



**THE ORGANIC
MEAT COMPANY LIMITED**



**3rd QUARTERLY
REPORT**
March 31st, 2024

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

Mr. Nihal Cassim
Member

Syed Owais Hasan Zaidi
Member

External Auditor

BDO Ebrahim & Co.
Chartered Accountants

Internal Auditor

Grant Thornton Anjum Rahman
Chartered Accountants

Company Secretary

Mr. Imran Khan

Human Resource and Remuneration Committee

Mr. Aneek Saleh Mohammad
Chairman

Mr. Rizwan Punjwani
Member

Mr. Ali Hussain
Member

IT Committee

Syed Owais Hasan Zaidi
Chairman

Ms. Sehrish Hafeez Mastoor
Member

Mr. Ali Hussain
Member

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



JS Bank Limited



Askari Bank Limited



Telenor Microfinance Bank Limited
(Digital Banking Partners)



Meezan Bank Limited



ADDRESS:

Registered Address:

Survey Number 310-Deh Shah Mureed, Gadap, Karachi, Pakistan.
Contact # +92-346-8224601, +92-346-8224630

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 March 30, 2024.

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, Chinese and South Asian markets as well as pet foods to the USA, Canada, Columbia and other Eastern European markets. At present your Company has the ability to export to more than a dozen countries. Our products are carefully packaged in cloth, vacuum packed or IWP (individually wrapped packing) food grade plastic, MAP (Modified Atmospheric Packaging) 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 2,879 MT of chilled meat, frozen meat and frozen offal including pet chews during the third quarter of the current financial year. Export Volumes rose by around 62%, while average prices increased by 5%.

During this quarter your Company has started exports of vacuum, frozen and cooked beef to China and expects significant volume growth for the remainder of the year. Your company further saw significant uptake in its offal export business which is now expected to reach pre- covid levels by the end of the year. Further the fattening business is showing positive results in terms of both output potential as well as biological gains.

Your Company had embarked on a significant operational expansion and remains on track to complete the same by the end of the year. This expansion will result in benefits in power and resource management as well.

Financial Review

During the third quarter of the current financial year, your Company's sales grew by 102% to reach at PKR 3,193.22 million. Your Company faced pressure on retaining margins due to increase in prices of raw materials and packing materials due to significant inflationary pressures prevalent in the economy.

Cost of sales increased by 110% and was directly attributable to increase 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 annual increments as well as expansion of operations at both the Gadap and Korangi facilities.

Operating expenses increased primarily due to rising freight rates on account of global container shortages. Further, the increase is also attributable towards change in shipment terms with some of the customers whereby your Company has started to bear the freight expenses as part of increased market penetration strategy.

Finance charges have increased significantly by 47% which is direct co-relation with increase in borrowing rates from the comparative period. Other income has significant decline of 98% which represents exchange rate differential income reduction from the comparative period as exchange parity of US\$ to PKR has remained range

bound and thus your Company has not been able to benefit from devaluation factors. This decreased in exchange income has been offset by profit on high performance saving accounts which are used as a primary hedge instrument by your Company as well as gains arising on increased investment in biological fattening assets.

Your Company further paid to recognized charitable institutions an amount of Rs.4.15 million which pertains to profit realized on account of sale of Bonus shares pertaining to various shareholders who did not opt to settle their advance tax liability against Bonus shares issued by your Company.

The tax increased by 93% due to high number of export realization as compare to prior period resulting from increased export sales which in turn has increased the current tax expense.

Your Company has posted an EPS of PKR 2.30 for the period ended March 31, 2024 as compared to Rs.4.43 (restated) for the same period last year.

