



**THE ORGANIC
MEAT COMPANY LIMITED**

QUARTERLY REPORT

September 30, 2022

**Processors & Exporters
of Quality Meat &
Offal Products**

www.tomcl.net

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COMPANY INFORMATION

Board of Directors

Mr. Nihal Cassim
(Chairman/Independent Director)

Mr. Faisal Hussain
(Chief Executive Officer)

Mr. Ali Hussain
(Chief Operating Officer)

Mr. Rizwan Punjwani
(Independent Director)

Mr. Aneek Saleh Mohammad
(Independent Director)

Syed Owais Hasan Zaidi
(Independent Director)

Ms. Sehrish Hafeez Mastoor
(Independent Director)

Audit Committee

Mr. Rizwan Punjwani
Chairman (Independent Director)

Mr. Nihal Cassim
Member (Independent Director)

Syed Owais Hasan Zaidi
Member (Independent Director)

External Auditor

Grant Thornton Anjum Rahman
Chartered Accountants

Internal Auditor

BDO Ebrahim & Co.
Chartered Accountants

Company Secretary

Imran Khan

Human Resource and Remuneration Committee

Mr. Aneek Saleh Mohammad
Chairman (Independent Director)

Mr. Rizwan Punjwani
Member (Independent Director)

Mr. Ali Hussain
Member (Executive Director)

IT Committee

Syed Owais Hasan Zaidi
Chairman (Independent Director)

Mr. Nihal Cassim
Member (Independent Director)

Mr. Ali Hussain
Member (Executive Director)

Tax Advisor

Saleem and Co.

Legal Advisor

Pinjani & Vadria Lawyers

Share Registrar

F.D. Registrar Services (Pvt.) Limited

BANKERS

Al Baraka Bank Pakistan Limited



Habib Metropolitan Bank Limited



Bank AL Habib Limited



Faysal Bank Limited



Habib Bank Limited



Soneri Bank Limited



Dubai Islamic Bank Pakistan Limited



Samba Bank Limited



National Bank of Pakistan



Bank Islami Pakistan Limited



Bank Alfalah Limited



ADDRESS:

Registered Address:

Plot No. 257, Sector 24, Korangi Industrial Area,
Karachi - Pakistan
Tel: +92-21-35059969, +92-21-35079969

E-mail:

info@tomcl.net

Website

www.tomcl.net

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

Contact # +92-346-8224601, +92-346-8224630

Korangi Plant Address:

Plot No. 257, Sector 24, Korangi Industrial Area,
Karachi - Pakistan

Tel: +92-21-35059969, +92-21-35079969

DIRECTORS' REVIEW

The Board of Directors are pleased to present the condensed interim financial statements of the Company for the period ended September 30, 2022.

Operational Review

The primary business activities of The Organic Meat Company Limited ("TOMCL") is exporting fresh chilled meat, frozen meat and frozen offal to the Middle Eastern, Far Eastern, CIS, and South Asian markets as well as pet foods to the USA and other Eastern European markets. At present your Company has the ability to export to about a dozen countries. Our products are carefully packaged in cloth, vacuum packed or IWP (individually wrapped packing) food grade plastic, and are exported via land, sea and air. The meat slaughtering facility and the animal fattening farm are located in Gadap, Karachi and the offal processing, cooked and pet food processing are at Korangi, Karachi.

TOMCL sold 1,302 MT of chilled meat, frozen meat and frozen offal during the first quarter of the current financial year. Volumetric sales of frozen products grew by 56%, while sales of fresh chilled meat declined by 84%.

During this quarter your Company has started exports of private labelled frozen meat products to the Saudi Arabian market and expects that this new product category will have a steady demand in the Saudi market. The UAE continued to remain our largest market with about 72.55% of volumetric sales. Further, the exports of offal have resumed to the Far Eastern market during the current quarter.

Financial Review

During the first quarter of the current financial year, your Company's sales grew by 6.59% to reach at PKR 1,139 million. The net reductions in volume are due to reduced chilled product sales in the current financial period. The Company however managed to grow volumes in the frozen meat category by around 55%.

Decreased selling prices averagely by around 9% for every product category in US\$ terms and devaluation of PKR against USD averagely by 29%, as against the comparative financial period. The 10% increase in cost is directly attributable to increased sales. However, it also represents an increase due to rising meat cost, increased depreciation expense due to additional capitalization during the year. Further, there are rising salaries and wages cost due to full scale operations of fattening farm as well as Korangi offal facility.

