

#### ADVICE FOR INVESTORS

INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, **ESPECIALLY THE RISK FACTORS GIVEN AT SECTION 5** BEFORE MAKING ANY INVESTMENT DECISION.

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.

Investment in equity securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision, investors must rely on the examination of the issuer and the offer including the risks involved as disclosed in section 5 of this prospectus

#### ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET WORTH INDIVIDUAL INVESTORS

A SINGLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATION, EXCEPT IN THE CASE OF UPWARD REVISION OF BID. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.

SUBMISSION OF CONSOLIDATED BIDS ARE PROHIBITED UNDER THE PUBLIC OFFERING REGULATIONS, 2017 ("PO REGULATIONS"). A BID APPLICATION WHICH IS BENEFICIALLY OWNED (FULLY OR PARTIALLY) BY PERSONS OTHER THAN THE ONE NAMED THEREIN SHALL BE DEEMED TO BE A CONSOLIDATED BID.

PLEASE NOTE THAT AS PER THE PO REGULATIONS, A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN THREE WORKING DAYS OF THE CLOSING OF THE BIDDING PERIOD WHICH SHALL CONTAIN INFORMATION RELATING TO THE STRIKE PRICE, OFFER PRICE, COMMITMENT BY THE SUCCESSFUL BIDDERS FOR SUBSCRIBING THE UNDERSUBSCRIBED RETAIL PORTION IN CASE OF HUNDRED PERCENT BOOK BUILDING, CATEGORY WISE BREAKUP OF THE SUCCESSFUL BIDDERS ALONG WITH NUMBER OF SHARES ALLOCATED TO THEM, DATES OF PUBLIC SUBSCRIPTION AND SUCH OTHER INFORMATION AS SPECIFIED BY THE COMMISSION.



THE ORGANIC MEAT COMPANY LTD.  
Processors & Exporters of World Class Halal Meat

### THE ORGANIC MEAT COMPANY LIMITED PROSPECTUS

**INCORPORATION DATE AND PLACE:** July 14, 2010 in Karachi, Pakistan | **INCORPORATION NUMBER:** 0073102 | **REGISTERED ADDRESS:** Survey # 310, Deh Shah Mureed, Gadap, Karachi, Pakistan | **CORPORATE ADDRESS:** 9th Floor, Room # 903-904, Port Way Trade Tower, Plot # 189/A, S.M.C.H.S, Karachi, Pakistan | **CONTACT NUMBER:** 021-34552146-7 | **CONTACT PERSON:** Mr. Imran Ali | **WEB ADDRESS:** www.tomcl.net | **EMAIL ID:** syedimran@tomcl.net

This Issue consists of 40,000,000 Ordinary Shares (35.77% of the total post-IPO paid up capital of The Organic Meat Company Limited) of face value of PKR 10/- each.

**The entire issue will be offered through Book Building at a Floor Price of PKR18.00/- per share (including premium of PKR 8.00/- per share) with a maximum price band of up to 40 %.** (Justification of premium is given under "Valuation Section" in section 4A)

The Issue is being made through the Book Building process at a Floor Price of PKR 18.00/- per share (including a premium of PKR 8.00/- per share) with an upper limit of 40% above the floor price. The bidders shall be allowed to place bids for hundred percent (100%) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful bidders shall be provisionally allotted only seventy-five percent (75%) of the Issue size i.e. 30,000,000 shares and the remaining twenty five percent (25%) i.e. 10,000,000 shares shall be offered to the retail investors. In case retail portion of the Issue remains unsubscribed, the unsubscribed shares will be allotted to the successful bidders on pro rata basis.

As per the PO Regulations and PSX's Listing of Companies and Securities Regulations, the Draft Prospectus was placed on PSX's website for seeking public comments starting from 14th January, 2020 to 22nd January, 2020 and no comments were received from the general public.

**REGISTRATION OF ELIGIBLE INVESTORS:** The registration of eligible investors will commence at 9:00am on 30/06/2020 and will close at 3:00 pm on 07/07/2020

**BIDDING PERIOD DATES:** From 03/07/2020 to 07/07/2020 (From: 9:00 am to 5:00 pm)

**DATE OF PUBLIC SUBSCRIPTION:** From 14/07/2020 to 16/07/2020 (both days inclusive) from: 9:00 am to 5:00 pm

#### JOINT CONSULTANTS TO THE ISSUE



#### BOOK RUNNER



**Bankers to the Book Building portion of the Issue: Dubai Islamic Bank Pakistan Limited**

**Bankers for the Retail portion of the Issue:**

Allied Bank Ltd	Askari Bank Ltd	United Bank Ltd*	DIB Pakistan Ltd	Bank Al-Habib Ltd
Habib Metropolitan Bank Ltd	JS Bank Ltd	MCB Bank Ltd	Meezan Bank Ltd	Soneri Bank Ltd

\* In order to facilitate investors, United Bank Limited ("UBL") is offering electronic submission of application (e-IPO) to their account holders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>. Furthermore, please note that online applications can be submitted 24 hours a day during the subscription period which will close at midnight on 16/07/2020.

The Central Depository Company of Pakistan ("CDC") in collaboration with 1 Link (G) Limited (1 Link) has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered through IPOs can be made electronically. CES has been made available in this IPO which can be accessed through the web link [www.cdceipo.com](http://www.cdceipo.com). Payment of subscription money can be made through 1Link's member banks available for CES, list of which is available on CDC's above mentioned web link.

For making application through CES, investors must be registered with CES. Registration with CES is one time, free of cost and a self-registration process by filling the CES registration form, which is available 24/7 all around the year at CDC's above mentioned web link. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number and CDS Account (Investor Account or sub Account) may register themselves with CES.

In addition to the above, CDC has also introduced a new facility in CES through which sub-account holder(s) will request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings (IPOs) and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. The securities will be credited directly in Investors' sub-account. In case the sub-account of the investor has been blocked or closed, after the subscription, then securities shall be parked into the CDC's IPO Facilitation Account and investor can contact CDC for credit of shares in its respective account.

Investors who do not have CDS account may visit [www.cdcpakistan.com](http://www.cdcpakistan.com) for information and details. For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone Number: 0800 – 23275 (CDCPL) and e-mail: [info@cdcpak.com](mailto:info@cdcpak.com). CES is connected to a number of banks through 1 Link for payment of the subscription money. For further details on CES, please refer section 13 (ii) of this Prospectus or contact Mr. Farooq Butt at 021- 34326030 and email: [farooq\\_butt@cdcpak.com](mailto:farooq_butt@cdcpak.com).

#### BOOK BUILDING PORTION WILL BE UNDERWRITTEN BY



For investor education please visit [www.jamapunji.pk](http://www.jamapunji.pk) and read the IPO Investor Guide placed at web link <https://www.secp.gov.pk/document/initial-public-offering-ipo-a-concise-guide-for-investors/?wpdmdl=29584> Jama Punji is an investor education initiative of SECP

**Date of Publication of this Prospectus: 15/06/2020**

Prospectus and Subscription Form can be downloaded from the following websites: <http://www.psx.com.pk>, <http://www.topline.com.pk>, <http://www.imsecurities.com.pk>, [www.tomcl.net](http://www.tomcl.net), [www.akdsecurities.net](http://www.akdsecurities.net)

**For further queries you may contact**

**The Organic Meat Company:** Syed Imran Ali; Phone: +92 332 8265656; E-mail: [syedimran@tomcl.net](mailto:syedimran@tomcl.net) and Mr. Zain Reza Phone: +92 334 3242824; E-mail: [zain@tomcl.net](mailto:zain@tomcl.net)

**Topline Securities Limited:** Mr. Muhammad Saad Abdullah; Phone: +92 21 35303338; E-mail: [m.saad@topline.com.pk](mailto:m.saad@topline.com.pk) and Mr. Omar Salah Ahmed; Phone: +92 21 35303347; E-mail: [omar@topline.com.pk](mailto:omar@topline.com.pk)

**Intermarket Securities Limited:** Mr. Danyal Rizvi; +92 21 35155121; E-mail: [danyal.rizvi@imsecurities.com.pk](mailto:danyal.rizvi@imsecurities.com.pk) and Mr. Qazi Hasnain; +92 21 35155121; E-mail: [qazi.hasnain@imsecurities.com.pk](mailto:qazi.hasnain@imsecurities.com.pk)

**AKD Securities Limited:** Mr. Khurram Shahid; Phone: +92 333 3104756; E-mail: [khurram.shahid@akdsecurities.net](mailto:khurram.shahid@akdsecurities.net) and Mr. Abadan Mohajir; Phone: +92 300 8248243; E-mail: [abadan.mohajir@akdsecurities.net](mailto:abadan.mohajir@akdsecurities.net)

**The Company is proposed to be listed at the Pakistan Stock Exchange Limited**

**UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

January 07, 2020

WE FAISAL HUSSAIN, THE CHIEF EXECUTIVE OFFICER AND SYED IMRAN ALI, THE CHIEF FINANCIAL OFFICER OF THE ORGANIC MEAT COMPANY LIMITED CERTIFY THAT:

1. THIS PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
2. THE INFORMATION CONTAINED IN THIS PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;
3. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
4. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS PROSPECTUS AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
5. ALL REQUIREMENTS OF THE SECURITIES ACT, 2015; THE DISCLOSURES IN PUBLIC OFFERING REGULATIONS, 2017 FOR PREPARATION OF PROSPECTUS, RELATING TO DISCLOSURES AND APPROVALS HAVE BEEN FULFILLED.
6. NO CHARGES, FEE, EXPENSES, PAYMENTS ETC. HAVE BEEN COMMITTED TO BE PAID TO ANY PERSON IN RELATION TO THIS PUBLIC OFFERING EXCEPT FOR THOSE AS DISCLOSED IN THIS PROSPECTUS.

For and behalf of **The Organic Meat Company Limited**

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**Faisal Hussain**  
Chief Executive Officer

-Sd-

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**Syed Imran Ali**  
Chief Financial Officer

**Note:** This Supplement shall be published within 3 working days of the close of Bidding Period in at least all those newspapers in which the Prospectus of The Organic Meat Company Limited is published.

### SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to The Public Offering Regulations, 2017 and in continuation of the Prospectus of the Organic Meat Company Limited earlier published on

#### The Organic Meat Company Limited

- FLOOR PRICE : PKR 18.00/- PER SHARE
- STRIKE PRICE : PKR XX/- PER SHARE
- ISSUE PRICE: PKR XX/- PER SHARE
- PRICE BAND (MAXIMUM 40%) : PKR 25.20/- PER SHARE

**Note:**

Since this Issue is being made through 100% book building with 25% allocation to retail investors, therefore, underwriting of the retail portion is not required. In case the Issue remains unsubscribed, the unsubscribed shares shall be allotted to the successful bidders on pro rata basis. The successful bidders have already given undertakings to subscribe such unsubscribed shares on pro rata basis.

#### Category wise Breakup of Successful Bidders

S. No	Category	No. of Bidders	No. of shares provisionally allocated
	<b>Institutional Investors:</b>		
1	Commercial Banks	•	•
2	Development financial institutions	•	•
3	Mutual Funds	•	•
4	Insurance Companies	•	•
5	Investment Banks	•	•
6	Employees' Provident / Pension Funds	•	•
7	Leasing Companies	•	•
8	Modarabas	•	•
9	Securities Brokers	•	•
10	Foreign Institutional Investors	•	•
11	Any other Institutional Investors	•	•
	<b>Total Institutional Investors</b>	•	•
	<b>Individual Investors:</b>	•	•
12	Foreign Investors	•	•
13	Local	•	•
	<b>Total Individual Investors</b>	•	•
	<b>GRAND TOTAL</b>		

**Glossary of Technical Terms**

ACT	Securities Act, 2015
AKDS	AKD Securities Limited
ASC	Al Shaheer Corporation Limited
BR	Book Runner
BVPS	Book Value Per Share
CAGR	Compound Annualized Growth Rate
CDA	Central Depository Act, 1997
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDC Regulations	Central Depository Company of Pakistan Limited Regulations
CDS	Central Depository System
CNIC	Computerized National Identity Card
COI	Certificate of Incorporation
Collection Banks(Book Building)	Dubai Islamic Bank Pakistan Limited
Companies Act	Companies Act, 2017
Commission / SECP	Securities and Exchange Commission of Pakistan
CRO	Company Registration Office
CUIN	Computerized Unique Identification Number
CVT	Capital Value Tax
EPS	Earnings Per Share
FAO	Food & Agriculture Organization of the United Nations
FBR	Federal Board of Revenue
FED	Federal Excise Duty
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GNP	Gross National Product
GOP	Government of Pakistan
HACCP	Hazard Analysis & Critical Control Points
HNWI	High Net Worth Individuals
IATA	International Air Transport Association
ISO	International Organization for Standardization
ITO	Income Tax Ordinance, 2001
IMS	Intermarket Securities Limited
Mn	Million
NICOP	National Identity Card for Overseas Pakistani
NOC	No Objection Certificate
PKR or Rs.	Pakistan Rupee(s)
PSX / Exchange	Pakistan Stock Exchange Limited
SAFDA	Saudi Food Authority
SCRA	Special Convertible Rupee Account
SST	Sindh Sales Tax
TOMC or TOMCL	The Organic Meat Company Limited

TPD	Tonnes per day
TSL	Topline Securities Limited
UIN	Unique Identification Number
UN	United Nations
USD	United States Dollar
WHT	Withholding Tax

## DEFINITIONS

<b>Application Money</b>	In case of bidding for shares out of the Book Building portion, the total amount of money payable by a successful Bidder which is equivalent to the product of the Strike Price and the number of shares to be allotted.
<b>Banker to the Book Building</b>	Any bank(s) with whom an account is opened and maintained by the Issuer for keeping the bid amount.  <b>Dubai Islamic Bank Pakistan Limited</b> has been appointed, in this IPO, as the Banker to the Book Building.
<b>Bid</b>	An indication to make an offer during the Bidding Period by a Bidder to subscribe to the Ordinary Shares of The Organic Meat Company Limited at a price at or above the floor price, including upward revisions thereto. <b>An Eligible Investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 40% of the Floor Price. Please refer to section 12 (iii) for details.</b>
<b>Bid Amount</b>	The amount equal to the product of the number of shares Bid for and the Bid price.
<b>Bid Collection Center</b>	Designated offices of the Book Runner, specified branches of any of the Scheduled Bank where bids are received and processed. For this Issue, addresses of the Bid Collection Centers are provided in <u>section 10 of this Prospectus</u>
<b>Bid Price</b>	The price at which bid is made for a specified number of shares.
<b>Bid Revision</b>	The Eligible Investors can revise their bids upward subject to the provision of regulation 10 (2) (iii) of the PO Regulations. The bids can be revised with a price variation of not more than 10% from the prevailing indicative Strike Price in compliance with Regulation 10 (2) (iii) of the PO Regulations.  <b>As per regulation 10 (2) (vi) of the PO Regulations, the bidder shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.</b>  <b>As per regulation 10 (2) (vii) of the PO Regulations, the bidder shall not withdraw their bids.</b>
<b>Bidder</b>	An Eligible Investor who makes bids for shares in the Book Building process.
<b>Bidding Form</b>	The form prepared by the Issuer for the purpose of making bids.
<b>Bidding Period</b>	The period during which bids for subscription of shares are received.

	<p>The Bidding Period shall be of three working days, from <u>03/07/2020</u> to <u>07/07/2020</u> both days inclusive (daily from 9:00 a.m. to 5:00 p.m.).</p>
<b>Book Building</b>	<p>A process undertaken to elicit demand for shares offered through which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels.</p>
<b>Book Building Account</b>	<p>An account opened by the Issuer with the Collection Bank. The Bidder will pay the Margin Money / Bid Amount through demand draft, pay order or online transfer in favor of this account as per the instructions given in section 12 (xv) of this Prospectus and the balance of the Application Money, if any, shall be paid through this account after successful allocation of shares under Book Building.</p>
<b>Book Building Portion</b>	<p>The part of the total Issue allocated for subscription through the Book Building.</p>
<b>Book Runner</b>	<p>A securities broker or a scheduled bank who holds a valid license from the Commission to act as an Underwriter and has been appointed as Book Runner by the Issuer.</p> <p><b>AKD Securities Limited</b> has been appointed as Book Runner for this Issue.</p>
<b>Book Building System</b>	<p>An online electronic system operated by the Designated Institution for conducting Book Building.</p>
<b>Centralized E-IPO System</b>	<p>In order to facilitate investors, the Central Depository Company of Pakistan ("CDC") has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered to the general public can be made electronically. CES has been made available in this Issue and can be accessed through the web link (<a href="http://www.cdceipo.com">www.cdceipo.com</a>). Payment of subscription money can be made through 1LINK's member banks available for CES, list of which is available on above mentioned website.</p> <p>For making application through CES, investors must be registered with CES. Registration with CES is one time, free of cost and can be done under a self-registration process by filling the CES registration form, which is available on the above mentioned web link 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number and CDS Account (Investor account or sub account) may register themselves with CES.</p> <p>In addition to the above, CDC has also introduced a new facility in CES through which sub-account holder(s) will request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES.</p>

	<p>Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings (IPOs) and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal.</p> <p>The securities will be credited directly in Investors' sub-account. In case the sub-account of the investor has been blocked or closed, after the subscription, then securities shall be parked into the CDC's IPO Facilitation Account and investor can contact CDC for credit of shares in its respective account.</p> <p>Investors who do not have CDS account may visit <a href="http://www.cdcpakistan.com">www.cdcpakistan.com</a> for information and details.</p> <p>For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: <a href="mailto:info@cdcpak.com">info@cdcpak.com</a></p>
<b>Collection Banks</b>	<p>Dubai Islamic Bank Pakistan Limited is the collection bank for the Book Building portion. For this purpose, has opened an account titled <b><u>"The Organic Meat Company Limited - Book Building"</u></b>, Number: <b><u>009 - 0219756006</u></b> at its Branch located at <b><u>2<sup>nd</sup> Floor, Hassan Chamber, DC-7, Block-7, Clifton, Karachi</u></b>. The Collection Banks shall keep and maintain the bid money in the said account. Once the Strike Price is determined and lists of successful bidders and successful applicants/allottees are finalized and shares are credited to the successful bidders and applicants, the Consultant to the Issue, after obtaining NOC from PSX, may request in writing to the Collection Banks for transfer of the money of successful and accepted applications to the Issuer's account(s).</p>
<b>Company</b>	The Organic Meat Company Limited (the "Company" or "TOMC")
<b>Company's Legal Advisor</b>	Hussain Haider Pinjani & Vadria Law
<b>Commission</b>	Securities & Exchange Commission of Pakistan ("SECP").
<b>Consolidated Bids</b>	A bid which is fully or partially beneficially owned by persons other than the one named therein.
<b>Consultant to the Issue</b>	<p>Any person licensed by the Commission to act as a Consultant to the Issue.</p> <p><b>Topline Securities Limited</b> and <b>Intermarket Securities Limited</b> have been appointed as <b>Joint Consultants to the Issue</b> by the Issuer for this issue.</p>



**Designated Institution**

Includes securities exchange, central depository or clearing house approved by the Commission to provide a system for conducting Book Building.

Pakistan Stock Exchange Limited ("PSX") will act as the Designated Institution for this Issue.

**Dutch Auction Method**

The method through which Strike Price is determined by arranging all the Bid Prices in descending order along with the number of shares and the cumulative number of shares bid for at each Bid Price. The Strike Price is determined by lowering the price to the extent that the total number of shares Issued under the Book Building Portion are subscribed.

**e-IPO facility**

E-IPO is submission of application for subscription of securities electronically through internet, Automated Teller Machines (ATM) and mobile phones. In order to facilitate the public during IPOs, SECP has introduced the concept of e-IPO. The following two systems are available for e-IPOs:

**(i) Centralized e-IPO System (CES):**

In order to facilitate investors, the Central Depository Company of Pakistan ("CDC") has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered to the general public can be made electronically. CES has been made available in this Issue and can be accessed through the web link [www.cdceipo.com](http://www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES, list of which is available on above website.

For making application through CES, investors must be registered with CES. Registration with CES is free of cost and can be done under a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number and CDS Account (Investor account or sub account) may register themselves with CES.

In addition to the above, CDC has also introduced a new facility in CES through which sub-account holder(s) will request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES.

Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings (IPOs) and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal.

The securities will be credited directly in Investors' sub-account. In case the sub-account of the investor has been blocked or closed, after the subscription, then securities shall be parked into the CDC's IPO Facilitation Account and investor can contact CDC for credit of shares in its respective account.

Investors who do not have CDS account may visit [www.cdcpakistan.com](http://www.cdcpakistan.com) for information and details.

For further guidance and queries regarding CES and opening of CDS account, **investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or Mr. Farooq Ahmed Butt at Phone 021-34326030 and email: [farooq\\_butt@cdcpak.com](mailto:farooq_butt@cdcpak.com)**

Investors who are registered with CES can submit their applications through the web link [www.cdceipo.com](http://www.cdceipo.com) 24 hours a day during the subscription period which will close at midnight on 16/07/2020.

**(ii) e-IPO facilities by Bankers to the Issue:**

Currently, UBL is providing e-IPO facilities to their respective account holders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>.

**Account holders of UBL can submit their applications through the above mentioned link 24 hours a day during the subscription period which will close at midnight on 16/07/2020.**

**Eligible Investor**

An Individual and Institutional Investor whose Bid Amount is not less than the minimum bid size of PKR 2,000,000 (Two Million Rupees only).

**Floor Price**

The minimum price per share set by the Issuer in consultation with Consultant to the Issue. For this Issue, floor Price is PKR 18.00/- per share.

**General Public**

All Individual and Institutional Investors including both Pakistani (residents & non-residents) and foreign investors.

**Initial Public Offer (IPO)**

Initial Public Offering or IPO means first time offer of securities to the general public.

**Institutional Investors**

Any of the following entities:

- A financial institution;
- A company as defined in the Companies Act, 2017;
- An insurance company established under the Insurance Ordinance, 2000;
- A securities broker;
- A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008;

	<ul style="list-style-type: none"> <li>▪ A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005;</li> <li>▪ A private fund established under Private Fund Regulations, 2015;</li> <li>▪ Any employee's fund established for beneficial of employees;</li> <li>▪ Any other fund established under any special enactment;</li> <li>▪ A foreign company or any other foreign legal person; and</li> <li>▪ Any other entity as specified by the Commission.</li> </ul>
<b>Issue</b>	<p>Issue of 40,000,000 Ordinary Shares representing 35.77% of total post-IPO paid-up capital having a Face Value of PKR 10/- each.</p> <p>The entire issue will be offered through Book Building at a Floor Price of PKR 18.00/- per share</p> <p>Initially, 75% of the issue size or 30,000,000 Ordinary Shares will be allotted to Successful Bidders and 25% of the Issue or 10,000,000 Ordinary Shares will be offered to Retail Investors at the Strike Price. Any unsubscribed retail portion will be allocated to Successful Bidders on a pro-rata basis.</p>
<b>Issue Price</b>	The price at which Ordinary Shares of the Company are issued to the General Public. The Issue Price will be the Strike Price.
<b>Issuer</b>	The Organic Meat Company Limited (the "Company" or "TOMC")
<b>Key Employees</b>	Chief Executive Officer, Directors, Chief Financial Officer and Company Secretary of the Company.
<b>Limit Bid</b>	The bid at a Limit Price.
<b>Limit Price</b>	The maximum price (up to 40% of the Floor Price) a prospective Bidder is willing to pay for a share under Book Building.
<b>Margin Money</b>	The partial or total amount, as the case may be, paid by a bidder at the time of registration as an Eligible Investor. The Book Runner shall collect full amount of the bid money as Margin Money in respect of bids placed by an individual investor and not less than twenty five percent (25%) of the bid money as Margin Money in respect of bids placed by an institutional investors or Book Runner may waive this margin requirement for institutional investors at its own discretion.
<b>Minimum Bid Size</b>	The Bid amount equal to Two Million Rupees (PKR 2,000,000/-).
<b>Ordinary Shares</b>	Ordinary Shares of TOMC having face value of PKR 10.00/- each.
<b>Price Band</b>	Floor Price with an upper limit of 40% above the Floor Price, allowing Bidder to make Bid at Floor Price or within the Price Band

<b>Prospectus</b>	Prospectus means any document described or issued as a prospectus and includes any document, notice, circular, material, advertisement, and offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a company, , body corporate or entity, other than deposits invited by a bank and certificate of investments and certificate of deposits issued by non-banking finance companies.
<b>Registration Form</b>	The form which is to be submitted by the Eligible Investors for registration to participate in the Book Building process.
<b>Registration Period</b>	The period during which registration of bidders is carried out. The registration period shall commence at least three working days before the start of the Bidding Period from <u>30<sup>th</sup> June, 2020</u> to <u>07<sup>th</sup> July 2020</u> from 9:00 am to 5:00 pm and shall remain open till 3:00 pm on the last day of the Bidding Period.
<b>PO Regulations</b>	The Public Offering Regulations, 2017
<b>Related Employees</b>	Related Employees mean such employees of the Issuer, the Book Runner, the Underwriters, and the Consultants to the Issue, who are involved in the Issue. Please refer to section 3A for further details.
<b>Listing Regulations</b>	Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled 'Listing of Companies and Securities Regulation'.
<b>Sponsor</b>	<p>A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly;</p> <p>A person who replaces the person referred to above; and</p> <p>A person or group of persons who has control of the issuing company whether directly or indirectly.</p>
<b>Step Bid</b>	Step Bid means a series of limit bids at increasing prices. In case of a step bid the amount of each step will not be less than Rupees Two Million (PKR 2,000,000/-).
<b>Strike Price</b>	The price per ordinary share of the Issue determined / discovered on the basis of Book Building process in the manner provided in the Public Offering Regulations 2017, at which the shares are Issued to the successful bidders. The Strike Price will be disseminated after conclusion of Book Building through publication in at least all those newspapers in which the Prospectus was published and also posted on the websites of the Securities Exchange, Consultant to the Issue, Book Runner and the Company.
<b>Supplement to the Prospectus</b>	The Supplement to the Prospectus shall be published within three (3) working days of the closing of the Bidding Period at least in all those newspapers in which the Prospectus was earlier published

**System**

and disseminated through the Securities Exchange where shares are to be listed.

An online electronic system operated by the Designated Institution for conducting Book Building.

**Interpretation:**

ANY CAPITALIZED TERM CONTAINED IN THIS PROSPECTUS, WHICH IS IDENTICAL TO A CAPITALIZED TERM DEFINED HEREIN, SHALL, UNLESS THE CONTEXT EXPRESSLY INDICATES OR REQUIRES OTHERWISE AND TO THE EXTENT AS MAY BE APPLICABLE GIVEN THE CONTEXT, HAVE THE SAME MEANING AS THE CAPITALIZED / DEFINED TERM PROVIDED HEREIN.

## Table of Contents

1	APPROVALS AND LISTING ON THE STOCK EXCHANGE .....	15
2	SUMMARY OF THE PROSPECTUS .....	17
3	OVERVIEW, HISTORY AND PROSPECTS .....	20
4.	PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING ARRANGEMENTS.....	42
5.	RISK FACTORS.....	56
6.	FINANCIAL INFORMATION .....	63
7.	MANAGEMENT OF THE COMPANY .....	88
8.	LEGAL PROCEEDINGS AND OVERDUE LOANS .....	95
9.	UNDERWRITING ARRANGEMENT, COMMISSIONS, BROKERAGE AND OTHER EXPENSES .....	96
10.	MISCELLANEOUS INFORMATION .....	98
11.	MATERIAL CONTRACTS .....	102
12.	BOOK BUILDING PROCEDURE / INSTRUCTIONS FOR REGISTRATION AND BIDDING .....	103
13.	APPLICATION AND ALLOTMENT INSTRUCTIONS.....	121
14.	SIGNATORIES TO THE PROSPECTUS .....	129
15.	MEMORANDUM OF ASSOCIATION .....	130
16.	REGISTRATION FORM .....	147
17.	BIDDING FORM .....	149

**GENERAL RISK DISCLOSURES**

1. The Company has been processing and selling white offals since commencement of business and it wants to set up two new white offals processing facilities, however it has yet to explore major offal export markets.
2. Company's sales of white offal have decreased by 67% during the last one year.

**Rationale of Decline:**

The Sales of Offal have declined in the past 2 years on account of procurement issues of the white offal, as explained in detail, white offal is a highly perishable product and needs to be processed within hours of procurement or else the product declines in quality. Currently the collection point for procured offal is the Company facility in Gadap, which is far away from the other local slaughter places and delivery of the product to this location in the evening is a problem. This is why the Company is opening its new Offal processing facility in Korangi to procure white offal locally.

1. Major export market for offals is China and Company has yet to obtain approvals for export to China as disclosed in plan.
2. Company has yet to enter into agreements with European suppliers to procure standardized processed offals for re-export.
3. COVID-19 scenario might significantly impact future exports of the Company.
4. The Company has all short-term contracts with its existing customers and there is only one customer (representing 3.30% of the sales for the FY19) that has been continuously buying meat from the Company during the last three years.
5. The debt to equity ratio of the Company excluding revaluation surplus as on June 30, 2019 is 0.74.
6. EPS of the company for FY-19 is Rs. 3.04 including exchange gain of Rs. 218 million and reversal of provision against trade debt of Rs. 63 million. EPS for FY-19 works out to be negative Rs. (0.89) without considering the exchange gain and reversal of provision. Although company is engaged in export sales that can result in exchange gain/loss in their routine business activity, however, FY-19 faced unusual devaluation in Pak Rupee which resulted in exchange gain for the company.
7. More than 90% of sales of the company in FY-19 are export and all are contract based with pre-set credit terms (i.e. on 30:70 basis whereby 30% cash is advanced at the time of sale/booking, remaining 70% payment is released upon issuance of bill of lading). This might increase the risk of trade debt defaults and their working capital requirement in unforeseen circumstances.

## 1 APPROVALS AND LISTING ON THE STOCK EXCHANGE

### APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Approval of the Securities & Exchange Commission of Pakistan (the "**Commission**" or the "**SECP**") under Section 87(2) of the Securities Act, 2015 read with Section 88(1) thereof, has been obtained vide letter No. SMD/PO/SA-88/01/2020 dated 17/4/2020 by The Organic Meat Company Limited for the issue, circulation and publication of this offering document (hereinafter referred to as the "**Prospectus**")

#### DISCLAIMER:

IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL, SECP DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY AND ANY OF ITS SCHEMES STATED HEREIN OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO THEM BY THE COMPANY IN THIS PROSPECTUS.

SECP HAS NOT EVALUATED QUALITY OF THE ISSUE AND ITS APPROVAL FOR ISSUE, CIRCULATION AND PUBLICATION OF THE PROSPECTUS SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT DUE DILIGENCE AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE BIDDING / SUBSCRIBING.

### APPROVAL OF SECURITIES EXCHANGE

The Prospectus of the Company has been approved by PSX vide letter No. GEN-519 dated 11/02/2020 in accordance with the requirements of the Listing Regulations.

#### DISCLAIMER:

PSX HAS NOT EVALUATED THE QUALITY OF THE ISSUE AND ITS APPROVAL SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT INVESTIGATION AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.

THE PUBLICATION OF THIS DOCUMENT DOES NOT REPRESENT SOLICITATION BY PSX.

THE CONTENTS OF THIS DOCUMENT DO NOT CONSTITUTE AN INVITATION TO INVEST IN SHARES OR SUBSCRIBE FOR ANY SECURITIES OR OTHER FINANCIAL INSTRUMENT BY PSX, NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED UPON IN ANY CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER OF PSX.

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ADVICE FROM A SUITABLY QUALIFIED PROFESSIONAL SHOULD ALWAYS BE SOUGHT BY INVESTORS IN RELATION TO ANY PARTICULAR INVESTMENT.



## STATEMENT OF FILING OF PROSPECTUS & OTHER DOCUMENTS

This prospectus and other documents are being filed to the Registrar of Companies for the listing of The Organic Meat Company Limited. The total issue size is 40,000,000 shares at a floor price of PKR 18 per share.

## LISTING AT PSX

The Application for listing has been made to Pakistan Stock Exchange Limited ("PSX") for permission to deal in and for quotation of the shares of the Company.

If for any reason the application for formal listing is not accepted by PSX or approval for formal listing is not granted by PSX before the expiration of twenty-one days from the date of closing of the subscription period / list or such longer period not exceeding forty-two days as may, within the said twenty-one days, be notified to the applicants for permission by the PSX, the Issuer undertakes that a notice to that effect will immediately be published in the press and will refund Application Money to the applicants without surcharge as required under the provisions of Section 69 of the Companies Act.

If any such money is not repaid within eight (08) days after the Company becomes liable to repay it, the Directors of the Company shall be jointly and severally liable to repay that money from the expiration of the eight day together with surcharge at the rate of two percent (2.0%) for every month or part thereof from the expiration of the eight day and, in addition, shall be liable to a penalty of level 3 on the standard scale in accordance with the provisions of sub-section (2) of Section 69 of the Companies Act.

As required under sub-section (3) of Section 69 of the Companies Act, the Application Money including the Bid Money, in case of Book Building, shall be deposited and kept in a separate bank account in a scheduled bank so long as the Company may become liable to repay it under sub-section (2) of Section 69 of the Companies Act; and, if default is made in complying with the said sub-section (3), the Company and every officer of the Company who authorizes or permits the default shall be liable to a penalty of level 2 on the standard scale.

## 2 SUMMARY OF THE PROSPECTUS

### i. Primary business of the Issuer and the industry in which it operates:

The Organic Meat Company Limited is a high quality Halal meat processor and exporter. The Company commenced its operations with two products fresh chilled beef and mutton and frozen boneless beef in 2011. Currently, the product line of the company includes the following:

- Fresh Chilled category
- Frozen category (Bone-in and Boneless)
- Fresh chilled vacuum pack category (for both full carcass and deboned meat)
- Offal – Chilled & Frozen

### ii. Names of the Sponsors:

Sr. No.	Sponsors
1	Mr. Faisal Hussain
2	Mr. Ali Hussain

### iii. Salient features of the Issue including method of offering:

Total Capital to be raised: PKR 720,000,000/-

Size of Offering: 40,000,000 shares

Floor Price: PKR 18/- per share

Method of Offering: 100% Book Building Method

### iv. Pre and Post issue shareholding of the Sponsors:

Sr. No.	Sponsors	Pre-Issue Shareholding	Post-Issue Shareholding
1	Mr. Faisal Hussain	70.91%	45.54%
2	Mr. Ali Hussain	14.78%	9.50%

### v. Principal purpose of the Issue and utilization of the proceeds:

The principal purpose of the issue is to increase its current product output through the utilization of IPO funds as well as set up 2 (two) new facilities for the processing of Offal. First facility would be set up at Korangi Industrial Area Karachi for processing of locally procured raw offals while the second facility would be set up at the Export Processing Zone, Port Qasim Karachi for processing of imported raw offal with purpose of re-export.

Following is a brief break-up of utilization of the IPO proceeds:

Sources		Expenditure Heads		
Particular	PKR	Particular	PKR	%
IPO Proceeds	720,000,000	Utilization in Working Capital and expansion in product line	448,351,444	62.27
		Facility for local Offal in Korangi	167,200,000	23.22
		Facility in EPZ for imported offal for re-export	104,448,556	14.51
<b>TOTAL</b>	<b>720,000,000</b>	<b>TOTAL</b>	<b>720,000,000</b>	<b>100%</b>

\*The new facilities in Korangi and EPZ will be dedicated mainly to the processing and export of white offal product

### vi. Refer to section 4A titled Valuation Section for details regarding the justifications for a floor price of PKR 18 per share

vii. **Qualified Opinion, if any given by the auditor during the last three (3) financial years**  
NIL

viii. **Basic financial information of the Company (Refer to section 6 titled Financial Information for further details)**

		FY17 (Audited)	FY18(Audited)	FY19 (Audited)
a.	Share Capital	1,000,000	100,000,000	718,177,770
b.	Net Worth	597,908,382	1,413,331,159	1,621,113,813
c.	Revenue	921,896,540	2,052,928,537	2,577,518,290
d.	Gross Margin	17.27%	17.24%	15.82%
e.	Operating Margin	11.73%	12.06%	8.46%
f.	Profit after tax	53,576,244	143,275,907	217,970,156
g.	Profit after tax margin	5.81%	6.98%	8.46%
h.	Earnings per share*	0.75	1.99	3.04
i.	Breakup value per share* (including revaluation)	8.33	19.68	22.57
j.	Breakup value per share* (excluding revaluation)	8.33	10.82	14.31
k.	Total borrowings as per the balance sheet	659,088,998	672,317,923	770,184,175
l.	Total debt to equity ratio	1.02	0.48	0.39
M.	Cash flow from operations	(17,490,011)	57,398,199	27,738,670

\*EPS and BVPS based on 71,817,777 number of shares outstanding

ix. **Summary table of outstanding legal proceedings other than the normal course of business**  
NIL

Please refer to section 8 of this Prospectus, titled "Legal Proceedings and Overdue Loans"

x. **Refer to section 5 titled Risk Factors for details on risks associated with the Company**

xi. **Summary of related party transactions for last 3 years**

Transactions with related parties	FY17 (Audited)	FY18 (Audited)	FY19 (Audited)
<b>Faisal Hussain – Director</b>			
Loan Outstanding <sup>1</sup>	32,839,185	12,717,661	58,659,230
<b>Ubiquity Trading Limited – Associated Company</b>			
Loan Outstanding <sup>1</sup>	-	-	100,000,000
<b>Hameeda Siddiqui – Director</b>			
Loan due from director <sup>2</sup>	16,623,175	-	
<b>Ali Hussain - Director</b>			
Loan due from director	458,096	-	-
Loan Outstanding		-	304,009
<b>Mohammad Saeed Mohammad Hussain – Associate by common directorship</b>			
Export Sales	-	32,584,335	6,656,379

1. This loan is obtained for meeting the working capital requirements of the company, free of mark up and repayable upon lender's demand depending upon the liquidity situation of the company

2. Loan Due from Ms. Hameeda Siddiqui was on account of company paying medical bills on her behalf, which was later written off due to her demise.

3. Sales to Mohammad Saeed Mohammad Hussain (MSMH) are classified as Exports due to the fact that MSMH is located in the Export Processing Zone and proper export documentation is necessary to complete delivery

### 3 OVERVIEW, HISTORY AND PROSPECTS

#### i. COMPANY DETAILS

Name	The Organic Meat Company Limited
Registration Number	0073102
Date of incorporation	July 14, 2010
Date of commencement of business	February 06, 2011
Date of conversion into public limited company	November 08, 2018

#### Company Overview & Description of the business

The Organic Meat Company Limited ("TOMC" or the "Company") is a high quality Halal meat processor and exporter. The Company was incorporated in 2010 and commenced operations in 2011 with two initial products, fresh chilled beef and mutton and frozen boneless beef, having capacities of 5tpd and 3tpd respectively.

Since then the Company has expanded its daily production and chilling capacity to 75 tpd and product portfolio to four (4) products (given below) with multiple market coverage. Currently, TOMC has the largest product range as well as market access from Pakistan's meat export sector.

The Company is associated with various international organizations such as Swiss Assessments AG and Saudi Food and Drug Authority (SFDA) and has certifications reflecting compliance with international standards of hygiene, quality control and after sales. TOMC stands out to be an exclusive livestock slaughtering and meat processing facility in the country matching and complying with international standards like HACCP ISO 9001:2015, Pakistan Standards & Quality Control Authority (SQCA), Gulf Food Standards (UAE), Egyptian and Malaysian Standards.

TOMC's slaughtering and meat processing facility is spread over 5.895 acres while the total land area being utilized stands at 9.825 acres at Gadap, Karachi. The facilities are approved to supply products to Iraq, Kuwait, Oman, Qatar, Kingdom of Saudi Arabia ("KSA"), United Arab Emirates ("UAE"), Bahrain, Egypt, Azerbaijan, Malaysia, Hong Kong, Myanmar, Maldives and Vietnam. whereas efforts are underway to procure approvals for new markets such as China, Thailand and Russia. TOMC has also successfully qualified as a direct vendor to large regional food processors such as National Foods (Americana) in KSA, etc.

The Company's current product line includes:

- I. Fresh Chilled category
- II. Frozen category (Bone-in and Boneless)
- III. Fresh chilled vacuum pack category (for both full carcass and deboned meat)
- IV. Offal – Chilled & Frozen

This is the most diverse product portfolio offering in Pakistan's meat sector. TOMC is the only player dealing in the Offal export segment, thereby giving it a unique edge over other competitors.

The Company provides the best quality raw lamb, goat, sheep, cow, buffalo and bull meat to their customers around the world. These products are prepared under strict and stringent hygiene policy, Halal Standards, ideal deboning and packaging facilities.

TOMC is the first Company to provide full carcass as well as deboned meat in Vacuum packaging. For this purpose, the Company has imported specialized machinery from Germany. Vacuum packaging extends the shelf life of fresh chilled meat product by five times and also preserves its quality and taste, thereby enabling the Company to use the economical sea-route as opposed to the expensive air-route.

