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## OUR VISION

To establish POML as a growing and diversified food and consumer goods company that consistently exceeds customers' expectations by delivering the highest standards in product development, production, distribution and marketing, while maximizing shareholder value by efficient allocation of the Company's resources.

POML seeks to combine innovation and creativity with diligent resource and risk management to consistently create value for all its stakeholders and play a meaningful and sustainable role in the economic and social development of Pakistan.

POML has no wish to influence people's beliefs; instead disassociates itself from any activity that challenges our commitment to cultural diversity and equal opportunity.



# OUR MISSION

To achieve excellence in the development, production and marketing of edible oils & fats and soap products in order to maximize customers' satisfaction, achieve and sustain growth, minimize costs and maximize profits; resulting in a secure and rewarding investment to our shareholders and investors.



## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. Tahir Jahangir Mr. Usman Ilahi Malik Mr. Jillani Jahangir Mr. Furqan Anwar Batla Mrs. Munizae Jahangir Miss Mehrunisa Malik Mr. Firasat Ali Mr. Saif Ali Rastgar	Chairman Chief Executive Officer Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Independent Director Independent Director
<b>AUDIT COMMITTEE</b>	Mr. Firasat Ali Mr. Furqan Anwar Batla Miss Mehrunisa Malik	Chairman Member Member
<b>HUMAN RESOURCE &amp; REMUNERATION COMMITTEE</b>	Mr. Saif Ali Rastgar Mr. Usman Ilahi Malik Mr. Jillani Jahangir Mr. Furqan Anwar Batla Mrs. Munizae Jahangir	Chairman Member Member Member Member
<b>MANAGEMENT COMMITTEE</b>	Mr. Tahir Jahangir Mr. Usman Ilahi Malik Mr. Jillani Jahangir Mr. Furqan Anwar Batla Miss Mehrunisa Malik	Chairman Member Member Member Member
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Muhammad Saeed Malik	
<b>COMPANY SECRETARY</b>	Rana Shakeel Shaukat	
<b>HEAD OF INTERNAL AUDIT</b>	Mr. Shahzad Haider Khan	
<b>AUDITORS</b>	Malik Haroon Shahid Safdar & Co. Chartered Accountants	
<b>LEGAL ADVISORS</b>	A.G.H.S Law Associates	
<b>BANKERS</b>	JS. Bank Limited MCB Bank Limited Habib Metropolitan Bank Limited Faysal Bank Limited Bank Al-Habib Limited	
<b>REGISTERED OFFICE/WORKS</b>	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	
<b>HEAD OFFICE</b>	19-A/1, Block E-II, Gulberg III, Lahore. Tel: 042-35761585-6 Email: corporate@punjaboilmills.com	
<b>SHARE REGISTRAR OFFICE</b>	M/s Corplink (Private) Limited Wings Arcade, 1-K, Commercial Model Town, Lahore Tel: 042 -35916714, 35916719 Fax: 042 -35869037 Email: corplink786@gmail.com	



## Information for Shareholders

### Listing on Stock Exchange

Pakistan Stock Exchange

### Stock Symbol

The stock code for dealing in equity shares of the Company at Pakistan Stock Exchange Limited is 'POML'

### Listing Fee

The Annual listing fee for the Financial Year 2023-2024 was paid to the PSX and CDC within the prescribed time limit.

### Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all returns/forms and furnished all relevant particulars/information as required under the Companies Act, 2017 and allied rule, the listing requirements and any other relevant laws, rules and regulations prescribed by the Securities and Exchange Commission of Pakistan (SECP.)

### Share Transfer System

Shares transfer received by the Company's Share Registrar are registered with the prescribed period.

### Notification of SECP for the purpose of CNIC of Shareholders

The shareholders are informed that SECP through SRO 779(I)2011 dated August 18, 2011 has made it mandatory that dividend warrants issued by the issuer should bear Computerized National Identity Card (CNIC) numbers of the registered shareholders, except in the case of minor(s) and corporate shareholders. The shareholders are, therefore, requested to provide by mail or fax, photocopy of their CNIC and in case of foreigner copy of passport, unless it has already been provided.

### Financial Information

The Company has uploaded the Annual and Quarterly Accounts on the Company's website.

### Company's Website

Updated information regarding the Company can be accessed at [www.punjaboilmills.com](http://www.punjaboilmills.com). The website contains the latest Financial Results of the Company together with Company's profile and product range.

### Financial Information

The Company has uploaded the Annual and Quarterly Accounts on the Company's website.

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 42<sup>nd</sup> Annual General Meeting (“AGM”) of **Punjab Oil Mills Limited** (the “Company”) will be held on Thursday, October 26, 2023, at 10:30 AM at the registered office of the Company situated at Plot No. 26-28, Industrial Triangle, Kahuta Road, Islamabad to transact the following business:

### **ORDINARY BUSINESS**

1. To confirm the minutes of the Extraordinary General Meeting of the members held on June 24, 2023.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2023, together with the Chairman's Review Report, Directors' Report and Auditors Reports thereon.
3. To approve the payment of final cash dividend at the rate of 15% i.e., Rs.1.50/- per share as recommended by the Board of Directors for the year ended June 30, 2023.
4. To appoint Auditors of the Company for the year ending June 30, 2024 and fix their remuneration. The retiring auditor M/s. Malik Haroon Shahid Safdar & Co., retires and being eligible, offers themselves for re-appointment. The shareholders are hereby notified that the Audit Committee and the Board of Directors have recommended the name of M/s Crowe Hussain Chaudhary & Co. Chartered Accountants for appointment as auditors of the Company for the next year 2024.
5. To appoint Cost Auditors of the Company for the year ending June 30, 2024 and fix their remuneration. The shareholders are hereby notified that the Audit Committee and the Board of Directors have recommended the name of M/s BDO Ebrahim & Co. Chartered Accountants for appointment as Cost Auditors of the Company for the next year 2024.

### **SPECIAL BUSINESS**

6. **To ratify and approve arm's length transactions carried out with associated companies/ undertakings in the normal course of business in accordance with Section 208 of the Companies Act 2017:**

**RESOLVED THAT**, the related party transactions carried out in the normal course of business with associated companies/undertakings as disclosed in respective notes to the Audited Financial Statements for the year ended June 30, 2023 be and are hereby ratified, approved and confirmed;

**FURTHER RESOLVED THAT**, the Chief Executive officer of the Company be and is hereby authorized to approve all related party transactions carried out in the normal course of business with associated companies/ undertakings during the year ended June 30, 2024 and in this regard the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all documents/indentures as may be required on behalf of the Company.



## **OTHER BUSINESS:**

7. To transact any other business with the permission of the Chair.

**By Order of the Board**

Lahore: October 04, 2023

**(Rana Shakeel Shaukat)**  
**Company Secretary**

## **NOTES: -**

1. The Register of Members and Share Transfer Books of the Company will remain closed from October 20, 2023 to October 26, 2023 (both days inclusive) and no transfer of shares will be accepted for registration during this period. Transfers received in order at the office of our Shares Registrar Corplink (Private) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore at the close of business hours on October 19, 2023 will be treated in time for the purpose of dividend entitlement and attending the AGM.
2. All members are entitled to attend and vote at the meeting. A member entitled to attend and vote at the meeting is also entitled to appoint another member of the Company as his/her proxy to attend, speak and vote for him/her. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted to the Company. A proxy must be a member of the Company. A member shall not be entitled to appoint more than one proxy to attend anyone meeting. The instrument of proxy duly executed should be lodged at the Registered Office of the Company not later than 48 hours before the time of meeting. The form of proxy must be witnessed with the addresses and CNIC numbers of witnesses, certified copies of CNIC of member and the proxy member must be attached and the revenue stamp should be affixed and defaced on the form of proxy.
3. The members are advised to bring their ORIGINAL Computerized National Identity Card (CNIC) and those members who have deposited their shares in Central Depository System should also be cognizant of their CDC Participant ID and Account Number at the meeting venue. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.
4. The Securities & Exchange Commission of Pakistan (SECP) vide its Circular No. 4 of 2021 dated February 15, 2021 has directed all the listed companies to ensure participation of members in general meeting through electronic means (i.e., video-link, webinar, zooming etc.) as a regular feature from the date of this circular till further orders. In this regard, the interested shareholders can request by providing the following information to the Company Secretary at least 48 hours before the time of AGM at Email Address: [cs@punjaboilmills.com](mailto:cs@punjaboilmills.com).
  - a) Name of the Shareholder
  - b) CNIC Number
  - c) Folio / CDC Participant ID Number
  - d) Cell Number
  - e) Email Address
5. The shareholders are also encouraged to send their comments and suggestions, related to agenda items of the AGM on [cs@punjaboilmills.com](mailto:cs@punjaboilmills.com), which will be discussed in the meeting.





6. Pursuant to section 132(2) of Companies Act 2017, if Company receives consent form (form titled as “Consent for Video Conference” is available on website of the Company) from the members holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference facility at least 7 days prior to the date of AGM.
7. In pursuance of applicable tax laws, the withholding of tax is required to be made at the time of payment of dividend and it has been directed that all non-filers of Income Tax returns will be taxed at higher rate (i.e., 30%) as compared to filers of Income Tax returns who will be taxed at normal rate (i.e., 15%). The non-filers of Income Tax returns are those persons whose names are not appearing in Active Tax-payers List (ATL) provided on the website of FBR upto October 19, 2023 (i.e., the day before the start of book closure date). If despite the fact that members have filed the income tax returns yet their name are not appearing in ATL they will still be considered as non-filers and are advised to immediately make sure that their names are entered and appearing in ATL upto October 19, 2023.
8. Members desiring no deduction of Zakat from their dividend payment are also requested to submit a valid declaration for non-deduction of Zakat. The “Zakat Declaration Form” is available on website of the Company.
9. The members are requested to notify the Company / Shares Registrar of any change in their address.

**STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 THIS STATEMENT SETS OUT THE MATERIAL FACTS CONCERNING THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON OCTOBER 26, 2023.**

### **AGENDA NO. 6**

Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to Clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The Company shall be conducting transactions with its related parties during the year ending June 30, 2023- 2024 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in the subsidiary / associated companies. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ending June 30, 2023-2024, which transactions shall be deemed to be approved by the Shareholders.

## سالانہ اجلاس عام کانوٹس

بذریعہ ہذا مطلع کیا جاتا ہے کہ پنجاب آئل ملز لمیٹڈ کا 42 واں سالانہ اجلاس عام بروز جمعرات، 26 اکتوبر 2023 کو صبح 10:30 بجے کمپنی کے رجسٹرڈ دفتر واقع پلاٹ نمبر 28-26 انڈسٹریل ٹرائی اینگل کھوٹہ روڈ، اسلام آباد میں درج ذیل امور کی انجام دہی کے لیے منعقد ہوگا۔

عام امور:

1: 24 جون 2023 کو منعقدہ ارکان کے گذشتہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا

2: 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے نظر ثانی شدہ مالیاتی حسابات معائنہ پر چیئرمین کا جائزہ، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری دینا۔

3: 30 جون 2023 کو ختم ہونے والے سال کے لیے بورڈ آف ڈائریکٹرز کی سفارشات کے مطابق حتمی نقد منافع منقسمہ بشرح %15 یعنی 1.50 روپے فی شیئر کی ادائیگی کی منظوری دینا ہے۔

4: 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹرز کا تقرر اور ان کے مشاہرہ کا تعین کرنا، حصص داران کو مطلع کیا جاتا ہے کہ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے اگلے سال 2024 کے لیے کمپنی کے آڈیٹرز کے طور پر تقرری کے لیے میسرز کرو حسین چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کے نام کی سفارش کی ہے۔

5: 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے کاسٹ آڈیٹرز کا تقرر اور ان کے معاوضے کو طے کرنا۔ حصص داران کو مطلع کیا جاتا ہے کہ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے اگلے سال 2024 کے لیے کمپنی کے کاسٹ آڈیٹرز کے طور پر تقرری کے لیے میسرز BDO ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کے نام کی سفارش کی ہے۔

خصوصی امور:

6: متعلقہ کمپنیوں / انڈر ٹیکینگز کے ساتھ اصل کاروبار کی روایات کے مطابق سیکشن 208 کے کمینیز ایکٹ 2017 کے مطابق کیے گئے مناسب فاصلے کے تحت لین دین کی منظوری دینے اور تصدیق کرنے کا عمل

قرار پایا کہ متعلقہ کمپنیاں / انڈر ٹیکینگز کے ساتھ کاروبار کے معمول کے دوران کیے گئے متعلقہ فریق کے لین دین جیسا کہ 30 جون 2023 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں کے متعلقہ نوٹس میں ظاہر کیا گیا ہے اور ان کی توثیق، منظوری اور تصدیق کی گئی ہے۔

مزید قرار پایا کہ کمپنی کا چیف ایگزیکٹو آفیسر 30 جون 2024 کو ختم ہونے والے سال کے دوران متعلقہ کمپنیوں / انڈر ٹیکنگ کے ساتھ کاروبار کے معمول کے مطابق تمام متعلقہ پارٹی ٹرانزیکشنز کو منظور کرنے کا مجاز ہے اور اس سلسلے میں چیف ایگزیکٹو آفیسر ہو اور اس کے ذریعہ کمپنی کی جانب سے کسی بھی اور تمام ضروری کارروائیوں اور کسی بھی اور تمام دستاویزات / ایڈیٹرز پر دستخط / عملدرآمد کرنے کا مجاز ہے دیگر امور

صاحب صدر کی اجازت سے کوئی دیگر امور سرانجام دینا

بحکم بورڈ  
نسب

رانا شکیل شوکت (کمپنی سیکریٹری)

لاہور 4، اکتوبر 2023

نوٹس:

1: کمپنی کے ارکان کارجر اور حصص منتقلی کتابیں 20 اکتوبر 2023 تا 26 اکتوبر 2023 (بشمول دونوں ایام) بند رہیں گی اور اس عرصہ کے دوران حصص کی کوئی منتقلی قابل قبول نہیں ہوگی۔ ہمارے شیئر رجسٹرار کے دفتر، میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1، کمرشل ماڈل ٹاؤن لاہور میں 19 اکتوبر، 2023 کو کاروبار کے اختتام تک موصول ہونے والی منتقلیاں ڈیویڈنڈ، بونس شیئرز اور AGM میں شرکت کے استحقاق کے لیے بروقت تصور ہوں گی۔

2: تمام ارکان اجلاس میں شرکت اور ووٹ دینے کے اہل ہیں۔ اجلاس عام میں شرکت اور ووٹ دینے کا اہل رکن اپنی بجائے شرکت، تقریر اور ووٹ دینے کے لیے کسی دیگر رکن کو اپنا / اپنی پر کسی مقرر کر سکتا ہے۔ کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی نمونہ دستخط کے ساتھ کمپنی کو جمع کرائی جائے گی۔ پر کسی کمپنی کا ممبر ہونا ضروری ہے۔ ایک رکن کسی اجلاس میں شرکت کے لیے ایک سے زیادہ پر کسی مقرر کرنے کا حقدار نہیں ہوگا۔ پر کسی کے آلے کو کمپنی کے رجسٹرڈ دفتر میں اجلاس کے وقت سے 48 گھنٹے پہلے جمع کرایا جانا چاہیے۔ پر کسی فارم گواہوں کے پتے اور CNIC نمبر کے ساتھ گواہی شدہ ہونا ضروری ہے۔ ممبر اور پر کسی ممبر کے CNIC کی مصدقہ کاپیاں منسلک ہونی چاہئیں اور پر کسی کے فارم پر ریونیو سٹیٹیمپ چسپاں اور ڈی فیسڈ ہونا چاہیے۔

3: اراکین کو ہدایت کی جاتی ہے کہ وہ اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) ساتھ لائیں اور وہ اراکین جنہوں نے سینٹرل ڈیپازٹری سسٹم میں اپنے حصص جمع کرائے ہیں انہیں بھی اجلاس کے مقام پر اپنے CDC کے شرکت کنندہ کی شناخت اور اکاؤنٹ نمبر کا علم ہونا چاہیے۔ کارپوریٹ ادارے کی صورت میں، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی جس میں نامزد شخص کے دستخط ہوں گے۔

4: سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے سرکلر نمبر 4 آف 2021 مورخہ 15 فروری 2021 کے ذریعے تمام لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ الیکٹرانک ذرائع (یعنی وڈیولنک، ویبپنار، زومنگ وغیرہ) کے ذریعے اس سرکلر کی تاریخ سے اگلے احکامات تک ایک باقاعدہ خصوصیت کے طور پر عام اجلاس میں اراکین کی شرکت کو یقینی بنائیں۔ اس سلسلے میں دلچسپی رکھنے والے شیئر ہولڈرز ای میل ایڈریس: [cs@punjaboilmills.com](mailto:cs@punjaboilmills.com) پر AGM کے وقت سے کم از کم 48 گھنٹے پہلے کمپنی سیکریٹری کو درج ذیل معلومات فراہم کر کے درخواست کر سکتے ہیں۔

a: شیئر ہولڈر کا نام

b: CNIC نمبر

c: فولیو ای سی ڈی سی پارٹسپینٹ آئی ڈی نمبر

d: موبائل نمبر

e: ای میل ایڈریس

5: شیئر ہولڈرز کی یہ بھی حوصلہ افزائی کی جاتی ہے کہ وہ [cs@punjaboilmills.com](mailto:cs@punjaboilmills.com) پر AGM کے ایجنڈا آئٹمز سے متعلق اپنے تبصرے اور تجاویز بھیجیں، جن میں اجلاس پر تبادلہ خیال کیا جائے گا۔

6: کمپنی ایکٹ 2017 کی دفعہ (2) 132 کی پیروی میں، اگر کمپنی جغرافیائی محل وقوع میں سکونت مجموعی %10 یا زیادہ شیئر ہولڈنگ کے مالک ارکان سے وڈیوکالفرنس کے ذریعے اجلاس میں شرکت کے لیے اجلاس کی تاریخ سے کم از کم 7 یوم قبل رضامندی فارم (فارم بعنوان "رضامندی برائے وڈیوکالفرنس" کمپنی کی ویب سائٹ پر دستیاب ہے) وصول ہوتا ہے

7: قابل اطلاق ٹیکس قوانین کی پیروی میں، ڈیویڈنڈ کی ادائیگی کے وقت ٹیکس کی ود ہولڈنگ کرنا ضروری ہے اور یہ ہدایت کی گئی ہے کہ انکم ٹیکس گوشوارے جمع نہ کرانے والوں پر زیادہ شرح (یعنی %30) پر ٹیکس عائد کیا جائے گا۔ جبکہ انکم ٹیکس گوشواروں کی فانکزرز کے لیے عام شرح (یعنی %15) پر ٹیکس لگایا جائے گا۔ انکم ٹیکس گوشواروں کے نان فانکزرز وہ افراد ہیں جن کے نام FBR کی ویب سائٹ پر 19 اکتوبر 2023 تک فراہم کی گئی۔

8: جو ممبران اپنے ڈیویڈنڈ کی ادائیگی سے زکوٰۃ کی کٹوتی نہ کروانے کے خواہشمند ہیں ان سے بھی درخواست کی جاتی ہے کہ وہ زکوٰۃ کی نان ڈیڈکشن کے لیے موثر اعلامیہ جمع کرائیں۔ زکوٰۃ ڈکلیریشن فارم کمپنی کی ویب سائٹ پر دستیاب ہے۔

9: اراکین سے درخواست کی جاتی ہے کہ وہ اپنے پتے میں کسی بھی تبدیلی کے بارے میں کمپنی / شیئررز رجسٹرار کو مطلع کریں۔

26 اکتوبر 2023 کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں سرانجام دیئے جانے والے خصوصی امور سے متعلق کمپنیز ایکٹ 2017 کی دفعہ (3) 134 کے تحت مادی حقائق کا بیان

ایجنڈا نمبر 5

تمام متعلقہ فریقوں کے ساتھ کئے جانے والے لین دین کو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شق 15 کے مطابق سہ ماہی بنیادوں پر آڈٹ کمیٹی کے ذریعہ تجویز کردہ بورڈ آف ڈائریکٹرز کے ذریعہ منظور کرنا ہوگا۔

کمپنی اپنے متعلقہ فریقوں کے ساتھ کاروبار کے معمول کے دوران، متعلقہ فریقوں کے ساتھ لین دین کے حوالے سے منظور شدہ پالیسی کے مطابق مناسب فاصلے کی بنیاد پر لین دین کرتی ہے۔ متعلقہ فریقوں کے ساتھ کیے گئے تمام لین دین کے لیے کمپنی کی آڈٹ کمیٹی کی منظوری درکار ہوتی ہے، جس کی صدارت کمپنی کا ایک آزاد ڈائریکٹر کرتا ہے۔ آڈٹ کمیٹی کی سفارش پر، اس طرح کے لین دین کو بورڈ آف ڈائریکٹرز کے سامنے منظوری کے لیے رکھا جاتا ہے۔

کمپنی 30 جون 2023-2024 کو ختم ہونے والے سال کے دوران اپنی متعلقہ پارٹیوں کے ساتھ ٹرانزیکشنز کرے گی جو کہ منظور شدہ پالیسی کے مطابق کاروبار کے معمول کے دوران متعلقہ فریقوں کے ساتھ ٹرانزیکشنز کے حوالے سے ایک مناسب فاصلے کی بنیاد پر کرے گی۔ ڈائریکٹرز کی اکثریت ان ٹرانزیکشنز میں دلچسپی رکھتی ہے کیونکہ ان کی ذیلی وابستہ کمپنیوں میں مشترکہ ڈائریکٹر شپ ہوتی ہے۔ شفاف کاروباری طریقوں کو فروغ دینے کے لیے، حصص یافتگان بورڈ آف ڈائریکٹرز کو متعلقہ فریقوں کے ساتھ 30 جون 2023-2024 کو ختم ہونے والے سال کے لیے وقتاً فوقتاً کیس ٹو کیس کی بنیاد پر ٹرانزیکشنز کی منظوری دینے کا اختیار دینا چاہتے ہیں۔ جو کہ شیئر ہولڈرز کے ذریعے منظور شدہ سمجھا جاتا ہے۔ اس طرح کی متعلقہ پارٹی ٹرانزیکشنز کی نوعیت اور وسعت اوپر بیان کی جا چکی ہے۔ ان ٹرانزیکشنز کو اگلی AGM میں شیئر ہولڈرز کے سامنے ان کی باضابطہ منظوری/توثیق کے لیے رکھا جائے گا۔ ڈائریکٹرز اس قرارداد میں صرف اس حد تک دلچسپی رکھتے ہیں کہ اس طرح کی متعلقہ پارٹیوں میں ان کی مشترکہ ڈائریکٹر شپس ہوں۔



## CHAIRMAN'S REVIEW

The last year was again a difficult year for the whole country. We saw a heavy depreciation of the Pakistani Rupee with its attendant problems, as most of our raw materials are imported. The very high rate of inflation led to a contraction in the spending powers of the consumers. This obviously led to lower volumetric sales. At the same time the high inflation meant higher costs. So, our margins have been under pressure.

We have embarked upon cost cutting measures by installing a solar power plant for a part of our consumption. At the same time, we have invested in more efficient cooling systems to reduce power costs. We are also expanding our mushrooms section and installing a canning plant for preserved foods and vegetables. This should lead us into value added markets. All these measures should result in better margins.

The Board functioned smoothly and our workers were duly compensated for the high rate of inflation. Let us hope for a better year despite the strained economic conditions of our country.

Tahir Jahangir,  
Chairman of the Board

## چیئر مین کی جائزہ رپورٹ

گزشتہ سال پورے ملک کے لیے ایک بار پھر مشکل سال تھا۔ ہم نے پاکستانی روپے کی قدر میں بڑی کمی دیکھی ہے اور اس کے مسائل درپیش ہیں، کیونکہ ہمارا زیادہ تر خام مال درآمد کیا جاتا ہے۔ مہنگائی کی بہت زیادہ شرح کی وجہ سے صارفین کے اخراجات کے اختیارات میں کمی واقع ہوئی۔ اس کی وجہ سے واضح طور پر حجم کی فروخت کم ہوئی۔ ایک ہی وقت میں اعلیٰ افراط زر کا مطلب زیادہ لاگت ہے۔ لہذا ہمارے مارجن دباؤ میں رہے ہیں۔

ہم نے اپنی کھپت کے ایک حصے کے لیے سولر پاور پلانٹ لگا کر لاگت میں کمی کے اقدامات شروع کیے ہیں۔ ایک ہی وقت میں، ہم نے بجلی کی لاگت کو کم کرنے کے لیے زیادہ موثر کولنگ سسٹم میں سرمایہ کاری کی ہے۔ ہم اپنے مشروم سیکشن کو بھی توسیع دے رہے ہیں اور محفوظ شدہ کھانوں اور سبز یوں کے لیے ایک کیننگ پلانٹ نصب کر رہے ہیں۔ اس سے ہمیں ویلیو ایڈڈ مارکیٹوں میں لے جانا چاہیے۔ ان تمام اقدامات کے نتیجے میں بہتر مارجن حاصل ہونا چاہیے۔

بورڈ نے آسانی سے کام کیا اور ہمارے کارکنوں کو مہنگائی کی بلند شرح کا معقول معاوضہ دیا گیا۔ آئیے اپنے ملک کے کشیدہ معاشی حالات کے باوجود ہم ایک بہتر سال کی اُمید کرتے ہیں۔



طاہر جھانجھان

چیئر مین بورڈ



## Directors' Report for the year ended 30th June 2023

The Board of Directors of your company is pleased to present the 42<sup>nd</sup> Annual Report on the Company's Operations, as well as the audited financial statements for the fiscal year ended June 30, 2023.

