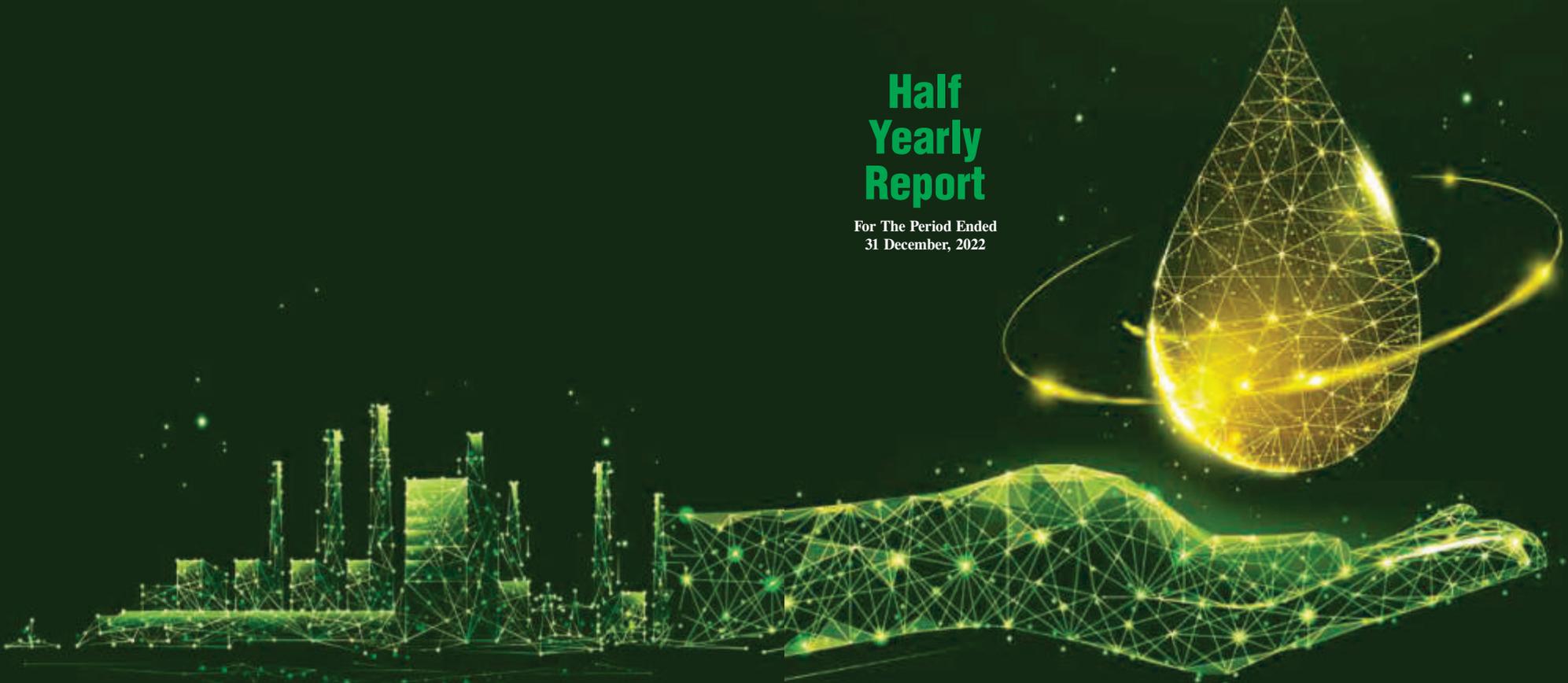


Half Yearly Report

For The Period Ended
31 December, 2022



Contact Information

Plot No. 26, 27, 28 Industrial Triangle, Kahuta Road, Islamabad.
Ph: 051- 4490017-21 | info@punjaboilmills.com | www.punjaboilmills.com

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Punjab Oil Mills Limited

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



Directors' Report

Operating Performance

In the HY under review (HY FY2022), the company's revenue for the 6 months increased by 7.2% compared to the same period last year. This was due to higher selling prices, which were increased in response to increased raw material costs compared to the same period last year.

We achieved a gross margin of 8% for the period under review, which was largely unchanged from the same period last year. As a result, due to higher revenue, the gross profit increased by 10.6% for the HY.