Furthermore, owing to large demand of the Company's offal product, TOMC plans to set up an offal processing facility at Export Promotion Zone, Port Qasim Karachi where the Company will import raw

offal from Ukraine, CIS region, Germany, Italy and another one at Korangi, Karachi where raw offal will be processed for exports to Vietnam, Hong Kong Thailand and Myanmar. Furthermore, once the Chinese market opens up for Pakistani food products, the Company plans to export directly to the vastly lucrative Chinese market for meat and offal. The management is currently also exploring new destinations for importing raw offal as this is a specialized product with higher margins and ample demand.

ii. **Pattern of shareholding (Pre-IPO)**

S. No	Name	Shares	%
1	Faisal Hussain	50,922,494	70.91%
2	Ali Hussain	10,617,500	14.78%
3	Saad Haq	5,400,000	7.52%
4	Shakir Ellahi	3,000,000	4.18%
5	Farooq Nasir	1,000,000	1.39%
6	Abdul Ghafoor	150,000	0.21%
7	Rizwan A. Punjwani	727,778	1.01%
8	Zulqiurnain Ali Khan	1	0.00%
9	Salman Hussain	1	0.00%
10	Nihal Cassim	1	0.00%
11	Syed Owais Zaidi	1	0.00%
12	Sehrish Hafeez Mastoor	1	0.00%
		<b>71,817,777</b>	<b>100.00%</b>

iii. **KEY PERFORMANCE DRIVERS**

**Key Revenue Drivers**

**Market Access**

The most important aspect in the meat industry is the market access. TOMC has the greatest market access from Pakistan. Recently, TOMC has successfully qualified to become a vendor to Malaysia, Egypt and large processors of UAE and Commonwealth of Independent States (CIS).

**Growth of the Meat sector**

The demand for TOMC's product line is dependent upon the overall household income levels as well as meat consumption in the destination markets. Recent times have seen that TOMC's export markets are witnessing a rising middle class, expanding GDP and resultantly an increasing consumer spending trend. This is expected to continue for meat business in the medium to long term as well.

**Expanding product base**

Pakistan's meat export sector has largely remained reliant on fresh meat exports. However, TOMC has concentrated on increasing its product portfolio by introducing new, value added products. As a result TOMC is able to create a differentiation between other Pakistani meat exporters and itself. Today, no other company deals in Offal, which is a higher margin segment of the industry and TOMC is the only player in this segment. Furthermore, TOMC's facilities have one of the largest frozen, deboned capacities, allowing greater access as international markets look to avoid boned meat owing to Foot & Mouth disease in Pakistan. Another addition to the Company's product portfolio is the chilled vacuum packed category. This segment is particularly interesting since through vacuum packaging the life and taste of the meat are retained for 5 times the shelf life of a chilled product.

**Key Cost Drivers**

**Animal Procurement**

Animal Procurement costs are a major component of the Company's cost of sales and account for about 93% of the total COGS. The livestock is sourced from domestic suppliers according to prevailing demand and supply conditions. Any material change in the rapid availability of the animals or prices thereof could have a potential impact on the Company's meat production. In future, TOMC intends to directly procure

from farmers, livestock farms and livestock markets, eliminating the intermediaries and hence increasing the margins.

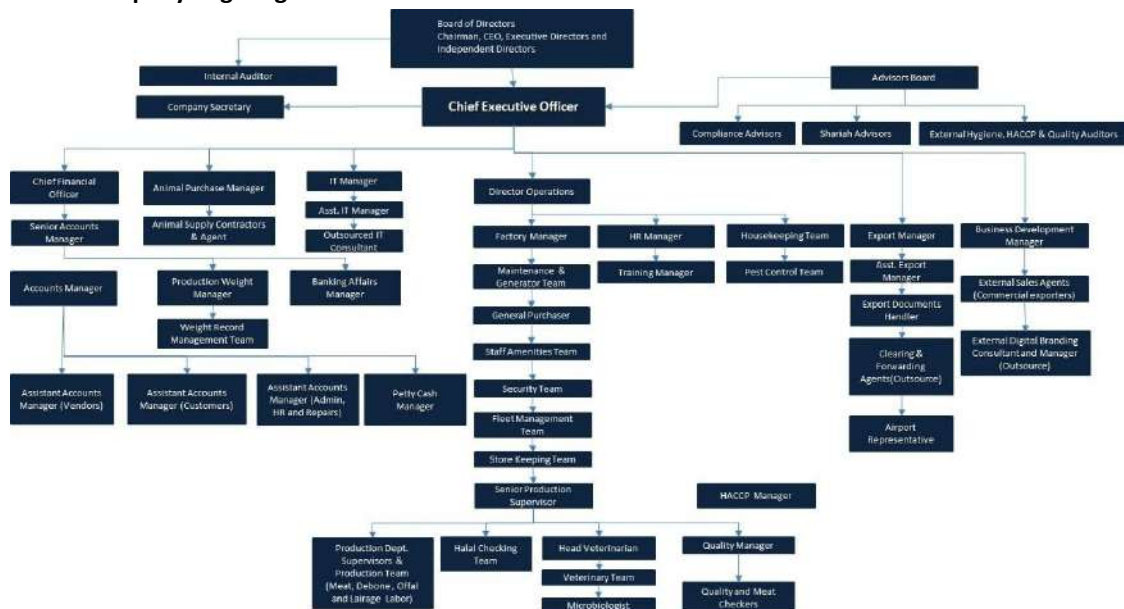
#### Freight Cost

The products offered by the Company are perishable items and have a very limited shelf life. The finished product is exported to different destinations through various cargo agents who make agreements on behalf of airlines or shipping lines. The cost of freight is an important cost that needs to be kept in check for efficient supply chain.

#### Packaging Cost

Another major cost for the Company is the packaging cost. The final product utilizes different sorts of packaging material. Meat is packaged in hygienic, high quality material to ensure that the meat stays pure and clean. Any increase in the procurement price of the material used in the packaging has a negative impact on the overall margins of the Company.

#### iv. Company Organogram



#### v. Key Milestones

Years	Events
2010-2011	The Company was Incorporated
2011-2012	Started operations with 2 products Fresh Chilled Beef & Mutton and Frozen Boneless Beef having capacity of 5 and 3 tons / day respectively
2012-2013	Doubled Capacity for two initial products (given above)
2013-2014	Doubled its boneless and Blast freezing capacity
2014-2015	Tripled its boneless and blast freezing capacity from 10 tones per day to 30 tones per day and also freezing storage capacity from 50tpd to 150tpd
2015-2016	New slaughtering line for KSA of 10 tons per month, New Offal line with 5 tons per day blast freezing capacity, Increased Chilling capacity to 60 tons per day and Increased storage capacity for offal for storing 100 tons Enhanced deboned capacity from 20 tons per day to 50 tons per day
2016-2017	New vacuum packaging line for full carcass for 3 tons of carcass per day and for deboned beef with packaging capacity of 10 tons per day.

<b>2017-2018</b>	Expanded product line in white offal category with 05 tons per day capacity.
<b>2018-2019</b>	Expanded vacuum packaging capacity from 10 tons to 20 tpd Converted from Private Limited to Public Limited Company Started Sales to Azerbaijan Increased Chilling capacity to 75 tons per day and Started Research and Development of processed food line for burger patties, nuggets, kebabs and etc
<b>2019-2020</b>	Initiated export sales to Myanmar, Maldives and Hong Kong Installed cooked beef balls making line

**vi. Nature and Location of Company's Project**

TOMC's slaughtering and meat processing facility is spread over 5.895 acres while the total land area being utilized stands at 9.825 acres. The plant is located at Gadap, Karachi. Following are the main features of the current project

**- Nature of the Current Project**

The current project includes Slaughtering lines, Blast Freezers, Chillers, Vacuum packaging facility and an Offal processing line. This plant was set up in July 2010 and has been in operation since 2011. Capacities of the current lines are given below;

Plant	Total Capacity	Capacity Utilization
<b>Slaughtering Capacity</b>	60 heads per hour for bull/cow/buffalo 120 heads per hour for goat/sheep	Beef – 71.61% Mutton – 11.89%
<b>Chilling Capacity</b>	75 tons per day	31.04%
<b>Freezing (Storage) Capacity</b>	250 tons	100%
<b>Blast Freezing Capacity</b>	60 tons (Effective 30 tons per day)	Frozen Meat – 44.82% Frozen Offal – 34.49%
<b>Vacuum Packaging Capacity</b>	20 tons per day	36.51%
<b>Offal Processing Capacity*</b>	05 tons per day	100%

- Freezing units are a storage area acting as a bridge between chilling and blast freezing therefore, the freezing units are fully occupied as meat is constantly being shifted from chillers to freezers
- Offal processing capacity is fully utilized per day as Offal is a highly perishable item and needs to be processed as soon as it is obtained from the slaughtered animal

**vii. Infrastructure**

**- Slaughtering Lines**

Different animal slaughtering lines are available for mutton and beef, with separate processing areas for de-boning and producing various meat cuts matching the international standards of hygiene and safety. The combined slaughtering capacity of the plant is 60 heads per hour for bull/cow/buffalo in two beef slaughtering lines and 120 heads per hour for goat/sheep.



### - Plant Layout

The Organic Meat Company's plant has been specially designed to meet the requirements of export destinations. Essentially, owing to hygiene reasons, many of the countries require certain design specifications such as 'the blood should flow automatically' through the drains without the need of laborers needing to manually wipe it off.

The plant has sufficient holding area for 2000 Sheep/Goat and 2000 Cow/Buffalo/Bull. The layout of the plant also has curved chutes with showering facility for Bull/ Buffalo/Cows.



Different animal slaughtering lines are available for Mutton and Beef, with separate processing areas for de-boning, producing various meat cuts with international standards of hygiene and safety.

In order to ensure that high quality standards are maintained consistently, TOMC has also set up a state of the art microbiological laboratory in house and uses in house specialized veterinary department for Ante Mortem, Post Mortem and Cold storage veterinary checks for all production undertaken at the premises.

The Company uses most modern equipment, meeting the standards for world class meat slaughtering and packaging facilities. Equipment includes Knocking box, hide pulling machines, splitting saw, brisket saw, air knives, automated de-boning tables, sterilizers and various other tools, thus ensuring fast, qualitative and safe slaughtering processes.

Also, special in house Reverse Osmosis plant is available for water treatment. Keeping in mind the international requirements, personal hygiene interface and cleaning checks before entering into the plant floors is ensured. State of the art waste and offal management system with separate offal areas is also in place. Furthermore, the Company has water padded ventilation and exhaust system to have purified air and bacteria free environment inside the abattoir.

Special care is taken for training of human resource to improve product quality and hygiene levels, whereas all staff facilities like staff living and dining rooms, laundry, kitchen, lockers, changing rooms, mosque, dispensary, medical and personal emergency support along with mobility facilities are provided.

### - Cold Chain Management

TOMC has top of the line Freezing and Chilling facilities to ensure that the meat remains fresh and pure to meet the globally required quality standards. The Chilling facilities include Chillers, Blast Freezers and Frozen cold Storages. All these are necessary for export of fresh and tender meat products via ship or air cargo to any destination in the world.

TOMC's Cold Chain line includes

1. Chillers (capacity 75 tons per day)
2. Freezers storage (capacity 250 tons per day)
3. Blast Freezers (capacity 60 tons per day)
4. Vacuum Packaging (capacity 20 tons per day)



### - Specialized Process for Offal Export

TOMC purchases beef offal from local slaughter houses/meat processing companies and runs their tailored process to export it to Vietnam. In the European market, the beef offal processing is inefficient as it results in post processing weight reduction and usage of intensive manual labor. On the contrary,

TOMC utilizes decades old tailored process through which the product retains the actual weight of beef offal, thereby generating higher yield and improved margins with the use of cost effective manual labor. TOMC further plans to import raw offal from different countries, which will be processed at the plant and re-exported to Vietnam.

#### viii. Products Portfolio

##### Mutton: Goat/ Sheep

- Fresh Chilled Mutton Full Carcass/ Quarter Carcass in cloth packing or Vacuum packing
- Frozen Mutton full Carcass/ Quarter Carcass/ in 6 cuts in cloth packing or Carton Packing (12kg to 25kg)
- Frozen Mutton with and without bone rolled in food grade wrap plastic and packed in cartons



##### Beef: Bull/Cow/ Buffalo

TOMC's beef products have a strong presence amongst consumers, supported by a macro structure. There are several types of traditional and prime cuts with an efficient control of origin, following strict regulations of animal selection, traceability, continuous hygiene care, following international phytosanitary standards and respecting cultures and religious practices of regions and customers. The Beef category has the following products;

- Fresh Chilled Beef Quarter Carcass in cloth packaging
- Fresh Chilled boneless beef cuts in Vacuum packaging\*
- Fresh Chilled quarter carcasses in Vacuum packaging\*
- Frozen beef four quarters Carcass in cloth packing
- Frozen beef cuts without bone rolled in food grade individual wrap plastic (IWP) and also in compensated packaging
- Frozen beef boti with bone in 900gm packaging

\*Vacuum packaging was introduced in the year 2017



##### Edible Offal, Hides, Bones

- Fresh chilled edible red and white offal in vacuum packs or cartons
- Frozen edible beef and mutton Tripe, Heartline, Trachea, Pizzle, Testicle, Intestine, Tendon and Honey comb in cartons
- Raw and salted intestines of Bull/ Cow/ Sheep/ Goat
- Raw Bones of Bull/ Cow/ Sheep/ Goat



##### i. Product Shelf Life

Product	Shelf life
Chilled meat	14 days
Frozen meat	365 days
Vacuum Packed meat	70 days

##### Supply Chain

- Since TOMC exports meat to multiple countries and each country has defined criteria for the quality of meat based on the livestock's age, weight, etc., TOMC has the added advantage that all animals available in the market can be slaughtered and exported to various destinations. Comparatively, other industry players are required to procure animals based on the strict

criteria laid down by the importing countries, often posing problems. This makes TOMC the preferred purchaser for up-country suppliers.

- The Company has already developed Offal Supply chain from European Market which would enable its export processing facility to process and re-export Offal efficiently at a very competitive price and at handsome margins.

## ii. Sales and Distribution Network

TOMC currently holds the largest footprint in exporting Halal meat and enjoys the largest market access within the meat export sector in Pakistan. Recently, TOMC has successfully qualified to become a direct vendor to large food processors in KSA. Export of fresh tender meat takes place via sea and air transportation to anywhere in the world.

### Market Coverage

- UAE
- KSA
- Vietnam
- Bahrain
- Kuwait
- Oman
- Maldives
- Qatar
- Egypt
- Malaysia
- Iraq
- CIS region\*
- Hong Kong
- Myanmar

### Proposed Market Expansion

- CIS Region\*
- China
- Russia
- Thailand

\* CIS consists of 9 countries. Currently, TOMC exports its product to Azerbaijan only and efforts are underway to increase exposure to this region.

## ix. Customers of the Company

Major customers of the company as a percentage of total sales in the last 3 years are given below

2019		
Customer Name	Country	% of Total Sales
Mirzayev Ilqar C.O.	CIS	39.16%
Abdul Qayyum Meat Trading	UAE	14.63%
Laser Meat Trading Est	UAE	9.89%
Madinat Al-Yasmin General Trading LLC	UAE	4.80%
Rashid Mahmood Ijaz Meat Trading LLC	UAE	3.30%
Elegant Food Trading Est	K.S.A	2.18%
Duc Thang Investment Services & Tourist Co. Ltd	Vietnam	1.57%
Faisal Iqbal Foodstuff Llc	UAE	1.45%
Others		23.02%
2018		
Customer Name	Country	% of Total Sales
Al Tayeb International General Trading Llc	UAE	20.27%
Al Ihsan Meat	UAE	12.66%
Al Aseel Meat Trading Llc Co	UAE	10.34%
Rashid Mahmood Ijaz Meat Trading Llc	UAE	9.42%
Al Tayeb Meat Est	UAE	8.94%
Khalid Meat Shop	UAE	5.24%
Capsicum Foodstuff Trading Llc	UAE	3.82%
Al Tayeb Meat Trading	UAE	2.15%
Others		27.17%

Customer Name	2017	
	Country	% of Total Sales
Khalid Meat Shop	UAE	19.02%
Quang Anh Trading Import Export	Vietnam	8.77%
Al Tayeb Intl General Trading Llc	UAE	5.68%
Zecheng Hk Ltd	Vietnam	5.09%
Al Tayeb Meat Trading	UAE	4.38%
Logistic Bird International Trading	KSA	3.99%
Rashid Mahmood Ijaz Meat Trading Llc	UAE	3.77%
Salsabeel Meat Trading Llc	UAE	3.44%
Suman Cold Store	Bahrain	2.53%
Fadul Rehman Al-Dellawi	KSA	2.32%
Others		41.01%

- It must be noted that none of the export customers are associated/related with the Company in any manner and all transactions are arm's length.

Nature of Contracts with the customers are as follows

- Fresh Chilled:** Contracts are renewed on quarterly basis in terms of pricing and tonnage, in terms of tonnage its week to week requirements from customers with 15% +/- upward/downward market trend.
- Fresh chilled boneless vac pack:** Contracts are based on tonnage, so they vary. Contracts range from 100 tons to 500 tons, but shipments are based on customer called requirements of tonnage on weekly basis. For example: The contract is for 500 tons for 3 months, but requirements range from 20 to 80 tons a week, on discretion of customer. Quantity is notified 15 days ahead of delivery date.
- Frozen boneless:** 3 - month contracts with stated tonnage per month.
- Frozen offal:** Order based, for different offal products. Order to order through many various buyers. High season is October to Feb, Average season is March to June, Low season July to September.

#### (ii) Demand for the Products

Within the export market, TOMC exports fresh and frozen boneless meat to leading international customers based primarily in the Middle East. The requirements of these value added players for meat are non-cyclical, in fact one of their key requirements is the consistency of supply throughout the year. Likewise, the demand for Pakistani beef and mutton has grown over the years and the Company is well positioned to capitalize on this growing demand.

#### (iii) Names of Competitors

##### Major Companies in Fresh Meat

###### 1. Al Shaheer

Al Shaheer Corporation is the only listed Company in Pakistan's meat industry. It was established as a partnership in 2004, setting up an abattoir in Gadap Town, Karachi.

Initially, the company only exported red meat to Dubai, followed by Saudi Arabia to become a supplier of Halal meat to importers across GCC countries. In 2010, Al Shaheer Foods entered the domestic fresh meat market laying the foundation for Meat One. All kinds of fresh meat are sold under the umbrella of this brand through company leased outlets.

###### 2. PK Livestock

PK Livestock is a fresh chilled producer of export beef and mutton exporting to its customers across the Gulf region and worldwide.

It is the only frozen food company that is offering ready-to-cook & partially cooked food in Mutton, Beef & Chicken. It is an ISO 22000 and HACCP certified company which claims to follow 100% Halal slaughtering methods. Their ready-to-cook and partially cooked recipes are offered in diverse varieties, including burgers, kebabs, meatballs, mincemeat, sausages, as well as coated products such as chicken nuggets.

### **3. Al Tazij Meat Lahore**

Tazij Meats is a subsidiary of the Tazij Group, supplying fresh chilled beef to UAE. Tazij Meats is located near Lahore. The abattoirs are built on land surrounded by agricultural farms.

### **4. Anis Associates**

Anis Associates (Pvt) Ltd. started operations in 2002, located in 4 K-M Raiwind Manga Road, Distt. Kasur, Pakistan, with the aim to become a fully integrated Halal meat company. The company is a supplier of fresh chilled meat products to Saudi Arabia.

### **5. Zenith Associates**

Zenith is based out of Lahore and is involved in local and international sales of halal meat.

### **Major Companies in Frozen Boneless Meat**

TOMC is the pioneer and only meat exporter capable of supplying in this category currently. Currently there is no competition in this product, however, in the future the following companies are expected to start trade in this product.

### **6. Fauji Meat Limited**

Fauji Meat Limited, was incorporated in 2013 as a subsidiary of Fauji Fertilizer Bin Qasim Limited. Fauji Meat Limited owns its meat processing plant located near Port Qasim, Karachi. The plant incorporates certified Islamic and Halal slaughtering methodology of meat processing. The facility has the capacity to produce fresh chilled and frozen products.

### **7. Tata Best Foods Limited**

Tata has a production line for frozen and chilled meat and its export destinations include Middle Eastern countries including UAE and Qatar. The Food/FMCG wing works under the name of TATA Best Foods Ltd and its plant is located at Landhi Industrial Area, Karachi.

### **Major Companies in Fresh Vacuum Packed Boneless Meat**

TOMC is the pioneer and the only meat exporter capable of supplying in this category currently.

### **Major Companies in Frozen Offal**

TOMC is the only player in the meat industry that exports frozen white and red offal. These are sourced from other local players which do not have the facility to process offal. They are then processed at the Plant and exported to Vietnam where they are reprocessed.

#### **x. Intellectual Property Rights**

TOMC holds no rights to any Intellectual property

#### **xi. Details of material property**

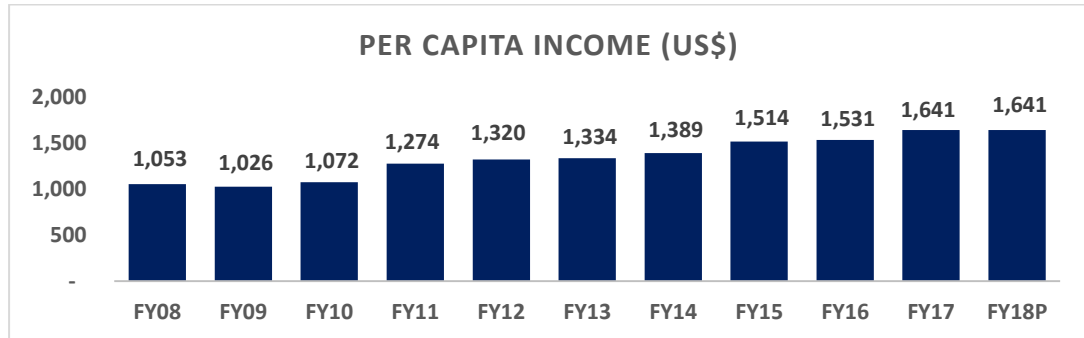
The total land area being utilized by TOMC stands at 9.825 acres. Out of which, the slaughtering and meat processing plant is spread over 5.895 acres, the entire land area is Free hold.

#### **xii. Future prospects, demand outlook**

Meat demand increases with higher incomes and a shift - often due to growing urbanization - to food preferences that favor increased proteins from animal sources in diets. Pakistan's per capita meat consumption has nearly tripled since 2000. It has grown with higher per capita incomes and increasing urbanization. Meat consumption and exports are supported by an ongoing livestock revolution in the country

Over the long run higher growth of Halal Meat production, export and consumption is expected due to factors such as:

1. Rising GDP growth in meat importing countries
2. Higher per capita incomes
3. Rising awareness of healthier options enabling people to go for protein rich food
4. Gradual rise in global urbanization



Source: Pakistan Bureau of Statistics

Halal meat is one of the fastest growing markets in the world, contributing around 16% to the total world food trade, but Pakistan's share in this is not as much as it should be. Pakistan being the Eighth largest producer of livestock in the world, is still not amongst the top ten exporting countries of the Halal products. Pakistan has a 100% Halal production base and has direct access to consumers in Central Asia, Middle East and Europe. Therefore, Pakistan has a great opportunity to gain a big share in the global Halal market by enhancing production and improving quality

**xiii. Vendors to the issuer**  
**Animals Procurement**

In order to ensure smooth supply of livestock for slaughtering, TOMC has put in a unique system whereby professional purchasers are engaged on a long term basis. These purchasers acquire the livestock and supply to the Company on a regular basis, generally asking for requirements of next shipment upon delivery of a consignment of livestock. Additionally, TOMC also has its own team of dedicated cattle buyers. These buyers purchase cattle generally a couple of days before the animals are slaughtered for both divisions and are regularly monitored regarding their performance.

**Plant Suppliers**

S. No	Name of Supplier & their origin
1	DWN Copeland Germany
2	Copeland USA
3	Copeland Czech republic
4	Stork USA
5	Vemag Germany
6	Boss Germany
7	Vdzt Australia
8	Openshaw machineries NZL
9	Minipack Italy
10	Boss Germany
11	Two Thousand Machinery Co., Ltd – Guangzhou, China
12	Kent master USA



13	Jarvis USA
14	Ruhle Germany
15	Zultec
16	CAPIC S.A.S. QUIMPER, FRANCE

#### xiv. Approvals & Certifications



#### xv. Group Structure of the Issuer

The Company has no Subsidiaries or Associates by virtue of shareholding

**xvi. Details regarding associated companies of the issuer**

A list of associated companies by virtue of common directorship is given below

Name	Nature of relation	Name of Director	Shares Held	Nature of Business
Zultec Group	Associate by Common Directorship	Zulqiurnain A. Khan	None	Retail Technologies
Pakistan Electives Group	Associate by Common Directorship	Zulqiurnain A. Khan	None	-
Mohammad Saeed Mohammad Hussain (Pvt.) Limited	Associate by Common Directorship	Ali Hussain	None	Sheep Casing Processing
Sindh Gas (Pvt.) Ltd	Associate by Common Directorship	Rizwan A. Punjwani	None	LPG trading
Oceanza (Pvt.) Ltd	Associate by Common Directorship	Rizwan A. Punjwani	None	-
People Resource (Pvt.) Ltd	Associate by Common Directorship	Rizwan A. Punjwani	None	HR consultancy
Tawakkal Aqua Organics Ltd	Associate by Common Directorship	Rizwan A. Punjwani	None	Shrimp farming
Lucky Foods (Pvt.) Ltd	Associate by Common Directorship	Salman Hussain	None	Food Industry
Pakistan Innovation Foundations	Associate by Common Directorship	Syed Owais Zaidi	None	-

Pakistan Oilfields Limited	Associate by Common Directorship	Nihal A. Cassim	None	Oil & Gas exploration
International Steels Limited	Associate by Common Directorship	Nihal A. Cassim	None	Steel manufacturing
Safe way Funds Limited	Associate by Common Directorship	Nihal A. Cassim	None	Fund management
Ferozsons Laboratory Limited	Associate by Common Directorship	Nihal A. Cassim	None	Pharmaceutical
Image Systems Marketing (Pvt.) Ltd	Associate by Common Directorship	Nihal A. Cassim	None	Marketing

**Note:** As required under regulation 7 (8) of the PO Regulations, the Associated Companies and Associated Undertakings of the Issuer shall not in aggregate make bids in excess of ten (10%) percent of the shares offered through Book Building.

**xvii. Details of related parties transactions**

There is no material significance of the related party transactions on the financial performance of the Company, in respect of operations.

However, there remain material balances re-payable to the related parties, which include an associated company and the CEO as given below, in respect of the short term borrowings obtained in the previous periods to finance the short term liquidity requirements of the Company.

**i. Summary of related party transactions for last 3 years**

Transactions with related parties	FY17 (Audited)	FY18 (Audited)	FY19 (Audited)
<b>Faisal Hussain - Director</b>			
Loan Outstanding <sup>1</sup>	32,839,185	12,717,661	58,659,230
<b>Ubiquity Trading Limited – Associated Company</b>			
Loan Outstanding <sup>1</sup>	-	-	100,000,000
<b>Hameeda Siddiqui – Director</b>			
Loan due from director <sup>2</sup>	16,623,175	-	-
<b>Ali Hussain – Director</b>			
Loan due from director	458,096	-	-
Loan Outstanding		-	304,009
<b>Mohammad Saeed Mohammad Hussain – Associate by common directorship</b>			
Export Sales	-	32,584,335	6,656,379

1. This loan is obtained for meeting the working capital requirements of the company, free of mark up and repayable upon lender's demand depending upon the liquidity situation of the company

2. Loan Due from Ms. Hameeda Siddiqui was on account of company paying medical bills on her behalf, which was later written off due to her demise.

3. Sales to Mohammad Saeed Mohammad Hussain (MSMH) are classified as Exports due to the fact that MSMH is located in the Export Processing Zone and proper export documentation is necessary to complete delivery



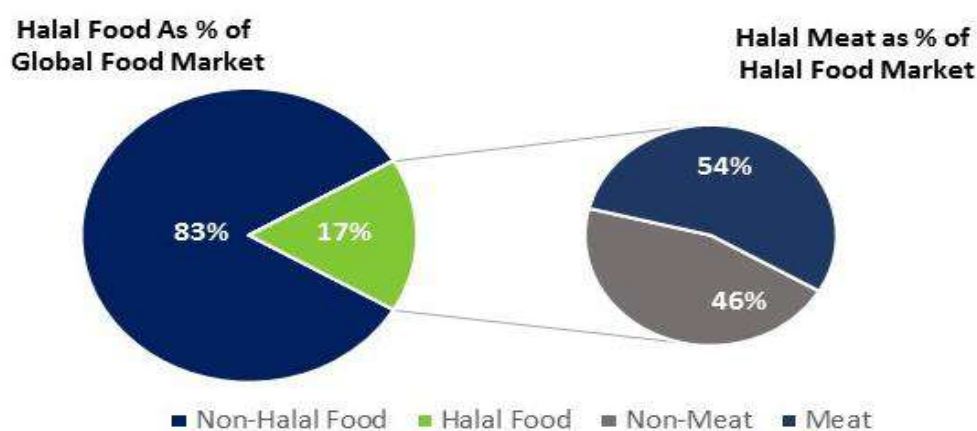
## xviii. Industry Overview

### Global Meat Market at a Glance

Muslim population constitutes 30 percent of the total world population. The volume of overall Halal products is estimated to have reached \$3 trillion and halal meat and beef worth \$3.35 bn in the world. Pakistan is now ranked at number 18 in the global halal meat exports. According to a published research report from the State of the Global Islamic Economy, the global Halal food market is set to grow by 6% by 2020. Increasing Muslim population and the growing awareness among consumers in Asia Pacific countries such as Pakistan, India, and Bangladesh, Indonesia, Singapore, and the Philippines are expected to drive the market over the forecast period.

Halal meat contributes about 16 percent of total world trade of the commodity, but the market is dominated by multinationals of the Western countries.

The following graphs depict the share of Halal meat in the Global food market



Source: Thompson Reuters

World bovine meat production is forecast to hover around 72 million Tonnes in 2019, only 0.7 percent more than last year. Expansions are expected in Brazil and the United States of America, but also in China, Mexico, India, Pakistan, South Africa and the Russian Federation.

Latest data showed the United States was the biggest producer of beef and veal with 12.7 million tons, followed by Brazil (10.2 million tons), European Union (7.8 million tons), China (7.4 million tons), India (4.3 million tons), Argentina (3 million tons), Australia (2.2 million tons), Mexico (2 million tons), Turkey and Russia 1.4 million tons each

World bovine meat exports are forecast to reach 11.3 million tons in 2019, up 4.0 percent from last year. This comes in the wake of a continued increase in shipments from the United States amid a retreat by India, Brazil and South Africa. Australia, Argentina, Thailand and the EU are also expected to expand exports. Amid changes in production, consumer demand and policies, meat imports are likely to rise in some major importing countries, in particular China, Japan, Mexico and the Republic of Korea, while they may fall in the Russian Federation, Saudi Arabia, Egypt and Singapore. Import demand is rising faster for bovine and ovine meat than for pig meat and poultry.

World Meat Market	2017 A	2018 A	2019 F	Difference
			Million tons	%
<b>WORLD BALANCE</b>				
<b>Production</b>	<b>332.4</b>	<b>337.3</b>	<b>336.5</b>	<b>-0.2</b>
Bovine meat	69.6	71.2	71.6	0.7
Poultry meat	122.3	124.8	128.4	2.8
Pig meat	119.8	120.5	115.6	-4.0
Ovine meat	15.2	15.2	15.3	0.4

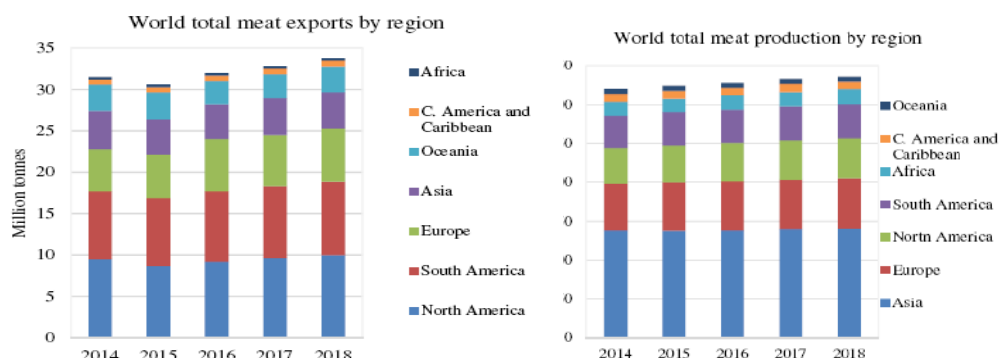
TRADE	32.8	33.8	35.4	4.8
Bovine meat	10.2	10.9	11.3	4.0
Poultry meat	13.1	13.3	13.8	3.7
Pig meat	8.2	8.4	9.1	8.4
Ovine meat	1.0	1.0	1.0	-1.9

SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/year)	43.9	44.0	43.4	-1.3
Trade - share of prod. (%)	9.9	10.0	10.5	5.0

Source: Food and Agriculture Organization, UN

Much of this year's expansion would stem from increased slaughter, as drought conditions forced increased cattle culling in some major producing countries. Bovine meat exports are forecast to increase by 5.0 percent to 10.7 million tons, the second year to register 5 percent growth rate. This year expansions are led by Brazil, Argentina, the United States and Australia, while exports of India and the EU are expected to decline.

Since January 2018, international prices of bovine meat have weakened by 3.8 percent, reflecting the availability of ample export supplies. Poultry meat prices fluctuated moderately, without deviating much from the average value, reflecting short-term supply-demand imbalances. In contrast, ovine meat prices increased by 11.3 percent from January to September, principally sustained by a strong import demand from China and a host of other countries, amidst Oceania's limited capacity to expand shipments. **The FAO Meat Price Index** reached 166.2 points in September, stable compared to January 2018, but 4.5 percent below the corresponding month in 2017.



Source: Food and Agriculture Organization

Following are the major offal importing countries.

Countries	Tones	%
China	1,735,467	42%
Mexico	257,753	6%
Egypt	246,163	6%
Philippines	212,253	5%
Netherlands	124,144	3%
Belgium	116,978	3%
France	109,889	3%
Côte d'Ivoire	102,686	2%

Japan	99,074	2%
Germany	95,499	2%
Rest of the World	1,072,518	26%

#### World Beef Market

- The global beef market revenue amounted to \$385.7B in 2018, growing by 5.1% against the previous year
- In 2018, approx. 70M tons of beef (cattle meat) were produced worldwide; flattening at the previous year.
- In value terms, beef production stood at \$392.3B in 2018 estimated in export prices
- The total output value increased at an average annual rate of +4.3% over the period from 2007 to 2018
- In 2018, approx. 8.1M tons of beef (cattle meat) were exported worldwide
- In value terms, beef exports amounted to \$40.7B in 2018
- In 2018, Brazil (1.3M tons), followed by Australia (857K tons), the U.S. (691K tons), New Zealand (436K tons), Ireland (410K tons), the Netherlands (383K tons) and Argentina (367K tons) were the major exporters of beef (cattle meat), together mixing up 55% of total exports. Canada (345K tons), India (337K tons), Poland (325K tons), Uruguay (283K tons) and Germany (266K tons) took a relatively small share of total exports

#### Overview of Livestock Sector of Pakistan

The population growth, increases in per capita income and export opportunities are fueling the demand of livestock and livestock products in the country. The overall livestock development strategy revolves around fostering "private sector-led development with public sector providing an enabling environment through policy interventions". The regulatory measures are aimed at improving per unit animal productivity by improving health coverage, management practices, animal breeding practices, artificial insemination services, use of balanced ration for animal feeding, and controlling livestock diseases. The objective is to exploit the livestock sector and its potential to cater to domestic need, for economic growth, food security and rural socio-economic uplift.

With the Indus River running through Pakistan, it supports much of the agriculture. Almost every constituency in Pakistan has animal husbandries due to the locally produced grain and wheat straw that is easily available. This has allowed the growth of the 8th largest naturally grown livestock herd in the world and has empowered the country to be a proud grower of Halal Organic Grass fed Red Meat, developed in natural and stress free environments.

Latest Economic Survey report indicates that the livestock subsector has surpassed the crop subsector as the biggest contributor to value-added in agriculture. "Presently it contributes 60.5 percent to the overall agricultural (sector) and 11.2 percent to the GDP," further "Gross value addition of livestock has increased from Rs1, 384 billion (2017/18) to Rs1, 440 billion (2018/19)

Despite the fact that livestock subsector could not attract large amount of investment due to its inherent subsistence and structural characteristics, this sector has shown a healthy growth of 4 percent in 2018/19 over the previous year of 2017/18

Estimated Livestock Population			
(Numbers in million)	2016-17	2017-18	2018-19
Cattle	44.4	46.1	47.8
Buffalo	37.7	38.8	40.0
Sheep	30.1	30.5	30.9
Goat	72.2	74.1	76.1

Source: Pakistan Economic Survey 2018-19

### Meat Production in the Country

Pakistan meat industry is vibrant and has seen rigorous developments during the last decade as the government has also shown interest in boosting the livestock production and processing facilities to meet increasing local and global demand. The industry also has potential to grow owing to better technology, preference towards hygienic meat natural animal rearing capability, Muslim majority country (96% of total population), improvisation of market and consumer preference towards halal meat.

Total meat production of Pakistan is presented in the below graph:



Source: Pakistan Economic Survey 2018-19

The corresponding figures for the last three years are given in the below table:

(000 Tons)	2015-16	2016-17	2017-18	2018-19
<b>Meat Gross Production</b>				
Beef	2,017	2,085	2,155	2,227
Mutton	686	701	717	732
Edible Offal	394	405	416	428

Source: Pakistan Economic Survey, 2018-19

### Pakistan's Halal Meat Market

Drivers of meat consumption differ significantly across regions, with different cultures and traditions and economic circumstances. However, as meat is a relatively expensive food, consumer incomes play an important role in driving consumption. The overall global volume of exports of halal meat is more than \$3 billion and Pakistan has nearly six percent (6%) share in it

Exports of meat and meat preparations amounted to \$242.799 million in the last fiscal year, up 7.61 percent over the preceding fiscal year. The exports accounted for merely 1.1 percent of the country's total exports of \$22.979 billion in FY2019. Pakistan is self-sufficient in meat production. Local consumption is estimated at 15 kilograms per capita

Pakistan barely exports 4% percent of beef and veal produced in a year as absence of livestock policy hinders tapping of potential overseas markets and gives unorganized sector a leeway to fleece consumers. This is despite the fact that the country is among the top 10 beef and veal producers in the world. The country annually produces 1.8 million tons of beef and veal.

The latest Pakistan Economic Survey said livestock subsector is a source of 35-40 percent of income for more than eight million rural families and providing them food security by supplementing high value protein of animal origin. Livestock exports account for around 3.1 percent of the country's gross exports

Pakistan produces top quality meat and beef in particular. Total Exports of Goods in FY18 marked at US\$24.77 Bn out of which 0.87% exports were of Meat & Edible Meat Offal. Total Meat and Edible Meat exports are of US\$215.62 Mn which constitutes 78% Fresh, Chilled or Frozen meat of bovine animals, 11% Fresh, Chilled or Frozen meat of Sheep or Goats; while 11% of meat exports consist of other products. The below table reflects FY18 meat and edible meat offal export levels from Pakistan to major importing countries.

