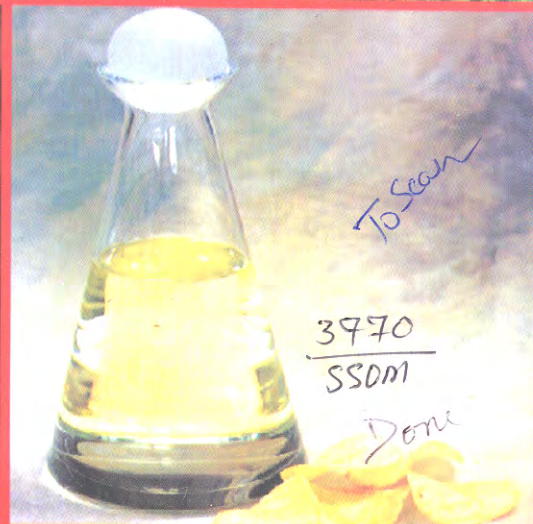


**ANNUAL REPORT  
2010**



**S.S. OIL MILLS LTD.**

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MILLS LTD.

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

**Chairman/Chief Executive Officer**

NAWABZADA SHAHZAD ALI KHAN

**Directors**

SHAHARYAR ALI KHAN  
CHAUDHERY MUHAMMAD HAMAYUN  
AHSAN -UD-DIN  
KHALIFA MUHAMMAD HASSAN SAEED  
SAFDAR IQBAL KHAN  
WAJAHAT ALI KHAN

### BOARD AUDIT COMMITTEE

**Chairman**

CHAUDHERY MUHAMMAD HAMAYUN

**Member**

WAJAHAT ALI KHAN

**Member**

SHAHARYAR ALI KHAN

**CHIEF FINANCIAL OFFICER/  
COMPANY SECRETAY**

SYED JALIL-U-REHMAN BOKHARI

**EXTERNAL AUDITORS**

ASLAM MALIK & CO  
Chartered Accountants.

**MANAGER ACCOUNTS**

AKHTAR ALI

**LEGAL ADVISORS**

BARRIESTER KHURRAM RAZA

**BANKERS**

SILK BANK LIMITED  
THE BANK OF PUNJAB  
MUSLIM COMMERCIAL BANK LTD

**REGISTRARS & SHARE  
TRANSFER OFFICE**

CORP LINK PRIVATE LIMITED.  
WINGS ARCADE, 1-K, COMMERCIAL,  
MODEL TOWN LAHORE.  
Ph: 042-35839182

**REGISTERED HEAD OFFICE**

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

**FACTORY**

27/W-B LUDDAN ROAD,  
VEHARI.  
Phone # 067-3025180

## **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 30, 2010 at 10:30 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, 2010 together with the Auditors' and Directors' Report thereon.
3. To appoint Auditors & 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.

BY ORDER OF THE BOARD

Lahore  
September 30, 2010

SYED JALIL-U-REHMAN BOKHARI  
COMPANY SECRETARY

### **NOTES:**

1. The Share Transfer Book of the Company will remain closed for transaction from October 27, 2010 to November 2, 2010.
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 are requested to notify change in their address, if any.
4. Attested copies of CNIC of the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
5. 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.
6. The proxy shall produce his original NIC or original passport at the time of the meeting.

**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 NIC 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.

## 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, 2010.

### 1. Financial Results

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

	<u>2010</u> (Rs.'000s)	<u>2009</u> (Rs.'000s)
Profit / (Loss) before taxation	15,137	11,337
Taxation	2,077	3,968
Profit / ( Loss) after taxation	13,060	(4,643)
E.P.S.	2.31	(0.82)

We are aware of the fact that time ahead is still tough and we are working hard with our professional and hard working team to meet the challenges.

### 2. Review of Operations

During the year under review total production of Washed Oil is 11,281 M.Tons, Meal and Soap was 14,471 M. Tons as compared to last year's Washed Oil were 7,723 M.Tons, Meal & Soap 11,065 M.Tons respectively.

Sales for the year of Washed Oil were 10,900 M.Tons & Meal and Soap 14,872 M. Tons as compared to last year's 8,473/- M.Tons & 11,734/- M.Tons respectively.

Despite the recession in global as well as local economic conditions and decline of GDP ratio for the fiscal year 2009-10, tendency of our sale has increased by Rs. 252.000 Millions as compared to last year. Internationally prices of oil seeds have increased from USD 440/- M.ton to USD 480/- M.ton but we had sold our finished product on competitive current market price and got better rate by having excellent quality of finished products in the year 2009-10. Due to the electricity load shedding all over the country, we had used alternative source of energy by using diesel generators which become high production cost.

Despite of all these economic and general obstacles the management is quite happy to earned net profit after tax for Rs. 13.060 Millions during the year 2009-10.



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

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

	2004	2005	2006	2007	2008	2009	2010
Sales	1,000,847,640	566,153,785	832,611,295	927,585,452	1,407,305,960	973,683,319	1,225,234,901
Cost of Goods Sold	950,312,136	554,644,995	795,399,745	860,739,820	1,319,539,763	913,542,200	1,148,891,937
Gross Profit / (Loss)	50,535,504	11,508,790	37,211,550	66,845,632	87,766,197	60,141,119	76,342,964
Operating Profit / (Loss)	35,343,685	460,183	23,801,814	51,695,639	61,973,069	42,372,366	62,257,942
Profit/ (Loss) Before Tax	232,465,423	(7,773,110)	938,041	15,053,175	19,132,974	11,336,721	15,137,334
Profit / (Loss) After Tax	224,946,612	(10,603,879)	(3,225,448)	10,415,428	12,833,497	4,643,903	13,060,466
Paid Up Capital	56,584,000	56,584,000	56,584,000	56,584,000	56,584,000	56,584,000	56,584,000
Current Assets	222,805,313	248,639,737	382,162,013	423,748,526	647,674,266	407,539,801	518,445,970
Current Liabilities	123,989,668	158,833,788	301,281,592	328,994,471	539,619,654	296,510,403	399,265,734

### 4. Dividend

Directors have not recommended any dividend.

### 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, 2011.

### 6. No. Of Board Meetings Held

Six Board meetings were held during the year ended June 30, 2010  
Attendance by each director is appended hereunder;

Name of Directors	Meetings Attended
NAWABZADA SHAHZAD ALI KHAN	6
WAJAHAT ALI KHAN	5
CHAUDHERY MUHAMMAD HAMAYUN	4
AHSAN -UD-DIN	4
KHALIFA MUHAMMAD HASAN SAEED	5
SAFDAR IQBAL KHAN	5
SHAHARYAR ALI KHAN	6

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;

<b>Chaudhary Muhammad Hamayun</b>	<b>Chairman</b>
<b>Wajahat Ali Khan</b>	<b>Member</b>
<b>Shaharyar Ali Khan</b>	<b>Member</b>

## 8. Outstanding Statutory Payments:

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

## 9. Pattern of Shareholding

Pattern of shareholding as on June 30, 2010 is annexed.

## 10. 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. 119,180 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.

### 11. Social Responsibilities

The management of your 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 an better and ecological friendly future in Pakistan.

### 12. Future Prospect

We expect to continue our good performance and inshallah, will overcome all these problems with hard working, timely decision of management and team work. We hope that in the year 2010-11 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.