Over-all operating expenses increased by 8.3% for the period. Main reason for this increase was the 25% increase in Admin expenses, primarily caused by higher salaries and wages cost and transport costs, followed by general inflationary pressure on most expenses. Selling expenses were marginally lower due to decrease in advertising expense. As a result the operating profit increased by 20% compared to the same period last year.

Finance costs increased sharply due to higher interest rates as well as higher bank borrowings (short term). The increase in finance costs, being more than the growth in operating profit compared to same period last year, led to a 62.4% decline in profit before tax.

Even though the profit before tax was lower, the taxation figure went up by 7%, due to minimum turn over tax which was applied, effectively imposing a 203% tax rate on the company.

As a result, the company posted an after-tax loss of PKR 28.6 million for the 6 months.

Outlook for the Year

Going forward we are anticipating a challenging business environment for the company. There was high volatility in oil prices with international oil prices crashing during the previous 6 months. Some of the high-cost inventory being carried may weigh on margins. At the same time despite lower international oil prices, the rapid devaluation of the PKR coupled with severe shortage of oil in the local market due to both unavailability of USD for LCs and delay in release of Soyabean shipments, has sent local oil costs skyrocketing to high levels. However, the company had been successfully increasing prices to reflect the new cost dynamics and has plans to increase activity levels in Ramadan with marketing campaigns to boost sales and margins. This will help to restore profitability in the medium terms in the face of inflationary pressures and high interest rates. A deal with the IMF and easing of the exchange rate will also improve the supply side situation and lower costs.



The current scenario has to be weighed against the need for the company to invest in its profitable brands in the face of tough competition. The management will need to carefully balance the need to trim costs, while remaining competitive in the marketplace by rationalizing its marketing spend. Any investments into capex expenditures will also have to be considered and chosen carefully to maintain our improvement plans without effecting ongoing operations.

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: February 27, 2023



Punjab Oil Mills Limited

**Independent Auditor's Review Report To the members of
Punjab Oil Mills Limited
Report on Review of Interim Financial Statements**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Punjab Oil Mills Limited (“the company”)** as at 31 December 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year ended (here-in-after referred to as the “condensed interim financial statements”). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2022 and 31 December 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Malik Haroon Ahmad.

Malik Haroon Shahid Safder & Co.
Chartered Accountants

Dated: 27 February 2023
Lahore

UDIN: RR202210206bA9EudmQj



Punjab Oil Mills Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 31 DECEMBER, 2022

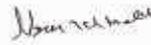
EQUITY AND LIABILITIES	Note	31-Dec. 22 Rupees Un-Audited	30-Jun. 22 Rupees Audited
SHARE CAPITAL AND RESERVES			
Authorized share capital 10,000,000 (30 June 2022: 10,000,000) ordinary shares of Rs. 10/- each		100,000,000	100,000,000
Issued, subscribed and paid-up capital 6,468,782 (30 June 2022: 5,390,652) ordinary shares of Rs. 10/- each		64,687,820	53,906,520
Capital reserves		23,137,159	23,137,159
Surplus on revaluation of property, plant and equipment - net of tax		1,773,287,143	1,782,650,951
Revenue reserves		868,696,487	909,474,371
		<u>2,729,808,609</u>	<u>2,769,169,001</u>
NON CURRENT LIABILITIES			
Deferred liabilities		198,252,004	193,482,102
Long term borrowings		-	-
Liabilities against assets subject to finance lease		3,681,393	4,215,661
		<u>201,933,397</u>	<u>197,697,763</u>
CURRENT LIABILITIES			
Trade and other payables		660,351,908	1,035,110,975
Short term borrowings		797,062,154	413,412,029
Current portion of long term borrowings		1,060,290	11,082,599
Accrued mark up		16,435,866	6,840,235
Unclaimed dividend		16,009,588	9,102,088
Provision for taxation		175,852,617	229,419,610
		<u>1,666,772,423</u>	<u>1,704,967,536</u>
Contingencies and commitments	5	-	-
		<u>4,598,514,429</u>	<u>4,671,834,300</u>
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	2,108,897,076	2,124,245,065
Right of use asset		4,614,988	5,127,764
Capital work in progress		3,959,586	-
		<u>2,117,471,650</u>	<u>2,129,372,829</u>
Intangible assets		1,214,496	4,921,896
Investment in associate		-	-
Long term deposits		92,162,750	69,507,850
		<u>2,210,848,896</u>	<u>2,203,802,575</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		143,020,346	137,349,995
Stock in trade		808,191,186	832,322,595
Trade debts		1,009,671,944	1,058,124,372
Loans and advances		51,772,948	76,597,371
Trade deposits and short term prepayments		17,237,665	29,665,367
Short term investment		-	8,000,000
Other receivables		52,886,587	49,079,364
Advance income tax		198,407,169	213,296,936
Cash and bank balances		106,477,688	63,595,725
		<u>2,387,665,533</u>	<u>2,468,031,725</u>
		<u>4,598,514,429</u>	<u>4,671,834,300</u>

The annexed notes from 01 to 11 form an integral part of this condensed interim financial information.