The financial performance for the nine months ended March 31, 2024 is summarized below:

	March 31, 2024	March 31, 2023	Change % Increase/(decrease)
	----- (Rupees) -----		
Net Sales	8,575,296,276	4,172,171,828	105.54%
Gross Profit	1,132,540,817	619,631,164	82.78%
Operating Expenses	(546,128,742)	(370,496,859)	47.40%
Other Income/(Expense)	12,521,329	566,987,105	(97.79%)
Finance Cost	(175,913,428)	(119,803,519)	46.83%
Profit Before Tax	423,019,976	700,547,084	(39.62%)
Tax	(81,569,199)	(42,213,703)	93.23%
Profit After Tax	341,450,777	658,333,381	(48.13%)
EPS - Basic and diluted – restated	2.30	4.88	(52.87%)

Muhammad Saeed Muhammad Hussain Limited Acquisition:

Your Company is in the process of taking management control of MSMHL and expects this process to complete in the next few months.

Future Outlook:

Your Company remains committed to growing sales and utilizing its expanded capacities. The recent award of US\$ 4 million contract from the UAE will further bolster your Company's top line. Your Company is further diversifying its product lines to meet market needs and capitalize on new opportunities in the geographic markets that we have entered into. The Board acknowledges the challenges your Company faces and remains confident in your Company's ability to meet them adequately.

Acknowledgement:

The Board extends its sincere gratitude to all stakeholders for their unwavering support and further expresses its heart felt appreciation towards the dedicated employees and consultants whose loyalty and commitment continue to drive your Company's success.

For and on behalf of the Board of Directors



NIHAL CASSIM
Chairman

April 30, 2024



FAISAL HUSSAIN
Chief Executive Officer

THE ORGANIC MEAT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	Note	Un-Audited March 31, 2024 Rupees	Audited June 30, 2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,880,056,613	2,505,487,450
Right-of-use asset		7,146,174	8,630,607
Intangible asset		2,356,202	1,979,199
Deferred asset on acquisition of shares	6	14,986,597	-
Total non-current assets		2,904,545,586	2,516,097,256
CURRENT ASSETS			
Stock-in-trade		265,915,345	244,793,633
Biological assets other than bearer plants		117,787,985	62,489,961
Trade debts - considered good	7	2,167,995,837	2,265,501,193
Loans and advances	8	151,807,876	353,215,227
Advance against acquisition of shares		132,285,704	-
Deposits, prepayments and other receivables		190,793,625	154,666,449
Taxation - net		5,248,119	-
Cash and bank balances		97,460,235	218,645,543
Total current assets		3,129,294,726	3,299,312,006
TOTAL ASSETS		6,033,840,312	5,815,409,262
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 165,000,000 (June 30, 2023: 165,000,000) Ordinary shares of Rs.10 each		<u>1,650,000,000</u>	<u>1,650,000,000</u>
Issued, subscribed and paid up capital 148,491,213 (June 30, 2023: 134,992,012) ordinary shares of Rs. 10 each		1,484,912,132	1,349,920,120
Bonus shares issuable		-	134,992,012
Reserves		2,438,484,269	2,043,448,140
Revaluation surplus on property, plant and equipment - net		957,565,094	1,011,150,446
Total shareholders' equity		4,880,961,495	4,539,510,718
NON-CURRENT LIABILITIES			
Long term borrowings - secured		48,339,442	67,316,339
Long term lease liability - secured		2,101,031	3,978,865
Deferred liability on acquisition of shares	6	14,986,597	-
		<u>65,427,070</u>	<u>71,295,204</u>
CURRENT LIABILITIES			
Current maturity of long term finances - secured		25,513,697	24,557,949
Current portion of lease liability - secured		2,262,553	2,014,011
Short term borrowings - secured	9	844,723,890	944,907,362
Trade and other payables	10	98,903,228	129,725,041
Accrued expenses and other liabilities		74,320,358	57,956,897
Accrued mark-up		41,343,964	43,681,582
Unclaimed dividend		384,057	615,760
Taxation - net		-	1,144,738
Total current liabilities		1,087,451,747	1,204,603,340
TOTAL EQUITY AND LIABILITIES		6,033,840,312	5,815,409,262
CONTINGENCIES AND COMMITMENTS			
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The annexed notes from 1 to 21 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 PERIOD ENDED MARCH 31, 2024

