

# S.S.OIL MILLS LTD

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## **COMPANY INFORMATION**

### **BOARD OF DIRECTORS**

<b>Chairman</b>	SHAHARYAR ALI KHAN
<b>Chief Executive Officer</b>	SHAHZAD ALI KHAN
<b>Directors</b>	NAWABZADA WAJAHAT ALI KHAN JAVAID UMAR SIKANDAR ALI KHAN Nawabzadi Begum Shamim Shafqat HASSAN JAVED

### **BOARD OF AUDIT COMMITTEE**

<b>Chairman</b>	JAVAID UMAR
<b>Member</b>	NAWABZADA WAJAHAT ALI KHAN
<b>Member</b>	SHAHARYAR ALI KHAN

### **BOARD OF HR & REMUNERATION COMMITTEE**

<b>Chairman</b>	NAWABZADA WAJAHAT ALI KHAN
<b>Member</b>	SIKANDAR ALI KHAN
<b>Member</b>	HASSAN JAVED

### **COMPANY SECRETARY**

SAJID MAHMOOD KHAN

### **EXTERNAL AUDITORS**

ASLAM MALIK & CO  
Chartered Accountants.

### **CHIEF FINANCIAL OFFICER**

AKHTAR ALI

### **LEGAL ADVISORS**

BARRISTER KHURRAM RAZA

### **BANKERS**

SILK BANK LIMITED  
THE BANK OF PUNJAB  
Bank Alfalah LTD  
SAMBA BANK LIMITED  
SONERI BANK LIMITED  
HBL ISLAMIC BANKING  
BANK ISLAMI PAKISTAN LIMITED

### **REGISTRARS & SHARE TRANSFER OFFICE**

CORP LINK PRIVATE LIMITED.  
Wings Arcade, 1-k, Commercial Model Town  
LAHORE. Tel # 042-35839182

### **REGISTERED HEAD OFFICE**

2-TIPU BLOCK, NEW GARDEN TOWN  
LAHORE. 042-35831991-35831981  
Fax # 042-35831982

### **FACTORY**

27/W-B LUDDAN ROAD,  
VEHARI.

## **NOTICE OF ANNUAL GENERAL MEETING**

**Notice is hereby given that the Annual General Meeting of the Shareholders of the Company will be held at its Registered Office 2-Tipu Block New Garden Town, Lahore on Saturday October 28, 2023 at 11:00 A.M. to transact the following business:**

1. To confirm the minutes of last Annual General Meeting.
2. To receive, consider & adopt the Audited Accounts of the company for the year ended June 30, 2023 together with the Auditors' and Directors' Report thereon.
3. To appoint Auditors for next year & fix their remuneration. The present Auditors M/s Aslam Malik & Co. Chartered Accountants retire & being eligible for re-appointment, have offered themselves for re-appointment.
4. To consider any other business with the permission of the Chair.

### **SPECIAL BUSINESS**

5. To ratify and approve transactions conducted with related parties for the year ended June 30, 2023 by passing the following special resolution with or without modification:

**"RESOLVED THAT** the transactions conducted with related parties as disclosed in the note 34 of the financial statements for the year ended June 30, 2023 and specified in the Statement of Material Information under section 134(3) be and are hereby ratified, approved and confirmed"

6. To authorize the Board of Directors of the Company to approve transactions with related parties for the financial year ending June 30, 2024 by passing the following special resolution with or without modification:

**"RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis for the financial year ending June 30, 2024."

**"RESOLVED FURTHER** that these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval."

**FURTHER RESOLVED THAT** Mr. Shahzad Ali Khan, Nawabzada Wajahat Ali Khan and Sikandar Ali Khan Directors of the company be and are hereby authorized, singly, to do all acts, deeds, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions.

(Attached to this notice is a statement of Material Facts covering the above-mentioned Special Business, as required under section 134(3) of the Companies Act, 2017.

BY ORDER OF THE BOARD

Lahore  
October 04, 2023

SAJID MAHMOOD KHAN  
**COMPANY SECRETARY**

**PARTICIPATION IN ANNUAL GENERAL MEETING THROUGH VIDEO LINK:**

Securities and Exchange Commission of Pakistan through its Circular No. 4 dated February 15, 2021 has directed the listed companies to ensure the participation of members in general meeting through electronic means as a regular feature in addition to holding physical meetings.

Accordingly, the Company will be providing the facility to all shareholders to participate in the AGM through video link while ensuring compliance with the quorum requirements.

The shareholders intending to participate in the meeting via video link are hereby requested to share following information with the office of Company Secretary (address mentioned below) earliest but not later than 48 hours before the time of the AGM i.e. before 11:00 a.m. on October 26, 2023.

**Required information:**

Shareholder Name, CNIC Number, Folio/CDC Account No., Mobile Phone Number\* and Email address\*

\*Shareholders are requested to provide active mobile number and email address to ensure timely communication.

**Modes of Communication**

The above mentioned information can be provided through following modes:

- a) Mobile/WhatsApp: 0333-4218546
- b) Email: Akhtar.ali@ssgroup.pk

Video link details and login credentials (ZOOM Application) will be shared with those shareholders who provide their intent to attend the meeting containing all the particulars as mentioned above on or before October 26, 2023 by 11:00 a.m.

Shareholders are also encouraged to provide their comments and queries on the agenda items of the AGM through above contact number/email address which will be appropriately addressed in the meeting.

## NOTES:

1. The Share Transfer Book of the Company will remain closed for transaction from October 25, 2023 to October 31, 2023.
2. A member entitled to attend, speak & vote may appoint another member as proxy to attend, speak & vote on his/her behalf. Proxies in order to be effective must be received at the registered office & notice of his/her intention, not later than 48 hours before the meeting.
3. Members whose shares are deposited with Central Depository Company of Pakistan Limited are requested to bring original computerized ID card along with the participants ID number and their account number in Central Depository Company of Pakistan Limited to facilitate identification at the time of annual general meeting. In case of proxy, an attested copy of proxy's identity card, account and participant's ID number be enclosed.
4. Members are requested to notify change in their address, if any.
5. Attested copies of CNIC of the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
6. In case of corporate entity, the board of Directors resolution /power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the company.
7. The proxy shall produce his original CNIC or original passport at the time of the meeting.
8. Annual financial statements of the Company for the year ended June 30, 2023 along with related reports have been placed at the website of the Company [www.ssgroup.pk](http://www.ssgroup.pk). Any shareholder can send request for printed copy of the Annual Report-2023 to the Company.

## STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

### 1. Item Number 6 of the notice – Ratification and approval of the related party transactions

Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year since majority of the Company's Directors were interested in certain transactions due to their common directorships in the group companies. These transactions are being placed for the approval by shareholders in the Annual General Meeting. All transactions with related parties to be ratified have been disclosed in the note 34 to the financial statements for the year ended June 30, 2023. Party-wise details of such related party transactions are given below:

Name of Related Party	Transaction Type	PKR
S.S Feed Mills (Private)Limited	Sale of goods	1,978,733,657

The company carries out transactions with its related parties on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions entered into with related parties require the approval of the Board Audit Committee of the Company, which is chaired by an independent director of the company. Upon the recommendation of the Board Audit Committee, such transactions are placed before the board of directors for approval. Transactions entered into with the related parties include sale of goods (in accordance with the approval of shareholders and board where applicable). The nature of relationship with these related parties has also been indicated in the note 34 to the financial statements for the year ended June 30, 2023. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

### 2. Item number 7 – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2024

The Company shall be conducting transactions with its related parties during the year ending June 30, 2024 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in the holding / associated companies. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ending June 30, 2024, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

**3. To circulate the Annual Balance Sheet and Profit and loss Accounts, Auditor's Report and Directors' Report, etc. ("Annual Audited Financial Statements") to its members through QR enabled code and weblink:**

Approval to circulate the Annual Balance sheet and Profit and Loss Accounts, Auditor's Report and Directors' Report, etc. ("Annual Audited Financial Statements") to its members through QR enabled code and weblink as required under section 223 (7) of Companies Act and subsequently advised by SECP through its Notification S.R.O 389 (1)/2023 dated March 21, 2023.

**For Attending the Meeting:**

- i. In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his identity by showing his original national identity card or original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has provided earlier) at the time of the meeting.

**For Appointing Proxies:**

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per above requirement.
- ii. Two persons whose names, addresses and NIC number shall be mentioned on the proxy form to witness the same.
- iii. Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his original NIC or original passport at the time of the meeting.
- v. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the company.

**Payment of Cash Dividend Electronically**

As per provision of Section 242 of Companies Act, 2017 any dividend payable in cash shall only be paid through electronic mode directly in to the bank account designated by the entitled shareholders. In view of foregoing the shareholders are requested to provide the details containing (i) Title of Bank account, (ii) Bank Account Number, (iii) IBAN (iv) Bank Name, (v) Branch Name, Code & Address, (vi) Cell Number, and (vii) Landline Number, if any, to Company's Share Registrar if shares are held in physical form or to the respective Participant/Investor Account Services if shares are held in book entry form. Failure to provide the aforesaid requirements will result in withholding of the payment of dividend in the future to the respective member.

**Consent for Video Conference Facility:**

In accordance with Section 132(2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 10 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility, a request is to be submitted to the Company Secretary of the Company on given address:

The Company Secretary, S.S Oil Mills Limited, 2-Tipu Block New Garden Town, Lahore.



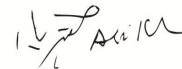
## CHAIRMAN'S REVIEW

I would like to take this opportunity to express my views in the enclosed Chairman Review for the year ended June 30, 2023 as required under the section 192(4) of Companies Act, 2017 on overall performance and effectiveness of the board of S.S Oil Mills Limited in achieving its objectives.

The global outlook doesn't seem supportive for the Solvent sector since high energy costs supply-chain disruptions, surging commodities prices coupled with rising interest rates and high inflationary pressure adding the risk of recession. Nonetheless, I believe that by utmost efforts of the board we can smoothly steered the company in these challenging times.

The company has an effective governance framework in place which complies with the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to the composition, procedures and meetings of the Board and its committees.

The role of governing board becomes more important where country is facing declining economic growth, massive devaluation of the currency, double-digit inflation, and sky-high interest rates. In these testing times the role of the board is critical to the success of an organization and ultimately the board of directors are responsible for its success since they collectively bear the legal responsibility to govern the organization. The Board members of the company having the strong strategic and diverse experience in assist the organization to sail smoothly by addressing opportunities and potential threats. The strategic planning has been done on ongoing basis by the board including both short and long term goals. The board directors have devised strategies to counter the challenges, increased volatility and competitive pressures in the business environment faced by the solvent sector.



Lahore:  
October 4, 2023

(SHAHARYAR ALI KHAN)  
Chairman

## **DIRECTOR'S REPORT TO THE MEMBERS**

The Directors of the Company have pleasure in presenting Annual Report and the Audited Financial Statements of the Company for the year ended June 30, 2023.

### **1. Financial Results**

The company achieved the following operating results during the year under review.

	<b><u>2023</u></b> <b>(Rs.'000s)</b>	<b><u>2022</u></b> <b>(Rs.'000s)</b>
<b>Profit before taxation</b>	<b>354,202</b>	419,329
<b>Taxation</b>	<b>219,865</b>	199,401
<b>Profit after taxation</b>	<b>134,337</b>	219,928
<b>E.P.S.-Basic and Diluted</b>	<b>23.74</b>	38.87

### **2. Review of Operations**

During the year under review total production of Washed Oil was 6,005 M.Tons, Meal and Soap was 19,316 M. Tons as compared to last year's Washed Oil were 14,961 M.Tons, Meal & Soap 58,536 M.Tons respectively.

