



THE ORGANIC
MEAT COMPANY LIMITED

3rd QUARTER REPORT

March 31, 2023



Processors & Exporters
of Quality Meat &
Offal Products

www.tomcl.net

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COMPANY INFORMATION

Board of Directors

Mr. Nihal Cassim
(Chairman/Independent Director)

Mr. Faisal Hussain
(Chief Executive Officer)

Mr. Ali Hussain
(Chief Operating Officer)

Mr. Rizwan Punjwani
(Independent Director)

Mr. Aneek Saleh Mohammad
(Independent Director)

Syed Owais Hasan Zaidi
(Independent Director)

Ms. Sehrish Hafeez Mastoor
(Independent Director)

Audit Committee

Mr. Rizwan Punjwani
Chairman (Independent Director)

Mr. Nihal Cassim
Member (Independent Director)

Syed Owais Hasan Zaidi
Member (Independent Director)

External Auditor

Grant Thornton Anjum Rahman
Chartered Accountants

Internal Auditor

BDO Ebrahim & Co.
Chartered Accountants

Company Secretary

Mr. Imran Khan

Group Chief Financial Officer

Mr. Muhammad Faisal Idress

Human Resource and Remuneration Committee

Mr. Aneek Saleh Mohammad
Chairman (Independent Director)

Mr. Rizwan Punjwani
Member (Independent Director)

Mr. Ali Hussain
Member (Executive Director)

IT Committee

Syed Owais Hasan Zaidi
Chairman (Independent Director)

Mr. Nihal Cassim
Member (Independent Director)

Mr. Ali Hussain
Member (Executive Director)

Tax Advisor

Saleem and Co.

Legal Advisor

Pinjani & Vadria Lawyers

Share Registrar

Corptec Associates Private Limited



BANKERS

Al Baraka Bank Pakistan Limited



Habib Metropolitan Bank Limited



Bank AL Habib Limited



Faysal Bank Limited



Habib Bank Limited



Soneri Bank Limited



Dubai Islamic Bank Pakistan Limited



Samba Bank Limited



National Bank of Pakistan



Bank Islami Pakistan Limited



Bank Alfalah Limited



ADDRESS:

Registered Address:

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

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

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

Correspondence Office & Offal Processing Unit

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

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



DIRECTORS REVIEW

The Board of Directors of your Company (TOMCL) is pleased to present before you the condensed interim financial statements of the Company for the period ended March 31, 2023.

Operational Review

During the first nine months of FY23, the socio-political situation of the country remained under duress. Despite high inflationary pressures and continuous volatility in the currency markets, and prolong covid related lock downs, TOMCL has managed to improve its overall performance in terms of export sales over the corresponding period, which also saw a rebound in the company's offal export sales. Further the Company is pleased to inform that its new business line for Pet Chews is showing strong performance in US and Columbia and through increased penetration & strategies in new markets such as Canada and Europe, the Company expects this business line to be a good value addition to the business. These volatile conditions resulted in pressure on our top line and resulted in decline in its gross profit margin by 1% for the nine months period. Our Company has, however, delivered bottom line growth and improved net profitability resulting from better cost management and benefiting from foreign exchange fluctuations in the market.

The Company has started operations of the fattening farm during the current year and the results are showing a positive outlook during the first three quarters of the year.

Financial Review

Your Company's sales grew by 21% to reach at PKR 4,172 Mn. Cost of sales were higher due to unprecedented inflationary effects. The major impact was increased fuel and power consumption charges due to increased fuel prices as well as increased cost of raw and packing materials during the period. The selling prices reduced by 7% in US\$ terms due to excessive devaluation of Pak rupee against the US\$ by 31% as competition dropped prices down to pass on the devaluation benefits to their customers.