Note	Un-audited		Un-audited		
	Nine Months Ended		Quarter Ended		
	March 31, 2024 Rupees	March 31, 2023 Rupees	March 31, 2024 Rupees	March 31, 2023 Rupees	
Sales - net	12	8,575,296,276	4,172,171,828	3,333,914,405	1,628,955,320
Cost of sales	13	(7,442,755,459)	(3,552,540,664)	(2,909,697,102)	(1,400,421,637)
Gross profit		1,132,540,817	619,631,164	424,217,303	228,533,683
Administrative expenses		(106,244,474)	(85,699,749)	(36,486,555)	(30,518,208)
Selling expenses		(429,121,167)	(274,817,179)	(178,645,031)	(98,523,681)
Allowance for doubtful debts	7.1	(10,763,101)	(9,979,931)	(1,545,128)	(4,826,500)
		(546,128,742)	(370,496,859)	(216,676,714)	(133,868,389)
Operating profit		586,412,075	249,134,305	207,540,589	94,665,294
Finance costs		(175,913,428)	(119,803,519)	(52,917,476)	(50,660,771)
Reversal of financial liabilities		-	4,229,193	-	34,164
Other income / (expense) - net		12,521,329	566,987,105	31,093,706	425,731,357
		(163,392,099)	451,412,779	(21,823,770)	375,104,750
Profit before taxation		423,019,976	700,547,084	185,716,819	469,770,044
Taxation		(81,569,199)	(42,213,703)	(29,798,482)	(15,305,088)
Profit for the period		341,450,777	658,333,381	155,918,337	454,464,956
Earnings per share - basic and diluted - restated		2.30	4.43	1.05	3.06

The annexed notes from 1 to 21 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 PERIOD ENDED MARCH 31, 2024

	<i>Un-audited</i>		<i>Un-audited</i>	
	<i>Nine Months Ended</i>		<i>Quarter Ended</i>	
	<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
<i>Profit for the period</i>	341,450,777	658,333,381	155,918,337	454,464,956
<i>Other comprehensive income</i>	-	-	-	-
<i>Total comprehensive income for the period</i>	<u>341,450,777</u>	<u>658,333,381</u>	<u>155,918,337</u>	<u>454,464,956</u>

The annexed notes from 1 to 21 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 PERIOD ENDED MARCH 31, 2024

		<u>Un-audited</u> <u>March 31,</u> <u>2024</u>	<u>Un-audited</u> <u>March 31,</u> <u>2023</u>
	<i>Note</i>	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows from operating activities	14	607,916,707	38,276,329
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(486,011,828)	(104,012,449)
Right of use assets		-	(6,059,000)
Profit received on saving account		10,128,523	2,001,767
Intangible asset		-	474,600
Advance against acquisition of subsidiary		(132,285,704)	-
Net cash used in investing activities		(608,169,009)	(107,595,082)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid related to prior period		(231,703)	(167,865)
Loan re-paid to financial institutions - net		(18,021,149)	(13,915,697)
Lease rentals paid		(2,496,682)	3,391,374
Repayment of liabilities to related parties		-	(63,795,227)
Net cash used in financing activities		(20,749,534)	(74,487,415)
Net increase/(decrease) in cash and cash equivalent		(21,001,836)	(143,806,168)
Cash and cash equivalent at beginning of the period		(726,261,819)	(503,194,471)
Cash and cash equivalent at end of the period	15	(747,263,655)	(647,000,639)

The annexed notes from 1 to 21 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 CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024