Sales for the year of Washed Oil were 5,628 M.Tons & Meal and Soap 20,656 M. Tons as compared to last year's 17,162 /- M.Tons & 57,684 /- M.Tons respectively.

During the year under review our sales have decreased by 41.00% due to ban on import of GMO seeds and restrictions on imports by SBP. Keeping in view all the economic and general obstacles and increased prices of raw material and KIBOR rate the management is quite happy to earned net profit after tax for Rs. 134.337 Millions during the year. Inspite of increase in KIBOR rate the management has done well to control the financial cost.

### 3. Summary of Key Operating and Financial Data of Seven Years

Summary of key operating and financial results for last seven years is included in the financial results for the year under review.

	2017	2018	2019	2020	2021	2022	2023
<b>Sales</b>	2,674,122,680	3,479,731,550	3,890,162,788	5,011,834,462	8,037,744,886	10,562,344,900	6,230,793,595
<b>Cost of Goods Sold</b>	2,543,101,055	3,318,027,883	3,660,642,454	4,693,181,200	7,397,082,598	9,837,456,566	5,652,457,396
<b>Gross Profit</b>	131,021,625	161,703,667	229,520,334	318,653,262	640,662,288	724,888,334	578,336,199
<b>Operating Profit</b>	91,934,797	124,684,768	186,778,177	277,174,710	593,827,214	661,562,045	527,765,585
<b>Profit Before Tax</b>	38,094,460	33,580,284	43,678,950	80,240,851	441,479,875	419,328,759	354,201,672
<b>Profit After Tax</b>	20,781,498	12,357,693	13,134,221	28,626,093	311,573,875	219,927,582	134,337,010
<b>Paid Up Capital</b>	56,584,000	56,584,000	56,584,000	56,584,000	56,584,000	56,584,000	56,584,000
<b>Current Assets</b>	1,384,709,725	1,199,535,510	1,707,629,660	2,319,975,059	2,467,126,327	2,986,390,670	1,810,960,209
<b>Current Liabilities</b>	1,070,407,139	882,182,269	1,366,839,956	1,942,834,131	1,804,649,972	2,098,364,401	668,498,380

### 4. Dividend

The Board of Directors has recommended Cash dividend NIL (2022: 50%).

### 5. Auditors

The present auditors M/s. Aslam Malik & Co., Chartered Accountants, retire and being eligible offers themselves for reappointment for year ending June 30, 2024.

### 6. No. Of Board Meetings Held

Four Board meetings were held during the year ended June 30, 2023. Attendance by each director is appended hereunder;

<b>Name of Directors</b>	<b>Meetings Attended</b>
SHAHZAD ALI KHAN	4
NAWABZADA WAJAHAT ALI KHAN	4
NAWABZADI BEGUM SHAMIM SHAFQAT	4
HASSAN JAVED	4
SHAHARYAR ALI KHAN	4
SIKANDAR ALI KHAN	3
JAVAID UMAR	3

Leave of absence was granted to Directors who could not attend any of the Board meetings.

## 7. Audit Committee

The Board, in compliance with the Code of Corporate Governance has set up an audit committee comprising of the following members;

Javaid Umar	Chairman
Nawabzada Wajahat ali Khan	Member
Shaharyar Ali Khan	Member

## 8. HR & Remuneration Committee

The Board, in compliance with the Code of Corporate Governance has set up HR and Remuneration committee comprising of the following members;

Nawabzada Wajahat Ali Khan	Chairman
Sikandar Ali Khan	Member
Hassan Javed	Member

## 9. Outstanding Statutory Payments:

There is no outstanding statutory payment, due on account of taxes, duties, levies and charges except for routine nature.

## 10. Pattern of Shareholding

Pattern of shareholding as on June 30, 2023 is annexed.

## 11. Director's Statement

The Directors of the Company have reviewed the Code of Corporate Governance and are pleased to confirm that company has complied with the provisions set out by the Securities and Exchange Commission of Pakistan (SECP) and there is no material departure from the best practices as detailed in the listing regulations of the stock exchanges in Pakistan.

- a. The financial statements prepared by the management present a true and fair state of affairs of the company.
- b. Proper books of accounts have been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statement and any departure there from has been adequately disclosed.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.

- f. The current assets have increased the current liabilities by Rs. 1,142.462 M and the shareholders equity is in the positive.
- g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

## 12. Social Responsibilities

The management of the company has been mindful of its Social Responsibilities towards the environment and is determined to control the effects of our operations on the environment and comply with the environment legislation for pollution control in order to promote a better and ecological friendly future in Pakistan.

## 13. Future Prospect

We expect to continue our good performance and Inshallah, will overcome all these problems by hard working, timely decision of management and team work. We hope that in the year 2023-24 we will present better financial position. Globally tendency of oil seed prices are going upward which help us to sell our current finished product on better rates. We further expect that the quality of local seed crop will improve further and we attained better yield in the next financial year.

## 14. Acknowledgement

It is our privilege to share with you our deep appreciation for the untiring efforts and dedication shown by Company employees, during the course of the year.

We would also like to thank our valued distributors, suppliers, financiers and shareholders for their cooperation and the trust reposed in our Company.

On behalf of the Board



**Chief Executive**



**Director**

Lahore  
October 4, 2023

## ڈائریکٹر رپورٹ برائے ممبران

کمپنی کے ڈائریکٹر 30 جون 2023 کو ختم ہونے والے سال کیلئے کمپنی کی سالانہ رپورٹ اور آڈٹ شدہ کمپنی حسابات کی تفصیل پیش کرتے ہیں۔

### 1۔ مالیاتی نتائج

کمپنی نے زیر جائزہ سال کے دوران درج ذیل عملی نتائج حاصل کئے ہیں۔

2022	2023	
(Rs.'000s)	(Rs.'000s)	
419,329	354,202	ٹیکس سے پہلے منافع
199,401	219,865	ٹیکس
219,928	134,337	ٹیکس کے بعد منافع
38.87	23.74	آمدنی فی حصص

### 2۔ آپریشنز کا جائزہ

جائزہ کے تحت سال کے دوران واہڈ آئل کی کل پیداوار 6,005 میٹرک ٹن، کھل چورہ اور صابن 19,316 میٹرک ٹن رہی جبکہ پچھلے سال واہڈ آئل کی پیداوار 14,961 میٹرک ٹن اور کھل چورہ اور صابن کی کل پیداوار 58,536 میٹرک ٹن رہی۔ اسی طرح برائے سال واہڈ آئل کی فروخت 5,628 میٹرک ٹن اور کھل چورہ اور صابن کی فروخت 20,656 میٹرک ٹن رہی جبکہ گذشتہ سال واہڈ آئل کی فروخت 17,162 میٹرک ٹن اور کھل چورہ اور صابن کی فروخت 57,684 میٹرک ٹن تھی۔

زیر جائزہ سال کے دوران ہماری فروخت میں %41.00 فیصد کمی ہوئی ہے اور انتظامیہ نے تمام معاشی، عمومی رکاوٹوں اور برہتی ہوئی خام مال کی قیمتوں کو مد نظر رکھتے ہوئے ٹیکس کے بعد خالص منافع 134.337 ملین روپے کمانے پر نہایت خوشی کا اظہار کیا ہے۔ آپ کی کمپنی کی انتظامیہ نیا پنی بہتر پیداوار کو پورا کرنے کے لیے مارکیٹ سے اضافی حصص حاصل کرنے کے لیے اچھی کارکردگی کا مظاہرہ کیا ہے۔ KIBOR کی شرح میں اضافے کے باوجود مالیاتی لاگت میں کمی ہوئی ہے۔

### 3۔ سات (7) سالوں کے اہم آپریشنز اور مالی اعداد و شمار کا خلاصہ

2023	2022	2021	2020	2019	2018	2017	
6,230,793,595	10,562,344,900	8,037,744,886	5,011,834,462	3,890,162,788	3,479,371,550	2,674,122,680	فروخت
5,652,457,396	9,837,456,566	7,397,082,598	4,693,181,200	3,660,642,454	3,318,027,883	2,543,101,055	فروخت سامان کی قیمت
578,336,199	724,888,334	640,662,288	318,653,262	229,520,334	161,703,667	131,021,625	کل منافع
527,765,585	661,562,045	593,827,214	277,174,710	186,778,177	124,684,768	91,934,797	آپریٹنگ منافع
354,201,672	419,328,759	441,479,875	80,240,850	43,678,950	33,580,284	38,094,460	ٹیکس سے پہلے منافع
134,337,010	219,927,582	311,537,875	28,626,093	13,134,221	12,357,693	20,781,498	ٹیکس کے بعد منافع
56,584,000	56,584,000	56,584,000	56,584,000	56,584,000	56,584,000	56,584,000	اڈا شدہ سرمایہ
1,810,960,209	2,986,390,670	2,467,126,327	2,319,975,059	1,707,629,660	1,199,535,510	1,384,709,725	موجودہ اثاثہ جات
668,498,380	2,098,364,401	1,804,649,972	1,942,834,130	1,366,839,957	882,182,269	1,384,709,725	موجودہ واجبات

#### 4۔ ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے نقد ڈیویڈنڈ 0% (50%: 2022) کی -غارش کی ہے۔

#### 5۔ آڈیٹرز

موجودہ آڈیٹرز میسرز اسلم ملک اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس جو کہ ریٹائر ہو رہے ہیں اور سال 30 جون 2024 کے انتخاب کیلئے دوبارہ اپنے آپ کو پیش کرتے ہیں۔

#### 6۔ منعقدہ بورڈ میٹنگوں کا انعقاد۔

30 جون 2023 کو ختم ہونے والے سال کے دوران بورڈ کے چار (4) اجلاس منعقد ہوئے۔

ڈائریکٹرز کے نام	اجلاس میں شرکت کی۔
شہزاد علی خان	4
نوابزادہ وجاہت علی خان	4
نوابزادہ بیگم شمیم شفقت	4
حسن جاوید	4
شہزاد علی خان	4
سکندر علی خان	3
جاوید عمر	3

غیر حاضری کی چھوٹ ان ڈائریکٹران کو دی گئی جو بورڈ آف ڈائریکٹرز کے اجلاس میں شرکت نہیں کر سکے۔

#### 7۔ آڈٹ کمیٹی

بورڈ نے کارپوریٹ گورننس کے کوڈ کی تعمیل کرتے ہوئے مندرجہ ذیل ممبران پر مشتمل ایک آڈٹ ٹیم تشکیل دی ہے۔

جاوید عمر	چیئر مین
نوابزادہ وجاہت علی خان	ممبر
شہزاد علی خان	ممبر

#### 8۔ انفرادی قوت اور معاوضہ کمیٹی

بورڈ نے کارپوریٹ گورننس کے کوڈ کی تعمیل کرتے ہوئے مندرجہ ذیل ممبروں پر مشتمل ایک انفرادی قوت اور معاوضہ کمیٹی تشکیل دی ہے۔

نوابزادہ وجاہت علی خان	چیئر مین
سکندر علی خان	ممبر
حسن جاوید	ممبر

#### 9۔ واجب الادا قانونی ادائیگیاں

روزمرہ کے علاوہ ٹیکسوں، محصولات، جرمانہ اور خرابے کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ہے۔

