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**COMPANY INFORMATION****BOARD OF DIRECTORS****Chairman/Chief Executive Officer**

SHAHZAD ALI KHAN

**Directors**

SHAHARYAR ALI KHAN  
 CHAUDHERY MUHAMMAD HAMAYUN  
 AHSAN-UD-DIN  
 Nawabzadi Begum Shamim Shafqat  
 SAFDAR IQBAL KHAN  
 NAWABZADA WAJAHAT ALI KHAN

**BOARD AUDIT COMMITTEE****Chairman**

Safdar Iqbal Khan

**Member**

NAWABZADA WAJAHAT ALI KHAN

**Member**

SHAHARYAR ALI KHAN

**CHIEF FINANCIAL OFFICER/  
COMPANY SECRETARY**

ATIQ-U-REHMAN

**EXTERNAL AUDITORS**

ASLAM MALIK & CO  
 Chartered Accountants.

**MANAGER ACCOUNTS**

AKHTAR ALI

**LEGAL ADVISORS**

BARRISTER KHURRAM RAZA

**BANKERS**

SILK BANK LIMITED  
 THE BANK OF PUNJAB  
 MUSLIM COMMERCIAL BANK LTD

**REGISTRARS & SHARE  
TRANSFER OFFICE**

CORP LINK PRIVATE LIMITED.  
 Wings Arcade, Fk, 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 Thursday October 31, 2013 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, 2013 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  
October 08, 2013

ATIQ-U-REHMAN  
**COMPANY SECRETARY**

**NOTES:**

1. The Share Transfer Book of the Company will remain closed for transaction from October 28, 2013 to November 3, 2013
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 CNIC 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, 2013.

**1. Financial Results**

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

	<u>2013</u> (Rs.'000s)	<u>2012</u> (Rs.'000s)
<b>Profit before taxation</b>	<b>55,748</b>	52,306
<b>Taxation</b>	<b>9,832</b>	11,494
<b>Profit after taxation</b>	<b>45,916</b>	40,813
<b>E.P.S.</b>	<b>8.11</b>	7.21

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.

**1. Review of Operations**

During the year under review total production of Washed Oil was 13,199 M.Tons, Meal and Soap was 18,909 M. Tons as compared to last year's Washed Oil were 14,865 M.Tons, Meal & Soap 19,693 M.Tons respectively.

Sales for the year of Washed Oil were 11,745 M.Tons & Meal and Soap 19,185 M. Tons as compared to last year's 15,300/- M.Tons & 18,516/- M.Tons respectively.

During the year under review our sales remains almost same as of last year. Keeping in view all the economic and general obstacles and increased prices of raw material the management is quite happy to earned net profit after tax for Rs. 45.916 Millions during the year. The management of your company has done well to retain its share of the market. They have also put their best efforts to control the financial as well as operational cost by using efficient fund management policy. Due to the electricity load shedding all over the country, we have obtain gas connection for our boiler enabling us to control/reduce the production cost.

**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.

	2007	2008	2009	2010	2011	2012	2013
Sales	927,585,452	1,407,305,960	973,683,319	1,225,234,901	1,623,310,115	2,397,217,503	2,298,702,124
Cost of Goods Sold	860,739,820	1,319,539,763	913,542,200	1,148,891,937	1,508,464,916	2,282,207,405	2,177,613,704
Gross Profit	66,845,632	87,766,197	60,141,119	76,342,964	114,845,199	115,010,098	121,088,420
Operating Profit	51,695,639	61,973,069	42,372,366	62,257,942	97,937,711	95,570,787	102,812,444
Profit Before Tax	15,053,175	19,132,974	11,336,721	15,137,334	62,893,332	52,306,242	55,747,557
Profit After Tax	10,415,428	12,833,497	(4,643,903)	13,060,466	38,843,980	40,812,505	45,915,551
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	423,748,526	647,674,266	407,539,801	518,445,970	497,653,061	587,948,542	767,729,585
Current Liabilities	328,994,471	539,619,654	296,510,403	399,265,734	327,236,130	380,334,918	524,387,797

**4. Dividend**

Directors have not recommended any dividend.

**1. Auditors**

The present auditors M/s. Aslam Malik & Co., Chartered Accountants, retire and being eligible offers themselves for reappointment for year ending June 30, 2014.

**2. Auditors Report**

Auditors in their report has pointed out that gratuity is not valued by any actuary. In this regard it is stated that we have acquired the services of a competent actuary and in the current year we will ensure the compliance of this requirement.

**3. No. Of Board Meetings Held**

Five Board meetings were held during the year ended June 30, 2013. Attendance by each director is appended hereunder;

Name of Directors	Meetings Attended
SHAHZAD ALIKHAN	5
NAWABZADA WAJAHAT ALIKHAN	5
CHAUDHERY MUHAMMAD HAMAYUN	4
AHSAN-UD-DIN	4
NAWABZADI BEGUM SHAMIM SHAFQAT	1
SAFDAR IQBAL KHAN	5
SHAHARYAR ALI KHAN	4

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

## 1. Audit Committee

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

Safdar Iqbal Khan	Chairman
Nawabzada Wajahat ali Khan	Member
Shaharyar Ali Khan	Member

## 2. Outstanding Statutory Payments:

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

## 3. Pattern of Shareholding

Pattern of shareholding as on June 30, 2013 is annexed.

## 4. 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. 243.342 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.

## 1. 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.

## 2. Future Prospect

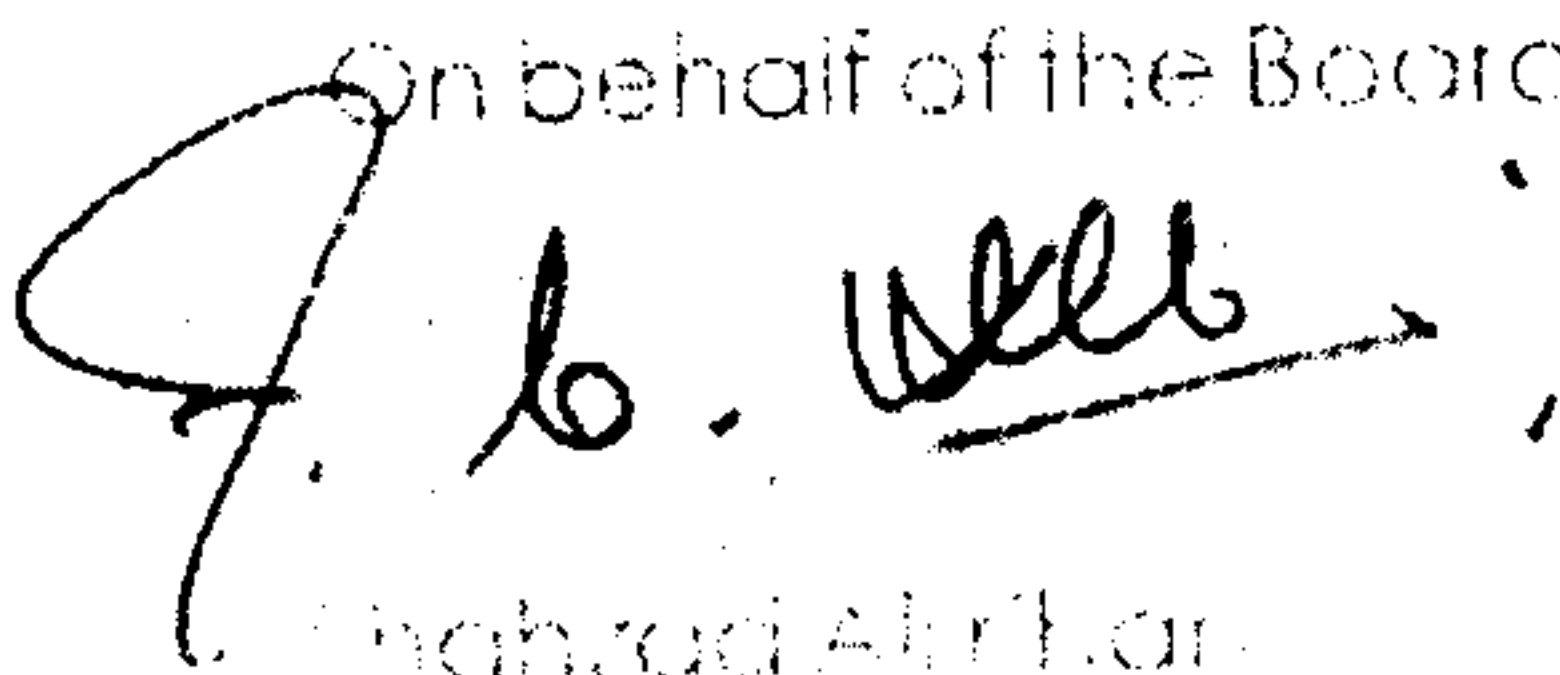
We expect to continue our good performance and Insh Allah, will overcome all these problems by hard working, timely decision of management and team work. We hope that in the year 2013-14 we will present better financial position. Globally tendency of oil seed prices are going upward which help us to 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.

