



**The Organic
Meat Company Limited**

QUARTERLY REPORT

September 30, 2024



Content

1st Quarter 2024-25

Company Information	Page # 1
Director Review	Page # 3
Condensed Interim Statement of Financial Position	Page # 5
Condensed Interim Statement of Profit or Loss Accounts (Unaudited)	Page # 6
Condensed Interim Statement of Comprehensive Income (Unaudited)	Page # 7
Condensed Interim Statement of Cash Flows (Unaudited)	Page # 8
Condensed Interim Statement of Changes in Equity (Unaudited)	Page # 09
Notes to the Condensed Interim Financial Statements (Unaudited)	Page # 10

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



Allied Bank Limited



United Bank Limited



Bank of Khyber (BOK)



Registered Address:

Survey No. 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

Website

www.tomcl.net

DIRECTORS' REVIEW

The Board of Directors are pleased to present the condensed interim financial statements of the Company for the period ended September 30, 2024.

Operational Review

The primary business activities of The Organic Meat Company Limited ("TOMCL") is exporting fresh chilled meat, frozen meat, frozen cooked beef and frozen (white and red) offals to the Middle Eastern, Far Eastern including China, CIS, and South Asian markets as well as pet foods to the USA, Canada and other Eastern European markets. Recently the Company has secured permission to export beef casing to Europe. At present your Company has the ability to export to more than a dozen countries. Your Company is pleased to report that last year it had received beef casing export approval for the whole of European union (EU) as well as approvals from the UAE authorities as the only exporter from Pakistan for red and white offals. 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 and cooked beef processing facilities and the animal fattening farm are located at Gadap, Karachi and the offal processing and pet food processing are situated at Korangi Industrial Area, Karachi.

During the first quarter of the current financial year, TOMCL sold 1,868.52 MT of chilled meat, frozen meat, and frozen offal, including pet chews. Sales volume for frozen products declined by 40%, while fresh chilled meat accounted for 58% of the total sales volume.

In this quarter, your Company secured a USD 12 million contract to export frozen cooked beef to China. The UAE remained our largest market, accounting for approximately 50.58% of total sales volume. Additionally, exports of offal to the Far East have rebounded to pre-COVID levels this quarter. Your Company also expanded its frozen cooked beef exports to China following approvals received in Q2 of FY2024.

Financial Review

During the first quarter of the current financial year, your Company's sales grew by 45.74% to reach at PKR 3,340.69 million. Margin were maintained due to stable raw material and packing material prices in the quarter as well as the lower inflation rates prevalent in the economy.

Despite the devaluation of PKR against USD average 5.76% as compare to corresponding period we managed to secure better pricing by 31.15% in USD for every product. Increased cost of sales by 46% is directly attributable to increased sales.

Operating expenses increased slightly due to higher freight cost and limited volatility in USD to PKR parity. Your Company has embarked on a reduction in its borrowing which has shown favorable results and a reduction of 26% in finance cost over the corresponding period last year. Despite significant additional tax burden resulting from higher provisioning on account of Super Tax, your Company has been able to show a significant performance improvement whereby earning per shares improved by 228.57%.

DIRECTORS' REVIEW

A table summarizing the financial performance of your Company is presented below:

Description	Sept 30, 2024	Sept 30, 2023	Change %
	----- (PKR) -----		Increase/(decrease)
Net Sales	3,340,690,640	2,292,232,065	45.74%
Gross Profit	393,546,629	269,508,696	46.02%
Operating Expenses	(159,886,007)	(150,177,909)	6.46%
Other Income	34,761,610	18,488,582	88.02%
Finance Cost	(45,893,475)	(62,421,443)	-26.48%
Profit Before Tax	222,528,757	75,397,926	195.14%
Levies - Minimum Tax / Final Tax	(20,078,999)	(23,474,390)	-14.46%
Profit for the period	170,606,103	51,923,536	228.57%
EPS - Basic and diluted – restated	1.15	0.35	228.57%

Mohammad Saeed Mohammad Hussain Limited (MSMHL) Acquisition:

Your Company is in the process of acquiring management and Board control of MSMHL as a wholly owned subsidiary and this process is expected to be completed by the end of second quarter FY25.


Future Outlook:

Despite the challenges and the uncertainty of the socio-geo political climate, the Company is on an aggressive growth trajectory and is expanding its operations in the areas where it believes it can extend market access advantage in line with its business strategy and demands.

