



**TOGETHER
WE RISE**

ANNUAL REPORT 2021



PUNJAB OIL MILLS LIMITED
AN ISO 9001, 14001, 45001, HALAL PS 3733 & FOOD SAFETY SYSTEMS CERTIFIED COMPANY

**“SAY NO TO
CORRUPTION”**



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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 customer satisfaction, achieve and sustain growth, minimize costs and maximize profits; resulting in a secure and rewarding investment to our shareholders and investors.

**COMPANY INFORMATION**

BOARD OF DIRECTORS	Mr. Tahir Jahangir Mr. Usman Ilahi Malik Mr. Jilani Jahangir Mr. Furqan Anwar Batla Mrs. Munizae Jahangir Miss Mehrunisa Malik Mr. Firasat Ali	Chairman Chief Executive Officer Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Independent Director
AUDIT COMMITTEE	Mr. Firasat Ali Mr. Furqan Anwar Batla Miss Mehrunisa Malik	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Firasat Ali Mr. Usman Ilahi Malik Mr. Jilani Jahangir Mr. Furqan Anwar Batla Mrs. Munizae Jahangir	Chairman Member Member Member Member
CHIEF FINANCIAL OFFICER	Mr. Muhammad Saeed Malik	
COMPANY SECRETARY	Mr. Muhammad Adeel Baig	
HEAD OF INTERNAL AUDIT	Mr. Zaka Ullah Malik	
AUDITORS	Malik Haroon Shahid Safdar & Co. Chartered Accountants	
LEGAL ADVISORS	A.G.H.S Law Associates	
BANKERS	JS. Bank Limited MCB Bank Limited Habib Metropolitan Bank Limited Faysal Bank Limited Bank Al-Habib Limited	
REGISTERED OFFICE/WORKS	Plot No. 26-28, Industrial Triangle, Kahuta Road, Islamabad Tel: 051 -4490017-20, Fax: 051-4490016 & 4492803 Email: corporate@punjaboilmills.com Website: www.punjaboilmills.com	
HEAD OFFICE	120-E/1, Gulber III, Lahore. Tel: 042-35761585-6 Email: corporate@punjaboilmills.com	
SHARE REGISTRAR OFFICE	M/s Corplink (Private) Limited Wings Arcade, 1-K, Commercial Model Town, Lahore Tel: 042 -35916714, 35916719 Fax: 042 -35869037 Email: corplink786@gmail.com	



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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 2021-2022 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. The website contains the latest Financial Results of the Company together with Company's profile and product range.

Financial Information

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Company's Website

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Share Price and Volume during the financial year 2020

Months	Highest Rate (Rs.)	Lowest Rate (Rs.)	Closing Rate (Rs.)	No. of Shares Traded
July-2020	162.34	157.42	159.61	23,700
August-2020	160.52	156.17	158.85	5,700
September-2020	158.80	155.34	157.34	60,300
October-2020	140.26	132.60	135.20	68,100
November-2020	138.98	135.49	137.47	16,500
December-2020	194.55	186.38	190.62	161,300
January-2021	229.18	219.76	225.45	164,200
February-2021	270.72	258.83	264.97	78,600
March-2021	250.29	241.95	249.22	42,000
April-2021	206.12	203.51	207.82	17,900
May-2021	225.56	223.70	225.27	43,000
June-2021	275.34	266.96	271.86	35,800



TERRA DELYSSA

EXTRA VIRGIN

OLIVE OIL





CHAIRMAN'S REVIEW

Another difficult year for our company, unfortunately. The CEO of our company, who had nurtured and led the company since its early years, passed away on the 12th of April 21. May the Almighty have mercy on his soul and grant him eternal bliss; and his family the forbearance to suffer the loss. The year was also the year of the Pandemic with its effects on our personnel, the closure of shops, shopping malls and all indoor entertainment and functions. As a consequence the HORECA or restaurant industry which is a large consumer of our products remained closed for most of the year. Similarly entertainment at marriages and other functions were badly curtailed, leading to lower demand for our products. The squeeze in demand was accompanied by a huge increase in edible oil prices, as well as tin plate and other packing materials. All this has led to lower margins and lower profit as detailed in the CEO's review.

However there is hope for a better future. The new CEO is Mr. Usman Illahi Malik who has a Bachelor's degree in Finance and Marketing from the Wharton School of Business in USA and is also a qualified CFA. He has worked for many years under the tutelage of his father. Our main product lines are popular and we hope to improve sales in the coming years. We are also trying to diversify our product lines, as well as push the more remunerative ones.

The personnel of the company have been assisted in weathering the Pandemic by flexible work routines and generous allowances during illnesses. The factory has worked smoothly and all our new investments are now in full operation. We are expecting all these efforts will give better results in the coming years.

Tahir Jahangir,
Chairman of the Board



چیرمین کی جائزہ رپورٹ

بدقسمتی سے ہماری کمپنی کے لیے ایک اور مشکل سال رہا کیونکہ اس سال کمپنی کے سی ای او، جنہوں نے اپنے ابتدائی سالوں میں کمپنی کی پروش اور رہنمائی کی، 12 اپریل 2021 کو انتقال کر گئے۔ اللہ تعالیٰ ان پر رحمت فرمائے اور انہیں دائمی سکون اور ان کے خاندان کو صدمہ برداشت کرنے کی ہمت عطا کرے۔

یہ سال وبائی بیماری کا سال بھی تھا جس کے اثرات ہمارے اہلکاروں، دکانوں کی بندش، شاپنگ مالز اور تمام ان ڈور تفریح اور تفریبات پر ہوئے۔ اس کے نتیجے میں HORECA یا ریسٹورانٹ انڈسٹری جو کہ ہماری مصنوعات کی ایک اہم صارف ہے سال کے بیشتر عرصہ کے لیے بند رہی۔ اسی طرح شادیوں اور دیگر تفریبات میں انٹرٹینمنٹ بری طرح کم ہو گئی جس کی وجہ سے ہماری مصنوعات کی طلب بھی کم ہو گئی۔ طلب میں کمی کے ساتھ خوردنی تیل، نیزن پلیٹ اور دیگر پکینگ مواد کی قیمتوں میں زبردست اضافہ ہو گیا۔ یہ سب مارجن اور منافع کی کمی کا باعث بنے ہیں جیسا کہ سی ای او کے جائزہ میں تفصیل سے بیان کیا گیا ہے۔

تاہم، بہتر مستقبل کی امید ہے۔ نئے سی ای او جناب عثمان الہی ملک ہیں جنہوں نے امریکہ میں وارٹن سکول آف بزنس سے فنانس اور مارکیٹنگ میں پیچر کی ڈگری حاصل کی ہے اور وہ ایک کوالیفائیڈ سی ایف اے بھی ہیں۔ انہوں نے کئی سالوں تک اپنے والد کی سرپرستی میں کام کیا ہے۔ ہماری اہم پروڈکٹ لائسنز مقبول ہیں اور ہمیں امید ہے کہ آنے والے سالوں میں فروخت میں بہتری آئے گی۔ ہم اپنی پروڈکٹ لائنوں کو متنوع بنانے، اور ساتھ ہی زیادہ معاوضوں کو بھی آگے بڑھانے کی کوششیں کر رہے ہیں۔

کمپنی کے اہلکاروں کو وبائی بیماری سے نمٹنے میں کام کے چکدار معمولات اور بیماری کے دوران فراخ دلانہ لائسنس کے ذریعے مدد فراہم کی گئی ہے۔ فیکٹری نے ہموار طریقہ سے کام کیا اور ہماری تمام نئی سرمایہ کاریاں اب مکمل طور پر کام کر رہی ہیں۔ ہمیں توقع ہے کہ یہ تمام تر کوششیں آنے والے سالوں میں بہتر نتائج دیں گی۔

طاہر جہانگیر

چیرمین بورڈ



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 40th Annual General Meeting of the shareholders of **PUNJAB OIL MILLS LIMITED** will be held on October 28, 2021, at 11:00 A. M. at Plot No. 26, 27, 28 Industrial Triangle, Kahuta Road, Islamabad, the Registered Office of the Company/or through video link, to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting of the company held on Monday, October 26, 2020.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2021, together with the Directors' and Auditors' Reports thereon.
3. To approve the payment of cash dividend at the rate of Rs. 1.00 per share i.e. 10% as recommended by the Board of Directors.
4. To appoint External Auditors of the Company for the year ending June 30, 2022 as recommended by the Board of Directors and to fix their remuneration. The retiring auditors M/s. Malik Haroon Shahid Safdar & Co., Chartered Accountants, being eligible have offered themselves for reappointment.

SPECIAL BUSINESS

5. To ratify and approve transactions carried out with associated Companies in the normal course of the business by passing the following ordinary resolutions:

RESOLVED that the transactions carried out in normal course of business with associated Companies as disclosed in respective notes to the Audited Financial Statements for the year ended June 30, 2021 be and are hereby ratified and approved.

FURTHER RESOLVED that the Chief Executive of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies during the year ended June 30, 2022 and in this connection the Chief Executive be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/instruments as may be required in this regard on behalf of the Company.

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

By Order of the Board

(Muhammad Adeel Baig)
Company Secretary

Lahore:
Dated: October 07, 2021

Notes:

1. The share transfer books of the Company will remain closed from October 22, 2021 to October 28, 2021 (both days inclusive). Transfers received in order by the Share Registrar of the Company, M/s. Corplink (Private) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore up to the close of business on Thursday, October 21, 2021 will be treated in time for entitlement of the dividend.
2. A member, who has deposited his/her shares into Central Depository Company of Pakistan Limited, must bring his/her Participant's ID Number and CDC Account/Sub-Account No. along with Original Computerized National Identity Card (CNIC) or Original Passport at the time of attending the meeting. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend, speak and vote instead of him/her.
3. Form of proxy, in order to be valid must be properly filled-in/executed and received at the Registered Office of the Company situated at Plot Nos. 26-28, Industrial Triangle Kahuta Road, Islamabad not later than 48 hours before the meeting.
4. Members holding shares in physical form are requested to promptly notify Share Registrar of the Company of any change in their address. Shareholders maintaining their shares in electronic form should have their address updated with their Participant or CDC Investor Account Service.
5. Shareholders who have not yet submitted their International Bank Account No. (IBAN) are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the Registrar of the Company M/s. Corplink (Private) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore, in case of physical shares.



6. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholders' Broker/Participant/CDC Account Services.
7. The rates of deduction of income tax from dividend payments under the Income Tax Ordinance are as follows:

For filers of income tax returns	-	15%
For non-filers of income tax returns	-	30%
8. To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30% shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact they are filers, are advised to make sure that their names are entered in ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.
9. Withholding tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate or stay order from a competent court of law is made available to M/s. Corplink (Private) Limited, by the first day of Book Closure.
10. In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Shares Registrar, in writing.
11. Members can also avail video conference facility, in this regard, please fill the following and submit to registered address of the Company 10 days before holding of the Annual General Meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing of a geographical location, to participate in the meeting through video conference at least 10 days prior to date of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

"I/We, _____ of _____, being a member of Punjab Oil Mills Limited, holder of _____ ordinary share (s) as per Registered Folio No. _____ hereby opt for video conference facility at _____"

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of Annual General Meeting along with complete information necessary to enable them to access the facility.

STATEMENTS OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 RELATING TO THE SPECIAL BUSINESS SENT TO THE SHAREHOLDERS ALONGWITH ANNUAL REPORT.

This statement sets out the material facts concerning the Special Business, given in agenda item No.5 of the Notice will be considered to be passed by the members. The purpose of the Statement is to set forth the material facts concerning such Special Business.

Transactions carried out with associated companies during the year ended June 30, 2020 to be passed as a Special Resolution The transactions carried out in normal course of business with associated companies (Related parties) were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2017.

During the Board meeting it was pointed out by the Directors that as the majority of Company Directors were interested in these transactions due to their common directorship and holding of shares in the associated companies, the required quorum of directors seemingly could not be formed for approval these transactions which have to be approved by the shareholders in the General Meeting.

In view of the above, the transactions conducted during the financial year ended June 30, 2021 with associated company as mentioned in note 42 of the Accounts for their consideration and approval/ratification:

Name	Description of Transaction	PKR
Hala Enterprises Limited	Sharing of Office Expenses	4,207,157
Mr. Jilani Jahangir	Head Office Rent	3,369,960

Authorization to the Chief Executive for the transactions carried out and to be carried out with associated companies during the ensuing year ending June 30, 2022 to be passed as a Special Resolution. The Company would be conducting transactions with associated companies in the normal course of business.

The majority of Directors are interested in these transactions due to their common directorship and shareholding in the associated companies. Therefore, such transactions with associated companies have to be approved by the shareholders.

In order to comply with the provisions of clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2017, the shareholders may authorize the Chief Executive to approve transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2022. The Directors are interested in the resolutions to the extent of their common directorships and shareholding in the associated companies and the privileges attached there on.



سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ پنجاب آئل ملز لمیٹڈ کا 40 واں سالانہ اجلاس عام بروز جمعرات 28 اکتوبر 2021ء کو صبح 11:00 بجے بمقام پلاٹ نمبر 26-28 انڈسٹریل ٹرائی اینگل کھوٹہ روڈ، اسلام آباد جو کہ کمپنی کارجسٹریڈ آفس ہے یا ویڈیولنک کے ذریعے میں درج ذیل امور کی انجام دہی کیلئے ہوگا۔

عام امور

- 1- 39 ویں سالانہ اجلاس کے منٹس کی منظوری جو کہ 26 اکتوبر 2020ء بروز سوموار منعقد ہوا۔
- 2- 30 جون 2021ء کو ختم ہونے والے سال کے لئے کمپنی کے نظر ثانی شدہ مالیاتی حسابات معائنہ پریڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصول، غور و خوض اور منظوری دینا۔
- 3- حتمی نقد منافع منقسمہ بشرح 10% یعنی 1.00 روپے فی شیئر کا اعلان کرنا۔ یہ مال سال 2020-21ء کیلئے کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے اعلان کردہ ہے۔

- 4- 30 جون 2022ء کو ختم ہونے والے سال کیلئے بورڈ آف ڈائریکٹرز کی سفارشات کی مطابقت کمپنی کے ایکسٹرنل آڈیٹرز کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔

خصوصی امور

- 5- مندرجہ ذیل عام قراردادوں کو منظور کر کے کاروبار کے معمول کے مطابق وابستہ کمپنیوں کے ساتھ کئے جانے والے لین دین کی توثیق اور منظوری کے لئے قرار پایا کہ 30 جون 2021ء کو ختم ہونے والے سال کے دوران شریک کمپنیوں کے ساتھ معمول کے کاروبار میں کی گئی ٹرانزیکشنز کی بذریعہ ہذا توثیق اور منظوری دی گئی ہے۔
- ”قرار پایا کہ کمپنی کے چیف ایگزیکٹو بذریعہ ہذا 30 جون 2022ء کو ختم ہونے والے سال کے دوران شریک کمپنیوں کے ساتھ معمول کے کاروبار میں کی گئی اور کی جانے والی تمام ٹرانزیکشنز کو منظور کرنے کے باختیار ہیں اور سلسلہ میں چیف ایگزیکٹو بذریعہ ہذا کوئی اور تمام ضروری عوامل کرنے اور کمپنی کی جانب سے اس سلسلہ میں جو بھی ضروری ہوں کوئی اور تمام ایسے دستاویزات پر رسمی معاہدات دستخط/مکمل کرنے کے بھی باختیار ہیں۔
- 6- صاحب صدر کی اجازت سے کسی دیگر امر پر کارروائی کرنا۔ درج ذیل ذیل قرارداد کو بطور خصوصی قرارداد پر غور و خوض اور منظور کرنا:-

بحکم بورڈ
کمپنی سیکرٹری

محمد عدیل بیگ

لاہور: 7 اکتوبر 2021

نوٹ:-

- 1- کمپنی کے حصص منتقل کتابیں 22 اکتوبر 2021ء تا 28 اکتوبر 2021ء (بشمول ہر دو ایام) بند رہیں گی۔ کمپنی رجسٹرار، میسرز کارپ لنک پرائیویٹ لمیٹڈ، ونگز آرکیڈ، K-1 کمرشل ماڈل ٹاؤن لاہور میں 21 اکتوبر 2021ء کو کاروبار کے اختتام تک موصول ہونے والی منتقلیاں ڈیویڈنڈ اور بونس شیئرز کے استحقاق کیلئے بروقت تصور ہوگی۔

- 2- ایک رکن، جو اپنے شیرز سنٹرل ڈیپازٹری کمپنی پاکستان لمیٹڈ میں جمع کرا چکے ہوں، اپنے پارٹنیشنس آئی ڈی نمبر اور سی ڈی سی اکاؤنٹ/سب اکاؤنٹ نمبر معہ اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ اجلاس میں شرکت کے وقت لازماً اپنے ہمراہ لائیں۔
- سالانہ اجلاس عام میں شرکت اور ووٹ دینے کا اہل رکن اپنی بجائے شرکت اور ووٹ کیلئے کسی دیگر رکن کو اپنا/اپنی پر کسی مقرر کر سکتا ہے۔

3۔ پراسی فارم، کارآمد ہونے کے لئے لازماً مناسب پُر/مکمل شدہ اور کمپنی کے رجسٹرڈ دفتر واقع پلاٹ نمبر 28-26، انڈسٹریل ٹرائی اینگل کھوٹہ روڈ، اسلام آباد میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل لازماً وصول ہو جانا چاہئے۔

4۔ مادی صورت میں حصص کے حامل ارکان سے التماس ہے کہ اپنے پتوں میں کسی تبدیلی کی اطلاع کمپنی کے سینئر رجسٹرار کو فی الفور مطلع فرمائیں۔ الیکٹرونک فارم میں اپنے حصص برقرار رکھنے والے حصص داران کو اپنے ایڈریس اپنے پارٹیسپنٹ یا سی ڈی سی انویسٹر اکاؤنٹ سروسز کے ہاں اپ ڈیٹ رکھنے چاہئیں۔

5۔ حصص داران جنہوں نے اپنے انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) ابھی جمع نہیں کرائے سے درخواست ہے کہ کمپنی کی ویب سائٹ پر دستیاب الیکٹرونک کریڈٹ مینڈیٹ فارم پُر اور دستخط کر کے CNIC کی کاپی کے ہمراہ کمپنی رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1، کمرشل ماڈل ٹاؤن، لاہور کو ارسال کریں، بصورت مادی حصص۔

6۔ سی ڈی سی میں حصص رکھنے کی صورت میں الیکٹرونک کریڈٹ مینڈیٹ فارم لازماً شیئر ہولڈرز کے بروکر / پارٹیسپنٹ / سی ڈی سی اکاؤنٹ سروسز کو براہ راست جمع کرائے جانے چاہئیں۔ SRO.787 (1)/2014 مورخہ 08 ستمبر 2014ء کی رو سے نوٹیفکیشن کی پیروی میں SECP نے کمپنی کے ارکان کو سالانہ مالی حسابات اور نوٹسز بذریعہ الیکٹرونک میل سسٹم (ای میل) وصول کرنے کی سہولت دینے کی ہدایت کی ہے۔ ہم اپنے ارکان کو اس سہولت کی پیشکش کرتے ہوئے خوش ہیں کہ جو ارکان کمپنی کی سالانہ مالی حسابات اور نوٹسز مستقبل میں بذریعہ ای میل وصول کرنے کے خواہشمند ہیں اس سلسلہ میں ارکان سے التماس ہے کہ کمپنی کی ویب سائٹ یعنی www.punjaboilmills.com میں دستیاب درخواست فارم پر بذریعہ ای میل اپنی رضامندی پہنچائیں۔ براہ مہربانی یقینی بنائیں کہ آپ کی ای میل، ایسی ای میل جو سائز میں 1 ایم بی فائل سے بڑی ہو سکتی ہے وصول کرنے کیلئے کافی حقوق اور دستیاب جگہ رکھتی ہے۔ اس کے علاوہ یہ رکن کی ذمہ داری ہے کہ اپنی رجسٹرڈ ای میل میں کوئی تبدیلی شیئر رجسٹرار کو بروقت اپ ڈیٹ کریں۔

7۔ انکم ٹیکس آرڈیننس 2001 کے تحت ڈیویڈنڈ ادائیگیوں سے انکم ٹیکس کی ڈیڈکشن کے ریٹس درج ذیل کے مطابق ہیں:

انکم ٹیکس ریٹن کے فائلر کیلئے 15%

انکم ٹیکس ریٹن کے نان فائلر کیلئے 30%

8۔ کمپنی کو نقد ڈیویڈنڈ کی رقم پر 30% کی بجائے 15% کی شرح سے ٹیکس ڈیڈکشن کا اہل بنانے کیلئے حصص داران جن کے نام ایف بی آر کی ویب سائٹ پر مہیا شدہ ایکٹو ٹیکس پیئرز فہرست (ATL) میں درج نہیں، باوجود حقیقت کہ وہ فائلرز ہیں، سے التماس ہے کہ کتابوں کی بندش کے پہلے روز سے قبل یقینی بنائیں کہ ان کے نام ATL میں درج ہیں، بصورت دیگر ان کے نقد ڈیویڈنڈ پر ٹیکس 15% کی بجائے 30% کی شرح سے منہا کیا جائے گا۔

9۔ ڈیویڈنڈ انکم سے ود ہولڈنگ ٹیکس ایگزیمپشن صرف اس صورت میں ہوگی اگر کارآمد ٹیکس ایگزیمپشن سرٹیفکیٹ یا قانونی مجاز عدالت سے سٹے آرڈر کتابوں کی بندش کے پہلے روز تک کارپ لنک (پرائیویٹ) لمیٹڈ کو فراہم کیا گیا۔

10۔ اس سلسلہ میں تمام حصص داران جو مشترکہ حصص رکھتے ہوں سے التماس ہے کہ اپنے ملکیتی حصص کی بابت اصل شیئر ہولڈر اور مشترکہ ہولڈر کا شیڈ ہولڈنگ تناسب درج ذیل کے مطابق تحریری صورت میں ہمارے شیئر رجسٹرار کو مہیا کریں (اگر پہلے مہیا نہیں کئے گئے)۔

11۔ ارکان وڈیو کانفرنس سہولت سے بھی مستفید ہو سکتے ہیں۔ اس سلسلہ میں براہ مہربانی درج ذیل فارم کو پُر اور کمپنی کے رجسٹرڈ دفتر میں سالانہ اجلاس عام کے انعقاد سے 10 یوم قبل جمع کرائیں۔ اگر کمپنی جغرافیائی محل وقوع میں سکونت مجموعی 10% یا زیادہ شیئر ہولڈنگ کے مالک ارکان سے وڈیو کانفرنس کے ذریعے اجلاس میں شرکت کیلئے اجلاس کی تاریخ سے کم از کم 10 یوم قبل رضامندی وصول ہوتی ہے تو، کمپنی اس شہر میں ایسی سہولت کی دستیابی کے حوالے سے شہر میں وڈیو کانفرنس سہولت کا انتظام کرے گی۔



”میں/ہم.....ساکن.....بحیثیت رکن، پنجاب آئل ملز لمیٹڈ، مالک.....عام حصص، بمطابق رجسٹرڈ فوئو نمبر.....بذریعہ
ہذا.....میں ویڈیو کانفرنس سہولت کا خواہشمند ہوں۔

کمپنی ارکان کو ویڈیو کانفرنس سہولت کے مقام بارے اطلاع معہ سہولت تک رسائی کے قابل بنانے کے لئے ضروری مکمل معلومات سالانہ اجلاس عام کی تاریخ سے کم از کم 5 یوم قبل پہنچائے گی۔

کمپنی ایکٹ 2017ء کی دفعہ 134 کی پیروی میں خصوصی امور سے متعلقہ مادی حقائق کا بیان نوٹس ہذا کے ایجنڈا آئٹم نمبر 5 میں دیئے گئے خصوصی امور سے متعلقہ مادی حقائق کی وضاحت کرتا ہے جو ارکان کی طرف سے منظور شدہ تصور کیا جائے گا۔ بیان کا مقصد ایسی خصوصی قرارداد سے متعلقہ مادی حقائق کی وضاحت کرنا ہے۔

30 جون 2021 کو ختم ہونے والے سال کے دوران شریک کمپنیوں کے ساتھ کی گئی ٹرانزیکشنز خصوصی قرارداد کے طور پر منظور کی گئی ہیں۔ شریک کمپنیوں (متعلقہ پارٹوں) کے ساتھ معمول کے کاروبار میں کی گئی ٹرانزیکشنز فہرستی کمپنی (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017ء کی کلاز 15 کی پیروی میں سہ ماہی بنیاد پر آڈٹ کمپنی کی سفارشات کے مطابق بورڈ کی طرف سے منظور کی گئی تھیں۔ بورڈ کے اجلاس کے دوران ڈائریکٹرز کی طرف سے یہ واضح کیا گیا تھا کہ اکثر کمپنی ڈائریکٹرز شریک کمپنیوں میں اپنی مشترکہ ڈائریکٹر شپ اور شیئرز رکھنے کی وجہ سے ان ٹرانزیکشنز میں دلچسپی رکھتے تھے، ان ٹرانزیکشنز کی منظوری کے لئے ڈائریکٹرز کا مطلوبہ قورم پورا نہیں ہو سکا تھا جو اجلاس عام میں حصص داران کی طرف سے منظور کیا جانا ہے۔ مذکورہ بالا کے مد نظر، شریک کمپنیوں کے ساتھ 30 جون 2021 کو ختم ہونے والے مالی سال کے دوران ہونے والی ٹرانزیکشنز درج ذیل کے مطابق غور و خوض اور منظوری/تصدیق کیلئے حصص داران کے روبرو رکھی جا رہی ہیں۔

نام	لین دین کی تفصیل	رقم روپوں میں
ہالمانڈ پرائز لمیٹڈ	آفس کے اخراجات کا اشتراک	4,207,157
جناب جیلانی جہانگیر	ہیڈ آفس کرایہ	3,369,960

30 جون 2022 کو ختم ہونے والے سال کے دوران شریک کمپنیوں کے ساتھ کی گئی اور کی جانے والی ٹرانزیکشنز کیلئے چیف ایگزیکٹو کو اجازت بطور خصوصی قرارداد منظور کی گئی۔

اکثر ڈائریکٹرز، شریک کمپنیوں میں اپنی مشترکہ ڈائریکٹر شپ اور شیئرز ہولڈنگ کی وجہ سے ان ٹرانزیکشنز میں دلچسپی رکھتے ہیں۔ اس لئے شریک کمپنیوں کے ساتھ ایسی ٹرانزیکشنز حصص داران کی طرف سے منظور کی جانی ہیں۔

فہرستی کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017ء کی کلاز 15 کی دفعات کی تعمیل میں، حصص داران 30 جون 2022 کو ختم ہونے والے سال کے دوران شریک کمپنیوں کے ساتھ معمول کے کاروبار میں کی گئی اور کی جانے والی ٹرانزیکشنز کی منظوری دینے کیلئے چیف ایگزیکٹو کو اختیار بنا سکتے ہیں۔ ڈائریکٹرز شریک کمپنیوں میں اپنی مشترکہ ڈائریکٹر شپ اور شیئرز ہولڈنگ اور منسلکہ اسحقاق کی حد تک قراردادوں میں دلچسپی رکھتے ہیں۔

**Directors' Report for the year ended 30th June 2021**

The Directors of your Company take pleasure in presenting the 40th Annual Report on the operations of the Company along with Audit Financial Statements for the year ended 30th June, 2021.

Operating and Financial Results

Following is the summary of comparative financial results

	Rupees		% Change	
	2021	2020	2021	2020
Sales (net of sales tax)	5,981,842,659	5,268,462,350	13.54	(4.30)
Gross Profit	699,217,615	789,097,517	(11.39)	(2.40)
Operating Profit	65,581,927	224,667,434	(70.81)	(10.18)
Financial Cost & Other Charges	(23,,059,609)	(35,545,171)	(35.13)	12.07
Operating Income	23,675,455	17,677,084	33.93	75.7
Profit before taxation	66,197,773	206,799,347	(67.99)	(9.49)
Provision for taxation	(83,159,385)	(122,621,186)	(32.18)	1.25
(Loss) / Profit after tax	(16,961,612)	84,178,161	(79.85)	(21.61)
Un-appropriated Profit brought forward	840,708,734	766,340,341	9.70	(13.49)
EPS (in Rupees)	(3.15)	15.62		
Appropriates:-	Rupees			
	2020-2021	2019-2020		
Un-Appropriated Profit brought forward	840,708,734	766,340,341		
Incremental Depreciation/ Others	3,209,381	11,752,840		
40% Final Dividend for the year 2019		(21,562,608)		
Effect of Charges in Equity				
In accounting policy in respect of staff Retirement benefit obligation net of Tax.	(4,079,115)	3,653,125		
On revaluation of Property, Plant & Equipment.	7,288,496	8,099,715		
Balance as at June 30, 2021/2020	826,956,503	840,708,734		

Sales revenue for the year under review increased by 13.54% compared to the same period last year. This is a continuation of the trend seen in the first 3 quarters, where higher selling prices, spurred by large increase in international edible oil prices, led to growth in revenue.

However, the rise in input oil cost could not be fully covered by the selling price increase – price increases were limited keeping market trend and competition in mind and consequently gross margins for the period under review fell to 11.69% from 14.98% recorded for the same period last year. This dip in profitability led to an 11.39% decrease in the gross profit for the year under review.

At the operating level, the administrative costs increased by 19.46% for the year. The major contributor to this increase was increase in remuneration expense as well as increase in rent, rates and taxes due to PKR 9,440,000 paid to CDA for lease renewal. Over-all the operating costs increased by 12.26%, with the selling and distribution head showing an increase of 8.31%. Despite higher costs, the cost to sales ratio remained stagnant due to higher revenue, but the fall in profitability at the gross level caused the operating margin to decrease to 1.10% from 4.26% achieved same period last year. Consequently, the operating profit declined by 70.81% for the year.

Lower financial charges, lower contribution to WWF and WPPF, and higher other income combined with decreased operating profits to lead to a 67.99% fall in profit before tax for the twelve months under review. It is to be noted that main reason for higher other income was inclusion of tolling revenue for the first time as well as booking of scrap sale this period.



While the profit before tax was lower by 67.99%, as the assessed tax at the normal tax rate came out lower than 1.5% turnover tax, the provision for tax was taken at the higher minimum tax value of PKR 83.16 million, representing 125.62% of the pre-tax profit (PKR 67.99 million). As a result, the earnings were charged a tax amount greater than the pre-tax profit. Consequently, the company posted an after-tax loss profit of PKR 16.96 million for the year.

The directors have noted that the edible oils industry is a low margin industry and hence comparatively speaking the company is showing satisfactory performance at the operating level; especially keeping in view the general state of the economy and an intensely competitive environment. The directors have no doubt what so ever that the company is a going concern.

We would like to confirm that the financial statements, prepared by the management of the listed company, fairly present its state of affairs and operations and proper books of account have been maintained according to the applicable and appropriate accounting policies and standards. A system of internal control has also been put in place to effectively implement and monitor the workings of the company to ensure compliance with all relevant policies and guidelines as per the Code of Corporate Governance issued by the SECP.

Contribution to the National Exchequer:-

During the year the Company contributed PKR 417.589 Million to the National Exchequer in the forms of various duties & taxes.

Composition of the Board

The Board comprises of seven elected members. The composition of the Board is in compliance with the requirements of the listed companies (Code of Corporate Governance) Regulations, 2019. The composition as at the close of the financial year was as follows:

a) Male 5

b) Female 2

Composition

Independent Directors 1

Non-Executive Directors 4

Executive Director 2

Meetings of Board of Directors

During the year under review, 07 Meetings of the Board of the Directors were held from July 2020 to June 2021. All written notices of the Board Meetings, along with the agenda and working papers, were circulated at least seven days before the meetings. Attendance by each Director was as under:-

Sr. No.	Name	Designation	09.07.2020	25.07.2020	17.09.2020	26.10.2020	18.01.2021	23.02.2021	26.04.2021	2020-2021
1	Mr. Tahir Jahangir	Chairman	P	P	P	P	P	P	P	7/7
2	Mr. Izaz Ilahi Malik	Chief Executive Officer	A	P	A	P	P	A	A	3/7
3	Mr. Usman Ilahi Malik	Executive Director	P	P	P	P	P	P	P	7/7
4	Mr. Jilani Jahangir	Non-Executive Director	P	P	P	P	P	P	P	7/7
5	Mrs. Munizae Jahangir	Non-Executive Director	P	P	P	P	P	P	P	6/7
6	Mr. Furqan Anwar Batla	Non-Executive Director	P	P	A	P	P	P	P	7/7
7	Mr. Firasat Ali	Independent Director	P	P	P	P	P	P	P	7/7
8	Miss Mehrunisa Malik	Non-Executive Director	-	-	-	-	-	-	P	1/7
Quorum Of Meetings										
P	Present in the Meeting									
A	Leave of Absence									



During the financial year Mr. Izaz Ilahi Malik Chief Executive Officer passed away and Mr. Usman Ilahi Malik was appointed as Chief Executive Officer and Miss Mehr-un-Nisa appointed as Non-Executive Director by the Board in their meeting held on April 26, 2021 to fill the causal vacancy.

The Board in its meeting also appointed Mr. Jillani Jahangir as Executive Director of the Company and fixed his remuneration effective from April 26, 2021.

The Minutes of the Meetings were appropriately recorded and circulated within the stipulated time in accordance with the CCG. The Chief Financial Officer and the Company Secretary attended all the meetings during the year June 30, 2021.

Leave of absence was granted to the directors who not attended the Board Meeting.

Audit Committee:

The Board of Directors of the Company has set up an Audit Committee comprising of three Members in accordance with the Code of Corporate Governance; during the year June 30, 2021, Four Meetings of the Committee were held. Attendance by each member was as under:

Sr. No.	Name	Designation	17.09.2020	26.10.2020	23.02.2021	26.04.2021	2020-2021
1	Mr. Firasat Ali	Chairman/Independent Director	P	P	P	P	4/4
2	Mr. Jilani Jahangir	Non-Executive Director	P	P	P	P	4/4
3	Mr. Furqan Anwar Batla	Non-Executive Director	P	P	P	P	4/4
	Quorum of Meetings		3/3	3/3	3/3	3/3	
P	Present in the Meeting						
A	Leave of Absence						

In compliance with the Code of Corporate Governance, Audit Committee also met with the External Auditors without the Chief Financial Officer and Head of Internal Audit once in a year.

Terms of Reference of Audit Committee:

The Board of Directors of every Company shall determine the terms of reference of the Audit Committee. The Board of Directors shall provide adequate resources and authority to enable the Audit Committee to carry out its responsibilities effectively. The terms of reference of the Audit Committee shall explicitly documented and shall also include the following:

- Determination of appropriate measures to safeguard the Company's Assets;
- Review of Annual and Interim Financial Statements of the Company, prior to their approval by the Board of Directors, focusing on following:
 - Major Judgment Areas;
 - Significant Adjustments resulting from the Audit;
 - Going Concern Assumption;
 - Any changes in Accounting Policies and Practice;
 - Compliance with applicable Accounting Standards;
 - Compliance with these regulations and other statutory and regulatory requirements; and
 - All related party transactions.
- Review of Preliminary announcements of results prior to external communication and publications
- Facilitating the External Audit and discussion with the External Auditors of major observations arising from interim and final audit and any matter that the auditors may wish to highlight (in the absence management, where necessary)
- Review of Management Letter issued by the External Auditors and Management's response thereto;
- Ensuring coordination between the Internal & External Auditors of the Company;



- g) Review of the scope and extent of Internal Audit, Audit Plan, Reporting framework and procedures and ensuring that the Internal Audit Function has adequate resources and is appropriately placed within the Company;
- h) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- I) Ascertaining that the Internal Control System including Financial and Operational Control, Accounting System for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- j) Review of the Company's Statement on internal control system prior to endorsement by the Board of Directors and Internal Audit Reports;
- k) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consideration with the Chief Executive Officer and to consider remittance of any matter to the External Auditors or to any other external body.
- l) Determination of compliance with relevant statutory requirements;
- m) Monitoring compliance with these regulations and identification of significant violations thereof;
- n) Review of management for staff and management to report to Audit Committee in confidence, concerns, if any, about actual and potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- o) Recommend to the Board of Directors the appointment of External Auditors, their removal, Audit Fee, the provision of any service permissible to be rendered to the Company by the External Auditors in addition to Audit of its Financial Statements. The Board of Directors shall give due consideration to the recommendations of Audit Committee and where it acts otherwise it shall record the reasons thereof.
- p) Consideration of any other issue or matter as may be assigned by The Board of Directors.