	Share capital	Bonus shares issuable	Reserves		Revaluation surplus on property, plant and equipment - net	Total shareholders' equity
			Capital	Revenue		
			Share premium	Unappropriated profit		
----- Rupees -----						
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	-	-	-	658,333,381	662,369,936	1,320,703,317
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	-	-	-	48,030,756	(48,030,756)	-
Balance as at March 31, 2023 (Unaudited)	<u>1,349,920,120</u>	<u>-</u>	<u>377,152,913</u>	<u>1,724,247,411</u>	<u>1,024,329,230</u>	<u>4,475,649,674</u>
Balance as at July 01, 2023 - (Audited)	1,349,920,120	134,992,012	377,152,913	1,666,295,227	1,011,150,446	4,539,510,718
Total comprehensive income for the period	-	-	-	341,450,777	-	341,450,777
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 (Refer Note 16)	134,992,012	(134,992,012)	-	-	-	-
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation - net of tax	-	-	-	53,585,352	(53,585,352)	-
Balance as at March 31, 2024 (Unaudited)	<u>1,484,912,132</u>	<u>-</u>	<u>377,152,913</u>	<u>2,061,331,356</u>	<u>957,565,094</u>	<u>4,880,961,495</u>

The annexed notes from 1 to 21 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 PERIOD ENDED MARCH 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

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

1.2 The Company entered into a Share Purchase Agreement (SPA) with the shareholders of Mohammad Saeed Mohammad Hussain Limited (MSMHL), an unlisted public company, for acquisition of 100% of its outstanding share capital at a cash, cum deferred price arrangement, of Rs. 170 million on May 16, 2023. The terms of the SPA stated that the rights in the shares of MSMHL shall be transferred to the Company upon payment of Rs. 104 million to the existing shareholders of MSMHL on or before August 15, 2023, and the balance Rs. 66 million to be settled in next two years on or before August 15, 2025. The Company has paid an additional amount of Rs.28.285 million during the reporting period. Further, the Company had entered into a share purchase supplementary agreement with the shareholders of MSMHL on November 15, 2023, whereby the long stop date to assume the operational, strategic and administrative control of MSMHL's affairs shall be on or before June 30, 2024. The Company is in the process of completing the regulatory and other formalities to assume the said control.

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
- Provisions 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, 2023 have, however, been subjected to a limited scope review by the auditors.

The condensed interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2023. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last audited financial statements.

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024

3. MATERIAL ACCOUNTING POLICIES

3.1 The accounting policies adopted for the preparation of these condensed financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended June 30, 2023, except for the adoption of new and amended standards as set-out below.

3.1.1 Initial application of standards, amendments or an interpretation to the existing standards

3.1.2 Amendments and interpretations to the accounting standards that are effective in the current period.

There are certain amendments to the accounting and reporting standards which became mandatory for the Company during the period. However, these do not have any significant impact on the Company's financial reporting, and therefore have not been detailed in these condensed interim financial statements.

3.1.3 Amendments and interpretation to the existing standards that are not yet effective and have not been early adopted by the Company.

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

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 these condensed interim financial statements, the significant judgements made by the 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, 2023.

	<i>Note</i>	<i>Un-Audited March 31, 2024 Rupees</i>	<i>Audited June 30, 2023 Rupees</i>
5. Property, plant and equipment			
Operating fixed assets - at net book value	5.1	2,652,227,142	2,498,731,811
Capital work-in-progress - at cost	5.4	227,829,471	6,755,639
		<u>2,880,056,613</u>	<u>2,505,487,450</u>

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024

	<i>Note</i>	<i>Un-Audited March 31, 2024 Rupees</i>	<i>Audited June 30, 2023 Rupees</i>
5.1 Operating fixed assets - at net book value			
Opening written down value		2,498,731,811	1,796,099,847
Additions during the period/year - net		213,553,381	57,515,305
Revaluation surplus		-	662,369,936
Transfers from CWIP during the period/year	5.4	51,384,615	115,513,282
		264,937,996	835,398,523
Depreciation charged for the period/year	5.3	(111,442,665)	(132,766,559)
Closing written down value		2,652,227,142	2,498,731,811
5.2 Details of additions during the period/year - net			
Building		71,099,615	8,784,940
Office equipment		1,423,600	577,400
Plant and Machinery		192,366,281	46,781,965
Motor vehicles		48,500	1,371,000
		264,937,996	57,515,305
5.3 Allocation of depreciation			
Cost of sales		108,060,176	127,247,166
Administrative expense		3,382,489	5,519,393
		111,442,665	132,766,559
5.4 Capital work-in-progress - at cost			
Balance at the beginning of the period/year		6,755,639	62,924,600
Additions during the period / year		272,458,447	59,344,321
Transfers during the period / year	5.4.1	(51,384,615)	(115,513,282)
Balance at the end of the period/year		227,829,471	6,755,639
5.4.1 Transfers from CWIP during the period/year are as follows:			
Factory building on leasehold land		51,384,615	102,963,666
Plant and machinery		-	12,549,616
		51,384,615	115,513,282