### OPERATING PERFORMANCE

	Rupees		% Changes	
	2023	2022	2023	2022
Sales (Net of Sales Tax)	9,844,949,849	8,837,676,009	11.40	47.74
Gross Profit	921,330,027	816,403,384	12.85	16.76
Operating Profit	261,948,291	210,896,245	24.21	221.58
Financial Cost & Other Charges	(140,452,185)	(62,419,519)	(125.01)	(170.69)
Operating income	31,037,930	32,725,208	(5.16)	38.22
Profit Before taxation	152,534,036	181,201,934	(15.82)	173.73
Provision for Taxation	(109,535,935)	(113,892,719)	(3.83)	(36.96)
(Loss) / Profit after Tax	42,998,101	67,309,215	(36.12)	496.83
Un-appropriated Profit Brought Farward	900,874,371	826,956,503	8.94	1.64
<b>EPS (In Rupees)</b>	5.54	12.49		
<b>Appropriates:-</b>	<b>Rupees</b>			
	<b>2023</b>	<b>2022</b>		
Un-Appropriated Profit Brought Farward	943,872,472	894,265,718		
Incremental Depreciation/Others	-	-		
10% Final Dividend for the year 2021, 20 % Final Dividend 2022,20%/Final 20%	(34,500,164)	(5,390,652)		
Effect of charges in Equity	2,639,522	4,362,223		
In Accounting policy in Respect of Staff Retirement Benefit Obligation net of Tax	-	-		
On revaluation of property , Plant & Equipment .	18,727,616	7,637,082		
Balance as at June 30, 2023/2022	930,739,446	900,874,371		

Sales revenue for the year under review increased by 11.40% compared to the same period last year. This was a continuation of the general trend throughout the year - where higher selling prices, spurred by higher raw material (primarily edible oil) costs and devaluation of the PKR, led to growth in revenue even as meeting our volume goals was challenging.

There was significant volatility in oil prices throughout the period, and though the margins also fluctuated accordingly, we managed to achieve a gross margin of 9.36% for the year, compared to 9.24% achieved last year. As a result, together with higher revenue for the period, the gross profit showed an increase of 12.85%.

At the operating level, the administrative costs increased by 20.99 % for the year; combination of some cost heads increasing owing to general inflation and rising energy costs, with the main contributors being salaries and wages and fuel costs. However, over-all the operating costs increased by a lesser quantum of 8.90%, as the selling and distribution head only went up by 0.76% for the period under review. Selling and distribution expenses were controlled by lower advertisement and distribution costs, even though the freight costs went up sharply. As a result, our operating margin improved to 2.66% from 2.39% and the operating profit increased by 24.21% for the year under review.

Though we achieved better profitability at the operating level, the same was nullified by the sharply increased finance charges that went up by 162.58% due to higher interest rates as well as higher bank borrowing to finance our working capital. Other operating charges increased in line with higher operating profit.

As a result, profit before tax (PBT) showed a decrease of 15.82% for the year under review, clocking in at PKR 152.534 mn. Minimum turnover tax meant the company paid out 71.81% (compared to 62.85% last year) of the PBT to the national exchequer, yielding a profit after tax of PKR 42.998mn for the year under review.





## **CONTRIBUTION TO THE NATIONAL EXCHEQUER:-**

During the year the Company contributed PKR 636.840 Million to the National Exchequer in the forms of various duties & taxes.

## **COMPOSITION OF THE BOARD**

During the year under review, the Election of Directors was held on December 29, 2022. The Board is comprised of Eight (8) Directors, out of which Two (2) are Female Directors, Two (2) are Independent Directors and Three (3) are Non-Executive Directors. In order to respond to the mandate of the shareholders to achieve sustainable growth and enhance the corporate value of the Company over the medium to long term, the duties of the Board include making decisions concerning key Company matters, strategic business direction, corporate governance, management policies and monitoring of operations. In addition, the Board discusses and makes decisions concerning matters specified in the Articles of Association, the Code, and other applicable laws. To fulfill these roles, the candidates for Directors are persons of required characteristics and insight who have high expertise in business & financial management, accounting, quality, production, or the company's business operations.

## **ROLES AND RESPONSIBILITIES OF CHAIRMAN & CEO**

To promote a culture of transparency and good governance, the positions of the Chairman of the Board of Directors and the office of the Chief Executive Officer are held by separate incumbents with clear demarcation of roles and responsibilities.

The Chairman represents the Non-Executive Directors of the Board and is entrusted with the overall supervision and direction of the Board's proceedings, and has the power to set the agenda, give directions and sign the minutes of the Board meetings.

The Chief Executive Officer is an Executive Director who also acts as the head of the Company's Management. He is authorized to implement the Board's policies within delegated limits beside other responsibilities.

## **DIRECTOR'S REMUNERATION**

In terms of requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Code), the Company has formulated a policy namely "Remuneration Policy for Executive & Non-Executive Directors", which deals with the remuneration of the Directors.

The system of remuneration for Directors is designed to enhance their motivation for improved business performance, both over the short term and medium to long term with sustained growth of corporate value. The Executive Directors are paid monthly remuneration and benefits as approved by the Directors, whereas the Company does not pay remuneration to Non-executive Directors, except for advisory and meeting fee. For information on remuneration and fee of Directors & CEO in 2022-23, please refer to notes to the Financial Statements for the year ended June 30, 2023.

The Board as per recommendation of HR & Remuneration Committee, has approved the increase in remuneration of Executive Directors, CFO, Company Secretary and Head of Internal Audit for the year ending June 30, 2024.



The Board reviewed the Meeting Fee and, taking into account the background and experience of the board members, as well as the fact that these directors were devoting their valuable services/expertise/time to better stewardship of the Company, the Board be and is hereby approved the increase in meeting fee payable to non-executive directors, including independent directors, for attending Board and Committee meetings and approved the following resolution:-

“Resolved that directors' fee payable to Non-Executive Directors including independent directors for attending meetings of the Board and its Committees be and is hereby increased from Rs. 60,000/- to Rs.100,000/- per Board Meeting and from Rs. 40,000/- to Rs. 60,000/- per Committee Meetings with effect from June 30, 2023”

“Further Resolved that all applicable taxes on meeting fee will be borne by Directors”.

## BOARD MEETINGS

During the year, Eight (8) meetings of the Board of Directors were held. The attendance of the Board Members were as follows

Sr. No.	Name	Designation	23.07.2022	30.09.2022	28.10.2022	07.11.2022	02.01.2023	27.02.2023	27.04.2023	15.06.2023	2022-2023
1	Mr. Tahir Jahangir	Chairman	P	P	P	P	P	P	P	P	8/8
2	Mr. Usman Ilahi Malik	Chief Executive Officer	P	P	P	P	P	P	P	P	8/8
3	Mr. Jillani Jahangir	Executive Director	P	P	P	P	P	P	P	P	8/8
4	Mrs. Munizae Jahangir	Non-Executive Director	P	P	P	P	P	P	P	-	7/8
5	Miss Mehrunisa Malik	Non-Executive Director	P	P	P	P	P	P	-	P	7/8
6	Mr. Furqan Anwar Batla	Non-Executive Director	P	P	P	P	P	P	P	P	8/8
7	Mr. Firasat Ali	Independent Director	P	P	P	P	-	P	P	P	7/8
8	Mr. Mansoor Ilahi Malik	Non-Executive Director	-	-	-	-	P	-	-	-	1/8
9	Mr. Saif Ali Rastgar	Independent Director	-	-	-	-	P	P	P	P	4/8
<b>Quorum of Meetings</b>			7/8	7/8	7/8	7/8	8/8	8/8	7/8	7/8	
P	<b>Present in the Meeting</b>										
A	<b>Leave of Absence</b>		Leave of absence was granted to the members who did not attend the Board meetings								
			During the year Mr. Mansoor Ilahi Malik resigned and in his place Mr. Saif Ali Rastgar appointed as Independent Director								

## AUDIT COMMITTEE

The Board has re-constituted the Audit Committee which is comprised of three members, including Independent and Non-Executive Directors. The Chairman of the Audit Committee is an Independent Director. The Committee quarterly reviews the appropriateness of resources and authority of this function. The Head of Internal Audit functionally reports to the Audit Committee which approves the audit plan, based on an annual and quarterly assessment of the operating areas. To respond to the entrustment of the shareholders, the Audit Committee reviews the audit reports, internal control systems, financial statements and performs other duties of the Committee as prescribed by the laws and regulations, with the aim of ensuring sound and sustainable growth of the Company. Reporting is required whenever there is an item that has a major impact on the Company. The internal auditors review the department processes to ensure compliance with the policies, regulations, and SOPs of the Company.

During the year under review, four meetings of the Audit Committee were held to review and discuss the financial statements, internal audit reports, compliance with the relevant laws & regulations, and other associated matters. The attendance of the Audit Committee members was as under:

Sr. No.	Name	Designation	30.09.2022	28.10.2022	27.02.2023	27.04.2023	2022-2023
1	Mr. Firasat Ali	Chairman	P	P	P	P	4/4
2	Miss Mehrunisa Malik	Non-Executive Director	P	P	P	-	3/4
3	Mr. Furqan Anwar Batla	Non-Executive Director	P	P	P	P	4/4
<b>Quorum of Meetings</b>			3/3	3/3	3/3	2/3	
P	<b>Present in the Meeting</b>						
A	<b>Leave of Absence</b>		Leave of absence was granted to the member who did not attend the Audit Committee meetings.				



## HUMAN RESOURCE & REMUNERATION COMMITTEE

The Human Resource and Remuneration Committee consists of five members, the majority of whom are non-executive directors. The Chairman of the Committee is an independent director. The Committee provides strategic guidance to the management on human resource, review the annual performance evaluations, personnel policies, and compensation & benefits for the associates. During the year under review, one meeting of the HR&R Committee was held to discuss & approve the matters falling under the terms of reference of the Committee. The attendance of the HR & R Committee members was as follows:

Sr. No.	Name	Designation	22.07.2022	30.09.2022	15.10.2022	27.04.2023	2022-2023
1	Mr. Firasat Ali	Chairman	P	P	P	-	3/4
2	Mr. Usman Ilahi Malik	Member	P	P	P	P	4/4
3	Mr. Jillani Jahangir	Member	P	P	P	P	4/4
4	Mrs. Munizae Jahangir	Member	P	P	P	P	4/4
5	Mr. Furqan Anwar Batla	Member	P	P	P	P	4/4
6	Mr. Saif Ali Rastgar	Chairman	-	-	-	P	1/4
<b>Quorum of Meetings</b>			5/5	5/5	5/5	5/5	
P	<b>Present in the Meeting</b>						
A	<b>Leave of Absence</b>		Mr. Saif Ali Rastgar elected as Chairman on 02.01.2023 in place of Mr. Firasat Ali				

## BONUS SHARES/DIVIDEND

In view of the financial performance of the Company during the year, the Board of Directors announced 15% Final Cash Dividend to its shareholders. This is addition to already announced 20% Interim Bonus Shares to its shareholders in their Board Meeting held on June 15, 2023 and credited on June 27, 2023.

## INCREASED IN AUTHORIZED CAPITAL OF THE COMPANY

The Authorized Share Capital of the Company during the year was PKR 100,000,000/- (One Hundred Million Only) divided into 10,000,000 (Ten Million Only) ordinary shares of PKR 10/- each.

The Authorized Share Capital was subsequently increased with the approval of the Board and Shareholders of the Company in their Extraordinary General Meeting held on June 24, 2023, and got approval from The Joint Registrar of Companies, (SECP) to increase the Authorized Share Capital from PKR 100,000,000/- divided into 10,000,000 ordinary shares of PKR 10/- each to PKR 170,000,000/- divided into 17,000,000 ordinary shares of PKR 10/- each, by creation of 7,000,000 new shares.

## MUSHROOM CANNING PROJECT

The Company is going to expand the production of Mushrooms and install a Mushroom Canning Project to maximize the current potential of our mushroom business.

## CORPORATE GOVERNANCE

The Company strives to enhance corporate governance as one of the most important tasks for its management, based on the Company's basic principles, to strengthen the trust of its shareholders, customers, and society. The Board always encourages timely, decisive, and risk-considered decision-making; seeks sustainable growth and the enhancement of corporate value over the mid-to-long term; and become "a company that society wants to exist." To clearly segregate the supervisory and execution



function of management and to enable prompt & flexible decisions, the Company has an Audit Committee, a Human Resource & Remuneration Committee and an Management Committee, which allows broad delegation of the business execution authority to the Executive Officers.

## **COMPLIANCE**

To improve compliance culture, the Company has nominated a Company Secretary designated by the Board of Directors. The Company Secretary makes decisions regarding important internal control system measures including formulation and amendment of compliance policies. In addition, the responsibilities of the Company Secretary encompass confirming the status of the establishment and operation of internal control systems to appropriate management of the Business Ethic Proposal Line and deciding measures to prevent recurrences when any breach transpires. For matters of compliance that are of particularly high importance, deliberation or reporting at a meeting of the Management Committee is carried out depending on the details of the matter. There were no such violations of laws or regulations in the year under review.

## **CODE OF CONDUCT**

To earn the trust of customers and society for sustainable growth, we must not only comply with laws & regulations but go beyond those legal structures by practicing sincere and ethical conduct. Recognizing this, the Company has formulated the POML Code of Conduct. It summarizes the sincere behavior to be practiced by the people working at POML. The Company works to instill the Code of Conduct in every associate through actions such as trainings, the distribution of inhouse communications.

## **CORPORATE SOCIAL RESPONSIBILITY**

Punjab Oil Mills Limited (POML) has established a day care centre for its employees (especially) female employees with young children at its premises in Islamabad. Mr. Usman Ilahi Malik inaugurated the Day Care Centre on September 15, 2023. According to the CEO, "the company views its human resources as a strategic asset and goes out of its way to ensure the well-being of its employees and their families." This initiative will be an effective tool for promoting work-life balance and maintaining regular attendance, particularly among working mothers."

During the year, the management of Company take following steps to promote the social activities of the Company.

- 50% Discounted Sale to SOS Villages
- Free medical camps in rural areas in partnership with PANAHA
- Free Water Filtration Plant supplying 58,000 litres of potable water every month to the local community.

## **STATEMENT OF VALUE ADDITION**

The 'Statement of Value Addition and its Distribution' is annexed to this Annual Report.



## **MATERIAL CHANGES**

There have been no material changes since June 30, 2023 to date of the report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

## **SHARES TRANSFER**

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary.

<b><u>Name of Directors</u></b>	<b><u>No. of Shares</u></b>	<b><u>Nature of Transfer</u></b>
Mr. Usman Ilahi Malik	154,260	Succession Case
Mr. Mansoor Ilahi Malik	154,260	Succession Case
Mr. Jillani Jahangir	61,454	Family Gift out
Mrs. Munizae Jahangir	30,883	Family Gift in
Miss Mehrunisa Malik	77,131	Succession Case
Mr. Saif Ali Rastgar	500	Qualification Shares
Rana Shakeel Shaukat	81	Bonus Shares

There was no other transaction of sale or purchase of shares of the Company by Directors, Company Secretary, Chief Financial Officer their spouses or minor children during the period under review.

## **CHAIRMAN'S REVIEW**

The Chairman's review included in the Annual Report deals inter alia with the performance of the Company for the year ended June 30, 2023 and the future outlook. The directors endorse the contents of the review.

## **STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE**

The Company has fully complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. A statement to this effect is annexed with this report.

## **PATTEN OF SHAREHOLDING**

The pattern of shareholding as on June 30, 2023 and its disclosure is annexed with this report.

## **EXTERNAL AUDITORS**

The existing Auditor M/s Malik Haroon Shahid Safdar & Co. Chartered Accountants are going to retired on October 26, 2023. M/s Crowe Hussain Chaudhary & Co. Chartered Accountants and M/s BDO Ebrahim & Co. Chartered Accountants both consented and offer themselves as the Company's External Auditors for the next tenure. The Audit Committee conducted detailed interviews with the Senior Partners of both Chartered Accountants firms and, based on the interview, recommended the appointment of M/s Crowe Hussain Chaudhary & Co. Chartered Accountants for the fiscal year ending June 30, 2024 and fixed the Auditor's remuneration as Rs. 1,617,000/-, which includes Half Yearly Review, Certification if any, and all applicable taxes. Out-of-pocket expenses will be reimbursed on actual basis. The Board unanimously approved the appointment as recommended by the Audit



Committee subject to the shareholder approval at the upcoming Annual General Meeting held on October 26, 2023.

## **THE COST AUDITORS**

The existing Cost Auditor's M/s Rafqat Hussain & Co., Chartered Accountants is going to retired on October 26, 2023. The Audit Committee has recommended appointment of new Cost Auditors M/s BDO Ebrahim & Co. Chartered Accountants for the year ending June 30, 2024 and fixed the remuneration of Rs. 350,000/- excluding out of packet expenses, all applicable taxes will be borne by the firm.

## **ADEQUACY OF INTERNAL FINANCIAL CONTROL**

The Board of Directors has established an efficient system of internal financial controls, for ensuring effective and efficient conduct of operations, safeguarding of Company assets, compliance with applicable laws and regulations and reliable financial reporting. The independent Internal Audit function of the Company regularly appraises and monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework and financial statements on quarterly basis.

## **MATERIAL CHANGES**

There have been no material changes since June 30, 2023 to date of the report and the Company has not entered any material commitment during the year, which would have an adverse impact on the Financial Position of the Company.

## **RELATED PARTY TRANSACTIONS**

The Company has made disclosures about related party transactions in its financial statements annexed with this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards. All transactions or arrangements with all related parties were carried out in the ordinary course of business on an arm's length basis. All transactions with related parties have been executed at arm's length and have been disclosed in the Financial Statements under relevant notes.

## **COMMUNICATION**

The Company focuses on the importance of the communication with the Shareholders. The Annual, Half Yearly and Quarterly Reports are distributed to them within the time specified in the Companies Act, 2017. The activities of the Company are updated on its website at [www.punjaboilmills.com](http://www.punjaboilmills.com) on timely basis.

## **CORPORATE GOVERNANCE**

The Board gives prime importance to conducting the Company's business in accordance with the best international and local corporate governance practices and is committed to inculcating healthy corporate culture, ethical business practices, reliable and transparent financial reporting, and open communication channels with the stakeholders, and compliance with applicable laws and regulations. As a result, good corporate governance principles have been deeply ingrained in Company's decision making and operating set up as well as monitoring processes.



The Company recognizes and respects the rights of each and every stakeholder including shareholders, employees, financiers, creditors, business partners, local communities and others. The Company encourages active participation of shareholders in all general meetings of the Company and values their views towards better governance and operational management. The Company is also cognizant of its legal and ethical obligations towards its business partners, local communities and other stakeholders; and takes appropriate actions to timely respond to their expectations after taking into account a pragmatic view of interests associated with the Company.

The status of each Director on Company's Board whether non-executive or independent has been disclosed in this report in accordance with the revised Code of Corporate Governance, 2017 (CCG) issued by the Securities and Exchange Commission of Pakistan.

The Code of Conduct for directors and employees of the Company has been approved by the Board and changes were made in line with new requirements stated in revised CCG. The said Code of Conduct strengthens the standard for professional business-like behavior expected of directors and employees and binds them to demonstrate ethical, honest and responsible attitude. The Code has been disseminated across the Company to all directors and employees for their information compliance.

Before each meeting of the board of directors a closed period is declared by the company during which directors, CEO, Executives of the Company and their spouses are not allowed to trade in shares of the Company in any manner, whether directly or indirectly. The Board has reviewed the status of executives in terms of clause (xvi) of CCG and has set a threshold defining categories of management employees as executives consequent to which they are subject to additional regulatory requirements for trading and disclosing their transactions in Company shares.

The Directors of the Company are fully aware of their duties and responsibilities and strive to discharge their fiduciary responsibilities in the best possible manner in compliance with all applicable corporate laws and regulations.

During the year, the Board was actively involved in performance their duties including those required to be performed under various laws and the Memorandum and Articles of Association of the Company with the ultimate objective of safeguarding the interests of the shareholders, enhancing the profitability of the Company, increasing shareholder's wealth and promoting market confidence.

#### Corporate and Financial Reporting Framework

- I. The Financial Statements, prepared by the Management of the Company, present its state of affairs fairly, the result of its operations, Cash Flows and change in equity.
- II. Proper Books of Accounts of the Company have been maintained.
- III. Appropriate Accounting Policies have been applied in preparation of Financial Statements and any changes in Accounting Policies have been disclosed in the Financial Statements. The Accounting Estimates are based on reasonable and prudent judgment.
- IV. International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of Financial Statements and any departure therefrom has been adequately disclosed and explained.
- V. The system of Internal Control is sound in design and has been effectively implemented and monitored.
- VI. There are no significant doubts upon the Company's ability to continue as a Going Concern.



- VII. Key operating and Financial Data of last six years has been given in the Annual Report.
- VIII. Information about outstanding taxes, duties, levies and charges is given in Notes to the Accounts.
- IX. Significant plans and decisions regarding Corporate Restructuring, Business Expansion and discontinuance of operations along with future prospects, risks and uncertainties have been disclosed in relevant sections of Directors Report.
- X. The value of investment in employee retirement fund based on the latest Audited Accounts as of 30 June, 2023 is as follows:

## **GRATUITY FUND PKR 136 MILLION**

- I. Details of number of Board and Committees' meetings held during the year and attendance by each Director has been disclosed in the Annual Report. Leave of absence was granted to Directors/Members who could not attend some of the Board and Committee meetings.
- II. A statement of the pattern of shareholding in the Company as at 30 June, 2023 of certain classes of shareholders whose disclosure is required under the revised CCG and the statement of purchase and sale of shares by Directors, executives and their minor children during the year is shown in the Annual Report.

## **CODE OF CONDUCT**

The Company has prepared a "Code of Conduct Directors and Employee" and approved by the Board.

## **PRIORITY STANDARDS OF CONDUCT**

- I. **Safety:** There can be no production without safety.
- II. **Quality:** To achieve total customer satisfaction by manufacturing and marketing products that achieve the highest quality levels for any given price and provide the customers with the best value for their money. We stand to maximize customer utility for all users of our products by strictly conforming to all relevant foods laws and standards, adapting, enhancing and innovating product attributes to better serve customer needs, continually improving our quality management systems, and controlling our costs and prices.
- III. **Productivity:** With safety and quality each of us will strive to excel the performance in all fields of our activities i.e. Production, Sales & Marketing, Planning & Development, Finance, Import, Supply Chain Management, Human Resources & Administration etc.

## **SAFETY, HEALTH AND ENVIRONMENT**

Punjab Oil Mills Limited, aim to become the leader in edible oil products. POML is aware that operating its business in production services has significant health, safety and environmental aspects to be handled. It is therefore essential that all stakeholders concerned with the operations of the company take appropriate steps to protect environment as well as personnel from harm.

- To this end we at POML commit to the following statements:
- To operate our business with regards to the HSE in order to prevention of work-related injury, ill health and environmental impacts through our operations.
- To use appropriate safety equipment's to approved systems when undertaking our work.
- To integrate HSE issues into our decision making.
- To continually look for ways to and improve our HSE systems.
- Identify and implement opportunities to use resources efficiently, prevent pollution and





- minimize emissions by applying the principles of "reduce, reuse, and recycle" in all processes.
- To ensure elimination of hazards and reducing OH&S risks along with monitoring the use of chemicals and reduce their impact on the environment.
- To ensure compliance with relevant HSE legislation and other requirements related to our operations
- To set and achieve our HSE objectives and targets

We also strive to continually improve our system with the help of a team of competent, dependable and hardworking employees.

## **COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE**

The Statement of Compliance with the Code of Corporate Governance is annexed with the Annual Report.

## **ISO 9001: AND FSSC 22000 CERTIFICATIONS**

The Company has fully documented and independently management and Food Safety Management Systems as per rules of ISO 9001 and FSSC 22000. This ensures that the products made by us conform to the highest quality standards and are free from all types of Food Safety Hazards to safeguard the health of our consumers. We are the only Pakistan Company that regularly tests its premium cooking oils for pesticides and other harmful chemicals as per International Standards from an accredited laboratory in Germany.

## **STAFF RETIREMENT BENEFITS**

The Company operates an un-funded gratuity scheme covering all employees whose period of services with the Company is more than one year. Provision is made annually to cover the liability under the scheme. The Company pays a lump-sum gratuity to members on leaving the Company after completion of one year of continuous service.

## **FUTURE OUTLOOK**

The year under review was a highly challenging one, with not only the usual stiff competition from other players, but also very high volatility in oil prices; compounded by some burdensome inventory of high cost imported oils that we had to deal with in the first half of the year. The PKR also continued to depreciate, adding to the cost pressures. At the same time, the economic crises and rampant inflation eroded both market confidence and consumer purchasing power, making it increasingly difficult to hit our sales and growth targets. Furthermore, the electricity and fuel rates have gone up substantially and show no signs of abating.

