



**THE ORGANIC  
MEAT COMPANY LIMITED**

# **HALF YEARLY**

## **Financial Statement**

**December 31, 2022**

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



[www.tomcl.net](http://www.tomcl.net)

# CONTENT

<b>Page # 1</b>	Company Information
<b>Page # 2</b>	Bankers
<b>Page # 3</b>	Director Review
<b>Page # 6</b>	Independent Auditor's Review Report
<b>Page # 8</b>	Condensed Interim Statement of Financial Position
<b>Page # 9</b>	Condensed Interim Statement of Profit or Loss Accounts (Unaudited)
<b>Page # 10</b>	Condensed Interim Statement of Comprehensive Income (Unaudited)
<b>Page # 11</b>	Condensed Interim Statement of Cash Flows (Unaudited)
<b>Page # 12</b>	Condensed Interim Statement of Changes in Equity (Unaudited)
<b>Page # 13</b>	Notes to the Condensed Interim Financial Statements (Unaudited)

# 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

**Corptec Associates (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:

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

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

### Korangi Plant & Correspondence 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

# DIRECTORS REVIEW

## DIRECTORS REVIEW

The Board of Directors of your Company (TOMCL) is pleased to present before you the condensed interim financial statements of the Company for the period ended December 31, 2022.

### Operational Review

During the first half of FY23, the socio-political situation of the country remained under duress. Despite high inflationary pressures and continuous volatility in the currency markets, and prolonged covid related lock downs, TOMCL has managed to improve its overall performance in terms of export sales over the corresponding period, which also saw a rebound in the company's offal export sales. Further the Company is pleased to inform that its new business line for Pet Chews is showing strong performance in US and Columbia and through increased penetration & strategies in new markets such as Canada and Europe, the Company expects this business line to be a good value addition to the business. These volatile conditions resulted in pressure on our top line and the Company was able to improve its gross profit margin by 2%. Our Company has, however, delivered bottom line growth and improved net profitability resulting from better cost management and taking advantage of foreign exchange fluctuations in the market.

### Financial Review

Your Company's sales grew by 12% to reach at PKR 2,543 Mn. Cost of sales were higher due to inflationary effects of 14%. The major impact was increased fuel and power consumption charges due to increased fuel prices as well as increased cost of raw and packing materials during the period. The selling prices reduced by 6% in US\$ terms due to excessive devaluation of Pak rupee against the US\$ by 27% as competition dropped down prices to keep export prices within the globally competitive range.

The operating expenses increased by 53.22% due to increased freight cost by 67.82%. The Company has tried to manage its operating expenses through stringent cost management practices and despite high inflationary pressure the remaining operating costs have been lower than market inflation. The Company also faced higher finance cost due to increase in SBP policy rates thrice during the last six months, which has resulted in 85% increase in finance cost of the Company. Due to increased inward remittances on account of export sales the tax expense has also increased by 47.49% over the corresponding period last year.

Your Company has posted an EPS of PKR 1.51 compared to 1.87 same period last year.

The financial performance for the half year ended December 31, 2022 is summarized below:

Description	Dec 31, 2022	Dec 31, 2021	Change %
	----- (PKR) -----		Increase/(decrease)
Net Sales	2,543,216,508	2,266,766,490	12.20%
Gross Profit	391,097,481	383,728,078	1.92%
Operating Expenses	(231,475,039)	(151,237,251)	53.05%
Other Income/(Expense)	141,255,748	110,047,625	28.36%
Finance Cost	(69,142,748)	(37,415,340)	84.80%
Profit Before Tax	230,777,040	270,053,846	-14.54%
Tax	(26,908,615)	(18,243,787)	47.49%
Profit After Tax	203,868,425	251,810,059	-19.04%
EPS - Basic and diluted - restated	1.51	1.87	-19.25%

#### Update on IPO Funds Utilization:

The Company has fulfilled two out of three of its IPO fund utilization commitments i.e., development of, Korangi offals facility and investment in working capital requirements. The legal aspects are still being pursued to finalize the deal to acquire shares of a running offals processing company in KEPZA. The Company expect this to be concluded by the end of December 31, 2023.