Operating expenses increased primarily due to net increase as compared to the previous period is due to the rising freight rates on account of global container shortages, and PKR devaluation against USD which also led to increase in freight rates. Moreover, the increase is also attributable towards change in the shipment terms with some of the customers, wherein the Company has started to bear the freight expense as part of increased market penetration strategy.

Finance charges have increased significantly by 107% due to the net effect of the rising The mark-up costs on borrowings during the current year. Other income significant change is attributable to exchange gains (both realized and unrealized) on realizations of export proceeds. The net positive impact is due to exchange gains of around Rs.93 million (Sep, 2021: Rs. 8.5 million) on export. The negative impact is attributable to accrual of WPPF & WWF at prescribed rates, based on profits and export realizations respectively.

The tax increased by 65% due to the higher number of export realization as compared to prior-period due to increased export sales, which has increased the current tax expense.

Your Company has posted an EPS of PKR 0.91 for this quarter compared to 0.68 (restated) for the same period last year. A table summarizing the financials is presented below:

	Sept 30, 2022	Sept 30, 2021	Change %
	----- (PKR) -----		Increase/(decrease)
Sales – Net	1,139,998,325	1,069,501,762	6.59%
Gross Profit	165,146,687	180,028,829	-8.27%
Operating Expenses	(96,149,571)	(75,677,908)	27.05%
Other Income/(Expense)	90,311,945	3,938,266	2193.19%
Finance Cost	(35,410,347)	(17,086,840)	107.24%
Profit before taxation	123,898,714	91,202,347	35.85%
Taxation	(12,211,938)	(7,390,625)	-265.24%
Net Profit	111,686,776	83,811,722	33.26%
EPS	0.91	0.68 (Restated)	33.82%

Update on IPO Funds Utilization:

The Company has incurred PKR 178mn on Korangi Project which include the developmental expenditure and procurement of machinery and equipment for red and white offal processing. The legal aspects are still being pursued to finalize the deal of a built in project in KEPZA. This may conclude in 4Q of FY22. Whereas PKR 455mn have been invested in working capital including for the export of fresh chilled meat, frozen meat and fresh & frozen white and red offal. Excess proceeds were utilized on IPO expenses, and developmental work on fattening farm.


Future Outlook:

Despite the challenges and the uncertainty of the sociopolitical climate, the Company is on an aggressive growth trajectory and is expanding its operations in the areas where it is inevitable in line with our business strategy and market demands.

Acknowledgement:

The management would like to thank our shareholders, customers, bankers, auditors and suppliers for their continued support. We would also like to thank our employees and consultants for their loyalty and commitment towards the Company.

For and on behalf of the Board of Directors



NIHAL CASSIM
Chairman



FAISAL HUSSAIN
Chief Executive Officer

October 27, 2022

THE ORGANIC MEAT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022 (UN-AUDITED)

	Note	September 30, 2022 Rupees (Un-audited)	June 30, 2022 Rupees (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,826,272,377	1,859,024,447
Right-of-use asset		3,693,319	3,837,215
Intangible asset		1,038,600	724,600
Total non-current assets		1,831,004,296	1,863,586,262
CURRENT ASSETS			
Stock-in-trade		179,124,721	116,605,359
Biological assets other than bearer plants		8,139,950	12,360,222
Trade debts - considered good	5	1,613,219,809	1,598,056,967
Loans and advances		412,364,960	385,433,069
Deposits, and prepayments and other receivables		149,278,131	150,198,628
Cash and bank balances	6	122,880,435	141,598,092
Total current assets		2,485,008,006	2,404,252,337
TOTAL ASSETS		4,316,012,302	4,267,838,599
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
135,000,000 (2021: 135,000,000) Ordinary shares of Rs.10 each		1,350,000,000	1,350,000,000
Share Capital	7	1,229,995,550	1,229,995,550
Reserves	8	1,642,657,785	1,514,960,757
Revaluation surplus on property, plant and equipment - net		393,979,798	409,990,050
		3,266,633,133	3,154,946,357
NON-CURRENT LIABILITIES			
Long term borrowings - secured	9	84,712,336	83,187,100
Long term lease liability		2,001,069	2,206,617
		86,713,405	85,393,717
CURRENT LIABILITIES			
Current maturity of long term borrowings - secured	9	24,406,814	28,477,900
Current portion of lease liability		785,706	761,584
Short term loan from related parties - unsecured		133,987,592	133,987,592
Short term borrowings - secured	10	644,987,192	644,792,563
Trade and other payables		118,734,375	150,467,390
Accrued expenses and other liabilities		17,869,591	45,479,448
Accrued mark-up		21,189,154	22,748,423
Unclaimed dividend		665,514	783,625
Taxation - net		39,826	-
Total current liabilities		962,665,764	1,027,498,525
TOTAL EQUITY AND LIABILITIES		4,316,012,302	4,267,838,599
CONTINGENCIES AND COMMITMENTS			
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The annexed notes from 1 to 22 form an integral part of these financial statements.			

