

THE ORGANIC MEAT COMPANY LIMITED

004/Secy/10th AGM/PSX/2019-20
October 05, 2020

THE GENERAL MANAGER
PAKISTAN STOCK EXCHANGE LIMITED
STOCK EXCHANGE BUILDING
STOCK EXCHANGE ROAD
KARACHI.

SUB: UPLOADING OF ANNUAL AUDITED ACCOUNTS OF THE COMPANY ON OUR WEBSITE

Dear Sir,

please be informed that Audited Annual Accounts of the Company for the period ended 30th June 2020 have been uploaded on our website, www.tomcl.net. You are requested to inform the members of your Exchange please.

Thanking you,

Yours truly,
For **The Organic Meat Company Limited**

(Abdul Quadir)
Company Secretary



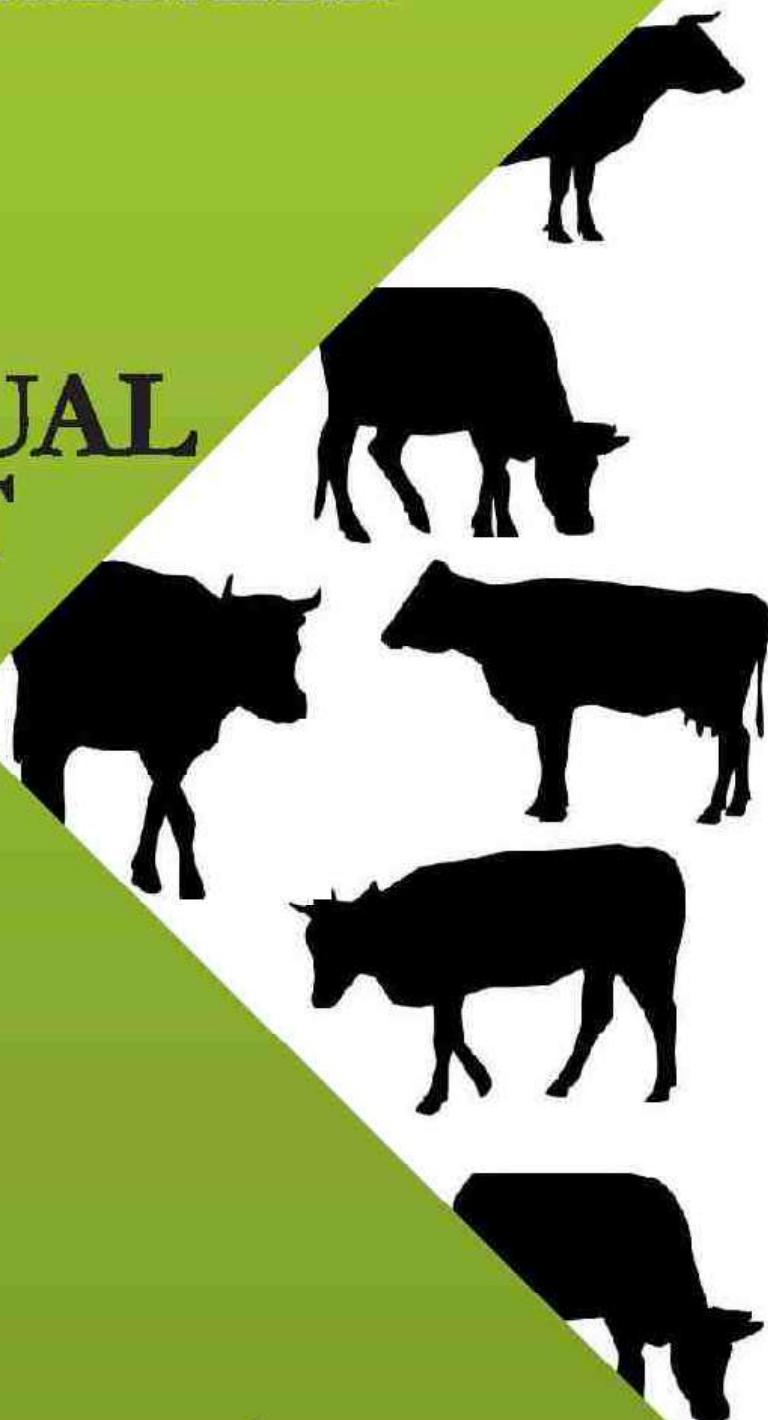
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Plant Address : Survey # 310, Deh Shah Mureed, Gadap, Karachi.



THE ORGANIC MEAT COMPANY LIMITED

ANNUAL REPORT

2019-2020



**Processors & Exporters of
Halal Beef, Mutton & Offal Products**

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Since 2010, We Are Trusted
to Produce Quality and Hygienic
Meat and Offal Products

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COMPANY PROFILE

The Organic Meat Company Limited referred as “TOMCL” was founded in 2010 with a vision of adding value to the meat industry of Pakistan. TOMCL has been pioneer in the meat export industry by bringing in new product, packaging and transportation option ranges of Pakistani meat as against the conventional fresh meat exports from Pakistan. Resultantly we have the fastest growing portfolio of meat and offal products as well as export destinations.

The key values of the Company revolve around producing quality products, maintaining a motivated workforce, a safe working environment and integrity, while making a positive contribution to the community. The Company’s expertise is in producing products of high quality, tenderness and freshness from the healthiest, grass fed and free range animals from the green agricultural lands of Pakistan, and exporting these beef, mutton and edible offal products to a variety of destinations in Asia and the CIS region. The Company is certified and audited by various local and international governmental food safety and veterinary authorities on regular basis.

A state-of-the-art production facility which includes latest plant & machinery located in Gadap Town, Karachi boasts a hygienic manufacturing practice and sufficient capacity to produce various forms of meat and offal products. Our plant is able to process fresh, chilled, frozen, vacuum packed, cooked and processed (ready to cook/fry) products.

We believe Pakistani animals are of top quality and ensure that only healthy and well-bred animals which meet international veterinary and premium quality standards are procured for the production of mutton and beef. It is further ensured that animals are only purchased from disease free zones of Pakistan and regular updates of any epidemic outbreaks are monitored by the veterinary department at the Company. The Company enjoys being the pioneer of various innovations and achievements in the meat industry of Pakistan. Apart from being the first company to export frozen boneless beef meat to Saudi Arabia, TOMCL is also the first one to initiate export of

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vacuum packed boneless beef and fresh chilled bone-in beef via sea. Pioneering the export markets like Maldives and Vietnam, the Company enjoys the largest market access globally from Pakistan.



Hygienic meat products, animal welfare and safe working environment are the keys to our standard operating procedures. The production and hygiene procedures of the Company are ensured to be in compliance with all the international standards including that of ISO 9001-2015, HACCP for Food, GMP, Gulf Standards, SASO, DVS Malaysia, GOVS Egypt and various other international organizations. TOMCL highly values and executes the Halal principles for treatment and slaughtering of animals. The Company is certified and monitored by various Halal monitoring organizations including Jamia Markaz-e Uloom-e-Islamia Pakistan, Dar Ul Shia Institute Karachi and International Halal Center, Pakistan.



The Company strives to further improve and be an outstanding example for the meat industry globally. The vision is based on promoting extra ordinary quality beef and mutton animals from Pakistan by adding value to the product to achieve better commercial gains for the country. Graciously, TOMCL is one of the largest meat producers of Pakistan with the massive potential to go further. From a family business to the fastest growing meat exporter in Pakistan, we stand dedicated to serve the desires of our customers and our nation.



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ACCOMPLISHMENTS:

First Company from Pakistan to **Export Fresh Chilled Mutton Meat** by Road in 2010



First Pakistani Company to **Export Frozen Boneless Compensated Beef Meat** to Saudi Arab via Sea in 2013

First Company From the region to Export **Vacuum Packed Fresh Beef Boneless Meat** to CIS states



Only Company in Pakistan providing **Private Labeling** of Beef Products for International Clients

Pioneers of **Export of Fresh Beef Carcasses** via Sea to Gulf States



Over PKR
3.38
Billion Turnover
(2019-2020)

Over PKR
266
Million Net Profit
(2019-2020)

11
Export
Destinations

10
Years of
Production

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VISION

To excel in delivering value to customers as an innovative and dynamic meat and edible offal company that gets to the future first. Enhancing the product lines and quality of products along with vertical and horizontal integration in the red meat industry of Pakistan.

MISSION

We are committed to leadership in the meat industry of Pakistan through competitive advantage in providing the highest quality meat and edible offal products to our customers around the globe. Furthermore, we aim to incorporate professionally trained, high quality, motivated workforce, working as a team in an environment, which recognizes and rewards performance, innovation and creativity, and provides for personal growth and development.

We aim to assure access to long-term and cost effective sources with our thorough innovations in raw material procurement, production processes and transport techniques in order to achieve sustained growth in earnings in real terms. Last but not the least our motive of business revolves around high ethical business values, safe and friendly environment along with socially responsible business practices.

Our Company's DNA is built on - ethics, trust, world-class quality meat and unparalleled commitment to our customers, which classify us as a leading processor and exporter of meat and offal products from Pakistan.

VALUES

The Organic Meat Company Limited ensures that values and ethics of its business and operations in terms of each and every aspect of the Company shall revolve around the following attributes:



Excellence

We believe that excellence in our core activities emerges from a passion for satisfying our customers' needs in terms of total quality management. Our foremost goal is to retain our premium quality leadership.



Cohesiveness

We endeavor to achieve higher collective and individual goals through team. This is inculcated in the organization through effective communication.



Respect

We are an Equal Opportunity Employer attracting and recruiting the finest people from around the country. We value contribution of individuals and teams. Individual contributions are recognized through our in house promotion and recognition program.



Integrity

We uphold our values and business ethics principles in every action and decision. Professional and personal honesty, dedication and commitment are the landmarks of our success. Open and transparent business practices are based on ethical values and respect for employees, communities and the environment.



Innovation

We are committed to continuous improvement, both in new products and processes as well as those existing already. We encourage creative ideas from all stakeholders.



Corporate Responsibility

We promote halal, healthy and safe culture both internally and externally. We emphasize on community development and aspire to make society a better place to live in.

STRATEGIC OBJECTIVES

The Company's significant strategic objectives include contributing to the welfare of its customers by ensuring and executing the production of quality products and service that shall constantly fulfill all relevant international standards. Furthermore, increasing stakeholder value through continuous improvement of production processes and the variety of products that TOMCL offers, while ensuring optimum efficiency remains a key objective. In addition to this, the Company is also focused on the following objectives:

Compliance with Regulatory and Legal Requirements

TOMCL assures ethical operations in all spheres of business and thorough systems in order to comply with Regulatory and Legal Requirements.

Sustainable Supply of Raw Material

Beef and Mutton Livestock is the major component of the raw material at TOMCL and strong system at TOMCL results in sustainable raw material supply to achieve the revenue targets. Thus, optimizing and ensuring efficient supply chain and pursue long term supply arrangements remains our one of the top most strategic objectives of the company.

HSE Compliant

Effective steps at all levels and processes are taken to ensure full compliance for health, safety and Environment aspects.

Explore Opportunities for Growth

TOMCL continues to create upstream synergy and evaluate diversification of opportunities for growth.

Active Corporate Citizenship

The Company has thorough focus on responsible corporate citizenship with active CSR initiatives in health, education, community development and support for special persons.

Human Resource Development

Special and well-designed systems for Human Resource skill development and increased employee engagement are incorporated for an effective and motivated working team.

CODE OF ETHICS



Honesty

It is ensured that all spheres of business are carried with honesty and integrity. All dealings are carried ethically while showing respect for the interest of those with whom it has a relationship.



Quality and Safety

TOMCL is dedicated to deliver meat and offal products which steadily offer value in terms of price and quality and are hygienically produced in order to satisfy customer needs and expectations.



Compliance

TOMCL is committed to comply with all laws and regulations. The Board of Directors and the Management team are expected to familiarize themselves with prevailing laws and regulations governing their individual areas of responsibility and not to transgress them. If in doubt they are expected to seek advice. The Company believes in fair competition and supports appropriate competition laws.



Transparency

Transparency in all aspects is a key to our business. Moreover, TOMCL completely adheres, to the reliability of financial reporting and transparent transactions.



Employees Relations

TOMCL is persistent to recruit and endorse employees on merit along with providing safe and healthy working environments for all its employees. Whereas, easy and ready communication system between employees and management is steadily available at all times to maintain good communications within employees and management.



Environment

TOMCL perform its production and activities in an ecologically safe and sustainable manner.



Corporate Social Responsibility

TOMCL firmly believes and execute to contribute to the betterment of the community.



Political Activities

TOMCL does not support any political party nor does it contribute funds to groups whose activities promote interests of any political party. It is ensured that promotion of business is carried legitimately through trade associations.

CODE OF CONDUCT

Objective

This Code of Conduct is intended to set out appropriate standards of conduct and behavior by the Directors and employees (collectively referred to as "Associates") of The Organic Meat Company Limited (TOMCL). The Associates are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of TOMCL.

1. General Principles

- Associates must recognize that their primary responsibility is to TOMCL as a whole. Associates must act honestly, in good faith and in the best interests of the Company as a whole.
- Associates must not take advantage of their position for personal gain, the gain of their affiliates or to cause detriment to the Company.
- Associates have an obligation to comply with the spirit, as well as the letter, of the law and with the principles of this Code.
- TOMCL views breaches of this Code as serious misconduct. Associates who have become aware of any breaches of this Code must report the matter immediately to senior management personnel and/or a Director, as may be appropriate.
- Any Associate who in good faith, reports a breach or a suspected breach will not be subject to any retaliation or recrimination for making that report.

- Associates who breach the policies outlined in the Code may be subject to the disciplinary action including, in the case of serious breaches, dismissal.

2. Honesty and Integrity

Associates have a duty to use due care and diligence in fulfilling the functions of their position and exercising the powers attached to their association with TOMCL. As such, each Associate shall observe the highest standards of honesty, integrity, ethical and law-abiding behavior when performing their duties and dealing with other Associates, shareholders, customers, suppliers, or other advisers of TOMCL.

3. Confidentiality

Information received by Associates in the course of the exercise of their duties remains the property of TOMCL and must be kept confidential at all times. Confidential information may only be released or used with specific permission from the Company and/or where such disclosure is:

- required to be disclosed to another Associate in the normal conduct of the Company's operations;
- authorized by the Board of Directors;
- required by law or a regulatory body. Furthermore, an Associate's obligations in respect of confidentiality shall continue after an Associate's association with the Company is concluded.

4. Conflict of Interest

A conflict of interest arises when a personal, professional or business interest of an Associate are potentially at odds with the best interests of the Company. In the event that such a conflict arises, or is perceived to arise, the matter shall at all times be resolved in favor of the Company. Moreover, all Associates must:

- Declare, to their reporting manager and the HR Head, any potential, actual or perceived conflicts of interest that exist at the time of commencing their association with the Company;
- Declare, to their reporting manager and the HR Head, any potential, actual or perceived conflicts of interest that arise, or are likely to arise, during the course of their association with the Company;
- Avoid being placed in a situation where there is, or potentially may be, any potential, actual or perceived conflicts of interest

5. Gifts, Hospitality and Entertainment

Accepting and offering of gifts, hospitality or entertainment should not unduly influence business decision-making or cause others to perceive that there has been undue influence. Associates must exercise the utmost care when offering or accepting gifts, hospitality or entertainment to protect the reputation of the Company against allegations of improper behavior and to ensure that anti-corruption laws are not breached. Such activities shall at all times be carried out in accordance with prevailing laws and Company policies.

6. Corrupt Conduct

Corrupt conduct, which includes but is not limited to bribery, blackmail, unauthorized use of confidential information, fraud, theft, will not be tolerated by TOMCL. Disciplinary action up to and including dismissal will be taken in the event of any Associate participating in corrupt conduct. In addition, TOMCL will report any instances of corrupt conduct of Associates to the appropriate governmental authorities, which may result in an Associate facing legal prosecution.

7. Stakeholders

TOMCL recognizes its multiple stakeholders, including its shareholders, customer, suppliers, bankers/lenders, regulators, employees and the community as a whole. All Associates shall ensure appropriate stakeholder engagement in a manner that fosters good relations in accordance with prevailing law, Company policies and industry good practices.



OUR PRODUCTS

We offer a versatile portfolio of meat and offal products. The continued growth of our business is a testament of our well-rooted product knowledge and development which has led to our far-reaching success. Majorly, TOMCL is an export oriented company focusing on the following products:

BEEF

Bone-in Carcasses

Beef Boneless Compensated

Beef Boneless Cuts

Beef Cubes Bone-in

Beef Meat Delicacies

Exported in fresh chilled or frozen form in vacuum packaging, food graded plastic packaging, cloth packaging.

MUTTON

Bone-in Carcasses

Mutton Boneless Cuts

Mutton Cubes Bone-in

Exported in fresh chilled or frozen form in vacuum packaging, food graded plastic packaging, cloth packaging.

RED AND WHITE BEEF OFFAL

Red Offal of beef includes Liver, Kidney, Heart and Lungs exported in fresh chilled or frozen form in packaging as per customers' requirements. White Offal of beef includes Tripe, Intestines, Omasum, Trachea, Pizzle and Aorta exported in salted and dried form or as fresh chilled or frozen form in packaging as per customers' requirements.

PRIVATE LABELLING AND EID UL AZHA QURBANI SERVICES

TOMCL is producing meat products with private labelling for customers globally. TOMCL also provides Qurbani Services at Eid Ul Azha for the local customers who prefer hygienic and hassle free Qurbani.

EXPORT DESTINATIONS

TOMCL enjoys the largest export network globally and is currently exporting meat and offal products to the following countries:

United Arab Emirates



Saudi Arabia



Bahrain



Oman



Qatar



Kuwait



Maldives



CIS region



Myanmar



Vietnam



Hong Kong



We have one inspiration, one goal- To sell premium Pakistani meat products around the globe

COMPANY INFORMATION

Board of Directors

Mr. Zulqurnain Ali Khan
(Non-Executive Director/Chairman)

Mr. Faisal Hussain
(Chief Executive Officer)

Mr. Ali Hussain
(Chief Operating Officer)

Mr. Rizwan Punjwani
(Non-Executive Director)

Mr. Nihal Cassim
(Independent Director)

Mr. Salman Hussain
(Independent Director)

Mr. Syed Owais Hasan Zaidi
(Independent Director)

Ms. Sehrish Hafeez
(Independent Director)

Audit Committee

Mr. Nihal Cassim
Chairman (Independent Director)

Mr. Rizwan Punjwani
Member (Non-Executive Director)

Mr. Salman Hussain
Member (Independent Director)

External Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Company Secretary

Danish Naeem

Abdul Quadir w.e.f. September 18, 2020

Human Resource and Remuneration Committee

Mr. Syed Owais Hasan Zaidi
Chairman (Independent Director)

Mr. Faisal Hussain
Member (Chief Executive Officer)

Mr. Salman Hussain
Member (Independent Director)

Tax Advisors

Saleem and Co.

Legal Advisors

Pinjani & Vadria Lawyers

Share Registrar

F.D. Registrar Services (Pvt) Limited

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Bankers

Al Baraka Bank Pakistan Ltd

Bank Islami Pakistan Ltd

Bank Al Habib Limited

Dubai Islamic Bank Limited

Faysal Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

Soneri Bank Limited

Website

www.tomcl.net

Registered Address

Office Address: 9th Floor, Room # 903-904,
Port Way Trade Tower, Plot # 189/A, S.M.C.H.S,
Karachi, Pakistan.

Contact # 021-34552146-7

Plant Address: Survey Number 310-Deh Shah
Murced, Gadap, Karachi, Pakistan.

Contact # 034688224601-30



DIRECTORS' PROFILE

Mr. Zulqiurnain Ali Khan **Chairman Of Board Of Directors**

Mr. Zulqiurnain Ali Khan is one the true ambassadors of Pakistan and its growing economy. He graduated as an engineer from the prestigious NED University of Engineering and Technology and is heading various companies including Zultech Group of Companies, Nawat Al Madinah Date & Food Factory, Fine Food Company, Saudi Arabia as well as being a Director at Avery Dennison Ltd., Pakistan.

He has overall 40 years of experience with more than 20 years in C-level positions, with exposure in the area of manufacturing, management, strategy, planning, marketing, sales, distribution, customer services and finance. His expertise in manufacturing of food processing machinery, plants and production software along with distribution of food items makes him a great guide for The Organic Meat Company Limited. His guidance, advises and philosophies have helped TOMCL to rightly grow in various dimensions.



Mr. Faisal Hussain **Executive Director**

Mr. Faisal Hussain has over 20 years working experience in the sheep casings (meat offal processing) industry and 10 years of experience in the meat processing industry. He is the Founder Shareholder/Director & CEO of the Company.

He holds a "Master of Business Administration" Degree from respected Institute of Business Administration (IBA) and a "Master Of Finance" Degree from Cardiff Business School, University of Wales, UK. He decided to come into the meat industry in year 2010, knowing that he has an edge over all other players in the market due to his previous experience in the Meat Offal Industry. He is the pioneer of contemporary trends of the meat industry of Pakistan by adding value to contemporary trend of exporting raw Fresh meat only to Middle Eastern countries.

He brought new concepts in the industry of further adding value by offering boneless Frozen and Vacuum packed Beef and Mutton meat along with tremendous increase in export of Offal to Far Eastern economies. It was under his leadership that TOMCL achieved honor of being the only company in South East Asia to have approvals of export for so many destinations including Iraq, Maldives and Malaysia. His idea of extending the shelf life of Pakistani Beef and Mutton meat resulted in opening of markets like Azerbaijan and Maldives for Pakistan. He has taken a single product meat industry of Pakistan which use to export only meat carcasses before the entry of TOMCL to a multi-product industry.



DIRECTORS' PROFILE

Mr. Ali Hussain

Executive Director

Mr. Ali Hussain is in charge for operations, productions and all aspects of compliances related to processing plant of the company. Various other departments and aspects like HR, Export, Halal Management Systems, Animal Welfare and CSR are also headed by him. He has been a vital part of the management team since beginning of TOMCL. Primarily, he was managing affairs of export development and export related licenses. Since 2015, he was assigned the affairs of the processing factory and was designated as Chief Operating Officer.

Mr. Ali holds a degree of BSc of Economics from Lahore University of Management Sciences (LUMS) and had been president of various student bodies in his university. Furthermore, he has done various diplomas and summer school certifications from London School of Economics and Political Science in UK. He is also has vast experience in handling and maintaining the workplace standards for HACCP and ISO 9001-2015. His communal services in the field of sports are notable and he has been the former Secretary for Karachi City Cricket Association. He also owned a catering business which was venturing food supplies to various multinational corporations and embassies.



Mr. Rizwan Punjwani

Non-Executive Director

Mr. Rizwan Punjwani is a Chartered Accountant and holds more than 25 years of working experience. He is a shareholder/director of TOMCL and indulges in various consultations to the company's management. His experience in the field of finance and equity has helped TOMCL to grow and develop it into a financially sound organization. Currently, he is also a Fund Manager at RAY Securities. Prior to it, he was Director and Chief Operating Officer at Sindh Gas where he was primarily responsible to implement projects. Mr. Punjwani has led the Investment Banking department of one of the largest bank of Pakistan - National Bank of Pakistan where he gained rich experience of handling debt and equity transaction of large ticket size.



DIRECTORS' PROFILE

Mr. Nihal Cassim

Independent Director

Nihal Cassim is the sponsor and Chief Executive of Ubiquity Trading Limited (previously Safeway Fund Limited), a former Asset Management Company which managed two top performing equity funds listed on the PSX. Previously, he was engaged in his own corporate finance practice in Pakistan and concluded various assignments notably advisory services to the sale by shareholders of Crescent Leasing and PICIC. In Canada, Nihal was Vice-President and Head of small-cap Investment Banking for First Associates' (now Blackmont Capital, a CI Financial Company) where he conducted several transactions in M&A, equity financing and corporate finance advisory. Nihal has in depth knowledge of the precious metals mining business and was responsible for the corporate development of TVX Gold Inc. and was involved in its \$4 billion merger with Kinross Gold. He began his investment banking career at HSBC Securities, Canada.