The operating expenses increased by 22.68% due to increased freight cost by 46.87%. The Company has tried to manage its operating expenses through stringent cost management practices and despite high inflationary pressure the remaining operating costs have been lower than market inflation. The



Company also faced higher finance cost due to increase in SBP policy rates four times during the last nine months, which has resulted in 109% increase in finance cost of the Company. Additionally, other income of the Company saw a significant increase due to exchange gains on interbank realization of export proceeds as well as remeasurement of foreign exchange base receivables. Due to increased inward remittances on account of export sales the tax expense has also increased by 41% over the corresponding period last year.

Description	March 31, 2023	March 31, 2022	Change %
	----- (PKR) -----		Increase/(decrease)
Net Sales	4,172,171,828	3,449,004,208	20.97%
Gross Profit	619,631,164	546,530,879	13.38%
Operating Expenses	(370,496,859)	(301,999,165)	22.68%
Other Income/(Expense)	566,987,105	164,518,266	244.63%
Finance Cost	(119,803,519)	(57,440,963)	108.57%
Profit Before Tax	700,547,084	351,609,017	99.24%
Tax	(42,213,703)	(29,895,493)	41.20%
Profit After Tax	658,333,381	321,713,524	104.63%
EPS - Basic and diluted – restated	4.88	2.38	105.04

Update on IPO Funds Utilization:

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

Future Outlook:

Despite the challenges and the uncertainty of the socio-political climate, the Company is on a growth trajectory, and is expanding its product lines in various areas in line with our business strategy and market demands.



Acknowledgement:

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

For and on behalf of the Board of Directors

NIHAL CASSIM
Chairman

FAISAL HUSSAIN
Chief Executive Officer

April 27, 2023



THE ORGANIC MEAT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023 (UN-AUDITED)

	Note	March 31, 2023 Rupees (Un-audited)	June 30, 2022 Rupees (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,535,059,292	1,859,024,447
Right-of-use asset		9,017,683	3,837,215
Intangible asset		175,001	724,600
Total non-current assets		2,544,251,976	1,863,586,262
CURRENT ASSETS			
Stock-in-trade		245,018,411	116,605,359
Biological assets other than bearer plants		9,351,766	12,360,222
Trade debts - considered good	5	2,191,432,531	1,598,056,967
Loans and advances		375,427,201	385,433,069
Deposits, and prepayments and other receivables		150,982,461	150,198,628
Cash and bank balances	6	290,368,945	141,598,092
Total current assets		3,262,581,315	2,404,252,337
TOTAL ASSETS		5,806,833,291	4,267,838,599
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 135,000,000 (2022: 135,000,000) Ordinary shares of Rs.10 each		1,350,000,000	1,350,000,000
Issued, subscribed and paid up capital (134,992,012 (2022: 122,999,555) Ordinary shares of Rs.10 each		1,349,920,120	1,229,995,550
Reserves		2,101,400,324	1,514,960,757
Revaluation surplus on property, plant and equipment - net		1,024,329,230	409,990,050
		4,475,649,674	3,154,946,357
NON-CURRENT LIABILITIES			
Long term borrowings - secured	7	73,191,354	83,187,100
Long term lease liability - secured		4,345,564	2,206,617
		77,536,918	85,393,717
CURRENT LIABILITIES			
Current maturity of long term borrowings - secured	7	24,557,949	28,477,900
Current portion of lease liability		2,014,011	761,584
Short term loan from related parties - unsecured		70,192,365	133,987,592
Short term borrowings - secured	8	937,369,584	644,792,563
Trade and other payables		165,806,205	150,467,390
Accrued expenses and other liabilities		5,564,693	45,479,448
Accrued mark-up		47,362,349	22,748,423
Unclaimed dividend		615,760	783,625
Taxation - net		163,783	-
Total current liabilities		1,253,646,699	1,027,498,525
TOTAL EQUITY AND LIABILITIES		5,806,833,291	4,267,838,599
CONTINGENCIES AND COMMITMENTS			
	9		

The annexed notes from 1 to 19 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 NINE MONTHS ENDED MARCH 31, 2023