Acknowledgement:

Your Company would like to thank its shareholders, customers, bankers, auditors, suppliers, and other stakeholders specially the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange (PSX) for their continued support. Your Company would further like to place on record its appreciation to the employees and consultants for their utmost loyalty and commitment towards the Company.

For and on behalf of the Board of Directors



NIHAAL CASSIM
Chairman



FAISAL HUSSAIN
Chief Executive Officer

October 29, 2024

THE ORGANIC MEAT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024 (UN-AUDITED)

	Note	(Un-audited) September 30, 2024 Rupees	(Audited) June 30, 2024 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,973,577,035	2,910,153,056
Right-of-use asset		39,651,552	6,651,363
Intangible asset		2,306,203	2,331,203
Advance against acquisition of shares		170,000,000	170,000,000
Total non-current assets		3,185,534,790	3,089,135,622
CURRENT ASSETS			
Stock-in-trade		176,834,691	184,079,742
Biological assets other than bearer plants		77,387,353	71,967,600
Trade debts - considered good	5	2,515,625,216	2,275,006,671
Loans and advances		79,863,043	78,714,119
Deposits, prepayments and other receivables		210,683,349	190,917,666
Cash and bank balances	6	167,259,271	347,723,137
Total current assets		3,227,652,923	3,148,408,935
TOTAL ASSETS		6,413,187,713	6,237,544,557
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 165,000,000 (2023: 165,000,000) Ordinary shares of Rs.10 each		1,650,000,000	1,650,000,000
Issued, subscribed and paid up share capital (148,491,213 (2023: 148,491,213) Ordinary shares of Rs.10 each	7	1,484,912,132	1,484,912,132
Reserves	8	2,798,950,288	2,610,482,400
Revaluation surplus on property, plant and equipment - net		830,965,857	848,827,642
		5,114,828,277	4,944,222,174
NON-CURRENT LIABILITIES			
Long term borrowings - secured	9	21,788,472	44,204,210
Deferred taxation		78,740,359	78,740,359
Deferred liability on acquisition of shares		37,714,296	37,714,296
Long term lease liability		13,043,538	1,990,696
		151,286,665	162,649,561
CURRENT LIABILITIES			
Current maturity of long term borrowings - secured	9	20,541,055	24,557,949
Current portion of lease liability		12,727,320	2,014,011
Short term borrowings - secured	10	836,123,668	805,000,000
Trade and other payables		141,574,159	149,286,840
Accrued expenses and other liabilities		38,726,917	46,612,869
Accrued mark-up		44,232,401	60,148,620
Unclaimed dividend		369,986	376,786
Taxation and levies - net		52,777,265	42,675,747
Total current liabilities		1,147,072,771	1,130,672,822
TOTAL EQUITY AND LIABILITIES		6,413,187,713	6,237,544,557

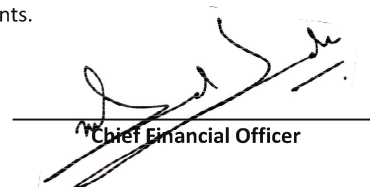
CONTINGENCIES AND COMMITMENTS

11

The annexed notes from 1 to 21 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, 2024

	Note	September 30, 2024 Rupees	September 30, 2023 Rupees (Restated)
Sales - net	12	3,340,690,640	2,292,232,065
Cost of sales	13	(2,947,144,011)	(2,022,723,369)
Gross profit		393,546,629	269,508,696
Administrative expenses	14	(54,982,729)	(30,107,124)
Selling expenses	15	(97,403,278)	(113,312,675)
Allowance for doubtful debt		(7,500,000)	(6,758,110)
		(159,886,007)	(150,177,909)
Operating profit		233,660,622	119,330,787
Finance costs		(45,893,475)	(62,421,443)
Other income / (expense) - net		34,761,610	18,488,582
		(11,131,865)	(43,932,861)
Profit before levies and taxation		222,528,757	75,397,926
Levies - Minimum Tax / Final Tax		(20,078,999)	(23,474,390)
Profit before taxation		202,449,758	51,923,536
Taxation		(31,843,655)	-
Profit for the period		170,606,103	51,923,536
Earnings per share - basic and diluted	16	1.15	0.35

The annexed notes from 1 to 21 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, 2024

	September 30, 2024 Rupees	September 30, 2023 Rupees
Profit for the period	170,606,103	51,923,536
Other comprehensive income:		
Items that will not be reclassified to profit or loss in subsequent periods	-	-
Total comprehensive income for the period	<u><u>170,606,103</u></u>	<u><u>51,923,536</u></u>

The annexed notes from 1 to 21 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, 2024