Human Resource and Remuneration Committee:

The Board has established a Human Resource & Remuneration Committee comprising of five Members during the year under review one meeting was held attendance by each member was as under:

Sr. No.	Name of Members	Designation	22.06.2021	2020-2021
1	Mr. Firasat Ali	Chairman/ Member	P	1/1
2	Mr. Usman Ilahi Malik	Member	P	1/1
3	Jilani Jahangir	Member	P	1/1
4	Mrs. Munizae Jahangir	Member	P	1/1
5	Mr. Furqan Anwar Batla	Member	P	1/1
	Quorum of Meetings		5/5	
P	Present in the Meeting			
A	Leave of Absence			

Terms of Reference of HR & R Committee

The terms of reference of HR & R Committee shall determine by the Board of Directors which may include the following:

- I. Recommend to the Board for consideration and approval a policy framework for determining remuneration of Directors (Executive Directors and members of senior management);

The definition of senior management will be determine by the Board which shall normally include the first layer of management below the Chief Executive Officer level;
- ii. Undertaking annually a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging External Independent Consultant and if so appointed, a statement to that effect shall be made in the Directors' report disclosing name, qualification and major terms of appointment;



- iii. Recommending Human Resource Management Policies to the Board;
- iv. Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of the Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;
- v. Consideration and approval on recommendation of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer or Chief Operating Officer; and
- vi. Where Human Resource and remuneration consultants are appointed, their credentials shall be known by the Committee and a statement shall be made by them as to whether they have any other connection with the Company.

Performance Evaluation of Board of Directors and Committees of the Board

The evaluation of Board's role of oversight and its effectiveness is a continual process, which is appraised by the HR & Remuneration Committee in the Meeting held on September 29, 2021. The core areas of focus are:

- Alignment of corporate goals and objectives with the vision and mission of the Company;
- Strategy formulation for sustain operation;
- Board Independence;
- Evaluation of Board's Committees performance in relation to discharging their responsibilities set out in respective terms of reference.

Director's Remuneration

The remuneration of the directors is recommended by the HR & Remuneration Committee, and forwarded to the board for their approval. However, in accordance with the Code of Corporate Governance, it is ensured that no directors takes part in deciding his/her own remuneration. The Company does not pay managerial remuneration to Non-Executive Directors and Independent Directors except meeting fee for attending the meetings. The Board has fixed the monthly honorarium of Chairman of the Company for their extra services offered to the Company. In order to retain the best talent, the Company's remuneration policies are structured in line with prevailing industry trend and business practices. For information on remuneration of Directors and CEO in 2020-2021, please refer notes to the Financial Statements.

External Auditors

The present External Auditors M/s. Malik Haroon Shahid Safdar & Co. Chartered Accountants, will retire at the conclusion of the upcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Audit Committee of the Company has suggested and the Board has approved & recommended their reappointment to the shareholders as auditors of the Company for the year ending on June 30, 2022.

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, 2021 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.

**Pattern of Shareholding**

Pattern of shareholding of the Company in accordance with the Companies Act, 2017 as at June 30, 2021 is annexed to this report.

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 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, 2021 is as follows:

Gratuity Fund PKR 127 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, 2021 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.

Compliance with the Code of Corporate Governance

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

Corporate Social Responsibility

Punjab Oil Mills is cognizant of its legal and ethical responsibilities towards the local communities where it operates. As such the Board has authorized the management to exercise its Corporate Social Responsibilities by serving the local communities in the areas of health and education. While contributing to the society POML is giving special discounts of 50% on all purchases of SOS villages/orphan homes. POML is also collaborating with the Pakistan National Heart Association in providing free medicines and medical camps and raising awareness of Heart Diseases in the Public.

Water Filtration Plant

Punjab Oil Mills Limited has installed free water filtration plant outside of the Boundry wall of the Company in 2015. People of surrounding areas of the Plant are happy and enjoying clean water.

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.

Director Training Program

The Company takes keen interest in the professional development of its Board members and management team and has carried out necessary trainings as per the requirements of the Code of Corporate Governance and ensures that all the Directors of the Board comply with the requirements of Directors Training Certification. Five Directors have awarded Directors Training Program and the company is arranging DTP for two female directors.

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 an unprecedented rise in international edible oil prices; compounded by market disturbances stemming from the unexpected and unprecedented effects of the COVID-19 outbreak.

The company management took some timely decision in response to the COVID-19 crisis with the view to protect the health and safety of all our stakeholders and minimize potential disruption of our operations. This involved special COVID protocols at the work place, special allowance to the field staff, increased inventory of critical materials, and customer outreach to maintain the credibility of our company and brands in terms of food safety. However, the multiple waves and vast spread of the virus meant that we did face some disturbances to our normal office operations, but with the SOP's in place, we were able to largely operate with only minor disruptions.

Going forward we are anticipating a continuing difficult business environment for the company. The concerning factors previously highlighted in our reviews throughout the year have impacted our profitability and we have seen our margins tighten considerably due to sharp rise in input costs.

The international oil markets continue to be volatile and over-all have persisted with the bullish trend. At the same time there is a drive, based more on political rather than economic grounds, from the government regarding prices of edible oil and banaspati. Although our industry is a fiercely competitive one with prices determined by the free market, we cannot rule out politically expedient actions that can have a negative impact on our ability to maintain margins. As such, together with lackluster demand from the market at such high price levels, and a competitive market place, we will find it difficult to pass on all the cost increase in our selling prices, and we don't foresee any significant recovery of margins going forward. However, management is trying to bridge the gap between cost and price changes to the extent possible given the conditions, and some improvement at the gross level cannot be ruled out if our efforts are successful. In the longer term, as long as we keep up our marketing efforts, stability in the international markets and strength of company brands should enable improvement in margins from current levels.

Going forward, we feel it is prudent to maintain a cautious approach. Nevertheless, there is a need to invest into our most profitable products so the long-term brand health is not compromised in face of aggressive marketing tactics of our competitors. The management feels that a focused and phased approach, with optimized costs, can be employed to grow sales without putting a heavy financial burden on the company. To this end the management is continually reviewing the product costing data to achieve the right balance of pricing with costing; critical to achieving both growth and profitability. Overall we feel that, barring any other unforeseen circumstances, while a recovery in sales is possible with the right approach, the volatility in oil markets and both competitor and government pressure, may keep our margins constrained this year.

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 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.

(TAHIR JAHANGIR)
CHAIRMAN

For & on Behalf of the Board

(USMAN ILAHI MALIK)
CHIEF EXECUTIVE OFFICER

Date: September 29, 2021

30 جون 2021ء کو ختم ہونے والے سال کے لئے ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹر 30 جون 2021 کو ختم ہونے والے سال کے لئے نظر ثانی شدہ مالیاتی گوشواروں کے ساتھ کمپنی کے امور پر پٹی 40 ویں سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

آپریٹنگ اور مالیاتی نتائج

تقابلی مالیاتی نتائج کا خلاصہ درج ذیل ہے:

فیصد تبدیلی		روپے		
2020	2021	2020	2021	
(4.30)	13.54	5,268,462,350	5,981,842,659	فروخت (سیلز ٹیکس کے علاوہ)
(2.40)	(11.39)	789,097,517	699,217,615	مجموعی منافع
(10.18)	(70.81)	224,667,434	65,581,927	آپریٹنگ منافع
12.07	(35.13)	(35,545,171)	(23,059,609)	مالی لاگت اور دیگر چارجز
75.7	33.93	17,677,084	23,675,455	آپریٹنگ آمدنی
(9.49)	(67.99)	206,799,347	66,197,773	ٹیکس سے قبل منافع
1.25	(32.18)	(122,621,186)	(83,159,385)	ٹیکسیشن
(21.61)	(79.85)	84,178,161	(16,961,612)	ٹیکس کے بعد منافع
(13.49)	9.70	766,340,341	840,708,734	غیر موزوں منافع جو آگے آیا
		15.62	(3.15)	فی شیئر نقصان / آمدنی (روپے میں)
		روپے		مصرفات
		2019-2020	2020-2021	
		766,340,341	840,708,734	غیر موزوں منافع جو آگے آیا
		11,752,840	3,209,381	اضافی فرسودگی / دیگرز
		(21,562,608)		40% حتمی منافع منقسمہ برائے سال 2019



				ایکویٹی میں تبدیلیوں کے اثرات
		3,653,125	(4,079,115)	اسٹاف ریٹائرمنٹ بینیفٹ ذمہ داری کی بابت اکاؤنٹنگ پالیسی میں نیٹ کے بعد خالص
		8,099,715	7,288,496	پراپرٹی، پلائنٹ اور آلات کی مکرر قدر و قیمت کے تعین پر
		840,708,734	826,956,503	30 جون، 2020/2021 کو بیلنس

زیر جائزہ سال کی فروخت آمدنی گزشتہ سال کی اسی مدت کے مقابلے 13.54 فیصد اضافہ ہوا۔ یہ اضافہ پہلی تین سہ ماہیوں میں پائے گئے رجحان کا تسلسل تھا۔ اس اضافہ کا بڑا حصہ خاص طور پر بین الاقوامی خوردنی تیل کے شعبہ میں اوسطاً فروخت کی قیمتوں میں اضافہ سے منسوب ہے۔

تاہم، تیل کی لاگت میں اضافہ فروخت قیمت کے اضافہ سے مکمل طور پر پورا نہیں کیا جاسکتا تھا کیونکہ قیمتوں میں اضافہ مارکیٹ رجحانات اور مقابلہ کو ذہن میں رکھتے ہوئے محدود تھا، اور اس کے نتیجے میں زیر جائزہ مدت کے مجموعی منافع جات گزشتہ سال کی اسی مدت کے درج شدہ 14.98% سے کم ہو کر 11.69% ہو گئے۔ منافع میں اس کمی کی وجہ سے زیر جائزہ سال کے مجموعی منافع میں 11.39% کمی کی ہوئی۔

آپریٹنگ سطح پر، سال کے دوران انتظامی اخراجات میں 19.46 فیصد تک اضافہ ہوا۔ اس اضافے کی سب سے بڑی وجہ اجرتوں میں اضافہ اور لیز کی تجدید کے لئے سی ڈی اے کو 9,440,000 روپے ادا کرنے کی وجہ سے کرایہ، ریٹس اور ٹیکسز میں اضافہ تھی۔ مجموعی آپریٹنگ اخراجات 12.26 فیصد تک زیادہ ہوئے، کیونکہ سیلنگ اور ڈسٹری بیوٹن اخراجات 8.31 فیصد کا اضافہ ظاہر کر رہے ہیں۔ زیادہ اخراجات کے باوجود، فروخت لاگت کا تناسب زیادہ آمدنی کی وجہ سے کم رہا، لیکن مجموعی سطح پر منافع میں کمی کی وجہ سے آپریٹنگ مارجن گزشتہ سال کی اسی مدت میں حاصل کردہ 4.26% سے کم ہو کر 1.10% تک ہوئی۔ اس لئے آپریٹنگ منافع سال کیلئے 70.81% کم رہا

کم مالی چارجز، ڈیبٹو ڈیبٹوائف اور ڈیبٹو پی ایف کی کم شراکت، اور کم آپریٹنگ منافع کے ساتھ دیگر زیادہ آمدنی جو زیر جائزہ بارہ ماہ کے لئے ٹیکس سے پہلے منافع میں 67.99 فیصد کمی کا باعث بنی ہے۔ واضح رہے کہ اس عرصے کے لئے دیگر زیادہ آمدنی کی اہم وجہ پہلی بار ٹولنگ ریونیو کی شمولیت اور سکرپ سیل کی بکنگ تھی۔

جبکہ ٹیکس سے قبل منافع 67.99% تک کم ہوا، کیونکہ عام ٹیکس کی شرح پر تنفیص شدہ ٹیکس 1.5 فیصد ٹرن اوور ٹیکس سے کم رہا، ٹیکس کی فراہمی 83.16 ملین روپے کی زیادہ سے زیادہ ٹیکس کی قیمت پر لی گئی، جو کہ ٹیکس سے پہلے کے منافع کے 125.62 فیصد (66.20 ملین روپے) کی نمائندگی کرتی ہے۔ اس کے نتیجے میں، آمدنی پر ٹیکس سے پہلے کے منافع سے زیادہ ٹیکس وصول کیا گیا۔

ڈائریکٹرز نے واضح کیا ہے کہ خوردنی تیل کی صنعت ایک کم منافع بخش صنعت ہے اور اس وجہ سے کمپنی آپریٹنگ سطح پر، خاص طور پر معیشت کی عام حالت اور سخت مسابقتی ماحول کے پیش نظر نسبتاً اطمینان بخش کارکردگی کا مظاہرہ کر رہی ہے۔ ڈائریکٹرز کو کمپنی کے گونگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔

ہم اس بات کی تصدیق کرتے ہیں کہ مندرجہ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالی حسابات، اس کے امور اور کارروائیوں کو منصفانہ طور پر ظاہر کرتے ہیں اور اکاؤنٹ کے مناسب کھاتہ جات قابل اطلاق اور مناسب اکاؤنٹنگ پالیسیوں اور معیارات کے مطابق برقرار رکھے گئے ہیں۔ داخلی کنٹرول کا نظام بھی موثر طریقے سے عملدرآمد تمام متعلقہ پالیسیوں اور SECP کی طرف سے جاری کردہ کارپوریٹ گورننس کے ضابطہ کے مطابق ہدایات کی تعمیل کو یقینی بنانے کیلئے کمپنی کے کاموں کی نگرانی کی جاتی ہے۔



قومی خزانہ میں شراکت:-

سال کے دوران کمپنی نے مختلف ڈیپوٹیوں اور ٹیکسوں کی شکل میں 417.589 ملین روپے کی قومی خزانہ میں شراکت کی۔

بورڈ کی تشکیل

بورڈ سات منتخب ارکان پر مشتمل ہے۔ بورڈ کی تشکیل درج ذیل کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضروریات کے مطابق ہے۔ مالی سال کے اختتام پر کمپوزیشن مندرجہ ذیل تھی۔

(a) مرد 5

(b) خواتین 2

کمپوزیشن:

آزاد ڈائریکٹرز 1

نان-ایگزیکٹو ڈائریکٹرز 4

ایگزیکٹو ڈائریکٹرز 2

بورڈ آف ڈائریکٹرز کے اجلاس

زیر جائزہ سال کے دوران، جولائی 2020 سے جون 2021 تک بورڈ آف ڈائریکٹرز کے 07 اجلاس منعقد کئے گئے۔ ایجنڈا اور ورکنگ پیپرز کے ساتھ بورڈ اجلاسوں کے تمام تحریری نوٹسز اجلاسوں سے کم از کم سات دن پہلے ترسیل کیے گئے تھے۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے:

نمبر شمار	نام ڈائریکٹر	عہدہ	تعداد حاضری
1	جناب طاہر جہانگیر	چیئر مین	7
2	جناب اعجاز الہی ملک	چیف ایگزیکٹو آفیسر	3
3	جناب عثمان الہی ملک	ایگزیکٹو ڈائریکٹر	7
4	جناب جیلانی جہانگیر	نان-ایگزیکٹو ڈائریکٹر	7
5	محترمہ منیرے جہانگیر	نان-ایگزیکٹو ڈائریکٹر	6
6	جناب فرقان انور باٹلا	نان-ایگزیکٹو ڈائریکٹر	7
7	جناب فراست علی	آزاد ڈائریکٹر	7
8	محترمہ مہر النساء ملک	نان-ایگزیکٹو ڈائریکٹر	1

مالی سال کے دوران جناب اعجاز الہی ملک چیف ایگزیکٹو آفیسر انتقال کر گئے اور خالی عہدوں کو پُر کرنے کے لئے 26 اپریل 2021 کو منعقدہ اجلاس میں بورڈ کی طرف سے جناب عثمان الہی ملک کو چیف ایگزیکٹو آفیسر اور محترمہ مہر النساء ملک کو نان ایگزیکٹو مقرر کیا گیا۔

بورڈ نے اپنے اجلاس میں جناب جیلانی جہانگیر کو بھی کمپنی کا ایگزیکٹو ڈائریکٹر مقرر کیا اور 26 اپریل 2021 سے مؤثر ان کا مشاہرہ کا تعین کیا۔



CCG کے مطابق اجلاسوں کے امور کو مقررہ وقت کے اندر مناسب طریقے سے ریکارڈ اور ترسیل کئے گئے۔ چیف فنانشل آفیسر اور کمپنی سیکرٹری نے 30 جون 2021 کو ختم ہونے والے سال کے دوران تمام اجلاسوں میں شرکت کی۔

بورڈ کے اجلاس میں شرکت نہ کرنے والے ڈائریکٹر کو غیر حاضری کی رخصت عطا کی گئی۔

آڈٹ کمیٹی

کمپنی کے بورڈ آف ڈائریکٹرز نے کارپوریٹ گورننس کے کوڈ کے مطابق تین ممبروں پر مشتمل ایک آڈٹ کمیٹی تشکیل دی ہے۔ سال 30 جون، 2021 کے دوران، کمیٹی کے چار اجلاس ہوئے۔ ہر ممبر کی حاضری درج ذیل ہے:

نمبر شمار	نام ڈائریکٹر	عہدہ	تعداد حاضری
1	جناب فراست علی	چیئر مین / آزاد ڈائریکٹر	4
2	جناب جیلانی جہانگیر	نان-ایگزیکٹو ڈائریکٹر	4
3	جناب فرقان انور باٹلا	نان-ایگزیکٹو ڈائریکٹر	4

کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل میں، آڈٹ کمیٹی نے سال میں ایک بار چیف فنانشل آفیسر اور انٹرنل آڈٹ کے سربراہ کے بغیر بیرونی آڈیٹرز سے بھی ملاقات کی۔

آڈٹ کمیٹی کے ریفرنس کی شرائط:

ہر کمپنی کا بورڈ آف ڈائریکٹر آڈٹ کمیٹی کے ریفرنس کی شرائط طے کرے گا۔ بورڈ آف ڈائریکٹر آڈٹ کمیٹی کو اپنی ذمہ داریوں کو مؤثر طریقے سے پورا کرنے کے لئے مناسب وسائل اور اختیار فراہم کرے گا۔ آڈٹ کمیٹی کے ریفرنس کی شرائط واضح طور پر دستاویزاتی بنائی جائیں گی اور ان میں مندرجہ ذیل بھی شامل ہوں گی:

(a) کمپنی کے اثاثوں کی حفاظت کے لئے موزوں اقدامات کا تعین۔

(b) بورڈ آف ڈائریکٹرز کی منظوری سے قبل کمپنی کے سالانہ اور عبوری مالی حسابات کا جائزہ، ان پر توجہ مرکوز کرتے ہوئے:

i۔ اہم فیصلے والے شعبے؛

ii۔ آڈٹ کے نتیجے میں اہم ایڈجسٹمنٹ۔

iii۔ جاری تشویش کا مفروضہ،

iv۔ اکاؤنٹنگ پالیسیوں اور پریکٹس میں کوئی تبدیلی۔

v۔ قابل اطلاق اکاؤنٹنگ معیارات کی تعمیل۔

vi۔ ان ضوابط اور دیگر قانونی قواعد و ضوابط سے متعلق تعمیل؛ اور

vii۔ پارٹی سے متعلق تمام لین دین۔

(c) بیرونی مواصلات اور اشاعت سے قبل نتائج کے ابتدائی اعلانات کا جائزہ



(d) عبوری اور حتمی آڈٹ سے پیدا ہونے والے بڑے مشاہدات کے بیرونی آڈٹ کے ساتھ خارجی آڈٹ کی سہولت فراہم کرنا اور کسی بھی معاملے پر جو آڈیٹر اجاگر کرنا چاہیں (انتظامیہ کی غیر موجودگی میں، جہاں ضروری ہو)