Chief Executive Officer

Director

Chief Financial Officer

THE ORGANIC MEAT COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT - UNAUDITED
 FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Note	September 30, 2022 Rupees	September 30, 2021 Rupees
Sales - net	12	1,139,998,325	1,069,501,762
Cost of sales	13	(974,851,638)	(889,472,933)
Gross profit		165,146,687	180,028,829
Administrative expenses	14	(26,094,340)	(20,705,459)
Selling expenses	15	(63,078,771)	(47,968,185)
Allowance for doubtful debt		(6,976,460)	(7,004,264)
		(96,149,571)	(75,677,908)
Operating profit		68,997,116	104,350,921
Finance costs		(35,410,347)	(17,086,840)
Other income / (charges) - net		90,311,945	3,938,266
		54,901,598	(13,148,574)
Profit before taxation		123,898,714	91,202,347
Taxation		(12,211,938)	(7,390,625)
Profit after taxation		111,686,776	83,811,722
			<i>(Restated)</i>
Earnings per share - basic and diluted	16	0.91	0.68

The annexed notes from 1 to 22 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

THE ORGANIC MEAT COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED
 FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	September 30, 2022 Rupees	September 30, 2021 Rupees
Profit for the period	111,686,776	83,811,722
Other comprehensive income:		
Items that will not be reclassified to profit or loss in subsequent periods	-	-
Total comprehensive income for the period	111,686,776	83,811,722

The annexed notes from 1 to 22 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

THE ORGANIC MEAT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS - UNAUDITED
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

		September 30, 2022 Rupees	September 30, 2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES	Note		
Profit before taxation for the period		123,898,714	91,202,347
Adjustment for non cash items:			
Depreciation on property, plant and equipment	4.1	38,038,148	31,789,609
Depreciation on right of use assets		143,896	-
Amortization expense		25,000	25,000
Provision against trade debtors		(6,976,460)	7,004,264
Unrealised exchange loss/gain on trade debtors		(10,293,863)	(2,514,572)
Unrealized gain on biological assets		(1,778,227)	(2,086,670)
Finance costs		35,410,347	17,086,840
Provision for Worker's Profit Participation Fund		5,391,577	4,940,537
Provision for Worker's Welfare Fund		975,156	554,742
		60,935,574	56,799,750
Working capital changes			
Stock-in-trade		(62,519,362)	50,048,486
Biological assets		5,998,499	(5,529,421)
Trade debts		2,107,481	(333,282,076)
Loans and advances		(26,931,891)	43,214,835
Deposits and prepayments and other receivables		920,497	(756,467)
Accrued expenses and other liabilities		(27,609,857)	-
Trade and other payables		(38,099,748)	89,915,437
		(146,134,381)	(156,389,206)
Cash generated from operating activities		38,699,907	(8,387,109)
Income taxes paid		(12,172,112)	(7,170,105)
Finance costs paid		(36,969,616)	(9,443,103)
Net cash generated / (used in) from operating activities		(10,441,821)	(25,000,317)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(5,286,078)	(1,182,585)
Addition to intangible assets		(339,000)	-
Addition to capital work in process		-	(48,685,169)
Net cash used in investing activities		(5,625,078)	(49,867,754)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan obtained - net		(2,545,850)	61,195,000
Short term loan obtained / (repaid) - net		-	26,441,345
Payment of lease rentals		(181,426)	-
Unclaimed dividend		(118,111)	(256,443)
Net cash generated from financing activities		(2,845,387)	87,379,902
Net increase in cash and cash equivalent		(18,912,286)	12,511,830
Cash and cash equivalent at beginning of the period		(503,194,471)	(439,405,369)
Cash and cash equivalent at end of the period	17	(522,106,757)	(426,893,539)