#### 10۔ شیئر ہولڈنگ کا نمونہ

30 جون 2023 کے حصص ہولڈنگ کا نمونہ لفظ حد ہے۔

#### 11۔ ڈائریکٹران کے تاثرات

کمپنی کے ڈائریکٹران نے کارپوریٹ کوڈ کا جائزہ لیا اور اس بات کی تصدیق کرتے ہوئے خوشی کا اظہار کیا ہے کہ کمپنی نے سکیورٹیز اینڈ ایکسچینج آف پاکستان (ایس ای سی پی) کے متعین کردہ دفعات کی مکمل تعمیل کی ہے۔ اور پاکستان سٹاک ایکسچینج ریگولیشن کے وضع کردہ بہترین اصولوں کے برعکس منجیدہ نوعیت کی کوئی خلاف ورزی نہیں کی۔

a۔ انتظامیہ کی طرف سے تیار کردہ مالی حسابات کمپنی کے امور کی درست اور منصفانہ عکاسی کرتے ہیں۔

b۔ اکاؤنٹس کی مناسبت کتابیں تیار کی گئی ہیں۔

c۔ مالی حسابات کے تیاری میں پچھلے سالوں کی اکاؤنٹنگ پالیسیاں لاگوری ہیں اور مالی تخمینہ جات معقول اور محتاط فیصلوں پر مبنی ہے۔

- d۔ پاکستان میں مروجہ بین الاقوامی اکاؤنٹ سٹیٹرز کو مالیاتی حسابات کی تیاری میں استعمال کیا گیا ہے۔  
e۔ انٹرنل کنٹرول کا وضع کردہ منظم طریقہ کار موثر انداز میں نگرانی کیلئے نافذ عمل ہے۔  
f۔ قلیل مدتی اثاثے، قلیل مدتی واجبات سے 1,142.462 ملین روپے زیادہ ہیں اور حصص داران کی سرمایہ کاری مثبت میں ہے۔  
g۔ کارپوریٹ گورننس کے وضع کردہ بہترین اصولوں کے برعکس سنجیدہ نوعیت کی کوئی خلاف ورزی نہیں کی۔

## 12۔ سماجی ذمہ داریاں

کمپنی کی انتظامیہ ماحولیات کے بارے میں اپنی معاشرتی ذمہ داریوں کو ذہن میں رکھے ہوئے ہیں اور وہ ماحول پر ہمارے آپریشن کے اثرات پر قابو پانے کیلئے پرعزم ہے اور پاکستان میں ایک بہتر اور ماحولیاتی دوست مستقبل کو فروغ دینے کیلئے آلودگی پر قابو پانے کیلئے ماحولیاتی قانون سازی کی تعمیل کریں گی۔

## 13۔ آئینہ کالائے عمل

ہم اپنی اچھی کارکردگی کو جاری رکھنے کا عزم رکھتے ہیں اور انشاء اللہ صحت و بروقت فیصلہ اور اجتماعی کوشش سے تمام مشکلات پر قابو پالیں گے۔ ہم امید کرتے ہیں کہ سال 2023-24 میں ہم بہتر مالی حیثیت پیش کریں گے۔ تیل کے بیجوں کی قیمتوں میں عالمی سطح پر بڑھاؤ کا رجحان ہے جو ہماری موجودہ تیار شدہ مصنوعات کو بہتر نرخوں میں فروخت کرنے میں معاون ثابت ہوگا۔ ہم مزید توقع کرتے ہیں کہ مقامی بیج کی فصل کے معیار میں مزید بہتری آئیگی اور اگلے مالی سال میں ہم بہتر پیداوار حاصل کر لیں گے۔

## 14۔ اظہار تشکر

ہمارا یہ اعزاز ہے کہ ہم سال کے دوران کمپنی کے ملازمین کی طرف سے دکھائی جانے والی انتھک کوششوں اور لگن کیلئے بے حد مشکور ہیں۔ ہم اپنے قابل قدر ڈسٹری بیوٹرز، پلانٹرز، فائننسرز اور شیئرز ہولڈرز کے تعاون اور ہماری کمپنی پر اعتماد پر انکاشکر یہ ادا کرتے ہیں۔

۱۸ ستمبر ۲۰۲۳ء

J. A. Khan

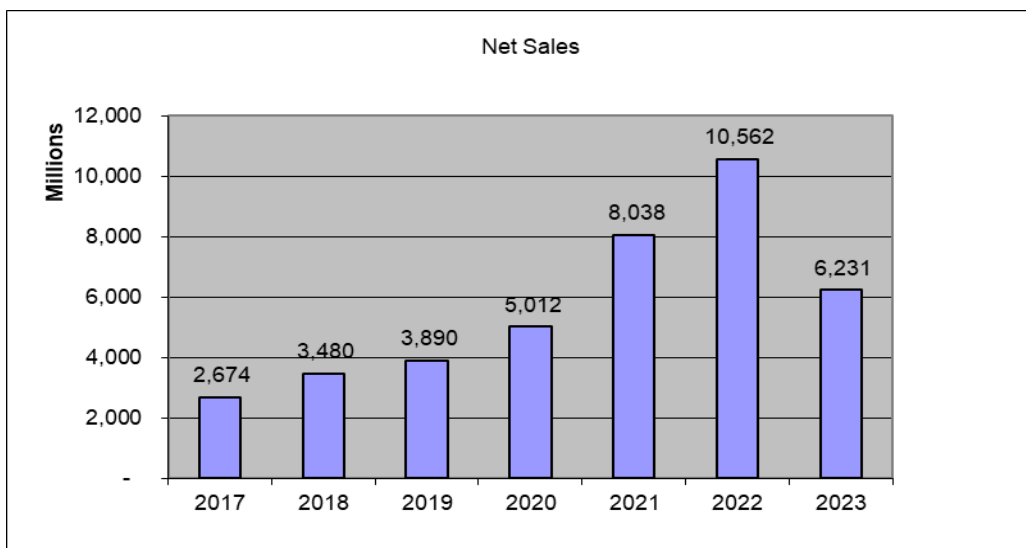
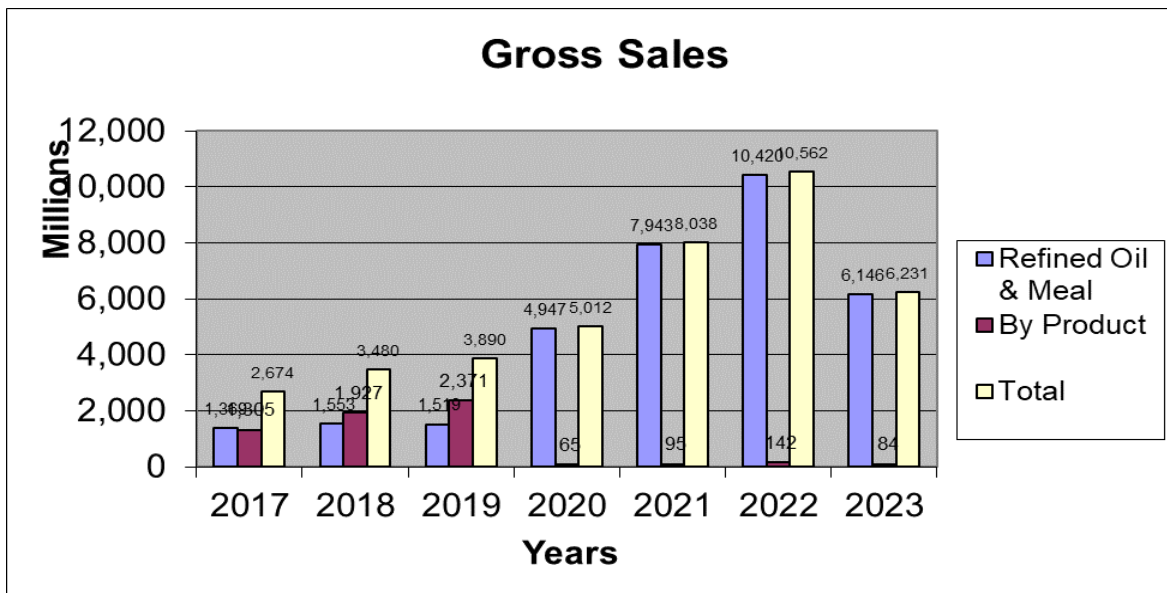
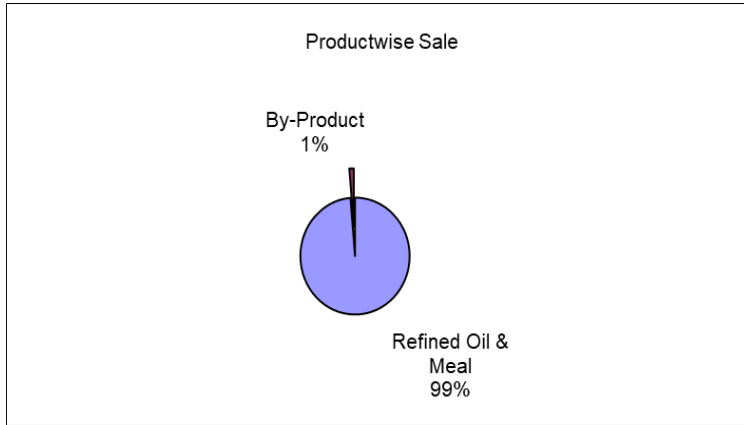
ڈائریکٹر

مختار بوریڈ  
چیف ایگزیکٹو

لاہور 4 اکتوبر 2023



## STATISTICAL PERFORMANCE CHART AND GRAPHS



# Statement of Compliance

## with Listed Companies (Code of Corporate Governance) Regulations, 2019

**Name of company:** SS Oil Mills Limited

**Year ending:** June 30, 2023

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

Gender	Number
Male	6
Female	1

2. The composition of board is as follows:

Category	Names
Independent Directors*	1. Mr. Hassan Javed 2. Javaid Umar
Other Non Executive Directors	1. Mr. Shaharyar Ali Khan 2. Mrs. Nawabzadi Begum Shamim Shafqat 3. Mr. Sikandar Ali Khan 4. Mr. Nawabzada Wajahat Ali Khan
Executive Director	1. Shahzad Ali Khan (Chief Executive)
Female Director	1. Mrs. Nawabzadi Begum Shamim Shafqat

\*Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience. The current Board of Directors of the Company adequately meets this requirement. Further, existing independent directors play an effective part within the Board and make valuable contribution. Therefore, the fraction (2.3) has not been rounded up.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. In terms of Regulation 19 of the 2019 Code, companies are encouraged that all directors on their board have acquired the prescribed certification under Directors' Training Program (DTP) by June 30, 2023. Presently, Three (3) directors of the Company meet the exemption requirement of the DTP, one (1) Director has completed DTP and remaining Three (3) directors were unable to obtain certification under the DTP in due course of time due to Covid-19 safety measures.
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

<b>Committees</b>	<b>Composition/Names</b>
<b>Audit Committee</b>	<p><b>Chairman:</b>  <b>Mr. Javaid Umar</b>  <b>(Independent Director)</b></p> <p><b>Members:</b>  <b>Mr. Nawabzada Wajahat Ali Khan</b>  <b>Mr. Shaharyar Ali Khan</b></p>
<b>HR &amp; Remuneration Committee</b>	<p><b>Chairman:</b>  <b>Mr. Nawabzada Wajahat Ali Khan</b></p> <p><b>Members:</b>  <b>Mr. Sikandar Ali Khan</b>  <b>Mr. Hassan Javed</b></p>

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the committee were as per following:

Committees	Frequency
Audit Committee	Four quarterly meetings were held during the financial year ended June 30, 2023
HR & Remuneration Committee	One meeting was held during the financial year ended June 30, 2023

15. The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



Chief Executive

Lahore  
October 4, 2023



Chairman

## INDEPENDENT AUDITOR'S REPORT

To the members of S.S. Oil Mills Limited  
Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of S.S. OIL MILLS LIMITED (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss and the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in Our Audit
1.	<p><b>Stock in Trade:</b></p> <p>Refer notes 4.5 and 17 to the financial statements, the Company has stock-in-trade aggregating Rs.808.3 million comprising raw materials, finished goods and work in progress. We identified this area as a key audit matter because stock-in-trade constitutes 45% of the total assets of the Company as at June 30, 2023 and determining an appropriate write down as a result of net realizable value (NRV) involves management judgement and estimation.</p>	<p>Our audit procedures in respect of this area included:</p> <ul style="list-style-type: none"> <li>➤ We gained an understanding of the management’s process of recording and valuing inventories;</li> <li>➤ Observation of physical inventory count procedures and compared on a sample basis, physical count with valuations sheets;</li> <li>➤ Compared on a sample basis specific purchases and directly attributable cost with underlying supporting documents;</li> <li>➤ Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards; and</li> <li>➤ We also considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017.</li> </ul>

#### Information Other Than the Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows



together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the central zakat fund established under section 7 of that ordinance.