Nihal is an MBA (Finance & MIS) from McGill University. He is currently a Director on the Boards of International Steels Limited, The Organic Meat Company Limited, Ubiquity Trading Limited, National Institutional Facilitation Technologies (Pvt) Limited (NIFT) and its subsidiary ISM (Pvt) Limited. He has served on the Boards of Pakistan Oilfields Limited (for 9 years) and Ferozsons Laboratories Limited (for 15 years). Nihal has served two terms as a director on the Board of the Mutual Funds Association of Pakistan (MUFAP). He takes particular interest in facilitating the development of the capital market, governance of public companies and the protection of minority shareholders through improvements to the regulatory framework. His addition to the board has led to guidance in financial planning and compliance for TOMCL.



DIRECTORS' PROFILE

Mr. Salman Hussain

Independent Director

Mr. Salman Hussain is the Director and CEO Lucky Foods (Pvt.) Ltd, a hi-tech dairy in by Younus Brothers Group. Besides dairy farming, backward integration in agriculture and animal husbandry are a major focus areas at Lucky Foods. He carries a strong vision on food related businesses in Pakistan, both for exports and to cater to local markets. Mr. Hussain has worked for Citibank N. A for 15 years and his last designation was Director and Country Head Global Transaction Services for Pakistan and Afghanistan. He started his career with the consumer bank as a relationship manager. He rose through the ranks and served as branch manager, area manager, product head and branch banking head for Citibank in Pakistan. Before moving to the corporate bank in 2011, Salman looked after consumer bank as a Retail Bank Head. He holds a "Master of Business Administration" Degree from respected Institute of Business Administration (IBA) in Karachi. His presence on the board adds tremendous value to the company owing to his knowledge about the cattle and food industry of Pakistan along with his incredible background functioning for a world class bank.



Mr. Syed Owais Hasan Zaidi

Independent Director

Mr. Owais Zaidi is on board of TOMC as an independent director since year 2019. He holds a "Master of Business Administration" Degree from respected Institute of Business Administration (IBA) in Karachi. He has a diversified exposure to various industry verticals and business domains. He is Founder & CEO at Credit Fix – Pakistan's first credit market place, Co- Founder & Principal Consultant at Infinitum Innovations which manages the largest service offices chain in Pakistan called "The Hive". Prior to that Mr. Zaidi has been associated with several tech companies playing key management roles. His presence on the board adds to the value of the company's performances due to his dynamic ideas about innovations specially related to production and operations.



DIRECTORS' PROFILE

Ms. Sehrish Hafeez

Independent Director

Ms. Hafeez holds a BSc in Philosophy and Economics from internationally acclaimed and prestigious London School of Economics in London, UK. Young and dynamic with enormous exposure to the tech world, she has added splendid utility in IT, modern industrial operations and compliances for TOMCL. Her experience includes valuation of different companies through different valuation techniques like discounted cash flow techniques, comparable and other approaches. She has a good understanding of the business models and is also strategically involved in various roles for running the business successfully. She has an experience of drafting various researches on growth advisory and her expertise has added value to the Board Of directors at TOMCL.



At TOMCL, we believe that an individual commitment to a group effort--that is what makes a team work, a successful company and a prospering society. The key to working as one team is to break down factitious barriers between work areas, understanding and valuing each other's roles and promoting cross functional collaboration.

MANAGEMENT TEAM

Faisal Hussain

Chief Executive Officer

Mr. Faisal Hussain holds a degree of Masters in Business Administration from the prestigious Institute of Business Administration (IBA) in Karachi and a degree of Masters in Finance from Cardiff Business School, University of Wales, in United Kingdom. He is a part of the fourth generation in the industry of sheep casings (offal of sheep and goats) and other meat offal as his family has history in offal business since 1932. He decided to come into the meat industry in year 2010 and brought new concepts in the meat industry of Pakistan by further adding value to industry's conventional products.

Syed Imran Ali

Chief Financial Officer

Mr. Syed Imran has been the Chief Financial Officer with TOMCL since 2015. He has more than 30 years of experience in the field of finance and is considered as a through financial professional. Prior to TOMCL, he has been the Chief Financial Officer of a public listed Modarba. He has been the pioneer of the company and his dedication towards work has been a vital part for the continuous financial growth of the company.

Ali Hussain

Chief Operating Officer

Mr. Ali Hussain holds a degree of BSc in Economics from Lahore University of Management Sciences (LUMS) and has done various diplomas and summer school certifications from London School of Economics and Political Science in UK which includes Human Resource Management, Financial Accounting, Environment Economics and International Trade. He is also a certified internal auditor for HACCP and ISO 9001-2015. He is one of very few Pakistanis who are trained for food safety and operations by international sandwich brand Subway®.

Danish Naeem

Company Secretary

Mr. Danish Naeem has been with the company since 2012 and has been an integral part of company's evolution into a public limited company. He has experience of more than fifteen years dealing with regulatory compliances for various companies.

Zain Reza

Senior Accounts Manager

Mr. Zain Reza is a Chartered Certified Accountant (ACCA), and also a CA-Finalist from the Institute of Chartered Accountants of Pakistan (ICAP). He has more than 12 years of experience under his belt, in the areas of auditing, accounting and finance, local taxation and corporate laws.

MANAGEMENT TEAM

Irfan Ahmed

Factory Manager

Mr. Irfan Ahmed is a real example of an energetic and hardworking manager who handles production and all of the administrative affairs of the company. He has more than 25 years of experience with various companies for running and controlling of operations. He has a special dedication towards uplifting and maintaining HSE standards for the company.

Muhammad Kamran

Export Manager

Mr. Muhammad Kamran has been with the company since year 2013. He is a key to an immense growth of the company in last four years. His dedication to work and welcoming attitude towards the growing work load has been vital. He has developed a strong team for Export management for the company which can result in further growth for the exports of the company.

Dr. Imran Dayo

Quality Manager

Young, enthusiastic and analytical, Dr. Imran Dayo has been with the company since year 2015 and has been a key personal for the operational department at The Organic Meat Company

Limited. He graduated as veterinary doctor in year 2012 from Sindh Agriculture University Tando Jam. He is accredited veterinary doctor by the Pakistan Veterinary Organization and his past experience in analyzing anesthetic drugs and animal vaccines has played important role in studying animals and its behavior in details for TOMCL.

Dr. Nisar Ahmed

Head Veterinarian

Dr. Nisar Ahmed is a qualified doctor of Veterinary Medicine with an experience of more than 10 years of working in the meat industry of Pakistan. His past experience of working in Central Veterinary Diagnostic Laboratory and Veterinary Hospital in Dadu has helped him in developing a firm control over procurement of healthy animals for TOMCL. He has developed a strong system and team of veterinary doctors at TOMCL.

Waqas Rais

I.T. Manager

A seasoned IT professional with TOMCL since the beginning of the Company and has been a key person in developing IT system for the Company.

Ummad Khan

Human Resource Manager

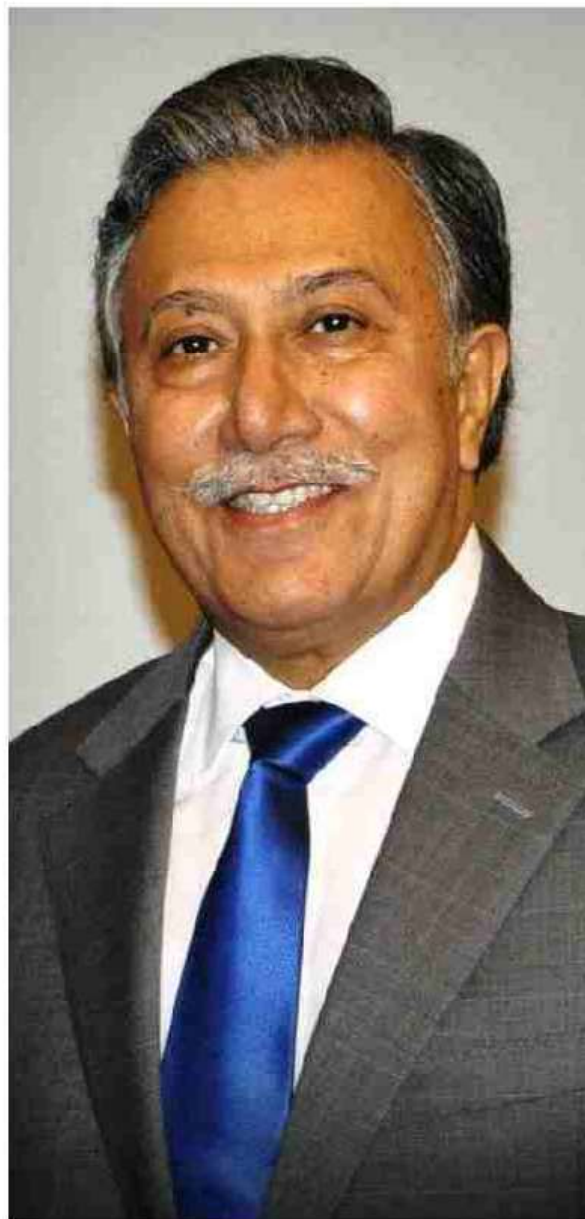
Young and energetic with a vast experience of handling HR issues of employees of all tiers.

CHAIRMAN'S REVIEW

Indeed, it is a pleasure and honor to present this report to the shareholders of The Organic Meat Company Limited relating to the complete performance of the Board of Directors and their effectiveness in guiding the Company towards achieving its aims and objectives.

The Company has applied a sturdy governance framework that provides an effective and prudent management of business matters, which is regarded as instrumental in achieving the long term success of the Company. During the course of the financial year 2019-2020, the Board and its Sub-Committees worked with a marked level of diligence and proficiency by providing guidance to the Company towards achieving its potential in the face of a significantly challenging economic scenario with the country experiencing effects of Covid-19, alongside inflationary pressures and de-escalating interest rates.

The Board as a whole has reviewed the Annual Report and Financial Statements, and is pleased to confirm that in its view the Annual Report and the Financial Statements, taken as a whole, are fair, balanced and comprehensive. An annual self-assessment is carried out to determine the effectiveness and performance of the Board of Directors, the integral components of which include, strategic planning, composition of the Board, policies and procedures, compensation procedures and completeness of information



Mr. Zulqiurnain Ali Khan
Chairman Of Board Of Directors

CHAIRMAN'S REVIEW

provision. The outcome of this assessment is that the Directors feel that the Board is engaged in strategic matters, has put in place the required controls and gets all the necessary information in a timely manner. The Directors further feel that the independent Director(s) are equally involved in all decisions. Aided by an export-favorable exchange rate, these efforts have yielded positive results to close the year with healthy profits. Going forward, persistent pricing pressure, currency devaluation, and increasing costs of doing business, continue to pose a risk to the Company's profitability, however the Board remains focused on making efforts to improve shareholders' value through efficiency enhancement and diversified initiatives.

As for the composition of the board, The Board of Directors reflects a mix of varied backgrounds and experience in the fields of food and industrial business, finance, HR, banking and regulations. The Board ensures compliance of all regulatory requirements through the management, internal audit as well as external audit. The Board has set up its own performance evaluation mechanism as required under the Code of Corporate Governance. The Board is supported in its tasks by its competent Committees. The Audit Committee reviews financial statements and ensures these fairly represent the financial position of the Company. It also ensures the effectiveness of internal controls

through internal audit as well as external auditors. It has also focused on all important issues that have arisen during the year particularly relating to cash flows and management thereof. The HR Committee worked diligently to develop and formalize HR Policies and recommend compensation of all staff members.

The Company has increased production and storage capacity at its Karachi plant making the production capacity capable of adequately meeting the growing demand of Pakistani meat products in the international markets. The addition of markets like Maldives for frozen meat and growing demand of fresh meat via sea transport in Middle Eastern countries along with tremendous results for export to CIS region has been remarkable features of this year.

I would like to thank the Company's staff and management who have worked extremely hard against most challenging circumstances and, of course, the Board for its guidance and support throughout the year. I pray that may Allah Al Mighty enables us to succeed in our ambitious plans and bring prosperity and success to the company, its staff, its shareholders and all other stakeholders.



Mr. Zulqurnain Ali Khan
Chairman Of Board Of Directors
The Organic Meat Company Limited

بیشک اس رپورٹ کو آرگینک میٹ کمپنی لمیٹڈ کے حصص یافتگان کے سامنے پیش کرنا بہت خوشی اور اعزاز کی بات ہے، جس کا تعلق بورڈ آف ڈائریکٹرز کی مکمل کارکردگی اور کمپنی کو اس کے مقاصد کے حصول میں رہنمائی کرنے سے ہے۔

کمپنی نے ایک مضبوط گورننس کا ڈھانچہ نافذ کیا ہے جو کاروباری معاملات کا ایک موثر اور محتاط انتظام فراہم کرتا ہے، جو کہ کمپنی کی طویل مدتی کامیابی کے حصول میں بہت اہمیت کا حامل ہے۔

مالی سال 2019-2020 کے دوران، بورڈ اور اس کی ذیلی کمیٹیوں نے بہت محنت اور مہارت کے ساتھ کمپنی کو، کوویڈ-19 کی وجہ سے ملک میں مشکل معاشی منظر نامے اور افراط زر کے دباؤ اور شرح سود میں اضافے کے بعد، اپنی صلاحیتوں کے حصول کی طرف رہنمائی فراہم کرتے ہوئے نمایاں طور پر کام کیا ہے۔

بورڈ نے بحیثیت مجموعی سالانہ رپورٹ اور مالی گوشواروں کا جائزہ لیا ہے اور اس بات کی تصدیق خوش آئند ہے کہ اس کی نظر میں سالانہ رپورٹ اور مجموعی طور پر لئے جانے والے مالی گوشوارے منصفانہ، متوازن اور جامع ہیں۔

بورڈ آف ڈائریکٹرز کی تاثیر اور کارکردگی کے تعین کے لئے سالانہ محاسبہ کیا جاتا ہے، جس کے لازمی اجزاء میں، اسٹریٹجک منصوبہ بندی، بورڈ کی تشکیل، پالیسیاں اور طریقہ کار، معاوضے کا طریقہ کار اور معلومات کی فراہمی کی جامعیت شامل ہے۔ اس محاسبہ کا نتیجہ یہ نکلتا ہے کہ ڈائریکٹرز محسوس کرتے ہیں کہ بورڈ اسٹریٹجک معاملات میں مشغول ہے، مطلوبہ اختیارات لگا چکا ہے اور اسے تمام ضروری معلومات بروقت مل جاتی ہیں۔ ڈائریکٹرز مزید محسوس کرتے ہیں کہ آزاد ڈائریکٹرز تمام فیصلوں میں برابر کے شریک ہیں، ایک برآمد سازگار زر مبادلہ کی شرح کی مدد سے، ان کوششوں سے سال کو صحت مند منافع کے ساتھ اختتام کرنے کے مثبت نتائج حاصل ہوئے ہیں۔ آگے چل کر مسلسل قیمتوں کا تعین کرنے والے دباؤ، کرنسی کی قدر میں کمی اور کاروبار کرنے کے بڑھتے ہوئے اخراجات، کمپنی کی منافع کاری کے لئے خطرہ پیدا کرتے رہتے ہیں، تاہم بورڈ کی جانب سے کارکردگی بڑھانے اور متنوع اقدام کے لئے سینئر ہولڈرز کی قدر کو بہتر بنانے کی کوششیں کرنے پر توجہ مرکوز ہے۔

جہاں تک بورڈ کی تشکیل کی بات ہے، بورڈ آف ڈائریکٹرز کھانے اور صنعتی کاروبار، فنانس، ایچ آر، بینکنگ اور قواعد و ضوابط کے شعبوں میں مختلف پس منظر اور تجربے کے مرکب کی عکاسی کرتا ہے۔ بورڈ مینجمنٹ، اندرونی آڈٹ کے ساتھ ساتھ بیرونی آڈٹ کے ذریعے تمام ریگولیٹری ضروریات کی تعمیل کو یقینی بناتا ہے۔ بورڈ نے کارپوریٹ گورننس کے کوڈ کے تحت ضرورت کے مطابق اپنی کارکردگی کی تشخیص کا طریقہ کار ترتیب دیا ہے۔ بورڈ کو اس کی مجاز کمیٹیوں نے اپنے کاموں میں معاونت فراہم کی ہے۔ آڈٹ کمیٹی مالی بیانات کا جائزہ لیتی ہے اور اس بات کو یقینی بناتی ہے کہ یہ کمپنی کی مالی پوزیشن کی منصفانہ نمائندگی کریں۔ یہ اندرونی آڈٹ کے ساتھ ساتھ بیرونی آڈیٹرز کے ذریعے اندرونی اختیارات کی تاثیر کو بھی یقینی بناتا ہے۔ اس نے سال کے دوران پیدا ہونے والے تمام

اہم معاملات پر بھی توجہ مرکوز کی ہے جو خاص طور پر نقد بہاؤ اور اس کے انتظام سے متعلق ہیں۔ کمپنی نے، پالیسیوں کی ترقی اور اسکو باقاعدہ بنانے اور عملے کے تمام ممبروں کے معاوضے کی سفارش کرنے کے لئے نہایت تندی سے کام کیا ہے۔

کمپنی نے اپنے کراچی کے پلانٹ میں پیداوار اور ذخیرہ کرنے کی صلاحیت میں اضافہ کیا ہے جس میں پیداواری صلاحیت کو مناسب طریقے سے پورا کرنے کی خصوصیت ہے، جو بین الاقوامی مارکیٹوں میں پاکستانی گوشت کی مصنوعات کی بڑھتی ہوئی مانگ کو مکمل طور پر پورا کر سکتی ہے۔

سی آئی ایس علاقے کو برآمد کرنے کے زبردست نتائج کے ساتھ ساتھ مشرق وسطیٰ کے ممالک میں منجمد گوشت اور سمندر کی نقل و حمل کے ذریعے تازہ گوشت کی بڑھتی ہوئی مانگ کے لئے مالدیپ جیسی مارکیٹوں کا اضافہ اس سال کی قابل ذکر خصوصیات رہا ہے۔

میں کمپنی کے عملے اور انتظامیہ کا شکریہ ادا کرنا چاہتا ہوں جنہوں نے انتہائی مشکل ترین حالات کے خلاف کام کیا ہے، اور یقیناً بورڈ کا شکریہ، جس نے پورا سال رہنمائی اور معاونت فراہم کی۔ میری دعا ہے کہ اللہ تعالیٰ ہمیں اس قابل بنائے کہ ہم اپنے بلند نظر منصوبوں میں کامیاب ہوں اور کمپنی، اس کے عملے، اس کے شیئر ہولڈرز اور دیگر تمام اسٹیک ہولڈرز کو خوشحالی اور کامیابی عطا فرمائے۔



چیرمین

ڈو القرنین علی خان

آرکینک میٹ کمپنی لمیٹڈ

DIRECTOR REPORT

The Board of Directors are pleased to present the 10th Annual Report along with the audited accounts of the company. The Report covers your company's activity for the year ended June 30, 2020 and describes its financial, social and environmental performances.

Operating Performance

The Company performed exceptionally well by surpassing its 3bn target of turnover for the year 2019 – 20. Exports of fresh chilled meat products saw a massive increase due to covid-19 period helping overcome the complete stoppage of the export of fresh chilled boneless vacuum products which were routed via road to the CIS market. TOMCL was able to develop new customers during the covid-19 period and still actively fulfilling their demands. The Company geared up for higher production levels with capacity enhancement investments and decided to increase the production capacity for fresh chilled meat products by 300 tons a month, which are expected to be operational in the second quarter of FY21.

The Company's white offal sales to the far eastern markets are continuously rising, and the Company is now focusing on developing red offal production and sales in the new fiscal year. Such investments and developments in new products such as cooked meat and cooked meat balls can pave the way to the Chinese market in future. In addition, your Company has recently developed market bone-in frozen meat cubes in customized packaging and labeling for the Middle Eastern market customers offering to brand the product for them. Sample shipments have seen a positive response which are expected to lead to additional frozen commodity sales in the year ahead.

The Company launched an online brand "Meat Master" as a pilot project, providing hassle free Qurbani and delivery services to its customers, which received a massive and positive response from the market, which would lead to on-line sales for fresh meat deliveries to its customers in the future. The Company is working extensively in developing meat products with extended shelf life and quality for the local retail market which the Company believes is going to be a huge success in the future and can lead to increased turnover and profitability through local sales.

Financial Performance

For the year ended June 30, 2020, your Company recorded sales of PKR 3.384 billion, up 31% from the same period last year. The increase in sales was due to higher exports volume to CIS via road and UAE via sea. Gross profit margin rose from 15.8% to 18.6% due to higher sales and effective production cost management. The sum of all other expenses remained largely at the same level as last year, however other income fell by over PKR 200 million due to mitigated impact of devaluation. As a result, profit before tax stood at PKR 283.48 million, an increase of 7% over last year, however profit after tax stood at PKR 266.35 million vs PKR 217.97 million in FY2019. Your Company has posted an EPS of PKR 3.71 per share for the year as compared PKR 3.04 for the previous year. A brief summary of the key figures are mentioned below:

| | 2020 | 2019 |
|----------------------------|--------------------|--------------------|
| | (Rupees) | |
| Sales – Net | 3,384,108,701 | 2,577,518,290 |
| Gross Profit | 629,938,531 | 407,662,517 |
| Profit before taxation | 283,477,295 | 265,427,089 |
| Taxation - Net | (17,124,784) | (47,456,933) |
| Profit for the year | 266,352,511 | 217,970,156 |
| Earnings per share* | 3.71 | 3.04 |

*Calculated based on number of shares outstanding as at June 30, 2020

Declaration of Dividend

The Board is pleased to recommend a final cash dividend @ 20% (Rs.2.00 per share).

Manufacturing and Operations

All our resources relating to the manufacturing facilities performed well and achieved positive gains in efficiencies. The Company is continuously engaged in new products development, improve efficiencies, reduce wastages, improve lead times and lower inventories. We are constantly modernizing and upgrading our manufacturing facilities to prepare for opportunities.

Manufacturing operations are further being stream lined for efficiencies and controls through various trainings of production personnel through SGS. Your Company is committed to be the best in the industry through continuous developments in product lines and providing the safest and the best quality products to the international and the local markets with extensive shelf life.

Your Company is the only one in the industry offering value added meat products to the international market and with the ability to extend shelf life through its enhanced processing facilities which allows to operate in adverse scenarios, such as during the COVID-19 lockdowns. We are continuing towards our goal to be a one stop shop for all kinds of meat requirements whether it is fresh chilled bone-in, fresh chilled boneless, fresh chilled boneless vacuum pack with extended shelf life, frozen bone-in and boneless products, cooked meat products, and all varieties of edible red and white offal.

Future Prospects

Subsequent to year end the Company successfully conducted an IPO and got listed at the PSX. The proceeds raised from the IPO will be used towards expanding the Company's infrastructure and lines of business.

The Company is investing in back-end farming for cattle to be able to meet 25% of its own requirement. We have set an aggressive target for this infrastructure to be achieved in the next 12 months and also look forward to grow in this field on a yearly basis. This initiative will lead to mitigating adverse price fluctuations due to shortages in the animal markets in various times during the year as well as standardizing quality of its products for customers. Your Company is also expanding its offal production for which additional capital expenditure is planned during FY21. These expanded offal operations are expected to start towards the end of the year. Your Company plans to continue with Meat Master online retail venture after the successful Qurbani pilot project.