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		Rupees	Rupees	Rupees	Rupees
Sales - net	10	4,172,171,828	3,449,004,208	1,628,955,320	1,182,237,718
Cost of sales	11	(3,552,540,664)	(2,902,473,329)	(1,400,421,637)	(1,019,434,917)
Gross profit		619,631,164	546,530,879	228,533,683	162,802,801
Administrative expenses		(85,699,749)	(72,333,088)	(30,518,208)	(28,086,997)
Selling expenses		(274,817,179)	(188,055,597)	(98,523,681)	(81,064,437)
Allowance for doubtful debt	5.1	(9,979,931)	(41,610,480)	(4,826,500)	(6,541,214)
		(370,496,859)	(301,999,165)	(133,868,389)	(115,692,648)
Operating profit		249,134,305	244,531,714	94,665,294	47,110,153
Finance costs		(119,803,519)	(57,440,963)	(50,660,771)	(20,025,623)
Reversal of liabilities		4,229,193	-	34,164	-
Other income / (charges) - net	12	566,987,105	164,518,266	425,731,357	54,470,641
		451,412,779	107,077,303	375,104,750	34,445,018
Profit before taxation		700,547,084	351,609,017	469,770,044	81,555,171
Taxation		(42,213,703)	(29,895,493)	(15,305,088)	(11,651,706)
Profit after taxation		658,333,381	321,713,524	454,464,956	69,903,465
Earnings per share - basic and diluted	13	4.88	(Restated) 2.38	3.37	(Restated) 0.52

The annexed notes from 1 to 19 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 NINE MONTHS ENDED MARCH 31, 2023

	Nine Months Ended		Quarter Ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees	Rupees	Rupees	Rupees
Profit for the period	658,333,381	321,713,524	454,464,956	69,903,465
Other comprehensive income:				
Items that will not be reclassified to condensed statement of profit or loss account in subsequent periods	-	-	-	-
Items that will be reclassified to condensed statement of profit or loss account in subsequent periods	-	-	-	-
Surplus on revaluation of property, plant and equipment - net	662,369,936	-	662,369,936	-
Total comprehensive income for the period	<u>1,320,703,317</u>	<u>321,713,524</u>	<u>1,116,834,892</u>	<u>69,903,465</u>

The annexed notes from 1 to 19 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 NINE MONTHS ENDED MARCH 31, 2023

	Note	March 31, 2023 Rupees	March 31, 2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation for the period		700,547,084	351,609,017
Adjustment for non cash items:			
Depreciation on property, plant and equipment	4.1	90,347,540	99,610,303
Depreciation on right of use assets		878,532	-
Amortization expense		74,999	75,000
Provision against trade debtors		9,979,931	41,610,480
Unrealised exchange loss/gain on trade debtors		162,421,435	(44,237,755)
Gain on biological assets		(14,602,590)	(21,379,784)
Profit on savings account		(2,001,767)	(44,175)
Finance costs		119,803,519	57,440,963
Provision for Worker's Profit Participation Fund		104,440,152	17,058,422
Provision for Worker's Welfare Fund		13,707,338	2,396,491
		1,185,596,173	504,138,962
Working capital changes			
Stock-in-trade		(128,413,052)	(33,581,631)
Biological assets		17,611,046	6,237,853
Trade debts		(765,776,930)	(546,441,447)
Loans and advances		10,005,868	34,711,055
Deposits and prepayments and other receivables		(10,038,442)	39,914,648
Trade and other payables		(102,808,675)	68,165,025
Accrued expenses and other liabilities		(39,914,755)	(5,869,025)
		(1,019,334,940)	(436,863,522)
Cash generated from operating activities		166,261,233	67,275,440
Income taxes paid		(42,049,920)	(29,721,195)
Finance costs paid		(85,934,984)	(55,925,040)
Net cash generated / (used in) from operating activities		38,276,329	(18,370,795)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(104,012,449)	(151,696,853)
Right of use assets		(6,059,000)	(212,822)
Intangible assets		474,600	-
Profit received on bank accounts		2,001,767	44,175
Net cash used in investing activities		(107,595,082)	(151,865,500)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan obtained / repaid- net		(13,915,697)	68,260,980
Short term loan from related parties repaid		(63,795,227)	-
Payment of lease rentals		3,391,374	(71,556)
Dividends paid		(167,865)	(461,793)
Net cash generated from financing activities		(74,487,415)	67,727,631
Net increase in cash and cash equivalent		(143,806,168)	(102,508,664)
Cash and cash equivalent at beginning of the period		(503,194,471)	(443,541,399)
Cash and cash equivalent at end of the period	14	(647,000,639)	(546,050,063)