#### Future Outlook:

Despite the challenges and the uncertainty of the socio-political climate, the Company is on a growth trajectory, and is expanding its product lines in various areas 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

March 1st, 2023



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

**Report on Review of Interim Financial Statements**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **The Organic Meat Company Limited** (the Company) as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

**Scope of Review**

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

**Conclusion**

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

**Other Matter**

The figures for the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the quarters ended December 31, 2021 and December 31, 2022 have not been reviewed and we do not express a conclusion thereon.

**Grant Thornton Anjum  
Rahman**

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

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

  
**Grant Thornton Anjum Rahman**

Chartered Accountants

Karachi

Date: March 1, 2023

UDIN Number: RR2022100938qfRayH9Z

**THE ORGANIC MEAT COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2022**

	Note	Un-Audited December 31, 2022 Rupees	Audited June 30, 2022 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	1,873,910,516	1,859,024,447
Right-of-use asset		3,549,424	3,837,215
Intangible asset		200,000	250,000
<b>Total non-current assets</b>		<b>1,877,659,940</b>	<b>1,863,111,662</b>
<b>CURRENT ASSETS</b>			
Stock-in-trade	6	174,478,865	116,605,359
Biological assets other than bearer plants		48,322,020	12,360,222
Trade debts - considered good	7	1,723,833,592	1,598,056,967
Loans and advances	8	405,610,287	385,907,669
Deposits, prepayments and other receivables	9	145,730,370	150,198,628
Cash and bank balances	10	173,654,940	141,598,092
<b>Total current assets</b>		<b>2,671,630,074</b>	<b>2,404,726,937</b>
<b>TOTAL ASSETS</b>		<b>4,549,290,014</b>	<b>4,267,838,599</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
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
Issued, subscribed and paid up capital			
134,992,012 (June 30, 2022: 122,999,555) ordinary shares of Rs.10 each		1,349,920,120	1,229,995,550
Revenue reserves - unappropriated profit	11	1,630,925,116	1,514,960,757
Revaluation surplus on property, plant and equipment - net		377,969,546	409,990,050
<b>Total shareholders' equity</b>		<b>3,358,814,782</b>	<b>3,154,946,357</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings - secured		77,895,753	83,187,100
Long term lease liability - secured		1,804,321	2,206,617
		<b>79,700,074</b>	<b>85,393,717</b>
<b>CURRENT LIABILITIES</b>			
Current maturity of long term finances - secured		25,513,697	28,477,900
Current portion of lease liability - secured		810,872	761,584
Short term loan from related parties - unsecured	12	120,192,365	133,987,592
Short term borrowings - secured	13	742,610,047	644,792,563
Trade and other payables	14	164,236,683	150,467,390
Accrued expenses and other liabilities		26,342,339	45,479,448
Accrued mark-up		29,670,883	22,748,423
Unclaimed dividend		665,514	783,625
Taxation - net		732,758	-
<b>Total current liabilities</b>		<b>1,110,775,158</b>	<b>1,027,498,525</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,549,290,014</b>	<b>4,267,838,599</b>