### 13. 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

Lahore  
October 1, 2010

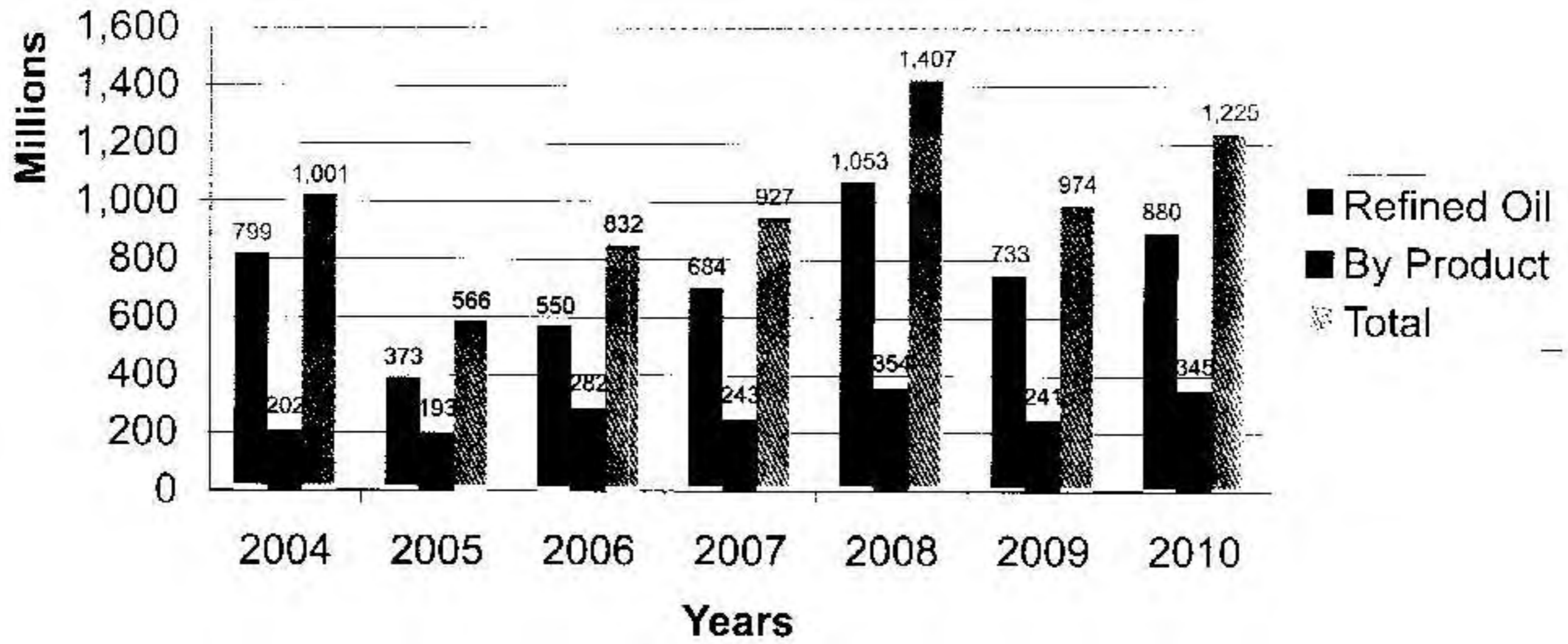
Nawabzada Shahzad Ali Khan  
**Chief Executive Officer**

STATISTICAL PERFORMANCE CHART AND GRAPHS

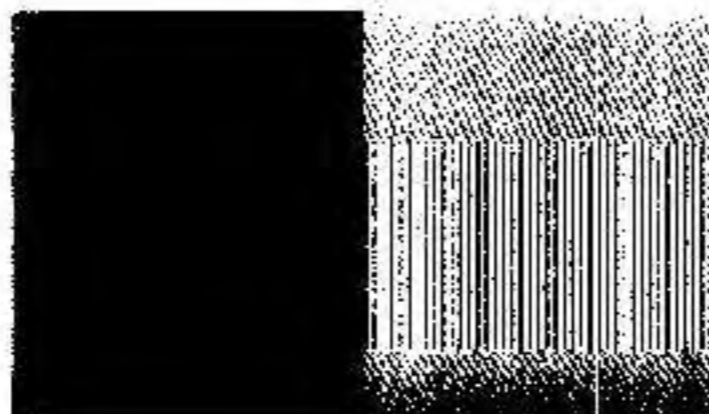
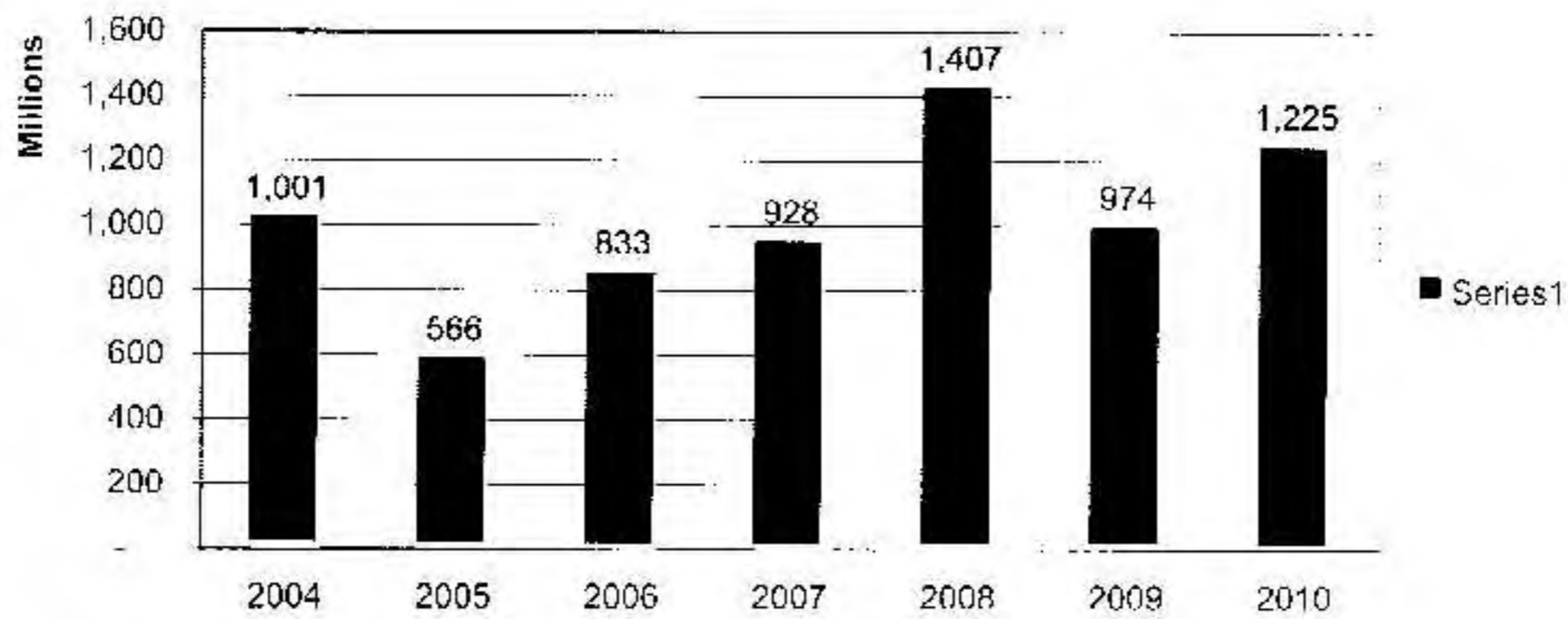
Productwise Sale



Gross Sales



Net Sales



## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in Listing Regulations of Karachi and Lahore Stock Exchange, for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on the Board of Directors. At present the Board includes 5 independent non-executive directors and none represents minority shareholders.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the directors of the Company are resident, and the Executive Director is a taxpayer. None of them has defaulted in payment of any loan to a banking company, a DFI or and NDFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the board during the period
5. The Company has prepared a "Statement of Ethics and Business Practices" which has been signed by all the directors and employees of the Company.
6. The Board has developed a Vision/Mission Statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the persons of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by Board.
8. 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 and the Board met at least once in every quarter during the year. Written Notices of the Board Meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board will arrange orientation courses for its directors to apprise them of their duties and responsibilities.
10. The Board approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.