(e) بیرونی آڈیٹرز اور انتظامیہ کے جوابات کے ذریعہ جاری کردہ مینجمنٹ لیٹر کا جائزہ۔

(f) کمپنی کے اندرونی اور بیرونی آڈیٹرز کے مابین ہم آہنگی کو یقینی بنانا؛

(g) اندرونی آڈٹ، آڈٹ پلان، فریم ورک اور طریقہ کار کی اطلاع دہندگی اور اس بات کو یقینی بنانا کہ اندرونی آڈٹ فنکشن کے پاس کافی وسائل موجود ہیں اور مناسب طریقے سے کمپنی کے اندر رکھے گئے ہیں۔

(h) دھوکہ دہی، بدعنوانی اور طاقت اور انتظامیہ کے جواب کے غلط استعمال کی خصوصیت والی سرگرمیوں کی داخلی تفتیش کے بڑے نتائج پر غور کرنا۔

(i) اس بات کا پتہ لگانا کہ اندرونی کنٹرول سسٹم جس میں مالیاتی اور آپریشنل کنٹرول، خریداری اور فروخت، وصولیوں اور ادائیگیوں، اثاثوں اور ذمہ داریوں اور رپورٹنگ ڈھانچے کی بروقت اور مناسب ریکارڈنگ کے لئے اکاؤنٹنگ سسٹم شامل ہے۔

(j) بورڈ آف ڈائریکٹرز اور اندرونی آڈٹ رپورٹس کی توثیق سے قبل داخلی کنٹرول سسٹم کے بارے میں کمپنی کے بیان کا جائزہ۔

(k) چیف ایگزیکٹو آفیسر کے ساتھ غور و فکر کرے، بورڈ آف ڈائریکٹرز کے ذریعہ کسی بھی معاملے پر رقم کے مطالعہ یا دیگر تحقیقات کے لئے خصوصی منصوبوں کا قیام، اور بیرونی آڈیٹرز یا کسی بھی بیرونی ادارہ کو کسی بھی معاملے کی ترسیل پر غور کرنا،

(l) متعلقہ قانونی تقاضوں کی تعمیل کا تعین؛

(m) ان ضوابط کی تعمیل اور اس کی نمایاں خلاف ورزیوں کی نشاندہی کی نگرانی۔

(n) مالی اور دیگر معاملات میں اصل اور ممکنہ غلطیوں کے بارے میں اعتماد، خدشات، اگر کوئی ہے تو، اعتماد میں آڈٹ کمیٹی کو رپورٹ کرنے کے لئے عملے اور انتظامیہ کے انتظام کے بارے میں جائزہ اور اس کے حل اور تخفیف کے اقدامات کی سفارش کرنا،

(o) بورڈ آف ڈائریکٹرز کو بیرونی آڈیٹرز کی تقرری، ان کی برطرنی، آڈٹ فیس، بیرونی آڈیٹرز کے ذریعہ کمپنی کو پیش کی جانے والی کسی بھی سروس کی فراہمی کی سفارش، اس کے مالیاتی حسابات کے آڈٹ کے علاوہ، بورڈ آف ڈائریکٹرز آڈٹ کمیٹی کی سفارشات پر جہاں ضروری ہو پر غور و خوض ورنہ وہ اس کی وجوہات درج کرے گا۔

(p) بورڈ آف ڈائریکٹرز کے ذریعہ تفویض کردہ کسی بھی دوسرے معاملے یا مسئلے پر غور کرنا۔

انسانی وسائل اور ریمنیشن کمیٹی

بورڈ نے پانچ ممبروں پر مشتمل ایک انسانی وسائل اور ریمنیشن کمیٹی قائم کی ہے، زیرِ جائزہ سال کے دوران ایک اجلاس منعقد کیا گیا، ہر ممبر کی شرکت درج ذیل ہے:

نمبر شمار	نام ڈائریکٹر	عہدہ	تعداد حاضری
1	جناب فراست علی	چیئر مین / رکن	1
2	جناب عثمان الہی ملک	رکن	1
3	جناب جیلانی جہانگیر	رکن	1
4	محترمہ منیرے جہانگیر	رکن	1
5	جناب فرقان انور باٹلا	رکن	1

ایچ آر اینڈ آر کیٹی کے ریفرنس کی شرائط

ایچ آر اینڈ آر کیٹی کے ریفرنس کی شرائط بورڈ آف ڈائریکٹرز طے کریں گے جس میں درج ذیل شامل ہیں:

- i۔ ڈائریکٹرز (ایگزیکٹو ڈائریکٹرز اور سینئر مینجمنٹ کے ممبران) کے معاوضے کے تعین کے لئے پالیسی فریم ورک پر غور اور منظوری کے لئے بورڈ کو سفارش کرنا۔ سینئر مینجمنٹ کی وضاحت بورڈ کرے گا جس میں عام طور پر چیف ایگزیکٹو آفیسر سطح سے نیچے انتظامیہ کی پہلی پرت شامل ہوگی۔
- ii۔ براہ راست یا بیرونی آزاد مشیر کی مشاورت سے مجموعی طور پر بورڈ اور اس کی کمیٹیوں کی کارکردگی کی جانچ کے باقاعدہ عمل کا سالانہ آغاز کرنا اور اگر اس کا تقرر کیا جاتا ہے تو، اس کا بیان ڈائریکٹرز کی رپورٹ میں نام، قابلیت اور تقرری کی شرائط کا اہم انکشاف کیا جائے گا۔
- iii۔ بورڈ کو ہیومن ریسورس مینجمنٹ کی پالیسیاں تجویز کرنا۔
- iv۔ بورڈ کو چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری اور ہیڈ آف انٹرئل آڈٹ کا انتخاب، تشخیص، ترقی، معاوضہ (ریٹائرمنٹ فنانڈسمینٹ) سفارش کرنا۔
- v۔ انتظامی انتظامی عہدوں کے لئے ایسے معاملات پر چیف ایگزیکٹو آفیسر کی سفارش پر غور اور منظوری دینا جو براہ راست چیف ایگزیکٹو آفیسر یا چیف آپریٹنگ آفیسر کو رپورٹ کرتے ہیں۔ اور
- vi۔ جہاں انسانی وسائل اور ایمپلیمینٹ کے کنسلٹنٹس مقرر کئے جاتے ہیں، ان کی اسناد کی کمیٹی کو معلوم ہوں گی اور ان کے ذریعہ ایک بیان دیا جائے گا کہ آیا ان کی کمپنی سے کوئی دیگر تعلق ہے یا نہیں۔

بورڈ آف ڈائریکٹرز اور کمیٹیوں کی کارکردگی کا جائزہ

- بورڈ کے کردار کا جائزہ اور اس کے اثرات کا اندازہ ایک مستقل عمل ہے، جس کا 29 ستمبر 2021 کو ہونے والے اجلاس میں ایچ آر اینڈ آر کیٹی نے خود ہی جائزہ لیا ہے۔
- توجہ کے بنیادی شعبے یہ ہیں:
- کمپنی کے وژن اور مشن کے ساتھ کارپوریٹ اہداف اور مقاصد کا تعین؛
 - مستحکم آپریشن کے لئے حکمت عملی تیار کرنا
 - بورڈ کی آزادی؛
 - بورڈ کی کمیٹیوں کی اپنی ذمہ داریوں کو نبھانے کے سلسلے میں کارکردگی کا جائزہ لینے کی متعلقہ شرائط۔

ڈائریکٹر کا معاوضہ

ڈائریکٹرز کے معاوضے کی سفارش ایچ آر اینڈ آر کیٹی کرتا ہے اور عام اجلاس میں شیئر ہولڈرز کے ذریعہ اس کی منظوری دی جاتی ہے۔ تاہم، کارپوریٹ گورننس کے کوڈ کے مطابق، اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر خود اپنے معاوضے کا فیصلہ کرنے میں حصہ نہ لے۔ کمپنی اجلاس میں شرکت کرنے کے لئے فیس کے علاوہ نان ایگزیکٹو ڈائریکٹرز اور آزاد ڈائریکٹرز کو معاوضہ ادا نہیں کرتی ہے۔ بورڈ نے کمپنی کو پیش کردہ اضافی خدمات کے لیے کمپنی کے چیئرمین کا ماہانہ معاوضہ مقرر کیا ہے۔ بہترین ہنر کو برقرار رکھنے کے لئے، کمپنی کی معاوضہ پالیسیاں مروجہ انڈسٹری کے رجحانات اور کاروباری طریقوں کے مطابق تشکیل دی گئی ہیں۔ 2020-2021 میں ڈائریکٹرز اور سی ای او کی معاوضے سے متعلق معلومات کے لئے، برائے مہربانی مالی حسابات کا نوٹ ملاحظہ کریں۔



بیرونی آڈیٹر

موجودہ بیرونی آڈیٹر میسرز ملک ہارون شاہد صفدر اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے، اور اہل ہونے کی بناء پر، خود کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز 30 جون، 2022 کو ختم ہونے والے سال کے لئے میسرز ملک ہارون شاہد صفدر اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کرتے ہیں۔

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 تعمیل کنٹرول اور رپورٹس کے نتائج پر جائزہ لیتا ہے۔

مادی تبدیلیاں

30 جون، 2021 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۔

شیئر ہولڈنگ کا نمونہ

کمپنیز ایکٹ 2017 کے مطابق 30 جون 2021 تک کمپنی کی شیئر 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 انھیں کمپنیز ایکٹ، 2017 میں متعین وقت کے اندر ترسیل کی جاتی ہیں۔ کمپنی کی سرگرمیاں بروقت بنیاد 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 شیئر ہولڈرز، ملازمین، فنانسینرز، 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 عمومی 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 آیتان 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 اندر رویہ 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 سٹرکچرنگ، کاروباری وسعت اور آپریشن کی معطلی معہ مستقبل کے امکانات، خطرات اور غیر یقینی حالات کی بابت اہم منصوبوں اور فیصلوں کا ڈائریکٹر کی رپورٹ کے متعلقہ سیکشن میں انکشاف کیا گیا ہے۔



X• 30 جون 2021 کے گزشتہ نظر ثانی شدہ حسابات پر مبنی ایمپلائری ریٹائرمنٹ فنڈ میں سرمایہ کاری کی قیمت درج ذیل ہے:

گر پچوئی فنڈ 127 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 2021 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، امپورٹ، سپلائی چین مینجمنٹ، ہیومن ریسورسز اینڈ اینڈسٹریشن 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 کوڈیز، آئن 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۔

کارپوریٹ سماجی ذمہ داری

پنجاب آئل ملز جہاں کام کرتی ہے وہاں کی مقامی کمیونٹیز کے بارے میں اپنی قانونی اور اخلاقی ذمہ داریوں کا علم رکھتی ہے۔ چونکہ بورڈ نے انتظامیہ کو صحت اور تعلیم کے شعبوں میں مقامی کمیونٹی کی خدمت کر کے اپنی کارپوریٹ سماجی ذمہ داریوں کو استعمال کرنے کا اختیار دیا ہے۔ جبکہ معاشرے میں شراکت کرتے ہوئے پی او ایم ایل SOS دیہات/یتیم گھروں کی تمام خریداری پر 50 فیصد کی خصوصی



رعایت دے رہا ہے۔ پی او ایم ایل پاکستان نیشنل ہارٹ ایسوسی ایشن کو بھی مفت دوائیں اور میڈیکل کمپ مہیا کرنے اور عوام میں دل کی بیماریوں سے آگاہی بڑھانے میں تعاون کر رہی ہے۔

وائرفلٹریشن پلانٹ

پنجاب آئل ملز لمیٹڈ نے 2015 میں کمپنی کی بیرونی دیوار کے باہر ایک فری وائر فلٹریشن پلانٹ نصب کیا ہے۔ پلانٹ کے ارد گرد کے علاقوں کے لوگ صاف پانی سے لطف اندوز ہوتے ہیں۔

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 مار دویات اور دیگر نقصان دہ کیمیکلز کے لئے اپنے پریہیم کھانا پکانے والے تیلوں کا باقاعدگی سے جانچ کرتے ہیں۔

ڈائریکٹر ٹینگ پروگرام

کمپنی اپنے بورڈ ممبران اور انتظامی ٹیم کی پیشہ وارانہ ترقی میں گہری دلچسپی لیتی ہے اور کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق ضروری ٹریننگ کا انتظام کیا ہے اور یقینی بناتی ہے کہ بورڈ کے تمام ڈائریکٹرز ڈائریکٹر ٹینگ سرٹیفیکیشن کے تقاضوں کی تعمیل کرتے ہیں۔ پانچ ڈائریکٹرز نے ڈائریکٹر ٹینگ پروگرام مکمل کر لیا ہے اور کمپنی دو فی میل ڈائریکٹرز کے لئے DTP کا انتظام کر رہی ہے۔

عملے کی ریٹائرمنٹ 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 جائزہ سال ایک انتہائی چیلنجنگ تھا، دوسرے حریفوں کی طرف سے نہ صرف معمول کی سخت مسابقت، بلکہ کھانے کے تیل کی بین الاقوامی قیمتوں میں غیر متوقع اضافہ، COVID-19 پھیلنے کے غیر متوقع اور بے مثال اثرات سے مارکیٹ میں خلل پڑا۔

کمپنی مینجمنٹ نے ہمارے تمام اسٹیک ہولڈرز کی صحت اور حفاظت کے تحفظ اور ہمارے کاموں میں ممکنہ رکاوٹ کو کم سے کم کرنے کے نظریے میں کوویڈ 19 کے بحران کے جواب میں کچھ بروقت فیصلہ کیا۔ اس میں کام کی جگہ پر خصوصی کوویڈ پروٹوکول، فیلڈ اسٹاف کو خصوصی الاؤنس، اہم مواد کی انوینٹری میں اضافہ، اور فوڈ سیفٹی کے ضمن میں ہماری کمپنی اور برانڈز کی ساکھ کو برقرار رکھنے کے لئے کسٹمر کی رسائی شامل ہے۔ تاہم، وائرس کی کئی لہروں اور وسیع پھیلاؤ کا مطلب ہے کہ ہم نے اپنے معمول کے دفتری آپریشن میں چند رکاوٹوں کا سامنا کیا، لیکن ایس او پیز پر عملدرآمد کی وجہ سے، ہم صرف معمولی رکاوٹوں کے ساتھ کام کو جاری رکھنے میں کامیاب رہے۔

آگے بڑھتے ہوئے ہم کمپنی کے لیے مسلسل مشکل کاروباری ماحول کی توقع کر رہے ہیں۔ سال بھر میں ہمارے جائزوں میں پہلے سے نمایاں ہونے والے عوامل نے ہمارے منافع کو متاثر کیا ہے اور ہم نے دیکھا ہے کہ ان پٹ اخراجات میں تیزی سے اضافے کی وجہ سے ہمارے منافع جات کافی حد تک کم ہو گئے ہیں۔

بین الاقوامی تیل کی منڈیوں میں اتار چڑھاؤ جاری ہے اور مجموعی طور پر تیزی کا رجحان برقرار ہے۔ اسی اثناء میں حکومت کی جانب سے خوردنی تیل اور بناسپتی کی قیمتوں کے حوالے سے ایک مہم جو معاشی بنیادوں کی بجائے سیاسی بنیادوں پر ہے۔ اگرچہ ہماری انڈسٹری ایک سخت مسابقتی ہے جس کی قیمتیں آزاد مارکیٹ کی جانب سے مقرر کی جاتی ہیں، ہم سیاسی طور پر مفید اقدامات کو مسترد نہیں کر سکتے جو کہ مارجن کو برقرار رکھنے کی ہماری صلاحیت پر منفی اثرات مرتب کر سکتے ہیں۔ اس طرح، زیادہ قیمت کی سطح پر مارکیٹ سے کم طلب، اور مسابقتی مارکیٹ کے ساتھ، ہمیں اپنی فروخت کی قیمتوں میں لاگت میں تمام اضافہ کو منتقل کرنا مشکل ہو جائے گا، اور ہمیں آگے بڑھتے ہوئے مارجن کی کوئی خاص وصولی کی توقع نہیں ہے۔ تاہم، انتظامیہ حالات کے پیش نظر لاگت اور قیمت میں تبدیلی کے درمیان فرق کو ختم



کرنے کی کوشش کر رہی ہے، اور اگر ہماری کوششیں کامیاب ہوتی ہیں تو مجموعی سطح پر کچھ بہتری کو مسترد نہیں کیا جاسکتا۔ طویل مدت میں، جب تک ہم اپنی مارکیٹنگ کی کوششیں جاری رکھیں گے، بین الاقوامی منڈیوں میں استحکام اور کمپنی برانڈ کی مضبوطی کو موجودہ سطح سے مارجن میں بہتری آتی چاہیے۔

آگے بڑھتے ہوئے، ہم سمجھتے ہیں کہ ہمیں محتاط انداز اپنانا چاہئے۔ بہر حال، اپنی سب سے زیادہ منافع بخش مصنوعات میں سرمایہ کاری کرنے کی ضرورت ہے تاکہ ہمارے حریفوں کی جارحانہ مارکیٹنگ حکمت عملی کا سامنا کرنے کے لئے طویل مدتی برانڈ کی صحت پر سمجھوتہ نہ کیا جائے۔ انتظامیہ محسوس کرتی ہے کہ مرکز اور مرحلہ وار نقطہ نظر، کم سے کم اخراجات کے ساتھ، کمپنی پر بھاری مالی بوجھ ڈالے بغیر فروخت بڑھانے کے لیے استعمال کیا جاسکتا ہے۔ اس مقصد کے لیے انتظامیہ لاگت، اہم نمونہ اور منافع دونوں کے حصول کے ساتھ قیمتوں کا صحیح توازن حاصل کرنے کے لیے مصنوعات کی لاگت کے اعداد و شمار کا مسلسل جائزہ لے رہی ہے۔ مجموعی طور پر ہم محسوس کرتے ہیں کہ، کسی بھی غیر متوقع حالات سے بادیء النظر، جبکہ صحیح نقطہ نظر کے ساتھ فروخت میں بحالی ممکن ہے، تیل کی منڈیوں میں اتار چڑھاؤ، حریف اور حکومتی دباؤ دونوں اس سال ہمارے مارجن کو محدود کر سکتے ہیں۔

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 پُر امید ہیں کہ یہ تعاون اور معاونت مستقبل میں بھی ہمیں حاصل رہے گی۔ ہم اپنے چیف ایگزیکٹو آفیسر کی پُر عزم، محنتی اور متحرک ٹیم، کمپنی کے تمام عملے اور کارکنوں کے بھی شکر گزار ہیں جنہوں نے زیرِ 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 اُن کی راہنمائی اور معاونت حاصل رہی۔

(عثمان الہی ملک)

چیف ایگزیکٹو آفیسر

(جناب طاہر جہانگیر)

چیئر مین

29 ستمبر 2021ء



**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)
REGULATIONS, 2019 AS ON, JUNE 30, 2021**

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

1. The total number of Directors are Seven (7) as per the following:

a.	Male	Five
b.	Female	Two

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

Category	Number	Names
Independent Director	1	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	Mrs. Munizae Jahangir Miss Mehrunisa Malik

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
- 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.
- 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.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and these regulations.
- The meetings of the Board were presided over by the Chairman and, in absence, by a director elected by the board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
- The Board have a formal policy and transparent procedures for remunerations of directors in accordance with the Act and these Regulations.
- The Board has arranged Director's Training Programme for the following.