**CONTINGENCIES AND COMMITMENTS**

15

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

  
**Chief Executive Officer**

  
**Director**

  
**Chief Financial Officer**

THE ORGANIC MEAT COMPANY LIMITED  
 CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
 FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Note	Half Year Ended		Quarter Ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		Rupees	Rupees	Rupees	Rupees
Sales - net	16	2,543,216,508	2,266,766,490	1,403,218,183	1,197,264,728
Cost of sales	17	(2,152,119,027)	(1,883,038,412)	(1,177,267,389)	(993,565,479)
<b>Gross profit</b>		<b>391,097,481</b>	<b>383,728,078</b>	<b>225,950,794</b>	<b>203,699,249</b>
Administrative expenses	18	(55,181,541)	(44,246,091)	(29,087,201)	(23,540,632)
Selling expenses	19	(176,293,498)	(106,991,160)	(113,214,727)	(59,022,975)
Allowance for doubtful debt	7.1	(5,153,431)	(35,069,266)	1,823,029	(28,065,002)
		(236,628,470)	(186,306,517)	(140,478,899)	(110,628,609)
<b>Operating profit</b>		<b>154,469,011</b>	<b>197,421,561</b>	<b>85,471,895</b>	<b>93,070,640</b>
Finance costs	20	(69,142,748)	(37,415,340)	(33,732,401)	(20,328,500)
Reversal of financial liabilities	21	4,195,029	-	4,195,029	-
Other income / (expense) - net	22	141,255,748	110,047,625	50,943,803	106,109,359
		76,308,029	72,632,285	21,406,431	85,780,859
<b>Profit before taxation</b>		<b>230,777,040</b>	<b>270,053,846</b>	<b>106,878,326</b>	<b>178,851,499</b>
Taxation		(26,908,615)	(18,243,787)	(14,696,677)	(10,853,162)
<b>Profit after taxation</b>		<b>203,868,425</b>	<b>251,810,059</b>	<b>92,181,649</b>	<b>167,998,337</b>
<b>Earnings per share - basic and diluted - restated</b>	24	<b>1.51</b>	<b>1.87</b>	<b>0.68</b>	<b>1.24</b>

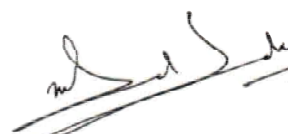
The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

THE ORGANIC MEAT COMPANY LIMITED  
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Half Year Ended		Quarter Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	Rupees	Rupees	Rupees	Rupees
<b>Profit for the period</b>	<b>203,868,425</b>	<b>251,810,059</b>	<b>92,181,649</b>	<b>167,998,337</b>
<b>Other comprehensive income:</b>				
Items that will not be reclassified to condensed statement of profit or loss account in subsequent periods	-	-	-	-
Items that will be reclassified to condensed statement of profit or loss account in subsequent periods	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>203,868,425</b>	<b>251,810,059</b>	<b>92,181,649</b>	<b>167,998,337</b>

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

**THE ORGANIC MEAT COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

		December 31, 2022	December 31, 2021
	Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before taxation for the period</b>		<b>230,777,040</b>	<b>270,053,846</b>
<b>Adjustment for non-cash items:</b>			
Depreciation on property, plant and equipment	5	60,891,387	65,171,514
Depreciation on right of use assets		287,791	-
Amortization of intangible asset		50,000	50,000
Finance costs	20	69,142,748	37,415,340
Profit on pls account	22	(165,039)	(20,172)
Unrealized exchange gain on trade debtors		(19,428,932)	(36,998,064)
Inventory written off		454,500	-
Gain on biological assets		(4,344,870)	(9,008,511)
Allowance for doubtful debts		5,153,431	35,069,266
Reversal of non-financial liabilities		(4,195,029)	-
Provision for Worker's Profit Participation Fund		10,841,249	13,330,160
Provision for Worker's Welfare Fund		2,115,302	1,462,971
		<b>351,579,578</b>	<b>376,526,350</b>
<b>Working capital changes</b>			
Stock-in-trade		(58,328,006)	51,015,172
Biological assets other than bearer plants		(31,616,928)	(15,089,748)
Trade debts		(111,501,124)	(488,073,194)
Loans and advances		(20,177,216)	4,080,020
Deposits and prepayments and other receivables		(4,118,269)	14,566,066
Trade and other payables		5,007,771	114,024,421
Accrued expenses and other liabilities		(19,137,109)	(10,888,917)
		<b>(239,870,881)</b>	<b>(330,366,180)</b>
<b>Cash (used in)/generated from operating activities</b>		<b>111,708,697</b>	<b>46,160,170</b>
Income taxes paid		(26,175,857)	(17,965,290)
Finance costs paid		(52,965,680)	(29,242,506)
<b>Net cash (used in)/generated from operating activities</b>		<b>32,567,160</b>	<b>(1,047,626)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		(75,777,456)	(150,623,798)
Profit received on pls account		165,039	20,172
<b>Net cash (used in)/generated from investing activities</b>		<b>(75,612,417)</b>	<b>(150,603,626)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(118,111)	(461,793)
Loan (re-paid)/obtained from financial institutions - net		(8,255,550)	68,260,980
Lease rentals paid		(546,491)	-
Due to related parties obtained / (repaid) - net		(13,795,227)	-
<b>Net cash (used in)/generated from financing activities</b>		<b>(22,715,379)</b>	<b>67,799,187</b>
<b>Net (decrease) in cash and cash equivalent</b>		<b>(65,760,636)</b>	<b>(83,852,064)</b>
Cash and cash equivalent at beginning of the period		(503,194,471)	(443,541,399)
<b>Cash and cash equivalent at end of the period</b>	23	<b>(568,955,107)</b>	<b>(527,393,463)</b>