11. The Director's Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee of non-executive directors including the Chairman of the Committee.
16. The meetings of the Audit committee were held prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has set-up an effective internal audit function to carry out the policies and procedures of the Company.
18. The statutory auditors of the Company have confirmed that they have given a satisfactory rating under the quality control review programmed of the Institute of Chartered Accounts of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the persons associated with them have not been appointed to provide other service except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidance in this regard.
20. We confirm that all other material principles contained in the Code have been complied with.

**For S.S OIL MILLS LTD**

Lahore:  
October 1, 2010

**NAWABZADA SHAHZAD ALIKHAN  
(Chairman/Chief Executive Officer)**



**STATEMENT OF COMPLIANCE WITH THE  
BEST PRACTICES ON TRANSFER PRICING  
For the year ended June 30, 2010**

The Company has fully complied with the best practices of Transfer Pricing as contained in the Listing Regulation No.-38 of the Karachi Stock Exchange (Guarantee Limited and chapter XIV of Listing Regulation of the Lahore Stock Exchange (Guarantee) Limited.

Lahore:  
October 1, 2010

NAWABZADA SHAHZAD ALI KHAN  
**(Chairman /Chief Executive Officer)**

## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of **M/S S.S OIL MILLS LIMITED** as at **June 30, 2010** and the related Profit and Loss Account, Statement of Comprehensive Income, Cash Flow Statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a. In our opinion, proper books of accounts have been kept by the company as required by Companies Ordinance, 1984;
- b. In our opinion:
  - i. The Balance Sheet and Profit and Loss Account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - ii. The expenditure incurred during the year was for the purpose of the company's business; and
  - iii. The business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- c. In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984 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, 2010 and of the Profit, Comprehensive Income, its cash flows and changes in equity for the year then ended; and
- d. In our opinion, no Zakat was deductible at source under the Zakat the Ushr Ordinance, 1980.

Lahore  
October 1, 2010

**(Aslam Malik & Co.)**  
Chartered Accountants  
AHMED HUSSAIN MIAN

## **REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE**

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **S.S. OIL MILLS LIMITED** to comply with the Listing Regulations No.37 of the Karachi and Lahore Stock Exchanges respectively where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provision of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the company to comply with the Code.

As part of our audit of 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's 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.

Further, sub-regulation (xiii) of Listing Regulations 37 notified by The Karachi and Lahore Stock Exchange (Guarantee) Limited vide circular KSE /N-269 dated 19 January 2009 requires the company to place before the board of directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code, effective for the year ended 30 June 2010.

Lahore  
October 1, 2010

**(Aslam Malik & Co.)**  
Chartered Accountants  
AHMED HUSSAIN MIAN



**BALANCE SHEET AS ON JUNE 30, 2010**

<b>CAPITAL &amp; LIABILITIES</b>	<b>Note</b>	<b>June 30, 2010 Rupees</b>	<b>June 30, 2009 Rupees</b>
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised</b>			
7,000,000 Ordinary Shares of Rs. 10 each		70,000,000	70,000,000
<b>Issued, Subscribed and Paid up</b>	5	56,584,000	56,584,000
Accumulated Profit		166,499,770	150,132,795
		223,083,770	206,716,795
<b>SURPLUS ON REVALUATION OF FIXED ASSETS</b>	6	143,103,789	146,410,297
<b>LIABILITY AGAINST ASSETS SUBJECT FINANCE LEASE</b>	7	193,770	339,198
<b>LONG TERM LOANS</b>			
Directors and Associates	8	20,837,014	20,837,014
<b>DEFERRED LIABILITIES</b>	30	79,043,715	82,229,586
<b>CURRENT LIABILITIES</b>			
Short Term Finances	9	323,178,397	213,281,784
Creditors, Accrued and other Liabilities	10	70,643,842	79,150,565
Current Maturity of Liability against assets subject To finance lease.	7	145,428	110,202
Provision for Taxation		5,298,067	3,967,852
		399,265,734	296,510,403
<b>CONTINGENCIES AND COMMITMENTS</b>	11		
		<b>865,527,792</b>	<b>753,043,293</b>

The annexed notes form an integral part of these financial statements

Auditors Report is annexed.

Lahore:  
October 1, 2010

Chief Executive



		, June 30, 2010	, June 30, 2009
<b>PROPERTIES &amp; ASSETS</b>	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
<b>FIXED ASSETS - TANGIBLE</b>			
Operating Fixed Assets	12	314,341,511	320,623,988
Capital Work-in -Progress	13	31,521,661	23,660,854
<b>LONG TERM DEPOSITS</b>	14	1,218,650	1,218,650
<b>CURRENT ASSETS</b>			
Stores & Spares	15	7,792,532	7,481,848
Stocks in Trade	16	249,047,914	237,981,208
Trade Debtors	17	71,443,321	105,829,473
Advances, Deposits, Prepayments and Other Receivables	18	180,720,811	53,067,687
Cash and Bank Balances	19	9,441,392	3,179,585
		518,445,970	407,539,801
		<b>865,527,792</b>	<b>753,043,293</b>

Director

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2010**

<b>PARTICULARS</b>	<b>Note</b>	<b>June 30, 2010 Rupees</b>	<b>June 30, 2009 Rupees</b>
Sales - Net	20	1,225,234,901	973,683,319
Less: Cost of Goods Sold	21	1,148,891,937	913,542,200
<b>Gross Profit</b>		<b>76,342,964</b>	<b>60,141,119</b>
Administrative and General Expenses	22	9,322,741	8,846,116
Selling & Distribution Costs	23	4,762,280	8,922,637
		14,085,021	17,768,753
<b>Operating Profit</b>		<b>62,257,942</b>	<b>42,372,366</b>
Other Income	24	1,575,876	390,873
		63,833,818	42,763,239
Financial Costs	25	47,574,599	30,586,309
Other Expenses	26	1,121,886	840,209
		48,696,485	31,426,518
<b>Net Profit / (Loss) for the Year Before Taxation</b>		<b>15,137,334</b>	<b>11,336,721</b>
Taxation	27	2,076,867	15,980,624
		2,076,867	15,980,624
<b>Profit / (Loss) for the Year After Taxation</b>		<b>13,060,466</b>	<b>(4,643,903)</b>
Accumulated Profit / (Loss) Brought Forward		150,132,795	151,355,920
<b>Transfers:</b>			
Transferred from surplus on revaluation of fixed assets:			
-Current Year		3,306,509	3,420,778
Accumulated Profit Carried Forward		166,499,770	150,132,795
<b>Earning per Share (Rs. / Share)</b>	<b>28</b>	<b>2.31</b>	<b>(0.82)</b>

