



THE ORGANIC
MEAT COMPANY LIMITED


HALF YEARLY REPORT

Dec 31st, 2024



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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



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 December 31, 2024.

Operational Review

The first half of FY25 have been challenging for the meat export industry in general. The recent changes in taxation regime whereby meat exporters were moved from final tax regime to minimum tax, vis-à-vis, normal taxation regime has had a tremendous impact on the net profitability of growth-oriented exporters like your Company. In addition, certain export markets remained instable due to strengthening of the Euro against the US\$ which resulted in weaker export performance to these markets. Your Company has despite these challenging circumstances shown significant growth in both export volumes and sales.

TOMCL sold 6,300 MT of chilled meat, frozen meat, cooked beef and frozen offal during the first half of the current financial year in both local and export market. Volumetric sales of fresh chilled meat grew by 92%, while sales of frozen products had a growth of 104%.

Financial Review

Your company had a very positive growth in sales of 55%, reaching PKR 8,099 million. However, the cost of sales escalated by 61% due to inflationary effects. This increase was primarily attributable to higher fuel and power consumption charges, stemming from increased fuel prices and elevated costs of raw and packing materials during the period. Operating expenses experienced a moderate decline of 2.05%, indicating the Company's ability to effectively manage and maintain expenses at a similar level to that a corresponding period last year. Your company has embarked on a debt reduction strategy whereby it plans to gradually reduce its debt footprint by 45%. This has resulted in positive savings of around 24% over the corresponding period last year. Your Company further had a positive result from fattening operations which resulted in net gains from these operations of around 696% and which was partially offset by decrease in exchange gains on currency revaluations by 107%.

Your Company has posted an EPS of PKR 2.31 compared to PRK 1.25 for the corresponding period last year.

The financial performance for the half year ended December 31, 2024 is summarized below:

Description	Dec 31, 2024	Dec 31, 2023	Change % Increase/(decrease)
	----- (Rupees) -----		
Net Sales	8,098,842,838	5,241,381,871	54.52%
Gross Profit	793,407,579	708,323,514	12.01%
Operating Expenses	(313,660,135)	(320,234,055)	-2.05%
Other Income/(Expense)	101,229,310	(18,572,377)	645.05%
Finance Cost	(95,227,520)	(122,995,952)	-22.58%
Profit Before Tax	405,770,847	237,303,157	70.99%
Levies - Minimum Tax / Final Tax & Super Tax	(70,793,996)	(51,770,717)	36.75%
Profit for the period	342,982,391	185,532,440	84.86%
EPS - Basic and diluted	2.31	1.25	84.80%

Right Issue:

Your Company has announced on November 16, 2024 issuance of further share capital by way of right shares by issuing an additional 30 million ordinary shares of Rs.10/- each at a premium of Rs.17/share. Your Company hopes to generate further equity capital of Rs.810 million from this Right Issue. The principal purpose of this Rights Issue is to reduce high-cost debt of the Company, to meet the Company's additional working capital requirements for animal fattening business & red offal export business to the GCC and fund capital investments in new beef tripe cooking (heat treated) and red offal processing unit.

Acquisition of Mohammad Saeed Mohammad Hussain Limited (MSMHL):

Your Company is in the process of acquiring full management and Board control of MSMHL, making it a wholly owned subsidiary. This acquisition is expected to be finalized by the end of July 2025.

Future Outlook:

Despite challenges posed by the socio-political and geopolitical landscape, your Company remains on an aggressive growth trajectory. It is actively expanding operations in key areas where it can leverage market access advantages, in alignment with its strategic business objectives and market demand.



Acknowledgment:

Your Company extends its gratitude to its shareholders, customers, bankers, auditors, suppliers, and all stakeholders, with special appreciation for the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange (PSX) for their ongoing support. Additionally, the Company acknowledges and deeply appreciates the unwavering dedication and commitment of its employees and consultants.

For and on behalf of the Board of Directors;



NIHAL CASSIM
Chairman



FAISAL HUSSAIN
Chief Executive Officer

February 27, 2025



**CONDENSED INTERIM
FINANCIAL STATEMENTS
OF
THE ORGANIC MEAT COMPANY LIMITED
FOR THE PERIOD ENDED
DECEMBER 31, 2024**

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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DRAFT

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF THE ORGANIC MEAT COMPANY LIMITED

Report on review of condensed 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, 2024 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity, the condensed interim statement of cash flows and notes to the condensed interim financial statements for the half year then ended (here-in-after referred as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed 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 condensed interim 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 condensed 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 condensed interim financial statements are 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 quarter ended December 31, 2024 and December 31, 2023 in the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion, as we are required to review only the cumulative figures for the six months' period ended December 31, 2024.