Your company, Alhumdulillah, has shown growth in the previous years and will, Insha-Allah, keep on the trend by being innovative in the meat industry of Pakistan.

The Board

The Organic Meat Company Limited has an independent and objective Board. The roles of the Chairman and the Chief Executive are different and each has a clearly defined role profile. In addition, both the Audit and HR committees are chaired by independent directors. There are eight Board members including one female and seven male directors, whereas the composition of the Board is as follow;

| | |
|------------------------|----|
| Executive Director | 02 |
| Non-Executive Director | 02 |
| Independent Director | 04 |

Audit Committee

Audit Committee comprises of three members from the Board, two are Independent directors and one is non-executive director. The Chairman of the Committee is an independent director as required in the CCG Regulations 2019. The Board of Directors has set out terms of reference for the audit committee. The audit committee reviews the annual and quarterly financial statements, internal audit reports and holds its meeting prior to the Board meetings. The committee manages adequately the system of internal control through internal audit department and review effectiveness of operational and financial control. The following are the members of the audit committee:

Mr. Nihal Cassim – Chairman
 Mr. Rizwan Abbas
 Mr. Salman Hussain

Human Resource Committee

The Committee consists of three members from the Board; two are Independent directors and one is an executive director. The Chairman of the Committee is an independent director. The Committee reviews and formulates the HR & management policies of the company. The Committee is also responsible for the remuneration of employees and ensures that it is aligned with the Company's business strategy and long-term interests. The following are the members of the Human Resource committee:

Mr. Syed Owais Hasan Zaidi - Chairman
 Mr. Faisal Hussain
 Mr. Salman Hussain

Board and Committee Meetings

During the year six (06) meetings of the Board of Directors (BOD), four (04) Audit Committee (AC) meetings and one (01) HR &R Committee meetings were held. Attendance by each Director are as under:

| Name of Director | Number of Meeting Attended | | |
|----------------------------|----------------------------|-----------------|---|
| | Board Meeting | Audit Committee | Human Resource & Remuneration Committee |
| Mr. Zulqurnain Ali Khan | 6 | - | - |
| Mr. Faisal Hussain | 6 | - | 1 |
| Mr. Ali Hussain | 5 | - | - |
| Mr. Nihal Cassim | 6 | 4 | - |
| Mr. Rizwan Abbas | 5 | 4 | - |
| Mr. Salman Hussain | 4 | 3 | 1 |
| Syed Owais Hasan Zaidi | 5 | - | 1 |
| Ms. Sehrish Hafeez Mastoor | 4 | - | - |

The Directors who could not attend the Board & Committee Meetings and requested for leave were duly granted leave of absence from the meeting by the Board/Committees in accordance with the law.

Directors' Remuneration

The Board of Directors has developed a Remuneration policy for Non-executive and Independent Directors of the company.

Directors' Training Program

Out of eight Directors of the Company, three Directors are exempt from such certification as they duly meet the exemption criteria given in the Code. Four have obtained certification under Directors' Certification Training Program in 2018 respectively. Therefore, over half of the Board is qualified under the criteria of DTP and exemption criteria as per Code.

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.

Corporate and Financial Reporting Framework

- We are pleased to report that your Company has taken necessary steps to comply with the provisions of the Code of Corporate Governance which will be applicable to it in FY21 as a result of its listing at the Pakistan Stock Exchange.
- The financial statements prepared by the management of the Company, represent fairly its state of affairs, the result of the operations, cash flows and changes in equity.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- Proper books of accounts have been maintained by the Company.
- Financial reporting is based on the approved International Accounting Standards and International Financial Reporting Standards as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained.
- There is no significant doubt about the Company's ability to continue as a going concern.
- The system of internal control is sound in design. The system is being continuously monitored by Internal Audit and through other such monitoring procedures. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements in the system.
- Details about taxes is given in the notes to the accounts.

Operating and Financial Data

Operating and financial data of the company for last six years are annexed.

Material Changes

There have been no material changes and the company has not consciously entered into any commitment that will affect its financial position.

Pattern of Shareholding

Pattern of shareholding is annexed with the report

Auditors

The Board recommended appointment of M/s. Grant Thornton Anjum Rahman as auditors for the next financial year. The present auditors, M/s. Grant Thornton Anjum Rahman, Chartered Accountants, retire and being eligible, they have offered themselves for reappointment.

Risk of Management

As part of its responsibilities, the Board of Directors have always kept a close watch on socio-economic environment and consequential internal and external risks that might impact the safe and smooth operations of the Company and remained vigilant in identifying and mitigating risks throughout the year. The Board identified potential risks, assessed their impact on the Company and formulated strategies to mitigate any and all foreseeable risks to the business. These strategies were enforced through Audit Committee to ensure that no gaps remained in risk mitigation.

Risk Assessment

Businesses face numerous uncertainties that might pose threats to its objectives and if not addressed may cause preventable losses. The Board has carried out vigilant and thorough assessment of both internal and external risks that the company might face. Rising cost of raw materials is the most imminent risk facing the company. Devaluation of PKR has made the risk covered as the company's export business is naturally hedged for PKR devaluation. In order to curb the further negative impact of this, the company has invested in strategic relationships with its key international

buyers and ensured timely delivery. Availability of raw materials in another risk that is faced by the company for which the company is working on to develop its own supplies through back end fattening of cattle through its own cattle farms in the future.

Code of Business Principles

As a leading meat company, reputation for high ethical standards is central to business success. Code of Business Principles already developed and communicated and acknowledged by each Director and employee of the company.

Corporate Social Responsibility

Being a Public Limited Company, we realize that we have a responsibility to this country and its people at large. In this respect we make donations to needy organizations.

Health

We are committed to demonstrate sound environmental performance by controlling the impact of our operations and products on the environment and we further endeavor to comply with the applicable environmental legislation, regulations and standards laid down for pollution control in the country. Your Company is determined to play a role in promoting a better and ecologically friendly future in Pakistan.

Acknowledgements

The Directors are grateful to the valued customers for their continued support. They also appreciate the support received from Company's bankers, shareholders and other stakeholders who continue to repose trust in your company. In addition to this, directors also record their sincere appreciation for the cooperation received from the Regulators Securities & Exchange Commission of Pakistan (SECP) and Pakistan Stock Exchange-PSX.

All the employees of the company have put in a real teamwork and the results are evident. Directors congratulate all the employees for their continued performance.

On behalf of the Board of Directors



ZULQIURNAIN ALI KHAN

Chairman



FAISAL HUSSAIN

Chief Executive Officer

September 24, 2020

Karachi

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کمپنی کی دسویں سالانہ رپورٹ بمعہ کمپنی کے آڈٹ شدہ حسابات پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔ اس رپورٹ میں 30 جون 2020ء کو ختم ہونے والے سال کیلئے کمپنی کی سرگرمیوں کا احاطہ کیا گیا ہے اور کمپنی کی مالی، معاشی اور ماحولیاتی کارکردگی بیان کی گئی ہے۔

عملی کارکردگی:

کمپنی نے سال 2019-20 میں اپنے 3 بلین ٹران اوور کے ہدف کو عبور کرتے ہوئے عمدہ کارکردگی کا مظاہرہ کیا۔ Covid-19 کے دوران تازہ ٹھنڈا گوشت کی مصنوعات کی برآمدات میں بڑے پیمانے پر اضافہ دیکھا گیا جو کہ تازہ ٹھنڈا ہون لیس ویکيوم مصنوعات جو CIS مارکیٹ میں سڑک کے ذریعے روٹ کئے گئے تھے کی برآمدات رکھنے کے نقصان کی روک تھام میں مکمل مددگار رہا۔ TOMCL کو روٹ کی وبا کے دوران نئے سسٹمز بنانے کے قابل تھی اور اب بھی ان کی طلب کو پورا کر رہی ہے۔ کمپنی نے پیداواری سطح کے ساتھ ساتھ اپنی صلاحیت بڑھانے کیلئے سرمایہ کاری کی اور فریش چلڈ میٹ پروڈکٹس کی پیداواری صلاحیت میں ماہانہ 300 ٹن اضافہ کرنے کا فیصلہ کیا جو مالی سال 2021 کے دوسرے کوارٹر میں آپریشنل ہونے کی امید ہے۔

دور مشرقی مارکیٹ میں کمپنی کی وائٹ آفل کی فروخت میں مسلسل اضافہ ہو رہا ہے اور کمپنی اب نئے مالی سال میں ریڈ آفل کی پیداوار اور فروخت کو فروغ دینے پر توجہ دے رہی ہے۔ اس طرح کی نئی سرمایہ کاری اور پیشرفت جیسا کہ پکا ہوا گوشت اور پکے ہوئے گوشت کی ہائپرستیکل میں چائینیز مارکیٹ میں راہیں ہموار کر سکتی ہیں۔ اس کے علاوہ آپ کی کمپنی نے حال ہی میں ڈل ایٹرن مارکیٹ کے صارفین کیلئے ہیکٹیونگ اور لیبلنگ میں یون ان فروزن میٹ کیو بس مارکیٹ تیار کی ہے اور ان کے لئے مصنوعات کی ہارڈنگ کی پیشکش کی ہے۔ نمونے کی ترسیل میں ایک مثبت رد عمل دیکھا گیا ہے جس سے توقع کی جاتی ہے کہ اگلے سال میں اضافی فروزن اشیاء کی فروخت ہوگی۔

کمپنی نے پائیت پروجیکٹ کے طور پر ایک آن لائن برانڈ ”میت ماسٹر“ کا آغاز کیا ہے جس نے اپنے صارفین کو بغیر کسی زحمت کے قربانی اور ترسیل کی خدمات فراہم کیں جس کا مارکیٹ میں مثبت رد عمل سامنے آیا اور مستقبل میں یہ برانڈ اپنے صارفین کو تازہ گوشت کی ترسیل کیلئے آن لائن فروخت کا باعث بنے گا۔ کمپنی مقامی ریٹیل مارکیٹ کے لئے توسیع شدہ سیلف لائف اور معیاری گوشت کی مصنوعات تیار کرنے میں بڑے پیمانے پر کام کر رہی ہے، جس کے بارے میں کمپنی کا ماننا ہے کہ مستقبل میں یہ ایک بہت بڑی کامیابی ثابت ہوگی اور یہ مقامی فروخت کے ذریعہ کاروبار اور منافع میں اضافے کا باعث بن سکتی ہے۔

مالیاتی کارکردگی:

30 جون 2020ء کو ختم ہونے والے سال کیلئے آپ کی کمپنی نے مبلغ 3,384 ملین پاکستانی روپے کی ریکارڈ فروخت کی جو کہ گذشتہ سال کی اسی مدت کے مقابلے میں 31 فیصد زیادہ ہے۔ فروخت میں یہ اضافہ CIS براستہ روڈ اور متحدہ عرب امارات براستہ سمندر برآمدات کا حجم زیادہ ہونے کے باعث ہوا۔ زیادہ فروخت اور موثر پیداواری لاگت کے انتظام کے باعث مجموعی منافع کا مارجن 15.8 فیصد سے بڑھ کر 18.6 فیصد ہو گیا۔ دوسرے تمام اخراجات کا مجموعہ گذشتہ سال کی طرح اسی سطح پر رہا، تاہم روپے کی قدر میں کمی کے اثر کو کم کرنے کے باعث دیگر آمدنی میں مبلغ 200 ملین پاکستانی روپے سے زائد کی کمی واقع ہوئی جس کے نتیجے میں قبل از ٹیکس منافع مبلغ 283.48 ملین پاکستانی روپے رہا جو کہ گذشتہ سال کے مقابلے میں 7 فیصد زیادہ ہے، تاہم بعد از ٹیکس منافع مبلغ 266.35 ملین پاکستانی روپے رہا جبکہ گذشتہ مالیاتی سال 2019ء میں مبلغ 217.97 ملین پاکستانی روپے تھا۔ آپ کی کمپنی گذشتہ سال مبلغ 3.04 پاکستانی روپے کے مقابلے میں فی شیئر مبلغ 3.71 پاکستانی روپے کا EPS شائع کیا ہے۔ اہم مالیاتی حسابات کا مختصر خلاصہ ذیل میں کیا گیا ہے:

| 2019 (روپے) | 2020 (روپے) | |
|----------------|----------------|-------------------|
| 2,577,518,290 | 3,384,108,701 | خالص فروخت |
| 407,662,517 | 629,938,531 | مجموعی منافع |
| 265,427,089 | 283,477,295 | منافع قبل از ٹیکس |
| (47,456,933) | (17,124,784) | ٹیکس |
| 217,970,156 | 266,352,511 | سال کا منافع |
| 3.04 | 3.71 | آمدنی فی شیئر* |

* 30 جون 2020ء تک بھایا شیئرز کی تعداد کی بنیاد پر آمدنی فی شیئر۔

منافع کا اعلان:

بورڈ 20 فیصد (دو روپے فی شیئر) کے حساب سے حتمی کیش ڈویڈنڈ کی سفارش کرنے پر خوش ہیں۔

مالیاتی رپورٹنگ:

کمپنی کے مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات، جو کہ پاکستان میں نافذ العمل ہیں، ان کی پیروی کی گئی ہے۔

مینوفیکچرنگ اور آپریشنز:

مینوفیکچرنگ کی سہولیات سے متعلق ہمارے تمام وسائل نے عمدہ کارکردگی کا مظاہرہ کیا اور افادیت میں مثبت فائدہ حاصل کیا۔ کمپنی نئی مصنوعات کی ترقی، استعداد کار کو بہتر بنانے، ضائع ہونے کو کم کرنے، لیڈ ٹائم کو بہتر بنانے اور انویٹریز کم کرنے میں مسلسل طور پر مصروف ہے۔ مواقعوں کی تیاری کیلئے ہم اپنی مینوفیکچرنگ سہولیات کو مستقل طور پر جدید اور اپ گریڈ کر رہے ہیں۔

SGS کے ذریعہ پیداواری عمل کی مختلف تربیتوں کے ذریعہ مینوفیکچرنگ آپریشنز کو مزید اہلیت اور کنٹرول کیلئے ترتیب دیا جا رہا ہے۔ آپ کی کمپنی انڈسٹری میں پروڈکٹ کی مسلسل ترقی کے ذریعے اور بین الاقوامی اور مقامی مارکیٹوں میں توسیع شدہ شیلیف لائف کے ساتھ محفوظ اور معیاری مصنوعات فراہم کرنے کیلئے پرعزم ہے۔

آپ کی کمپنی وہ واحد کمپنی ہے جو بین الاقوامی مارکیٹ میں ویلیو ایڈڈ گوشت کی مصنوعات کی پیشکش کرتی ہے اور اس کی بہتر پروسیسنگ سہولیات کے ذریعہ شیلیف لائف کو بڑھانے کی صلاحیت رکھتی ہے جو کہ نامساعد حالات جیسا کہ Covid-19 لاک ڈاؤن کے دوران کام کرنے کی اجازت دیتی ہے۔ ہم ہر طرح کے گوشت کی ضروریات کیلئے ون اسٹاپ شاپ بننے کیلئے اپنے مقصد کی طرف گامزن ہیں کہ جیسا کہ تازہ ٹھنڈا بون ان، تازہ ٹھنڈا بون لیس، تازہ ٹھنڈا بون لیس ویکویم پیک، توسیع شدہ شیلیف لائف کے ساتھ، فروزن بون ان اور بون لیس پروڈکٹس، کچے ہوئے گوشت کی پروڈکٹس اور کھانے کے قابل ریڈ اور وائٹ آفل کی تمام ورائٹیز۔

مستقبل کے امکانات:

سال کے آخر میں کمپنی نے کامیابی کے ساتھ ایک IPO منعقد کیا اور پاکستان اسٹاک ایکسچینج میں درج ہو گئی۔ IPO سے حاصل ہونے والے سرمایہ کا استعمال کمپنی کے بنیادی انفراسٹرکچر اور کاروبار کو بڑھانے کیلئے کیا جائے گا۔ کمپنی موبیلٹیوں کیلئے بیک اینڈ فارمنگ میں سرمایہ کاری کر رہی ہے تاکہ وہ اپنی ضرورت کا 25 فیصد پورا کر سکے۔ ہم نے اس انفراسٹرکچر کو اگلے 12 ماہ میں حاصل کرنے کیلئے جارحانہ ہدف رکھا ہے اور سالانہ بنیادوں پر بھی اس میدان میں ترقی کے منتظر ہیں۔ یہ اقدام دوران سال مختلف اوقات میں جانوروں کی منڈیوں میں قلت کی وجہ سے قیمت کے منفی اتار چڑھاؤ کو کم کرنے کے ساتھ ساتھ صارفین کیلئے اس کی مصنوعات کے معیار کو معیاری بنانے کا باعث بنے گا۔

آپ کی کمپنی اپنی آفل پیداوار کو بھی بڑھا رہی ہے جس کے لئے مالی سال 2021ء کے دوران اضافی سرمایہ کاری کا منصوبہ بنایا گیا ہے۔ توقع ہے کہ یہ توسیعی آفل آپریشنز سال کے آخر تک شروع ہو جائیں گے۔

آپ کی کمپنی کے قربانی پالمیٹ کے کامیاب منصوبے کے بعد میٹ ماسٹر آن لائن ریٹیل کے ساتھ کام جاری رکھنے کا منصوبہ ہے۔

الحمد للہ، آپ کی کمپنی نے گزشتہ سالوں میں ترقی حاصل کی ہے اور انشاء اللہ پاکستان کی گوشت کی صنعت میں جدت کے اس رجحان کو برقرار رکھے گی۔

بورڈ:

آرٹیک میٹ کمپنی لمیٹڈ کا ایک آزاد اور مقصدی بورڈ ہے۔ چیئرمین اور چیف ایگزیکٹو کے کردار مختلف ہیں اور ہر ایک کی واضح طور پر بیان کردہ رول پروفائل ہوتی ہے۔ اس کے علاوہ آڈٹ اور ہیومن ریسورسز دونوں کمیٹیاں آزاد ڈائریکٹرز کے زیر صدارت ہیں۔ بورڈ آف ممبران پر مشتمل ہے جن میں ایک خواتین اور سات مرد ڈائریکٹرز شامل ہیں جبکہ بورڈ کی تشکیل درج ذیل ہے:

| | |
|----|-----------------------|
| 02 | ایگزیکٹو ڈائریکٹر |
| 02 | غیر ایگزیکٹو ڈائریکٹر |
| 04 | آزاد ڈائریکٹر |

آڈٹ کمیٹی:

آڈٹ کمیٹی بورڈ کے تین ممبران، دو آزاد ڈائریکٹر اور ایک غیر ایگزیکٹو ڈائریکٹر پر مشتمل ہے۔ CCG ریگولیشنز 2019ء کی ضروریات کے مطابق کمیٹی کا چیئرمین آزاد ڈائریکٹر ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کیلئے حوالہ کی شرائط طے کی ہیں۔ آڈٹ کمیٹی مالا اندر سہ ماہی مالیاتی حسابات، انٹرنل آڈٹ رپورٹس کا جائزہ لیتی ہے اور بورڈ کی میٹنگز سے قبل میٹنگ منعقد کرتی ہے۔ کمیٹی انٹرنل آڈٹ ڈپارٹمنٹ کے ذریعے انٹرنل کنٹرول سسٹم کا مناسب انتظام کرتی ہے اور آپریشنل اور مالیاتی کنٹرول کی تاثیر کا جائزہ لیتی ہے۔ آڈٹ کمیٹی کے ممبران درج ذیل ہیں:

جناب فہال قاسم۔ چیئرمین

جناب رضوان عباس

جناب سلمان حسین

ہیومن ریسورس کمیٹی:

کمیٹی بورڈ کے تین ممبران، دو آزاد ڈائریکٹرز اور ایک ایگزیکٹو ڈائریکٹر پر مشتمل ہے۔ کمیٹی کا چیئرمین آزاد ڈائریکٹر ہے۔ کمیٹی کمپنی کی ہیومن ریسورس اور مینجمنٹ پالیسیوں کا جائزہ لیتی ہے اور اسے مرتب کرتی ہے۔ کمیٹی ملازمین کے معاوضے کیلئے بھی ذمہ دار ہے اور اس بات کو یقینی بناتی ہے کہ اسے کمپنی کی کاروباری حکمت عملی اور طویل مدتی مفادات سے ہم آہنگ کیا جائے۔ ہیومن ریسورس کمیٹی کے ممبران درج ذیل ہیں:

سید اویس حسن زیدی۔
جناب فیصل حسین
جناب سلمان حسین

بورڈ اور کمیٹی کی میٹنگز:

دوران سال بورڈ آف ڈائریکٹرز کی چھ میٹنگز منعقد ہونگی، چار آڈٹ کمیٹی کی میٹنگز اور ایک ہیومن ریسورس کمیٹی کی میٹنگ منعقد ہوگی۔ میٹنگ میں ہر ڈائریکٹر کی شرکت درج ذیل ہے:

میٹنگ میں حاضری کی تعداد

| ڈائریکٹر کا نام | بورڈ کی میٹنگ | آڈٹ کمیٹی | ہیومن ریسورس اور اجرتی کمیٹی |
|------------------------|---------------|-----------|------------------------------|
| جناب ذوالقرنین علی خان | 6 | - | - |
| جناب فیصل حسین | 6 | - | 1 |
| جناب علی حسین | 5 | - | - |
| جناب نہال قاسم | 6 | 4 | - |
| جناب رضوان عباس | 5 | 4 | - |
| جناب سلمان حسین | 4 | 3 | 1 |
| سید اویس حسن زیدی | 5 | - | 1 |
| محترمہ سحرش حفیظ مسطور | 4 | - | - |

بورڈ اور کمیٹیوں کی میٹنگز میں شرکت نہ کرنے اور چھٹی کی درخواست کرنے والے ڈائریکٹرز کو قانون کے مطابق بورڈ/کمیٹیوں کے ذریعہ میٹنگ سے غیر حاضری کی اجازت دے دی گئی۔

ڈائریکٹرز کے معاوضے:

بورڈ آف ڈائریکٹرز نے کمپنی کے غیر ایگزیکٹو اور آزاد ڈائریکٹرز کیلئے معاوضے کی پالیسی تیار کی ہے۔

ڈائریکٹرز کا تربیتی پروگرام:

کمپنی کے آٹھ ڈائریکٹرز میں سے تین ڈائریکٹرز کو اس طرح کے سرٹیفکیٹ سے مستثنیٰ قرار دیا گیا ہے کیونکہ وہ ضابطہ اخلاق میں دیئے گئے اسٹینڈی کے معیار پر پوری طرح اترتے ہیں۔ چار ڈائریکٹرز نے 2018ء میں ڈائریکٹرز کے سرٹیفیکیشن ٹریننگ پروگرام کے تحت سند حاصل کی ہے۔ لہذا آدھے سے زیادہ بورڈ DTP اور اسٹینڈی کے معیار کے تحت اہل ہے۔

کمپنی کے ڈائریکٹرز اپنے فرائض کی انجام دہی کیلئے مناسب طور پر تربیت یافتہ ہیں اور انٹرنیٹ ایکٹ 2017ء اور پاکستان انساک ایکچنج رول بک کے ضوابط کے تحت اپنے اختیارات اور ذمہ داریوں سے آگاہ ہیں۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک:

- ☆ ہم یہ رپورٹ دینا چاہتے ہیں کہ آپ کی کمپنی مکمل طور پر کوڈ آف کارپوریٹ گورننس پر عمل پیرا ہے جو کہ پاکستان انساک ایکچنج میں اس کی لسٹنگ کے نتیجے میں مالیاتی سال 2021 میں اس پر لاگو ہوں گے:
- ☆ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اس کے کاروباری نتائج، نقد رقم کی ترسیل اور حصص میں رد و بدل کی شفاف عکاسی کرتے ہیں۔
- ☆ مناسب اکاؤنٹنگ پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ اکاؤنٹنگ کے اندازے ماہرانہ اور مختلط فیصلوں پر مبنی ہوتے ہیں۔
- ☆ کمپنی کے کھاتے مناسب طریقہ سے تیار کئے جاتے ہیں۔
- ☆ مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات، جو کہ پاکستان میں نافذ عمل ہیں، ان کی پیروی کی گئی ہے۔

