

First Quarterly Report

For The Period Ended
30 September, 2022



Punjab Oil Mills Limited

AN ISO 9001, 14001, 45001, HALAL PS 3733 & FOOD SAFETY SYSTEMS CERTIFIED COMPANY

Exploring new horizons!



PUNJAB OIL MILLS LIMITED

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Punjab Oil Mills Limited

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Tahir Jahangir Mr. Usman Ilahi Malik Mr. Jilani Jahangir Mr. Furqan Anwar Batla Mrs. Munizae Jahangir Miss Mehrunisa Malik Mr. Firasat Ali	Chairman Chief Executive Officer Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Independent Director
AUDIT COMMITTEE	Mr. Firasat Ali Mr. Furqan Anwar Batla Miss Mehrunisa Malik	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Firasat Ali Mr. Usman Ilahi Malik Mr. Jilani Jahangir Mr. Furqan Anwar Batla Mrs. Munizae Jahangir	Chairman Member Member Member Member
MANAGEMENT COMMITTEE	Mr. Tahir Jahangir Mr. Usman Ilahi Malik Mr. Jilani Jahangir Mr. Furqan Anwar Batla Miss Mehrunisa Malik	Chairman Member Member Member Member
CHIEF FINANCIAL OFFICER	Mr. Muhammad Saeed Malik	
COMPANY SECRETARY	Rana Shakeel Shaukat	
HEAD OF INTERNAL AUDIT	Mr. Shahzad Haider Khan	
AUDITORS	Malik Haroon Shahid Safdar & Co. Chartered Accountants	
LEGAL ADVISORS	A.G.H.S Law Associates	
BANKERS	JS. Bank Limited MCB Bank Limited Habib Metropolitan Bank Limited Faysal Bank Limited Bank Al-Habib Limited	
REGISTERED OFFICE/WORKS	Plot No. 26-28, Industrial Triangle, Kahuta Road, Islamabad Tel: 051 -4490017-20, Fax: 051-4490016 & 4492803 Email: corporate@punjaboilmills.com Website: www.punjaboilmills.com	
HEAD OFFICE	19-A/1, Block E-II, Gulberg III, Lahore. Tel: 042-35761585-6 Email: corporate@punjaboilmills.com	
SHARE REGISTRAR OFFICE	M/s Corplink (Private) Limited Wings Arcade, 1-K, Commercial Model Town, Lahore Tel: 042 -35916714, 35916719 Fax: 042 -35869037 Email: corplink786@gmail.com	



Directors' Report

Operating Performance

In the quarter under review (Q1 FY2023), the company's revenue for the 3 months increased by 24.66% compared to the same period last year. This was primarily due to higher selling prices for the period, stemming from higher raw material cost compared to the same period last year.

Though rising prices led to an increase in revenue, our gross margins clocked in at 9.58%, compared to 11.12% same quarter last year, constraining the growth in our gross profits for period under review to 7.4%.

Over-all operating expenses increased by 8.91% for the period, with the selling and distribution costs declining marginally by 2.88% - mainly on account of lower provisioning for advertisement - and administrative costs increasing by 30.86%. Main reasons for the rise in administrative costs were higher salaries and increased conveyance charges. As a result, the operating profit increased by 3.59% for the period under review.

Finance costs increased significantly for the quarter, as the company used more bank facilities to finance increased working capital needs while interest rates were also higher for the period. Conversely, higher interest rates also contributed to a sharp rise in other income in the shape of higher earnings on bank deposits.

Higher financial expenses converted the increase in profits at the operating level to a 21.57% decrease in profit before tax recorded for the quarter compared to same period last year.

Although the pre-tax profit was lower, our tax provision was higher for the period, up by 24.67% due to minimum tax. As a result, the company posted a profit after tax of PKR 10.66 million for the 3 quarter under review.

Outlook for the Year

Our outlook for the remaining 3 quarters has not changed much from the annual review done one month ago. We are still anticipating a difficult business environment for the company as the international oil markets continue to be volatile and a high degree of economic uncertainty prevails, especially with regards to the exchange rate and country's balance of payments position; which has a profound effect on import reliant companies like us.

However, the international markets have come off their highs of this calendar year, and if the PKR remains stable and market volatility normalizes, this will contribute to a lowering of prices and bring some relief to our margins in the medium term.



Punjab Oil Mills Limited

Having said this, it must be pointed out that at this time with inflationary pressures and a bleak economic outlook, the spending power of consumers is being diverted to lower prices brands. As we are operating in the premium segment, this could affect our volumes going forward, and we may have to rethink our pricing strategy with consequent impact on our profitability.

Acknowledgements

We would like to take this opportunity to thank our customers, suppliers and bankers for their continued support and cooperation towards the progress of the company. We hope that this support would continue in the future as well.

