



**TOGETHER
WE RISE**



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First Quarterly Report

For The Period Ended 30 September, 2021



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

**“SAY NO TO
CORRUPTION”**

**“SAY NO TO
CORRUPTION”**



PUNJAB OIL MILLS LIMITED

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PUNJAB OIL MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Tahir Jahangir Mr. Usman Ilahi Malik Mr. Jilani Jahangir Mr. Furqan Anwar Batla Mrs. Munizae Jahangir Miss Mehrunisa Malik Mr. Firasat Ali	Chairman Chief Executive Officer Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Independent Director
AUDIT COMMITTEE	Mr. Firasat Ali Mr. Furqan Anwar Batla Miss Mehrunisa Malik	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Firasat Ali Mr. Usman Ilahi Malik Mr. Jilani Jahangir Mr. Furqan Anwar Batla Mrs. Munizae Jahangir	Chairman Member Member Member Member
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	19-A/1, Block E-II, Gulberg-III, Lahore-Punjab 54660. 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	



PUNJAB OIL MILLS LIMITED

Directors' Report

Operating Performance

In the quarter under review (Q1 FY2022), the company's revenue for the 3 months increased by 48% compared to the same period last year. This was primarily due to the continuous and unprecedented increase in oil costs and associated rise in selling prices. To a lesser extent, better over-all volumes also contributed to the top line growth.

Though rising prices led to a sharp jump in revenue, our margins continued to suffer as the increasing selling prices are in fact still playing catchup to the higher cost of raw materials. Compared to the revenue growth, the cost of sales increased by 59% for the period under review, meaning the gross profit margin fell to 11.1%. As a result, despite higher revenue, the gross profit declined by 4% for the first quarter compared to same period last year.

Over-all operating expenses decreased by 9% for the period, with the selling costs and administrative costs showing fall of 5% and 15% respectively. Overall, the decrease in operating expenses led to 13% rise in operating profit.

Finance costs increased for the quarter as the company used more bank facilities to finance its much higher working capital needs. Working capital financing was higher with raw material costs sharply increased this period. Other income was comparatively lower this quarter, mainly because the same quarter last year had higher than usual other income, with inclusion of tolling revenue (absent in current period) as well as higher booking of scrap sale in that period.

Combination of higher financial expenses and lower other income converted the increase in profits at the operating level, to an 11% decrease in profit before tax recorded for the quarter compared to same period last year.

Although the pre-tax profit was lower, our tax provision was higher for the period, up by 14%. As a result, the company posted a profit after tax of PKR 27.1 million for the 3 months, a 25% decrease compared to same quarter last year.

Outlook for the Year

Our outlook for the remaining 3 quarters has not changed much from the annual review done one month ago. We are still anticipating a difficult business environment for the company as the international oil markets continue to be volatile and are so far persisting with the bullish trend. The quantum and continuity of the increase in input costs is unprecedented and will keep our margins under pressure.



PUNJAB OIL MILLS LIMITED

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 three months.

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

(TAHIR JAHANGIR)
CHAIRMAN

For & on behalf of the board

(USMAN ILAHI MALIK)
CHIEF EXECUTIVE OFFICER

Islamabad:
Date: October 28, 2021



PUNJAB OIL MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER, 2021 (UN-AUDITED)

	1st Quarter Ended 30-09-2021 Rupees (Un-Audited)	YEAR ENDED 30-06-2021 Rupees (Audited)
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital 10,000,000 (30 June 2021, 10,000,000) ordinary shares of Rs. 10/- each	100,000,000	100,000,000
Issued, subscribed and paid-up capital	53,906,520	53,906,520
Capital reserves	23,137,159	23,137,159
Surplus on revaluation of property, plant and equipment- net of tax	353,482,847	355,504,971
Revenue reserves	864,658,120	835,556,503
	1,295,184,646	1,268,105,153
NON CURRENT LIABILITIES		
Deferred liabilities	135,111,039	131,203,390
Long term borrowings	4,355,559	9,056,678
	139,466,598	140,260,068
CURRENT LIABILITIES		
Trade and other payables	746,141,741	624,814,399
Short term borrowings	308,291,048	218,499,258
Current portion of long term borrowings	20,808,730	21,154,291
Accrued mark up	3,131,873	2,159,235
Unclaimed dividend	8,784,556	8,789,596
Provision for taxation	229,399,272	206,532,450
	1,316,557,220	1,081,949,229
Contingencies and commitments	-	-
	2,751,208,464	2,490,314,450
ASSETS		
NON CURRENT ASSETS		
Tangible fixed Assets		
Property, plant and equipment	635,272,173	636,426,057
Capital work in progress	27,381,962	27,318,665
	662,654,135	663,744,722
Intangible assets	10,482,996	12,336,696
Investment in associate	-	-
Long term deposits	50,872,333	48,807,950
	724,009,464	724,889,368
CURRENT ASSETS		
Stores, spare parts and loose tools	150,155,826	133,127,179
Stock in trade	376,395,686	505,054,831
Trade debts	1,077,615,381	786,637,417
Loans and advances	79,087,047	69,786,897
Trade deposits and short term prepayments	15,853,394	22,149,113
Other receivables	16,581,811	43,230,014
Advance income tax	204,279,601	178,765,577
Cash and bank balances	107,230,254	26,674,054
	2,027,199,000	1,765,425,082
	2,751,208,464	2,490,314,450

The annexed notes form an integral part of these financial statements

CHAIRMAN

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

CONDENSED INTERIM PROFIT OR LOSS ACCOUNT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2021 (UN-AUDITED)