Though the depreciation and volatility of the PKR remains a cause of concern along with availability of foreign exchange, the oil markets seem to be stabilizing in the current quarter and settling in at lower levels – especially with the recent recovery of the PKR against the USD) - which should shore up our margins and eventually help in recovering sales as well. However, going forward we foresee higher oil prices and a weak PKR, pushing up our costs. Our plan is to strike the right balance between increasing prices to maintain margins and having an aggressive pricing stance to drive volumes. This has to be done keeping a close eye on the cash flows as we have higher capex needs this year, as part of which the first phase of our solar energy project (approx. PKR 40mn) is currently underway along with the mushroom



canning and growing project. We feel now is the time to start planning for phase 2 of the solar energy project as well.

While we explore new investment avenues, it is critical we also focus on renewed marketing of our key products; both established and upcoming so that our core business continues to thrive. This would also require increases marketing expense this year.

To this end the management is continually reviewing its pricing, sales and marketing policies to enable recovery in sales along with better profitability, while maintaining cash flows for efficient operations and investments.

## **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 year.

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

For and on behalf of the Board

(TAHIR JAHANGIR)  
CHAIRMAN

Date: September 23, 2023

For & on Behalf of the Board

(USMAN ILAHI MALIK)  
CHIEF EXECUTIVE OFFICER



	2022	2023	ایکویٹی میں تبدیلیوں کے اثرات
	4,362,223	-	اسٹاف ریٹائرمنٹ بینیفٹ ذمہ داری کی بابت اکاؤنٹنگ پالیسی میں نیٹ کے بعد خالص
	7,637,082	7,288,496	پراپرٹی، پلائنٹ اور آلات کی مکرر قدر و قیمت کے تعین پر
	(5,390,652)	(34,500,164)	10% حتمی منافع منقسمہ برائے سال 2021 20% حتمی منافع برائے سال 2022 20% بونس شمیر برائے سال 2022
	900,874,371	930,739,446	30 جون، 2021-2022 کو بیلنس

### آپریٹنگ کارکردگی

گزشتہ سال کے اسی عرصے کے مقابلے میں رواں سال سبز آمدنی میں 11.40 فیصد اضافہ ہوا۔ یہ پورے سال کے عمومی رجحان کا تسلسل تھا۔ جہاں خام مال (بیادی) طور پر خوردنی تیل) کی قیمتوں میں اضافے اور روپے کی قدر میں کمی کی وجہ سے فروخت کی اونچی قیمتوں کی وجہ سے آمدنی میں اضافہ ہوا حالانکہ ہمارے حجم کے اہداف کو پورا کرنا مشکل تھا۔

پورے عرصے کے دوران تیل کی قیمتوں میں نمایاں اتار چڑھاؤ رہا اور اگرچہ مارجن میں بھی کمی کے مطابق اتار چڑھاؤ آیا، ہم پچھلے سال کے 9.24% کے مقابلے میں سال کے لئے 9.36% کا مجموعی مارجن حاصل کرنے میں کامیاب رہے۔ نتیجتاً اس مدت کے لئے زیادہ آمدنی کے ساتھ، مجموعی منافع میں 12.85% کا اضافہ ظاہر ہوا۔

آپریٹنگ سطح پر، انتظامی اخراجات میں سال کے لئے 20.99% کا اضافہ ہوا۔ عام افراط زر اور توانائی کے بڑھتے ہوئے اخراجات کی وجہ سے کچھ اخراجات میں اضافہ ہوا ہے، جس میں اہم کردار تنخواہوں، اجرتوں اور ایندھن کے اخراجات ہیں۔ تاہم، مجموعی طور پر آپریٹنگ اخراجات میں 8.90 فیصد کمی مقدار میں اضافہ ہوا کیونکہ زیر غور مدت کے دوران فروخت اور تقسیم کے ہیڈ میں صرف 0.76 فیصد اضافہ ہوا۔ فروخت اور تقسیم کے اخراجات کو اشتہارات اور تقسیم کے اخراجات میں کمی سے کنٹرول کیا گیا تھا، حالانکہ مال برداری کے اخراجات میں تیزی سے اضافہ ہوا تھا اس کے نتیجے میں، ہمارے آپریٹنگ مارجن میں 2.39% سے 2.66% تک بہتری آئی اور زیر جائزہ سال کے لئے آپریٹنگ منافع میں 24.21% کا اضافہ ہوا۔

اگرچہ ہم نے آپریٹنگ سطح پر بہتر منافع حاصل کیا، لیکن زیادہ شرح سود کے ساتھ ساتھ ہمارے ورکنگ کیسٹبل کی مالی اعانت کے لئے بینکوں سے زیادہ قرض لینے کی وجہ سے 162.58 فیصد اضافہ ہوا۔ اعلیٰ آپریٹنگ منافع کے مطابق دیگر آپریٹنگ چارجز میں اضافہ ہوا۔

اس کے نتیجے میں قبل از ٹیکس منافع (پی بی ٹی) گزشتہ سال کے دوران 15.82 فیصد کم ہو کر 152.534 ملین روپے رہا۔ کم از کم ٹرن اوور ٹیکس کا مطلب یہ ہے کہ کمپنی نے پی بی ٹی کا 71.81 فیصد (گزشتہ سال کے 62.85 فیصد کے مقابلے میں) قومی خزانے کو ادا کیا، جس سے 42.998 ملین روپے کا بعد از ٹیکس منافع حاصل ہوا۔

قومی خزانہ میں شراکت :-

سال کے دوران کمپنی نے مختلف ڈیویڈنڈوں اور ٹیکسوں کی شکل میں 636.840 ملین روپے کی قومی خزانہ میں شراکت کی۔

## بورڈ کی تشکیل

زیر غور سال کے دوران، ڈائریکٹرز کا انتخاب 29 دسمبر، 2022 کو منعقد ہوا تھا۔ بورڈ آف ڈائریکٹرز پر مشتمل ہے، جن میں سے دو (2) خواتین ڈائریکٹرز، دو (2) آزاد ڈائریکٹرز اور تین (3) نان ایگزیکٹو ڈائریکٹرز ہیں۔ پائیدار ترقی حاصل کرنے اور درمیانی سے طویل مدت میں کمپنی کی کارپوریٹ قدر کو بڑھانے کے لئے شیئر ہولڈرز کے مینڈیٹ کا جواب دینے کے لئے بورڈ کے فرائض میں کمپنی کے اہم معاملات، اسٹریٹجک کاروباری سمت، کارپوریٹ گورننس، انتظامی پالیسیوں اور آپریشنز کی نگرانی سے متعلق فیصلے کرنا شامل ہیں۔ اس کے علاوہ بورڈ آرٹیکلز آف ایسوسی ایشن، کوڈ آف دیکٹر قابل اطلاق قوانین میں بیان کردہ معاملات پر تبادلہ خیال اور فیصلے کرتا ہے ان کرداروں کو پورا کرنے کے لئے، ڈائریکٹرز کے امیدوار مطلوبہ خصوصیات اور بصیرت کے حامل افراد ہیں جو کاروبار اور مالیاتی انتظام، اکاؤنٹنگ، معیار، پیداوار میں اعلیٰ مہارت رکھتے ہیں، یا کمپنی کے کاروباری آپریشنز۔

## چیئرمین اور سی ای او کے کردار اور ذمہ داریاں

شفافیت اور اچھی حکمرانی کے کلچر کو فروغ دینے کے لئے بورڈ آف ڈائریکٹرز کے چیئرمین اور چیف ایگزیکٹو آفیسر کے عہدے الگ الگ عہدوں پر فائز ہوتے ہیں جن میں کردار اور ذمہ داریوں کی واضح حد بندی ہوتی ہے۔

چیئرمین بورڈ کے نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کرتا ہے اور اسے بورڈ کی کارروائی کی مجموعی نگرانی اور ہدایت کی ذمہ داری سونپی گئی ہے، اور اسے ایجنڈا طے کرنے، ہدایات دینے اور بورڈ کے اجلاسوں کے منٹس پر دستخط کرنے کا اختیار ہے۔

چیف ایگزیکٹو آفیسر ایک ایگزیکٹو ڈائریکٹر ہوتا ہے جو کمپنی کی انتظامیہ کے سربراہ کے طور پر بھی کام کرتا ہے۔ وہ دیگر ذمہ داریوں کے علاوہ تفویض کردہ حدود کے اندر بورڈ کی پالیسیوں کو نافذ کرنے کا مجاز ہے۔

## ڈائریکٹرز کا معاوضہ

لسٹڈ کمپنی (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2017 (کوڈ) کی ضروریات کے لحاظ سے، کمپنی نے "ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے لئے معاوضہ پالیسی" کے نام سے ایک پالیسی تیار کی ہے، جو ڈائریکٹرز کے معاوضے سے متعلق ہے۔

ڈائریکٹرز کے لئے معاوضے کا نظام کارپوریٹ ویلیو کی پائیدار ترقی کے ساتھ قلیل مدتی اور درمیانی سے طویل مدت میں بہتر کاروباری کارکردگی کے لئے ان کی حوصلہ افزائی کو بڑھانے کے لئے ڈیزائن کیا گیا ہے۔ ایگزیکٹو ڈائریکٹرز کو ڈائریکٹرز کی منظوری کے مطابق ماہانہ معاوضہ اور فوائد ادا کیے جاتے ہیں، جبکہ کمپنی ایڈوائزری اور مینٹنگ فیس کے علاوہ نان ایگزیکٹو ڈائریکٹرز کو معاوضہ ادا نہیں کرتی ہے۔ 2022-23 میں ڈائریکٹرز اور سی ای او کے معاوضے اور فیس کے بارے میں معلومات کے لئے، براہ کرم 30 جون، 2023 کو ختم ہونے والے سال کے مالیاتی بیانات کے نوٹ ملاحظہ کریں۔

ایچ آر اینڈ ریویو نیشن کمیٹی کی سفارشات کے مطابق بورڈ نے 30 جون 2024 کو ختم ہونے والے سال کے لئے ایگزیکٹو ڈائریکٹرز، سی ایف او، کمپنی سیکرٹری اور ہیڈ آف انٹرنل آڈٹ کے معاوضوں میں اضافے کی منظوری دے دی ہے۔

بورڈ نے مینٹنگ فیس کا جائزہ لیا اور بورڈ ممبران کے پس منظر اور تجربے کو مد نظر رکھتے ہوئے، اس حقیقت کو مد نظر رکھتے ہوئے کہ یہ ڈائریکٹرز کمپنی کی بہتر دیکھ بھال کے لئے اپنی قیمتی خدمات / مہارت / وقت وقف کر رہے ہیں، بورڈ نے انڈیپنڈنٹ ڈائریکٹرز سمیت نان ایگزیکٹو ڈائریکٹرز کو ادا کی جانے والی مینٹنگ فیس میں اضافے کی منظوری دی ہے۔ بورڈ اور کمیٹی کے اجلاسوں میں شرکت کرنے اور مندرجہ ذیل قرارداد کی منظوری دینے کے لئے:

بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے انڈیپنڈنٹ ڈائریکٹرز سمیت نان ایگزیکٹو ڈائریکٹرز کو دی جانے والی ڈائریکٹرز کی فیس 60 ہزار روپے سے بڑھا کر ایک لاکھ روپے اور 30 جون 2023 سے کمیٹی اجلاسوں میں 40 ہزار روپے سے بڑھا کر 60 ہزار روپے کرنے کا فیصلہ کیا گیا ہے۔

"مزید عزم کیا گیا کہ مینٹنگ فیس پر تمام قابل اطلاق ٹیکس ڈائریکٹرز برداشت کریں گے۔"



## بورڈ کے اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز کے آٹھ (8) اجلاس منعقد ہوئے بورڈ ممبران کی حاضری درج ذیل تھی:

نمبر شمار	نام ڈائریکٹر	عہدہ	تعداد حاضری
1	جناب طاہر جہانگیر	چیئر مین	8/8
2	جناب عثمان الہی ملک	چیف ایگزیکٹو آفیسر	8/8
3	جناب جیلانی جہانگیر	ایگزیکٹو ڈائریکٹر	8/8
4	محترمہ منیر زے جہانگیر	نان-ایگزیکٹو ڈائریکٹر	7/8
5	محترمہ مہر النساء ملک	نان-ایگزیکٹو ڈائریکٹر	7/8
6	جناب فرقان انوار بانٹلا	نان-ایگزیکٹو ڈائریکٹر	8/8
7	جناب فراست علی	آزاد ڈائریکٹر	7/8
8	جناب منصور الہی ملک	نان-ایگزیکٹو ڈائریکٹر	1/8
9	جناب سیف علی راستگار	آزاد ڈائریکٹر	4/8

سال کے دوران بورڈ کے اجلاس میں شرکت نہ کرنے والے ممبران کو غیر حاضری کی چھٹی دی گئی۔

جناب منصور الہی نے استعفی دے دیا اور ان کی جگہ جناب سیف علی راستگار کو آزاد ڈائریکٹر مقرر کیا گیا۔

## آڈٹ کمیٹی

بورڈ نے آڈٹ کمیٹی کو دوبارہ تشکیل دیلے جو آزاد اور غیر ایگزیکٹو ڈائریکٹر سمیت تین ممبران پر مشتمل ہے۔ آڈٹ کمیٹی کا چیئر مین ایک آزاد ڈائریکٹر ہوتا ہے۔ کمیٹی سہ ماہی طور پر وسائل کی

مناسبت اور اس کام کے اختیار کا جائزہ لیتی ہے۔ انٹرنل آڈٹ کا سربراہ عملی طور پر آڈٹ کمیٹی کو رپورٹ کرتا ہے جو آپریٹنگ علاقوں کے سالانہ اور سہ ماہی جائزے کی بنیاد پر آڈٹ پلان کی منظوری دیتا ہے۔ شیئر ہولڈرز کی تفویض کا جواب دینے کے لئے، آڈٹ کمیٹی آڈٹ رپورٹس، اندرونی کنٹرول سسٹم، مالی بیانات کا جائزہ لیتی ہے اور کمپنی کی مستحکم اور پائیدار ترقی کو یقینی بنانے کے مقصد سے قوانین اور ضوابط کے ذریعہ مقرر کردہ کمیٹی کے دیگر فرائض انجام دیتی ہے۔ جب بھی کوئی ایسی شے ہوتی ہے جس کا کمپنی پر بڑا اثر پڑتا ہے تو رپورٹنگ کی ضرورت ہوتی ہے۔ انٹرنل آڈیٹرز محکمہ کی پالیسیوں، قواعد و ضوابط اور ایس او بیز کی تعمیل کو یقینی بنانے کے لئے محکمہ کے عمل کا جائزہ لیتے ہیں۔

زیر غور سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے جن میں مالی بیانات، داخلی آڈٹ رپورٹس، متعلقہ قوانین و ضوابط کی تعمیل اور دیگر متعلقہ امور کا جائزہ لیا گیا۔ آڈٹ کمیٹی کے ممبران کی حاضری درج ذیل تھی:

نمبر شمار	نام ڈائریکٹر	عہدہ	تعداد حاضری
1	جناب فراست علی	چیئر مین	4/4
2	محترمہ مہر النساء ملک	نان-ایگزیکٹو ڈائریکٹر	3/4
3	جناب فرقان انوار بانٹلا	نان-ایگزیکٹو ڈائریکٹر	4/4

سال کے دوران آڈٹ کمیٹی میں شرکت نہ کرنے والے ممبران کو غیر حاضری کی چھٹی دی گئی۔

## انسانی وسائل اور معاوضہ کمیٹی

انسانی وسائل اور معاوضہ کمیٹی پانچ ارکان پر مشتمل ہے، جن میں سے اکثریت نان ایگزیکٹو ڈائریکٹرز ہیں۔ کمیٹی کا چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے۔ کمیٹیاں انتظامیہ کو انسانی وسائل کے بارے میں اسٹریٹجک رہنمائی فراہم کرتی ہیں، سالانہ کارکردگی کی تشخیص، اہلکاروں کی پالیسیوں، اور ایسوسی ایٹس کے لئے معاوضہ اور فوائد کا جائزہ لیتی ہیں۔ زیر غور سال کے دوران، ایچ آر اینڈ آر کمیٹی کا ایک اجلاس منعقد ہوا جس میں کمیٹی کے ممبرز آف ریفرنس کے تحت آنے والے معاملات پر تبادلہ خیال اور منظوری دی گئی۔ ایچ آر اینڈ آر کمیٹی کے ارکان کی حاضری درج ذیل تھی:

نمبر شمار	نام ڈائریکٹر	عہدہ	تعداد حاضری
1	جناب فراست علی	چیئرمین	3/4
2	جناب عثمان الہی ملک	رکن	4/4
3	جناب جیلانی جہانگیر	رکن	4/4
4	محترمہ منیر زے جہانگیر	رکن	4/4
5	جناب فرقان انور باٹلا	رکن	4/4
6	جناب سیف علی راستگار	چیئرمین	1/4

جناب سیف علی راستگار 02-01-2023 کو جناب فراست علی کی جگہ چیئرمین منتخب ہوئے۔

سال کے دوران کمیٹی کا مجاز شیئر کیپیٹل 100,000,000/- روپے (صرف ایک سو ملین) تھا جسے 10,000,000 (صرف دس ملین) عام حصص میں تقسیم کیا گیا جس میں سے ہر ایک 10/- روپے تھا۔

اس کے بعد 24 جون 2023 کو ہونے والے اپنے غیر معمولی جنرل اجلاس میں بورڈ اور کمیٹی کے شیئر ہولڈرز کی منظوری سے مجاز شیئر کیپیٹل میں اضافہ کیا گیا اور جو اینٹ رجسٹر آف کمپنیز (ایس ای سی پی) سے مجاز شیئر کیپیٹل کو 10,000,000 روپے سے بڑھا کر 10,000,000 روپے سے بڑھا کر 17,000,000 روپے فی شیئر میں تقسیم کرنے کی منظوری حاصل کی گئی۔ 7,000,000 نئے حصص کی تخلیق کے ذریعہ۔

## مشروم کیننگ پروجیکٹ

کمپنی مشروم کی پیداوار میں توسیع کرنے جا رہی ہے اور ہمارے مشروم کے کاروبار کی موجودہ صلاحیت کو زیادہ سے زیادہ کرنے کے لئے مشروم کیننگ پروجیکٹ انشال کرنے جا رہی ہے۔

## کارپوریٹ گورننس

کمپنی اپنے شیئر ہولڈرز، صارفین اور معاشرے کے اعتماد کو مضبوط بنانے کے لئے کمپنی کے بنیادی اصولوں کی بنیاد پر اپنے انتظام کے لئے سب سے اہم کاموں میں سے ایک کے طور پر کارپوریٹ گورننس کو بڑھانے کی کوشش کرتی ہے۔ بورڈ ہمیشہ بروقت، فیصلہ کن اور خطرے پر مبنی فیصلہ سازی کی حوصلہ افزائی کرتا ہے۔ وسط سے طویل مدت میں پائیدار ترقی اور کارپوریٹ گورننس میں اضافہ چاہتے ہیں۔ اور "ایک ایسی کمپنی بن جاتی ہے جس کا معاشرہ وجود رکھنا چاہتا ہے۔ انتظامیہ کے سپروائزر اور عملدرآمد کے کام کو واضح طور پر الگ کرنے اور فوری اور پیکڈ فیصلوں کو قابل بنانے کے لئے، کمپنی کے پاس ایک آڈٹ کمیٹی، ایک انسانی وسائل اور معاوضہ کمیٹی اور ایک مینجمنٹ کمیٹی ہے، جو ایگزیکٹو افسران کو کاروباری عملدرآمد اتھارٹی کے وسیع تر وفد کی اجازت دیتی ہے۔

## تعمیل

تعمیل کے کلچر کو بہتر بنانے کے لئے، کمپنی نے بورڈ آف ڈائریکٹرز کے ذریعہ نامزد کمپنی سیکریٹری نامزد کیا ہے۔ کمپنی سیکریٹری اہم داخلی کنٹرول سسٹم اقدامات کے بارے میں فیصلے کرتا ہے جس میں تعمیل کی پالیسیوں کی تشکیل اور ترمیم شامل ہے۔ اس کے علاوہ، کمپنی سیکریٹری کی ذمہ داریوں میں کاروباری اخلاقی تجاویز لائن کے مناسب انتظام کے لئے داخلی کنٹرول سسٹم کے قیام اور آپریشن کی حیثیت کی تصدیق کرنا اور کسی بھی خلاف ورزی کے اعادہ کو روکنے کے لئے اقدامات کا فیصلہ کرنا شامل ہے۔ تعمیل کے معاملات کے لئے جو خاص طور پر انتہائی اہمیت کے حامل ہیں، مینجمنٹ کمیٹی کے اجلاس میں غور و خوض یا رپورٹنگ معاملے کی تفصیلات پر منحصر ہے۔ زیر غور سال میں قوانین یا ضوابط کی ایسی کوئی خلاف ورزی نہیں ہوئی۔

## ضابطہ اخلاق

پائیدار ترقی کے لئے لوگوں اور معاشرے کا اعتماد حاصل کرنے کے لئے، ہمیں نہ صرف قوانین اور ضوابط کی تعمیل کرنی چاہئے بلکہ مخلص اور اخلاقی طرز عمل پر عمل کرتے ہوئے ان قانونی ڈھانچوں سے آگے بڑھنا چاہئے۔ اس بات کو تسلیم کرتے ہوئے کمپنی نے پی او ایم ایل کو ڈ آف کنڈکٹ تیار کیا ہے۔ یہ پی او ایم ایل میں کام کرنے والے لوگوں کے ذریعہ عمل میں لائے جانے والے مخلص اندرونیہ کا خلاصہ پیش کرتا ہے۔ کمپنی تربیت، ان ہاؤس مواصلات کی تقسیم جیسے اقدامات کے ذریعے ہر ساتھی میں ضابطہ اخلاق قائم کرنے کے لئے کام کرتی ہے۔

## کارپوریٹ سماجی ذمہ داری

پنجاب آئل ملز لمیٹڈ (پی او ایم ایل) نے اسلام آباد میں اپنے احاطے میں اپنے ملازمین (خاص طور پر) خواتین ملازمین کے لئے ایک ڈے کیئر سینٹر قائم کیا ہے۔ جناب عثمان الہی ملک نے 15 ستمبر 2023 کو ڈے کیئر سینٹر کا افتتاح کیا۔ سی ای او کے مطابق، "کمپنی اپنے انسانی وسائل کو ایک اسٹریٹجک اثاثہ کے طور پر دیکھتی ہے اور اپنے ملازمین اور ان کے اہل خانہ کی فلاح و بہبود کو یقینی بنانے کے لئے اپنے راستے سے باہر جاتی ہے۔ یہ اقدام کام اور زندگی کے توازن کو فروغ دینے اور باقاعدگی سے حاضری کو برقرار رکھنے کے لئے ایک مؤثر ذریعہ ثابت ہو گا، خاص طور پر کام کرنے والی ماؤں کے درمیان۔"

سال کے دوران، کمپنی کی انتظامیہ کمپنی کی سماجی سرگرمیوں کو فروغ دینے کے لئے مندرجہ ذیل اقدامات کرتی ہے۔

• ایس او ایس دیہاتوں کو 50% رعایتی فروخت

• پی اے این اے ایچ کے اشتراک سے دیہی علاقوں میں مفت طبی کیپ

• مفت واٹر فلٹریشن پلانٹ مقامی آبادی کو ہر ماہ 58,000 لیٹر پینے کا صاف پانی فراہم کرتا ہے۔

## ویلیو ایڈیشن کا بیان

ویلیو ایڈیشن اور اس کی تقسیم کا بیان اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

## مادی تبدیلیاں

رپورٹ میں 30 جون 2023 سے لے کر آج تک کوئی مادی تبدیلی نہیں کی گئی ہے اور کمپنی نے اس مدت کے دوران کوئی وعدہ نہیں کیا ہے، جس سے کمپنی کی مالی حالت پر منفی اثر پڑے گا۔

## حصص کی منتقلی

مالی سال کے دوران ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری کی جانب سے کمپنی کے حصص کی ٹریڈنگ کی گئی۔



نمبر شمار	ڈائریکٹر کا نام	حصص کی تعداد	منتقلی کی نوعیت
1	جناب عثمان الہی ملک	154,260	جانشینی کیس
2	جناب منصور الہی ملک	154,260	جانشینی کیس
3	جناب جیلانی جہانگیر	61,454	خاندان کا تحفہ
4	محترمہ منیرے جہانگیر	30,883	خاندان کا تحفہ
5	محترمہ مہر النساء ملک	77,131	جانشینی کیس
6	جناب سیف علی راستگار	500	اہلیت کے حصص
7	جناب رانا شکیل شوکت	81	بونس حصص

زیر غور مدت کے دوران ڈائریکٹرز، کمپنی سیکریٹری، چیف فنانشل آفیسر، ان کی شریک حیات یا نابالغ بچوں کی جانب سے کمپنی کے حصص کی خرید و فروخت کا کوئی دوسرا لین دین نہیں ہوا۔

