

THE ORGANIC MEAT COMPANY LIMITED

October 30, 2023

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

FINANCIAL RESULTS FOR THE PERIOD ENDED 30-09-2023

Dear Sir,

We have to inform you that the Board of Directors of our Company in its meeting held on Monday, October 30, 2023 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 | |

The financial results of the Company are enclosed.

The quarterly report of the Company for the period ended September 30, 2023 will be transmitted through PUCARS within specified time.

Thanking you,

Yours truly,
For The Organic Meat Company Limited



Imran Khan
Company Secretary



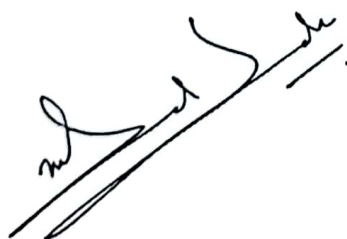
Office Address: Plot No. 257, Sector 24, Korangi Industrial Area,
Karachi-Pakistan. Tel #: +92-21-35151298, +92-21-35059969, +9235077969
E-mail: info@tomcl.net Web: www.tomcl.net
Plant Address: Survey # 310, Deh Shah Mureed, Gadap, Karachi-Pakistan.

THE ORGANIC MEAT COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT - UNAUDITED FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Note	September 30, 2023 Rupees	September 30, 2022 Rupees
Sales - net	12	2,292,232,065	1,139,998,325
Cost of sales	13	(2,022,723,369)	(974,851,638)
Gross profit		269,508,696	165,146,687
Administrative expenses	14	(30,107,124)	(26,094,340)
Selling expenses	15	(113,312,675)	(63,078,771)
Allowance for doubtful debt		(6,758,110)	(6,976,460)
		(150,177,909)	(96,149,571)
Operating profit		119,330,787	68,997,116
Finance costs		(62,421,443)	(35,410,347)
Other income / (expense) - net		18,488,582	90,311,945
		(43,932,861)	54,901,598
Profit before taxation		75,397,926	123,898,714
Taxation		(23,474,390)	(12,211,938)
Profit after taxation		51,923,536	111,686,776
			(Restated)
Earnings per share - basic and diluted	16	0.38	0.83

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



Chief Financial Officer




Company Secretary

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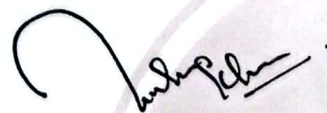
THE ORGANIC MEAT COMPANY LIMITED

THE ORGANIC MEAT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023 (UN-AUDITED)

	Note	(Un-audited) September 30, 2023 Rupees	(Audited) June 30, 2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,490,546,025	2,505,487,450
Right-of-use asset		8,135,796	8,630,607
Intangible asset		1,954,200	1,979,199
Total non-current assets		2,500,636,021	2,516,097,256
CURRENT ASSETS			
Stock-in-trade		277,888,486	244,793,633
Biological assets other than bearer plants		32,757,448	62,489,961
Trade debts - considered good	5	2,297,296,726	2,265,501,193
Advance against investment		147,272,301	-
Loans and advances		326,426,933	353,215,227
Deposits, prepayments and other receivables		174,185,320	154,666,449
Cash and bank balances	6	123,605,762	218,645,543
Total current assets		3,379,432,976	3,299,312,006
TOTAL ASSETS		5,880,068,997	5,815,409,262
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 135,000,000 (2021: 135,000,000) Ordinary shares of Rs.10 each		1,650,000,000	1,650,000,000
Issued, subscribed and paid up share capital (134,992,012 (2023: 122,999,555) Ordinary shares of Rs.10 each	7	1,349,920,120	1,349,920,120
Bonus shares issuable	7.1	134,992,012	134,992,012
Reserves	8	2,113,233,461	2,043,448,140
Revaluation surplus on property, plant and equipment - net		993,288,661	1,011,150,446
		4,591,434,254	4,539,510,718
NON-CURRENT LIABILITIES			
Long term borrowings - secured	9	61,352,803	67,316,339
Long term lease liability		3,393,691	3,978,865
		64,746,494	71,295,204
CURRENT LIABILITIES			
Current maturity of long term borrowings - secured	9	24,557,949	24,557,949
Current portion of lease liability		2,014,011	2,014,011
Short term loan from related parties - unsecured		-	-
Short term borrowings - secured	10	919,986,356	944,907,362
Trade and other payables		144,063,854	144,093,985
Accrued expenses and other liabilities		66,230,149	43,587,953
Accrued mark-up		64,365,690	43,681,582
Unclaimed dividend		471,492	615,760
Taxation - net		2,198,748	1,144,738
Total current liabilities		1,223,888,249	1,204,603,340
TOTAL EQUITY AND LIABILITIES		5,880,068,997	5,815,409,262
CONTINGENCIES AND COMMITMENTS			
	11		
The annexed notes from 1 to 21 form an integral part of these financial statements.			