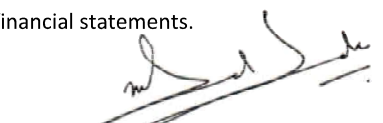
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Chief Executive Officer



Director



Chief Financial Officer

**THE ORGANIC MEAT COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 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	-	-	251,810,059	-	251,810,059
Transactions with owners in their capacity as owners recognized directly in equity					
- Bonus shares issued during the period at one for every ten shares	111,817,780	-	(111,817,780)	-	-
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation - net of tax	-	-	32,020,504	(32,020,504)	-
Balance as at December 31, 2021	<u>1,229,995,550</u>	<u>377,152,913</u>	<u>946,184,545</u>	<u>442,010,555</u>	<u>2,995,343,563</u>
Balance as at July 01, 2022 - (Audited)	1,229,995,550	377,152,913	1,137,807,844	409,990,050	3,154,946,357
Total comprehensive income for the period	-	-	203,868,425	-	203,868,425
Transactions with owners in their capacity as owners recognized directly in equity					
- Bonus shares issued during the period at 0.975 for every ten shares	119,924,570	-	(119,924,570)	-	-
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation - net of tax	-	-	32,020,504	(32,020,504)	-
Balance as at December 31, 2022	<u>1,349,920,120</u>	<u>377,152,913</u>	<u>1,253,772,203</u>	<u>377,969,546</u>	<u>3,358,814,782</u>

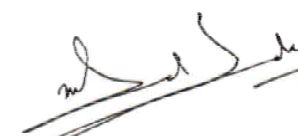
The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

**THE ORGANIC MEAT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

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**1. LEGAL STATUS AND NATURE OF BUSINESS**

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 ordinary shares of the Company are listed on the Pakistan Stock Exchange Limited since August 03, 2020.

The registered address of the Company is situated at Survey No. 310, Deh Shah Mureed, Gadap, Karachi, Pakistan. The correspondence address and the offal processing facility is situated at Plot No. 257, sector 24, Korangi Industrial Area, Karachi. The Company's principal activities are processing and sale of halal meat and allied products.

**2. BASIS OF PREPARATION**

**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** The condensed interim financial statements are un-audited, and are being submitted to members as required by section 237 of the Companies Act, 2017 (the "Act"). The figures for the half year ended December 31, 2022 have, however, been subjected to limited scope review by the statutory auditors of the Company, as required under section 237 of Companies Act, 2017.

The condensed interim financial statements do not include all the information required for the annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2022. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in financial position and performance of the entity since the end of the last annual audited financial statements.

**2.3 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention using accrual basis of accounting, except for condensed interim statement of cash flows, property, plant and equipment, biological assets and derivative forward contracts.

**2.4 Functional and presentation currency**

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

**THE ORGANIC MEAT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2022. Except for the adoption of the any new amended standard as set out in 3.2 .