The engagement partner on the review resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

DATED:

UDIN:

**BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS**

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.


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

	Note	Un-Audited December 31, 2024 Rupees	Audited June 30, 2024 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	3,143,531,766	2,910,153,056
Right-of-use asset		38,581,937	6,651,363
Intangible asset		2,281,203	2,331,203
Advance against acquisition of shares		170,000,000	170,000,000
TOTAL NON-CURRENT ASSETS		3,354,394,906	3,089,135,622
CURRENT ASSETS			
Stock-in-trade		147,084,725	184,079,742
Biological assets other than bearer plants		177,979,000	71,967,600
Trade debts - considered good	7	2,425,303,695	2,275,006,671
Loans and advances	8	73,013,587	78,714,119
Deposits, prepayments and other receivables		204,801,731	190,917,666
Cash and bank balances		500,050,582	347,723,137
TOTAL CURRENT ASSETS		3,528,233,320	3,148,408,935
TOTAL ASSETS		6,882,628,226	6,237,544,557
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
2,000,000,000 (June 30, 2024: 165,000,000) Ordinary shares of Rs.10 each		2,000,000,000	1,650,000,000
Issued, subscribed and paid up capital			
148,491,213 (June 30, 2024: 148,491,213) ordinary shares of Rs. 10 each	9	1,484,912,132	1,484,912,132
Reserves		2,977,399,582	2,610,482,400
Revaluation surplus on property, plant and equipment - net		824,892,851	848,827,642
Total shareholders' equity		5,287,204,565	4,944,222,174
NON-CURRENT LIABILITIES			
Long term borrowings - secured		24,315,624	44,204,210
Deferred taxation		70,734,819	78,740,359
Deferred liability on acquisition of shares		37,714,296	37,714,296
Long term lease liability - secured		9,346,583	1,990,696
		142,111,322	162,649,561
CURRENT LIABILITIES			
Current maturity of long term finances - secured		28,488,438	24,557,949
Current portion of lease liability - secured		13,983,476	2,014,011
Short term borrowings - secured	10	833,072,133	805,000,000
Trade and other payables	11	425,651,281	149,286,840
Accrued expenses and other liabilities		96,503,420	46,612,869
Accrued mark-up		37,069,284	60,148,620
Unclaimed dividend		362,885	376,786
Taxation - net		18,181,422	42,675,747
Total current liabilities		1,453,312,339	1,130,672,822
TOTAL EQUITY AND LIABILITIES		6,882,628,226	6,237,544,557
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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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

	Note	Half Year Ended		Quarter Ended	
		December 31, 2024 Rupees	December 31, 2023 Rupees	December 31, 2024 Rupees	December 31, 2023 Rupees
Sales - net	13	8,098,842,838	5,241,381,871	4,782,342,547	2,949,149,806
Cost of sales	14	(7,305,435,259)	(4,533,058,357)	(4,358,182,948)	(2,510,334,988)
Gross profit		793,407,579	708,323,514	424,159,599	438,814,818
Administrative expenses		(119,065,460)	(69,757,919)	(64,198,190)	(39,650,795)
Selling expenses		(194,594,675)	(250,476,136)	(97,191,397)	(137,163,461)
Allowance for doubtful debt	7.1	(79,978,387)	(9,217,973)	(72,478,387)	(2,459,863)
		(393,638,522)	(329,452,028)	(233,867,974)	(179,274,119)
Operating profit		399,769,057	378,871,486	190,291,625	259,540,699
Finance costs		(95,227,520)	(122,995,952)	(50,077,477)	(60,574,509)
Other income / (expense) - net		101,229,310	(18,572,377)	66,467,699	(37,060,959)
		6,001,790	(141,568,329)	16,390,222	(97,635,468)
Profit before taxation and levy		405,770,847	237,303,157	206,681,847	161,905,231
Levy		(70,793,996)	(51,770,717)	(18,871,342)	(28,296,327)
Profit before taxation		334,976,851	185,532,440	187,810,505	133,608,904
Taxation		8,005,540	-	8,005,540	-
Profit for the period		342,982,391	185,532,440	195,816,045	133,608,904
Earnings per share - basic and diluted		2.31	1.25	1.32	0.90

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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024

