)**	(26,562,262)
Closing balance	-	38,190,251

14 ACCRUED MARK-UP

	2024	2023
Mark-up on long term finances	**39,369,552**	26,109,244
Mark-up on short term borrowings	**520,647,658**	342,254,267
	560,017,210	368,363,511

15 SHORT-TERM BORROWINGS SECURED

	Note	2024	2023
		--------------Rupees-------------	
Export re-finance	15.1	**6,021,089,048**	5,401,100,486
Own resource	15.2	**4,947,573,341**	3,015,581,387
FE-25 Scheme	15.3	**81,041,424**	-
Foreign bills purchased/negotiated	15.4	**74,286,940**	-
		11,123,990,753	8,416,681,873

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15.1 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 (2023: SBP rate plus 1% per annum).

15.2 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 2.5% per annum (2023: 3-month/6-month KIBOR plus 0.75% to 2% per annum).

15.3 The Group has obtained short term running finance facility under FE-25 loan scheme of the State Bank of Pakistan from commercial banks during the year. The effective rates of mark-up on these facilities is 9% to 10% per annum (2023: Nil).

15.4 The sanctioned limit is Rs. 100 million (2023: Nil). It carries mark-up that is to be negotiated on case to case basis (2023: Nil). This facility is secured by ranking hypothecation charge over stocks and receivables duly insured in bank's favour covering all risks with premium payment receipt.

15.5 The facilities available from various banks amount to Rs. 12,420 million (2023: Rs. 9,050 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.

15.6 As at June 30, 2024, the unavailed facilities from above borrowings amounting to Rs. 1,296.01 million (2023: 633.32 million).

16 UNPAID DIVIDEND

This represents part of interim dividend for the period ended December 31, 2017, September 30, 2022 and March 31, 2023 and final dividend for the year ended June 30, 2018, June 30, 2019, June 30, 2020 and June 30, 2023 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.

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 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 Company 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.

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17.1.2 The Group had filed the civil suit no. 1635 of 2009 for possession of land which was illegally dispossessed by the Syed Alay Sadaqain Naqvi (defendants) and to issue a permanent injunction to restrain the defendants from alienation or transferring the land. The Honorable Sindh High Court (SHC) passed an order on November 19, 2009, in which SHC has granted permanent injunction in above suit on October 17, 2018. The matter is fixed for hearing and the management of the Group believes that the matter will be decided in favour of the Group.

17.1.3 Suit no. 2141 of 2015 has been filed against the Group for declaration, possession, damages, mesne profit and injunction before the Senior Civil Judge (west) at Karachi. The plaintiff claims to be the lawful owner of a piece of land measuring 10 acres ("Subject Land"), which also includes the land which is also subject matter of suit no. 1635 of 2009. The plaintiff has sought declaration as to the ownership and occupation of Subject Land. The Group has filed an application under Order 7 Rule 11 starting therein that the instant suit is barred by law as the plaintiff's earlier suits raising the same dispute were dismissed. On August 29, 2017, the learned Judge was pleased to allow the application of the Group and the plaintiff appeal was rejected accordingly. The Plaintiff aggrieved by the said order appealed the same matter before IVth Additional and District Judge (ADJ) bearing Appeal No. 311 of 2017 ("Appeal"). On September 12, 2018, the learned Appellate Court decided the 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 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.

17.1.4 The Group has filed suit no. 1378 of 2019 in SHC against Sui Southern Gas Company Limited. The case has been filed on the ground that the gas tariff/price has been increased by SSGC illegally. The case is pending before SHC and is fixed for hearing. Furthermore, the management of the 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.

17.1.5 The Group had filed suit no 1820 of 2020 in SHC against Sui Southern Gas Company Limited. The case has been filed on the ground that the gas tariff/price has been increased by SSGC illegally. Previously, SHC had directed the Group to pay their bills according to previous judgement by either bank guarantee or deposit cheque ready to encash to the satisfaction of the Nazir of the court and SSGC shall issue revised bills. However, SHC has concluded on February 18, 2023, that the price increase is not illegal and argument of increase in sale price does not have force. Consequent to said decision the Company has filed an appeal under SHC.

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The SHC via HCA No. 212 of 2023 stated, till the conclusion of the case, the Group shall deposit a cheque to the Nazir and the Nazir shall not encash the cheques, which according to the Group being the differential amount of the gas bill, which have been deposited. If the cheques expired, it will be replaced by a fresh one. Further SHC via HCA No. 220 of 2023 stated, the judgement passed on February 18, 2023 is suspended till the next date of hearing. Further the management of the Group in consultation of legal advisor is of the view that based on the merit of the case, the same will be decided in favor of the Group.

17.1.6 The Group has filed a suit for declaration and permanent injunction against the Syed Alay Sadaqain Naqvi (defendants) for continuously interfering with the peaceful possession of the extended portion of 0.5 acres of land that was regularized in favor of the Group on February 07, 2020 by virtue of a registered deed of Addenda of lease. The Group has pleaded that the 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 Group intends to utilize the 0.5 acres of land that was regularized recently in favor of the Group however, the defendants is interfering with the possession of the property. The Group has asked the SHC to declare that the defendant is wrongfully and illegally claiming to be the owner of the property and requested SHC to stop interfering with the Group's peaceful possession on the extended portion measuring 0.5 acres. Based on the merit of case the management of the Group believes that the matter will be decided in favor of the Group.

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

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

GIDC was challenged in Honourable Peshawar High Court (PHC) in December 2013, PHC declared the levy of GIDC unconstitutional. PHC further directed the GoP to return the collected amount, GoP challenged the decision of PHC in the Honourable Supreme Court of Pakistan (SCP), however, SCP upheld the decision of PHC by declaring GIDC a fee and not a tax that can be charged.

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

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

On October 15, 2020, the Group filed suit no. 1531 of 2020 in Honourable High Court of Sindh (SHC), with a plea that the Group did not pass on the GIDC burden to the end consumer, therefore in accordance with section 8 (2) of Gas Infrastructure Development Cess Act, 2015 (GIDC Act, 2015) the GIDC is not applicable on the Group, which is pending for decision, however, the SHC has issued sustaining order to Gas companies from taking any coercive action against the Group.

The management of the Group in consultation of its legal advisor is of the view that since the Group has not passed on the burden to its consumer/clients, it is not liable to pay GIDC as they clearly falls within the ambit of the exception in line with section 8 (2) of GIDC Act, 2015. Furthermore, on prudent basis the Group has made a provision of Rs. 18 million.

17.1.9 The Group has filed suit No. 730 of 2015 before SHC against the imposition of the Captive Power Plant rate instead of the Industrial Consumer rate. The Group contends that they do not fall into the category of Captive Power Plant, but rather an Industrial Consumer, so the rate charged by the SSGC i.e. Rs.200 per MMBTU, is not applicable in the case of the Group. The case has been decreed in favor of the Group vide order dated February 02, 2020. SSGC had challenged the Judgment before the Divisional bench of SHC. However, SHC has concluded that no intention to sell the surplus power can be discerned on the part of plaintiffs either at the time of contracting with SSGC or thereafter, and hence the inhouse power generation does not meet the test of captive power plant for the purpose of NEPRA regulations to attract tariff for captive power due to the foregoing reasons the suit is decreed in favor of the Group.

			2024	2023
17.2	**Commitments**	**Note**	-----------------**Rupees**	----------------
	Letter of credit		**225,808,899**	78,649,278
	Letter of guarantees		**46,167,500**	38,937,390
	Capital Expenditures		**172,000,000**	85,000,000
	Cheques issued in favour of Nazir of high court in relation to SSGC case	17.1.4	**7,732,192**	7,732,192
			451,708,591	210,318,860

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18 PROPERTY PLANT AND EQUIPMENT

	Note	2024	2023
		----------------Rupees----------------	
Operating fixed assets	18.1	11,257,194,716	6,838,282,595
Capital work in progress	18.2	162,777,428	903,540,732
		11,419,972,144	7,741,823,327

18.1 Operating fixed assets

2024

Particulars	Cost / Revaluation						Depreciation					
	Cost at July 01, 2023	Additions	Transfers in / (out)	Revaluation surplus	Disposals	Cost at June 30, 2024	Accumulated depreciation at July 01, 2023	Depreciation for the year	Depreciation on disposals	Accumulated depreciation at June 30, 2024	Book value at June 30, 2024	Rate per annum %
Owned Assets												
Factory land	2,693,424,451	-	-	1,275,675,550	-	3,969,100,001	-	-	-	-	3,969,100,001	-
Factory building	2,087,307,763	35,482,881	430,998,818	724,494,492	-	3,278,283,954	750,090,951	144,517,814	-	894,608,765	2,383,675,189	10
Plant and machinery	3,288,918,579	91,937,712	708,552,236	1,379,200,035	-	5,468,608,562	1,119,241,503	247,643,759	-	1,366,885,262	4,101,723,300	10
Electric cables and fitting	188,440,172	1,003,455	84,892,215	-	-	274,335,842	45,113,910	17,660,292	-	62,774,202	211,561,640	10
Furniture and fixture	20,576,120	2,927,709	1,746,575	-	-	25,250,404	9,456,196	1,311,675	-	10,767,871	14,482,533	10
Motor vehicles	93,554,738	26,206,875	-	-	-	119,761,613	57,836,111	9,149,823	-	66,985,934	52,775,679	20
Office equipment	56,141,172	16,014,330	2,711,701	-	-	74,867,203	20,680,306	4,122,410	-	24,802,716	50,064,487	10
Factory equipment	347,835,902	28,437,946	28,881,788	-	-	405,155,636	62,198,344	30,370,997	-	92,569,341	312,586,295	10
Computers	37,097,659	7,243,735	36,500	-	-	44,377,894	23,833,154	5,439,649	-	29,272,803	15,105,091	33
Camera	8,779,419	2,586,300	-	-	-	11,365,719	4,964,397	1,528,587	-	6,492,984	4,872,735	33
Godown & Shops	33,036,051	-	-	-	-	33,036,051	17,658,295	1,541,989	-	19,200,284	13,835,767	10
Sewing machine	1,369,205	-	-	-	-	1,369,205	1,007,935	36,226	-	1,044,161	325,044	10
Mobile phone	7,888,343	2,674,610	-	-	275,380	10,287,573	4,355,004	1,708,310	171,098	5,892,216	4,395,357	33
Generator	145,647,947	-	45,900	41,242,427	-	186,936,274	55,298,820	8,945,856	-	64,244,676	122,691,598	10
Total	9,010,017,521	214,515,553	1,257,865,733	3,420,612,504	275,380	13,902,735,931	2,171,734,926	473,977,387	171,098	2,645,541,215	11,257,194,716	

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

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

	Note	2024	2023
		---Rupees---	
Cost of sales	34	**379,143,770**	316,326,418
Selling and distribution expenses	35	**23,744,161**	19,770,401
Administrative expenses	36	**71,089,456**	59,311,203
		473,977,387	395,408,022

18.1.2 Factory land includes a plot in which a law suit has been filed by the plaintiff who is claiming the possession and injunction of the property. The case is in process under the Honourable High Court Sindh Karachi (*refer note 18.1.1, 18.1.2, 18.1.3 & 18.1.6*).

18.1.3 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*).

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

Description of Assets	Forced sale value Rupees
Land	3,572,190,000
Building	1,954,957,500
Plant and machinery	3,077,224,162
Generators	110,246,588

The above forced sale value has been taken from revaluation report of MYK Associates (Private) Limited as on June 28, 2024.

18.1.5 No item of property, plant and equipment having book value above Rs. 500,000 were disposed off during the year.

18.1.6

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	2.00	79,155
A-21, SITE-II, Super highway, Karachi	1.50	47,131
G-205, SITE-II, Super highway, Karachi	4.00	409,416
50 KM G.T Road, Sadhoke District, Gujranwala	14.68	136,060
B-1/A, SITE-II, Super highway, Karachi	0.97	34,850
Plot H-162, SITE-II, Super highway, Karachi	2.00	81,340
Plot F-193, SITE-II, Super highway, Karachi	2.00	60,870
50 KM G.T Road, Sadhoke District, Gujranwala	3.47	27,987
Plot # 53, S.E.Z, Allama Iqbal Industrial City, Faisalabad	20.00	373,128
House # 87, Block K, Street # 24, Al Bairuni Road, WAPDA City, Faisalabad	0.06	2,723

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		2024	2023
18.2	**Capital work in progress - Tangibles**	---Rupees---	
	Land	**1,800,000**	1,800,000
	Factory Building	**24,117,453**	243,211,486
	Plant and machinery	**54,035,832**	560,978,695
	Electric cables and fitting	**-**	75,050,595
	Furniture & Fixture	**-**	40,000
	Office equipment	**-**	19,000
	Factory equipment	**79,523,473**	19,140,286
	Computers	**3,300,670**	3,300,670
		162,777,428	903,540,732

18.3 Movement in capital work in progress is as under:

	Cost			
	As at July 01, 2023	**Additions during the year**	**Transferred to Property, plant and equipment**	**As at June 30, 2024**
	---Rupees---			
Land	**1,800,000**	**-**	**-**	**1,800,000**
Factory Building	**243,211,486**	**211,904,785**	**(430,998,818)**	**24,117,453**
Plant and machinery	**560,978,695**	**201,609,373**	**(708,552,236)**	**54,035,832**
Electric cables and fitting	**75,050,595**	**9,841,620**	**(84,892,215)**	**-**
Furniture & Fixture	**40,000**	**1,706,575**	**(1,746,575)**	**-**
Motor Vehicles	**-**	**-**	**-**	**-**
Office equipment	**19,000**	**2,692,701**	**(2,711,701)**	**-**
Factory equipment	**19,140,286**	**89,264,975**	**(28,881,788)**	**79,523,473**
Computers	**3,300,670**	**36,500**	**(36,500)**	**3,300,670**
Generator	**-**	**45,900**	**(45,900)**	**-**
	903,540,732	**517,102,429**	**(1,257,865,733)**	**162,777,428**

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

18.4 The amount of borrowing costs capitalised during the year ended June 30, 2024 was Rs. 54.5 million (2023: Rs. 5.18 million). The rate used to determine the amount of borrowing costs eligible for capitalisation was 11.37% (2023: 3.10%), which is the EIR of the specific borrowings.