Commodity	Exports '000 US\$	Major Importing Countries
Meat of Bovine Animals (Fresh or Chilled)	128,870	Dubai (34%), Kuwait (23%), Saudi Arabia (18%),
Meat of Bovine Animals (Frozen)	38,450	Dubai (46%), Saudi Arabia (11%), Vietnam (14%),
Meat of Sheep or Goats (Fresh, Chilled or Frozen)	23,769	Saudi Arabia (43%), Dubai (12%), Abu Dhabi (8%), Oman (7%)
Edible Offal of Bovine Animals; Swine, Sheep	15,079	Vietnam (55%), Afghanistan (27%), China (8%),
Meat and Edible Offal of Poultry, (Fresh and Chilled)	5,439	Vietnam (54%), Hong Kong (11%), China (10%), Oman (7%)
Other Meat & Edible Offal (Fresh and Chilled)	474	Afghanistan (66%), Dubai (26%)
Meat and Edible Offal Salted, Dried etc.	3,326	Kuwait (54%), Bahrain (23%), Sharjah (10%)
Meat of Horses, Donkeys, Mules, Hinnies; Fresh	28	Vietnam (93%), Ajman (7%)
Pig or Poultry Fat; Fresh, Chilled, Frozen, Salted	182	Bahrain (35), Afghanistan (32%), Hong Kong (14%)
<b>Total Meat and Edible Meat Offal</b>		<b>215,617</b>

Source: State Bank of Pakistan

### Governments Role in Promoting Export of Halal Products

Pakistan's total trade of Halal food with OIC countries in 2016-17 was \$226.97 million. However, the number surged to \$258.3 million in 2017-18 recording an increase of \$31.33 million

The present government has also taken the following steps to promote export of halal products to OIC countries:

- meeting held last year between Pakistan and Saudi Arabia in which as many as six meat exporting companies had inked contracts with the Saudi Food Drug Authority for export of meat to Saudi Arabia
- In September 2018, a session between **Pak-Kuwait** Joint Management Committee ("JMC") took place. During the meeting, the mutual cooperation in the field of food and agriculture between the two countries was discussed.
- **Pak-Oman** JMC 7<sup>th</sup> session was conducted in January 2019. To enhance the cooperation in the field of food and agriculture was the motto between the two countries.
- In 2018, three Pakistani companies registered with **Bahrain** to export meat to the country

Apart from the all the aforementioned steps, The Livestock wing has future plans to focus on

- Inter-provincial coordination for development of livestock sector
- Coordination with private sector to promote value addition livestock industry and diversification of livestock products
- Control of Trans-boundary Animal Diseases (Foot and Mouth Disease, Peste des petits ruminants (PPR), Zoonotic diseases) of trade and economic importance through provincial participation
- Bringing more investments in livestock sectors
- Exploring new markets for export of meat and dairy products with focus on Global Halal Food Trade Market

**3 A. SHARE CAPITAL AND RELATED MATTERS****Share Capital**

No. of shares	Shareholders	Face Value (PKR)	Premium (PKR)	Total (PKR)
<b>AUTHORIZED CAPITAL</b>				
<b>135,000,000</b>	Ordinary shares of PKR 10/- each	1,350,000,000	-	1,350,000,000
<b>ISSUED, SUBSCRIBED, &amp; PAID UP CAPITAL</b>				
<b>71,817,777</b>	Issued for Cash: 'Ordinary Shares of PKR. 10/- each	718,177,770	-	718,177,770

**ISSUED, SUBSCRIBED & PAID-UP CAPITAL OF THE ORGANIC MEAT COMPANY LIMITED IS HELD AS FOLLOWS:**

No. of shares	Shares held by Directors / Sponsors of the Company	Face Value (PKR)	Premium (PKR)	Total (PKR)
50,922,494	Mr. Faisal Hussain	509,224,940	-	509,224,940
10,617,500	Mr. Ali Hussain	106,175,000	-	106,175,000
<b>Shares held by Directors</b>				
727,778	Mr. Rizwan A. Punjwani	7,277,780	5,822,224	13,100,004
1	Mr. Owais Zaidi	10		10
1	Mr. Salman Hussain	10	-	10
1	Mr. Nihal F. Cassim	10	-	10
1	Mr. Zulqurnain Ali Khan	10	-	10
1	Ms. Sehrish Hafeez	10	-	10
<b>Shares held by Investors</b>				
3,000,000	Mr. Shakir Ellahi	30,000,000	-	30,000,000
1,000,000	Mr. Farooq Nasir	10,000,000	-	10,000,000
150,000	Mr. Abdul Ghafoor	1,500,000	-	1,500,000
5,400,000	Mr. Saad Haq	54,000,000	-	54,000,000
<b>71,817,777</b>	<b>Total Paid up Capital</b>	<b>718,177,770</b>	<b>5,822,224</b>	<b>723,999,994</b>

**PRESENT ISSUE OF ORDINARY SHARES**

No. of shares	Allocation	Face Value (PKR)	Premium (PKR)	Total Value (PKR)
30,000,000	Allocations to Institutions / Individual Investors through Book Building process at Strike Price	300,000,000	240,000,000	540,000,000
10,000,000	General Portion	100,000,000	80,000,000	180,000,000
<b>40,000,000</b>	<b>Total Issue size</b>	<b>400,000,000</b>	<b>320,000,000</b>	<b>720,000,000</b>
<b>111,817,777</b>	<b>Grand Total (Post-IPO) Paid-up Capital</b>	<b>1,118,177,770</b>	<b>325,822,224</b>	<b>1,443,999,994</b>

- As per regulation 5(1) of the PO Regulations, the sponsors of the Company shall retain their entire shareholding in the Company for a period of not less than twelve months from the last date of public subscription;
- As per regulation 5(2) of the PO Regulations, the sponsors of the Company shall retain not less than twenty five percent of the post issue paid up capital of the Company for not less than three financial years from the last date of the public subscription;

3. As per regulation 5(3) of the PO Regulations, the shares of the sponsors mentioned at (1) and (2) above shall be kept unencumbered in a blocked account with central depository;
4. Subject to compliance with sub-regulation 1 and 2 of regulation 5 of the PO Regulations and with the prior approval of the securities exchange, the sponsors of the Company may sell their shareholding through block-sale to any other person who shall be deemed sponsor for the purposes of the PO Regulations.
5. The investment by Mr. Shakir Ellahi, Mr. Abdul Ghafoor, Mr. Saad Haq and Mr. Farooq Nasir was undertaken prior to 2017.

**i. Pattern of Shareholding of the issuer**

S. No	Name	Shares	%
1	Faisal Hussain	50,922,494	70.91%
2	Ali Hussain	10,617,500	14.78%
3	Saad Haq	5,400,000	7.52%
4	Shakir Ellahi	3,000,000	4.18%
5	Farooq Nasir	1,000,000	1.39%
6	Abdul Ghafoor	150,000	0.21%
7	Rizwan A. Punjwani	727,778	1.01%
8	Zulqurnain Ali Khan	1	0.00%
9	Salman Hussain	1	0.00%
10	Nihal Cassim	1	0.00%
11	Syed Owais Zaidi	1	0.00%
12	Sehrish Hafeez Mastoor	1	0.00%
		<b>71,817,777</b>	<b>100.00%</b>

**ii. Number of shares held by the sponsor of the issuer that shall be kept in blocked form**

The sponsors of TOMC are Mr. Faisal Hussain and Mr. Ali Hussain. They both own 50,922,494 and 10,617,500 shares each respectively. Such shares will be blocked as per Regulation 5(1) of Public Offering Regulations, 2017 for a period of 12 months. Also, as per regulation 5(2) of the PO Regulations, the sponsors of the Company shall retain not less than twenty five percent of the post issue paid up capital of the Company for not less than three financial years from the last date of the public subscription;

**iii. Breakup of Allocation of Present Issue**

The current issue is being allocated in the following manner:

Description	Number of shares	% Shareholding status
*Allocated to Pre IPO Investors	0	0%
*Allocated to General Public	40,000,000	100%

Post IPO, the share capital will increase from 71,817,777 ordinary shares to 111,817,777 ordinary shares. The free float status post IPO is presented in the below table:

Description	Number of shares	% Shareholding status
Held by Sponsors	61,539,994	55.04%
Held by Others	9,550,000	8.54
Held by Other Directors	727,783	0.65%
Held by General Public – Free Float	40,000,000	35.77%
<b>Total</b>	<b>111,817,777</b>	<b>100.0%</b>

**Shares Issued in Preceding Years**

#	No. of Shares Issued	Consideration	Total Value (PKR)	Date of Issuance / Allotment
1	100,000	Cash	1,000,000	2010
2	9,900,000	Conversion of Sponsor Advance	99,000,000	2017
3	11,090,000	Conversion of Sponsor Advance	110,900,000	2018
4	50,000,000	Bonus	500,000,000	2018
5	727,777	Cash	7,277,770	2019
<b>Total</b>	<b>71,817,777</b>		<b>718,177,770</b>	

Other than the above mentioned shares, there has been no issuance of shares since incorporation of the Company.

**iv. Related Employees of the issuer, consultants and book runner**

- Related Employees of the Company (**The Organic Meat Company Limited**)

S. No	Name	Designation
1	Mr. Zulqiurnain Ali Khan	Chairman – Non Executive Director
2	Mr. Faisal Hussain	Chief Executive Officer, (Sponsor)
3	Syed Imran Ali	Chief Financial Officer
4	Mr. Ali Hussain	Chief Operating Officer, (Sponsor)
5	Mr. Danish Naeem	Company Secretary
6	Mr. Rizwan A. Punjwani	Director
7	Mr. Owais Zaidi	Independent Director
8	Mr. Salman Hussain	Independent Director
9	Mr. Nihal F. Cassim	Independent Director
10	Ms. Sehrish Hafeez	Independent Director

- Related employees of the Joint Consultants to the Issue (**Topline Securities Limited & Intermarket Securities Limited**)

S. No	Name	Designation
1	Mr. Mohammad Sohail	Chief Executive Officer (Topline)
2	Mr. Wajid Hussain	Chief Executive Officer (IMS)
3	Mr. Jawwad Rauf	Director - Investment Banking (IMS)
4	Mr. Omar Salah Ahmed	Head of Corporate Finance & Advisory (Topline)
5	Mr. Qazi Muhammad Hasnain	Head of Investment Banking (IMS)
6	Mr. Muhammad Saad Abdullah	AVP, CF&A (Topline)
7	Mr. Daniyal Ahmed Khan	Sr. Analyst, CF&A (Topline)
8	Syed Muhammad Danyal Hassan Rizvi	Analyst, Investment Banking (IMS)
9	Mr. Atif Zafar	Director Research (Topline)
10	Ms. Samar Iqbal	Head of Foreign Sales (Topline)
11	Mr. Saad Ali, CFA	Head of Research (IMS)
12	Mr. Wajid Hussain	Head of Broking (IMS)

- Related employees of the Book Runner **AKD Securities Limited**

S. No	Name	Designation
1	Mr. Farid Alam	Chief Executive Officer
2	Mr. Khurram Shahid	Head of Investment Banking
3	Mr. Abadan Mohajir	VP, Investment Banking
4	Mr. Muhammad Imran Afzal	AVP, Investment Banking
5	Mr. Owais Ibrahim	Analyst, Investment Banking
6	Ms. Afsheen Aqeel	Analyst, Investment Banking



**Note:**

1. As per regulation 7(9) of the PO Regulations the associates of the Consultant to the Issue and the Book Runner shall not in aggregate make bids in excess of Ten (10%) percent of the shares offered through Book Building. Provided that it shall not apply to such associates of the Consultant to the Issue and the Book Runner that are Financial Institutions, Mutual Funds and Insurance Companies.
2. As required under regulation 20 (10) of the PO Regulations, Related Employees of the Issuer, Consultant to the Issue and Book Runner to the Issue shall not participate in the bidding for shares.

## UNDERTAKING BY THE COMPANY AND ITS SPONSORS

We, (1) **FAISAL HUSSAIN** son of Muhammad Hussain, having office at Suite No. 1, 1<sup>st</sup> Floor, Hussain Chamber, 66 & 68C, 25<sup>th</sup> Street, Tauheed Commercial Area, Phase V, D.H.A, Karachi, bearing CNIC Number 42301-7030455-9, and (2) **ALI HUSSAIN** son of Muhammad Hussain, having office at Suite No. 1, 1<sup>st</sup> Floor, Hussain Chamber, 66 & 68C, 25<sup>th</sup> Street, Tauheed Commercial Area, Phase V, D.H.A, Karachi, bearing CNIC Number 42301-7030455-9, do hereby state on solemn affirmation as under:

- (1) That we are the sponsor and majority shareholders of **THE ORGANIC MEAT COMPANY LIMITED** (the “**Issuer**”);
- (2) That the IPO proceeds shall be utilized as per the purpose disclosed in the Prospectus.

-SD-

.....  
**Faisal Hussain**  
**Chief Executive Officer / Director**  
**The Organic Meat Company Limited**

-SD-

.....  
**Ali Hussain**  
**Director**  
**The Organic Meat Company Limited**

#### 4. PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING ARRANGEMENTS

##### i. Principal Purpose of the Issue

The Organic Meat Company Limited intends to issue 40,000,000 ordinary shares at a floor price of PKR 18.00/- per share to raise PKR 720 Million through this IPO at the Floor Price. The Company plans to increase its current product output through the utilization of these funds as well as set up two (2) new offal processing facilities, one in Korangi for locally sourced raw offal while the other facility shall be set up at Export Processing Zone, Port Qasim for processing of imported offals and re-export.

These expansions shall be financed 100% by the proceeds of the IPO

The utilization of proceeds are given below:

##### - Utilization of Proceeds

The Issue is expected to generate PKR 720 Million at floor price of PKR 18.00/-per share. As per the Company's strategic business plan, IPO proceeds shall be utilized as under:

Sources		Expenditure Heads		
Particular	PKR	Particular	PKR*	%
IPO Proceeds	720,000,000	Utilization in Working Capital	448,351,444	62.27
		Facility for local Offal*	167,200,000	23.22
		Facility in Export Processing Zone	104,448,556	14.51
<b>TOTAL</b>	<b>720,000,000</b>	<b>TOTAL</b>	<b>720,000,000</b>	<b>100%</b>

\* These figures are estimates based on the company's best assessment of future deployment of capital and may vary subject on market conditions.

\* The new facilities in Korangi and EPZ will be dedicated mainly to the processing and export of white offal product

##### Additional disclosures relating to purpose of the issue

##### 1) Details regarding finance of the project

##### a) Facility of Local Offal in Korangi Industrial Area:

Description	Funds Required	% Allocation <sup>1</sup>	Already Incurred	% Completed
Land (1000 to 1200 Sq. yards)	100,000,000	60%	-	0%
Construction of facility building	31,000,000	19%	-	0%
Equipment ( Chillers + freezers Storages)	21,200,000	13%	-	0%
Machinery	15,000,000	9%	-	0%
<b>Total</b>	<b>167,200,000</b>	<b>100%</b>	<b>-</b>	<b>0%</b>

##### (i) Location of project: Korangi Industrial Area, Karachi

The Company has identified several plots of land meeting its requirement and also conducted initial discussions with willing sellers to ascertain cost estimates however the actual plot will be finalized post IPO ranging between 80mn and 100mn, based on proximity to the main road.

**(ii) Details of Plant & Machinery**

Description	Make	Date of Placement of Order <sup>1</sup>	Expected date of Delivery	Amount
Blast Freezer (10 tons/day)	Condensing Unit / DWM – Copeland / Germany	Q4FY20	Q1FY21	5,000,000
Cold Storage (50 tpd)	Condensing Unit / DWM – Copeland / Germany	Q4FY20	Q1FY21	7,000,000
Chiller (20 tpd)	Condensing Unit / DWM – Copeland / Germany	Q4FY20	Q1FY21	5,000,000
Reefer Container (25 tons)	Condensing Unit / DWM – Copeland / Germany	Q4FY20	Q1FY21	4,200,000
Meat Steamer / Cookers	(i)CAPIC S.A.S /Quimper/France (ii) Two Thousand Machinery Co. Ltd – Guangzhou China	Q4FY20	Q1FY21	15,000,000
				<b>36,200,000</b>

1. Date of placement of order is given from the date of Initial Public Offering

**(iii) Break up of utilization in facility building**

Description	Area	Unit	Rate (PKR)
Mezzanine Area	1,000	Sq. ft.	2,500,000
Ground Floor Area	9,167	Sq. ft.	21,800,000
Underground Water Tank Area	10,000	Gallon	3,000,000
Overhead Water Tank Area	3,000	Gallon	1,200,000
Stair Tower Area	600	Sq. ft.	1,200,000
Boundary Wall Area	400	Running ft.	1,300,000
			<b>31,000,000</b>

*\*Construction of Building will be undertaken by Mr. Javed Bhatti and Mr. Zahir Shah who have been working with the Company for some time now, and have been responsible for the civil and electrical works during the previous plant, lairage and other related expansions/constructions.*

**Implementation Schedule**

S. No.	Particulars	Completion By*
1	Acquisition of land	Q4 FY20
2	Approval of construction drawings	Q1 FY21
3	Construction	Q4 FY21
4	Application for completion**	Q1 FY22
5	Installation of machinery and commission	Q1 FY22
6	Test run	Q1 FY22
7	Commencement of Production	Q2 FY22

\*Timelines apply from the date of Initial Public Offering

\*Application for completion and installation of machinery and commission will be done concurrently

\*\*Completion certificate will be issued by Korangi Creek Cantonment

**b) Facility in Export Processing Zone**

Description	Funds Required	% Allocation	Already Incurred	% Completed
Land (1000 to 1200 Sq. yards)	60,000,000	57%	-	0%
Construction	22,000,000	21%	-	0%
Equipment ( Chillers + freezers Storages)	19,948,556	19%	-	0%
Machinery	2,500,000	2%	-	0%
<b>Total</b>	<b>104,448,556</b>	<b>100%</b>	<b>-</b>	<b>0%</b>

\* These estimates are based on the 'best and lowest estimates' made available by the Company for a basic factory structure. All materials such as cement, steel, etc to be used at this premises are tax free due to being located at the Export Promotion Zone, Port Qasim, Karachi

**(i) Location of Project:** Export Processing Zone, Karachi

The Company has identified several plots of land meeting its requirement and also conducted initial discussions with willing sellers to ascertain cost estimates however the actual plot will be finalized post IPO

**(ii) Break up of Utilization in Equipment**

Description	Make	Date of Placement of Order <sup>1</sup>	Expected date of Delivery <sub>1</sub>	Amount
Blast Freezer (20 tons/day)	Condensing Unit / DWM – Copeland / Germany	Q4FY20	Q1FY21	6,000,000
Cold Storage (50 tpd)	Condensing Unit / DWM – Copeland / Germany	Q4FY20	Q1FY21	3,000,556
Chiller (20 tpd)	Condensing Unit / DWM – Copeland / Germany	Q4FY20	Q1FY21	4,948,000
Reefer Container (25 tons)	Condensing Unit / DWM – Copeland / Germany	Q4FY20	Q1FY21	6,000,000
Meat Steamer / Cookers	(i)CAPIC S.A.S /Quimper/France	Q4FY20	Q1FY21	2,500,000
				<b>22,448,556</b>

1. Date of placement of order is given from the date of Initial Public Offering

**(iii) Break up of Utilization in Facility Buildings**

Description	Area	Unit	Rate (PKR)
Mezzanine Area	1,000	Sq. ft.	2,500,000
Ground Floor Area	5,854	Sq. ft.	14,000,000
Underground Water Tank Area	10,000	Gallon	2,500,000
Over Head Water Tank Area	3,000	Gallon	1,000,000
Stair Tower Area	600	Sq. ft.	1,000,000
Boundary Wall Area	460	Running ft.	1,000,000
			<b>22,000,000</b>

\*Construction of Building will be undertaken by Mr. Javed Bhatti and Mr. Zahir Shah who have been working with the Company for some time now, and have been responsible for the civil and electrical works during the previous plant, lairage and other related expansions/constructions.

**Implementation Schedule**

S. No.	Particulars	Completion By*
1	Acquisition of land	Q1 FY21
2	Approval of construction drawings	Q2 FY21
3	Construction	Q1 FY22
4	Application for completion month**	Q2 FY22
5	Installation of machinery and commission	Q2 FY22
6	Test run	Q2FY22
7	Commencement of Production	Q3 FY22

\*Timelines apply from the date of Initial Public Offering

\*\*Completion certificate will be issued by Export Processing Zones Authority

**2) Details regarding working capital****(a) Basis of estimation of funds required for working capital**

Description	PKR
Procurement and processing of Meat	338,728,224
Procurement and processing of Offal	109,623,220
<b>TOTAL</b>	<b>448,351,444</b>

\*The utilization of funds within the product mix could vary based on future strategic circumstances

The Company has evaluated its working capital requirement based on past trends and future business outlook. Furthermore, it must be kept in mind that TOMC has already developed the plant infrastructure i.e. capacities have already been expanded with own funds and these funds would be used exclusively for procurement of live animals, their slaughtering and processing into different products. The mix of working capital may change within the product mix, should there be any change in future strategic scenario.

**(b) Reasons for raising working capital**

Owing to a sharp devaluation of rupee, the demand for Company's product has also risen sharply and as a result the Company has to invest in increasing its capacity utilization to ensure that the rise in demand translates into increased meat production into value added products. This would result in a higher working capital requirement for the Company.

In addition, the Company, as per regulation 16(i) (ii) of the PO Regulations, shall:

1. report detailed break-up of the utilization of the proceeds of the issue in its post issue quarterly / half-yearly and annual accounts till the fulfillment of the commitments mentioned in the prospectus and
2. Submit a (a) Half yearly progress report and (b) annual progress report reviewed by the auditor providing the status of the commitments mentioned in the prospectus to PSX till the fulfillment of the commitments mentioned in the prospectus as per the format given in regulation 16 of the PO Regulations.
3. Submit a final report reviewed by the auditor after the fulfilment of commitments given in the prospectus

**3) Details regarding purchase of Plant/ Equipment/ Technology**

Please refer to section 4(ii) (1) for details

**4) Details regarding acquisition of land**

Location	Area	Estimated Cost	Status of Acquisition	Title of Land
Export Processing Zone	1000-1200 Sq. Yards	60,000,000	Not Acquired	N/A
Korangi	1000-1200 Sq. Yards	100,000,000	Not Acquired	N/A

**ii. Percentage utilization of excess IPO funds**

The above utilization of funds is based on the subscription at the Floor Price of PKR 18.00/-per share. Excess funds, if any received in case the strike price is determined above the Floor Price shall be utilized by the Company in the following manner, in this priority:

S. No.	Purpose	%
1.	Retirement of Short Term Financing	50%
2.	Working Capital	40%
3.	Miscellaneous Expenses	10%

**iii. Retirement of Short Term Financing**

TOMC currently has short term borrowings of PKR 718.659 million. Historically, the Company has been utilizing short term borrowings from various banks to cater to the working capital requirements. However, keeping in mind the interest rate scenario as well as the devaluation of PKR against the US\$, the Company has decided to reduce its dependence upon banks for working capital. As part of the strategic plan, the Company has decided to reduce its reliance on funding and increasing equity component to manageable levels. Therefore, from a current PKR 718.659 million short term funding, the Company intends to reduce its short term funding if amount is raised in excess.

**iv. Pre and Post Expansion Capacity**

	Current Capacity	Post Expansion Capacity
<b>Slaughtering Capacity</b>	60 heads per hour for bull/cow/buffalo	60 heads per hour for bull/cow/buffalo
	120 heads per hour for goat/sheep	120 heads per hour for goat/sheep
<b>Chilling Capacity</b>	75 tons per day	115 tons per day
<b>Freezing Capacity</b>	250 tons per day	350 tons per day
<b>Blast Freezing Capacity</b>	60 tons per day	90 tons per day
<b>Vacuum Packaging Capacity</b>	20 tons per day	20 tons per day
<b>Offal Processing Capacity</b>	05 tons per day	25 tons per day

\*The new Capacity additions from facilities at KEPZ and Korangi will be dedicated fully for the processing and export of Offal and will not be utilized for meat

#### 4A. VALUATION SECTION

The ordinary shares of The Organic Meat Company Limited ("TOMC" or the "Company") are being issued at Floor Price of PKR 18.00/- per share, inclusive of a premium of 8.00/- per share. The Consultant to the Issue has reviewed the business performance of the Company and in their opinion the Floor Price of PKR 18.00/- per share is justified on the basis of:

##### 4A.1 Strategic location

TOMC's plant is located strategically with less than an hour's transport time to major city links; including Jinnah International Airport, Port Qasim and Karachi Port

##### 4A.2 Pakistan's only Meat Company Processing & Exporting Offal

The meat export sector in Pakistan is mainly concentrated around fresh chilled meat exports. However, TOMC is the only player in Pakistan's meat sector which deals in the value added segment. Furthermore, TOMC is the sole player in Pakistan's meat sector which exports white offal. TOMC plans to supply white offal to leading importers in Vietnam. Recently, new vendors from Vietnam have contacted the Company with queries for the Company's white offal product. Within the meat industry, offal is a higher margin product and TOMC plans to reinforce its position in the global offal trade. This will also ensure that the new investors experience the future growth of the business with an adequate minimum base-line.

##### 4A.3 Most diversified product portfolio

	Chilled Beef With Bone	Chilled Mutton With Bone	Frozen Beef Without Bone	Frozen Mutton Without Bone	Frozen Beef With Bone	Frozen Mutton With Bone	Vacuum Pack Beef/Mutton Boneless	Vacuum Pack Beef/Mutton Boneless	Frozen/Chilled Offals	Beef/Sheep Casings
TOMC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

The major product in Pakistan's meat industry is chilled meat, whether beef, mutton or chicken. As a strategic decision, TOMC sponsors had planned to develop a product portfolio around frozen product, which is a value-added product. TOMC possesses the most diverse product line in Pakistan's meat industry, with Fresh Chilled Meat bone-in, Boneless Frozen Meat, Boneless Fresh Chilled Vacuum Packed Meat, Frozen and Fresh Red and White Offal and Food Processing.

Furthermore, TOMC is the only operator which has the experience of feeding large international food processing clients & the only operator having licenses to export all categories of meat to UAE, Kingdom of Saudi Arabia, Iraq, Malaysia, Egypt, Vietnam, Kuwait, Oman, Qatar, CIS region and Bahrain. The Company is also the first and only company from Pakistan to launch product portfolio in the offal category.

##### 4A.4 Largest market coverage

As a result of high quality standards as well as innovation and hygiene, maintained by the Company, TOMC has been granted export permissions from **Iraq, Kuwait, UAE, Saudi Arabia, Vietnam, Malaysia, Egypt, Oman, Qatar, Common Wealth of Independent States (CIS) region, Bahrain, Myanmar, Maldives and Hong Kong**. This is the largest market access for any halal meat processor in Pakistan. Furthermore, the Company is currently in the process of seeking approvals to export to China, Russia and Thailand. TOMC is also likely to receive permission from China to export frozen boneless meat & fresh chilled boneless vacuum packed meat especially cooked offal line, for which China is a major demand destination.

Export Destinations															
Companies	Iraq	Kuwait	Oman	Qatar	KSA	UAE	Bahrain	Egypt	Malaysia	Vietnam	Myanmar	Hong Kong	Maldives	CIS	
TOMC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

It is important to note here that owing to its large market access, TOMC is also preferred by the suppliers since livestock weight variations are easier to manage as opposed to other players who do not have such a high market access.



**4A.5 Export via sea**

TOMC is the only meat exporter from Pakistan that is allowed by the Saudi Arabian authorities to export fresh chilled and frozen meat via sea. This allows significant cost savings on the transport of the meat, thus providing TOMC with a competitive operating advantage.

**4A.6 Naturally hedged margins**

Since TOMC's business model is focused towards exports, the margins in the business are naturally hedged against Pak Rupee depreciation as products are priced in USD. Furthermore, the Company's specialty, i.e. boneless fresh vacuum packed, frozen meats (in compensated\* and Individual Wrapped Packaging) and Offal are the high margin segments of the meat industry. This offers a very viable hedge against the devaluation of Pakistani Rupee vis-a-vis the US dollar, which has been an almost continuous trend for the past several years as shown below. In CY2019 alone PKR devalued by approximately 11% whereas historically, the Rupee has devalued 5.90% against US \$ per annum for the past 20 years.

*\*Compensated meat is big loafs of meat and packed in category of hind quarter, for quarter, neck and flank, They are used for further food processing like kebabs and etc., Compensated frozen meat is usually purchased by food processors*

FY2000	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	CAGR
51.79	58.33	61.33	58.47	57.48	59.34	59.88	60.69	62.60	78.48	
FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	5.90%
83.86	85.58	89.37	96.83	102.93	101.39	104.33	104.76	121.735	163.13	

Source: Investing.com

**4A.7 Consistent growth in revenues**

Over the past 5 years, the Company's sales have witnessed strong CAGR of 10.5%. The growth in core revenues is a sign of customer confidence in the Company's products. In the past, the Company has been focused on developing different product lines, leaving footprints in new export destinations and investing heavily to meet all levels of compliance to open different markets to the Company. Yet there is plenty of room for expansion by increasing current product capacity utilization and introducing new products to further enhance the Company's growth.

**4A.8 Strong Management**

The sponsor's family has been in Offal and related businesses since 1932. This allows a significant advantage as the family has generation's old business contacts and well established business channels. With the vast experience in the Meat and Offal processing industry, TOMC's senior management is playing a key role in modernizing the industry which has other-wise remained a traditional industry. Apart from being the first company from Pakistan to export Fresh Frozen Boneless Beef Meat to Saudi Arabia and CIS region from Pakistan, TOMC is also the first company from Pakistan to initiate Export of Vacuum Packed Fresh Beef Meat. Pioneering the export markets like Maldives and Vietnam, it is the only company in the region owning the technology to vacuum pack or blast freeze mutton and quarter beef carcasses

TOMC's sponsor set up the Company with a vision to set highest standards in quality and services by adopting internationally acceptable Halal Meat processes. The senior management is focused on delivering results to the customers, having studied at the nation's premier business schools. The board has sound business acumen enabling it to make decisions in the best interests of the Company and the stakeholders.

**4A.9 Attractive Valuation**

TOMC's Floor Price of PKR 18.00/- per share, based on annual earnings, translates to a price to earnings (P/E) multiple of 5.93 times, Similarly price to book value (P/B) multiple based on year ended June 2019 book value translates into P/B multiple of 0.80 times.

Symbol	Share Price <sup>1</sup>	EPS <sup>2</sup>	BVPS <sup>3</sup>	P/E	P/B	P/S <sup>4</sup>
*TOMC	18.0	3.04	22.57	5.93	0.80	0.50

1 Floor Price for Initial Public Offering

2 EPS based on annual earnings and 71,817,777 number of shares outstanding, earnings include an exchange gain of PKR 218.17mn, adjustments include provisions made against trade debts of PKR 84.563mn and write offs of PKR 56.564mn

3 BVPS as at June 30<sup>th</sup>, 2019, calculated at 71,817,777 number of shares outstanding

4 P/S is based on annual sales period ended June 2019

#### 4A.10 Halal Certification

TOMC deals in 100% certified halal meat exclusively. The meat slaughtering process is certified to be halal by the Pakistan Government Authority Animal Quarantine Department (AQD). The Company ensures strict adherence to the Halal Standards such as slaughtering by a Muslim. Each Animal is slaughtered with the recitation of Tasmiya, and ample time is given after slaughtering so that the animal bleeds out before further processing.

#### 4A.11 Post IPO Free Float Disclosure

Post IPO, the share capital will increase from 71,817,777 ordinary shares to 111,817,777 ordinary shares. The free float status post IPO is presented in the below table:

Description	Number of shares	% Shareholding status
*Held by Sponsors	61,539,994	55.04%
*Held by Others	9,550,000	8.54%
*Held by Other Directors	727,783	0.65%
*Held by General Public – Free Float	40,000,000	35.77%
<b>Total</b>	<b>111,817,777</b>	<b>100.0%</b>

#### 4A.12 Peer Group Comparison

Companies dealing in the meat trade globally have different operations from Companies working in Pakistan, however since TOMC is an export based meat processor, it is relevant to provide a valuation comparison to some of the global players exporting to multiple destinations like TOMC;

Company	Origin	EPS	P/E	P/S	P/BV
Tyson foods	US	5.75	10.69	0.5	1.5
JBS S.A.	Brazil	2.28	8.83	0.26	1.81
JAPFA Ltd	Singapore	0.06	5.64	0.17	0.77
CP Foods	Thailand	2.14	12.06	0.4	1.19
Masan Meat Life	Vietnam	356	116.52		2.06
TOMC	Pakistan	3.04	5.93	0.5	0.8

Companies in the meat export sector in Pakistan are mostly not listed with Al-Shaheer being the only listed player. However, the product portfolio of both companies is vastly different with Al-Shaheer only competing in the fresh chilled export segment. TOMC's product portfolio includes Fresh Chilled, Chilled boneless Vacuum Packed, Frozen bone in, Deboned Frozen, Offal, etc. Furthermore, TOMC's entire focus is on generating US Dollar based revenues therefore the company is operating almost exclusively in the export market. In comparison, Al-Shaheer also focuses on operating in the local retail segment under the name of "Meat One".

Below is a table showing key valuation ratios of the Company and its Competitors

	Share Price <sup>1</sup>	EPS <sup>2</sup>	BVPS <sup>3</sup>	Sales/Share <sup>4</sup>	P/E <sup>5</sup>	P/S <sup>6</sup>	P/B <sup>7</sup>	ROE <sup>8</sup>	ROA <sup>9</sup>	GPM <sup>10</sup>	NPM <sup>10</sup>	Free Float (%)
TOMC	18	3.04	22.57	35.89	5.93	0.50	0.80	15.11	8.89	15.82	8.46	35.77
ASC	10.18	1.50	32.38	29.47	6.79	0.35	0.31	4.44	2.67	29.55	4.77	65

(Source: Latest Annual Financial Statements of TOMC & ASC)

1 Share price as of April 17<sup>th</sup>, 2020 for ASC & Floor Price for TOMC

2 EPS for TOMC based on Annual earning and 71,817,777 number of shares outstanding, earnings include an exchange gain of PKR 218.17mn, provisions made against trade debts of PKR 84.563mn and write offs of PKR 56.564mn

3 BVPS based on latest annual financials as of June 30<sup>th</sup>, 2019, using 71,817,777 number of shares for TOMC

4 Sales/share based on annual sales from July 01<sup>st</sup>, 2018 to June 30<sup>th</sup>, 2019, using 71,817,777 number of shares for TOMC

5 P/E is calculated by dividing Share price with EPS

6 P/B is calculated by dividing Share price to BVPS

7 P/S is calculated by dividing shares price to sales/share

8 ROE is calculated by EPS divided by average of last 2 years BVPS

9 ROA is calculated by EPS divided by average of last 2 years assets/share

10 GPM & NPM calculated for the year ended June 30<sup>th</sup>, 2019

## Industry Peer Comparison

### Cutting-Edge Facility

In any type of industry, let alone meat industry, advancement in technology has a high correlation with production efficiency. TOMC has a state-of-the-art facility which includes high-tech plant & machinery for processing beef, mutton and offal. It is the **only Company in the industry having equipment and expertise to process beef & mutton offal** and cater to international offal demand from Pakistan.

The procedures of the Company practices are ensured to be in compliance with all the international standards including **ISO 9001-2008**, Hazard Analysis and Critical Control Points (**HACCP**) for Food, Gulf Standards, Saudi Food and Drug Authority (**SFDA**), Saudi Standards, Metrology and Quality Organization (**SASO**), Safe Foods Control Veterinary Standards while the equipment being used at TOMC's facility are one of its kind and are purchased from renowned Companies such as Copeland, Stork, Vemag, Boss, VDZT, Openshaw, Kent Master, Ruhle, Jarvis etc. TOMC also stands to be the **only meat processing company in Pakistan having its facility certified by most organizations**.





Compared to its listed peer company, Al-Shaheer Foods, TOMC has an advanced production facility which gives it an edge on production and cost efficiency. TOMC's facility can be bifurcated into two segments i. Cold chain management; and ii. Meat Processing & Packaging Facility.

### Cold Chain Management

TOMC's Cold Chain line consists of Chillers, Freezers and Blast Freezers. The chillers and freezers are used to keep meat at 0° to 4°C and -18°C respectively. The chilled and freshly frozen meat is then ready to be delivered to any approved destination. Blast Freezers are used to bring meat temperature down to -36°C, which helps in extending its life from 21 days to 365 days; this provides an absolute advantage to TOMC as products and offal with prolonged life are shipped to their respective destinations by sea which is relatively a more cost efficient medium of transportation than air. TOMC can also transport chilled meat via sea and is the only company in Pakistan's meat sector, currently involved in transporting chilled meat through maritime transport; ASC and other sector players, on the other hand have to use a costly medium of transportation i.e. by air.

Compared to TOMC, ASC is not involved in the production of frozen or offal products. Frozen meat products have a huge global market. According to Transparency Market Research, more than US\$ 30Bn worth of frozen meat products will be sold globally by the end of 2026. TOMC, already being part of this market as supplier of frozen meat, plans to increase its market share by tapping new regions. Besides having an extensive product range, TOMC is also ahead of ASC in terms of capacities as depicted in the table below:

		
<b>Slaughtering Capacity</b>	60 heads per hour for bull/cow/buffalo 120 heads per hour for goat/sheep	40 heads per hour for bull/cow/buffalo 120 heads per hour for goat/sheep
<b>Chilling Capacity</b>	75 tons per day	80 tons per day
<b>Freezing Capacity</b>	250 tons per day	Does not have facility
<b>Blast Freezing Capacity</b>	60 tons per day	Does not have facility
<b>Vacuum Packaging Capacity</b>	20 tons per day	Does not have facility

### Meat Processing & Packaging Facility

TOMC has a state of the art carcass steaming, deboning and vacuum packaging facility. Furthermore, TOMC has a modern waste and offal management system with separate areas for offal processing and de-boning. TOMC specializes in processing both red and white offal of beef and mutton. Since other players in the industry do not have specialization to process offal, TOMC also purchases offal from other industry players including Al-Shaheer and PK Livestock and then runs it through its special process to export to respective international destinations.

A typical meat processing goes through the following chain:

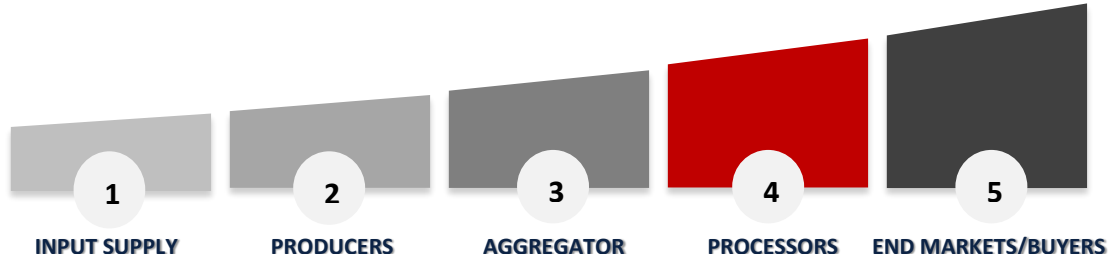


– Vacuum Packaging is another key factor where TOMC has an advantage over ASC. Vacuum Packaging adds a layer of protection from external sources and hence provides food preservation. It is used mainly for packaging of fresh, chilled, deboned meat products.



#### – Meat Procurement

TOMC procures healthy and well-bred animals which complies with hygiene and quality standards. A wide range of product offering and market access requires diversification in procurement of animals. TOMC has the capability to cater to the demand of a broad range of products. TOMC stands to be the only company in Pakistan that caters to international markets of bone-in chilled, boneless Vacuum Packed, Processed Food, Bone-in and boneless Frozen products and Offal altogether, while Al-Shaheer Foods only participates in catering to the demand from international bone-in chilled market.

TOMC procures a wide-range of animals as compared to ASC. The Company holds capability to procure and effectively process animals of different ages, weights, genders & breeds. TOMC has the specialty of processing beef and mutton offal without having any constraints with respect to aforementioned animal demography.



Furthermore, TOMC plays the role of meat processor in the meat value chain, where livestock is bought from local livestock market and then are slaughtered within the Company's facility. Post slaughtering, the meat is sophisticatedly processed into various categories of meat products. The following table reflects a strong procurement portfolio of TOMC as compared to its peer company ASC.

Meat Segments	Chilled Meat Market		Fresh Boneless Vacuum Market	Process Food Boneless Meat Market	Beef/Mutton Offal Market	Boneless Frozen Market
Market Served by		 <b>THE ORGANIC MEAT COMPANY LTD.</b> Processors & Exporters of World Class Halal Meat				
Weight	Upto 130 Kg	Upto 130 Kg	Over 150 Kg	Over 200 Kg	Any	Over 150 Kg
Age	Upto 30 Months	Upto 30 Months	Upto 36 Months	Any	Any	Any
Gender	Male Animal (Bulls)	Male Animal (Bulls)	Bull, Cows & Buffalo	Any	Any	Any

#### Product Differentiation

TOMC has an extensive product offering which gives it an edge over Al-Shaheer Foods. In particular, TOMC differentiates itself by having offal, boneless frozen meat products and boneless vacuum packed meat products in its product portfolio. While Al-Shaheer only offers its products in bone-in chilled category which TOMC offers as well.

