



PUNJAB OIL MILLS LIMITED
An ISO 9001, 14001, OHSAS 18001, FSSC 22000 & Halal Certified Company

MANUFACTURERS OF



CANOLIVE®
Premium Cooking Oil

naturelle®
Olive Pomace Oil

Olivo | zathune™
Lipo High Olive Oil

TRU BRU
Premium Natural Palm Kernel

Contact Information

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Industrial Triangle, Kahuta Road, Islamabad.
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www.canolive.com.pk

Join us on social media

CanOlive

facebook.com/OliveYourLife | instagram.com/canoliveoil

Truhru

facebook.com/truhrucoffee

Naturelle

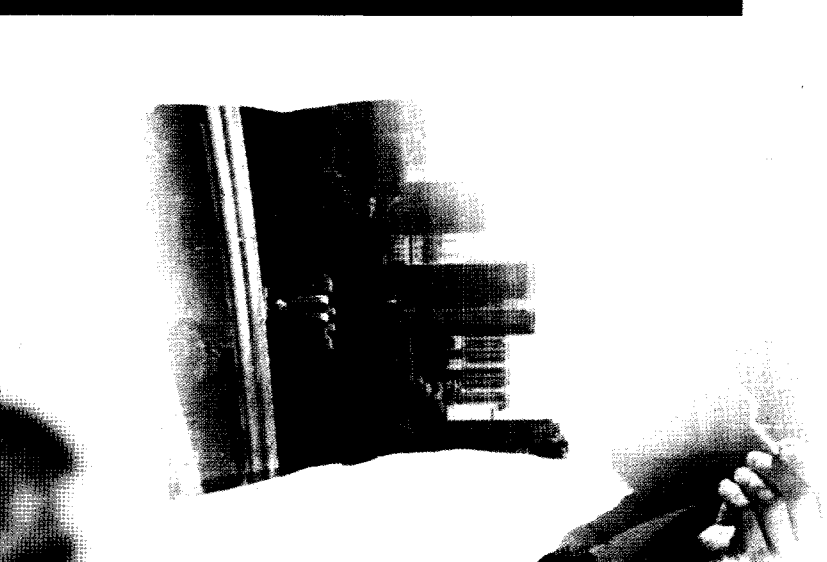
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PUNJAB OIL MILLS LIMITED
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First Quarterly Report

For The Period Ended
30 September, 2020



BUILDING A BETTER TOMORROW



CONTENTS

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

CONFIDENTIAL



PUNJAB OIL MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Tahir Jahangir	Chairman/Non-Executive Director
Mr. Izzat Iahid Malik	Managing Director/Chief Executive Officer
Mr. Usman Iahid Malik	Executive Director
Mr. Jilani Jahangir	Non-Executive Director Certified
Mrs. Munizae Jahangir	Non-Executive Director
Mr. Furgan Anwar Batla	Non-Executive Director Certified
Mr. Firasat Ali	Non-Executive Director Independent

AUDIT COMMITTEE

Mr. Firasat Ali	Chairman
Mr. Jilani Jahangir	Member
Mr. Furgan Anwar Batla	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Firasat Ali	Chairman
Mr. Jilani Jahangir	Member
Mrs. Munizae Jahangir	Member
Mr. Furgan Anwar Batla	Member
Mr. Usman Iahid Malik	Member

CHIEF FINANCIAL OFFICER

Mr. Muhammad Saeed Malik

COMPANY SECRETARY

Mr. Muhammad Adel Baig

HEAD OF INTERNAL AUDIT

Mr. Zaka Ullah Malik

AUDITORS

M/s Malik Haroon Shahid Saeed & 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

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

SHARE REGISTRAR OFFICE

M/s Corplink (Private) Limited
Wings Arcade, I-K, Commercial Model Town,
Lahore
Tel: 042-35916714, 35916719 Fax: 042-35869037
Email: corplink786@gmail.com



Directors' Report

Operating Performance

In the quarter under review (Q1 FY2021), the company's revenue for the 3 months increased by 28% compared to the same period last year. This was a combination of both higher volumes and higher selling prices for the period. However, volume growth was basically a recovery from the unusual decrease in sales volume during the same quarter last year; meaning there is a lower base of comparison. If we compare to the sales achieved in the more "typical" Q1 of FY 2019 with a higher comparison basis, the sales growth clocked in at 12.3%.

We achieved a gross margin of 17.1% for the period under review, an improvement from 16.4% achieved same period last year. Combining with the recovery in sales, this led to a 33% growth in gross profit.