The engagement partner on the audit resulting in this independent auditors' report is Hafiz Muhammad Ahmad Saleem.

  
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**Chartered Accountants**



Place: Lahore

Date: October 05, 2023

UDIN: AR20231014859lf80Jdk

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of SS Oil Mills Limited

### Review report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **SS Oil Mills Limited** for the year ended 30 June 2023 in accordance with the requirements of regulation 36 of the Regulations.


The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2023.

The engagement partner on the review resulting in this independent auditors' review report is Hafiz Muhammad Ahmad Saleem.

  
Chartered Accountant  
Place: Lahore  
Date: October 05, 2023  
UDIN: CR20231014815e84ogCI




**S. S. OIL MILLS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2023**

EQUITY & LIABILITIES	Note	30-Jun-23 Rupees	30-Jun-22 Rupees	ASSETS	Note	30-Jun-23 Rupees	30-Jun-22 Rupees
<b>SHARE CAPITAL AND RESERVES</b>				<b>NON-CURRENT ASSETS</b>			
<b>Authorised</b>				<b>Fixed Assets - Tangible</b>			
7,000,000 Ordinary Shares of Rs. 10 each		70,000,000	70,000,000	Property, Plant, and Equipment	14	923,644,683	999,008,677
<b>Issued, Subscribed and Paid up</b>	5	56,584,000	56,584,000				
Accumulated Profit		1,297,077,358	1,149,735,600				
Surplus on Revaluation of Fixed Assets	6	459,204,609	485,986,780	<b>LONG TERM DEPOSITS</b>	15	3,343,650	3,343,650
-Net of Deferred tax						926,988,333	1,002,352,327
		1,812,865,967	1,692,306,380				
<b>NON-CURRENT LIABILITIES</b>							
Long Term Loan	7	50,146,313	59,321,150				
Lease Liabilities	8	195,244	1,076,747				
<b>DEFERRED LIABILITIES</b>	30	206,242,638	137,674,319				
<b>CURRENT LIABILITIES</b>				<b>CURRENT ASSETS</b>			
Creditors, Accrued and other Liabilities	9	595,261,787	207,295,479	Stores & Spares	16	65,112,844	40,228,107
Markup Accrued		3,128,510	34,604,853	Stocks in Trade	17	808,309,743	955,975,034
Current Portion of Long Term Liabilities		10,220,525	10,141,768	Trade Debtors	18	636,828,193	1,769,630,304
Short Term Borrowings	10	35,303,316	1,823,144,901	Advances, Deposits, Prepayments and			
Loan from Directors and Associates	11	20,837,014	20,837,014	Other Receivables	19	134,534,190	181,417,423
Unpaid Dividend	12	3,747,228	2,340,386	Cash and Bank Balances	20	166,175,239	39,139,803
		668,498,380	2,098,364,401			1,810,960,209	2,986,390,671
<b>Contingencies and Commitments</b>	13	-	-				
		<b>2,737,948,542</b>	<b>3,988,742,997</b>			<b>2,737,948,542</b>	<b>3,988,742,997</b>

The annexed notes 1 to 42 form an integral part of these financial statements.

Lahore  
October 04, 2023

  
Chief Executive

  
Director

  
Chief Financial Officer

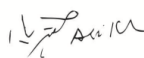
**S.S. OIL MILLS LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

PARTICULARS	Note	30-Jun-23 Rupees	30-Jun-22 Rupees
Sales - Net	21	6,230,793,595	10,562,344,900
Less: Cost of Goods Sold	22	5,652,457,396	9,837,456,566
<b>Gross Profit</b>		<b>578,336,199</b>	<b>724,888,334</b>
Administrative and General Expenses	23	49,353,113	48,343,873
Selling & Distribution Costs	24	1,217,501	14,982,416
		50,570,614	63,326,289
<b>Operating Profit</b>		<b>527,765,585</b>	<b>661,562,045</b>
Other Income	25	19,163,268	3,753,476
		546,928,853	665,315,521
Financial Costs	26	166,475,929	214,800,894
Other Expenses	27	26,251,252	31,185,868
		192,727,181	245,986,762
<b>Net Profit for the Year Before Taxation</b>		<b>354,201,672</b>	<b>419,328,759</b>
<b>Taxation</b>	28	219,864,662	199,401,177
<b>Profit for the Year After Taxation</b>		<b>134,337,010</b>	<b>219,927,582</b>
Earning per Share (Rs. / Share) Basic and Diluted	29	<b>23.74</b>	<b>38.87</b>

*The annexed notes 1 to 42 form an integral part of these financial statements.*

Lahore  
October 04, 2023

  
Chief Executive

  
Director

  
Chief Financial Officer  
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**S. S. OIL MILLS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<b>PARTICULARS</b>	<b>Note</b>	<b>30-Jun-23 Rupees</b>	<b>30-Jun-22 Rupees</b>
<b>Profit after Taxation</b>		134,337,010	219,927,582
<i>Items that cannot be reclassified to Profit or Loss</i>			
Remeasurement of defined benefit plan		454,395	(1,414,133)
Related tax impact		(131,774)	410,099
<u>-Net of Deferred tax</u>		-	140,427,472
<b>Total Comprehensive Income</b>		<b>134,659,631</b>	<b>359,351,020</b>

The annexed notes 1 to 42 form an integral part of these financial statements.



**Chief Executive**  
**Lahore**  
**October 04, 2023**



**Director**



**Chief Financial Officer**


**S.S.OIL MILLS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	30-Jun-23 Rupees	30-Jun-22 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Net Profit before taxation</b>		354,201,672	419,328,759
Adjustment for:			
Provision for Depreciation		75,363,994	72,836,134
Finance Cost	26	166,475,929	214,800,894
Other Expenses (WPPF & WWF)	27	26,251,252	31,185,868
Gratuity	30.2.5	6,092,682	4,485,616
		<u>274,183,857</u>	<u>323,308,512</u>
<b>Profit before working capital changes</b>		628,385,529	742,637,271
<b>(Increase)/decrease in current assets</b>			
Stores and spares	16	(24,884,737)	(9,047,870)
Stock in trade	17	147,665,291	86,664,632
Trade debtors	18	1,132,802,111	(469,053,730)
Advances, deposits, prepayments & Other Receivables	19	(27,543,672)	(57,190,096)
		<u>1,228,038,993</u>	<u>(448,627,064)</u>
<b>Increase/ (Decrease) in current liabilities</b>		394,307,765	47,946,895
		<u>1,622,346,758</u>	<u>(400,680,169)</u>
Taxes Paid - net		(64,647,654)	(226,163,446)
W.W.F. Paid		(8,660,136)	(11,730,810)
W.P.P.F. Paid	9.1	(22,525,731)	(23,853,194)
Gratuity Paid	30.2.2	(3,799,889)	(2,530,000)
Dividend Paid		(28,292,000)	(16,975,200)
Financial Charges Paid		(197,695,160)	(197,790,511)
		<u>(325,620,570)</u>	<u>(479,043,161)</u>
<b>Net Cash from Operating Activities</b>		<u>1,925,111,717</u>	<u>(137,086,059)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Fixed Assets Purchased	14.4	-	(167,012,417)
Capital Work-in -Progress		-	77,156,973
		<u>-</u>	<u>(89,855,444)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net Increase in Short term loans	10	(1,787,841,585)	229,650,753
Lease Liability Payment		(1,059,859)	(1,113,460)
Net Increase in Long term loans	7	(9,174,837)	15,537,988
		<u>(1,798,076,281)</u>	<u>244,075,281</u>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENT</b>		127,035,436	17,133,778
<b>Cash &amp; Cash Equivalents at the beginning of the Year</b>		39,139,803	22,006,025
<b>Cash &amp; Cash Equivalents at the end of the Year</b> <b>A</b>		<u>166,175,239</u>	<u>39,139,803</u>

**A** Cash & Cash Equivalents include cash and bank balances as stated in Note 20

The annexed notes 1 to 42 form an integral part of these financial statements.

Lahore  
October 04, 2023

  
Chief Executive

  
Director

  
Chief Financial Officer

**S.S.OIL MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Particulars	Share Capital (Rupees)	Accumulated Profit (Rupees)	Revaluation Surplus (Rupees)	Equity (Rupees)
<b>Balance as on June 30, 2021</b>	56,584,000	909,801,035	370,638,224	<b>1,337,023,259</b>
Total Comprehensive Income for the year	-	218,923,548	-	<b>218,923,548</b>
-Net of Deferred tax			140,427,472	<b>140,427,472</b>
Dividend Paid for the year Ended June 30, 2021		(16,975,200)		<b>(16,975,200)</b>
Transferred from surplus on revaluation of Fixed Assets -Net of Deferred Tax	-	37,986,217	(25,078,916)	<b>12,907,301</b>
<b>Balance as at June 30, 2022</b>	<b>56,584,000</b>	<b>1,149,735,600</b>	<b>485,986,780</b>	<b>1,692,306,380</b>
Total Comprehensive Income for the year	-	134,659,631	-	<b>134,659,631</b>
Dividend Paid for the year Ended June 30, 2022		(28,292,000)	-	<b>(28,292,000)</b>
Transferred from surplus on revaluation of Fixed Assets -Net of Deferred Tax	-	40,974,127	(26,782,171)	<b>14,191,956</b>
<b>Balance as at June 30, 2023</b>	<b>56,584,000</b>	<b>1,297,077,358</b>	<b>459,204,609</b>	<b>1,812,865,966</b>

The annexed notes 1 to 42 form an integral part of these financial statements.

Lahore  
October 4, 2023

  
Chief Executive

  
Director

  
Chief Financial Officer

**S S OIL MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**1 The Company and its operation**

S.S. Oil Mills Ltd. (The Company) was incorporated in Pakistan in August 21, 1990 as a Public Limited Company under the repealed companies ordinance, 1984. The shares of the company are quoted on Pakistan Stock Exchanges. The registered office of the company is situated at 2-Tipu Block, New Garden Town, Lahore, Pakistan. The company is engaged in Solvent Extraction (Edible Oil, Meal). The principal object of the company is to carry on the business of extracting, refining, processing and sale of semi refined washed oil and meal on competitive prices.

**2 Basis of Preparation**

**2.1 Statement of Compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

-International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

-Provisions of and directives issued under the Companies Act, 2017.

-Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Initial application of a standard, amendment or an interpretation to an existing standard**

**2.2.1 Amendments to published accounting and reporting standards which are effective for the year ended June 30, 2023**

There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

**2.2.2 Standard, amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Company**

There is a standard and certain other amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

**3 Critical accounting estimates and judgements**

The preparation of financial statements is in conformity with the approved accounting standards and requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

**Financial instruments**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at balance sheet date.

**Useful lives, patterns of economic benefits and impairments**

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

**Inventories**

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

**Taxation**

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.