Following is the product schematic that is currently being offered to its clientele by TOMC and Al-Shaheer:

Companies	TOMC	ASC
Frozen Beef Boneless	✓	✗
Frozen Mutton Boneless	✓	✗
Frozen Beef Bone-in	✓	✗
Frozen Mutton Bone-in	✓	✗
Vacuum Pack Beef/Mutton Boneless	✓	✗
Vacuum Pack Beef/Mutton Carcass	✓	✗
Frozen/Chilled Offal's	✓	✗
Beef Casings	✓	✗
Chilled Beef Bone-in	✓	✓
Chilled Mutton Bone-in	✓	✓
Chicken	✗	✓

### Access to Global Markets

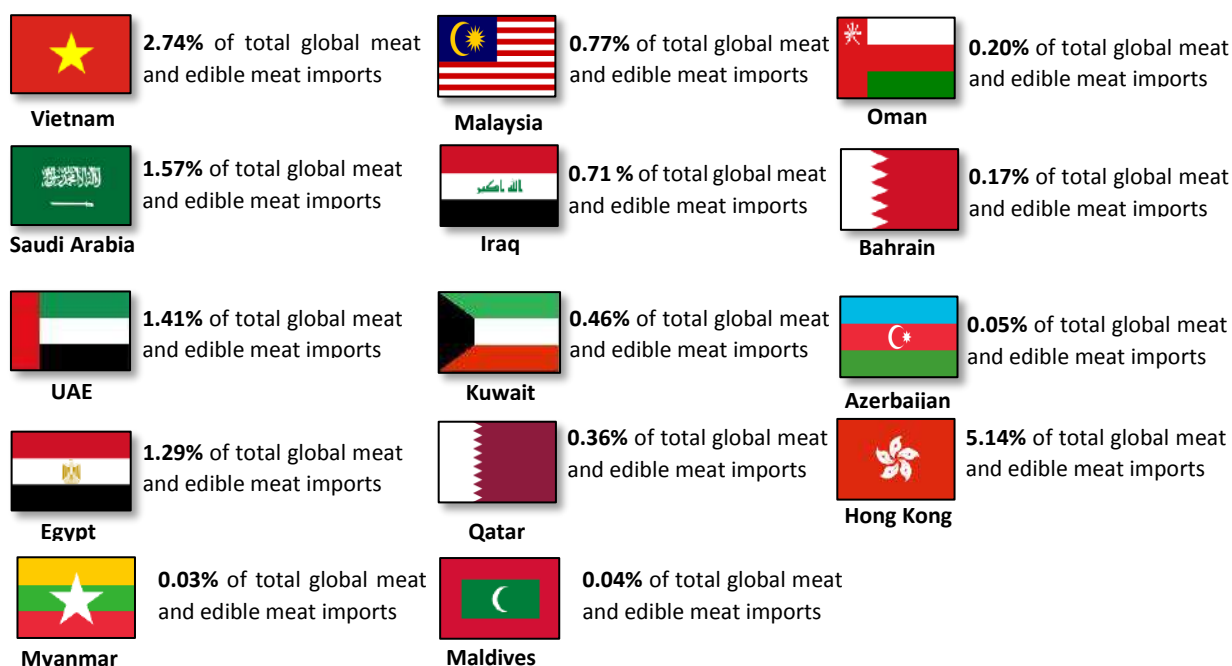
TOMC's sales are majorly derived from exports and hence it is essential to have valid export licenses to cater to international markets. Currently, TOMC has **direct access to 14 countries – out of which 6 countries come under top 35 major importers of meat and edible offal**. In comparison, ASC currently exports to only 6 countries and out of which only two countries fall under top 35 major importers of meat and edible offal. The following map depicts the market coverage of both TOMC and ASC:



### TOMC Market Access & Global Import



**GLOBAL IMPORT** of Meat and edible meat offal  
marked at **US\$ 124.42 Bn** in 2018

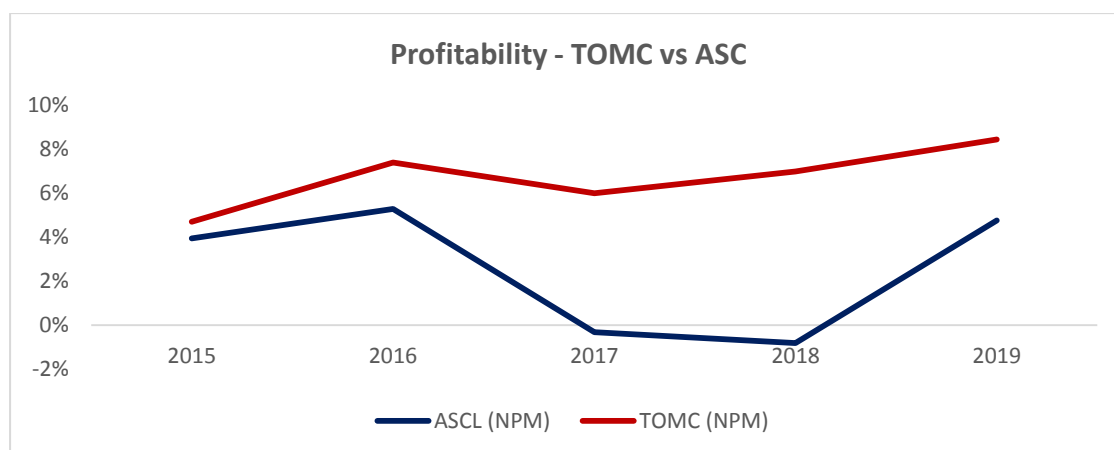


Source: International Trade Statistics



## Financial Performance

TOMC has outperformed GDP of Pakistan with NPAT 5YCAGR of 13.45% while real GDP growth of Pakistan has depicted a 5YCAGR of 5%. On the other hand, ASC posted losses in FY2017 and FY2018 and has only just managed to post a profit in its latest accounts showing consolidated annual EPS of PKR1.50 in June 2019. TOMC's strategic planning, resource allocation and smart decision making has played a key part in keeping the Company profitable since inception. TOMC has also been able to procure licenses to export to several countries, and few more are in process, including China – which would only allow boneless frozen producers access to their market. TOMC's performance track record shows its business intelligence and its management's competency and consistency.



## Financial Analysis

Ratio Analysis	TOMC	ASC*
Current Ratio (x)	1.42	0.99
Quick Ratio (x)	1.20	0.99
Interest Bearing Debt to asset ratio (x)	0.29	0.14
Interest Bearing debt to equity ratio (x)	0.45	0.23
Financial leverage ratio (x)	1.58	1.65
Inventory Turnover (x)	10.79	34.94
Receivables turnover (x)	3.13	2.83
Payables turnover (x)	15.60	3.96
Fixed asset turnover (x)	2.07	0.79
Total Asset Turnover (x)	1.00	0.55
Days of Inventory on Hand	33.82	10.45
Days of Sales outstanding	116.71	129.00
Number of days of payables	23.39	92.13
Earnings per Share	3.04	1.5
Book Value per Share	22.57	32.38
Gross Profit Margins (%)	15.83%	29.54%
Operating Profit Margin (%)	8.46%	4.08%
Pre-tax Margin (%)	10.28%	5.56%
Net Profit Margin (%)	8.46%	0.005%
Operating ROA (%)	8.49%	2.26%
ROA (%)	8.49%	0.003%

<b>ROE (%)</b>	13.45%	0.004%
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Source: Annual Accounts 2019 ASC & TOMC

\*ASC Ratios are based on Un-Consolidated accounts to eliminate impact of Al-Shaheer Farms (Private) Limited – Subsidiary Company for better comparison.



## 5. RISK FACTORS

### GENERAL RISK DISCLOSURES

1. The Company has been processing and selling white offals since commencement of business and it wants to set up two new white offals processing facilities, however it has yet to explore major offal export markets.
2. Company's sales of white offal have decreased by 67% during the last one year.

#### **Rationale of Decline:**

The Sales of Offal have declined in the past 2 years on account of procurement issues of the white offal, as explained in detail, white offal is a highly perishable product and needs to be processed within hours of procurement or else the product declines in quality. Currently the collection point for procured offal is the Company facility in Gadap, which is far away from the other local slaughter places and delivery of the product to this location in the evening is a problem. This is why the Company is opening its new Offal processing facility in Korangi to procure white offal locally.

1. Major export market for offals is China and Company has yet to obtain approvals for export to China as disclosed in plan.
2. Company has yet to enter into agreements with European suppliers to procure standardized processed offals for re-export.
3. COVID-19 scenario might significantly impact future exports of the Company.
4. The Company has all short-term contracts with its existing customers and there is only one customer (representing 3.30% of the sales for the FY19) that has been continuously buying meat from the Company during the last three years.
5. The debt to equity ratio of the Company excluding revaluation surplus as on June 30, 2019 is 0.74.
6. EPS of the company for FY-19 is Rs. 3.04 including exchange gain of Rs. 218 million and reversal of provision against trade debt of Rs. 63 million. EPS for FY-19 works out to be negative Rs. (0.89) without considering the exchange gain and reversal of provision. Although company is engaged in export sales that can result in exchange gain/loss in their routine business activity, however, FY-19 faced unusual devaluation in Pak Rupee which resulted in exchange gain for the company.
7. More than 90% of sales of the company in FY-19 are export and all are contract based with pre-set credit terms (i.e. on 30:70 basis whereby 30% cash is advanced at the time of sale/booking, remaining 70% payment is released upon issuance of bill of lading). This might increase the risk of trade debt defaults and their working capital requirement in unforeseen circumstances.

**Internal risk factors****i. Operational risk**

TOMC has grown significantly over the past few years utilizing the expertise of its management team and its appropriate planning. High turnover of skilled staff will negatively affect the production process of the Company and result in efficiency-related losses

Distribution remains a key area of operation for the Company as its product portfolio comprises of perishable items which are hugely dependent on the effective management of supply chain. Distribution cost have a material contribution in overall cost which is deemed to be affected by change in fuel prices. A significant increase in fuel cost will have negative ramification on Company's margins unless it is able to pass on the extra cost to the end consumer by increasing the price of its products.

**ii. Procurement risk**

The risk of increase in cost of procurement and disruption in procurement process could result in business losses. Procurement cost of the company accounts for 93% of the total cost of sales, hence any fluctuations in this cost could have a major impact on gross profit of the company.

**iii. Freight & forwarding cost**

Freight cost is one of the major costs of the company. Any increase in this cost could affect the bottom line of the company. Also, any spoilage of the product during transportation could result in failure of order delivery causing losses to the company.

**iv. Delays in order placement of machinery & equipment**

Any delays in placing orders or delivery of the plant or machinery could cause delays in the implementation timelines which would further postpone the commencement of production from new facilities.

**v. Negative cash flow from operations**

In FY17, TOMCL reported negative cash flows from operations. This was due to the fact that Brazil had allowed it's currency to depreciate by approx. 49% and as a result it became cheaper to import meat in the Middle East from Brazil. Consequently, Pakistan's meat industry lost its market share to Brazilian meat exporters. Hence, in the future any fluctuations in export sales can cause negative cashflows from operations.

**vi. Credit & Liquidity Risk**

Credit risk represents the risk of financial loss due to the Company failing to discharge its financial obligations. Borrowing of the Company stood at PKR 706mn as at half year ended December 2019 and PKR 723mn as at year ended June 2019. These include non-interest bearing loans by Directors amounting to PKR 156 million.

Liquidity Risk is the risk that Company may encounter difficulty in meeting its obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

**vii. Risk of non-compliance with regulation of SECP and PSX**

In the event of non-compliance with any regulatory requirements of SECP or PSX, the Company may be placed on Defaulter Segment of PSX which may potentially hamper trading in the Company's shares leading up to potential suspension in trading as well.

**External Risk Factors****i. Regulatory framework**

The Government plays a major regulatory role and is responsible for enforcing laws including those related to food safety. It also provides support services, such as veterinary care and extension. However, due to limited resources it is difficult for the Government to cover the large fragmented farm base or widely spread marketing chain.

Regulatory risk encompasses change in the policies of the Government of Pakistan that may affect the industry in the future. Changes in regulatory framework such as imposition of stricter duties on Halal Meat Exports can greatly influence the performance of the meat export sector.

**ii. Business risk**

Business risk is the possibility of the company reporting lower than anticipated profits or loss. Any increase in input costs, competition from other suppliers, loss of reputation and decreases in sales volume or sales price could cause downward pressure on the profitability.

**iii. Supply chain disruption for export markets**

Potential bottlenecks can incur during transportation via air due to reduction in number of flights to the targeted export destination. The products of the company are perishable, hence the risk of wastages is also prevalent.

**iv. Economic slowdown**

Slow down and/or deterioration of macroeconomic conditions as a whole could trigger reduction in disposable incomes and affecting consumer discretionary spending, thus compelling consumers to switch to cheaper options to meet staple requirements.

Growth of any sector is affected by the economic conditions prevailing in the country. An economic slowdown may adversely affect the growth and performance of the food sector as a whole. The risk of economic slowdown is also present for the export destinations hence reducing the ability to import in larger numbers

**v. Trade barriers**

The Company faces a risk of Imposition of ban on meat exports by Pakistan government or trade barriers by countries which are primary markets for export sales.

**vi. Foreign exchange risk**

Being an exporter, TOMC is susceptible to variation in the forex rates. Any fluctuation in the dollar and uncertainty in foreign exchange markets might affect the Company's topline.

**vii. Possibility of widespread disease**

Outbreak of livestock disease can negatively impact the Company's supply chain and demand for products, especially in the international markets.

**viii. Interest Rate Risk**

The Company has entered into various financing agreements to finance its working capital requirements. Any increase in interest rates will increase the cost of borrowing for the Company and may adversely affect its profitability, as existing debts are based on floating rates.

**ix. Duties on Meat Export**

The government could increase the existing duties or impose further duties on the export of meat and allied products which will have an adverse impact on profitability of the Company.

**x. Threat of new Entrants**

Halal meat is a highly regulated sector where approvals from the food authorities of respective import destinations are required which is a time consuming process. Establishing a slaughter house process facility is not a guarantee that one would get permissions to export. Any new entrant is required to seek all such approvals which could take a minimum of 1 to 2 years before they could become eligible to export basic products i.e., Chilled products. Therefore there is huge barrier to entry for any new entrant and threat of new entry is very low

**xi. Capital Market Risk**

After being listed on the securities exchange, the price of Company's shares will be determined by market forces driven by socio-economic events – locally & internationally, capital & money market behavior, competitive scenarios and company performance. The value of share will be subject to fluctuation based on the combined impact of market forces identified above.

**xii. Under-subscription Risk**

The Issue of The Organic Meat Company Limited may get under-subscribed due to lack of interest on part of the investors. In such a case, the book building process shall be considered as cancelled if the Company does not receive bids for the number of shares allocated under the Book Building Portion and the bid money submitted by investors shall be refunded.

**xiii. Risk of non-compliance with country in export market**

TOMC's license to export could get canceled if the Company is found to be under non-compliance by any of the Countries in its existing export market which could have a significant impact on its export sales.

**Note: IT IS STATED THAT TO THE BEST OF OUR KNOWLEDGE AND BELIEF ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.**

**Statement by The Issuer**

**The Chief Executive**

Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

On behalf of The Organic Meat Company Limited ("TOMC" or the "Company"), we hereby confirm that all material information as required under the Securities Act, 2015, the Public Offering Regulations, 2017 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in the Prospectus and that whatever is stated in Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of **The Organic Meat Company Limited**

-Sd-

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**Faisal Hussain**  
Chief Executive Officer

-Sd-

---

**Syed Imran Ali**  
Chief Financial Officer

**Statement by Consultant to the Issue**

**The Chief Executive**

Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Being mandated as the Joint Consultants to this Initial Public Offering of The Organic Meat Company Limited through the Book Building process, we hereby confirm that all material information as required under the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in this Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of **Topline Securities Limited & Intermarket Securities Limited**

-sd-

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**Mohammad Sohail**  
Chief Executive Officer  
Topline Securities Limited

-sd-

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**Wajid Hussain**  
Chief Executive Officer  
Intermarket Securities Limited

**Statement by Book Runner**

**The Chief Executive**

Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Being mandated as the Book Runner to this Initial Public Offering of The Organic Meat Company Limited through the Book Building process, we hereby confirm that all material information as required under the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in this Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of AKD Securities Limited

-sd-

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**Khurram Shahid**

## 6. FINANCIAL INFORMATION

## (i) AUDITOR CERTIFICATE UNDER CLAUSE 1 OF SECTION 2



BAS/C341/19/1118/3

November 18, 2019

**Chief Executive Officer**  
The Organic Meat Company Limited  
Survey # 310, Deh Shah Mureed  
Gadap, Karachi

**GRANT THORNTON ANJUM RAHMAN**

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Dear Sir

**AUDITOR'S CERTIFICATE AS REQUIRED UNDER CLAUSE 1 OF SECTION 2 OF THE FIRST SCHEDULE OF THE PUBLIC OFFERING REGULATIONS, 2017.**

We have been requested to provide the management of The Organic Meat Company Limited (the Company) the report with respect to information of the Company as required under clause 1 of section 2 of the First Schedule of the Public Offering Regulations, 2017.

**Scope of Certificate**

Our engagement was undertaken for the purpose of inclusion of information in prospectus to be issued for Initial Public Offering as required under clause 1 of section 2 of the First Schedule of the Public Offering Regulations, 2017.

**Management Responsibilities**

The management is responsible for the fair presentation of the financial and non-financial information in the prospectus document. The management's responsibilities also include maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the company and prevention and detection of frauds and irregularities. This certification does not relieve the management of its responsibilities.

**Auditor's Responsibilities**

Our responsibility is to report on the profits and losses and assets and liabilities of the Company and other information as required under clause (1) of section 2 of the First Schedule of the Public Offering Regulations 2017. Our certificate is being issued in accordance with the 'Guidelines for Issue of Certificate for Special Purpose by Practicing Chartered Accountants Firms' issued by The Institute of Chartered Accountants of Pakistan. Our verification was limited to checking the correctness of financial information included in the annexures of the certificate. For this purpose we traced and gathered the financial information from the audited financial statements of the Company for the year ended June 30, 2015 to the year ended June 30, 2019, accordingly, we have summarized details of assets and liabilities and profit or loss of the Company. In addition, we have reported other information required under clause (1) of section 2 of the First Schedule of the Public Offering Regulations 2017.

Chartered Accountants  
Member of Grant Thornton International Ltd  
Offices in Islamabad, Lahore





**Certificate**

Based on our procedures as mentioned in preceding paragraph, we are pleased to report that:

1. We have audited the financial statements of the Company from the year ended June 30, 2016 to the year ended June 30, 2019, Whereas the audit of the financial statements for the year ended June 30, 2015 was conducted by another firm Chartered Accountant firm.
2. In terms of the requirement under clause (1) of section 2 of the First Schedule of the Public Offering Regulations 2017 and based on the audited financial statements, we report as under:
  - a) Summary of asset, liabilities and shareholder's equity of the Company for the five year ended from June 30, 2015 to June 30, 2019 is included in **Annexure "A"**
  - b) The statement of profit or loss account for the five year ended from June 30, 2015 to the year ended June 30, 2019 are included in **Annexure "B"**
3. Detail of dividend payments and bonus shares are mentioned in **Annexure "C"**.
4. Subsequent to the audit of financial statements of the Company for the year ended June 30, 2019, no financial statements of the Company have been audited by us.

**Restriction on use and distribution**

The certificate is being issued in the capacity of statutory auditor of the Company on specific request of management of the Company for the purpose of inclusion of information in the prospectus to be issued for Initial Public Offering. Accordingly, this should not be distributed to any other third party without our prior written consent. This certificate is solely for the purpose set forth in the scope mentioned above and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours truly

  
**Grant Thornton Anjum Rahman**  
Chartered Accountants  
Karachi

Chartered Accountants  
Member of Grant Thornton International Ltd  
Offices in Islamabad, Lahore



# ANNEXURE "A"

## SUMMARY OF ASSETS, LIABILITIES AND SHAREHOLDER'S EQUITY

	2019	2018	As At June 30 2017	2016	2015 (Restated)
	Rupees				
<b>EQUITY AND LIABILITIES</b>					
<b>Share Capital and Reserves</b>					
Share capital	718,177,770	100,000,000	1,000,000	1,000,000	1,000,000
Reserves	309,880,645	528,221,832	384,945,926	331,369,682	242,284,847
Revaluation surplus on property, plant and equipment - net	593,055,398	636,275,327	-	-	-
<b>Total shareholder's equity</b>	<b>1,621,113,813</b>	<b>1,264,497,159</b>	<b>385,945,926</b>	<b>332,369,682</b>	<b>243,284,847</b>
Advance against issue of shares	-	148,834,000	211,962,456	211,962,456	211,962,456
<b>NON-CURRENT LIABILITIES</b>					
Long term loans	4,136,029	41,626,422	90,035,247	82,224,265	103,396,267
Deferred taxation - net	10,998,401	16,623,380	-	-	-
<b>Total non-current liabilities</b>	<b>15,134,430</b>	<b>58,249,802</b>	<b>90,035,247</b>	<b>82,224,265</b>	<b>103,396,267</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	138,992,773	207,117,367	73,039,977	74,767,484	35,551,988
Current maturity of long term loans	47,388,916	57,973,840	21,214,566	31,544,116	36,231,618
Accrued mark-up	21,855,385	15,912,212	8,168,377	-	-
Short term borrowings	718,659,230	572,717,661	547,839,185	497,478,013	300,000,000
Taxation - net	5,415,297	7,319,063	-	-	-
<b>Total current liabilities</b>	<b>932,311,601</b>	<b>861,040,143</b>	<b>651,162,105</b>	<b>603,789,613</b>	<b>371,783,606</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,568,559,844</b>	<b>2,332,621,104</b>	<b>1,339,105,734</b>	<b>1,230,346,016</b>	<b>930,427,176</b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	1,245,400,693	1,257,005,562	534,445,854	573,464,628	556,543,980
Intangible assets	-	-	-	1,128,195	1,083,196
Deferred taxation - net	-	-	11,350,935	-	-
<b>Total non-current assets</b>	<b>1,245,400,693</b>	<b>1,257,005,562</b>	<b>545,796,789</b>	<b>574,592,823</b>	<b>557,627,176</b>
<b>CURRENT ASSETS</b>					
Stock-in-trade	201,047,228	130,689,557	131,091,566	150,674,426	66,115,137
Trade debts	823,862,397	849,372,992	356,289,178	271,551,832	201,507,497
Loans, advances and other receivables	293,076,254	79,871,163	272,414,011	224,935,808	74,558,392
Trade deposits and short term prepayments	-	-	-	4,060,556	8,199,438
Taxation - net	-	-	13,430,128	-	-
Cash and bank balances	5,173,272	15,681,830	19,183,162	4,530,571	22,419,536
<b>Total current assets</b>	<b>1,323,159,151</b>	<b>1,075,615,542</b>	<b>793,308,945</b>	<b>655,753,193</b>	<b>372,800,000</b>
<b>TOTAL ASSETS</b>	<b>2,568,559,844</b>	<b>2,332,621,104</b>	<b>1,339,105,734</b>	<b>1,230,346,016</b>	<b>930,427,176</b>

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**ANNEXURE "B"****STATEMENT OF PROFIT OR LOSS**

	Year Ended June 30				
	2019	2018	2017	2016	2015
	-----Rupees-----				
Sales - net	2,577,518,290	2,052,928,537	921,896,540	1,203,426,327	962,254,028
Cost of sales	(2,169,855,773)	(1,699,040,315)	(762,679,951)	(1,000,670,292)	(848,951,568)
<b>Gross profit</b>	<b>407,662,517</b>	<b>353,888,222</b>	<b>159,216,589</b>	<b>202,756,035</b>	<b>113,302,460</b>
Administrative expenses	(53,550,761)	(44,267,755)	(34,572,417)	(48,230,345)	(59,806,941)
Selling expenses	(136,167,023)	(61,953,390)	(16,531,395)	(9,673,943)	(6,659,971)
	<b>(189,717,784)</b>	<b>(106,221,145)</b>	<b>(51,103,812)</b>	<b>(57,904,288)</b>	<b>(66,466,912)</b>
<b>Operating profit</b>	<b>217,944,733</b>	<b>247,667,077</b>	<b>108,112,777</b>	<b>144,851,747</b>	<b>46,835,548</b>
Finance costs	(71,072,279)	(57,200,338)	(36,579,973)	(39,480,603)	(32,302,331)
Other income/(expense)	118,554,635	(33,709,135)	(16,674,980)	(5,030,157)	38,411,717
<b>Profit before taxation</b>	<b>265,427,089</b>	<b>156,757,604</b>	<b>54,857,823</b>	<b>100,340,986</b>	<b>52,944,933</b>
Taxation	(47,456,933)	(13,481,697)	(1,281,579)	(11,256,151)	(7,645,670)
<b>Profit for the year</b>	<b>217,970,156</b>	<b>143,275,907</b>	<b>53,576,244</b>	<b>89,084,835</b>	<b>45,299,264</b>
<b>Earnings per share</b>	<b>4.46</b>	<b>7.09</b>	<b>5,357.62</b>	<b>8,908.48</b>	<b>4,529.93</b>

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**ANNEXURE "C"**

Details of dividend payment and bonus shares for the five year ended from June 30, 2015 to June 30, 2019 are as follows:

	Year Ended June 30				
	2019	2018	2017	2016	2015
	-----Rupees-----				
Dividend to shareholders	-	-	-	-	-
Bonus Shares Issued	500,000,000	-	-	-	-

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(ii) AUDITOR CERTIFICATE ON ISSUED, SUBSCRIBED, AND PAID-UP-CAPITAL OF THE COMPANY



BAS/C341/19/1118/2

November 18, 2019

**Chief Executive Officer**  
The Organic Meat Company Limited  
Survey # 310, Deh Shah Mureed  
Gadap, Karachi

**GRANT THORNTON ANJUM RAHMAN**

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Dear Sir

**AUDITOR'S CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID-UP CAPITAL  
AS AT JUNE 30, 2019**

We have been requested to provide management of The Organic Meat Company Limited (the Company) with a certificate on Issued, Subscribed and Paid-up Capital of the Company as at June 30, 2019.

**Scope of Certificate**

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offering as required in clause 12 of Appendix -I of "Documents to be submitted with listing application" of listing regulations of Pakistan Stock Exchange (PSX).

**Management Responsibilities**

The management of the Company is primarily responsible for the fair presentation of Issued, Subscribed and Paid-up Capital of the Company for the year ended June 30, 2019. The management's responsibilities also include maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the company and prevention and detection of frauds and irregularities. This certification does not relieve the management of its responsibilities.

**Auditor's Responsibilities**

Our responsibility is to certify the Issued, Subscribed and Paid-up Capital of the Company as at June 30, 2019 in accordance with the 'Guidelines for Issue of Certificate for Special Purpose by Practicing Chartered Accountants Firms' issued by The Institute of Chartered Accountants of Pakistan.

Our verification was limited to the procedures as mentioned below:

- Traced the amount of Issued, Subscribed and Paid up capital to the audited financial statement of the Company for the year ended June 30, 2019; and
- Obtained Form-3 i.e., return of allotment of shares and traced the amount and number of shares subscribed by the sponsors/directors/associates/relatives/friends and shares subscribed by the foreign/local investors under private placement.

Chartered Accountants  
Member of Grant Thornton International Ltd  
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### Certificate

Based on the procedures performed as mentioned above, we certify that the issued, Subscribed and Paid-up Capital of the Company as at June 30, 2019 is as follows:

Description	Number of Shares	Amount in (PKR)
Ordinary Shares of Rs. 10 each fully paid in Cash	21,817,777	218,177,770
Ordinary Shares of Rs. 10 each issued as bonus shares	50,000,000	500,000,000
<b>Total</b>	<b>71,817,777</b>	<b>718,177,770</b>

The Issued, Subscribed and Paid-up Capital as at June 30, 2019 is held as follows:

S.No.	Name of Share Holder	Number of Shares	Par Value (PKR)	Premium (PKR)	Total Value (PKR)
<b>Shares Held by Directors/Sponsors</b>					
1	Ali Hussain	1,685,000	16,850,000	-	16,850,000
2	Faisal Hussain	33,674,999	336,749,990	-	336,749,990
3	Rizwan Abbas	727,778	7,277,780	*5,822,216	13,099,996
<b>Shares Held by Family Member</b>					
4	Kausar Hussain	35,730,000	357,300,000	-	357,300,000
<b>Sub-Total</b>		<b>71,817,777</b>	<b>718,177,770</b>	<b>5,822,216</b>	<b>723,999,986</b>

\*This represents premium received over and above par value of the shares issued to Mr. Rizwan Abbas.

### Restriction on use and distribution

This certificate has been issue on the specific request of the management of the Company for the purpose of inclusion of information in the prospectus to be issued for Initial Public Offering. Accordingly, this should not be distributed to any other third party without our prior written consent. This certificate is solely for the purpose set forth in the scope mentioned above and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours truly

  
**Grant Thornton Anjum Rahman**  
 Chartered Accountants  
 Karachi

Chartered Accountants  
 Member of Grant Thornton International Ltd  
 Offices in Islamabad, Lahore



(iii) SHARE BREAK-UP VALUE CERTIFICATE



BAS/C341/19/1118/1

November 18, 2019

**Chief Executive Officer**  
The Organic Meat Company Limited  
Survey # 310, Deh Shah Mureed  
Gadap, Karachi

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Dear Sir

**AUDITOR'S CERTIFICATE ON THE BREAK-UP VALUE OF ORDINARY SHARES OF THE ORGANIC MEAT COMPANY LIMITED AS AT JUNE 30, 2019**

We have been requested by the management of The Organic Meat Company Limited (the Company) to provide you with a certificate on break-up value of ordinary shares of the Company based on the audited financial statements for the year ended June 30, 2019.

**Scope of Certificate**

Our engagement was for the purpose of inclusion of information in prospectus to be issued for Initial Public Offering as required in clause 14 of Appendix -I of "Documents to be submitted with listing application" of listing regulations of Pakistan Stock Exchange (PSX).

**Management Responsibilities**

The management of the Company is responsible for the computation of breakup value of ordinary shares of the Company based on the audited financial Statements for the year ended June 30, 2019 in accordance with the requirements of the Technical Release (TR)-22 of the Institute of Chartered Accountants of Pakistan (ICAP). The management's responsibilities also include maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the company and prevention and detection of frauds and irregularities. This certification does not relieve the management of its responsibilities.

**Auditor's Responsibilities**

Our responsibility is to certify the break-up value as at June 30, 2019 in accordance with the requirements of "Technical Release (TR)-22 – "Book Value per Share", issued by the ICAP. Our certificate is being issued in accordance with the 'Guidelines for Issue of Certificate for Special Purpose by Practicing Chartered Accountants Firms' issued by the ICAP.

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We have performed the procedures and issued certificate thereon as mentioned below

- Traced the shareholder's equity (including paid-up capital, revenue reserves, retained earnings, capital reserves, surplus created as a result of revaluation) from the audited financial statements of June 30, 2019;
- Traced the number of shares from the audited financial statements of June 30, 2019; and
- Recalculated the break-up value per share of the Company in accordance with the requirements of the Technical Release (TR)-22 of The Institute of Chartered Accountants of Pakistan (ICAP) on basis of information mentioned above.

#### Certificate

Based on the audited financial statements of the Company for the year ended June 30, 2019, we certify the break-up value per ordinary share is as follows:

		(Rupees)
Issued, Subscribed and Paid-up Capital		718,177,770
Revenue Reserve-Retained Earnings		308,958,429
Capital Reserves-Share Premium		922,216
	<b>A</b>	<b>1,028,058,415</b>
Surplus on revaluation of fixed assets - net		593,055,398
Total shareholder's equity	<b>B</b>	<b>1,621,113,813</b>
Total Number of Shares Issued of Rs. 10 each	<b>C</b>	<b>71,817,777</b>

Break-up value per Share of Rs. 10 each (excluding Surplus on revaluation of fixed assets)  $D=A/C$  Rs. 14.31

Break-up value per Share of Rs. 10 each (including Surplus on revaluation of fixed assets)  $E=B/C$  Rs. 22.57

#### Restriction on use and distribution

This certificate has been issued on the specific request of the management of the Company for the purpose of inclusion of information in the prospectus to be issued for Initial Public Offering. Accordingly, this should not be distributed to any other third party without our prior written consent. This certificate is solely for the purpose set forth in the scope mentioned above and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours truly

  
**Grant Thornton Anjum Rahman**  
 Chartered Accountants  
 Karachi

Chartered Accountants  
 Member of Grant Thornton International Ltd  
 Offices in Islamabad, Lahore



## (iv) LATEST MANAGEMENT/REVIEWED ACCOUNTS OF THE COMPANY

THE ORGANIC MEAT COMPANY LIMITED  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2020

	Note	March 31, 2020 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share Capital and Reserves</b>			
Authorized share capital			
135,000,000 (June 30, 2019: 135,000,000) Ordinary shares of Rs.10 each		1,350,000,000	1,350,000,000
Issued, subscribed and paid-up share capital			
71,817,777 (June 30, 2019: 71,817,777) Ordinary shares of Rs.10 each fully paid in cash		718,177,770	718,177,770
Reserves	5	555,314,497	309,880,645
Revaluation surplus on property, plant and equipment - net	6	545,314,321	593,055,398
<b>Total shareholder's equity</b>		<b>1,818,806,588</b>	<b>1,621,113,813</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term loans		-	4,136,029
Deferred taxation - net		6,162,254	10,998,401
<b>Total non-current liabilities</b>		<b>6,162,254</b>	<b>15,134,430</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	217,775,648	138,992,773
Current maturity of long term loans		17,658,089	47,388,916
Accrued mark-up		20,465,644	21,855,385
Short term borrowings	8	702,717,260	718,659,230
Taxation - net		132,566	5,415,297
<b>Total current liabilities</b>		<b>958,749,207</b>	<b>932,311,601</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,783,718,049</b>	<b>2,568,559,844</b>
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	1,235,815,170	1,245,400,693
<b>Total non-current assets</b>		<b>1,235,815,170</b>	<b>1,245,400,693</b>
<b>CURRENT ASSETS</b>			
Stock-in-trade	11	227,382,454	201,047,228
Trade debtors	12	832,488,460	823,862,397
Loans, advances and other receivables	13	485,767,345	293,076,254
Cash and bank balances		2,264,620	5,173,272
<b>Total current assets</b>		<b>1,547,902,879</b>	<b>1,323,159,151</b>
<b>TOTAL ASSETS</b>		<b>2,783,718,049</b>	<b>2,568,559,844</b>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

THE ORGANIC MEAT COMPANY LIMITED  
 CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)  
 FOR THE PERIOD ENDED MARCH 31, 2020

		Qtrr ended March 31, 2020 (Un-audited) Rupees	YTD March 31, 2020 (Un-audited) Rupees	Year Ended June 30, 2019 (Audited) Rupees
	Note			
Sales - net	14	746,576,692	2,466,409,009	2,577,518,290
Cost of sales	15	(629,019,595)	(1,974,559,580)	(2,169,855,773)
<b>Gross profit</b>		<b>117,557,097</b>	<b>491,849,429</b>	<b>407,662,517</b>
Administrative expenses	16	(16,071,369)	(48,240,358)	(53,550,761)
Selling expenses	17	(27,820,095)	(98,240,162)	(136,167,023)
		(43,891,464)	(146,480,520)	(189,717,784)
<b>Operating profit</b>		<b>73,665,633</b>	<b>345,368,909</b>	<b>217,944,733</b>
Finance costs		(20,051,028)	(66,444,029)	(71,072,279)
Other (expense) / income	19	11,178,265	(68,257,102)	118,554,635
<b>Profit before taxation</b>		<b>64,792,870</b>	<b>210,667,778</b>	<b>265,427,089</b>
Taxation		(8,985,760)	(12,975,003)	(47,456,933)
<b>Profit for the period</b>		<b>55,807,110</b>	<b>197,692,775</b>	<b>217,970,156</b>
<b>Earnings per share (EPS) - Basic and diluted</b>		<b>0.78</b>	<b>2.75</b>	<b>3.04</b>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

THE ORGANIC MEAT COMPANY LIMITED  
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR THE PERIOD ENDED MARCH 31, 2020

	Qtrr ended March 31, 2020 Rupees	YTD March 31, 2020 Rupees	June 30, 2019 Rupees
<b>Profit for the period</b>	<b>55,807,110</b>	<b>197,692,775</b>	<b>217,970,156</b>
Other comprehensive income:			
Items that will not be reclassified to statement of profit or loss in subsequent periods	-	-	-
<b>Total comprehensive income</b>	<b>55,807,110</b>	<b>197,692,775</b>	<b>217,970,156</b>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

\_\_\_\_\_  
 Chief Executive Officer

\_\_\_\_\_  
 Director

THE ORGANIC MEAT COMPANY LIMITED  
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
 FOR THE PERIOD ENDED MARCH 31, 2020

	Share capital	Reserves			Total shareholders' equity
		Capital	Other	Revenue	
		Share premium	Revaluation surplus	Retained earnings	
----- Rupees -----					
Balance as at July 01, 2019 - (Audited)	718,177,770	922,216	593,055,398	308,958,429	1,621,113,813
Total comprehensive income for the nine months					
Profit for the period		-	-	197,692,775	197,692,775
Other comprehensive income	-	-	-	-	-
	-	-	-	197,692,775	197,692,775
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation - net of tax	-	-	(47,741,077)	47,741,077	-
Balance as at March 31, 2020 (Unaudited)	718,177,770	922,216	545,314,321	554,392,281	1,818,806,588

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

\_\_\_\_\_  
 Chief Executive Officer

\_\_\_\_\_  
 Director

**THE ORGANIC MEAT COMPANY LIMITED**  
**CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2020**

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**1. NATURE OF THE BUSINESS**

- 1.1** The Company was incorporated on July 14, 2010. The principal office of the Company and the plant is situated at Survey # 310, Deh Shah Mureed, Gadap, Karachi, Pakistan. The Company is principally engaged in the business of sale and purchase of livestock, slaughtering animal by Halal means and processing and packaging of meat and allied products.
- 1.2** The Board of Directors of the Company in its meeting held on September 08, 2018 decided to initiate the proceedings for enlisting of the Company on the Pakistan Stock Exchange Limited. The Company is currently in process of completing the necessary corporate/legal requirements in this respect.

**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 condensed interim financial statements have been prepared under the historical cost convention using accrual basis of accounting.

**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 figures presented therein have been rounded-off to the nearest Rupee.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2019.

**4. ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2019.

**THE ORGANIC MEAT COMPANY LIMITED**  
**CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2020**

	<b>March 31, 2020 (Unaudited) Rupees</b>	<b>June 30, 2019 (Audited) Rupees</b>
<b>5. SHARE CAPITAL AND RESERVES</b>		
<b>Capital</b>		
Share premium	922,216	922,216
<b>Revenue</b>		
Retained earnings	554,392,281	308,958,429
	<b>555,314,497</b>	<b>309,880,645</b>
<b>6. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT - NET</b>		
Opening balance	602,113,077	666,154,085
Less: Transferred to unappropriated profit on account of incremental depreciation for the period/year - net	(48,030,756)	(64,041,009)
Closing balance	554,082,321	602,113,077
<b>Related deferred tax liability</b>		
Opening balance	(9,057,679)	(29,878,758)
Reversal of deferred tax liability	-	19,526,006
Incremental depreciation for the period/year	289,678	1,274,568
Effect of change in tax rates	-	20,505
Closing balance	(8,768,000)	(9,057,679)
	<b>545,314,321</b>	<b>593,055,398</b>
<b>7. TRADE AND OTHER PAYABLES</b>		
Trade creditors	132,707,389	94,852,420
Worker's profit participation fund payable	33,883,190	21,297,127
Accrued expenses and other liabilities	41,812,290	12,826,052
Salaries, benefits and allowances payable	7,646,606	-
Advance from customers	-	7,254,167
Worker's welfare fund payable	1,566,009	1,402,846
Audit fee payable	-	949,376
Staff provident fund	160,164	106,776
Due to director	-	304,009
	<b>217,775,648</b>	<b>138,992,773</b>
<b>8. SHORT TERM BORROWINGS</b>		
Financial institutions - secured	540,000,000	560,000,000
From related party - unsecured	162,717,260	158,659,230
	<b>702,717,260</b>	<b>718,659,230</b>
<b>9. CONTINGENCIES AND COMMITMENTS</b>		
There are no contingencies or commitments as on March 31, 2020 (June 30, 2019: Nil).		