### چیئر مین کا جائزہ

چیئر مین کے جائزے کو سالانہ رپورٹ میں شامل کیا گیا ہے جس میں 30 جون 2023 کو ختم ہونے والے سال کے لئے کمپنی کی کارکردگی اور مستقبل کے نقطہ نظر کے بارے میں بتایا گیا ہے ڈائریکٹرز جائزے کے مندرجات کی توثیق کرتے ہیں

### کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کا بیان

کمپنی نے لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضروریات کی مکمل تعمیل کی ہے۔ اس سلسلے میں ایک بیان اس رپورٹ کے ساتھ منسلک ہے۔

### حصص کی ملکیت کا بیانیہ

30 جون 2023 تک شیئرز ہولڈنگ کا پیٹرن اور اس کا انکشاف اس رپورٹ کے ساتھ منسلک ہے

### بیرونی آڈیٹرز

موجودہ آڈیٹر ملک ہارون شاہد صفدر اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس اور میسرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس دونوں نے ضامنہ دی ظاہر کی اور اگلی مدت کے لئے خود کو کمپنی کے بیرونی آڈیٹرز کے طور پر پیش کیا۔ آڈٹ کمیٹی نے دونوں چارٹرڈ اکاؤنٹنٹس فرموں کے سینئر پارٹنرز سے تفصیلی انٹرویو کیے اور انٹرویو کی بنیاد پر 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے کرو حسین چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی اور آڈیٹر کا معاوضہ 16 لاکھ 17 ہزار روپے مقرر کیا جس میں ششماہی جائزہ، سرٹیفیکیشن اگر کوئی ہو تو شامل ہے اور تمام قابل اطلاق ٹیکس۔ جیب سے باہر کے اخراجات حقیقی بنیادوں پر ادا کیے جائیں گے بورڈ نے متفقہ طور پر آڈٹ کمیٹی کی سفارش کے مطابق تقرری کی منظوری دی جو 26 اکتوبر 2023 کو ہونے والے آئندہ سالانہ جنرل اجلاس میں شیئرز ہولڈرز کی منظوری سے مشروط ہے۔

### لاگت کے آڈیٹرز

موجودہ کاسٹ آڈیٹر رفاقت حسین اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس اور 26 اکتوبر 2023 کو ریٹائر ہو رہے ہیں۔ آڈٹ کمیٹی نے 30 جون 2024 کو ختم ہونے والے سال کے لئے نئے کاسٹ آڈیٹرز کے بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے اور بیگٹ اخراجات کو چھوڑ کر 350,000/- روپے معاوضہ مقرر کیا ہے، تمام قابل اطلاق ٹیکس فرم برداشت کرے گی۔

## اندرونی آڈٹ اور کنٹرول

بورڈ آف ڈائریکٹرز نے ایک اندرونی مالیاتی کنٹرول کا موثر نظام قائم کیا ہے۔ بورڈ آڈٹ کمیٹی سہ ماہی بنیاد پر اس عمل کے وسائل کی مناسبات اور اتھارٹی کا جائزہ لیتی ہے۔ اندرونی آڈٹ کا سربراہ ہی آڈٹ کمیٹی کو فعال طور پر رپورٹ کرتا ہے۔ بورڈ آڈٹ کمیٹی آپریٹنگ شعبوں کے سالانہ اور سہ ماہی تشخیص کی بنیاد پر آڈٹ پلان کی منظوری دیتی ہے۔ اندرونی آڈٹ عمل بورڈ آڈٹ کمیٹی، چیف ایگزیکٹو آفیسر اور ڈویژنل مینجمنٹ کو مالی، آپریشنل اور رپورٹس کے نتائج پر جائزہ دیتا ہے۔

## مادی تبدیلیاں

30 جون، 2023 سے رپورٹ کی تاریخ تک کوئی مادی تبدیلیاں نہیں ہوئیں اور کمپنی اس عرصے کے دوران کسی بھی قسم کی مادی وابستگی میں داخل نہیں ہوئی ہے، جس سے کمپنی کے مالیاتی مقام پر منفی اثرات مرتب ہوں۔

## شیر ہولڈنگ کا نمونہ

کمپنیز ایکٹ 2017 کے مطابق 30 جون 2023 تک کمپنی کی شیر ہولڈنگ کا نمونہ اس رپورٹ میں منسلک کیا گیا ہے۔

## متعلقہ پارٹی لین دین

کمپنی نے اس سالانہ رپورٹ کے ساتھ منسلک اپنے مالی حسابات میں متعلقہ پارٹی لین دین کے بارے میں انکشافات کیے ہیں۔ اس طرح کا انکشاف کمپنیز ایکٹ 2017 کے چوتھے شیڈول اور قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ کے معیارات کے مطابق ہے۔ تمام متعلقہ فریقوں کے ساتھ تمام لین دین یا انتظامات قابل رسائی قیمتوں کی بنیاد پر کاروبار کے عام معمول میں کئے گئے تھے۔ متعلقہ فریقوں کے ساتھ تمام لین دین قابل رسائی قیمتوں پر عمل میں لائے گئے ہیں اور متعلقہ نوٹس کے تحت مالی حسابات میں انکشاف کیا گیا ہے۔

## مواصلات

کمپنی کے حصص یافتگان کے ساتھ رابطے کو بہت اہمیت دیتی ہے۔ سالانہ، ششماہی اور سہ ماہی رپورٹس نہیں کمپنیز ایکٹ، 2017 میں متعین وقت کے اندر ترسیل کی جاتی ہیں۔ کمپنی کی سرگرمیاں بروقت بنیاد پر [www.punjaboilmills.com.pk](http://www.punjaboilmills.com.pk) پر اپنی ویب سائٹ پر اپڈیٹ کی جاتی ہیں۔

## کارپوریٹ گورننس

بورڈ کمپنی کے کاروبار کو بہترین بین الاقوامی اور مقامی کارپوریٹ گورننس طریقوں کے مطابق چلانے کو اولین ترجیح دیتی ہے اور قابل اطلاق قوانین اور ضوابط کے ساتھ صحتمند کارپوریٹ کلچر، اخلاقی کاروباری طریقوں، قابل اعتماد اور شفاف مالیاتی رپورٹنگ، اور اسٹیک ہولڈرز کے ساتھ کھلی مواصلاتی چینلز، اور تعمیل کی پابندی کرتی ہے۔ اس کے نتیجے میں، کارپوریٹ گورننس کے اچھے اصول کمپنی کے فیصلے سازی اور آپریٹنگ سیٹ اپ کے ساتھ ساتھ مانیٹرنگ کے عمل میں بھی گہرائی کے قائل ہیں۔

کمپنی شیر ہولڈرز، ملازمین، فنانسیرز، قرض دہندگان، کاروباری شراکت داروں، مقامی کمیونٹیز اور دیگر سمیت ہر ایک کے اسٹیک ہولڈرز کے حقوق کو تسلیم اور اس کا احترام کرتی ہے۔ کمپنی کمپنی کے تمام عوامی اجلاسوں میں حصص یافتگان کی فعال شرکت کی حوصلہ افزائی کرتی ہے اور بہتر حکمرانی اور آپریشنل مینجمنٹ کے خیالات کی قدر کرتی ہے۔ کمپنی اپنے کاروباری شراکت داروں، مقامی کمیونٹیز اور دیگر اسٹیک ہولڈرز کی اپنی قانونی اور اخلاقی ذمہ داریوں سے بھی آگاہ ہے۔ اور کمپنی سے وابستہ مفادات کے عملی نظریات کو مد نظر رکھنے کے بعد ان کی توقعات کے بروقت جواب دینے کے لئے مناسب اقدامات کرتی ہے۔

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ نظر ثانی شدہ کوڈ آف کارپوریٹ گورننس 2017 (سی سی جی) کے مطابق اس رپورٹ میں کمپنی کے بورڈ میں ہر ڈائریکٹر یا نان ایگزیکٹو یا آزاد کی حیثیت کا انکشاف کیا گیا ہے۔

بورڈ کی طرف سے کمپنی کے ڈائریکٹرز اور ملازمین کے لئے ضابطہ اخلاق کی منظوری دی گئی ہے اور اس میں تبدیلیاں نظر ثانی شدہ سی سی جی میں بتائے گئے نئی تقاضوں کے مطابق کی گئیں۔ مذکورہ ضابطہ اخلاق ڈائریکٹرز اور ملازمین سے متوقع پیشہ ور کاروباری طرز عمل کے معیار کو مضبوط کرتا ہے اور اخلاقی، دیانتدار اور ذمہ دار اندرونیہ کا مظاہرہ کرنے کا پابند ہے۔ ضابطہ کو تمام کمپنیوں میں ان کی معلومات کی تعمیل کے لئے تمام ڈائریکٹرز اور ملازمین کو ترسیل کیا گیا ہے۔

بورڈ آف ڈائریکٹرز کے ہر اجلاس سے قبل کمپنی کی بندش مدت کا اعلان کیا گیا جس کے دوران کمپنی کے ڈائریکٹرز، سی ای او، ایگزیکٹوز اور ان کے شریک حیات کو براہ راست یا بالواسطہ کسی بھی طرح سے کمپنی کے حصص میں تجارت کرنے کی اجازت نہیں دی گئی ہے۔ بورڈ نے سی سی جی کی شق (xvi) کی شرائط کے مطابق ایگزیکٹوز کی حیثیت کا جائزہ لیا ہے اور انتظامیہ کے ملازمین کی اقسام کی وضاحت کی حد مقرر کی ہے جس کے نتیجے میں وہ کمپنی کے حصص میں ان کے لین دین کا انکشاف اور انکشاف کرنے کے لئے اضافی ریگولیٹری ضروریات کے تابع ہیں۔

کمپنی کے ڈائریکٹرز اپنے فرائض اور ذمہ داریوں سے پوری طرح واقف ہیں اور تمام قابل اطلاق کارپوریٹ قوانین اور قواعد و ضوابط کی تعمیل میں ان کی ذمہ داریوں کو پوری طرح سے ادا کرنے کی کوشش کرتے ہیں۔

سال کے دوران، بورڈ اپنے فرائض کی انجام دہی میں فعال طور پر شامل رہا جس میں مختلف قوانین کے تحت انجام دینا اور کمپنی کے میمورنڈم اور آرٹیکل آف ایسوسی ایشن کے حتمی مقصد کے ساتھ حصص یافتگان کے مفادات کا تحفظ، کمپنی کے منافع میں اضافہ، حصص یافتگان کی قدر میں اضافہ اور مارکیٹ کے اعتماد کو فروغ ملا۔

### کارپوریٹ اور مالیاتی رپورٹنگ کا دائرہ کار

- I• کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- II• کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- III• مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- IV• مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے اور کسی انحراف کا واضح انکشاف اور وضاحت کی گئی ہے۔
- V• اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- VI• کمپنی کے گونگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- VII• گزشتہ چھ سالوں کے کلیدی آپریشننگ اور مالی اعداد و شمار سالانہ رپورٹ میں دئے گئے ہیں۔
- VIII• ٹیکسز، ڈیوٹیز، لیویز اور بقایا چارجز کی مد میں معلومات اکاؤنٹ کے نوٹس میں دی گئی ہیں۔
- IX• کارپوریٹ ری سٹرکچرنگ، کاروباری وسعت اور آپریشن کی معطلی معہ مستقبل کے امکانات، خطرات اور غیر یقینی حالات کی بابت اہم منصوبوں اور فیصلوں کا ڈائریکٹرز رپورٹ کے متعلقہ سیکشن میں انکشاف کیا گیا ہے۔
- X• 30 جون 2023 کے گزشتہ نظر ثانی شدہ حسابات پر مبنی ایمپلائئی ریٹائرمنٹ فنڈ میں سرمایہ کاری کی قیمت درج ذیل ہے:

### گرپچوٹی فنڈ 136 ملین روپے

I- سال کے دوران ہونے والے بورڈ اور کمیٹیوں کے اجلاسوں کی تفصیلات اور ہر ڈائریکٹر کی حاضری سالانہ رپورٹ میں بیان کی گئی ہے۔ غیر حاضری کی رخصت ان ڈائریکٹرز/ممبروں کو دی گئی جو بورڈ اور کمیٹی کے اجلاسوں میں شرکت نہیں کر سکتے تھے۔



II۔ کمپنی میں شیئر ہولڈنگ کے نمونہ کا بیان جس میں 30 جون 2022 تک حصص یافتگان کے یقینی درصوں کا انکشاف نظر ثانی شدہ سی سی جی کے تحت ضروری ہے اور سال کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے نابالغ بچوں کی طرف سے حصص کی خرید و فروخت سالانہ رپورٹ میں ظاہر کی گئی ہے۔

### ضابطہ اخلاق

کمپنی نے "ڈائریکٹرز اور ملازمین کے لئے ضابطہ اخلاق" تیار کیا ہے اور بورڈ نے اس کی منظوری دی ہے۔

ضابطہ اخلاق کے ترجیحی معیارات

I۔ حفاظت: حفاظت کے بغیر کوئی پیداوار نہیں ہو سکتی ہے۔

II۔ کوالٹی: مینوفیکچرنگ اور مارکیٹنگ پروڈکٹس کے ذریعہ گاہکوں کے مکمل اطمینان کو حاصل کرنے کے لئے جو کسی بھی قیمت پر اعلیٰ معیار کی سطح حاصل کرتے ہیں اور صارفین کو ان کے پیسوں کے عوض بہترین قیمت مہیا کرتے ہیں۔ ہم کھانے پینے کے تمام متعلقہ قوانین اور معیارات پر سختی سے عمل کرتے ہوئے، صارفین کی ضروریات کو بہتر طور پر پیش کرنے، مصنوع کو بہتر بنانے اور متنوع بنانے، اپنے معیار کے نظام کو مسلسل بہتر بنانے، اور اپنے اخراجات اور قیمتوں پر قابو پانے کے ذریعے اپنے صارفین کے لئے صارفین کی افادیت کو بڑھانے کے لئے پُر عزم ہیں۔

III۔ پیداواری صلاحیت: حفاظت اور معیار کے ساتھ ہم میں سے ہر ایک اپنی سرگرمیوں یعنی پیداوار، سیلز اینڈ مارکیٹنگ، پلاننگ اینڈ ڈویلپمنٹ، فنانس، ایمپورٹ، سپلائی چین مینجمنٹ، ہیومن ریسورسز اینڈ ایڈمنسٹریشن وغیرہ کے تمام شعبوں میں کارکردگی کو بہتر بنانے کی کوشش کرتا ہے۔

### حفاظت، صحت اور ماحولیات

پنجاب آئل ملز لمیٹڈ اپنی کاروباری ذمہ داری ادا کرتی ہے اور ایک طرح سے اپنے ساتھیوں اور معاشرے کے ماحولیاتی پہلوؤں سے صحت، حفاظت اور تحفظ کو یقینی بناتی ہے۔ ہم ایسے پروگراموں کو نافذ اور برقرار رکھتے ہیں جو مناسب یقین دہانی فراہم کرتے ہیں کہ کاروبار مندرجہ ذیل کام کرے گا:

1۔ تمام قابل اطلاق حکومتی اور داخلی صحت، حفاظت اور ماحولیاتی ضروریات کی تعمیل کرنا۔

2۔ سہولیات کو ڈیزائن اور اس انداز سے کام سرانجام دیں جو انسانی صحت، حفاظت اور ماحولیات کے خطرہ سے محفوظ ہوں۔

### کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل

کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کا بیان سالانہ رپورٹ کے ساتھ منسلک ہے۔

سرٹیفیکیشنز SO 9001: FSSC 22000

کمپنی نے ISO 9001 اور FSSC 22000 کے قواعد کے مطابق مکمل طور پر دستاویزی اور آزادانہ مینجمنٹ اور فوڈ سیفٹی مینجمنٹ سسٹمز تیار کیے ہیں۔ یہ یقینی بناتا ہے کہ ہماری تیار کردہ مصنوعات اعلیٰ معیار کے مطابق ہیں اور ہر طرح کے فوڈ سیفٹی خطرات سے آزاد ہیں تاکہ ہمارے صارفین کی صحت کی حفاظت کی جاسکے۔ ہم واحد پاکستانی کمپنی ہیں جو جرمنی میں ایک تسلیم شدہ لیبارٹری سے بین الاقوامی معیار کے مطابق کیڑے مارادویات اور دیگر نقصان دہ کیمیکلز کے لئے اپنے پریمیم کھانا پکانے والے تیلوں کا باقاعدگی سے جانچ کرتے ہیں۔

### عملے کی ریسائزمنٹ فوائد

کمپنی ایک ایسے فنڈ سے چلنے والی گریجویٹ اسکیم چلاتی ہے جس میں اس کے تمام ملازمین کا احاطہ کیا جاتا ہے جن کی کمپنی کے ساتھ خدمات کی مدت ایک سال سے زیادہ ہے۔ اس اسکیم کے تحت ذمہ داری کو پورا کرنے کے لئے ہر سال فراہمی کی جاتی ہے۔ کمپنی مسلسل ملازمت کے ایک سال مکمل ہونے کے بعد کمپنی چھوڑنے پر ممبروں کو ایک ایک لاکھ روپے کی گریجویٹ ادا کرتی ہے۔

## مستقبل کا نقطہ نظر

زیر نظر سال ایک انتہائی چیلنجنگ سال تھا، جس میں نہ صرف دوسرے کھلاڑیوں سے معمول کا سخت مقابلہ تھا، بلکہ تیل کی قیمتوں میں بھی بہت زیادہ اتار چڑھاؤ تھا۔ زیادہ لاگت والے درآمد شدہ تیل کی کچھ بوجھ بھری انویٹری کی وجہ سے ہمیں سال کی پہلی ششماہی میں نمٹنا پڑا۔ روپے کی قدر میں بھی کمی کا سلسلہ جاری رہا جس سے لاگت کے باؤ میں اضافہ ہوا۔ اس کے ساتھ ہی معاشی بحران اور بے تحاشا افراط زر نے مارکیٹ کے اعتماد اور صارفین کی قوت خرید دونوں کو ختم کر دیا، جس کی وجہ سے ہماری فروخت اور ترقی کے اہداف کو حاصل کرنا مشکل ہو تا جا رہا ہے۔ مزید برآں، بجلی اور ایندھن کی قیمتوں میں خاطر خواہ اضافہ ہوا ہے اور اس میں کمی کے کوئی آثار نظر نہیں آ رہے ہیں۔

اگرچہ روپے کی قدر میں کمی اور اتار چڑھاؤ غیر ملکی زر مبادلہ کی دستیابی کے ساتھ ساتھ تھیوٹیشن کا باعث بنا ہوا ہے، لیکن تیل کی مارکیٹیں موجودہ سہ ماہی میں مستحکم ہوتی دکھائی دے رہی ہیں اور چلی سطح پر مستحکم ہو رہی ہیں۔ خاص طور پر امریکی ڈالر کے مقابلے میں روپے کی حالیہ بحالی کے ساتھ جس سے ہمارے مارجن میں اضافہ ہو گا اور بالآخر فروخت کی بحالی میں بھی مدد ملے گی تاہم، مستقبل میں ہمیں تیل کی قیمتوں میں اضافہ اور کمزور پاکستانی روپے کی توقع ہے، جس سے ہماری لاگت میں اضافہ ہو گا۔ ہمارا منصوبہ مارجن کو برقرار رکھنے کے لئے بڑھتی ہوئی قیمتوں اور حجم کو چلانے کے لئے جارحانہ قیمتوں کے موقف کے درمیان صحیح توازن قائم کرنا ہے۔

یہ نقد بہاؤ پر گہری نظر رکھتے ہوئے کیا جانا چاہئے کیونکہ اس سال ہمارے پاس زیادہ سرمایہ کاری کی ضروریات ہیں، جس کے حصے کے طور پر ہمارے شمسی توانائی منصوبے کا پہلا مرحلہ (تقریباً 40 ملین روپے) اس وقت شروع ہو گا اور اگلے سال کے منصوبے کے ساتھ جاری ہے۔ ہم محسوس کرتے ہیں کہ اب شمسی توانائی کے منصوبے کے دوسرے مرحلے کے لئے بھی منصوبہ بندی شروع کرنے کا وقت ہے۔

جبکہ ہم سرمایہ کاری کی نئی راہیں تلاش کرتے ہیں، یہ ہم ہے کہ ہم اپنی کلیدی مصنوعات کی تجدید مارکیٹنگ پر بھی توجہ مرکوز کریں۔ دونوں قائم اور آنے والے ہیں تاکہ ہمارا بنیادی کاروبار پھلتا پھولتا رہے اس کے لئے اس سال مارکیٹنگ کے اخراجات میں اضافے کی بھی ضرورت ہوگی۔ اس مقصد کے لئے انتظامیہ اپنی قیمتوں، فروخت اور مارکیٹنگ پالیسیوں کا مسلسل جائزہ لے رہی ہے تاکہ بہتر نتائج کے ساتھ ساتھ فروخت میں بحالی کو ممکن بنایا جاسکے، جبکہ موثر آپریشنز اور سرمایہ کاری کے لئے نقد بہاؤ کو برقرار رکھا جاسکے۔

## اظہار تشکر

ہم اپنے تمام صارفین، سپلائرز اور بینکرز کے مسلسل تعاون اور کمپنی کی ترقی میں ان کی مدد کا شکریہ ادا کرتے ہیں۔ ہم پر امید ہیں کہ یہ تعاون اور معاونت مستقبل میں بھی ہمیں حاصل رہے گی۔ ہم اپنے چیف ایگزیکٹو آفیسر کی پرعزم، جھنکی اور متحرک ٹیم، کمپنی کے تمام عملے اور کارکنوں کے بھی شکریہ ادا کرتے ہیں جنہوں نے زیر جائزہ سال کے دوران انتہائی محنت اور لگن کے ساتھ اپنی ذمہ داریاں سرانجام دیں۔ ہم توقع کرتے ہیں کہ سال رواں میں بھی بہتر نتائج کے لئے ہمارے اسٹاف ممبرز کی کوششیں جاری رہیں گی۔

آخر میں، کمپنی کی انتظامیہ اپنے بورڈ کا شکریہ ادا کرتی ہے جنہوں نے مقاصد کے حصول کے لئے ہمیں اپنے بھرپور تعاون سے نوازا اور ہمیں حسب معمول ہر مرحلے پر ان کی راہنمائی اور معاونت حاصل رہی۔

بجگم بورڈ

عثمان الہی ملک

(عثمان الہی ملک)

چیف ایگزیکٹو آفیسر

طاہر جہانگیر

(طاہر جہانگیر)

چیئر مین

23 ستمبر 2023ء



## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 AS ON, JUNE 30, 2023

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are Seven (8) as per the following:

a.	Male	Six
b.	Female	Two

2. The composition of Board of Directors is as follows:

Category	Number	Names
Independent Director	2	Mr. Saif Ali Rastgar Mr. Firasat Ali
Non-Executive Directors	4	Mr. Tahir Jahangir Mrs. Munizae Jahangir Miss Mehrunisa Malik Mr. Furqan Anwar Batla
Executive Directors	2	Mr. Usman Ilahi Malik Mr. Jilani Jahangir
Female Directors	2	Miss Mehrunisa Malik Mrs. Munizae Jahangir

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including POML.
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and the decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and the Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
8. The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and the Regulations.
9. The following Directors were certified under SECP approved Directors' Training Program as at June 30, 2023.

1. Mr. Furqan Anwar Batla
2. Mr. Jilani Jahangir
3. Mr. Firasat Ali
4. Mr. Tahir Jahangir Exempted under the CCG regulations.
5. Mr. Usman Ilahi Malik Exempted under the CCG regulations.



10. The Director's Training Program for following three newly appointed directors will be arranged in due course.

1. Mr. Saif Ali Rastgar    2. Mrs. Munizae Jahangir    3. Miss Mehrunisa Malik

11. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations.

12. Chief Executive Officer and Chief Financial Officer duly endorsed the Financial Statements before approval of the Board.

13. The Board has formed the following committees comprising of members as given below:

**a) Audit Committee**

Name	Designation
i) Mr. Firasat Ali	Chairman
ii) Mr. Furqan Anwar Batla	Member
iii) Miss Mehrunisa Malik	Member

**b) HR and Remuneration Committee**

Name	Designation
i) Mr. Saif Ali Rastgar	Chairman
ii) Mr. Jillani Jahangir	Member
iii) Mrs. Munizae Jahangir	Member
iv) Mr. Usman Ilahi Malik	Member
v) Mr. Furqan Anwar Batla	Member

**c) Management Committee**

Name	Designation
i) Mr. Mian Tahir Jahangir	Chairman
ii) Mr. Jillani Jahangir	Member
iii) Mrs. Munizae Jahangir	Member
iv) Mr. Usman Ilahi Malik	Member

14. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.