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future periods.

**3.1** The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the period ended December 31, 2022.

**3.2 Standards, amendments and interpretations to the published standards that may be 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.

<b>New or Revised Standard or Interpretation</b>	<b>Effective Date</b> <i>(Annual periods beginning on or after)</i>
Annual improvements to IFRSs 2018 - 2020 Cycle	January 1, 2022
IFRS 3 References to Conceptual Framework	January 1, 2022
IAS 16 Proceeds before intended use	January 1, 2022
IAS 37 Onerous Contracts- Cost of Fulfilling a contract	January 1, 2022

**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.

<b>Standard or Interpretation</b>	<b>Effective Date</b> <i>(Annual periods beginning on or after)</i>
IAS 1 Classification of Liabilities as Current or Non-current	January 1, 2023
IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8) <sup>1</sup>	January 1, 2023
IFRS 16 - Lease liability in a sale and leaseback	January 1, 2024
IAS 1 - Non-current liabilities with covenants	January 1, 2024



**THE ORGANIC MEAT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

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.

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

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 17 'Insurance Contracts'	January 1, 2023

**4. ACCOUNTING ESTIMATES AND JUDGEMENTS**

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.

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	Unaudited December 31, 2022	Audited June 30, 2022
		----- Rupees -----	
<b>5. Property, plant and equipment</b>			
Operating fixed assets - at net book value	5.1	<b>1,853,764,916</b>	1,796,099,847
Capital work-in-progress - at cost	5.5	<b>20,145,600</b>	62,924,600
		<b>1,873,910,516</b>	1,859,024,447
<b>5.1 Operating fixed assets - at net book value</b>			
Opening written down value		<b>1,796,099,847</b>	1,529,709,086
Additions during the period/year		<b>11,142,250</b>	12,883,864
Transfers from CWIP during the period/year	5.5	<b>107,414,206</b>	394,821,279
		<b>118,556,456</b>	407,705,143
<i>Depreciation</i>			
Charge for the period/year	5.3	<b>(60,891,387)</b>	(141,314,382)
<b>Closing written down value</b>		<b>1,853,764,916</b>	1,796,099,847

**THE ORGANIC MEAT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Note	Unaudited December 31, 2022	Audited June 30, 2022
		----- Rupees -----	
<b>5.2 Details of additions during the period/year</b>			
Land - Leasehold		-	9,110,400
Building		108,261,206	2,337,309
Office equipment		251,500	436,155
Plant and Machinery		8,857,750	-
Motor vehicles		1,186,000	1,000,000
		<u>118,556,456</u>	<u>12,883,864</u>
<b>5.3 Allocation of depreciation</b>			
Cost of sales		56,562,098	136,836,728
Administrative expense		4,329,289	4,477,654
		<u>60,891,387</u>	<u>141,314,382</u>
<b>5.4 Change in accounting estimates related to the useful life of the assets</b>			
During the period the Company has revised depreciation rates for factory building to 5% (June 30, 2022: 10%), office equipment to 30% (June 30, 2022: 15%) and motor vehicle to 20% (June 30, 2022: 15%).			
<b>5.5 Capital work-in-progress - at cost</b>			
Balance at the beginning of the period/year		62,924,600	297,010,207
Additions during the period / year		59,261,766	154,950,286
Transfers during the period / year	5.5.1	(107,414,206)	(394,821,279)
Borrowing cost capitalized		5,373,440	5,785,386
Balance at the end of the period/year		<u>20,145,600</u>	<u>62,924,600</u>
<b>5.5.1 Transfers from CWIP during the period/year are as follows:</b>			
Factory building on leasehold land		107,414,206	313,639,405
Plant and machinery		-	81,181,874
		<u>107,414,206</u>	<u>394,821,279</u>
<b>6. STOCK-IN-TRADE</b>			
Finished goods		171,396,830	111,327,730
Packing material		1,979,303	3,751,658
Animal feed		1,102,732	1,525,971
Livestock and raw material		-	-
		<u>174,478,865</u>	<u>116,605,359</u>