**THE ORGANIC MEAT COMPANY LIMITED**  
**CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2020**

		<b>March 31, 2020 (Unaudited) Rupees</b>	<b>June 30, 2019 (Audited) Rupees</b>
	<b>Note</b>		
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets - at net book value	10.1	<b>1,140,585,938</b>	1,199,126,256
Capital work-in-progress - at cost		<b>95,229,232</b>	46,274,437
		<b>1,235,815,170</b>	1,245,400,693
<b>10.1 Operating fixed assets</b>			
Opening written down value as at July 1, 2019		<b>1,199,126,256</b>	1,257,005,562
Additions during the period/year	10.2	<b>2,936,300</b>	65,005,043
Disposals during the period/year		<b>(3,600,796)</b>	-
		<b>(664,496)</b>	65,005,043
Depreciation charged for the period/year		<b>(80,970,777)</b>	(122,884,349)
Closing written down value		<b>1,117,490,983</b>	1,199,126,256
<b>10.2 Details of additions during the period/year are as follows:</b>			
Factory building on leasehold land		-	51,806,700
Office equipment		<b>58,800</b>	430,910
Plant and machinery		<b>377,500</b>	11,342,433
Generators		<b>1,300,000</b>	525,000
Motor vehicles		<b>1,200,000</b>	900,000
		<b>2,936,300</b>	65,005,043
<b>11. STOCK IN TRADE</b>			
Finished goods		<b>184,385,138</b>	106,319,991
Livestock		<b>23,769,950</b>	76,833,180
Work in process		<b>17,982,577</b>	14,485,530
Packing material		<b>1,244,789</b>	3,408,527
		<b>227,382,454</b>	201,047,228
<b>12. TRADE DEBTS - unsecured</b>			
<b>Considered good</b>			
- foreign debtors		<b>765,864,879</b>	650,089,708
- local debtors		<b>66,623,581</b>	173,772,689
		<b>832,488,460</b>	823,862,397
<b>Considered doubtful</b>		<b>63,319,103</b>	227,313,827
<b>Trade receivables - gross</b>		<b>895,807,563</b>	1,051,176,224
Less: provision against doubtful debts	12.1	<b>(63,319,103)</b>	(227,313,827)
<b>Trade receivables - net</b>		<b>832,488,460</b>	823,862,397

**THE ORGANIC MEAT COMPANY LIMITED**  
**CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2020**

		March 31, 2020 (Unaudited) Rupees	June 30, 2019 (Audited) Rupees
	<i>Note</i>		
<b>12.1 Movement in provision against doubtful debts</b>			
Balance at the beginning of the period/year		227,313,827	216,281,651
Balances written-off		(163,994,724)	(10,459,083)
Charge for the period/year		-	84,563,107
Reversal during the period/year		-	(63,071,848)
Balance at the end of the period/year		63,319,103	227,313,827
<b>13. LOANS, ADVANCES AND OTHER RECEIVABLES</b>			
Advance to suppliers	13.1	311,503,559	210,983,244
Loans to employees		1,253,180	987,053
Sales tax - net		5,414,660	2,399,776
Other receivables		167,161,716	78,706,181
		485,333,115	293,076,254
<b>13.1 Advance to suppliers</b>			
Considered good		311,503,559	210,983,244
Considered doubtful		27,152,270	27,152,270
Gross advance to suppliers		338,655,829	238,135,514
Less: provision against doubtful advances			
Balance at the beginning of the year		27,152,270	27,152,270
Charge for the year		-	-
Balance at the end of the year		27,152,270	27,152,270
Net advance to suppliers		311,503,559	210,983,244
	<i>Quarter</i>	<i>YTD</i>	
	March 31, 2020 (Unaudited) Rupees	March 31, 2020 (Unaudited) Rupees	June 30, 2019 (Audited) Rupees
<b>14. SALES - NET</b>			
Export sales			
Direct exports	721,441,449	2,328,442,899	2,323,284,202
Sales discount	(28,782,603)	(28,782,603)	-
Duty drawback	28,667,396	89,752,823	83,040,953
	721,326,242	2,389,413,119	2,406,325,155
Other sales	25,250,450	76,995,890	171,193,135
	746,576,692	2,466,409,009	2,577,518,290



**THE ORGANIC MEAT COMPANY LIMITED**  
**CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2020**

	<i>Quarter</i>	<i>YTD</i>	
	<b>March 31, 2020 (Unaudited)</b>	<b>March 31, 2020 (Unaudited)</b>	<b>June 30, 2019 (Audited)</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>15. COST OF SALES</b>			
<b>Livestock and meat cost</b>			
Opening stock	38,541,690	91,318,710	49,746,000
Purchases	623,467,623	1,802,002,145	2,020,591,144
Closing stock	(41,752,527)	(41,752,527)	(91,318,710)
	<b>620,256,786</b>	<b>1,851,568,328</b>	<b>1,979,018,434</b>
<b>Conversion cost</b>			
Depreciation- Factory	21,573,610	72,292,870	110,595,914
Salaries, wages and other benefits	10,382,227	29,980,289	28,560,643
Packing materials consumed	8,854,617	26,304,134	31,224,140
Fuel and power	6,335,925	21,713,289	21,100,771
Cutting and deboning	18,242,478	33,066,417	10,092,208
Repairs and maintenance	2,442,477	7,658,695	8,174,700
Animal feed and other consumables	233,370	1,715,280	3,109,190
Transportation	1,037,669	2,297,769	2,515,052
Janitorial expense	321,370	1,462,582	1,615,700
Insurance	1,154,132	1,692,532	1,758,980
Communication expense	107,387	323,488	504,380
Printing and stationary	226,133	385,316	370,622
	<b>70,911,395</b>	<b>198,892,661</b>	<b>219,622,300</b>
<b>Finished goods</b>			
Opening stock	122,297,070	106,319,991	78,211,710
Closing stock	(184,385,138)	(184,385,138)	(106,319,991)
	<b>(62,088,068)</b>	<b>(78,065,147)</b>	<b>(28,108,281)</b>
<b>Packing material</b>			
Opening stock	1,184,271	3,408,527	2,731,847
Closing stock	(1,244,789)	(1,244,789)	(3,408,527)
	<b>(60,518)</b>	<b>2,163,738</b>	<b>(676,680)</b>
	<b>629,019,595</b>	<b>1,974,559,580</b>	<b>2,169,855,773</b>
<b>16. ADMINISTRATIVE EXPENSES</b>			
Salaries, benefits and other allowances	4,591,180	22,868,168	20,616,840
Depreciation	5,370,069	11,005,542	12,288,435
Food and entertainment	1,222,484	4,819,223	5,039,356
Fee and subscription	2,048,026	4,370,043	2,587,460
Legal and professional	2,688,000	4,409,500	2,684,784
Insurances	-	220,000	500,864
Repair and maintenance	90,000	308,589	159,350
Vehicle running and maintenances	52,165	214,198	1,441,000
Printing and stationery	9,445	25,095	183,969
Miscellaneous	-	-	1,706,682
Rent and rates	-	-	660,000
Staff training	-	-	510,000
Travelling	-	-	5,172,021
	<b>16,071,369</b>	<b>48,240,358</b>	<b>53,550,761</b>

**THE ORGANIC MEAT COMPANY LIMITED**  
**CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2020**

	<i>Quarter</i>	<i>YTD</i>	
	<b>March 31, 2020 (Unaudited)</b>	<b>March 31, 2020 (Unaudited)</b>	June 30, 2019 (Audited)
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>17. SELLING EXPENSES</b>			
Clearing and forwarding charges	11,683,860	51,267,219	88,184,269
Business development	8,891,716	27,160,144	26,368,158
Export duties	2,583,847	9,354,502	13,559,487
Quarantine charges	4,660,672	10,458,297	8,055,109
	<u>27,820,095</u>	<u>98,240,162</u>	<u>136,167,023</u>
<b>18. FINANCE COST</b>			
On borrowings	18,975,273	62,887,601	69,232,739
Bank charges	1,075,755	3,556,428	1,839,540
	<u>20,051,028</u>	<u>66,444,029</u>	<u>71,072,279</u>
<b>19. OTHER (EXPENSE)/INCOME</b>			
Exchange (loss)/gain	15,291,420	(23,786,097)	218,170,675
Reversal of provision against trade debts	-	-	63,071,847
Provision for bad debts	-	(27,905,998)	(84,563,107)
Worker' profit participation fund	(3,404,847)	(12,586,063)	(13,989,122)
Donation and charity	(665,000)	(2,723,050)	(5,680,500)
Worker's Welfare Fund	(50,958)	(163,163)	(366,230)
Auditor's remuneration	-	(550,000)	(1,878,097)
Balances written-off	-	-	(56,564,614)
Other income/(expense)	7,650	(542,731)	353,783
	<u>11,178,265</u>	<u>(68,257,102)</u>	<u>118,554,635</u>
<b>20. TAXATION</b>			
Current	7,106,902	22,661,189	33,535,400
Prior	-	(4,850,039)	-
Deferred	1,878,858	(4,836,147)	13,921,533
	<u>8,985,760</u>	<u>12,975,003</u>	<u>47,456,933</u>
<b>21. CASH AND CASH EQUIVALENTS</b>			
Short term borrowings - banking companies		(540,000,000)	(560,000,000)
Cash and bank balances		2,264,620	5,173,272
		<u>(537,735,380)</u>	<u>(554,826,728)</u>

**22. DATE OF AUTHORIZATION**

These condensed interim financial statements were authorized for issue on \_\_\_\_\_ by the Board of Directors of the Company.

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**(iv) SUMMARY OF FINANCIAL HIGHLIGHTS OF THE ORGANIC MEAT COMPANY LIMITED**

	2017	2018	2019	HY 2020	9MFY2020
Income Statement	(Audited)	(Audited)	(Audited)	(Reviewed)	
Sales	922	2,053	2,577	1,720	2,466
Cost of Goods Sold	(763)	(1,746)	(2,169)	(1,346)	(1,975)
Gross Profit	159	306	408	374	492
Operating Profit	108	244	218	272	345
EBITDA	163	298	341	326	360
Depreciation and Amortization	55	54	123	54	83
Financial Charges	(37)	(57)	(71)	(46)	(66)
Profit before Taxation	55	157	265	146	211
Taxation	(1)	(13)	(47)	(4)	(13)
Profit after Taxation	54	143	218	142	198

Balance Sheet					
Non-Current Assets	546	1,257	1,245	1,223	1,267
Current Assets	793	1,076	1,323	1,487	1,517
Total Assets	1,339	2,333	2,569	2,710	2,784
Paid-up Capital	1	100	718	718	718
Equity	386	1,264	1,621	1,763	1,819
Share Deposit Money	212	149	-	-	-
Short-Term Borrowings	548	573	719	706	703
Non-Current Liabilities	90	58	15	4	6
Current Liabilities	651	861	932	943	959
Stock-in-trade	132	131	201	162	227
Trade debts	356	849	824	855	890
Trade and other payables	74	207	139	191	218

Cash Flow Statement					
Operating Activities	(17)	57	28	145	169
Investing Activities	(16)	(110)	(111)	(35)	(106)
Financing Activities	55	(21)	73	(38)	(50)
Net increase in Cash	22	(74)	(11)	13	13
Cash & Cash Equivalents at the end of year	(471)	(544)	(555)	(542)	(542)
Cash at Bank	19	16	5	8	2
Capital Expenditure	(16)	(110)	(111)	(35)	(106)

Growth					
Sales Growth (%)	(23)	123	26	78	38
EBITDA Growth (%)	(20)	83	14	92	18
Net Profit Growth (%)	(40)	167	52	(6)	0.12

Margins					
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Gross Margin (%)	17	17	16	22	20
EBITDA Margin (%)	18	15	13	19	15
Net Margin (%)	6	7	8	8	8
Break-up Value per Share <sup>1</sup>	5.37	17.61	22.57	24.55	25.33

**Profitability and Earnings Ratios**

Profit after Tax	54	143	218	142	198
Earnings per Share Restated (PKR) <sup>1</sup>	0.75	1.99	3.04	1.98	2.75
Return on Equity (%)	9	14	14	9	11
Return on Asset (%)	4	8	9	5	7

**Balance Sheet Ratios**

Fixed Asset Turnover (x)	1.66	2.29	2.07	1.38	1.97
Asset Turnover (x)	0.72	1.12	1.00	0.64	0.92
Current Ratio (x)	1.2	1.2	1.42	1.58	1.61
Inventory Turnover (days)	68	27	34	20	31
Receivables Turnover (days)	124	107	117	98	91
Payables Turnover (days)	27	25	23	42	33

**Leverage Ratios**

EBITDA/Interest (x)	4.45	5.21	4.62	7.01	5.45
(EBITDA - Capex)	147	188	217	291	254
(EBITDA - Capex)/Interest (x)	4.02	3.29	3.05	6.33	3.85
Number of Shares Outstanding	0.1	10	72	72	72

1. Based on Pre IPO number of shares 71,817,777

**(v) SUMMARY OF MAJOR REVENUE & EXPENSE ITEMS**

Revenue Items	FY17 (Audited)	FY18(Audited)	FY19 (Audited)
Chilled Meat	419,797,864	1,466,868,723	1,185,874,701
Frozen Meat	86,291,416	416,994,928	106,956,542
Frozen Offal*	156,087,955	62,926,468	21,061,629
Vacuum Packed Boneless Meat	-	-	1,009,391,330
Local	259,719,305	106,138,418	171,193,135

\*Prior to 2017, White and Red offal were all accounted for under 'offal' in sales revenue and were being exported to Vietnam only. After 2017, Classification of Red Offal category was changed to frozen meat as required by the buying country's authorities (Vietnam / UAE) that they should be reported as red meat instead of red offal. Given the re-classification of red offal into red meat category, the actual sale of offal products has not declined.

Expense Items	FY17 (Audited)	FY18(Audited)	FY19 (Audited)
Purchases	585,144,326	1,604,276,291	2,020,591,144
Depreciation	54,718,775	53,594,377	122,884,349
Salaries & Wages	23,197,086	22,055,483	49,177,483

**(vi) BIFURCATION OF REVENUE WITH RESPECT TO LOCAL AND EXPORT SALES**

Revenue Breakup (Exports vs Local)	FY17 (Audited)	FY18(Audited)	FY19 (Audited)
Export Sales	662,177,235	1,946,790,119	2,323,284,202
Local Sales	259,719,305	106,138,418	171,193,135
Export Sales (%)	71.83%	94.83%	93.14%
Local Sales (%)	28.17%	5.17%	6.86%

\*Local Sales comprise only of raw leather hides

**(vii) SUMMARY OF REVENUE ON ACCOUNT OF MAJOR PRODUCTS**

Revenue Breakup (Product Category wise)	FY19 (Audited)	As % of Revenue
Chilled Meat	1,185,874,701	46%
Frozen Meat	106,956,542	4%
Frozen Offal	21,061,629	1%
Vacuum Packed Boneless Meat	1,009,391,330	39%
Local	171,193,135	7%
Duty drawback	83,040,953	3%
<b>Total Sales</b>	<b>2,577,518,290</b>	<b>100%</b>

**(viii) BREAKUP OF OTHER INCOME / (EXPENSES)**

Other (Expenses) / Income	FY17 (Audited)	FY18 (Audited)	FY19 (Audited)	Nature
Provision against trade debts <sup>1</sup>	(25.53)	(95.24)	(84.56)	Recurring
Provision against advance to suppliers	(13.26)	(13.89)	-	Non-recurring
Exchange gain / (loss) <sup>2</sup>	(6.67)	103.34	218.17	Recurring
Reversal of provision against trade debts	-	-	63.07	Non-recurring
Balances written off	-	-	(56.56)	Non-recurring
Auditor's Remuneration	-	(0.97)	(1.88)	Recurring
Write off against loans to director	-	(16.67)	-	Non-recurring
Interest on refund of subscription money	-	(2.33)	-	Non-recurring
Workers' profit participation fund	-	(7.31)	(13.99)	Recurring
Donation and charity	-	(0.03)	(5.68)	Recurring
Workers' welfare fund	-	(1.04)	(0.37)	Recurring
Other miscellaneous income	-	0.43	0.35	Non-recurring
Liabilities no longer payable written back	29.86	-	-	Non-recurring
Impairment on intangible assets	(1.07)	-	-	Non-recurring
	<b>(16.67)</b>	<b>(33.71)</b>	<b>118.55</b>	

1. Provision for trade debts are calculated through application of Expected credit losses model under new IFRS 9 and is a recurring expense due to the credit driven nature of the business

2. due to export nature of the business, sales are made in USD amounts converted to PKR upon receipt which gives rise to recurring exchange gains / losses

**(ix) COMPARATIVE FINANCIAL ANALYSIS WITH PEER GROUP COMPANY**

Below is a table showing key valuation ratios of the Company and its Competitors

	Share Price <sup>1</sup>	EPS <sup>2</sup>	BVPS <sup>3</sup>	Sales/Share <sup>4</sup>	P/E <sup>5</sup>	P/S <sup>6</sup>	P/B <sup>7</sup>	ROE <sup>8</sup> (%)	ROA <sup>9</sup> (%)	GPM <sup>10</sup> (%)	NPM <sup>10</sup> (%)	Free Float (%)
TOMC	18	3.04	22.57	35.89	5.93	0.50	0.80	15.11	8.89	15.82	8.46	35.77
ASC	10.18	1.50	32.38	29.47	6.79	0.35	0.31	4.44	2.67	29.55	4.77	65

(Source: Latest Annual Financial Statements of TOMC & ASC)

1 Share price as of April 17<sup>th</sup>, 2020 for ASC & Floor Price for TOMC

2 EPS for TOMC based on Annual earning and 71,817,777 number of shares outstanding, earnings include an exchange gain of PKR 218.17mn, provisions made against trade debts of PKR 84.563mn and write offs of PKR 56.564mn

3 BVPS based on latest annual financials as of June 30<sup>th</sup>, 2019, using 71,817,777 number of shares for TOMC

4 Sales/share based on annual sales from July 01<sup>st</sup>, 2018 to June 30<sup>th</sup>, 2019, using 71,817,777 number of shares for TOMC

5 P/E is calculated by dividing Share price with EPS

6 P/B is calculated by dividing Share price to BVPS

7 P/S is calculated by dividing shares price to sales/share

8 ROE is calculated by EPS divided by average of last 2 years BVPS

9 ROA is calculated by EPS divided by average of last 2 years assets/share

10 GPM & NPM calculated for the year ended June 30<sup>th</sup>, 2019

**6 A. REVALUATION OF FIXED ASSETS**

During the period ended June 30<sup>th</sup>, 2018, The revaluation of the Property Plant and Equipment of the Company was carried out. The surplus on revaluation of the PPE is PKR 636,275,327.

Break up of this revaluation surplus is given below;

Particular	Amount
Factory Land - Freehold	25,744,000
Factory building on Freehold land	76,439,384
Plant and Machinery	563,970,701
Related Deferred tax liability	(29,878,758)
<b>Revaluation Surplus - Net</b>	<b>636,275,327</b>

**6 B. DIVIDEND POLICY**

**The Company intends to follow a consistent profit distribution policy for its members, subject to profitability, availability of adequate cash flows, the Board's recommendation and shareholders' approval, where required.**

The rights in respect of capital and dividends attached to each ordinary share are and will be the same. The Company in its general meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors. Dividend, if declared in the general meeting, shall be paid according to the provisions of the Companies Act 2017.

The Board of Directors may from time to time declare interim dividends as appear to it to be justified by the profits of the Company. No dividend shall be paid otherwise than out of the profits of the Company for the year or any other undistributed profits.

No unpaid dividend shall bear interest or mark-up against the Company. The dividends shall be paid within the period laid down in the Companies Act.

**Under Section 242 of the Companies Act, any dividend payable in cash by a listed company, shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder.**

**Therefore, the applicants must fill-in the relevant part of the Shares Subscription Form under the heading, "Dividend Mandate".**

The Company has issued no cash dividends over the past five years. However, in FY2019 the Company issued bonus shares worth of PKR 500mn.

*\*\*The company has converted retained earnings through bonus shares\*\**

**Covenants/Restriction on Payment of Dividends:**

It is stated that there is no restriction on TOMC by any regulatory authority, creditor, stakeholder etc. on the distribution and capitalization of its profits.

**Cash Dividend Track Record**

	<b>FY15A</b>	<b>FY16A</b>	<b>FY17A</b>	<b>FY18A</b>	<b>FY19A</b>
Cash Dividend	Nil	Nil	Nil	Nil	Nil



## 7. MANAGEMENT OF THE COMPANY

Board of Directors of the Company are listed below:

	Name	Address	Designation	CNIC	Partnership/Directorships in Other Companies
1	Mr. Zulqiurnain Ali Khan	House # 3130314, Block H, Johar Town, Lahore	Chairman (Non Executive Director)	42201-3939124-7	- Zultec Group - Pakistan Electives Group
2	Mr. Faisal Hussain	House # 69, Khayaban e Mujahid, Phase V Karachi	Chief Executive & Sponsor	42301-7030455-9	- N/A
3	Mr. Ali Hussain	House # 69, Khayaban e Mujahid, Phase V Karachi	Chief Operating Officer & Sponsor	420000-8710486-3	- M/S Mohammad Saeed Mohammad Hussain (Pvt) Ltd
4	Mr. Rizwan A. Punjwani	Flat # F-4, Irfan Arcade, Block 2, PECHS, Karachi	Director	42301-0867315-5	- Sindh Gas - Oceanza (Pvt) Ltd - People resource (Pvt) Ltd - Tawakkal Aqua Organics Ltd
5	Mr. Salman Hussain	House # 53/4, Street 28, Phase V, Karachi	Independent Director	423016220545-1	- Lucky Foods (Pvt.) Ltd
6	Mr. Owais Zaidi	House # 82, Street 4, Sector 5 Bahria Town, Islamabad	Independent Director	42000-0533357-3	- Pakistan Innovation Foundations
7	Mr. Nihal F. Cassim	House # 12/1, 9th Zamzama Street, Phase V, Karachi	Independent Director	42301-8289704-9	- Safe way Funds Limited - Ferozsos Laboratory - Pakistan Oil Fields Ltd - National Institutional Facilitation Technologies (Pvt.) Ltd - Image Systems Marketing (Pvt.) Ltd - International Steels Limited
8	Ms. Sehrish Hafeez	Plot # 201, Street # 8, Khayaban e Iqbal, Phase VIII, DHA Karachi	Independent Director	42301-1452534-0	- N/A

*\*Current Board of Directors of the Company were elected/re-elected on 25<sup>th</sup> January, 2019*

**UNDERTAKING BY THE COMPANY AND ITS SPONSORS**

The Company and its sponsors undertake:

1. That neither Issuer nor its directors, sponsors or substantial shareholders have been holding the office of the directors, or have been sponsors or substantial shareholders in any company:
  - (i) which had been declared defaulter by the securities exchange or futures exchange; or
  - (ii) whose TRE Certificate has been cancelled or forfeited by the Exchange, PMEX or any other registered stock exchange of Pakistan that existed prior to integration of stock exchanges pursuant to Integration Order number 01/2016 dated January 11, 2016 issued by SECP due to noncompliance of any applicable rules, regulations, notices, procedures, guidelines etc. Which has been de-listed by the securities exchange due to non-compliance of its regulations.
  - (iii) Which has been de-listed by the Exchange due to its non-compliance of any applicable provision of PSX Regulation.
2. That none of the Sponsors, Major Shareholders, Directors or Management of the Company as well as the Company itself or its Associated Company / Entity have been found guilty of being engaged in any fraudulent activity. The Company have made full disclosure regarding any / or all cases in relation to involvement of the person named above in any alleged fraudulent activity i.e., pending before any Court of Law / Regulatory Body / Investigation Agency in or outside of the Country.

**DIVIDEND PAYOUT BY LISTED GROUP / ASSOCIATED COMPANIES**

There are no associated / listed group companies of The Organic Meat Company Limited

**PROFILES OF DIRECTORS****i. Mr. Zulqiurnain Ali Khan (Chairman)**

Mr. Khan is the founder of Zultec Group and Nawat Al Madinah Food Industries, whose affiliate business enterprises are spread across Pakistan, Middle East, Canada, The United Kingdom and The United States. Mr. Khan is the Chairman of The Organic Meat Company Limited, he also chairs the boards of several group operating companies with interests in Information Technology, Packaging, Retail Management & Technologies, Supply Chain Management, Industrial Process & Food Processing. He has been on the board of several companies and non profit platforms such as Fine Foods Co. Ltd, ASG, Pakistan Executives Group, Jeddah Chamber of Commerce, Avery Dennison and Saudi Brothers Commercial Co. Ltd. Mr. Khan is consistently featured every year in "Top 100 CEOs of Pakistan", by CEO Club Pakistan. He has also been accredited as the "Most Admired Business Leader" award by Jeddah Chamber of Commerce & Industries. Also, Awarded "Best Retail Technology Leader" award by Retail ME

Mr. Khan holds a degree in Mechanical Engineering from NED University of Engineering and Technology and has also done his MBA in Retail and International Business from California Brooks University, California, USA.

**ii. Mr. Faisal Hussain (Chief Executive)**

Mr. Faisal has over 21 years working experience in the sheep casings (offal processing) industry and 10 years experience in the meat processing industry. He is the founder shareholder/director & CEO of the Company. Mr. Faisal holds an MBA from Institute of Business Administration (IBA) and a MBA Finance from Cardiff Business School, University of Wales, UK.

Mr. Faisal has a long family business history since 1932, and is part of the fourth generation involved in the industry of Animal Offal with processing units in Karachi, Lahore, and Multan. His family business has been receiving best export performance trophies from the Federation of Pakistan Chambers of Commerce and Industry ("FPCCI") for 15 years in the past. He has also been in the business of retail food outlets in Karachi for 09 years.

He decided to come into the meat industry in year 2009, knowing that he has an edge over all other players in the market, and brought new concepts in the industry of further adding value to the fresh meat by offering boneless Frozen and Fresh Boneless Vacuum Packed meat by extending shelf life of the

same product, to be able to cater to many far off destinations, for which the Company is one of the very few in Pakistan having approvals to export.

The same experience and vision has led the Company to be the only entity in Pakistan to process offal of beef animals and have developed an increasingly growing market in the last one year due to his direct access for years with various offal suppliers and processors in many countries. He has already taken a single product offering company in 2011 to a multi-product offering company by 2015/16.

**iii. Mr. Ali Hussain (Chief Operating Officer)**

Mr. Hussain is the Chief Operating Officer of the Company responsible for Operations and Business Development. He has been part of the management team since inception and spearheads the plant operations. Mr. Ali holds a BSc in Economics from Lahore University of Management Sciences (LUMS). He has been into food business and was handling food services for notable organizations like, DHL, ENI, HBL Plaza, Reckit & Benckiser, Starcom, Tetra Pack, German Consulate, etc. He has been instrumental in getting approval for supplies in several countries and has played an important role in expanding operations of TOMC.

**iv. Mr. Rizwan A. Punjwani (Director)**

Mr. Punjwani is a Chartered Accountant and holds around 25 years of working experience. Currently he is a Fund Manager at RAY Securities and is also on TOMC's Board as a Director. Prior to that he was Director and Chief Operating Officer at Sindh Gas where he was primarily responsible to implement projects. Mr. Punjwani has led the Investment Banking department of one of the Largest Bank of Pakistan – National Bank of Pakistan (NBP) where he gained rich experience of handling debt and equity transaction of large ticket size.

**v. Mr. Owais Zaidi (Independent Director)**

Mr. Owais Zaidi is on board of TOMC as an Independent Director. He holds a BBA (Honors) in Finance and also an MBA degree from Institute of Business Administration (IBA), Karachi. He has a diversified exposure to various industry verticals and business domains. He is Founder & CEO at Credit Fix – Pakistan's first credit market place, Co- Founder & Principal Consultant at Infinitum Innovations, Charter Member at Open Islamabad – an NGO and also a board member of Pakistan Innovation Foundation. Prior to that Mr. Zaidi has been associated with several tech companies playing key management roles

**vi. Mr. Salman Hussain (Independent Director)**

Salman Hussain is the Director and CEO Lucky Foods (Pvt.) Ltd. He established this dairy company in 2015 with Younus Brothers Group. He has a strong vision on Food related businesses in Pakistan, both for exports and to cater to local markets. Besides dairy farming, backward integration in agriculture and animal husbandry are a major focus areas at Lucky Foods.

Salman Hussain worked for Citibank N. A for 15 years. He left Citibank Pakistan in 2014 as Director and Country Head Global Transaction Services for Pakistan and Afghanistan.

Salman started his career with the consumer bank as a relationship manager. He rose through the ranks and served as branch manager, area manager, product head and branch banking head for Citi in Pakistan. Before moving to the corporate bank in 2011, Salman looked after consumer bank as a Retail Bank Head.

After his first job, Salman was associated with the Automobile industry. For 3 years he worked for Ghandhara Nissan Ltd as a product manager. Salman is an IBA graduate and graduated from IBA in 1996.

**vii. Mr. Nihal F. Cassim (Independent Director)**

Mr. Nihal F. Cassim serves as the Chief Executive Officer of Ubiquity Trading Limited. Mr. Cassim is responsible for Asian Stocks Fund Limited. He serves as a Non-Executive Director of Ferozsons Laboratories Ltd. He has been an Independent Director at Pakistan Oilfields Ltd. since June 20, 2011. He also serves as a Director of Mutual Funds Association of Pakistan. Mr. Cassim holds an MBA degree in Finance and MIS from McGill University.

**viii. Ms. Sehrish Hafeez (Independent Director)**

Ms. Hafeez holds a BSc in Philosophy and Economics from London School of Economics. Her experience includes valuation of different companies through different valuation techniques like discounted cash flow techniques, comparable and other approaches. She has a good understanding of the business

models and is also strategically involved in various roles for running the business successfully. She has also worked on various growth advisory reports.

#### **PROFILES OF KEY MANAGEMENT**

##### **ix. Syed Imran Ali – Chief Finance Officer**

Mr. Ali is the Chief Financial Officer of TOMC and is an Associated Member of Institute of Cost & Management Accounts of Pakistan (ICMAP) and has also completed his Bachelors in Commerce from University of Karachi. Mr. Ali has nearly 30 years of experience in the field of Finance and has been affiliated with TOMC since 2014 and handles the Company's Finance and Treasury related measures including preparation of budgets, Tax matters, cash and bank management and liaison with auditors. Prior to working at TOMC, Imran was the Chief Operating Officer of Cap Industries Private Limited and Chief Financial Officer of First Prudential Modaraba.

##### **x. Mr. Danish Naeem – Company Secretary**

Mr. Naeem now serves in the capacity of Company Secretary of TOMC, he has been affiliated with TOMC since 2012 working as the Finance Manager. He is responsible for all Treasury related matters of the Company and reports to the CFO. Danish has over 13 years of experience in Finance and has held senior positions throughout his career, he is B.Com qualified and is currently pursuing his MBA from Hamdard University.

#### **NUMBER OF DIRECTORS**

Pursuant to Section 154 of the Companies Act, 2017 a listed Company shall not have less than seven (7) directors. At present, the Board consists of 08 directors, including the Chief Executive Officer and one female director.

#### **QUALIFICATION OF DIRECTORS**

No person shall be appointed as a Director of the Company who is ineligible to be appointed as Director on any one or more of the grounds enumerated in Section 153 of the Companies Act or any other law for the time being in force.

#### **REMUNERATION OF THE DIRECTORS**

As per the Article 88 and 89 any director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise perform services which in the opinion of the directors are outside the scope of ordinary duties of a director, may be paid such extra remuneration as the Board of Directors may determine from time to time.

The remuneration of a director for attending meetings of the Board shall from time to time be determined by the Board of Directors.

Each director of the Company may, in addition to any remuneration receivable by him, be reimbursed his reasonable travelling and hotel expenses incurred in attending meetings of the Board of Directors or of the Company or otherwise whilst employed on the business of the Company.

#### **BENEFITS TO PROMOTERS AND OFFICERS**

No benefit has been given or is intended to be given by the Company to the promoters and officers of the Company other than remuneration for services rendered by them as full time executives of the Company.

#### **INTEREST OF DIRECTORS**

The directors may be deemed to be interested to the extent of fees payable to them for attending the Board meetings. The Directors performing whole time services in the Company may also be deemed interested in the remuneration payable to them by the Company. The nominee directors have interest in the Company to the extent of representing the sponsors in the capital of the Company.

Following directors are holding ordinary shares of the Company:

Name of Shareholder	Designation	Numbers of Shares held	Value of Shares held
Mr. Faisal Hussain	Chief Executive Officer	50,922,494	509,224,940
Mr. Ali Hussain	Chief Operating Officer	10,617,500	106,175,000
Mr. Rizwan A. Punjwani	Director	727,778	7,277,778
Mr. Nihal F. Cassim	Independent Director	1	10
Mr. Salman Hussain	Independent Director	1	10
Mr. Owais Zaidi	Independent Director	1	10
Ms. Sehrish Hafeez	Independent Director	1	10
Mr. Zulqiurnain Ali Khan	Chairman / Non-Executive Director	1	10

### ELECTION OF DIRECTORS

The Directors of the Company are elected for a term of three years in accordance with the procedure laid down in section 159 of the Companies Act and Article 99.

The Directors shall comply with the provisions of Sections 154 to 159 and Sections 161 and 167 relating to the election of Directors and matters ancillary thereto.

Subject to the provisions of the Companies Act, the Company may from time to time increase or decrease the number of Directors.

Any casual vacancy occurring on the Board of Directors may be filled up by the Directors, but the person so appointed shall be subject to retirement at the same time as if he / she had become a Director on the day on which the Director in whose place he / she is chosen was last elected as Director.

The Company may remove a Director in accordance with the provisions of the Ordinance.

The current Board of Directors were appointed on 25<sup>th</sup> January, 2019 and the next election is tentatively scheduled for November 2021.

### VOTING RIGHTS

According to the Article 65, any rights or restrictions for the time being attached to any class or classes of shares, every member present in person (where all the participants of a general meeting can see each other) shall have, whether on a show of hands or on a poll, votes proportionate to the paid up value of the shares or other securities carrying voting rights held by him according to the entitlement of the class of such shares or securities.

Members may exercise voting rights at general meetings through electronic means if the Company receives the requisite demand for poll in accordance with the applicable laws.

Every member present in person shall have one vote and upon a poll every member present in person or by proxy shall have one vote in respect of each share held by him.

### AUDIT COMMITTEE

The Board of Directors has set up an effective internal audit function managed by suitable qualified and experienced personnel who are conversant with the policies and procedures of the Company and are involved in the internal audit function on a full time basis.

The audit committee comprises of the following members:

1. Mr. Nihal Cassim – Chairman (Independent Director)
2. Mr. Rizwan A. Punjwani (Director)
3. Mr. Salman Hussain (Independent Director)

## **HUMAN RESOURCE AND REMUNERATION COMMITTEE**

The Board of Directors has set up an effective Human Resources function managed by suitable and qualified personnel who are conversant with the policies & procedures of the Company and are involved in Human Resources function on a full time basis.

The human resource and remuneration committee comprises of the following members:

1. Mr. Owais Zaidi – Chairman (Independent Director)
2. Mr. Faisal Hussain (Chief Executive Officer)
3. Mr. Salman Hussain (Independent Director)

## **BORROWING POWERS OF DIRECTORS**

As per the Article 123, the directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (both present and future) and to issue debentures, debenture stocks and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

In regard to the issue of securities the directors may exercise all or any of the powers of the Company arising under Sections 66 of the Companies Act and in particular the directors may issue any security as defined in Section 2(1) (61) of the Companies Act or may issue any instrument or certificate representing redeemable capital as defined in section 2(1) (55) of the Companies Act.

Debentures, debenture stocks, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise, and with any provisions as to redemption, surrender, drawings and conversion into ordinary shares, provided that the Company shall not issue any debenture of whatever nature carrying voting right at any meeting of the Company, except the debentures convertible into ordinary shares which may carry voting rights not in excess of the voting right attached to the ordinary shares of equal paid up value. Issue of debentures by the Company shall be subject to the provisions of Section 63 to 66, 122 and 123 of the Companies Act.

## **POWERS OF DIRECTORS**

The control of the Company shall be vested in the Board of Directors and the business of the Company shall be managed by the Board of Directors who may exercise all such powers of the Company and do all such acts and things as may be exercised or done by the Company as by the Act or by Articles of the Company or by a special resolution expressly directed or required to be exercised or done by the Company.

## **FINANCIAL PERFORMANCE OF LISTED ASSOCIATE COMPANIES**

The Company has no listed associate companies under the same management or control.

## **CORPORATE GOVERNANCE**

The Company shall comply with all the rules and regulations applicable to the Company with regards to the Listed Companies (Code of Corporate Governance) Regulation, 2019 which encourages that:

1. by June 30<sup>th</sup>, 2020, at least half of the directors on its board;
2. by June 30<sup>th</sup>, 2021 at least 75% of the directors on its board; and
3. By June 30<sup>th</sup>, 2022 all the directors on its board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.
4. Furthermore, a newly appointed director on the Board may acquire the training program certification within a period of 1 year from the date of appointment as a Director on the Board.

The Company shall also encourage representation of minority shareholders on the board of directors.

#### **INVESTMENT IN ASSOCIATED COMPANIES**

The Company has not sponsored nor acquired any Company nor has any resolution been passed for sponsoring or acquiring any associated Company.

#### **CAPITALIZATION OF RESERVES**

The Organic Meat Company Limited has capitalized 94.66% of its reserves standing as at June 30<sup>th</sup> 2018 during FY19.

## **8. LEGAL PROCEEDINGS AND OVERDUE LOANS**

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### **LEGAL PROCEEDINGS**

There are currently no pending legal proceedings against the Company.

### **OVERDUE LOANS**

There are no overdue loans (local or foreign currency) on the Company, its directors and its sponsors. The Company, its CEO, its directors and its sponsors, under the oath, undertakes that they have no overdue payment to any financial institutions



**9. UNDERWRITING ARRANGEMENT, COMMISSIONS, BROKERAGE AND OTHER EXPENSES****UNDERWRITING****BOOK BUILDING PORTION**

AKD Securities Limited has been appointed as the Book Runner to the Issue. The Book Runner has underwritten 40,000,000 shares being offered for subscription through book building representing 100% of the Issue as required under regulation 7 (6) of the PO Regulations, with the limitations in effect that the Book Runner shall only underwrite the default portion of the Book Building, if any, at the Strike Price determined through the Book Building process.

**GENERAL PUBLIC PORTION**

The General Public Portion of the Issue has not been under written in terms of Regulation 7 (4) of the Regulations.

**OPINION OF DIRECTORS REGARDING RESOURCES OF THE UNDERWRITERS**

In the opinion of the Directors, the resources of the Book Runner are sufficient to discharge its underwriting commitments / obligations.

**UNDERWRITING COMMISSION****BOOK BUILDING PORTION**

Underwriting commission for the Book Building portion will be paid at 0.25% of the Book Building portion. The amount of security deposited by the defaulting Bidder shall however, be forfeited to the Book Runner, in case any of the successful bidders fail to pay the margin money within the specified time period.

**BUY BACK / REPURCHASE AGREEMENT**

The Book Runner in the capacity as underwriter of the book building portion has not entered into any buy back / re-purchase agreement with the company or any other person in respect of this issue of shares.

Also, the company has not entered into any buy back / re-purchase agreement with the book runners in the capacity as underwriter or its associates. The company shall not buy back / re-purchase shares from the book runners and its associates taken up, if any, by it in capacity as the book runner.

**COMMISSION OF THE BANKERS TO THE ISSUE**

Commission at the rate of 0.25% (inclusive of all taxes) of the amount collected on allotment in respect of successful applicants will be paid by the Company to the Bankers to the Issue for services to be rendered by them in connection with the Retail Portion of the Issue.

**FEES AND EXPENSES FOR CENTRALIZED E-IPO SYSTEM ("CES")**

Commission on application received through CES will be paid to CDC which shall not be more than 0.8% of the amount of the successful applications. CDC will share, the fee with other participants of CES at a ratio agreed amongst them.

**BROKERAGE**

For this Issue, brokerage shall be paid to the TRE Certificate Holders of PSX at the rate of 1.00% of the value of shares (including premium, if any) on successful applications for Book Building and General Public Portion. No brokerage shall be payable in respect of shares taken up by the Successful Bidders pursuant to under subscription of retail portion of the Issue.

