

Nine Months Report

For The Period Ended
31 March, 2023



Contact Information

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CORRUPTION”**



Punjab Oil Mills Limited

CONTENTS

Company Information	1
Directors' Review Report	2-3
Condensed Interim Financial Position	4
Condensed Interim Profit or Loss Account	5
Condensed Interim Statement of Comprehensive Income	6
Condensed Interim Statement of Cash Flows.....	7
Condensed Interim Statement of Changes in Equity	8
Notes to the Condensed Interim Financial Information	9



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' REVIEW REPORT

Operating Performance

Sales revenue for the 9 months under review showed an increase of 21% compared to the same period last year. This can be considered an improvement of the trend seen at the half-year mark, wherein the revenue growth was 7.2%. The increase in revenue being mainly attributable to higher selling prices, which were increased during the period due to the increase in raw material costs, with the PKR devaluation playing a major role in the last quarter.

At the gross level the margins improved to 10% from 8.7% for the same period last year and 8% from the half-year mark. Margins during the first six months were subdued due to constrained volumes and high-cost oil inventory. However, we saw volumes improving in the last quarter and our selling prices also caught up with the increased costs. In addition, timely procurement of edible oil at favorable rates at a time when oil costs were increasing also contributed to better margins. This, combined with the higher revenue, led to a 40% growth in gross profits compared to the same period last year.

Over-all operating expenses increased by 16% for the period. Main reason for this increase was the 24% 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 up by 11%, mainly caused by higher freight and conveyance charges due to an increase in fuel costs. Though operating costs were higher, as a result of the improvement at the gross level, the operating profit increased by 116% compared to the same period last year.

Other operating charges increased by 39% 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 increasing working capital needs.

With higher operating profits, the profit before tax increased by 38% compared to the 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 98.8 million, representing 47% of the pre-tax profit. As a result, net profit increased by 56% for the period under review compared to the same period last year, with the company posting a profit after tax of PKR 112.5 million for the 9 months.

Outlook for the Year

As we had mentioned in our half-yearly review that we anticipate better margins as we increase prices and secure more sales volumes in Ramazan. Though we were able



Punjab Oil Mills Limited

to achieve this objective during the last quarter, going forward we are anticipating a challenging business environment for the company. Due to the unavailability of USD for LCs and delay in release of shipments, the local availability of edible oil is still relatively constrained. Moreover, many international suppliers are still taking a precautionary approach to selling into Pakistan, as a result of which there are looming supply chain bottle necks which will push up our costs and once again put margins under pressure. However, a deal with the IMF and easing of the forex situation should 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.

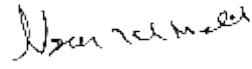
We would also like to thank our dedicated and talented team of executives, staff and workers for the hard work put in during the period. We expect continued efforts from our employees to achieve even better results in the next 3 months.