	Half Year Ended		Quarter Ended	
	December 31, 2024 Rupees	December 31, 2023 Rupees	December 31, 2024 Rupees	December 31, 2023 Rupees
Profit for the period	342,982,391	185,532,440	195,816,045	133,608,904
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>342,982,391</u>	<u>185,532,440</u>	<u>195,816,045</u>	<u>133,608,904</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 CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 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, 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	-	-	-	185,532,440	-	185,532,440
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	134,992,012	(134,992,012)	-	-	-	-
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation - net of tax	-	-	-	35,723,568	(35,723,568)	-
Balance as at December 31, 2023 - (Un-Audited)	<u>1,484,912,132</u>	<u>-</u>	<u>377,152,913</u>	<u>1,887,551,235</u>	<u>975,426,878</u>	<u>4,725,043,158</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	-	-	-	342,982,391	-	342,982,391
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation - net of tax	-	-	-	23,934,791	(23,934,791)	-
Balance as at December 31, 2024 - (Un-Audited)	<u>1,484,912,132</u>	<u>-</u>	<u>377,152,913</u>	<u>2,600,246,669</u>	<u>824,892,851</u>	<u>5,287,204,565</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 HALF YEAR ENDED DECEMBER 31, 2024

		December 31, 2024	December 31, 2023
	Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows from operating activities	15	460,447,280	538,338,095
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(317,374,845)	(330,740,132)
Profit received on saving account		13,527,171	5,509,907
Consideration paid against acquisition of subsidiary		-	(132,285,704)
Net cash used in investing activities		(303,847,674)	(457,515,929)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(13,901)	(154,403)
Loan re-paid to financial institutions - net		(15,958,097)	(11,879,613)
Lease rentals paid		(16,372,296)	(1,665,181)
Due to related parties (repaid) - net		-	
Net cash used in financing activities		(32,344,294)	(13,699,197)
Net increase in cash and cash equivalent		124,255,312	67,122,969
Cash and cash equivalent at beginning of the period		(457,276,863)	(726,261,819)
Cash and cash equivalent at end of the period	16	(333,021,551)	(659,138,850)

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
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

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 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. 170.000 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 2024. Further, the Company had entered into three share purchase supplementary agreements with the shareholders of MSMHL on November 15, 2023, April 23, 2024 and November 16, 2024, whereby the long stop date to assume the operational, strategic and administrative control of MSMHL's affairs was initially moved from June 30, 2024 to November 30, 2024 and then again to July 31, 2025. 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. 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, 2024 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, 2024. 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.

3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani rupee ('Rupees' or 'Rs.'), which is the company's functional and presentation currency.

4. MATERIAL ACCOUNTING POLICIES INFORMATION

- 4.1 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, 2024, except for the adoption of new and amended standards as set-out below.

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

4.1.2 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.

4.1.3 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.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statement 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, 2024.

		Un-Audited December 31, 2024	Audited June 30, 2024
	Note	----- Rupees -----	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - at net book value	6.1	3,143,531,766	2,676,167,089
Capital work-in-progress - at cost	6.4	-	233,985,967
		<u>3,143,531,766</u>	<u>2,910,153,056</u>
6.1 Operating fixed assets - at net book value			
Opening written down value		2,676,167,089	2,498,731,811
Additions during the period/year - net		279,773,307	285,623,134
Transfers from CWIP during the period/year		271,587,505	51,384,615
	6.2 & 6.4	551,360,812	337,007,749
Depreciation			
Charge for the period/year	6.3	(83,918,969)	(155,390,017)
Disposals during the period/year - net		(77,166)	(4,182,454)
Closing written down value		<u>3,143,531,766</u>	<u>2,676,167,089</u>
6.2 Details of additions during the period/year - net			
Land - Leasehold		52,000,000	-
Building		364,789,796	64,724,956
Furniture and fixture		1,062,000	319,400
Office equipment		624,000	1,537,800
Plant and machinery		112,365,736	218,492,478
Motor vehicles		20,519,280	548,500
		<u>551,360,812</u>	<u>285,623,134</u>
6.3 Allocation of depreciation			
Cost of sales		81,267,546	150,877,977
Administrative expense		2,651,423	4,512,040
		<u>83,918,969</u>	<u>155,390,017</u>
6.4 Capital work-in-progress - at cost			
Balance at the beginning of the period/year		233,985,967	6,755,639
Additions during the period / year		37,601,538	278,614,943
Transfers during the period / year	6.4.1	(271,587,505)	(51,384,615)
Balance at the end of the period/year		<u>-</u>	<u>233,985,967</u>