**ESTIMATED EXPENSES OF THE ISSUE**

Expenses to the Issue are estimated not to exceed PKR **42,571,996/-**. The break-up of these preliminary expenses is given below:

Particulars	Rate	Expense (PKR)
Consultant and Book Runner Fees <sup>1</sup>	3.00%	21,600,000
Commission to Bankers for General Public <sup>1</sup>	0.25%	1,800,000
e-IPO Facility Charges		800,000
Bankers to the Issue – Out of Pocket		250,000
TREC Holders' Commission <sup>1</sup>	1.00%	7,200,000
PSX Initial Listing Fees		1,118,178
PSX Services Fee		50,000
PSX Book Building Software charges		500,000
Transfer Agent and Balloting Agent		350,000
Marketing & Printing Expenses		6,000,000
CDC - Fresh Issue Fees <sup>1</sup>	0.16%	1,152,000
CDC - Annual Fees for Eligible Security (Listing Fees)		440,000
SECP IPO Application Processing Fee		200,000
SECP Supervisory Fee	10% of PSX Listing fee	111,818
Miscellaneous Expenses		1,000,000
<b>Total</b>		<b>42,571,996</b>

<sup>1</sup>Represent the maximum amount that is expected to be paid based on the Floor Price of PKR 18.0/- per share

**10. MISCELLANEOUS INFORMATION****REGISTERED OFFICE / CORPORATE OFFICE**

9<sup>th</sup> Floor, Room# 903-904,  
 Portway Trade Tower, Plot # 189/A  
 S.M.C.H.S, Karachi, Pakistan  
 Phone: +92 21 35295508  
       +92 21 34552146  
 Website: [www.TOMCL.net](http://www.TOMCL.net)  
 Email: [info@tomcl.net](mailto:info@tomcl.net)

**BANKER TO THE ISSUE FOR BOOK BUILDING**

Dubai Islamic Bank Pakistan Limited

**BANKERS TO THE ISSUE FOR GENERAL PORTION**

1. Allied Bank Limited
2. Askari Bank Limited
3. Soneri Bank Limited
4. Dubai Islamic Bank Pakistan Limited
5. Habib Metropolitan Bank Limited
6. JS Bank Limited
7. MCB Bank Limited
8. Meezan Bank Limited
9. Bank al Habib
10. United Bank Limited

**BID COLLECTION CENTERS**

Karachi		
Contact Officer:	Muhammad Owais Ibrahim	
Direct No.:	+92 21 35374301	
PABX No.:	+92 21 111 253 111 ext 665	
Fax No.:	+92 21 35374291	
Email:	<a href="mailto:owais.ibrahim@akdsecurities.net">owais.ibrahim@akdsecurities.net</a>	
Postal Address:	602, Continental Trade Centre, Block 8, Clifton, Karachi – Pakistan	
Lahore		Islamabad
Contact Officer:	Ehsan Ahmad Qureshi	Khalid Hussain
Direct No.:	+92 42-111-253-111	+92 51 2894325
Fax. No.:	+92-42 36280745	(+92-51) 2894323
Email:	<a href="mailto:ehsan.ahmad@akdtrade.com">ehsan.ahmad@akdtrade.com</a>	<a href="mailto:malik.khalid@akdtrade.com">malik.khalid@akdtrade.com</a>
Postal Address:	Room No: 512-513, 5th Floor, Lahore Stock Exchange Building, Lahore - Pakistan.	Room No: 302 - 303, 3rd Floor, Islamabad Stock Exchange Tower, Jinnah Avenue, Islamabad -Pakistan.
Faisalabad		Abbotabad

Contact Officer:	<b>Aun Raza</b>	<b>Ali Asghar</b>
Direct No.:	+92 41 2620361	+92 992 381431-33
Mobile No.:		
PABX No.:	+92 41 2620365-68 ext. 101	+92 992 408215-17
Fax No.:		+92 992 408218
Email:	<a href="mailto:aun.raza@akdtrade.com">aun.raza@akdtrade.com</a>	<a href="mailto:ali.asghar@akdtrade.com">ali.asghar@akdtrade.com</a>
Postal Address:	Office No. 3, First Floor, Meezan Executive Tower, Liaquat Road, Faisalabad	Office # 6, First Floor, Sarmayakari Markaz, Al-Fateh Shopping Center, Opposite Radio Station, Mansehra Road, Abbottabad
	<b>Quetta</b>	<b>Peshawar</b>
Contact Officer:	<b>Farrukh Javed</b>	<b>Siffat Ullah</b>
Direct No.:	+92 81-2836854	+92 91 5250500
Fax. No.:	N/A	N/A
Email:	<a href="mailto:farrukh.javed@dibpak.com">farrukh.javed@dibpak.com</a>	<a href="mailto:siffat.ullah@dibpak.com">siffat.ullah@dibpak.com</a>
Postal Address:	Dubai Islamic Bank, Quetta Main Branch, Jinnah Road, Ward No. 15, M. A. Jinnah Road, Quetta	Dubai Islamic Bank, Shop # 6,7 and 8 Block C, Cantonment Plaza, Peshawar Cantt, Peshawar
	<b>Azad Kashmir</b>	<b>Gilgit Baltistan</b>
Contact Officer:	<b>Sajid Hussain Mughal</b>	<b>Arshad Hussain</b>
Direct No.:	+92 5822- 924 136	+92 316 480 2010
Fax. No.:	N/A	N/A
Email:	<a href="mailto:sajid.hussain@dibpak.com">sajid.hussain@dibpak.com</a>	<a href="mailto:arshad.hussain@dibpak.com">arshad.hussain@dibpak.com</a>
Postal Address:	Dubai Islamic Bank, Main Branch, Ward No. 4, Domail Ghari Ban Chowk, Muzaffarabad, Azad Kashmir	Dubai Islamic Bank, Shop # 1- 6, Shahrah e Quaid e Azam, Jutail Gilgit

**BANKERS AND FINANCIAL INSTITUTIONS TO THE COMPANY**

Sr. No.	Name	Address	Telephone No.	Email Address
1	Dubai Islamic Bank	Corporate & Investment Banking, 2 <sup>nd</sup> Floor, Hassan Chamber, DC-7, Block - 7, Kehkashan Clifton, Karachi	021-33142855	<a href="mailto:Muhammad.ahmed@dibpak.com">Muhammad.ahmed@dibpak.com</a>
2	Habib Bank Limited	Tariq Road Commerical Centre, Karachi	021-34300947	<a href="mailto:Shahid.bashir@hbl.com">Shahid.bashir@hbl.com</a>

3	Al Baraka Pakistan Limited	Garnet Centre, Khy-E-Jami, Block 8, Clifton, Karachi	021-35360901	<a href="mailto:Wajid.afzal@albaraka.com.pk">Wajid.afzal@albaraka.com.pk</a>
4	Soneri Bank Limited	Islamic Banking Br, Cloth Market, Shah Tower, Lakshmi Das Street	021-32441084	<a href="mailto:Sadiq.rawjani@soneribank.com">Sadiq.rawjani@soneribank.com</a>
5	Bank Islami Limited	Shop No. 2,3 & 4, Plot # 25-C, Main Khayabane Jami, Phase VII, DHA, Karachi	021-35890741	<a href="mailto:Noman.rauf@bankislami.com.pk">Noman.rauf@bankislami.com.pk</a>
6	Faysal Bank Limited	Main Branch, Faysal House, Shahrah e Faisal, Karachi	021-32795671	<a href="mailto:soulatraza@faysalbank.com">soulatraza@faysalbank.com</a>

#### AUDITORS OF THE COMPANY

**Grant Thorton Anjum Rahman, Chartered Accountants,**  
 1<sup>st</sup> 3<sup>rd</sup> Floor, Modern Motors House,  
 Beaumont Road, Civil Lines,  
 Karachi, Pakistan  
 Tel: +92 21 35672951  
 Email: [suahmed@gtpak.com](mailto:suahmed@gtpak.com)

#### LEGAL ADVISOR OF THE COMPANY & THE ISSUE

**Hussain Haider Pinjani & Vadria Law**  
 2<sup>nd</sup> Floor, Haroon House, Dr. Zia Ud Din Ahmed Road,  
 Karachi, Pakistan  
  
 Tel: +92 (0) 21-3568 1748, 21-3568 8775  
 Fax: +92 (0) 21-3568 0066  
 Email: [jamal@hhlaw.com.pk](mailto:jamal@hhlaw.com.pk)

#### CONSULTANT TO THE ISSUE

**Topline Securities Limited**  
 8<sup>th</sup> Floor, Horizon Towers  
 Plot # 2/6, Block 3, Clifton, Karachi  
 Tel: 021- 3530 3338-40  
 Fax: 021- 3530 3349  
 Email: [m.saad@topline.com.pk](mailto:m.saad@topline.com.pk)  
 Website: [www.Topline.com.pk](http://www.Topline.com.pk)

**Intermarket Securities Limited**  
 Bahria Complex IV, 5<sup>th</sup> Floor, Extension Block  
 Ch. Khaliq uz Zaman Road, Gizri, Karachi  
 UAN: 021-111-467-000  
 Fax: 021- 3515 5129  
 Email: [danyal.rizvi@imsecurities.com.pk](mailto:danyal.rizvi@imsecurities.com.pk)  
 Website: [www.imsecurities.com.pk](http://www.imsecurities.com.pk)

**BOOK RUNNER**

**AKD Securities Limited**

602, Continental Trade Centre,  
Clifton Block 8, Karachi, Pakistan UAN: 021 111-253-111  
UAN: 021-111-253-111  
Fax: 021-3586 7992  
Email: [abadan.mohajir@akdtrade.com](mailto:abadan.mohajir@akdtrade.com)  
Website: [www.akdsecurities.net](http://www.akdsecurities.net)

**COMPUTER BALLOT & SHARES**

**F.D Registrar Services (SMC-Pvt) Limited**

Suit 1705 – A. 17th Floor, Saima Trade Tower,  
I.I. Chundrigar Road, Karachi  
Tel: 021-3227 1905  
Email: [info@fdregistrar.com](mailto:info@fdregistrar.com)

**11. MATERIAL CONTRACTS****i. Details of Short-Term Financing Facilities**

Bank	Facility	Limit (PKR mn)	Limit Utilized as at June 30, 19	Mark-up Commission	Date Sanctioned	Expiry / Review Date *
Habib Bank Ltd	Running Finance	70	70	3M KIBOR + 2%	2015	Dec 31, 2020
Habib Bank Ltd	Export Refinance	55	55	Policy rate + 1%	2016	Dec 31, 2020
Faysal Bank Ltd	Export Refinance	100	100	SBP rate + 1%	2016	Dec 31, 2020
Dubai Islamic Bank Ltd	Running Finance	85	85	KIBOR + 2%	2018	Dec 31, 2020
Al Baraka Bank Ltd	Murhaba / Istisna	100	100	KIBOR + 3%	2017	Dec 31, 2020
Soneri Bank Ltd	IERS 1	100	100	KIBOR + 2%	2016	Apr 30, 2020
Bank Islami Pakistan Ltd**	Murabahah	50	50	KIBOR + 3.5%	2018	Dec 31, 2020

\*Limits for all banks are fully utilized as of January 10<sup>th</sup> 2020 with the exception of Bank Islami Pakistan which currently stands at PKR 40 million.

**ii. Details of Long-Term Financing Facilities**

Bank	Facility	Limit (PKR mn)	Limit Utilized as at June 30 <sup>th</sup> , 2019	Mark-up Commission	Date Sanctioned	Expiry / Review Date *
Habib Bank Limited	Demand Finance	45.50	24.82	3M KIBOR + 2.25%	2015	December 31, 2020
Bank Al Baraka Pakistan Limited**	Diminishing Musharakah	20.00	2.21	3M KIBOR + 2.00%	2017	December 31, 2020
Dubai Islamic Bank Limited	ShirkatUl Melk cum Ijara	52.50	24.50	KIBOR + 2.25	2015	January 31, 2021

\*Long Term Loan from Bank Al Baraka Pakistan Limited has been completely paid off as of January 10<sup>th</sup> 2020

**INSPECTION OF DOCUMENTS AND CONTRACTS**

Copies of the Memorandum and Articles of Association, the Audited Financial Statements, the Auditor's Certificates, Information Memorandum and copies of the agreements referred to in this Prospectus may be inspected during usual business hours on any working day at the registered office of the Company from the date of publication of this Prospectus until the closing of the subscription list.

**MEMORANDUM OF ASSOCIATION**

The Memorandum of Association, inter alia, contains the objects for which the Company was incorporated and the business which the Company is authorized to undertake. A copy of the Memorandum of Association is annexed to this Prospectus and with every issue of the Prospectus except the one that is released in newspapers as advertisement.

**FINANCIAL YEAR OF THE COMPANY**

The financial year of the Company commences on July 1 and ends on June 30.

## 12. BOOK BUILDING PROCEDURE / INSTRUCTIONS FOR REGISTRATION AND BIDDING

### i. Brief Structure

#### The Present Issue

The Issue comprises of 40,000,000 Ordinary shares of face value of PKR 10/- each, which constitutes 35.77% of the total post-IPO paid up capital of the Company.

The entire Issue of 40,000,000 Ordinary Shares will be offered through Book Building process at a Floor Price of PKR 18.00/- per share. Initially, 75% of the issue size i.e. 30,000,000 Ordinary Shares will be allotted to Successful Bidders and 25% of the issue i.e. 10,000,000 Ordinary Shares will be offered to Retail Investors. Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

The Floor Price of PKR 18.00/- has a maximum Price Band of 40% above which no bid shall be accepted. At maximum Price Band, the highest strike price that can be bid for shall be PKR 25.20/- per share.

**The bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, by the retail investors and their remaining bid money would remain deposited/ blocked till allotment of unsubscribed shares, if any, of the retail portion to them on pro-rata basis. In case the retail portion is fully subscribed, the bid money shall be unblocked within one (1) working day or refunded within three (3) working days of the closing of the public subscription.**

Within 3 working days of the closing of the Bidding Period, a Supplement to the Prospectus will be published in at least all those newspapers in which the Prospectus is published. The Supplement will contain information related to the Strike Price, the Offer Price, dates of the Public Subscription, and category wise break-up of the Successful Bidders. Format of the Supplement is given on page 2 of this Prospectus.

### ii. Types of Bids and Procedure for making a Bid

Book Building is a process whereby investors bid for a specific number of shares at various prices. The Issuer sets a Floor Price, which is the minimum / lowest price a Bidder can bid at. An order book of bids is maintained by the Book Runner, which is then used to determine the Strike Price through the “**Dutch Auction Method**”.

Under the Dutch Auction Method, the Strike Price is determined by lowering the Bid Price to the extent that the total number of shares issued through the Book Building process are subscribed.

A bid by a Bidder can be a “**Limit Bid**”, or a “**Step Bid**”, each of which are explained below:

- **Limit Bid:** Limit bid is at the Limit Price, which is the maximum price a Bidder is willing to pay for a specified number of shares.

In such a case, a Bidder explicitly states a price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 1 million shares at PKR 22.00 per share, based on which the total Application Money would amount to PKR 22 million. In this case the Bid Amount will be also PKR 22 million. Since the Bidder has placed a Limit Bid of PKR 22.00 per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 22.00 per share.

- **Step Bid:** A series of Limit Bids at increasing prices. The amount of any individual step shall not be less than PKR.2,000,000.

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 0.7 million shares at PKR 20.00 per share, 0.6 million shares at PKR 20.25 per share and 0.5 million shares at PKR 20.50 per share. Therefore in essence the Bidder has placed one Step Bid comprising of three Limit Bids at increasing prices. The Bid amount will be PKR 36.4 million. In case of individual Bidder, the Margin Money will be 100% i.e.



PKR 36.4 million whereas in case of Institutional Bidders the Margin Money shall be 25% of the Bid amount i.e. PKR 9.10 million.

**RESTRICTIONS:**

- (i) **AN ELIGIBLE INVESTOR SHALL NOT:**
  - (a) **MAKE BID BELOW THE FLOOR PRICE AND ABOVE THE UPPER LIMIT OF THE PRICE BAND;**
  - (b) **MAKE BID FOR MORE THAN 10% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION UNDER THE BOOK BUILDING PORTION**
  - (c) **MAKE A BID WITH A PRICE VARIATION OF MORE THAN 10% OF THE PREVAILING INDICATIVE STRIKE PRICE AS PER REGULATION 10(2)(iii) OF THE PO REGULATIONS**
  - (d) **PLACE CONSOLIDATED BID**
  - (e) **MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY**
  - (f) **MAKE DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME; PROVIDED THAT INCASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME; AND**
  - (g) **WITHDRAW BID**
- (ii) **RELATED EMPLOYEES OF THE ISSUER, CONSULTANT TO THE ISSUE AND THE BOOK RUNNER SHALL NOT PARTICIPATE IN THE BIDDING PROCESS.**
- (iii) **NO PERSON SHALL TAKE PART IN THE BOOK BUILDING PROCESS, DIRECTLY OR INDIRECTLY SEVERALLY OR JOINTLY IN ANY MANNER OR ENGAGE IN ANY ACT OR PRACTICE WHICH CREATE A FALSE AND MISLEADING APPEARANCE OF ACTIVE BIDDING FOR RAISING OR DEPRESSING STRIKE PRICE IN THE BOOK BUILDING PROCESS.**
- (iv) **AS PER REGULATION 7(8) OF THE PO REGULATION, THE ASSOCIATES OF THE ISSUER AS DISCLOSED IN THE PROSPECTUS SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PER CENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.**
- (v) **AS PER REGULATION 7(9) OF THE PO REGULATIONS, THE ASSOCIATES OF THE CONSULTANT TO THE ISSUE TO THE ISSUE AND BOOK RUNNER SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PERCENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.**

**LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER, NAMES OF RELATED EMPLOYEES OF THE ISSUER, CONSULTANT TO THE ISSUE AND BOOK RUNNERS ARE PROVIDED IN SECTION 3A (iv)**

Once the Bidding Period has lapsed and the book has been built, the, Strike Price shall be determined on the basis of Dutch Auction Method.

Successful Bidders shall be intimated, within one (1) working day of the closing of the Bidding Period, about the Strike Price and the number of shares provisionally allotted to each of them. The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of unsubscribed retail portion, if any, to them on pro-rata basis. Upon intimation by the Book Runner of the final allocation, successful institutional bidders shall deposit their balance margin money within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to him / her / it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**

**As per regulation 9(16) of the PO Regulations, the successful bidders shall be issued shares at the time of issuance of shares to the retail investors. Shares to successful bidders shall be issued only in the form of book-entry through credit in their respective CDS accounts (Investors Account or Sub-Account). All the bidders shall, therefore, provide number of their CDS accounts in the bid application.**

The Bidders must fill-in the part of the Bidding Form under the heading, "Dividend Mandate" to enable the Company to directly credit their cash dividend, if any, in their respective International Bank Account Number (IBAN).

### iii. Mechanism for Determination of Strike Price

1. At the close of the bidding period, the Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution. Under this methodology, the Strike Price is determined by lowering the price to the extent that the total shares offered under the Book Building Portion are subscribed.
2. The Order Book shall display the bid prices in a tabular form in descending order along with the number of shares bid for and the cumulative number of shares at each price level.
3. As per the regulation 9(12) of the PO Regulation, in case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted on proportionate basis against the bids made at the Strike Price.

The mechanism for determination of the Strike Price can be understood by the following illustration:

1. Number of shares being Issued through the Book Building: 40,000,000 Ordinary Shares
2. Floor Price: PKR 18.00/-per Ordinary Share with maximum price band of 40% i.e. PKR 25.2 per share
3. Bidding Period: From July 03<sup>rd</sup>, 2020 to July 07<sup>th</sup>, 2020
4. Bidding Time: 9:00am – 5:00pm
5. Bidding Revision Time (Upward Revision only): 9:00am – 5:00pm on all days

Bidder	Price (PKR/share)	Quantity	Cumulative Number of shares	Category of Order
Institution A	22	3,400,000	3,400,000	Limit Price
Institution B	21.9	3,200,000	6,600,000	Limit Price
HNWI A	21.85	2,000,000	8,600,000	Step Bid
Institution C	21.55	3,800,000	12,400,000	Limit Price
Institution D	21.35	3,500,000	15,900,000	Limit Price
Institution E	21	3,200,000	19,100,000	Limit Price
HNWI B	20.8	1,600,000	20,700,000	Limit Price
HNWI A	20.75	1,800,000	22,500,000	Step Bid
Institution F	20.5	3,000,000	25,500,000	Limit Price
Institution G	20.45	2,300,000	27,800,000	Limit Price
Institution H	20.35	3,500,000	31,300,000	Limit Price
HNWI C	20.25	2,400,000	33,700,000	Limit Price
Institution I	20.15	2,600,000	36,300,000	Step Bid
Institution H	19.5	1,000,000	37,300,000	Limit Price
HNWI D	20.1	1,500,000	37,800,000	Step Bid
HNWI E	20.05	1,500,000	39,300,000	Limit Price
Institution J	20	700,000	40,000,000	Step Bid
HNWI E	19.65	900,000	40,900,000	Step Bid
HNWI F	18.7	500,000	41,400,000	Limit Price
HNWI G	18	500,000	41,900,000	Limit Price

Strike Price  
determined  
through Dutch  
Auction Method

Bid has been  
revised  
upwards and  
placed at PKR  
20.35

Total shares  
bid for at and  
above the  
Floor Price

On the basis of the figures provided in the above illustration, according to the Dutch Auction Method, the Strike Price would be set at PKR 20.00 per share to sell the required quantity of 40,000,000 ordinary shares.

At PKR 22 per share, investors are willing to buy 3,400,000 shares. Since 36,600,000 shares are still available, therefore the price will be set lower.

At PKR 21.90 per share, investors are willing to buy 3,200,000 shares. Since 33,400,000 shares are still available, therefore the price will be set lower.

At PKR 21.85 per share, investors are willing to buy 2,000,000 shares. Since 31,400,000 shares are still available, therefore the price will be set lower.

At PKR 21.55 per share, investors are willing to buy 3,800,000 shares. Since 27,600,000 shares are still available, therefore the price will be set lower.

At PKR 21.35 per share, investors are willing to buy 3,500,000 shares. Since 24,100,000 shares are still available, therefore the price will be set lower.

At PKR 21.00 per share, investors are willing to buy 3,200,000 shares. Since 20,900,000 shares are still available, therefore the price will be set lower.

At PKR 20.80 per share, investors are willing to buy 1,600,000 shares. Since 19,300,000 shares are still available, therefore the price will be set lower.

At PKR 20.75 per share, investors are willing to buy 1,800,000 shares. Since 17,500,000 shares are still available, therefore the price will be set lower.

At PKR 20.50 per share, investors are willing to buy 3,000,000 shares. Since 14,500,000 shares are still available, therefore the price will be set lower.

At PKR 20.45 per share, investors are willing to buy 2,300,000 shares. Since 12,200,000 shares are still available, therefore the price will be set lower.

At PKR 20.35 per share, investors are willing to buy 3,500,000 shares. Since 8,700,000 shares are still available, therefore the price will be set lower.

At PKR 20.25 per share, investors are willing to buy 2,400,000 shares. Since 6,300,000 shares are still available, therefore the price will be set lower.

At PKR 20.15 per share, investors are willing to buy 2,600,000 shares. Since 3,700,000 shares are still available, therefore the price will be set lower.

At PKR 20.10 per share, investors are willing to buy 2,500,000 shares. Since 2,200,000 shares are still available, therefore the price will be set lower.

At PKR 20.05 per share, investors are willing to buy 2,500,000 shares. Since 700,000 shares are still available, therefore the price will be set lower.

At PKR 20.00 per share, investors are willing to buy 700,000 shares. **Since after bidding for 700,000 shares at PKR 20.00 per share, no shares will be available therefore the Strike Price will be set at PKR 20.00 per share for the entire lot of 40,000,000 shares.**

The bidders who have placed bids at prices above the Strike Price (which in this illustration is PKR 20.00 per share), will become entitled for allotment of shares at the Strike Price and the differential would be refunded.

In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(12) of the PO Regulations.

The Bidders who have made bids below the Strike Price shall not qualify for allotment of shares and the Book Runner shall intimate the respective banks for unblocking their Bid Money within one (1) working day of the close of the bidding period as per regulation 9(13) of the PO Regulation and the refunds, where required to such bidders shall be made within three (3) working days from the close of the bidding period.

Since this Issue is being made through 100% book building, as per the regulation 7(4) of the PO Regulation, the Bidder shall be allowed to place bids for hundred (100%) percent of the issue size and the strike price shall be the price at which hundred (100%) percent of the issue size is subscribed. However, the successful bidders would be allotted and issued only seventy-five (75%) percent of the

issue size and the remaining twenty-five (25%) percent would be offered to the retail investor. The bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, out of the retail portion of the Issue and their remaining bid money would remain deposited/ blocked till allotment of such unsubscribed shares to them on pro-rata basis.

The bid money of bidders shall remain deposited or blocked till allotment of unsubscribed shares, if any, to them on pro rata basis as per regulation 9(15) of PO Regulation.

In case retail portion of the Issue is fully subscribed, the bid money shall be unblocked within one (1) working day or refunded within three (3) working days of the closing of the public subscription.

**iv. Time frame for intimation to the successful bidders and mechanism for payment of the balance amount by the successful bidders**

Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, the Strike Price and the number of shares provisionally allotted to each of them. Upon intimation by the Book Runner of the final allocation, successful institutional bidders shall deposit their balance margin money within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**

**v. Book Runner to the Issue**

**AKD Securities Limited** having underwriting license has been appointed by the Issuer as the Book Runner to this Issue.

**Roles and Responsibilities of the Book Runner**

The Book Runner to the issue shall be responsible to:

1. Ensure that necessary infrastructure and electronic system is available to accept bids and to conduct the whole Book Building process in a fair, efficient and transparent manner;
2. ensure blocking of bid and margin money of the Bidders in their respective accounts;
3. the Book Runner must be financially capable for honoring its commitments arising out of defaults by their investors, if any;
4. use the software provided by the Designated Institution for the Book Building on such terms and conditions as may be agreed with the Designated Institution through an agreement in writing;
5. ensure that the software used for Book Building is based on Dutch Auction Method for display of the order book and determination of the strike price;
6. ensure that the bidders can access to the System and can revise their bids electronically using the user ID and the password;
7. ensure that it has obtained list and Unique Identification Number (UIN) of the associates of the Issuer, the Consultant to the Issue and all the related employees;
8. ensure that names and UIN of all the persons mentioned under section 3A are entered and capped in a manner as prescribed in the PO Regulations before commencement of the Bidding Period;
9. ensure that no bid or bids exceeding ten percent (10%), in aggregate, is or are made by the associated companies and associated undertakings of the Issuer;
10. ensure that no bid in aggregate exceeding five per cent (5%) is made by the associated companies and associated undertakings of the Consultant to the Issue and the Book Runner;
11. enter into an underwriting agreement with the Issuer with respect to underwriting of the Book Building portion for covering the default risk;
12. establish bid collection centers at least in Islamabad, all the provincial capitals, Azad Kashmir and Gilgit/ Baltistan;
13. maintain record of all the bids received; and

14. Ensure that all the Bids received in the Bid Collection Centers are entered into the system developed by the Designated Institution for the purpose of Book Building within the prescribed time.

The Book Runner have established bid collection centers at the following addresses (direct & fax numbers in all centers).

#### Bid Collection Centers

The Book Runner has established bid collection centers at the following addresses:

Karachi		
Contact Officer:	<b>Muhammad Owais Ibrahim</b>	
Direct No.:	+92 21 35374301	
PABX No.:	+92 21 111 253 111 ext 665	
Fax No.:	+92 21 35374291	
Email:	<a href="mailto:owais.ibrahim@akdsecurities.net">owais.ibrahim@akdsecurities.net</a>	
Postal Address:	602, Continental Trade Centre, Block 8, Clifton, Karachi – Pakistan	
Lahore		Islamabad
Contact Officer:	<b>Ehsan Ahmad Qureshi</b>	<b>Khalid Hussain</b>
Direct No.:	+92 42-111-253-111	+92 51 2894325
Fax. No.:	+92-42 36280745	(+92-51) 2894323
Email:	<a href="mailto:ehsan.ahmad@akdtrade.com">ehsan.ahmad@akdtrade.com</a>	<a href="mailto:malik.khalid@akdtrade.com">malik.khalid@akdtrade.com</a>
Postal Address:	Room No: 512-513, 5th Floor, Lahore Stock Exchange Building, Lahore - Pakistan.	Room No: 302 - 303, 3rd Floor, Islamabad Stock Exchange Tower, Jinnah Avenue, Islamabad -Pakistan.
Faisalabad		Abbotabad
Contact Officer:	<b>Aun Raza</b>	<b>Ali Asghar</b>
Direct No.:	+92 41 2620361	+92 992 381431-33
Mobile No.:		
PABX No.:	+92 41 2620365-68 ext. 101	+92 992 408215-17
Fax No.:		+92 992 408218
Email:	<a href="mailto:aun.raza@akdtrade.com">aun.raza@akdtrade.com</a>	<a href="mailto:ali.asghar@akdtrade.com">ali.asghar@akdtrade.com</a>
Postal Address:	Office No. 3, First Floor, Meezan Executive Tower, Liaquat Road, Faisalabad	Office # 6, First Floor, Sarmayakari Markaz, Al-Fateh Shopping Center, Opposite Radio Station, Mansehra Road, Abbottabad
Quetta		Peshawar
Contact Officer:	<b>Farrukh Javed</b>	<b>Siffat Ullah</b>

Direct No.:	+92 81-2836854	+92 91 5250500
Fax. No.:	N/A	N/A
Email:	<a href="mailto:farrukh.javed@dibpak.com">farrukh.javed@dibpak.com</a>	<a href="mailto:siffat.ullah@dibpak.com">siffat.ullah@dibpak.com</a>
Postal Address:	Dubai Islamic Bank, Quetta Main Branch, Jinnah Road, Ward No. 15, M. A. Jinnah Road, Quetta	Dubai Islamic Bank, Shop # 6,7 and 8 Block C, Cantonment Plaza, Peshawar Cantt, Peshawar
	<b>Azad Kashmir</b>	<b>Gilgit Baltistan</b>
Contact Officer:	<b>Sajid Hussain Mughal</b>	<b>Arshad Hussain</b>
Direct No.:	+92 5822- 924 136	+92 316 480 2010
Fax. No.:	N/A	N/A
Email:	<a href="mailto:sajid.hussain@dibpak.com">sajid.hussain@dibpak.com</a>	<a href="mailto:arshad.hussain@dibpak.com">arshad.hussain@dibpak.com</a>
Postal Address:	Dubai Islamic Bank, Main Branch, Ward No. 4, Domail Ghari Ban Chowk, Muzaffarabad, Azad Kashmir	Dubai Islamic Bank, Shop # 1- 6, Shahrah e Quaid e Azam, Jutail Gilgit

**vi. Interest of the Consultant to the Issue and the Book Runner:**

The Consultant to the Issue and the Book Runner are deemed to be interested to the extent of fees payable to them by the Issuer for the services to be rendered by them as Consultant to the Issue and Book Runner to the Issue respectively. The Consultant to the Issue and the Book Runner to the Issue have no other interest in any property or profits of the Company.

**vii. Roles and Responsibilities of the Designated Institution**

PSX being provider of the Book Building System (Designated Institution), shall ensure that Book Building System shall smoothly perform following functions:

1. Record name, UIN, National Tax Number (NTN), postal and email addresses, land line and cell numbers, International Bank Account Number (IBAN) and branch address and complete CDS Account Number (i.e. Investor Account Number or Sub-Account Number);
2. Provide a mechanism for registration of the bidders before commencement of the bidding period till 03:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned above;
3. Generate bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the bids are placed;
4. Record the number of shares bid for, the Bid Price, type of the bid i.e. Limit Bid or Step Bid, date and time of the entry of the bid;
5. Display the bids revised, and date and time of upward revision;
6. Neither allow withdrawal of bid, nor accept the bids placed at a Bid Price that is below the Floor Price or above 10% of the Indicative Strike Price at any point of time and above the upper limit of the Price Band;
7. Display live the total number of shares offered for sale, the Floor Price, Price Band, total number of bids received, total number of shares bid for and the indicative Strike Price;
8. Build an order book showing demand for the shares at various price levels in a descending order along with the accumulated number of shares bid for and percentage of total shares offered under the Book Building Portion;
9. Discover the strike price at the close of the Bidding Period;
10. Generate alerts for the Bidders via Short Message Service ("SMS") through cell phones and emails upon entry of the bid, at the time of upward revision of the bid, upon variation in the Indicative Strike Price and upon discovery of the strike price; and
11. Ensure that the system must provide the bidders the option to upward revise their bids online or through the Book Runner during the period permitted under these PO Regulations.

The Designated Institution shall ensure that:

- identity of the bidder is not displayed; and
- No bid is entered into the System after closing of the Bidding Period.

**viii. Roles and Responsibilities of the Issuer:**

The Issuer shall ensure that:

1. the Issuer, its sponsors, promoters, substantial shareholders, directors and associates shall have no over dues or defaults, irrespective of the amount, appearing in the report obtained from the credit information bureau;
2. the Issuer or its directors, sponsors or substantial shareholders should not have held the office of the directors, or have not been sponsors or substantial shareholders in any company:
  - I. which had been declared defaulter by the securities exchange or futures exchange; or
  - II. whose TRE certificate has been cancelled or forfeited by the securities exchange; or
  - III. Which has been de-listed by the securities exchange due to non-compliance of its regulations.
3. The Consultant to the Issue, Book Runner, Underwriter, Balloter and Share Registrar and Banker to the Issue, are appointed through separate agreements in writing.
4. It has submitted through its Consultant to the Issue, an application along with draft prospectus for listing of its securities to the securities exchange.
5. It is in operations for at least 3 financial years.
6. It has profitable track record for at least 2 preceding financial years from its core business activities.
7. Not less than 51% of the shares of the Issuer are held by same persons for at least 2 preceding financial years.
8. Its breakup value/book value per share is not less than its face value per share.
9. The shares shall be issued in book-entry form only.
10. It has appointed the Consultant to the Issue, the Book Runner, the Balloter and Share Registrar and the Bankers to the Issue, through separate agreements in writing.
11. Through its Consultant to the Issue, it has submitted application for listing of its shares to the PSX.

**ix. Opening and Closing of the Registration Period**

The Registration period shall be for **Six (6)** working days as under:

REGISTRATION PERIOD	
<b>30/06/2020</b>	9:00am to 5:00pm
<b>01/07/2020</b>	9:00am to 5:00pm
<b>02/07/2020</b>	9:00am to 5:00pm
<b>03/07/2020</b>	9:00am to 5:00pm
<b>06/07/2020</b>	9:00am to 5:00pm
<b>07/07/2020</b>	9:00am to 3:00pm

**x. Opening and Closing of the Bidding Period**

The Bidding Period shall be for **Three (3)** working days as under:

<b>BIDDING PROCESS STARTS ON</b>	<b>03/07/2020</b> (9:00 AM to 5:00 PM)
<b>BIDDING PROCESS ENDS ON</b>	<b>07/07/2020</b> (9:00 AM to 5:00 PM)

**xi. Eligibility to Participate in Bidding**

Eligible Investors who can place their bids in the Book Building process include local and foreign Individual and Institutional Investors whose Bid Amount is not less than PKR 2,000,000/- (Rupees Two Million only).

**xii. Information for Bidders**

1. The Prospectus for Issue of Shares has been approved by PSX and SECP.
2. The Prospectus, Registration Forms and the Bidding Forms can be obtained from the Registered Offices of TSL, IMS and the designated Bid Collection Centers. Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites of the Consultant to the Issue, Book Runner and the Company i.e. <http://www.topline.com.pk>, <http://imsecurities.com.pk>; [www.akdsecurities.net](http://www.akdsecurities.net) and <http://www.tomcl.net>
3. Eligible Investors who are interested to participate in bidding for subscribing the Ordinary Shares of the Company should approach the Book Runner at the addresses provided in section 10 for registration for submitting their Bids.
4. The registration forms should be submitted on the prescribed format at the addresses provided in section 10
5. The bids should be submitted on the prescribed bidding form in person, through fax numbers given in section 10 or through the online system using the user id and password issued at the time of registration of eligible investor.
6. Registered investors can place and revise their bids upwards by accessing the designated institutions online portal for book building by using the user id and password communicated to them via email by PSX.
7. Each eligible investor shall only submit a single pay order, demand draft or evidence of online transfer of money along with the registration form. It may also be noted that only a single pay order, demand draft or evidence of online transfer of money shall be accepted by the book runner along with each additional payment form.
8. Eligible investors who are account holders of Dubai Islamic Bank Pakistan Limited (the banker to the book building portion of the issue) can use the online transfer facility provided by Dubai Islamic Bank Pakistan Limited to deposit their bid money to the book building account opened at Dubai Islamic Bank Pakistan Limited .

**xiii. Registration form and Procedure for Registration**

1. A standardized Registration Form has been prescribed by the Issuer. The Registration Form shall be submitted, duly filled in, at the Bid Collection Centers in person on addresses given in section 10 on the standard Registration Form. The Registration Form shall be serially numbered at the bid collection centers and date and time stamped at the time of collection of the same from the Bidders.
2. Upon completion and submission of the Registration Form, the Bidders are deemed to have authorized the Issuer to make necessary changes in the Prospectus as would be required for finalizing and publishing the Supplement to the Prospectus in the newspapers in which Prospectus was published and filing the Supplement with PSX and SECP, without prior or subsequent notice of such changes to the Bidders.
3. The registration procedure under the Book Building process is outlined below:
  - The Registration period shall be for Six (6) working days i.e. 30/06/2020 to 06/07/2020 from 9:00 AM to 5:00 PM and from 9:00 AM to 3:00 PM on 07/07/2020.
  - The Registration Form shall be issued in duplicate signed by the Bidder and countersigned by the Book Runner, with the first copy for the Book Runner and the second copy for the Bidder.
  - The Registration Form shall be duly filled in and signed in duplicate and shall be submitted at the Bid Collection Centers in person, through representative or through fax on addresses and numbers given in section 10.
  - Upon registration of the bidders in the System, PSX shall assign and communicate the User ID and Password to the Bidders via email on the email address provided by them in the Registration Form.



- The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. Decision of the Book Runners shall not be challengeable by the Bidder or its associates.
- Bid Amount / Margin Money shall be deposited along with the Registration Form through demand draft, pay order or online transfer through Bidder's bank account only. In case of Online Transfer, the Bidders are requested to submit a bank receipt evidencing transfer of the bid money into the Issuer's designated bank account. **Please note that cash must not be deposited either directly or through online transfer in the Issuer's designated bank account.**
- The pay order shall be made in favor of **"The Organic Meat Company Limited - Book Building"**. For online transfer the payment shall be made into the account **009 - 0219756006** being maintained at Dubai Islamic Bank Pakistan Limited in **2<sup>nd</sup> Floor, Hassan Chamber, DC-7, Block-7, Clifton**, Karachi. Please note that online transfer facility shall only be allowed to Dubai Islamic Bank Pakistan Limited customers
- Please note that third party instruments will not be accepted for Margin Money.
  - In case of intra city payment instruments, the bidders shall ensure that the payment instruments are made "Payable at any Branch". Intra city payment instruments that are not made "Payable at any Branch" will not be accepted.
- The Book Runners shall collect an amount of 100% of the Application Money as Margin Money in respect of bids placed by Individual Investors.
- The Book Runners shall collect an amount of not less than 25% of the Application Money as Margin Money in respect of bids placed by Institutional Investors.
- The Bidder shall provide a valid email address in the Registration Form so that the relevant ID and password can be emailed to them upon registration.
- The Bidders can use the User ID and Password to independently place and upward revise their bids online.
- **The successful Bidders shall be issued shares only in the form of book-entry to be credited in their respective CDS accounts. All the bidders shall, therefore, provide their CDC account numbers in the bid application and Registration form.**
- **The successful Bidders shall be paid cash dividend, if any announced by the Company, only through direct credit in their respective International Bank Account Number (IBAN). All the Bidders, therefore, must provide their IBANs in the Bid Application and Registration Forms.**

**xiv. Procedure for Bidding**

1. A standardized Bidding Form has been prescribed by the Issuer.
2. Registered Investors can submit their bids in person or through representatives at the Bid Collection Centers during the bidding dates or can place their bids online at <https://bkb.psx.com.pk> using the user ID and Password received by them over email upon registration with the Book Runner.
3. The bidding procedure under the Book Building process is outlined below:
  - Bids can be placed either at the "Limit Price" or as a "Step Bid". The minimum size of a Limit Bid by an Eligible Investor shall not be less than PKR 2,000,000/- (Rupees Two Million) and in case of a Step Bid, the amount of any step shall also not be less than PKR 2,000,000/- (Rupees Two Million).
  - The investors may place their bids through any of the Bid Collection Centers established pursuant to the requirements of sub-regulation 10 of regulation 8 of the PO Regulations. Please see section 10 for addresses and contact detail of persons at the Bid Collection Centers.
  - The persons at the Bid Collection Centers shall vet the bid applications and accept only such bid applications that are duly filled in and supported by pay order, demand draft or a bank receipt evidencing transfer of the bid money into the Issuer designated bank account.
  - On receipt of bid application in accordance with the aforementioned regulation, the Book Runner shall enter Bid into the System and issue to the Bidder an electronic receipt bearing name of the Book Runner, name of the bidding center, date and time.

- The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. on all days of the Bidding Period. The bids shall be collected and entered into the system by the Book-Runner till 05:00 p.m. on the last day of the bidding period.
- The Bidders shall have the right to revise their bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.
- **The Bidders shall NOT make downward revision both in terms of Bid Price and Bid Volume provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.**
- **The Bidders shall not withdraw the Bids.**
- The Book Runner shall collect full amount of the Bid Amount as Margin Money in respect of bids placed by the High Net worth Individual and not less than twenty five percent (25%) of the Bid Amount as Margin Money in respect of bids placed by the Institutional Investors. However, book runner can waive this margin requirement for institutional investors at its own discretion
- Payment of Margin Money shall be accepted only through demand draft, pay order or online transfer and third party payment instruments shall not be accepted.
- The Book Runner may on its own discretion accept a bid without Margin Money, provided the Book Building Portion is fully underwritten at least at the Floor Price by the Book Runner.
- The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. The decision of the Book Runner shall not be challengeable by the Bidder or its associates.
- PSX shall, through the system, display live throughout the bidding period an order book in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares issued (the "Order Book"). The Order Book should also show the revised bids and the bids withdrawn. The Order Book shall be accessible through websites of PSX.
- At the close of the Bidding Period, the Strike Price shall be determined on the basis of the Dutch Auction Method.
- Once the Strike Price is determined, all those Bidders whose bids are found successful shall become entitled for allotment of shares.
- The Bidders who have made bids at prices above the Strike Price shall be allotted shares at the Strike Price.
- In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(12) of PO Regulations. The procedure for allotment of shares to successful Bidders is mentioned in Section 13 (xxi) of the Prospectus.
- The Bidders who have made bids below the Strike Price shall not qualify for allotment of any Ordinary Shares and the Book Runner shall intimate their respective banks for unblocking their Bid Money within one (1) working day of the close of the bidding period and in case of refunds, the refund to such bidders shall be made within three (3) working days from the close of the bidding period.
- Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, the Strike Price and the number of shares provisionally allotted to each of them. The successful bidders shall be intimated by the Book Runner of their final allocation after subscription of the retail portion of the Issue.
- In case the retail portion of the Issue is not fully subscribed, the unsubscribed shares shall be allotted to the successful bidders on pro-rata basis.
- In case the retail portion of the Issue is oversubscribed, the allotment shall be made in the manner given in section 13 (xxi).

- Upon intimation by the Book Runner of final allocation, successful institutional bidders shall deposit their balance margin within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**
- Final allotment of shares out of the Book Building Portion shall be made after receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be credited at the time of credit of shares out of the retail portion.
- The successful Bidders shall be issued shares only in Book Entry Form to be credited in their respective CDS Accounts. All the bidders shall, therefore, provide their CDS Account Numbers in the Registration Form.
- The Designated Institution shall continue to display on its website, the data pertaining to the Book Building and determination of the Strike Price for a period of at least three working days after closure of the Bidding Period.
- The Book-Runner shall ensure that subscription money received against the bids accepted shall not be released to the Issuer by the Banker to the Book Building Portion until:
  - credit of all shares allotted to retail investors; and
  - Issuance of NOC by the PSX.

#### xv. Payment for Book Building Portion

The Issuer has opened a bank account for collection of applications' money related to Book Building Portion.

The Bidders shall draw demand draft or pay order in favor of "**The Organic Meat Company Limited - Book Building**" or online transfer of the Bid money into the respective Book Building account and submit the demand draft, pay order or bank receipt at the designated Bid Collection Centers either in person or through facsimile along with a duly filled in Registration Form.

For online transfer the payment shall be made into the Account **009 - 0219756006** with the Account Title "**The Organic Meat Company Limited - Book Building**". Please note that online transfer facility shall only be allowed for customers.

CASH MUST NOT BE SUBMITTED WITH THE BIDDING FORM/REGISTRATION FORM AT THE BID COLLECTION CENTER NOR DEPOSITED DIRECTLY OR VIA ONLINE TRANSFER IN THE ISSUER'S DESIGNATED BANK ACCOUNT. BID AMOUNT MUST BE PAID THROUGH PAY ORDER, BANK DRAFT OR ONLINE TRANSFER DRAWN / TRANSFER IN FAVOR OF "THE ORGANIC MEAT COMPANY LIMITED – BOOK BUILDING" IN A MANNER ACCEPTABLE TO THE BOOK RUNNER. **PLEASE NOTE THAT THIRD PARTY PAYMENT INSTRUMENTS WILL NOT BE ACCEPTED.**

The Collection Banks shall keep and maintain the bid money in the said account. Once the shares allotted under the retail portion have been credited, the Consultant to the Issue, after obtaining NOC from PSX, may request in writing to the Banker to the Book Building Portion for transfer of the money of the successful and accepted applications to the Issuer's account(s).

#### PAYMENT PROCEDURE

The payment procedures for a Limit Bid or a Step Bid are explained below:

##### ▪ PAYMENT FOR LIMIT BID

If investors are placing their bids as a Limit Bid then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 1 million shares at a price of PKR 20.00/- per share, then the total Application Money would amount to PKR 20 million. In such a case, (i) Individual Investor shall deposit PKR 20 million in the Book Building account as the bid amount which is 100% of PKR 20 million; and (ii) Institutional Investor shall deposit at least PKR 5million in the Book Building account as the Margin Money which is 25% of PKR 20 million.