15. The frequency of the meetings of committees was as given below.

Committees	Frequency of Meetings
Audit Committee	At least quarterly/required basis.
HR and Remuneration Committee	At least once a year/ required basis
Management Committee	Required basis



## Punjab Oil Mills Limited

16. The Board has set-up an effective internal audit function staffed with personnel who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
17. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
19. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and.
20. Explanations pertaining to Regulations other than 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr.	Requirements	Explanation	Regulation No.
1.	Constitution of Nomination Committee	The responsibilities as prescribed for the Nomination Committee are being taken care of at the Board level as and when needed. Therefore, a separate committee is not currently considered to be necessary	29
2.	Constitution of Risk Management Committee	The functions of the Risk Management Committee are currently performed by the Audit Committee and are included in its TORs. Hence a separate Risk Management Committee is currently not needed	30

Tahir Jahangir  
Chairman

September 23, 2023

Usman Ilahi Malik  
Chief Executive Officer





## KEY FINANCIAL DATA LAST SIX YEARS

PARTICULARS	2018	2019	2020	2021	2022	2023
Issued, Subscribed and paid up capital	53,906,520	53,906,520	53,906,520	53,906,520	53,906,520	77,625,380
Capital Reserves	23,137,159	23,137,159	23,137,159	23,137,159	23,137,159	23,137,159
General Reserves	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000
Deferred Liabilities	93,038,292	99,819,739	142,716,824	140,260,068	197,697,763	196,119,042
Current Liabilities	793,643,904	856,306,600	985,311,696	1,081,949,229	1,704,967,536	1,488,658,538
Operating Fixed Assets	644,451,088	685,598,237	662,687,107	676,081,418	2,129,372,829	2,110,056,823
Current Assets	1,375,489,892	1,481,133,521	1,715,099,793	1,765,425,082	2,468,031,725	2,268,006,190
Sales	4,950,808,026	5,504,226,272	5,268,462,350	5,981,842,659	8,837,676,009	9,844,949,849
Gross Profit	739,662,775	808,226,206	789,097,517	699,217,615	816,403,384	921,330,027
Operating Profit	189,507,206	250,135,554	224,667,434	65,581,927	210,896,245	261,948,291
Profit before taxation	174,288,264	228,481,386	206,799,347	66,197,773	181,201,934	152,534,036
Profit after taxation	69,155,642	107,377,820	84,178,161	(16,961,612)	67,309,215	42,998,101



**Independent Auditors' Review Report of Punjab Oil Mills Limited**  
Review Report on Statement of Compliance contained in  
Listed Companies (Code of Corporate Governance)  
Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Punjab Oil Mills Limited** (the Company) for the year ended 30 June 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2023.

Malik Haroon Shahid Safder & Co.  
Chartered Accountants

Date: September 23, 2023  
Lahore

UDIN: CR202310206JPc0IVrNJ



## **Independent Auditor's Report**

To the members of Punjab Oil Mills Limited  
Report on the Audit of the Financial Statements

### **Opinion**

We have audited the annexed financial statements of Punjab Oil Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Following are the Key audit matters:

## Key Audit Matters

### 1. Sales

(Reference note No. 36)

The Company generates revenue from the sales of cooking oil, banaspati ghee, speciality fats, soap coffee and mushroom for Rs. 8.83 billion which is 1.89 times of the total assets.

We identified recognition of sales as a key audit matter because sales is one of the key performance indicator of the Company and give to an inherent risk of misstatement to meet expectations or target.

## How the matter was addressed in our audit

Our audit procedures amongst others included the following:

- Obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;  
  
Assessing the appropriateness of the Company's accounting policies for recording of sales and compliances of those policies with applicable accounting standards;
- Comparing a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents;
- Comparing a sample of sale transactions recorded around the year with sales orders, sales invoices, delivery challans and other relevant underlying documents to assess if the sales are recorded in the appropriate accounting period;
- Comparing, on a sample basis, specific sale transactions recorded just before and just after the financial year end date to determine whether the revenue has been recognized in the appropriate financial period; and
- Scanning for any manual journal entries relating to sales raised during the year which were considered to be material or met other specific risk based criteria for inspecting underlying documentation.

## Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially



misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our



auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditors' report is Malik Haroon Ahmad.

Date: September 23, 2023  
Lahore  
UDIN: AR202310206tlpfyYlw0

Malik Haroon Shahid Safder & Co.  
Chartered Accountants



**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>2023 Rupees</b>	<b>2022 Rupees</b>
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
10,000,000 (2022: 10,000,000) ordinary shares of Rs. 10/- each		100,000,000	100,000,000
Issued, subscribed and paid-up capital	8	77,625,380	53,906,520
Capital reserves	9	23,137,159	23,137,159
Surplus on revaluation of property, plant and equipment- net of tax	10	1,763,923,335	1,782,650,951
Revenue reserves	11	939,339,446	909,474,371
		<u>2,804,025,320</u>	<u>2,769,169,001</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred liabilities	12	180,910,764	193,482,102
Long term borrowings	13	-	-
Lease liabilities against right of use assets	14	15,208,278	4,215,661
		<u>196,119,042</u>	<u>197,697,763</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	543,316,627	1,035,110,975
Short term borrowings	16	672,937,117	413,412,029
Current portion of non-current liabilities	17	3,003,164	11,082,599
Accrued mark up	18	15,103,420	6,840,235
Unclaimed dividend		9,921,030	9,102,088
Provision for taxation	19	244,377,180	229,419,610
		<u>1,488,658,538</u>	<u>1,704,967,536</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	20	<u>4,488,802,900</u>	<u>4,671,834,300</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Tangible fixed assets</b>			
Property, plant and equipment	21	2,085,221,101	2,124,245,065
Right of use assets	22	19,600,939	5,127,764
Capital work in progress	23	5,234,783	-
		<u>2,110,056,823</u>	<u>2,129,372,829</u>
Intangible assets	24	-	4,921,896
Investment in associate	25	-	-
Long term deposits	26	106,721,300	69,507,850
Long term loans	27	4,018,587	-
		<u>2,220,796,710</u>	<u>2,203,802,575</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	28	171,509,638	137,349,995
Stock in trade	29	768,261,975	832,322,595
Trade debts	30	827,167,108	1,058,124,372
Loans and advances	31	62,354,139	76,597,371
Trade deposits and short term prepayments	32	28,659,924	29,665,367
Short term investment		-	8,000,000
Other receivables	33	69,191,518	49,079,364
Advance income tax	34	269,489,428	213,296,936
Cash and bank balances	35	71,372,460	63,595,725
		<u>2,268,006,190</u>	<u>2,468,031,725</u>
		<u>4,488,802,900</u>	<u>4,671,834,300</u>

The annexed notes from 01 to 56 form an integral part of these financial statements.

CHAIRMAN / DIRECTOR

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER



**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 Rupees	2022 Rupees
Sales - net	36	9,844,949,849	8,837,676,009
Cost of sales	37	8,923,619,822	8,021,272,625
Gross profit		921,330,027	816,403,384
<b>Operating expenses:</b>			
Selling and distribution cost	38	364,694,596	361,945,551
Administrative expenses	39	294,687,140	243,561,588
		659,381,736	605,507,139
Operating profit		261,948,291	210,896,245
Finance cost	40	126,743,946	48,269,571
Other charges	41	13,708,239	14,149,948
		140,452,185	62,419,519
		121,496,106	148,476,726
Other income	42	31,037,930	32,725,208
Profit before taxation		152,534,036	181,201,934
Taxation	43	109,535,935	113,892,719
Net profit for the year		42,998,101	67,309,215
Earnings per share - basic and diluted	44	5.54	8.67

The annexed notes from 01 to 56 form an integral part of these financial statements.

CHAIRMAN / DIRECTOR

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER





**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2023**

Note	2023 Rupees	2022 Rupees
<b>Profit for the year</b>	42,998,101	67,309,215
<b>Other comprehensive income:</b>		
Items that will not be reclassified to the statement of profit or loss:		
Revaluation surplus during the year	-	1,485,923,780
Deferred tax thereon	-	(51,140,718)
	-	1,434,783,062
Remeasurement gain on defined benefit plans	3,717,636	6,143,976
Deferred tax thereon	(1,078,114)	(1,781,753)
<b>12.04</b>	2,639,522	4,362,223
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>45,637,623</b>	<b>1,506,454,500</b>

The annexed notes from 01 to 56 form an integral part of these financial statements.

CHAIRMAN / DIRECTOR

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER



# Punjab Oil Mills Limited

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

CASH FLOW FROM OPERATING ACTIVITIES	Note	2023 Rupees	2022 Rupees
Profit for the year before taxation		152,534,036	181,201,934
Adjustments for following items:			
Workers' profit participation fund	41	8,241,788	9,692,783
Workers' welfare fund	41	3,696,451	2,869,113
Gain on disposal of property, plant and equipment	42	(2,806,324)	-
Provision for staff retirement benefits	12.01	21,896,560	18,495,944
Depreciation	21.01	57,564,583	40,457,144
Amortization of intangible assets	38	4,921,896	7,414,800
Finance cost	40	126,743,946	48,269,571
		<u>220,258,900</u>	<u>127,199,355</u>
<b>Operating profit before working capital changes</b>		<b>372,792,936</b>	<b>308,401,289</b>
<b>(Increase) / decrease in current assets:</b>			
Stores, spare parts and loose tools		(34,159,643)	(4,222,816)
Stock in trade		64,060,620	(327,267,764)
Trade debts		230,957,264	(271,486,955)
Loan and advances		14,243,232	(6,810,474)
Trade deposits and short term prepayments		1,005,443	(7,516,254)
Short term investment		8,000,000	(8,000,000)
Other receivables		(20,112,154)	(5,849,350)
		<u>263,994,762</u>	<u>(631,153,613)</u>
<b>Increase / (decrease) in current liabilities:</b>			
Trade and other payables		(494,039,804)	401,203,767
Cash generated from operations		142,747,894	78,451,443
Workers' profit participation fund paid		(10,056,262)	(3,560,924)
Workers' welfare fund paid		-	-
Staff retirement benefits paid		(16,421,329)	(4,700,542)
Finance cost paid		(118,117,282)	(43,495,294)
Income tax paid		(166,177,904)	(123,762,991)
Dividend paid		(9,962,362)	(5,078,160)
		<u>(320,735,139)</u>	<u>(180,597,911)</u>
<b>Net cash used in operating activities</b>		<b>(177,987,245)</b>	<b>(102,146,468)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure	21	(17,587,020)	(7,378,857)
Proceeds from disposal of property, plant and equipment	21	3,694,000	-
Payment against lease liabilities	14	(3,307,909)	(775,699)
Capital work in progress	23	(5,234,783)	(6,803,454)
Long term deposits	26	(37,213,450)	(20,699,900)
Long term loans	27	(4,018,587)	-
<b>Net cash used in investing activities</b>		<b>(63,667,749)</b>	<b>(35,657,910)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long term borrowings	13	(10,093,359)	(20,186,722)
Short term borrowings	16	259,525,088	194,912,771
<b>Net cash flow generated from financing activities</b>		<b>249,431,729</b>	<b>174,726,049</b>
Net increase in cash and cash equivalents		7,776,735	36,921,671
Cash and cash equivalents at the beginning of the year		63,595,725	26,674,054
Cash and cash equivalents at the end of the year	35	<u>71,372,460</u>	<u>63,595,725</u>

The annexed notes from 01 to 56 form an integral part of these financial statements.

CHAIRMAN / DIRECTOR

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER



**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023**

	(Rupees)					
	Share Capital	Capital Reserves	Revaluation Surplus	Revenue Reserves		Total
				General Reserves	Un-appropriated Profit	
<b>Balance as at 01 July 2021</b>	<b>53,906,520</b>	<b>23,137,159</b>	<b>355,504,971</b>	<b>8,600,000</b>	<b>826,956,503</b>	<b>1,268,105,153</b>
Profit for the year ended 30 June 2022	-	-	-	-	67,309,215	67,309,215
Surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	1,434,783,062	-	-	1,434,783,062
Other comprehensive income for the year	-	-	-	-	4,362,223	4,362,223
Total comprehensive income for the year	-	-	1,434,783,062	-	71,671,438	1,506,454,500
<b>Transfer from surplus on revaluation of property, plant and equipment on account of - Incremental depreciation - net of deferred tax</b>	-	-	(7,637,082)	-	7,637,082	-
<b>Transaction with owners recorded directly in Equity - Distributions</b>						
10% Final dividend for the year 2021	-	-	-	-	(5,390,652)	(5,390,652)
	-	-	-	-	(5,390,652)	(5,390,652)
<b>Balance as at 01 July 2022</b>	<b>53,906,520</b>	<b>23,137,159</b>	<b>1,782,650,951</b>	<b>8,600,000</b>	<b>900,874,371</b>	<b>2,769,169,001</b>
Profit for the year ended 30 June 2023	-	-	-	-	42,998,101	42,998,101
Surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	2,639,522	2,639,522
Total comprehensive income for the year	-	-	-	-	45,637,623	45,637,623
<b>Transfer from surplus on revaluation of property, plant and equipment on account of - Incremental depreciation - net of deferred tax</b>	-	-	(18,727,616)	-	18,727,616	-
<b>Transaction with owners recorded directly in Equity - Distributions</b>						
20% Bonus shares issued for the year 2022	10,781,300	-	-	-	(10,781,300)	-
20% Final cash dividend for the year 2022	-	-	-	-	(10,781,304)	(10,781,304)
20% Interim bonus shares issued for the year 2023	12,937,560	-	-	-	(12,937,560)	-
	23,718,860	-	-	-	(34,500,164)	(10,781,304)
<b>Balance as at 30 June 2023</b>	<b>77,625,380</b>	<b>23,137,159</b>	<b>1,763,923,335</b>	<b>8,600,000</b>	<b>930,739,446</b>	<b>2,804,025,320</b>

The annexed notes from 01 to 56 form an integral part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

### 1 LEGAL STATUS AND NATURE OF BUSINESS

Punjab Oil Mills Limited ('the Company') was incorporated in Pakistan as a Public Limited Company on 05 February 1981. The Company is listed on Pakistan Stock Exchange Limited. The registered office and Plant of the Company are located at Plot No. 26, 27 and 28, Industrial Triangle, Kahuta Road, Islamabad, Pakistan. The head office of the Company is located at 19-A/1, Block E-II, Gulberg III, Lahore, Punjab, Pakistan.

The Company is principally engaged in the manufacturing and sale of Banaspati Ghee, Cooking Oil, Specialty Fats, Laundry Soap, Mushroom and Coffee.

### 2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed in the notes to these financial statements. For a detailed discussion about these significant transactions and events please refer to the Directors' report.

### 3 BASIS OF PREPARATION

#### 3.01 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting requirements as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) issued by Institute of Chartered Accountant of Pakistan as notified under the Companies Act, 2017 ; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 3.02 Standards, interpretations and amendments to published approved accounting standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

##### - Standards, amendments to published standards and interpretations effective in current year

The Company has adopted the following revised standards and amendments of IFRSs which became effective for the current year:

- IAS 1 - Presentation of Financial Statements - Amendments regarding the definition of material;
- IAS 8 - Accounting policies, changes in accounting estimates and errors - Amendments regarding the definition of material;
- IFRS 9 - Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform;
- IFRS 3 - Business combinations - Amendments to clarify the definition of a business;
- IFRS 7 - Financial Instruments: Disclosures - Amendments regarding pre-replacement issues in the context of the IBOR reform;
- IFRS 4 - Insurance contracts - Amendments regarding replacement issues in the context of the IBOR reform;
- IFRS 7, IFRS 9 & IAS 39 - Financial Instruments: Disclosure - Amendments regarding replacement issues in the context of the IBOR reform;
- IFRS 16 - Leases - Amendments regarding replacement issues in the context of the IBOR reform.
- IAS 1 - Presentation of Financial Statements - Amendment to defer the effective date of the January 2020 amendments;  
Presentation of Financial Statements - Amendments regarding the classification of liabilities;  
Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies;
- IAS 8 - Accounting policies, changes in accounting estimates and errors - Amendments regarding the definition of accounting estimates;
- IAS 12 - Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations;



- IAS 16 - Property, Plant and Equipment - Amendments prohibiting a Company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use;
- IAS 37 - Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous;
- IFRS 17 - Insurance contracts - Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published (includes a deferral of the effective date to annual periods beginning on or after 1 January 2023);

**- Standards, interpretations and amendments to existing standards that are not yet effective**

The following amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after their respective effective dates.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
----------------------------	--

IFRS 16 Amendments to IFRS 16 'Leases' - clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
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IAS 1 Amendments to IAS 1 'Presentation of Financial Statements' - Classification	January 01, 2024
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The above standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements except for the increased disclosures in certain cases.

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 14 - Regulatory Deferral Accounts	01 January 2016
IFRS 17 - Insurance contracts	01 January 2021

The Company expects that above new standards will not have any material impact on the Company's financial statements in the period of initial application.

#### 4 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for certain items of property, plant and equipment that are stated at revalued amounts, staff retirements benefits and certain long term borrowings at present value, and investment in associates on equity basis. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

#### 5 JUDGMENT, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards which requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made and in any future periods affected.

Significant management estimates in these financial statements relate to the useful life of property, plant and equipment, provisions for staff retirement benefits, doubtful receivables, slow moving inventory and taxation. However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in the financial statements.

Judgment made by management in the application of approved standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent year are as follows:

##### 5.01 Depreciation method, rates and useful lives of property, plant and equipment

The management of the Company reassesses useful lives, depreciation method, and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from those items.



## 5.02 Fair value of financial instruments having no active market

Fair value of financial instruments having no active market is determined using discounted cash flow analysis after incorporating all factors that market participants would consider in setting a price and using inputs that reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

## 5.03 Taxation

The Company takes into account income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by tax department at the assessment stage and where the Company considers that its view of items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

## 5.04 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

## 5.05 Revaluation of property, plant and equipment

Revaluation of property, plant and equipment is carried out by independent professional valuers. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present market and depreciated replacement values. Revaluation is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which is determined using fair value at the end of reporting period.

## 5.06 Stores, spares and loose tools and stock-in-trade

The Company estimates the net realizable values of its stores, spares and loose tools and stock-in-trade to assess any diminution in the respective carrying values.

## 5.07 Staff retirement benefit obligations

The present values of these obligations depend on a number of factors that are determined on actuarial basis, using a number of assumptions. Any change in these assumptions will impact the carrying amounts of these obligations. The underlying assumptions and the present value of these obligations are disclosed in notes No. 7.03 and 12.01 respectively.

## 5.08 Expected credit losses

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

## 6 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are prepared in Pak Rupee which is the Company's functional currency.

## 7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 7.01 Tangible fixed assets and depreciation

#### a) Owned

Property, plant and equipment (except leasehold land, building on leasehold land, plant, machinery and equipment, laboratory equipments and, scales and weigh bridge) are stated at cost less accumulated depreciation and any accumulated impairment losses. Leasehold land is stated at revalued amounts and building on leasehold land, plant, machinery and equipment, laboratory equipments and, scales and weigh bridge are stated at revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Residual value and the useful life of assets are reviewed annually at each financial year end and adjusted if impact on depreciation is significant.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the year in which these are incurred.



## b) Depreciation

Depreciation on property, plant and equipment (except leasehold land) is charged to statement of profit or loss by applying the reducing balance method so as to write off the cost/depreciable amount of the assets over their estimated useful lives at the rates specified in note No. 21 to the financial statements. Depreciation on an asset is begun when it is available for use and depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date the asset is derecognized. The residual values, depreciation method and useful lives of property, plant and equipment are reviewed by the management, at each financial year-end and adjusted if appropriate.

## c) De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Disposal of an asset is recognized when significant risk and rewards, incidental to the ownership of an asset, have been transferred to the buyer. Gains and losses on disposal of assets are taken to the statement of profit or loss, and the related surplus on revaluation of property, plant and equipment, if any, is transferred directly to retained earnings/unappropriated profits.

## d) Surplus on revaluation

Surplus on revaluation of revalued assets is credited through OCI to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of property, plant and equipment (net of deferred taxation, if any) is transferred directly to retained earnings/unappropriated profits.

## 7.02 Intangible assets

These are stated at cost less accumulated amortization and impairment losses, if any.

Costs associated with maintaining these assets are charged to the statement of profit or loss as and when incurred. However, costs that are directly attributable to the identifiable asset and have probable economic benefits exceeding one year, are recognized as intangible asset. Direct costs include purchase cost of the asset, salaries and other service benefits of staff deployed towards development of the asset and other related overheads. Expenditure incurred in respect of design, construction and testing of an intangible asset are also added to the carrying amount of that asset.

Expenditure which enhances or extends the performance of the asset beyond its original specifications is recognized as a capital improvement and added to the original cost of the asset.

Intangible asset is estimated to have definite useful life and is amortized from the month of purchase, made available for use or extended support cost is incurred, using the straight line method over specified rates.

## 7.03 Staff Retirement Benefits

### Defined Benefit Plan

The Company operates an un-funded gratuity scheme covering all employees whose period of services with the Company is more than one year. Provision is made annually to cover the liability under the scheme. The Company pays a lump-sum gratuity to members on leaving the Company after completion of one year of continuous service. The benefit is calculated as follows:

Last drawn gross salary x Number of completed years of services

Six or more months of service in excess of completed years of services is counted as one complete year. However, less than six month of services is ignored.

During the year, the Company assessed its liabilities under the gratuity scheme through actuarial valuation under IAS-19 (Staff Retirement Benefits).

Amounts arising as a result of 'Remeasurement', representing the actuarial gains and losses are recognized in the statement of financial position immediately, with a charge or credit to 'Other Comprehensive Income' in the periods in which they occur.

As per actuarial valuation carried out as at 30 June 2023, the following significant assumptions were used:

	2023	2022
Discount factor used	16.25%	13.25%
Expected rate of eligible salary increase in future years	15.25%	12.25%
Actuarial valuation method	Projected Unit Credit Method	



## 7.04 Trade and other payables

### Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in statement of profit or loss.

### Non-financial liabilities

These, both on initial recognition and subsequently, are measured at cost.

## 7.05 Dividend and appropriation to reserves

Dividend and appropriation to reserve are recognized in the financial statements in the period in which these are approved by the shareholders and therefore, these are accounted for as non-adjusting post statement of financial position event.

## 7.06 Taxation

### Current and prior years:

Provision for current taxation is based on applicable current rates of taxation after taking into account tax credits and rebates available, if any, under the provisions of Income Tax Ordinance, 2001. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalized during the year.

### Deferred:

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of the taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit shall be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Income subject to final tax regime is also considered in accordance with the requirements of Technical Release-27 of Institute of Chartered Accountants of Pakistan.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to equity in which case it is included in equity.

## 7.07 Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any, and includes the expenditures on material, labor and appropriate overheads directly relating to the construction, erection or installation of an item of property, plant and equipment. These costs are transferred to property, plant and equipment as and when related items become available for intended use.

## 7.08 Investment in related parties

Investment in associated companies where the Company has significant influence but not control over the financial and operating policies is accounted for using equity basis of accounting under which the investment in associate is initially recognized at cost and the carrying amounts are increased or decreased to recognize the Company's share of profit or loss for the associate after the date of acquisition, less impairment losses, if any. The Company's share of profit or loss of the associate is recognized in the Company's profit or loss. Distributions received from associated companies reduce the carrying amount of the investment. Adjustments to the carrying amounts are also made for changes in the associate's equity that have not been recognized in the associate's profit or loss. The Company's share of those changes is recognized directly in equity of the Company.

Gain/(loss) on sale of above investments, if any, are recognized in the period of sale. The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount and loss, if any, is recognized in statement of profit or loss.

## 7.09 Stores, spare parts and loose tools

Stores, spares and loose tools are stated at lower of cost and net realizable value. The cost of inventory is based on weighted average cost. Items-in-transit are stated at cost accumulated up to the statement of financial position date. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence, if any. Impairment is also made for slow moving items identified as surplus to the requirements of the Company.





## 7.10 Stock in trade

These are valued at lower of cost and net realizable value. Cost of raw materials and components represents invoice value plus other charges paid thereon. Cost of inventory is based on weighted average cost. Cost in relation to work-in-process and finished goods represents direct cost of raw materials, wages and appropriate manufacturing overheads. Goods-in-transit are stated at cost accumulated up to the statement of financial position date.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

The Company reviews the carrying amount of stock-in-trade on a regular basis and as appropriate, inventory is written down to its net realizable value or provision is made for obsolete items, if any.

## 7.11 Impairment

### Financial assets

The Company recognizes loss allowances for ECLs in respect of financial assets measured at amortized cost on date of initial recognition. The amount of expected credit loss is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial assets.

Impairment is recognized at an amount equal to lifetime expected credit losses for financial assets for which credit risk has increased significantly since initial recognition. For financial assets for which credit risk is low, impairment is recognized at an amount equal to 12 months' expected credit losses, with the exception of trade debts contract assets and lease receivables, for which the Company recognizes lifetime expected credit losses estimated using a provision matrix. The provision matrix is based on the Company's historical credit loss experience, adjusted for factors that are specific to counter parties, general economic conditions and an assessment for both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. All impairment losses are recognized in profit or loss. An impairment is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization. If no impairment loss had been recognized.

The Company writes off a financial asset when there is information indicating that the counter party is in severe financial condition and there is no realistic prospect of recovery. Any recoveries made post write-off are recognized in profit or loss.

### Non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset's or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognized in the statement of profit or loss.

## 7.12 Trade debts and other receivables

### Financial assets

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

### Non-financial assets

These, both on initial recognition and subsequently, are measured at cost.