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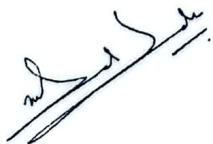
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CONDENSED INTERIM STATEMENT OF CASH FLOWS - UNAUDITED
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Note	September 30, 2023 Rupees	September 30, 2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation for the period		75,397,926	123,898,714
<i>Adjustment for non cash items:</i>			
Depreciation on property, plant and equipment	4.1	35,413,425	38,038,148
Depreciation on right of use assets		494,811	143,896
Amortization expense		25,000	25,000
Provision against trade debtors		6,758,110	(6,976,460)
Unrealised exchange loss / (gain) on trade debtors		33,600,487	(10,293,863)
Unrealized gain on biological assets		(6,385,053)	(1,778,227)
Finance costs		62,421,443	35,410,347
Provision for Worker's Profit Participation Fund		-	5,391,577
Provision for Worker's Welfare Fund		-	975,156
		132,328,223	60,935,574
Working capital changes			
Stock-in-trade		(33,094,853)	(62,519,362)
Biological assets		36,117,566	5,998,499
Trade debts		(72,154,130)	2,107,481
Loans and advances		26,788,294	(26,931,891)
Deposits and prepayments and other receivables		(19,518,871)	920,497
Accrued expenses and other liabilities		22,642,196	(27,609,857)
Trade and other payables		(43,302,442)	(38,099,748)
		(82,522,240)	(146,134,381)
Cash generated from operating activities		125,203,909	38,699,907
Income taxes paid		(22,420,380)	(12,172,112)
Finance costs paid		(41,481,729)	(36,969,616)
Net cash generated / (used in) from operating activities		61,301,800	(10,441,821)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(20,472,000)	(5,286,078)
Addition to intangible assets		-	(339,000)
Advance paid against investment in subsidiary		(103,999,990)	-
Net cash used in investing activities		(124,471,990)	(5,625,078)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan repaid		(5,963,536)	(2,545,850)
Payment of lease rentals		(840,781)	(181,426)
Dividends paid		(144,268)	(118,111)
Net cash used in financing activities		(6,948,585)	(2,845,387)
Net increase in cash and cash equivalent		(70,118,775)	(18,912,286)
Cash and cash equivalent at beginning of the period		(726,261,819)	(503,194,471)
Cash and cash equivalent at end of the period	17	(796,380,594)	(522,106,757)

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



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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	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, 2022 (Audited)	1,229,995,550	-	377,152,913	1,137,807,844	409,990,050	3,154,946,357
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	-	-	-	144,268	(144,268)	-
Balance as at September 30, 2022 (Unaudited)	<u>1,229,995,550</u>	<u>-</u>	<u>377,152,913</u>	<u>1,189,875,648</u>	<u>409,845,782</u>	<u>3,206,869,893</u>
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>



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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, 2023.

Operational Review

The primary business activities of The Organic Meat Company Limited ("TOMCL") is exporting fresh chilled meat, frozen meat and frozen offal to the Middle Eastern, Far Eastern, CIS, and South Asian markets as well as pet foods to the USA and other Eastern European markets. At present your Company has the ability to export to more than a dozen countries. 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 facility and the animal fattening farm are located in Gadap, Karachi and the offal processing, cooked and pet food processing are at Korangi, Karachi.

TOMCL sold 2155 MT of chilled meat, frozen meat and frozen offal including pet chews during the first quarter of the current financial year. Volumetric sales of frozen products grew by 442%, while sales of fresh chilled meat were 40% of total sales volume.

During this quarter your Company has started exports of MAP vacuum chilled meat products to the UAE market and expects that this new product category will have a steady demand in the UAE market. The UAE continued to remain our largest market with about 48% of volumetric sales. Further, the exports of offal have picked up in the current quarter to the far East and pet chews exports to North and South America.

Financial Review

During the first quarter of the current financial year, your Company's sales grew by 101% to reach at PKR 2,292.23 million. Margin were maintained due to reduction in prices of raw materials and packing materials due to the reduced US\$ / PKR parity.

Decreased selling prices averaged around 0.45% for every product category in US\$ terms and devaluation of PKR against USD average 47.10%, as against the comparative financial period. The 107% increase in cost is directly attributable to increased sales.

Operating expenses increased primarily due to net increase as compared to the previous period is due to the rising freight rates, and PKR devaluation against USD which also led to increase in freight rates.

Finance charges have increased significantly by 76% due to the net effect of the rising mark-up costs on borrowings during the past year. Another significant change in the income is attributable to reduction in exchange gains on realizations of export proceeds due to strengthening of PKR as against USD.

THE ORGANIC MEAT COMPANY LIMITED



Your Company has posted an EPS of PKR 0.38 for this quarter compared to 0.83 (restated) for the same period last year. A table summarizing the financials is presented below:

	Sept 30, 2023	Sept 30, 2022	Change % Increase/(decrease)
	----- (PKR) -----		
Sales – Net	2,292,232,065	1,139,998,325	101%
Gross Profit	269,508,696	165,146,687	63%
Operating Expenses	(150,177,909)	(96,149,571)	56%
Other Income/(Expense)	18,488,582	90,311,945	-80%
Finance Cost	(62,421,443)	(35,410,347)	76%
Profit before taxation	75,397,926	123,898,714	-39%
Taxation	(23,474,390)	(12,211,938)	92%
Net Profit	51,923,536	111,686,776	-54%
EPS	0.38	0.83	-54%

Muhammad Saeed Muhammad Hussain Limited Acquisition:

Your Company is in the process of acquiring management and Board control of MSMHL subject to formal intimation and notification by SECP and is expecting this process to complete by Q2Y24.

Future Outlook:

Despite the challenges and the uncertainty of the sociopolitical climate, the Company is on an aggressive growth trajectory and is expanding its operations in the areas where it is inevitable in line with our business strategy and market demands.

Acknowledgement:

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

For and on behalf of the Board of Directors

NIHAL CASSIM
Chairman

FAISAL HUSSAIN
Chief Executive Officer

October 30, 2023