
DIRECTORS' REPORT

Operating Performance

In the quarter under review (Q1 FY2024), the company's revenue for the 3 months decreased by 9.4% compared to the same period last year. This was primarily due to lower selling prices for the period, as the company reduced its prices in response to lower cost of raw materials consumed and to remain competitive in the market place.

Though falling prices led to a decrease in revenue, the lower cost of raw materials improved our gross margin to 13.1 % from 9.6% achieved same quarter last year, leading to a 23.7% growth in our gross profit.

Over-all operating expenses increased by 10.1% for the period, with the selling and distribution costs increasing by 7.7% - mainly on account of higher provisioning for advertisement - and administrative costs increasing by 13.4%. Main reasons for the rise in administrative costs were higher salaries and increased conveyance charges. Despite higher operating costs, better margins enabled the operating profit to increase by 59.9% for the period under review.

Finance costs increased significantly for the quarter as interest rates were higher for the period. Conversely, higher interest rates also contributed to a sharp rise in other income in the shape of increased earnings on bank deposits.

As a result, the profit before tax increased by 65.8% for the quarter under review compared to the same period last year.

Although the pre-tax profit was higher, our tax provision was lower for the period, down by 9.5%, due to minimum tax calculated on a lower turnover. Consequently, the company posted a profit after tax of PKR 39.1 million for the quarter under review, an increase of 267% compared to same period 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 with volatile oil markets, high inflation and a depressed economic outlook.

However, the main raw material costs have come off their highs of this calendar year, and if the PKR remains stable and market volatility normalizes, this could allow us to maintain our margins. Having said this, it must be pointed out that at this time with inflationary pressures and a bleak economic outlook, the spending power of consumers is being diverted to lower prices brands. As we are operating in the premium segment, this will continue to affect our volumes going forward; which may necessitate a more aggressive pricing strategy together with a higher marketing spent – measures likely to have a consequent impact on our profitability.

Punjab Oil Mills Limited

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.

For & on behalf of the board

Islamabad:
Date: October 26, 2023

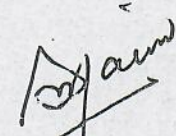
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(USMAN ILAHI MALIK)
CHIEF EXECUTIVE

PUNJAB OIL MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 30 SEPTEMBER 2023

EQUITY AND LIABILITIES	1st Quarter Ended 30-09-2023 Rupees (Un-Audited)	YEAR ENDED 30-06-2023 Rupees (Audited)
SHARE CAPITAL AND RESERVES		
Authorized share capital 17,000,000 (30 June 2023, 10,000,000) ordinary shares of Rs. 10/- each	170,000,000	100,000,000
Issued, subscribed and paid-up capital	77,625,380	77,625,380
Capital reserves	23,137,159	23,137,159
Surplus on revaluation of property, plant and equipment- net of tax	1,757,471,101	1,763,923,335
Revenue reserves	984,926,392	939,339,446
	<u>2,843,160,032</u>	<u>2,804,025,320</u>
NON CURRENT LIABILITIES		
Deferred liabilities	183,471,553	180,910,764
Lease liabilities against right of use assets	15,208,278	15,208,278
	<u>198,679,831</u>	<u>196,119,042</u>
CURRENT LIABILITIES		
Trade and other payables	714,333,881	543,316,627
Short term borrowings	687,735,317	672,937,117
Current portion of long term borrowings	2,328,100	3,003,164
Accrued mark up	18,386,376	15,103,420
Unclaimed dividend	9,921,030	9,921,030
Provision for taxation	270,183,573	244,377,180
Contingencies and commitments	1,702,888,277	1,488,658,538
	<u>4,744,728,140</u>	<u>4,488,802,900</u>
ASSETS		
NON CURRENT ASSETS		
Tangible fixed Assets		
Property, plant and equipment	2,083,239,527	2,085,221,101
Right to use Assets	18,620,893	19,600,939
Capital work in progress	16,356,634	5,234,783
	<u>2,118,217,054</u>	<u>2,110,056,823</u>
Intangible assets	-	-
Investment in associate	-	-
Long term deposits	114,721,300	106,721,300
Long Term Loans	4,018,587	4,018,587
	<u>2,236,956,941</u>	<u>2,220,796,710</u>
CURRENT ASSETS		
Stores, spare parts and loose tools	145,995,646	171,509,638
Stock in trade	831,033,615	768,261,975
Trade debts	979,095,344	827,167,108
Loans and advances	100,770,746	62,354,139
Trade deposits and short term prepayments	22,968,052	28,659,924
Other receivables	70,066,965	69,191,518
Advance income tax	308,920,192	269,489,428
Cash and bank balances	48,920,639	71,372,460
	<u>2,507,771,199</u>	<u>2,268,006,190</u>
	<u>4,744,728,140</u>	<u>4,488,802,900</u>

The annexed notes form an integral part of these financial statements

Chief Executive Officer


Chief Financial Officer

PUNJAB OIL MILLS LIMITED
CONDENSED INTERIM PROFIT OR LOSS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023

	1st Quarter Ended 30.09.2023	1st Quarter Ended 30.09.2022
	Rupees	Rupees
Sales - net	2,064,511,476	2,279,726,478
Cost of sales	1,794,415,896	2,061,360,120
Gross profit	270,095,580	218,366,358
Operating Expenses		
Selling and distribution Cost	99,274,439	92,151,663
Administrative expenses	75,600,586	66,662,968
Operating profit	174,875,025	158,814,631
Finance cost	42,521,995	24,388,251
Other charges	5,337,534	3,259,064
	47,859,529	27,647,315
Other income	47,361,026	31,904,412
	17,580,079	7,266,149
Profit before taxation	64,941,105	39,170,561
Taxation	25,806,393	28,508,278
Profit after Taxation	39,134,712	10,662,283
Earning per Share -Basic and diluted	5.04	1.98

The annexed notes form an integral part of these financial information.