*The annexed notes form an integral part of these financial statements*

Lahore:  
October 1, 2010

Chief Executive

Director



**Statement of Comprehensive Income  
FOR THE YEAR ENDED JUNE 30, 2010**

	<b>30-Jun-10 Rupees</b>	<b>30-Jun-09 Rupees</b>
Profit / (Loss) after Taxation	13,060,466	(4,643,903)
Other comprehensive income-net of taxation	-	-
Total Comprehensive Income	<u>13,060,466</u>	<u>(4,643,903)</u>

Chief Executive

Director

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2010**

	30-Jun-10 Rupees	30-Jun-09 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before taxation	15,137,334	11,336,721
Adjustment for:		
Provision for Depreciation	8,875,105	9,484,979
Finance Cost	47,574,599	30,586,309
Other Expenses (WPPF & WWF)	1,121,886	840,209
Profit on Sale of Fixed Assets	(1,147,223)	-
Gratuity	685,321	1,007,922
	<u>57,109,688</u>	<u>41,914,419</u>
<b>Profit before working capital changes</b>	<b>72,247,022</b>	<b>53,251,140</b>
<b>(Increase)/decrease in current assets</b>		
Stores and spares	(310,684)	(2,864,788)
Stock in trade	(11,066,706)	153,053,561
Trade debtors	34,386,152	65,646,327
Advances, deposits, prepayments & Other Receivables	(104,828,142)	(53,647,739)
	<u>(81,819,380)</u>	<u>82,187,361</u>
<b>Increase/ (Decrease) in current liabilities</b>	<b>(11,239,523)</b>	<b>(229,991,134)</b>
	<u>(93,058,903)</u>	<u>(47,803,773)</u>
Taxes Paid	(36,965,430)	(7,036,530)
Income Tax Refund Received	9,522,605	-
W.W.F. Paid	(231,362)	(392,106)
W.D.P.F. Paid	(608,847)	(1,089,045)
Financial Charges Paid	(45,123,477)	(39,994,809)
	<u>(73,406,511)</u>	<u>(48,512,490)</u>
<b>Net Cash from Operating Activities</b>	<b>(94,218,392)</b>	<b>(43,065,123)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed Assets Purchased	(2,645,405)	(2,508,230)
Sale proceed of Fixed Assets	1,200,000	-
Capital Work in Progress	(7,860,807)	(13,012,950)
Long Term Deposits	-	-
	<u>(9,306,212)</u>	<u>(15,521,180)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term loan	-	-
Repayment of Short term loan	109,896,613	-
Repayment of Finance Lease	(110,202)	339,198
Repayment of Loan to Directors and Associates	-	-
	<u>109,786,411</u>	<u>339,198</u>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENT</b>	<b>6,261,807</b>	<b>(58,247,105)</b>
Cash & Cash Equivalents at the beginning of the period	3,179,585	61,426,690
<b>Cash &amp; Cash Equivalents at the end of the period</b> <b>A</b>	<b>9,441,392</b>	<b>3,179,585</b>

A Cash & Cash Equivalents include cash and bank balances as stated in Note 19  
The annexed notes form an integral part of these financial statements



STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2010

Particulars	Share Capital (Rupees)	Accumulated Profit(Loss) (Rupees)	Equity (Rupees)
Balance as on June 30, 2008	56,584,000	151,355,920	207,939,921
Net Profit & (Loss) for the year ended June 30, 2009		(4,643,903)	(4,643,903)
	<b>56,584,000</b>	<b>146,712,017</b>	<b>203,296,018</b>
Transferred from surplus on revaluation of Fixed Assets -Current Year		3,420,778	3,420,778
<b>Balance as at June 30, 2009</b>	<b>56,584,000</b>	<b>150,132,795</b>	<b>206,716,796</b>
Net Profit & (Loss) for the year	-	13,060,466	13,060,466
Transferred from surplus on revaluation of Fixed Assets -Current Year	-	3,306,509	3,306,509
<b>Balance as at June 30, 2010</b>	<b>56,584,000</b>	<b>166,499,770</b>	<b>223,083,770</b>

The annexed notes form an integral part of these financial statements

Lahore:  
October 1, 2010

Chief Executive

Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

**1 The Company and its operation.**

S.S. OIL MILLS LTD (The Company) was incorporated in Pakistan in August 21, 1980 as a Public Limited Company under the company ordinance 1984. The shares of the company are quoted on Karachi and Lahore 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 approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of such international financial reporting standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance 1984. In case requirements differ, the provisions of, or directives issued under the Companies Ordinance, 1984 shall prevail.

**2.2 Standards, amendments to publish approved accounting standards and interpretations becoming effective in the year ended June 30, 2010**

The following standards, interpretations and amendments to existing standards have been published that are mandatory and relevant for the company's accounting period beginning on July 1, 2009.  
IFRS 7: "Financial Instruments: Disclosure" introduces new disclosures relating to financial instruments and does not have any impact on the the classification and valuation of the financial instruments.  
IFRIC Interpretation 14: "IAS 19-The limit on a defined benefit asset, minimum funding requirements and there interaction" IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirements. The amendment does not have significant effect on the company's financial statements.

The revised IAS 1 was issued in September 2007 and became effective for financial years beginning on or after January 01, 2009. The standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transaction with owners, with non-owner changes in equity presented as a single line. In addition, the standard has introduced a statement of comprehensive income, which presents all items of recognized income and expense, either as single statement, or in two linked statements. The company has opted to present two linked statement and accordingly has presented separate statement of comprehensive income in these financial statements in these financial statements.

**2.3 Standards, amendments to publish approved accounting standards and interpretations becoming effective in the year ended June 30, 2010, but not relevant:**

The following standards (revised or amended) and interpretations became effective for the current financial year but are either not relevant or do not have any material effect on the financial statements of the company.

- IFRS 3 - Business Combinations (Revised)
- IAS 23- Borrowing Costs (Revised)
- IAS 27- Consolidated and Separate Financial Statements (Revised)
- IAS 32- Financial Instruments (Amended for Puttable instruments and obligations arising on liquidation.)
- IAS 39- Financial Instruments: Recognition and Measurement (Amended)
- IFRIC 15- Agreements for the Construction of Real Estate
- IFRIC 16- Hedges of a Net Investment in Foreign Operation.
- IFRIC 17- Distributions of Non-cash Assets to Owners.
- IFRIC 18- Transfers of Assets from Customers.

**2.4 Standards, amendments to publish approved accounting standards and interpretations as adopted in Pakistan, that are not yet effective:**

The following standards, amendments and International Financial Reporting Interpretations Committee(IFRIC) interpretations to existing standards have been issued but are not yet effective for the current financial year.

	Effective for periods beginning on or after
IAS 24 - Related Party Disclosures ( Revised).	January 1, 2010
IAS 32 - Financial Instruments: Presentation-Amendments relating to Classification of Right Issues.	February 1, 2010
IFRS 2- Share-based payment: Amendments relating to Group Cash - settled Share-based Payments Transactions.	January 1, 2010
IFRIC 14 - IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Amendment)	January 1, 2011
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments	July 1, 2010



### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- a) Assumptions and estimates used in determining the residual values and useful lives of property, plant and equipment
- b) Assumptions and estimates used in writing down items of stock in trade to their net realisable value (note # 16)
- c) Assumptions and estimates used in calculating the provision for impairment for tradedepts (note 17)
- d) Assumptions and estimates used in the classification of investments.
- e) Assumptions and estimates used in the recognition of deferred taxation (note # 30)

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation 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 4.12 and certain financial instruments that have been accounted for on the basis of their fair values as referred to in note # 4.16

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

Plant and machinery is stated at revalued amount less accumulated depreciation. All other operating assets are stated at cost less accumulated depreciation except freehold land and capital work-in-progress which are 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. 12.