	<i>Note</i>	September 30, 2024 Rupees	September 30, 2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation for the period		222,528,757	75,397,926
Adjustment for non cash items:			
Depreciation on property, plant and equipment	4.1	39,882,407	35,413,425
Depreciation on right of use assets		494,811	494,811
Profit on savings account		(1,233,126)	-
Amortization expense		25,000	25,000
Provision against trade debtors		7,500,000	6,758,110
Unrealised exchange loss / (gain) on trade debtors		1,093,325	33,600,487
Unrealized gain on biological assets		(19,995,646)	(6,385,053)
Finance costs		45,893,475	62,421,443
		73,660,246	132,328,223
Working capital changes			
Stock-in-trade		7,245,051	(33,094,853)
Biological assets		14,575,893	36,117,566
Trade debts		(249,211,870)	(72,154,130)
Loans and advances		(1,148,924)	26,788,294
Deposits and prepayments and other receivables		(18,532,557)	(19,518,871)
Accrued expenses and other liabilities		(7,885,952)	22,642,196
Trade and other payables		(7,712,681)	(43,302,442)
		(262,671,040)	(82,522,240)
Cash generated from operating activities		33,517,963	125,203,909
Income taxes paid		(41,821,136)	(22,420,380)
Finance costs paid		(61,809,694)	(41,481,729)
Net cash generated / (used in) from operating activities		(70,112,867)	61,301,800
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(103,306,386)	(20,472,000)
Addition to intangible assets		-	-
Advance paid against investment in subsidiary		-	(103,999,990)
Net cash used in investing activities		(136,801,386)	(124,471,990)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan repaid		(26,432,632)	(5,963,536)
Payment of lease rentals		21,766,151	(840,781)
Dividends paid		(6,800)	(144,268)
Net cash used in financing activities		(4,673,281)	(6,948,585)
Net increase in cash and cash equivalent		(211,587,534)	(70,118,775)
Cash and cash equivalent at beginning of the period		(457,276,863)	(726,261,819)
Cash and cash equivalent at end of the period	17	(668,864,397)	(796,380,594)

The annexed notes from 1 to 21 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, 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, 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	-	-	-	51,923,536	-	51,923,536
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation - net of tax				17,861,784	(17,861,784)	-
Balance as at September 30, 2023 (Unaudited)	<u>1,349,920,120</u>	<u>134,992,012</u>	<u>377,152,913</u>	<u>1,736,080,547</u>	<u>993,288,662</u>	<u>4,591,434,254</u>
Balance as at July 01, 2024 (Audited)	1,484,912,132	-	377,152,913	2,233,329,487	848,827,642	4,944,222,174
Total comprehensive income for the period	-	-	-	170,606,103	-	170,606,103
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation - net of tax				17,861,784	(17,861,784)	-
Balance as at September 30, 2024 (Unaudited)	<u>1,484,912,132</u>	<u>-</u>	<u>377,152,913</u>	<u>2,421,797,374</u>	<u>830,965,858</u>	<u>5,114,828,277</u>


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, 2024

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

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and
- provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, 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

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, 2024.

2.3 Functional and presentation currency

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

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, 2024.

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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, 2024.

3.4 Change in accounting policy

Previously, the current and prior tax expense calculated as per the applicable taxation laws was recorded as an income tax expense. During the current financial year, the Institute of Chartered Accountant of Pakistan (ICAP) has issued the guidance for 'Accounting of Minimum and Final Taxes' through circular No. 7/2024 dated May 15, 2024.

Following the prescribed guidelines, the Company has revised its accounting policy for accounting of final taxes, whereby the amount calculated as tax on gross amount of revenue or other basis has been reported as a levy within the scope of IFRIC 21/IAS 37. This change in accounting policy has been accounted for retrospectively as referred under International Accounting Standard - 8 'Accounting policies, Changes in Accounting Estimates and Errors', and the comparative financial statements have been restated.

As previously reported	Amount of restatement	As restated
----- Rupees -----		

Period ended September 30, 2023

Effect on statement of profit or loss

Levies - Minimum Tax / Final Tax	-	(23,474,390)	(23,474,390)
Taxation	(23,474,390)	23,474,390	-

The changes have been applied retrospectively for the year ended June 30 2023, resulting in reclassifications in the statement of financial position, statement of profit or loss and statement of cash flows . The changes have no impact on statement of other comprehensive income and statement of changes in equity. Further, there is no impact on the earnings per share for the current period and prior period due to the change.