**THE ORGANIC MEAT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Note	Unaudited December 31, 2022	Audited June 30, 2022
		----- Rupees -----	
<b>7. TRADE DEBTORS</b>			
<b>Secured and considered good</b>			
Foreign debtors		22,274,028	-
<b>Unsecured and considered good</b>			
Foreign		1,557,892,312	1,539,385,679
Local		143,667,252	58,671,288
		1,701,559,564	1,598,056,967
<b>Considered doubtful</b>			
Foreign		203,893,903	198,740,472
		1,927,727,495	1,796,797,439
Provision for bad debts	7.1	(203,893,903)	(198,740,472)
		1,723,833,592	1,598,056,967
<b>7.1 Movement in provision against doubtful debts</b>			
Balance at the beginning of the period/year		198,740,472	166,980,304
Allowance for doubtful debts			
- expected credit loss		5,153,431	31,760,168
		203,893,903	198,740,472
<b>8. LOANS AND ADVANCES</b>			
<b>Unsecured and considered good</b>			
Advance to suppliers		400,109,051	358,174,289
Advance against fixed assets		1,132,204	23,924,305
Advance against expenses		900,901	953,275
Loans to employees		3,468,131	2,855,800
		405,610,287	385,907,669
<b>9. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Rebate receivable - net		127,127,554	136,382,162
Sales tax refundable		15,794,060	11,530,734
Prepaid insurance		1,616,578	1,612,637
Security deposit		1,192,178	673,095
		145,730,370	150,198,628

**THE ORGANIC MEAT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Note	Unaudited December 31, 2022	Audited June 30, 2022
		----- Rupees -----	
<b>10. CASH AND BANK BALANCES</b>			
Balances with banks - current account		162,393,659	137,771,400
Balances with banks - dividend account		665,514	783,625
Balances with banks - saving account	10.1	10,463,090	2,974,135
Cash in hand		132,677	68,932
		<u>173,654,940</u>	<u>141,598,092</u>
<b>10.1</b>	The balances maintained in profit and loss sharing accounts carry mark-up ranging from 6% to 12.5% (June 30, 2022: 4.5% to 10.5%) during the year.		
<b>11. RESERVES</b>			
<b>Capital</b>			
Share premium		377,152,913	377,152,913
<b>Revenue</b>			
Un-appropriated profits		1,253,772,203	1,137,807,844
		<u>1,630,925,116</u>	<u>1,514,960,757</u>
<b>12. SHORT TERM LOAN FROM RELATED PARTIES - UNSECURED</b>			
Associated Company	12.1	100,000,000	100,000,000
Director(s)		20,192,365	33,987,592
		<u>120,192,365</u>	<u>133,987,592</u>
<b>12.1</b>	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.		
<b>13. SHORT TERM BORROWINGS - secured</b>			
Financial Institution - secured	13.1	742,610,047	644,792,563
<b>13.1 Financial Institution</b>			
Al-Baraka Bank Limited		180,000,000	180,000,000
Faysal bank Limited		100,000,000	99,990,000
HBL Bank Limited		125,000,000	125,000,000
Soneri bank Limited		100,000,000	100,000,000
Samba Bank Limited		139,943,241	139,802,563
National Bank of Pakistan		97,666,806	-
		<u>742,610,047</u>	<u>644,792,563</u>

**THE ORGANIC MEAT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Note	Unaudited December 31, 2022	Audited June 30, 2022
		----- Rupees -----	
<b>14. TRADE AND OTHER PAYABLES</b>			
Trade creditors		44,735,965	34,366,793
Worker's profit participation fund payable		80,454,534	69,613,285
Worker's welfare fund payable		12,445,544	10,330,242
Payable to contractors		11,089,175	23,280,660
Salaries, benefits and allowances payable		12,548,906	7,137,618
Staff Provident Fund		2,134,359	3,835,056
Audit fee payable		828,200	1,903,736
		<b>164,236,683</b>	<b>150,467,390</b>

**15. CONTINGENCIES AND COMMITMENTS**

There are no contingencies or commitments as on December 31, 2022 (June 30, 2022: Nil).