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

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	2024	2023
Net book value	-----------------Rupees-----------------	
Land	**447,775,087**	447,775,087
Building	**1,532,878,841**	1,196,881,419
Plant and machinery	**2,626,496,861**	2,061,600,794
Generators	**61,772,526**	68,486,187
	4,668,923,315	3,774,743,487

19 RIGHT-OF-USE ASSETS

	2024				2023			
	Vehicle	**Godown**	**Generator**	**Total**	Vehicle	Godown	Generator	Total
	---------------------------------Rupees---------------------------------							
Cost								
Opening balance	**252,136,149**	**113,716,329**	**18,500,000**	**384,352,478**	224,605,429	113,060,844	-	337,666,273
Impact of adoption of IFRS-16	-	-	-	-	-	-	-	-
Reassessment of lease liability	-	**30,648,183**	-	**30,648,183**	-	655,485	-	655,485
As at July 1	**252,136,149**	**144,364,512**	**18,500,000**	**415,000,661**	224,605,429	113,716,329	-	338,321,758
Additions during the year	-	-	-	-	38,057,220	-	18,500,000	56,557,220
Revaluation Surplus during the y	-	-	**8,169,670**	**8,169,670**				
Disposal during the year	-	-	-	-	(10,526,500)	-	-	(10,526,500)
Total	**252,136,149**	**144,364,512**	**26,669,670**	**423,170,331**	252,136,149	113,716,329	18,500,000	384,352,478
Accumulated depreciation								
Opening balance	**101,697,264**	**38,554,681**	**567,671**	**140,819,616**	74,188,406	27,910,944	-	102,099,350
Charge for the year	**30,180,016**	**10,737,378**	**1,798,146**	**42,715,540**	34,380,782	10,643,737	567,671	45,592,190
Disposal adjustment	-	-	-	-	(6,871,924)	-	-	(6,871,924)
Closing	**131,877,280**	**49,292,059**	**2,365,817**	**183,535,156**	101,697,264	38,554,681	567,671	140,819,616
Net book value	**120,258,869**	**95,072,453**	**24,303,853**	**239,635,175**	150,438,885	75,161,648	17,932,329	243,532,862
Lease term	**5 Years**	**10 Years**	**5 Years**		5 Years	10 Years	5 Years	

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

	Note	2024	2023
		-----------------Rupees-----------------	
Depreciation expense of right-of-use assets	34	**42,715,540**	45,592,190
Interest expense on lease liabilities on Godown	34	**21,933,895**	21,128,445
Interest expense on lease liabilities on vehicles	37	**24,804,650**	20,265,901
Total amount recognised in consolidated statement of profit or loss		**89,454,085**	86,986,536

20 INTANGIBLE ASSETS

	2024	2023
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	**-**	-

20.1 This represents accounting software which has been fuly amortized.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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			2024	2023
21	**LONG TERM INVESTMENTS**			
	Investment - at cost		----------------Rupees----------------	
	Unquoted			
	Associate - Equity accounted investment	21.1	**15,510,771**	7,005,838
	Quoted			
	Other investments - at fair value through OCI	21.3		
	Pakistan Aluminium Beverage Cans Limited		**-**	8,736,550
	Engro Fertilizers Limited		**-**	990,360
			15,510,771	16,732,748
21.1	**Equity accounted investment - Barentz International B.V.**			
	Balance at beginning of the period		**7,005,838**	18,255,404
	Investment in associate		**-**	-
	Share of profit/(loss) for the year - net of tax		**8,504,933**	(11,249,566)
	Dividend received during the year		**-**	-
			15,510,771	7,005,838

21.2 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 Group's share of those amounts. The financial information presented below are based on the interim financial statements for the period ended June 30, 2024.

	2024	2023
	----------------Rupees----------------	
Assets	**240,445,082**	460,430,281
Liabilities	**208,790,447**	446,125,837
Revenues	**503,749,179**	454,420,050
Profit/(Loss) for the period	**18,747,754**	(22,951,479)

21.3 This represents the fair value of 193,201 shares of Pakistan Aluminium Beverage Cans Limited acquired by the Group through initial public offering at the rate of Rs. 49 per share and the fair value of 12,000 shares of Engro Fertilizers acquired by the Group at the rate of Rs. 89.90 per share. During the year, as part of investment strategy, the Group has disposed of the investment.

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

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

		Note	2024	2023
22	**STORES, SPARES AND LOOSE TOOLS**		------Rupees------	
	Stores and spares	34.3	**279,391,307**	106,867,028
	Provision for slow moving / obsolete items	22.1	**(1,543,929)**	(1,543,929)
			277,847,378	105,323,099
22.1	**Movement in provision for slow moving / obsolete items**			
	Balance at beginning of the year		**1,543,929**	1,543,929
	Charge for the year		**-**	-
	Balance at end of the year		**1,543,929**	1,543,929
23	**STOCK IN TRADE**			
	Raw materials	23.2	**6,259,076,247**	6,001,843,594
	Packing materials	34.1	**500,647,685**	465,737,585
	Finished goods	23.3	**4,875,699,241**	3,127,804,363
			11,635,423,173	9,595,385,542
	Provision for slow moving / obsolete items	23.1	**(21,852,280)**	(20,954,205)
			11,613,570,893	9,574,431,337
23.1	**Movement in provision for slow moving / obsolete items**			
	Opening balance		**20,954,205**	20,475,083
	Charge for the year		**898,075**	479,122
	Write off during the year		**-**	-
	Closing balance		**21,852,280**	20,954,205

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

23.3 This includes by product amounting to Rs. 716.13 million (2023: Rs. 459.12 million) and stock-in-transit amounting to Nil (2023: Nil).

		Note	2024	2023
24	**TRADE DEBTS**		------Rupees------	
	Considered good			
	Export - secured	24.2	**1,725,354,875**	1,866,501,233
	Local - unsecured		**674,321,212**	449,343,122
	Considered doubtful			
	Local - unsecured		**13,567,967**	13,567,967
	Less: Allowance for expected credit losses	24.4	**(13,567,967)**	(13,567,967)
			2,399,676,087	2,315,844,355

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

24.2 It includes the amount of Rs. Nil which is past due up to 3 months (2023: Nil) and Rs. Nil which is past due up to 6 months, (2023: 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. 13.41 million (2023: Rs. 55.01 million).

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		Note	2024	2023
			---Rupees---	
24.3	As of June 30, 2024, the age analysis of trade debts is as follows:			
	Not yet due		**-**	-
	Past due:			
	- Up to 3 months		**2,303,026,902**	1,987,190,523
	- 3 to 6 months		**27,819,137**	97,265,314
	- 6 to 12 months		**2,480,373**	148,135,994
	- More than 12 months		**1,441,946**	83,252,524
			2,334,768,358	2,315,844,355
	Trade debts - Gross		**2,334,768,358**	2,315,844,355
24.4	Allowance for expected credit losses			
	Opening balance		**13,567,967**	13,567,967
	Charge during the year		**-**	-
	Closing balance		**13,567,967**	13,567,967
25	**LOANS AND ADVANCES**			
	Loans			
	Staff - unsecured, considered good	25.1	**25,773,562**	23,096,353
	Advances			
	- against services and others		**3,335,362**	3,422,967
	- against purchases		**980,837,487**	488,331,672
			1,009,946,411	514,850,992

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

25.2 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 3.12 million (2023: Rs. 3.23 million).

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

		Note	2024	2023
			---Rupees---	
26	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**			
	Deposits			
	- Capital management account		**45,572**	-
	- Guarantee margin		**1,938,143**	2,812,742
	Prepayments			
	- Prepaid expense	26.1	**14,083,536**	7,758,556
	- Prepaid insurance		**13,202,222**	5,884,607
			27,285,758	13,643,163
			29,269,473	16,455,905

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

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		Note	2024	2023
27	**SHORT-TERM INVESTMENT**		------Rupees------	
	Mutual fund units	27.1	**-**	3,022,323
	Term deposit certificates	27.2	**1,200,000**	1,200,000
			1,200,000	4,222,323

27.1 It represent mutual funds unit of Al-Meezan Islamic fund, Al-Ameen Islamic Fund and Al-Ameen Islamic Stock Fund which were disposed off during the year (2023: 39,210).

27.2 These represent term deposit certificates of Askari Bank Limited amounting to Rs. 1.2 million (2023: Rs. 1.2 million) respectively. The rate of profit on these certificates is 20% per annum (2023: 12.5%) these term deposit certificates will mature on June 2025.

		Note	2024	2023
28	**SALES TAX REFUNDABLE**		------Rupees------	
	Sales tax refundable	28.1	**25,000,000**	64,935,578
28.1	**Movement in sales tax refundable is as under:**			
	Balance at beginning of the year		**64,935,578**	105,056,731
	Deposited against the sales tax petition	40.6	**25,000,000**	-
	Refunds claim for the year		**-**	34,340,882
	Received during the year		**(58,873,613)**	(47,285,047)
	Adjusted during the year		**(6,061,965)**	(27,176,988)
	Balance at end of the year		**25,000,000**	64,935,578
29	**DUE FROM RELATED PARTIES**			
	Unsecured			
	Barentz Pakistan (Private) Limited	29.1	**50,326,380**	81,821,177

29.1 This includes an amount of Rs. 9.13 million (2023: Rs. 6.36 million) receivable in respect of interest on loan. The maximum aggregate amount of loan due from Barentz Pakistan (Private) Limited at the end of any month during the year was Rs. 77.23 million (2023: Rs. 89.45 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% (2023: 3 months KIBOR+2%).

29.2 All above dues are payable on demand.

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

	Note	Barentz Pakistan (Private) Limited	
		2023	2022
		------Rupees------	
Up to 3 Months		**50,326,380**	81,821,177
3 to 6 Months		**-**	-
06 to 12 Months		**-**	-
More than 12 Months		**-**	-
		50,326,380	81,821,177

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30 TAXATION AND LEVIES - NET

Advance income tax / levies		**365,287,525**	287,012,967
Provision for levies and taxation		**(258,998,630)**	(222,056,149)
		106,288,895	64,956,818

31 CASH AND BANK BALANCES

Cash in hand		**4,227,097**	3,922,666
Cash at bank			
- current accounts		**278,486,964**	343,877,538
- deposit accounts	31.1	**79,734,447**	27,841,537
		358,221,411	371,719,075
		362,448,508	375,641,741

31.1 These carry weighted average profit of 19% per annum (2023: 16% per annum).

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			Reportable Segment					
			Rice and Allied Products		Corn Starch Products		Total	
			2024	2023	2024	2023	2024	2023
		Note	-----Rupees-----					
32	**OPERATING RESULTS**							
	Disaggregation of revenue							
	Export Sales		**16,845,261,866**	12,165,702,489	**658,958,498**	405,354,100	**17,504,220,364**	12,571,056,589
	Local Sales							
	- Main Products		**3,067,682,981**	2,833,665,191	**4,447,766,343**	2,195,674,771	**7,515,449,324**	5,029,339,962
	- By-Products and Others		**3,617,643,222**	3,615,488,190	**863,935,009**	-	**4,481,578,231**	3,615,488,190
			6,685,326,203	6,449,153,381	**5,311,701,352**	2,195,674,771	**11,997,027,555**	8,644,828,152
	Gross Sales		**23,530,588,069**	18,614,855,870	**5,970,659,850**	2,601,028,871	**29,501,247,919**	21,215,884,741
	Sales discount / return		**(75,122,121)**	(97,690,764)	**(81,802,572)**	(17,019,158)	**(156,924,693)**	(114,709,922)
	Sales tax		**(156,880,624)**	(108,196,584)	**(759,180,136)**	(323,909,846)	**(916,060,760)**	(432,106,430)
	Freight		**(574,168,807)**	(574,433,112)	**(77,803,795)**	(3,636,763)	**(651,972,602)**	(578,069,875)
	Clearing and forwarding		**(61,567,265)**	(81,906,250)	**(9,550,826)**	(30,000)	**(71,118,091)**	(81,936,250)
	Net Sales		**22,662,849,252**	17,752,629,160	**5,042,322,521**	2,256,433,104	**27,705,171,773**	20,009,062,264
	Cost of Sales		**(19,760,951,138)**	(15,171,385,927)	**(4,763,694,664)**	(2,360,759,626)	**(24,524,645,802)**	(17,532,145,553)
	Gross profit / (loss)		**2,901,898,114**	2,581,243,233	**278,627,857**	(104,326,522)	**3,180,525,971**	2,476,916,711
	Selling and distribution expenses		**(537,117,406)**	(340,348,182)	**(66,235,424)**	(15,650,966)	**(603,352,830)**	(355,999,148)
	Administrative expenses		**(583,242,481)**	(494,655,667)	**(125,507,566)**	(76,912,295)	**(708,750,049)**	(571,567,962)
			(1,120,359,887)	(835,003,849)	**(191,742,990)**	(92,563,261)	**(1,312,102,879)**	(927,567,110)
	Operating profit / (loss)		**1,781,538,227**	1,746,239,384	**86,884,867**	(196,889,783)	**1,868,423,092**	1,549,349,601
	Unallocated items							
	Finance cost						**(2,244,155,913)**	(1,182,574,596)
	Other income						**86,374,911**	53,703,050
	Share of profit/(loss) from associated company						**8,504,933**	(11,249,566)
	Exchange gain - net						**190,389,508**	412,369,039
	Provision for worker's welfare fund						**-**	(15,276,100)
	Provision for worker's profit participation fund						**-**	(38,190,251)
	(Loss) / profit before levies and income tax						**(90,463,469)**	768,131,177
	Levies - Final and Minimum Tax						**(258,998,630)**	(222,056,149)
	Taxation						**64,847,527**	13,869,148
	(Loss) / profit for the year						**(284,614,572)**	559,944,176

		Reportable Segment					
		Rice and Allied Products		Corn Starch Products		Total	
		2024	2023	2024	2023	2024	2023
		-----Rupees-----					
32.1	Segment assets	**21,850,355,479**	16,044,186,915	**3,860,711,023**	3,662,717,106	**25,711,066,502**	19,706,904,021
32.2	Unallocated assets	**-**	-	**-**	-	**1,859,334,163**	1,431,145,211
		21,850,355,479	16,044,186,915	**3,860,711,023**	3,662,717,106	**27,570,400,665**	21,138,049,232
32.3	Segment liabilities	**11,795,181,071**	9,311,806,939	**4,003,345,092**	2,965,841,538	**15,798,526,163**	12,277,648,477
32.4	Unallocated liabilities	**-**	-	**-**	-	**1,703,562,328**	1,262,841,274
		11,795,181,071	9,311,806,939	**4,003,345,092**	2,965,841,538	**17,502,088,491**	13,540,489,751
32.5	Major non-cash items						
	- Depreciation and amortisation	**315,363,594**	272,077,973	**201,281,659**	168,922,239	**516,645,253**	441,000,212
	- Gratuity	**71,890,722**	65,131,266	**23,546,192**	14,050,829	**95,436,914**	79,182,095
		387,254,316	337,209,239	**224,827,851**	182,973,068	**612,082,167**	520,182,307
32.6	Capital expenditure	**1,172,484,128**	1,009,038,377	**420,948,841**	2,583,726,525	**1,593,432,969**	3,592,764,902

32.7 The Group's export sales have been primarily made to continents in the Asia, Africa, Europe, North America and Australia & New Zealand.