Chief Executive Officer



Chief Financial Officer

PUNJAB OIL MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023

	IST QUARTER ENDED 30.09.2023 RUPEES	IST QUARTER ENDED 30.09.2022 RUPEES
Profit after taxation	39,134,712	10,662,283
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>39,134,712</u>	<u>10,662,283</u>

The annexed notes form an integral part of these financial statements

Chief Executive Officer


Chief Financial Officer

PUNJAB OIL MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2023 (UN-AUDITED)

	1ST QUARTER ENDED 30-09-2023 Rupees	1ST QUARTER ENDED 30-09-2022 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period before taxation	64,941,105	39,170,561
Adjustments for following items:		
Workers' profit participation fund	3,513,170	2,125,095
Workers' welfare fund	1,397,026	842,779
Provision for staff retirement benefits	5,474,140	4,623,986
Depreciation	13,705,707	13,019,460
Amortization of Intangible assets	-	1,853,700
Finance cost	42,521,995	24,388,251
	<u>66,612,038</u>	<u>46,853,271</u>
Operating Profit before Working Capital Changes	131,553,143	86,023,832
(Increase)/Decrease in Current Assets:		
Stores, spare parts and loose tools	25,513,992	(12,724,090)
Stock in trade	(62,771,640)	(67,817,610)
Trade debts	(151,928,236)	(25,431,682)
Loan and advances	(38,416,607)	13,743,420
Trade deposits and short term prepayments	5,691,872	508,247
Sort Term Investment	-	8,000,000
Other receivables	(875,447)	(24,664,025)
	<u>(222,786,066)</u>	<u>(108,385,740)</u>
Increase / (Decrease) in Current Liabilities:		
Trade and other payables	165,694,968	(118,117,547)
Cash generated from operations	<u>74,462,045</u>	<u>(140,479,455)</u>
Workers' profit participation fund paid	-	-
Workers' welfare fund paid	-	-
Staff retirement benefits paid	(2,913,351)	(2,239,035)
Finance cost paid	(38,826,950)	(19,443,095)
Income tax paid	(39,430,764)	(55,999,011)
Dividend paid	-	-
	<u>(81,171,065)</u>	<u>(77,681,141)</u>
Net cash generated from/ (Used in) operating activities	(6,709,020)	(218,160,596)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(10,744,086)	(1,228,078)
Payment against Lease Liabilities	(675,064)	(231,824)
Capital work in progress	(11,121,851)	(3,959,586)
Long term deposits	(8,000,000)	(14,154,900)
Net cash used in investing activities	(30,541,001)	(19,574,388)
CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowing	-	(4,977,571)
Short term borrowings	14,798,200	273,487,040
Net cash flow generated from financing activities	14,798,200	268,509,469
Net increase in cash and cash equivalents	(22,451,821)	30,774,485
Cash and cash equivalents at the beginning of the period	71,372,460	63,595,725
Cash and cash equivalents at the end of the period	<u>48,920,639</u>	<u>94,370,210</u>

The annexed notes form an integral part of these financial statements

Chief Executive Officer


Chief Financial Officer

PUNJAB OIL MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 2023

	(RUPEES)					
	SHARE CAPITAL	CAPITAL RESERVES	REVALUATION SURPLUS	Revenue Reserves		TOTAL
				REVENUE RESERVES	ACCUMULATED PROFIT	
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
Total Comprehensive Income for the period	-	-	-	-	-	-
Profit for the period ended 30 September, 2022	-	-	-	-	10,662,283	10,662,283
Transfer from surplus on revaluation of property, plant and equipment	-	-	(1,909,271)	-	1,909,271	-
Balance as at 30 September, 2022	53,906,520	23,137,159	1,780,741,680	8,600,000	913,445,925	2,779,831,284
Balance as at 01 July, 2023	77,625,380	23,137,159	1,763,923,335	8,600,000	930,739,446	2,804,025,320
Total Comprehensive Income for the period	-	-	-	-	-	-
Profit for the period ended 30 September, 2023	-	-	-	-	39,134,712	39,134,712
Transfer from surplus on revaluation of property, plant and equipment	-	-	(6,452,234)	-	6,452,234	-
Balance as at 30 September, 2023	77,625,380	23,137,159	1,757,471,101	8,600,000	976,326,392	2,843,160,032

The annexed notes form an integral part of these financial statements

Chief Executive Officer


Chief Financial Officer

PUNJAB OIL MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER, 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 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, 2023.

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, 2023.

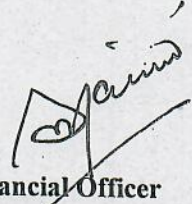
4 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 26 October, 2023 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.

Chief Executive Officer


Chief Financial Officer