## 3. 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.

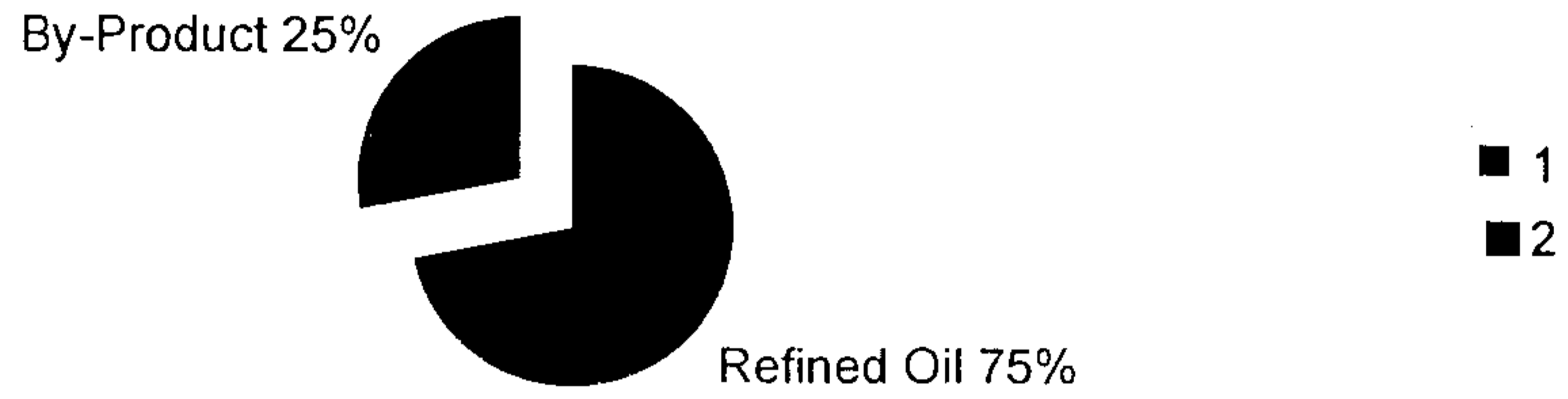
Lahore  
October 7, 2013

On behalf of the Board  
  
Muhammad Ali Khan  
Chief Executive

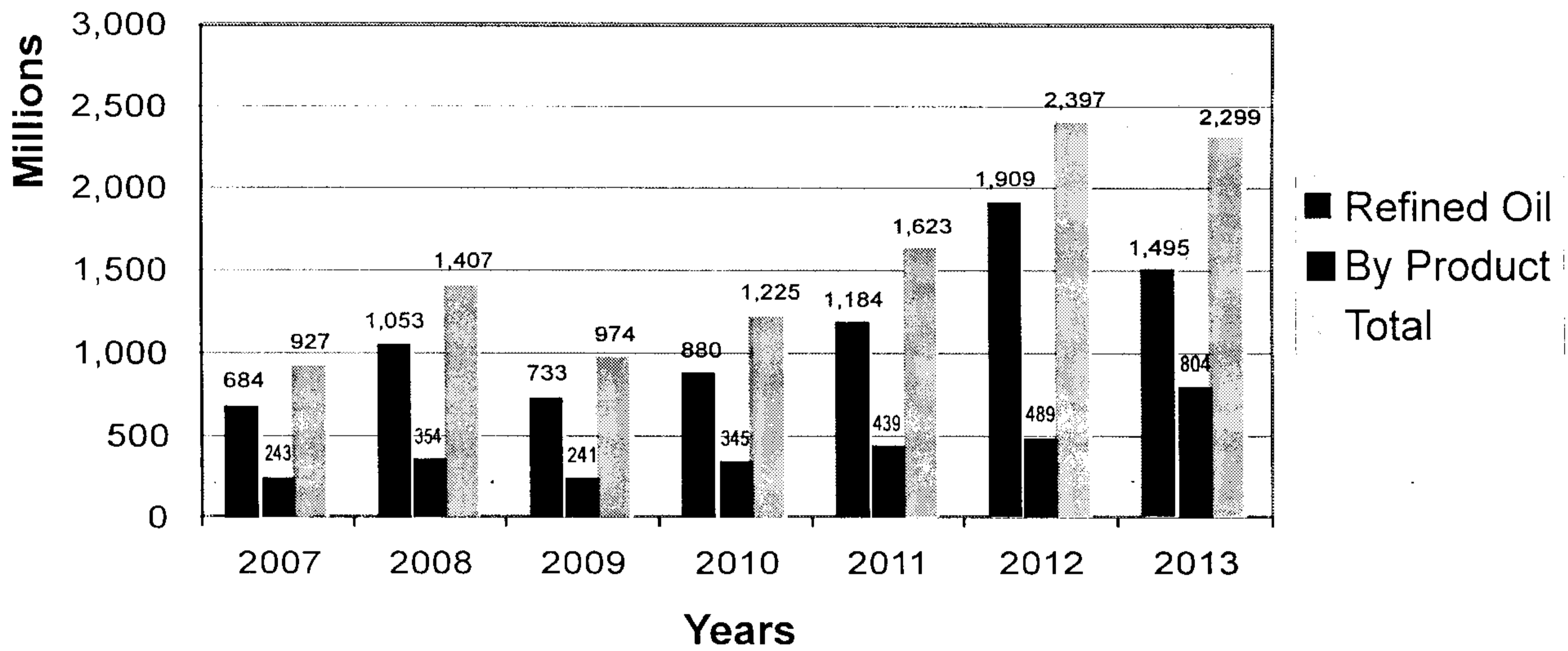


STATISTICAL PERFORMANCE CHART AND GRAPHS

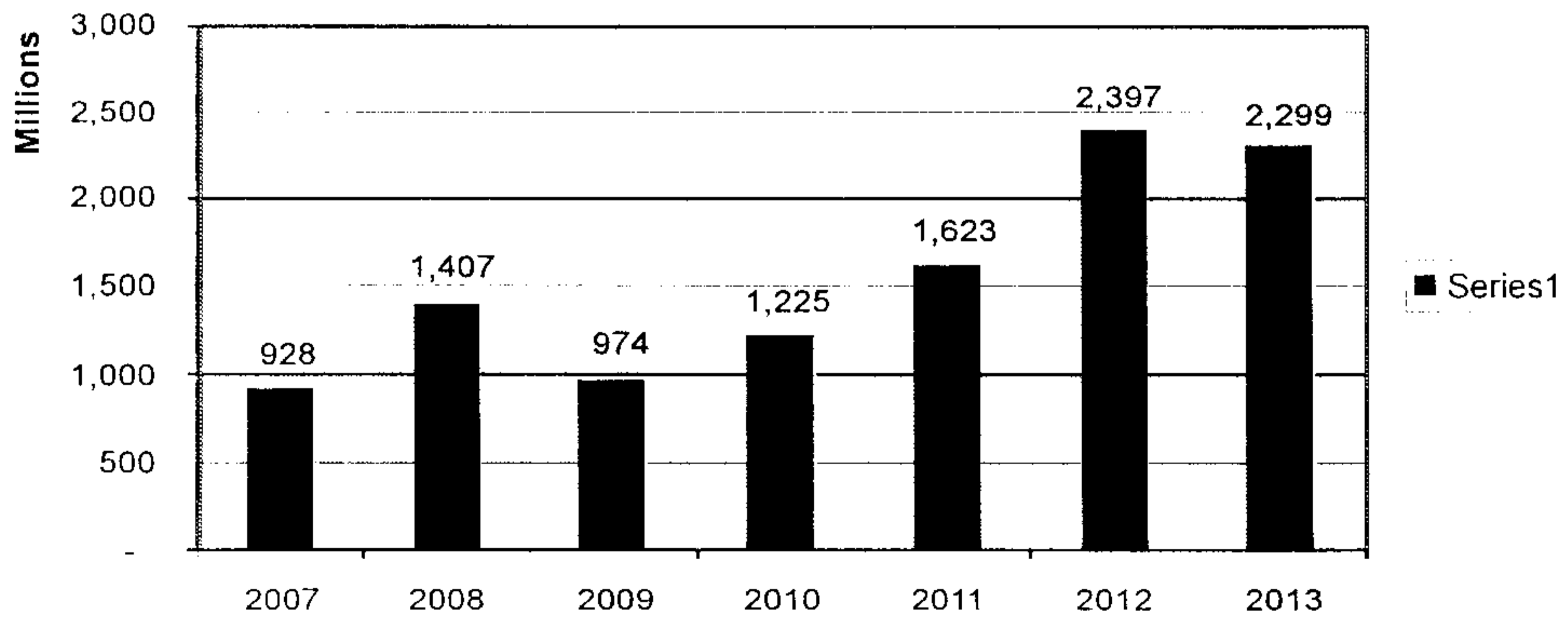
Productwise Sale



Gross Sales



Net Sales



**STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE**

Name of Company	S.S. Oil Mills Limited
Year Ended	June 30, 2013

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of 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 CCG 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 :

Category	Name
Independent Directors	Safdar Iqbal Khan
Executive Directors	Shahzad Ali Khan (Chief Executive)
Non Executive Directors	Shaharyar Ali Khan
	Ch. Muhammad Humayun
	Nawabzadi Begum Shamim Shafqat
	Ahsan u Din
	Nawabzada Wajahat Ali Khan

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Company are registered as taxpayer and None of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurring on board was filled up by the Directors within 90 days.
5. 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.
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 powers 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, other executive and non executive directors, have been taken by board in accordance with the Articles of Association of the Company.
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. 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. No Director has participated in the training program required as per CCG. However in the current year the compliance of the said requirement will be ensured.
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 CCG 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 CCG.
15. The Board has formed an Audit Committee. It comprises three members, of whom two are non- Executive directors and the chairman of Committee is an independent director.
16. The meetings of the Audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. There was no HR and Remuneration Committee as on 30-06-2013, however, subsequently the Board has decided to form and HR and Remuneration Committee. It will comprise of three members, of whom two will be non- Executive directors and the chairman of Committee will be a non executive director.

18. The Board has set-up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the Company have confirmed that they have given a satisfactory rating under the quality control review program of the ICAP, 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 ICAP.