6. DEFERRED ASSET / LIABILITY ON ACQUISITION OF SHARES

The amounts represent deferred consideration for acquisition of shares of MSMHL being discounted at entity's borrowing rate i.e. 23.5% less payments of Rs. 28.285 million made during the period.

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024

	Note	Un-Audited March 31, 2024 Rupees	Audited June 30, 2023 Rupees
7. TRADE DEBTORS			
<i>Unsecured and considered good</i>			
Foreign		1,956,477,194	2,181,637,994
Local		211,518,643	83,863,199
		2,167,995,837	2,265,501,193
<i>Considered doubtful</i>			
Foreign		214,837,584	204,074,483
		2,382,833,421	2,469,575,676
Provision for bad debts	7.1	(214,837,584)	(204,074,483)
		2,167,995,837	2,265,501,193
7.1 Movement in provision against doubtful debts			
Balance at the beginning of the period/year		204,074,483	198,740,472
Allowance for doubtful debts - expected credit loss		10,763,101	5,334,011
		214,837,584	204,074,483
8. LOANS AND ADVANCES			
<i>Unsecured and considered good</i>			
Advance to suppliers		126,592,304	345,773,539
Advance against fixed assets		18,139,498	2,566,513
Advance against expenses		723,482	1,634,307
Loans to employees		6,352,592	3,240,868
		151,807,876	353,215,227
9. SHORT TERM BORROWINGS			
Financial Institution - secured	9.1	844,723,890	644,792,563
9.1			
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 1, 3 and 6 months KIBOR + 1.5% to 2% (June 30, 2023: 1,3 and 6 months KIBOR + 1.5% to 2%).			
10. TRADE AND OTHER PAYABLES			
Trade creditors		3,539,663	19,865,214
Worker's Profit Participation Fund payable		80,454,534	80,454,534
Worker's Welfare Fund payable		12,445,544	12,445,544
Advances from customers		-	12,834,000
Payable to contractors		2,463,487	2,028,808
Staff provident fund		-	2,096,941
		98,903,228	129,725,041

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11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

The Company does not have any contingencies as at March 31, 2024 (June 30, 2023: Nil).

11.2 Commitments

11.2.1 The Company is committed to pay Rs.37.714 million (June 30, 2023: Rs. 66 million) as deferred partial acquisition cost payable to the previous shareholders of Mohammad Saeed Mohammad Hussain Limited (MSMHL) as per the terms of the Share Purchase Agreement (SPA), dated May 16, 2023, entered into between the Company and the individual shareholders of MSMHL on or before August 15, 2025.

	<i>Note</i>	<i>Un-Audited March 31, 2024 Rupees</i>	<i>Audited June 30, 2023 Rupees</i>
11.2.2 Commitments			
Commitments in respect of letter of credits and purchase order for capital expenditures		60,389,498	1,813,605
		<i>Un-Audited Nine months ended March 31, 2024 Rupees</i>	<i>Un-Audited March 31, 2023 Rupees</i>
12. SALES - NET			
Export sales		8,167,327,707	3,978,180,604
Other sales		407,968,569	193,991,224
		8,575,296,276	4,172,171,828
13. COST OF SALES			
Cost of material consumed		6,694,432,539	3,238,102,567
Depreciation expense	5.3	108,060,176	84,845,594
Salaries, wages and other benefits		100,563,527	49,902,672
Fuel and power		168,678,906	64,517,054
Animal feed and other consumables		48,266,999	13,374,382
Cutting and deboning		76,642,156	33,350,520
Packing materials consumed		173,052,652	33,867,166
Repairs and maintenance		52,737,520	23,757,211
Transportation		5,009,618	3,091,772
Insurance		3,064,274	3,549,616
Printing and stationary		2,029,787	1,969,296
Janitorial expense		9,192,226	1,233,611
Communication expense		1,025,079	979,203
		7,442,755,459	3,552,540,664