#### **Provision for doubtful debts**

The Company reviews its receivable against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **4 Summary of significant accounting policies.**

##### **4.1 Accounting Convention:**

These financial statements have been prepared under the historical cost convention except for recognition of certain staff retirement benefit at present values as referred to in note 4.7 and certain financial instruments that have been accounted for on the basis of their fair values as referred to in note # 4.15

##### **4.2 Tangible Fixed Assets and Depreciation:**

###### **(a) owned**

Building, Plant and machinery are stated at revalued amount less accumulated depreciation. Freehold land is carried at revalued amounts. All other operating assets are stated at cost less accumulated depreciation except capital work-in-progress which is stated at cost.

Borrowing costs during the erection period are capitalized as part of historical cost of the related assets.

Depreciation is charged on operating assets applying reducing balance method to write off the cost over remaining useful life of assets. Rates of depreciation are stated in Note No. 14.

Depreciation is charged on from the month in which an asset is acquired or capitalized while no depreciation is charged from the month in which as asset is disposed off.

Gains / (Losses) on disposal of operating assets are included in income currently. Normal maintenance and repairs are charged to income as and when incurred. Major renewals and replacements are capitalized.

###### **(b) Lease**

##### **Right of Use Assets**

The right-of-use asset is measured at cost, as the amount equal to initially measured lease liability adjusted for lease prepayments made at or before the commencement date, initial direct cost incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

##### **Lease Liability**

The lease liability was measured upon initial recognition at the present value of the future lease payments over the lease term, discounted with the specific incremental borrowing rate.

Subsequently lease liabilities are measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

##### **Short-term leases and leases of low-value assets**

The company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

##### **4.3 Capital Work In Progress**

All costs / expenditure connected with specific assets are collected under this head until completion of assets. These are transferred to specific assets as and when assets are available for use.

##### **4.4 Stores & Spares**

These are valued at lower of moving average cost and net realizable value. Items in transit are valued at cost comprising invoice value plus incidental charges paid thereon.

#### 4.5 **Stock in Trade:**

Basis of valuation are as follows:

<b>Particulars</b>	<b>Mode of Valuation</b>
Raw Materials	At lower of annual average cost and net realizable value
Work in Process	At cost
Finished Goods	At lower of cost and net realizable value
By products	At net realizable value

Cost in relation to work in process and finished goods represents the annual average manufacturing cost which consists of prime cost and appropriate manufacturing overheads.

Net realizable value signifies the selling price in the ordinary course of business less cost necessary to be incurred to effect such sale.

#### 4.6 **Cash & Cash Equivalents**

Cash & cash equivalents are carried in the Balance Sheet at cost.

For the purpose of statement of cash flow, cash and cash equivalents comprise of cheques in hand, cash and bank balances.

#### 4.7 **Staff Retirement Benefits:**

The Company operates approved un-funded gratuity scheme for its workers who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to statement of profit or loss.

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if, any excluding interest), are recognized immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan is recognized in statement of profit or loss.

#### 4.8 **Taxation**

##### **- Current**

The charge for current taxation is based on taxable income at the current tax rates after taking into account applicable tax credits and rebates, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assumptions from assessments framed during the year for such years.

##### **- Deferred**

Deferred tax is accounted for using the Balance Sheet Method liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets, as required by IAS 12(Income Taxes) are recognized.

#### 4.9 **Related Party Transactions**

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Company to do so.

#### 4.10 **Revenue Recognition:**

Revenue is recognized in accordance by applying the following steps:

- i) Identify the contract with a customer
- ii) Identify the performance obligation in the contract
- iii) Determine the transaction price of the contract
- iv) Allocate the transaction price to each of the separate performance obligations in the contract
- v) Recognize the revenue when (or as) the entity satisfies a performance obligation

Revenue is recognized at a point in time, when the Company satisfies performance obligations by transferring the promised goods to its customers.

Profit on bank balances are recognized on a time proportion basis on the on the principal amount outstanding and at the applicable rate.

#### **Revenue from Contract with Customers**

##### **Sale of Goods**

Sale of goods is recognized when the Company has transferred control of the products to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

##### **Contract assets**

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

##### **Contract liabilities**

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made.

Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

#### 4.11 **Foreign Currency Translations.**

Foreign currency transactions are recorded at the official exchange rate applicable at the transaction date. Monetary assets and liabilities are translated into rupees using official exchange rates applicable at the statement of financial position date. All gains and losses on settlement and transaction at year-end are recognized in the income statement.

#### 4.12 **Trade Debts and other receivables**

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

#### 4.13 **Borrowings and Borrowings Costs**

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

#### 4.14 **Provisions**

Provisions are recognized when the company has a present, legal or constructive obligation as a result of part events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made. Provision are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

#### 4.15 **Financial Instruments**

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

##### 4.15 .1 **Financial Assets**

###### **Classification**

The Company classifies its financial assets in the following measurement categories:

- a) Amortized cost where the effective interest rate method will apply;
- b) fair value through profit or loss;
- c) fair value through other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). The Company reclassifies debt investments when and only when its business model for managing those assets.

###### **Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

###### **Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

###### **Debt Instrument**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

###### **a) Amortised Cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

###### **(b) Fair value through other comprehensive income (FVTOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income/charges. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/charges and impairment expenses are presented as separate line item in the statement of profit or loss.

###### **c) Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the statement of profit or loss and presented net within other operating gains/(losses) in the period in which it arises.

### **De-recognition of financial assets**

A financial asset (or, where applicable part of a financial asset or part of a group of similar financial assets) is derecognized when:

- i. The rights to receive cash flows from the asset have expired
- ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset.

In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Loans, advances, deposits, prepayments and other receivables
- Short term investments
- Cash and bank balances

### **Simplified approach for trade debts**

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts are separately assessed for ECL measurement. The lifetime expected credit losses are estimated using the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

### **Recognition of loss allowance**

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 150 days past due in making a contractual payment.

### **Write-off**

The Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

## **4.15 .2 Financial Liabilities**

### **Classification, initial recognition and subsequent measurement**

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and
- other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

**a) Fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

**b) Amortised cost**

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

**De-recognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

**4.15 .3 Off-setting of financial assets and financial liabilities.**

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the company has legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**4.16 Financial Expenses**

Financial expenses are recognised using the effective interest rate method and comprise foreign currency losses and interest expenses on bank borrowings.

**4.17 Impairment of Assets**

The Management assesses at each Balance Sheet date whether there is any indication that an asset is impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount by charging the impairment loss against income for the year.

These are stated at cost which represents the Fair Value of consideration given.

**4.18 Trade and Other Payable**

Trade and other payables are measured at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the company.

**4.19 Dividend and other appropriations**

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in the statement of changes in equity and as a liability in the Company's financial statements in the year in which the dividends are approved by the Board of Directors or the Company's shareholders as the case may be.

**4.20 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability; or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market is accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure

fairvalue, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a. Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- b. Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is
- c. Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Chief Financial Officer determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

#### 4.21 **Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

#### 4.22 **Share Capital**

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

#### 4.23 **Impairment of Non-Financial Assets**

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds the recoverable amount. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If there is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the assets in prior year. Such reversal is recognized in the statement of profit or loss and other comprehensive income.

#### 4.24 **Operating Segment**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

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	30-Jun-23 Rupees	30-Jun-22 Rupees
<b>5 Issued, Subscribed and paid up Capital</b>		
5,018,400 (2022: 5,018,400) ordinary shares of Rs. 10/- fully paid in cash	50,184,000	50,184,000
640,000 (2022: 640,000) Ordinary shares of Rs. 10/- each issued for consideration other than cash (Project Land)	6,400,000	6,400,000
	<u>56,584,000</u>	<u>56,584,000</u>

5.1 Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding.

5.2 As at the reporting date, the shares of the Company as held by its holding company and associated companies are as under:

	% of Shareholding	2023 Number of Shares	2022
Sikandar Commodities (Pvt.) Limited	14.61%	826,500	826,500

**6 Surplus on Revaluation of Fixed Assets - Net of Deferred Tax**

Surplus on Revaluation Opening Balance	596,795,374	465,445,011
Add:- Assets Revalued during the year	-	169,336,580
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(26,782,171)	(25,078,916)
Related deferred tax liability of incremental depreciation charged during the year	(14,191,955)	(12,907,301)
<b>Surplus on Revaluation of Fixed Assets</b>	<u>555,821,248</u>	<u>596,795,374</u>
Less: related Deferred Tax Liability		
-revaluation as at July 1	110,808,595	94,806,788
-revaluation recognized during the year	-	28,909,108
-incremental depreciation charged during the year transferred to Profit and Loss account	(14,191,955)	(12,907,301)
	<u>96,616,640</u>	<u>110,808,595</u>
	<u>459,204,609</u>	<u>485,986,780</u>

**7 Long Term Loan**

<b>FFSAP</b>	7.1	4,921,000	7,383,000
<b>SFRE</b>	7.2	54,487,329	61,200,166
Less: Current Portion of long Term loan		9,262,016	9,262,016
		<u>50,146,313</u>	<u>59,321,150</u>

7.1 Loan has obtain to import of Silos. Loan is repayable in equal 26 quarterly installments with a grace period of six months. Mark up rate of FFSAP facility is 6% ( 3.5% BOP Share +2.5% SBP Share). This loan is secured against specific charge over Silos of the company with 25% Margin.

7.2 Loan has obtain to import of Solar PV Plant. Loan is repayable in equal 38 quarterly installments with a grace period of three months. Mark up rate of SFRE facility is 6% (4.00% BOP Share +2.00% SBP Share). This loan is secured against specific charge over Solar PV Plant.

**8 Lease Liability**

Present value of minimum lease payments	1,076,747	1,956,499
Less : current portion of lease liabilities	(881,503)	(879,752)
	<u>195,244</u>	<u>1,076,747</u>

8.1 Minimum Lease Payments (MLP) and their Present Value (PV) are as follow:

	2023		2022	
	MLP	PV OF MLP	MLP	PV OF MLP
Due not later than 1 year	949,488	881,503	949,488	879,752
Due later than 1 year but not later than 5 years	276,934	195,244	1,186,860	1,076,747

8.2 This represents lease of car obtained from Bank Alfalah Limited which carries effective rate of interest of 23.86%.



		30-Jun-23	30-Jun-22
		Rupees	Rupees
<b>9</b>	<b>Creditors, Accrued and Other Liabilities</b>		
	Creditors	68,931,637	89,098,286
	Contractual Obligation Related to Import	390,894,000	-
	Accrued Expenses	6,240,427	17,560,442
	Contract Liabilities	99,182,703	60,004,419
	Withholding Tax Payable	1,213,101	6,897,798
	Workers Welfare Fund Payable	9,777,273	11,208,803
	Workers Profit Participation Fund Payable	19,022,646	22,525,731
		595,261,787	207,295,479
<b>9.1</b>	<b>Workers Profit Participation Fund</b>		
	Balance as on July 01	22,525,731	23,853,194
	Contribution due for the year	19,022,646	22,525,731
		41,548,377	46,378,925
	Payments made during the year	22,525,731	23,853,194
		19,022,646	22,525,731
<b>10</b>	<b>Short Term Borrowings</b>		
	Short Term Financing - Secured	35,303,316	1,823,144,901
		35,303,316	1,823,144,901
<b>10.1</b>	<b>Short Term Financing - Secured</b>		
	BOP - Running Finance	35,303,316	25,653,158
	BOP	-	288,965,881
	SILK BANK LTD	-	-
	BANK ALFALAH LTD	-	216,811,692
	SAMBA BANK LTD	-	444,427,140
	SONERI BANK LTD	-	198,323,325
	BANKISLAMI	-	212,545,575
	HBL ISLAMIC	-	436,418,130
		35,303,316	1,823,144,901

These finances have been obtained on mark up basis from commercial banks against aggregate sanctioned limit of Rs. 3,080/- Million (2022: Rs. 2,980/- Million).