## 7.13 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash with banks in current and saving accounts.



## 7.14 Foreign currency transactions

Transactions in foreign currencies are accounted for in Pakistani Rupees at the foreign exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are re-translated into rupees at the foreign exchange rates approximating those prevailing at the reporting date. Exchange differences, if any, are charged instatement of profit or loss.

## 7.15 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. Revenue from operations of the Company are recognized when the goods are provided, and thereby the performance obligations are satisfied. The Company's contract performance obligations are fulfilled at the point in time when the goods are dispatched to the customer. Invoices are generated and revenue is recognized at that point in time, as the control has been transferred to the customers and is reduced for allowances such as taxes, duties, commissions, sales returns and discounts. Revenue from other sources is recognized on the following basis:

- Interest income on deposits with banks and other financial assets is recognized on accrual basis.
- Dividend income is recognized when the Company's right to receive dividend has been established.

## 7.16 Borrowing costs

Borrowing costs are charged to income as and when incurred except to the extent of costs directly attributable to the acquisition, construction or production of qualifying assets that are capitalized as part of the cost of relevant asset.

## 7.17 Financial instruments

### Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

### Financial assets

#### (i) Initial Measurement

The Company classifies its financial assets in to following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

#### (ii) Subsequent Measurement

**Debt Investments at FVOCI:** These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

**Equity Investments at FVOCI:** These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

**Financial assets at FVTPL:** These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.

**Financial assets measured at amortized cost:** These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

### Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.



Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

## **De-recognition**

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

### **7.18 Offsetting of financial assets and financial liabilities**

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

### **7.19 Regular way purchases or sales of financial assets**

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention on the market place. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

### **7.20 Derivatives**

Derivative instruments held by the Company comprise of future and forward contracts in the capital and money markets. These are stated at fair value at the date of statement of financial position. The fair value of the derivatives is equivalent to the unrealized gain or loss from marking the derivatives using prevailing market rates at the date of statement of financial position. The unrealized gains are included in other assets while unrealized losses are included in other liabilities in the statement of financial position. The corresponding gains and losses are included in the statement of profit or loss.

### **7.21 Contingencies and commitments**

Capital commitments and contingencies, unless those are actual liabilities are not incorporated in the financial statements.

### **7.22 Provisions**

Provisions are recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate that reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each statement of financial position date and adjusted to reflect best estimate.

### **7.23 Related parties**

- a) Hala Enterprises Limited, an associated Company
- b) Premier Garments Limited, an associated Company
- c) Teejay Corporation (Private) Limited, an associated Company
- d) Directors and key management personnel

### **7.24 Related party transactions and transfer pricing**

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party of the Company are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is in the interest of the Company not to do so.

### **7.25 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from the proceeds.

### **7.26 Earnings per share (EPS)**

Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.



Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

## 7.27 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognizes government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with grants.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with conditions associated with grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of grant.

<b>8 ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>	<b>Note</b>	<b>2023 Rupees</b>	<b>2022 Rupees</b>
2,854,543 (2022: 2,854,543) ordinary shares of Rs. 10/- each fully paid in cash		28,545,430	28,545,430
4,907,995 (2022: 2,536,109) ordinary shares issued as fully paid bonus shares		49,079,950	25,361,090
		<b>77,625,380</b>	<b>53,906,520</b>
<p>- Fully paid ordinary shares, which have a par value Rs. 10/-, carry one vote per share and carry right to dividends.</p> <p>- Ordinary shares of the Company held by associated undertakings as at the year end are 598,741 (2022: 415,793).</p> <p>- There are no rights, preferences and restrictions attached to any class of shares including restrictions on the distribution of the dividends and the repayment of capital.</p> <p>- There are no shares reserved for issue under options and contracts for the sale of shares.</p>			
<b>9 CAPITAL RESERVES</b>	<b>Note</b>	<b>2023 Rupees</b>	<b>2022 Rupees</b>
Share premium	<b>9.01</b>	<b>23,137,159</b>	<b>23,137,159</b>
<b>9.01</b> This reserve can be utilized by the Company only for the purposes specified in Section 81 of the Companies Act, 2017.			
<b>10 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT- NET OF TAX</b>	<b>Note</b>	<b>2023 Rupees</b>	<b>2022 Rupees</b>
Land-lease hold		1,599,576,476	1,599,576,476
Building-on lease hold land		191,495,495	198,058,775
Plant, machinery and equipment		65,165,873	69,284,027
Scales and weigh bridge		1,190,005	1,265,025
		1,857,427,849	1,868,184,303
Related deferred taxation		(74,776,898)	(77,896,270)
		1,782,650,951	1,790,288,033
Incremental depreciation on revalued assets		(26,376,925)	(10,756,454)
Related deferred taxation		7,649,309	3,119,372
Transferred to retained earnings during the year		(18,727,616)	(7,637,082)
		<b>1,763,923,335</b>	<b>1,782,650,951</b>



# Punjab Oil Mills Limited

**10.01** The revaluation of land, building, plant and machinery, laboratory equipment, and scales and weigh bridge was carried out by an independent valuer "M/s Tristar International Consultant (Private) Limited" as at 30 June 2022 on the basis of market and depreciated replacement values and was duly certified by the statutory auditors. Previously, revaluation of land, building, plant and machinery, laboratory equipment, and scales and weigh bridge was carried out as at 23 June 2017.

**10.02** The revaluation surplus on land and building is a capital reserve and is not available for distribution to the shareholders of the Company in accordance with section 241 of the Companies Act, 2017.

		<b>2023</b>	<b>2022</b>
<b>11 REVENUE RESERVES</b>	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
General reserves	<b>11.01</b>	8,600,000	8,600,000
Unappropriated profit		930,739,446	900,874,371
		<b>939,339,446</b>	<b>909,474,371</b>

**11.01** The general reserves are used from time to time to transfer profits from retained earnings. There is no specific policy for such regular transfers.

## **12 DEFERRED LIABILITIES**

Staff retirement benefits	<b>12.01</b>	136,152,089	134,394,494
Deferred taxation	<b>12.02</b>	44,758,675	59,087,608
Deferred income - Government grant	<b>12.03</b>	-	-
		<b>180,910,764</b>	<b>193,482,102</b>

		<b>2023</b>	<b>2022</b>
<b>12.01 Staff retirement benefits</b>	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>

### *Statement of financial position liability*

Opening balance	134,394,494	126,743,068
Amount recognized during the year	21,896,560	18,495,944
	156,291,054	145,239,012
Remeasurement chargeable in other comprehensive income	(3,717,636)	(6,143,976)
Benefits paid during the year	(16,421,329)	(4,700,542)
Closing balance	<b>136,152,089</b>	<b>134,394,494</b>

### *The amounts recognized in the statement of financial position are as follows*

Present value of defined benefit obligation	115,335,424	110,011,454
Benefits due but not paid	20,816,665	24,383,040
	<b>136,152,089</b>	<b>134,394,494</b>

### *Charge for the defined benefit plan*

Service cost	7,761,071	7,300,816
Past service cost (credit)	410,612	-
Gains and losses arising on plan curtailment / settlements	-	-
Interest cost	13,724,877	11,195,128
Charged to statement of profit or loss	<b>21,896,560</b>	<b>18,495,944</b>

The actuarial valuation was carried out as at June 30, 2023 by independent actuary "Nauman Associates" using the "Projected Unit Credit Method". Actuarial gains/losses are recognized in accordance with the limit set out by IAS 19 (Employee Benefits).

### **Sensitivity analysis for actuarial assumptions**

The calculation of defined benefit obligation is sensitive to assumptions set-out in note No. 7.03. The following table summarizes how the net defined benefit obligation at the end of the reporting period would have increased/ (decreased) as a result of change in respective assumptions.

	<b>Change in assumptions</b>	<b>Increase Rupees</b>	<b>Decrease Rupees</b>
Discount rate	1.00%	111,784,551	119,289,350
Increase in future salaries	1.00%	119,364,175	111,656,860
		<b>2023</b>	<b>2022</b>
Expected mortality rate		SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year
Retirement assumptions		60 years	60 years



A change in expected remaining working lives of employees is not expected to have a material impact on the present value of defined benefit obligation. Accordingly, the sensitivity analysis for the same has not been carried out.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

### Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

**Interest risk:** The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on Pakistan Investment Bonds since there is no deep market in long term corporate bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease in the defined benefit liability.

**Longevity risk:** The present value of defined benefit obligation is calculated by reference to the best estimate of the expected remaining working lives of the employees. An increase in the expected remaining working lives will increase the defined benefit obligation. However, the increase is not expected to be material.

**Salary risk:** The present value of defined benefit obligation is calculated by reference to future salaries of plan participants. An increase in salary of plan participants will increase the defined benefit obligation.

The average duration of the defined benefit obligation is 3 years.

	Note	2023 Rupees	2022 Rupees
<b>12.02 Deferred taxation</b>			
<b>Deferred taxation comprises of the following:</b>			
<b>Deferred tax liability on taxable temporary differences in respect of the following:</b>			
- Accelerated tax depreciation allowance - PPE		17,145,939	22,288,339
- Accelerated tax depreciation allowance - ROU		5,684,272	1,487,052
- Accelerated tax amortization allowance		-	1,427,350
- Surplus on revaluation of assets	<b>10</b>	74,776,898	77,896,270
<b>Deferred tax asset on deductible temporary differences in respect of the following:</b>			
- Staff retirement benefits	<b>12.01</b>	(39,484,106)	(38,974,403)
- Provision for damaged stock		(902,331)	(902,331)
- Provision for store, spare & loose tools		(1,093,341)	-
- Investment accounted for under IAS- 28	<b>25</b>	-	-
- Liabilities against assets subject to finance lease	<b>14</b>	(5,281,318)	(1,509,421)
- Provisions		(6,087,338)	(2,625,248)
		<b>44,758,675</b>	<b>59,087,608</b>

**12.03** Deferred taxation has been recognized using rate of taxation applicable to tax year 2023 under the provisions of Income Tax Ordinance, 2001 to the extent of income of the Company chargeable under normal tax regime.

**12.04** Deferred tax asset amounting to Rs. 196.328 million (2022: 123.814 million), related to tax credit u/s 113 of income tax ordinance, 2001, is not recognized in these financial statements as its future utilization is not probable as at reporting date.

	Note	2023 Rupees	2022 Rupees
<b>12.04 Movement of deferred taxation:</b>			
Opening balance		59,087,608	4,391,210
Add: Charge/(reversal) during the year			
Statement of profit or loss		(15,407,047)	1,773,927
Statement of comprehensive income		1,078,114	52,922,471
		(14,328,933)	54,696,398
		<b>44,758,675</b>	<b>59,087,608</b>



## 12.05 Deferred income - Government grant

Balance as at beginning of the year		69,112	1,036,681
Deferred government grant recognized during the year		-	-
		<b>69,112</b>	<b>1,036,681</b>
Credited to profit or loss - amortized during the year		(69,112)	(967,569)
		-	<b>69,112</b>
Current portion of deferred income - govt. grant	17	-	(69,112)
Balance as at end of the year		-	-

12.06 This represents the differential between the loan proceeds and fair value of the loan recorded as deferred grant in accordance with IAS 20 and ICAP circular 11 of 2020. The fair value of the loan is the present value of loan proceeds received, discounted using prevailing market rates of interest for a similar instrument by using effective interest method. This long term financing facility is mentioned in note No. 13.01.

## 13 LONG TERM BORROWINGS

	Limit Sanctioned Rupees in million	Note	2023 Rupees	2022 Rupees
<b>From Banking Companies - Secured:</b>				
JS Bank Limited	40.37			
Balance as at beginning of the year			10,093,359	30,280,081
Disbursement during the year			-	-
			<b>10,093,359</b>	<b>30,280,081</b>
Repayments during the year			(10,093,359)	(20,186,722)
			-	<b>10,093,359</b>
Discounting of deferred government grant			-	(3,040,930)
Unwinding of discount on liability			-	2,971,818
			-	<b>10,024,247</b>
Current portion of long term borrowing		17	-	(10,024,247)
Balance as at end of the year			-	-

13.01 The Company has obtained the loan of Rs. 40.37 million (3 months' salaries) under Refinance Scheme at subsidized markup rate of 3% per annum. The loan is repayable in two years with 6 months grace period in 8 equal quarterly installments starting from January 2021. The economic benefit of subsidized markup rate is measured as the difference between the fair value of loan and its face value as at 30 June 2020 and has been recognized as deferred income - Government grant.

The above facility is secured against the following:

Pari passu charge of Rs. 534 million over all present and future current assets of the Company with 25% margin duly registered with SECP.

1st charge of Rs. 507 million over Company's present and future fixed assets duly registered with SECP by way of TRM of Rs. 100,000 and equitable mortgage of factory located at Plot No. 26, 27 and 28, situated at Industrial Triangle, Kahuta Road, Islamabad owned by the Company.

## 14 LEASE LIABILITIES AGAINST RIGHT OF

USE ASSETS	Note	2023 Rupees	2022 Rupees
Opening balance		5,204,901	-
Additions during the year	14.01	16,314,450	5,980,600
Payments during the year		(3,307,909)	(775,699)
		18,211,442	5,204,901
Current maturity portion	17	(3,003,164)	(989,240)
		<b>15,208,278</b>	<b>4,215,661</b>

14.01 This represents vehicles under finance lease agreements. The principal plus financial charges are payable over the lease period in monthly installments as per respective agreements ending in the year 2026 and 2028. The liability as at the date of financial position represents the present value of total minimum lease payments discounted at 6 month KIBOR plus 2% (2022: 6 month KIBOR plus 2%) per annum being the interest rates implicit in leases. Reconciliation of minimum lease payments and their present values is given below:

14.02 Present value of minimum lease payments	Note	2023 Rupees	2022 Rupees
Due not later than one year		3,003,164	989,240
Due later than one year but not later than five years		15,208,278	4,215,661
		<b>18,211,442</b>	<b>5,204,901</b>



# Punjab Oil Mills Limited

15 TRADE AND OTHER PAYABLES	Note	2023 Rupees	2022 Rupees
Creditors		244,465,498	731,787,143
Accrued expenses		122,686,978	103,712,625
Workers' profit participation fund	15.01	18,197,449	19,648,444
Security deposits	15.02	375,000	375,000
Workers' welfare fund	15.03	9,335,650	5,639,199
Tax deducted at source		2,189,413	3,369,819
Advances from customers		143,711,124	168,412,398
Sales tax payable		2,355,515	2,166,347
		<b>543,316,627</b>	<b>1,035,110,975</b>
<b>15.01 Workers' Profit Participation Fund (W.P.P.F.)</b>			
Opening balance		19,648,444	13,424,748
Provision for the year		8,241,788	9,692,783
Mark up on W.P.P.F.		363,479	91,837
		28,253,711	23,209,368
Payment during the year		(10,056,262)	(3,560,924)
		<b>18,197,449</b>	<b>19,648,444</b>
<b>15.02</b> These security deposits are non utilizable. Further, the Company has not utilized any such deposits for the purpose of its business during the year. These security deposits are kept in a separate bank account.			
<b>15.03 Workers' Welfare Fund (W.W.F.)</b>			
	Note	2023 Rupees	2022 Rupees
Opening balance		5,639,199	2,770,086
Provision for the year	41.02	3,696,451	2,869,113
		9,335,650	5,639,199
Payment during the year		-	-
		<b>9,335,650</b>	<b>5,639,199</b>
<b>16 SHORT TERM BORROWINGS</b>			
	<b>Limit Sanctioned Rupees in million</b>		
<b>From Banking Companies - Secured:</b>			
<b>JS Bank Limited</b>			
- Running finance	40.00	16.01	31,782,329
- Cash finance	25.00	16.02	24,000,000
- Finance against trust receipt	180.00	16.03	72,648,463
- Bank guarantee	150.00	16.04	-
- Letter of credit (sight)	500.00	16.05	-
- STF - I	100.00	16.06	99,897,095
- STF - II	130.00	16.07	49,770,029
<b>Bank Al Habib Limited</b>			
- Running finance	50.00	16.08	43,080,421
- Finance against trust receipt	300.00	16.09	-
- Letter of credit (sight)	400.00	16.10	-
- STF -I	300.00	16.11	291,868,601
- STF -II	60.00	16.12	59,890,179
		<b>672,937,117</b>	<b>413,412,029</b>
<b>16.01</b> This facility has been obtained to meet working capital requirements. It carries mark up @ 3 month KIBOR + 175 bps p.a to be paid on quarterly basis. Out of total limit, an amount of Rs. 8.22 million (2022: Rs. 01.25 million) was not availed as at year end.			





- 16.02** This facility has been obtained to finance already purchased stock of local edible oil / palm oil / seed oil. It carries mark up @ 3 month KIBOR + 175 bps p.a. to be paid on quarterly basis. It is secured against pledge of oil stock with 20% margin. It is also secured against charge of Rs. 31.250 million duly registered with SECP over pledged stock with 20% margin. The tenor of this facility is 45 days. Out of total limit, an amount of Rs. 1.00 million (2022: Nil) of the facility has been unavailed as at year end.
- 16.03** This facility has been obtained for the retirement of LC documents. It carries mark up @ 3 month KIBOR + 175 bps p.a to be paid on quarterly basis. The tenor of this facility is 45 days. Out of total limit, an amount of Rs. 107.35 million (2022: Rs. 163.00 million) was not availed as at year end.
- 16.04** This facility has been obtained for guarantee to Sui Northern Gas Pipe Lines Limited and Excise & Taxation and any other Government & semi Government organization. During the year, the limit of this facility has been increased from 100 million to 150 million. Enhanced limit of Rs. 50 million will only be secured by liquid security i.e. Cash Margin or lien over RP Account and will be utilised for issuance of guarantees in favor of Excise and Taxation. It carries commission @ 0.3% per quarter. Cash margin required to avail this facility is 30% for SNGPL, 100% for Excise & Taxation and 25% for other organizations. Out of total limit, an amount of Rs. 41.99 million (2022: Rs. 28.18 million) was not availed as at year end.
- 16.05** This facility has been obtained to import oil (Edible/Palm/Seed/Olive), coffee beans, olive extracts, agglomerated coffee, instant coffee, mushroom spawn, tin plates, chemicals/packaging material/vitamins, spare parts and plant & machinery. It carries commission @ 0.2% per quarter. It is secured against 10% cash margin for plant & machinery and 5% cash margin on other items and/or as required by SBP, and lien over import documents, whichever is higher. Out of total limit, an amount of Rs. 299.30 million (2022: Rs. 56.73 million) was not availed as at year end.
- 16.06** This facility has been obtained for procurement of oil/edible oil, canola and cotton seed through issuance of pay order. It carries mark up @ 3 month KIBOR + 175 bps p.a to be paid on quarterly basis. The tenor of this facility is 90 days. Out of total limit, an amount of Rs. 0.10 million (2022: 100.00) was not availed as at year end.
- 16.07** This facility has been obtained for procurement of oil/edible oil, canola and cotton seed through issuance of pay order. It carries mark up @ 3 month KIBOR + 175 bps p.a to be paid on quarterly basis. The tenor of this facility is 45 days. Out of total limit, an amount of Rs. 10.23 million (2022: Nil) was not availed as at year end.
- 16.08** This facility has been obtained during the year to meet working capital requirements. It carries mark up @ 3 months KIBOR + 1.50% p.a to be paid on quarterly basis. Out of total limit, an amount of Rs. 6.92 million (2022: Rs. 7.49 million) was not availed as at year end.
- 16.09** This facility has been obtained during the year for the retirement of LC documents. It carries mark up @ 1 month KIBOR + 1.50% p.a to be paid on quarterly basis. The tenor of this facility is one year. Out of total limit, an amount of Rs. 300.00 million (2022: Rs. 74.56 million) was not availed as at year end.
- 16.10** This facility has been obtained for the import of raw material mainly oil (Palm Oil/Palm Oliem/Soyabean/Sunflower/Canola/Olive/Pomace Olive/Olive Extract/Extra Virgin Olive), mushroom spawn, tin plates, chemicals/packaging material/vitamins and spare parts/equipment for Company's own use. It carries commission @ 0.15% per quarter. It is secured against 5% cash margin on other items and/or as required by SBP, and lien over shipping documents, whichever is higher. Out of total limit, an amount of Rs. 214.75 million (2022: Rs. 332.70 million) was not availed as at year end.
- 16.11** This facility has been obtained for purchase of raw material mainly oil (Palm Oil/Palm Oliem/Soyabean/Sunflower/Canola/Olive/Pomace Olive/Olive Extract/Extra Virgin Olive), tin plates, chemicals/packaging material/vitamins for Company's own use. It carries a markup @ 3 month KIBOR + 1.7% p.a. The tenor of this facility is one year. Out of total limit, an amount of Rs. 8.13 million (2022: 235.29 ) was not availed as at year end.
- 16.12** This facility has been obtained for purchase of raw soft mainly oil (Soyabean/Sunflower/Rapeseed/Cootin seed/Canola/1st Pressed RSO & 1st SFO from local market for Company's own use. It carries a markup @ 1 month KIBOR + 1.7% p.a. The tenor of this facility is 45 days. Out of total limit, an amount of Rs. 8.13 million (2022: Nil ) was not availed as at year end.

The above mentioned facilities in note No. 16.01 to 16.07 and 16.08 to 16.12 will expire on 31 December 2023 and 28 February 2024 respectively.



## Collateral Security:

The above mentioned facilities in note Nos. 16.01 to 16.07 are collaterally secured against the following:

1st Pari passu charge of Rs. 507 million over all present and future current assets of the Company with 25% margin duly registered with SECP.

1st pari passu charge of Rs. 534 million over Company's present and future fixed assets duly registered with SECP situated at Plot No. 26, 27 and 28 Industrial Triangle, Kahuta Road, Islamabad owned by the Company.

The above mentioned facilities in note Nos. 16.08 to 16.12 are collaterally secured against the following:

1st Pari passu Hypothecation charge on all present and future current assets of the Company for Rs. 547 million with 25% margin duly registered with SECP.

1st Pari passu Hypothecation charge over all present and future fixed assets (including but not limited to Land, Building and Machinery of Company) for Rs. 547 million duly registered with SECP located/installed at Plot No. 26, 27 and 28 Industrial Triangle, Kahuta Road, Islamabad owned by the Company.

<b>17 CURRENT PORTION OF NON-CURRENT LIABILITIES</b>	<b>Note</b>	<b>2023 Rupees</b>	<b>2022 Rupees</b>
Current portion of long term borrowings	<b>13</b>	-	10,024,247
Current portion of deferred income - Government grant	<b>12.05</b>	-	69,112
Current portion of lease liabilities	<b>14</b>	3,003,164	989,240
		<b><u>3,003,164</u></b>	<b><u>11,082,599</u></b>
<b>18 ACCRUED MARKUP</b>		<b><u>15,103,420</u></b>	<b><u>6,840,235</u></b>
Accrued mark up on borrowings			
<b>19 PROVISION FOR TAXATION</b>			
Opening balance		229,419,610	206,532,450
Add: Taxation - current		124,942,982	112,118,792
		<u>354,362,592</u>	<u>318,651,242</u>
Tax adjustments during the year		(109,985,412)	(89,231,632)
		<b><u>244,377,180</u></b>	<b><u>229,419,610</u></b>

## 20 CONTINGENCIES AND COMMITMENTS

### 20.01 CONTINGENCIES

- a) The Company challenged Infrastructure Development Cess levied under Sindh Finance Act, 1994 (as amended by Sindh (Amendment) Ordinance, 2001) in the Sindh High Court vide Suit No. 463/2003. Initially, Honourable Sindh High Court decided the levy of Infrastructure Development Cess on the carriage of goods against the Company. The Company has filed an appeal before Honourable Supreme Court of Pakistan against the decision of Honourable Sindh High Court. Pursuant to direction of Honourable Supreme Court, the Company paid 50% of the total amount and for the remaining 50%, the Company has provided bank guarantees amounting to Rs. 103.21 million (2022: Rs. 67.27 million) in favour of Excise and Taxation Authorities. The Company may be contingently liable for the payment of the said amount equal to 50% in case of unfavourable decision. However, the management is confident that the ultimate decision shall be in favour of the Company. Therefore, no provision has been made in these financial statements for an amount of Rs. 7.89 million.

The Company has provided bank guarantees amounting to 8.66 million (2022: Rs.4.50 million) and 103.21 million (2022: Rs. 67.27 million) in favour of Sui Northern Gas Pipelines Limited for industrial use of gas and Excise and Taxation Department respectively.

- b) The Company filed a writ petition No. 218471/2018 to Honorable High Court against the order dated 31 May 2018 passed by Punjab Food Authority (PFA) alleging that the label of CanOlive (a product of the Company) is misleading in terms of Punjab Pure Food Regulations, 2017. The Honorable Lahore High Court passed a stay order dated 08 June 2018 restraining the PFA from taking any coercive measures against the Company. According to the legal adviser of the Company, favorable outcome is expected. No adverse financial impact is also expected regarding this matter.
- c) The Company filed a writ petition No. 226294/2018 to Honorable High Court against the order dated 29 June 2018 passed by Punjab Food Authority (PFA) alleging the Company that the label of Naturelle (a product of the Company) is misleading in terms of Punjab Pure Food Regulations, 2017. The Honorable Lahore High Court passed a stay order dated 20 July 2018 restraining the PFA from taking any coercive measures against the Company. According to the legal adviser of the Company, favorable outcome is expected. No adverse financial impact is also expected regarding this matter.