Over-all operating expenses increased by 58% for the period, with both selling costs and administrative costs showing significant jumps of 66% and 45% respectively. The main reason contributing to the increase in selling costs was the advertisement cost that went up by 121%. This increase was mostly the result of higher provisioning of ATL advertisement and to a lesser extent higher BTL costs associated with our Naturelle and Zaiga brands. Regarding the administrative expenses, the two top contributors were the Director's remuneration and the rent, rates and taxes head that went up due to cost associated with CDA lease renewal. Over-all the increase in operating expenses pushed down our operating margin to 4% for the quarter under review, leading to an 11% decline in operating profit compared to same quarter last year.

Finance costs decreased for the quarter due to lower interest rates while operating charges went up mainly due to higher other income. Main reason for higher other income was inclusion of tolling revenue for the first time as well as booking of scrap sale this quarter.

Though operating profits had declined, the growth in other income enabled the company to record a 9% growth in profit before tax. Despite the higher profit before tax, the tax provisioning was lower by 25% compared to previous quarter. This was mainly due to reduction in minimum tax at the import stage, as well as the abolition of the 2% full and final tax liability on local oil purchases.

As a result, the company posted a profit after tax of PKR 36.3 million for the 3 months, a 47% increase compared to same quarter last year.

Outlook for the Year

Going forward we are anticipating a mixed business environment for the company. While we have seen our margins and sale recover, we are concerned with a few factors that will keep margins under pressure.

The international oil markets continue to be volatile. Both the resurgence of COVID as well as uncertain political climate, both locally and internationally, have raised uncertainties for the short term. 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. At a time when the international and local oil rates have been increasing, we are finding it difficult to pass on this increase in our selling prices and foresee a fall in profitability in the current quarter.

This 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.

At the same time the company is also planning to apply for the TERF facility to finance some BMR, as well as other projects, subject to feasibility and final approval from the board. This is likely to increase the balance sheet leverage and increase interest costs in the future. However, the attractive interest rate will keep this under control and enable us to improve our efficiency and profitability in the medium to long term.

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 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.

For & on behalf of the board

Islamabad:

Date: October 26, 2020

(IZAZ ILAHI MALIK)
CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER, 2020 (UN-AUDITED)

	1st Quarter Ended		YEAR ENDED	
	30-09-2020	30-06-2020	Rupees	Rupees
	(Un-Audited)		(Audited)	
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital 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	360,144,259	362,793,467		
Revenue reserves	888,290,029	849,308,734		
	1,325,477,967	1,289,145,880		
NON CURRENT LIABILITIES				
Deferred liabilities	126,624,280	122,394,681		
Long term borrowings	33,599,395	20,322,143		
	160,223,675	142,716,824		
CURRENT LIABILITIES				
Trade and other payables	523,466,730	542,222,384		
Short term borrowings	126,240,638	174,098,569		
Current portion of long term borrowings	6,774,048	6,774,048		
Accrued mark up	1,514,886	2,502,408		
Unclaimed dividend	8,879,070	8,879,070		
Provision for taxation	270,834,551	250,835,217		
	937,709,923	985,311,696		
Contingencies and commitments				
	2,423,411,565	2,417,174,400		
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment-tangible assets	646,287,939	655,462,751		
Capital work in progress-tangible assets	6,255,994	2,294,709		
Intangible assets	3,286,412	4,929,647		
	655,830,345	662,687,107		
Investment in associate				
Long term deposits	40,887,500	39,387,500		
CURRENT ASSETS				
Stores, spare parts and loose tools	129,741,272	113,790,475		
Stock in trade	429,178,053	404,004,070		
Trade debts	730,763,810	815,614,848		
Loans and advances	76,866,247	88,513,415		
Trade deposits and short term prepayments	11,645,422	19,673,041		
Other receivables	17,102,860	17,391,417		
Advance income tax	250,938,100	223,152,466		
Cash and bank balances	80,457,956	32,960,061		
	1,726,693,720	1,715,099,793		
	2,423,411,565	2,417,174,400		

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

CHAIRMAN / DIRECTOR  CHIEF FINANCIAL OFFICER 
 CHAIRMAN / DIRECTOR  CHIEF FINANCIAL OFFICER 



PUNJAB OIL MILLS LIMITED

CONDENSED INTERIM PROFIT OR LOSS ACCOUNT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2020 (UN-AUDITED)