##### ▪ PAYMENT FOR STEP BID

If an investor is placing a Step Bid which is a series of Limit Bids at increasing prices, then he/she/it shall deposit the Margin Money / bid money based on the total number of shares he/she/it is bidding for at his/her/its stated bid prices.

For instance, if the investor bids for 0.70 million shares at PKR 20.00/-per share, 0.60 million shares at PKR 20.25/-per share and 0.50 million shares at PKR 20.50/- per share, then in essence the investor has placed one Step Bid comprising three limit bids at increasing prices. The Application Money would amount to PKR 36.4 million, which is the sum of the products of the number of shares bid for and the bid price of each limit bid. In such a case, (i) Individual Investors shall deposit PKR 36.4 million in the Book Building Account as Margin Money which is 100% of PKR 36.4 million and (ii) Institutional Investors shall deposit at least PKR 9.1 million in the Book Building Account as Margin Money which is 25% of PKR 36.5 million.

#### **xvi. Payment by Foreign Investors**

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (I)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue shares on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e. (I) A Pakistan national resident outside Pakistan, (II) A person who holds dual nationality including Pakistan nationality, whether living in or outside Pakistan, (III) A foreign national, whether living in or outside Pakistan and (IV) A firm (including a partnership) or trust or mutual fund registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government, provided the issue price, is paid in foreign exchange through normal banking channel by remittance from abroad or out of foreign currency account maintained by the subscriber/purchaser in Pakistan.

Non-residents who wish to bid for the subscription of shares being offered via book building can remit the subscription money through an Authorized Dealer directly to the book building accounts opened by the Company as given in section 13 (xiv)(3) of this Prospectus, however, those non-residents who wish to subscribe shares out of the general public portion may contact any of the bankers to the issue (retail portion) for taking instructions regarding payment of subscription money against shares offered to general public / retail investors. List of bankers to the Issue for retail portion is available on page 1 and section 13 of this Prospectus.

The shares issued to non-resident shareholders shall be intimated by the Company to the designated Authorized Dealer, along with the documents prescribed in the Manual within 30 days of issue.

Non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual do not require SBP's approval to invest in the shares being issued in terms of this Prospectus. Furthermore, under paragraph 7 (vii) of Chapter 20 of the Manual the Authorized Dealer shall allow repatriation of dividends, net of applicable taxes and proceeds on sale of listed shares (i.e. divestment proceeds) not exceeding the market value less brokerage/commission on provision of prescribed documents.

Payments made by non-residents shall be supported by proof of receipt of foreign currency through normal banking channels. Such proof shall be submitted along with the Application by the non-residents.

#### **xvii. Procedure for Rejection of Bids**

In terms of regulation 9 (7) of the PO Regulations, the Book Runner may reject any Bid placed by a Bidder for reasons to be recorded in writing provided the reason of rejection is disclosed to such Bidder. Decision of the Book Runner shall not be challengeable by the Bidder or any of its associates.

#### **xviii. Time frame for upward revision of Bids by the Bidders**

The registered investors may revise their Bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.

An investor will not be allowed to place or revise a bid with a price variation of more than 10% of the prevailing indicative strike price. **NO DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME IS ALLOWED PROVIDED THAT IN CASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME. HOWEVER NO WITHDRAWAL OF BID IS ALLOWED.**

**xix. Procedure for Withdrawal of Issue**

1. In accordance with regulation 8 (16) of the PO Regulations, in case the Issuer does not receive bids for the number of shares allocated under the Book Building Portion at the Floor Price, the Issue shall be cancelled and the same shall be immediately intimated to the Commission and PSX and the Margin Money shall be refunded to the bidders immediately but not later than three (3) working days of the closing of the Bidding Period.
2. In accordance with regulation 8 (17) of the PO Regulation, the Book Building process will be considered as cancelled if the total number of bids received is less than forty (40).

**xx. Basis of Allotment of Shares**

Bidders shall be allowed to place bids for one hundred percent (100%) of the Issue size and the Strike Price shall be the price at which one hundred percent (100%) of the Issue is subscribed via the Dutch Auction Method.

Once the Strike Price is determined, all those Bidders whose bids have been found successful shall be provisionally allotted 75% of the Issue size i.e. 30,000,000 Ordinary Shares.

In order to be a successful Bidder in the Book Building process, the bid price would either be higher than the Strike Price or at the Strike Price.

For allocation of shares via Book Building, priority shall be given to the bids placed at the highest price. The bidders, who have made bids at prices above the Strike Price, will be provisionally allocated 75% of the shares successfully bid for, at the Strike Price. The differential between the bid price and Strike Price, would be refunded based on the total number of shares bid for.

Bidders who had placed Bids at the Strike Price will be provisionally allotted seventy-five (75%) of the shares successfully bid for, at the Strike Price, on proportionate basis.

Bids made below the Strike Price shall not qualify for allotment of shares and their Margin Money will be refunded.

Final allotment of shares to the successful bidders would be determined after determination of the public response to the Retail Portion of the Issue.

In the event the retail portion is undersubscribed, the unsubscribed portion would be allotted to the successful bidders, on a pro-rata basis as per regulation 11(5) of the PO Regulation. Excess funds, if any, would be refunded to the bidders after allotment of the unsubscribed shares.

Final allotment of shares out of the Book Building portion shall be made after subscription of the retail portion and receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be issued simultaneously with issuance of shares to retail investors, in the form of book-entry to be credited in their respective CDS Accounts. All the Bidders shall, therefore, provide number of their respective CDS Accounts in the Bid application as required under regulation 9 (16) of the PO Regulations.

**xxi. Refund of Margin Money**

The Bidders who have made Bids below the Strike Price shall not qualify for allotment of securities and the Book Runner shall intimate their respective banks for unblocking, where required, their Bid Money within one (1) working day of the close of the bidding period as required under regulation 9(13) of the PO Regulations and the refunds, where required to such bidders shall be made within three (3) working days from the close of the bidding period.

**The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of shares of unsubscribed retail portion, if any, to them on pro-rata basis.**

**xxii. Publication of Supplement to the Prospectus**

In accordance with regulation 11 (1) of the PO Regulations within three (3) working days of the closing of the Bidding Period, Supplement to the Prospectus shall be published at least in all those newspapers in which the Prospectus was earlier published and also disseminated through PSX.

The Supplement to the Prospectus would contain information relating to the Strike Price, the Offer Price and Category-wise breakup of the successful Bidders along with the number of shares provisionally allocated to them. Format of the Supplement is given on page 2 of this Prospectus.

**Public subscription for the shares shall be held at any date(s) within thirty days (30) of the publication of the Prospectus but not earlier than seven (7) days of such publication.**

**xxiii. Minimum amount of Application and Basis for Allotment of Shares out of Retail Portion of the Issue**

The basis and conditions for allotment of shares out of the Retail Portion of the Issue shall be as follows:

1. Application for shares must be made for 500 shares or in multiples of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
2. The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
3. Application for shares below the minimum amount shall not be entertained.
4. **SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.**
5. If the shares offered to the general public are sufficient to accommodate all applications, all applications shall be accommodated.
6. **In case retail portion of the Issue, remains unsubscribed, the unsubscribed shares shall be allotted to successful bidders at the strike price on pro-rata basis.**
7. If the shares applied for by the general public are in excess of the shares allocated to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of PSX in the following manner:
  - If all applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares cannot be accommodated, then balloting will be conducted among applications for 500 shares only.
  - If all applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares cannot be accommodated, then balloting will be conducted among applications for 1,000 shares only.
  - If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares cannot be accommodated, then balloting will be conducted among applications for 1,500 shares only.
  - If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares cannot be accommodated, then balloting will be conducted among applications for 2,000 shares only.
  - After the allotment in the above mentioned manner, the balance shares, if any, shall be allotted in the following manner:
    - If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.
    - If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares to each successful applicants.
8. If the Issue is over-subscribed in terms of amount only, then allotment of shares shall be made in the following manner:
  - First preference will be given to the applicants who applied for 500 shares;
  - Next preference will be given to the applicants who applied for 1,000 shares;
  - Next preference will be given to the applicants who applied for 1,500 shares;



- Next preference will be given to the applicants who applied for 2,000 shares; and then
  - After allotment of the above, the balance shares, if any, shall be allotted on pro rata basis to the applicants who applied for more than 2,000 shares.
9. Allotment of shares will be subject to scrutiny of applications for subscription of shares.
10. Applications, which do not meet the above requirements, or application which are incomplete, will be rejected

**xxiv. Eligibility of Investor for Investment in this Issue**

Eligible investors include:

1. Pakistani citizens resident in or outside Pakistan or persons holding dual nationalities including a Pakistani Nationality;
2. Foreign nationals whether living in or outside Pakistan;
3. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their respective constitutive documents and existing regulations, as the case may be);
4. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts (subject to the terms of their respective Trust Deeds and existing regulations); and
5. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

**xxv. Benefits of e-IPO**

E-IPO has the following benefits:

1. It enables the investors to make application for subscription of shares through the internet without going to the bank, and waiting in long queues.
2. It is efficient and simultaneously facilitative for both the Issuer and the investors.
3. It is available for use 24 hours during the subscription period.
4. If you are registered with CES or accountholder of a bank providing e-IPO facility, you may get SMS for new IPOs.
5. By applying through CES you can also track your application status.

**xxvi. Procedure for Opening CDS Account**

CDS is the Participant (TREC Holders) driven system where sub-accounts are opened by the Participants. All new Sub-Accounts shall only be opened in CDS based on the complete and correct information obtained from the investor as per the Standardized Account Opening Form (SAOF). The SAOF is part of CDC Regulations and is also placed on CDC's website [www.cdcpakistan.com](http://www.cdcpakistan.com). Terms & Conditions contained in the SAOF shall govern the opening and maintenance of the Sub-Accounts.

The Participant before opening a sub-account into CDS should obtain duly filled and signed SAOF from their clients / investors along with all necessary documents. Participants to obtain signatures of concerned Sub-Account Holders / Authorized Signatories as acknowledgement on the Posted Registration Detail Report generated from CDS after establishing Sub-Accounts in their names. Participant must ensure that:

1. The sub-account holder is not a minor and fulfils the requirements of the Companies Act, Central Depositories Act, 1997 and Central Depository Company of Pakistan Limited Regulations in respect of a shareholder of a company. However, minor through a guardian can open a sub-account.
2. Sub-Account is not in the name of "Trust. The sub-account title for a trust can only be in the name of the "Trustee". Example: (Name of Trustee) (Name of Fund / Trustee etc.).
3. A sole proprietorship or a partnership firm cannot open and maintain a sub-account in CDS, however they can open and maintain a sub-account in the name of sole proprietor or partner(s).
4. A Participant who is a registered securities broker shall not open and/or maintain subaccount in the CDS in its own name either under its own Participant ID or with any other Participant. Non-broker Participants may have sub-accounts with other Participant on a need basis.
5. Participant is not required to enter Account Title and Joint Account Holder(s) name manually at the time opening of new sub account. When the Participant enters UIN in the designated field of

- CDS for the purpose of account opening, title will be automatically populated in the designated field as mentioned in the UIN database maintained with NCCPL.
6. Account Title and Joint holder(s) name are not allowed to be amended once inserted in the posted account. However, a new provision has now been introduced in the CDS for existing accounts where the account title in the CDS is required to be matched with account title available in UIN database. For matching the account title of existing sub accounts, Participants no longer have to request CDC for updation rights. Participants will now press the newly added “synchronize” button and the system will update the title (account holder and joint) as per title(s) mentioned in the UIN database. However, Participants shall not use “Synchronize Account Title” button for Trustee, Minor and Manager to offer accounts.
  7. At the time of account opening in case where the account title is different from the UIN database (for e.g. Trustee accounts, account of the Minors, Manager to the offer etc. needs to be added in account title, a request letter for by-pass will be required from the Participant, signed by their authorized signatories along with the certified true copies of the relevant supporting documents, enabling them to have the authority to insert the title other than the title mentioned in the UIN database.
  8. Any updation in CNIC / Passport no. / NICOP / Registration no. is not allowed. In case of any change due to issuance of a new document, written request to be provided to CDC along with submission of certified true copy of relevant documents. Updation in CDS will be made after necessary changes in NCCPL database.
  9. Input of Local mobile number and / or email address is mandatory for opening of Subaccounts in the CDS.
  10. Residential status of the account will be linked with the residential status of the Titleholder of the account. Hence, residential status of joint holders can be different. In case where Residential Status is Repatriable, such as, Non-Resident Pakistani (Repatriable) /Foreigner (Repatriable), the Title Holder and all Joint Account Holders must possess the same Residential Status. Further, updation of residential status, as applicable, will be allowed based on written request of the Participant.
  11. Zakat status is linked with the Residential Status such that where the user selects the status of Resident Pakistani, Non-Resident Pakistani (Repatriable) or Non-Resident Pakistani (Non-Repatriable), the Zakat status needs to be entered. For all other selections it will be automatically marked as ‘Not Applicable’.
  12. Zakat Status of all account holders in an account should be identical.
  13. Subsequent to the opening of sub-account, addition / deletion of joint holder(s) is not allowed.
  14. In light of section 79 subsection (3) of the Companies Act, 2017, the person to be nominated shall not be a person other than the relatives of the sub-account holder, namely, a spouse, father, mother, brother, sister and son or daughter, including a step or adopted child.
  15. In case of Joint Holders, input of nominee detail will not be allowed.
  16. Additional Account Title field will be disabled for Updation of account. In case any change is required in Additional Account Title field, written request to be provided to CDC along with the relevant documents.
  17. In The Dividend mandate, Account number, Account title, Name of the Bank & Branch and City name should be properly mentioned.
  18. Permanent Address field is available in addition to the mailing address field in CDS with the selection of city, province and country (as applicable). While the Residential Status is associated with the city, province and country fields such that the fields will be enabled or disabled as per the selected Residential Status.
  19. In case of individual account, Business / Participant address is not allowed in the permanent address field.
  20. In case of corporate account, Registered/Head office address should be entered in permanent address field.



21. Mailing address should be correct and complete i.e. (House #, Street #, and Sector / Block /phase/ number, nearest land mark, area, city, and province & country name). In case the permanent address is same as the mailing address, the Participant will be able to copy the same address. The Residential Status is also associated such that the fields will be enabled or disabled as per the selected Residential Status.
22. Person maintaining sub-accounts, either singly or jointly, must select "INDIVIDUAL" as Shareholder category.
23. Contact person can only be the sub-account holder him / herself (or any of the joint holder(s)). Moreover, a person in whose name the Power of attorney is issued by the account holder(s) can also be the contact person.
24. Participant may add or update details pertaining to Special Convertible Rupee Account (SCRA) of Sub Account Holder in case of resident status selected as "Repatriable".
25. Attorney Details must be recorded in the attorney fields (if applicable).
26. In case of any change in the registration details of the sub-account holders, the respective Participant himself can make necessary changes in the registration details based on their SAOF & internal procedures which must be framed in light of the Central Depository Company of Pakistan Limited Regulations.

**xxvii. Facilities available to Non-Resident Pakistani and Foreign Investors**

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (I)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue shares on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e. (I) A Pakistani national resident outside Pakistan, (II) A person who holds dual nationality including Pakistani nationality, whether living in or outside Pakistan, (III) A foreign national, whether living in or outside Pakistan and (IV) A firm (including a partnership) or trust or mutual fund registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government, provided the issue price, is paid in foreign exchange through normal banking channel by remittance from abroad or out of foreign currency account maintained by the subscriber/purchaser in Pakistan.

Non-residents who wish to bid for the subscription of shares being offered via book building can remit the subscription money through an Authorized Dealer directly to the book building account opened by the Company as given in section 13 (xiv)(3) of this Prospectus, however, those non-residents who wish to subscribe shares out of the general public portion may contact any of the bankers to the issue (retail portion) for taking instructions regarding payment of subscription money against shares offered to general public. List of bankers to the issue for retail portion is available on page 1 and section 13 of this Prospectus.

The shares issued/transferred to non-resident shareholders shall be intimated by the Company to the designated Authorized Dealer, along with the documents prescribed in the Manual within 30 days of issue/transfer.

Non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual do not require SBP's approval to invest in the shares being issued in terms of this Prospectus. Furthermore, under paragraph 7 (vii) of Chapter 20 of the Manual the Authorized Dealer shall allow repatriation of dividends, net of applicable taxes and proceeds on sale of listed shares (i.e. divestment proceeds) not exceeding the market value less brokerage/commission on provision of prescribed documents.

Payments made by non-residents shall be supported by proof of receipt of foreign currency through normal banking channels. Such proof shall be submitted along with the application by the non-residents.

**13. APPLICATION AND ALLOTMENT INSTRUCTIONS****ELIGIBLE INVESTORS INCLUDE:**

1. Pakistani citizens resident in or outside Pakistan or Persons holding dual nationalities including a Pakistani nationality;
2. Foreign Nationals whether living in or outside Pakistan
3. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
4. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts, (subject to the terms of the Trust Deed and existing regulations); and
5. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

**APPLICATION MUST BE MADE ON SECP's APPROVED APPLICATION FORM OR ELIGIBLE PHOTOCOPY THEREOF ON A PAPER OF A4 SIZE WEIGHING AT LEAST 62 GM**

**COPIES OF THE PROSPECTUS**

Copies of this Prospectus and Applications Forms can be obtained from members of PSX, the Bankers to the Issue and their branches, the Consultant to the Issue, the Book Runner to the Issue and registered office of the Company. The Prospectus and the Application Form can also be downloaded from the following websites:

[www.psx.com.pk](http://www.psx.com.pk), [www.topline.com.pk](http://www.topline.com.pk), [www.imsecurities.com.pk](http://www.imsecurities.com.pk), [www.akdsecurities.net](http://www.akdsecurities.net) & [www.cdceipo.com](http://www.cdceipo.com);

Shares against the successful and accepted applications shall be issued in the Book Entry Form only and will be credited into the Applicants CDS Account mentioned in the Application. The applicants, therefore, must provide detail of their CDS Account (investors Account or Sub-Account) in the Shares Subscription Form. Investors who do not have CDS account may visit [www.cdcpakistan.com](http://www.cdcpakistan.com) for information and details. For further guidance and queries regarding opening of CDS account, investors may contact CDC at phone Number: 0800 – 23275 (CDCPL) and e-mail: [info@cdcpak.com](mailto:info@cdcpak.com).

**NAMES(S) AND ADDRESS (ES) MUST BE WRITTEN IN FULL BLOCK LETTERS, IN ENGLISH AND SHOULD NOT BE ABBREVIATED**

**ALL APPLICATIONS MUST BEAR THE NAME AND SIGNATURE CORRESPONDING WITH THE ONE RECORDED WITH THE APPLICANT'S BANKER. IN CASE OF DIFFERENCE OF SIGNATURE WITH THE BANK AND COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) OR THE NATIONAL IDENTITY CARD FOR OVERSEAS PAKISTANI (NICOP) OR PASSPORT, BOTH THE SIGNATURES SHOULD BE AFFIXED ON THE APPLICATION FORM.**

**i. Opening and Closing of the Subscription List**

The subscription list will open at the commencement of banking hours on 14/07/2020 and will close on 16/07/2020 at the close of banking hours. **Please note that online applications can be submitted 24 hours during the subscription period which will close at 12:00 midnight on 16/07/2020**

**ii. E-IPO SYSTEM**

E-IPO is submission of application for subscription of securities electronically through internet, Automated Teller Machines (ATM) and mobile phones. In order to facilitate the public during IPOs / SPOs / OFS, SECP has introduced the concept of e-IPO. The following two systems are available for e-IPOs:

**I. Centralized e-IPO Systems**

In order to facilitate investors, the Central Depository Company of Pakistan ("CDC") in collaboration with 1Link (G) Limited (1Link) has developed a Centralized e-IPO System ("CES") through which applications

for subscription of securities offered to the general public can be made electronically/online. CES has been made available in this Initial Public Offering (IPO) and can be accessed through the web link [www.cdceipo.com](http://www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES, list of which is available on above-mentioned website.

For making application through CES, investors must be registered with CES. Registration with CES is one time activity, free of cost and can be done under a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), International Bank Account Number (IBAN) with any of the commercial bank, email address, mobile phone number and CDS Account (Investor account or sub account) can register themselves with CES.

In addition to the above, CDC has also introduced a new facility in CES through which sub-account holder(s) will request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES.

Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings (IPOs) and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal.

The securities will be credited directly in Investors' sub-account. In case the sub-account of the investor has been blocked or closed, after the subscription, then securities shall be parked into the CDC's IPO Facilitation Account and investor can contact CDC for credit of shares in its respective account.

Investors who do not have CDS account can visit [www.cdcpakistan.com](http://www.cdcpakistan.com) for information regarding opening CDS account.

For further guidance and queries regarding CES and opening of CDS account, **investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: [info@cdcpak.com](mailto:info@cdcpak.com) or Mr. Farooq Ahmed Butt at Phone 021-34326030 and email: [farooq\\_butt@cdcpak.com](mailto:farooq_butt@cdcpak.com)**

**Investors who are registered with CES can submit their applications through the web link [www.cdceipo.com](http://www.cdceipo.com) 24 hours a day during the subscription period which will close at midnight on 16/07/2020.**

## II. List of e-IPO Facilities by Bankers to the Issue

Currently, United Bank Limited (UBL) are providing e-IPO facilities to their respective account holders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>.

### APPLICATIONS MADE BY INDIVIDUAL INVESTORS

1. In case of individual investors, an attested photocopy of CNIC (in case of Resident Pakistanis) / NICOP or Passport (in case of Non-Resident Pakistanis) as the case may be, should be enclosed and the number of CNIC / NICOP / Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal / Provincial Government Gazette Officer, Councilor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence.
2. Original CNIC / NICOP / Passport, along with one attested photocopy, must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.

### APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

1. Applications made by companies, corporate bodies, mutual funds, provident / pension / gratuity funds / trusts and other legal entities must be accompanied by an attested photocopy of their

Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application. Any Federal / Provincial Government Gazette Officer, Councilor, Bank Manager, Oath Commissioner and Head Master of High School or bank manager in the country of applicant's residence can attest copies of such documents.

2. Attested photocopies of the documents mentioned in 8.7 (i) must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with the application.

#### **ADDITIONAL INSTRUCTIONS FOR INVESTORS**

1. Only one application will be accepted against each account, however, in case of joint account, one application may be submitted in the name of each joint account holder.
2. Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNICs / NICOP / Passport. The share certificates will be dispatched to the person whose name appears first on the application form while in case of CDS, it will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of shares.
3. Subscription money must be paid by check drawn on applicant's own bank account or pay order / bank draft payable to one of the Bankers to the Issue "**The Organic Meat Company Limited - General Subscription**" and crossed "**A/C PAYEE ONLY**".
4. For the applications made through pay order / bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order / bank draft individually for each application.
5. The applicant should have at least one bank account with any of the commercial banks. The applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of shares.
6. Applications are not to be made by minors and / or persons of unsound mind.
7. Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the Application Form.
8. Applicants should retain the bottom portion of their Application Forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of shares for which the application has been made.
9. Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
10. Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.
11. It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
12. Submission of false and fictitious applications is prohibited and such applications' money may be forfeited under section 87(8) of the Securities Act, 2015.

**ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS**

1. In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of Memorandum of Association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.
2. Foreign / Non- resident investors should follow payment instructions given in section 12 (xvi) of this Prospectus.

**CODE OF OCCUPATION OF INVESTORS / APPLICANTS**

Code	Occupation
01	Business
02	Business Executive
03	Service
04	Housewife
05	Household
06	Professional
07	Student
08	Agriculturist
09	Industrialist
10	Other

**NATIONALITY CODE**

Code	Name of Country
001	U.S.A
002	U.K
003	U.A.E
004	K.S.A
005	Oman
006	Bangladesh
007	China
008	Bahrain
009	Other

**BASIS OF ALLOTMENT**

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. The minimum value of application will be calculated as Issue Price x 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
3. Allotment / Transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
4. Allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan.
5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
6. The Company will credit shares in the CDS Accounts of the successful applicants.

**iii. Refund/Unblocking of Subscription Money to Unsuccessful Applicants**

As per the regulation 11(4) of the PO Regulations, within ten (10) working days of the close of public subscription period the Shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.

As per sub-section (2) of Section 68 of the Companies Act, if refund as required under sub-section (1) of Section 68 of the Companies Act is not made within the time specified herein above, the directors of the company shall be jointly and severally liable to repay that money with surcharge at the rate of two percent (2%) for every month or part thereof from the expiration of the fifteenth day and, in addition, shall be liable to a penalty of level 3 on the standard scale as defined in Section 479 of the Companies Act. Provided that the directors of the Company shall not be liable if it proves that the default in making the refund was not on their own account and was not due to any misconduct or negligence on their part.

In case retail portion of the Issue remains unsubscribed, the unsubscribed shares shall be allotted to successful bidders at the strike price determined in the book building process on pro-rata basis.

**iv. Issue and Credit of Share Certificates**

Within ten (10) working days of the closing of public subscription period, the shares shall be allotted, issued and credited against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/refunded, as required under regulation 11(4) of the PO Regulations. **Shares will be issued only in the book-entry form and will be credited into the respective CDS Accounts of the successful applicants. Therefore, the applicants must provide their CDS Account Number in the Shares Subscription Applicant.**

If the Company defaults in complying with the above requirements, it shall pay PSX a penalty of PKR 5,000 per day for every day during which the default continues. PSX may also notify the fact of such default and name of the Company by notice and also by publication in its ready-board quotation of the Stock Exchange.

Name of the Company will also be notified to the TRE Certificate Holders of the PSX and placed on the web site of the PSX.

**v. Transfer of Shares**

The shares shall be transferred in accordance with the provisions of Section 74 of the Companies Act read with Section 75 thereof and the Central Depositories Act, 1997 and the CDCPL Regulations.

**LIST OF BANKERS TO THE ISSUE**

Code	Name of Bank
01	Allied Bank Ltd
02	Askari Bank Ltd
03	Dubai Islamic Bank Pakistan Ltd
04	*Bank Al-Falah Limited
05	Habib Metropolitan Bank Ltd
06	JS Bank Ltd
07	MCB Bank Ltd
08	Meezan Bank Ltd
09	Soneri Bank Ltd
10	*United Bank Ltd
11	Bank Al Habib Ltd

\*These Banks are providing their own e-IPO facilities. Account holders of these Banks may apply for subscription of shares electronically. For detail please refer to section 13 (ii)(II).

**MINIMUM AMOUNT OF APPLICATION**

As per PO Regulations, the minimum amount of bid shall not be less than PKR 2.0 million.

**E-IPO FACILITIES**

e-IPO is submission of application for subscription of securities electronically through internet, Automated Teller Machines (ATM) and mobile phones. In order to facilitate the public during IPOs, SECP has introduced the concept of e-IPO. The following two systems are available for e-IPOs:

**(i) Centralized e-IPO System (CES):**

The Central Depository Company of Pakistan Limited (CDC) in collaboration with 1Link (G) Limited (1Link) has developed a Centralized e-IPO System (CES) through which applications for subscription of securities offered to the general public can be made electronically. CES has been made available in this Issue and can be accessed through the web link ([www.cdceipo.com](http://www.cdceipo.com)). Payment of subscription money can be made through 1LINK's member banks available for CES, list of which is available on the above-mentioned website.

For making application through CES, investors must be registered with CES. Registration with CES is one time activity, free of cost and a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), International Bank Account Number (IBAN) with any of the commercial bank, email address, mobile phone number and CDS Account (Investor Account or sub Account) may register themselves with CES.

In addition to the above, CDC has also introduced a new facility in CES through which sub-account holder(s) will request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES.

Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings (IPOs) and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal.

The securities will be credited directly in Investors' sub-account. In case the sub-account of the investor has been blocked or closed, after the subscription, then securities shall be parked into the CDC's IPO Facilitation Account and investor can contact CDC for credit of shares in its respective account.

**Investors who do not have CDS account may visit [www.cdcpakistan.com](http://www.cdcpakistan.com) for information and details regarding opening CDS account.**

**For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone Number: 0800 – 23275 (CDCPL) and e-mail: [info@cdcpak.com](mailto:info@cdcpak.com) or contact Mr. Farooq Ahmed Butt of CDC at Phone 021-34326030 and email: [farooq\\_butt@cdcpak.com](mailto:farooq_butt@cdcpak.com).**

**(ii) e-IPO facilities by Bankers to the Issue:**

Currently, United Bank Limited (UBL) are providing e-IPO facilities to their respective account holders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>

**Investors who are registered with CES or account holders of UBL can submit their applications through the above mentioned links 24 hours a day during the subscription period which will close at midnight on 16/07/2020.**

**vi. Interest of Shareholders**

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than as holders of the Ordinary shares in the capital of the Company. Certain shareholders who are also the Directors of the Company have interest in receiving remuneration for their role as Directors, CEO and COO.



**vii. Eligibility for Dividend**

The ordinary shares issued shall rank pari-pasu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

**viii. Deduction of Zakat**

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980 (XVIII of 1980) as may be applicable from time to time except where the Ordinance does not apply to any shareholder or where such shareholder is otherwise exempt or has claimed exemption from payment / deduction of Zakat in terms of and as provided in that Ordinance.

**ix. Capital Gains Tax**

Capital gains derived from the sale of listed securities are taxable in the following manner under section 37A of Income Tax Ordinance, 2001:

Serial #	Capital Gains Tax for FY 19	Filer	Non-Filer
1.	Applicable Capital Gains Tax Rate	15%	30%

**x. Withholding Tax on Dividends**

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 as specified in Part III Division of the First Schedule of the said ordinance or any time to time amendments therein. In terms of the provision of Section 8 of the said ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits in case of persons only. The following are the rates:

- For filers of Income Tax Returns: 15.00%
- For non-filers of Income Tax Return: 30.00%

**xi. Tax on Bonus Shares**

As per section 236 of the Income Tax Ordinance 2001, amended vide Finance Act 2018-19, tax on issue of bonus shares has been omitted and will not be applicable from 1<sup>st</sup> July 2018 and onwards.

**xii. Income Tax**

The income of the Company is subject to Income Tax under the Income Tax Ordinance, 2001.

**xiii. Deferred Taxation**

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forwards of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

As of June 30<sup>th</sup>, 2019, Company has reported deferred tax liability of PKR 10,998,401.



**xiv. Sales Tax**

General Sales Tax is applicable as per Sales Tax Act, 1990 on supplies and services. Sales tax is applicable on services as per Punjab Sales Tax on Services Act, 2012 by Punjab Revenue Authority. Sales tax is applicable on services as per Sindh Sales Tax on Services Act, 2011 by Sindh Revenue Board.

**xv. Sales Tax on Sale / Purchase of Shares**

Under the Constitution of Pakistan and Articles 49 of the 7<sup>th</sup> NFC Award, the Government of Sindh, Government of Punjab, Government of Khyber Pakhtunkhwa and Government of Baluchistan have promulgated the Sindh Sales Tax on Services Act, 2011, Punjab Sales Tax on Services Act, 2012, Khyber Pakhtunkhwa Sales Tax on services through Khyber Pakhtunkhwa Finance Act, 2013 and the Baluchistan Sales Tax on services Act, 2015 respectively. The Sindh Revenue Board, the Punjab Revenue Authority, and the Khyber Pakhtunkhwa Revenue Authority and the Baluchistan Revenue Authority administer and regulate the levy and collection of the Sindh Sales Tax ("SST"), Punjab Sales Tax ("PST"), Khyber Pakhtunkhwa Sales Tax ("KST") and Baluchistan Sales Tax ("BST") respectively on the taxable services provided or rendered in Sindh, Punjab or Khyber Pakhtunkhwa provinces respectively.

The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange. The above mentioned Acts levy a sales tax on Brokerage at the rate of 13% in Sindh, 16% in Punjab and in Baluchistan and Khyber Pakhtunkhwa the rate is 15%. Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

**xvi. Capital Value Tax ("CVT") on Purchase of Shares**

Pursuant to amendments made in the Finance Act, 1989 through Finance (Amendments) Ordinance, 2012 promulgated on April 24, 2012, 0.01% Capital Value Tax will be applicable on the purchase value of shares.

**xvii. Tax Credit for Investment in IPO**

Under Section 62 of the Income tax Ordinance, 2001, a resident person other than a Company, shall be entitled to a tax credit, as mentioned in the said section, for a tax year in respect of the cost of acquiring in the year, new shares offered to the public by a public company listed on a stock exchange in Pakistan, provided the resident person is the original allottee of the shares or the shares are acquired from the Privatization Commission of Pakistan.

As per section 62(3)(b) of the Income Tax Ordinance, 2001, the time limit for holding shares has been designated as 24 months to avail tax credit.

**xviii. Tax Credit for Enlistment**

Upon enlistment under Section 65C of the Income Tax Ordinance, 2001, tax credit at 20% of the tax payable shall be allowed for the tax year in which a Company is listed on PSX and also extended for the following three tax years of enlistment through Finance Bill 2017. Provided that the tax credit for the last two years shall be 10% of the tax payable

#### 14. SIGNATORIES TO THE PROSPECTUS

-sd-

**Zulqiurnain Ali Khan**  
Non-Executive Director/ Chairman

-sd-

**Faisal Hussain**  
Chief Executive Officer

-sd-

**Ali Hussain**  
Chief Operating Officer

-sd-

**Rizwan A. Punjwani**  
Director

-sd-

**Nihal Cassim**  
Independent Director

-sd-

**Syed Owais Hassan Zaidi**  
Independent Director

-sd-

**Salman Hussain**  
Independent Director

-sd-

**Sehrish Hafeez Mastoor**  
Independent Director

Signed by the above in presence of witnesses:

**Witness 1:**

-sd-

**Syed Imran Ali**  
Chief Financial Officer

**Witness 2:**

-sd-

**Danish Naeem Hashmi**  
Company Secretary


09/18/2020

## 15. MEMORANDUM OF ASSOCIATION

THE COMPANIES ACT, 2017  
(Public Company Limited by Shares)  
MEMORANDUM OF ASSOCIATION

OF

THE ORGANIC MEAT COMPANY LIMITED

- 
- I. The name of the Company is "THE ORGANIC MEAT COMPANY LIMITED".
  - II. The registered office of the Company will be situated in the Province of Sindh, Karachi, Pakistan.
  - III. The objects for which the Company is established are all or any of the following:
    1. To set-up and carry on the business of meat processing & meat products etc. and the process it by using operations such as freezing, skinning, meat picking, drying, boiling etc. and also to pack and prepare the same for sale and delivery in national and international markets and to provide in connection therewith all necessary arrangements, facilities and acts which are incidental thereto, to buy, sell, import and export all kinds of goods, commodities and merchandise related to it as permissible under the law.
    2. To carry on the business of meat processing & meat products etc. and to act as dealers, importers, exporters, service providers etc. and agents with regards to business of meat processing and meat products.
    3. To acquire, establish, run, manage, and conduct meat processing plants for meat items, meat products and all by-products.
    4. To purchase, or otherwise establish, build, own, operate, acquire, run and manage processing factories, cold storage, refrigerators, ice-marketing plants, and also warehouses, godowns, sheds and buildings for the purposes of processing, packing, preserving and canning all varieties of meat products including by-products manufactured and dealt in by the company.
    5. To own, purchase, charter, hire, contract, equip, and maintain aircraft, motor vehicles, ships, vessels, motor lorries, insulated vans, refrigerated vans, trailers and tractors.
    6. To manufacture, export, import, buy, sell, and deal in corrugated packing, loads and boxes, and other packing incidental to main production as otherwise to meet and cater needs for other industries requiring corrugated packing and other packing.
    7. And for the purpose of achieving the above objects, the company is authorized:-
      - 1) To transact such other business as may be proper, necessary and desirable for or in connection with the objects of the Company or any of them.
      - 2) To set up, erect, construct, purchase, take on lease, run, operate and administer plants and factories and to carry on all such functions and business as are necessary and incidental to meet the objectives of the Company.
      - 3) To buy, sell, manufacture, refine, manipulate, import, export, and deal in all substances, apparatus, equipment, machinery and other things capable of being used in any such business as aforesaid or required either by wholesale or retail.

- 4) To acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the Company is authorized to carry on or possessed of property suitable for the purposes of the Company.
- 5) To train personnel and workers both in Pakistan and abroad, to obtain technical proficiency in various specialities connected with the objects of the company or any of them.
- 6) To apply for, purchase or otherwise acquire any patents, brevits Invention, licenses, concessions, and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired.
- 7) To enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture or reciprocal concession, with any person or company, local or foreign, carrying on or engaged in any business or transaction which this Company is authorized to carry on or be engaged in, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue with or without guarantee, or otherwise deal with the same, except doing business as an investment company.
- 8) To take, or otherwise acquire, and hold shares in any other company, having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company, but not to act as an investment company.
- 9) To enter into arrangement with any Government or authorities, supreme, national, municipal, local, railway, or otherwise, public or quasi-public bodies or with any other persons, in any place where the Company may have interest that may seem conducive to the objects of the Company or any of them and to obtain from any such Government, authorities or persons any rights, privileges and concessions which the Company may think fit to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- 10) To establish and support or aid in the establishment and support of associations, institutions, funds, and conveniences calculated to benefit employees of the Company or the dependants or connections of such persons, and to grant pensions and allowances, and to make payments towards their insurance.
- 11) To amalgamate with any other company whose objects are and/or include objects similar to those of this Company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertakings, subject to the liabilities of this or any such other company as aforesaid, with or without winding up or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a controlling interest in the shares of stock of this or any such other company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner.
- 12) To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and, in particular, for shares, debentures or securities of any other company having objects altogether in part similar to those of this Company.



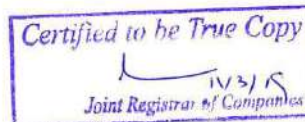
- 13) To purchase, take on lease or in exchange, hire or otherwise acquire, any movable or immovable property, and any rights or privileges which the Company may think necessary or convenient for the purpose of its business and, in particular, any land, buildings, assessment, machinery, plant and stock-in-trade.
- 14) To construct, maintain and alter any buildings or works, necessary or convenient for the purposes of the Company.
- 15) To construct, improve, maintain, develop, work, manage, carry out, or control any manufactories, warehouses, shops, stores, and other works and conveniences which may seem calculated directly or indirectly to advance the Company's interests.
- 16) To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with, all or any parts of the property and rights Company.
- 17) To invest the money of the Company, not immediately required, in such manner as may from time to time be determined, but not to act as an investment, finance, or banking company.
- 18) To advance money to such persons or companies and on such terms as may seem expedient and, in particular, to customers and others having dealings with the company, but not to act as an investment, finance, or banking company.
- 19) To borrow or raise funds by means of loans or secure the payment of money from shareholders, directors, commercial banks, and government approved agencies in such manner as the Company shall think fit for its manufacturing, trading and allied business and, in particular, by the issue of debentures or debenture-stock, perpetual or otherwise, charged upon all or any of the Company's property and other assets, both present and future, including its uncalled capital, and to purchase, redeem, or pay any such securities, but not to act as an investment, finance, or banking company.
- 20) To guarantee the performance of contracts, agreements, obligations or discharge of any debt of the company or on behalf of any company or person in relation to the payment of any financial facility including but not limited to loan, advance, letter of credit or other obligations through creation of all type of mortgages, charges, pledges, hypothecation, on execution of the usual banking documents/instruments or otherwise encumbrance on any or all of the movable and immovable properties of the company, either present or future or both and issuance of any other securities or sureties by any other means in favour of banks, Non-Banking Finance Companies or any financial institutions and to borrow money for purposes of the company on such term and conditions as may be considered proper.
- 21) To open, close and operate banking accounts of the Company with any banker.
- 22) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments, but not to act as an investment or banking company.
- 23) To adopt such means of making known the products of the Company as may seem expedient, including, in particular, by advertisement in the press, circulars, purchase and exhibition of works of art or interests, publication of books and periodicals, and grant of prizes, rewards and donations.

- 24) To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, technical, national, public or any other institutions, for its objects or purposes or for any exhibition.
  - 25) To apply for and obtain any provincial order or Act of legislature or any consents, permissions and licenses from the Government, central or provincial, and any agencies of the Government for enabling the Company or carry on any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient and to oppose any proceeding or application which may seem calculated, directly or indirectly, to prejudice the Company's interests.
  - 26) To sell any patent rights or privileges belonging to the Company or which may be acquired by it, or any interest in the same, and to grant licenses for the use and practice of the same or any of them and to let or allow to be used or otherwise deal with any inventions, patents or privileges in which the company may be interested, and to do all such acts and things as may be deemed expedient for turning to account any inventions, patents and privileges in which the Company may be interested.
  - 27) To expend money on experimenting upon and testing and improving or securing any process or processes' patent or protecting any invention or inventions which the Company may acquire or propose to acquire or deal with.
  - 28) To distribute among the members of the Company, in kind or otherwise, any property of the Company and, in particular, any shares, debentures or securities of other companies belonging to this Company, or of which this Company may have the power of disposing.
  - 29) To create any reserve fund, sinking fund, insurance fund or any other special fund, whether for depreciation or for repairing, insuring, improving, extending or maintaining any of the property of the company or for any other purpose conducive to the interests of the Company.
8. Notwithstanding anything stated in any object clause the company shall obtain such other approval or license from competent authority as may be required under any law for the time being in force to undertake a particular business.
  9. It is declared that notwithstanding anything contained in the foregoing objects clauses of this Memorandum of Association nothing contained therein shall be construed as empowering the Company to undertake or to indulge in business of banking company, leasing and investment, managing agency or insurance business directly or indirectly as restricted under the law or any unlawful operation. The Company shall not launch multi-level marketing (MLM), pyramid and Ponzi Schemes.
- IV. The liability of the members of the company is limited.
  - V. The authorized capital of the company is Rs. 1,350,000,000/- (Rupees One Billion, Three Hundred Fifty Million) and divided into 135,000,000 (One Hundred Thirty Five Million) ordinary shares of Rs. 10/- (Rupees Ten) each; with power to increase reduce, consolidate or otherwise reorganize the share capital and to divide the shares of the company into different classes in accordance with the provisions of the Companies Act, 2017.