- d) The Taxation Officer of Inland Revenue had issued assessment order vide DCR No. 02/53 on 31 October 2011 for the tax year 2009 incorporating the liability of Income Tax and WWF and raising demand for payment of Income Tax and WWF amounting to Rs. 448.22 million and Rs. 58.66 million respectively. The Company filed an appeal on 02 December 2012 before the Commissioner Income Tax (Appeals) {CIT(A)} against the order of Taxation Officer and the case was decided in favor of the Company vide Order No. 623/2011 on 20 January 2012. The tax department had filed an appeal in ITAT against the decision of the CIT(A). However, the management is confident that the ultimate decision shall be in favor of the Company. Therefore, no provision has been made in these financial statements for the said amounts.
- e) The Taxation officer of Inland Revenue issued order u/s 122(1) and u/s 122(4) of the Income Tax Ordinance, 2001 for the tax year 2010, 2011 and 2012 on 31 August 2015 creating demand for Rs. 26.57 million. The Company filed appeal against the Commissioner Income Tax (Appeals) {CIT(A)} against the said order on 09 October 2015 and the case was decided in favor of the Company on 10 February 2016. However, Tax department filed an appeal in ITAT against the decision of the CIT(A). However, as a matter of prudence, the Company has not reversed the provision created in previous years. The management is hopeful that the said demand shall be waived off.
- f) The Taxation Officer of Inland Revenue had issued assessment orders vide DCR No. 37/53 and 38/53 on 17 June 2015 for the tax years 2006 and 2007 respectively incorporating liability of Income Tax and WWF amounting to Rs. 5,403,105 and Rs. 8,157,718 respectively. The Company filed an appeal before the Commissioner Income Tax (Appeals) {CIT(A)} against the order of Taxation Officer on 26 June 2015 and the case was decided in favor of the Company on 29 October 2015 vide Order No. 160/2015 and 161/2015. However, tax department filed an appeal in ITAT against the decision of the CIT(A) on 07 January 2016. The matter was again decided in favor of the Company. For tax years 2006 and 2007, department of inland revenue issued notices u/s 122(5A) of the Income Tax Ordinance, 2001. Subsequently, after the initial proceedings and vacation of stay order by Honorable Court, the department of inland revenue issued assessment order u/s 122(5A) of the Income Tax Ordinance, 2001 creating liability amounting to Rs. 13,560,823. The Company filed appeal to CIT(A) against the order and the CIT(A) had decided the case in favor of the Company. The Tax department has gone into appeal before the ITAT against this order. The Company as a matter of prudence has not reversed the provision for tax years 2006 and 2007 for an amount of Rs. 13,560,823 as aggregate liability which was created during the prior years. The management is hopeful that the ultimate decision shall be in favor of the Company.
- g) The Taxation officer of Inland Revenue issued order u/s 161/205 of the Income Tax Ordinance, 2001 on 30 June 2015 for the tax year 2009 creating demand of Rs. 1.27 million. The Company filed appeal before the Commissioner Income Tax (Appeals) {CIT(A)} against the said order on 30 July 2015. On 10 February 2016, CIT(A) maintained the demand of Rs. 614,016 under section 161, which has been paid by the Company whereas the default surcharge of Rs. 633,137 imposed under section 205 was waived off. However, Tax department filed an appeal in ITAT against the decision of the CIT(A). The management is hopeful that the ultimate decision shall be in favor of the Company. However, as a matter of prudence, the management has not reversed provision for Rs. 633,137 in these financial statements.

## 20.02 COMMITMENTS

Letters of credit other than for capital expenditure as at the statement of financial position date amounted to Rs. 338.71 million (2022: Rs. 557.67 million).

21 PROPERTY, PLANT AND EQUIPMENT

The following is a statement of operating fixed assets (tangible):

	Land-lease hold	Building on lease hold land	Plant and machinery	Laboratory equipment	Scales and weigh bridge	Guest house furniture and machinery	Office equipment	Furniture and fittings	Owned vehicles	Total
<b>At 30 June 2021</b>										
Cost/revalued amount	290,423,524	122,544,839	301,612,300	2,650,000	950,000	318,812	29,495,351	5,047,997	90,775,484	843,818,307
Accumulated depreciation	-	(40,986,004)	(84,014,954)	(1,828,992)	(385,987)	(309,775)	(10,749,099)	(2,587,673)	(66,529,766)	(207,392,250)
Net book value	290,423,524	81,558,835	217,597,346	821,008	564,013	9,037	18,746,252	2,460,324	24,245,718	636,426,057
<b>Year ended 30 June 2022</b>										
Additions	-	-	5,187,536	-	-	-	2,024,821	114,500	52,000	7,378,857
Transfers from capital work in progress during the year (Note 23)	-	1,232,700	32,889,419	-	-	-	-	-	-	34,122,119
Revaluation surplus	1,309,576,476	144,464,692	27,317,444	3,867,140	698,028	-	-	-	-	1,485,923,780
Adjustment for surplus	-	(48,462,231)	(104,679,699)	(2,017,140)	(448,028)	-	-	-	-	(155,607,098)
<b>Disposals (note 21.03)</b>										
Cost	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Net book value	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year (note 21.01)	-	(9,307,727)	(22,855,729)	(281,898)	(74,041)	(904)	(1,971,901)	(256,604)	(4,856,944)	(39,605,748)
Elimination of accumulated depreciation on revaluation	-	48,462,231	104,679,699	2,017,140	448,028	-	-	-	-	155,607,098
<b>Net book value as at 30 June 2022</b>	<b>1,600,000,000</b>	<b>217,948,500</b>	<b>260,136,016</b>	<b>4,406,250</b>	<b>1,188,000</b>	<b>8,133</b>	<b>18,799,172</b>	<b>2,318,220</b>	<b>19,440,774</b>	<b>2,124,245,065</b>
<b>Year ended 30 June 2023</b>										
Additions	-	-	3,158,613	-	-	-	14,227,907	200,500	-	17,587,020
Transfers from capital work in progress during the year (Note 23)	-	-	-	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	-	-	-	-
Adjustment for surplus	-	-	-	-	-	-	-	-	-	-
<b>Disposals (note 21.03)</b>										
Cost	-	-	-	-	-	-	(181,414)	-	(4,759,000)	(4,940,414)
Depreciation	-	-	-	-	-	-	6,047	-	4,046,691	4,052,738
Net book value	-	-	-	-	-	-	(175,367)	-	(712,309)	(887,676)
Depreciation charge for the year (note 21.01)	-	(21,794,850)	(26,297,087)	(1,101,563)	(142,560)	(814)	(2,302,409)	(246,197)	(3,837,828)	(55,723,308)
Elimination of accumulated depreciation on revaluation	-	-	-	-	-	-	-	-	-	-
<b>Net book value as at 30 June 2023</b>	<b>1,600,000,000</b>	<b>196,153,650</b>	<b>236,997,542</b>	<b>3,304,687</b>	<b>1,045,440</b>	<b>7,320</b>	<b>30,549,303</b>	<b>2,272,523</b>	<b>14,890,637</b>	<b>2,085,221,101</b>



	Land-lease hold	Building on lease hold land	Plant and machinery	Laboratory equipment	Scales and weigh bridge	Guest house furniture and machinery	Office equipment	Furniture and fittings	Owned vehicles	Total
<b>At 30 June 2022</b>										
Cost/revalued amount	1,600,000,000	268,242,231	367,006,699	6,517,140	1,648,028	318,812	31,520,172	5,162,497	90,827,484	2,371,243,063
Accumulated depreciation	-	(50,293,731)	(106,870,683)	(2,110,890)	(460,028)	(310,679)	(12,721,000)	(2,844,277)	(71,386,710)	(246,997,998)
Net book value in Rupees	<b>1,600,000,000</b>	<b>217,948,500</b>	<b>260,136,016</b>	<b>4,406,250</b>	<b>1,188,000</b>	<b>8,133</b>	<b>18,799,172</b>	<b>2,318,220</b>	<b>19,440,774</b>	<b>2,124,245,065</b>
Annual rates of depreciation 2022	10.00%	10.00-15.00%	10.00-15.00%	25.00%	12.00%	10.00%	10.00%	10.00%	20.00%	
<b>At 30 June 2023</b>										
Cost/revalued amount	1,600,000,000	268,242,231	370,165,312	6,517,140	1,648,028	318,812	45,566,665	5,362,997	86,068,484	2,383,889,669
Accumulated depreciation	-	(72,088,581)	(133,167,770)	(3,212,453)	(602,588)	(311,493)	(15,017,362)	(3,090,474)	(71,177,847)	(298,668,568)
Net book value in Rupees	<b>1,600,000,000</b>	<b>196,153,650</b>	<b>236,997,542</b>	<b>3,304,687</b>	<b>1,045,440</b>	<b>7,320</b>	<b>30,549,303</b>	<b>2,272,523</b>	<b>14,890,637</b>	<b>2,085,221,101</b>
Annual rates of depreciation 2023	10.00%	10.00-15.00%	10.00-15.00%	25.00%	12.00%	10.00%	10.00%	10.00%	20.00%	

**21.01 Depreciation charge for the year has been allocated as follows:**

	2023 Rupees	2022 Rupees
Depreciation on property plant and equipment	55,723,308	39,605,748
Depreciation on right of use	1,841,275	851,396
	<b>57,564,583</b>	<b>40,457,144</b>
Cost of sales	50,150,977	35,645,174
Administrative expenses	7,413,606	4,811,970
	<b>57,564,583</b>	<b>40,457,144</b>

**21.02** The revaluation of land, building, plant machinery and equipment, laboratory equipment, and scales and weigh bridge was carried out by an independent valuer. Had there been no revaluation, the cost, accumulated depreciation and written down value of the revalued assets would have been as follows:

Particulars	AS ON 30 JUNE 2023	
	Cost	Written Down Value
Land-lease hold	423,524	423,524
Building on lease hold land	76,258,543	25,976,053
Plant, machinery and equipment	335,699,422	179,336,487
Laboratory equipment	4,528,107	712,209
Scales and weigh bridge	1,127,655	1,116,939
<b>Rupees 2023</b>	<b>418,037,251</b>	<b>211,578,262</b>
<b>Rupees 2022</b>	<b>414,878,638</b>	<b>226,250,917</b>

**21.03** There were no disposal of assets during the year whose aggregate net book value exceeded Rs. 5,000,000 and individual net book value exceeded Rs. 500,000.



**21.04** There are assets included in fixed assets which are secured with a bank as mentioned in note No. 13 and 16 against 1st parri passu charge for Rs. 547 million (2022: Rs. 563 million) over fixed assets (including land, building and, plant and machinery) of the Company.

**21.05** Forced Sale Value as per last revaluation report as at June 30, 2022:

Asset Class	Forced sale value
Land-lease hold	1,360,000,000
Building on lease hold land	175,824,000
Plant and machinery	201,020,250
<b>Total</b>	<b>1,736,844,250</b>

**21.06** Particulars of immovable assets of the Company are as follows:

Location	Addresses	Usage of immovable property	Total Area (Sq. ft.)	Covered Area (Sq. ft.)
Islamabad	Plot No. 26, 27 & 28, Industrial Triangle, Main Kahuta Road, Islamabad.	Production Plant	360,000	135,544



# Punjab Oil Mills Limited

		<b>2023</b>	<b>2022</b>
	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
<b>22 RIGHT OF USE ASSETS</b>			
Opening balance		5,127,764	-
Additions during the year		16,314,450	5,979,160
		<u>21,442,214</u>	<u>5,979,160</u>
Depreciation charge for the year		(1,841,275)	(851,396)
Net book value		<u><b>19,600,939</b></u>	<u><b>5,127,764</b></u>
<b>Gross carrying value</b>			
Cost		22,293,610	5,979,160
Accumulated depreciation		(2,692,671)	(851,396)
Net book value		<u><b>19,600,939</b></u>	<u><b>5,127,764</b></u>
<b>Depreciation rate per annum</b>		<u><b>20%</b></u>	<u><b>20%</b></u>
<b>23 CAPITAL WORK IN PROGRESS</b>			
Opening balance		-	27,318,665
Additions during the year		5,234,783	6,803,454
		<u>5,234,783</u>	<u>34,122,119</u>
Less: Transferred to property, plant and equipment			
Building		-	1,232,700
Plant and machinery		-	32,889,419
		<u>-</u>	<u>34,122,119</u>
Net book value		<u><b>5,234,783</b></u>	<u>-</u>
<b>24 INTANGIBLE ASSETS</b>			
<b>Net carrying value</b>			
Motion picture film - Opening net book value		4,921,896	12,336,696
Motion picture film - Additions during the year		-	-
Amortization charge for the year		(4,921,896)	(7,414,800)
Net book value		<u>-</u>	<u><b>4,921,896</b></u>
<b>Gross carrying value</b>			
Cost		27,975,418	27,975,418
Accumulated amortization		(27,975,418)	(23,053,522)
Net book value		<u>-</u>	<u><b>4,921,896</b></u>
<b>Amortization rate per annum</b>		<u><b>50%</b></u>	<u><b>50%</b></u>
<b>25 INVESTMENT IN ASSOCIATE</b>			
Premier Garments Limited - unlisted		2,720,000	2,720,000
Accumulated provision for the diminution in the value of investment	<b>25.01</b>	<u>(2,720,000)</u>	<u>(2,720,000)</u>
		<u>-</u>	<u>-</u>
<b>25.01</b>	27,200 (2022: 27,200) ordinary shares of Rs. 100/- each, represent 38.86% (2022: 38.86%) equity in Premier Garments Limited. The breakup value of shares of the investee Company is nil. The investment has been accounted for under IAS-28 (Investment in associates and joint ventures). Due to impairment, provision for diminution in the value of investment was made in 2006.		
<b>25.02</b>	The summarized financial information of the associates over which the Company exercises significant influence, based on the latest audited financial statements for the year ended 30 June 2022, is as follows:		
		<b>2022</b>	<b>2021</b>
<b>Premier Garments Limited</b>		<b>Rupees</b>	<b>Rupees</b>
Total assets		7,070,808	5,059,212
Total liabilities		25,602,330	20,460,135
Net Assets		<u><b>(18,531,522)</b></u>	<u><b>(15,400,923)</b></u>
Company's share of net assets of associate		<u><b>(7,201,349)</b></u>	<u><b>(5,984,799)</b></u>
Total revenue		<u>500,000</u>	<u>-</u>



# Punjab Oil Mills Limited

	Note	2022 Rupees	2021 Rupees
Total (loss) for the year		(3,059,799)	(1,850,876)
Company's share of (loss) for the current year		(1,189,038)	(719,250)
Share of unrecognized accumulated losses		8,320,439	7,185,493
<b>25.03</b>	Investment in Associate is made in accordance with the provisions of the Companies Act, 2017.		
<b>26 LONG TERM DEPOSITS</b>	Note	<b>2023 Rupees</b>	<b>2022 Rupees</b>
Deposits against bank guarantees		103,207,350	68,552,450
Lease key money		3,513,950	955,400
		<b>106,721,300</b>	<b>69,507,850</b>
<b>27 LONG TERM LOANS</b>	Note	<b>2023 Rupees</b>	<b>2022 Rupees</b>
Opening balance		-	-
Paid during year		5,358,117	-
Received during the year		(178,604)	-
		5,179,513	-
Current portion of loan		(1,160,926)	-
	27.01	<b>4,018,587</b>	-
<b>27.01</b>	This represents loan paid to Premier Garments Limited amounting to Rupees. 5,358,117 during the year at the rate of interest 3 months KIBOR + 1.71%+0.5% in addition total 23.3% to be paid over a period of 5 years		
<b>28 STORES, SPARE PARTS AND LOOSE TOOLS</b>	Note	<b>2023 Rupees</b>	<b>2022 Rupees</b>
Stores		155,359,955	124,748,230
Spare parts		15,935,861	13,097,526
Loose tools		3,983,965	3,274,382
		175,279,781	141,120,138
Provision for stores,spares and loose tools		(3,770,143)	(3,770,143)
		<b>171,509,638</b>	<b>137,349,995</b>
<b>28.01</b>	No identifiable stores and spares are held for specific capitalization.		
<b>29 STOCK IN TRADE</b>			
Raw materials			
- In hand	29.01	152,752,658	289,859,812
- In transit		28,933,133	125,755,637
Work in process		235,993,761	184,954,232
		417,679,552	600,569,681
Finished goods		353,693,908	234,864,399
Provision for damaged stock		(3,111,485)	(3,111,485)
		350,582,423	231,752,914
		<b>768,261,975</b>	<b>832,322,595</b>
<b>29.01</b>	Stock in trade valuing Rs. 3 million (2022: Rs. 3.13 million) is pledged with banking companies against short term borrowings.		
<b>30 TRADE DEBTS</b>	Note	<b>2023 Rupees</b>	<b>2022 Rupees</b>
Trade debts- unsecured but considered good		827,167,108	1,058,124,372
Considered doubtful- unsecured		9,052,580	9,052,580
		836,219,688	1,067,176,952
Allowance for expected credit loss	30.01	(9,052,580)	(9,052,580)
		<b>827,167,108</b>	<b>1,058,124,372</b>
<b>30.01 Allowance for expected credit loss</b>			
Opening balance		9,052,580	42,951,135
Allowance for ECL reverse during the year		-	(4,480,964)
		9,052,580	38,470,171
ECL written off during the year	30.02	-	(29,417,591)
Closing balance		<b>9,052,580</b>	<b>9,052,580</b>





# Punjab Oil Mills Limited

**30.02** After considering past events, current conditions and forecasts, there is no indication of any further shortfall in contractual cashflows of trade debts, therefore, no further expected credit loss is recognized during the year.

## 31 LOANS AND ADVANCES

		<b>2023</b>	<b>2022</b>
<b>Considered good:</b>	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
Advance to suppliers		31,690,519	49,265,337
Receivable from related party	<b>31.01</b>	5,952,123	3,732,073
Interest receivable from related party		99,702	-
Advances to employees:			
- Executives	<b>31.02</b>	13,320,880	13,343,880
- Other employees	<b>31.02</b>	11,290,915	10,256,081
		<b>62,354,139</b>	<b>76,597,371</b>

### 31.01 Related parties - unsecured

Premier Garments Limited -Nature of transaction:

Current portion of loan receivable from related party

1,160,926 -

Hala Enterprises Limited -Nature of transaction:

Sharing of office expenses

4,791,197 3,732,073

**5,952,123 3,732,073**

**31.01.01** These are settleable in the ordinary course of business. The amount is receivable within one month, therefore, there is no indication of impairment of any past due balances. Further, balances receivable from related party (associated undertaking) are subject to mark up @ 18.66 % (2022: 15.73 %) per annum. The maximum aggregate amount outstanding at the end of any month during the year was Rs. 4,791,197 (2022: Rs. 3,747,574).

**31.02** Advances given to executives and other employees of the Company are for purchase of house, vehicles or for personal use in accordance with their terms of the employment. Any outstanding loan due from an employee at the time of leaving the Company is adjustable against final settlement of staff retirement benefits.

These advances are given to employees as per Company's HR policy.

		<b>2023</b>	<b>2022</b>
<b>32 TRADE DEPOSITS AND SHORT TERM PREPAYMENT</b>	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
Security deposits		3,739,603	5,159,603
Letter of credit - margin		17,178,604	20,230,508
Prepayments		7,741,717	4,275,256
		<b>28,659,924</b>	<b>29,665,367</b>

## 33 OTHER RECEIVABLES

Sales tax receivable		67,651,855	45,709,037
Other receivables		1,539,663	3,370,327
		<b>69,191,518</b>	<b>49,079,364</b>

## 34 ADVANCE INCOME TAX

Opening balance		213,296,936	178,765,577
Payments during the year		166,177,904	123,762,991
		379,474,840	302,528,568
Adjustments during the year		(109,985,412)	(89,231,632)
		<b>269,489,428</b>	<b>213,296,936</b>

## 35 CASH AND BANK BALANCES

Cash in hand		7,303,393	4,988,290
Cash with banks:			
- In current accounts		27,134,211	35,153,600
- In deposit accounts	<b>35.01</b>	36,934,856	23,453,835
		<b>71,372,460</b>	<b>63,595,725</b>

**35.01** These carry profit ranging from 10.5% to 11.5% (2022: 5% to 6%) per annum approximately.



# Punjab Oil Mills Limited

36 SALES	Note	2023 Rupees	2022 Rupees
<b>- Export sales</b>			
Banaspati ghee		-	141,715,376
Cooking oil		-	50,764,772
Specialty fats		-	21,454,576
		-	213,934,724
<b>- Local sales</b>			
Banaspati ghee		3,783,168,905	3,456,805,887
Cooking oil		7,691,278,962	6,626,079,888
Specialty fats		74,675,730	116,519,419
		11,549,123,597	10,199,405,194
Soap		56,372,240	56,384,348
Gases		-	4,304
Coffee		11,718,413	4,048,873
Mushroom		12,651,254	11,932,880
Organic Compost Mushrooms		228,510	-
		80,970,417	72,370,405
<b>Total sales</b>		11,630,094,014	10,485,710,323
Less: Sales tax		1,725,088,465	1,510,105,978
		9,905,005,549	8,975,604,345
Less: Trade discount		60,055,700	137,928,336
		<b>9,844,949,849</b>	<b>8,837,676,009</b>
<b>37 COST OF SALES</b>			
Raw material consumed	37.01	8,141,397,690	7,258,333,482
Stores and spare parts consumed		36,783,326	28,254,186
Chemicals consumed		69,042,605	67,087,256
Packing materials consumed		394,549,387	363,886,564
Salaries, wages and benefits	37.02	97,450,040	78,970,933
Power, fuel and lubricants		222,034,242	199,891,388
Repair and maintenance		12,364,774	13,066,580
Filling and loading		61,710,781	65,658,711
Insurance		6,847,464	6,277,423
Provision for damaged stock		-	9,062
Depreciation	21.01	50,150,977	35,645,174
Tolling expenses		1,157,574	-
		9,093,488,860	8,117,080,759
Work in process:			
Opening		184,954,232	132,904,914
Closing		(235,993,761)	(184,954,232)
		(51,039,529)	(52,049,318)
Cost of goods manufactured		9,042,449,331	8,065,031,441
Finished goods:			
Opening		209,829,050	163,272,739
Closing		(330,432,155)	(209,829,050)
		(120,603,105)	(46,556,311)
		8,921,846,226	8,018,475,130
Finished goods purchased for resale:			
Opening		25,035,349	27,832,844
Purchases		-	-
		25,035,349	27,832,844
Closing stock		(23,261,753)	(25,035,349)
Cost of purchased goods sold		1,773,596	2,797,495
		<b>8,923,619,822</b>	<b>8,021,272,625</b>



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		2023	2022
		Rupees	Rupees
<b>37.01 Raw material consumed</b>	<b>Note</b>		
Opening		289,859,812	164,263,244
Purchases		8,004,290,536	7,383,930,050
		8,294,150,348	7,548,193,294
Closing		(152,752,658)	(289,859,812)
		<b>8,141,397,690</b>	<b>7,258,333,482</b>
<b>37.02</b>	Salaries, wages and other benefits include provision for staff retirement benefits for the year Rs. 12.04 million (2022: Rs. 10.17 million).		
		<b>2023</b>	<b>2022</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>38 SELLING AND DISTRIBUTION COST</b>	<b>Note</b>		
Salaries, wages and benefits	<b>38.01</b>	63,526,732	62,587,499
Travelling and conveyance		10,342,012	7,968,376
Advertisement		165,611,333	178,463,563
Carriage outward		84,874,506	57,406,874
Redistribution expenses		27,704,072	39,821,098
Amortization	<b>24</b>	4,921,896	7,414,800
Other selling expenses		7,714,045	8,283,341
		<b>364,694,596</b>	<b>361,945,551</b>
<b>38.01</b>	Salaries, wages and other benefits include provision for staff retirement benefits for the year Rs. 2.19 million (2022: Rs. 1.85 million).		
		<b>2023</b>	<b>2022</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>39 ADMINISTRATIVE EXPENSES</b>	<b>Note</b>		
Directors' meeting fee		2,800,000	1,920,000
Directors' remuneration		30,699,388	26,551,659
Salaries, wages and benefits	<b>39.01</b>	105,636,690	88,866,635
Travelling and conveyance		18,385,798	14,166,001
Entertainment		2,310,050	1,287,780
Printing and stationary		2,384,707	1,847,261
Postage, telephone and telex		4,916,027	4,764,002
Rent, rates and taxes		28,517,007	24,534,286
Donations	<b>39.02</b>	1,903,338	3,215,673
Fees and subscription		605,249	430,361
Legal and professional charges		13,035,472	11,850,925
Vehicle running and maintenance		51,542,010	34,617,796
Repair and maintenance		4,121,591	4,355,527
Power, fuel and lubricant		3,381,232	3,044,031
Provision for stores, spares and loose tools		-	3,770,143
Advertisement		6,900,472	7,435,982
Depreciation	<b>21.01</b>	7,413,606	4,811,970
Office expenses		10,134,503	6,091,556
		<b>294,687,140</b>	<b>243,561,588</b>
<b>39.01</b>	Salaries, wages and other benefits include provision for staff retirement benefits for the year Rs. 7.66 million (2022: Rs. 6.47 million).		
		<b>2023</b>	<b>2022</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>39.02</b>	Donation during the year:		
- Shaukat Khanum Memorial Cancer Hospital and Research Centre		-	1,110,000
- Pakistan National Heart Association (PANAHA)		50,000	1,316,000
- SOS Village		1,503,338	624,333
- Islamabad wildlife management		350,000	-
- Ramzan Charity		-	165,340
		<b>1,903,338</b>	<b>3,215,673</b>
	- None of the directors or their spouses had any interest in the donee's fund.		



