

# THE ORGANIC MEAT COMPANY LIMITED

TOMCL/2024-25/Corp/009

October 29, 2024

## The General Manager

Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

### FINANCIAL RESULTS FOR THE PERIOD ENDED 30-09-2024

Dear Sir,

We have to inform you that the Board of Directors of our Company in its meeting held on Tuesday, October 29, 2024 at 2:30 pm has recommended the following:

- |   |     |
|---|-----|
| 1) Cash Dividend                            | Nil |
| 2) Bonus Shares                             | Nil |
| 3) Right Shares                             | Nil |
| 4) Any other entitlement / Corporate Action | Nil |
| 5) Any other price sensitive information    | Nil |

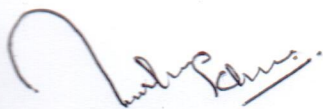
The financial results of the Company are enclosed.

The quarterly report of the Company for the period ended September 30, 2024 will be transmitted through PUCARS within specified time.

Thanking you,

Yours truly,

For The Organic Meat Company Limited



Imran Khan  
Company Secretary



CC: Company Law Division – SECP Islamabad

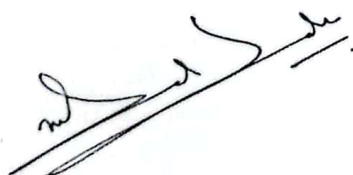
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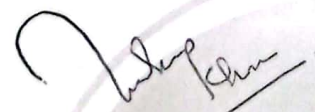
## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT - UNAUDITED FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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

The annexed notes from 1 to 21 form an integral part of these financial statements.



Chief Financial Officer

Company Secretary

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# THE ORGANIC MEAT COMPANY LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2024 (UN-AUDITED)

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

### CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 21 form an integral part of these financial statements.



Chief Financial Officer




Company Secretary

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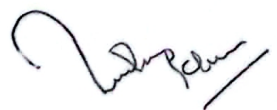
## CONDENSED INTERIM STATEMENT OF CASH FLOWS - UNAUDITED FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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

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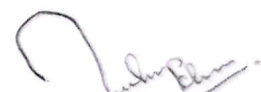
# THE ORGANIC MEAT COMPANY LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Share capital	Bonus shares Issuable	Reserves		Revaluation surplus on property, plant and equipment net	Total shareholders' equity
			Capital	Revenue		
			Share premium	Unappropriated profit		
Rupees						
Balance as at July 01, 2023 (Audited)	1,349,920,120	134,992,012	377,152,913	1,666,295,227	1,011,150,446	4,539,510,718
Total comprehensive income for the period	-	-	-	51,923,536	-	51,923,536
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation - net of tax				17,861,784	(17,861,784)	-
Balance as at September 30, 2023 (Unaudited)	<u>1,349,920,120</u>	<u>134,992,012</u>	<u>377,152,913</u>	<u>1,736,080,547</u>	<u>993,288,662</u>	<u>4,591,434,254</u>
Balance as at July 01, 2024 (Audited)	1,484,912,132	-	377,152,913	2,233,329,487	848,827,642	4,944,222,174
Total comprehensive income for the period	-	-	-	170,606,103	-	170,606,103
Revaluation surplus on property, plant and equipment realized on account of incremental depreciation - net of tax				17,861,784	(17,861,784)	-
Balance as at September 30, 2024 (Unaudited)	<u>1,484,912,132</u>	<u>-</u>	<u>377,152,913</u>	<u>2,421,797,374</u>	<u>830,965,858</u>	<u>5,114,828,277</u>



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## DIRECTORS' REVIEW

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

### **Operational Review**

The primary business activities of The Organic Meat Company Limited ("TOMCL") is exporting fresh chilled meat, frozen meat, frozen cooked beef and frozen (white and red) offals to the Middle Eastern, Far Eastern including China, CIS, and South Asian markets as well as pet foods to the USA, Canada and other Eastern European markets. Recently the Company has secured permission to export beef casing to Europe. At present your Company has the ability to export to more than a dozen countries. Your Company is pleased to report that last year it had received beef casing export approval for the whole of European union (EU) as well as approvals from the UAE authorities as the only exporter from Pakistan for red and white offals. Our products are carefully packaged in cloth, vacuum packed or IWP (individually wrapped packing) food grade plastic, MAP (Modified Atmospheric Packaging) and are exported via land, sea and air. The meat slaughtering and cooked beef processing facilities and the animal fattening farm are located at Gadap, Karachi and the offal processing and pet food processing are situated at Korangi Industrial Area, Karachi.

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

In this quarter, your Company secured a USD 12 million contract to export frozen cooked beef to China. The UAE remained our largest market, accounting for approximately 50% of total sales volume. Additionally, exports of offal to the Far East have rebounded to pre-COVID levels this quarter. Your Company also expanded its frozen cooked beef exports to China following approvals received in Q2 of FY2024.

### **Financial Review**

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

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

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

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



# THE ORGANIC MEAT COMPANY LIMITED



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

#### **Mohammad Saeed Mohammad Hussain Limited (MSMHL) Acquisition:**

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

#### **Future Outlook:**

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

#### **Acknowledgement:**

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

For and on behalf of the Board of Directors

NIHAL CASSIM  
Chairman



FAISAL HUSSAIN  
Chief Executive Officer

October 29, 2024