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CONTACT INFORMATION

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Quarterly Report

For The Period Ended 31 March, 2022



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. Rana Shakeel Shaukat	
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

Sales revenue for the 9 months under review showed an increase of 49% compared to the same period last year. This can be considered a continuation of the trend seen at the half-year mark. The increase in revenue being mainly attributable to higher selling prices, which were increased during the period due to the sharp increase in international and local edible oil rates; while to a lesser extent, some growth in sales volumes also contributing marginally to the revenue growth.

However, as the bulk of revenue growth was from price increase in reaction to higher raw material cost, there was a dip in gross margins as the costs went up by a larger ratio compared to the price increase. This dip in profitability led to a nominal contraction of 0.6% in the gross profit for the 9 months under review. This despite the fact that the gross margins improved by 100bps from the half-year mark.

Over-all operating expenses decreased by 13% for the period. Main reason for this decrease was lesser provisioning for advertisement as the management decided to curtail ATL spent in light of lower profitability. Due to reduced expenditure at the operating level – and despite stagnant gross profits - the operating profit increased by 74% compared to same period last year.

Other operating charges increased by 83% from last year, mostly because heads based on operating profits increased by corresponding amounts. Finance charges also continued their upwards trend due to higher interest rates as well as higher bank borrowing to finance our working capital needs.

Main reason for higher other income was booking of PKR 35.5mn as contract settlement of edible oil import deals. The deals were contracted at favorable prices and after the markets went up sharply, the seller offered an option to forego the forward delivery and settle the contract at market price. The management decided to lock in the profits by taking the option. This does mean however, that margins going forward would be tighter as the benefit of future lower priced oil has been realized today.

With higher operating profits and other income, the profit before tax increased by 92% compared to same period last year. As the assessed tax at the normal tax rate came out lower than 1.25% turnover tax, the provision for tax was taken at the higher minimum tax value of PKR 81.4 million, representing 53% of the pre-tax profit. As a result, net profit increased by 412% for the period under review compared to same period last year, with the company posting a profit after tax of PKR 72.2 million for the 9 months.



PUNJAB OIL MILLS LIMITED

Outlook for the Year

Going forward we are anticipating a more difficult business environment for the company. The international oil markets continue to be volatile and over-all have persisted with the bullish trend, exacerbated by external shocks such as the Ukraine war. Though there were recent indications that prices may cool off with improving supply prospects from Malaysia, the unexpected ban on export of edible oil by Indonesia, the world's largest producer of Palm Oil, has lent another shock to the markets. As such we don't foresee a significant respite in the raw material cost increases in the near future and cannot rule out a further reduction in our margins.

In addition, such unprecedented high prices are also causing a reduction in demand and consumption, which in fact is a world-wide phenomenon at the moment. With slow demand 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 recovery of margins going forward. However, 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.

Hence 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. In this context, the management is planning to rationalize its selling costs across brands, and ensure resources are allocated where needed the most.

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.

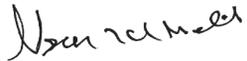
We would also like to thank our dedicated and talented team of executives, staff and workers for the hard work put in during the period. We expect continued efforts from our employees to achieve even better results in the next 3 months.

Last, but not the least, the management is grateful to the board for their continued support and invaluable guidance during these challenging times.


(TAHIR JAHANGIR)
CHAIRMAN/ DIRECTOR

Islamabad:
Date: 28 April, 2022

For & on behalf of the board


(USMAN ILAHI MALIK)
CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

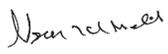
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 31 MARCH, 2022