20. 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.
21. The "closed period" prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the company's securities was determined and intimated to directors, employees and stock exchanges.
22. Material /price sensitive information has been disseminated among all market participants at once through stock exchange.
23. We confirm that all other material principles enshrined in the CCG have been complied with.

Lahore:  
October 7, 2013

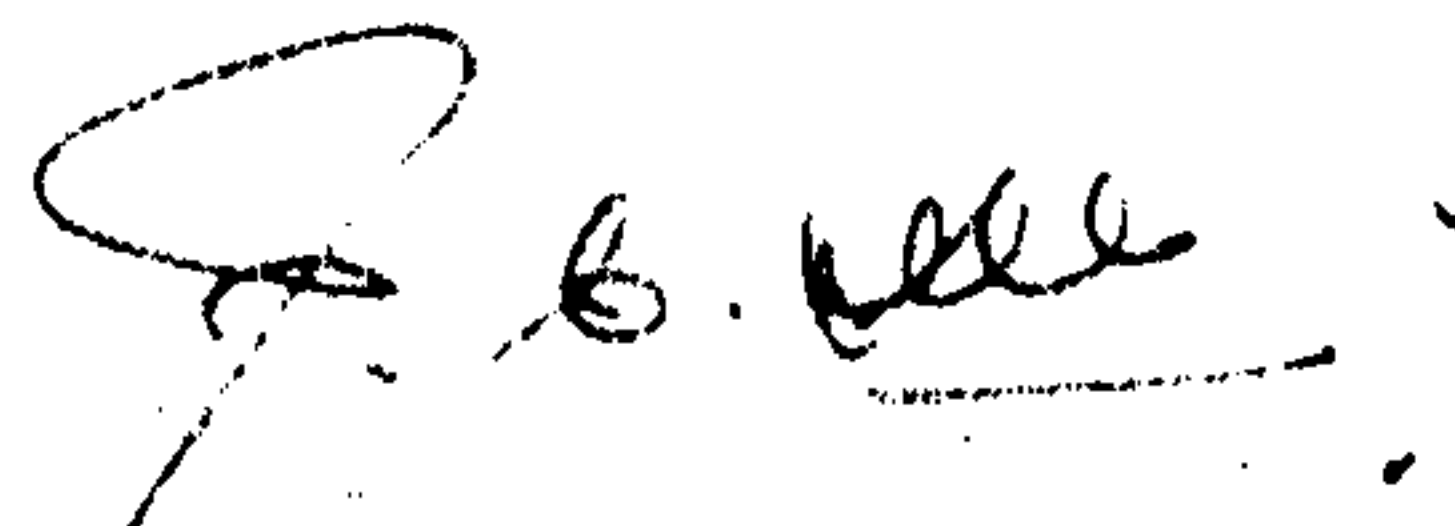
For S.S OIL MILLS LTD

  
Chief Executive

**STATEMENT OF COMPLIANCE WITH THE  
BEST PRACTICES ON TRANSFER PRICING  
For the year ended June 30, 2013**

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 7, 2013



SHAHZAD AKHMAL

(Chief Executive)

**AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed Balance Sheet of **M/S S.S OIL MILLS LIMITED** as at **June 30, 2013** and the related Profit and Loss Account, 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.

Except as discussed in the following paragraph 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:

1- The financial statement of the company reflects liability of gratuity which was not valued by any actuary till the date of audit report.

- 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 except for the changes with which we concur:
  - 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. Except for the effect of the matter referred to in paragraph 1 above, 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, cash flow statement and statement of changes in equity together with the notes forming part thereof confirm 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, 2013 and of the Profit, 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 (XVIII of 1980).

Place: Lahore  
Date: October 7, 2013

**(Aslam Malik & Co.)**  
Chartered Accountants  
Mohammad Aslam Malik

## **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 for the year ended June 30, 2013 prepared by the Board of Directors of **S.S. OIL MILLS LIMITED** to comply with the Listing Regulations no 35 of Karachi Stock Exchange Limited and Lahore Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the 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 35 notified by The Karachi and Lahore Stock Exchange 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, except for the departure disclosed in note 9 and 17 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 of Corporate Governance as applicable to the company for the year ended 30 June 2013.