Mark up Rate of Running Finance and FATR facility provided by BOP for Rs. 340 (M) is 3 months KIBOR + 135 bps

Mark up Rate of FIM facility provided by SILK Bank Limited for Rs. 400 (M) is 3 month Kibor +400 bps.

Mark up Rate of FIM facility provided by Soneri Bank Limited for Rs. 200 (M) is 3 month Kibor + 150 bps.

Mark up Rate of FIM and FATR facility provided by Samba Bank for Rs. 750 (M) is 1 month Kibor + 125 bps.

Mark up Rate of FIM and FATR facility provided by Bank Alfalah for Rs. 615 (M) is 3 month Kibor + 175 bps.

Mark up Rate of FIM facility provided by BankIslami for Rs. 225 (M) is 3 month Kibor + 175 bps.

Mark up Rate of FIM facility provided by HBL Islamic Banking for Rs. 500 (M) is 3 month Kibor + 100 bps.

These are secured by pledge/hypothecation of Stocks, first charge on fixed/current assets of the company and promissory notes.

<b>11</b>	<b>Loan From Director's Associates</b>	11.1	20,837,014	20,837,014
			20,837,014	20,837,014

11.1 This amount represents interest free loan received from director's associates and repayable on demand.

## 12 Unpaid Dividend

This amount represents dividend of various shareholders pending due to compliance of SRO # 831(I)/2012 dated July 05, 2012.

## 13 Contingencies and Commitments

### 13.1 Contingencies

NIL

### 13.2 Commitments

a) The company has commitments against letter of credit issued in the normal course of business amounting to Rs. 1,590,864,000/- (\$5,764,000/-) (2022 Rs. 1,570,907,623/-(\$7,658,481/-)) in favour of foreign suppliers for raw material.

b) The Government has imposed a comprehensive ban on the import of genetically modified organism (GMO) seeds in the report of committee on Soyabean bearing no. 275/37/2022, Ministry of National Food Security and Research dated December 26, 2022. This imposed regulation has effected the company's contractual obligation for the import of GMO seeds outlined in contract no. E1-S16141, SC-2097-CSG, SC-2016-CSG, and SC-2112-CSG. In the light of our inability to fulfill our contractual terms, USD 1,362,000 has been recorded in current Financial Statements as a compensation by our two parties.

c) Letter of Guarantee issued in favour of SNGPL Rs. 21.00 million(2021: SNGPL Rs. 21.00 million).

**14 Operating Fixed Assets**

Owned assets	14.1&14.2	921,571,339	996,416,997
Right of use assets (ROU) - note 14.5		<u>2,073,344</u>	<u>2,591,680</u>
		<b>923,644,683</b>	<b>999,008,677</b>

(As per fixed assets schedule attached.)

14.4

14.1 No asset was sold to Chief Executive, Directors, Executives and Shareholders during the year.

14.2 These represents the value of Fixed Assets subsequent to revaluation on 30th June 2022 through an independent evaluator M/s. Indus Surveyors Pvt. Ltd.

14.3 Forced sale value as per revaluation report as of June 30, 2022.

Asset Class	Forced Sale Value
Land	135,320,000
Building	183,332,208
Machinery	451,732,500

14.4 OPERATING FIXED ASSETS - 2023

PARTICULARS	C O S T				Rate %	D E P R E C I A T I O N				W.D.V As at June-30, 2023
	As at July 1, 2022	Addition/ (Deletion)	Revaluation of Fixed Assets	As at June-30, 2023		As at July 1, 2022	Adjustment	Normal Charge for the Year	As at June-30, 2023	
Land-freehold	159,200,000	-	-	159,200,000	-	-	-	-	-	159,200,000
Buildings	309,547,272	-	-	309,547,272	5	93,862,322	-	10,784,248	104,646,570	204,900,703
Plant and machinery	1,032,776,199	-	-	1,032,776,199	10	501,326,199	-	53,145,000	554,471,199	478,305,000
Electric Installation	86,912,894	-	-	86,912,894	10	16,867,561	-	7,004,533	23,872,094	63,040,800
Office Equipment	1,796,810	-	-	1,796,810	10	1,626,237	-	17,057	1,643,294	153,516
Furniture and Fixtures	729,929	-	-	729,929	10	638,359	-	9,157	647,516	82,413
Tools and equipment	3,278,625	-	-	3,278,625	10	2,656,395	-	62,223	2,718,618	560,007
Vehicles	48,025,476	-	-	48,025,476	20	28,998,642	-	3,805,367	32,804,009	15,221,467
Tractor & Trolleys	1,735,590	-	-	1,735,590	20	1,680,369	-	11,044	1,691,413	44,177
Fire fighting equipment	668,923	-	-	668,923	10	630,425	-	3,850	634,275	34,648
Arms & Ammunition	221,375	-	-	221,375	10	201,877	-	1,950	203,827	17,548
Tarpauline	100,000	-	-	100,000	10	87,710	-	1,229	88,939	11,061
<b>Total Free Hold Assets</b>	<b>1,644,993,093</b>	<b>-</b>	<b>-</b>	<b>1,644,993,093</b>		<b>648,576,096</b>	<b>-</b>	<b>74,845,658</b>	<b>723,421,754</b>	<b>921,571,339</b>
<b>2023</b>	<b>1,644,993,093</b>	<b>-</b>	<b>-</b>	<b>1,644,993,093</b>		<b>648,576,096</b>	<b>-</b>	<b>74,845,658</b>	<b>723,421,754</b>	<b>921,571,339</b>

OPERATING FIXED ASSETS - 2022

PARTICULARS	C O S T				Rate %	D E P R E C I A T I O N				W.D.V As at June-30, 2023
	As at July 1, 2021	Addition/ (Deletion)	Revaluation of Fixed Assets	As at June-30, 2022		As at July 1, 2021	Adjustment	Normal Charge for the Year	As at June-30, 2022	
Land-freehold	89,550,000	-	69,650,000	159,200,000	-	-	-	-	-	159,200,000
Buildings	223,548,107	-	85,999,165	309,547,272	5	87,036,754	-	6,825,568	93,862,322	215,684,950
Plant and machinery	925,500,798	93,587,986	13,687,415	1,032,776,199	10	447,263,245	-	54,062,954	501,326,199	531,450,000
Electric Installation	13,488,463	73,424,431	-	86,912,894	10	10,444,457	-	6,423,104	16,867,561	70,045,333
Office Equipment	1,796,810	-	-	1,796,810	10	1,607,285	-	18,952	1,626,237	170,573
Furniture and Fixtures	729,929	-	-	729,929	10	628,184	-	10,175	638,359	91,570
Tools and equipment	3,278,625	-	-	3,278,625	10	2,587,258	-	69,137	2,656,395	622,230
Vehicles	48,025,476	-	-	48,025,476	20	24,241,934	-	4,756,708	28,998,642	19,026,834
Tractor & Trolleys	1,735,590	-	-	1,735,590	20	1,666,564	-	13,805	1,680,369	55,221
Fire fighting equipment	668,923	-	-	668,923	10	626,147	-	4,278	630,425	38,498
Arms & Ammunition	221,375	-	-	221,375	10	199,710	-	2,167	201,877	19,498
Tarpauline	100,000	-	-	100,000	10	86,344	-	1,366	87,710	12,290
<b>Total Free Hold Assets</b>	<b>1,308,644,096</b>	<b>167,012,417</b>	<b>169,336,580</b>	<b>1,644,993,093</b>		<b>576,387,882</b>	<b>-</b>	<b>72,188,214</b>	<b>648,576,096</b>	<b>996,416,997</b>
<b>2022</b>	<b>1,308,644,096</b>	<b>167,012,417</b>	<b>169,336,580</b>	<b>1,644,993,093</b>		<b>576,387,882</b>	<b>-</b>	<b>72,188,214</b>	<b>648,576,096</b>	<b>996,416,997</b>

14.4.1 Had there been no revaluation, the net book value of land, building and machinery as on 30-06-2023 would have been as follows:

	2023	2022
Land-Free hold	6,975,000	6,975,000
Buildings	25,968,133	27,334,877
Plant and Machinery	268,936,000	298,817,778

14.4.2 Depreciation for the year has been allocated as under

	2023 Rupees	2022 Rupees
Cost of Goods Sold / Manufacturing	71,008,277	67,395,934
Administrative / General	4,355,717	5,440,200
	<u>75,363,994</u>	<u>72,836,134</u>

14.4.3 Particular of Immovable property (i-e land and buildings) in the name of Company are as follows:

Location	Usage of immovable property	Total Area	Covered Area
27/W-B Luddan Road, Vehari	Plant	594,594 SFT	128,020 SFT

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		30-Jun-23	30-Jun-22
		Rupees	Rupees
<b>14.5</b>	<b>Right of use assets</b>		
	Balance at the beginning of the year	2,591,680	3,239,600
	Addition During the Year	-	-
	Depreciation for the year	(518,336)	(647,920)
	Balance at end of the year	2,073,344	2,591,680
<b>15</b>	<b>Long Term Deposits</b>		
	LESCO (WAPDA)	1,218,650	1,218,650
	LETTER OF GUARANTEE MARGIN (SNGPL)	2,100,000	2,100,000
	SECURITY DEPOSIT - CDC	25,000	25,000
		3,343,650	3,343,650
<b>16</b>	<b>Stores and Spares</b>		
	There are no stores and spares held for specific capitalization.	65,112,844	40,228,107
<b>17</b>	<b>Stock in Trade</b>		
	Raw Material - Seed	538,655,599	702,744,100
	Finished Goods	269,654,144	253,230,934
		808,309,743	955,975,034
<b>18</b>	<b>Trade Debtors</b>		
	<b>Due from related Parties</b>	315,646,352	512,572,677
	<b>Others</b>	321,181,841	1,257,057,627
		636,828,193	1,769,630,304
	<b>18.1</b> Due from related parties		
	S.S Feed Mills Pvt Ltd	315,646,352	592,184,919
	<b>18.2</b> Aggregate maximum outstanding balance of trade debts due from related parties at the end of any month during the year was Rs. 693,237,748/- (2022: Rs. 649,753,799/- ).		
	<b>18.3</b> These are unsecured but considered good		
	<b>18.4</b> As of June 30, 2023, trade debts due from related parties of Rs Nil (2022: Rs Nil) were past due but not impaired.		
<b>19</b>	<b>Advances, Deposits, Prepayments and Other Receivables</b>		
	Advances:		
	Employees	104,000	162,000
	Suppliers/Contractors	5,445,523	6,218,684
	Prepayments		
	Advance Against Import	5,021,733	3,332,751
	Prepaid Insurance	-	1,627,553
	Sales Tax Advance	93,648,130	65,334,726
	Income Tax - Net	30,314,804	104,741,709
		134,534,190	181,417,423
<b>20</b>	<b>Cash and Bank balances</b>		
	These balances were held at different banks		
	in Saving Accounts	161,064,422	35,755,168
	in Current Accounts	4,987,773	3,111,937
		166,052,195	38,867,105
	Cash in Hand	123,044	272,698
		166,175,239	39,139,803

**20.1** These balances carry interest / mark-up ranging from 16.00% to 19.00% (2022: 10.00% to 12.00%) per annum.

		30-Jun-23 Rupees	30-Jun-22 Rupees
<b>21 Sales</b>			
Refined Oil & Meal		7,170,632,684	12,151,529,711
By Products		101,045,506	169,950,857
		7,271,678,190	12,321,480,568
Less: Sales Tax		1,040,884,595	1,793,588,318
Net Local sales		6,230,793,595	10,527,892,250
Export	21.1	-	34,452,650
<b>Total sales</b>		<b>6,230,793,595</b>	<b>10,562,344,900</b>

21.1 Company has made all export sales in the asia region which have been made through advances and cash against documents.