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	2024	2023
	-----------------Rupees-----------------	
Africa	**1,372,537,547**	974,267,519
Asia	**5,165,922,375**	3,781,530,635
Australia & New Zealand	**2,362,253,453**	1,993,662,735
Europe	**7,294,966,690**	4,601,454,109
USA & Canada	**1,308,540,299**	1,220,141,591
	17,504,220,364	12,571,056,589

33 RECONCILIATION OF REPORTABLE SEGMENT SALES, COST OF SALES, ASSETS AND LIABILITIES

33.1 Assets

	2024	2023
Total assets for reportable segments	**25,711,066,502**	19,706,904,021
Administrative capital assets	**239,635,175**	243,532,862
Investments	**15,510,771**	65,309,617
Loans and advances	**1,009,946,411**	514,850,992
Cash and bank balances	**362,448,508**	358,996,341
Others	**231,793,298**	248,455,399
Total assets	**27,570,400,665**	21,138,049,232

	2024	2023
	-----------------Rupees-----------------	

33.2 Liabilities

	2024	2023
Total liabilities for reportable segments	**15,798,526,163**	12,277,648,477
Deferred liabilities	**981,264,040**	308,763,797
Lease liabilities	**210,325,254**	216,928,190
Trade and other payables - Others	**483,477,038**	711,055,412
Due to related parties	**-**	6,807,598
Unpaid dividend	**28,495,996**	19,286,277
Total liabilities	**17,502,088,491**	13,540,489,751

		Reportable Segment					
		Rice and Allied Products		Corn Starch Products		Total	
		2024	2023	2024	2023	2024	2023
34 COST OF SALES	**Note**	-----------------Rupees-----------------					
Raw material consumed	34.1	**17,849,633,565**	13,682,816,570	**3,188,662,318**	1,810,140,062	**21,038,295,883**	15,492,956,632
Packing materials consumed	34.2	**727,238,873**	565,188,849	**207,229,973**	60,672,554	**934,468,846**	625,861,403
Stores and spares consumed	34.3	**732,880,821**	412,329,808	**288,926,374**	110,895,055	**1,021,807,195**	523,224,863
Processing expenses							
Salaries, wages and benefits	34.4	**713,109,069**	573,471,091	**306,069,692**	233,411,733	**1,019,178,761**	806,882,824
Electricity and power		**448,309,843**	297,625,446	**478,467,345**	248,378,643	**926,777,188**	546,004,089
Telephone and mobile		**2,006,862**	1,993,841	**131,561**	453,072	**2,138,423**	2,446,913
Insurance		**23,140,896**	14,140,986	**916,004**	2,996,176	**24,056,900**	17,137,163
Repairs and maintenance		**42,753,784**	52,678,602	**5,972,479**	11,394,856	**48,726,263**	64,073,458
Other purchases		**371,901,922**	276,204,630	**110,854**	1,180,760	**372,012,776**	277,385,390
Provision for slow moving stock		**898,075**	479,122	**-**	-	**898,075**	479,122
Fumigation charges		**81,494,175**	76,847,026	**5,676,945**	3,263,860	**87,171,120**	80,110,886
Water charges		**120,789,676**	57,438,264	**173,632**	80,600	**120,963,308**	57,518,864
Canteen		**18,893,501**	18,623,760	**666,506**	1,050,858	**19,560,007**	19,674,618
Diesel and oil		**172,238**	9,555,311	**-**	-	**172,238**	9,555,311
Staff welfare		**7,128,563**	5,890,767	**3,426,380**	1,973,266	**10,554,943**	7,864,033
Security expenses		**26,737,776**	25,054,243	**10,674,707**	7,789,328	**37,412,483**	32,843,571
Godown expenses		**34,166,148**	30,824,829	**-**	-	**34,166,148**	30,824,829
Rent, rates and taxes		**350,119**	1,012,137	**-**	-	**350,119**	1,012,137
Brought Forward		**21,201,605,906**	16,102,175,283	**4,497,104,770**	2,493,680,822	**25,698,710,676**	18,595,856,106

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		Note	Reportable Segment					
			Rice and Allied Products		Corn Starch Products		Total	
			2024	2023	2024	2023	2024	2023
			Rupees					
	Carried Forward		**21,201,605,906**	16,102,175,283	4,497,104,770	2,493,680,822	**25,698,710,676**	18,595,856,106
	Vehicle running expenses		**42,129,065**	31,036,493	**3,579,553**	2,515,722	**45,708,618**	33,552,215
	Medical		**7,214,071**	6,115,221	**2,484,658**	847,779	**9,698,729**	6,963,000
	Depreciation	18.1.1	**218,499,763**	181,679,344	**160,644,007**	134,647,074	**379,143,770**	316,326,418
	Depreciation on right-of-use assets	19.1	**42,238,890**	44,978,793	**476,650**	613,397	**42,715,540**	45,592,190
	Interest expense on lease liabilities	19.1	**21,933,894**	21,128,445	**-**	-	**21,933,894**	21,128,445
	Processing charges		**5,257,087**	4,400,585	**67,144**	-	**5,324,231**	4,400,585
	Inspection charges		**68,074,934**	37,788,424	**1,230,288**	-	**69,305,222**	37,788,424
	Cost of goods manufactured		**21,606,953,610**	16,429,302,589	**4,665,587,070**	2,632,304,794	**26,272,540,680**	19,061,607,383
	Finished goods							
	Opening stock		**2,856,259,195**	1,598,342,533	**271,545,168**	-	**3,127,804,363**	1,598,342,533
	Closing stock		**(4,702,261,667)**	(2,856,259,195)	**(173,437,574)**	(271,545,168)	**(4,875,699,241)**	(3,127,804,363)
			(1,846,002,472)	(1,257,916,662)	**98,107,594**	(271,545,168)	**(1,747,894,878)**	(1,529,461,830)
	Cost of Sales		**19,760,951,138**	15,171,385,927	**4,763,694,664**	2,360,759,626	**24,524,645,802**	17,532,145,553
34.1	**Raw material consumed**							
	Opening stock		**5,379,157,483**	5,187,099,547	**622,686,111**	677,510,658	**6,001,843,594**	5,864,610,205
	Purchases		**17,885,475,116**	13,562,393,873	**2,771,920,649**	1,681,198,542	**20,657,395,765**	15,243,592,415
	Cartage inwards		**582,069,026**	312,480,633	**56,063,745**	74,116,973	**638,132,771**	386,597,606
	Closing stock		**(5,997,068,060)**	(5,379,157,483)	**(262,008,187)**	(622,686,111)	**(6,259,076,247)**	(6,001,843,594)
			17,849,633,565	13,682,816,570	**3,188,662,318**	1,810,140,061	**21,038,295,883**	15,492,956,632
34.2	**Packing material consumed**							
	Opening stock		**348,662,538**	219,576,329	**117,075,047**	-	**465,737,585**	219,576,329
	Purchases		**818,242,832**	694,275,058	**151,136,114**	177,747,601	**969,378,946**	872,022,659
	Closing stock-gross		**(439,666,497)**	(348,662,538)	**(60,981,188)**	(117,075,047)	**(500,647,685)**	(465,737,585)
			727,238,873	565,188,849	**207,229,973**	60,672,554	**934,468,846**	625,861,403
34.3	**Stores and spares consumed**							
	Opening stock		**66,092,226**	87,635,046	**40,774,802**	-	**106,867,028**	87,635,046
	Purchases		**783,777,317**	390,786,987	**410,554,157**	151,669,858	**1,194,331,474**	542,456,845
	Closing stock-gross		**(116,988,722)**	(66,092,226)	**(162,402,585)**	(40,774,802)	**(279,391,307)**	(106,867,028)
			732,880,821	412,329,808	**288,926,374**	110,895,056	**1,021,807,195**	523,224,863

34.4 It includes provision for gratuity amounting to Rs. 62.14 million (2023: Rs. 51.18 million).

		Note	Reportable Segment					
			Rice and Allied Products		Corn Starch Products		Total	
			2024	2023	2024	2023	2024	2023
			Rupees					
35	**SELLING AND DISTRIBUTION EXPENSES**							
	Salaries and benefits	35.1	**89,423,865**	68,433,823	**8,047,584**	1,889,511	**97,471,449**	70,323,334
	Travelling		**53,868,167**	46,510,475	**8,717,477**	3,167,523	**62,585,644**	49,677,998
	Sales promotion		**173,138,062**	84,542,931	**8,104,194**	1,160,398	**181,242,256**	85,703,329
	Insurance		**7,988,407**	3,812,022	**224,849**	934,286	**8,213,256**	4,746,308
	Export charges		**163,338,520**	84,842,929	**31,101,070**	-	**194,439,590**	84,842,929
	Export commission		**32,458,729**	36,127,215	**-**	83,806	**32,458,729**	36,211,021
	Depreciation	18.1.1	**13,703,911**	11,354,959	**10,040,250**	8,415,442	**23,744,161**	19,770,401
	Shop rent		**2,820,000**	2,520,000	**-**	-	**2,820,000**	2,520,000
	General		**377,745**	2,203,828	**-**	-	**377,745**	2,203,828
			537,117,406	340,348,182	**66,235,424**	15,650,966	**603,352,830**	355,999,148

35.1 It includes provision for gratuity amounting to Rs. 5.94 million (2023: Rs. 4.46 million).

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		Reportable Segment					
		Rice and Allied Products		Corn Starch Products		Total	
		2024	2023	2024	2023	2024	2023
36 ADMINISTRATIVE EXPENSES	**Note**	----------Rupees----------					
Salaries and benefits	36.1	**399,573,976**	330,773,515	**72,143,816**	42,874,808	**471,717,792**	373,648,323
Vehicle running		**37,047,645**	24,934,555	**353,416**	842,180	**37,401,061**	25,776,735
Entertainment		**2,415,027**	2,066,940	**374,144**	397,812	**2,789,171**	2,464,752
Printing and stationery		**449,625**	2,059,571	**39,742**	254,061	**489,367**	2,313,632
Fee and subscription		**28,370,933**	38,750,770	**13,039,868**	2,601,008	**41,410,801**	41,351,778
Legal and professional		**-**	568,000	**-**	-	**-**	568,000
Auditor's remuneration	36.2	**5,039,229**	4,324,331	**-**	-	**5,039,229**	4,324,331
Postage and telegrams		**5,494,147**	3,285,659	**3,549,452**	824,779	**9,043,600**	4,110,438
General expenses		**4,731,522**	4,443,366	**-**	-	**4,731,522**	4,443,366
Newspaper and periodicals		**57,400**	91,275	**35,530**	3,760	**92,930**	95,035
Electricity and gas charges		**2,607,308**	846,935	**49,942**	-	**2,657,250**	846,935
Taxes, duty and fee		**641,674**	6,677,346	**3,986,238**	2,276,919	**4,627,912**	8,954,265
Medical		**5,917,000**	4,649,247	**1,253,189**	254,247	**7,170,189**	4,903,494
Insurance		**3,670,669**	4,935,305	**36,979**	161,292	**3,707,648**	5,096,597
Software maintenance		**674,976**	549,230	**-**	-	**674,976**	549,230
Computer expenses		**8,334,383**	7,521,499	**486,759**	-	**8,821,143**	7,521,499
Depreciation	18.1.1	**40,968,705**	34,064,877	**30,120,751**	25,246,326	**71,089,456**	59,311,203
Donations		**17,432,385**	12,325,058	**-**	-	**17,432,385**	12,325,058
Advertisement		**94,793**	405,885	**-**	-	**94,793**	405,885
Loss on sale of operating fixed assets		**14,282**	-	**-**	-	**14,282**	-
Others		**19,706,802**	11,382,303	**37,740**	1,175,103	**19,744,542**	12,557,406
		583,242,481	494,655,667	**125,507,566**	76,912,295	**708,750,049**	571,567,962

36.1

It includes directors' remuneration amounting to Rs. 48.99 million (2023: Rs. 38.95 million) and provision for gratuity amounting to Rs. 27.36 million (2023: Rs. 23.54 million).