	Note	(Un-audited) September 30, 2024 Rupees	(Audited) June 30, 2024 Rupees
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - at net book value	4.1	2,973,577,035	2,676,167,089
Capital work-in-progress - at cost		-	233,985,967
		<u>2,973,577,035</u>	<u>2,910,153,056</u>

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Note	(Un-audited) September 30, 2024 Rupees	(Audited) June 30, 2024 Rupees
4.1 Operating fixed assets			
Opening written down value		2,676,167,089	3,544,041,695
Additions and transfers during the period / year	4.2	337,292,353	337,007,749
Revaluation surplus during the period / year		-	-
Disposals during the period / year		-	(14,654,933)
		337,292,353	322,352,816
Depreciation charged for the period / year - net		(39,882,407)	(1,190,227,422)
Closing written down value		2,973,577,035	2,676,167,089
4.2 Details of additions / transfers during the period / year are as follows:			
Factory Land - Leasehold		-	
Factory building on leasehold land		257,989,796	80,109,571
Furniture and fixture		1,062,000	319,400
Office equipment		82,000	1,537,800
Plant and machinery		60,732,227	254,492,478
Motor vehicles		17,426,330	548,500
		337,292,353	337,007,749
4.3 Capital work-in-progress			
Balance at the beginning of the year		233,985,967	6,755,639
Additions during the period / year		37,601,538	278,614,943
Transfers during the period / year		(271,587,505)	(51,384,615)
Balance at the end of the period / year		(0)	233,985,967
5. TRADE DEBTS - CONSIDERED GOOD			
Unsecured and Considered good			
- Foreign debtors		2,388,981,338	2,046,432,181
- Local debtors		126,643,878	228,574,490
		2,515,625,216	2,275,006,671
Considered doubtful		246,754,351	239,254,351
Trade receivables - gross		2,762,379,567	2,514,261,022
Less: Provision against doubtful debt		(246,754,351)	(239,254,351)
Trade receivables - net		2,515,625,216	2,275,006,671

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Note	(Un-audited) September 30, 2024 Rupees	(Audited) June 30, 2024 Rupees
6. CASH AND BANK BALANCES			
Cash in hand		189,705	195,762
Balances with banks			
- Current accounts		54,212,773	69,722,414
- Saving accounts		112,486,807	277,428,175
- Dividend accounts		369,986	376,786
		<u>167,069,566</u>	<u>347,527,375</u>
		<u>167,259,271</u>	<u>347,723,137</u>
7. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL			
(Un-audited) September 30, 2024 <i>Number of shares</i>	(Audited) June 30, 2023	(Un-audited) September 30, 2024 Rupees	(Audited) June 30, 2024 Rupees
134,992,012	61,817,777		
13,499,201	86,673,436		
<u>148,491,213</u>	<u>148,491,213</u>		
		1,349,920,120	1,349,920,120
		134,992,012	134,992,012
		<u>1,484,912,132</u>	<u>1,484,912,132</u>
8. RESERVES			
Capital reserve			
Share premium		377,152,913	377,152,913
Revenue reserve			
Un-appropriated profit		2,421,797,374	2,233,329,487
		<u>2,798,950,287</u>	<u>2,610,482,400</u>
9. LONG TERM BORROWINGS			
Financial institutions - secured	9.1	42,329,527	68,762,159
Less: Current maturity long term borrowings		<u>(20,541,055)</u>	<u>(24,557,949)</u>
		<u>21,788,472</u>	<u>44,204,210</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.			

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Note	(Un-audited) September 30, 2024 Rupees	(Audited) June 30, 2024 Rupees
10. SHORT TERM BORROWINGS			
Financial institutions - secured	10.1	<u>836,123,668</u>	<u>805,000,000</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 1, 3 and 6 months KIBOR + 1.5% to 2% (June 30, 2024: 1,3 and 6 months KIBOR + 1.5% to 2%).

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There Company has received notice for recovery of Super Tax under section 4C of the Income Tax Ordinance, 2001 for the tax year 2022. The Company has been granted a stay order on recovery proceedings up to 50% of the Super Tax amount by the Sindh High Court, and has filed an application for the adjustments of the demand raised against outstanding tax refunds with the Federal Board of Revenue (FBR) (June 30, 2024: Nil)

The Company has further provided for Rs.34.04 million as Super tax liability payable for the tax year 2024 but is in the process of filing an injunction against this demand as well as the demand for tax year 2023 based on the Islamabad High Court's recent judgement which has declared provisions of Super tax under section 4C of the Income Tax Ordinance, 2001 as ultra vires and not applicable to industries and taxpayers falling under Final Tax Regime (FTR). The management is confident that based on the judgement of the superior courts in this matter, the liability of Super tax shall not crystallize.