Half Yearly Report


CHAIRMAN


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER



Punjab Oil Mills Limited

CONDENSED INTERIM PROFIT OR LOSS FOR THE HALF YEAR & QUARTER ENDED 31 DECEMBER, 2022 (UN-AUDITED)

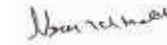
	Note	Six months period ended		Three months period ended	
		31-Dec. 22 Rupees	31-Dec. 21 Rupees	31-Dec. 22 Rupees	31-Dec. 21 Rupees
Sales - net		4,509,402,890	4,207,691,762	2,229,676,412	2,378,930,418
Cost of sales		4,146,534,612	3,879,558,080	2,085,174,492	2,254,109,179
Gross profit		362,868,278	328,133,682	144,501,920	124,821,239
Operating expenses:					
Selling and distribution cost		151,699,752	156,882,561	59,548,089	62,000,098
Administrative expenses		133,968,515	106,864,184	67,305,547	55,922,168
		285,668,267	263,746,745	126,853,636	117,922,266
Operating profit		77,200,011	64,386,937	17,648,284	6,898,973
Finance cost		58,344,849	16,473,277	33,956,598	9,743,675
Other charges		2,803,189	5,278,462	(455,875)	1,278,271
		61,148,038	21,751,739	33,500,723	11,021,946
		16,051,973	42,635,198	(15,852,439)	(4,122,973)
Other income		11,787,358	21,127,972	4,521,209	17,939,828
Profit before taxation		27,839,331	63,763,170	(11,331,230)	13,816,855
Taxation		56,418,419	52,627,938	27,910,141	29,761,116
Profit/(loss) after taxation		(28,579,088)	11,135,232	(39,241,371)	(15,944,261)
Earnings/(loss) per share - basic and diluted	7	(5.20)	2.07	(7.13)	(2.96)

Appropriations have been reflected in the condensed statement of changes in equity.
The annexed notes from 01 to 11 form an integral part of this condensed interim financial information.

Half Yearly Report


CHAIRMAN


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER



Punjab Oil Mills Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR & QUARTER ENDED 31 DECEMBER, 2022 (UN-AUDITED)

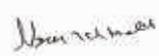
Note	Six months period ended		Three months period ended	
	31-Dec. 22 Rupees	31-Dec. 21 Rupees	31-Dec. 22 Rupees	31-Dec. 21 Rupees
Profit/(loss) after taxation	(28,579,088)	11,135,232	(39,241,371)	(15,944,261)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>(28,579,088)</u>	<u>11,135,232</u>	<u>(39,241,371)</u>	<u>(15,944,261)</u>

The annexed notes from 01 to 11 form an integral part of this condensed interim financial information.

Half Yearly Report


CHAIRMAN


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER



Punjab Oil Mills Limited

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER, 2022 (UN-AUDITED)