The annexed notes from 1 to 19 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 NINE MONTHS ENDED MARCH 31, 2023

	Reserves			Revaluation surplus on property, plant and equipment - net	Total shareholders' equity
	Capital	Revenue			
	Share premium	Unappropriated profit			
	----- Rupees -----				
Balance as at July 01, 2021 (Audited)	1,118,177,770	377,152,913	774,171,762	474,031,059	2,743,533,504
Total comprehensive income for the period	-	-	321,713,524	-	321,713,524
Transactions with owners in their capacity as owners recognized directly in equity					
- Bonus shares issued during the year at one for every ten shares (10%)	111,817,780	-	(111,817,780)	-	-
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, 2022 (Unaudited)	<u>1,229,995,550</u>	<u>377,152,913</u>	<u>1,032,098,262</u>	<u>426,000,303</u>	<u>3,065,247,028</u>
Balance as at July 01, 2022 (Audited)	<u>1,229,995,550</u>	<u>377,152,913</u>	<u>1,137,807,844</u>	<u>409,990,050</u>	<u>3,154,946,357</u>
Total comprehensive income for the period	-	-	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>377,152,913</u>	<u>1,724,247,411</u>	<u>1,024,329,230</u>	<u>4,475,649,674</u>

The annexed notes from 1 to 19 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer



**THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

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

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

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

2.2 Basis of measurement

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

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

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

2.3 Functional and presentation currency

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



THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023

3. ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

- 3.1** The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2022.
- 3.2** The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future periods.

	Note	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - at net book value	4.1	2,528,303,653	1,796,099,847
Capital work-in-progress - at cost		6,755,639	62,924,600
		2,535,059,292	1,859,024,447
4.1 Operating fixed assets			
Opening written down value		1,796,099,847	1,529,709,086
Additions during the period / year	4.2	160,181,410	407,705,143
Revaluation surplus		662,369,936	-
Disposals during the period / year		-	-
		822,551,346	407,705,143
Depreciation charged for the period / year - net		(90,347,540)	(141,314,382)
Closing written down value		2,528,303,653	1,796,099,847
4.2 Details of additions during the period / year are as follows:			
Factory Land - Leasehold		-	122,520,612
Factory building on leasehold land		111,748,606	167,838,097
Furniture and fixture		-	800,909
Office equipment		251,500	1,055,400
Plant and machinery		33,216,284	86,116,550
Generators		13,779,020	-
Motor vehicles		1,186,000	10,809,000
		160,181,410	389,140,568



THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Note	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
4.3 Capital work-in-progress			
Balance at the beginning of the year		62,924,600	297,010,207
Additions during the period / year		59,344,321	160,735,672
Transfers during the period / year		(115,513,282)	(394,821,279)
Balance at the end of the period / year		<u>6,755,639</u>	<u>62,924,600</u>
5. TRADE DEBTS - CONSIDERED GOOD			
Unsecured and Considered good			
- Foreign debtors		2,068,572,135	1,539,385,679
- Local debtors		122,860,396	58,671,288
		2,191,432,531	1,598,056,967
Considered doubtful		208,720,403	198,740,472
Trade receivables - gross		<u>2,400,152,934</u>	<u>1,796,797,439</u>
Less: Provision against doubtful debt		(208,720,403)	(198,740,472)
Trade receivables - net		<u>2,191,432,531</u>	<u>1,598,056,967</u>
5.1 Movement in provision against doubtful debts			
Balance at the beginning of the period/year		198,740,472	166,980,304
Allowance for doubtful debts			
- expected credit loss		9,979,931	31,760,168
		<u>208,720,403</u>	<u>198,740,472</u>
6. CASH AND BANK BALANCES			
Cash in hand		806,399	68,932
Balances with banks			
- Current accounts		125,708,965	137,771,400
- Saving accounts		163,237,821	2,974,135
- Dividend accounts		615,760	783,625
		289,562,546	141,529,160
		<u>290,368,945</u>	<u>141,598,092</u>



THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Note	(Un-audited) March 31, 2023 Rupees	(Audited) June 30, 2022 Rupees
7. LONG TERM BORROWINGS			
Financial institutions - secured	7.1	97,749,303	111,665,000
Less: Current maturity long term borrowings		(24,557,949)	(28,477,900)
		<u>73,191,354</u>	<u>83,187,100</u>

7.1 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.

8. SHORT TERM BORROWINGS

Financial institutions - secured	8.1	<u>937,369,584</u>	<u>644,792,563</u>
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8.1 The Company has obtained various financing facilities to finance its working capital requirement from various financial institutions. The rates of mark-up on these facilities range between 6 months KIBOR + 2% to 2.5% (June 30, 2022: 6 months KIBOR + 2% to 3.5%).

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no contingencies or commitments as on March 31, 2023 (June 30, 2022: Nil).

9.2 Commitments

Aggregate commitments in respect of acquisition of various softwares and other contractual arrangements as at March 31, 2023 amounted to Rs. 3.28 million (June 30, 2022: 24.5 million).

	(Un-audited) Nine months ended March 31,	
	2023 Rupees	2022 Rupees
10. SALES - NET		
Export sales		
Direct exports	3,978,180,604	3,325,204,459
Duty drawback	-	32,016,756
	<u>3,978,180,604</u>	<u>3,357,221,215</u>
Local and other sales	<u>193,991,224</u>	<u>91,782,993</u>
	<u>4,172,171,828</u>	<u>3,449,004,208</u>



THE ORGANIC MEAT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2023

		(Un-audited)	
		Nine months ended March 31,	
		2023	2022
		Rupees	Rupees
11.	COST OF SALES		
	Cost of material consumed	3,238,102,567	2,650,316,844
	Depreciation	84,845,594	88,280,210
	Packing materials consumed	33,867,166	15,034,706
	Salaries, wages and other benefits	49,902,672	41,350,447
	Fuel and power	64,517,054	31,959,522
	Cutting and deboning	33,350,520	23,049,243
	Repairs and maintenance	23,757,211	9,833,439
	Animal feed and other consumables	13,374,382	31,557,833
	Transportation	3,091,772	3,855,907
	Insurance	3,549,616	2,898,358
	Rent	-	1,500,000
	Janitorial expense	1,233,611	1,087,791
	Communication expense	979,203	667,426
	Printing and stationary	1,969,296	1,081,603
		<u>3,552,540,664</u>	<u>2,902,473,329</u>
12.	OTHER (INCOME)/EXPENSES		
	This includes net exchange gain amounting Rs. 591.15 million on realizations from foreign trade debts during the period, and revaluation of trade debts as at the period end.		
13.	EARNINGS PER SHARE		
	Profit after taxation for the period -	<i>Rupees</i> <u>658,333,381</u>	<u>321,713,524</u>
	Number of ordinary shares	<i>Number</i> <u>134,992,012</u>	<u>134,992,012</u> <i>Restated</i>
	Earnings per share - basic and diluted	<i>Rupees</i> <u>4.88</u>	<u>2.38</u> <i>Restated</i>
		(Un-audited)	
		Nine months ended March 31,	
		2023	2022
		Rupees	Rupees
14.	CASH AND CASH EQUIVALENTS		
	Short term borrowings - financial institutions	(937,369,584)	(654,992,071)
	Cash and bank balances	290,368,945	108,942,008
		<u>(647,000,639)</u>	<u>(546,050,063)</u>