Lahore  
October 7, 2013

**(Aslam Malik & Co.)**  
Chartered Accountants  
Mohammad Aslam Malik

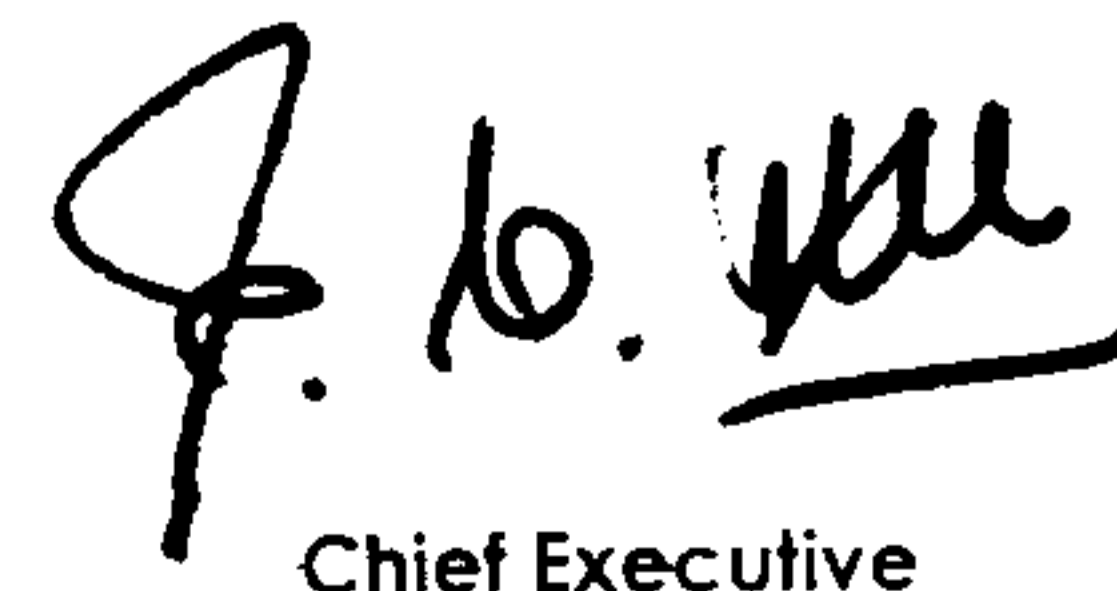
**BALANCE SHEET AS ON JUNE 30, 2013**

<b>EQUITY &amp; LIABILITIES</b>	<b>Note</b>	<b>30-Jun-13 Rupees</b>	<b>30-Jun-12 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		315,428,167	261,371,835
		372,012,167	317,955,835
<b>Surplus on Revaluation of Fixed Assets</b>	6	105,329,314	112,356,077
<b>-Net of Deferred tax</b>			
		477,341,481	430,311,912
<b>NON-CURRENT LIABILITIES</b>			
<b>LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE</b>	7	-	-
<b>LONG TERM LOANS</b>			
Directors and Associates	8	20,837,014	20,837,014
		20,837,014	20,837,014
<b>DEFERRED LIABILITIES</b>	30	80,507,985	84,864,642
		101,344,999	105,701,656
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	9	406,816,189	254,105,392
Creditors, Accrued and other Liabilities	10	110,211,640	114,065,087
Current Maturity of Liability against assets sub. To finance lease.	7	-	16,440
Markup Accrued		7,359,968	12,147,999
		524,387,797	380,334,918
<b>Contingencies and Commitments</b>	11		
		<b>1,103,074,278</b>	<b>916,348,487</b>

The annexed notes 1 to 36 form an integral part of these financial statements

Auditors Report is annexed.

Lahore:  
October 7, 2013

  
Chief Executive



<b>ASSETS</b>	<b>Note</b>	<b>30-Jun-13 Rupees</b>	<b>30-Jun-12 Rupees</b>
<b>NON-CURRENT ASSETS</b>			
<b>Fixed Assets - Tangible</b>			
Operating Fixed Assets	12	330,345,043	307,992,498
Capital Work-in -Progress	13	-	19,188,797
<b>LONG TERM DEPOSITS</b>	14	4,999,650	1,218,650
		<u>335,344,694</u>	<u>328,399,945</u>
<b>CURRENT ASSETS</b>			
Stores & Spares	15	14,315,420	10,586,595
Stocks in Trade	16	320,455,250	230,757,575
Trade Debtors	17	150,813,825	143,230,162
Advances, Deposits, Prepayments and Other Receivables	18	268,923,628	138,030,223
Cash and Bank Balances	19	13,221,461	65,343,986
		<u>767,729,584</u>	<u>587,948,541</u>
		<u><u>1,103,074,278</u></u>	<u><u>916,348,487</u></u>

  
Director

**S.S. OIL MILLS LTD**

Annual Report 2013

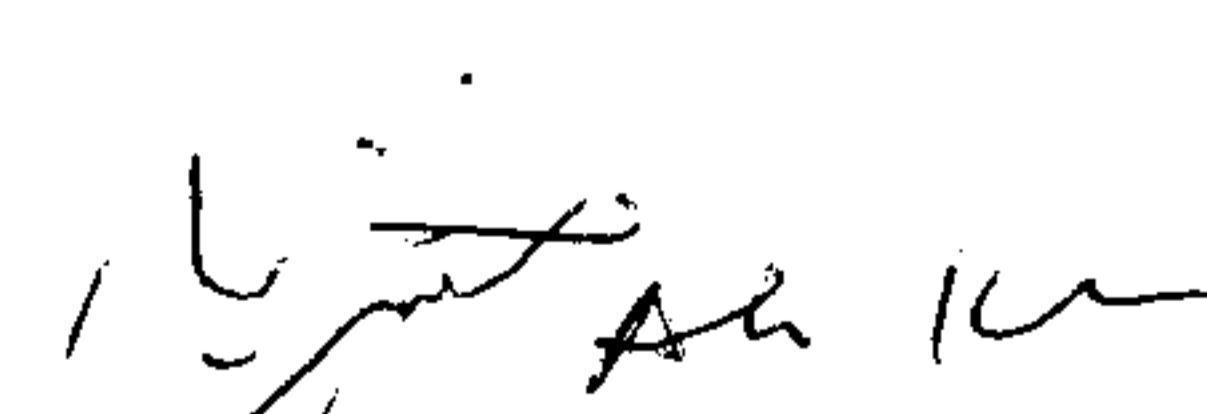
**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2013**

<b>PARTICULARS</b>	<b>Note</b>	<b>30-Jun-13 Rupees</b>	<b>30-Jun-12 Rupees</b>
Sales - Net	20	2,298,702,124	2,397,217,503
Less: Cost of Goods Sold	21	2,177,613,704	2,282,207,406
<b>Gross Profit</b>		<b>121,088,420</b>	<b>115,010,097</b>
Administrative and General Expenses	22	12,167,176	11,706,470
Selling & Distribution Costs	23	6,108,800	7,732,841
		18,275,976	19,439,311
<b>Operating Profit</b>		<b>102,812,444</b>	<b>95,570,785</b>
Other Income	24	1,394,313	1,320,856
		104,206,757	96,891,641
Financial Costs	25	44,327,534	40,708,784
Other Expenses	26	4,131,666	3,876,617
		48,459,200	44,585,401
<b>Net Profit / (Loss) for the Year Before Taxation</b>		<b>55,747,557</b>	<b>52,306,242</b>
Taxation	27	9,832,006	11,493,737
<b>Profit / (Loss) for the Year After Taxation</b>		<b>45,915,551</b>	<b>40,812,505</b>
Earning per Share (Rs. / Share)	28	8.11	7.21