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024

		<u>Un-Audited</u>	<u>Un-Audited</u>
		<u>Nine months ended</u>	
		<u>March 31,</u>	<u>March 31,</u>
		<u>2024</u>	<u>2023</u>
		<u>Rupees</u>	<u>Rupees</u>
14. CASH FLOWS FROM OPERATIONS			
Profit before taxation for the period		423,019,976	700,547,084
Adjustment for non-cash items:			
Depreciation on property, plant and equipment	5	111,442,665	90,347,540
Depreciation on right of use assets		1,484,433	878,532
Amortization of intangible asset		74,997	74,999
Finance costs		175,913,428	119,803,519
Profit on pls account		(10,128,523)	(2,001,767)
Unrealized exchange loss/(gain) on trade debtors		14,091,150	162,421,435
Gain on biological assets		(25,513,595)	(14,602,590)
Allowance for doubtful debts		10,763,101	9,979,931
Provision for Worker's Profit Participation Fund		-	104,440,152
Provision for Worker's Welfare Fund		-	13,707,338
		<u>701,147,632</u>	<u>1,185,596,173</u>
Working capital changes			
Stock-in-trade		(21,121,712)	(128,413,052)
Biological assets other than bearer plants		(29,784,429)	17,611,046
Trade debts		72,651,105	(765,776,930)
Loans and advances		201,240,065	10,005,868
Deposits, prepayments and other receivables		(36,127,176)	(10,038,442)
Trade and other payables		(30,821,813)	(102,808,675)
Accrued expenses and other liabilities		16,363,461	(39,914,755)
		<u>172,399,501</u>	<u>(1,019,334,940)</u>
Cash generated from operating activities		873,547,133	166,261,233
Income taxes paid		(88,246,770)	(42,049,920)
Finance costs paid		(177,383,656)	(85,934,984)
Net cash generated from operating activities		607,916,707	38,276,329
15. CASH AND CASH EQUIVALENTS			
Short term borrowings - financial institutions	9	(844,723,890)	(937,369,584)
Cash and bank balances		97,460,235	290,368,945
		<u>(747,263,655)</u>	<u>(647,000,639)</u>

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024

	<i>Un-Audited</i>	Un-Audited
	<i>Nine months ended</i>	
	<i>March 31,</i>	March 31,
	<i>2024</i>	2023
	<i>Rupees</i>	Rupees
16. TRANSACTION WITH OWNERS RECOGNIZED DIRECTLY IN EQUITY		
Settlement of liability in respect of issuance of bonus shares under section 236Z of the Income Tax Ordinance, 2001.		
Proceeds from disposal of shares withheld		
settlement of tax liability	29,350,352	-
Withholding tax amount received on behalf of shareholders	2,442,194	-
Payment by the Company for related expenses	4,269	-
	31,796,815	-
Utilization of proceeds		
Withholding tax liability on bonus shares paid to FBR	26,863,410	-
Capital gain tax	779,728	-
Payment to charitable institutions	4,150,577	-
Brokerage and other charges	3,100	-
	31,796,815	-

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

	<i>Un-Audited</i>	Audited
	<i>March 31,</i>	June 30,
	<i>2024</i>	2023
	<i>Rupees</i>	Rupees
17.1 Balances as at period / year end		
Name of related party	Relationship	Nature
Sindh Gas (Private) Limited	Associated Company	Food and entertainment
		156,117
Muhammad Saeed	Associated Company	Other receivable
Muhammad Hussain Limited		9,872,100