We would also like to thank our dedicated and talented team of executives, staff and workers for the hard work put in during the period. We expect continued efforts from our employees to achieve better results in the next three months.

And last, but not the least, the management is thankful to the board for its strong support and guidance in executing the vision and objectives set for the company.

(TAHIR JAHANGIR)
CHAIRMAN

For & on behalf of the board

(USMAN ILAHI MALIK)
CHIEF EXECUTIVE OFFICER

Islamabad:

Date: October 28, 2022



Punjab Oil Mills Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER, 2022 (UN-AUDITED)

	1st Quarter Ended 30-09-2022 Rupees (Un-Audited)	YEAR ENDED 30-06-2022 Rupees (Audited)
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital 10,000,000 (30 June 2022, 10,000,000) ordinary shares of Rs. 10/- each	100,000,000	100,000,000
Issued, subscribed and paid-up capital	53,906,520	53,906,520
Capital reserves	23,137,159	23,137,159
Surplus on revaluation of property, plant and equipment- net of tax	1,780,741,680	1,782,650,951
Revenue reserves	922,045,925	909,474,371
	2,779,831,284	2,769,169,001
NON-CURRENT LIABILITIES		
Deferred liabilities	195,867,053	193,482,102
Long term borrowings	3,983,329	4,215,661
	199,850,382	197,697,763
CURRENT LIABILITIES		
Trade and other payables	920,324,771	1,035,110,975
Short term borrowings	686,899,069	413,412,029
Current portion of long term borrowings	6,036,424	11,082,599
Accrued mark up	11,628,697	6,840,235
Unclaimed dividend	9,102,088	9,102,088
Provision for taxation	257,927,888	229,419,610
	1,891,918,937	1,704,967,536
Contingencies and commitments	-	-
	4,871,600,603	4,671,834,300
ASSETS		
NON-CURRENT ASSETS		
Tangible fixed Assets		
Property, plant and equipment	2,112,969,056	2,124,245,065
Right to use Assets	4,956,839	5,127,764
Capital work in progress	3,959,586	-
	2,121,885,481	2,129,372,829
Intangible assets	3,068,196	4,921,896
Investment in associate	-	-
Long term deposits	83,662,750	69,507,850
	2,208,616,427	2,203,802,575
CURRENT ASSETS		
Stores, spare parts and loose tools	150,074,085	137,349,995
Stock in trade	900,140,205	832,322,595
Trade debts	1,083,556,054	1,058,124,372
Loans and advances	62,853,951	76,597,371
Trade deposits and short term prepayments	29,157,120	29,665,367
Short term investment	-	8,000,000
Other receivables	73,743,389	49,079,364
Advance income tax	269,089,162	213,296,936
Cash and bank balances	94,370,210	63,595,725
	2,662,984,176	2,468,031,725
	4,871,600,603	4,671,834,300

The annexed notes form an integral part of these financial statements

CHAIRMAN

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER



Punjab Oil Mills Limited

CONDENSED INTERIM PROFIT OR LOSS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2022 (UN-AUDITED)

	1st Quarter Ended 30.09.2022	1st Quarter Ended 30.09.2021
	Rupees	Rupees
Sales - net	2,279,726,478	1,828,761,344
Cost of sales	2,061,360,120	1,625,448,901
Gross profit	218,366,358	203,312,443
Operating Expenses		
Selling and distribution Cost	92,151,663	94,882,463
Administrative expenses	66,662,968	50,942,016
	158,814,631	145,824,479
Operating profit	59,551,727	57,487,964
Finance cost	24,388,251	6,729,602
Other charges	3,259,064	4,000,191
	27,647,315	10,729,793
	31,904,412	46,758,171
Other income	7,266,149	3,188,144
Profit before taxation	39,170,561	49,946,315
Taxation	28,508,278	22,866,822
Profit after Taxation	10,662,283	27,079,493
Earning per Share -Basic and diluted	1.98	5.02

The annexed notes form an integral part of these financial information.

First Quarterly Report


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Punjab Oil Mills Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2022 (UN-AUDITED)

	IST QUARTER ENDED 30.09.2022 RUPEES	IST QUARTER ENDED 30.09.2021 RUPEES
Profit after taxation	10,662,283	27,079,493
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	10,662,283	27,079,493

The annexed notes form an integral part of these financial statements

First Quarterly Report


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Punjab Oil Mills Limited

CONDENSED INTERIM CASH FLOWS STATEMENT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2022 (UN-AUDITED)