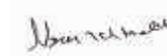
CASH FLOW FROM OPERATING ACTIVITIES	Note	31-Dec. 22 Rupees	31-Dec. 21 Rupees
Profit for the period before taxation		27,839,331	63,763,170
Adjustments for following non-cash items:			
Workers' profit participation fund		1,515,889	3,432,966
Workers' welfare fund		599,086	1,371,350
Gain on disposal of property, plant and equipment		-	-
Provision for staff retirement benefits		9,247,972	7,815,298
Depreciation		22,442,062	19,048,130
Amortization		3,707,400	3,707,400
Finance cost		58,344,849	16,473,277
		<u>95,857,258</u>	<u>51,848,421</u>
Operating profit before working capital changes		123,696,589	115,611,591
(Increase)/decrease in current assets:			
Stores, spare parts and loose tools		(5,670,351)	(12,353,971)
Stock in trade		24,131,409	49,893,964
Trade debts		48,452,428	(403,019,034)
Loan and advances		24,824,423	14,802,397
Trade deposits and short term prepayments		12,427,702	(10,848,786)
Short term investment		8,000,000	-
Other receivables		(3,807,223)	13,689,565
		<u>108,358,388</u>	<u>(347,835,865)</u>
Increase/(decrease) in current liabilities:			
Trade and other payables		(367,661,742)	134,209,330
Cash generated from operations		(135,606,765)	(98,014,944)
Workers' profit participation fund paid		(9,575,779)	-
Workers' welfare fund paid		-	-
Staff retirement benefits paid		(4,478,070)	(222,472)
Finance cost paid		(48,385,739)	(12,395,201)
Income tax paid		(95,095,645)	(56,968,094)
Dividend paid		(3,873,804)	(5,078,160)
		<u>(161,409,037)</u>	<u>(74,663,927)</u>
Net cash used in operating activities		(297,015,802)	(172,678,871)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(6,581,297)	(3,114,813)
Lease rentals paid		(463,218)	(279,832)
Capital work in progress		(3,959,586)	(5,862,136)
Proceeds from disposal of property, plant and equipment		-	-
Long term deposits		(22,654,900)	(8,402,538)
Net cash used in investing activities		(33,659,001)	(17,659,319)
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(decrease) in finance lease liability		-	-
Long term borrowings		(10,093,359)	(10,093,362)
Short term borrowings		383,650,125	217,323,097
Net cash flow from financing activities		373,556,766	207,229,735
Net Increases/(decrease) in cash and cash equivalents		42,881,963	16,891,545
Cash and cash equivalents at the beginning of the period		63,595,725	26,674,054
Cash and cash equivalents at the end of the period		106,477,688	43,565,599

The annexed notes from 01 to 11 form an integral part of this condensed interim financial information.

Half Yearly Report


CHAIRMAN


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER



Punjab Oil Mills Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER, 2022 (UN-AUDITED)

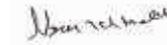
	(Rupees)					
	Ordinary share capital	Capital reserves	Revaluation surplus	Revenue Reserves		Total
				General reserves	Accumulated profit	
Balance as at 01 July 2021	53,906,520	23,137,159	355,504,971	8,600,000	826,956,503	1,268,105,153
Total comprehensive income for the period:						
Profit for the half year ended 31 December 2021	-	-	-	-	11,135,232	11,135,232
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	11,135,232	11,135,232
Transfer from surplus on revaluation of plant and equipment on account of - Incremental depreciation - net of deferred tax	-	-	(3,279,274)	-	3,279,274	-
<i>Transaction with owners recorded directly in equity - Distributions</i>						
Final dividend for the year 2021	-	-	-	-	(5,390,652)	(5,390,652)
Balance as at 31 December 2021	53,906,520	23,137,159	352,225,697	8,600,000	835,980,357	1,273,849,733
Total comprehensive income for the period:						
Profit for the half year ended 30 June 2022	-	-	-	-	56,173,983	56,173,983
Suplus on revaluation of property, plant and equipment - net of deferred tax	-	-	1,434,783,062	-	-	1,434,783,062
Other comprehensive income	-	-	-	-	4,362,223	4,362,223
Total comprehensive income for the period	-	-	1,434,783,062	-	60,536,206	1,495,319,268
Transfer from surplus on revaluation of plant and equipment on account of - Incremental depreciation - net of deferred tax	-	-	(4,357,808)	-	4,357,808	-
<i>Transaction with owners recorded directly in equity - Distributions</i>						
Final dividend for the year 2021	-	-	-	-	-	-
Balance as at 30 June 2022	53,906,520	23,137,159	1,782,650,951	8,600,000	900,874,371	2,769,169,001
Total comprehensive income for the period:						
Profit for the half year ended 31 December 2022	-	-	-	-	(28,579,088)	(28,579,088)
Suplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(28,579,088)	(28,579,088)
Transfer from surplus on revaluation of plant and equipment on account of - Incremental depreciation - net of deferred tax	-	-	(9,363,808)	-	9,363,808	-
<i>Transaction with owners recorded directly in equity - Distributions</i>						
20% Bonus shares issued for the year 2022	10,781,300	-	-	-	(10,781,300)	-
20% Final cash dividend for the year 2022	-	-	-	-	(10,781,304)	(10,781,304)
	10,781,300	-	-	-	(21,562,604)	(10,781,304)
Balance as at 31 December 2022	64,687,820	23,137,159	1,773,287,143	8,600,000	860,096,487	2,729,808,609

The annexed notes from 01 to 11 form an integral part of this condensed interim financial information.