Name	Designation
Mrs. Munizae Jahangir	Non-Executive Director
Miss Mehrunisa Malik	Non-Executive Director
Name of Directors Exempted under Clause xi of the Code	Designation
Mr. Tahir Jahangir	Chairman
Mr. Usman Ilahi Malik	Chief Executive Officer



10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Executive Officer and Chief Financial Officer duly endorsed the Financial Statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

a) Audit Committee

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


b) HR and Remuneration Committee

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance,
14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:

Meeting	Frequency
Audit Committee	Four meetings of Audit Committee were held during the financial year ended June 30, 2021.

15. The Board has set up an effective Internal Audit Function which is considered suitable qualified and experienced for the purpose and are converted with the policies and procedures of the Company.
16. 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.
17. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.


(USMAN ILAHI MALIK)
CHIEF EXECUTIVE OFFICER

Oliva

Olive Pomace Oil



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Punjab Oil Mills Limited

An ISO 9001, 14001, FSSC 22000 & OHSAS 18001 CERTIFIED COMPANY



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**KEY FINANCIAL DATA LAST SIX YEARS**

PARTICULARS	2016	2017	2018	2019	2020	2021
Issued, Subscribed and paid up capital	53,906,520	53,906,520	53,906,520	53,906,520	53,906,520	53,906,520
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	70,318,023	86,700,393	93,038,292	99,819,739	142,716,824	140,260,068
Current Liabilities	764,520,505	822,222,804	793,643,904	856,306,600	985,311,696	1,081,949,229
Operating Fixed Assets	417,943,280	654,904,327	644,451,088	685,598,237	662,687,107	676,081,418
Current Assets	1,292,418,851	1,375,741,612	1,375,489,892	1,481,133,521	1,715,099,793	1,765,425,082
Sales	4,210,607,625	4,441,220,968	4,950,808,026	5,504,226,272	5,268,462,350	5,981,842,659
Gross Profit	800,993,530	695,054,052	739,662,775	808,226,206	789,097,517	699,217,615
Operating Profit	339,468,572	221,320,317	189,507,206	250,135,554	224,667,434	65,581,927
Profit before taxation	321,409,788	208,195,369	174,288,264	228,481,386	206,799,347	66,197,773
Profit after taxation	205,820,169	143,777,070	69,155,642	107,377,820	84,178,161	(16,961,612)



**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 2021 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 2021.

Further we highlight below instance(s) of non-compliances with the requirement(s) of the Regulations as reflected in the paragraph 2 of the statement of compliance:

there is only one independent director on the Board of Directors of the Company which is a non-compliance of Regulation 6 of the Regulations.

Date: 29 September, 2021
Lahore

Malik Haroon Shahid Safder & Co.
Chartered Accountants



**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 2021, and the statement of profit or loss and 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 and 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 2021 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**Sales**

(Reference note No. 33)

The Company generates revenue from the sales of cooking oil and banaspati ghee for Rs. 5.98 billion which is 2.4 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 control 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) no zakat was detectable at source under the zakat and ushr ordinance 1980 (XVIII 1980).

The engagement partner on the audit resulting in this independent auditors' report is Shahid Mehmood.

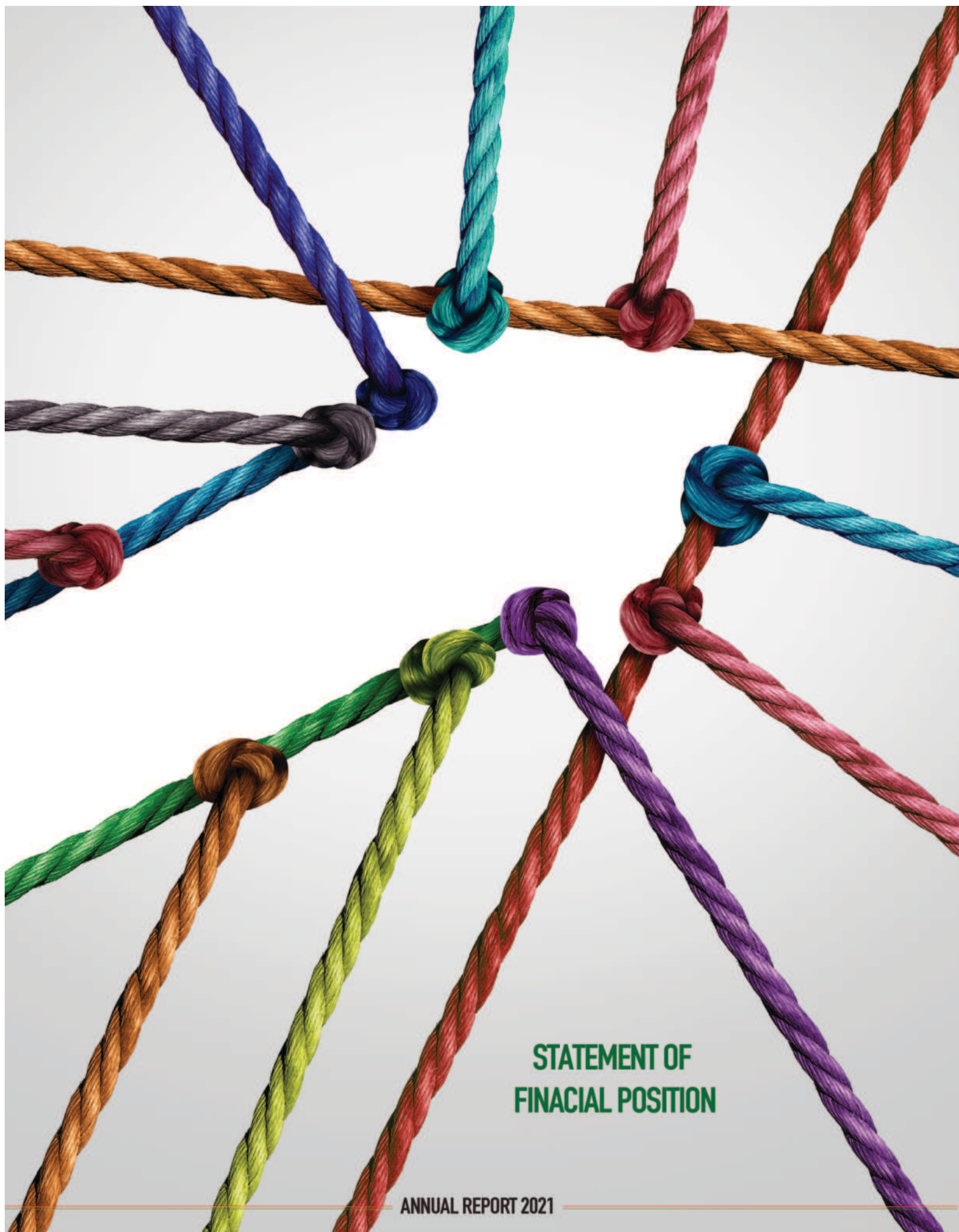
Date: 29 September, 2021
Lahore

Malik Haroon Shahid
Malik Haroon Shahid Safder & Co.
Chartered Accountants



PUNJAB OIL MILLS LIMITED
AN ISO 9001 & FSSC 22000 CERTIFIED COMPANY





STATEMENT OF FINACIAL POSITION

ANNUAL REPORT 2021



STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 Rupees	2020 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
10,000,000 (2020: 10,000,000) ordinary shares of Rs. 10/- each		100,000,000	100,000,000
Issued, subscribed and paid-up capital	8	53,906,520	53,906,520
Capital reserves	9	23,137,159	23,137,159
Surplus on revaluation of property, plant and equipment- net of tax	10	355,504,971	362,793,467
Revenue reserves	11	835,556,503	849,308,734
		1,268,105,153	1,289,145,880
NON-CURRENT LIABILITIES			
Deferred liabilities	12	131,203,390	123,115,302
Long term borrowings	13	9,056,678	19,601,522
		140,260,068	142,716,824
CURRENT LIABILITIES			
Trade and other payables	14	624,814,399	542,222,384
Short term borrowings	15	218,499,258	174,098,569
Current portion of long term borrowings	16	21,154,291	6,774,048
Accrued mark up	17	2,159,235	2,502,408
Unclaimed dividend		8,789,596	8,879,070
Provision for taxation	18	206,532,450	250,835,217
		1,081,949,229	985,311,696
Contingencies and commitments	19	-	-
		2,490,314,450	2,417,174,400
ASSETS			
NON CURRENT ASSETS			
Tangible fixed assets			
Property, plant and equipment	20	636,426,057	655,462,751
Capital work in progress	21	27,318,665	2,294,709
		663,744,722	657,757,460
Intangible assets	22	12,336,696	4,929,647
Investment in associate	23	-	-
Long term deposits	24	48,807,950	39,387,500
		724,889,368	702,074,607
CURRENT ASSETS			
Stores, spare parts and loose tools	25	133,127,179	113,790,475
Stock in trade	26	505,054,831	404,004,070
Trade debts	27	786,637,417	815,614,848
Loans and advances	28	69,786,897	88,513,415
Trade deposits and short term prepayments	29	22,149,113	19,673,041
Other receivables	30	43,230,014	17,391,417
Advance income tax	31	178,765,577	223,152,466
Cash and bank balances	32	26,674,054	32,960,061
		1,765,425,082	1,715,099,793
		2,490,314,450	2,417,174,400

The annexed notes from 01 to 53 form an integral part of these financial statements.


CHAIRMAN / DIRECTOR


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER



**STATEMENT
PROFIT OR LOSS
ACCOUNT**

ANNUAL REPORT 2021



**STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2021**

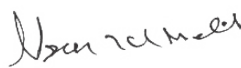
	Note	2021 Rupees	2020 Rupees
Sales - net	33	5,981,842,659	5,268,462,350
Cost of sales	34	5,282,625,044	4,479,364,833
Gross profit		699,217,615	789,097,517
Operating expenses:			
Selling and distribution cost	35	394,896,448	364,584,257
Administrative expenses	36	238,739,240	199,845,826
		633,635,688	564,430,083
Operating profit		65,581,927	224,667,434
Finance cost	37	18,182,103	21,685,076
Other charges	38	4,877,506	13,860,095
		23,059,609	35,545,171
		42,522,318	189,122,263
Other income	39	23,675,455	17,677,084
Profit before taxation		66,197,773	206,799,347
Taxation	40	83,159,385	122,621,186
Net (loss) / profit for the year		(16,961,612)	84,178,161
Earnings per share - basic and diluted	41	(3.15)	15.62

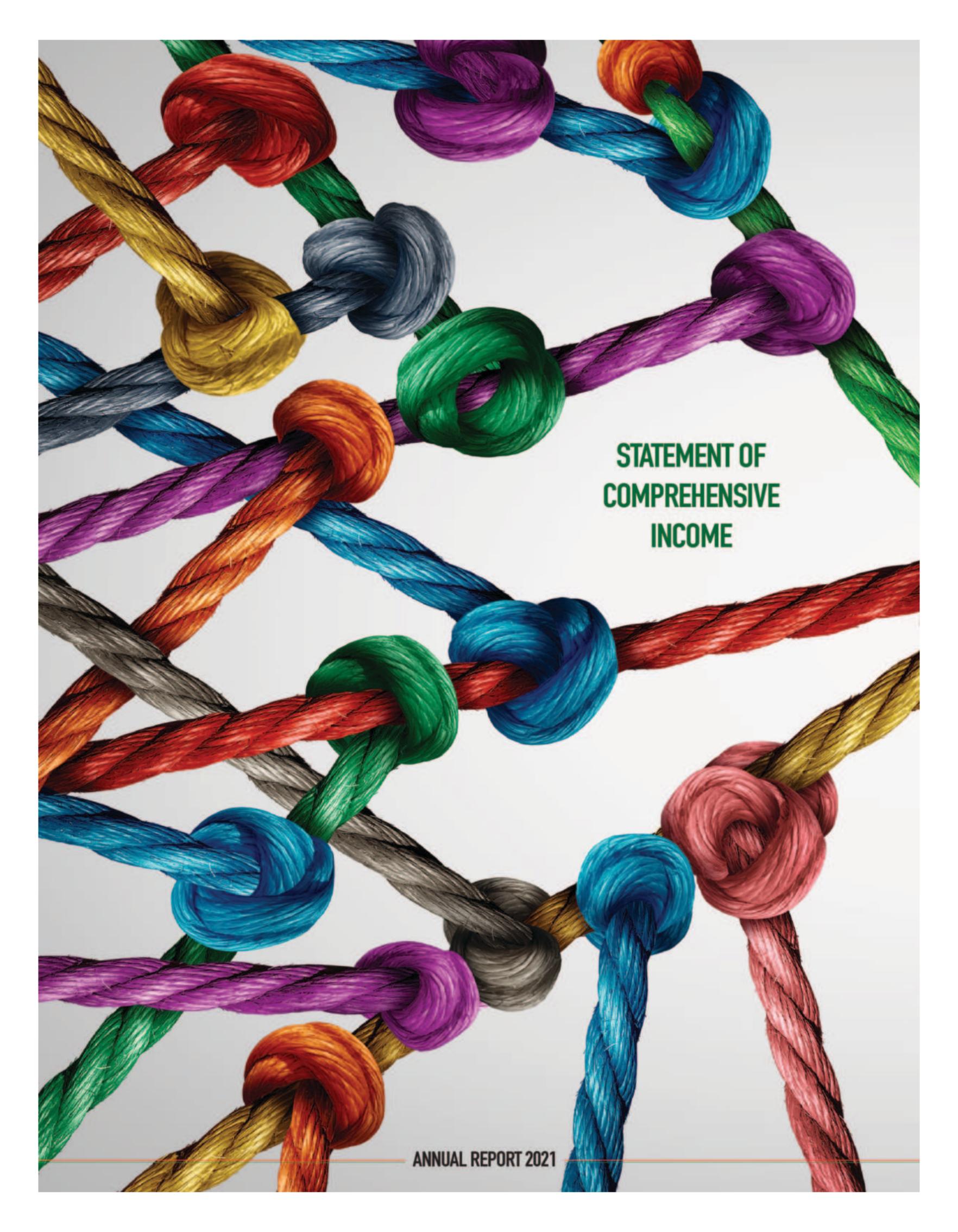
Appropriations have been reflected in the statement of changes in equity.

The annexed notes from 01 to 53 form an integral part of these financial statements.


CHAIRMAN / DIRECTOR


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER



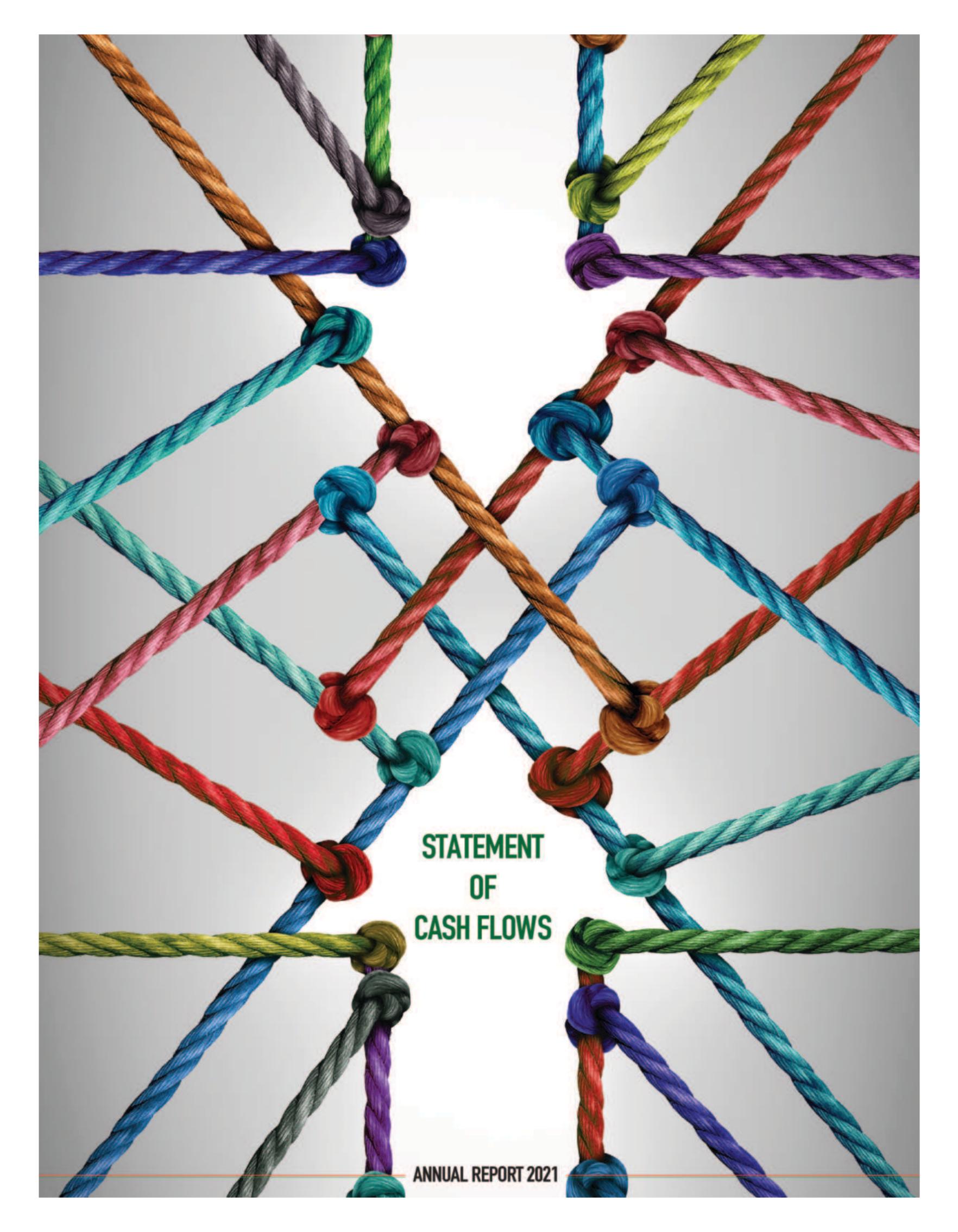
STATEMENT OF
COMPREHENSIVE
INCOME

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 Rupees	2020 Rupees
(Loss) / Profit for the year		(16,961,612)	84,178,161
Other comprehensive income:			
Items that will not be reclassified to the statement of profit or loss:			
Deferred tax adjustment attributable to changes in proportion of income taxable under normal tax regime related to revaluation surplus		-	(19,615,717)
Remeasurement losses on defined benefit plans		(5,745,233)	5,145,246
Deferred tax thereon		1,666,118	(1,492,121)
		(4,079,115)	3,653,125
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(21,040,727)	87,831,286

The annexed notes from 01 to 53 form an integral part of these financial statements.