- ☆ آنے والے سالوں میں کمپنی کے کاروباری تسلسل پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- ☆ اندرونی کنٹرول کے نظام منظم ہیں اور اس کی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔ اس کے پراسس کا جائزہ مستقل رہے گا اور کنٹرول میں کسی بھی کمزوری کو دور کر دیا جائے گا۔
- ☆ انکسپرسز سے متعلق تفصیلات اکاؤنٹس کے نوٹس میں دی گئی ہیں۔

آپریٹنگ اور مالیاتی ڈیٹا:

گزشتہ چھ سالوں کے کمپنی کے آپریٹنگ اور مالیاتی ڈیٹا اور اس کے تناسب کو رپورٹ کے ساتھ منسلک کیا گیا ہے۔

مادی تبدیلیاں:

یہاں کوئی مادی تبدیلیاں نہیں کی گئیں اور کمپنی شعوری طور پر کسی بھی امور میں شامل نہیں ہوئی جس سے اس کی مالی حیثیت متاثر ہو۔

شیئر ہولڈنگ کا طریقہ کار:

شیئر ہولڈنگ کا طریقہ کار رپورٹ کے ساتھ منسلک ہے۔

آڈیٹرز:

بورڈ نے اگلے سال کیلئے میسرز گرانٹ تھورنٹن انجم رحمان کی بطور آڈیٹر تقرر کی ہے۔ موجودہ آڈیٹرز میسرز گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس، رہنما ہو گئے ہیں اور اہل ہونے کے ناطے انہوں نے خود کو دوبارہ تقرر کیلئے پیش کیا ہے۔

انتظامی خطرہ:

اپنی ذمہ داریوں کے ایک حصہ کے طور پر بورڈ آف ڈائریکٹرز نے ہمیشہ معاشی معاشرتی ماحول اور اس کے نتیجے میں اندرونی اور بیرونی خطرات پر کڑی نظر رکھی ہے جو کہ کمپنی کی جھنڈ اور عوار آپریٹنگ کو متاثر کر سکتی ہے اور سال بھر خطرات کی شناخت اور نشتے میں مستعد رہتی ہے۔ بورڈ نے کمپنی پر ممکنہ خطرات کی نشاندہی کی اور ان کے اثرات کا اندازہ کیا اور کاروبار میں ہونے والے کسی بھی ممکنہ خطرات کو کم کرنے کیلئے حکمت عملی تیار کی۔ ان حکمت عملیوں کو آڈٹ کمیٹی کے ذریعہ نافذ کیا گیا تھا تاکہ اس بات کا یقین کیا جاسکے کہ خطرہ کی تخفیف میں کوئی فرق باقی نہ رہے۔

خطرے کی تشخیص:

کاروباری اداروں کو متعدد غیر یقینی صورتحال کا سامنا کرنا پڑتا ہے جو کہ ان کے مقاصد کیلئے خطرہ بن سکتے ہیں اور اگر اس پر توجہ نہ دی گئی تو نقصانات کا سبب بن سکتے ہیں۔ بورڈ نے اندرونی اور بیرونی دونوں خطرات کا احتیاط اور مکمل جائزہ لیا ہے جس کا کمپنی کو سامنا کرنا پڑ سکتا ہے۔ کمپنی کو سب سے بڑا خطرہ خام مال کی قیمت میں اضافے سے ہے۔ پاکستانی روپے کی قدر میں کمی نے اس خطرے کا احاطہ کر لیا ہے کیونکہ کمپنی کے برآمدی کاروبار میں پاکستانی روپے کی قدر میں کمی کو قدرتی بیج کیا ہوا ہے۔ اس کے مزید منفی اثرات کو روکنے کیلئے کمپنی نے اپنے اہم بین الاقوامی خریداروں کے ساتھ اسٹرائیجک تعلقات میں سرمایہ کاری کی ہے اور بروقت فراہمی کو یقینی بنایا ہے۔ کسی اور خطرے میں خام مال کی دستیابی جس کا سامنا کمپنی کو کرنا پڑتا ہے جس کیلئے کمپنی مستقبل میں اپنے مکمل فارمز کے ذریعہ موبائیلیٹی کی فراہمی کرنے کیلئے اپنی رسد تیار کرنے پر کام کر رہی ہے۔

کاروباری اصولوں کا کوڈ:

گوشت کی ایک سرفہرست کمپنی کے طور پر اعلیٰ اخلاقی معیاری ساکھ کاروباری کامیابی میں مرکزی حیثیت رکھتی ہے۔ کاروباری اصولوں کا کوڈ پہلے ہی تیار کیا گیا ہے اور کمپنی کے ہر ڈائریکٹر اور ملازم کے ذریعہ اس پر عملدرآمد کیا گیا ہے۔

کارپوریٹ معاشرتی ذمہ داری:

ایک پبلک لیمنڈ کمپنی ہونے کے ناطے، ہمیں یہ احساس ہوا کہ اس ملک اور اس کے عوام کیلئے ہم پر ذمہ داری عائد ہوتی ہے۔ اس ضمن میں ہم ضرورت مند تنظیموں کو چندہ دیتے ہیں۔

صحت:

ہم ماحولیات پر اپنے آپریشنز اور مصنوعات کے اثرات کو کنٹرول کر کے ماحولیاتی کارکردگی کو بہتر بنانے کیلئے پرعزم ہیں اور ہم مزید کوشش کرتے ہیں کہ ملک میں آلودگی پر قابو پانے کیلئے وضع کردہ ماحولیاتی قانون، قواعد و ضوابط پر عمل کیا جائے۔ آپ کی کمپنی پاکستان میں ایک بہتر اور ماحول دوست مستقبل کے فروغ میں اپنا کردار ادا کرنے کیلئے پرعزم ہے۔

اتھارٹس:

ڈائریکٹرز قابل قدر صارفین کے مسلسل تعاون پر شکر گزار ہیں نیز کمپنی کے مینٹکرز، شیئر ہولڈرز اور دیگر اسٹیک ہولڈرز کا بھی شکریہ ادا کرتے ہیں جنہوں نے آپ کی کمپنی پر اپنا اعتماد برقرار رکھا ہے۔ اسکے علاوہ ڈائریکٹرز، ریگولیٹرز، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور پاکستان اسٹاک ایکسچینج (PSX) کی جانب سے مسلسل تعاون پر بھی مخلصانہ تحسین پیش کرتے ہیں۔

کمپنی کے تمام ملازمین نے ایک حقیقی ٹیم ورک تیار کیا ہے اور اس کے نتائج ظاہر ہیں۔ ڈائریکٹرز تمام ملازمین کو ان کی مخلصانہ کارکردگی پر مبارکباد پیش کرتے ہیں۔

فیصل حسین
چیف ایگزیکٹو آفیسر



ڈاکٹر فرار علی خان
چیرمین

کراچی؛ 24 ستمبر 2020ء

THE ORGANIC MEAT COMPANY LIMITED
FINANCIAL HIGHLIGHTS
FROM JUNE 30, 2015 TO JUNE 30, 2020



| Description | For the Year ended June 30 th | | | | | |
|---|--|---------|-------|---------|---------|---------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| <i>(Amounts in PKR Million)</i> | | | | | | |
| Statement of Comprehensive Income | | | | | | |
| Sales | 962 | 1,205 | 922 | 2,053 | 2,577 | 3,384 |
| Cost of Goods Sold | (849) | (1,001) | (709) | (1,699) | (2,169) | (2,754) |
| Gross Profit | 113 | 203 | 213 | 354 | 408 | 630 |
| Operating Profit | 47 | 145 | 109 | 248 | 218 | 373 |
| EBITDA | 143 | 197 | 146 | 268 | 459 | 487 |
| Depreciation and Amortization | (58) | (58) | (55) | (54) | (123) | (114) |
| Financial Charges | (32) | (39) | (37) | (57) | (71) | (90) |
| Profit before Taxation | 53 | 100 | 55 | 157 | 265 | 283 |
| Taxation | (8) | (11) | (1) | (13) | (47) | (17) |
| Profit after Taxation | 45 | 89 | 54 | 143 | 218 | 266 |
| Statement of Financial Position | | | | | | |
| Non-Current Assets | 557 | 575 | 546 | 1,257 | 1,245 | 1,420 |
| Current Assets | 373 | 655 | 793 | 1,075 | 1,323 | 1,310 |
| Total Assets | 930 | 1,230 | 1,339 | 2,333 | 2,569 | 2,730 |
| Paid-up Capital | 1 | 1 | 1 | 100 | 718 | 718 |
| Equity | 243 | 332 | 386 | 1,264 | 1,621 | 1,887 |
| Share Deposit Money | 212 | 212 | 212 | 149 | - | - |
| Short-Term Borrowings | 300 | 497 | 548 | 573 | 719 | 659 |
| Non-Current Liabilities | 103 | 82 | 90 | 58 | 15 | - |
| Current Liabilities | 372 | 605 | 651 | 861 | 932 | 843 |
| Stock-in-trade | 66 | 151 | 132 | 131 | 201 | 239 |
| Trade debts | 202 | 272 | 356 | 849 | 824 | 702 |
| Trade and other payables | 119 | 62 | 74 | 207 | 139 | 145 |
| Cash Flow Statement | | | | | | |
| Operating Activities | (166) | (114) | (17) | 57 | 28 | 391 |
| Investing Activities | (193) | (75) | (16) | (110) | (111) | (290) |
| Financing Activities | 380 | 171 | 55 | (21) | 73 | (52) |
| Net Increase in Cash | 21 | (18) | 22 | (74) | (11) | 49 |
| Net Cash Balance | 22 | 5 | 19 | 16 | 5 | 7 |
| Capital Expenditure | (193) | (75) | (16) | (110) | (111) | (289) |
| Sales Growth (%) | (38) | 25 | (23) | 123 | 26 | 31 |
| EBITDA Growth (%) | (26) | 38 | (26) | 83 | 71 | 6 |
| Net Profit Growth (%) | (61) | 98 | (40) | 165 | 52 | 22 |
| Margins | | | | | | |
| Gross Margin (%) | 12 | 17 | 23 | 17 | 16 | 19 |
| EBITDA Margin (%) | 11 | 17 | 18 | 15 | 13 | 14 |
| Net Margin (%) | 5 | 7 | 6 | 7 | 8 | 8 |
| Break-up Value per Share (Rs.) ¹ | 3.39 | 4.63 | 5.37 | 8.75 | 22.57 | 26.28 |

THE ORGANIC MEAT COMPANY LIMITED
FINANCIAL HIGHLIGHTS
FROM JUNE 30, 2015 TO JUNE 30, 2020



| Description | For the Year ended June 30 th | | | | | |
|--|--|----------|----------|-------|------|-------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| <i>(Amounts in PKR Million)</i> | | | | | | |
| Profitability and Earnings Ratios | | | | | | |
| Profit after Tax | 45 | 89 | 54 | 143 | 218 | 266 |
| Earnings per Share (PKR) as audited accounts | 4,530 | 8,908.48 | 5,357.62 | 14.33 | 4.46 | 3.71 |
| Earnings per Share Restated (PKR) ¹ | 0.63 | 1.24 | 0.75 | 1.99 | 3.04 | 3.71 |
| Return on Equity (%) | 10 | 16 | 9 | 10 | 13 | 14 |
| Return on Asset (%) | 5 | 7 | 4 | 6 | 8 | 10 |
| Balance Sheet Ratios | | | | | | |
| Fixed Asset Turnover (x) | 1.73 | 2.09 | 1.69 | 1.63 | 2.07 | 2.38 |
| Asset Turnover (x) | 1.03 | 0.98 | 0.69 | 0.88 | 1.00 | 1.24 |
| Capex to Total Assets (%) | 21 | 6 | 1 | 5 | 4 | 11 |
| Current Ratio (x) | 1.00 | 1.09 | 1.22 | 1.25 | 1.42 | 1.55 |
| Inventory Turnover (days) | 18 | 40 | 73 | 78 | 28 | 29 |
| Receivables Turnover (days) | 73 | 72 | 208 | 136 | 139 | 82 |
| Payables Turnover (days) | 55 | 33 | 33 | 29 | 26 | 14 |
| Leverage Ratios | | | | | | |
| EBITDA/Interest (x) | 3.28 | 5.21 | 4.40 | 5.23 | 4.80 | 5.41 |
| (EBITDA - Capex) | (89) | 128 | 147 | 188 | 217 | 198 |
| (EBITDA - Capex)/Interest (x) | -2.78 | 3.28 | 3.97 | 3.3 | 3.06 | 2.20 |
| Number of Shares Outstanding | 0.1 | 0.1 | 0.1 | 10 | 72 | 72 |

1. Based on outstanding number of shares of 71,817,777 as at 30 June 2020.

EXTERNAL AUDITORS' REPORT



Grant Thornton

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ORGANIC MEAT COMPANY LIMITED

Report on the audit of the financial statements

Opinion

We have audited the annexed financial statements of **The Organic Meat Company Limited** (the Company), which comprise the statement of financial position as at **June 30, 2020**, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity 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, 2020 and of the profit, 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 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* (the Code) as adopted by the Institute of Chartered Accountants of Pakistan 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the key audit matters:

| Key audit matters | How our audit addressed the key audit matters |
|---|--|
| <p>Existence and valuation of stock in trade</p> <p>Refer Note 17 to the financial statements, and 'stock-in-trade' which includes finished goods, livestock, work in process and packing material which are stored in factory premises. Due to the significance of the stock balances and related estimations involved, this is considered a key audit matter.</p> | <p>Our audit procedures to assess the existence and valuation of inventories, amongst others, included the following:</p> <ul style="list-style-type: none"> • Attended the physical stock in trade count performed by the Company; • Compared on sample basis specific purchases with underlying supporting documents; • Evaluated the appropriateness of the basis and processes used by management in determining the net realizable value of stock in trade; • Assessed the appropriateness of Company's accounting policy for valuation of stock in trade and compliance of the policy with applicable accounting and reporting standards; and • Performed testing on a sample of items to assess the NRV of the stock in trade held and evaluated the adequacy of provision for slow moving and obsolete stock (if any); and • Reviewed the adequacy of disclosures on stock in trade in the financial statements. |
| <p>Revenue</p> <p>Refer Note 21 to the financial statements.</p> <p>We focus on the risk of material misstatement in recognition of revenue, because revenue is material and is an important determinant of the Company's profitability which has a consequential impact on its share price.</p> <p>The Company gave sales discount of Rs. 44.5 million to its customers.</p> <p>We considered revenue as a key audit matter as revenue is one of the key performance indicators of the Company which gives rise to</p> | <p>Our audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> • We understand and evaluated controls relating to recognition including the revising of invoice through to the collection of debtor. Revenue is recorded in both the general ledger and subsidiary ledger; • Assessed the appropriateness of management's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; |

an inherent risk of fraud and error that it could be subject to misstatement to meet expectations or targets.

- Performed cut-off procedures to ensure revenue has been recognized in the correct period;
- Performed recalculation of discounts as per Company's policy, as approved by the BOD, on test basis;
- Performed analytical procedures to analyze variation in the price and quantity sold during the year;
- Obtained the schedule of revenue items in terms of quantity sold, and reconciled quantity sold with the inventory in hand and quantity purchased;
- Tested journal entries relating to revenue recognized during the year based on our risk assessment procedure;
- On sample basis, we verified the revenue transactions recorded with the underlying supporting documentation such as sales order, sales invoices, Form-E's, goods declaration form, bill of lading, gate pass and other relevant underlying documentation to assess if the related revenue was correctly recorded and agreed to supporting documents;
- Obtained details of remittances received to ensure occurrence of revenue transaction and compared with bank credit advice and bank withholding tax certificate;
- Obtained list of export sales and cross matched the transactions for which duty draw back rebates are eligible. Performed recalculations for the export rebates as per the Government's directives; and
- Reviewed the adequacy of disclosure as required under applicable financial reporting framework.

Management's consideration of the potential impact of COVID-19

Refer Note 38 to the financial statement.

Management and the Board have considered the potential impact of the events caused by

Our audit procedures included the following:

- We obtained managements most recent financial results for cash and liquidity analysis, understanding their going concern assessment

the pandemic, COVID-19 on the current and future operations of the Company. In doing so, management has made estimates and judgments that are critical to the outcome of these considerations with particular focus on the Company's ability to continue as a going concern for a period of atleast 12 months from the date of the signing of the Financial Statements.

Consideration of the potential impact of COVID-19 (including their associated estimates and judgments) to be a key audit matter.

and tested the integrity of the forecast, including mathematical accuracy;

- We also considered the likelihood and effect of potential mitigating action available to management which have not been reflected in their assessment;
- We discussed the most recent forecast with the company secretary and CFO of the Company to understand management's and Board view on going concern and the potential impact of COVID-19 on the Company; and
- We considered the appropriateness of the disclosure made by the management and the basis in respect of potential impact of COVID-19 on the current and future operations of the Company.

Based on above procedures, we have not identified any matters to report.

Information other than the financial statements and the Auditor's report thereon

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended June 30, 2020, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 in the 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 financial statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.



Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

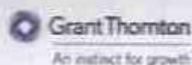
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 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 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 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; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 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 statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Grant Thornton Anjum Rahman
Karachi

Date: September 24, 2020

THE ORGANIC MEAT COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

| | Note | 2020 | 2019 |
|--|------|----------------------|----------------------|
| | | Rupees | |
| EQUITY AND LIABILITIES | | | |
| Share Capital and Reserves | | | |
| Share capital | 5 | 718,177,770 | 718,177,770 |
| Reserves | 6 | 631,216,486 | 309,880,645 |
| Revaluation surplus on property, plant and equipment - net | 7 | 538,072,068 | 593,055,398 |
| Total shareholder's equity | | 1,887,466,324 | 1,621,113,813 |
| NON-CURRENT LIABILITIES | | | |
| Long term borrowings - secured | 8 | - | 4,136,029 |
| Deferred taxation - net | 9 | - | 10,998,401 |
| Total non-current liabilities | | - | 15,134,430 |
| CURRENT LIABILITIES | | | |
| Current maturity of long term borrowings - secured | 8 | 12,408,089 | 47,588,916 |
| Trade and other payables | 10 | 145,363,103 | 158,638,764 |
| Accrued mark-up | 11 | 25,454,521 | 21,855,385 |
| Short term loan from related party - unsecured | 12 | 145,606,873 | 158,963,239 |
| Short term borrowings - secured | 13 | 513,488,211 | 560,000,000 |
| Taxation - net | | 657,890 | 3,415,297 |
| Total current liabilities | | 842,978,687 | 932,511,501 |
| TOTAL EQUITY AND LIABILITIES | | 2,730,445,011 | 2,568,539,844 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 14 | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 15 | 1,419,997,608 | 1,245,400,593 |
| Intangible assets | 16 | 450,000 | - |
| Total non-current assets | | 1,420,447,608 | 1,245,400,593 |
| CURRENT ASSETS | | | |
| Stock-in-trade | 17 | 238,939,232 | 201,047,228 |
| Trade debts - unsecured | 18 | 701,862,880 | 823,862,397 |
| Loans, advances and other receivables | 19 | 361,739,269 | 293,076,254 |
| Cash and bank balances | 20 | 7,456,022 | 3,173,272 |
| Total current assets | | 1,309,997,403 | 1,323,159,151 |
| TOTAL ASSETS | | 2,730,445,011 | 2,568,539,844 |

The annexed notes from 1 to 41 form an integral part of these financial statements.


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

THE ORGANIC MEAT COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2020

| | Note | 2020 -----Rupees----- | 2019 |
|---|------|--------------------------|----------------------|
| Sales - net | 21 | 3,384,108,701 | 2,377,518,290 |
| Cost of sales | 22 | (2,754,170,170) | (2,169,855,773) |
| Gross profit | | 629,938,531 | 407,662,517 |
| Administrative expenses | 23 | (67,196,915) | (53,550,761) |
| Selling expenses | 24 | (120,473,462) | (136,167,023) |
| Allowance for doubtful debt | 18.7 | (69,744,228) | (84,563,107) |
| | | (257,414,605) | (274,280,891) |
| Operating profit | | 372,523,926 | 133,381,626 |
| Finance costs | 25 | (90,079,782) | (71,072,279) |
| Other income - net | 26 | 18,063,134 | 225,031,691 |
| Other charges | 27 | (17,029,983) | (21,913,949) |
| | | (89,046,631) | 132,045,463 |
| Profit before taxation | | 283,477,295 | 265,427,089 |
| Taxation | 28 | (17,124,784) | (47,456,933) |
| Profit for the year | | 266,352,511 | 217,970,156 |
| Earnings per share - basic and diluted | 29 | 3.71 | 4.46 |

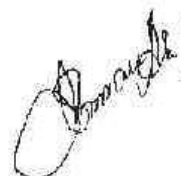
The annexed notes from 1 to 41 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

THE ORGANIC MEAT COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

| | 2020 | 2019 |
|---|--------------------|--------------------|
| | -----Rupees----- | |
| Profit for the year | 266,352,511 | 217,970,156 |
| Other comprehensive income: | | |
| <i>Items that will not be reclassified to statement of profit or loss in subsequent periods</i> | - | - |
| Total comprehensive income for the year | 266,352,511 | 217,970,156 |

The annexed notes from 1 to 41 form an integral part of these financial statements.


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

THE ORGANIC MEAT COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

| | Note | 2020 | 2019 |
|--|------|---------------|---------------|
| | | Rupees | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation for the year | | 283,477,295 | 265,427,089 |
| Adjustment for non cash items: | | | |
| Depreciation on property, plant and equipment | 15.1 | 113,652,433 | 122,884,349 |
| Amortization of intangible asset | 16 | 50,000 | - |
| Provision against trade debtors | 18.7 | 69,744,228 | 84,563,107 |
| Balances written off | 26 | - | 56,561,614 |
| Unrealised exchange gain on trade debtors | 26.1 | (19,048,848) | (67,995,143) |
| Finance costs | 25.1 | 90,079,782 | 71,072,379 |
| Loss on disposal of property, plant and equipment | 26 | 513,903 | - |
| Provision for Worker's Profit Participation Fund | 27 | 9,480,973 | 13,989,122 |
| Provision for Worker's Welfare Fund | 27 | 2,645,960 | 366,230 |
| | | 550,595,726 | 546,871,647 |
| Working capital changes | | | |
| Increase in stock-in-trade | | (37,892,004) | (70,357,671) |
| Decrease in trade debts | | 71,304,137 | 8,942,631 |
| Increase in loans, advances and other receivables | | (68,663,015) | (244,331,487) |
| Decrease in trade and other payables | | (5,452,594) | (112,818,164) |
| | | (40,703,476) | (418,564,691) |
| Cash generated from operating activities | | 509,892,250 | 128,306,956 |
| Income taxes paid | | (32,880,592) | (35,439,166) |
| Finance costs paid | | (86,480,646) | (65,129,106) |
| Net cash generated from operating activities | | 390,531,012 | 27,738,684 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of operating fixed assets | | (70,711,220) | (65,005,043) |
| Addition to capital work in process | | (219,311,289) | (46,274,437) |
| Sale proceeds from disposal of property, plant and equipment | | 759,258 | - |
| Net cash used in investing activities | | (289,263,251) | (111,279,480) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of loan from financial institutions - net | | (39,116,856) | (48,075,317) |
| Short term loan (repaid)/obtained - due to related parties | | (13,356,366) | 145,941,569 |
| Repayment of advance against issue of shares | | - | (24,834,014) |
| Net cash (used in) / generated from financing activities | | (52,473,222) | 73,032,238 |
| Net increase/(decrease) in cash and cash equivalent | | 48,794,539 | (10,508,558) |
| Cash and cash equivalent at beginning of the year | | (554,826,728) | (544,318,170) |
| Cash and cash equivalent at end of the year | 30 | (506,032,189) | (534,826,728) |

The annexed notes from 1 to 41 form an integral part of these financial statements.


