



Punjab Oil Mills Limited

An ISO 9001, 14001, FSSC 22000 & OHSAS 18001 CERTIFIED COMPANY

For The Half Year Ended December 31, 2018



TOGETHER WE SUCCEED



CONTENTS

Company Information.....	1
Auditors' Report to the Members.....	2
Directors' Report.....	3-4
Condensed Interim Financial Position.....	5
Condensed Interim Profit or Loss Account.....	6
Condensed Statement of Comprehensive Income.....	7
Condensed Interim Statement Cash Flows.....	8
Condensed Interim Statement of Changes in Equity.....	9
Notes to the Condensed Interim Financial Information.....	10-12



PUNJAB OIL MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Tahir Jahangir Mr. Izaz Ilahi Malik Mr. Usman Ilahi Malik Mr. Jillani Jahangir Mr. Furqan Anwar Batla Syed Tahir Hussain Naqvi Mr. Firasat Ali	Chairman/Director Managing Director/Chief Executive Officer Executive Director Non-Executive Director (Certified) Non-Executive Director (Certified) Non-Executive Director (Independent) Non-Executive Director (NIT Nominee)
AUDIT COMMITTEE	Syed Tahir Hussain Naqvi Mr. Furqan Anwar Batla Mr. Firasat Ali Mr. Jillani Jahangir	Chairman Member Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mr. Jillani Jahangir Mr. Furqan Anwar Batla Syed Tahir Hussain Naqvi Mr. Izaz Ilahi Malik Mr. Firasat Ali	Chairman Member Member Member Member
CHIEF FINANCIAL OFFICER	Mr. Muhammad Saeed Malik	
COMPANY SECRETARY	Mr. Muhammad Adeel Baig	
HEAD OF INTERNAL AUDIT	Mr. Zaka Ullah Malik	
AUDITORS	M/s Maqbool 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	
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, 1-K, Commercial Model Town, Lahore Tel: 042 -35916714, 35916719 Fax: 042 -35869037 Email. corplink786@yahoo.com	



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 December 31, 2018 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 for the six-month period then ended (here-in-after referred to as the "interim financial information") and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information 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 2018 and 31 December 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2018.

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 interim financial information 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 interim financial information does not give a true and fair view of the financial position of the entity as at 31 December 2018, and of its financial performance and its cash flows for the six-month period then ended in accordance with 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 **Shahid Mehmood**.

Lahore:
Date: 25 February 2019

Maqbool Haroon Shahid Safdar & Co
Chartered Accountants



Operating Performance

Sales revenue for the 6 months under review increased by 10.8% compared to the same period last year. This was a combination of both higher prices and higher volumes for the period.

Although we experienced a reasonable growth in revenue, there was a contraction in our gross margins to 14.0% from 16.1% achieved same period last year. While the average selling price for our products grew by about 6%, the production cost per unit increased by 7% (led by higher raw material and packing costs). As a result, compared to the revenue growth of about 11%, the cost of sales head increased by 14%, leading to a reduction in profitability at the gross level.

A significant factor during this period was the devaluation of the PKR, which was about 14% (from 122 PKR / USD to 139 PKR / USD). This led to the aforementioned higher costs (as our main inputs are import based) thereby squeezing our margins in the short term because the higher cost could not be passed on with immediate effect to the end consumer.

As a result of lower margins at the gross level, gross profits for the year declined by 4% despite top line growth. However, overall this was an improvement from the 1st quarter in terms of profitability as prices were incrementally increased to catch up with the costs over this period and our operating profits for the 2nd quarter were up by 3% compared to same quarter last year. However, operating profits for the six months were down by 7.6%, primarily a reflection of lower margins at the gross level.

The change in financial charges was also significant for the period under review, with a 97% increase from the previous period, mainly on account of higher interest rates and increased bank borrowing to finance working capital. Together with higher other income and changes in other charges, this had a net impact on the profit before tax to give a 4.2% increase for the 2nd quarter and 8.5% decrease for the six month compared to respective corresponding periods last year.

Last year, The Company had reversed a tax provision relating to prior year order u/s 122(4)122(5) for the tax year 2009 for the amount of PKR 3.85 million which had reduced the over-all tax provision for that period. With no similar provision being reversed this year, and increased value of raw materials purchased, the total taxation came out as 13.3% higher compared to same period last year despite lower profit before tax.

As a result the company posted a profit after tax of PKR 75.1 million for the 6 months, a 20% reduction from after-tax profit of PKR 94.1 million recorded same period last year.