The annexed notes 1 to 36 form an integral part of these financial statements

Lahore:  
October 7, 2013

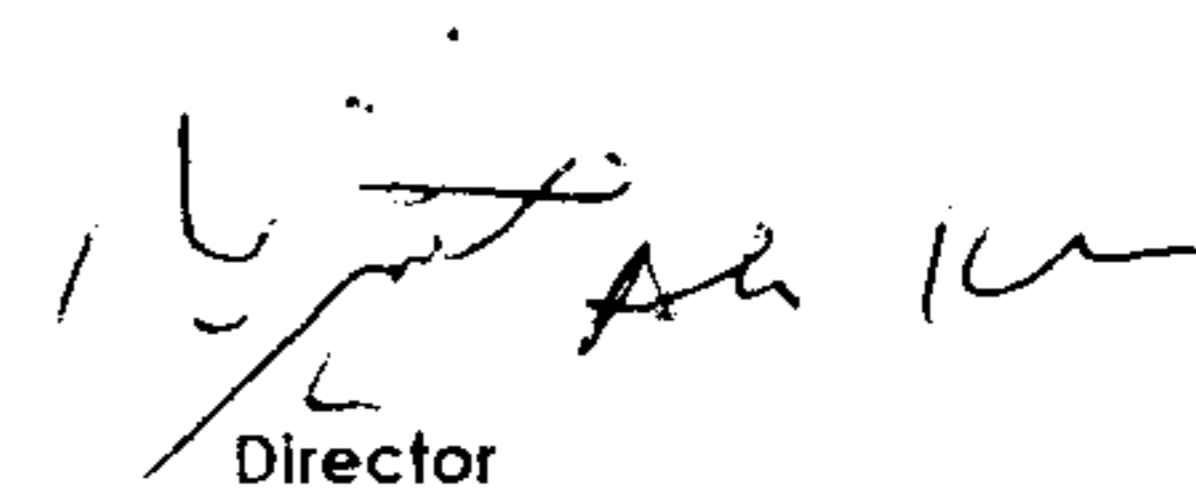
  
Chief Executive

  
Director

# Statement of Comprehensive Income FOR THE YEAR ENDED JUNE 30, 2013

	30-Jun-13 Rupees	30-Jun-12 Rupees
Profit/(Loss) after Taxation	45,915,551	40,812,505
Deferred Tax on Revaluation of Fixed Assets		
Total Comprehensive Income	<u>45,915,551</u>	<u>40,812,505</u>

  
Chief Executive

  
Director

Lahore:  
October 7, 2013

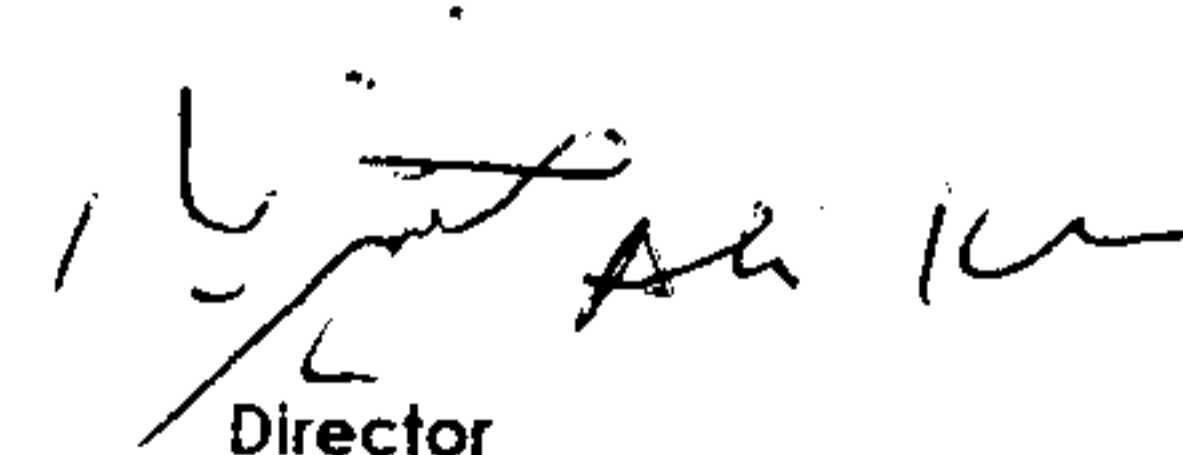
## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2013

	30-Jun-13 Rupees	30-Jun-12 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before taxation	55,747,557	52,306,242
Adjustment for:		
Provision for Depreciation	25,454,477	28,069,631
Finance Cost	44,327,534	40,708,784
Other Expenses (WPPF & WWF)	4,131,666	3,876,617
Gratuity	698,572	734,916
	74,612,249	73,389,948
Profit before working capital changes	130,359,806	125,696,190
(Increase)/decrease in current assets		
Stores and spares	(3,728,825)	(2,292,732)
Stock in trade	(89,697,675)	(128,816,909)
Trade debtors	(7,583,663)	(19,373,953)
Income Tax Refund Received	49,982,829	16,166,637
Advances, deposits, prepayments & Other Receivables	(129,453,109)	126,927,784
	(180,480,443)	(7,389,173)
Increase/ (Decrease) in current liabilities	(4,108,494)	47,831,730
	(184,588,937)	40,442,557
Taxes Paid - net	(64,564,976)	(74,742,058)
W.W.F. Paid	(1,067,474)	(1,283,537)
W.P.P.F. Paid	(2,809,143)	(3,377,730)
Gratuity Paid	(631,365)	
Financial Charges Paid	(49,115,565)	(32,372,170)
	(118,188,523)	(111,775,495)
Net Cash from Operating Activities	(172,417,654)	54,363,252
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed Assets Purchased	(47,807,024)	-
Long Term Deposits	(3,781,000)	-
Capital Work in Progress	19,188,797	(19,188,797)
	(32,399,227)	(19,188,797)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Increase in Short term loans	152,710,797	19,888,649
Repayment of Finance Lease	(16,440)	(177,330)
	152,694,357	19,711,319
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENT</b>	(52,122,524)	54,885,775
<b>Cash &amp; Cash Equivalents at the beginning of the Year</b>	65,343,986	10,458,211
<b>Cash &amp; Cash Equivalents at the end of the Year</b> A	13,221,462	65,343,986

A Cash & Cash Equivalents include cash and bank balances as stated in Note 19  
The annexed notes 1 to 36 form an integral part of these financial statements

Lahore:  
October 7, 2013

  
Chief Executive

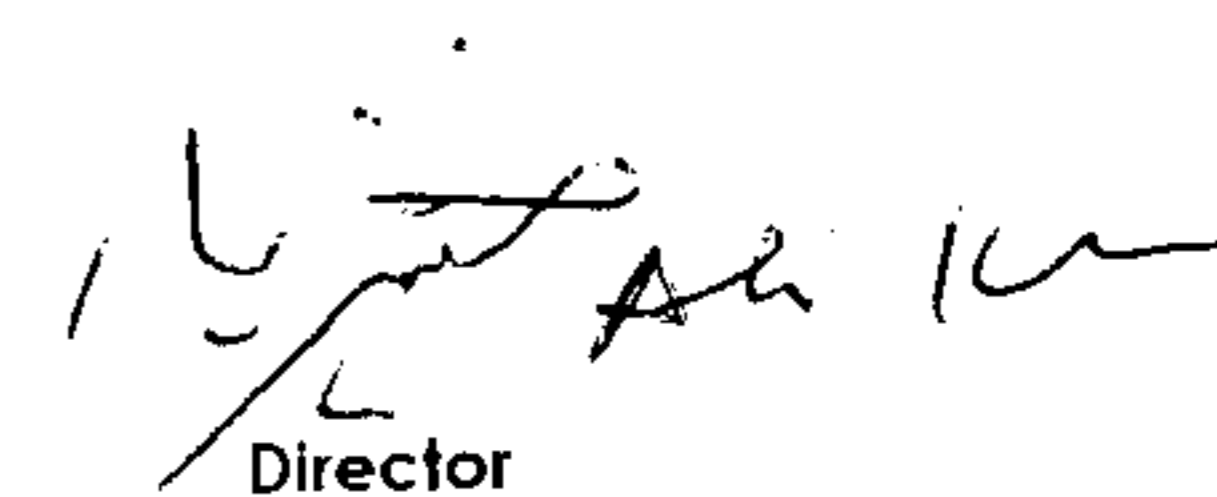
  
Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2013**

<b>Particulars</b>	<b>Share Capital (Rupees)</b>	<b>Accumulated Profit(Loss) (Rupees)</b>	<b>Equity (Rupees)</b>
Balance as on June 30, 2011	56,584,000	215,016,251	271,600,251
Net Profit & (Loss) for the year ended June 30, 2011		40,812,505	40,812,505
	<b>56,584,000</b>	<b>255,828,756</b>	<b>312,412,756</b>
Transferred from surplus on revaluation of Fixed Assets -Current Year		5,543,079	5,543,079
<b>Balance as at June 30, 2012</b>	<b>56,584,000</b>	<b>261,371,835</b>	<b>317,955,835</b>
Net Profit & (Loss) for the year	-	45,915,551	45,915,551
Transferred from surplus on revaluation of Fixed Assets -Net of Deferred Tax	-	8,140,781	8,140,781
<b>Balance as at June 30, 2013</b>	<b>56,584,000</b>	<b>315,428,167</b>	<b>372,012,167</b>

The annexed notes 1 to 36 form an integral part of these financial statements

  
Chief Executive

  
Director

Lahore:  
October 7, 2013

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013**

### **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 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.

The company's shares trading was suspended from Lahore and Karachi Stock Exchanges in December 2011. However, the company is in correspondences with the relevant Stock Exchange Authorities are being actively carried out to resolve the matter.