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

THE ORGANIC MEAT COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2020

| | Reserves | | | | Total shareholders' equity |
|---|---------------|---------------|-----------------------|---------------------|----------------------------|
| | Share capital | Capital | Revenue | Revaluation surplus | |
| | | Share premium | Unappropriated profit | | |
| Rupees | | | | | |
| Balance as at July 01, 2018 | 100,000,000 | - | 328,221,352 | 636,273,327 | 1,264,497,159 |
| Transaction with owners | | | | | |
| Right issue | 118,177,770 | 922,216 | - | - | 119,099,986 |
| Bonus issue | 500,000,000 | - | (500,000,000) | - | - |
| | 618,177,770 | 922,216 | (500,000,000) | - | 119,099,986 |
| Total comprehensive income for the year | | | | | |
| Profit for the year | - | - | 217,970,156 | - | 217,970,156 |
| Revaluation surplus on property, plant and equipment realized on account of incremental depreciation - net of tax | - | - | 62,766,441 | (45,219,989) | 19,546,512 |
| Balance as at July 30, 2019 | 718,177,770 | 922,216 | 308,958,429 | 593,055,398 | 1,621,113,813 |
| Total comprehensive income for the year | | | | | |
| Profit for the year | - | - | 266,352,511 | - | 266,352,511 |
| Revaluation surplus on property, plant and equipment realized on account of incremental depreciation - net of tax | - | - | 54,983,330 | (54,983,330) | - |
| Balance as at June 30, 2020 | 718,177,770 | 922,216 | 630,294,270 | 538,072,068 | 1,887,466,324 |

The annexed notes from 1 to 41 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1 LEGAL STATUS AND NATURE OF THE BUSINESS

- 1.1** The Organic Meat Company Limited (the "Company") is a public company limited by shares incorporated in Pakistan on July 14, 2019 under the repealed Companies Ordinance 1984 (now Companies Act, 2017). The registered office of the Company is situated at Survey No. 310, Deh Shah Murced, Gadap, Karachi, Pakistan.

The Company's principal business is processing and sale of meat and allied products.

2 BASIS OF PREPERATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. Approved accounting and reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, and provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2 Standards, Amendments and Interpretations to Approved Accounting Standards

- 2.2.1** Standards, amendments and interpretations to the published standards that are relevant to the company and adopted in the current year.

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

| Standard or Interpretation | Effective Date (Annual periods beginning |
|--|---|
| IFRS 14 'Regulatory Deferral accounts' | July 1, 2019 |
| IFRS 16 'Leases' | January 1, 2019 |
| IAS 12 'Income tax consequences of payments on financial instruments classified as equity' | January 1, 2019 |
| IAS 23 Borrowing costs eligible for capitalization | January 1, 2019 |
| IFRS 3 Previously held interest in a joint operation | January 1, 2019 |
| IFRS 9 Prepayment features with negative compensation | January 1, 2019 |
| IFRS 11 Previously held interest in a joint operation | January 1, 2019 |
| IAS 28 'Long-term Interests in Associates and Joint Ventures' (Amendments to IAS 28) | January 1, 2019 |
| Annual improvements to IFRSs 2015 - 2017 Cycle | January 1, 2019 |

Adoption of the above standard have no effect on the financial statements for the year ended June 30, 2020.

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

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

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

| Standard or Interpretation | Effective Date (Annual periods beginning on or after) |
|---|--|
| IFRS 5 'Definition of a business' Amendment to IFRS 5 | January 1, 2020 |
| IAS 1/IAS 8 'Definition of Material' (Amendments to IAS 1 and IAS 8) | January 1, 2020 |
| IFRS 7, IFRS 9, and IAS 39 - Interest Rate Benchmark Reform | January 1, 2020 |
| Various Amendments to References to the Conceptual Framework in IFRS Standards | January 1, 2020 |
| The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company. | |

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

New standards have been issued by the International Accounting Standards Board (IASB) but not yet notified by the SECP for the purpose of applicability in Pakistan and are found not relevant to the entity.

| Standard or Interpretation | IASB Effective Date (Annual periods beginning on or after) |
|---|---|
| IFRS 17 'Insurance Contracts' | January 1, 2022 |
| IFRS 1 'First-time Adoption of International Financial Reporting Standards' | July 1, 2009 |

2.2.4 IFRIC-23 "Uncertainty over income tax treatments"

The Company has adopted IFRIC-23 - Uncertainty over income tax treatments which clarifies how the recognition and measurement requirements of IAS-12 - Income taxes are applied when there is uncertainty over income tax treatment. IFRIC-23 explains how the recognition and measurement of deferred and current income tax assets and liabilities when there is uncertainty over tax treatment.

An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over income tax that will be accepted by tax authorities. IFRIC-23 applies to all aspect of income tax accounting, when there is a uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. While there are new disclosure requirements, entities are reminded of the general requirements to provide information about judgement and estimates made in preparing the financial statements.

The Company is already in compliance with the requirements of IFRIC-23.

3 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention using accrual basis of accounting, except for cash flow information.

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

3.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupee which is the Company's functional and presentation currency.

3.2 Critical accounting estimates and judgments

The preparation of financial statements is in conformity with approved accounting standards which requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors 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 estimate is revised.

In the process of applying the Company's accounting policies, management has made the following estimates and judgment which are significant to the financial statements:

| | Notes |
|--|-------|
| a) Useful life of property and equipment | 4.1 |
| b) Revaluation of property, plant and equipment | 4.1 |
| c) Provision for taxation | 4.8 |
| d) Provision against trade debts and other receivables | 4.10 |
| e) Impairment of financial asset | 4.4.4 |
| f) Impairment of non financial asset | 4.14 |
| g) Provision | 4.15 |

3.3 GENERAL

The figures have been rounded off to nearest Rupee.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, otherwise stated.

4.1 Property, plant and equipment

4.1.1 Owned assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land, building and plant and machinery which are stated at revalued amounts less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Capital work-in-progress is stated at cost. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in progress. These are transferred to specific assets as and when assets are available for use.

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

4.1.2 Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance costs are charged to statement of profit or loss account in the period of its occurrence.

4.1.3 Depreciation

Depreciation is charged to statement of profit or loss account by applying the reducing balance method on yearly basis at the rates specified in note 13.1. Depreciation on additions to property, plant and equipment is charged from the month in which an item is acquired i.e. available for use, while no depreciation is charged in the month in which the item is disposed off.

The depreciation method and useful lives of items of operating fixed assets are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing depreciation charge for the current and future periods.

4.1.4 Disposal

Gains or losses on disposal or retirement of operating fixed assets are determined as the difference between the sale proceeds and the carrying amount of assets and are included in the profit or loss account.

4.1.5 Revaluation of property, plant and equipment

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any surplus on revaluation of operating fixed assets is recognized in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of operating fixed assets", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of operating fixed assets is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on operating fixed assets relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders.

4.1.6 Impairment

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is taken to profit and loss account except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

4.1.7 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified accumulated impairment loss. It represents expenditure on fixed assets in the course of installation and advances for capital expenditure. These are made to the relevant category of tangible/intangible assets as and when the assets are available for intended use.

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

4.2 Intangible assets

Intangible assets which are stated at cost less accumulated amortization and any identified impairment loss mainly represents assets with finite useful life are amortized using the straight-line method over the estimated useful life of five years. Amortization of intangible assets is commenced from the date an asset is capitalized. Repairs and maintenance cost are expensed out and research and development cost are capitalized as per IAS-38.

4.3 Foreign currency translations

The foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. The closing balance of non-monetary items is included at the exchange rate prevailing at the date of the transaction and monetary items are translated using the exchange rate prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of profit or loss account with other income/other operating expenses.

4.4 Financial instruments

The company recognise a financial instrument in its financial statement when, and only when the entity becomes party to contractual provisions of the instrument (para 3.1.1, IFRS-9).

4.4.1 Initial recognition of financial assets

Regular purchases and sales of financial assets are recognized on the trade date i.e. the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the profit and loss account.

4.4.2 Derecognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. After initial recognition, an entity shall measure a financial asset at fair value or amortised cost.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account within 'Other income / other expenses' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss account as part of 'Other income' when the Company's right to receive payments is established.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through other comprehensive income' category are recognised in other comprehensive income with only dividend income recognised in statement of profit or loss account.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the financial asset and all substantial risk and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or has expired.

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

4.4.3 Subsequent measurement of financial assets

The Company classifies its financial assets into following categories: financial assets at amortised cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The financial assets are classified at initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

a) Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following conditions are met (and are not designated as FVTPL):

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

b) Financial assets at fair value through other comprehensive income (FVOCI)

The fair value through other comprehensive income classification is mandatory for certain debt instrument assets unless the option to classify as fair value through profit or loss is taken.

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- They are held under a business model whose objective 'hold to collect and sell', and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

All equity instruments are to be classified as financial assets at fair value through profit or loss, except for those equity instruments for which the Company has elected to present value changes in other comprehensive income.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through other comprehensive income' category are recognised in other comprehensive income with only dividend income recognised in profit or loss.

4.4.4 Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade debts, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affects the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage-1');
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage-2');
- financial assets that have objective evidence of impairment at the reporting date ('Stage-3').

'12-month expected credit losses' are recognised for the first category while 'Lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The expected loss rates are based on the Company's historical experience of credit losses.

4.4.5 Expected credit loss (ECL) / Loss allowance against trade debts, deposits, advances and other receivables

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The Company reviews the recoverability of its trade debts, deposits, advances and other receivables to assess amount of loss allowance required on an annual basis.

4.5 Financial liabilities

4.5.1 Initial recognition of financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortised cost using effective interest method unless financial liabilities are held for trading, in which case it is required to be measured at fair value through profit or loss or where entity elects to measure at financial liability, under fair value option.

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4.5.2 Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of original liability and recognition of a new liability and the difference in respective carrying amounts is recognised in the profit and loss account.

4.6 Off-setting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

4.7 Employees benefits

4.7.1 Provident Fund

The Company contributes to an unapproved contributory provident fund scheme effective 01 June 2019, for all its permanent employees who have decided to opt-in for it. Equal monthly contributions, both by the Company and the employees are made to the fund, at the rate of 4% of the basic salary. All regular employees are eligible for provident fund upon their confirmation. Obligation for contributions to defined contribution plan by the Company is recognized as an expense in the profit and loss account on accrual basis.

4.8 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current

The charge for current taxation is based on Final Tax Regime (FTR) in case of exports and other sales, at the applicable rate of taxation after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is accounted for using the statement of financial position liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

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4.9 Revenue recognition

The Company derives its revenue from sale of processed meat and the revenue is recognised when the control of product is transferred at the time when the products are shipped or when the goods are delivered to customers.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risk and rewards of ownership of the goods have been passed to the buyer, usually on shipment/delivery of the goods. Revenue from the sale of goods is measured at the fair value of consideration received or receivable net of returns, taxes and trade discounts.

Rendering of services

Revenue of rendering of services include transportation services for third parties and slaughtering fee. Revenue is recognised after the service is complete.

Others

All other income is recognized on accrual basis other than duty drawback which is recorded on receipt basis.

4.10 Trade debts and other receivables

Receivables are recognized in these financial statements at the lower of amortized cost and net realizable value, which in all material respects corresponds to nominal value less provisions made for bad debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Furthermore, an allowance for lifetime credit losses for trade receivables is recognised on initial recognition. Trade receivables are written off when all possible options have been exhausted and there is no reasonable expectation for recovery.

The cost of allowances for expected credit losses and write off for trade receivables are included in current year profit or loss account.

Trade debts and other receivables are classified as financial assets at amortised cost according to IFRS 9.

The Company makes use of a simplified approach in accounting for trade debts and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses.

These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due. Refer to Note 19 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

4.11 Stock-in-trade

These are valued at the lower of weighted average cost and net realizable values.

Cost is determined as follows:

- Raw materials are measured at weighted average purchase cost and directly attributable expenses incurred in bringing them to their existing location and condition.

THE ORGANIC MEAT COMPANY LIMITED
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- Work-in-process and finished goods are valued at weighted average cost of raw materials and other related conversion expenses.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. In the case of processed stock and work in progress, cost includes a share of overheads based on normal operating capacity.

4.12 Trade and other payables

Liabilities for trade and other payables are carried at their amortised cost, which approximates fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

4.13 Borrowing costs

Borrowings are recognised initially at fair value and subsequently at amortised cost using the effective interest method. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset. Borrowings payable within next twelve months are classified as current liabilities.

4.14 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indications exist, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss, if any.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that is largely independent from other assets and group. Impairment losses are recognized as expense in profit and loss account.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Impaired assets are reviewed for possible reversal of the impairment at each statement of financial position date. Reversal of the impairment losses are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment losses had been recognized. A reversal of impairment loss is recognized in the profit and loss account.

4.15 Provisions

A provision is recognized in the 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 and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting year.

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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4.16 Contingent liabilities

A contingent liability is disclosed when:

there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.17 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balance with banks. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of short term borrowings which are repayable on demand or in the short term and form an integral part of Company's cash management.

4.18 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. 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.

4.19 Stores, spares and loose tools

Usable stores, spares and loose tools are valued principally at moving average cost, while items considered obsolete are impaired. Items in transit are stated at cost comprising invoice value plus other charges paid thereon up to the reporting date. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence, if there is any change in usage pattern and physical form of related stores.

4.20 Leases

At the inception of a contract, the Company assesses whether a contract is or contains lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

4.20.1 Right of use asset

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct cost incurred less any lease incentive received. The right of use asset is subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability, if any.

The right of use assets is depreciated using the straight line method from the commencement date to 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 cost of the right of use asset reflects that the Company will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment.

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NOTES TO THE FINANCIAL STATEMENTS
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4.20.2 Lease Liability

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 Company's incremental borrowing rate. The Company has used its incremental borrowing rate as the discount rate for leases where rate is not readily available. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in rate or a change in the terms of the lease arrangement, if there is change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in statement of profit or loss if the carrying amount of the right of use asset has been reduced to zero.

4.21 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recognized in the financial statements in the period in which these are approved.

4.22 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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| | | | 2020 | 2019 |
|-------|--|-------------|--------------------------------|---------------|
| | | | Rupees | |
| 5 | SHARE CAPITAL | | | |
| 5.1 | Authorized share capital | | | |
| | 2020 | 2019 | | |
| | Number of shares | | | |
| | 135,000,000 | 135,000,000 | Ordinary shares of Rs. 10 each | 1,350,000,000 |
| 5.2 | Issued, subscribed and paid up share capital | | | |
| | 2020 | 2019 | Ordinary shares of Rs. 10 each | |
| | 21,817,777 | 21,817,777 | - fully paid in cash | 218,177,770 |
| | 50,000,000 | 50,000,000 | - issued as bonus shares | 500,000,000 |
| | 71,817,777 | 71,817,777 | | 718,177,770 |
| 5.3 | Ordinary shares of the Company held by related parties as at year end are as follows: | | | |
| | Note | 2020 | 2019 | |
| | | Number | | |
| | Chief Executive Officer | 50,922,494 | 33,674,999 | |
| | Directors | 11,345,283 | 2,412,778 | |
| | Associated person | 3,000,000 | - | |
| | Others | 6,550,000 | 35,730,000 | |
| | | 71,817,777 | 71,817,777 | |
| 6 | RESERVES | | | |
| | Capital reserve | | | |
| | Share premium | 6.1 | 922,216 | 922,216 |
| | Revenue reserve | | | |
| | Unappropriated profit | 6.2 | 630,294,270 | 308,958,429 |
| | | | 631,216,486 | 309,880,645 |
| 6.1 | Movement in share premium | | | |
| | Balance at the beginning of the year | | 922,216 | - |
| | Originated from ordinary issue | | - | 5,822,216 |
| | Excesses against issuance of share capital | | - | (4,900,000) |
| | Balance at the end of the year | 6.1.1 | 922,216 | 922,216 |
| 6.1.1 | The reserve can only be utilized by the Company for the purpose specified in Section 81(2) of the Company's Act, 2017. | | | |
| 6.2 | Movement in unappropriated profit | | | |
| | Balance at the beginning of the year | | 308,958,429 | 528,321,832 |
| | bonus issue | | - | (500,000,000) |
| | revaluation surplus | | 54,983,330 | 62,766,441 |
| | profit for the year | | 266,352,511 | 217,870,156 |
| | Balance at the end of the year | | 630,294,270 | 308,958,429 |

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| | | 2020 | 2019 |
|--|--|--------------------|--------------------|
| | | Rupees | |
| 7 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT - NET | Note | | |
| Balance at the beginning of the year | | 602,113,077 | 666,154,385 |
| Less: transferred to unappropriated profit on account of incremental depreciation for the year net | | (64,041,009) | (64,041,009) |
| Balance at the end of the year | | 538,072,068 | 602,113,377 |
| Related deferred tax liability | | | |
| Balance at the beginning of the year | | (9,057,679) | (29,878,758) |
| Reversal of deferred tax liability | 9.1 | 9,057,679 | 19,526,006 |
| Incremental depreciation for the year | | - | 1,274,568 |
| Effect of change in tax rates | | - | 20,505 |
| Balance at the end of the year | | - | (9,087,679) |
| | | <u>538,072,068</u> | <u>593,055,398</u> |
| 8 LONG TERM BORROWINGS - SECURED | | | |
| Habib Bank Limited | 8.1 | 12,408,089 | 24,816,207 |
| Bank Al Baraka Pakistan Limited | 8.2 | - | 2,208,738 |
| Dubai Islamic Bank Limited | 8.3 | - | 24,500,500 |
| | | 12,408,089 | 51,524,945 |
| Less: current maturity long term borrowings - secured | 8.4 | (12,408,089) | (47,388,916) |
| | | <u>-</u> | <u>4,136,029</u> |
| 8.1 | The Company had obtained demand finance facility amounting to Rs. 45.496 million (2019: Rs. 45.496 million) to finance blast freezers, freezers and chillers installed at plant located Deh Shah Mureed, Gadap Town, Karachi. It carries mark-up at 3 months KIBOR + 2.25% per annum (to be serviced on quarterly basis for the tenure of the loan and mark up rate to be reset at the beginning of each quarter). The facility is secured by way of first pari passu charge of Rs.156 million registered with SECP over existing and future stocks and receivables with 25% margin, lien on export documents and export proceeds with 10% margin, Joint Pari Passu Hypothecation charge over plant and machinery to the extent of Rs. 143 million, Joint Pari Passu charge over land and building to the extent of Rs. 57 million and personal guarantees of all the directors. | | |
| 8.2 | The Company had obtained Diminishing Musharakah-II Facility amounting to Rs. 29 million to purchase new plant and machinery from local vendor/supplier for slaughter house for the period of 3 years, rentals are payable in 12 quarterly instalments. The facility is secured by way of first registered Pari Passu Charge over present and future plant and machinery for Rs. 71.5 million including margin, and an equitable mortgage charge on land and building for Rs. 28.5 million. These are further secured by way of personal guarantees given by all of the directors of the Company. | | |
| 8.3 | The Company had obtained Sirkat ul Mulk cum Tanah Facility amounting to Rs. 52.5 million to finance imported equipment and machineries for the period of 3 years. Rentals are payable quarterly and shall comprise of fixed and variable rentals. Fixed rental is Rs. 1.75 million and 5.5 million payable quarterly at a rate of KIBOR + 2.25%. The facility is secured by way of first registered pari passu charge over present and future plant and machinery for Rs.153.59 million including margin, and an equitable mortgage charge on land and building for Rs.49.41 million. These are further secured by way of personal guarantees given by all of the directors of the Company. | | |
| 8.4 | Current maturity of long term borrowings - secured | | |
| | | 2020 | 2019 |
| | | Rupees | |
| Balance at the beginning of the year | | 47,388,916 | 57,973,640 |
| Transfer from long term borrowing | | 4,136,029 | 37,490,393 |
| Paid during the year | | (39,116,856) | (48,075,317) |
| Balance at the end of the year | | <u>12,408,089</u> | <u>47,388,916</u> |

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

| | | 2020 | 2019 |
|--|---|--------------------|--------------------|
| | | -----Rupees----- | |
| 9 DEFERRED TAXATION - NET | | | |
| Deductible temporary differences | | | |
| Provision against trade debts | | - | (4,524,085) |
| Worker's profit participation fund payable | | - | (423,865) |
| Worker's welfare fund payable | | - | (27,920) |
| Taxable temporary differences | | | |
| Unrealized gain on trade debts | | - | 1,353,361 |
| Revaluation surplus on property, plant and equipment | | - | 14,621,005 |
| | | <u>-</u> | <u>10,998,401</u> |
| 9.1 | The Company has opted for Final Tax Regime (FTR) on other sales at the rate applicable to export sales, which has resulted in a reversal of deferred tax liability in the current year. | | |
| 10 TRADE AND OTHER PAYABLES | Note | 2020 | 2019 |
| | | -----Rupees----- | |
| Accrued expenses and other liabilities | 10.1 | 70,455,337 | 12,826,952 |
| Worker's profit participation fund payable | | 30,778,100 | 21,207,127 |
| Trade creditors | | 28,884,417 | 94,852,420 |
| Salaries, benefits and allowances payable | | 9,543,291 | - |
| Worker's welfare fund payable | | 4,048,806 | 1,402,846 |
| Audit fee payable | | 1,439,600 | 949,376 |
| Staff provident fund | 10.2 | 213,552 | 106,776 |
| Advance from customer | | - | 7,254,167 |
| | | <u>145,363,103</u> | <u>138,688,764</u> |
| 10.1 | This includes payable to related party amounting to Rs 2,645,325 (2019: 4,779,358) on account of acquisition of meat processing equipment. | | |
| 10.2 | The Company has constituted an unapproved contributory provident fund scheme for the benefit of all its permanent employees, who have opted-in for the scheme. In accordance with the provisions laid down under section 218 of the Companies Act, 2017 and conditions specified thereunder, the Company has kept deposited the total contributions in a special account with a scheduled bank. | | |
| 11 ACCRUED MARK-UP | | 2020 | 2019 |
| | | -----Rupees----- | |
| On long term borrowing - secured | | | |
| Habib Bank Limited | | 1,918,822 | 1,157,479 |
| Dubai Islamic Bank Pakistan Limited | | - | 708,107 |
| Bank Al Baraka Pakistan Limited | | - | 70,871 |
| On short term borrowing - secured | | | |
| Al Baraka Bank (Pakistan) Limited | | 5,733,047 | 4,511,307 |
| Faysal Bank Limited | | 1,686,863 | 377,645 |
| Southern Bank Limited | | 4,213,183 | 4,254,430 |
| Dubai Islamic Bank Limited | | 5,415,901 | 3,756,010 |
| Bank Islami Limited | | 3,650,911 | 3,482,815 |
| Habib Bank Limited | | 2,835,794 | 3,586,721 |
| | | <u>25,454,521</u> | <u>21,855,385</u> |

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NOTES TO THE FINANCIAL STATEMENTS
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| | | | 2020 | 2019 |
|----|---|------|--------------------|--------------------|
| 12 | SHORT TERM LOAN FROM RELATED PARTY - UNSECURED | Note | -----Rupees----- | |
| | Associated Company | | 100,000,000 | 100,000,000 |
| | Directors | | 45,606,873 | 58,963,239 |
| | | 12.1 | <u>145,606,873</u> | <u>158,963,239</u> |

12.1 This short term loan is obtained for meeting the working capital requirements of the Company. The loan is mark-up free and repayable on lender's demand.