	1st Quarter		1st Quarter	
	Ended	Ended	Rupees	Rupees
	30.09.2020		30.09.2019	
Sales - net	1,236,852,917	968,314,979		
Cost of sales	1,025,438,507	809,272,465		
Gross profit	211,414,410	159,042,514		
Operating Expenses				
Selling and distribution Cost	100,385,099	60,434,749		
Administrative expenses	60,160,397	41,370,690		
	160,545,496	101,805,439		
Operating profit	50,868,914	57,237,075		
Finance cost	4,251,698	4,893,594		
Other charges	4,481,420	4,136,041		
	8,733,118	9,029,635		
Other income	42,135,796	48,207,440		
	14,195,625	3,272,875		
Profit before taxation	56,331,421	51,480,315		
Taxation	19,999,334	26,784,088		
Profit after Taxation	36,332,087	24,696,227		
Earning per Share -Basic and diluted	6.74	4.58		

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

CHAIRMAN / DIRECTOR  CHIEF FINANCIAL OFFICER 
 CHAIRMAN / DIRECTOR  CHIEF FINANCIAL OFFICER 



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2020 (UN-AUDITED)

IST QUARTER ENDED 30/09/2020	IST QUARTER ENDED 30/09/2019
36,332,087	24,696,227

Profit after taxation

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

36,332,087	24,696,227
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The Annexed notes form an integral part of these interim condensed financial information.

CHAIRMAN / DIRECTOR

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

CONDENSED INTERIM CASH FLOWS STATEMENT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2020 (UN-AUDITED)

IST QUARTER ENDED 30-09-2020	IST QUARTER ENDED 30-09-2019
56,331,421	51,480,315

CASH FLOW FROM OPERATING ACTIVITIES

Profit for the period before taxation

Adjustments for following items:

Workers' profit participation fund	3,043,044	2,788,204
Workers' welfare fund	1,211,724	1,107,521
Gain on disposal of property, plant and equipment	-	-
Provision for staff retirement benefits	4,872,359	3,175,351
Depreciation	9,935,407	8,953,503
Amortization of intangible assets	1,643,235	1,643,235
Finance cost	4,251,698	4,893,594

Operating Profit before Working Capital Changes

(Increase)/Decrease in Current Assets:

Stores, spare parts and loose tools	(15,950,797)	(468,465)
Stock in trade	(25,173,983)	(26,082,852)
Trade debts	84,851,038	17,241,477
Loan and advances	11,647,168	(8,633,970)
Trade deposits and short term prepayments	8,027,619	3,059,131
Other receivables	288,557	(2,318,520)

Increase / (Decrease) in Current Liabilities:

Trade and other payables	(23,285,102)	9,545,640
Cash generated from operations	121,093,388	66,384,164
Workers' profit participation fund paid	-	-
Workers' welfare fund paid	(642,760)	-
Staff retirement benefits paid	(4,764,535)	(4,168,033)
Finance cost paid	(27,985,634)	(31,137,733)
Income tax paid	(912,599)	(912,599)
Dividend paid	(33,392,929)	(36,218,365)

Net cash used in operating activities

88,300,459

CASH FLOW FROM INVESTING ACTIVITIES

Fixed capital expenditure	(760,600)	(3,003,399)
Proceeds from disposal of property, plant and equipment	(3,961,285)	(7,038,353)
Capital work in progress	(1,500,000)	(1,000,000)
Long term deposits	(6,221,885)	(11,041,752)

CASH FLOW FROM FINANCING ACTIVITIES

Long Term Borrowing	13,277,252	-
Short term borrowings	(47,857,931)	(6,733,486)
current Portion of long term borrowings	(34,580,679)	(6,733,486)
Net increase in cash and cash equivalents	47,497,895	12,390,561
Cash and cash equivalents at the beginning of the period	32,960,061	21,040,393
Cash and cash equivalents at the end of the period	80,457,956	33,430,954

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

CHAIRMAN / DIRECTOR

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2020 (UN-AUDITED)

	RUPPERS)					
	SHARE CAPITAL	CAPITAL RESERVES	REVALUATION SURPLUS	REVENUE RESERVES	ACCUMULATE D PROFIT	TOTAL
Balance as at 01 July, 2019	53,906,520	23,137,159	390,508,899	8,600,000	766,540,341	1,242,492,919
Total Comprehensive Income for the period	-	-	-	-	24,696,227	24,696,227
Profit for the period ended 30 September, 2019	-	-	-	-	24,696,227	24,696,227
Transfer from surplus on revaluation of property, plant and equipment	-	-	(2,795,980)	-	2,795,980	-
Balance as at 30 September, 2019	53,906,520	23,137,159	387,712,919	8,600,000	793,832,548	1,267,189,146
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	-	-	-	-	36,332,087	36,332,087
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

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


CHAIRMAN / DIRECTOR


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020 (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 Ohee, 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, 2020.

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, 2020.

4 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 26 October, 2020 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 / DIRECTOR


CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER

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