		Un-Audited December 31, 2024	Audited June 30, 2024
	Note	----- Rupees -----	
6.4.1 Transfers from CWIP during the period/year are as follows:			
Factory building on leasehold land		214,839,251	15,384,615
Plant and machinery		56,748,254	36,000,000
		<u>271,587,505</u>	<u>51,384,615</u>
7. TRADE DEBTORS			
Unsecured and considered good			
Foreign		2,423,964,566	2,046,432,181
Local		1,339,129	228,574,490
		<u>2,425,303,695</u>	<u>2,275,006,671</u>
Considered doubtful			
Foreign		104,240,594	239,254,351
		<u>2,529,544,289</u>	<u>2,514,261,022</u>
Provision for bad debts	7.1	(104,240,594)	(239,254,351)
		<u>2,425,303,695</u>	<u>2,275,006,671</u>
7.1 Movement in provision against doubtful debts			
Balance at the beginning of the period/year		239,254,351	204,074,483
Write-offs during the period/year		(214,992,144)	-
Allowance for doubtful debts - expected credit loss		79,978,387	35,179,868
		<u>104,240,594</u>	<u>239,254,351</u>
8. LOANS AND ADVANCES			
Unsecured and considered good			
Advance to suppliers		61,747,876	41,352,569
Advance against fixed assets		-	25,850,982
Advance against expenses		38,239	607,996
Loans to employees		11,227,472	10,902,572
		<u>73,013,587</u>	<u>78,714,119</u>
9. ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
The Company announced on November 16, 2024 a further issue of capital by way of right shares issuing an additional 30,000,000 ordinary right shares having face value of Rs. 10 per ordinary shares at an issue price of Rs. 27 per shares in the ratio of 20.203 right shares for every 100 shares held.			
10. SHORT TERM BORROWINGS - secured			
Financial Institution - secured	10.1	<u>833,072,133</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%).

		Un-Audited December 31, 2024	Audited June 30, 2024
	Note	----- Rupees -----	
11. TRADE AND OTHER PAYABLES			
Trade creditors		149,384,381	18,825,585
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		136,182,839	-
Payable to contractors		34,499,543	6,857,133
Salaries, benefits and allowances payable		11,285,920	28,809,804
Audit fee payable		1,398,520	1,894,240
		<u>425,651,281</u>	<u>149,286,840</u>

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

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

The Company had 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.

		Un-Audited December 31, 2024	Audited June 30, 2024
		----- Rupees -----	
12.2 Commitments			
12.2.1 Commitments against capital expenditure			
Commitments in respect of letter of credits and purchase order for capital expenditures		<u>-</u>	<u>60,389,498</u>

		Un-Audited Half year ended December 31, 2024	Un-Audited December 31, 2023
	Note	----- Rupees -----	
13. SALES - NET			
Export sales		5,079,300,980	4,976,733,302
Local sales		3,019,541,858	264,648,569
Sales tax	13.1	-	-
		<u>3,019,541,858</u>	<u>264,648,569</u>
		<u>8,098,842,838</u>	<u>5,241,381,871</u>
13.1	The Company is engaged in the export and local sale of meat and animal by-product. Under Sixth Schedule of the Sales Tax Act, 1990, the supply of fresh and unprocessed meat is exempt from sales tax. Accordingly, the local sales are treated as exempt supplies and no sales tax is charged on such transactions.		
14. COST OF SALES			
Cost of material consumed		6,659,511,943	4,093,125,613
Depreciation expense	6.3	81,267,546	69,848,313
Salaries, wages and other benefits		92,723,190	53,053,475
Fuel and power		152,674,143	100,640,609
Animal feed and other consumables		54,399,542	25,121,169
Cutting and deboning		55,491,158	49,799,161
Packing materials consumed		123,055,385	94,163,939
Repairs and maintenance		66,461,995	36,612,388
Transportation		5,703,778	2,447,856
Insurance		2,387,047	1,905,008
Printing and stationary		921,396	1,388,174
Janitorial expense		10,194,246	4,192,231
Communication expense		643,890	760,421
		<u>7,305,435,259</u>	<u>4,533,058,357</u>
15. CASH FLOWS FROM OPERATIONS			
Profit before taxation for the period		405,770,847	237,303,157
Adjustment for non-cash items:			
Depreciation on property, plant and equipment	6	83,918,969	72,095,112
Depreciation on right of use assets		2,274,326	989,622
Amortization of intangible asset		50,000	49,998
Finance costs		95,227,520	122,995,952
Profit on saving account		(13,527,171)	(5,509,907)
Unrealized exchange loss on trade debtors		4,175,144	63,142,718