### **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 Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives shall prevail.

#### **2.2 Standards, amendments to published approved accounting standards and interpretations becoming effective in the year ended June 30, 2013**

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, 2010.

##### **(i) IAS 7 Statement of Cash Flows - Amendments [effective January 1, 2010]**

The amendment provides clarification that only expenditure that results in a recognized asset in the Balance Sheet can be classified as a cash flow from investing activity. The clarification results in an improvement in the alignment of the classification of cash flows from investing activities in the statement of cash flows and the presentation of recognized assets in the Balance Sheet. The application of the amendment will not affect the results or net assets of the Group as it is only concerned with presentation and disclosures.

##### **2.3 Amendments to published approved standards that are effective in current period and are relevant**

The following amendments to published approved standards are mandatory for the Company's accounting periods beginning on or after 01 July 2011:

International Accounting Standard (IAS) 1 (Amendment), 'Presentation of Financial Statements', now requires an entity to present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. The company has preferred to present this analysis in the statement of changes in equity.

IFRS 7 (Amendments), 'Financial Instruments', emphasizes the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments.

IAS 24 (Revised), 'Related Party Disclosures', issued in November 2009. It supersedes IAS 24, 'Related Party Disclosures', issued in 2003. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities.

##### **2.4 Interpretations and amendments to published approved standards that are effective in current period but not relevant**

There are other new interpretations and amendments to the published approved standards that are mandatory for accounting periods beginning on or after 01 July 2011 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

**2.5 Standards and amendments to published approved standards that are not yet effective but relevant**

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2013). IFRS 9 is the first step in the process to replace IAS 39 'Financial Instruments: Recognition and Measurement'. It requires that all equity investments are to be measured at fair value while eliminating the cost model for unquoted equity investments. Certain categories of financial instruments available under IAS 39 will be eliminated. Moreover, it also amends certain disclosure requirements relating to financial instruments under IFRS 7 'Financial Instruments: Disclosures'. The management of the Company is in the process of evaluating impacts of the aforesaid standard on the Company's financial statements.

IFRS 13, 'Fair value measurement'. This standard provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The standard is not applicable until 01 July 2013 but is available for early adoption.

IAS 1, 'Financial statement presentation' (Amendment). The main change resulting from this amendment is the requirement for entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially recycled to profit or loss (reclassification adjustments). The amendment does not address which items are presented in OCI. The company will apply these amendments from 01 July 2013.

IAS 12, 'Income Taxes' (Amendments). These are applicable on accounting periods beginning on or after January 01, 2012. IAS 12, 'Income taxes', currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40, 'Investment Property'. This amendment therefore introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes – recovery of revalued non-depreciable assets', will no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is withdrawn. The company will apply these amendments from 01 July 2012.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company.

**2.6 Interpretations and amendments to published approved standards that are effective in current year but not relevant to the company**

There are other new interpretations and amendments to the published approved standards that are mandatory for accounting periods beginning on or after 01 July 2011 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

**2.7 Standards, interpretations and amendments to published approved standards that are not yet effective and not considered relevant to the Company**

There are other standards, amendments to published approved standards and new interpretations that are mandatory for accounting periods beginning on or after 01 July 2012 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

**3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

**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 Judgements 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: 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. 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 an 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 company 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 finance lease as referred to in note # 7. The liability are classified as current and long term depending upon the timing of the payment.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit 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 an un-funded gratuity scheme for all its employees. Provision is made annually to cover the liability under the scheme.

**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****a) Standard Spinning Mills (Pvt) Ltd:**

CEO and Director: Nawabzada Shahzad Ali Khan  
Director: Shaharyar Ali Khan

**b) Skindar Commodities (Pvt) Ltd**

CEO and Director: Nawabzada Shahzad Ali Khan  
Director: Shaharyar Ali Khan

**c) Directors and Key Management Personnel**

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

**4.10 Revenue Recognition:**

Revenue is recognized when it is probable that the economic benefits will flow to the company and the revenue can be measure reliably. Sales are recorded on dispatch 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.

**4.11 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.

**4.12 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 reorganization, 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.

**4.13 Borrowing Costs**

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

**4.14 Provisions**

Provisions are recognized when the company has a present, 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 amount can be made. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**4.15 Financial Instruments****4.15.1 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 of the investment within twelve months from the Balance Sheet date. Available-for-sale financial assets are classified as short term investments in balance Balance Sheet.

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

**4.15.2 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.

**4.15.3 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 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.

**4.16 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.

**4.18 Long-Term Deposits**

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

**4.19 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013**

	<b>30-Jun-13</b> <b>Rupees</b>	<b>30-Jun-12</b> <b>Rupees</b>
<b>5 Issued, Subscribed and paid up Capital</b>		
5,018,400 (2012: 5,018,400) ordinary shares of Rs. 10/- fully paid in cash	50,184,000	50,184,000
640,000 (2012: 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 - Net of Deferred Tax</b>		
Surplus on Revaluation Opening Balance	121,543,406	133,431,289
Add:- Assets Revalued during the year	-	-
Less: Surplus realized on disposal during the year	-	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(7,026,763)	(5,543,079)
Related deferred tax liability of incremental depreciation charged during the year	(1,114,018)	(6,344,804)
<b>Surplus on Revaluation of Fixed Assets</b>	<u>113,402,625</u>	<u>121,543,406</u>
Less: related Deferred Tax Liability		
-revaluation as at July 1	-	-
-revaluation recognized during the year	9,187,329	15,532,133
-Surplus realized on disposal of revalued property during the year	-	-
-incremental depreciation charged during the year transferred to Profit and Loss account	(1,114,018)	(6,344,804)
	<u>8,073,311</u>	<u>9,187,329</u>
	<u>105,329,314</u>	<u>112,356,077</u>
<b>7 Liability Against Assets Subject to Finance Lease</b>		
Opening Balance	-	193,770
Lease during the year	-	-
	-	193,770
Paid During the year	-	177,330
Net Liability against finance lease	-	16,440
Less:- Current maturity shown under current liability	-	16,440
	-	-

Present value of minimum lease payment have been discounted at an implicit Rate ranging between 19.99% to 21 % to arrive at their present value. The lessee has the option to purchase the assets after the expiry of the lease term.

The amount of future payments of the lease and the period in which these payments will become as follows.

	<b>2013</b>		
	<b>Minimum Lease Payment</b>	<b>Future Finance Charges</b>	<b>Present Value Value of lease Liability</b>
Not Later than One Year	-	-	-
Later than one year but not later than five years	-	-	-
	-	-	-
	<b>2012</b>		
	<b>Minimum Lease Payment</b>	<b>Future Finance Charges</b>	<b>Present Value Value of lease Liability</b>
Not Later than One Year	16,701	261	16,440
Later than one year but not later than five years	-	-	-
	<u>16,701</u>	<u>261</u>	<u>16,440</u>

		<b>30-Jun-13</b>	<b>30-Jun-12</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>8</b>	<b>Loan From Directors-Related Parties</b>		
	Opening Balance	8.1	20,837,014
		<u>20,837,014</u>	<u>20,837,014</u>

8.1 This amount represents interest free loan received from directors and associates and repayable when funds are available.