21.2 During the year company has recognized revenue, amounting to Rupees 99,182,703 out of contract liability.

21.3 Revenue has been recognized at a point in time for local sales made during the year.

<b>22 Cost of Sales</b>			
Raw material consumed	22.2	5,351,519,182	9,176,927,683
Direct Material Consumed		75,050,059	128,989,244
Stores and Spares Consumed		11,472,858	28,405,899
Salaries and Benefits	22.1	67,424,578	69,050,820
Power, Fuel and Other expenses		80,515,470	193,962,945
Repair & Maintenance		5,626,919	7,002,555
Insurance & Others		6,263,263	6,059,097
Depreciation	14.5.2	71,008,277	67,395,934
Cost of Goods Manufactured		5,668,880,606	9,677,794,177
Add: Opening Stock of Finished Goods		253,230,934	412,893,321
Cost of Goods Available for Sale		5,922,111,540	10,090,687,498
Less: Closing Stock of Finished Goods		(269,654,144)	(253,230,934)
Cost of Goods Sold		<b>5,652,457,396</b>	<b>9,837,456,566</b>

22.1 These include staff retirement benefits amounting to Rs. 5,151,536 (2022: Rs. 3,719,779)

**22.2 Raw Material Consumed**

Opening Stocks	702,744,100	629,746,345
Purchases during the year	5,187,430,681	9,249,925,438
	5,890,174,781	9,879,671,783
Less: Closing Stocks	538,655,599	702,744,100
	<b>5,351,519,182</b>	<b>9,176,927,683</b>

**23 Administrative and General Expenses**

Salaries and Benefits	23.1	22,878,663	20,686,902
Electricity, Gas and Water Bills		5,344,558	4,199,641
Communications		2,295,994	2,076,833
Printing and Stationery		348,120	324,420
Travelling, Conveyance & Other Expenses		693,261	342,927
Vehicles Running Expenses		5,473,751	4,384,059
Repair and Maintenance		242,080	3,096,978
Legal and Professional Charges		655,000	540,000
Entertainment Expenses		3,620,955	3,588,803
Fee and Subscription		1,637,470	1,947,181
Advertisement		224,000	238,800
Miscellaneous Expenses		383,544	277,129
Depreciation	14.5.2	4,355,717	5,440,200
Audit Fee	23.2	1,200,000	1,200,000
		<b>49,353,113</b>	<b>48,343,873</b>

23.1 These include staff retirement benefits amounting to Rs. 941,146/- (2022: Rs. 765,837)

**23.2 Audit Fee**

Annual audit	1,000,000	1,000,000
Review Report on Statement of Compliance	50,000	50,000
Review of half yearly financial statements	150,000	150,000
	<b>1,200,000</b>	<b>1,200,000</b>

<b>24 Selling and Distribution Expenses</b>			
Freight, Forwarding and Shortage/Claims		327,692	8,819,508
Commission and Other expenses		889,809	6,162,908
		1,217,501	14,982,416
		<b>30-Jun-23</b>	<b>30-Jun-22</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>25 Other Income</b>			
Profit on Bank Deposits		19,163,268	3,753,476
		19,163,268	3,753,476
<b>26 Financial Expenses</b>			
Mark up on Long Term Bank Borrowings		3,862,144	4,320,543
Mark up on Short Term Bank Borrowings		160,651,204	208,424,613
Mark up on lease liability		257,112	233,929
Bank Charges		1,705,469	1,821,809
		166,475,929	214,800,894
<b>27 Other Expenses</b>			
Worker's Profit Participation Fund		19,022,646	22,525,731
Worker Welfare's Fund		7,228,606	8,660,136
		26,251,252	31,185,868
<b>28 Taxation</b>			
Current Year			
-For the Year		139,074,559	148,737,047
-For the Prior Year		-	23,922,897
Deferred Tax		80,790,103	26,741,233
		219,864,662	199,401,177
<b>29 Earning per share-Basic and Diluted</b>			
Profit after Taxation		134,337,010	219,927,582
weighted Average No. of Shares in Issue		5,658,400	5,658,400
		23.74	38.87
<b>30 Deferred Liabilities</b>			
<b>Deferred Tax Credits Arising Due to:-</b>			
Accelerated Depreciation on Fixed Assets	30.1	89,067,489	8,145,612
Surplus on Revaluation of Fixed Assets		96,616,640	110,808,595
		185,684,129	118,954,208
<b>Gratuity:-</b>	30.2	20,558,509	18,720,111
		206,242,638	137,674,319
<b>30.1 Accelerated Depreciation on Fixed Assets</b>			
Opening Balance		8,145,612	(18,185,522)
For the Year		80,921,877	26,331,134
Closing Balance		89,067,489	8,145,612
<b>30.2 Staff Gratuity-Defined Benefit Plan</b>			

Company operates unfunded gratuity scheme for its employees that pays a lump sum gratuity to members on leaving company's service after completion of one year of continuous service. The future contribution rates of the scheme include allowances for deficit and surplus. Projected unit credit method based on the following significant assumptions is used for valuation of this scheme. The latest actuarial valuation was carried out by M/S TRT Associates as on June 30, 2023.

The amounts recognized in financial statements are determined as follows :-

**30.2.1 Reconciliation of amount recognised in the balance sheet**

Present value of defined benefit obligation	20,558,509	18,193,111
Benefits payables	-	527,000
Balance sheet liability/(asset)	20,558,509	18,720,111

**30.2.2 Movement in liability recognized in the balance sheet**

Present values of defined benefit obligation	18,720,111	14,823,362
current service cost	3,898,924	3,129,780
interest cost on define benefit obligation	2,193,758	1,355,836
Benefit payments	(3,799,889)	(2,530,000)

**Remeasurements:**

Actuarial(gain/Loss) from changes in financial assumptions	39,702	40,887
Experience adjustments	(494,097)	1,373,246

**30-Jun-23**

**30-Jun-22**

**Rupees**

**Rupees**

**30.2.3 The amounts recognized in the profit and loss account are as follows**

Service cost	3,898,924	3,129,780
Interest cost	2,193,758	1,355,836
	6,092,682	4,485,616

**30.2.4 Total Remeasurements chargeable in other comprehensive income**

Actuarial(gain/Loss) from changes in financial assumptions	39,702	40,887
Experience adjustments	(494,097)	1,373,246
	(454,395)	1,414,133

**30.2.5 Allocation of charge for the year**

Cost of sales	5,151,536	3,719,779
Administrative expenses	941,146	765,837
	6,092,682	4,485,616

**30.2.6 The principal actuarial assumptions used were as follows**

Discount rate	16.25%	13.25%
Expected rate of increase in salary	15.25%	12.25%
Average expected remaining working life of employees	8 Years	8 Years

**30.2.7 Year end sensitivity analysis on defined benefit obligation**

Discount Rate +100 bps	18,985,671	16,969,252
Discount Rate -100 bps	22,262,138	19,505,669
Salary Increase +100 bps	22,261,646	19,505,238
Salary Increase -100 bps	18,985,438	16,969,043

### 31 Financial Instruments & Related Disclosures

#### 31.1 Interest / Mark Up rate risk exposure

The Company's exposure to interest/mark up rate risk on its financial assets and liabilities of 30 June, 2023 is summarized as follows:

	Rate Of Profit	Mark Up Bearing One Month To One Year	More Than One Year	Non Mark Up Bearing	Total Rupees 2022
<b>Financial Assets</b>					
<b>At Amortised Cost</b>					
Long Term Deposits	-	-	-	3,343,650	3,343,650
Trade Debtors	-	-	-	636,828,193	636,828,193
Deposits and other receivables	-	-	-	134,534,190	134,534,190
Cash In Hand & Bank	10.00 % to 12.00%	161,064,422	-	5,110,817	166,175,239
<b>Total:</b>	-	<b>161,064,422</b>	-	<b>779,816,850</b>	<b>940,881,272</b>
<b>Financial Liabilities</b>					
<b>At Amortised Cost</b>					
Long term Loans	6%	10,220,525	50,146,313	-	60,366,838
Short Term Finances	3 Month KIBOR + 125 to 400 bps	35,303,316	-	-	35,303,316
<b>Creditors, Accrued &amp; Other Payables</b>		-	-	466,066,064	466,066,064
<b>Total:</b>		<b>45,523,841</b>	<b>50,146,313</b>	<b>466,066,064</b>	<b>561,736,218</b>
On Balance Sheet Gap 2023		<b>115,540,581</b>	<b>(50,146,313)</b>	<b>313,750,786</b>	<b>379,145,054</b>

The Company's exposure to interest/mark up rate risk on its financial assets and liabilities of 30 June, 2022 is summarized as follows:

<b>2022</b>					
	Rate Of Profit	Mark Up Bearing One Month To One Year	More Than One Year	Non Mark Up Bearing	Total Rupees 2022
<b>Financial Assets</b>					
<b>At Amortised Cost</b>					
Long Term Deposits	-	-	-	3,343,650	3,343,650
Trade Debtors	-	-	-	1,769,630,304	1,769,630,304
Deposits and other receivables	-	-	-	181,417,423	181,417,423
Cash In Hand & Bank	10.00 % to 20.00	35,755,168	-	3,384,635	39,139,803
<b>Total:</b>	-	<b>35,755,168</b>	-	<b>1,957,776,012</b>	<b>1,993,531,180</b>
<b>Financial Liabilities</b>					
<b>At Amortised Cost</b>					
Long term Loans	6%	10,141,768	59,321,150	-	69,462,918
Short Term Finances	3 Month KIBOR + 125 to 400 bps	1,823,144,901	-	-	1,823,144,901
<b>Creditors, Accrued &amp; Other Payables</b>		-	-	106,658,728	106,658,728
<b>Total:</b>		<b>1,833,286,669</b>	<b>59,321,150</b>	<b>106,658,728</b>	<b>1,999,266,547</b>
On Balance Sheet Gap 2022		<b>(1,797,531,501)</b>	<b>(59,321,150)</b>	<b>1,851,117,284</b>	<b>(5,735,366)</b>

(a) On balance sheet gap represents the net amounts of on-balance sheet items.

(b) Effective rates of mark up on financial Assets and Financial Liabilities are as follows.

<b>Financial Assets</b>	
Bank Balances ( Deposits Accounts)	10.00 % to 20.00%
<b>Financial Liabilities</b>	
Long Term Loans	6%
Short Tem Finances	20.00 % to 24.00 %



### 31.2 Concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as Contracted. The company attempts to control credit risks by monitoring credit exposures, limiting transactions with specific customers and continuing assessment of credit worthiness of the customers. Out of the aggregate financial assets of Rs. 937,537,622/- (2022 Rs. 1,990,187,530/-) the financial assets which may subject to credit risk amounts to Rs. 636,828,193/- (2022 Rs. 1,769,630,304/-)

### 31.3 Financial risk management

#### 31.3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

#### a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

#### a.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period was as follows:

	2023	2022
	-----Rupees-----	
Long Term Deposits	3,343,650	3,343,650
Trade Debtors	636,828,193	1,769,630,304
Bank Balances	166,175,239	39,139,803

#### a.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

Customers	636,828,193	1,769,630,304
Banking companies	166,175,239	39,139,803

#### a.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

#### a.4 Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties are bank balances. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

Banks	Rating		
	Short term	Long term	Agency
<b>Conventional</b>			
Bank Alfalah Limited	A-1+	AA+	PACRA
MCB Bank Limited	A-1+	AAA	PACRA
Samba Bank Limited	A-1	AA	VIS
Silk Bank Limited	0	B	VIS
Soneri Bank Limited	A-1+	AA-	PACRA
The Bank Of Punjab	A-1+	AA+	PACRA
<b>Shariah Compliant</b>			
Bankislami Pakistan Limited	A-1	A+	PACRA
HBL Islamic Banking	A-1+	AAA	VIS

#### a.5 Counterparties without external credit ratings

These include customers which are counter parties to trade debts. The Company is exposed to credit risk in respect of trade debts. The analysis of ages of trade debts of the Company as at the reporting date is as follows:

	2023	2022
	-----Rupees-----	
Past due 1 - 30 Days	235,669,118	1,668,098,368
Past due 31 - 60 Days	80,116,476	57,458,728
More than 60 Days	321,042,599	44,073,208

Based on past experience the management believes that no impairment allowance is necessary in respect of trade debts past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

#### b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme cumstances that cannot reasonably be predicted, such as natural disasters.