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15. FINANCIAL RISK MANAGEMENT

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

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

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

16. 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)	
			Nine months ended March 31,	
			2023	2022
			Rupees	Rupees
16.1	Transactions for the period			
	Name of related party	Nature	Relationship	
	Ubiquity Trading Limited	<i>Loan repaid</i>	<i>Associated Company</i>	50,000,000
	Mr. Faisal Hussain	<i>Loan repaid</i>	<i>CEO</i>	13,795,227
	Sindh Gas (Private) Limited	<i>Food and entertainment</i>	<i>Associate</i>	313,551
	Remuneration of key management personnel	<i>Salary</i>		17,629,771
				729,481
				10,592,171
			Unaudited	Audited
			March 31,	June 30
			2023	2022
			Rupees	Rupees
16.2	Balance as at period/year end			
	Name of related party			
		<i>Short term borrowings</i>	<i>Associated Company</i>	
	Ubiquity Trading Limited			100,000,000
		<i>Short term borrowings</i>	<i>Director</i>	
	Mr. Faisal Hussain			33,987,592
	Sindh Gas Company (Pvt) Limited	<i>Accrued expenses</i>	<i>Associated Company</i>	83,786
	Payable to executives	<i>Salary payable</i>		3,000,000
				6,480,781



**THE ORGANIC MEAT COMPANY LIMITED
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17. 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 --- Rupees ---	Allocation %	Actual Expenditure --- Rupees ---	Utilization of Funds	
				IPO Funds Utilized ----- Rupees-----	Under/(Over) Spent
Facility of Local Offal in Korangi Industrial Area:					
Land (1000 to 1200 Sq. yards)	100,000,000	60%	114,792,491	100,000,000	(14,792,491)
Construction of Office Building (12000 Sq.Feet)	31,000,000	19%	83,648,929	31,000,000	(52,648,929)
Equipment (Chillers + freezers Storages)	21,200,000	13%	35,417,737	21,200,000	(14,217,737)
Machinery	15,000,000	9%	54,439,993	15,000,000	(39,439,993)
Total	167,200,000	100%	288,299,150	167,200,000	(121,099,149)
Facility for Export Processing Zone:					
Land (1000 to 1200 Sq. yards)	60,000,000	57%	-	-	60,000,000
Construction of Office Building (12000 Sq.Feet)	22,000,000	21%	-	-	22,000,000
Equipment (Chillers + freezers Storages)	19,948,556	19%	-	-	19,948,556
Machinery	2,500,000	2%	-	-	2,500,000
Total	104,448,556	100%	-	-	104,448,556
Working Capital	448,351,444	100%	448,351,444	448,351,444	-
Utilization of excess proceeds					
Bank Islami loan repaid	40,000,000	50%	40,000,000	40,000,000	
IPO expenses	23,769,303	30%	23,769,303	23,769,303	
Fattening farm	16,230,697	20%	16,230,697	16,230,697	
Total	80,000,000	100%	80,000,000	80,000,000	
Total	800,000,000		816,650,594	695,551,444	(16,650,593)

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

The Company has 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 has looked at other options to fulfil its IPO fund utilization and application commitments. The management of the Company has identified an already existing offal processing facility and company in the KEPZ, and the Board of Directors of the Company has approved an amount of up to PKR 170,000,000 (Pak Rupees one hundred and seventy million only) to acquire 100% shareholding in that existing company in the Karachi Export Processing Zone (KEPZ), subject to negotiations with the existing shareholders of the said company. The proposed transaction shall ensure the successful completion of all the Company's IPO commitments. The Board of Directors has authorized the Chief Financial Officer (CFO) of the Company to negotiate the said transaction with the existing shareholders of the said offal processing company.



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19. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on April 27, 2023 by the Board of Directors of the Company.

Chief Executive Officer

Director

Chief Financial Officer

The Organic Meat Company Limited

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