<b>9</b>	<b>Short Term Borrowings</b>		
	Short Term Financing - Secured	9.1	406,816,189
			<u>254,105,392</u>
			<u>406,816,189</u>
	<b>9.1 Short Term Financing - Secured</b>		
	BOP - Cash Finance		4,599,958
	- Running Finance		49,900,500
	-FIM		104,548,100
	SILK BANK LTD- FIM		95,056,834
	SILK BANK LTD- CF		-
	SONERI BANK LTD- FIM		-
			<u>254,105,392</u>
			<u>406,816,189</u>

These finances have been obtained on mark up basis from commercial banks against aggregate sanctioned limit of Rs. 950/- Million (2012: Rs. 950 Million). The rate of mark up BOP (FIM Facility) is 3 months KIBOR Ask side rate + 250 bps and for C.F facility mark up rate is 3 months KIBOR Ask side rate + 300 bps and for RF facility mark up rate is 3 Months KIBOR. Mark up Rate of FIM facility provided by SILK Bank Limited for Rs. 400 (M) is 3 month Kibor +250 bps. and for CF facility mark up rate is 3 months KIBOR Ask side rate + 250 bps. Mark up Rate of FIM facility provided by Soneri Bank Limited for Rs. 250 (M) is 3 month Kibor + 185 bps. These are secured by pledge/hypothecation of Stocks, first charge on fixed/current assets of the company and promissory notes.

<b>10</b>	<b>Creditors, Accrued and Other Liabilities</b>		
	Creditors	10.1	19,982,085
	Creditors- Seeds		4,459,058
	Accrued liabilities		3,909,678
	Advances from Customers		77,031,810
	Withholding Tax Payable		697,343
	Workers Welfare Fund Payable		1,137,705
	Workers Profit Participation Fund Payable	10.2	2,993,961
			<u>114,065,087</u>
			<u>110,211,640</u>
	<b>10.1 Related Parties</b>		
	Creditors include amounting to Rs 3.935 Million payable which was subsequently paid.		Standard Spinning Mills (Pvt) Ltd at year end
	<b>10.2 Workers Profit Participation Fund</b>		
	Balance as on July 01, 2012		2,809,143
	Contribution due for the year		3,377,730
			<u>2,809,143</u>
			<u>5,803,104</u>
	Payments made during the year		6,186,873
			<u>2,809,143</u>
			<u>2,993,961</u>

## 11 Contingencies and Commitments

### 11.1 Contingencies

NIL

### 11.2 Commitments

NIL

## 12 Operating Fixed Assets

( As annexed )

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

12.2 These below mentioned balances represents the value of Fixed Assets subsequent to revaluation on 28th May 1999 and 1st July 2008 through an independent evaluator M/s. Unicorn International Surveyor Lahore.

## 12 OPERATING FIXED ASSETS - 2013

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, 2013
	As at July 1, 2012	Addition/ (Deletion)	Revaluation of Fixed Assets	As at June-30, 2013		As at July 1, 2012	Adjustment	Normal Charge for the Year	
Land-freehold	42,975,000	-	-	42,975,000	-	-	-	-	42,975,000
Buildings	96,101,165	13,124,486	-	109,225,651	5	45,470,921	2,586,198	48,057,119	61,168,532
Plant and machinery	350,229,248	34,682,538	-	384,911,786	10.0	153,977,941	19,914,152	173,892,093	211,019,693
Electric Installation	12,123,075	-	-	12,123,075	10.0	6,647,047	547,603	7,194,650	4,928,425
Office Equipment	1,796,810	-	-	1,796,810	10	1,307,614	48,920	1,356,534	440,276
Furniture and Fixtures	660,429	-	-	660,429	10	514,525	14,590	529,115	131,314
Tools and equipment	2,464,861	-	-	2,464,861	10	2,046,955	41,791	2,088,746	376,115
Vehicles	20,466,265	-	-	20,466,265	20	9,838,185	2,125,616	11,963,801	8,502,464
Tractor & Trolleys	1,735,590	-	-	1,735,590	20	1,221,304	102,857	1,324,161	411,429
Fire fighting equipment	668,923	-	-	668,923	10	558,511	11,041	569,552	99,371
Arms & Amunition	221,375	-	-	221,375	10	165,453	5,592	171,045	50,330
Tarpaulines	100,000	-	-	100,000	10	64,752	3,525	68,277	31,723
<b>Total Free Hold Assets</b>	<b>529,542,741</b>	<b>47,807,024</b>	<b>-</b>	<b>577,349,765</b>		<b>221,813,208</b>	<b>25,401,884</b>	<b>247,215,092</b>	<b>330,134,673</b>
<b>LEASE HOLD ASSETS</b>									
Vehicle Suzuki Alto	642,000	-	-	642,000	20	379,037	52,593	431,630	210,370
<b>2013</b>	<b>530,184,741</b>	<b>47,807,024</b>	<b>-</b>	<b>577,991,765</b>		<b>222,192,243</b>	<b>25,454,477</b>	<b>247,646,720</b>	<b>330,345,043</b>

## 12 OPERATING FIXED ASSETS - 2012

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, 2012
	As at July 1, 2011	Addition/ (Deletion)	Revaluation of Fixed Assets	As at June-30, 2012		As at July 1, 2011	Adjustment	Normal Charge for the Year	
Land-freehold	42,975,000	-	-	42,975,000	-	-	-	-	42,975,000
Buildings	96,101,165	-	-	96,101,165	5	42,806,171	2,664,750	45,470,921	50,630,244
Plant and machinery	350,229,248	-	-	350,229,248	10	132,172,240	21,805,701	153,977,941	196,251,307
Electric Installation	12,123,075	-	-	12,123,075	10	6,038,599	608,448	6,647,047	5,476,028
Office Equipment	1,796,810	-	-	1,796,810	10	1,253,259	54,355	1,307,614	489,196
Furniture and Fixtures	660,429	-	-	660,429	10	498,313	16,212	514,525	145,904
Tools and equipment	2,464,861	-	-	2,464,861	10	2,000,521	46,434	2,046,955	417,906
Vehicles	20,466,265	-	-	20,466,265	20	7,181,165	2,657,020	9,838,185	10,628,080
Tractor & Trolleys	1,735,590	-	-	1,735,590	20	1,092,732	128,572	1,221,304	514,286
Fire fighting equipment	668,923	-	-	668,923	10	546,243	12,268	558,511	110,412
Arms & Amunition	221,375	-	-	221,375	10	159,239	6,214	165,453	55,922
Tarpaulines	100,000	-	-	100,000	10	60,836	3,916	64,752	35,248
<b>Total Free Hold Assets</b>	<b>529,542,741</b>	<b>-</b>	<b>-</b>	<b>529,542,741</b>		<b>193,809,318</b>	<b>28,003,891</b>	<b>221,813,208</b>	<b>307,729,533</b>
<b>LEASE HOLD ASSETS</b>									
Vehicle Suzuki Alto	642,000	-	-	642,000	20	313,296	65,741	379,037	262,963
<b>2012</b>	<b>530,184,741</b>	<b>-</b>	<b>-</b>	<b>530,184,741</b>		<b>194,122,614</b>	<b>#REF!</b>	<b>28,069,632</b>	<b>307,992,498</b>

## 12.1 Depreciation for the year has been allocated as under

	2013 Rupees	2012 Rupees
Cost of Goods Sold / Manufacturing	23,196,125	25,257,821
Administrative / General	2,258,352	2,811,809
	<u>25,454,477</u>	<u>28,069,630</u>

## 12.2 Charge on Fixed Assets

There is an Exclusive Charge of Rs 450 Million over present & Future Fixed Assets including land, building, plant & machinery of the company provided against running finance facility of Bank of Punjab