Outlook for the Year

Going forward we are foreseeing a mixed business environment for the company. While we expect margins to recover during the next quarter as prices catch-up with the increasing costs, we continue to be concerned with a few factors that will keep margins under pressure. Due to the ongoing balance of payments scenario in the country and a possible IMF package, we expect a weak Rupee and general economic tightening. This is going to keep pushing our costs up and we will need to maintain a delicate balancing act to both keep expanding market share by aggressive selling as well as maintain our margins. This scenario is compounded by the fact that we continue to see new entrants in the market place at the premium end of the market who are coming in with very aggressive strategies. To counter this onslaught we will also need to step up our marketing efforts and be aggressive with pricing, which ultimately signifies very tight margins going forward.

The bulk of our advertisement expense for the full year is also planned for the remaining two quarters, so our operating costs are going to be significantly higher during the upcoming period.

The company is also continuing ahead with modernization of its plant to improve product quality and reduce costs, and should have the new equipment operational by the middle of 4th quarter. So far the company is using its own cash resources to finance these essential activities, but with further strategic planning under way, we may need to tap other sources of funds as well to finance our future growth plans.

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

Lahore:
Date: 25 February 2019


CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31 DECEMBER 2018

EQUITY AND LIABILITIES	Note	31-Dec. 18 Rupees Un-audited	30-Jun. 18 Rupees Audited
SHARE CAPITAL AND RESERVES			
Authorized share capital			
10,000,000 (30 June 2018: 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
5,390,652 (30 June 2018: 5,390,652) ordinary shares of Rs. 10/- each			
Capital reserves		23,137,159	23,137,159
Surplus on revaluation of property, plant and equipment - net of tax		392,619,646	398,801,925
Revenue reserves		758,600,259	683,800,680
		<u>1,228,263,584</u>	<u>1,159,646,284</u>
NON CURRENT LIABILITIES			
Deferred liabilities		95,302,344	93,038,292
CURRENT LIABILITIES			
Trade and other payables		460,845,482	470,685,311
Short term borrowings		109,132,581	86,314,308
Accrued mark up		1,522,765	326,325
Unclaimed dividend		7,847,196	7,799,300
Provision for taxation		178,497,609	228,518,660
		757,845,633	793,643,904
Contingencies and commitments	5	-	-
		<u>2,081,411,561</u>	<u>2,046,328,480</u>
ASSETS			
NON CURRENT ASSETS			
Tangible fixed assets:			
Property, plant and equipment	6	626,555,266	641,196,364
Capital work in progress		4,750,362	3,254,724
		<u>631,305,628</u>	<u>644,451,088</u>
Long term deposits		27,887,500	26,387,500
CURRENT ASSETS			
Stores, spare parts and loose tools		125,424,457	117,742,127
Stock in trade		356,417,225	332,410,002
Trade debts		688,262,889	639,667,499
Loans and advances- secured and considered good		52,460,855	35,766,093
Trade deposits and short term prepayments		14,959,389	15,939,002
Other receivables		1,983,292	1,903,524
Tax refund due from government		147,933,181	198,041,652
Cash and bank balances		34,777,145	34,019,993
		<u>1,422,218,433</u>	<u>1,375,489,892</u>
		<u>2,081,411,561</u>	<u>2,046,328,480</u>

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


CHAIRMAN / DIRECTOR


CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

CONDENSED INTERIM PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2018

Note	Six months period ended		Three months period ended	
	31-Dec. 18	31-Dec. 17	31-Dec. 18	31-Dec. 17
	Rupees	Rupees	Rupees	Rupees
Sales - net	2,551,412,557	2,302,472,054	1,450,334,572	1,275,532,437
Cost of sales	2,195,199,643	1,931,007,856	1,239,349,028	1,060,712,236
Gross profit	356,212,914	371,464,198	210,985,544	214,820,201
Operating expenses				
Selling and distribution cost	129,357,086	143,989,734	73,308,028	84,221,372
Administrative expenses	81,511,639	70,103,549	41,743,259	37,306,965
	210,868,725	214,093,283	115,051,287	121,528,337
Operating profit	145,344,189	157,370,915	95,934,257	93,291,864
Finance cost	7,345,551	3,731,225	4,393,393	2,674,764
Other operating charges	10,413,954	11,328,696	6,847,691	6,588,040
	17,759,505	15,059,921	11,241,084	9,262,804
	127,584,684	142,310,994	84,693,173	84,029,060
Other income	4,949,751	2,480,416	3,386,945	537,796
Profit before taxation	132,534,435	144,791,410	88,080,118	84,566,856
Taxation	57,448,352	50,679,914	30,521,734	26,933,907
Profit after taxation	75,086,083	94,111,496	57,558,384	57,632,949
Earnings per share - Basic and diluted ⁷	13.93	17.46	10.68	10.69