12.2 Maximum aggregate amount outstanding with reference to month end balances:

| | In the month of | In the month of | 2020 | 2019 |
|-------------------------|-----------------|-----------------|------------------|-------------|
| | | | -----Rupees----- | |
| Associated Company | All 12 months | Jun-19 | 100,000,000 | 100,000,000 |
| Chief Executive Officer | Sep-19 | Nov-18 | 60,363,719 | 82,493,649 |
| Director | Jul-19 | Jun-19 | 318,509 | 304,509 |

| | | | 2020 | 2019 |
|----|--|------|--------------------|--------------------|
| 13 | SHORT TERM BORROWINGS - SECURED | Note | -----Rupees----- | |
| | Financial Institutions - secured | 13.1 | <u>513,488,211</u> | <u>560,000,000</u> |

13.1 Financial Institutions - secured

| | | | |
|-----------------------------------|------|--------------------|--------------------|
| Habib Bank Limited | 13.2 | 125,000,000 | 125,000,000 |
| Faysal Bank Limited | 13.3 | 100,000,000 | 100,000,000 |
| Dubai Islamic Bank Limited | 13.4 | 84,988,000 | 85,000,000 |
| Al Baraka Bank (Pakistan) Limited | 13.5 | 100,000,000 | 100,000,000 |
| Soneri Bank Limited | 13.6 | 63,500,211 | 100,000,000 |
| Bank Islami Limited | 13.7 | 40,000,000 | 50,000,000 |
| | | <u>513,488,211</u> | <u>560,000,000</u> |

13.2 The Company has obtained running finance facility having a limit of Rs. 70 million (2019: Rs. 70 million) for working capital requirements. It carries interest at the rate of 3 months KIBOR + 2% per annum. The facility is secured by way of First Pari Passu charge of Rs.156 million registered with SBOP over existing and future stocks and receivables with 25% margin, lien on export documents and proceeds with 10% margin, Joint Pari Passu Hypothecation charge over Plant and Machinery to the extent of Rs. 143 million, Joint Pari Passu charge over land and building to the extent of Rs. 57 million and personal guarantees of all directors.

The Company has obtained Export Refinance facility having a limit of Rs. 55 million (2019: Rs. 55 million) to facilitate the customer for meeting their export requirements. It carries interest at SBP rate + 1% per annum. The facility is secured by way of First Pari Passu charge of Rs.156 million registered with SBOP over existing and future stocks and receivables with 25% margin, lien on export documents and proceeds with 10% margin, Joint Pari Passu Hypothecation charge over Plant and Machinery to the extent of Rs. 143 million, Joint Pari Passu charge over land and building to the extent of Rs. 57 million and personal guarantees of all directors/major shareholders.

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- 13.3** The Company has obtained Export Refinance facility having a limit of Rs. 100 million to meet pre-shipment working capital requirement backed by stand by letter of credit / contracts (existing buyers). It carries mark-up at SBP cost of funds + 1% per annum or 3 months KIBOR+2%. The facility is secured by way of joint pari passu charge over the Company's fixed assets (land and Building) to the extent of Rs. 28.5 million, First Pari Passu hypothecation charge over land and Building (its Plant and machinery) up to 71.5 million, First Pari Passu Hypothecation charge over current asset of the Company amounting to Rs. 125 million and by way of personal guarantees of all the directors of the Company having 10% or more shareholding.
- 13.4** The Company has obtained running finance facility having a limit of Rs. 85 million for working capital requirements (for purchase of raw material) under Murabahah Scheme. It carries interest at relevant 6 months KIBOR rate + 2% per annum. The facility is secured by way of First Pari Passu hypothecation charge over the Companies present and future stock and receivable to the extent of Rs. 94 million with 10% margin, Joint Pari Passu Charge over the Company's fixed assets to the extent of Rs. 150 million, which includes land and buildings and by way of personal guarantees of all the directors of the Company.
- 13.5** The Company had obtained Murabahah (local)/Istisna amounting to Rs. 100 million for the purchase and processing of meat, edible offals, etc. It carries profit at relevant 6 months KIBOR + 3% per annum. Tenor for this facility is maximum 180 days. The facility is secured by way of joint pari passu charge over the Company's fixed assets, which includes land and buildings up to the extent of Rs. 28,500,000 plant and machinery up to the extent of Rs. 71,500,000, and on current assets to the extent of Rs. 125 million with margin of 20% and by way of personal guarantees of all directors of the Company.
- 13.6** The Company has obtained Salam under Islamic Export Refinancing Scheme (IERS) I facility having a limit of Rs. 100 million for advance payment against future delivery of the Company's products. Profit of the bank on the sale of the goods under the Salam facility to be calculated at 6 months KIBOR + 2% per annum. Tenor of transaction is maximum up to 180 days.
- The facility is secured by way of lien on EE statement guarantee of agent First Joint Pari Passu charge over the Company's stocks-in-trade and trade debts amounting to Rs. 125 million and collateral security which includes joint Pari Passu charge over land and building and plant and machinery to the extent of Rs. 28.5 million and Rs. 71.5 million respectively.
- 13.7** The Company has obtained Murabahah finance facility having a limit of Rs. 50 million for purchases of halal meat and it carries mark-up at a rate 6 months KIBOR + 3.5% per annum. The facility is secured by way of Joint Pari Passu Charge over present and future fixed assets/ current assets of the company amounting to Rs. 66.67 million.

14 CONTINGENCIES AND COMMITMENTS

There are no contingencies or commitments as on June 30, 2020 (2019: Nil).

15 PROPERTY, PLANT AND EQUIPMENT

15.1 Operating fixed assets

* These covers are directed to bipolarization change agents at short and long term. I am obviously far from perfect.

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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| | | 2020 | 2019 |
|--------------------------------------|--------|--------------------|-------------------|
| | Note | -----Rupees----- | |
| 15.2 Capital work-in-progress | | | |
| Balance at the beginning of the year | | 46,274,437 | - |
| Additions during the year | 15.2.1 | 219,311,289 | 46,274,437 |
| Transfers during the year | | | |
| - to operating fixed assets | 15.1 | (114,102,723) | - |
| - to intangible asset | 16 | (500,000) | - |
| Balance at the end of the year | | <u>150,983,003</u> | <u>46,274,437</u> |

15.2.1 This represent advances paid in respect of acquisition of meat processing equipment

| | | 2020 | 2019 |
|--|------|--------------------|--------------------|
| | Note | -----Rupees----- | |
| 15.3 Basis of allocation of depreciation | | | |
| Cost of sales | 23 | 102,287,190 | 110,595,914 |
| Administrative expense | 23 | 11,365,243 | 12,288,435 |
| | | <u>113,652,433</u> | <u>122,884,349</u> |

The Company charges 90 % of total depreciation in cost of sales and 10% in administrative expense.

- 15.4 The Company had revalued its land, building and plant and machinery on June 30, 2018. The revaluation exercise was carried out by Oceanic Surveyors (Private) Limited, an independent valuer. The valuer was also listed on the approved panel of valuers of Pakistan Banks' Association and Leasing Association of Pakistan. The valuer had estimated the remaining life of the buildings to be 20 years. The land was revalued on the basis of current market price whereas buildings and plant and machinery were revalued using the Asset Base Valuation Method. The valuation exercise resulted in a net surplus of Rs.666.15 million as on the date of revaluation.

At the time of revaluation, forced sale value of the revalued assets were as follows:

| Description of revalued asset | Amount (Rs.) |
|-------------------------------|--------------------|
| Factory land | 72,250,000 |
| Building | 220,000,000 |
| Plant and machinery | 645,000,000 |
| | <u>937,250,000</u> |

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

| Location | Immovable property | Total Area (In Acres) |
|---------------------------------|-------------------------|-----------------------|
| Deh Shah Mureed, Gadap, Karachi | Factory premises | 13.215 |
| Deh Shah Mureed, Gadap, Karachi | Manufacturing Facility* | 5.895 |

* The area of the manufacturing facility is included in the factory premises.

- 15.6 Had the operating fixed assets been recognized under the 'Cost Model', the carrying amount of such revalued assets would have been as follows:

| | 2020 | 2019 |
|------------------------------------|--------------------|--------------------|
| | -----Rupees----- | |
| Factory Land - Leasehold | 59,256,000 | 59,256,000 |
| Factory building on leasehold land | 160,834,099 | 178,704,554 |
| Plant and machinery | <u>239,783,732</u> | <u>266,426,369</u> |

THE ORGANIC MEAT COMPANY LIMITED
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| | 2020 | 2019 |
|--|------------------|------|
| | -----Rupees----- | |
| 16 INTANGIBLE ASSET - COMPUTER SOFTWARE | | |
| Cost | | |
| Balance at the beginning of the year | - | - |
| Additions / transfer during the year | 500,000 | - |
| Less: Disposal | - | - |
| Balance at the end of the year | 500,000 | - |
| Accumulated amortization | | |
| Balance at the beginning of the year | - | - |
| Charge for the year | (50,000) | - |
| Less: Disposal | - | - |
| Balance at the end of the year | (50,000) | - |
| Written down value | 450,000 | - |
| Amortization rate (%) | 20% | - |

16.1 Computer software has been capitalized effective on January 01, 2020.

| | | 2020 | 2019 |
|---------------------------------------|------|--------------------|----------------------|
| | Note | -----Rupees----- | |
| 17 STOCK IN TRADE | | | |
| Finished goods | | 173,733,660 | 106,319,991 |
| Livestock | | 57,427,523 | 76,833,180 |
| Work in process | | 4,592,070 | 14,485,530 |
| Packing material | | 3,185,979 | 3,408,527 |
| | | <u>238,939,232</u> | <u>201,047,228</u> |
| 18 TRADE DEBTS - UNSECURED | | | |
| Considered good | | | |
| - foreign debtors | 18.5 | 634,296,281 | 650,089,708 |
| - local debtors | | 67,566,599 | 173,772,689 |
| | | 701,862,880 | 823,862,397 |
| Considered doubtful | | 154,307,575 | 227,313,827 |
| Trade receivables - gross | | <u>856,170,455</u> | <u>1,051,176,224</u> |
| Less: Provision against doubtful debt | 18.7 | (154,307,575) | (227,313,827) |
| Trade receivables - net | | <u>701,862,880</u> | <u>823,862,397</u> |

18.1 The aging of export receivable balance as at the date of statement of financial position is as follows:

| Total balance | Past due but not impaired | | | | | |
|---------------|---------------------------|-------------|-------------|--------------|--------------|--------------|
| | <30 days | 31-60 days | 61-120 days | 121-180 days | 181-360 days | Above 1 year |
| | -----Rupees----- | | | | | |
| 2020 | 634,296,281 | 525,149,404 | 102,292,791 | 6,611,224 | 242,862 | - |
| 2019 | 650,089,708 | 330,321,085 | 83,676,325 | 142,353,035 | - | 2,815,897 |

THE ORGANIC MEAT COMPANY LIMITED
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18.2 The aging of local receivable balance as at the date of statement of financial position is as follows:

| Total balance | Past due but not impaired | | | | | |
|---------------|---------------------------|------------|-------------|--------------|--------------|--------------|
| | <30 days | 31-60 days | 61-120 days | 121-180 days | 181-360 days | Above 1 year |
| | Rupees | | | | | |
| 2020 | 67,566,599 | 13,485,330 | 12,877,760 | 13,012,970 | 9,799,320 | 18,391,219 |
| 2019 | 173,772,689 | 41,117,030 | 18,147,633 | 10,469,274 | 6,887,895 | 97,150,853 |

18.3 The impaired export receivables as at the date of statement of financial position is as follows:

| | 2020 | 2019 |
|--------------------|--------------------|--------------------|
| | Rupees | |
| Less than one year | 22,189,939 | 28,246,719 |
| More than one year | 125,385,728 | 182,674,303 |
| | 147,575,667 | 210,921,022 |

18.4 The impaired other receivables as at the date of statement of financial position is as follows:

| | 2020 | 2019 |
|--------------------|------------------|-------------------|
| | Rupees | |
| Less than one year | 6,731,908 | 16,392,805 |
| More than one year | - | - |
| | 6,731,908 | 16,392,805 |

18.5 Amount due from Muhammad Saeed Muhammad Hussain (Private) Limited, an associated company as at June 30, 2020 is Nil (2019: Rs.6.66 million).

18.6 The aging of related party balances as at the date of statement of financial position is as follows:

| | 2020 | 2019 |
|-------------------|----------|------------------|
| | Rupees | |
| Less than 30 days | - | 5,314,750 |
| 31 - 180 days | - | 1,341,629 |
| | - | 6,656,379 |

18.7 Movement in Provision against doubtful debt

| | | |
|---|--------------------|--------------------|
| Balance at the beginning of the year | 227,313,827 | 216,281,651 |
| Balances written-off | (142,750,480) | (10,459,083) |
| Less: allowance for doubtful debts | | |
| - expected credit loss | 28,921,847 | 44,639,524 |
| - specific provisions | 40,822,381 | 39,923,583 |
| | 69,744,228 | 84,563,107 |
| Reversals during the year | - | (63,071,848) |
| Balance at the end of the year | 154,307,575 | 227,313,827 |

18.8 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.16.80 million (2019: Rs.6.66 million).

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| | | 2020 | 2019 |
|-------------|---|----------------------|----------------------|
| | | -----Rupees----- | |
| 19 | LOANS, ADVANCES AND OTHER RECEIVABLES | | |
| | - Unsecured and considered good | | |
| | Advance to suppliers | 189,128,299 | 210,983,244 |
| | Duty drawback | 160,919,486 | 78,706,181 |
| | Sales tax refundable | 10,473,849 | 2,399,776 |
| | Loans to employees | 1,217,635 | 987,053 |
| | | <u>361,739,269</u> | <u>293,076,254</u> |
| 19.1 | Advance to suppliers | | |
| | Considered good | 189,128,299 | 210,983,244 |
| | Considered doubtful | 27,152,270 | 27,152,270 |
| | Gross advance to suppliers | 216,280,569 | 238,135,514 |
| | Less: provision against doubtful advances | | |
| | Balance at the beginning of the year | 27,152,270 | 27,152,270 |
| | Charge for the year | - | - |
| | Balance at the end of the year | 27,152,270 | 27,152,270 |
| | | <u>189,128,299</u> | <u>210,983,244</u> |
| 19.2 | This represents an amount receivable against drawback of local taxes and levies collected from exporters of eligible products, vide S.R.O. No. 711(I)/2018 issued by the Ministry of Commerce & Textile, Commerce Division. The Company is engaged in the export of processed meat, which is an eligible product for the purpose of drawback under the aforementioned circular. | | |
| 19.3 | These represent interest-free welfare loans and salary advance provided to the employees in accordance with the Company's policy and have maturities up to one year. | | |
| | | 2020 | 2019 |
| | | -----Rupees----- | |
| 20 | CASH AND BANK BALANCES | | |
| | Cash in hand | 27,972 | 91,823 |
| | Balances with banks - current account | 7,428,050 | 5,081,449 |
| | | <u>7,456,022</u> | <u>5,173,272</u> |
| 21 | SALES - net | | |
| | Export sales | | |
| | Direct export of meat and allied products | 3,182,025,463 | 2,323,284,202 |
| | Less: Sales discount | (44,451,658) | - |
| | Duty drawback | 121,110,336 | 83,040,953 |
| | | 3,258,684,141 | 2,406,325,155 |
| | Other sales | 125,424,560 | 171,193,135 |
| | | <u>3,384,108,701</u> | <u>2,577,518,290</u> |

THE ORGANIC MEAT COMPANY LIMITED
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| 22 | COST OF SALES | Note | 2020 | 2019 |
|----|--|------|------------------|---------------|
| | | | -----Rupees----- | |
| | Livestock and meat cost | | | |
| | Opening stock | | | |
| | - Livestock | 17 | 76,833,180 | 2,496,000 |
| | - Work in process | 17 | 14,485,530 | 47,250,000 |
| | | | 91,318,710 | 49,746,000 |
| | Purchase of meat and allied products | | 2,529,399,907 | 2,020,591,144 |
| | Closing stock | | | |
| | - Livestock | 17 | (57,427,523) | (76,833,180) |
| | - Work in process | 17 | (4,592,070) | (14,485,530) |
| | | | (62,019,593) | (91,318,710) |
| | | | 2,558,699,024 | 1,979,018,434 |
| | Conversion cost | | | |
| | Depreciation- on property, plant and equipment | 15.3 | 102,287,190 | 110,595,914 |
| | Cutting and deboning | | 42,198,027 | 10,092,208 |
| | Salaries, wages and other benefits | | 38,909,755 | 28,560,643 |
| | Packing materials consumed | | 30,134,182 | 31,224,140 |
| | Fuel and power | | 28,339,384 | 21,100,771 |
| | Repairs and maintenance | | 10,471,976 | 8,174,700 |
| | Transportation | | 2,613,759 | 2,515,052 |
| | Insurance | | 2,257,514 | 1,758,980 |
| | Animal feed and other consumables | | 1,716,280 | 3,109,190 |
| | Janitorial expense | | 1,683,531 | 1,615,700 |
| | Printing and stationary | | 1,670,545 | 370,622 |
| | Communication expense | | 380,124 | 504,380 |
| | | | 262,662,267 | 219,622,300 |
| | Finished goods | | | |
| | Opening stock | 17 | 106,319,991 | 78,211,710 |
| | Closing stock | 17 | (173,733,660) | (106,319,991) |
| | | | (67,413,669) | (28,108,281) |
| | Packing material | | | |
| | Opening stock | 17 | 3,408,527 | 2,731,847 |
| | Closing stock | 17 | (3,185,979) | (3,408,527) |
| | | | 222,548 | (676,680) |
| | | | 2,754,170,170 | 2,169,855,773 |

THE ORGANIC MEAT COMPANY LIMITED
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FOR THE YEAR ENDED JUNE 30, 2020

| | | | 2020 | 2019 |
|-------------|---|-------------|--------------------|--------------------|
| | | | -----Rupees----- | |
| 23 | ADMINISTRATIVE EXPENSES | Note | | |
| | Salaries, benefits and other allowances | | 32,896,141 | 20,616,840 |
| | Depreciation on property, plant and equipment | 15.3 | 11,365,243 | 12,288,435 |
| | Legal and professional | | 9,239,500 | 2,681,781 |
| | Fee and subscription | | 6,441,904 | 2,587,460 |
| | Food and entertainment | | 5,907,455 | 5,039,356 |
| | Repair and maintenance | | 540,589 | 159,350 |
| | Vehicle running and maintenances | | 227,598 | 1,441,000 |
| | Travelling | | 282,200 | 5,172,021 |
| | Insurance | | 220,000 | 500,864 |
| | Amortization of intangible asset | 16 | 50,000 | - |
| | Printing and stationery | | 26,285 | 183,969 |
| | Miscellaneous | | - | 1,706,682 |
| | Rent and rates | | - | 660,000 |
| | Staff training | | - | 510,000 |
| | | | 67,196,915 | 53,550,761 |
| 24 | SELLING EXPENSES | | | |
| | Clearing and forwarding charges | | 62,727,720 | 88,184,269 |
| | Advertisement and promotion | | 30,000,144 | 12,120,000 |
| | Quarantine charges | | 14,787,290 | 8,055,109 |
| | Export duties | | 12,809,578 | 13,559,487 |
| | Others | | 148,730 | 14,248,158 |
| | | | 120,473,462 | 136,167,023 |
| 25 | FINANCE COST | | | |
| | On borrowings | 25.1 | 85,666,502 | 69,232,739 |
| | Bank charges | | 4,413,280 | 1,839,540 |
| | | | 90,079,782 | 71,072,279 |
| 25.1 | On borrowings - secured | | | |
| | Long term | | | |
| | Habib Bank Limited | | 2,679,183 | 4,435,894 |
| | Dubai Islamic Bank Pakistan Limited | | 1,908,991 | 1,984,946 |
| | Al Baraka Pakistan Limited | | - | 545,317 |
| | | | 4,588,174 | 6,966,157 |
| | Short term | | | |
| | Bank Al Baraka Pakistan Limited | | 15,752,490 | 10,186,352 |
| | Sonari Bank Limited | | 12,654,672 | 10,480,323 |
| | Habib Bank Limited | | 19,017,590 | 14,814,422 |
| | Faysal Bank Limited | | 14,389,455 | 11,429,468 |
| | Dubai Islamic Bank Pakistan Limited | | 12,898,121 | 9,607,918 |
| | Bank Islami Limited | | 6,366,000 | 5,748,119 |
| | | | 81,078,328 | 62,266,582 |
| | | | 85,666,502 | 69,232,739 |

THE ORGANIC MEAT COMPANY LIMITED
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| | | | 2020 | 2019 |
|-------------|---|-------------|------------------|--------------|
| | | | -----Rupees----- | |
| 26 | OTHER INCOME - NET | Note | | |
| | Income/(expense) from financial assets | | | |
| | Exchange gain | 26.1 | 18,577,037 | 218,170,675 |
| | Reversal of provision against trade debts | 18.7 | - | 63,071,847 |
| | Balances written-off | | - | (56,564,614) |
| | | | 18,577,037 | 224,677,908 |
| | Income/(expense) from non-financial assets | | | |
| | Scrap sales | | - | 353,783 |
| | Loss on disposal of property, plant and equipment | | (513,903) | - |
| | | | (513,903) | 353,783 |
| | | | 18,063,134 | 225,031,691 |
| 26.1 | Exchange gain/(loss) | | | |
| | Realised (loss)/gain | | (471,811) | 150,175,532 |
| | Unrealised gain on trade debts | | 19,048,848 | 67,995,143 |
| | | | 18,577,037 | 218,170,675 |
| 27 | OTHER CHARGES | | | |
| | Worker Profit Participation Fund | | 9,480,973 | 13,989,122 |
| | Donation and charity | 27.2 | 2,773,050 | 5,680,500 |
| | Worker's Welfare Fund | | 2,645,960 | 366,230 |
| | Auditor's remuneration | 27.1 | 2,130,000 | 1,878,097 |
| | | | 17,029,983 | 21,913,949 |
| 27.1 | Auditors' remuneration | | | |
| | Audit fee | | 1,250,000 | 949,375 |
| | Half yearly review | | 481,966 | 483,288 |
| | Certifications | | 80,000 | 63,750 |
| | Out of pocket expenses | | 318,034 | 381,684 |
| | | | 2,130,000 | 1,878,097 |
| 27.2 | It includes donation made to Saylani Welfare International Trust amounting Rs. 2.6 million (2019: Rs.5.39 million). None of directors or their spouses, had any interest in the donee. | | | |
| 28 | TAXATION | | 2020 | 2019 |
| | | | -----Rupees----- | |
| | Current | | 32,973,224 | 33,535,400 |
| | Prior | | (4,850,039) | - |
| | Deferred | | (10,998,401) | 13,921,533 |
| | | | 17,124,784 | 47,456,933 |
| 28.1 | The charge for current tax is based on Final Tax Regime (FTR) in case of exports and other sales. The other sales of the Company does not exceed five percent of total export sales. | | | |
| 28.2 | The return of income for the tax year 2019 (financial year ended 30 June 2019) has been filed and is deemed to be an assessment order, unless selected by the taxation authorities for the purposes of audit. | | | |

THE ORGANIC MEAT COMPANY LIMITED
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28.3 Tax charge reconciliation

Company discharges its tax liability under Section 154 as full and final tax liability which requires for charge as per the provisions of Income Tax Ordinance, 2001. Therefore, reconciliation for tax charge with respect to accounting profit is not disclosed.

| 29 EARNINGS PER SHARE - BASIC AND DILUTED | 2020 | 2019 |
|---|--------------------|--------------------|
| Profit after taxation for the year - Rupees | <u>266,352,511</u> | <u>217,970,156</u> |
| Weighted average number of ordinary shares - Number | <u>71,817,777</u> | <u>48,894,124</u> |
| Earnings per share - basic and diluted - Rupees | <u>3.71</u> | <u>4.46</u> |

29.1 There is no dilutive effect on the earnings per share of the Company.

| 30 CASH AND CASH EQUIVALENTS | Note | 2020 | 2019 |
|---|-------------|-------------------------|----------------------|
| | | -----Rupees----- | |
| Short term borrowings - banking companies | 13 | (513,488,211) | (560,000,000) |
| Cash and bank balances | 20 | <u>7,456,022</u> | <u>5,173,272</u> |
| | | <u>(506,032,189)</u> | <u>(554,826,728)</u> |

31 FINANCIAL INSTRUMENTS
BY CATEGORIES

Financial assets at amortized cost

| | | | |
|------------------------|----|--------------------|--------------------|
| Trade debts | 18 | 701,862,880 | 823,862,397 |
| Loans to employees | 19 | 1,217,635 | 987,053 |
| Cash and bank balances | 20 | <u>7,456,022</u> | <u>5,173,272</u> |
| | | <u>710,536,537</u> | <u>830,022,722</u> |

Financial liabilities measured at amortized cost

| | | | |
|--|----|--------------------|--------------------|
| Long term borrowings - secured | 8 | 12,408,089 | 51,524,945 |
| Trade creditors | 10 | 28,884,417 | 94,852,420 |
| Advance from customer | 10 | - | 7,254,167 |
| Short term loan from related party - unsecured | 12 | 145,606,873 | 158,963,239 |
| Accrued mark-up | 11 | 25,454,521 | 21,855,385 |
| Short term borrowings - secured | 13 | <u>513,488,211</u> | <u>560,000,000</u> |
| | | <u>725,842,111</u> | <u>894,450,156</u> |

32 OPERATING SEGMENTS

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

All non-current assets of the Company as at June 30, 2020 are located in Pakistan.