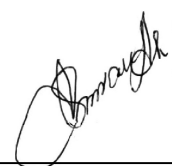
The annexed notes from 1 to 22 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

THE ORGANIC MEAT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Share capital	Reserves		Revaluation surplus on property, plant and equipment - net	Total shareholders' equity
		Capital	Revenue		
		Share premium	Unappropriated profit		
----- Rupees -----					
Balance as at July 01, 2021 (Audited)	1,118,177,770	377,152,913	774,171,762	474,031,059	2,743,533,504
Total comprehensive income for the period	-	-	83,811,722	-	83,811,722
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation - net of tax	-	-	16,010,252	(16,010,252)	-
Balance as at September 30, 2021 (Unaudited)	<u>1,118,177,770</u>	<u>377,152,913</u>	<u>873,993,736</u>	<u>458,020,807</u>	<u>2,827,345,226</u>
Balance as at July 01, 2022 (Audited)	<u>1,229,995,550</u>	<u>377,152,913</u>	<u>1,137,807,844</u>	<u>409,990,050</u>	<u>3,154,946,357</u>
Total comprehensive income for the period	-	-	111,686,776	-	111,686,776
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation - net of tax	-	-	16,010,252	(16,010,252)	-
Balance as at September 30, 2022 (Unaudited)	<u>1,229,995,550</u>	<u>377,152,913</u>	<u>1,265,504,872</u>	<u>393,979,798</u>	<u>3,266,633,133</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

1. CORPORATE AND GENERAL INFORMATION

- 1.1** The Organic Meat Company Limited (the "Company") was incorporated in Pakistan on July 14, 2010 as a private limited company under the repealed Companies Ordinance 1984 (now Companies Act, 2017) and subsequently it was converted into public limited company on November 08, 2018. The Company's ordinary shares are listed in the Pakistan Stock Exchange Limited.
- 1.2** The registered address of the Company is situated at Plot No. 257, sector 24, Korangi Industrial Area, Karachi, and the factory premises at Survey No. 310, Deh Shah Mureed, Gadap, Karachi, Pakistan. The Company's principal activities are processing and sale of halal meat and related allied and animal by-products.

2. BASIS OF PREPERATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017

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

2.2 Basis of measurement

These interim financial statements have been prepared under the historical cost convention, using accrual basis of accounting, except for the cash flows information and the following:

- a) Certain items of property, plant and equipment that are stated at revalued amount;
- b) Biological assets other than bearer plants which are carried at fair value of live stock; and
- c) Derivative financial instruments carried at fair value.

These condensed interim financial statements do not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2022.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees, which is also the Company's functional currency, and all financial information presented has been rounded-off to the nearest Rupees.

3. ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

- 3.1** The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial information are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2022.

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

- 3.2** The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
- 3.3** In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2022.

	Note	(Un-audited) September 30, 2022 Rupees	(Audited) June 30, 2022 Rupees
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - at net book value	4.1	1,763,347,777	1,796,099,847
Capital work-in-progress - at cost		62,924,600	62,924,600
		<u>1,826,272,377</u>	<u>1,859,024,447</u>
4.1 Operating fixed assets			
Opening written down value		1,796,099,847	1,529,709,086
Additions during the period / year	4.2	5,286,078	407,705,143
Disposals during the period / year		-	-
		5,286,078	407,705,143
Depreciation charged for the period / year - net		(38,038,148)	(141,314,382)
Closing written down value		<u>1,763,347,777</u>	<u>1,796,099,847</u>
4.2 Details of additions during the period / year are as follows:			
Factory Land - Leasehold		5,081,078	122,520,612
Factory building on leasehold land		-	167,838,097
Furniture and fixture		-	800,909
Office equipment		119,000	1,055,400
Plant and machinery		-	86,116,550
Motor vehicles		86,000	10,809,000
		<u>5,286,078</u>	<u>389,140,568</u>
4.3 Capital work-in-progress			
Balance at the beginning of the year		62,924,600	297,010,207
Additions during the period / year		-	160,735,672
Transfers during the period / year		-	(394,821,279)
Balance at the end of the period / year		<u>62,924,600</u>	<u>62,924,600</u>