	31-Mar. 22 Rupees	30-Jun. 21 Rupees
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	350,586,060	355,504,971
Revenue reserves	907,274,438	835,556,503
	1,334,904,177	1,268,105,153
NON CURRENT LIABILITIES		
Deferred liabilities	140,395,717	131,203,390
Long term borrowings	-	9,056,678
Lease Liability	5,282,675	-
	145,678,392	140,260,068
CURRENT LIABILITIES		
Trade and other payables	779,550,440	624,814,399
Short term borrowings	422,706,767	218,499,258
Current portion of long term borrowings	15,140,038	21,154,291
Current portion of lease liability	380,157	-
Accrued mark up	10,197,138	2,159,235
Unclaimed dividend	9,102,088	8,789,596
Provision for taxation	201,520,830	206,532,450
	1,438,597,458	1,081,949,229
Contingencies and commitments	-	-
	2,919,180,027	2,490,314,450
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment - tangible assets	619,633,275	636,426,057
Right of Use Asset	6,210,100	-
Capital work in progress - tangible assets	28,532,249	27,318,665
Intangible assets	6,775,596	12,336,696
	661,151,220	676,081,418
Long term deposits	63,146,900	48,807,950
CURRENT ASSETS		
Stores, spare parts and loose tools	143,511,482	133,127,179
Stock in trade	582,655,155	505,054,831
Trade debts	1,012,777,737	786,637,417
Loans and advances	82,079,695	69,786,897
Trade deposits and short term prepayments	25,616,306	22,149,113
Other receivables	47,822,684	43,230,014
Advance Income Tax	183,095,881	178,765,577
Cash and bank balances	117,322,967	26,674,054
	2,194,881,907	1,765,425,082
	2,919,180,027	2,490,314,450

The annexed notes form an integral part of this condensed interim financial information.


CHAIRMAN / DIRECTOR


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

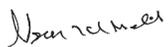
CONDENSED INTERIM PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH, 2022

	Nine months period ended		Three months period ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	Rupees	Rupees	Rupees	Rupees
Sales - net	6,513,450,846	4,377,791,352	2,305,759,084	1,655,879,598
Cost of sales	5,949,106,411	3,810,222,859	2,069,548,331	1,472,196,635
Gross profit	564,344,435	567,568,493	236,210,753	183,682,963
Operating expenses:				
Selling and distribution cost	261,036,192	316,434,749	104,153,631	109,356,449
Administrative expenses	166,402,874	172,542,277	59,538,690	52,635,249
Operating profit	136,905,369	78,591,467	72,518,432	21,691,265
Finance cost	31,672,098	13,123,806	15,198,821	4,438,433
Other charges	12,281,647	6,724,590	7,003,185	1,685,068
	43,953,745	19,848,396	22,202,006	6,123,501
Other income	92,951,624	58,743,071	50,316,426	15,567,764
Profit before taxation	60,687,978	21,214,906	39,560,006	3,731,767
Taxation	153,639,602	79,957,977	89,876,432	19,299,531
Profit/(loss) after taxation	81,449,926	65,866,856	28,821,988	24,851,955
	72,189,676	14,091,121	61,054,444	(5,552,424)
Earnings/(loss) per share - basic and diluted	13.39	2.61	11.33	(1.03)

The Annexed notes from an integral part of this condensed interim financial information


CHAIRMAN / DIRECTOR


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

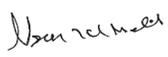
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED 31 MARCH, 2022

Note	Nine months period ended		Three months period ended	
	31-Mar-22 Rupees	31-Mar-21 Rupees	31-Mar-22 Rupees	31-Mar-21 Rupees
Profit/(loss) after taxation	72,189,676	14,091,121	61,054,444	(5,552,424)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>72,189,676</u>	<u>14,091,121</u>	<u>61,054,444</u>	<u>(5,552,424)</u>

The annexed notes from an integral part of this condensed interim financial information.


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PUNJAB OIL MILLS LIMITED

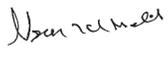
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH, 2022