33 FINANCIAL RISK MANAGEMENT

33.1 Financial risk factors

The Board of Directors (the Board) has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

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The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities. The Company through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversee how management monitors compliance with the Company's risk management policies and procedures, and review the adequacy of risk management framework in relation to the risks faced by the Company. However, risk management is carried out by the Company's finance department.

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk
- Operational risk

33.2 Market Risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities. The objective of market risk management is to manage and control market risk exposures within an acceptable range. The Company's credit facilities are floating rate credits, which exposes the Company to interest rate fluctuations. According to Company policy all financing of working capital and investment in fixed assets are made on floating rate terms. No financial instruments are used to hedge the interest level.

33.2.1 Currency risk

Currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables that exist due to transactions in foreign currency.

The Company is exposed to currency risk arises from various currency exposure, primarily with respect to USD. Currently, the Company foreign exchange exposure is restricted to the amounts receivable from foreign customers.

The Company's exposure to foreign currency risk is as follows:

| | 2020 | | 2019 | |
|-------------|-------------|-----------|-------------|-----------|
| | Rupees | USD | Rupees | USD |
| Trade debts | 634,296,281 | 3,774,450 | 650,089,706 | 3,976,956 |

Currently, the Company does not obtain forward cover against the gross exposure. The following significant rates applied during the year:

| | 2020 | 2019 | 2020 | 2019 |
|------------------|--------------|--------|---------------|--------|
| | Average rate | | As at 30 June | |
| US Dollar to PKR | 158.26 | 136.14 | 168.05 | 164.00 |

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Sensitivity analysis

At June 30, 2020, if the currency had weakened/strengthened by 1% against USD with all other variables held constant, post-tax profits for the year would have been lower/higher by Rs.6.34 million (2019: Rs. 4.63 million) mainly as a result of foreign exchange gain on translation of foreign currency denominated trade debts.

33.2.2 Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date, the interest rate profile of the Company's interest bearing financial instruments were as follows:

| | Effective interest rate | | Carrying amount | |
|--|-------------------------|-----------------------|------------------|-------------|
| | 2020 | 2019 | 2020 | 2019 |
| | % | % | -----Rupees----- | |
| Variable rate instruments | | | | |
| Long term borrowings - secured | 3 MK + 2% to 2.25% | 3 MK + 2% to 2.25% | - | 4,136,029 |
| Current maturity of long term borrowings - secured | | | 12,408,089 | 47,388,916 |
| Short term borrowings - secured | 3 & 6 MK + 2% to 3.5% | 3 & 6 MK + 2% to 3.5% | 513,488,211 | 560,000,000 |

Sensitivity analysis

At June 30, 2020, if the interest rates on the Company's borrowings had been 1% higher / (lower) with all other variables held constant, the calculated post-tax profit for the year would have been Rs.5.26 million (2019: Rs.6.12 million) lower / higher mainly as a result of higher / (lower) interest expense on floating rate borrowings.

33.2.3 Other price risk

Price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer. The Company is not exposed to such price risk as there are no such type of financial instruments available to the Company.

33.3 Credit risk

The Company is exposed to credit risk on receivables. The Company considers the credit risk to be low, however Company's maximum credit risk is the sum of receivables recognized. Outstanding receivables are followed up upon on current basis in accordance with the Company's procedures. If it is uncertain whether a customer is able or willing to pay and the receivable is deemed doubtful, the receivable is written down.

Exposure to credit risk

Credit risk of the Company arises principally from loans and advances, trade debts, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure.

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

| | | 2020 | 2019 |
|-------------------------|------|--------------------|--------------------|
| | Note | -----Rupees----- | |
| Trade debts - unsecured | 18 | 701,862,880 | 823,862,597 |
| Loan to employees | 19 | 1,217,635 | 987,053 |
| Bank balances | 20 | 7,428,050 | 3,081,449 |
| | | <u>710,508,565</u> | <u>829,930,899</u> |

33.3.1 Credit quality of financial assets

| Bank | Rating | | | 2020 | 2019 | #REF! |
|----------------------------|---------|-----------|------------|-----------|-----------|-----------|
| | Agency | Long Term | Short Term | Rupiah | | |
| Al Baraka Bank Limited | EACRA | A | A+ | 5,133,081 | 58,562 | 7,428,360 |
| Bank Al-Habib Limited | - | - | - | 873 | - | 5,33,381 |
| Bank Al-Habib Limited | - | - | - | 75,400 | - | 76,430 |
| Bank Al-Habib Limited | - | - | - | - | - | 873 |
| Habib Metropolitan Bank | EACRA | AA+ | M+ | 17,860 | 165,288 | - |
| Fayal Bank Limited | EACRA | AA | M+ | 2,732 | 71,616 | - |
| Summit Bank Limited | JCR T.S | Suspended | Suspended | 61,837 | 61,831 | 5,910 |
| Standard Chartered Bank | EACRA | AAA | M+ | - | 21,025 | 6,27,277 |
| Dubai Islamic Bank Limited | JCR T.S | AA- | M+ | 617,077 | 4,416,673 | - |
| Bank of Punjab | EACRA | AA | M+ | - | 730 | - |
| Sovereign Bank Limited | EACRA | AA- | M+ | - | 13,174 | - |
| Habib Bank Limited | JCR T.S | AAA | M+ | 854,503 | 560,711 | 3,282 |
| Bank & al-Madani Limited | EACRA | A+ | A1 | 5,610 | 230,759 | 805,257 |
| National bank of Pakistan | JCR T.S | AAA | M+ | 483,768 | - | 18,535 |
| | | | | 7,428,050 | 5,081,440 | 29,411 |
| | | | | | | 189,130 |
| | | | | | | 488,758 |

The Company ensures adequate cash reserves by entering into framework agreements in respect of current overdraft facilities. Existing agreement is subject to time limitation and irrecoverable on the part of the banks prior to maturity unless there is a breach of the terms of the loans according to the loan agreements. In case of a breach of the terms of the agreement, the Company has a right to terminate causes of breach without undue delay and the bank is entitled to cancel the entire or part of the facility.

THE ORGANIC MEAT COMPANY LIMITED
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The Company's financial liabilities have contractual maturities as summarized below:

| | Carrying Amount | Less than 6 months | 6 to 12 months | 1 to 3 years |
|---------------------------------|--------------------|--------------------|--------------------|------------------|
| As at June 30, 2020 | | | | |
| Long term borrowings - secured | 12,408,089 | - | 12,408,089 | - |
| Short term borrowings - secured | 659,095,084 | 513,488,211 | 145,606,873 | - |
| Trade creditors | 28,884,417 | - | 28,884,417 | - |
| Accrued markup | 25,454,521 | 25,454,521 | - | - |
| | <u>725,842,111</u> | <u>538,942,732</u> | <u>186,899,379</u> | <u>-</u> |
| As at June 30, 2019 | | | | |
| Long term borrowings - secured | 51,524,945 | 28,616,827 | 18,772,089 | 4,136,029 |
| Short term borrowings - secured | 718,659,230 | 560,000,000 | 158,659,230 | - |
| Trade creditors | 94,852,420 | - | 94,852,420 | - |
| Advance from customers | 7,254,167 | - | 7,254,167 | - |
| Accrued markup | 21,855,385 | 21,855,385 | - | - |
| | <u>894,146,147</u> | <u>610,472,212</u> | <u>279,537,906</u> | <u>4,136,029</u> |

33.5 Fair value of financial instruments

The Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market.

Level 2: Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Company determines fair values using valuation techniques unless the instruments do not have a market / quoted price in an active market and whose fair value cannot be reliably measured.

Valuation techniques used by the Company include discounted cash flow model. Assumptions and inputs used in valuation techniques includes risk-free rates, bonds and equity prices, foreign currency exchange rates, equity and equity index prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the statement of financial position date that would have been determined by market participants acting at arm's length.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates.

| Non-Financial Assets | Carrying value | Level 1 | Level 2 | Level 3 | Total |
|----------------------|----------------------|----------|----------|----------------------|----------------------|
| June 30, 2020 | | | | | |
| Factory Land | 151,000,000 | - | - | 151,000,000 | 151,000,000 |
| Factory building | 270,698,253 | - | - | 270,698,253 | 270,698,253 |
| Plant and machinery | 814,746,508 | - | - | 814,746,508 | 814,746,508 |
| | <u>1,236,444,761</u> | <u>-</u> | <u>-</u> | <u>1,236,444,761</u> | <u>1,236,444,761</u> |

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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| Non-Financial Assets | Carrying value | Level 1 | Level 2 | Level 3 | Total |
|----------------------|----------------------|----------|----------|----------------------|----------------------|
| -----Rupees----- | | | | | |
| June 30, 2019 | | | | | |
| Factory Land | 85,000,000 | - | - | 85,000,000 | 85,000,000 |
| Factory building | 295,808,517 | - | - | 295,808,517 | 295,808,517 |
| Plant and machinery | 784,534,059 | - | - | 784,534,059 | 784,534,059 |
| | <u>1,165,342,576</u> | <u>-</u> | <u>-</u> | <u>1,165,342,576</u> | <u>1,165,342,576</u> |

33.6 Capital risk management

The objective of the Company's capital management is to ensure the Company's ability to continue as going concern in order to provide return on the shareholders' investments and establish and maintain an optimal capital structure for the purpose of repricing the cost of borrowed capital and maintain a basis for continuous growth in the Company. Total capital comprises of equity as reserves as shown in the statement of financial position.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital, revaluation surplus on property, plant and equipment and advance against issue of shares. The gearing ratio as at June 30, is as follows:

| | Note | 2020 | 2019 |
|--|------|----------------------|----------------------|
| -----Rupees----- | | | |
| Long term borrowings - secured | | - | 4,136,029 |
| Current maturity of long term borrowings-secured | 8 | 12,408,089 | 47,388,916 |
| Accrued mark-up | 8 | 25,454,521 | 21,855,385 |
| Short term borrowings - secured | 11 | 659,095,084 | 718,963,239 |
| Short term loan from related party - unsecured | 8 | 145,606,873 | 138,963,239 |
| Gross debt | | 842,564,567 | 951,306,808 |
| Less: Cash and bank balances | 20 | 7,456,022 | 5,173,272 |
| Net debt | | 850,020,589 | 956,480,080 |
| Total shareholder's equity | | 1,887,466,324 | 1,621,113,813 |
| Equity and net debt | | 2,737,486,913 | 2,577,593,893 |
| Gearing ratio | | 31% | 37% |

34 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including certain benefits to the chief executive officer, directors and executives of the Company are as follows:

| 2020 | Chief Executive Officer | Director | Executives | Total |
|-------------------------|-------------------------|-------------------|-------------------|-------------------|
| -----Rupees----- | | | | |
| Managerial remuneration | 6,000,000 | 12,000,000 | 15,051,000 | 33,051,000 |
| Other benefits | - | - | 904,594 | 904,594 |
| | <u>6,000,000</u> | <u>12,000,000</u> | <u>15,955,594</u> | <u>33,955,594</u> |
| Number of person(s) | 1 | 1 | 7 | |

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THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

41 DATE OF AUTHORIZATION

These financial statements were authorized for issue on **September 24, 2020** by the Board of Directors of the Company.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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NOTES TO THE FINANCIAL STATEMENTS
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| 36 | NUMBER OF EMPLOYEES | 2020 | 2019 |
|-----------|---|-------------|-------------|
| | Total employees as at the year end | 123 | 153 |
| | Average number of employees during the year | 137 | 108 |

37 **EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION**

37.1 Listing on Pakistan Stock Exchange

The Board of Directors in its meeting held on September 08, 2018 decided to initiate the proceedings for enlisting of the Company on the Pakistan Stock Exchange Limited. Hence, the Company issued the prospectus for Initial Public Offer (IPO) of 40 million ordinary shares of Rs.10/- each at a floor price of Rs.18/- per share including share premium of Rs.8/- per share. Details regarding utilization of IPO proceeds for Offal processing plant in Korangi and Karachi Export Processing Zone (KEPZ) have been fully explained in the prospectus. Subsequent to the year end, 30 million ordinary shares were offered and successfully subscribed through book building process by Institutional Investors and High Net Worth Individuals (HNWI) at a strike price of Rs.20/- per share. The remaining 10 million ordinary shares were offered to general public for subscription at strike price of Rs.20 per share. Ordinary shares offered to general public were fully subscribed and shares have been duly allotted to all shareholders. As on August 03, 2020, Pakistan Stock Exchange has approved the Company's application for formal listing and quotation of the shares on the Pakistan Stock Exchange.

37.2 Proposed dividend

The Board of Directors in their meeting held on September 24, 2020 have proposed for the year ended June 30, 2020, final cash dividend of Rs 2 per share i.e. 20% (2019: Nil), amounting to Rs 223,635,554 (2019: Nil), to the shareholders of the Company as of the date of book closure, for approval by the members of the Company in the Annual General Meeting to be held on October 27, 2020. These financial statements for the year ended June 30, 2020 does not include the effect of the proposed cash dividend, which will be recognized in the financial statements for the year ending on June 30, 2021.

38 **IMPACT OF COVID-19**

The Securities and Exchange Commission of Pakistan vide its Circular no. 26 of 2020 dated August 31, 2020 required the Companies to evaluate the impact of COVID-19 on their financial statements. The Corona Virus (COVID-19) pandemic led to an enforcement of complete lockdown in the country, as well as all export destinations of the Company. This consequently led to closure of international flights as well as border crossings which led to suspension of exports by both air and land transportation. However, the Company's exports using sea transportation to closer geographical destinations remained unaffected. As the Company was already a market leader in terms of large volume of exports of meat consignments while utilizing the ocean routes, the Company transformed the adverse impact of pandemic into its strength, and managed to convert all its existing transportation by air exports towards cheaper sea route. This strategy, largely assisted in preserving the Company's export business as well as margins and also resulted in increased exports in its current markets which were previously being catered using the air transportation, and got adversely affected due to the international flights suspension.

39 **CORRESPONDING FIGURES**

Figures have been reclassified and rearranged as necessary for better presentation purposes.

| 40 | PRODUCTION CAPACITY | 2020 | 2019 |
|-----------|---|----------------|-------------|
| | Installed slaughtering capacity (heads) | 149,760 | 149,760 |
| | Actual slaughtering capacity (heads) | 74,167 | 52,695 |
| | Capacity utilization (%) | 50% | 35% |

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THE ORGANIC MEAT COMPANY LIMITED
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41 DATE OF AUTHORIZATION

These financial statements were authorized for issue on _____ by the Board of Directors of the Company.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

www.tomcl.net

INVESTORS' RELATIONS

REGISTERED OFFICE

The Organic Meat Company Limited

9th Floor, Room# 902, Port Way Tower, Plot # 189/A, S.M.C.H.S, Karachi-Pakistan.

Telephone # +922134552146, +922134552147

Email: info@tomcl.net

SHARE REGISTRAR

F.D Registrar Services (SMC-Pvt) Limited

Suit 1705 – A. 17th Floor, Saima Trade Tower, I.I. Chundrigar Road,

Karachi Tel: 021-3227 1905 Email: info@fdregistrar.com

INVESTOR RELATIONS CONTACT

Mr. Abdul Qadir

Email: cs@tomcl.net

INVESTOR COMPLAINTS

For any complaints you may email at: investorcomplaint@tomcl.net

FINANCIAL CALENDAR

The Company follows the period of July 1 to June 30 as the Financial Year. For the Financial Year 2020-2021, financial results will be announced as per the following tentative schedule:

1st Quarter ending September 30, 2020 last week of October 2020

Half Year ending December 31, 2020 2nd week of February 2021

3rd Quarter ending March 31, 2021 Last week of April 2021

Year ending June 30, 2021 2nd week of September 2021

LISTING

Ordinary shares of the Company are listed on the Pakistan Stock Exchange.

STOCK CODE

The stock code for trading in ordinary shares of the Company at the Pakistan Stock Exchange is TOMCL.

STATUTORY COMPLIANCE

The Company is in compliance with applicable provisions of the Companies Act 2017, as replaced by the Companies Ordinance 1984, as well as circulars/mandates issued thereunder, the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Regulations of the Securities and Exchange Commission of Pakistan and the Listing Rules of the Pakistan Stock Exchange.

BOOK CLOSURE

Share Transfer Books of the Company will remain closed from September 22, 2020 to September 29, 2020 (both days inclusive).

WEB PRESENCE

Updated information regarding the Company can be accessed at its website www.tomcl.net. The website contains the latest financial information of the Company together with the Company's profile.

PATTERN OF SHAREHOLDING

| | | | |
|----|-------------------------------|-------------------|----------------|
| 1 | Faisal Hussain | 50,922,494 | 70.91% |
| 2 | Ali Hussain | 10,617,500 | 14.78% |
| 3 | Saad Haq | 5,400,000 | 7.52% |
| 4 | Shakir Ellahi | 3,000,000 | 4.18% |
| 5 | Farooq Nasir | 1,000,000 | 1.39% |
| 6 | Abdul Ghafoor | 150,000 | 0.21% |
| 7 | Rizwan Abbas | 727,778 | 1.01% |
| 8 | Zulqurnain Ali Khan | 1 | 0.00% |
| 9 | Salman Hussain | 1 | 0.00% |
| 10 | Nihal Cassim | 1 | 0.00% |
| 11 | Syed Owais Zaidi | 1 | 0.00% |
| 12 | Sehrish Hafeez Mastoor | 1 | 0.00% |
| | | 71,817,777 | 100.00% |

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 10th Annual General Meeting of The Organic Meat Company Limited (the "Company") will be held on Tuesday, October 27, 2020 at 11:00 am via video link to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2020 together with the Directors' and Auditors' Reports thereon.
2. To consider and approve the payment of final cash dividend @ 20% (Rs.2.00 per share) for the year ended June 30, 2020 as recommended by the Board of Directors.
3. To appoint Auditors for the year 2020-21 and to fix their remuneration.
4. To transact any other business with the permission of the Chair.

SPECIAL BUSINESS

5. In compliance of the direction issued by Securities and Exchange Commission of Pakistan under S.R.O.470(I)/2016 dated 31-05-2016, it is proposed that the following resolution be passed as and by way of a Special Resolution:

"Resolved that pursuant to compliance of S.R.O.470(I)/2016 dated 31-05-2016 and subject to the consent and approval of shareholders, the Board of Directors of the Company be and is hereby authorized to circulate the Annual Audited Accounts of the Company to its members through CD/DVD/USB; that the Board of Directors of the Company and the Company Secretary be and are hereby authorized to do all acts, deeds and things that may be necessary or required to give effect to this resolution".

6. To consider and approve the amendment in Article 36 of the Articles of Association of the Company as and by way of a special resolution with or without modification, be and is hereby amended to read as under;

Resolved that the Remuneration of the fulltime working directors and Chief Executive of the Company and the remuneration of directors other than regular paid and fulltime working directors for attending meeting(s) of the Board and Committees of the Board shall from time to time be determined by the Board. Every Director other than regular paid & fulltime working director shall be entitled to a fee for attending meetings of the Board and Committees of the Board and in addition may be reimbursed any expenses incurred by him/her for attending the meeting, as set and approved by the Board.

(The statement of material facts under section 134(3) of the Companies Act, 2017, pertaining to the above-mentioned special businesses is attached with the Notice).

Karachi
Dated: September 30, 2020

By Order of the Board
Abdul Quadir
Company Secretary

NOTES:

1. The register of members of the Company will be closed from Tuesday, October 20, 2020 to Tuesday, October 27, 2020 (both days inclusive) and no transfers will be registered during that time. Shares received in order at the office of our Share Registrar, M/s. F.D. Registrar Services (Pvt) Ltd, 17th Floor, Saima Trade Tower-A, LL Chundrigar Road, Karachi 74000, at the close of business on Monday, October 19, 2020 will be treated in time for the above entitlement.
2. To attend the meeting, members are requested to register themselves by providing the following information through email at cs@tomcl.net on or before October 22, 2020.

| Name of Shareholder | CNIC Number | CDC Account No./ Folio No. | Cell Number | Email Address |
|---------------------|-------------|----------------------------|-------------|---------------|
| | | | | |

3. Members who are registered, after the necessary verification, will be provided a video link by the Company on the same email address that they email the Company with. The login facility will remain open from 10:45 a.m. till the end of the meeting.
4. A member of the Company entitled to attend, speak and vote at this meeting may appoint any other member as his/her proxy to attend, speak and vote in his/her instead. The proxies to be effective must be in writing and must be received by the Company's Corporate Office 48 hours before the meeting.
5. Shareholders of the Company whose shares are registered in their account/sub-account with Central Depository System (CDS) are requested to bring original Computerized National Identity Card along with their account number in CDS and participant's ID number for verification
6. Shareholders of the Company are requested to immediately notify any change in their addresses to the Share Registrar of the Company.
7. Section 242 of the Companies Act, 2017 provides that in case of a listed company, any cash dividend declared by the company must be paid electronically directly into the bank accounts of entitled shareholders. Therefore, all shareholders are requested to fill in Dividend Mandate Form available on Company's website i.e. www.tomcl.net and send it duly signed along with a copy of CNIC to the Registrar of the Company M/s. F.D. Registrar Services (Pvt) Ltd in case of physical shares. In case shares are held in CDC then Dividend Mandate Form must be submitted directly to shareholder's broker/ participant/CDC account services. In case of non-submission of IBAN, the Company will withhold the payment of dividends under Companies (Distribution of Dividends) Regulations, 2017.
8. All Shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR website and if required take necessary actions for inclusion of their name in ATL. In case a person's name does not appear in the ATL, the applicable tax rate will be increased by hundred percent.
9. In case of joint account, please intimate proportion of shareholding of each account holder along with their individual's status on the ATL.
10. Members who desire to stop deduction of Zakat from their dividends may submit a declaration on non-judicial stamp paper duly signed as required under the law (if not submitted earlier).
11. Withholding Tax exemption from the dividend income shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar by first day of Book Closure.
12. The corporate shareholders having CDC accounts are required to have their National Tax Numbers (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the company or our Share Registrar M/s. F.D. Registrar Services (Pvt) Ltd. The shareholders while sending NTN or NTN certificate, as the case may be, must quote company name and their respective folio numbers.