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024

			<u>Un-Audited</u>	<u>Un-Audited</u>
			<u>Nine months ended</u>	
			<u>March 31,</u>	<u>March 31,</u>
			<u>2024</u>	<u>2023</u>
			<u>Rupees</u>	<u>Rupees</u>
Transactions during the period				
Name of related party	Relationship	Nature		
		<i>Consideration paid for acquisition of subsidiary</i>		
Mr. Ali Hussain	<i>Director</i>		<u>14,857,140</u>	-
Remuneration of Key management personnel	<i>CEO, Director and Executives</i>	<i>Salaries and other benefits</i>	<u>51,898,351</u>	<u>17,629,771</u>
Sindh Gas (Private) Limited	<i>Associated Company</i>	<i>Food and entertainment</i>	<u>1,713,690</u>	<u>313,551</u>

18. 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.

The 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 ---	----- 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	<u>167,200,000</u>	<u>100%</u>	<u>288,299,150</u>	<u>167,200,000</u>	<u>(121,099,149)</u>
Facility for Export Processing Zone:					
Land (1000 to 1200 Sq. yards)	60,000,000	57%	-	-	-
Construction of Office Building (12000 Sq.Feet)	22,000,000	21%	-	-	-
Equipment (Chillers + freezers Storages)	19,948,556	19%	-	-	-
Machinery	2,500,000	2%	-	-	-
Acquisition of KEPZA company	-	0%	170,000,000	104,448,556	(65,551,444)
	<u>104,448,556</u>	<u>100%</u>	<u>170,000,000</u>	<u>104,448,556</u>	<u>(65,551,444)</u>
Working Capital	<u>448,351,444</u>	<u>100%</u>	<u>448,351,444</u>	<u>448,351,444</u>	-
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	
	<u>80,000,000</u>	<u>100%</u>	<u>80,000,000</u>	<u>80,000,000</u>	
Total	<u>800,000,000</u>		<u>986,650,594</u>	<u>800,000,000</u>	<u>(186,650,593)</u>

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
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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 Company had tried to secure land in the Karachi Export Processing Zone (KEPZ) since the time of the IPO. However, due to regulatory changes and non-availability of vacant land in the KEPZ, the Company then looked at other options to fulfil its IPO fund utilization and application commitments. The management of the Company then identified an already existing offal processing facility and company in the KEPZ, and the Board of Directors of the Company approved an amount of up to PKR 170,000,000 (Pak Rupees one hundred and seventy million only) to acquire 100% shareholding in that target company in the Karachi Export Processing Zone (KEPZ), subject to negotiations with the existing shareholders of the said company.

The Company entered into a Share Purchase Agreement (SPA) with the shareholders of Mohammad Saeed Mohammad Hussain Limited (MSMHL), an unlisted public company, for acquisition of 100% of its outstanding share capital at a cash, cum deferred price arrangement, of Rs. 170 million on May 16, 2023. The terms of the SPA stated that the rights in the shares of MSMHL shall be transferred to the Company upon payment of Rs. 104 million to the existing shareholders of MSMHL on or before August 15, 2023, and the balance Rs. 66 million to be settled in next two years on or before August 15, 2025. The Company has paid an additional amount of Rs.28.285 million during the reporting period. Further, the Company had entered into a share purchase supplementary agreement with the shareholders of MSMHL on November 15, 2023, whereby the long stop date to assume the operational, strategic and administrative control of MSMHL's affairs shall be on or before June 30, 2024. The Company is in the process of completing the regulatory and other formalities to assume the said control.

19. FINANCIAL RISK MANAGEMENT

19.1. Financial Risk Factors

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

The condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2023.

There have been no changes in the risk management policies since the year ended June 30, 2023.

19.2. Fair Value Estimation

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

20. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of comparison.

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024

21. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on April 30, 2024.



Chief Executive Officer



Director



Chief Financial Officer



The Organic Meat Company Limited

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