	Un-Audited Half year ended December 31, 2022	Un-Audited December 31, 2021
	----- Rupees -----	
<b>16. SALES - NET</b>		
Export sales		
Exports	2,399,200,284	2,157,647,431
Duty drawback	-	32,016,756
	<b>2,399,200,284</b>	<b>2,189,664,187</b>
Other sales	144,016,224	77,102,303
	<b>2,543,216,508</b>	<b>2,266,766,490</b>

**THE ORGANIC MEAT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

		Un-Audited Half year ended December 31, 2022	Un-Audited December 31, 2021
	Note		
		----- Rupees -----	
<b>17. COST OF SALES</b>			
Cost of material consumed		1,960,084,961	1,715,488,515
Depreciation expense	5.3	56,562,098	60,730,509
Salaries, wages and other benefits		29,763,259	27,886,510
Fuel and power		40,782,849	18,725,376
Animal feed and other consumables		8,334,964	19,065,115
Cutting and deboning		23,988,957	17,489,170
Packing materials consumed		17,941,971	8,241,097
Repairs and maintenance		9,004,709	6,676,700
Transportation		1,201,811	2,944,452
Insurance		2,395,612	2,240,388
Rent		-	1,500,000
Printing and stationary		1,062,926	1,023,578
Janitorial expense		426,115	606,340
Communication expense		568,795	420,662
		<b>2,152,119,027</b>	<b>1,883,038,412</b>
<b>18. ADMINISTRATIVE EXPENSES</b>			
Salaries, benefits and other allowances		28,135,541	25,268,251
Fee and subscription		13,182,570	4,624,141
Depreciation expense	5.3	4,329,289	4,441,005
Depreciation on right of use assets		287,791	-
Food and entertainment		4,070,587	4,816,386
Legal and professional		1,200,000	2,216,627
Insurances		1,050,031	93,201
Security services		1,055,610	1,246,215
Repair and maintenance		807,860	922,950
Vehicle running and maintenances		153,028	322,155
Staff trainings		-	221,000
Amortization of intangible asset		50,000	50,000
Printing and stationery		180,484	24,160
Travelling		678,750	-
		<b>55,181,541</b>	<b>44,246,091</b>

THE ORGANIC MEAT COMPANY LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Note	Un-Audited Half year ended December 31, 2022	Un-Audited December 31, 2021
		----- Rupees -----	
<b>19. SELLING EXPENSES</b>			
Clearing and forwarding charges		158,419,313	94,394,918
Quarantine charges		9,080,368	6,953,017
Export duties		8,768,817	5,643,225
Business development		25,000	-
		<b>176,293,498</b>	<b>106,991,160</b>
<b>20. FINANCE COSTS</b>			
On borrowings		57,171,861	30,123,380
Bank charges		2,716,279	2,888,272
Re-measurement of financial assets carried at amortized cost		9,254,608	4,403,688
		<b>69,142,748</b>	<b>37,415,340</b>
<b>21. REVERSAL OF FINANCIAL LIABILITIES</b>			
Reversal of worker's profit participation fund payable		-	-
Reversal of worker's welfare fund payable		-	-
Reversal of provident fund - Employer's contribution		4,195,029	-
		<b>4,195,029</b>	<b>-</b>
<b>22. OTHER INCOME/(EXPENSES) - NET</b>			
<b>Other Income</b>			
<i>Income from financial assets</i>			
Exchange gain/loss		147,164,267	116,249,328
Profit on pls account		165,039	20,172
		<b>147,329,306</b>	<b>116,269,500</b>
<i>Income from non-financial assets</i>			
Gain on biological assets-net		8,676,807	10,451,643
Other income		27,200	291,213
		<b>8,704,007</b>	<b>10,742,856</b>
<b>Other Charges</b>			
Auditors' remuneration		(730,264)	(656,100)
Donation and charity		(636,250)	(1,515,500)
Inventory written-off		(454,500)	-
Worker' profit participation fund		(10,841,249)	(13,330,160)
Worker's welfare Fund		(2,115,302)	(1,462,971)
		<b>(14,777,565)</b>	<b>(16,964,731)</b>
		<b>141,255,748</b>	<b>110,047,625</b>