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


CHAIRMAN / DIRECTOR


CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2018

	Note	Six months period ended		Three months period ended	
		31-Dec. 18 Rupees	31-Dec. 17 Rupees	31-Dec. 18 Rupees	31-Dec. 17 Rupees
Profit after taxation		75,086,083	94,111,496	57,558,384	57,632,949
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		<u>75,086,083</u>	<u>94,111,496</u>	<u>57,558,384</u>	<u>57,632,949</u>

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


CHAIRMAN / DIRECTOR


CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	31-Dec. 18 Rupees	31-Dec. 17 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the period before taxation		132,534,435	144,791,410
Adjustments for following non-cash items:			
Workers' profit participation fund		7,137,870	7,799,349
Workers' welfare fund		2,850,455	3,114,097
Gain on disposal of property, plant and equipment		(281,643)	(365,970)
Provision for staff retirement benefits		3,146,964	4,149,302
Depreciation		20,240,150	17,580,421
Finance cost		7,345,551	3,731,225
		40,439,347	36,008,424
Operating profit before working capital changes		172,973,782	180,799,834
(Increase)/decrease in current assets:			
Stores, spare parts and loose tools		(7,682,330)	(9,775,671)
Stock in trade		(24,007,223)	(170,977,811)
Trade debts		(48,595,390)	59,260,084
Loan and advances		(16,694,762)	(10,718,474)
Trade deposits and short term prepayments		979,613	(1,007,682)
Other receivables		(79,768)	(379,309)
		(96,079,860)	(133,598,863)
Increase/(decrease) in current liabilities:			
Trade and other payables		(6,694,562)	39,301,763
Cash generated from operations		70,199,360	86,502,734
Workers' profit participation fund paid		(9,619,784)	(11,678,645)
Workers' welfare fund paid		(3,748,438)	-
Staff retirement benefits paid		(882,912)	-
Finance cost paid		(5,914,481)	(3,012,298)
Income tax paid		(57,360,932)	(54,390,764)
Dividend paid		(6,420,887)	(20,269,723)
		(83,947,434)	(89,351,430)
Net cash used in operating activities		(13,748,074)	(2,848,696)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(5,712,409)	(6,740,193)
Capital work in progress		(1,495,638)	(11,455,789)
Proceeds from disposal of property, plant and equipment		395,000	575,000
Long term deposits		(1,500,000)	(3,000,000)
Net cash used in investing activities		(8,313,047)	(20,620,982)
CASH FLOW FROM FINANCING ACTIVITIES			
Short term borrowings		22,818,273	7,085,633
Net cash flow from financing activities		22,818,273	7,085,633
Net Increases/(decrease) in cash and cash equivalents		757,152	(16,384,045)
Cash and cash equivalents at the beginning of the period		34,019,993	49,957,631
Cash and cash equivalents at the end of the period		34,777,145	33,573,586

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


CHAIRMAN / DIRECTOR


CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	(Rupees)					
	Ordinary share capital	Capital reserves	Revaluation surplus	Revenue Reserves		Total
				General reserves	Accumulated profit	
Balance as at 01 July 2017-as restated	53,906,520	23,137,159	408,813,843	8,600,000	647,652,720	1,142,110,242
Total comprehensive income for the period:						
Profit for the half year ended 31 December 2017	-	-	-	-	94,111,496	94,111,496
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	94,111,496	94,111,496
Transfer from surplus on revaluation of plant and equipment on account of - Incremental depreciation - net of deferred tax	-	-	(6,870,421)	-	6,870,421	-
<i>Transaction with owners recorded directly in equity - Distributions</i>						
40% final dividend paid during the period	-	-	-	-	(21,562,608)	(21,562,608)
Balance as at 31 December 2017	53,906,520	23,137,159	401,943,422	8,600,000	727,072,029	1,214,659,130
Total comprehensive income for the period:						
Loss for the half year ended 30 June 2018	-	-	-	-	(24,955,854)	(24,955,854)
Other comprehensive income	-	-	2,095,139	-	(2,503,545)	(408,406)
	-	-	2,095,139	-	(27,459,399)	(25,364,260)
Transfer from surplus on revaluation of plant and equipment on account of - Incremental depreciation - net of deferred tax	-	-	(5,236,636)	-	5,236,636	-
<i>Transaction with owners recorded directly in equity - Distributions</i>						
55% interim dividend paid during the period	-	-	-	-	(29,648,586)	(29,648,586)
Balance as at 30 June 2018	53,906,520	23,137,159	398,801,925	8,600,000	675,200,680	1,159,646,284
Total comprehensive income for the period:						
Profit for the half year ended 31 December 2018	-	-	-	-	75,086,083	75,086,083
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	75,086,083	75,086,083
Transfer from surplus on revaluation of plant and equipment on account of - Incremental depreciation - net of deferred tax	-	-	(6,182,279)	-	6,182,279	-
<i>Transaction with owners recorded directly in equity - Distributions</i>						
12% final dividend paid during the period	-	-	-	-	(6,468,783)	(6,468,783)
Balance as at 31 December 2018	53,906,520	23,137,159	392,619,646	8,600,000	750,000,259	1,228,263,584