	1st Quarter Ended 30.09.2021	1st Quarter Ended 30.09.2020
	Rupees	Rupees
Sales - net	1,828,761,344	1,236,852,917
Cost of sales	1,625,448,901	1,025,438,507
Gross profit	203,312,443	211,414,410
Operating Expenses		
Selling and distribution Cost	94,882,463	100,385,099
Administrative expenses	50,942,016	60,160,397
	145,824,479	160,545,496
Operating profit	57,487,964	50,868,914
Finance cost	6,729,602	4,251,698
Other charges	4,000,191	4,481,420
	10,729,793	8,733,118
	46,758,171	42,135,796
Other income	3,188,144	14,195,625
	49,946,315	56,331,421
Profit before taxation	22,866,822	19,999,334
Taxation		
Profit after Taxation	27,079,493	36,332,087
Earning per Share -Basic and diluted	5.02	6.74

The Annexed notes form an integral part of these interim condensed financial information.


CHAIRMAN


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

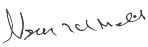
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2021 (UN-AUDITED)

	IST QUARTER ENDED 30.09.2021 RUPEES	IST QUARTER ENDED 30.09.2020 RUPEES
Profit after taxation	27,079,493	36,332,087
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	27,079,493	36,332,087

The annexed notes form an integral part of these financial statements


CHAIRMAN


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

CONDENSED INTERIM CASH FLOWS STATEMENT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2021 (UN-AUDITED)

	1ST QUARTER ENDED 30-09-2021 Rupees	1ST QUARTER ENDED 30-09-2020 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period before taxation	49,946,315	56,331,421
Adjustments for following items:		
Workers' profit participation fund	2,690,125	3,043,044
Workers' welfare fund	1,074,213	1,211,724
Gain on disposal of property, plant and equipment	-	-
Provision for staff retirement benefits	3,907,649	4,872,359
Depreciation	9,357,018	9,935,407
Amortization of Intangible assets	1,853,700	1,643,235
Finance cost	6,729,602	4,251,698
	<u>25,612,307</u>	<u>24,957,467</u>
Operating Profit before Working Capital Changes	75,558,622	81,288,888
(Increase)/Decrease in Current Assets:		
Stores, spare parts and loose tools	(17,028,647)	(15,950,797)
Stock in trade	128,659,145	(25,173,983)
Trade debts	(290,977,964)	84,851,038
Loan and advances	(9,300,150)	11,647,168
Trade deposits and short term prepayments	6,295,719	8,027,619
Other receivables	26,648,203	288,557
	<u>(155,703,694)</u>	<u>63,689,602</u>
Increase / (Decrease) in Current Liabilities:		
Trade and other payables	117,693,639	(23,285,102)
Cash generated from operations	<u>37,548,567</u>	<u>121,693,388</u>
Workers' profit participation fund paid	-	-
Workers' welfare fund paid	-	-
Staff retirement benefits paid	(222,472)	(642,760)
Finance cost paid	(5,665,112)	(4,764,535)
Income tax paid	(25,514,024)	(27,985,634)
Dividend paid	(5,040)	-
	<u>(31,406,648)</u>	<u>(33,392,929)</u>
Net cash generated from/ (Used in) operating activities	6,141,919	88,300,459
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(2,645,648)	(760,600)
Proceeds from disposal of property, plant and equipment	-	-
Capital work in progress	(5,620,798)	(3,961,285)
Long term deposits	(2,064,383)	(1,500,000)
Net cash used in investing activities	(10,330,829)	(6,221,885)
CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowing	(4,701,119)	13,277,252
Short term borrowings	89,791,790	(47,857,931)
current Portion of long term borrowings	(345,561)	-
Net cash flow generated from financing activities	84,745,110	(34,580,679)
Net increase in cash and cash equivalents	80,556,200	47,497,895
Cash and cash equivalents at the beginning of the period	26,674,054	32,960,061
Cash and cash equivalents at the end of the period	<u>107,230,254</u>	<u>80,457,956</u>

The annexed notes form an integral part of these financial statements


CHAIRMAN


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2021 (UN-AUDITED)

	(RUPEES)					
	SHARE CAPITAL	CAPITAL RESERVES	REVALUATION SURPLUS	REVENUE RESERVES	ACCUMULATE D PROFIT	TOTAL
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
Total Comprehensive Income for the period	-	-	-	-	-	-
Profit for the period ended 30 September ,2020	-	-	-	-	36,332,087	36,332,087
Transfer from surplus on revaluation of property, plant and equipment	-	-	(2,649,208)	-	2,649,208	-
Balance as at 30 September ,2020	53,906,520	23,137,159	360,144,259	8,600,000	879,690,029	1,325,477,967
Balance as at 01 July ,2021	53,906,520	23,137,159	355,504,971	8,600,000	826,956,503	1,268,105,153
Total Comprehensive Income for the period	-	-	-	-	-	-
Profit for the period ended 30 September ,2021	-	-	-	-	27,079,493	27,079,493
Transfer from surplus on revaluation of property, plant and equipment	-	-	(2,022,124)	-	2,022,124	-
Balance as at 30 September ,2021	53,906,520	23,137,159	353,482,847	8,600,000	856,058,120	1,295,184,646

The annexed notes form an integral part of these financial statements


CHAIRMAN


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2021 (UN-AUDITED)

1 LEGAL STATUS AND OPERATIONS

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

2 BASIS OF PREPARATION

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of International Financial Reporting Standard (IFRS) IAS 34 as applicable in Pakistan. This condensed interim financial information and disclosures required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June, 2021.

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the preceding year ended 30 June, 2021.

4 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 28 October, 2021 by the Board of Directors of the Company.

5 GENERAL

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

CHAIRMAN

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