Half Yearly Report


CHAIRMAN


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

1 LEGAL STATUS AND OPERATIONS

Punjab Oil Mills Limited ('the Company') was incorporated in Pakistan as a Public Limited Company on 05 February 1981. The Company is listed on Pakistan Stock Exchange Limited. The registered office and Plant of the company are located at Plot No. 26, 27 and 28, Industrial Triangle, Kahuta Road, Islamabad, Pakistan. The head office of the company is located at 19-A1 Block E II, Gulberg III, Lahore, Pakistan.

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

2 BASIS OF PREPARATION

2.01 Statement of Compliance

These condensed interim financial statements comprise the condensed interim statement of financial position of the company as at December 31, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with notes forming part thereof.

These condensed interim statements are un-audited but subject to limited scope review by the external auditors and being submitted to the shareholders as required by the Listing Regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.

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

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standard Board (IASB) as notified under Companies Act, 2017; and
- Provisions of and directives issued under Companies Act, 2017

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the companies Act, 2017 have been followed.

These condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual audited financial statements as at and for the year ended June 30, 2022. Comparative condensed interim statement of financial position is stated from annual financial statements as of June 30, 2022, whereas comparatives for condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and related notes are extracted from condensed interim financial statement of the Company for the six months' period December 31, 2022.

3 SIGNIFICANT ACCOUNTING POLICIES

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

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and used judgments that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing this condensed interim financial information, the significant judgments made by management in applying the company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended 30 June 2022.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2022.



5 CONTINGENCIES AND COMMITMENTS

5.01 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 (2021: 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 4.65 million (30 June 2022: Rs.4.50 million) and 22 million (30 June 2022: Rs. 67.27 million) in favour of Sui Northern Gas Pipelines Limited for industrial use of gas and Excise and Taxation Department respectively.

- b) The Company filed a writ petition No. 218471/2018 to Honorable High Court against the order dated 31 May 2018 passed by Punjab Food Authority (PFA) alleging that the label of CanOlive (a product of the Company) is misleading in terms of Punjab Pure Food Regulations, 2017. The Honorable Lahore High Court passed a stay order dated 08 June 2018 restraining the PFA from taking any coercive measures against the Company. According to the legal adviser of the Company, favorable outcome is expected. No adverse financial impact is also expected regarding this matter.
- c) The Company filed a writ petition No. 226294/2018 to Honorable High Court against the order dated 29 June 2018 passed by Punjab Food Authority (PFA) alleging the Company that the label of Naturelle (a product of the Company) is misleading in terms of Punjab Pure Food Regulations, 2017. The Honorable Lahore High Court passed a stay order dated 20 July 2018 restraining the PFA from taking any coercive measures against the Company. According to the legal adviser of the Company, favorable outcome is expected. No adverse financial impact is also expected regarding this matter.
- d) The Taxation Officer of Inland Revenue had issued assessment order vide DCR No. 02/53 on 31 October 2011 for the tax year 2009 incorporating the liability of Income Tax and WWF and raising demand for payment of Income Tax and WWF amounting to Rs. 448.22 million and Rs. 58.66 million respectively. The Company filed an appeal on 02 December 2012 before the Commissioner Income Tax (Appeals) {CIT(A)} against the order of Taxation Officer and the case was decided in favor of the Company vide Order No. 623/2011 on 20 January 2012. The tax department had filed an appeal in ITAT against the decision of the CIT(A). However, the management is confident that the ultimate decision shall be in favor of the Company. Therefore, no provision has been made in these financial statements for the said amounts.
- e) The Taxation officer of Inland Revenue issued order u/s 122(1) and u/s 122(4) of the Income Tax Ordinance, 2001 for the tax year 2010, 2011 and 2012 on 31 August 2015 creating demand for Rs. 26.57 million. The Company filed appeal against the Commissioner Income Tax (Appeals) {CIT(A)} against the said order on 09 October 2015 and the case was decided in favor of the Company on 10 February 2016. However, Tax department filed an appeal in ITAT against the decision of the CIT(A). However, as a matter of prudence, the Company has not reversed the provision created in previous years. The management is hopeful that the said demand shall be waived off.
- f) The Taxation Officer of Inland Revenue had issued assessment orders vide DCR No. 37/53 and 38/53 on 17 June 2015 for the tax years 2006 and 2007 respectively incorporating liability of Income Tax and WWF amounting to Rs. 5,403,105 and Rs. 8,157,718 respectively. The Company filed an appeal before the Commissioner Income Tax (Appeals) {CIT(A)} against the order of Taxation Officer on 26 June 2015 and the case was decided in favor of the Company on 29 October 2015 vide Order No. 160/2015 and 161/2015. However, tax department filed an appeal in ITAT against the decision of the CIT(A) on 07 January 2016. The matter was again decided in favor of the Company. For tax years 2006 and 2007, department of inland revenue issued notices u/s 122(5A) of the Income Tax Ordinance, 2001. Subsequently, after the initial proceedings and vacation of stay order by Honorable Court, the department of inland revenue issued assessment order u/s 122(5A) of the Income Tax Ordinance, 2001 creating liability amounting to Rs. 13,560,823. The Company filed appeal to CIT(A) against the order and the CIT(A) had decided the case in favor of the Company. The Tax department has gone into appeal before the ITAT against this order. The Company as a matter of prudence has not reversed the provision for tax years 2006 and 2007 for an amount of Rs. 13,560,823 as aggregate liability which was created during the prior years. The management is hopeful that the ultimate decision shall be in favor of the Company.
- g) The Taxation officer of Inland Revenue issued order u/s 161/205 of the Income Tax Ordinance, 2001 on 30 June 2015 for the tax year 2009 creating demand of Rs. 1.27 million. The Company filed appeal before the Commissioner Income Tax (Appeals) {CIT(A)} against the said order on 30 July 2015. On 10 February 2016,