13. In compliance of Section 244 of the Companies Act 2017, once the Company has completed stipulated formalities, any unclaimed dividend and /or shares that have remained outstanding for a period of three years from the date of becoming due and payable or more shall be credited to the Federal Government (in case of dividend) or delivered to the SECP (in case of physical shares). Shareholders who could not collect their dividend/physical shares are advised to contact the Share Registrar of the Company to collect/inquire about their unclaimed dividend or shares, if any.

14. With reference to S.R.O. 787(I)/2014 dated September 8, 2014 issued by SECP; shareholders have an option to receive Annual Audited Financial Statements and Notice of Annual General Meeting through email. Shareholders of the Company are requested to give their consent to the Company's Corporate Office to update our record if they wish to receive Annual Audited Financial Statements and Notice of General Meeting through email. However, if shareholders, in addition, request for hard copy of Audited Financial Statements, the same shall be provided free of cost within seven [7] days of receipt of such written request.

15. Annual Audited Accounts of the Company for the year ended June 30, 2020 have been placed on Company's website at www.tomcl.net

16. Members can exercise their right to vote by means of postal ballot i.e. by post or through electronic mode subject to the requirements of Section 143 -145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.

17. Members can also avail video conference facility, in this regard, please fill the following and submit to the Registered Office of the Company seven (7) days before holding of the Annual General Meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least seven (7) days prior to date of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city

I/We, _____ of _____, being a member of The Organic Meat Company

Limited, holder of _____ Ordinary Share(s) as per Register CDC/ Folio no. _____

hereby opt for video conference facility at _____.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

SECP S.R.O.470(I)/2016 dated 31-05-2016, Circulation of Annual Audited Accounts through CD/DVD/USB to the shareholders (Item No. 5 of the Notice).

As per S.R.O.470(I)/2016 dated 31-05-2016, the Securities and Exchange Commission of Pakistan allowed companies to circulate Annual Audited Accounts to its members through CD/DVD/USB at their registered addresses. However, the company shall furnish hard copy of the annual report / annual audited accounts free of cost to the members on demand at their registered address within one week of such demand.

For convenience of shareholders, the company shall place a Standard Request Form on its website to communicate their need of hard copies of the annual audited accounts instead of sending the same through CD/DVD/USB.

To consider and approve the amendment in Article 36 of the Articles of Association of the Company (Item No. 6 of the Notice).

The Remuneration of the fulltime working directors & the Chief Executive of the Company and the remuneration of directors other than regular paid & fulltime working directors, for attending meeting(s) of the Board and Committees of the Board are determined by the Board. In order to align the Article 36 of the Articles of Association of the Company with Section 170 of the Companies Act, 2017, the Article 36 of the Articles of Association of the Company is required to be amended.

نوٹس برائے سالانہ عمومی میٹنگ

بذریعہ نوٹس تمام کو مطلع کیا جاتا ہے کہ دی آرٹیکل میٹ کمپنی لمیٹڈ کی دسویں سالانہ عمومی میٹنگ کا انعقاد بروز منگل مورخہ 27 اکتوبر 2020 بوقت 11:00 بجے صبح بذریعہ ویڈیو لنک ہوگا جس میں درج ذیل کاروباری امور زیر بحث لائے جائیں گے:

عام کاروبار:

- ۱۔ 30 جون 2020ء کو ختم ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ اکاؤنٹس بعد ڈائریکٹرز اور آڈیٹرز کی رپورٹ وصول کرنا، جائزہ لینا اور حاصل کرنا۔
- ۲۔ 30 جون 2020ء کو ختم ہونے والے سال کیلئے بورڈ آف ڈائریکٹرز کی سفارش کے مطابق کیش ڈویڈنڈ 20 فیصد کے حساب سے (مبلغ 2.00 روپے فی شیئر) کی ادائیگی پر غور اور منظور کرنا۔
- ۳۔ سال 2020-21 کیلئے آڈیٹرز کی تقرری اور ان کا معاوضہ مقرر کرنا۔
- ۴۔ چیئرمین کی اجازت سے دیگر کاروباری امور پر نظر ثانی کرنا۔

خصوصی کاروبار:

- ۵۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے مورخہ 31 مئی 2016ء کو جاری ہونے والے ایس آر او نمبر 470(1)/2016 کے تحت ہدایت کے مطابق یہ تجویز دی گئی ہے کہ اس کے ذریعہ مندرجہ ذیل خصوصی قرارداد منظور کی جائے:

”یہ طے پایا ہے کہ S.R.O. 470(I)/2016 مورخہ 31 مئی 2016ء کی تعمیل کے مطابق اور حصص یافتگان کی رضامندی اور منظوری کے تحت کمپنی کے بورڈ آف ڈائریکٹرز کو اختیار حاصل ہے کہ وہ کمپنی کے سالانہ آڈٹ شدہ اکاؤنٹس اپنے ممبران کو بذریعہ سی ڈی/ڈی وی ڈی/یو ایس بی بھیج سکتے ہیں اور یہ کہ کمپنی کے بورڈ آف ڈائریکٹرز اور کمپنی سیکریٹری اس کے ذریعہ تمام امور انجام دینے کا مجاز ہے جو اس قرارداد پر اثر انداز ہونے کے لئے ضروری یا درکار ہو سکتے ہیں۔“

- ۶۔ کمپنی کے آرٹیکل آف ایسوسی ایشن کے آرٹیکل 36 میں ترمیم پر غور کرنا اور منظور کرنا اور صحیح مرتب ہونے پر بغیر کسی ترمیم کے درج ذیل خصوصی قرارداد کے طور پر پاس کرنا۔

”یہ طے پایا ہے کہ کمپنی کے فنانس و رکنگ ڈائریکٹرز اور چیف ایگزیکٹو کے معاوضے اور بورڈ اور بورڈ کی کمیٹیوں کی میٹنگ میں شرکت کیلئے آنے والے دیگر ڈائریکٹرز کے معاوضے و فنانس بورڈ کی جانب سے طے کئے جائیں گے۔ بورڈ اور بورڈ کی

کمپنیوں کی میٹنگ میں شرکت کیلئے آنے والے فل ٹائم ورکنگ ڈائریکٹرز کے علاوہ چرڈائریکٹریس کا حقدار ہوگا۔ اس کے علاوہ میٹنگ میں شرکت کیلئے ہونے والے کسی بھی اخراجات کے سلسلے میں اسے معاوضہ دیا جاسکتا ہے جیسا کہ بورڈ کی جانب سے منظور کیا گیا ہے۔

کمپنیز ایکٹ 2017ء کا سیکشن (3) 134 جس کا تعلق خصوصی کاروبار سے ہے اس نوٹس کے ساتھ شامل کیا گیا ہے۔

کراچی: 30 ستمبر 2020ء

بحکم بورڈ
عبدالقادر
کمپنی سیکریٹری

نوٹس:

- ۱۔ کمپنی کے ممبران کے رجسٹر ہر دو منقل مورخہ 20 اکتوبر 2020ء سے ہر دو منقل مورخہ 27 اکتوبر 2020ء (دونوں دن) بند رہے گا اور اس دوران کسی بھی منتقلی کا اندراج نہیں کیا جائے گا۔ شیئرز ہمارے شیئرز رجسٹر اری میسرز F.D رجسٹر اری میسرز (پرائیویٹ) لمیٹڈ، 17th فلور، صائمہ ٹریڈ ٹاور اے، آئی آئی چندریگر روڈ، کراچی 74000، ہر دو پیر مورخہ 19 اکتوبر 2020ء کی شام مندرجہ بالا حق کیلئے وصول کیئے جاسکیں گے۔
- ۲۔ میٹنگ میں شرکت کیلئے ممبران سے گزارش ہے کہ وہ 22 اکتوبر 2020ء کو یا اس سے پہلے cs@tomcl.net پر ای میل کے ذریعے درج ذیل معلومات فراہم کر کے اپنا اندراج کریں:

| شیئرز ہولڈر کا نام | شناختی کارڈ نمبر | CDC اکاؤنٹ نمبر / فو لیو نمبر | موبائل نمبر | ای میل ایڈریس |
|--------------------|------------------|-------------------------------|-------------|---------------|
| | | | | |

- ۳۔ جو ممبران رجسٹرڈ ہیں ان کو ضروری تصدیق کے بعد کمپنی اسی ای میل ایڈریس پر ویڈیو لنک فراہم کرے گی جس کے ساتھ وہ کمپنی کو ای میل کرتے ہیں۔ لاگ ان کی سہولت صبح 10:45 سے میٹنگ کے اختتام تک کھلی رہے گی۔
- ۴۔ وہ ممبر جو میٹنگ میں حاضر ہو کر بولنے اور ووٹ دے اسے یہ حق حاصل ہے کہ وہ دیگر ممبران کو اپنی جانب سے بطور کسی تقرر کریں۔ پراکسیز موثر ہونے کیلئے تحریری طور پر ہونی چاہئیں اور کمپنی کے کارپوریٹ آفس کو میٹنگ سے 48 گھنٹے قبل موصول ہونی چاہئیں۔
- ۵۔ کمپنی کے شیئرز ہولڈرز جن کے شیئران کے اکاؤنٹ / سب اکاؤنٹ بمعہ سینٹرل ڈپازٹری سسٹم (CDS) میں رجسٹرڈ ہیں ان سے درخواست کی جاتی ہے کہ وہ تصدیق کے لئے CDS میں اپنے اکاؤنٹ نمبر کے ساتھ اصل کمپیوٹرائزڈ قومی شناختی کارڈ لے کر آئیں۔
- ۶۔ کمپنی کے شیئرز ہولڈرز سے گزارش ہے کہ کمپنی کے شیئرز رجسٹر اری کو اپنے پتے میں کسی بھی تبدیلی سے فوری طور پر آگاہ کریں۔
- ۷۔ کمپنیز ایکٹ 2017ء کے سیکشن 242 یہ بتاتا ہے کہ کسی لسٹڈ کمپنی کی صورت میں، کمپنی کے ذریعہ اعلان کردہ کسی بھی کیس ڈویڈنڈ کو مستحق شیئرز ہولڈرز کے بینک اکاؤنٹس میں براہ راست الیکٹرانک طور پر ادا کرنا ہوگا۔ لہذا تمام شیئرز ہولڈرز سے گزارش ہے کہ فزیکل شیئرز کی صورت میں وہ کمپنی کی ویب سائٹ www.tomcl.net پر دستیاب ڈویڈنڈ مینڈیٹ فارم کو پُر کریں و متخط کر کے بمعہ شناختی کارڈ کمپنی کے رجسٹر اری میسرز F.D رجسٹر اری میسرز (پرائیویٹ) لمیٹڈ کو ارسال کریں۔ اگر شیئرز CDC میں ہوں تو پھر شیئرز ہولڈرز کے بروکر / اثراکت دار CDC اکاؤنٹ سرورس میں براہ راست ڈویڈنڈ مینڈیٹ فارم جمع کروانا ہوگا۔ IBAN کو پیش نہ کرنے کی صورت میں کمپنی کمپنیز (منافعہ منقسمہ) ریگولیشنز 2017ء کے تحت منافع

کی ادائیگی روک دے گی۔

۸۔ تمام شیئرز ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ FBR کی ویب سائٹ پر دستیاب ایکٹیو ٹیکس دہندگان کی فہرست (ATL) پر اپنی حیثیت کی جانچ کریں اور اگر ضرورت ہو تو اپنا نام ATL میں شامل کرنے کیلئے ضروری اقدامات کریں۔ اگر کسی شخص کا نام ATL میں ظاہر نہیں ہوتا تو قابل اطلاق ٹیکس کی شرح میں سو فیصد اضافہ کیا جائے گا۔

۹۔ مشترکہ اکاؤنٹ کی صورت میں برائے کرم ہر اکاؤنٹ ہولڈر کی ان کی انفرادی حیثیت کے ساتھ شیئرز ہولڈنگ کے تناسب سے اور ATL میں اپنی حیثیت سے مطلع کیا جائے۔

۱۰۔ جو ممبر اپنے شیئرز سے زکوٰۃ کی کوٹی رکوانا چاہتا ہے وہ قانون کے تحت ضرورت کے مطابق دستخط شدہ نان جوڈیشل اسٹیپ پیپر پر ڈکلیئریشن پیش کر سکتا ہے (اگر پہلے پیش نہیں کیا گیا ہو)۔

۱۱۔ منافع بخش آمدنی سے ودھ ہولڈنگ ٹیکس چھوٹ کی اجازت صرف اسی صورت میں ہوگی جب جائز ٹیکس چھوٹ کے سرٹیفیکیٹ کی کاپی بک کلوزر کے پہلے دن ہمارے شیئرز رجسٹرار کو فراہم کر دی جائے۔

۱۲۔ CDC اکاؤنٹ رکھنے والے کارپوریٹ شیئرز ہولڈرز کو اپنے متعلقہ شرکاء کے ساتھ اپنے نیشنل ٹیکس نمبر (NTN) کو اپ ڈیٹ کرنے کی ضرورت ہے جبکہ کارپوریٹ فزیکل شیئرز ہولڈرز کو اپنے NTN سرٹیفیکیٹ کی ایک کاپی کمپنی یا ہمارے شیئرز رجسٹرار میسرز F.D رجسٹرار میسرز (پرائیویٹ) لمیٹڈ ارسال کرنی چاہئے۔ NTN یا NTN سرٹیفیکیٹ ارسال کرتے وقت شیئرز ہولڈرز پر لازم ہے کہ وہ کمپنی کا نام اور ان کے متعلقہ فولیو نمبر درج کریں۔

۱۳۔ کمپنیز ایکٹ 2017ء کے سیکشن 244 کے مطابق ایک بار جب کمپنی مقررہ رسمی مراحل مکمل کر لیتی ہے تو کوئی دعویدار منافع / یا شیئرز جو واجب الادا ہونے اور قابل ادائیگی ہونے کی تاریخ سے تین سال کی مدت تک بقایا رہ چکے ہیں وہ وفاقی حکومت کو (منافع کی صورت میں) جمع کرائے جائیں گے یا SECPL (فزیکل شیئرز کی صورت میں) کے حوالے کر دیں گے۔ جو شیئرز ہولڈرز اپنے شیئرز / فزیکل شیئرز کو حاصل نہیں کر سکے ہیں وہ کمپنی کے شیئرز رجسٹرار سے رابطہ کریں تاکہ وہ اپنے دعویدار منافع یا شیئرز کے بارے میں کوئی معلومات حاصل کر سکیں۔

۱۴۔ ایس ای سی پی نے اپنے نوٹیفیکیشن SRO 787(1)/2014 مورخہ 8 ستمبر 2014ء کے ذریعے شیئرز ہولڈرز کو ای میل کے ذریعے سالانہ آڈٹ شدہ مالیاتی حسابات اور سالانہ عمومی اجلاس کا نوٹس وصول کرنے کا اختیار دیا ہے۔ کمپنی کے شیئرز ہولڈرز سے درخواست ہے کہ اگر وہ ای میل کے ذریعے سالانہ آڈٹ شدہ مالیاتی حسابات اور جنرل میٹنگ کا نوٹس وصول کرنا چاہتے ہیں تو وہ ہمارے ریکارڈ کی معلومات کیلئے کمپنی کے کارپوریٹ آفس کو اپنی رضامندی دیں۔ تاہم اگر شیئرز ہولڈرز اضافی طور پر آڈٹ شدہ مالیاتی حسابات کی ہارڈ کاپی کیلئے درخواست کریں تو ایسی تحریری درخواست کی وصولی کے ساتھ دن کے اندر انہیں مفت فراہم کی جائے گی۔

- ۱۵۔ 30 جون 2020ء کو ختم ہونے والے سال کیلئے کمپنی کے سالانہ آڈٹ شدہ اکاؤنٹس کمپنی کی ویب سائٹ www.tomcl.net پر رکھے گئے ہیں۔
- ۱۶۔ کمپنیز ایکٹ 2017ء کے سیکشن 143-145 کی شرائط اور کمپنیز (پرنٹل بیلٹ) ریگولیشنز 2018ء کی شقوں کے تحت ممبران پرنٹل بیلٹ کے ذریعے یعنی ڈاک کے ذریعے یا الیکٹرانک موڈ کے ذریعے اپنا حق رائے دہی استعمال کر سکتے ہیں۔
- ۱۷۔ ممبران ویڈیو کانفرنس کی سہولت سے بھی فائدہ اٹھا سکتے ہیں۔ اس سلسلے میں براہ کرم سالانہ جنرل میٹنگ کے انعقاد سے سات دن پہلے درج ذیل کو پُر کریں اور کمپنی کے رجسٹرڈ آفس میں جمع کروائیں۔ اگر کمپنی جغرافیائی مقام پر مقیم 10 فیصد یا اس سے زیادہ شیئر ہولڈرز پر مشتمل ممبران سے اس میٹنگ کی تاریخ سے کم از کم سات دن پہلے ویڈیو کانفرنس کے ذریعے میٹنگ میں شرکت کیلئے رضا مندی حاصل کرتی ہے تو کمپنی ویڈیو کانفرنس کی سہولت کا بندوبست کرے گی۔ یہ سہولت شہر میں دستیابی سے مشروط ہے۔

میں/ہم _____ بطور دی آرکنیک میٹ کمپنی لمیٹڈ کے ممبر، حامل
 آرڈنری شیئرز بطور رجسٹرڈ CDC / فو لیو نمبر _____ ویڈیو کانفرنس کی سہولت
 یہاں _____ کا انتخاب کرتے ہیں۔

اسٹیمٹ برائے اہم امور زیر دفعہ کمپنیز ایکٹ 2017 کے سیکشن (3) 134

SECP کے جاری کردہ SRO 470(I)/2016 مورخہ 31 مئی 2016ء کے مطابق شیئر ہولڈرز کو سی ڈی/ڈی وی ڈی/یو ایس بی کے ذریعہ سالانہ آڈٹ شدہ اکاؤنٹس ارسال کریں (نوٹس کا آئٹم نمبر 5)۔

SECP کے جاری کردہ SRO 470(I)/2016 مورخہ 31 مئی 2016ء کے مطابق سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے کمپنیوں کی اجازت دی ہے کہ وہ اپنے ممبران کو سالانہ آڈٹ شدہ اکاؤنٹس سی ڈی/ڈی وی ڈی/یو ایس بی کے ذریعہ ان کے رجسٹرڈ پتوں پر ارسال کرے۔ تاہم کمپنی اس طرح کی صوب کے ایک ہفتہ کے اندر ممبران کے مطالبہ پر اپنی سالانہ رپورٹ/سالانہ آڈٹ شدہ اکاؤنٹس کی ہارڈ کاپی مفت پیش کرے گی۔

شیئر ہولڈرز کی سہولت کیلئے کمپنی سی ڈی/ڈی وی ڈی/یو ایس بی کے ذریعہ اسے بھیجنے کے بجائے سالانہ آڈٹ شدہ اکاؤنٹس کی ہارڈ کاپیوں کی ضرورت کیلئے اپنی ویب سائٹ پر ایک معیاری درخواست فارم رکھے گی۔

کمپنی کے آرٹیکل آف ایسوسی ایشن کے آرٹیکل 36 میں ترمیم پر غور اور منظوری دینا۔ (نوٹس کا آئٹم نمبر 6)

بورڈ اور اس کی کمیٹیوں کی میٹنگ میں شرکت کیلئے فنانس ٹائم ورکنگ ڈائریکٹرز اور کمپنی کے چیف ایگزیکٹو کے معاوضے اور باقاعدہ تنخواہ دار اور کل وقتی ورکنگ ڈائریکٹرز کے علاوہ دیگر ڈائریکٹرز کے معاوضے کا تعین بورڈ کے ذریعہ کیا جاتا ہے۔ کمپنی کے آرٹیکل آف ایسوسی ایشن کے آرٹیکل 36 کو کمپنیز ایکٹ 2017 کے سیکشن 170 کے مطابق ڈھالنے کیلئے کمپنی کے آرٹیکل آف ایسوسی ایشن کے آرٹیکل 36 میں ترمیم کی ضرورت ہے۔

www.tomcl.net

PROXY FORM

I / We _____
 of _____
 being a member(s) of The Organic Meat Company Limited holder of _____
 ordinary Shares as per Share Registrar Folio/CDC Account No. _____
 hereby appoint Mr./Miss/Mrs. _____ Folio/CDC Account No. _____
 of _____ who is also a member of the Company as my / our proxy to attend, speak & vote for me /
 us and on my / our behalf at the at the 10th ANNUAL GENERAL MEETING of the Company to be held on
 Tuesday, October 27, 2020 at 11:00 am and at any adjournment thereof.

Signed this _____ day of _____ 2020

Rs.5/-
 Revenue
 Stamp

(Signature should agree with
 the specimen signature registered
 with the Company)

Signature _____

Witnesses:

1: Signature _____

Name: _____

Address: _____

CNIC or _____

Passport No. _____

2: Signature _____

Name: _____

Address: _____

CNIC or _____

Passport No. _____

Important:

1. This form of Proxy, duly completed and signed, must be submitted at the Company's Corporate Office not later than 48 hours.
2. For CDC Account Holder / Corporate Entities:
 In addition of the above following requirements have to be met:
 - i) The proxy form shall be witnessed by two persons whose names, address and CNIC Numbers shall be mentioned on the form.
 - ii) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iii) The proxy shall produce his/ her original CNIC or passport at the time of the meeting.
 - iv) In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

دی آر کٹیک میٹ کمیٹی لمیٹڈ

مختار نامہ

میں / ہم
ساکن
بحیثیت دی آر کٹیک میٹ کمیٹی لمیٹڈ کے ممبر اور حامل حصص بر مطابق شیئر رجسٹر فو لیو / سی ڈی سی اکاؤنٹ نمبر
اپنی جانب سے جناب / محترمہ _____ فو لیو / CDC اکاؤنٹ نمبر
کو بطور پراکسی نامزد کرتا / کرتے ہیں۔ یہ میری / ہماری جانب سے بروز منگل مورخہ 27 اکتوبر
2020 کو بوقت 11:00 بجے کمیٹی کی دسویں سالانہ میٹنگ میں شرکت کرنے، بولنے اور ووٹ دینے کے مجاز ہیں۔
آج بروز _____ تاریخ _____ 2020ء کو دستخط کئے گئے۔

گواہان:

۱۔ دستخط _____
نام _____
پتہ _____
شناختی کارڈ نمبر _____
پاسپورٹ نمبر _____

۲۔ دستخط _____
نام _____
پتہ _____
شناختی کارڈ نمبر _____
پاسپورٹ نمبر _____

نوٹس

- ۱۔ یہ پراکسی فارم میٹنگ کے شروع ہونے سے 48 گھنٹے پہلے تک کمیٹی کے کارپوریٹ آفس میں جمع کرانے چاہئیں۔
- ۲۔ CDC اکاؤنٹ ہولڈرز / کارپوریٹ اداروں کیلئے درج ذیل ہدایات پر عمل کرنا ضروری ہے:
 - (۱) پراکسی فارم پر دو گواہان کے دستخط ہونے لازمی ہیں جن کے نام، پتہ اور شناختی کارڈ نمبرز فارم پر درج کئے جائیں۔
 - (۲) نامزد کردہ پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹو کاپیاں پراکسی فارم کے ساتھ پیش کی جائیں گی۔
 - (۳) پراکسی میٹنگ کے وقت اپنا اصلی شناختی کارڈ یا پاسپورٹ ساتھ لائے گا۔
 - (۴) کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی کے ساتھ دستخط کے نمونہ موجود ہوں۔

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