CHAIRMAN / DIRECTOR**CHIEF FINANCIAL OFFICER****CHIEF EXECUTIVE OFFICER**



STATEMENT
OF
CASH FLOWS

ANNUAL REPORT 2021




**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

CASH FLOW FROM OPERATING ACTIVITIES	Note	2021 Rupees	2020 Rupees
Profit for the year before taxation		66,197,773	206,799,347
Adjustments for following items:			
Workers' profit participation fund	38	3,498,550	10,987,393
Workers' welfare fund		-	1,573,077
Gain on disposal of property, plant and equipment	39	-	(4,482,065)
Provision for staff retirement benefits	12.01	15,630,595	19,489,437
Depreciation	20.01	40,400,856	40,649,674
Amortization of intangible assets	35	7,422,547	6,572,940
Finance cost	37	18,182,103	21,685,076
		85,134,651	96,475,532
Operating profit before working capital changes		151,332,424	303,274,879
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(19,336,704)	16,023,207
Stock in trade		(101,050,761)	(74,615,216)
Trade debts		28,977,431	(113,331,928)
Loan and advances		18,726,518	(18,941,676)
Trade deposits and short term prepayments		(2,476,072)	(2,709,821)
Other receivables		(25,838,597)	(15,689,636)
		(100,998,185)	(209,265,070)
Increase / (decrease) in current liabilities:			
Trade and other payables		91,697,710	60,494,216
Cash generated from operations		142,031,949	154,504,025
Workers' profit participation fund paid		(11,261,820)	(12,562,060)
Workers' welfare fund paid		(1,617,110)	(2,050,795)
Staff retirement benefits paid		(3,633,984)	(663,516)
Finance cost paid		(18,250,591)	(20,080,523)
Income tax paid		(90,411,392)	(135,234,682)
Dividend paid		(89,474)	(21,913,420)
		(125,264,371)	(192,504,996)
Net cash generated from / (used in) operating activities		16,767,578	(38,000,971)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure	20	(4,250,136)	(13,271,971)
Proceeds from disposal of property, plant and equipment	20	-	5,125,000
Capital work in progress	21	(42,137,982)	(11,682,448)
Intangibles	22	(14,829,596)	-
Long term advances	24	(9,420,450)	(7,500,000)
Net cash used in investing activities		(70,638,164)	(27,329,419)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term borrowings	13	(11,196,353)	20,322,143
Short term borrowings	15	44,400,689	50,153,867
Current portion of long term borrowings	16	14,380,243	6,774,048
Net cash flow generated from financing activities		47,584,579	77,250,058
Net (decrease) / increase in cash and cash equivalents		(6,286,007)	11,919,668
Cash and cash equivalents at the beginning of the year		32,960,061	21,040,393
Cash and cash equivalents at the end of the year	32	26,674,054	32,960,061

The annexed notes from 01 to 53 form an integral part of these financial statements.


CHAIRMAN / DIRECTOR


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER



STATEMENT OF
CHANGES IN
EQUITY



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	(Rupees)					
	Share Capital	Capital Reserves	Revaluation Surplus	Revenue Reserves		Total
				General Reserves	Un-appropriated Profit	
Balance as at 01 July 2019	53,906,520	23,137,159	390,508,899	8,600,000	766,340,341	1,242,492,919
Profit for the year ended 30 June 2020	-	-	-	-	84,178,161	84,178,161
Other comprehensive income for the year	-	-	(19,615,717)	-	3,653,125	(15,962,592)
Total comprehensive income for the year	-	-	(19,615,717)	-	87,831,286	68,215,569
Transfer from surplus on revaluation of property, plant and equipment on account						
- Incremental depreciation - net of deferred tax	-	-	(8,099,715)	-	8,099,715	-
Transaction with owners recorded directly in Equity - Distributions						
40 % final dividend for the year 2019	-	-	-	-	(21,562,608)	(21,562,608)
	-	-	-	-	(21,562,608)	(21,562,608)
Balance as at 01 July 2020	53,906,520	23,137,159	362,793,467	8,600,000	840,708,734	1,289,145,880
(Loss) for the year ended 30 June 2021	-	-	-	-	(16,961,612)	(16,961,612)
Other comprehensive income for the year	-	-	-	-	(4,079,115)	(4,079,115)
Total comprehensive income for the year	-	-	-	-	(21,040,727)	(21,040,727)
Transfer from surplus on revaluation of property, plant and equipment on account						
- Incremental depreciation - net of deferred tax	-	-	(7,288,496)		7,288,496	-
Balance as at 30 June 2021	53,906,520	23,137,159	355,504,971	8,600,000	826,956,503	1,268,105,153

Appropriations of dividend are disclosed in note No. 51 to these financial statements.
The annexed notes from 01 to 53 form an integral part of these financial statements.


 CHAIRMAN / DIRECTOR


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE OFFICER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021****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 120-A, E/1 Halli Road, Gulberg III, Lahore, 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
- IAS 41 & IFRS 9 - Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform
- IAS 41 - Agriculture - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (taxation in fair value measurements)
- 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 11 - Joint arrangements - Amendments resulting from Annual Improvements 2015–2017 Cycle (remeasurement of previously held interest)
- IFRS 16 - Leases - Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification

- 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.



IAS 1 -	Presentation of Financial Statements - Amendment to defer the effective date of the January 2020 amendments	01 January 2023
	Presentation of Financial Statements - Amendments regarding the classification of liabilities	01 January 2023
	Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies	01 January 2023
IAS 8 -	Accounting policies, changes in accounting estimates and errors - Amendments regarding the definition of accounting estimates	01 January 2023
IAS 12 -	Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations	01 January 2023
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	01 January 2022
IAS 37 -	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous	01 January 2022
IFRS 1 -	First-time Adoption of International Financial Reporting Standards Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (subsidiary as a first-time adopter)	01 January 2022
IFRS 3 -	Business combinations (Amendments)	01 January 2022
IFRS 4 -	Insurance contracts - Amendments regarding replacement issues in the context of the IBOR reform	01 January 2021
IFRS 4 -	Insurance contracts - Amendments regarding the expiry date of the deferral approach	01 January 2023
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)	01 January 2023
IFRS 7, IFRS 9 & IAS 39 -	Financial Instruments: Disclosure - Amendments regarding replacement issues in the context of the IBOR reform	01 January 2021
IFRS 9 -	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent')	01 January 2022
IFRS 16 -	Leases - Amendments regarding replacement issues in the context of the IBOR reform	01 January 2021
IFRS 16 -	Leases - Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification	01 April 2021

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 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 20 to the financial statements. Depreciation on additions is charged from the month in which the asset was available for use up to the month prior to disposal. 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 21 June 2020, the following significant assumptions were used:

	2021	2020
Discount factor used	10.00%	8.50%
Expected rate of eligible salary increase in future years	9.00%	7.50%
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, labour 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.

8 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Note

2,854,543 (2020: 2,854,543) ordinary shares
of Rs. 10/- each fully paid in cash

2,536,109 (2020: 2,536,109) ordinary shares
issued as fully paid bonus shares

2021 Rupees	2020 Rupees
28,545,430	28,545,430
25,361,090	25,361,090
53,906,520	53,906,520

- Fully paid ordinary shares, which have a par value Rs. 10/-, carry one vote per share and carry right to dividends.

- Ordinary shares of the Company held by associated undertakings as at the year end are 415,793 (2020: 415,793).

- 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.

- There are no shares reserved for issue under options and contracts for the sale of shares.

9 CAPITAL RESERVES

Note

Share premium

9.01

2021 Rupees	2020 Rupees
23,137,159	23,137,159

9.01 This reserve can be utilized by the Company only for the purposes specified in Section 81 of the Companies Act, 2017.



**10 SURPLUS ON REVALUATION OF PROPERTY,
PLANT AND EQUIPMENT- NET OF TAX**

Note

	2021 Rupees	2020 Rupees
Land-Lease hold	290,000,000	290,000,000
Building-on Lease hold land	59,548,981	66,165,534
Plant, machinery and equipment	42,332,714	47,036,349
Scales and weigh bridge	644,315	732,176
	392,526,010	403,934,059
Related deferred taxation	(29,732,543)	(33,040,877)
	362,793,467	370,893,182
Incremental depreciation on revalued assets	(10,265,487)	(11,408,049)
Related deferred taxation	2,976,991	3,308,334
Transferred to retained earnings during the year	(7,288,496)	(8,099,715)
	355,504,971	362,793,467

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 Tracom (Private) Limited" as at 23 June 2017 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 28 June 2012.

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.

11 REVENUE RESERVES

Note

	2021 Rupees	2020 Rupees
General reserves	8,600,000	8,600,000
Unappropriated profit	826,956,503	840,708,734
	835,556,503	849,308,734

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

Note

	2021 Rupees	2020 Rupees
Staff retirement benefits	126,743,068	109,001,224
Deferred taxation	4,391,210	13,393,457
Deferred income - Government grant	69,112	720,621
	131,203,390	123,115,302

12.01 Staff retirement benefits

Statement of financial position liability

Opening balance	109,001,224	95,320,549
Amount recognized during the year	15,630,595	19,489,437
	124,631,819	114,809,986
Remeasurement chargeable in other comprehensive income	5,745,233	(5,145,246)
Benefits paid during the year	(3,633,984)	(663,516)
Closing balance	126,743,068	109,001,224

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

Present value of defined benefit obligation	126,243,068	108,501,224
Benefits due but not paid	500,000	500,000
	126,743,068	109,001,224



Charge for the defined benefit plan

Note

Service cost
Gains and losses arising on plan curtailment / settlements
Interest cost
Charged to statement of profit or loss

2021 Rupees	2020 Rupees
6,562,435	6,024,784
-	-
9,068,160	13,464,653
15,630,595	19,489,437

Sensitivity analysis for actuarial assumptions

The calculation of defined benefit obligation is sensitive to assumptions set-out in note 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.

	Change in assumptions	Increase Rupees	Decrease Rupees
Discount rate	1.00%	123,419,079	129,418,883
Increase in future salaries	1.00%	129,479,026	123,314,842

	2021	2020
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 2 years.

12.02 Deferred taxation

Note

Deferred taxation comprises of the following:

Deferred tax liability on taxable temporary differences in respect of the following:

- Accelerated tax depreciation allowance
- Accelerated tax amortization allowance
- Surplus on revaluation of assets

10

Deferred tax asset on deductible temporary differences in respect of the following:

- Staff retirement benefits
- Provision for damaged stock
- Investment accounted for under IAS- 28
- Allowance for expected credit loss

23

2021 Rupees	2020 Rupees
26,319,330	24,423,320
1,427,350	-
26,755,552	33,040,877
(36,755,490)	(31,610,355)
(899,703)	(4,556)
-	-
(12,455,829)	(12,455,829)
4,391,210	13,393,457



12.03 Deferred taxation has been recognized using rate of taxation applicable to tax year 2022 under the provisions of Income Tax Ordinance, 2001 to the extent of income of the Company chargeable under normal tax regime.

12.04 Deferred income - Government grant

	Note	2021 Rupees	2020 Rupees
Balance as at beginning of the year		2,113,822	-
Deferred government grant recognised during the year		927,108	2,113,822
		3,040,930	2,113,822
Credited to profit or loss - amortised during the year		(2,004,249)	-
		1,036,681	2,113,822
Current portion of deferred income - government g	16	(967,569)	(1,393,201)
Balance as at end of the year		69,112	720,621

12.05 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	2021 Rupees	2020 Rupees
From Banking Companies - Secured:				
JS Bank Limited	40.37			
Balance as at beginning of the year			27,096,191	-
Disbursement during the year			13,277,252	27,096,191
			40,373,443	27,096,191
Repayments during the year			(10,093,362)	-
			30,280,081	27,096,191
Discounting of deferred government grant			(3,040,930)	(2,113,822)
Unwinding of discount on liability			2,004,249	-
			29,243,400	24,982,369
Current portion of long term borrowing			(20,186,722)	(5,380,847)
Balance as at end of the year			9,056,678	19,601,522

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. 300 million over all present and future current assets of the Company with 25% margin duly registered with SECP.

1st charge of Rs. 380 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 TRADE AND OTHER PAYABLES

	Note	2021 Rupees	2020 Rupees
Creditors		360,661,842	229,319,257
Accrued expenses		99,656,274	97,119,958
Workers' profit participation fund	14.01	13,424,748	20,913,333
Security deposits	14.02	375,000	375,000
Workers' welfare fund		2,770,086	4,387,196
Tax deducted at source		1,579,446	1,303,517
Advances from customers		144,541,883	187,980,182
Sales tax payable		1,805,120	823,941
		624,814,399	542,222,384



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			2021 Rupees	2020 Rupees
14.01	Workers' Profit Participation Fund (W.P.P.F.)	Note		
	Opening balance		20,913,333	22,099,953
	Provision for the year		3,498,550	10,987,393
	Mark up on W.P.P.F.		274,685	388,047
			24,686,568	33,475,393
	Payment during the year		(11,261,820)	(12,562,060)
			13,424,748	20,913,333
14.02	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.			
15	SHORT TERM BORROWINGS	Limit Sanctioned Rupees in million	2021 Rupees	2020 Rupees
	From Banking Companies - Secured:	Note		
	Habib Metropolitan Bank Limited			
	- Finance against trust receipt	(50.00) 15.01	-	-
	- Letter of guarantee	12.67 15.02	-	-
	- Running finance	30.00 15.03	-	-
	- Letter of credit (sight)	200.00 15.04	-	-
	JS Bank Limited			
	- Running finance	40.00 15.05	39,962,298	33,107,902
	- Cash finance	25.00 15.06	-	23,099,600
	- Cash finance (OTT)	0.00 15.07	-	12,432,000
	- Finance against trust receipt	(130.00) 15.08	111,939,742	105,459,067
	- Bank guarantee	60.00 15.09	-	-
	- Bank guarantee (OTT)	5.00 15.10	-	-
	- Letter of credit (sight)	400.00 15.11	-	-
	Bank Al Habib Limited			
	- Running finance	25.00 15.12	24,401,768	-
	- Finance against trust receipt	(100.00) 15.13	42,195,450	-
	- Letter of credit (sight)	250.00 15.14	-	-
			218,499,258	174,098,569

15.01 This facility has been obtained for retirement of LC documents carrying mark up @ 3 months KIBOR + 1.5% to be paid on quarterly basis. It is secured against lien over import documents.

15.02 This facility has been obtained to meet contractual obligation with different business concerns. It carries commission as per schedule of charges of the bank. It is secured against 100% lien over Company's multiplier account (20614-714-149744). Total limit was availed as at year end.

15.03 This facility has been obtained to meet working capital requirements. It carries mark up @ 3 month KIBOR + 1.5% per annum to be paid on quarterly basis. It is secured against pari passu charge of Rs. 107 million over Company's current assets with 40% margin and parri passu mortgage charge of Rs. 134 million on Company's Fixed Assets with 25% margin, duly registered with SECP.

15.04 This facility has been obtained for retirement of import documents. It carries commission @ 0.2% per quarter. It is secured against 5% cash margin on LC.

The above mentioned facilities in note Nos. 15.01, 15.03 & 15.04 had expired on 31 March 2018. The Company has applied for renewal of these facilities and renewal is currently under process.



- 15.05** This facility has been obtained to meet working capital requirements. It carries mark up @ 1 month KIBOR + 175 bps p.a to be paid on quarterly basis. It is secured against pari passu charge of Rs. 300 million over all present and future current assets of the Company with 25% margin and 1st Charge of Rs. 380 million over Company's present and future Fixed Assets, duly registered with SECP. Out of total limit, an amount of Rs. 0.04 million (2020: Rs. 06.89 million) was not availed as at year end.
- 15.06** This facility has been obtained to finance already purchased stock of local edible oil / palm oil / seed oil. It carries mark up @ 1 month KIBOR + 175 bps p.a. to be paid on quarterly basis. It is secured against pledge of oil stock with 20% margin. Oil stock shall be stored in exclusively assigned in oil tanks for JS Bank pledge at factory premises. 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. 25.00 million (2020: Rs. 1.90 million) was not availed as at year end.
- 15.07** This facility has been obtained to finance already purchased stock of local edible oil / palm oil / seed oil. It carries mark up @ 1 month KIBOR + 200 bps p.a. to be paid on quarterly basis. It is secured against pledge of oil stock with 20% margin. Oil stock shall be stored in exclusively assigned in oil tanks for JS Bank pledge at factory premises. It is also secured against charge of Rs. 125 million duly registered with SECP over pledged stock with 20% margin. The tenor of this facility is 120 days. It is one time transaction (OTT) facility. The Company has utilised all of its limit during the year. Out of total limit, an amount of Rs. 58.45 was not availed as at previous year end.
- 15.08** This facility has been obtained for the retirement of LC documents. It carries mark up @ 1 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. 18.06 million (2020: Rs. 24.54 million) was not availed as at year end.
- 15.09** 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 40 million to 60 million. Enhanced limit of Rs. 20 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. 14.00 million (2020: Rs. Nil million) was not availed as at year end.
- 15.10** This facility has been obtained for guarantee to Excise & Taxation This is one time transaction facility. It carries commission @ 0.3% per quarter. Cash margin required to avail this facility is 100% lien over their RP account. Out of total limit, an amount of Rs. 0.50 million was not availed as at year end.
- 15.11** 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. 219.94 million (2020: Rs. 223.65 million) was not availed as at year end.
- 15.12** 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. 0.04 million was not availed as at year end.
- 15.13** 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. 57.80 million was not availed as at year end.
- 15.14** This facility has been obtained during the year to import of raw material mainly oil (Palm Oil/Palm Oilien/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. 159.17 million was not availed as at year end.