# Punjab Oil Mills Limited

		2023	2022
		Rupees	Rupees
<b>40 FINANCE COST</b>	<b>Note</b>		
Mark up on short term borrowings		120,805,627	43,818,040
Mark up on long term borrowings-net of amortization of Govt. grant		38,161	530,938
Mark up charged on W.P.P.F.		363,479	91,837
Markup on lease liability		1,850,332	531,152
Bank charges		3,686,347	3,297,604
		<b>126,743,946</b>	<b>48,269,571</b>
<b>41 OTHER CHARGES</b>			
Auditors' remuneration	<b>41.01</b>	1,770,000	1,588,052
Workers' profit participation fund		8,241,788	9,692,783
Workers' welfare fund	<b>41.02</b>	3,696,451	2,869,113
		<b>13,708,239</b>	<b>14,149,948</b>
<b>41.01 Auditors' Remuneration</b>			
Audit fee		1,540,000	1,400,000
Half yearly review fee		120,000	100,052
Other attestation services		75,000	55,000
Out of pocket expenses		35,000	33,000
		<b>1,770,000</b>	<b>1,588,052</b>
<b>41.02 Workers' Welfare Fund reversal / written back</b>			
Provision for the current year		3,696,451	3,875,277
Prior year excess provision written back		-	(1,006,164)
		<b>3,696,451</b>	<b>2,869,113</b>
<b>42 OTHER INCOME</b>			
<b>Income from financial assets</b>			
Profit on bank deposits		19,495,613	8,900,450
Markup earned from related party		866,649	412,537
Provision for doubtful debts reverse - net		-	4,480,964
<b>Income from non financial assets</b>			
Scrap sale		6,366,559	3,931,257
Gain on disposal of property, plant and equipment		2,806,324	-
Tolling income		1,502,785	-
Sale of KPT plot		-	15,000,000
		<b>31,037,930</b>	<b>32,725,208</b>
<b>43 TAXATION</b>			
Taxation			
- Current year	<b>43.01</b>	124,942,982	112,118,792
- Prior years		-	-
		124,942,982	112,118,792
Deferred taxation	<b>12.04</b>	(15,407,047)	1,773,927
		<b>109,535,935</b>	<b>113,892,719</b>
<b>43.01</b>			
- Income tax return has been filed to the income tax authorities up to and including tax year 2022 under the provisions of the Income Tax Ordinance, 2001.			
- Provision for current year income tax represents minimum tax on turnover under section 113 and supertax under section 4C of the Income Tax Ordinance, 2001 respectively. The numeric tax reconciliation has not been presented being impracticable.			
<b>44 EARNINGS PER SHARE</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Basic Earnings per share:</b>			
Profit after taxation	Rupees	42,998,101	67,309,215
Weighted average number of ordinary shares	Number	7,762,538	7,762,538
Earnings per share - basic and diluted	Rupees	<b>5.54</b>	<b>8.67</b>



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**44.01** There has been no effect of dilution on earnings per share during the year as the Company had no such commitments.

## 45 TRANSACTIONS WITH RELATED PARTIES

**45.01** Disclosure of transactions between the Company and its related parties:

Related parties comprise of associated companies, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties.

Details of the transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Name	Nature of relationship	% of Shareholding	Transaction during the year	2023	2022
				Rupees	Rupees
M/s Hala Enterprises Limited	Associated Company (Common directorship)	0.96%	Payments for the expenses on behalf	2,627,259	3,009,476
			Amount received	1,568,135	-
M/s Premier Garment Limited	Associated Company	38.86%	Loan paid to related party	5,358,117	-
			Amount received	482,912	-
			Markup earned	304,308	-
Mr. Jillani Jahangir	Director	5.37%	Rent paid to related party	-	2,298,907

**45.02** The related party status of outstanding balances as at June 30, 2023 are included in loans and advances (note No. 31). These are to be settled in the ordinary course of business.

**45.03** Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place.

## 46 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per statement of financial position	Note	2023 Rupees	2022 Rupees
Long term deposits		106,721,300	69,507,850
Trade debts		827,167,108	1,058,124,372
Loans and advances		30,663,620	27,332,034
Trade deposits		3,739,603	5,159,603
Other receivables		1,539,663	3,370,327
Cash and bank balances		71,372,460	63,595,725
		<b>1,041,203,754</b>	<b>1,227,089,911</b>
<b>Financial liabilities as per statement of financial position</b>			
Lease liability		15,208,278	4,215,661
Trade and other payables		367,527,476	835,874,768
Short term borrowings		672,937,117	413,412,029
Current portion of long term borrowings		3,003,164	11,082,599
Accrued interest/mark-up		15,103,420	6,840,235
Unclaimed dividend		9,921,030	9,102,088
		<b>1,083,700,485</b>	<b>1,280,527,380</b>

### Fair values of financial assets and liabilities

- Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirements to curtail materially the scale of its operation or to undertake a transaction on adverse terms.
- The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.



## Fair value hierarchy

Following are three levels in fair value hierarchy that reflects the significance of the inputs used in measurement of fair values of financial instruments.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

### 46.01 Financial Instruments measured at fair value

#### 45.01.01 Recurring fair value measurements

There are no recurring fair value measurements as at the reporting date.

#### 45.01.02 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

### 46.02 Financial Instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value at the end of each reporting period to approximate their fair values as at the reporting date.

## 47 FINANCIAL INSTRUMENTS

### 47.01 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors.

#### (a) Market risk

##### (i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company imports edible palm oil, tin plates and some items of chemicals and exports cooking oil and is exposed to currency risk, primarily with respect to liabilities denominated in US Dollars.

The Company manages its currency risk by close monitoring of currency markets. However, the Company does not hedge its currency risk exposure.

At reporting date, if the Pakistani Rupee had weakened by 5% (2022: 5%) against the US Dollar with all other variables held constant, post-tax profit for the year would have been lower by Rs. 16,935,547 (2022: 27,883,325) mainly as a result of foreign exchange losses on translation of US Dollar-denominated trade payables.

The Company's exposure to currency risk is as follows:

	Note	2023		2022	
		Rupees	US Dollars	Rupees	US Dollars
<b>Off-balance sheet commitments</b>					
Letter of credit	20.02	338,710,938	1,178,125	557,666,500	2,722,449

The following significant exchange rates were applied during the year:

	2023	2022
	Rupees	Rupees

#### Rupees per US Dollar

Reporting date rate	287.50	204.84
Average rate	246.17	162.59

##### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from short term borrowings and interest bearing assets. Borrowings obtained at variable rates exposes the Company to cash flow interest rate risk.



# Punjab Oil Mills Limited

At the statement of financial position date the interest rate profile of the Company's interest bearing financial instruments was:

	Note	2023 Rupees	2022 Rupees
<b>Floating rate instrument</b>			
<b>Financial liabilities</b>			
Long term borrowings		-	-
Short term borrowings		672,937,117	413,412,029
Current portion of long term borrowings		3,003,164	11,082,599
<b>Financial assets</b>			
Bank balances- saving accounts		36,934,856	23,453,835

### Cash flow sensitivity analysis for floating rate

If interest rate at the year end date, fluctuates by 1% higher/lower with all other variables held constant, profit after taxation for the year would have been Rs. 6,390,054 lower/higher (2022: 4,010,408 lower/higher), mainly as a result of higher/lower interest income/expense on floating rate borrowings and bank balances. This analysis is prepared assuming the amounts of liabilities outstanding / assets deposits at the statement of financial position dates were outstanding / deposits for the whole year.

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the date of financial position would not affect profit or loss of the Company.

### (iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity securities price risk as its investment is in non-listed securities.

### (b) Credit risk

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge an obligation.

Credit risk arises from deposits with banks, trade debts, loans and advances, deposits and other receivables. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. Where considered necessary, advance payments are obtained from certain parties. Out of the total financial assets of Rs. 1,041,203,754 (2022: Rs. 1,227,089,911), the maximum exposure to credit risk amounts to Rs. 1,033,900,361 (2022: Rs. 1,222,101,621).

Geographically, there is no concentration of credit risk.

The maximum exposure to credit risk for trade debts, loans and receivables at the reporting date by type of parties was:

	Note	2023 Rupees	2022 Rupees
Government institution and utility store		74,443,958	104,819,103
Private sector's companies		296,517,853	410,235,868
Distributors		124,597,010	144,072,028
Others		538,323,580	613,653,987
		<b>1,033,882,401</b>	<b>1,272,780,986</b>

The aging of trade debts at the reporting date was:

Past due 0-6 months	657,597,851	919,548,635
Past due 6-12 months	113,321,894	99,936,659
More than one year	56,247,363	38,639,078
	<b>827,167,108</b>	<b>1,058,124,372</b>

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which have not impaired are as under:



# Punjab Oil Mills Limited

	2023	2022
Note	Rupees	Rupees
Long term deposits	106,721,300	69,507,850
Trade debts	827,167,108	1,058,124,372
Loans and advances	30,663,620	27,332,034
Trade deposits	3,739,603	5,159,603
Other receivables	1,539,663	3,370,327
Bank balances	64,069,067	58,607,435
	<b><u>1,033,900,361</u></b>	<b><u>1,222,101,621</u></b>

The credit quality of receivables can be assessed by considering reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating agency	30-June-2023	
		Rating	
		Short term	Long term
National Bank of Pakistan	PACRA	A1+	AAA
United Bank Limited	JCR-VIS	A1+	AAA
Habib Bank Limited	JCR-VIS	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Bank Al-Falah Limited	PACRA	A1+	AA+
Allied Bank Limited	PACRA	A1+	AAA
Faysal Bank Limited	PACRA	A1+	AA
MCB Bank Limited	PACRA	A1+	AAA
JS Bank Limited	PACRA	A1+	AA-
Bank Al-Habib Limited	PACRA	A1+	AAA

## (c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to growing nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available.

The table below analyses how management monitors net liquidity based on details of the remaining contractual maturities of financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

30 June 2023	Carrying Amount	Contractual cash flows	6 months or less	6 - 12 month	1 - 2 years	2 - 5 years	More than 5 years
RUPEES							
<b>Non-derivative Financial Liabilities</b>							
Long term borrowings	-	-	-	-	-	-	-
Lease liability	15,208,278	-	-	-	-	-	-
Trade and other payables	367,527,476	367,527,476	367,527,476	-	-	-	-
Short term borrowings	672,937,117	672,937,117	672,937,117	-	-	-	-
Current portion of long term borrowings	3,003,164	3,003,164	1,501,582	1,501,582	-	-	-
Accrued interest/mark-up	15,103,420	15,103,420	15,103,420	-	-	-	-
Unclaimed dividends	9,921,030	9,921,030	9,921,030	-	-	-	-
	<b><u>1,083,700,485</u></b>	<b><u>1,068,492,207</u></b>	<b><u>1,066,990,625</u></b>	<b><u>1,501,582</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>





30 June 2022	Carrying Amount	Contractual cash flows	6 months or less	6 - 12 month	1 - 2 years	2 - 5 years	More than 5 years
<b>RUPEES</b>							
<b>Non-derivative Financial Liabilities</b>							
Long term borrowings	-	-	-	-	-	-	-
Lease liability	4,215,661	-	-	-	-	-	-
Trade and other payables	835,874,768	835,874,768	835,874,768	-	-	-	-
Short term borrowings	413,412,029	413,412,029	413,412,029	-	-	-	-
Current portion of long term borrowings	11,082,599	11,082,599	5,541,300	5,541,300	-	-	-
Accrued interest/mark-up	6,840,235	6,840,235	6,840,235	-	-	-	-
Unclaimed dividends	9,102,088	9,102,088	9,102,088	-	-	-	-
	<u>1,280,527,380</u>	<u>1,276,311,719</u>	<u>1,270,770,420</u>	<u>5,541,300</u>	<u>-</u>	<u>-</u>	<u>-</u>

The contractual cash flows relating to above financial liabilities have been determined on the basis of interest rates/mark-up rates effective as at 30 June 2023/2022. The rates of interest/mark-up have been disclosed in note No. 13 and 16 to these financial statements.

#### 48 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to any externally imposed capital requirements.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

However, the Company can finance its operations through equity, loans and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Net debt is calculated as total borrowings as referred to note 13,16 and 17 less cash and bank balances, note No. 35. Total capital employed includes 'total equity' as shown in the statement of financial position and 'net debt'. The gearing ratio as at 30 June 2023 and as at 30 June 2022 is as follows:

	Note	2023 Rupees	2022 Rupees
Debt		675,940,281	424,494,628
Cash and bank balances		71,372,460	63,595,725
Net debt		<u>604,567,821</u>	<u>360,898,903</u>
Total equity		<u>2,804,025,320</u>	<u>2,769,169,001</u>
Total capital employed		<u>3,408,593,141</u>	<u>3,130,067,904</u>
Gearing ratio (%)		<u>17.74%</u>	<u>11.53%</u>

#### 49 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chairman		Chief Executive		Executive Director		Non-Executive Directors		Executives	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Meeting fees	-	-	-	-	-	-	2,800,000	1,920,000	-	-
Managerial remuneration	-	-	7,358,052	6,092,316	2,332,896	2,028,600	-	-	46,709,878	27,971,565
House rent and utilities	-	-	3,305,784	2,737,104	1,048,104	911,400	-	-	24,044,765	17,940,432
Bonus	-	-	816,256	761,540	291,612	253,575	-	-	5,758,752	3,496,446
Reimbursable expenses	464,680	243,553	322,973	395,125	24,600	397,273	-	-	-	-
Travelling expenses	1,821,920	1,391,827	70,425	151,860	-	292,868	2,027,554	1,490,674	4,670,999	-
Other services	10,814,532	9,403,944	-	-	-	-	-	-	-	-
	<u>13,101,132</u>	<u>11,039,324</u>	<u>11,873,490</u>	<u>10,137,945</u>	<u>3,697,212</u>	<u>3,883,716</u>	<u>4,827,554</u>	<u>3,410,674</u>	<u>81,184,394</u>	<u>49,408,443</u>
Number of persons	1	1	1	1	1	1	4	4	25	13



# Punjab Oil Mills Limited

**49.01** The Chief Executive is provided with free use of Company maintained car and reimbursement of residential telephone expenses. Certain directors and executives are also provided with free use of Company maintained cars.

**49.02** Aggregate amount charged in the financial statements for the year for meeting fee to 4 directors was Rs. 2,800,000 (2022: Rs. 1,920,000).

**49.03** Entitlement of managerial remuneration and bonus is only for the executive directors.

## 50 CAPACITY AND PRODUCTION

Rated Capacity/Production		2023	2022
Banaspati ghee / specialty fats	M. TON	15,000	15,000
Cooking oil	M. TON	30,000	30,000
		<b>45,000</b>	<b>45,000</b>
Actual Production			
Banaspati Ghee / specialty fats	M. TON	7,986	10,676
Cooking oil	M. TON	13,058	15,730
		<b>21,044</b>	<b>26,406</b>

### 50.01 RATED CAPACITY

On the basis of blending hard oil with soft oil, rated capacity comes to 45,000 M. Ton annually. The rated capacity is interchangeable between Banaspati Ghee and Cooking Oil depending on demand.

### 50.02 REASONS FOR SHORTFALL

Due to decrease in market demand during the year, the actual production of Banaspati ghee/Specialty fats short falls the rated capacity / production.

## 51 OPERATING SEGMENT

These financial statements have been prepared on the basis of a single reportable segment.

**51.01** Revenue from sale of banaspati ghee, cooking oil, specialty fats, soap, and gases represents 99.69% (2022: 99.63%) of the total income of the Company.

**51.02** 100.00% (2022: 97.58%) of the gross sales of the Company are made to customers located in Pakistan.

**51.03** All non current assets of the Company as at 30 June 2023 are located in Pakistan.

**51.04** None of the customers of the Company accounts for more than 10% of the gross sales of the Company for the year.

## 52 EMPLOYEES

Average number of employees during the year - factory

- others

	2023 Number	2022 Number
Average number of employees during the year - factory	268	284
- others	17	15
	<b>285</b>	<b>299</b>
Number of employees at the end of the year - factory	251	284
- others	19	15
	<b>270</b>	<b>299</b>

Number of employees at the end of the year - factory

- others

## 53 SHARIAH SCREENING DISCLOSURE

	-----2023-----		-----2022-----	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	-----Rupees-----			
Loans and advances	6,051,825	56,302,314	3,732,073	72,865,298
Bank balances	36,934,856	27,134,211	23,453,835	35,153,600
Short term borrowings	672,937,117	-	413,412,029	-
Long term borrowings	-	-	-	-
Current portion of long term borrowings	3,003,164	-	11,082,599	-
Revenue	-	9,844,949,849	-	8,837,676,009
Mark-up paid	121,169,106	-	43,909,877	-
Profit on bank deposits	19,495,613	-	8,900,450	-
Exchange gain / (loss) on actual currency	-	-	-	-
Interest income from related party	866,649	-	412,537	-



## 54 NON ADJUSTING EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

The Board of Directors in its meeting held on September 23, 2023 as proposed final cash dividend @ 15% that is i.e. Rs. 1.50 per share for approval of share holders in the Annual General Meeting held on October 26, 2023.

## 55 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements have been approved and authorized for issue by the Board of Directors of the Company on 23 September 2023.

## 56 GENERAL

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

CHAIRMAN / DIRECTOR

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER



# Punjab Oil Mills Limited

## PATTERN OF SHAREHOLDING AS ON JUNE 30, 2023

No. of Shareholders	Shareholders From	To	Total Shares Held
503	1	100	15,850
403	101	500	110,368
122	501	1,000	80,051
78	1,001	5,000	151,711
13	5,001	10,000	102,772
3	10,001	15,000	38,397
5	15,001	20,000	85,880
1	20,001	25,000	23,184
3	25,001	30,000	81,216
1	30,001	35,000	33,984
1	35,001	40,000	36,708
1	40,001	45,000	43,513
1	55,001	60,000	57,363
1	70,001	75,000	74,838
1	110,001	115,000	113,987
1	210,001	215,000	211,392
2	220,001	225,000	445,565
1	285,001	290,000	288,000
1	310,001	315,000	312,640
2	320,001	325,000	647,613
3	415,001	420,000	1,251,422
2	435,001	440,000	879,643
1	520,001	525,000	523,903
1	625,001	630,000	629,457
1	745,001	750,000	745,417
1	775,001	780,000	777,664
1,153			7,762,538

Categories of Shareholders	Shares held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	2,185,118	28.1495%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	598,741	7.7132%
2.3.3 NIT and ICP	801,421	10.3242%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	--	--
2.3.5 Insurance Companies	--	--
2.3.6 Modarabas and Mutual Funds	621,648	8.0083%
2.3.7 Shareholders holding 10% or more		10.0182%
2.3.8 General Public		
a. Local	3,443,479	44.3602%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		1.4445%
1- Joint Stock Companies	112,131	



## Catagories of Shareholding required under Code of Corporate Governance (CCG) As on June 30, 2023

Sr. No.	Name & Category of Shareholders	No. of Shares Held	Percentage
---------	---------------------------------	--------------------	------------

### Associated Companies, Undertakings and Related Parties:

1	M/s Teejay Corporation (Private) Limited	523,903	6.7491%
2	M/s Hala Enterprises Limited (CDC)	74,838	0.9641%

### Mutual Funds (Name Wise Detail)

1	CDC - Trustee Akd Index Tracker Fund (CDC)	720	0.0093%
2	CDC - Trustee Akd Opportunity Fund (CDC)	288,000	3.7101%
3	CDC - Trustee Golden Arrow Stock Fund (CDC)	324,000	4.1739%
4	MCBFSL - Trustee Akd Islamic Stock Fund (CDC)	8,928	0.1150%

### Directors and their Spouse and Minor Children (Name Wise Detail)

1	Mr. Tahir Jahangir	57,363	0.7390%
2	Mr. Furqan Anwar Batla	629,601	8.1108%
3	Mr. Usman Ilahi Malik	223,431	2.8783%
4	Mr. Jillani Jahangir	417,140	5.3738%
5	Mrs. Munizae Jahangir	417,141	5.3738%
6	Mr. Saif Ali Rastgar	600	0.0077%
7	Miss Mehrunisa Malik	439,842	5.6662%

### Executives:

- -

### Public Sector Companies & Corporations:

- -

### Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

- -

### Shareholders holding five percent or more voting intrest in the listed company

S. No.	Name of Shareholder	Holding	Percentage
1	Mrs. Nageen Malik	777,664	10.0182%
2	CDC - Trustee National Investment (UNIT) Trust (CDC)	745,417	9.6027%
3	Mr. Furqan Anwar Batla	629,601	8.1108%
4	M/s Teejay Corporation (pvt) Ltd	523,903	6.7491%
5	Miss Mehr-un-Nisa	439,842	5.6662%
6	Mrs. Salima Faisal Feroz	439,801	5.6657%
7	Mrs. Sulema Jahangir	417,141	5.3738%
8	Mrs. Munizae Jahangir	417,141	5.3738%
9	Mr. Jilani Jahangir	417,140	5.3738%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:



S. No.	Name	Sale	Purchase	Bonus
1	Mr. Tahir Jahangir		-	17,527
2	Mr. Furqan Anwar Batla		-	192,377
3	Mr. Usman Ilahi Malik		155,341	68,090
4	Mr. Jilani Jahangir	61,454	-	137,701
5	Mrs. Munizae Jahangir		30,883	122,312
6	Mr. Saif Ali Rastgar		-	100
7	Miss Mehr-un-Nisa		77,131	134,396



**To:**

**The Company Secretary  
Punjab Oil Mills Limited  
Plot Nos. 26-28, Industrial Triangle,  
Kahuta Road,  
Islamabad**

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## پراکسی فارم

میں مسٹر/مسز/مس \_\_\_\_\_ ساکن \_\_\_\_\_ بحیثیت ممبر پنجاب آئل ملز لمیٹڈ  
شیر فولیو نمبر \_\_\_\_\_ کے تحت مسٹر/مسز/مس \_\_\_\_\_ ساکن  
یا فرد مذکورہ کی عدم دستیابی کی صورت میں مسٹر/مسز/مس \_\_\_\_\_  
ساکن \_\_\_\_\_ کو اپنا نمائندہ مقرر کرتا/کرتی ہوں کہ 26 اکتوبر 2023 بروز جمعرات کو صبح گیارہ بجے (10:30)  
پر منعقد ہونے والے کمپنی کے سالانہ اجلاس اور اس کے بعد کسی بھی اور کہیں اور بھی منعقد ہونے والے دوسرے اجلاس کے لیے اپنا نمائندہ مقرر کر سکتا/سکتی ہوں۔

دستخط شیئر ہولڈر \_\_\_\_\_  
(دستخط کمپنی کے پاس دستخط نمونہ کے مطابق ہوں)  
قومی شناختی کارڈ نمبر/ پاسپورٹ نمبر \_\_\_\_\_

دستخط مقرر کردہ نمائندہ \_\_\_\_\_ اکتوبر 2023

گواہان

1- دستخط _____	2- دستخط _____
نام _____	نام _____
پتہ _____	پتہ _____
قومی شناختی کارڈ نمبر _____	قومی شناختی کارڈ نمبر _____

نوٹ:

- 1- پراکسی فارم ہذا مکمل اور دستخط کے ہمراہ اجلاس کے انعقاد سے کم از کم اٹتالیس (48) گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں جمع کرادیا جائے۔
  - 2- اگر کوئی ممبر ایک سے زیادہ پراکسی فارم کمپنی کے رجسٹرڈ دفتر میں جمع کروادے گا تو پراکسی فارم قابل قبول نہیں ہوگا۔
  - 3- مقرر کردہ نمائندے کے لیے کمپنی کا ممبر ہونا لازمی نہیں۔
- سی ڈی سی اکاؤنٹ ہولڈر/کارپوریٹ اینٹیٹھی ہونے کی صورت میں درج ذیل شرائط پر عمل کرنا ہوگا۔
- (i) ممبر اور پراکسی کی قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ہمراہ منسلک کرنا ہوں گی۔
  - (ii) پراکسی کو اجلاس کے وقت اپنا اصلی شناختی کارڈ یا اصلی پاسپورٹ پیش کرنا ہوگا۔
  - (iii) کارپوریٹ اینٹیٹھی کی صورت میں ڈائریکٹرز کی پاس کردہ قرارداد/ پاور آف اٹارنی معہ نامزد فرد کے دستخط کے نمونہ پراکسی فارم کے ہمراہ اٹتالیس (48) گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں جمع کرانا ہوگی۔

**To:**

**The Company Secretary  
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