

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-6400

NOTICE

November 10, 2010

Reproduced hereunder letter received from PUNJAB OIL MILLS LIMITED, for information of all concerned.

(Copy of the same is also available on our Website www.kse.com.pk).

Financial Plan for right issue: Brief for BOD - CBD Section | 2010

PUNJAB OIL MILLS LIMITED SUMMARY UNDER RULE 5 (II) OF COMPANIES (ISSUE OF CAPITAL) RULES, 1996

Purpose of Right Issue:

The purpose of the right issue:

- i. To implement an expansion / modernization plan by upgrading the bleaching and deodorization section of the existing oil plant of the company.

Benefits to the Company:

The following benefits are likely to accrue to the Company;

- i. Reduction in operating costs by replacement of aging batch system process with the new continuous technology.
- ii. Improvement in equity and financial health of the Company.
- iii. Improvement in liquidity of the Company.
- iv. Improvement in sales of the Company, thus improving the profitability.
- v. Improvement in the quality of cooking oil and ghee.

Use of Funds:

The funds generated from right issue will be utilized for the expansion / modernization plan by up gradation of the bleaching and deodorization section of the cooking oil plant.

Financial Projections:

Particulars	2011	2012	2013	2014	2015
	MILLION RUPEES				
Sales - net	3,063	3,320	3,505	3,705	3,921
Gross profit	201	253	283	323	370
Profit before tax	84	122	140	164	195
Profit after tax	34	68	83	106	133
Share capital	49	49	49	49	49
Equity	332	392	466	567	692
E.P.S (Rs.)	6.94	13.99	16.98	21.54	27.20
Current ratio	1.3 : 1	1.5 : 1	1.6 : 1	1.8 : 1	2.1 : 1
Quick ratio	0.8 : 1	0.97 : 1	1.1 : 1	1.4 : 1	1.6 : 1

*Detailed projections are also attached.

Note:

The information provided herein above is based on the perception of Directors regarding the performance of the business in the current business environment. The Company or its directors do not accept any liability for any investment decision by any person on the basis of the above information.

Punjab Oil Mills Limited

for Punjab Oil Mills Limited

Secretary

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