



PUNJAB OIL MILLS LIMITED

An ISO 9001, 14001, 45001, Halal PS 3733 & Food Safety System Certified Company

Registered Office & Mills : 26-28, Industrial Triangle, Kahuta Road, Islamabad, Pakistan.
Phone: +92 51 449 0017-20
Fax: +92 51 449 2803
P.O Box: 1321, Rawalpindi
E-mail: info@punjaboilmills.com
Web: punjaboilmills.com

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

March 07, 2023

DISCLOSURE UNDER REGULATION 3(1)(A)(B)(II) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS 2017 (THE "REGULATIONS")

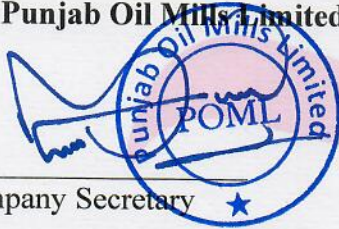
Dear Sir/Madam,

Pursuant to the Annual General Meeting ("AGM") of Punjab Oil Mills Limited (the "Company") held on Friday, October 28, 2022, at 10:00 AM. We are enclosing herewith some disclosures that were not properly disclosed in the notice of AGM under regulation 3(1)(a)(b)(ii) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 (the "Regulations").

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Thanking you,

Yours faithfully,
For Punjab Oil Mills Limited



Company Secretary

CC: The Executive Director
Offsite-II, Department
Supervision Division
Securities and Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area,
Islamabad

The Head of Adjudication Department
Adjudication Department-I
Securities and Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area,
Islamabad



CANOLIVE COOKING OIL & BANASPATI - ZAIQA BANASPATI & COOKING OIL - NATURELLE BANASPATI & COOKING OIL - ELLA BANASPATI & COOKING OIL - ROYAL FRY ALL - TERRA DELYSSA - TERRA DI OLIO - SPECIALITY FATS - TRU BRU COFFEE - RAJA SOAP

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Pursuant to the Annual General Meeting ("AGM") of Punjab Oil Mills Limited (the "Company") held on Friday, October 28, 2022, at 10:00 AM, shareholders of the Company unanimously passed the special resolution regarding loan to Premier Garments Limited. The shareholders who attended the meeting thoroughly discussed the nature of that transaction. The Securities and Exchange Commission of Pakistan (the Commission), through various correspondence, sought necessary clarification from the Company and inquired about the following missing disclosures that were not properly disclosed in the Notice of AGM in accordance with the provisions of the applicable law. The loan transaction has been explained to the Commission. The loan approved by the Board of Directors and shareholders of the Company has not yet been disbursed. In this regard, we requested that the Commission allow us to disburse the Loan as approved by the Shareholders and assured them that we would distribute the following disclosures to all shareholders for review and rectification.

Special Resolution under Section 199 of the Companies Act, 2017, with or without modification(s), addition(s) and/or deletion(s):

RESOLVED THAT, the approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 (the "Act") and Regulation 5(5) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 (the "Regulations") and subject to the compliance with all statutory and legal requirements, to give a loan of up to PKR 5.5 Million (Rupees Five Million Five Hundred Thousand Only) to Premier Garments Limited ("PGL"), being an associated undertaking, for a period of five years starting from the date of approval by shareholders.

FURTHER RESOLVED THAT, the said resolutions shall be valid for five years starting from the date of approval by the shareholders and the Chief Executive Officer and/or Company Secretary of the Company be and are hereby jointly and/ or severally empowered and authorized to undertake the decision of said investment(s) as and when required and to take all steps and actions necessary, incidental and ancillary to, including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of implementing the aforesaid resolution.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017. THIS STATEMENT SETS OUT THE MATERIAL FACTS CONCERNING THE SPECIAL BUSINESS WHICH IS TRANSACTED AT THE ANNUAL GENERAL MEETING OF THE COMPANY

Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment

Purpose of the transaction to pay off the loan liability of National Bank Limited.

Punjab Oil Mills Limited owns 39% of Premier Garments Limited (PGL) and has recorded zero cost in the company's accounts due to the ceasing of PGL operations. If the company



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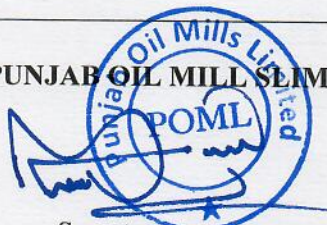
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| | <p>is revived in the future, the value of the shares will increase, benefiting the Company and its members.</p> <p>The Company is giving loan to PGL to pay off the NBP liability. This will improve PGL relationship with the banks which is strained as a result of overdue bank loan, which also reflects negatively on the Company's own banking relationships. It is in the best interests of the Company for PGL to settle its bank liabilities amicably, so the Company's reputation is improved with the banks.</p> <p>Furthermore, PGL assets will be freed and can be used or planned as efficiently as possible. If PGL is resurrected in the future, the value of its shares will rise, benefiting both the company and its shareholders. Even if PGL assets are to be sold off in the future, 39% of the net proceeds will accrue to the Company and the value of the same will be much greater if sold at fair market rates rather than forced liquidation.</p> <p>Currently PGL has rented out this facility at PKR 600,000/- per month to Canter (Private) Limited. This means annual inflow of PKR. 7,200,000/-, resulting in positive cash flows sufficient to cover the balance and interest cost due to the Company.</p> |
| Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: - | PGL has no operating activity at the moment and unable to pay off the loan amount to NBP. However, it has a valuable facility (land and buildings). |
| Salient features of the agreement (if any) with associated company or associated undertaking with regards to proposed investment. | Mr. Jillani Jahangir is Managing Director, Mr. Tahir Jahangir and Mrs. Munizae Jahangir are also Non-Executive Directors of Premier Garments Limited. |
| Average borrowing cost of the investing Company. | The average borrowing cost of the investing company is (3-month KIBOR + 1.71%+0.50%) |

For PUNJAB OIL MILLS LIMITED


Punjab Oil Mills Limited
POML

Company Secretary



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