



Grant Thornton

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BAS/C145/2019/0425

April 25, 2019

The Board of Directors
Matco Foods Limited
L-24/1, Block-21
Federal 'B' Industrial Area
Karachi

Gentlemen

GRANT THORNTON ANJUM RAHMAN

1st & 3rd Floor,
Modern Motors House
Beaumont Road,
Karachi 75530

T +92 021 3567 2951-56
F +92 021 3568 8834
www.gtpak.com

AUDITORS' CERTIFICATE IN RESPECT OF QUARTERLY PROGRESS REPORT

We have been requested to provide you with the certificate on annexed quarterly progress report for the quarter ended March 31, 2018 as per the requirement of clause 2.3.13 of the prospectus issued at the time of Initial Public Offer (IPO).

Scope of certificate

Our engagement was undertaken on the request of the Company to provide a certificate for onward submission as per the requirement of clause 2.3.13 of the prospectus.

Management responsibility

It is the responsibility of the Company's management to ensure compliance with all the requirements of the clause 2.3.13 of the prospectus. The primary responsibility for providing us the information and its adequate disclosure is that of the Company's management. The responsibilities of the Company's management include causing the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularities. This certificate does not relieve the Company's management of its responsibilities.

Auditors' responsibility

Our responsibility is to provide certificate on quarterly progress report made by management as required by clause 2.3.13 of the prospectus. Our report is being issued in accordance with the 'Guidelines for issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

- Obtained the progress report from management;
- Physically visit the site and observe the progress;

- Obtained supporting documents for the verification of progress;
- Verified payments relating to expenses and advances through invoices and also traced them from bank statements; and
- Verified bank balance as at March 31, 2018 by obtaining bank certificate.

Certificate

Based on the procedures performed as mentioned in the above paragraphs, we confirmed that the progress report is stated truly and fairly in all material respects.

Restriction on use and distribution

This certificate is being issued on the specific request of the Company's management for further submission to Pakistan Stock Exchange (PSX) and Security Exchange Commission of Pakistan (SECP) and may not be used for any other purpose without our prior written consent.

Yours truly

Grant Thornton Anjum Rahman

Grant Thornton Anjum Rahman
Chartered Accountants
Karachi

Encl: Progress Report



MATCO FOODS LIMITED
(Formerly Matco Rice Processing (Pvt.) Ltd.)

B-1/A, S.I.T.E. Phase 1, Super Highway Industrial
Area, Karachi 75340
Tel: +92 21 36323137 Cell: +92 301 8250969
Fax: + 92 21 36320509
Email: contact@matcofoods.com

MATCO FOODS LIMITED

Quarterly Progress Report

Expansion of Rice Glucose Project

As on March 31, 2019

This Progress Report is in pursuance of the requirement specified in the clause 2.3.13 of the prospectus of the Company. This quarterly progress report is prepared in connection with previous quarterly reports already delivered to Pakistan Stock Exchange (PSX) dated May 14, 2018, July 23, 2018, October 18, 2018 and January 15, 2019 and also placed at website of Pakistan Stock Exchange (PSX).

We would like to update the following progress has been achieved on the implementation of the expansion of the Rice Glucose Project during the January – March 2019 quarter:

1. Pre-cleaner and drum pre-cleaner has been installed.
2. Installation of 412.92 KW on-grid solar system has been partially completed and the system is in testing phase.
3. Installation of the following is in progress:
 - a. Bucket elevator
 - b. Commercial Bin E-series
 - c. Pre-engineered building
4. Fabrication work of stainless steel tanks has been completed.
5. Screw Air Compressor with standard accessories has been delivered at site by Rastgar & Co. (Local agent of M/s. Garner Denver FZE).
6. Installation of Industrial Drying Oven has been completed.
7. Designing of electrical panels have been completed and panel board have been ordered to RA Engineering Company.
8. Extension of gas pipeline have been completed by S.S.G.C however, in-house work on gas supply and captive power generation is remaining.
9. Chemicals tanks has been delivered by M/s. Suria Engineering at site and foundation work has been started for chemical tanks.
10. Enhanced load capacity from 574 KW to 1264 KW from K-electric has been started to receive.
11. Third and final shipment of plant from Beijing Meckey Engineering Co. has been arrived at site and following work is in progress:
 - a. Construction of working platforms and ladders
 - b. Inter-connecting piping



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c. Installment of pumps and other machinery

12. Installation of Ion Exchanger Tanks (integral part of rice glucose plant) has been completed.

We would like to further update you that the initial project cost was estimated by taking US Dollar at the rate prevailing at that time. However, the devaluation of Pakistani Currency and other stringent economic measures will likely to increase the project cost by 15% to 20%. The management believes that the project will be completed by bridging the gap in the cost with company's own resources.

It is expected that installation will be completed by June 2019.

The Summary of IPO proceeds and its quarterly utilization is as follows:

Description	First quarter end March, 2018	Second quarter end June, 2018	Third quarter end September, 2018	Fourth quarter end December, 2018	Fifth quarter end March, 2019	Total
-----Rupees-----						
Opening Cash at Bank	-	721,962,202	349,473,757	247,333,990	120,869,442	
IPO Proceeds	757,718,000	-	-	-	-	757,718,000
Preliminary Expenses	(35,755,798)	(9,544,566)	(608,146)	-	-	(45,908,510)
Other Expenses / Advances	-	(65,943,879)	(47,758,064)	(126,464,548)	(94,695,034)	(334,861,525)
Paid on account of LC	-	(297,000,000)	(53,773,557)	-	-	(350,773,557)
Cash at bank	721,962,202	349,473,757	247,333,990	120,869,442	26,174,408	26,174,408

Chief Executive Officer

Company Secretary