	1ST QUARTER ENDED 30-09-2022 Rupees	1ST QUARTER ENDED 30-09-2021 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period before taxation	39,170,561	49,946,315
Adjustments for following items:		
Workers' profit participation fund	2,125,095	2,690,125
Workers' welfare fund	842,779	1,074,213
Gain on disposal of property, plant and equipment	-	-
Provision for staff retirement benefits	4,623,986	3,907,649
Depreciation	13,019,460	9,357,018
Amortization of Intangible assets	1,853,700	1,853,700
Finance cost	24,388,251	6,729,602
	<u>46,853,271</u>	<u>25,612,307</u>
Operating Profit before Working Capital Changes	86,023,832	75,558,622
(Increase)/Decrease in Current Assets:		
Stores, spare parts and loose tools	(12,724,090)	(17,028,647)
Stock in trade	(67,817,610)	128,659,145
Trade debts	(25,431,682)	(290,977,964)
Loan and advances	13,743,420	(9,300,150)
Trade deposits and short term prepayments	508,247	6,295,719
Sort Term Investment	8,000,000	-
Other receivables	(24,664,025)	26,648,203
	<u>(108,385,740)</u>	<u>(155,703,694)</u>
Increase / (Decrease) in Current Liabilities:		
Trade and other payables	(118,117,547)	117,693,639
Cash generated from operations	<u>(140,479,455)</u>	<u>37,548,567</u>
Workers' profit participation fund paid	-	-
Workers' welfare fund paid	-	-
Staff retirement benefits paid	(2,239,035)	(222,472)
Finance cost paid	(19,443,095)	(5,665,112)
Income tax paid	(55,999,011)	(25,514,024)
Dividend paid	-	(5,040)
	<u>(77,681,141)</u>	<u>(31,406,648)</u>
Net cash generated from/ (Used in) operating activities	(218,160,596)	6,141,919
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,228,078)	(2,645,648)
Payment Against Lease Liabilities	(231,824)	-
Capital work in progress	(3,959,586)	(5,620,798)
Long term deposits	(14,154,900)	(2,064,383)
Net cash used in investing activities	(19,574,388)	(10,330,829)
CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowing	(4,977,571)	(4,701,119)
Short term borrowings	273,487,040	89,791,790
current Portion of long term borrowings	-	(345,561)
Net cash flow generated from financing activities	268,509,469	84,745,110
Net increase in cash and cash equivalents	30,774,485	80,556,200
Cash and cash equivalents at the beginning of the period	63,595,725	26,674,054
Cash and cash equivalents at the end of the period	<u>94,370,210</u>	<u>107,230,254</u>

The annexed notes form an integral part of these financial statements

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CHIEF EXECUTIVE OFFICER



Punjab Oil Mills Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2022 (UN-AUDITED)

	(RUPEES)					
	SHARE CAPITAL	CAPITAL RESERVES	REVALUATION SURPLUS	REVENUE RESERVES	ACCUMULATE D PROFIT	TOTAL
Balance as at 01 July ,2021	53,906,520	23,137,159	355,504,971	8,600,000	826,956,503	1,268,105,153
Total Comprehensive Income for the period	-	-	-	-	-	-
Profit for the period ended 30 September ,2021	-	-	-	-	27,079,493	27,079,493
Transfer from surplus on revaluation of property, plant and equipment	-	-	(2,022,124)	-	2,022,124	-
Balance as at 30 September ,2021	53,906,520	23,137,159	353,482,847	8,600,000	856,058,120	1,295,184,646
Balance as at 01 July ,2022	53,906,520	23,137,159	1,782,650,951	8,600,000	900,874,371	2,769,169,001
Total Comprehensive Income for the period	-	-	-	-	-	-
Profit for the period ended 30 September ,2022	-	-	-	-	10,662,283	10,662,283
Transfer from surplus on revaluation of property, plant and equipment	-	-	(1,909,271)	-	1,909,271	-
Balance as at 30 September ,2022	53,906,520	23,137,159	1,780,741,680	8,600,000	913,445,925	2,779,831,284

The annexed notes form an integral part of these financial statements

First Quarterly Report

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2022 (UN-AUDITED)

1 LEGAL STATUS AND OPERATIONS

Punjab Oil Mills ('the company') was incorporated in Pakistan as a Public Limited Company. Its shares are quoted on Pakistan Stock Exchange Ltd. It is mainly engaged in the manufacturing and sale of Ghee, Cooking Oil, Speciality Fats, laundry Soap, Mushroom and coffee.

2 BASIS OF PREPARATION

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of International Financial Reporting Standard (IFRS) IAS 34 as applicable in Pakistan. This condensed interim financial information and disclosures required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June, 2022.

This condensed interim financial information is being submitted to the shareholders as required by the listing regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the preceding year ended 30 June, 2022.

4 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 28 October, 2022 by the Board of Directors of the Company.

5 GENERAL

-Figures have been rounded off to the nearest of rupees, unless otherwise stated.
-Comparative figures have been rearranged and reclassified, where necessary, for the purpose of better presentation and comparisons.


CHAIRMAN


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER





Contact Information

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