The above mentioned facilities in note Nos. 15.05 to 15.11 and 15.12 to 15.13 will expire on 31 December 2021 and 19 February 2022 respectively.

Collateral Security:

The above mentioned facilities in note Nos. 15.05 to 15.11 are collaterally secured against the following:



Pari passu charge of Rs. 300 million over all present and future current assets of the Company with 25% margin duly registered with SECP.

1st charge of Rs. 380 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. 15.12 to 15.14 are collaterally secured against the following:

1st Pari passu Hypothecation charge on all present and future current assets of the Company for Rs. 267 million 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. 183 million duly registered with SECP located/installed at Plot No. 26, 27 and 28 Industrial Triangle, Kahuta Road, Islamabad owned by the Company.

16 CURRENT PORTION OF LONG TERM BORROWINGS	Note	2021 Rupees	2020 Rupees
Current portion of long term borrowings		20,186,722	5,380,847
Current portion of deferred income - Government grant		967,569	1,393,201
		21,154,291	6,774,048
17 ACCRUED MARKUP			
Accrued mark up on borrowings		2,159,235	2,502,408
18 PROVISION FOR TAXATION			
Opening balance		250,835,217	238,453,608
Add: Taxation - current		90,495,514	134,834,757
		341,330,731	373,288,365
Less: Tax payments /adjustments during the year		134,798,281	122,453,148
		206,532,450	250,835,217

19 CONTINGENCIES AND COMMITMENTS

19.01 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. 67.27 million (2020: Rs. 56.77 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 4.50 million (2020: Rs.4.50 million) and 67.27 million (2020: Rs. 56.77 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 Honourable 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 Honourable 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 Honourable 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 Honourable 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.

19.02 COMMITMENTS

Letters of credit other than for capital expenditure as at the statement of financial position date amounted to Rs. 270.89 million (2020: Rs. 176.35 million).



20 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
Rupees										
At 30 June 2019										
Cost/revalued amount	290,423,524	117,842,626	210,513,154	2,650,000	950,000	318,812	17,890,827	4,667,922	88,740,985	733,997,850
Accumulated depreciation	-	(22,876,420)	(39,315,494)	(1,190,429)	(221,677)	(307,656)	(7,788,193)	(2,066,080)	(52,964,575)	(126,730,524)
Net book value	290,423,524	94,966,206	171,197,660	1,459,571	728,323	11,156	10,102,634	2,601,842	35,776,410	607,267,326
Year ended 30 June 2020										
Additions	-	-	2,321,565.00	-	-	-	8,879,506.00	115,900.00	1,955,000.00	13,271,971
Transfers from capital work in progress during the year (Note 21)	-	270,453	75,945,610	-	-	-	-	-	-	76,216,063
Disposals (note 20.03)										
Cost	-	-	(1,031,739)	-	-	-	-	-	-	(1,031,739)
Depreciation	-	-	388,804	-	-	-	-	-	-	388,804
Net book value	-	-	(642,935)	-	-	-	-	-	-	(642,935)
Depreciation charge for the year (note 20.01)	-	(9,498,874)	(21,810,385)	(364,893)	(87,399)	(1,115)	(1,105,733)	(267,576)	(7,513,699)	(40,649,674)
Net book value as at 30 June 2020	290,423,524	85,737,785	227,011,515	1,094,678	640,924	10,041	17,876,407	2,450,166	30,217,711	655,462,751
Year ended 30 June 2021										
Additions	-	-	1,181,444	-	-	-	2,725,018	264,175	79,499	4,250,136
Transfers from capital work in progress during the year (Note 21)	-	4,431,760	12,682,266	-	-	-	-	-	-	17,114,026
Disposals (note 20.03)										
Cost	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Net book value	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year (note 20.01)	-	(8,610,710)	(23,277,879)	(273,670)	(76,911)	(1,004)	(1,855,173)	(254,017)	(6,051,492)	(40,400,856)
Net book value as at 30 June 2021	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



	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
Rupees										
At 30 June 2020										
Cost/revalued amount	290,423,524	118,113,079	287,748,590	2,650,000	950,000	318,812	26,770,333	4,783,822	90,695,985	822,454,145
Accumulated depreciation	-	(32,375,294)	(60,737,075)	(1,555,322)	(309,076)	(308,771)	(8,893,926)	(2,333,656)	(60,478,274)	(166,991,394)
Net book value in Rupees	290,423,524	85,737,785	227,011,515	1,094,678	640,924	10,041	17,876,407	2,450,166	30,217,711	655,462,751
Annual rates of depreciation 2020	10.00%	10.00%	10.00-15.00%	25.00%	12.00%	10.00%	10.00%	10.00%	20.00%	
At 30 June 2021										
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 in Rupees	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
Annual rates of depreciation 2021	10.00%	10.00%	10.00-15.00%	25.00%	12.00%	10.00%	10.00%	10.00%	20.00%	

20.01 Depreciation charge for the year has been allocated as follows:

	2021	2020
	Rupees	Rupees
Cost of sales	36,360,770	36,584,707
Administrative expenses	4,040,086	4,064,967
	40,400,856	40,649,674

20.02 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 2021		
	Cost	Accumulated Depreciation	Written Down Value
Land-lease hold	423,524	-	423,524
Building on lease hold land	78,224,903	44,990,252	33,234,651
Plant, machinery and equipment	270,250,609	145,191,944	125,058,665
Laboratory equipment	4,528,107	3,261,957	1,266,150
Scales and weigh bridge	1,127,655	1,113,817	13,838
Rupees 2021	354,554,798	194,557,970	159,996,828
Rupees 2020	317,963,858	157,014,939	160,948,920

20.03 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.

20.04 There are assets included in fixed assets which are secured with a bank as mentioned in note No. 13 and 15 against 1st parri passu charge for Rs. 563 million (2020: Rs. 380 million) over fixed assets (including land, building and, plant and machinery) of the Company.



20.05 Forced Sale Value as per last revaluation report as at June 23, 2017:

Asset Class	Forced sale value
Land-lease hold	232,000,000
Building on lease hold land	89,328,680
Plant and machinery	122,041,600
Scales and weigh bridge	760,000
Total	444,130,280

The above amounts do not include assets which were capitalized during the period from 23 June 2017 to 30 June 2021.

20.06 Particulars of immovable assets of the Company are as follows:

Location	Addresses	Usage of immovable property
Islamabad	Plot No. 26, 27 & 28, Industrial Triangle, Main Kahuta Road, Islamabad.	Production Plant

21 CAPITAL WORK IN PROGRESS

Note

	2021 Rupees	2020 Rupees
Opening balance	2,294,709	66,828,324
Additions during the year	42,137,982	11,682,448
	44,432,691	78,510,772
Less: Transferred to property, plant and equipment		
Building	4,431,760	270,453
Plant and machinery	12,682,266	75,945,610
	17,114,026	76,216,063
	27,318,665	2,294,709

22 INTANGIBLE ASSETS

Net carrying value

Motion picture film - Opening net book value	4,929,647	11,502,587
Motion picture film - Additions during the year	14,829,596	-
Less: Amortization charge for the year	(7,422,547)	(6,572,940)
Net book value (NBV) as at 30 June 2020	12,336,696	4,929,647

Gross carrying value

Cost	27,975,418	13,145,822
Less: Accumulated amortization	15,638,722	8,216,175
Net book value	12,336,696	4,929,647

Amortization rate per annum

50%	50%
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23 INVESTMENT IN ASSOCIATE

Note

Premier Garments Limited - unlisted

Accumulated provision for the diminution in the value of investment 23.01

2021

Rupees

2,720,000

(2,720,000)

-

2020

Rupees

2,720,000

(2,720,000)

-

23.01 27,200 (2020: 27,200) ordinary shares of Rs. 100/- each, represent 38.86% (2020: 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.

23.02 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 2020, is as follows:

Premier Garments Limited

Total assets

5,756,725

6,757,772

Total liabilities

19,546,772

19,782,222

Net Assets

(13,790,047)

(13,024,450)

Company's share of net assets of associate

(5,358,812)

(5,061,301)

Total revenue

1,200,000

1,200,000

Total (loss)/profit for the year

(765,597)

(593,212)

Company's share of (loss)/profit for the current year

(297,511)

(230,522)

Share of unrecognized accumulated losses

6,526,345

6,329,355

23.03 Investment in Associate is made in accordance with the provisions of the Companies Act, 2017.

24 LONG TERM DEPOSITS

Note

Deposits against bank guarantees

2021

Rupees

48,807,950

2020

Rupees

39,387,500

25 STORES, SPARE PARTS AND LOOSE TOOLS

Stores

118,379,850

100,954,189

Spare parts

11,797,863

10,269,029

Loose tools

2,949,466

2,567,257

133,127,179

113,790,475

25.01 No identifiable stores and spares are held for specific capitalization.

26 STOCK IN TRADE

Raw materials

- In hand

26.01

164,263,244

133,388,275

- In transit

19,883,514

47,805,521

Work in process

132,904,914

88,269,739

317,051,672

269,463,535

Finished goods

191,105,583

137,629,704

Less: Provision for damaged stock

3,102,424

3,089,169

188,003,159

134,540,535

505,054,831

404,004,070

26.01 Stock in trade valuing Rs. Nil (2020: Rs. 44.41 million) is pledged with banking companies against short term borrowings.

27 TRADE DEBTS

Note

Trade debts- unsecured but considered good

786,637,417

815,614,848

Considered doubtful- unsecured

42,951,135

42,951,135

829,588,552

858,565,983

Less : Allowance for expected credit loss

27.01

42,951,135

42,951,135

786,637,417

815,614,848



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		2021 Rupees	2020 Rupees
27.01	Allowance for expected credit loss		
	Opening balance	42,951,135	42,951,135
	Allowance for expected credit loss during the year	-	-
		42,951,135	42,951,135
	Less: ECL written off during the year	-	-
	Closing balance	42,951,135	42,951,135
After considering past events, current conditions and forecasts, there is no indication of any shortfall in contractual cashflows of trade debts, therefore, expected credit loss is not charged during the year.			
28	LOANS AND ADVANCES		
	Considered good:		
	Advance to suppliers	44,136,243	66,070,018
	Receivable from related party	3,021,503	1,978,191
	Advances to Employees:		
	- Executives	13,122,880	12,051,984
	- Other employees	9,506,271	8,413,222
		69,786,897	88,513,415
28.01	Related parties - unsecured		
	Hala Enterprises Limited		
	Nature of transaction:		
	Sharing of office expenses	3,021,503	1,978,191
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 @ 10.50 % (2020: 12 to 14 %) per annum. The maximum aggregate amount outstanding at any time during the year was Rs. 3,243,081 (2020: Rs. 2,429,809).			
28.02	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.		
Theses advances are given to employees as per Company's HR policy.			
29	TRADE DEPOSITS AND SHORT TERM PREPAYMENT		
	Security deposits	5,784,553	5,984,553
	Letter of credit - margin	13,545,047	8,781,325
	Prepayments	2,819,513	4,907,163
		22,149,113	19,673,041
30	OTHER RECEIVABLES		
	Zakat on dividend, receivable from government	-	76,962
	Sales tax receivable	40,905,693	15,542,506
	Other receivables:		
	- from fair price shop	2,324,321	1,771,949
		43,230,014	17,391,417
31	ADVANCE INCOME TAX		
	Opening balance	223,152,466	210,370,932
	Payments during the year	90,734,899	135,985,118
		313,887,365	346,356,050
	Adjustments during the year	(135,121,788)	(123,203,584)
		178,765,577	223,152,466



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32 CASH AND BANK BALANCES

Note

		2021 Rupees	2020 Rupees
Cash in hand		5,899,576	5,942,619
Cash with banks:			
- In current accounts		13,928,347	19,132,890
- In deposit accounts	32.01	6,846,131	7,884,552
		26,674,054	32,960,061

32.01 These carry profit ranging from 5.50% to 7.75% (2020: 6.75% to 9.50%) per annum approximately.

33 SALES

Note

		2021 Rupees	2020 Rupees
- Export sales			
Cooking oil		109,954,063	-
Specialty fats		1,007,148	-
		110,961,211	-
- Local sales			
Banaspati Ghee		1,965,416,085	1,610,869,434
Cooking oil		4,035,516,722	3,651,057,343
Specialty fats		54,438,839	177,752,165
		6,055,371,646	5,439,678,942
Soap		46,525,152	38,719,620
Gases		126,985	154,135
Coffee		1,807,377	8,378,668
Mushroom		9,467,792	6,244,405
		57,927,306	53,496,828
Less: Sales tax		8,002,263	7,782,891
		49,925,043	45,713,937
		6,216,257,900	5,485,392,879
Less: Trade discount		234,415,241	216,930,529
		5,981,842,659	5,268,462,350

34 COST OF SALES

Raw material consumed	34.01	4,661,066,177	3,841,376,981
Stores and spare parts consumed		25,277,042	19,021,090
Chemicals consumed		69,326,432	72,960,719
Packing materials consumed		298,821,393	325,560,381
Salaries, wages and benefits	34.02	70,582,448	68,889,270
Power, fuel and lubricants		150,312,908	174,628,682
Repair and maintenance		10,873,784	11,909,099
Filling and loading		24,053,369	7,109,524
Insurance		6,516,160	5,921,957
Provision for damaged stock		13,255	15,709
Depreciation	20.01	36,360,770	36,584,707
Tolling expenses		6,600,720	1,893,231
		5,359,804,458	4,565,871,350
Work in process:			
Opening		88,269,739	49,454,050
Sales tax refund		-	(6,406,995)
Closing		(132,904,914)	(88,269,739)
		(44,635,175)	(45,222,684)
Cost of goods manufactured		5,315,169,283	4,520,648,666
Finished goods:			
Opening		128,535,547	96,435,477
Sales tax refund		-	(12,724,985)
Closing		(163,272,739)	(128,535,547)
		(34,737,192)	(44,825,055)
Carried Forward		5,280,432,091	4,475,823,611



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	Note	2021 Rupees	2020 Rupees
Brought forward		5,280,432,091	4,475,823,611
Finished goods purchased for resale:			
Opening		9,094,157	13,003,374
Purchases		20,931,640	-
		30,025,797	13,003,374
Sales tax refund		-	(367,995)
Closing stock		(27,832,844)	(9,094,157)
Cost of purchased goods sold		2,192,953	3,541,222
		5,282,625,044	4,479,364,833
34.01 Raw material consumed			
Opening		133,388,275	91,203,622
Sales tax refund		-	(12,029,616)
Purchases		4,691,941,146	3,895,591,250
		4,825,329,421	3,974,765,256
Closing		(164,263,244)	(133,388,275)
		4,661,066,177	3,841,376,981
34.02	Salaries, wages and other benefits include provision for staff retirement benefits for the year Rs. 8.60 million (2020: Rs. 10.72 million).		
35 SELLING AND DISTRIBUTION COST	Note	2021 Rupees	2020 Rupees
Salaries, wages and benefits	35.01	64,180,926	61,892,854
Travelling and conveyance		8,567,222	9,093,963
Advertisement		216,406,390	177,366,858
Export charges		7,600	-
Carriage outward		50,816,591	50,526,852
Redistribution expenses		38,629,641	48,796,088
Amortization	22	7,422,547	6,572,940
Other selling expenses		8,865,531	10,334,702
		394,896,448	364,584,257
35.01	Salaries, wages and other benefits include provision for staff retirement benefits for the year Rs. 1.56 million (2020: Rs. 1.95 million).		
36 ADMINISTRATIVE EXPENSES	Note	2021 Rupees	2020 Rupees
Directors' meeting fee		2,494,000	1,560,000
Directors' remuneration		46,970,055	28,781,409
Salaries, wages and benefits	36.01	77,095,729	76,714,808
Travelling and conveyance		15,230,618	16,167,045
Entertainment		931,034	754,094
Printing and stationary		1,817,016	1,645,022
Postage, telephone and telex		5,098,753	5,125,197
Rent, rates and taxes		32,196,075	19,524,855
Donations	36.02	3,688,139	1,381,648
Fees and subscription		436,607	2,469,951
Legal and professional charges		11,186,704	8,217,243
Vehicle running and maintenance		17,755,294	15,262,667
Repair and maintenance		3,624,595	3,969,700
Power, fuel and lubricant		2,289,029	2,659,320
Zakat on dividend, receivable from government written off		76,962	-
Advertisement	36.03	9,016,933	7,390,286
Depreciation	20.01	4,040,086	4,064,967
Office expenses		4,791,611	4,157,614
		238,739,240	199,845,826



36.01 Salaries, wages and other benefits include provision for staff retirement benefits for the year Rs. 5.47 million (2020: Rs. 6.82 million).

	Note	2021 Rupees	2020 Rupees
36.02 Donation during the year:			
- Shaukat Khanum Memorial Cancer Hospital and Research Centre		3,000,000	-
- Pakistan National Heart Association (PANAHA)		480,000	697,400
- COVID -19		-	478,280
- Behria Town Welfare Group		-	32,040
- Ramzan Charity		208,139	173,928
		3,688,139	1,381,648

- None of the directors or their spouses had any interest in the donee's fund.

	Note	2021 Rupees	2020 Rupees
37 FINANCE COST			
Mark up on short term borrowings		13,932,608	19,412,527
Mark up on long term borrowings - net of amortization of Government grant		1,284,464	-
Mark up charged on W.P.P.F.		274,685	388,047
Bank charges		2,690,346	1,884,502
		18,182,103	21,685,076

	Note	2021 Rupees	2020 Rupees
38 OTHER CHARGES			
Auditors' remuneration	38.01	1,378,956	1,299,625
Workers' profit participation fund		3,498,550	10,987,393
Workers' welfare fund	38.02	-	1,573,077
		4,877,506	13,860,095

38.01 Auditors' Remuneration			
Audit fee		1,200,000	1,125,000
Half yearly review fee		90,956	86,625
Other attestation services		55,000	55,000
Out of pocket expenses		33,000	33,000
		1,378,956	1,299,625

38.02 Workers' Welfare Fund reversal / written back			
Provision for the current year		1,763,922	4,387,196
Prior year excess provision written back		(1,763,922)	(2,814,119)
		-	1,573,077

39 OTHER INCOME			
Income from financial assets			
Profit on bank deposits		8,844,364	11,012,572
Markup earned from related party		265,364	174,134
Exchange gain / (loss)		-	-
Income from non financial assets			
Scrap sale		6,593,432	662,169
Gain on disposal of property, plant and equipment		-	4,482,065
Tolling income		7,972,295	1,346,144
		23,675,455	17,677,084

40 TAXATION			
Taxation			
- Current year	40.01	89,231,632	133,534,399
- Prior years		1,263,882	1,300,358
		90,495,514	134,834,757
Deferred taxation			
- Current year		(7,336,129)	(12,213,571)
		83,159,385	122,621,186



40.01 - Income tax return has been filed to the income tax authorities up to and including tax year 2020 under the provisions of the Income Tax Ordinance, 2001.