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.

#### (a) Lease hold Assets

The company is lessee.

Leases where the compay has substantially all the risks and rewards of ownership are classified as finance lease. At least inception finance leases are capitalized at the lower of present value of minimum lease payments under the lease agreements and the fair value of assets.

The related rental obligations, net of finance charges, are included in liabilities against assets subject to fianance lease as referred to in note # 7. The liability are classified as current and long term depending

#### 4.3 Deferred Cost:

Expenses, the benefit of which is expected to spread over several years, are capitalized and amortized over the useful life not exceeding five years.

#### 4.4 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.

#### 4.5 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.



**4.6 Stock in Trade:**

Basis of valuation are as follows:

Particulars	Mode of Valuation
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.

**4.7 Cash & Cash Equivalents**

Cash & cash equivalents are carried in the balance sheet at cost.

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

**4.8 Staff Retirement Benefits:**

The company operates an un-funded gratuity scheme for all its employees. Provision is made annually to cover the liability under the scheme.

**4.9 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.

**- Deferred**

Deferred tax is accounted for using the balance sheet 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.

Further, the company recognises also deferred tax liability on surplus of revaluation on Land, building and Plant & Machinery which is adjusted against the related surplus. This liability is only for financial reporting purpose and has no financial impact.

**4.10 Related Party Transactions**

All transactions with related parties are made at arm's length prices determined in accordance with comparable uncontrolled price method.

**4.11 Revenue Recognition:**

Sales are recorded on despatch of goods and invoices raised to customers.

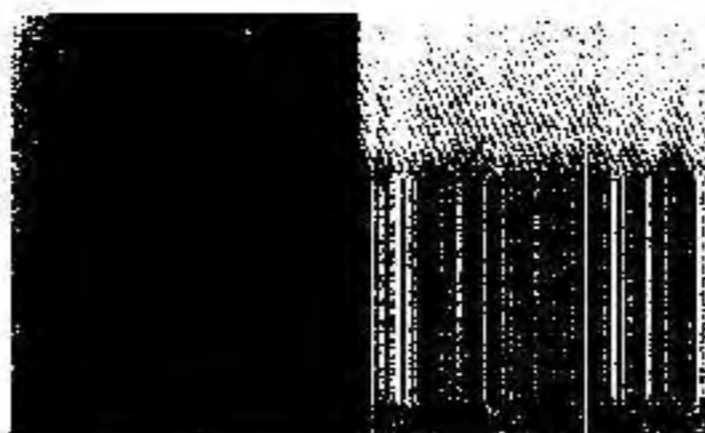
Profit on bank balances are recognized on a time proportion basis on the on the principal amount outstanding and at the applicable rate.

**4.12 Foreign Currency Translations.**

Translations in foreign Currencies are accounted for in Pak Rupees at the exchange rate prevailing at the date of translations. Assets & Liabilities denominated in Foreign Currencies are translated into Pak Rupees at the exchange rates prevailing on the balance sheet except for those covered by forward contracts if any.

**4.13 Trade Debts and other receivables**

Trade Debts and other receivables are carried at invoices value, which approximates fair value less provision for impairment. A provision for impairment of trade debts and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. Debts, considered irrecoverable, are written off, as and when identified.



#### 4.14 Borrowing Costs

Borrowings Cost incurred on finances obtained for the acquisition of fixed assets are capitalized upto the date of commissioning of the respective assets. All other borrowing costs are taken to profit and loss account.

#### 4.15 Provisions

Provisions are recognized when the company has a past, legal or constructive obligation as a result of past 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 obligation can be made on the amount of obligation. Provision are reviewed at each balance sheet date and adjusted to reflect the current based estimates.

#### 4.16 Financial Instruments

##### 4.16.1 Financial Assets

The company classifies its financial assets in the following categories; at fair value through profit or loss, loans and receivables, available-for-sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit and loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivation financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities for greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables are classified as trade debts, loans and advances, deposits, other receivables and profit receivable from banks in the balance sheet.

c) Available-for-sale financial assets.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose off the investment within twelve months from the balance sheet date. Available-for-sale financial assets are classified as short term investments in balance sheet.

Changes in fair value of securities classified as available-for-sale are recognised in equity.

##### 4.16.2 Financial Liabilities

All financial liabilities are recognised at the time when the company becomes a party to the contractual provisions of the instruments.

All the financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired. Where 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 and modification is treated as a derecognised in the profit & loss account.

##### 4.16.3 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 a 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.

#### 4.17 Financial Expenses

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

#### 4.18 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2010**

	<b>June 30, 2010 Rupees</b>	<b>June 30, 2009 Rupees</b>
<b>5 Issued, Subscribed and paid up Capital</b>		
5,018,400 ordinary shares of Rs. 10/- fully paid in cash	50,184,000	50,184,000
640,000 Ordinary shares of Rs. 10/- each issued for consideration other than cash	6,400,000	6,400,000
	<u>56,584,000</u>	<u>56,584,000</u>
<b>6 Surplus on Revaluation of Fixed Assets</b>		
Opening Balance	146,410,297	69,453,553
Add:- Assets Revalued during the year	-	80,377,522
Transferred to accumulated profits in respect of incremental depreciation charged on related assets during the year	(3,306,509)	(3,420,778)
	<u>143,103,789</u>	<u>146,410,297</u>
<b>7 Liability Against Assets Subject to Finance Lease</b>		
Opening Balance	449,400	-
Lease during the year	-	642,000
	<u>449,400</u>	<u>642,000</u>
Paid During the year	110,202	192,600
Net Liability against finance lease	339,198	449,400
Less:- Current maturity shown under current liability	145,428	110,202
	<u>193,770</u>	<u>339,198</u>
<b>8 Loan From Directors-Related Parties</b>		
Opening Balance	20,837,014	20,837,014
	<u>20,837,014</u>	<u>20,837,014</u>
<b>9 Short Term Finances - Secured</b>		
BOP - Cash Finance	17,625,571	24,623,251
-FIM	141,654,054	44,510,050
SILK BANK LTD-FIM	163,898,772	144,148,483
	<u>323,178,397</u>	<u>213,281,784</u>

These finances have been obtained on mark up basis from commercial banks against aggregate sanctioned limit of Rs. 975/- Million (2009: Rs. 800 Million). The rate of mark up BOP (FIM Facility) is 3 months KIBOR Ask side rate + 275 bps with a floor rate 13%, and for C.F facility mark up rate is 3 months KIBOR Ask side rate + 300 bps with a floor rate 13%. Mark Up Rate of F.M facility provided by SILK Bank Limited for Rs. 200 (M) is 3 month Kibar +350 bps. These are secured by pledge/hypothecation of Stocks, first charge on fixed/current assets of the company and promissory notes.