**THE ORGANIC MEAT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

		Un-Audited Half year ended December 31, 2022	Un-Audited December 31, 2021
	Note	----- Rupees -----	
<b>23. CASH AND CASH EQUIVALENTS</b>			
Short term borrowings - financial institutions	13	(742,610,047)	(644,923,407)
Cash and bank balances	10	<u>173,654,940</u>	<u>117,529,944</u>
		<u>(568,955,107)</u>	<u>(527,393,463)</u>
<b>24. EARNINGS PER SHARE (BASIC AND DILUTED)</b>			
Profit after taxation for the period - Rupees		203,868,425	251,810,059
Weighted average number of ordinary shares - Number (restated)		134,992,012	134,992,012
Earnings per share - basic and diluted - Rupees (restated)		<u>1.51</u>	<u>1.87</u>

**24.1** During the period Company issued 9.75% bonus shares.

**25. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The related parties comprise principal shareholders and their affiliates, directors, companies with common directorships, staff provident fund and key management personnel.

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

**25.1. Transactions for the period**

Name of related party	Nature	Relationship		
Mr. Ali Hussain	Salary	Director	<u>6,000,000</u>	<u>6,000,000</u>
Mr. Faisal Hussain	Loan repaid	CEO	<u>13,795,227</u>	<u>-</u>
Mr. Faisal Hussain	Salary	CEO	<u>6,000,000</u>	<u>6,000,000</u>
Remuneration of key management personnel	Salary	Executive other than CEO and Directors	<u>6,828,100</u>	<u>2,571,000</u>
Sindh Gas Company (Private) Limited	Food and entertainment	Associated Company	<u>313,551</u>	<u>428,387</u>



**THE ORGANIC MEAT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

Unaudited	Audited
December 31,	June 30,
2022	2022
----- Rupees -----	

**25.2. Balance as at period/year end**

Name of related party	Nature	Relationship		
	<i>Short term</i>			
Ubiquity Trading Limited	<i>borrowings</i>	<i>Associated Company</i>	<b>100,000,000</b>	100,000,000
	<i>Short term</i>			
Mr. Faisal Hussain	<i>borrowings</i>	<i>Chief Executive Officer</i>	<b>20,192,365</b>	33,987,592
	<i>Accrued</i>			
Sindh Gas Company (Private) Limited	<i>expenses</i>	<i>Associated Company</i>	-	34,197

**26. 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	
	----	-----		IPO Funds Utilized	Under/(Over) Spent
	--- Rupees ---	%		----- 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	(121,099,149)
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	(16,650,593)

The funds allocated for the working capital have been fully utilized, and 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. The amount over-spent against the committed capital expenditures have been made through the Company's own sources of funds.

**THE ORGANIC MEAT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

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**27. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES**

**27.1 Financial risk management information and disclosures**

The Company's activities exposed to a variety of financial risks, market risk (including currency risk), fair value risk, interest risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2022. There have been no change in any risk management policies since the year end.

**27.2 Fair value of financial instruments**

During the period, there were no significant changes in the business or economic circumstances that effect the fair value of the Company's financial assets and financial liabilities. Furthermore, there were no reclassification of financial assets.

**28. GENERAL**

The figures have been rounded off to the nearest rupee.

**29. DATE OF AUTHORIZATION**

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on March 1st, 2023 .



Chief Executive Officer



Director



Chief Financial Officer

# The Organic Meat Company Limited

## **Korangi Plant & Correspondence Address:**

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

## **Registered Address:**

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