We the several persons, whose names and addresses are subscribed hereunto are desirous of being formed into a Company in pursuance of these Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names:

S.NO	NAME & SURNAME (PRESENT & FORMER)/ FATHER/HUSBAND NAME IN FULL	NATIONALITY WITH ANY FORMER NATIONALITY AND OCCUPATION	RESIDENTIAL ADDRESS IN FULL	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURE OF THE SUBSCRIBER
1	MR. FAISAL HUSSAIN S/O. MUHAMMAD HUSSAIN CNIC # 42301-7030455-9	PAKISTANI BUSINESSMAN PROCESSING & TRADING OF MEAT PRODUCTS ETC.	HOUSE # 69, KHAYABAN-E-MUJAHID, PHASE-V, DHA, KARACHI	1,200 (ONE THOUSAND TWO HUNDRED)	-- sd --
2	MRS. KAUSAR HUSSAIN W/O. MUHAMMAD HUSSAIN CNIC # 42301-2445277-2	PAKISTANI BUSINESSWOMAN PROCESSING & TRADING OF MEAT PRODUCTS ETC.	HOUSE # 69, KHAYABAN-E-MUJAHID, PHASE-V, DHA, KARACHI	1,000 (ONE THOUSAND)	-- sd --
3	MRS. ALI HUSSAIN S/O. MUHAMMAD HUSSAIN CNIC # 42000-8719486-3	PAKISTANI BUSINESSMAN PROCESSING & TRADING OF MEAT PRODUCTS ETC.	HOUSE # 69, KHAYABAN-E-MUJAHID, PHASE-V, DHA, KARACHI	1,000 (ONE THOUSAND)	-- sd --
4	MRS. HAMEEDA SIDDIQUI W/O. ANSAR AHMED SIDDIQUI CNIC # 42301-7227855-8	PAKISTANI BUSINESSWOMAN PROCESSING & TRADING OF MEAT PRODUCTS ETC.	HOUSE # 33/2/1, 32 <sup>ND</sup> STREET, PHASE-V, D.H.A., KARACHI	2,500 (TWO THOUSAND FIVE HUNDRED)	-- sd --
5	MR. MEHMOOD ALAM S/O. SYED MUHAMMAD ABDULLAH CNIC # 42201-2725079-3	PAKISTANI BUSINESSMAN PROCESSING & TRADING OF MEAT PRODUCTS ETC.	HOUSE # 104/1 KHAYABAN-E-HAFIZ, PHASE-V, DHA, KARACHI	1,300 (ONE THOUSAND THREE HUNDRED)	-- sd --
6	MR. RAYAAN ALAM S/O. SYED MUHAMMAD ABDULLAH CNIC # 42301-5433958-3	PAKISTANI BUSINESSMAN PROCESSING & TRADING OF MEAT PRODUCTS ETC.	HOUSE LANE KHAYABAN-BADA PHASE-D.H.A. KARACHI		

7	MR. ALI AHMED S/O. AJAZ AHMED SHEIKH CNIC # 35202- 1821131-9	PAKISTANI BUSINESSMAN PROCESSING & TRADING OF MEAT PRODUCTS ETC.	HOUSE # 61-H, GULBERG-III, LAHORE	500 (FIVE HUNDRED)	-- sd --
8	MRS. SADIA ASIM W/O. ASIM YASIN CNIC # 33100- 39942872-4	PAKISTANI BUSINESSMAN PROCESSING & TRADING OF MEAT PRODUCTS ETC.	HOUSE # 3, RACE COURSE ROAD, CIVIL LINES, FAISALABAD	1,000 (ONE THOUSAND )	-- sd --
9	MRS. ZUNERA ATIF W/O. ATIF YASIN CNIC # 33100- 2714321-2	PAKISTANI BUSINESSMAN PROCESSING & TRADING OF MEAT PRODUCTS ETC.	HOUSE # 3, RACE COURSE ROAD, CIVIL LINES, FAISALABAD	1,000 (ONE THOUSAND )	-- sd --
				10,000 (TEN THOUSAND )	



5854 13/3/19



THE COMPANIES ACT, 2017  
(Public Company Limited by Shares)  
ARTICLES OF ASSOCIATION  
OF  
THE ORGANIC MEAT COMPANY LIMITED



PRELIMINARY

1. The Regulations of Table 'A' referred to in Section 36(2) of the Companies Act, 2017 shall in any event be deemed to be included in these presents other regulations, of Table 'A' shall also apply to the Company in so far they are not inconsistent with the Articles here in contained and those Incorporated in Table 'A', the provisions herein contained shall prevail.

DEFINITION AND INTERPRETATION

2. In these presents unless there be something in the subject or context inconsistent therewith: -

**The Company** means above named Company.

**The Companies Act** means the Companies Act, 2017.

**The Directors** means the Directors for the time being of the Company.

**The Office** means the Registered Office of the Company.

**The Register** means the Register of members to be kept pursuant to Section 119 of the Companies Act.

Expression defined in the Companies Act shall have the meanings so defined and words importing the singular shall include plural, and vice versa and words importing the masculine gender shall include females and words importing person shall include bodies corporate.

SHARES

3. The authorised capital of the company is Rs. 1,350,000,000/- (Rupees One Billion, Three Hundred Fifty Million only) divided into 135,000,000 (One Hundred Thirty Five Million) ordinary shares of PKR 10/- (Rupees Ten) each; with power to increase or reduce the capital. The company may from time to time consolidate, sub-divide or otherwise re-organize the shares capital of the company.
4. The shares shall be under the control of the Director who may allot or otherwise dispose of the same.
5. Shares may also be registered in the name of a limited Company as well as in the name of minor.
6. The certificate of title to shares and duplicates thereof when necessary, shall be issued under the seal of the company, and signed by the Managing Director or some other Director duly authorized by a resolution of the Board of Director.
7. Every Member shall be entitled to one certificate for all the shares registered in his name or to as many certificates as the Directors may from time to time decide. Every certificate

of shares shall specify the number and denote the number of the shares in respect of which it is issued and the amount paid up thereon.

8. A new certificate in place of one defaced, lost or destroyed, on proof thereof to the satisfaction of the Directors and on each indemnity as the Directors may deem adequate, shall be issued a charge not exceeding rupees five or as the Directors may from time to time prescribe for every certificate issued under this clause.

#### TRANSFER OF SHARES

9. No transfer of any shares shall be made or registered without the previous sanction of the Directors who may decline to give any such sanctions, subject to the provision of the Companies Act. (Section—77)
10. An application for transfer of shares must be accompanied by the certificate or certificates of shares and an instrument of transfer or any other document in writing, evidencing the transfer to the satisfaction of the Directors.

#### TRANSMISSION OF SHARES

11. The legal heirs or executors or administrators of a deceased member shall be the only persons recognized by the company as having any title to the shares registered in the name of any such member. Before recognizing any person as having any title any shares of a deceased member the Directors may require him to obtain a succession certificate or a Grant or a Probate of a letter of Administration from a competent court in Pakistan. Provided nevertheless that in any case where the Board in their absolute discretion think fit. It shall be lawful for the Directors to dispense with the production of Succession Certificate or Probate or letter of Administration or other legal representation upon such terms as to Indemnity or otherwise as the Directors in their absolute discretion may consider necessary.

#### BORROWING POWERS

12. The Directors shall be fully authorized to borrow from time to time on behalf of the company such sums of money as they may think proper, in any foreign and/or Pakistani currency for the purposes of the company from any Bank, corporation, or organization and secure the payment of such loan with interest thereon in any manner they may think proper, and with a view thereto mortgage or charge all or any of the properties or assets of the company both present and future and to give any guarantee to secure the loan and effectual receipts and discharges for the same, to sign and execute any agreement, mortgage deed, deed creating a charge, deed of hypothecation or any other deed and documents on behalf of the company, to get the mortgage deed or any deed or document registered under the Registration Act 1908 and to do all other acts, deeds and things as may be deemed necessary or expedient in connection therewith, and they may themselves lend any money to the company. They may secure capital by the issue of debentures or term certificates.
13. The Directors may from time to time borrow with or without security and secure credit and overdraft facilities from any bank, corporation, company or person for the purposes of the Company.
14. Any debentures, bonds or other securities may be issued at discount, premium or with special privileges as to the redemption, surrender, drawing, allotment of shares, attendance at general meetings of the company and otherwise.

#### RESERVE FUND

15. The Directors may set aside out of the profits of the Company such sum as they may think proper as Reserve Fund which shall at the discretion of the Directors be applicable for meeting contingencies or for the gradual liquidation of any debentures, debts or liabilities of the company or for equalizing dividends or for distributing by way of bonus or for any other purpose to which the profits of the company may be properly applied with full power to employ assets constituting the Reserve Fund in the business of the company and that without being bound to keep the same separate from other assets.

#### PROCEEDINGS AT GENERAL MEETINGS

16. 21 Days' notice at least in case of passing ordinary resolution and twenty one days' notice in case of holding as election of Directors and passing special resolution, specifying the place, the day, and the hour of the general meeting and the agenda to be transacted and in case of special resolution the intention to propose the resolution as a special resolution, shall be given to the members in manner as is ordinarily employed by the Companies or in such other manner as may be prescribed by the company in general meeting, but accidental omission to give such notice to, or nonreceipt of such notice by any manner shall not invalidate the proceedings of the general meeting or election of directors.
17. No business shall be transacted at any general meeting unless a quorum of member is present. Not less than ten (10) members present personally, or through a video-link who represent not less than 25% of the total voting power, either of their own account or as proxies.
18. At any general meeting unless otherwise demanded a resolution relating to any matter other than election or removal of a Director put to the vote of the meeting shall be decided by a show of hands, and a resolution thus carried or lost, and an entry under the signature of the Chairman to that effect in the Minutes of proceedings of the company shall be conclusive evidence of the fact.
19. At a poll, votes may be given in person or by proxy but on a show of hands members present in person shall be entitled to vote in all matters other than election or removal of a Director.
20. If a poll is demanded, it shall be taken in such a manner and at such time and place as the chairman of the meeting directs, and the result of such poll shall be deemed to be the resolution of the meeting.
21. In all matters other than election or removal of Directors every member present in person shall have one vote on a show of hands, and upon a poll being demanded every member present or by proxy shall have one in respect of every share held by him.
22. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney in the usual form and it should be delivered at the registered office not less than 48 hours before the time of the meeting.

#### DIRECTORS

23. The following persons who are also signatories to the Memorandum and Articles of Association shall be the first Directors of the Company.
- 1) MR. FAISAL HUSSAIN
  - 2) MR. ALI HUSSAIN
  - 3) MR. MEHMOOD ALAM
  - 4) MR. RAYAAN ALAM
24. The number of Directors, of the Company shall not be less than seven (7).



#### ELECTION OF DIRECTORS

25. All the Directors including the first shall retire in first AGM of the company and at the annual general meeting in every subsequent three years from office and their places shall be filled by election in accordance with the Companies Act. Retiring Directors shall be eligible for election. The directors shall be elected by the members of the Company in general meeting in the following manner.
  - a) A member shall have such number of votes as is equal to the product of the shares held by him and the number of directors to be elect.
  - b) A member may give all his votes to a single candidate or divide them between more than one of the candidates in such a manner as he may chose and.
  - c) The candidate who gets the highest number of votes shall be elected, as director and then the candidate who gets the next highest number of votes shall be so declared and so on until the total number of the directors to be elected have been so elected.

#### CASUAL VACANCY

26. Any casual vacancy occurring among the Directors, may be filled in by the Directors and the person so appointed shall hold office for the remainder of the term of the Director in whose place he is appointed.

#### RESIGNATION OF DIRECTORS

27. A Director may retire from his office upon giving one month's notice in writing to the company of his intention to do so and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.
28. Each Director shall be paid out of the funds of the Company such fee for each meeting of the Board of Director attended by him as may from time to time decided in a Board Meeting in accordance with the provisions of law for the time being in force. The directors may allow and pay to any Director who shall come to attend the meeting from a place outside the place of meeting such as the Directors may consider fair compensation for his travelling and other expenses in addition to his fee for attending meeting.
29. If any Director shall be called upon to perform any service or make any special execution or go out of the places of his ordinary residence for any purpose of the company or give special attendance to or be actively engaged in the company, the Company may remunerate the Director for so doing as may be determined in a general meeting.

#### POWERS AND DUTIES OF DIRECTORS

30. The business of the company shall be managed by the Directors who may pay all expenses including those which may be preliminary and incidental to the promotion, formation, establishment and registration of the company as they may think fit, and may exercise all such powers of the Company and do on behalf of the company such acts as may be exercised and done by the company and as are not by the statues or by these Articles required to be exercised or done by the Company in General Meeting subject nevertheless to any regulation in these Articles, to the provisions of the statues and no such regulations as may from time to time be prescribed by the company in General Meeting shall invalidate any prior act of the Directors, which would have been valid if such regulations had not been made.

#### PROCEEDINGS OF DIRECTORS MEETINGS

31. The quorum necessary for the meeting of the Directors shall not be less than one-third (1/3) of the total number of Directors, or four (4), whichever is greater and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

32.

- a) The Directors may from time to time appoint one of them as the Chairman of the Board of Directors as well as of members meetings, provided that the Chairman and the Chief Executive of the Company, by whatever named called, shall not be the same person. If at any meeting the Chairman is not present 15 minutes after the time appointed for holding the meeting or express his mobility to take the chair, the Directors present shall choose one of them to be the Chairman of this meeting. Question rising at any meeting shall be decided by a majority of votes. In case of equality of votes, the Chairman shall have a second or casting vote.
- b) A resolution in writing signed by all the Directors shall be as effective for all purposes as a resolution passed at the meeting of the Board of Directors duly called, held and constituted.

#### DISQUALIFICATION OF DIRECTORS

33. A Director shall vacate his office on the happening of any of the following events that is to say:

- a) On his becoming bankrupt or insolvent or suspending payment or compromising with his creditors.
- b) On his being found a lunatic or his becoming of unsound mind.
- c) On his resignation from office by notice in writing to be company, as provided in Article 27 hereof.
- d) On his removal by the company.

#### MANAGING DIRECTOR

34. The Managing Director shall be the Chief Executive and Managing Director of the Company and shall hold office in accordance with the provision of the Companies Act or any other law time being in force.

35. The Managing Director shall be the Chief Executive of the Company and subject to the control and supervision of the Board of Directors shall carry on the day to day business of the Company and have the following powers.

- a) To pay costs, charges and expenses preliminary and incidental to the promotion, establishment and registration of the Company.
- b) To take on lease, purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire at such price and on such terms and conditions as he may think fit.
- c) To appoint any person or persons to hold in trust for any company any property belonging to the Company or in which it is interested or for any other purpose and execute and do all such instruments and things as may be requisite in relation to any such trust.

- d) To let, mortgage, sell, exchange or otherwise dispose of absolutely or conditionally all or any part of the property, privileges and undertaking of the Company upon such terms and conditions and for such consideration as he may think fit.
- e) To buy or procure the supply of the plants, machinery, materials, stock-in-trade, fuel, implements, immovable and other movable property required for the purposes of the Company.
- f) To sell, deal in and dispose of all articles and goods manufactured by the Company.
- g) To engage, fix and pay the remuneration of and dismiss or discharge all managers, agents, secretaries, clerks, servants, workmen and other persons, employed or in connection with the Company's business.
- h) To appoint any person or persons to be attorney or attorneys of the Company for such purposes and with such powers, authorities and direction for such period and subject to conditions as he may from time to time think fit.
- i) To enter into, carry out, rescind or vary all financial arrangements with any banks, persons or corporations and for or in connection with such arrangements to deposit, pledge or hypothecate property of the company or the documents representing or relating to the same.
- j) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.
- k) For and on behalf of the Company to draw, accept and endorse and negotiate all such cheques, bills of exchange, promissory notes, hundies, government and other securities as shall be necessary in the ordinary course of business or for carrying on the affairs of the Company.
- l) To compound and allow time for the payment or satisfaction of any debts due to or by the Company and any claims and demands by or against the Company and to refer any claims or demands by or against the Company to arbitrators and referees and perform the award.
- m) To institute, prosecute, compromise, withdraw or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company.
- n) To invest and deal with any of the moneys of the Company not immediately required for the purposes thereof upon such securities or investments and in such manner as he may think fit and from time to time and to vary or realize such securities and investments.
- o) To enter into such negotiations and contracts and rescind or vary all such contracts and executive and to do all such acts, deeds and things in the name and on behalf of the Company as he may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
- p) To pay for any property or rights acquired by or services rendered to the Company or the premiums payable in respect of any leases taken by the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and any such shares to be issued either as fully paid up or with such amount credited as paid thereon as may be agreed upon and any such bonds, debentures of securities to be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged.





- q) From time to time to make, vary and repeal by laws for the regulation of the business of the Company, its officers and servants.
  - r) To give to any officer over other person employed by the Company, a commission on the profits of any particular business or transaction or share in the general profits of the Company and such commission or share of profits shall be treated as part of working expenses of the Company.
  - s) To provide for the welfare of employees or ex-employees of the Company and the wives, widows or families or the dependents or connections of such persons in such manner as he thinks fit.
  - t) To borrow money from time to time for the purposes of Company by the mortgage of its property or any part thereof and either through any bond or debenture payable to bearer or otherwise or on interest and repayable in such manner and generally, upon such terms he thinks fit.
  - u) To delegate any of these powers to any person, agent or manager as he may think fit.
  - v) To open current account or letters of credit for any amount with any bank or banks and to give instructions for operation of such accounts.
  - w) Before reckoning any dividend, to set aside out of the profit of the Company such sums as he may think proper for depreciation or special funds or reserve funds to meet contingencies.
  - x) To appear before any civil, criminal, revenue, excise, income tax and other authorities for and on behalf of the Company and to sign any statement and documents on behalf of the Company and to sign any statement and documents on behalf of the Company and to sign 'mukhtar names' etc. on behalf of the company in favour of any person to represent, defend and safeguard the interest of the Company.
36. The Managing Director shall be entitled to such remuneration as may be fixed by a Resolution in General Meeting. Such remuneration may be by way of salary, or commission or participation in profits or by any or all other modes.

#### DIVIDENDS

- 37. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
- 38. Any general meeting declaring a dividend may resolve that such dividend may be paid wholly or in part by the distribution of specific asset, and in particular in paid-up shares or debentures, or debenture stock of any other company, or in any one or more of such ways and may fix such directions as may be necessary for the purpose.
- 39. Any general meeting may resolve that any moneys, investment of other assets forming part of the undivided profits or the company standing to the credit of the Reserve fund and available for dividends be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such share holders in paying up in full either at par or at such premium as the resolution may provide, any misused shares or debentures or debenture stock of the company which shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum and the general meeting may also give all directions as may be necessary for the purpose.

40. The Directors may also pay the members from time to time such interim dividend as may appear to the Directors justified in view of the profit of the Company.

#### COMMON SEAL

41. The Company shall have a common seal and the Directors will provide for the safe custody thereof. The seal shall not be applied to any instrument except by the authority of a resolution of the Board of Directors and in the presence of the Managing Director or some other Director duly authorized in that behalf, and the signature of the Managing Director or such other Director shall be conclusive evidence of the fact that the seal has been properly affixed.

#### THE ACCOUNTS

42. The Directors shall cause true account to be kept :-
- a) of all assets and liabilities of the company, and
  - b) of all sums of money received and expended by the company and matters in respect of which such receipts and expenditure took place.
43. The Directors shall from time to time determine whether in any particular case or generally and to what extent and what time and places and under conditions or regulation the accounts and books of the company or any of them shall be open to inspection of members, and no member (not being a Director) shall have any right of inspection any account books or documents of the Company except as conferred by status or authorized by the Director or by a resolution of the company in general meeting.

#### AUDIT

44. One at least in every year the accounts of the Company shall be examined and the correctness of the Balance Sheet ascertained by the auditor of the Company.
45. Auditors shall be appointed by the Directors and their duties regulated in accordance with the Sections 246 to 249 of the Companies Act.
46. The remuneration of the auditors shall be fixed by the Company in general meeting except that the remuneration of any auditor appointed by the Directors may be fixed by the Directors.

#### SECRECY

47. Every Director, Managing Director, Secretary, Agent, Trustee, Officer, Servant, or any person employed in the business of the Company shall if so required by the Directors, before entering upon his duties to sign a declaration pledging himself to observe strict secrecy respecting all transactions of the company with its customers and state of account with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors, or by a court of law and except so far as may be necessary in or to comply with any of the provisions contained in these Articles.

#### WINDING UP

48. If the company shall be wound up and the assets available for distribution among the members are such as shall be insufficient to repay the whole of the capital, such assets shall be distributed as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement



of the windup, on the shares held by them respectively. And if in a winding up, assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up, the excess shall be distributed amongst the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up or which ought to have been paid up at the commencement of the winding up in the shares held by them respectively. But, this Article is without prejudice, to the rights of the holders of shares issued upon special terms and conditions.

49. If the company shall be wound up, whether voluntarily or otherwise, the Liquidator may with the sanction of any special resolution divide among the members in spade or kind any part of the assets of the company, and may with the like sanction vest any part of the assets of the company in trustees upon such trust for the benefit of the members or any of them as the Liquidator shall think fit.



We the several persons, whose names and addresses are subscribed hereunto are desirous of being formed into a Company in pursuance of the Articles of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names:

S.N O.	NAME & SURNAME (PRESENT & FORMER/ FATHER/HUSBAND NAME IN FULL	NATIONALITY WITH ANY FORMER NATIONALITY AND OCCUPATION	RESIDENTIAL ADDRESS IN FULL	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURE OF THE SUBSCRIBER
1	MR. FAISAL HUSSAIN S/O. MUHAMMAD HUSSAIN CNIC # 42301- 7030455-9	PAKISTANI BUSINESSMAN PROCESSING & TRADING OF MEAT PRODUCTS ETC.	HOUSE # 69, KHAYABAN-E- MUJAHID, PHASE-V, DHA, KARACHI	1,200 (ONE THOUSAND TWO HUNDRED)	-- sd --
2	MRS. KAUSAR HUSSAIN W/O. MUHAMMAD HUSSAIN CNIC # 42301- 2445277-2	PAKISTANI BUSINESSWOMAN PROCESSING & TRADING OF MEAT PRODUCTS ETC.	HOUSE # 69, KHAYABAN-E- MUJAHID, PHASE-V, DHA, KARACHI	1,000 (ONE THOUSAND )	-- sd --
3	MRS. ALI HUSSAIN S/O. MUHAMMAD HUSSAIN CNIC # 42000- 8719486-3	PAKISTANI BUSINESSMAN PROCESSING & TRADING OF MEAT PRODUCTS ETC.	HOUSE # 69, KHAYABAN-E- MUJAHID, PHASE-V, DHA, KARACHI	1,000 (ONE THOUSAND )	-- sd --
4	MRS. HAMEEDA SIDDIQUI W/O. ANSAR AHMED SIDDIQUI CNIC # 42301- 7227855-8	PAKISTANI BUSINESSWOMAN PROCESSING & TRADING OF MEAT PRODUCTS ETC.	HOUSE # 33/2/1, 32 <sup>ND</sup> STREET, PHASE-V, D.H.A., KARACHI	2,500 (TWO THOUSAND FIVE HUNDRED)	-- sd --
5	MR. MEHMOOD ALAM S/O. SYED MUHAMMAD ABDULLAH CNIC # 42201- 2725079-3	PAKISTANI BUSINESSMAN PROCESSING & TRADING OF MEAT PRODUCTS ETC.	HOUSE # 104/ KHAYABAN-E- HAFIZ, PHASE-V, DHA, KARACHI	1,500 (ONE THOUSAND FIVE HUNDRED)	-- sd --
6	MR. RAYAAN ALAM S/O. SYED MUHAMMAD ABDULLAH	PAKISTANI BUSINESSMAN PROCESSING & TRADING OF MEAT	HOUSE # 73/2, LANE-21, KHAYABAN-E-	500 (FIVE HUNDRED)	-- sd --

	CNIC # 42301-5433958-3	PRODUCTS ETC.	BADAR, PHASE-VII, D.H.A., KARACHI		
7	MR. ALI AHMED S/O. AJAZ AHMED SHEIKH CNIC # 35202-1821131-9	PAKISTANI BUSINESSMAN PROCESSING & TRADING OF MEAT PRODUCTS ETC.	HOUSE # 61-H, GULBERG-III, LAHORE	500 (FIVE HUNDRED)	-- sd --
8	MRS. SADIA ASIM W/O. ASIM YASIN CNIC # 33100-39942872-4	PAKISTANI BUSINESSMAN PROCESSING & TRADING OF MEAT PRODUCTS ETC.	HOUSE # 3, RACE COURSE ROAD, CIVIL LINES, FAISALABAD	1,000 (ONE THOUSAND )	-- sd --
9	MRS. ZUNERA ATIF W/O. ATIF YASIN CNIC # 33100-2714321-2	PAKISTANI BUSINESSMAN PROCESSING & TRADING OF MEAT PRODUCTS ETC.	HOUSE # 3, RACE COURSE ROAD, CIVIL LINES, FAISALABAD	1,000 (ONE THOUSAND )	-- sd --
				10,000 (TEN THOUSAND )	



*Certified to be True Copy*  
*14/3/19*  
 Joint Registrar of Companies

Page 147 of 151

## APPLICATION AND ALLOTMENT INSTRUCTIONS

- Eligible investors includes:**
  - Pakistani citizens resident in or outside Pakistan or Persons holding two nationalities including Pakistani nationality;
  - Foreign Nationals whether living in or outside Pakistan;
  - Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
  - Mutual Funds, Provident/pension/gratuity funds/trusts, (subject to the terms of the Trust Deed and existing regulations); and
  - Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.
- Copies of the Prospectus and Application Forms can be obtained from the Trading Rights Entitlement Certificate (TREC) holders of Pakistan Stock Exchange Limited, the Bankers to the Issue and their branches, the Consultant to the issue and the registered office of the Company. The Prospectus and the Application Forms can also be downloaded from the website: <http://www.tomcl.net/>, [www.tgpline.com.pk](http://www.tgpline.com.pk), [www.insecurities.com.pk](http://www.insecurities.com.pk), [www.akdsecurities.net](http://www.akdsecurities.net) & <https://eipo.cdcpak.com.pk/public/index.shtml>**
- The Applicants are required to complete the relevant sections of the application to get the Shares in book entry form. In accordance with provisions of the Central Depositories Act, 1997 and the CDC Regulations, credit of such Shares are allowed ONLY in the applicant's own CDC Account.
- Name(s) and addresses must be written in full block letters, in English and should not be abbreviated.**
- All applications must bear the name and signature corresponding with that recorded with the applicant's banker. In case of difference of signature with the bank and Computerized National Identity Card (CNIC) or National Identity Card for Overseas Pakistanis (NICOP) or Passport both the signatures should be affixed on the application form.
- APPLICATIONS MADE BY INDIVIDUAL INVESTORS**
  - In case of individual investors, an attested photocopy of CNIC (in case of Resident Pakistanis)/Passport (in case of non-resident Pakistanis and FIs) as the case may be, should be enclosed and the number of CNIC/ Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal/Provincial Government Gazetted Officer, Councillor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence.
  - Original CNIC/Passport, along with one attested photocopy, must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.
- APPLICATIONS MADE BY INSTITUTIONAL INVESTORS**
  - Applications made by companies, corporate bodies, mutual funds, provident/pension/gratuity funds/trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application.
  - Attested photocopies of the documents mentioned in 8 (i) must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with the application.
- Only one application will be accepted against each applicant, however, in case of joint account, one application may be submitted in the name of each joint account holder.
- Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNICs/Passport. The Shares will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of Shares.
- Subscription money must be paid by cheque drawn on applicant's own bank account or pay order/bank draft payable to one of the Bankers to the Issue "The Organic Meat Company Limited - General Subscription" and crossed "A/C PAYEE ONLY".
- For the applications made through pay order/bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order/bank draft individually for each application.
- The applicant should have at least one bank account with any of the commercial banks. Applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of Shares.**
- Under Section 242 of the Companies Act, any dividend payable in cash by a listed company, shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder.**
- To enable the Company to directly credit the cash dividend, if any, in the Bank Accounts of the shareholder, the applicants must fill-in relevant part of the Shares Subscription Form under the heading, "Dividend Mandate".**
- Shares will be issued only in the book-entry form. Therefore, the applicants must provide their CDS account Number in the Shares Subscription Form.**
- Applications are not to be made by minors and/or persons of unsound mind.
- Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.
- Applicants should retain the bottom portion of their application forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of Shares for which the application has been made.
- Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
- Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.**
- It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.**
- Submission of false and fictitious applications is an offence under section 87(7) of the Securities Act, 2015 and such applications' money is liable to confiscation under section 87(8) of the Securities Act, 2015.

عوام الناس کو مطلع کیا جاتا ہے کہ سیکورٹیز ریگولیشن ایکٹ 2015 کی سیکشن نمبر (7) 87 کے تحت رجسٹرڈ یا جعلی درخواستیں دینا قانوناً ناجائز ہے۔ خلاف ورزی کرنے والوں کی رقم، جو کہ درخواست کے ساتھ جمع کرائی جاتی ہے، سیکورٹیز ریگولیشن ایکٹ 2015 کی سیکشن نمبر (8) 87 کے تحت ضبط کی جاسکتی ہے۔

## ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

- In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of memorandum of association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.
- Foreign / Non - resident investor's should follow payment instruction given in Section 13 of the Prospectus.

## BASIS OF ALLOTMENT

- The minimum value of application for subscription of 500 shares (Issue Price x 500 shares) Application for amount below the minimum value shall not be entertained.
- Application for shares must be made for 500 shares or in multiple thereof only. Applications which are neither for 500 shares nor for multiple thereof, shall be rejected.
- Allotment of Shares to successful applicants shall be made in accordance with the allotment criteria/ instructions disclosed in the Prospectus.
- Allotment of Shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and/or the instructions by the Securities & Exchange Commission of Pakistan.
- Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.**
- The Company will credit the respective CDS accounts of the successful applicants.

## BANKERS TO THE ISSUE

Code	Name of Banks	Code	Name of Banks
01	Allied Bank Limited	06	JS Bank Limited
02	Askani Bank Limited	07	MCB Bank Limited
03	Dubai Islamic Bank Limited	08	Meezan Bank Limited
04	Faysal Bank Limited	09	Sonari Bank Limited
05	Habib Metropolitan Bank Limited	10	United Bank Limited
11	Bank Al Habib Limited		

## 8. OCCUPATION CODE

Code	Occupation	Code	Occupation
01	Business	06	Professional
02	Business Executive	07	Student
03	Service	08	Agriculturist
04	Housewife	09	Industrialist
05	Household	10	Other

- In order to facilitate investors, United Bank Limited ("UBL"), Bank Alfalah Limited ("BAFL") and Summit Bank (SMBL) are offering electronic submission of application (e-IPO) to their account holders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubdirect.com/corporate/ebank>. Furthermore, please note that online applications can be submitted 24 hours a day during the subscription period which will close at midnight on 16/07/2020.
- The Central Depository Company of Pakistan ("CDC") has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered through IPOs can be made electronically. CES has been made available in this IPO which can be accessed through the web link [www.cdcpak.com](http://www.cdcpak.com). Payment of subscription money can be made through 1LINK's member banks available for CES, list of which is available on above website.
- For making application through CES, investors must be registered with CES. Registration with CES is free of cost and a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number and CDS Account (Investor Account or sub Account) may register themselves with CES.
- Investors who do not have CDS account may visit [www.cdcpakistan.com](http://www.cdcpakistan.com) for information and details. For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone Number: 0800 - 23275 (CDGPL) and e-mail: [info@cdcpak.com](mailto:info@cdcpak.com) or contact Mr. Farooq Ahmed at Phone 021-34326030 and email: [farooq\\_butt@cdcpak.com](mailto:farooq_butt@cdcpak.com). For further details on CES, please refer section 13 (ii) of the Prospectus



## 13. NATIONALITY CODE

Code	Name of Country	Code	Name of Country
001	U.S.A	006	Bangladesh
002	U.K	007	China
003	U.A.E	008	Bahrain
004	K.S.A	009	Other
005	Oman		

For further queries you may contact:

**The Organic Meat Company:** Syed Imran Ali; Phone: +92 332 8265656; E-mail: [syedimran@tomcl.net](mailto:syedimran@tomcl.net) and Mr. Zain Reza Phone: +92 334 3242824; E-mail: [zain@tomcl.net](mailto:zain@tomcl.net)  
**Topline Securities Limited:** Mr. Muhammad Saad Abdullah; Phone: +92 21 35303338; E-mail: [m.saad@topline.com.pk](mailto:m.saad@topline.com.pk) and Mr. Omar Salah Ahmed; Phone: +92 21 35303347; E-mail: [omar@topline.com.pk](mailto:omar@topline.com.pk)  
**Intermarket Securities Limited:** Mr. Danyal Rizvi; +92 21 35155121; E-mail: [danyal.rizvi@imsecurities.com.pk](mailto:danyal.rizvi@imsecurities.com.pk); and Mr. Qazi Hasnain +92 21 35155121 [gazi.hasnain@imsecurities.com.pk](mailto:gazi.hasnain@imsecurities.com.pk)

## 17. BIDDING FORM

 <p><b>THE ORGANIC MEAT COMPANY LTD.</b> Processors &amp; Exporters of World Class Halal Meat</p>	<p><b>Book Runner</b></p>  <p><b>AKD Securities Limited</b></p>	<p>Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> GUJ</p> <p><input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> GLT <input type="checkbox"/> MUL</p> <p><input type="checkbox"/> SKT <input type="checkbox"/> FSB</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Bidding Dates</td> <td>July 03, 2020 to July 07, 2020</td> </tr> <tr> <td>Bidding Form No.</td> <td></td> </tr> </table>	Bidding Dates	July 03, 2020 to July 07, 2020	Bidding Form No.	
Bidding Dates	July 03, 2020 to July 07, 2020					
Bidding Form No.						

INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF THE ORGANIC MEAT COMPANY LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 18.00 PER SHARE

**PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE MAKE SURE TO PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE**

<b>Name</b>		<b>PLEASE TICK THE APPROPRIATE BOX</b>			
		<input type="checkbox"/> Local Institutional Investor	<input type="checkbox"/> Foreign Institutional Investor	<input type="checkbox"/> Individual Investor	
<b>Client ID</b>	<b>Cell #</b>		<b>Resident</b>	<input type="checkbox"/>	<b>Nationality</b> (If other than Pakistani)
	<b>Land Line #</b>		<b>Non-Resident</b>	<input type="checkbox"/>	
		<b>Foreigner</b>	<input type="checkbox"/>		
<b>Fax #</b>	<b>E-mail:</b>	<b>CNIC/UIN/Passport</b>		<b>NTN*</b>	

\* INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0% APPLIES TO FILERS INSTEAD OF 20.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.

**Dividend Mandate:** Mark tick [✓] in the appropriate boxes Yes [ ] No [ ]

In case the Applicant intends that if Shares applied for are issued to him/it and the dividend declared by the Company, if any, is credited directly in his/it bank account, instead of issued of dividend warrants, then please fill in the following boxes:

Title of Account	
Account Number	
Bank Name	
Branch Name & Address	

**The Directors of The Organic Meat Company Limited**  
Survey No. 310, Deh Shah Mureed  
Gadap, Karachi - Pakistan

Dear Sir,  
On the basis of Prospectus by The Organic Meat Company Limited for the Initial Public Offer of its Ordinary Shares, I/we hereby bid for subscription of Shares of the Company as under:


Bid Details			
	No. of Shares (In Figures)	Bid Price Per Share (In Figures)	Total Amount (In Figures)
<b>Bid Option (Please tick)</b>			
<b>Limit Order</b>			
<b>Step Order:</b>			
<b>Option (1)</b>			
<b>Option (2)</b>			
<b>Option (3)</b>			
<b>Option (4)</b>			
<b>Total (Shares and Price)</b>			

**Important Instructions:**

- Bids should be placed for a minimum amount of **PKR 2,000,000/-**. It should also be noted that no. of shares bid for should be rounded and fractional shares will not be acceptable. Please ensure that after rounding the number of shares multiplied by your bid price, is at least **PKR 2,000,000/-**.
- Eligible Investors who want to place a Step Bid, must ensure that each step amounts to **PKR 2,000,000/-** at least.
- Any Bid received below the Floor Price will not be accepted by the Book Runner.
- An investor shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.

**An investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to 40% maximum Price Band i.e. the strike price must not exceed 40% upper limit of floor price.**

Signature of Bidder: \_\_\_\_\_



For investor education please visit [www.jamapunji.pk](http://www.jamapunji.pk)  
Jama Punji is an Investor Education Initiative of the Securities & Exchange Commission of Pakistan



In terms of the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange ("PSX"), I/we am/are eligible to bid in this Initial Public Offer of Ordinary Shares. The amount payable on bidding is remitted herewith which is the applicable margin amount. I/We agree to pay the balance amount of application money, if any, upon successful allocation of shares. In case no shares are allotted to me/us you are hereby authorized to return to me/us by demand draft/pay order application money, within three (3) working days of the close of the bidding period.

I/We agree that this is a binding agreement to accept the number of shares as may be allocated to me/us subject to the terms of the Prospectus the bidding form and other applicable laws. I/ we undertake that I/we will sign all such other documents and do all such acts, if necessary on my/our part to enable me/us to be allocated/allotted/transferred the shares and to pay for the same. I/we authorize you to place my/our name(s) on the register of the members of the Company as holder(s) of the shares that will be allocated/allotted/transferred to me/us and to register my/our address as given below. I/ We noted that the Book Runner is entitled, in its absolute discretion to accept or reject this Bidding Application for reason(s) to be recorded in writing and the reason(s) should be disclosed to us forthwith. I/We have no objection if there are necessary changes made in the Prospectus for filling of the same with the Securities and Exchange Commission of Pakistan ("SECP").

I understand that the Issuer, the Book Runner, SECP and the Stock Exchange reserve the right of legal action against me under the law, if I submit a fictitious bid and/or my the instrument deposited by me for margin money is bounced.

I DECLARE THAT: i) I AM/WE ARE NATIONAL(S) AND RESIDENT(S) OF PAKISTAN; ii) FOREIGNER; iii) I AM/WE ARE NOT MINOR(S); iv) I/ WE HAVE NOT MADE NOR HAVE I/WE INSTRUCTED ANY OTHER PERSON(S)/INSTITUTION(S) TO MAKE ANY OTHER APPLICATION(S) IN MY/OUR NAME(S) OR IN THE NAME OF ANY OTHER PERSON ON MY/OUR BEHALF OR IN ANY FICTITIOUS NAME, IN CASE OF ANY INFORMATION GIVEN HEREIN BEING INCORRECT I/WE UNDERSTAND THAT I/WE SHALL NOT BE ENTITLED FOR ALLOCATION/ALLOTMENT/TRANSFER OF SHARES.

#### Important Instructions:

- Bids shall only be entered for those Eligible Investors who have submitted a duly filled Registration Form as prescribed by the Book Runner
- Bid money / margin money shall be deposited through demand draft, pay order in favor of **"The Organic Meat Company Limited- Book Building"**. For online transfer facility (pay order or demand draft may be deposited at any branch of Dubai Islamic Bank Limited and evidence to be submitted to the Book Runner) the payment shall be made into A/C # **009-0219756006** being maintained at Dubai Islamic Bank Limited, head office branch located at 2<sup>nd</sup> Floor, Hassan Chambers, DC-7, Block-7, Clifton, Karachi.
- For deposit of margin money, only Pay Orders, Demand Drafts, or online transfer will be accepted. Each eligible investor shall only submit a single pay order, demand draft or evidence of online transfer of money along with the Registration Form. It may also be noted that only a single pay order, demand draft or evidence of online transfer of money shall be accepted by the Book Runner along with each Additional Payment Form.
- In case of intercity instruments, only Pay Orders **"payable at any branch"** will be accepted. For the purpose of expediting the clearing of the instruments it is highly recommended that the Pay Order should be made from online branches of the respective banks.
- Eligible Investors can register themselves till 3:00 pm on the last day of Book Building after which no new investors shall be registered.
- Investors can only upward revise their bids online. Please visit [www.bkb.psx.com.pk](http://www.bkb.psx.com.pk) to access online. User name and password will be emailed to you on email address provided in the form. Please ensure that you provide correct email address. Online access will be available for upward bid revisions during the bidding period from 9:00 am to 5:00. An investor will not be allowed to place or upward revise a bid with a price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 40% of the floor price. **However, the bidder shall not make downward revision both in terms of bid price and bid volume; provided that in case of upward revision of the bid price, the number of shares bid for i.e. bid volume may be adjusted ensuring that the bid amount or bid money remains the same. No withdrawal of bid shall be allowed.**

Yours Faithfully,

Signature of Bidder: \_\_\_\_\_



For investor education please visit [www.jamapunji.pk](http://www.jamapunji.pk)  
Jama Punji is an Investor Education Initiative of the  
Securities & Exchange Commission of Pakistan

#### To be filled in by the Book Runner:

Time of Receipt	Date	Location	Amount	Pay Order No. / Demand Draft No.	Stamp