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		Note	2024	2023
36.2	**Auditor's remuneration**		-----------------Rupees	----------------
	- audit fee of unconsolidated financial statements		**3,348,583**	2,954,752
	- audit fee of consolidated financial statements		**110,000**	110,000
	- audit fee of half yearly review		**825,565**	614,498
	- fee for review code of corporate governance		**165,000**	165,000
	- other certifications		**150,000**	150,000
	- out of pocket expenses		**440,081**	330,081
			5,039,229	4,324,331

36.3 Donation includes amount of Rs. 19.92 million (2023: Rs. 11.65 million) paid to Ghori Trust, which is operated by Board of directors of the Group and their spouse namely Mr. Jawed Ali Ghori, Mr. Khalid Sarfaz Ghori, Mr. Faizan Ali Ghori, Mrs. Naheed Jawed, Mrs. Nuzhat Khalid and Mrs. Dr. Sadaf Tariq.

		Note	2024	2023
37	**FINANCE COST**		-----------------Rupees	----------------
	Mark up			
	- long term finances - net	37.1	**110,940,084**	72,655,436
	- short term borrowings		**2,102,900,126**	1,086,303,348
	- interest expense on lease liabilities	19.1	**24,804,650**	20,265,901
	Bank charges and commission		**5,511,053**	3,349,911
			2,244,155,913	1,182,574,596

37.1 The mark-up presented is net of amortization of grant amounting to Nil (2023: Rs. 1.56 million).

		2024	2023
38	**OTHER INCOME**	-----------------Rupees	----------------
	From financial assets		
	- Profit on bank/short term deposits	**10,875,849**	9,203,056
	- Interest income on account of due from related parties	**13,087,160**	11,322,643
	From non-financial assets		
	- Reversal of Worker's Welfare Fund	**14,737,054**	8,585,383
	- Gain on sale of operating fixed assets	**-**	5,587,254
	- Scrap sales	**42,012,129**	11,684,573
	- Rental income	**4,065,490**	3,695,900
	- Dividend income	**784,204**	36,000
	- Others	**813,025**	3,588,241
		86,374,911	53,703,050

39 EXCHANGE GAIN - NET

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

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		2024	2023 (Restated)
40	**TAXATION**	------Rupees------	
	- Prior year	**(56,739,289)**	(4,749,810)
	- Deferred	**(8,108,238)**	(9,119,338)
		(64,847,527)	(13,869,148)

40.1 The relationship between tax expense and accounting profit has not been presented in these financial statements as almost all income of the Group falls under the ambit of presumptive tax regime.

40.2 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.

40.3 During the previous year, the Holding 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 Holding 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 Holding Company, against the Holding 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 Holding 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. During the year, the Appellate Tribunal Inland Revenue has passed the order ITA No. 2833/KB/2023 and ITA No. 2834/KB/2023 stating that the order of learned CIR(A) thereon are illegal and cannot sustain in the eye of law and the learned AR has contested the case with the forceful arguments along with supporting evidence which is persued and found correct.

40.4 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 Holding Company till November 15, 2018, no further notice has been received.

40.5 The Deputy Commissioner of Inland Revenue (DC-IR) has raised a demand of Rs. 37,839,301/- for 'Super Tax' under Section 4C of the Ordinance for the tax year 2023, as per the order with Barcode No. 100000192819317 dated 05 April 2024. The company has appealed before the Commissioner Inland Revenue (Appeals) [CIR-A], and the matter is currently pending.

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40.6 A Post Refund Sales Tax Audit was conducted by the DC-IR for the tax periods from June 2021 to August 2022. A demand of Rs. 51,856,323/- was raised on account of 'Inadmissible Input Tax on Goods and Services', along with penalty and default surcharge, as per the Order-in-Original [ONO] Ref. No. 27 of 270/2024 dated 22 February 2024.

Being aggrieved of such Order, the Holding Company has appealed to the Commissioner-IR Appeals, and the appeal is currently underway. We anticipate a favorable outcome; therefore, no provision is required at this stage. Please note that the Group has deposited Rs. 25,000,000/- of the sales tax demand under protest (Refer Note 29.1).

40.7 The Commissioner-IR selected the Holding Company for audit under Section 25(1) for the Tax Year 2022. Following the audit, the DC-IR raised a sales tax demand of Rs. 2,682,084/-, along with a penalty of Rs. 404,104/- for 'Inadmissible Input Tax on Goods and Services', as per ONO Ref. No. 28/156/2023-24 dated 18 March 2024. Being aggrieved of such Order, the Group has filed an appeal before the Commissioner-IR Appeals, which is currently in process. We expect a favorable outcome and, as such, no provision is required at this stage.

40.8 Return of 2022-23 filed on January 15, 2024, is an assessment order under section 120 unless amended under section 122 of the Income Tax Ordinance, 2001.

41	**NUMBER OF EMPLOYEES**	**2024**	2023
	Number of employees as at June 30	**1,008**	970
	Average number of employees during the year	**989**	924

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42 TRANSACTION WITH RELATED PARTIES

Related parties include 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, 2024	June 30, 2023
			--------Rupees--------	
Directors		Godown rent paid to director	**28,747,612**	26,215,611
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	**174,944,619**	206,394,592
		Payment received on account of expenses	**208,318,084**	180,188,579
		Interest Income	**13,108,144**	12,092,555
		Interest Received	**10,340,400**	9,137,105
		Rental and service income	**779,625**	3,586,240
		Rental and service income received	**371,250**	1,150,000
		Commission paid	**1,297,451**	823,138
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	**6,907,490**	595,572
		Payment received on account of expenses	**6,907,490**	595,572
Faiyaz Center Owner Association	0%	Paid expenses on behalf	**450,577**	6,161,165
		Payment received on account of expenses	**450,577**	6,161,165
Trust operated by the Company				
Ghori Trust	0%	Paid expenses on behalf	**19,917,947**	23,166,215
		Payment received on account of expenses	**3,328,242**	7,766,817
		Donation expense	**16,589,705**	11,615,038

Nature of relationship	Percentage of Holding	Balances	June 30, 2024	June 30, 2023
			--------Rupees in --------	
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Receivable against expenses	**37,536,192**	72,207,108
		Interest receivable	**9,133,072**	6,365,328
		Receivable against rent and services	**3,657,116**	3,248,741
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Receivable against expenses	**-**	-
Faiyaz Center Owner Association	0%	Receivable against expenses	**-**	-
Trust operated by the Company				
Ghori Trust	0%	Payable against donation	**-**	-

42.1 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	Faizan Ali Ghori	100%	Active	Clean

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42.2 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.

42.3 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.

43 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	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	---Rupees---							
Short-term employee benefits								
Managerial remuneration	**3,621,384**	3,589,189	**14,251,038**	10,919,110	**172,806,824**	119,263,976	**190,679,246**	133,772,275
House rent allowances	**1,629,623**	1,435,676	**6,412,967**	4,367,643	**69,122,730**	47,705,590	**77,165,320**	53,508,909
Utilities	**2,866,699**	2,393,095	**4,961,814**	3,121,595	**17,280,682**	13,590,957	**25,109,196**	19,105,647
Bonus	**1,800,000**	1,028,000	**6,741,000**	6,084,660	**20,359,000**	15,821,949	**28,900,000**	22,934,609
Fuel expense	**1,954,361**	900,117	**3,367,188**	2,912,073	**40,490,335**	26,896,965	**45,811,884**	30,709,154
Medical expense	**813,750**	198,063	**228,860**	517,294	**3,782,048**	3,221,802	**4,824,658**	3,937,159
Vehicle expense	**3,573,261**	86,671	**1,107,000**	825,010	**3,763,095**	2,878,215	**8,443,356**	3,789,896
Other expense	**321,989**	263,271	**21,963**	1,221,947	**-**	-	**343,952**	1,485,218
	16,581,067	9,894,082	**37,091,830**	29,969,332	**327,604,714**	229,379,454	**381,277,612**	269,242,867
Value of motor vehicles	**6,944,582**	8,686,677	**16,600,603**	24,175,634	**90,056,242**	92,599,900	**113,601,427**	125,462,211
Number of Persons	**1**	1	**2**	2	**77**	62		

43.1 In addition to above, fees of Rs. 0.99 million (2023: Rs. 1.15 million) was paid to independent directors of the Group for attending board of directors meeting during the year.

43.2 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.

43.3 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.

44 PLANT CAPACITY AND PRODUCTION

	2024	2023
	(Tons)	
Annual Plant Capacity		
- Rice processing	**178,500**	178,500
- Rice Glucose	**33,000**	33,000
- Corn Starch	**72,000**	72,000
Actual Production		
- Rice processing	**110,732**	105,625
- Rice Glucose	**10,659**	13,063
- Corn Starch	**49,212**	25,200

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

	2024	2023
45 (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	-----------------Rupees-----------------	
(Loss)/Profit for the year	**(284,614,572)**	559,944,176
Number of ordinary shares	**122,400,698**	122,400,698
Weighted average number of ordinary shares	**122,400,698**	122,400,698
(Loss) / earnings per share - basic and diluted	**(2.33)**	4.57

There is no dilutive effect on earnings per share as the Group does not have any convertible instruments as at June 30, 2024 and June 30, 2023.

46 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:

46.1 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.

46.1.1 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:

	2024	2023
	---------- Amount in USD ----------	
Trade debts	**6,197,505**	6,994,261
Cash and bank balances	**127,962**	82,040
Advance from customer	**(590,110)**	(69,303)
Advance to supplier	**149,872**	18,400
Net Exposure	**5,885,229**	7,025,398

The following significant exchange rates were applied during the year:

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	2024	2023
	Rupee per USD	
Average rate	**282.53**	244.87
Reporting date rate	**278.34**	286.18

Foreign currency sensitivity analysis

A 10% strengthening of the PKR against the USD at June 30, 2024 would have effect on the equity and consolidated 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, 2024.

	2024	2023
	-----------------Rupees----------------	
Strengthening of PKR against respective currencies	**(163,810,167)**	(201,054,596)
Weakening of PKR against respective currencies	**163,810,167**	201,054,596

A 10 percentage weakening of the PKR against the USD at June 30, 2024 would have had the equal but opposite effect on USD to the amounts shown above, on the basis that all other variables remain constant.

46.1.2 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 not exposed to price risk as well as the commodity price risk.

46.1.3 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.

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		2024				
		Mark-up / profit bearing			Non mark-up / profit bearing	Total
	Note	Less than one year	One year to Five years	Over five years		
Financial assets		---Rupees---				
Amortised cost						
Long-term deposits		-	-	-	19,708,550	19,708,550
Long-term investments	21	-	-	-	15,510,771	15,510,771
Trade debts - considered goods	24	-	-	-	2,399,676,087	2,399,676,087
Loans	25	-	-	-	25,773,562	25,773,562
Deposits	26	-	-	-	1,983,715	1,983,715
Short-term investment	27	1,200,000	-	-	-	1,200,000
Due from related parties	29	50,326,380	-	-	-	50,326,380
Cash and bank balances	31	79,734,447	-	-	282,714,061	362,448,508
		131,260,827	-	-	2,745,366,746	2,876,627,573
Fair value through profit or loss						
Short-term investment	27	-	-	-	-	-
Fair value through other comprehensive income						
Long-term investments	21	-	-	-	-	-
Financial liabilities						
At amortized cost						
Long term finances - secured	9	359,121,960	1,475,635,466	-	-	1,834,757,426
Due to related party	15	-	-	-	-	-
Trade and other payables	13	-	-	-	2,314,926,261	2,314,926,261
Accrued mark-up	14	-	-	-	560,017,210	560,017,210
Short term borrowings - secured	15	11,123,990,753	-	-	-	11,123,990,753
Unpaid dividend	16	-	-	-	28,495,996	28,495,996
Lease liabilities	10	38,071,886	137,802,694	34,450,674	-	210,325,254
		11,521,184,599	1,613,438,160	34,450,674	2,903,439,467	16,072,512,900
On balance sheet gap		(11,389,923,772)	(1,613,438,160)	(34,450,674)	(158,072,721)	(13,195,885,327)
Off balance sheet items						
Guarantees	17.2	-	-	-	46,167,500	46,167,500
Letter of credit	17.2	-	-	-	225,808,899	225,808,899
Capital Expenditures	17.2	-	-	-	172,000,000	172,000,000
Cheques issued in favour of Nazir of high court in relation to SSGC case	17.2	-	-	-	7,732,192	7,732,192

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	Note	2023				
		Mark-up / profit bearing			Non mark-up / profit bearing	Total
		Less than one year	One year to Five years	Over five years		
		---Rupees---				
Financial assets						
Amortised cost						
Long-term deposits		-	-	-	17,476,970	17,476,970
Long-term investments	21	-	-	-	-	-
Trade debts - considered goods	24	-	-	-	2,315,844,355	2,315,844,355
Loans	25	-	-	-	23,096,353	23,096,353
Deposits	26	-	-	-	2,812,742	2,812,742
Short-term investment	27	1,200,000	-	-	-	1,200,000
Due from related parties	29	81,821,177	-	-	-	81,821,177
Cash and bank balances	31	27,841,537	-	-	347,800,204	375,641,741
		110,862,714	-	-	2,707,030,624	2,817,893,338
Fair value through profit or loss						
Short-term investment	27	-	-	-	3,022,323	3,022,323
Fair value through other comprehensive income						
Long-term investments	21	-	-	-	9,726,910	9,726,910
Financial liabilities						
At amortized cost						
Long term finances - secured	9	323,293,242	1,756,572,205	-	-	2,079,865,447
Due to related party	15	-	-	-	-	-
Trade and other payables	13	-	-	-	1,765,978,490	1,765,978,490
Accrued mark-up	14	-	-	-	368,363,511	368,363,511
Short term borrowings	15	8,416,681,873	-	-	-	8,416,681,873
Unpaid dividend	16	-	-	-	19,286,277	19,286,277
Lease liabilities	10	27,634,388	129,119,024	60,174,778	-	216,928,190
		8,767,609,503	1,885,691,229	60,174,778	2,153,628,279	12,867,103,788
On balance sheet gap		(8,656,746,789)	(1,885,691,229)	(60,174,778)	566,151,578	(10,036,461,217)
Off balance sheet items						
Guarantees	17.2	-	-	-	38,937,390	38,937,390
Letter of credit	17.2	-	-	-	78,649,278	78,649,278
Capital Expenditures	17.2	-	-	-	85,000,000	85,000,000
Cheques issued in favour of Nazir of high court in relation to SSGC case	17.2	-	-	-	7,732,192	7,732,192

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(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	2024	2023
Long term finances - secured	**SBP rate+ 1% to 2.5% & KIBOR + 1% to 1.5%**	SBP rate+ 1% to 2.5% & KIBOR + 1% to
Short term borrowings	**SBP rate+ 1% & KIBOR + 0.75% to 2%**	SBP rate+ 1% & KIBOR + 0.75% to 2%

Fair value sensitivity analysis for fixed rate instruments

The 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 reporting date would not affect consolidated statement of profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2024, 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. 18.35 million (2023: Rs. 20.80 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

At June 30, 2024, 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. 111.24 million (2023: Rs. 84.17 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

46.2 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 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.