		, June 30, 2010	, June 30, 2009
		Rupees	Rupees
<b>10</b>	<b>Creditors, Accrued and Other Liabilities</b>		
	Creditors	28,145,430	9,070,109
	Creditors against Seed	3,198,381	4,560,527
	Creditors Foreign	7,321,013	37,690,256
	Accrued liabilities	2,504,532	2,101,676
	Advances from Customers	20,980,356	20,005,409
	Mark up accrued on Secured Short Term Finances	6,754,729	4,303,607
	Withholding Tax Payable	617,515	578,772
	Workers Welfare Fund Payable	308,925	231,362
	Workers Profit Participation Fund Payable	812,961	608,847
	10.1	<u>70,643,842</u>	<u>79,150,565</u>
	<b>10.1 Workers Profit Participation Fund</b>		
	Balance as on July 01, 2009	840,209	1,089,045
	Contribution due for the year	812,961	840,209
		<u>1,653,170</u>	<u>1,929,254</u>
	Payments made during the year	840,209	1,089,045
		<u>812,961</u>	<u>840,209</u>
<b>11</b>	<b>Contingencies and Commitments</b>		
	<b>11.1 Contingencies</b>		
	NIL		
	<b>11.2 Commitments</b>		
	The company has commitments against letters of credit issued in the normal course of business amounting to Rs. 200,208,000/- (\$2,328,000) in favour of foreign suppliers for Raw Material.		
<b>12</b>	<b>Schedule Of Fixed Assets</b>		
	( As annexed )		
	12.1 No asset was sold to Chief Executive, Directors, Executives and Shareholders during the year.		

12 OPERATING FIXED ASSETS

	C O S T				D E P R E C I A T I O N			W.D.V
	As of July 1, 2009	Addition/ (Deletion)	Revaluation of Fixed Assets	As of June-30, 2010	Rate %	As of July 1, 2009	Normal Charge for the Year	As of June-30, 2010
Land-leasehold	42,975,000	-	-	42,975,000	-	-	-	42,975,000
Buildings	86,251,663	-	-	86,251,663	5	38,067,141	2,409,226	45,476,367
Plant and machinery	322,388,446	-	-	322,388,446	2.5	105,353,446	5,425,875	110,779,321
Electric installation	11,868,075	255,000	-	12,123,075	2.5	5,189,199	173,947	5,362,546
Office Equipment	1,747,375	49,435	-	1,796,810	10	1,125,759	67,105	1,192,864
Furniture and fixtures	638,529	51,900	-	690,429	10	490,286	23,074	460,300
Tools and equipment	2,464,861	-	-	2,464,861	10	1,891,602	57,328	1,948,926
Vehicles	13,896,826	2,289,070	-	14,685,896	20	1,262,939	392,947	1,655,886
		(1,500,000)	-					
Tractor & Trolleys	1,735,590	-	-	1,735,590	20	731,124	205,873	930,117
Fire fighting equipment	668,923	-	-	668,923	10	517,466	15,146	532,612
Arms & Ammunition	221,375	-	-	221,375	10	44,664	7,671	52,335
Temporary	100,000	-	-	100,000	10	51,649	4,835	58,484
<b>Total Free Hold Assets</b>	<b>484,926,663</b>	<b>1,145,405</b>	<b>-</b>	<b>486,072,068</b>		<b>164,816,275</b>	<b>8,772,385</b>	<b>172,141,437</b>
<b>LEASE HOLD ASSETS</b>								
Vehicle Suzuki Alto	642,000	-	-	642,000	20	28,400	102,720	23,120
<b>2010</b>	<b>485,568,663</b>	<b>1,145,405</b>	<b>-</b>	<b>486,714,068</b>		<b>164,944,675</b>	<b>8,875,105</b>	<b>172,372,557</b>
		(1,500,000)						
<b>2009</b>	<b>402,682,911</b>	<b>2,508,230</b>	<b>80,377,522</b>	<b>485,568,663</b>		<b>155,459,696</b>	<b>9,484,979</b>	<b>164,944,675</b>

	2010 Rupees	2009 Rupees
Cost of Goods Sold / Manufacturing	8,271,502	8,592,465
Administrative / General	603,603	892,514
	<b>8,875,105</b>	<b>9,484,979</b>

12.1 Detail of disposal of operating assets

Description Of Assets	Cost	Accumulated Depreciation	Written Down Value	Sale Proceed	Mode of Disposal	Particulars of Buyers
Cyber Land Cruiser	1,500,000	(1,447,223)	52,777	1,200,000	Negotiation	Mustafa Arshad
2010 Rupees	1,500,000	(1,447,223)	52,777	1,200,000		
2009 Rupees	-	-	-	-		

12 OPERATING FIXED ASSETS

PARTICULARS	C O S T				D E P R E C I A T I O N			W.D.V
	As of July 1, 2008	Addition/ (Deletion)	Revaluation of Fixed Assets	As of June-30, 2009	Rate %	As of July 1, 2008	Normal Charge for the Year	As of June-30, 2009
Land-leasehold	42,975,000	-	36,000,000	42,975,000	-	-	-	42,975,000
Buildings	62,756,062	495,551	73,100,061	86,251,663	5	35,531,114	2,538,037	38,067,141
Plant and machinery	301,010,585	-	21,377,461	322,388,446	2.5	99,788,446	5,565,000	105,353,446
Electric installation	11,749,375	118,900	-	11,868,075	2.5	5,077,948	173,253	5,199,199
Office/ Lab. Equipment	1,729,675	17,700	-	1,747,375	10	1,056,690	67,065	1,123,755
Furniture and fixtures	601,039	7,491	-	608,529	10	443,815	15,477	460,286
Tools and equipment	2,413,861	51,000	-	2,464,861	10	1,827,907	63,693	1,891,602
Vehicles	13,896,826	-	-	13,896,826	20	10,630,717	650,707	11,281,424
Tractor & Trolleys	560,000	1,735,590	-	1,735,590	20	482,008	257,116	731,124
Fire fighting equipment	668,923	-	-	668,923	10	500,637	15,529	517,466
Arms & Ammunition	221,375	-	-	221,375	10	136,141	5,711	141,664
Temporary	100,000	-	-	100,000	10	46,275	5,375	51,649
<b>Total Free Hold Assets</b>	<b>402,682,911</b>	<b>1,844,230</b>	<b>80,377,522</b>	<b>485,568,663</b>		<b>155,459,696</b>	<b>9,956,579</b>	<b>164,816,275</b>
<b>LEASE HOLD ASSETS</b>								
Vehicle Suzuki Alto	-	642,000	-	642,000	20	-	129,400	25,400
<b>2009</b>	<b>402,682,911</b>	<b>2,508,230</b>	<b>80,377,522</b>	<b>485,568,663</b>		<b>155,459,696</b>	<b>9,484,979</b>	<b>164,944,675</b>
<b>2008</b>	<b>402,542,911</b>	<b>40,000</b>	<b>-</b>	<b>402,682,911</b>		<b>147,667,860</b>	<b>7,757,600</b>	<b>157,501,214</b>

	2009 Rupees	2008 Rupees
Cost of Goods Sold / Manufacturing	8,592,465	8,271,502
Administrative / General	892,514	936,741
	<b>9,484,979</b>	<b>9,208,243</b>