	Note	Un-Audited December 31, 2024	Audited June 30, 2024
		----- Rupees -----	
Gain on biological assets		(31,169,632)	(5,228,492)
Gain on disposal of property, plant and equipment		77,166	-
Allowance for doubtful debts		79,978,387	9,217,973
		<u>626,775,556</u>	<u>495,056,133</u>
Working capital changes			
Stock-in-trade		36,995,017	90,184,009
Biological assets other than bearer plants		(74,841,768)	28,372,448
Trade debts		(234,450,555)	(92,393,439)
Loans and advances		5,700,532	171,772,630
Deposits, prepayments and other receivables		(13,884,065)	(7,911,501)
Trade and other payables		276,364,440	(13,281,030)
Accrued expenses and other liabilities		49,890,551	21,203,401
		<u>45,774,152</u>	<u>197,946,518</u>
Cash generated from operating activities		<u>672,549,708</u>	<u>693,002,651</u>
Income taxes paid		(95,288,321)	(52,426,097)
Finance costs paid		(116,814,107)	(102,238,459)
Net cash generated from operating activities		<u>460,447,280</u>	<u>538,338,095</u>

16. CASH AND CASH EQUIVALENTS

Short term borrowings - financial institutions	10	(833,072,133)	(864,538,322)
Cash and bank balances		<u>500,050,582</u>	<u>205,399,472</u>
		<u>(333,021,551)</u>	<u>(659,138,850)</u>

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 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:

17.1. Transactions during the period

Name of related party	Nature	Relationship	Un-Audited Half year ended December 31, 2024	Un-Audited December 31, 2023
			----- Rupees -----	
Mr. Faisal Hussain	Salary	CEO	<u>13,153,958</u>	<u>10,572,000</u>
Mr. Ali Hussain	Salary	Director	<u>7,500,000</u>	<u>7,100,000</u>
	Consideration paid for acquisition of subsidiary		<u>-</u>	<u>14,857,140</u>

Name of related party	Nature	Relationship	Un-Audited Half year ended December 31, 2024	Un-Audited Half year ended December 31, 2023
			----- Rupees -----	----- Rupees -----
Remuneration of key management personnel	Salary	Executive other than CEO and Directors	15,764,610	16,119,105
Mohammad Saeed	Sales	Associated Company	334,320	-
Mohammad Hussain Limited				
Sindh Gas Company (Private) Limited	Food and entertainment	Associated Company	1,085,130	1,101,241

17.2. Balance as at period/year end

Name of related party	Nature	Relationship	Un-Audited December 31, 2024	Audited June 30, 2024
			Rupees	Rupees
Sindh Gas Company (Private) Limited	Trade and other payables	Associate (Common Directorship)	(91,933)	170,069
Shaikh Hamid Asghar	Payable against share purchase of MSMHL	Director	9,428,572	9,428,572
Farooq Saeed	Payable against share purchase of MSMHL	Director	9,428,572	9,428,572
Zain Farooq	Payable against share purchase of MSMHL	Director	9,428,572	9,428,572
Ali Hussain	Payable against share purchase of MSMHL	Director	9,428,572	9,428,572
Mohammad Saeed	Trade debtors	Associated Company	5,572	-
Mohammad Hussain Limited				
Mohammad Saeed	Other receivables	Associated Company	(100,000)	-
Mohammad Hussain Limited				

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.

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

Description	Funds Required	Allocation	Actual Expenditure	Utilization of Funds IPO Funds Under/(Over) Utilized Spent	
	--- Rupees ---	%	--- 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	167,200,000	100%	288,299,150	167,200,000	(121,099,149)

Description	Funds Required	Allocation	Actual Expenditure	Utilization of Funds	
	-- Rupees --	%	--- Rupees ---	IPO Funds Utilized	Under/(Over) Spent
				----- Rupees-----	
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.

After negotiations, the Company has entered into a Share Purchase Agreement (SPA) with the shareholders of Mohammad Saeed Mohammad Hussain Limited (MSMHL), a public limited company (unlisted) for acquiring 100% of the outstanding shares of MSMHL at a cash, cum deferred price arrangement, of PKR 170.00 million on May 16, 2023. The terms of the SPA stipulated that the rights in shares of MSMHL shall transfer to the Company upon payment of PKR 104.00 million to the shareholders of MSMHL on or before August 15, 2023. The Company shall assume control of the management and the Board of Directors of MSMHL upon the partial settlement date, and the balance PKR 66.00 million will be settled in next 2 years on or before August 15, 2025 from profits and funds generated from operations of MSMHL. The Company has assumed 100% control of MSMHL on August 15, 2023 upon settlement of the partial acquisition price and thus from August 15, 2023, MSMHL is a wholly-owned subsidiary of the Company.

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, 2024.

There have been no changes in the risk management policies since the year ended June 30, 2024.

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.

21. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on 27 February, 2025.



Chief Executive Officer



Director



Chief Financial Officer



The Organic Meat Company Limited

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