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	(Un-audited) September 30, 2022 Rupees	(Audited) June 30, 2022 Rupees
5. TRADE DEBTS - CONSIDERED GOOD		
Unsecured and Considered good		
- Foreign debtors	1,547,422,852	1,539,385,679
- Local debtors	65,796,957	58,671,288
	1,613,219,809	1,598,056,967
Considered doubtful	205,716,932	198,740,472
Trade receivables - gross	1,818,936,741	1,796,797,439
Less: Provision against doubtful debt	(205,716,932)	(198,740,472)
Trade receivables - net	1,613,219,809	1,598,056,967
6. CASH AND BANK BALANCES		
Cash in hand	647,543	68,932
Balances with banks		
- Current accounts	117,237,995	137,771,400
- Saving accounts	4,329,383	2,974,135
- Dividend accounts	665,514	783,625
	122,232,892	141,529,160
	122,880,435	141,598,092
7. SHARE CAPITAL		
7.1 Authorized share capital		
135,000,000 (June 30, 2022: 135,000,000)		
Ordinary shares of Rs. 10/- each	1,350,000,000	1,350,000,000
7.2 Issued, subscribed and paid-up share capital		
122,999,555 (June 30, 2022: 122,999,555) Ordinary shares of Rs.10/- each	1,229,995,550	1,229,995,550
8. RESERVES		
Capital reserve		
Share premium	377,152,913	377,152,913
Revenue reserve		
Un-appropriated profit	1,265,504,872	1,137,807,844
	1,642,657,785	1,514,960,757

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Note	(Un-audited) September 30, 2022 Rupees	(Audited) June 30, 2022 Rupees
9. LONG TERM BORROWINGS			
Financial institutions - secured	9.1	109,119,150	111,665,000
Less: Current maturity long term borrowings		(24,406,814)	(28,477,900)
		<u>84,712,336</u>	<u>83,187,100</u>

- 9.1** The Company has obtained State Bank of Pakistan's (SBP) Temporary Economic Refinance Facility for the purpose of capital expenditure, which carries mark-up at 1% SBP's prescribed rate plus bank's spread of 4%. The Company has also obtained various other financing facilities to finance its capital expenditure requirement from various other financial institutions.

	Note	(Un-audited) September 30, 2022 Rupees	(Audited) June 30, 2022 Rupees
10. SHORT TERM BORROWINGS			
Financial institutions - secured	10.1	<u>644,987,192</u>	<u>644,792,563</u>

- 10.1** The Company has obtained various financing facilities to finance its working capital requirement from various financial institutions. The rates of mark-up on these facilities range between 6 months KIBOR + 2% to 2.5% (June 30, 2022: 6 months KIBOR + 2% to 3.5%).

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There are no contingencies or commitments as on September 30, 2022 (June 30, 2022: Nil).

11.2 Commitments

Aggregate commitment for in respect to construction of fattening farm as at September 30, 2022 amounted to Rs. 24.1 million (June 30, 2022: 24.5 million)

	(Un-audited) Quarter ended September 30, 2022 Rupees		2021 Rupees
12. SALES - NET			
Export sales			
Direct exports	1,093,637,803		1,011,362,576
Duty drawback	-		12,481,686
	<u>1,093,637,803</u>		<u>1,023,844,262</u>
Local and other sales	46,360,522		45,657,500
	<u>1,139,998,325</u>		<u>1,069,501,762</u>

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

		(Un-audited)	
		Quarter ended September 30,	
		2022	2021
		Rupees	Rupees
13. COST OF SALES			
Stocks at beginning of the period		116,605,359	101,375,525
Cost of goods manufactured			
Livestock and meat cost		935,187,850	794,615,416
Direct labour and factory overheads		102,183,150	77,132,760
		1,037,371,000	871,748,176
Stocks at the end of the period		(179,124,721)	(83,650,768)
		974,851,638	889,472,933
14. ADMINISTRATIVE EXPENSES			
Salaries, benefits and other allowances		11,938,886	12,851,480
Depreciation on PPE		6,910,141	1,065,994
Depreciation on right of use		143,896	-
Amortization expense		25,000	25,000
Fee and subscription		2,833,487	1,869,455
Travelling		140,000	-
Insurances		23,851	-
Legal and professional		600,000	996,627
Food and entertainment		2,360,994	2,263,026
Vehicle running and maintenances		73,677	92,130
Security services		611,500	386,567
Staff trainings		-	221,000
Printing and stationery		158,608	23,330
Repair and maintenance		274,300	910,850
		26,094,340	20,705,459
15. SELLING EXPENSES			
Clearing and forwarding charges		55,415,846	43,007,935
Export duties		4,198,034	2,251,321
Advertisement and promotion		-	125,500
Quarantine charges		3,464,891	2,583,429
		63,078,771	47,968,185
16. EARNINGS PER SHARE			
Profit after taxation for the period -	Rupees	111,686,776	83,811,722
			(Restated)
Number of ordinary shares	Number	122,999,555	122,999,555
			(Restated)
Earnings per share - basic and diluted	Rupees	0.91	0.68