- Provision for current year income tax represents final tax on exports and minimum tax on turnover under section 113 of the Income Tax Ordinance, 2001 respectively. The numeric tax reconciliation has not been presented being impracticable.

41 EARNINGS PER SHARE

Basic Earnings per share:

	Note	2021	2020
(Loss) / Profit after taxation	Rupees	(16,961,612)	84,178,161
Weighted average number of ordinary shares	Number	5,390,652	5,390,652
(Loss) / Earnings per share - basic and diluted	Rupees	(3.15)	15.62

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

42 TRANSACTIONS WITH RELATED PARTY

42.01 Disclosure of transactions between the Company and its related parties:-

Related parties comprise 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:

Nature of transaction	Relationship with the Company	2021 Rupees	2020 Rupees
Sharing of office expenses	Associated Company	4,207,157	5,530,680
Markup earned from related party	Associated Company	265,364	174,134
Rent paid to related party	Director	3,369,960	3,369,960

42.02 The related party status of outstanding balances as at June 30, 2021 are included in loans and advances (note No. 28). These are to be settled in the ordinary course of business.

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

Company Name	Basis of associated Company	Aggregate % of Shareholding in the Company
M/s Hala Enterprises Limited	Common directorship	0.96%
Mr. Jillani Jahangir	Director	6.32%

43 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per statement of financial position	Note	2021 Rupees	2020 Rupees
Long term deposits		48,807,950	39,387,500
Trade debts		786,637,417	815,614,848
Loans and advances		25,650,654	22,443,397
Trade deposits		5,784,553	5,984,553
Other receivables		43,230,014	17,391,417
Cash and bank balances		26,674,054	32,960,061
		936,784,642	933,781,776



Financial liabilities as per statement of financial position

Note

	2021 Rupees	2020 Rupees
Long term borrowings	9,056,678	20,322,143
Trade and other payables	473,742,864	347,352,548
Short term borrowings	218,499,258	174,098,569
Accrued interest/mark-up	2,159,235	2,502,408
Unclaimed dividend	8,789,596	8,879,070
	712,247,631	553,154,738

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).

43.01 Financial Instruments measured at fair value

43.01.01 Recurring fair value measurements

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

43.01.02 Non-recurring fair value measurements

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

43.02 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.

43.03 Assets and liabilities other than financial instruments

43.03.01 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how their fair values are determined are as follows:

Assets	Level 1	Level 2	Level 3	30-Jun-21 Rupees
Buildings	-	81,558,835	-	81,558,835
Plant and machinery	-	217,597,346	-	217,597,346

Assets	Level 1	Level 2	Level 3	30-Jun-20 Rupees
Buildings	-	85,737,785	-	85,737,785
Plant and machinery	-	227,011,515	-	227,011,515



The Company does not hold any instrument which could be included in Level 1 and Level 3. For fair value measurements categorised into Level 2 the following information is relevant:

	Valuation technique	Significant inputs	Sensitivity
Buildings	Cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during the year.	Estimated construction costs and other ancillary expenditure.	A 5% increase in estimated construction and other ancillary expenditure would result in a significant increase in fair value of buildings by Rs. 4.08 million (2020: 4.29 million).
Plant and machinery	Cost approach that reflects the cost to the market participants to acquire assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during the year.	Estimated purchase price, including import duties and non-refundable purchase taxes and other costs directly attributable to the acquisition or construction, erection and installation.	A 5% increase in estimated purchase price, including import duties and non-refundable purchase taxes and other directly attributable costs would result in a significant increase in fair value of plant and machinery by Rs. 10.88 million (2020: 11.35 million).

There were no transfers between fair value hierarchies during the year.

43.03.02 Non-recurring fair value measurements

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

The Company has investment in associate which is stated at cost (refer note No. 23).

44 FINANCIAL INSTRUMENTS

44.01 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 speciality fats 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% (2020: 5%) against the US Dollar with all other variables held constant, post-tax profit for the year would have been lower by Rs. 14,221,687 (2020: 9,256,345) 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	2021		2020	
		Rupees	US Dollars	Rupees	US Dollars
L/C Margin	29	13,545,047	86,203	8,781,325	52,254
Off-balance sheet commitments					
Letter of credit	19.02	270,888,700	1,145,939	176,345,578	1,049,360

		2021	2020
		Rupees	Rupees
The following significant exchange rates were applied during the year:			
Rupees per US Dollar			
Reporting date rate		157.13	168.05
Average rate		162.59	164.34
Rupees per Dirham			
Reporting date rate		42.82	45.75
Average rate		44.28	43.89

(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.

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

	Note	2021 Rupees	2020 Rupees
Floating rate instrument			
Financial liabilities			
Long term borrowings		9,056,678	19,601,522
Short term borrowings		218,499,258	174,098,569
Current portion of long term borrowings		21,154,291	6,774,048
Financial assets			
Bank balances- saving accounts		6,846,131	7,884,552

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. 2,207,098 lower/higher (2020: 1,865,362 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. 936,784,642 (2020: Rs. 933,781,776), the maximum exposure to credit risk amounts to Rs. 930,885,066 (2020: Rs. 912,219,689).

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

	Note	2021 Rupees	2020 Rupees
Government institution and utility store		117,033,188	58,000,046
Private sector's companies		207,569,502	169,732,322
Distributors		114,693,776	399,675,923
Others		491,588,600	284,811,398
		930,885,066	912,219,689
The aging of loans and receivables at the reporting date was:			
Past due 0-6 months		808,973,042	783,629,952
Past due 6-12 months		87,919,290	88,473,451
More than one year		33,992,734	40,116,286
		930,885,066	912,219,689

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:

	Note	2021 Rupees	2020 Rupees
Long term deposits		48,807,950	39,387,500
Trade debts		786,637,417	815,614,848
Loans and advances		25,650,654	22,443,397
Trade deposits		5,784,553	5,984,553
Other receivables		43,230,014	17,391,417
Cash and bank balances		26,674,054	32,960,061
		936,784,642	933,781,776

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:

		30-Jun-21	
	Rating agency	Short term	Long term
National Bank of Pakistan	PACRA	A1+	AAA
United 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-

(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 2021	Carrying Amount	Contractual cash flows	6 months or less	6 - 12 month	1 - 2 years	2 - 5 years	More than 5 years
RUPEES							
Non-derivative Financial Liabilities							
Long term borrowings	9,056,678	9,509,512	452,834	-	9,056,678	-	-
Trade and other payables	473,742,864	473,742,864	473,742,864	-	-	-	-
Short term borrowings	218,499,258	228,572,074	228,572,074	-	-	-	-
Current portion of long term borrowings	21,154,291	21,788,920	10,894,460	10,894,460	-	-	-
Accrued interest/mark-up	2,159,235	2,159,235	2,159,235	-	-	-	-
Unclaimed dividends	8,789,596	8,789,596	8,789,596	-	-	-	-
	733,401,922	744,562,200	724,611,063	10,894,460	9,056,678	-	-

30 June 2020	Carrying Amount	Contractual cash flows	6 months or less	6 - 12 month	1 - 2 years	2 - 5 years	More than 5 years
RUPEES							
Non-derivative Financial Liabilities							
Long term borrowings	20,322,143	28,198,829	200,480	7,149,947	20,848,402	-	-
Trade and other payables	347,352,548	347,352,548	347,352,548	-	-	-	-
Short term borrowings	174,098,569	181,184,381	181,184,381	-	-	-	-
Current portion of long term borrowings	6,774,048	6,977,269	6,977,269	-	-	-	-
Accrued interest/mark-up	2,502,408	2,502,408	2,502,408	-	-	-	-
Unclaimed dividends	8,879,070	8,879,070	8,879,070	-	-	-	-
	559,928,786	575,094,505	547,096,156	7,149,947	20,848,402	-	-

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 2021/2020. The rates of interest/mark-up have been disclosed in note Nos. 13 and 15 to these financial statements.

45 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 Nos. 13 and 15 less cash and bank balances, note No. 32. Total capital employed includes 'total equity' as shown in the statement of financial position and 'net debt'. The gearing ratio as at 30 June 2021 and as at 30 June 2020 is as follows:

	Note	2021 Rupees	2020 Rupees
Debt		248,710,227	200,474,139
Cash and bank balances		26,674,054	32,960,061
Net debt		222,036,173	167,514,078
Total equity		1,268,105,153	1,289,145,880
Total capital employed		1,490,141,326	1,456,659,958
Gearing ratio (%)		14.90%	11.50%



46 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chairman		Chief Executive		Executive Directors		Non-Executive Directors		Executives	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Meeting fees	-	-	-	-	-	-	2,494,000	1,560,000	-	-
Managerial remuneration	-	-	5,594,251	5,827,066	2,526,701	2,552,788	-	-	24,466,939	23,172,310
house rent and utilities	-	-	2,727,650	2,622,122	1,228,949	1,144,172	-	-	15,091,183	11,945,113
Bonus	-	-	611,536	971,178	394,328	424,940	-	-	3,341,875	3,308,952
Reimbursable expenses	17,079,245	753,395	4,516,962	1,032,216	160,342	106,330	-	135,000	1,518,046	871,798
Traveling expenses	840,000	701,462	-	-	21,000	34,300	2,312,951	4,027,252	749,985	3,005,064
Other services	8,956,140	8,449,188	-	-	-	-	-	-	-	-
	26,875,385	9,904,045	13,450,399	10,452,582	4,331,320	4,262,530	4,806,951	5,722,252	45,168,028	42,303,237
	1	1	1	1	2	2	4	4	12	11

46.01 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.

46.02 Aggregate amount charged in the financial statements for the year for meeting fee to 4 directors was Rs. 2,494,000 (2020: Rs. 1,560,000).

46.03 Entitlement of managerial remuneration and bonus is only for the Executive directors.

47 CAPACITY AND PRODUCTION

Rated Capacity/Production

		2021	2020
Banaspati Ghee / speciality fats	M. TON	15,000	14,000
Cooking oil	M. TON	30,000	19,000
		45,000	33,000

Actual Production

		2021	2020
Banaspati Ghee / speciality fats	M. TON	10,233	11,173
Cooking oil	M. TON	17,132	17,661
		27,365	28,834

47.01 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.

47.02 REASONS FOR SHORTFALL

Due to decrease in market demand during the year, the actual production of Banaspati Ghee, Speciality fats and cooking oil short fall the rated capacity / production.

48 OPERATING SEGMENT

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

48.01 Revenue from sale of ghee, cooking oil, speciality fats, soap, and gases represents 99.61% (2020: 99.67%) of the total income of the Company.

48.02 98.15% (2020: 100.00%) of the gross sales of the Company are made to customers located in Pakistan.

48.03 All non current assets of the Company as at 30 June 2021 are located in Pakistan.

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

49 EMPLOYEES

Average number of employees during the year - factory
- others

Number of employees at the end of the year - factory
- others

2021	2020
Number	Number
284	217
15	25
299	242
284	216
15	25
299	241



50 SHARIAH SCREENING DISCLOSURE

	2021		2020	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	Rupees			
Loans and advances	3,021,503	66,765,394	1,978,191	86,535,224
Bank Balances	6,846,131	13,928,347	7,884,552	19,132,890
Short term borrowings	218,499,258	-	174,098,569	-
Long term borrowings	9,056,678	-	19,601,522	-
Current portion of long term borrowings	21,154,291	-	6,774,048	-
Revenue	-	5,981,842,659	-	5,268,462,350
Mark-up paid	14,207,293	-	19,800,574	-
Profit on bank deposits	8,844,364	-	11,012,572	-
Exchange gain / (loss) on actual currency	-	-	-	-
Interest income from related party	265,364	-	174,134	-

51 NON ADJUSTING EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

The Board of Directors in its meeting held on 29 September 2021 proposed final cash dividend at the rate of Rs. 1 (i.e 10%) per share (2020: Rs. Nil per share) for the year ended 30 June 2021 subject to the approval of the members at the forthcoming Annual General Meeting to be held on 28 October, 2021.

52 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements have been approved and authorized for issue by the Board of Directors of the Company on 29 September 2021.

53 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. The effect of reclassification has been re-summarized below:

RECLASSIFICATION FROM THE CAPTION COMPONENT	RUPEES	RECLASSIFICATION TO THE CAPTION COMPONENT	RUPEES
Note No. 13		Note No. 12.04	
Long term borrowings	720,621	Deferred income - Government grant	720,621
	720,621		720,621

CHAIRMAN / DIRECTOR

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER



PATTERN OF SHAREHOLDING AS ON JUNE 30, 2019

No. of Shareholders	Shareholders From	To	Total Shares Held
517	1	100	15,419
405	101	500	104,321
52	501	1,000	38,764
53	1,001	5,000	112,434
14	5,001	10,000	101,435
3	10,001	15,000	35,600
4	15,001	20,000	67,000
1	20,001	25,000	20,600
1	25,001	30,000	25,492
1	30,001	35,000	30,218
1	35,001	40,000	39,836
1	40,001	45,000	44,000
1	50,001	55,000	51,971
1	90,001	95,000	93,047
1	140,001	145,000	140,600
1	195,001	200,000	200,000
1	215,001	220,000	217,112
2	220,001	225,000	449,732
2	225,001	230,000	456,602
2	260,001	265,000	528,152
1	340,001	345,000	340,893
1	360,001	365,000	363,822
1	425,001	430,000	429,934
1	435,001	440,000	437,124
1	515,001	520,000	517,651
1	525,001	530,000	528,893
1,070			5,390,652

Categories of Shareholders	Shares held	Percentage
Directors, CEO and their spouses	1,310,214	24.31%
Associated Companies/Undertaking and Related Parties	415,793	7.71%
NIT and ICP	556,543	10.32%
Banks Development Financial Institutions and Non-Banking		
Financial Institutions	-	-
Insurance Companies	-	-
Modarabas and Mutual Funds	431,700	8.01%
Share holders holding 10% or more	-	-
General Public	-	-
a. Local	2,617,782	1.09%
b. Foreign		
Others (to be specified)		
Joint Stock Companies	58,620	100.00%
	5,390,652	100.00



**Catagories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2021**

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

Associated Companies, Undertakings and Related Parties:

1	M/s Teejay Corporation (Private) Limited	363,822	6.7491%
2	M/s Hala Enterprises Limited	51,971	0.9641%

Mutual Funds (Name Wise Detail)

1	CDC - TRUSTEE AKD INDEX TRACKER FUND (CDC)	500	0.0093%
2	CDC - TRUSTEE AKD OPPORTUNITY FUND (CDC)	200,000	3.7101%
3	CDC - TRUSTEE GOLDEN ARROW STOCK FUND (CDC)	225,000	4.1739%
4	MCBFSL - TRUSTEE AKD ISLAMIC STOCK FUND (CDC)	6,200	0.1150%

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

1	Mr. Tahir Jahangir	39,836	0.7390%
2	Mr. Furqan Anwar Batla	437,836	8.1108%
3	Mr. Usman Ilahi Malik	-	-
4	Mian Jilani Jahangir	340,893	6.3238%
5	Miss Munizae Jahangir	263,946	4.8964%
6	Mr. Firasat Ali	-	-
7	Miss Mehrunisa Malik	228,315	4.2354%

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	CDC - Trsutee National Investment (Unit) Trust (CDC)	517,651	9.6028%
2	Mr. Furqan Anwar Batla	437,224	8.1108%
3	Mr. Izaz Ilahi Malik	528,893	9.8113%
4	Mr. Mansoor Ilahi Malik	429,934	7.9755%
5	M/s Teejay Corporation (Pvt) Ltd.	363,822	6.7491%
6	Mian Jilani Jahangir	340,893	6.3238%

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	Designation	Sales	Purchase
1.	Mr. Usman Ilahi Malik	Executive Director	456,323	-
2.	Mr. Izaz Ilahi Malik	Chief Executive Officer	-	456,323

FORM OF PROXY

I/We _____

of _____ being a Member of **Punjab Oil Mills Limited** and holder(s) of _____

Ordinary Shares as per Share Register Folio No. _____

For beneficial owners as per CDC List

CDC Participant I.D. No.

Sub Account No. _____

CNIC No.

Passport No.

hereby appoint Mr./Mrs./Miss. _____ of _____ an other member of
the Company or failing him /her Miss/Mrs/Mr. _____
of _____ another member of the Company as my / our proxy to attend and vote for me / us and my /our
behalf at Annual General Meeting of the Company to be held on Thursday, October 28, 2021 at 11:00 A.M. and at every
adjournment thereof, if any.

Please affix
Rupees Five
Revenue Stamp

(Signature should agree with the specimen signature registered with the Company)

Signed this _____ day of October 2021

Signature of Shareholder_____

Signature of Proxy_____

1. WITNESS

Signature: _____

Name: _____

Address:

CNIC No. [] [] [] [] [] [] [] [] [] []
or Passport No. _____

2. WITNESS

Signature: _____

Name: _____

Address:

CNIC No. _____
or Passport No. _____

Important:

1. This Proxy Form, duly completed and signed, must be received at above mentioned address the Registered Office of the Company, not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. For CDC Account Holders / Corporate Entities In addition to the above the following requirements have to be met
 - i. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy forms.
 - ii. The proxy shall produce his original CNIC or original passport at the time of the meeting.
 - iii. In case of a corporate entity, the Board of Directors resolution /power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.



پراکسی فارم

میں مسٹر/مسز/مس _____ ساکن _____ بحیثیت ممبر پنجاب آئل ملز لمیٹڈ
 شئیر 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 28 اکتوبر 2021 بروز جمعرات کو صبح گیارہ بجے (11:00)
 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 شئیر ہولڈر _____

(دستخط کمپنی کے پاس دستخط نمونہ کے مطابق ہوں)

قومی شناختی کارڈ نمبر/ پاسپورٹ نمبر _____

دستخط مقرر کردہ نمائندہ _____ اکتوبر 2021

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 اڑتالیس (48) گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں جمع کرا دیا 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 اینٹیٹی 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 اینٹیٹی کی صورت میں ڈائریکٹرز کی پاس کردہ قرارداد/ پاور آف اٹارنی مع نامزد فرد کے دستخط کے نمونہ پراکسی فارم کے ہمراہ اڑتالیس (48) گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں جمع کرنا ہوگی۔










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CONTACT INFORMATION

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