	31-Mar. 22 Rupees	31-Mar-21 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period before taxation	153,639,602	79,957,977
Adjustments for following non-cash items:		
Workers' profit participation fund	8,265,032	4,313,289
Workers' welfare fund	3,304,176	1,719,822
Provision for staff retirement benefits	11,722,946	14,617,078
Depreciation	29,160,804	30,159,250
Amortization	5,561,100	6,054,647
Finance cost	31,672,098	13,123,806
	<u>89,686,156</u>	<u>69,987,892</u>
Operating profit before working capital changes	243,325,758	149,945,869
(Increase)/decrease in current assets:		
Stores, spare parts and loose tools	(10,384,303)	(13,143,348)
Stock in trade	(77,600,324)	(17,603,815)
Trade debts	(226,140,320)	(153,519,343)
Loan and advances	(12,292,798)	21,790,425
Trade deposits and short term prepayments	(3,467,193)	2,465,087
Other receivables	(4,592,670)	(17,565,882)
	<u>(334,477,608)</u>	<u>(177,576,876)</u>
Increase/(decrease) in current liabilities:		
Trade and other payables	148,214,907	232,004,657
Cash generated from operations	<u>57,063,057</u>	<u>204,373,650</u>
Workers' profit participation fund paid/adjusted	(3,451,487)	(10,815,655)
Workers' welfare fund paid/adjusted	(2,770,086)	(4,387,196)
Staff retirement benefits paid	(2,461,507)	(1,012,748)
Finance cost paid	(23,542,358)	(13,761,231)
Income tax paid	(90,791,850)	(66,913,292)
Dividend paid	(5,078,160)	(89,474)
	<u>(128,095,448)</u>	<u>(96,979,596)</u>
Net cash used in operating activities	(71,032,391)	107,394,054
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(5,797,971)	(10,723,353)
Intangible Assets	-	(9,000,000)
Capital work in progress	(6,771,085)	(39,553,270)
Long term deposits	(14,338,950)	(6,000,000)
Net cash used in investing activities	(26,908,006)	(65,276,623)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term borrowings	(15,070,931)	8,230,571
Short term borrowings	204,207,509	(5,352,225)
Lease rentals paid	(547,268)	-
Net cash flow from financing activities	188,589,310	2,878,346
Net Increases/(decrease) in cash and cash equivalents	90,648,913	44,995,777
Cash and cash equivalents at the beginning of the period	<u>26,674,054</u>	<u>32,960,061</u>
Cash and cash equivalents at the end of the period	117,322,967	77,955,838

The annexed notes form an integral part of this condensed interim financial information.


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CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

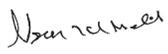
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH, 2022

	Ordinary share capital	Capital reserves	Revaluation surplus	Revenue Reserves		Total
				General reserves	Accumulated profit	
						(Rupees)
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
Profit for the Nine Months Period ended 31 March 2021	-	-	-	-	14,091,121	14,091,121
Transfer from surplus on revaluation of property, plant and equipment on account of - Incremental depreciation - net of deferred tax	-	-	(5,466,374)	-	5,466,374	-
Transaction with owners recorded directly in equity - Distributions	-	-	-	-	-	-
Balance as at 31 March 2021	53,906,520	23,137,159	357,327,093	8,600,000	860,266,229	1,303,237,001
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
Profit for the Nine Months period Ended 31 March 2022	-	-	-	-	72,189,676	72,189,676
Transfer from surplus on revaluation of property, plant and equipment on account of - Incremental depreciation - net of deferred tax	-	-	(4,918,911)	-	4,918,911	-
Transaction with owners recorded directly in equity - Distributions	-	-	-	-	-	-
10% Final dividend for the year 2021	-	-	-	-	(5,390,652)	(5,390,652)
Balance as at 31 March 2022	53,906,520	23,137,159	350,586,060	8,600,000	898,674,438	1,334,904,177

The annexed notes form an integral part of this condensed interim financial information.


CHAIRMAN / DIRECTOR


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS PERIOD ENDED 31 MARCH, 2022 (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 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. This condensed interim financial information does not include all of the 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 June 30, 2021.

This condensed interim financial information is being submitted to the shareholders as required by the listing regulation of Pakistan Stock Exchanges 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 June 30, 2021.

4 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on 28 April 2022, declared the issuance of bonus share @ NIL and interim cash dividend @ NIL.

5 DATE OF AUTHORIZATION FOR ISSUE

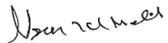
This condensed interim financial information was authorized for issue on 28 April, 2022 by the board of directors of the Company.

6 GENERAL

Corresponding figures have been re-arranged, wherever necessary to the facilitation of comparison
Figures have been rounded off to the nearest of rupees.


CHAIRMAN / DIRECTOR


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER