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		(Un-audited)	
		Quarter ended September 30,	
		2022	2021
		Rupees	Rupees
17. CASH AND CASH EQUIVALENTS			
Short term borrowings - banking companies		(644,987,192)	(590,471,443)
Cash and bank balances		122,880,435	163,577,904
		<u>(522,106,757)</u>	<u>(426,893,539)</u>

18. FINANCIAL RISK MANAGEMENT

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

The condensed interim financial information does not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statement for the year ended June 30, 2022.

There has been no change in Company's sensitivity to these risks since June 30, 2022 except for general exposure to fluctuations in foreign currency and interest rates. There have been no change in the risk management policies during the period.

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

		(Un-audited)	
		Quarter ended September 30,	
		2022	2021
		Rupees	Rupees
Nature of relationship	Nature of transactions		
Associated companies	<i>Sales</i>	-	3,274,000
	<i>Purchase of gas</i>	249,650	154,181
	<i>Rent expense</i>	-	1,500,000
	<i>Trade and other payables</i>	98,098	34,197
	<i>Short term borrowings</i>	100,000,000	100,000,000
Director, Chief Executive Officer and key management personnel	<i>Remuneration and other benefits</i>	10,460,025	10,285,500
	<i>Short term borrowings</i>	33,987,592	33,987,592

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20. UTILISATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The principal purpose of the issue was to increase its current product output through the utilization of IPO funds as well as set up a new Facility for the processing of Offal sourced locally in Korangi Industrial Area and also a facility in the Export Processing Zone.

Estimated break-up of utilization of the IPO proceeds is mentioned below:

Description	Funds Required	Allocation	Actual Expenditure	Utilization of Funds	
	— Rupees —	%	— Rupees —	IPO Funds Utilized	Under/(Over) Spent
				----- Rupees -----	
Facility of Local Offal in Korangi Industrial Area:					
Land (1000 to 1200 Sq. yards)	100,000,000	60%	114,792,491	100,000,000	(14,792,491)
Construction of Office Building (12000 Sq.Feet)	31,000,000	19%	83,648,929	31,000,000	(52,648,929)
Equipment (Chillers + freezers Storages)	21,200,000	13%	35,417,737	21,200,000	(14,217,737)
Machinery	15,000,000	9%	54,439,993	15,000,000	(39,439,993)
Total	167,200,000	100%	288,299,150	167,200,000	(121,099,150)
Facility for Export Processing Zone:					
Land (1000 to 1200 Sq. yards)	60,000,000	57%	-	-	60,000,000
Construction of Office Building (12000 Sq.Feet)	22,000,000	21%	-	-	22,000,000
Equipment (Chillers + freezers Storages)	19,948,556	19%	-	-	19,948,556
Machinery	2,500,000	2%	-	-	2,500,000
	104,448,556	100%	-	-	104,448,556
Working Capital	448,351,444	100%	448,351,444	448,351,444	-
Utilization of excess proceeds					
Bank Islami loan repaid	40,000,000	50%	40,000,000	40,000,000	-
IPO expenses	23,769,303	30%	23,769,303	23,769,303	-
Fattening farm	16,230,697	20%	16,230,697	16,230,697	-
	80,000,000	100%	80,000,000	80,000,000	-
Total	800,000,000		816,650,594	695,551,444	(16,650,594)

The amount over-spent has been incurred from the Company's own sources. The funds allocated for the working capital have been utilized, and have been rolled over multiple times in the working capital cycle. The ratio of fund utilization has been adjusted as per the demand pattern of different products over the period since the IPO date.

21. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2022, whereas, the condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of condensed interim financial statements of the Company for the period ended September 30, 2021. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

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22. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on October 27, 2022 by the Board of Directors of the Company.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

The Organic Meat Company Limited

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