	June 30, 2010 Rupees	June 30, 2009 Rupees
<b>13 Capital Work in Progress</b>		
Building on Freehold Land		
Opening Balance	23,660,854	10,647,904
Add: Addition during the year		
Plant & Machinery	7,796,597	9,003,830
Civil Works	64,210	4,009,120
	<u>31,521,661</u>	<u>23,660,854</u>
<b>14 Long Term Deposits</b>		
LESCO (WAPDA)	1,218,650	1,218,650
	<u>1,218,650</u>	<u>1,218,650</u>
<b>15 Stores and Spares</b>		
There are no stores and spares held for specific capitalization.	7,792,532	7,481,848
<b>16 Stock in Trade</b>		
Raw Material - Seed	193,015,617	213,032,675
Finished Goods	56,032,297	24,948,533
	<u>249,047,914</u>	<u>237,981,208</u>
<b>17 Trade Debtors</b>		
These are unsecured but considered good	71,443,321	105,829,473
<b>18 Advances, Deposits, Prepayments and and Other Receivables</b>		
Advances:		
Employees	204,667	191,303
Suppliers/Contractor	13,947,205	3,649,902
Prepayments		
Advance Against Import	417,054	575,047
L/C In Transit	79,331,481	-
Prepaid Insurance	720,642	826,617
Sales Tax Advance	42,301,083	22,085,936
Income Tax	37,828,080	15,003,097
L/C Margin	5,970,600	10,735,785
	<u>180,720,811</u>	<u>53,067,687</u>
18.1 These are unsecured but are considered good.		
<b>19 Cash and Bank balances</b>		
These balances were held at different banks		
On Profit and Loss Accounts	8,772,515	672,983
On Current Accounts	643,372	2,300,280
	<u>9,415,887</u>	<u>2,973,262</u>
Cash in Head Office	26	13,020
Cash at Factory	25,479	193,303
	<u>9,441,392</u>	<u>3,179,585</u>

	, June 30, 2010 Rupees	, June 30, 2009 Rupees
<b>20 Sales</b>		
Refined Oil	1,005,393,019	805,382,260
By Products	347,997,312	241,724,936
	<u>1,353,390,331</u>	<u>1,047,107,196</u>
Less: Sales Tax	128,155,430	73,423,877
<b>Net sales</b>	<u>1,225,234,901</u>	<u>973,683,319</u>

	, June 30, 2010 Rupees	, June 30, 2009 Rupees
<b>21 Cost of Sales</b>		
Raw material consumed	1,056,010,750	716,612,602
Freight Seed, Muccadam, Loading Unloading & Other Exps.	54,739,040	37,233,956
Direct Material Consumed	13,982,051	12,467,220
Stores and Spares Consumed	4,606,190	3,567,423
Salaries and Benefits	11,688,199	11,010,041
Power, Fuel and Other expenses	28,492,466	16,581,411
Repair & Maintenance	673,240	482,553
Insurance & Others	1,512,263	1,157,270
Depreciation	8,271,502	8,592,465
Cost of Goods Manufactured	<u>1,179,975,701</u>	<u>807,704,941</u>
Add: Opening Stock of Finished Goods	24,948,533	126,785,791
Purchases Local Oil	-	4,000,000
Cost of Goods Available for Sale	<u>1,204,924,234</u>	<u>938,490,732</u>
Less: Closing Stock of Finished Goods	(56,032,297)	(24,948,533)
Cost of Goods Sold	<u>1,148,891,937</u>	<u>913,542,200</u>

21.1 **Raw Material Consumed**

Opening Stocks	213,032,675	264,248,978
Purchases during the year	1,035,993,692	665,396,299
	<u>1,249,026,367</u>	<u>929,645,277</u>
Less: Closing Stocks	193,015,617	213,032,675
	<u>1,056,010,750</u>	<u>716,612,602</u>

	June 30, 2010 Rupees	June 30, 2009 Rupees
<b>22 Administrative and General Expenses</b>		
Salaries and Benefits	3,018,119	2,657,520
Rent, Rates and Taxes	-	18,337
Electricity, Gas and Water Bills	1,040,900	1,024,777
Communications	541,347	521,231
Printing and Stationery	289,770	215,533
Travelling, Conveyance & Other Expenses	778,440	457,021
Vehicles Running Expenses	1,016,605	1,312,693
Repair and Maintenance	136,332	314,494
Legal and Professional Charges	800,323	402,482
Entertainment Exps.	677,817	385,091
Charity and Donations	-	192,500
Misc. Expenses	199,485	231,923
Depreciation	603,603	892,514
Audit Fee	220,000	220,000
	<b>9,322,741</b>	<b>8,846,116</b>
<b>23 Selling and Distribution Expenses</b>		
Freight, Forwarding and Shortage/Claims	4,430,568	4,289,706
Commission and Other expenses	331,712	4,632,931
	<b>4,762,280</b>	<b>8,922,637</b>
<b>24 Other Income</b>		
Profit on sale of Fixed Assets	1,147,223	-
Profit on Bank Deposits	319,142	390,873
Miscellaneous Income	109,511	-
	<b>1,575,876</b>	<b>390,873</b>
<b>25 Financial Expenses</b>		
Mark up on Short Term Bank Borrowings	46,335,465	29,411,152
Bank Charges	1,239,134	1,175,157
	<b>47,574,599</b>	<b>30,586,309</b>



	, June 30, 2010 Rupees	, June 30, 2009 Rupees
<b>26 Other Expenses</b>		
Worker's Profit Participation Fund	812,961	608,847
Worker Welfare's Fund	308,925	231,362
	<u>1,121,886</u>	<u>840,209</u>
<b>27 Taxation</b>		
Current Year	5,298,067	3,967,852
Prior Year	649,990	-
Deferred Tax	(3,871,189)	12,012,772
	<u>2,076,867</u>	<u>15,980,624</u>
<b>28 Earning per share</b>		
Profit / (Loss) after Taxation	13,060,466	(4,643,903)
weighted Average No. of Shares in Issue	5,658,400	5,658,400
	<u>2.31</u>	<u>(0.82)</u>
<b>29 Cash and Bank Equivalent</b>		
Cash and Bank Balances	9,441,392	3,179,585
Short Term Running Finances	(323,178,397)	(213,281,784)
	<u>(313,737,005)</u>	<u>(210,102,199)</u>
<b>30 Deferred Liabilities</b>		
<b>Deferred Tax:-</b>		
Opening Balance	77,682,992	65,670,220
For the Year	(3,871,189)	12,012,772
Closing Balance	<u>73,811,803</u>	<u>77,682,992</u>
<b>Gratuity:-</b>	<u>5,231,912</u>	<u>4,546,593</u>
	<u>79,043,715</u>	<u>82,229,585</u>
<b>31 Fair Value Of Financial Instruments</b>		

Fair value of all financial assets and financial liabilities are estimated to approximate their respective carrying values

- (a) The figures are rounded off to the nearest rupee  
 (b) The annexed notes from 1 to 35 form an integral part of these financial statements.