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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.

5.02 COMMITMENTS

Letters of credit other than for capital expenditure as at the statement of financial position date amounted to Rs. 323.83 million (30 June 2022: Rs. 557.67 million).

6 PROPERTY, PLANT AND EQUIPMENT	Note	31-Dec. 22	30-Jun. 22
		Rupees	Rupees
Opening balance (WDV)		2,124,245,065	636,426,057
Add: Additions during the period / year	6.01	6,581,297	7,378,857
Less: Revaluation surplus		-	1,485,923,780
Add: Transfer from capital work in progress		-	34,122,119
		<u>2,130,826,362</u>	<u>2,163,850,813</u>
Less: Depreciation charged for the period / year		21,929,286	39,605,748
Closing balance (WDV)		<u><u>2,108,897,076</u></u>	<u><u>2,124,245,065</u></u>
6.01 Detail of additions during the period / year			
- Plant and machinery		3,158,613	5,187,536
- Office equipment		3,268,184	2,024,821
- Furniture and fixtures		154,500	114,500
- Owned vehicles		-	52,000
		<u>6,581,297</u>	<u>7,378,857</u>

7 EARNINGS PER SHARE - BASIC AND DILUTED

Basic earnings per share:		Six months period ended		Three months period ended	
		31-Dec. 22	31-Dec. 21	31-Dec. 22	31-Dec. 21
Profit/(loss) after taxation	Rupees	(28,579,088)	11,135,232	(39,241,371)	(15,944,261)
Weighted average number of ordinary shares	Number	5,499,942	5,390,652	5,499,942	5,390,652
Earnings/(loss) per share - basic and diluted	Rupees	<u>(5.20)</u>	<u>2.07</u>	<u>(7.13)</u>	<u>(2.96)</u>

7.01 There is no dilution effect on the basic earning per share.

8 TRANSACTIONS WITH RELATED PARTY

Disclosure of transactions between the company and its related parties:-

Related parties comprise of associated companies, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Details of the transactions with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim financial statements are as follows:

Nature of transaction	Relationship with the company	31-Dec. 22	31-Dec. 21
		Rupees	Rupees
Reimbursement of expenses			
Sharing of office expenses			
Hala Enterprises Limited	Associated company	<u>3,933,319</u>	<u>2,986,955</u>

9 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on 27 February, 2023 declared the issuance of bonus shares @ Nil and interim cash dividend @ Nil.



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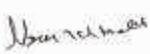
10 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 27 February, 2023 by the board of directors of the Company.

11 GENERAL

Corresponding figures have been re-arranged, wherever necessary to the facilitation of comparison.

Figures have been rounded off to the nearest rupee.


CHAIRMAN
CHIEF FINANCIAL OFFICER
CHIEF EXECUTIVE OFFICER