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


CHAIRMAN / DIRECTOR


CHIEF EXECUTIVE OFFICER



PUNJAB OIL MILLS LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2018

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 120-A, E/1 Halli Road 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

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) IAS 34 as applicable in Pakistan. This condensed interim financial statements 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 2018.

This condensed interim financial statements is being submitted to the shareholders as required by the listing regulation of Pakistan Stock Exchange Limited and Section 237 of the Company Act, 2017.

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 2018.

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 2018.

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 2018.

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, Hon'ble 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 Supreme Court of Pakistan against the decision of Hon'ble Sindh High Court. Pursuant to direction of Hon'ble court the company paid 50% of the total amount and for the remaining 50%, the company has provided bank guarantees amounting to Rs. 37.6 million (30 June 2018: 32.17 million) in favour of Excise and Taxation Authorities. The company may be contingently liable for 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.
- b) 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 favour 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 favour 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 favour 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 favour of the Company.



PUNJAB OIL MILLS LIMITED

- c) 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 favour of the company vide Order No. 623/2011 on 20 January 2012. However, tax department filed an appeal in ITAT against the decision of the CIT(A). However, the management is confident that the ultimate decision shall be in favour of the Company. Therefore, no provision has been made in these condensed interim financial statements for the said amounts.
- d) 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 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 favour of the company. However, as a matter of prudence, the management has not reversed provision for Rs. 633,137 in these condensed interim financial statements.
- 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 before the Commissioner Income Tax (Appeals) {CIT(A)} against the said order on 09 October 2015 and the case was decided in favour 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 company has provided bank guarantees amounting to Rs. 4.5 million (30 June 2018: Rs. 4.5 million) and Rs. 42.35 million in favour of Sui Northern Gas Pipelines Limited for industrial use of gas and Excise and Taxation Department respectively.

5.02 COMMITMENTS

- Letters of credit for capital expenditure as at the condensed interim statement of financial position date amounted to Rs. Nil (30

- Letters of credit other than for capital expenditure as at the condensed interim statement of financial position date amounted to Rs. 167.05 million (30 June 2018: Rs. 106.36 million).

6 PROPERTY, PLANT AND EQUIPMENT	Note	31-Dec. 18	30-Jun. 18
		Rupees Un-audited	Rupees Audited
Opening balance (WDV)		641,196,364	607,482,749
Add: Additions during the period / year	6.01	5,712,409	19,657,179
Less: Book value of deletions during the period / year		113,357	511,248
Add: Transfer from capital work in progress		-	56,383,731
		<u>646,795,416</u>	<u>683,012,411</u>
Less: Depreciation charged for the period / year		20,240,150	41,816,047
Closing balance (WDV)		<u>626,555,266</u>	<u>641,196,364</u>
6.01 Detail of additions during the period / year			
- Plant, machinery and equipments		4,720,574	5,232,284
- Office equipments		543,940	2,232,082
- Furniture and fixtures		447,895	112,543
- Owted vehicles		-	12,080,270
		<u>5,712,409</u>	<u>19,657,179</u>

7 EARNINGS PER SHARE - BASIC AND DILLUTED

		Six months period ended		Three months period ended	
		31-Dec. 18	31-Dec. 17	31-Dec. 18	31-Dec. 17
Basic earnings per share:					
Profit after taxation	Rupees	<u>75,086,083</u>	<u>94,111,496</u>	<u>57,558,384</u>	<u>57,632,949</u>
Weighted average number of ordinary shares	Number	<u>5,390,652</u>	<u>5,390,652</u>	<u>5,390,652</u>	<u>5,390,652</u>
Earnings per share - basic and diluted	Rupees	<u>13.93</u>	<u>17.46</u>	<u>10.68</u>	<u>10.69</u>

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



PUNJAB OIL MILLS LIMITED

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. 18 Rupees	31-Dec. 17 Rupees
Reimbursement of expenses			
Sharing of office expenses			
Hala Enterprises Limited	Associated company	<u>1,410,515</u>	<u>1,314,398</u>

9 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on 25 February 2019 declared the issuance of bonus shares @ NIL and interim cash dividend @ NIL

10 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 25 February 2019 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 / DIRECTOR


CHIEF EXECUTIVE OFFICER