### 32 Financial Instruments & Related Disclosures

#### 32.1 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, 2010 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 2010
<b>Financial Assets</b>					
Long Term Deposits	-	-	-	1,218,650	1,218,650
Trade Debtors	-	-	-	71,443,321	71,443,321
Advances, Deposits & Prepayments	-	-	-	180,720,812	180,720,812
Cash In Hand & Bank	6.50%	8,772,515	-	668,877	9,441,392
<b>Total:</b>	-	<b>8,772,515</b>	-	<b>254,051,660</b>	<b>262,824,175</b>
<b>Financial Liabilities</b>					
Long term Loans	-	-	-	-	-
Short Term Finances	3 Month KIBOR + 275 bps	323,178,397	-	-	323,178,397
Creditors, Accrued & Other Payables	3Month KIBOR + 300bps+350 bps	-	-	70,643,842	70,643,842
<b>Total:</b>	-	<b>323,178,397</b>	-	<b>70,643,842</b>	<b>393,822,239</b>
On Balance Sheet Gap 2010	-	(314,405,882)	-	183,407,818	(130,998,064)
On Balance Sheet Gap 2009	-	(212,608,801)	-	83,471,848	(129,136,954)

- (a) The 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)	6.50%
<b>Financial Liabilities</b>	
Long Term Loans	N.A
Short Term Finances	13% to 16%

#### 32.2 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. 261,605,524/- (2009 Rs. 162,076,744/-) the financial assets which may subject to credit risk amounts to Rs. 71,443,321/- (2009 Rs. 105,827,473)

### 33 REMUNERATION Of Chief Executive, Directors and Executives

	Chief Executive		Directors		Executives	
	2010	2009	2010	2009	2010	2009
No. Of Persons					3	
Remuneration	320,000	320,000	261,514	224,412	837,667	296,774
House Rent	144,000	144,000	117,681	100,990	376,950	133,548
Utilities	16,000	16,000	13,075	11,217	41,883	29,678
	<b>480,000</b>	<b>480,000</b>	<b>392,270</b>	<b>336,619</b>	<b>1,256,500</b>	<b>460,000</b>

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

32.2 The employee of the company can be categorised as executives as per the definition contained in the Fourth Schedule to the Companies Ordinance 1984, which was substituted by the Securities and Exchange Commission of Pakistan vide S.R.O (589) / 0 / 2004 dated July 05, 2004 in current period as well in last year.

### 34 PLANT CAPACITY AND ACTUAL PRODUCTION

		2010		2009	
		Assessed Capacity	Actual Product.	Assessed Capacity	Actual Production
Sunflower Seed	M.Tons	20,000	7,125	20,000	7,257
Rape Seed	M.Tons	40,000	21,359	40,000	11,527
Soya Bean Seed	M.Tons	-	-	-	-
Castor Seed	M.Tons	19,500	-	19,500	-
		<b>79,500</b>	<b>28,484</b>	<b>79,500</b>	<b>18,884</b>

Under utilization of capacity is mostly attributable to shortage of Power (Electricity) and over all economic recession in country.

### 35 GENERAL

31.1 Number of Employees as at June 30, 2010 was 146 ( 2009:188)

31.2 Figures have been rounded off to nearest rupee.

31.3 These accounts were authorized for the issue in the Board Of Directors meeting held on October 01, 2010

THE COMPANIES ORDINANCE 1984  
(Section 236(1) and 464)  
PATTERN OF SHAREHOLDING

1. Incorporation Number: \_\_\_\_\_

2. Name of the Company: S.S. Oil Mills Limited

3. Pattern of holding of the shares held by the shareholders as at: 30-06-2010

4. No. of Shareholders	Shareholding		Total Shares Held
	From	To	
69	1	100	6,800
1972	101	500	957,600
13	501	1000	13,000
17	1301	5000	56,000
3	5001	13000	77,400
1	15001	20000	20,000
-	20001	25000	21,500
3	30001	35000	99,000
2	35001	40000	80,000
7	45001	50000	340,700
2	55001	60000	120,000
2	65001	70000	140,000
1	75001	80000	80,000
1	85001	90000	90,000
3	90001	95000	285,000
6	95001	100000	600,000
2	115001	120000	240,000
1	145001	150000	147,000
1	160001	165000	160,200
2	195001	200000	400,000
1	305001	510000	510,000
1	545001	550000	548,300
1	665001	670000	665,300
217			5,658,400

5. Categories of shareholders	Share held	Percentage
5.1 Directors, Chief Executive Officers, and their spouse and minor children	372,200	6.5778%
5.2 Associated Companies, undertakings and related parties	0	0.0000%
5.3 N T and ICP	0	0.0000%
5.4 Banks Development Financial institutions Non Banking Financial institutions	147,000	2.5979%
5.5 Insurance Companies	0	0.0000%
5.6 Modarabas and Mutual Funds	0	0.0000%
5.7 Share holders holding 10%	665,300	11.7577%
5.8 General Public		
a. Local	3,963,900	70.0534%
b. Foreign	0	0.0000%
5.9 Others (to be specified)		
Foreign Companies	1,175,300	20.7709%

6. Signature of Company Secretary: \_\_\_\_\_

7. Name of Secretary: Syed Jalil-u- Rehman Bokhari

8. Designation: Company Secretary

9. NIC Number: \_\_\_\_\_

10. Date: 30 06 2010

Categories of Share Holders as required under C.C.G,  
As on 30th June, 2010

S.No.	NAME	HOLDING	%AGE
<b>DIRECTORS, CEO THEIR SPOUSES &amp; MINOR CHILDREN</b>			
1	NAWABZADA SHAHZAD ALI KHAN	160,200	2.8312%
2	NAWABZADA SHAHAYAR ALI KHAN	200,000	3.5346%
3	KHALIFA MUHAMMAD HASSAN SAIED	10,000	0.1767%
4	CHAUDHRY MOHAMMAD TUMAYUN	500	0.0088%
5	MR. AHSAN-UD-DIN	500	0.0088%
6	MR. SAEDAR IQBAT KHAN	500	0.0088%
7	MR. WAJAHAT ALI KHAN	500	0.0088%
		372,200	6.5778%

**ASSOCIATED COMPANIES**

0	0.0000%
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**NT & ICP**

0	0.0000%
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**FINANCIAL INSTITUTION**

1	FIDELITY INVESTMENT BANK LTD.	147,000	2.5979%
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**INSURANCE COMPANIES**

0	0.0000%
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**MODARABA AND MUTUAL FUND**

0	0.0000%
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**FOREIGN COMPANIES**

1	IKAS LIMITED	510,000	9.0131%
2	BARING SECURITIES NOMINEES LIMITED	665,300	11.7577%
		1,175,300	20.7709%

**SHARES HELD BY THE GENERAL PUBLIC**

3,963,900	70.0534%
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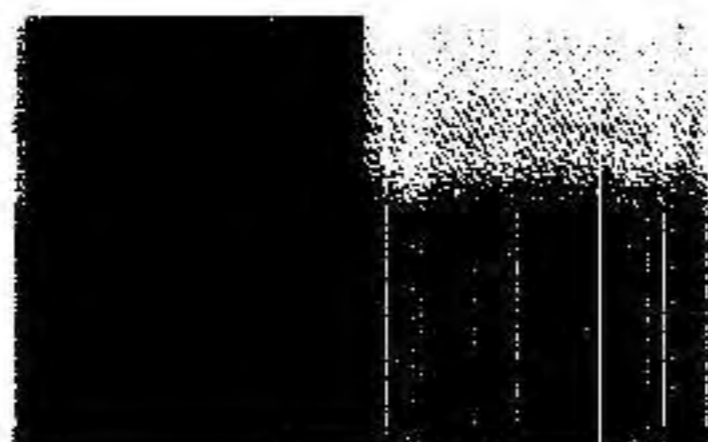
<b>TOTAL:</b>	<b>5,658,400</b>	<b>100.0000%</b>
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**SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL**

S.No.	NAME	HOLDING	%AGE
1	BARING SECURITIES NOMINEES LIMITED	665,300	11.7577%
		665,300	11.7577%

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows

NIL



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 at 2-Tipu Block, Garden Town Lahore, 30<sup>th</sup> October and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Witnesses:

1. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
NIC or  
Passport No. \_\_\_\_\_

Signature on  
Rupees Five  
Revenue Stamp

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

2. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
NIC or  
Passport No. \_\_\_\_\_

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.