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: 27 April, 2023

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, 2023

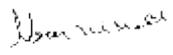
EQUITY AND LIABILITIES	31-Mar. 23	30-Jun. 22
	Rupees Un-Audited	Rupees Audited
SHARE CAPITAL AND RESERVES		
Authorized share capital 10,000,000 (30 June 2022: 10,000,000) ordinary shares of Rs. 10/- each	100,000,000	100,000,000
Issued, subscribed and paid-up capital	64,687,820	53,906,520
Capital reserves	23,137,159	23,137,159
Surplus on revaluation of property, plant and equipment - net of tax	1,768,605,239	1,782,650,951
Revenue reserves	1,014,496,958	909,474,371
	<u>2,870,927,176</u>	<u>2,769,169,001</u>
NON CURRENT LIABILITIES		
Deferred liabilities	200,411,955	193,482,102
Long term borrowings	-	-
Lease Liability	3,681,393	4,215,661
	<u>204,093,348</u>	<u>197,697,763</u>
CURRENT LIABILITIES		
Trade and other payables	930,544,617	1,035,110,975
Short term borrowings	658,537,438	413,412,029
Current portion non-current Liabilities	827,431	11,082,599
Accrued mark up	16,873,056	6,840,235
Unclaimed dividend	10,047,477	9,102,088
Provision for taxation	218,272,860	229,419,610
	<u>1,835,102,879</u>	<u>1,704,967,536</u>
Contingencies and commitments	-	-
	<u>4,910,123,403</u>	<u>4,671,834,300</u>
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment - tangible assets	2,090,458,717	2,124,245,065
Right of Use Asset	4,384,239	5,127,764
Capital work in progress - tangible assets	4,583,721	-
	<u>2,099,426,677</u>	<u>2,129,372,829</u>
Intangible assets	485,796	4,921,896
Investment in Associate	-	-
Long term deposits	100,043,750	69,507,850
	<u>2,199,956,223</u>	<u>2,203,802,575</u>
CURRENT ASSETS		
Stores, spare parts and loose tools	148,955,117	137,349,995
Stock in trade	620,061,582	832,322,595
Trade debts	1,520,031,097	1,058,124,372
Loans and advances	60,535,536	76,597,371
Trade deposits and short term prepayments	49,878,418	29,665,367
Short Term Investment	-	8,000,000
Other receivables	2,516,397	49,079,364
Advance Income Tax	237,762,247	213,296,936
Cash and bank balances	70,426,786	63,595,725
	<u>2,710,167,180</u>	<u>2,468,031,725</u>
	<u>4,910,123,403</u>	<u>4,671,834,300</u>

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

Nine Months Report


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, 2023

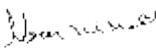
	Nine months period ended		Three months period ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	Rupees	Rupees	Rupees	Rupees
Sales - net	7,900,317,344	6,513,450,846	3,390,914,454	2,305,759,084
Cost of sales	7,109,051,860	5,949,106,411	2,962,517,248	2,069,548,331
Gross profit	791,265,484	564,344,435	428,397,206	236,210,753
Operating expenses:				
Selling and distribution cost	290,149,667	261,036,192	138,449,915	104,153,631
Administrative expenses	205,569,595	166,402,874	71,601,080	59,538,690
	495,719,262	427,439,066	210,050,995	163,692,321
Operating profit	295,546,222	136,905,369	218,346,211	72,518,432
Finance cost	90,638,600	31,672,098	32,293,751	15,198,821
Other charges	17,014,952	12,281,647	14,211,763	7,003,185
	107,653,552	43,953,745	46,505,514	22,202,006
	187,892,670	92,951,624	171,840,697	50,316,426
Other income	23,485,471	60,687,978	11,698,113	39,560,006
Profit before taxation	211,378,141	153,639,602	183,538,810	89,876,432
Taxation	98,838,662	81,449,926	42,420,243	28,821,988
Profit after taxation	112,539,479	72,189,676	141,118,567	61,054,444
Earnings per share - basic and diluted	19.52	13.39	24.47	11.33

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

Nine Months Report


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, 2023

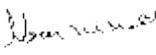
	Note	Nine months period ended		Three months period ended	
		31-Mar-23 Rupees	31-Mar-22 Rupees	31-Mar-23 Rupees	31-Mar-22 Rupees
Profit after taxation		112,539,479	72,189,676	141,118,567	61,054,444
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		<u>112,539,479</u>	<u>72,189,676</u>	<u>141,118,567</u>	<u>61,054,444</u>

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Nine Months Report


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Punjab Oil Mills Limited

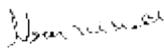
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH, 2023