11.2 Commitments

11.2.1 Commitments against capital expenditure

Commitments in respect of letter of credits and purchase order for capital expenditures as at September 30, 2024, amounted to Rs. 41.9 million (June 30, 2024: Rs.60.3 million).

11.2.2 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. 170.000 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. 104.000 million to the existing shareholders of MSMHL on or before August 15, 2023, and the balance Rs. 66.000 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 year ended June 30, 2024. Further, the Company had entered into two share purchase supplementary agreements with the shareholders of MSMHL on November 15, 2023 and April 23, 2024, whereby the long stop date to assume the operational, strategic and administrative control of MSMHL's affairs was initially moved to June 30, 2024 and later to November 30, 2024. The Company is in the process of completing the regulatory and other formalities to assume the said control.

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	(Un-audited)	
	September 30, 2024	September 30, 2023
12. SALES - NET		
Export sales		
Direct exports	2,364,019,518	2,187,617,586
Duty drawback	-	-
	2,364,019,518	2,187,617,586
Local and other sales	976,671,122	104,614,479
	3,340,690,640	2,292,232,065
13. COST OF SALES		
Stocks at beginning of the period	184,079,742	184,079,742
Cost of goods manufactured		
Livestock and meat cost	2,644,790,820	1,936,639,111
Direct labour and factory overheads	295,108,140	179,860,259
	2,939,898,960	2,116,499,370
Stocks at the end of the period	(176,834,691)	(277,888,485)
	2,947,144,011	2,022,690,627
14. ADMINISTRATIVE EXPENSES		
Salaries, benefits and other allowances	28,571,141	12,943,761
Depreciation expense	913,893	1,115,737
Depreciation on right of use assets	494,811	494,811
Amortization expense	25,000	24,999
Fee and subscription	8,295,820	7,088,188
Travelling	-	177,800
Insurances	983,726	517,571
Legal and professional	1,128,765	70,000
Food and entertainment	7,895,511	3,784,508
Vehicle running and maintenances	4,469,121	2,085,366
Security services	1,261,661	627,663
Printing and stationery	193,280	938,950
Repair and maintenance	750,000	237,770
	54,982,729	30,107,124
15. SELLING EXPENSES		
Clearing and forwarding charges	83,301,158	98,160,357
Export duties	6,835,240	7,302,597
Business development	-	403,920
Quarantine charges	7,266,880	7,445,615
	97,403,278	113,312,489

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

		(Un-audited)	
		Quarter ended September 30,	
		2024	2023
		Rupees	Rupees
16. EARNINGS PER SHARE			
Profit after taxation for the period -	<i>Rupees</i>	<u>170,606,103</u>	<u>51,923,536</u>
Number of ordinary shares	<i>Number</i>	<u>148,491,213</u>	<u>148,491,213</u>
Earnings per share - basic and diluted	<i>Rupees</i>	<u>1.15</u>	<u>0.35</u>
17. CASH AND CASH EQUIVALENTS			
Short term borrowings - banking companies		(836,123,668)	(919,986,356)
Cash and bank balances		<u>167,259,271</u>	<u>123,605,762</u>
		<u>(668,864,397)</u>	<u>(796,380,594)</u>

18. 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,	
		2024	2023
		Rupees	Rupees
Nature of relationship	Nature of transactions		
Associated companies	<i>Export sales</i>	334,320	3,896,750
	<i>Purchase of gas</i>	986,650	421,170
	<i>Trade and other payables</i>	178,767	123,507
Director, Chief Executive Officer and key management personnel	<i>Remuneration and other benefits</i>	18,712,877	13,167,375

19. 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 ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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

Description	Funds Required --- Rupees ---	Allocatio n %	Actual Expenditure --- Rupees ---	Utilization of Funds	
				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	(121,099,149)
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)
	104,448,556	100%	170,000,000	104,448,556	(65,551,444)
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		986,650,594	800,000,000	(186,650,593)

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 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.

20. 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, 2024, 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, 2023. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

21. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on 29 October 2024 by the Board of Directors of the Company.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Contact Us

Phone :

+92-21-35059969
+92-21-35079969
+92-346-8224601,
+92-346-8224630

Mail & Website :

info@tomcl.net
www.tomcl.net

Address :

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

Korangi Plant & Correspondence Address:
Plot No. 257, Sector 24, Korangi Industrial Area,
Karachi - Pakistan



**The Organic
Meat Company Limited**