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

		2024	2023
Financial assets		--------Rupees--------	
Long-term investments	21	**15,510,771**	9,726,910
Long-term deposits		**19,708,550**	17,476,970
Trade debts	24	**2,399,676,087**	2,315,844,355
Loans	25	**25,773,562**	23,096,353
Trade deposit	26	**1,983,715**	2,812,742
Short-term investment	27	**1,200,000**	4,222,323
Due from related parties	29	**50,326,380**	81,821,177
Bank balances	31	**358,221,411**	371,719,075
		2,872,400,476	2,826,719,905

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

Bank balances

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

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

	Agency name	2024 Short term	2024 Long term
MCB Bank Limited	PACRA	A1+	A+
Meezan Bank Limited	JCR VIS	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
Standard Chartered Bank Limited	PACRA	A1+	AAA
United Bank Limited	JCR VIS	A1+	AAA
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
Bank Alfalah Limited	PACRA	A1+	AAA
Faysal Bank Limited	PACRA	A1+	AA
Habib Bank Limited	PACRA	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Soneri Bank Limited	PACRA	A1+	AA-
Bank Al Habib Limited	PACRA	A1+	AAA
JS Bank	PACRA	A1+	AA
MCB Islamic Bank	PACRA	A1+	A+
Bank of Punjab	PACRA	A1+	AA+

Exposure to credit risk

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

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	Note	2024	2023
		-----------------Rupees-----------------	
Long-term investments	21	**15,510,771**	9,726,910
Long-term deposits		**19,708,550**	17,476,970
Trade debts	24	**2,399,676,087**	2,315,844,355
Loans	25	**25,773,562**	23,096,353
Trade deposit	26	**1,983,715**	2,812,742
Short-term investment	27	**1,200,000**	4,222,323
Due from related parties	29	**50,326,380**	81,821,177
Bank balances	31	**358,221,411**	371,719,075
		2,872,400,476	2,826,719,905

46.3 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. 357.42 million & Rs. 1.2 million respectively (2023: Rs. 358.9 million & Rs. 1.2 million), and unutilized credit lines of Rs. 1,296.01 million (2023: 633.32 million).

47 FAIR VALUE HIERARCHY

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

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

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

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

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

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

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

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

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

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The following table represents the Group's assets that are measured at fair value as at June 30, 2024 and June 30, 2023:

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
	-------------------Rupees --------------------			
Non-financial assets				
Property, plant and equipment	**-**	**-**	**12,902,928,791**	**12,902,928,791**
Financial assets				
Financial assets held at fair value through profit or loss	**-**	**-**	**-**	**-**
Financial assets held at fair value through other comprehensive income	**-**	**-**	**-**	**-**

	2023			
	Level 1	Level 2	Level 3	Total
	-------------------Rupees --------------------			
Non-financial assets				
Property, plant and equipment	-	-	8,215,298,740	8,215,298,740
Financial assets				
Financial assets held at fair value through profit or loss	3,022,323	-	-	3,022,323
Financial assets held at fair value through other comprehensive income	9,726,910	-	-	9,726,910

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.

48 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.

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The Group's strategy is to maintain leveraged gearing. The gearing ratios as at June 30, 2024 and 2023 were as follows:

	Note	2024	2023
		--Rupees--	
Total borrowings		**12,958,748,179**	10,532,834,344
Less: Cash and bank	31	**(362,448,508)**	(375,641,741)
Net debt		**12,596,299,671**	10,157,192,603
Total equity		**10,068,312,174**	7,597,559,481
Total equity and debt		**22,664,611,845**	17,754,752,084
Gearing ratio (%)		**56%**	57%

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.

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 consolidated financial statements have been approved by the Board of Directors of the Group and authorized for issue on September 5, 2024.

50.1 Non-adjusting events after the reporting date

The Board of Directors in their meeting held on September 5, 2024 has proposed cash dividend of Rs. Nil per share (2023: Rs. 0.5 per share) amounting to Rs. Nil (2023: Rs. 61.2 million).

51 GENERAL

Figures have been rounded off to the nearest Rupee.

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

معاشی چیلنجوں اور مواقع کے اس دور میں، آپ کی کمپنی ابھرتے ہوئے رجحانات اور مارکیٹ کے حالات کا فائدہ اٹھانے کے لیے بہترین پوزیشن میں ہے۔ افراط زر میں کمی، قرض لینے کی لاگت میں متوقع کمی، اور عالمی چاول کی پیداوار کے استحکام کے ساتھ، ہم مستقبل کے بارے میں پر امید ہیں۔ ضوابط میں تبدیلیوں کے مطابق ڈھالنے کے لیے ہمارا فعال نقطہ نظر اور " کسان دوست پروگرام" جیسے اقدامات کے ذریعے پائیدار کاشتکاری کے طریقوں کی حمایت کے لیے ہماری مسلسل کوششیں ہمیں ترقی کو آگے بڑھانے کے قابل بنائیں گی، جبکہ سماجی اور ماحولیاتی ذمہ داری کے ساتھ ہماری وابستگی کو برقرار رکھیں گی۔ ہم یقین رکھتے ہیں کہ آج جو اقدامات ہم اٹھا رہے ہیں وہ آنے والے برسوں میں ہمارے شیئر ہولڈرز کے لیے مارکیٹ میں ہماری موجودگی کو مضبوط کریں گے اور طویل مدتی قدر فراہم کریں گے۔

ریٹائرمنٹ فنڈ

کمپنی غیر فنڈ ڈ گریچوٹی برقرار رکھے ہوئے ہے، اور سال کے دوران، کمپنی نے ایکچو ریئل تشخیص کی بنیاد پر 95.44 ملین روپے کی فراہمی کی ہے۔

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

ڈائریکٹرز/متعلقہ پارٹی	شیئرز کی تعداد	لین دین کی نوعیت
جناب فیضان علی غوری	105,000	خرید
جناب فیضان علی غوری	150,000	جناب سید بلال علی غوری کو تحفہ
جناب صفوان خالد غوری	150,000	جناب سالار خالد غوری کو تحفہ
جناب سید کامران رشید	100	خرید
جناب سید کامران رشید	7,029	فروخت

تشکر

ڈائریکٹرز اپنی دل کی گہرائیوں سے کمپنی کے محنتی اور مخلص انتظامیہ اور ملازمین کی شکر گزاری کرتے ہیں، جنہوں نے پورے سال اپنی غیر متزلزل وابستگی اور سخت محنت کے ذریعے کمپنی کی ترقی میں اہم کردار ادا کیا۔ بورڈ آف ڈائریکٹرز اور پوری کمپنی کی جانب سے، ہم اپنے قیمتی صارفین، تقسیم کاروں، اسٹاکسٹوں، ڈیلروں، اور بینکنگ پارٹنرز کا بھی دل کی گہرائیوں سے شکریہ ادا کرتے ہیں، جنہوں نے ہم پر اعتماد اور یقین کا اظہار کیا۔ ہم ان کی مسلسل حمایت اور فعال شرکت کی امید رکھتے ہیں، جبکہ ہم مل کر آنے والے سالوں میں کمپنی کی ترقی اور کامیابی کی راہ پر گامزن ہیں۔

ڈائریکٹرز کی طرف سے:

خالد سرفراز غوری	**فیضان علی غوری۔**
چیف ایگزیکٹو	**ڈائریکٹر**

کراچی: 5 ستمبر، 2024

- پچھلے چھ سالوں کے اہم آپریشنل اور مالیاتی ڈیٹا کا خلاصہ اس سالانہ رپورٹ میں شامل ہے۔
- ٹیکس اور محصولات کے بارے میں معلومات مالیاتی بیانات کے نوٹس میں دی گئی ہیں۔
- کمپنی کی جانب سے حاصل کردہ تمام قرضوں کی ادائیگیوں میں کوئی تاخیر یا ڈیفالٹ کا امکان نہیں ہے۔

انڈسٹری کا منظرنامہ

سال 2023-24 پاکستان کے لیے ایک بڑی کامیابی کا سال ثابت ہوا، کیونکہ ملک نے ایک بہترین چاول کی فصل حاصل کی، جو پچھلے سال کی سیلاب سے متاثرہ پیداوار کے مقابلے میں نمایاں بہتری تھی۔ چاول پاکستان کی قیمتی ترین برآمدی اشیاء میں سے ایک ہے اور یہ ملک کی مجموعی برآمدی آمدنی میں 8.4 فیصد کا حصہ ڈالتا ہے۔ پاکستان کی تاریخ میں پہلی بار، تمام اقسام کے چاول کی برآمدات 6 ملین میٹرک ٹن سے تجاوز کر گئیں، جس سے 3.93 ارب امریکی ڈالر کی آمدنی حاصل ہوئی۔ اس قابل ذکر ترقی کا سہرا کاشتکاری کے رقبے میں اضافے اور جدید کاشتکاری ٹیکنالوجیز کے اپنانے کو جاتا ہے، جس نے ہمارے محنتی کسانوں کو براہ راست فوائد فراہم کیے ہیں۔

موافق حالات کی بدولت، چاول کی قیمتیں پچھلے سال کے مقابلے میں تقریباً 30 فیصد تک بڑھ گئی ہیں، جس سے پاکستان کی زرمبادلہ کی آمدنی میں نمایاں اضافہ ہوا ہے۔ عالمی سطح پر چاول کی قیمتیں پچھلے 15 سالوں کی بلند ترین سطح پر پہنچ گئی ہیں، جس کی وجوہات میں جنگیں، تحفظ پسندانہ پالیسیاں، اور گھبراہٹ میں خریداری شامل ہیں۔ جولائی 2023 میں بھارت کی جانب سے نان باسمتی سفید چاول کی برآمدات پر عارضی پابندی اور پاربوائلڈ چاول پر 20 فیصد ایکسپورٹ ڈیوٹی نے پاکستان کے لیے ایک منفرد موقع پیدا کیا۔ پاکستان نے جنوب مشرقی ایشیا اور مغربی نصف کرہ سمیت نئے خطوں میں کامیابی سے قدم جمانے کے بعد ان مارکیٹ حالات کا بھرپور فائدہ اٹھایا ہے، جس سے روایتی مارکیٹوں سے ہٹ کر اپنے دائرہ کار کو وسعت دی ہے۔

باسمتی اقسام نے شاندار کارکردگی کا مظاہرہ کیا، جس کی برآمدات 773,775 ٹن 2023 میں 595,617 ٹن سے زیادہ تک پہنچ گئیں اور 877.077 ملین ڈالر کی آمدنی پچھلے سال کے 650.532 ملین ڈالر کے مقابلے حاصل کی، جبکہ اوسط فی ٹن (APT) قیمت 1,134 ڈالر رہی۔ دوسری جانب، نان باسمتی چاول کی برآمدات 5.245 ملین ٹن تک پہنچ گئیں 2023 میں 3.122 ملین ٹن کے مقابلے میں، جس سے 3.055 بلین ڈالر کی آمدنی حاصل ہوئی، جو کہ پچھلے سال کے 1.498 بلین ڈالر کے مقابلے میں ایک نمایاں اضافہ ہے۔ یہ غیر معمولی ترقی پاکستان کی عالمی چاول مارکیٹ میں مضبوط پوزیشن کو ظاہر کرتی ہے۔

اگرچہ پیداواری لاگت میں اضافہ ہو رہا ہے، پاکستان عالمی سطح پر اپنی مسابقت برقرار رکھے ہوئے ہے۔ اسٹینڈرڈ آپریٹنگ پروسیجرز (SOPs) کو بہتر بنانے اور کارکردگی میں بہتری پر توجہ مرکوز کر کے، چاول کی صنعت قائم اور ابھرتی ہوئی مارکیٹوں میں ترقی جاری رکھنے کے لیے اچھی طرح تیار ہے۔

مستقبل کا منظرنامہ

معاشی اشاریوں میں معمولی بہتری دیکھی گئی ہے۔ مسلسل قرضوں کی ادائیگیوں اور کمزور آمد کے باوجود، زرمبادلہ کے ذخائر تقریباً 9.5 ارب امریکی ڈالر پر مستحکم ہیں۔ اگست 2024 میں افراط زر میں نمایاں بہتری آئی، جو 9.6 فیصد تک گر گئی، اس کی وجہ طلب میں کمی، اہم غذائی اشیاء کی بہتر فراہمی، اور عالمی تیل کی قیمتوں میں نمایاں کمی تھی۔ ڈسکاؤنٹ ریٹ 19.5 فیصد پر برقرار ہے، جس کے نتیجے میں 10 فیصد کا مثبت حقیقی سود کی شرح ہے، جو آنے والے مہینوں میں ممکنہ شرح میں کمی کی علامت ہے۔ افراط زر میں اس تیزی سے کمی سے حکومت کو نجی شعبے میں لیکویڈیٹی شامل کرنے کا موقع ملتا ہے، جس سے معاشی ترقی کو مزید تقویت مل سکتی ہے۔ قرض لینے کی لاگت میں کمی سے نجی شعبے کی سرمایہ کاری میں اضافہ ہوگا، جو معاشی سرگرمیوں کو یقیناً فروغ دے گا۔