The table below analysis the contractual maturities of the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the maturity date. The amounts disclosed in the table are undiscounted cash flows.

	Carrying Amount	Contractual Cash Flows	Les than 1 year	Above 1 year
<b>At June 30, 2023</b>				
Long Term Loan	60,366,838	60,366,838	10,220,525	50,146,313
Loan from Directors and Associates	20,837,014	20,837,014	20,837,014	-
Short Term Borrowings	35,303,316	35,303,316	35,303,316	-
Creditors, Accrued and other Liabilities	595,261,787	595,261,787	595,261,787	-
Accrued Mark Up	3,128,510	3,128,510	3,128,510	-
Unpaid Dividend	3,747,228	3,747,228	3,747,228	-
<b>At June 30, 2022</b>				
Long Term Loan	69,462,918	69,462,918	10,141,768	59,321,150
Loan from Directors and Associates	20,837,014	20,837,014	20,837,014	-
Short Term Borrowings	1,823,144,901	1,823,144,901	1,823,144,901	-
Creditors, Accrued and other Liabilities	207,295,479	207,295,479	207,295,479	-
Accrued Mark Up	34,604,853	34,604,853	34,604,853	-
Unpaid Dividend	2,340,386	2,340,386	2,340,386	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

#### c) Market Risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Company is exposed to interest rate risk, currency risk and market price risk.

##### i) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no long term interest bearing financial assets whose fair value or future cash flows will fluctuate because of changes in market interest rates. Financial liabilities include balances of Rs 95.865 million (2022: Rs 1,893.685 million) , which are subject to interest rate risk. Applicable interest rates for liabilities have been indicated in respective notes.

### Sensitivity analysis

At June 30, 2023, if interest rates had been 1% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 9.59 million (2022: Rs 18.94 million) higher/lower, mainly as a result of higher/lower interest income/expense from these financial assets and liabilities.

### ii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

At the year end the Company is not exposed to price risk since there are no financial instruments, whose fair value or future cash flows will fluctuate because of changes in market prices.

### ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions and payables that exist due to transactions in foreign currencies. Company is not exposed to currency risk as at year end.

## 31.4 Capital risk management

The Company is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and the level of dividend to ordinary shareholders. There was no change to the Company's approach to the capital management during the year and the company is not subject to externally imposed capital requirement.

## 32 Fair value of financial assets:-

The company does not have any financial assets which qualify for the following levels.

Level 1: The fair value of financial instruments traded in active markets (Such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices at the end of reporting period. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (For example, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all the significant inputs required to fair value an instrument is observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities

## 33 REMUNERATION Of Chief Executive, Directors and Executives

	Chief Executive		Directors ( Non Executive)		Executives	
	2023	2022	2023	2022	2023	2022
No. of Persons	1	1	1	1	1	1
Remuneration	1,206,000	1,206,000	1,206,000	1,206,000	1,206,000	1,206,000
House Rent	540,000	540,000	540,000	540,000	540,000	540,000
Utilities	54,000	54,000	54,000	54,000	54,000	54,000
	<b>1,800,000</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>1,800,000</b>

33.1 Chief Executive is also provided with free use of company maintained car and reimbursement of residential utility bills.

## 34 TRANSACTION WITH RELATED PARTIES

Aggregate transactions with related parties, other than remuneration to the chief executive, directors and executives of the Company under their terms of employment disclosed in note 33, were as follows:

Related Parties	Basis of Association	30-Jun-23 Rupees	30-Jun-22 Rupees
S.S Feed Mills Private Limited Associate shareholding in the Company	Common Directorship	-	-
Sale of Goods		1,978,733,657	1,874,946,806

<b>Sikandar Commodities Private Lim</b>	Common Directorship	
Associate shareholding in the Company		14.61%
Company's shareholding in the associate		-

<b>Dividend paid</b>		4,132,500	-
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### 35 LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Long Term Loan	Lease Liabilities	Short Term Borrowings	Total
	-----Rsupes-----			
<b>As at 30 June 2022</b>	68,726,218	1,956,499	1,823,144,901	1,893,827,618
<b>Changes from financing activities</b>				
Repayments during the year	(9,174,837)	(1,059,859)	(1,787,841,585)	(1,798,076,281)
Acquisition during the year		-	-	-
<b>Total changes from financing activities</b>	(9,174,837)	(1,059,859)	(1,787,841,585)	(1,798,076,281)
<b>Other changes</b>				
Additions / new lease	-	-	-	-
Interest expense	-	257,112	-	257,112
<b>As at 30 June 2023</b>	<b>59,408,329</b>	<b>1,076,747</b>	<b>35,303,316</b>	<b>95,788,392</b>

### 36 OPERATING SEGMENT

The Company's chief decision maker reviews the Company's performance on single segment accordingly the financial information has been prepared on basis of single reportable segment.

36.1 Sales to the single party represents 29% of the total sales of the company.

36.2 All assets of the Company as at 30 June 2023 are located in Pakistan.

### 37 PLANT CAPACITY AND ACTUAL PRODUCTION

	2023		2022	
	Assessed Capacity	Actual Production	Assessed Capacity	Actual Production
Seed Crushing	90,000	27,687	90,000	77,815
	90,000	27,687	90,000	77,815

Under utilization of capacity is mostly attributable to over all economic recession in country.

### 38 SUBSEQUENT EVENT

The Board of Directors of the Company have proposed a final dividend for the year ended June 30, 2023 of Rs NIL (2022: Rs 5) per share at their meeting held on October 04, 2023 for approval of members at the Annual General Meeting to be held on October 28, 2023. These financial statements do not reflect this dividend payable.

### 39 CORRESPONDING FIGURES

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However no significant reclassification have been made.

**40 GEOGRAPHICAL LOCATION AND ADDRESS OF BUSINESS UNITS**

The business units of the Company includes the following:

<b>Business unit</b>	<b>Location</b>
Plant	27/W-B Luddan Road, Vehari

**41 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on October 04, 2023 by the Board of Directors of the Company.

**42 GENERAL**

- 42.1** Number of permanent employees as at June 30, 2023 was 123 (2022:127) and average number of employees during the year was 120 (2022:124). Total number of employees includes 104 (2022:107) employees at Factory at the end of the year and average number of employees during the year at Factory was 100 (2022:103).
- 42.2** Figures have been rounded off to nearest rupee.

Lahore  
October 4, 2023

  
Chief Executive

  
Director

  
Chief Financial Officer

**FORM 34**

THE COMPANIES ACT, 2017  
(Section 227(2)(f))  
PATTERN OF SHAREHOLDING

S.S. Oil Mills Limited  
Categories of Shareholding required under Code of Corporate Governance (CCG)  
As on June 30, 2023

1.1 Name of the Company **S.S. Oil Mills Limited**

2.1. Pattern of holding of the shares held by the shareholders as at **30-06-2023**

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
131	1	100	7,901
692	101	500	324,173
32	501	1,000	30,600
56	1,001	5,000	137,126
12	5,001	10,000	93,600
7	10,001	15,000	88,700
2	15,001	20,000	38,200
2	20,001	25,000	46,400
1	25,001	30,000	26,000
1	30,001	35,000	33,500
1	35,001	40,000	37,500
2	40,001	45,000	85,400
2	45,001	50,000	93,898
1	95,001	100,000	100,000
1	110,001	115,000	111,602
1	140,001	145,000	143,500
1	505,001	510,000	505,300
1	780,001	785,000	784,000
1	1,465,001	1,470,000	1,469,200
1	1,500,001	1,505,000	1,501,800
<b>948</b>			<b>5,658,400</b>

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	2,983,000	52.7181%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	826,500	14.6066%
2.3.3 NIT and ICP	0	0.0000%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	18,200	0.3216%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	60,498	1.0692%
2.3.7 Shareholders holding 10% or more	3,797,500	67.1126%
2.3.8 General Public		
a. Local	1,673,602	29.5773%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
- Joint Stock Companies	26,400	0.4666%
- Foreign Companies	70,200	1.2406%

Signature of Company Secretary

Name of Signatory

Designation

NIC Number

Date

Sr. No.	Name	No. of Shares Held	Percentage
<b>Associated Companies, Undertakings and Related Parties (Name Wise Detail):</b>			
1	SIKANDAR COMMODITIES (PVT) LIMITED.	826,500	14.6066%
<b>Mutual Funds (Name Wise Detail)</b>			
1	CDC - TRUSTEE AKD OPPORTUNITY FUND (CDC)	13,400	0.2368%
2	GOLDEN ARROW SELECTED STOCK FUND LIMITED (CDC)	47,098	0.8324%
<b>Directors and their Spouse and Minor Children (Name Wise Detail):</b>			
1	NAWABZADA SHAHZAD ALI KHAN	1,501,800	26.5411%
2	NAWABZADA SHAHARYAR ALI KHAN	1,469,200	25.9649%
3	MRS. SHAMIM SHAFQUAT	1,000	0.0177%
4	MR. HASSAN JAVED	9,500	0.1679%
5	MR. WAJAHAT ALI KHAN	500	0.0088%
6	MR. SIKANDAR ALI KHAN	500	0.0088%
7	MR. JAVAID UMAR	500	0.0088%
<b>Executives:</b>			
		-	-
<b>Public Sector Companies &amp; Corporations:</b>			
		-	-
<b>Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:</b>		18,200	0.3216%
<b>Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)</b>			
1	NAWABZADA SHAHZAD ALI KHAN	1,501,800	26.5411%
2	NAWABZADA SHAHARYAR ALI KHAN	1,469,200	25.9649%
3	SIKANDAR COMMODITIES (PVT) LIMITED.	826,500	14.6066%
4	MR. NABI BUKSH (CDC)	505,300	8.9301%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:








S.No	NAME	SALE	PURCHASE
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FORM OF PROXY

I/We----- of -----being a member of S.S OIL MILLS LIMITED and holding----- ordinary shares as per Share Register Folio No-----hereby appoint Mr.----- of -----or failing him Mr.-----of----- as my /our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 28th October, 2023 at 2-Tipu Block, Garden Town Lahore and at any adjournment thereof.

Signed this -----day of -----2023.

Witnesses:

1. Signature \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

NIC or

Passport No. \_\_\_\_\_

Signature on  
Rupees Five  
Revenue Stamp

2. Signature \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

NIC or

Passport No. \_\_\_\_\_

The Signature should agree  
with the specimen registered  
with the Company.

Note:

Proxies in order to be effective must be received at the Company's registered office not less than 48 hours before the meeting. No person shall be appointed a proxy who is not member of the Company qualified to vote except that a corporation being a member may appoint as proxy a person who is not a member.

CDC Shareholders and their Proxies are each requested to attach an attested photocopy to their National Identity Card or Passport with this proxy form before submission to the Company.