	31-Mar. 23	31-Mar-22
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period before taxation	211,378,141	153,639,602
Adjustments for following non-cash items:		
Workers' profit participation fund	11,383,567	8,265,032
Workers' welfare fund	4,546,157	3,304,176
Gain on disposal of property, Plant and equipment	(3,187)	-
Provision for staff retirement benefits	13,871,958	11,722,946
Depreciation	42,860,792	29,160,804
Amortization	4,436,100	5,561,100
Finance cost	90,638,600	31,672,098
	<u>167,733,987</u>	<u>89,686,156</u>
Operating profit before working capital changes	379,112,128	243,325,758
(Increase)/decrease in current assets:		
Stores, spare parts and loose tools	(11,605,122)	(10,384,303)
Stock in trade	212,261,013	(77,600,324)
Trade debts	(461,906,725)	(226,140,320)
Loan and advances	16,061,835	(12,292,798)
Trade deposits and short term prepayments	(20,213,051)	(3,467,193)
Short Term Investment	8,000,000	-
Other receivables	46,562,967	(4,592,670)
	<u>(210,839,083)</u>	<u>(334,477,608)</u>
Increase/(decrease) in current liabilities:		
Trade and other payables	(112,216,389)	148,214,907
Cash generated from operations	<u>56,056,656</u>	<u>57,063,057</u>
Workers' profit participation fund paid/adjusted	(10,056,262)	(3,451,487)
Workers' welfare fund paid/adjusted	-	(2,770,086)
Staff retirement benefits paid	(6,942,105)	(2,461,507)
Finance cost paid	(80,242,300)	(23,542,358)
Income tax paid	(134,450,723)	(90,791,850)
Dividend paid	(9,835,915)	(5,078,160)
	<u>(241,527,305)</u>	<u>(128,095,448)</u>
Net cash used in operating activities	<u>(185,470,649)</u>	<u>(71,032,391)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(6,928,642)	(5,797,971)
Proceeds From disposal of property, plant and equipment	14,000	-
Payment against Lease Liabilities	(696,077)	-
Capital work in progress	(4,583,721)	(6,771,085)
Intangible Assets	-	-
Long term deposits	(30,535,900)	(14,338,950)
Net cash used in investing activities	<u>(42,730,340)</u>	<u>(26,908,006)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long term borrowings	(10,093,359)	(15,070,931)
Short term borrowings	245,125,409	204,207,509
Lease rentals paid	-	(547,268)
Net cash flow from financing activities	<u>235,032,050</u>	<u>188,589,310</u>
Net Increases/(decrease) in cash and cash equivalents	6,831,061	90,648,913
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	<u>70,426,786</u>	<u>117,322,967</u>

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 STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH, 2023

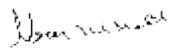
	(Rupees)					
	Ordinary share capital	Capital reserves	Revaluation surplus	Revenue Reserves		Total
				General reserves	Accumulated profit	
Balance as at 01 July 2021	53,906,520	23,137,159	355,504,971	8,600,000	826,956,503	1,268,105,153
Profit for the Nine Months Period ended 31 March 2022	-	-	-	-	72,189,676	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 2021	-	-	-	-	(5,390,652)	(5,390,652)
					(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
Balance as at 01 July 2022	53,906,520	23,137,159	1,782,650,951	8,600,000	900,874,371	2,769,169,001
Profit for the Nine Months period Ended 31 March 2023	-	-	-	-	112,539,479	112,539,479
Other comprehensive income for the period	-	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on account of - Incremental depreciation - net of deferred tax	-	-	(14,045,712)	-	14,045,712	-
Transaction with owners recorded directly in equity - Distributions						
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 March 2023	64,687,820	23,137,159	1,768,605,239	8,600,000	1,005,896,958	2,870,927,176

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

Nine Months Report


CHAIRMAN / DIRECTOR


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH, 2023 (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 Act, 2017. 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, 2022.

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, 2022.

4 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on 27th April, 2023, declared the issuance of bonus share @ NIL and interim cash dividend @ NIL

5 DATE OF AUTHORIZATION FOR ISSUE

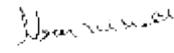
This condensed interim financial information was authorized for issue on 27th April, 2023 by the board of directors of the Company.

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