حکومت کی جانب سے حال ہی میں چاول کی صنعت کے لیے ہائبرڈ ٹیکس نظام، جس میں 29 فیصد سٹینڈرڈ ٹیکس اور 1 فیصد کم از کم ٹیکس، 1 فیصد ایڈوانس ٹیکس، اور 10 فیصد سپر ٹیکس کا مجموعہ شامل ہے، کے نفاذ سے صنعت میں بحث کا آغاز ہوا ہے۔ اگرچہ یہ پالیسی تبدیلیاں کچھ چیلنجز پیش کرتی ہیں، لیکن یہ جدت اور موافقت کے مواقع بھی فراہم کرتی ہیں۔ چاول کی صنعت حکومت کے ساتھ سرگرمی سے کام کر رہی ہے تاکہ یہ یقینی بنایا جا سکے کہ یہ نئی ٹیکس پالیسیاں برآمدات کی ترقی کو برقرار رکھنے کے مقصد سے ہم آہنگ ہوں۔

پاکستان میں بہت سے کسان برآمدی فصلوں کے لیے کیڑے مار ادویات کے قانونی حدود، یا کون سے ایگرو کیمیکلز کی اجازت ہے اور ان کے استعمال کے درمیان مناسب وقفہ کی آگاہی نہیں رکھتے۔ ہمارا "کسان دوست پروگرام" ان معاملات میں کسانوں کو آگاہی فراہم کرنے اور چاول کے شعبے میں پیداوار اور پائیداری کو بہتر بنانے کے لیے "سسٹین ایبل رائس پلیٹ فارم" (SRP) کے رہنما اصولوں کو فروغ دینے میں اہم کردار ادا کر رہا ہے۔

آگے دیکھتے ہوئے، لانینا موسمی نظام کی متوقع واپسی ایشیا پیسفک خطے بشمول انڈونیشیا، فلپائن، ویتنام، آسٹریلیا اور بھارت میں چاول کی پیداوار کو بہتر کرنے کا امکان ہے۔ یہ بحالی عالمی چاول کی قیمتوں کو مستحکم کر دے گی، جو پاکستان کے لیے بین الاقوامی مارکیٹ میں اپنی پوزیشن کو مضبوط کرنے اور برآمدات کے لیے نئے مواقع تلاش کرنے کا موقع فراہم کرے گی۔ مزید برآں، بھارت کی جانب سے اکتوبر کی فصل کے بعد چاول کی برآمدی پالیسیوں کا جائزہ لینے کا امکان ہے، جو اگلے سال پاکستانی برآمدات پر اثر انداز ہو سکتا ہے۔

لانے میں اہم کردار ادا کرتا ہے۔

یہ اقدامات ہماری بنیادی اقدار کو ظاہر کرتے ہیں اور ایک بہتر مستقبل کے لیے ہمارے عزم کی عکاسی کرتے ہیں۔ ہم معاشرتی اور ماحولیاتی ترقی کے لیے اپنے عزم کے ذریعے مثبت اثرات جاری رکھنے کے لیے پر جوش ہیں۔

اندرونی مالی کنٹرول

ڈائریکٹرز کمپنی کے اندرونی مالیاتی کنٹرول کے حوالے سے اپنی ذمہ داری سے مکمل طور پر آگاہ ہیں۔ انتظامیہ، داخلی اور خارجی آڈیٹرز کے ساتھ مکمل مشاورت کے بعد، وہ پُر اعتماد ہیں کہ کمپنی نے مالیاتی آپریشنز کی درستگی اور کارکردگی کو یقینی بنانے کے لیے مضبوط کنٹرول نافذ کیے ہیں۔

صنفی تنوع

اداروں میں صنفی تنوع کی اہمیت اس کی تاریخی عدم نمائندگی سے ابھرتی ہے، جو آج کے ترقی پذیر ماحول میں کاروباری ترقی کے لیے مختلف خیالات اور نقطہ نظر کی ضرورت کو اجاگر کرتی ہے۔ برابری پر مبنی کلچر جدت اور کامیابی کا ایک طاقتور محرک ہے۔ متنوع اور شمولیت پر مبنی ورک فورس، جو مختلف نقطہ نظر اور طریقوں سے مالا مال ہو، عالمی معیشت میں مسابقت بڑھاتی ہے۔ صنفی تنوع شامل اور محفوظ کام کی جگہوں کو فروغ دیتا ہے، ملازمین کی اطمینان کو بہتر بناتا ہے، اور مختلف خیالات کو سامنے لاتا ہے۔ اس مقصد کے لیے، کمپنی تمام جنسوں کو مساوی مواقع فراہم کرنے کے لیے پر عزم ہے، جو مثبت اور پیداواری نتائج کا سبب بنتے ہیں۔

رسک مینجمنٹ

رسک مینجمنٹ کمپنی کو ممکنہ خطرات کی نشاندہی کرنے اور ان سے نمٹنے کے لیے ضروری اوزار اور حکمت عملی فراہم کرنے کے قابل بناتی ہے۔ انٹرپرائز رسک مینجمنٹ (ERM) کے نفاذ کے ذریعے، کمپنی نہ صرف نئے مواقع سے فائدہ اٹھاتی ہے بلکہ خطرات کے امکانات کو بھی کم کرتی ہے۔ اس نظام کی نگرانی بورڈ آڈٹ کمیٹی کرتی ہے، جبکہ بورڈ آف ڈائریکٹرز بالآخر ممکنہ خطرات کی نگرانی کی ذمہ داری اٹھاتا ہے۔

کمپنی ایسے تمام خطرات کی نشاندہی، جائزہ اور تخمینہ لگاتی ہے جو کاروبار پر اثر انداز ہو سکتے ہیں۔ جب کوئی اہم خطرہ سامنے آتا ہے، تو فوری کارروائی کی جاتی ہے تاکہ اس کے اثرات کو کم کیا جا سکے۔ کمپنی ان اقدامات کے نتائج کی قریب سے نگرانی کرتی ہے اور خطرات کو کنٹرول کرنے میں ان کی مؤثر ہونے کی باقاعدگی سے جانچ کرتی ہے۔

ممکنہ خطرات کی نشاندہی کا کام بورڈ آف ڈائریکٹرز کے ذمہ ہوتا ہے، جبکہ سینئر مینجمنٹ اپنے زیر نگرانی رسک کی نشاندہی اور ان کے انتظام کی ذمہ دار ہوتی ہے۔ بورڈ آڈٹ کمیٹی اس بات کو یقینی بناتی ہے کہ بورڈ کی جانب سے اپنائی گئی ERM طریقہ کار کو پوری تنظیم میں مؤثر طریقے سے نافذ کیا جائے۔

اہم خطرات کو احتیاط سے نوٹ کیا جاتا ہے، ان کا جائزہ لیا جاتا ہے، اور متعلقہ شعبوں کو سونپا جاتا ہے۔ ان خطرات کو کم کرنے کے لیے، کمپنی اسٹینڈرڈ آپریٹنگ پروسیجرز (SOPs) کو اپ گریڈ کرنے، عمل کو دوبارہ منظم کرنے، اور آپریٹنگ طریقوں کو مسلسل بہتر بنانے پر توجہ دیتی ہے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک کی تعمیل

پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز میں درج کارپوریٹ گورننس کے کوڈ کی ضروریات، جو کہ سال 30 جون 2024 کو ختم ہوتا ہے، کمپنی نے اپنائی ہیں اور اس کی مکمل تعمیل کی گئی ہے۔ اس اثر کی ایک بیان اس رپورٹ کے ساتھ منسلک ہے۔

کوڈ کی دفعات کے مطابق، بورڈ ممبران مندرجہ ذیل بیان کو ریکارڈ پر رکھنے میں خوش ہیں:

- کمپنی کے انتظامیہ کے ذریعہ تیار کردہ مالیاتی بیانات کمپنی کی حالت، آپریشنز کے نتائج، نقد بہاؤ، اور ایکویٹی میں تبدیلیوں کو درست طریقے سے پیش کرتے ہیں۔
- کمپنی نے مناسب اکاؤنٹ کی کتابیں رکھی ہیں۔
- مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر اپنایا گیا ہے اور اکاؤنٹنگ تخمینے مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- پاکستان میں لاگو ہونے والے بین الاقوامی مالیاتی رپورٹنگ معیارات مالیاتی بیانات کی تیاری میں اپنائے گئے ہیں۔
- داخلی کنٹرول کا نظام مضبوط ڈیزائن پر مبنی ہے اور اس کو مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔
- کمپنی کی جاری رہنے کی صلاحیت کے بارے میں کوئی شبہ نہیں ہے۔
- لسٹنگ ریگولیشنز میں دی گئی بہترین کارپوریٹ گورننس کی پریکٹسز سے کوئی قابل ذکر انحراف نہیں ہوا ہے۔

ڈائریکٹرز کے تربیتی پروگرام

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

ڈائریکٹرز کی کارکردگی کا جائزہ

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

آڈیٹرز کی تقرری

موجودہ آڈیٹرز میسرز گرانٹ تھورنٹن انجم رحمٰن، چارٹرڈ اکاؤنٹینٹ رواں سال ریٹائر ہو گئے ہیں۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے میسرز گرانٹ تھورنٹن انجم رحمٰن کو 30 جون 2025 ختم ہونے تک بطور کمپنی آڈیٹرز تعینات کرنے کی شفارش کی ہے۔ جس کا فیصلہ باہمی طے شدہ فیس کی بنیاد پر عام اجلاس میں حصص داران کی منظوری سے مشروط ہے۔

حصص داران کی تفصیل

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

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

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

ہماری کمپنی حفاظت اور ماحولیاتی تحفظ کے اعلیٰ ترین معیارات کو برقرار رکھنے کے عزم کے تحت، اپنے ملازمین اور ٹھیکیداروں کی جانب سے حفاظت کے پروٹوکول کی سختی سے پیروی کو اولین ترجیح دیتی ہے۔ یہ سسٹمز اور عمل بین الاقوامی معیارات اور صنعت کی بہترین روایات کے مطابق ترتیب دیے گئے ہیں۔

ہم ایک محفوظ اور صحت مند کام کے ماحول کو فروغ دینے کے لیے پائیدار کام کی جگہ کے طریقوں کو فروغ دینے کے لیے پر عزم ہیں۔ اس کوشش کے حصے کے طور پر، ہم نے ایک جامع ورک پلیس سیفٹی پروگرام نافذ کیا ہے۔ اس پروگرام میں حفاظتی گیپ تجزیے شامل ہیں، جن کا مقصد ممکنہ خطرات کی نشاندہی اور ان کا تدارک کرنا ہے۔ اس طرح، ہم اپنی ورک فورس کی بھلائی کو یقینی بنانے اور ایک محفوظ، پیداواری ماحول کو برقرار رکھنے کا ہدف رکھتے ہیں۔

پائیدار کاروباری حکمت عملی

ہماری کاروباری حکمت عملیاں پائیداری اور ماحولیاتی تحفظ کے ہمارے وژن کے ساتھ گہرائی سے ہم آہنگ ہیں۔ ہمیں فخر ہے کہ ہم نے اپنے کاربن فٹ پرنٹ کو کم کرنے اور قدرتی ماحول کے تحفظ میں نمایاں پیشرفت کی ہے۔ ہمارے کامیاب اقدامات میں سے ایک اہم اقدام شمسی توانائی پر منتقل ہونا رہا ہے۔ یہ ماحول دوست تبدیلی ماحولیاتی ذمہ داری کے لیے ہمارے غیر متزلزل عزم کو ظاہر کرتی ہے اور ایک صاف اور پائیدار مستقبل کی طرف ایک اہم قدم ہے۔

کارپوریٹ سوشل ریسپانسبلٹی (CSR)

میٹکو فوڈز لمیٹڈ میں، ہم معاشرتی اور ماحولیاتی مقاصد کے لیے کردار ادا کرنے کے لیے پر جوش ہیں اور اپنی کمیونٹی کے تمام حصوں کے ساتھ مضبوط اور بامعنی تعلقات بنانے پر فخر محسوس کرتے ہیں۔ یہ عزم ہماری نمایاں سرگرمیوں میں جھلکتا ہے، جن میں تعلیم اور صحت کی سہولتوں کو ہماری کوششوں کا مرکز بنایا گیا ہے۔

ہم تعلیم کی طاقت پر یقین رکھتے ہیں اور اس بات پر فخر ہے کہ ہم معیاری تعلیم کو ہر ایک کے لیے زیادہ قابل رسائی بنا رہے ہیں۔ ہم اپنے ملازمین کے بچوں کی تعلیم کے لیے مالی معاونت بھی فراہم کرتے ہیں تاکہ روشن اور خوشحال مستقبل کی تعمیر میں مدد ملے۔ مزید برآں، ہماری صحت کے لیے وابستگی اس بات کو یقینی بناتی ہے کہ ہر شخص کو مالی وسائل کی پرواہ کیے بغیر مناسب صحت کی سہولت ملے۔ اس کے ذریعے ہم ایک صحت مند اور جامع معاشرہ تشکیل دینے کی کوشش کرتے ہیں۔

ہم اپنی فلاحی شراکتوں پر بھی اتنے ہی فخر کرتے ہیں، جہاں ہم نے کل 17.43 ملین روپے کے عطیات اہم مقاصد کے لیے دیے ہیں۔ اس میں سے 16.59 ملین روپے غوری ٹرسٹ کو دیے گئے، جو پاکستان میں تعلیم کو بہتر بنانے اور اسے سب کے لیے قابل رسائی بنانے کے لیے کام کرتا ہے۔ ٹرسٹ، سٹیزنز فاؤنڈیشن (TCF) کے ساتھ شراکت کے ذریعے، پسماندہ کمیونٹیز کے لیے تعلیم کی حمایت کر کے مستقل، مثبت تبدیلیاں

غیرا یگزیکٹوڈائریکٹرز کے معاوضے کی پالیسی

بورڈ کے ارکان کی معاوضے کا تعین اور منظوری بورڈ کی جانب سے کی جاتی ہے، جس میں یہ اصول اپنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنی ذاتی معاوضے کے فیصلے میں حصہ نہیں لیتا۔ شفافیت اور لسٹڈ کمپنیز (کارپوریٹ گورننس کوڈ) ریگولیشنز 2019 کی تعمیل کو یقینی بنانے کے لیے، ڈائریکٹرز اپنے ذاتی معاوضے سے متعلق کسی بھی بحث سے گریز کرتے ہیں۔

خاص طور پر نان ایگزیکٹوڈائریکٹرز کو بورڈ اجلاسوں میں شرکت کے لیے فیس کے علاوہ کوئی معاوضہ نہیں ملتا۔ ہماری معاوضے کی پالیسیاں صنعت کے معیار اور کاروباری دنیا کی بہترین روایات کے مطابق ٹیلنٹ کو متوجہ اور برقرار رکھنے کے لیے تیار کی گئی ہیں۔

چیف ایگزیکیٹو اور ایگزیکیٹوڈائریکٹرز کے معاوضے کی پالیسی

چیف ایگزیکٹو اور دیگر ڈائریکٹرز کے معاوضے کا پیکیج نوٹ 44 میں مالی بیانات میں ظاہر کیا گیا ہے۔

بورڈ کے اجلاس اور حاضری

مذکورہ سال میں بورڈ کے چار (4) اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری درج ذیل ہے۔

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

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

بورڈ آڈٹ کمیٹی

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

ممبران کے نام	حاضری
جناب سید کامران رشید ــ چیئرمین	3
جناب عبدالصمد خان	3
جناب محمد محسن	4

انسانی وسائل اور معاوضہ کمیٹی

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

ممبران کے نام	حاضری
محترمہ اُمہ حبیبہ , چیئرمین	1
جناب جاوید علی غوری	1
جناب خالد سرفراز غوری	1
مسز فریال مرتضٰی	1
جناب فیضان علی غوری	1

ان پیچیدہ چیلنجز کے جواب میں، کمپنی جامع حکمت عملیوں کو نافذ کر رہی ہے، جس میں کاروباری تنوع شامل ہے، تاکہ خطرات کو کم کیا جا سکے اور استحکام کو برقرار رکھا جا سکے۔ انتظامیہ آپریشنلا ستعداد کار کو بہتر بنانے، لاگت میں کمی پر توجہ مرکوز کرنے، اور خطرات کے انتظام کے طریقوں کو مضبوط بنانے کے لیے پرعزم ہے۔ جدت کو اپنانے کے ذریعے، کمپنی اپنے اسٹیک ہولڈرز کے لیے ویلیو کی فراہمی کو بہتر بنانا چاہتی ہے تاکہ وہ معاشی غیر یقینی صورتحال کے باوجود مسابقتی رہ سکے۔ اگرچہ مہنگائی، سیاسی عدم استحکام اور شرح سود میں اضافے جیسے موجودہ مسائل چیلنجز پیدا کرتے ہیں، لیکن کمپنی اپنے طویل مدتی امکانات کے بارے میں پرامید ہے۔ انتظامیہ کی موافقت اور لچک کے عزم کے ساتھ، وہ بدلتے ہوئے مارکیٹ کے حالات کو کامیابی سے سنبھالنے اور مسلسل ترقی اور استحکام کو یقینی بنانے کا ارادہ رکھتی ہے۔

چاول گلوکوز ڈویژن پر مختصر رپورٹ

موجودہ مالی سال میں، اگرچہ ڈویژن کو بنیادی خام مال کی لاگت پر مہنگائی کے دباؤ کا سامنا کرنا پڑا، جو پچھلے سال کی آخری سہ ماہیوں سے بڑھ رہی تھی، لیکن مستقبل کا منظرنامہ امید افزا ہے۔ اس سال کی آخری سہ ماہی میں خام مال کی قیمتوں میں نمایاں کمی ایک مثبت تبدیلی کی نشاندہی کرتی ہے۔ اس کمی سے پیداوار کی کارکردگی میں بہتری آنے کی توقع ہے اور اگلے سال ڈویژن کی مالی کارکردگی پر مثبت اثر پڑے گا، جس سے ڈویژن کو زیادہ مضبوط نتائج اور بہتر منافع حاصل کرنے کے لیے تیار کیا جائے گا۔

کارن اسٹارچ ڈویژن پر مختصر رپورٹ

موجودہ مالی سال میں، ڈویژن نے غیر معمولی کارکردگی دکھائی ہے، جس میں برآمدات کی فروخت میں 38% اور مقامی مارکیٹ کی فروخت میں 56% اضافہ ہوا ہے۔ ڈویژن نے متاثر کن آپریٹنگ منافع بھی حاصل کیا ہے، جو اس کی مضبوط مالی کارکردگی کو ظاہر کرتا ہے۔ مزید برآں، کمپنی ڈویژن کے لیے بجلی کے اخراجات کو کم کرنے کے لیے فعال اقدامات کر رہی ہے، کیونکہ یہ کمپنی میں بجلی کا سب سے بڑا صارف ہے۔ اس مسئلے کے حل کے لیے، کمپنی شمسی توانائی میں سرمایہ کاری کر رہی ہے اور 1.5 کلوواٹ کے سولر پینلز کی تنصیب جاری ہے۔ اس اقدام سے لاگت کی بچت میں مدد ملے گی اور ڈویژن کی آپریشنز میں پائیداری کو فروغ ملے گا۔

فلک فوڈز ڈویژن پر مختصر رپورٹ

کمپنی کے فلک فوڈز ڈویژن نے سہولت پر مبنی فوڈ پروڈکٹس کی صنعت میں نمایاں کامیابیاں حاصل کی ہیں، جس سے مقامی اور بین الاقوامی سطح پر کامیابیاں ملی ہیں۔ اس سیکٹر میں ترقی اور جدت نے نہ صرف مارکیٹ میں اس کی پوزیشن کو مضبوط کیا ہے بلکہ کمپنی کی مجموعی منافع میں بھی اہم کردار ادا کیا ہے۔

ڈیکسٹروز مونوہائیڈریٹ (DMH) پر مختصر رپورٹ

موجودہ سال کے دوران، DMH پلانٹ نے کمپنی کے رائس گلوکوز ڈویژن کے تحت اپنی کمرشل آپریشنز کا آغاز کیا۔ ڈویژن کی فروخت زیادہ نہیں تھی کیونکہ آپریشنل مدت کم تھی، لیکن اس کے باوجود کمپنی کی آمدنی میں مثبت کردار ادا کیا ہے۔ مستقبل میں، ڈویژن کی پیداوار میں اضافے اور آپریشنل مدت میں توسیع کے ساتھ، کمپنی کے منافع پر زیادہ نمایاں اثرات متوقع ہیں۔

بارینٹز پاکستان (پرائیویٹ) لمیٹڈ پر مختصر رپورٹ

کمپنی کی وابستہ ادارہ، بارینٹز پاکستان (پرائیویٹ) لمیٹڈ نے 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے 9.820 ملین روپے (آڈٹ شدہ) کا خالص منافع رپورٹ کیا ہے۔ تاہم، مالی سال 2024 کے پہلے چھ مہینوں کے دوران کمپنی کو 6.338 ملین روپے (غیر آڈٹ شدہ) ش بعد از ٹیکس نقصان کا سامنا کرنا پڑا۔ بارینٹز پاکستان مختلف صنعتوں کو خدمات فراہم کرتا ہے جن میں ڈیری، مشروبات، بیکڈ مصنوعات، سنیکس، پراسیسڈ گوشت اور مچھلی، ساسز اور کنڈ منٹس، مٹھائیاں اور کنفیکشنری، اور تیل و چکنائی شامل ہیں۔ حالیہ نقصان کے باوجود، ہمیں یقین ہے کہ کمپنی جلد ہی اپنے نقصانات کو پورا کر کے مجموعی منافع حاصل کرے گی۔

بورڈ کی ساخت

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

خودمختار ڈائریکٹرز	4
نان ایگزیکٹیو ڈائریکٹرز	2
ایگزیکٹیو ڈائریکٹرز	3
ڈائریکٹرز کی مجموعی تعداد	9

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

کمپنی نے موجودہ مالی سال کے دوران مالی کارکردگی میں قابل ذکر بہتری حاصل کی، جس میں خالص فروخت اور مجموعی منافع میں نمایاں اضافہ ہوا، باوجود اس کے کہ کمپنی کو اقتصادی مشکلات کا سامنا کرنا پڑا۔ خالص فروخت میں 39% کا اضافہ ہوا، جو پچھلے سال کے 19,985 ملین روپے کے مقابلے میں 27,696 ملین روپے تک پہنچ گئی۔ اس مضبوط ترقی کا عکاس فروخت کی سرگرمیوں میں وسعت ہے، جو باسمتی چاول کی برآمدی مقدار میں 25% اضافے سے ہوئی، جس نے 40,923 میٹرک ٹن تک رسائی حاصل کی۔ اوسط برآمدی قیمت میں معمولی بہتری دیکھنے میں آئی، جو 1,220 امریکی ڈالر سے بڑھ کر 1,237 امریکی ڈالر تک پہنچ گئی۔ تاہم، مقامی سطح پر باسمتی چاول کی فروخت میں 33% کمی واقع ہوئی، جو مقامی صارفین کی خریداری کی طاقت میں کمی اور کمزور ملکی مارکیٹ کا اشارہ ہے۔

مجموعی منافع میں 29% اضافہ ہوا، جو 2,453 ملین روپے سے بڑھ کر 3,171 ملین روپے تک پہنچ گیا، لیکن یہ نمو فروخت میں اضافے کی شرح کے مقابلے میں کم رہی، جس سے ظاہر ہوتا ہے کہ فروخت کی لاگت 40% کی زیادہ تیزی سے بڑھی۔ فروخت کی لاگت میں اس اضافے کی وجہ بجلی، توانائی، اور دیگر سہولتی اخراجات پر مہنگائی کا دباؤ ہے۔ کمپنی کے فروخت اور تقسیم کے اخراجات میں بھی 66% کا نمایاں اضافہ ہوا، جو اس بات کی نشاندہی کرتا ہے کہ مارکیٹنگ، تقسیم، اور لاجسٹکس میں بڑھتی ہوئی سرمایہ کاری مارکیٹ میں پہنچ کو وسعت دینے کے لیے ضروری تھی۔ اس کے برعکس، انتظامی اخراجات میں نسبتاً معتدل 20.7% اضافہ ہوا، جو عمومی مہنگائی کے دباؤ کی عکاسی کرتا ہے۔

کمپنی کو درپیش ایک اہم چیلنج مالیاتی اخراجات میں 90% کا نمایاں اضافہ تھا، جو 1,182 ملین روپے سے بڑھ کر 2,244 ملین روپے تک پہنچ گیا۔ اس اضافے کی بنیادی وجہ زیادہ مالیاتی شرحیں اور برآمد کنندگان کے لیے سبسڈی شدہ مالیات کی شرحوں میں اضافہ تھا۔ مستحکم USD-PKR شرح تبادلہ کے باوجود، زرمبادلہ سے حاصل ہونے والے منافع نے ان بڑھتے ہوئے مالیاتی اخراجات کے اثرات کو کم نہیں کیا، اور کمپنی کی منافع بخش کارکردگی میں کمی واقع ہوئی، جس کی وجہ سے 2023 میں 556 ملین روپے کے منافع سے 2024 میں 262 ملین روپے کا خسارہ ہوگیا۔ اہم اقتصادی دباؤ میں ریکارڈ حد تک بلند توانائی اور بجلی کی لاگت، پیداوار اور انتظامی اخراجات پر مہنگائی کے اثرات، اور مقامی مارکیٹ میں خریداری کی قوت میں کمی شامل ہیں۔ مزید برآں، برآمدی شعبے میں، بحیرہ احمر کے خطے میں سپلائی چین کی رکاوٹوں نے کمپنی کی برآمدی کارکردگی کو نمایاں طور پر متاثر کیا۔

بنیادی خطرات اور غیر یقینی صورتحال

اس سال ملک میں چاول کی زیادہ مستحکم فصل متوقع ہے جس کا موازنہ پچھلے سال سے کیا جا رہا ہے۔ تاہم، کمپنی کو متعدد معاشی چیلنجز کا سامنا ہے جو اس کی کارکردگی اور ترقی پر اثر ڈال سکتے ہیں۔

غیر ملکی زرمبادلہ کی شرح میں اتار چڑھاؤ ایک اہم مسئلہ ہے۔ اگرچہ غیر ملکی زرمبادلہ کی سیالیت میں کچھ بہتری آئی ہے، لیکن ملک کو اب بھی ساختی چیلنجز کا سامنا ہے۔ آئندہ سالوں میں بھاری قرض کی ادائیگیاں غیر ملکی زرمبادلہ کے ذخائر پر مزید دباؤ ڈالنے کا سبب بن سکتی ہیں، جس سے کرنسی کی قدر میں کمی کا خطرہ بڑھ جائے گا، جو کمپنی کی بین الاقوامی لین دین اور منافع پر منفی اثر ڈال سکتا ہے۔

مسلسل مہنگائی اور زیادہ شرح سود کاروبار کرنے کی لاگت میں اضافہ کر رہی ہیں، اور ساتھ ہی صارفین کی خریداری کی طاقت کو بھی کم کر رہی ہیں۔ ان حالات نے ایک مشکل معاشی ماحول پیدا کر دیا ہے، جس سے کمپنی کی لاگت کے ڈھانچے پر دباؤ پڑا ہے اور خاص طور پر مقامی مارکیٹ میں اس کی مصنوعات کی طلب میں کمی ہوئی ہے۔

حکومتی قوانین، سیاسی عدم استحکام اور وسیع تر جغرافیائی سیاسی ماحول مزید خطرات کا باعث بنتے ہیں۔ حکومتی پالیسی میں غیر یقینی صورتحال سے معاشی ترقی سست ہوسکتی ہے اور صارفین کی طلب میں کمی ہوسکتی ہے۔ خطے میں سیاسی عدم استحکام مزید غیر یقینی صورتحال پیدا کرتا ہے، جو کاروباری تسلسل، سرمایہ کاری کے ماحول، اور طویل مدتی منصوبہ بندی پر اثر انداز ہوتا ہے۔

ماحولیاتی خدشات بھی ایک اہم خطرے کے طور پر سامنے آ رہے ہیں۔ ناموافق ماحولیاتی حالات، جن میں موسمیاتی تبدیلی بھی شامل ہے، کمپنی کو اپنے آپریشنز میں تبدیلی لانے پر مجبور کر سکتے ہیں تاکہ پائیداری کے طریقوں کے مطابق ہوسکیں، جس سے لاگت میں اضافہ ہوسکتا ہے۔

اس کے علاوہ، معیشت میں زیادہ شرح سود کمپنی کے قرض لینے کے اخراجات میں اضافہ کر رہی ہے، جس سے ترقیاتی منصوبوں کے لیے مالی اعانت حاصل کرنا مشکل ہو رہا ہے۔

جغرافیائی سیاسی مسائل، خاص طور پر بحیرہ احمر کے خطے میں تجارتی راستوں میں رکاوٹیں، کمپنی کی بین الاقوامی مارکیٹوں میں مصنوعات کی برآمد کرنے کی صلاحیت کو مزید پیچیدہ بنا رہی ہیں، جو آمدنی کے ذرائع پر اثر انداز ہوسکتی ہیں۔

ڈائریکٹرز رپورٹ

اللہ سبحانہ تعالیٰ کے فضل سے اور بورڈ آف ڈائریکٹرز (BOD) کی طرف سے، مجھے 30 جون 2024 کو ختم ہونے والے سال کے لیے میٹکو فوڈز لمیٹڈ کی سالانہ رپورٹ کے ساتھ آڈٹ شدہ مالیاتی گوشواروں اور آڈیٹرز کے ساتھ پیش کرتے ہوئے مسرت ہو رہی ہے۔

OPERATING RESULTS:

	Unconsolidated		Consolidated	
	2024	2023 (Restated)	2024	2023 (Restated)
	------Rupees------			
Sales - net	**27,695,667,805**	19,985,401,101	**27,705,171,773**	20,009,062,264
Cost of sales	**(24,524,645,802)**	(17,532,145,553)	**(24,524,645,802)**	(17,532,145,553)
GROSS PROFIT	**3,171,022,003**	2,453,255,548	**3,180,525,971**	2,476,916,711
Selling and distribution expenses	**(590,691,407)**	(355,178,974)	**(603,352,830)**	(355,999,148)
Administrative expenses	**(681,528,249)**	(564,506,396)	**(708,750,049)**	(571,567,962)
	(1,272,219,656)	(919,685,370)	**(1,312,102,879)**	(927,567,110)
OPERATING PROFIT	**1,898,802,347**	1,533,570,178	**1,868,423,092**	1,549,349,601
Finance cost	**(2,243,877,030)**	(1,182,362,299)	**(2,244,155,913)**	(1,182,574,596)
Other income	**86,370,402**	53,694,455	**86,374,911**	53,703,050
Share of profit/(loss) from associated company	**-**	-	**8,504,933**	(11,249,566)
Exchange gain - net	**190,389,508**	412,369,039	**190,389,508**	412,369,039
Provision for workers' welfare fund	**-**	(15,276,100)	**-**	(15,276,100)
Provision for workers' profit participation fund	**-**	(38,190,251)	**-**	(38,190,251)
(LOSS) / PROFIT BEFORE LEVIES AND INCOME TAX	**(68,314,773)**	763,805,022	**(90,463,469)**	768,131,177
Levies - Final and Minimum Tax	**(258,998,630)**	(222,056,149)	**(258,998,630)**	(222,056,149)
Taxation	**64,847,527**	13,869,148	**64,847,527**	13,869,148
(LOSS) / PROFIT FOR THE YEAR	**(262,465,876)**	555,618,021	**(284,614,572)**	559,944,176
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	**(2.14)**	4.54	**(2.33)**	4.57

چیئرمین کی جائزہ رپورٹ

میں اعزاز حاصل ہے کہ میں میٹکو فوڈز لمیٹڈ کے بورڈ آف ڈائریکٹرز کے چیئرمین کی حیثیت سے اپنے سالانہ جائزے پیش کر رہا ہوں، جو مالی سال 30 جون 2024 کو ختم ہوا۔

ملک کی چیلنجنگ اقتصادی اور سیاسی حالات، بشمول ریکارڈ بلند افراط زر اور سود کی شرح، نے صارفین کی خریداری کی طاقت پر خاص طور پر اثر ڈالا، جس کے نتیجے میں خوراک کی مصنوعات کی مقامی طلب میں کمی واقع ہوئی۔ ان مشکلات کے باوجود، کمپنی نے لچک دکھائی اور باسمتی چاول کی برآمدات میں 25% اضافے کی بدولت خالص فروخت میں 39% اضافہ حاصل کیا۔ تاہم، افراط زر کی وجہ سے بڑھتی ہوئی قیمتوں اور مالیاتی اخراجات میں 90% کے اضافے نے 262 ملین روپے کا خالص نقصان پیدا کیا، جبکہ پچھلے سال 556 ملین روپے کا منافع ہوا تھا۔ ان چیلنجز کے باوجود، کمپنی اقتصادی منظرنامے میں رہنمائی فراہم کرنے اور اپنی مارکیٹ کی قیادت کو برقرار رکھنے کے عزم میں ہے۔

بورڈ میں نو(9) ارکان شامل ہیں، جنہیں 21 اکتوبر 2021 کو ہونے والے سالانہ جنرل اجلاس میں تین سال کی مدت کے لئے منتخب کیا گیا، جیسا کہ کمپنیوں کے ایکٹ، 2017 کی دفعہ 159 کے تحت۔ ہر رکن وسیع تجربہ اور مختلف مہارتیں لے کر آتا ہے، جو ایک مضبوط اور موثر فیصلہ سازی کے عمل کو فروغ دیتا ہے، جو کمپنی کی اسٹریٹجک سمت کی رہنمائی میں معاون رہا ہے۔

بورڈ نے اپنی کمیٹیوں کے ساتھ مل کر اسٹریٹجک منصوبہ بندی کے عمل میں فعال شرکت کی، جس نے کمپنی کے وژن پر خاص اثر ڈالا۔ نتیجتاً، بورڈ نے انتظامی ٹیم کے ساتھ مل کر کمپنی کے جامع وژن، مشن، اور اقدار کے ساتھ کارپوریٹ اہداف کی وضاحت اور ہم آہنگی کی۔

لسٹڈ کمپنیوں (کارپوریٹ گورننس) کے ضوابط 2019 کے مطابق، بورڈ آف ڈائریکٹرز کی سالانہ تشخیص کی جاتی ہے۔ یہ تشخیص بورڈ کی مجموعی کارکردگی اور اثر اندازی کا اندازہ لگانے اور کمپنی کے لیے طے شدہ مقاصد کے خلاف معیاری بنانے کے لیے کی جاتی ہے۔

مالی سال 30 جون 2024 کے اختتام کے لئے، بورڈ کی مجموعی کارکردگی اور اثر اندازی کو اطمینان بخش قرار دیا گیا ہے۔ مسلسل بہتری ایک توجہ ہے، جس کے نتیجے میں عمل کے منصوبے تیار کیے گئے ہیں۔ یہ تشخیص اہم اجزاء کی جامع تشخیص پر مبنی ہے، بشمول کمپنی کے وژن، مشن، اور اقدار کے ساتھ ہم آہنگی؛ اسٹریٹجک منصوبہ بندی میں شرکت؛ پالیسی سازی؛ کاروباری سرگرمیوں کی نگرانی؛ مالی وسائل کا انتظام؛ مالی نگرانی؛ تمام ملازمین کے ساتھ منصفانہ سلوک؛ اور بورڈ کی ذمہ داریوں کی مؤثر تکمیل۔

آپ کی کمپنی کا بورڈ آف ڈائریکٹرز ایجنڈے اور معاون مواد، بشمول پیروی کے دستاویزات، بورڈ اور کمیٹی کے اجلاسوں سے پہلے ہی فراہم کرتا ہے۔ بورڈ اپنی ذمہ داریوں کو مؤثر طریقے سے پورا کرنے کے لئے کافی بار ملاقات کرتا ہے۔ غیر ایگزیکٹو اور آزاد ڈائریکٹر تمام اہم فیصلوں میں فعال طور پر شامل ہیں۔

ہم اپنے محنتی ملازمین، معزز کلائنٹس، بینکنگ شراکت داروں، قیمتی شیئر ہولڈرز، اور مقامی انتظامیہ کے سامنے ان کی قیمتی شراکتوں کے لئے دل کی گہرائیوں سے شکر گزار ہیں۔

جاوید علی غوری
چیئرمین
کراچی: 5 ستمبر 2024

MATCO FOODS LIMITED

جناب کمپنی سیکرٹری
میٹکو فوڈز لمیٹڈ
B-1/A، S.I.T.E، فیز 1 سپر ہائی وے انڈسٹریل ایریا کراچی

پراکسی فارم

میں /ہم ------------------------------------ ساکن --

میٹکو فوڈز لمیٹڈ کے رکن کی حیثیت سے شیئر رجسٹرار فولیو نمبر---------------------------------- اور /یا سی ڈی سی پارٹیسپنٹ آئی ڈی نمبر

------------------------------------ اور اکاؤنٹ /ذیلی اکاؤنٹ نمبر ------------------ کے مطابق

------------------ حصص کے حامل ہیں، جناب/ محترمہ ---------------------------------- ساکن ------------------ ان کے ناکام

ہونے کی صورت میں جناب/ محترمہ ------------------------------ کو بروز جمعرات 24 اکتوبر، 2024 صبح 11:30 بجے انسٹی ٹیوٹ کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان، سیمینار روم، آئی سی ایم اے پاکستان بلڈنگ، ICMAP. ST-18/C ایونیو، بلاک 6، گلشن اقبال، کراچی 75300 میں اور بذریعہ ویڈیو کانفرنس منعقد ہونے والے کمپنی کے حصص یافتگان کے سالانہ اجلاس عام اور کسی زیرالتواء اجلاس میں ہماری میری/ہماری طرف سے شرکت کرنے اور رائے دہی دینے کیلئے پراکسی مقرر کرتا ہوں/ کرتے ہیں/ کرتی ہوں۔

اس دستاویز پر مورخہ------------------ 2024 کو دستخط ہوئے۔

-/5 روپے کا ریونیو اسٹیمپ چسپاں کریں

گواہ نمبر 1

دستخط------------------------

نام------------------------

شناختی کارڈ نمبر:------------------------

پتہ:------------------------

گواہ نمبر 2

دستخط------------------------

نام------------------------

شناختی کارڈ نمبر:------------------------

پتہ:------------------------

نوٹس

- ہر لحاظ سے مکمل اور دستخط شدہ پراکسی فارم اجلاس سے 48 گھنٹے قبل تک کمپنی کے رجسٹرڈ ایڈریس B-1/A، S.I.T.E، فیز 1 سپر ہائی وے انڈسٹریل ایریا کراچی کو موصول ہونا چاہیئے۔
- کمپنی کا رکن نہ ہونے کی صورت میں پراکسی قابل قبول نہیں ہوگا (سوائے کارپوریشن ایک ایسے شخص کو پراکسی مقرر کر سکتا ہے جو رکن نہ ہو)۔
- اگر ایک رکن ایک سے زائد پراکسی مقرر کرتا ہے اور کمپنی کے پاس ایک سے زائد پراکسی فارم جمع کراتا ہے تو اس طرح کے تمام پراکسی فارم غیر موثر ہوں گے۔
- پراکسی کو اجلاس کے وقت اپنے اصل شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔
- بینی فیشل اونرز اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول فارم کے ساتھ منسلک ہوں۔
- کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ معہ پراکسی کے نمونہ دستخط (اگر پہلے فراہم نہیں کئے گئے) پراکسی فارم کے ہمراہ کمپنی کے پاس جمع کرایا جانا چاہیئے۔

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 Thursday, October 24, 2024, at 11:30 a.m. at the 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 and at any adjournment thereof.

Signed this ______________ day of ____________, 2024.

Please affix
Revenue
Stamp of Rs. 5/-

Witness 1		Witness 2	
Signature	____________	Signature	____________
Name	____________	Name	____________
CNIC No.	____________	CNIC No.	____________
Address	____________	Address	____________
	____________		____________

Notes:

- This Proxy, duly completed, signed and witnessed, must be deposited at the offices of the Company's Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S. Main Shahra-e-Faisal, Karachi - 74400, Pakistan not later than forty-eight (48) hours before the time appointed for the Meeting.
- No person shall act as a proxy if he is not a member of the Company (except that a corporation may appoint a person who is not a Member).
- If a member appoints more than one proxy and more than one instrument of proxy is deposited by a member with the Company's Registrar, all such instruments or proxies shall be regarded as invalid.
- The Proxy shall produce his/her original CNIC or original passport at the Meeting.
- Attested copy of CNIC or passport of the beneficial owners and the proxy shall be provided with the Proxy form.
- ln the case of a corporate entity, the board of directors' resolution/power of attorney with specimen signature of the nominee shall be submitted along with the Proxy (unless it has been provided earlier).

MATCO FOODS LIMITED

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