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<b>13 Capital Work in Progress</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
<b>Expansion of Refining Plant</b>	<b>Rupees</b>	<b>Rupees</b>
Building on Freehold Land		
Opening Balance	19,188,797	-
Add: Addition during the year		
Plant & Machinery	15,493,741	19,188,797
Civil Works	13,124,486	-
	<u>47,807,024</u>	<u>19,188,797</u>
Less: Capitalized During the Year	(47,807,024)	-
	<u>-</u>	<u>19,188,797</u>
<b>14 Long Term Deposits</b>		
LESCO (WAPDA)	1,218,650	1,218,650
LETTER OF GUARANTEE MARGIN (SNGPL)	3,781,000	-
	<u>4,999,650</u>	<u>1,218,650</u>
<b>15 Stores and Spares</b>		
There are no stores and spares held for specific capitalization.	<u>14,315,420</u>	<u>10,586,595</u>
<b>16 Stock in Trade</b>		
Raw Material - Seed	93,207,216	170,548,117
Finished Goods	227,248,034	60,209,458
	<u>320,455,250</u>	<u>230,757,575</u>
<b>17 Trade Debtors</b>		
These are unsecured but considered good	<u>150,813,825</u>	<u>143,230,162</u>
<b>18 Advances, Deposits, Prepayments and and Other Receivables</b>		
Advances:		
Employees	2,020,010	472,227
Suppliers/Contractor	3,479,839	5,860,064
Prepayments		
Advance Against Import	-	868,475
Stock In Transit	132,174,489	-
Prepaid Insurance	1,616,335	1,697,788
Sales Tax Advance	69,839,791	56,717,268
Income Tax	59,738,097	58,297,801
L/C Margin	55,067	14,116,600
	<u>268,923,628</u>	<u>138,030,223</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	6,453,523	16,210,360
On Current Accounts	6,589,763	49,122,738
	<u>13,043,286</u>	<u>65,333,098</u>
Cash in Hand	178,175	10,888
	<u>13,221,461</u>	<u>65,343,986</u>

		<b>30-Jun-13</b>	<b>30-Jun-12</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>20 Sales</b>			
Refined Oil		1,724,941,272	2,205,480,334
By Products		806,902,196	491,031,525
		<u>2,531,843,468</u>	<u>2,696,511,859</u>
Less: Sales Tax		233,141,344	299,294,356
<b>Net sales</b>		<u><u>2,298,702,124</u></u>	<u><u>2,397,217,503</u></u>
<b>21 Cost of Sales</b>			
Raw material consumed	21.1	2,131,179,973	2,070,458,997
Freight Seed, Loading Unloading & Other Exps.		68,511,813	81,409,624
Direct Material Consumed		23,690,802	26,038,971
Stores and Spares Consumed		6,268,201	5,556,850
Salaries and Benefits		19,118,753	16,659,697
Power, Fuel and Other expenses		68,053,546	48,465,822
Repair & Maintenance		2,689,819	4,112,565
Insurance & Others		1,943,248	1,366,743
Depreciation		23,196,125	25,257,821
Cost of Goods Manufactured		<u>2,344,652,280</u>	<u>2,279,327,090</u>
Add: Opening Stock of Finished Goods		60,209,458	63,089,773
Cost of Goods Available for Sale		<u>2,404,861,738</u>	<u>2,342,416,863</u>
Less: Closing Stock of Finished Goods		<u>(227,248,034)</u>	<u>(60,209,458)</u>
Cost of Goods Sold		<u><u>2,177,613,704</u></u>	<u><u>2,282,207,406</u></u>
<b>21.1 Raw Material Consumed</b>			
Opening Stocks		170,548,117	38,850,893
Purchases during the year		<u>2,053,839,072</u>	<u>2,202,156,221</u>
		<u>2,224,387,189</u>	<u>2,241,007,114</u>
Less: Closing Stocks		93,207,216	170,548,117
		<u><u>2,131,179,973</u></u>	<u><u>2,070,458,997</u></u>
<b>22 Administrative and General Expenses</b>			
Salaries and Benefits		4,344,391	3,313,377
Rent, Rates and Taxes		17,635	18,563
Electricity, Gas and Water Bills		1,011,951	1,790,656
Communications		492,607	469,312
Printing and Stationery		301,066	273,588
Travelling, Conveyance & Other Expenses		203,818	181,610
Vehicles Running Expenses		1,417,195	1,110,833
Repair and Maintenance		189,385	197,838
Legal and Professional Charges		445,715	227,334
Entertainment Exps.		157,483	207,439
Fee and Subscription		313,698	158,369
Advertisement		100,690	70,500
Misc. Expenses		413,189	375,241
Depreciation		2,258,353	2,811,810
Audit Fee		500,000	500,000
		<u>12,167,176</u>	<u>11,706,470</u>

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	<b>30-Jun-13</b>	<b>30-Jun-12</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>23 Selling and Distribution Expenses</b>		
Freight, Forwarding and Shortage/Claims	4,913,635	5,312,586
Commission and Other expenses	1,195,165	2,420,255
	<u>6,108,800</u>	<u>7,732,841</u>
<b>24 Other Income</b>		
Profit on Bank Deposits	1,394,313	1,320,856
	<u>1,394,313</u>	<u>1,320,856</u>
<b>25 Financial Expenses</b>		
Mark up on Short Term Bank Borrowings	42,778,417	40,198,233
Bank Charges	1,549,117	510,551
	<u>44,327,534</u>	<u>40,708,784</u>
<b>26 Other Expenses</b>		
Worker's Profit Participation Fund	2,993,961	2,809,143
Worker Welfare's Fund	1,137,705	1,067,474
	<u>4,131,666</u>	<u>3,876,617</u>
<b>27 Taxation</b>		
Current Year	13,141,851	24,708,860
Prior Year	-	-
Deferred Tax	(3,309,845)	(13,215,123)
	<u>9,832,006</u>	<u>11,493,737</u>
<b>28 Earning per share</b>		
Profit / (Loss) after Taxation	45,915,551	38,843,980
weighted Average No. of Shares in Issue	5,658,400	5,658,400
	<u>8.11</u>	<u>6.86</u>
<b>29 Cash and Bank Equivalent</b>		
Cash and Bank Balances	13,221,461	65,343,986
Short Term Running Finances	(406,816,189)	(254,105,392)
	<u>(393,594,728)</u>	<u>(188,761,406)</u>
<b>30 Deferred Liabilities</b>		
<b>Deferred Tax Credits Arising Due to:-</b>		
Accelerated Depreciation on Fixed Assets	30.1 65,668,325	68,978,170
Surplus on Revaluation of Fixed Assets	8,073,311	9,187,329
	<u>73,741,635</u>	<u>78,165,499</u>
<b>Gratuity:-</b>	<u>6,766,350</u>	<u>6,699,143</u>
	<u>80,507,985</u>	<u>84,864,642</u>
<b>30.1 Accelerated Depreciation on Fixed Assets</b>		
Opening Balance	68,978,170	75,848,489
For the Year	(3,309,845)	(6,870,319)
Closing Balance	<u>65,668,325</u>	<u>68,978,170</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		



**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, 2013 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 2013
<b>Financial Assets</b>					
Long Term Deposits	-	-	-	4,999,650	4,999,650
Trade Debtors	-	-	-	150,813,825	150,813,825
Advances, Deposits & Prepayments	-	-	-	268,923,628	268,923,628
Cash In Hand & Bank	6.50%	6,453,523	-	6,767,938	13,221,461
<b>Total</b>	-	<b>6,453,523</b>	-	<b>431,505,041</b>	<b>437,958,564</b>
<b>Financial Liabilities</b>					
Long term Loans	-	-	-	-	-
Short Term Finances	3 Month KIBOR + 185 bps	406,816,189	-	-	406,816,189
Creditors, Accrued & Other Payables	3Month KIBOR + 250bps	-	-	110,211,640	110,211,640
<b>Total</b>	-	<b>406,816,189</b>	-	<b>110,211,640</b>	<b>517,027,829</b>
On Balance Sheet Gap 2013	-	<b>(400,362,666)</b>	-	<b>321,293,401</b>	<b>(79,069,265)</b>
On Balance Sheet Gap 2012	-	(237,895,032)	-	217,547,574	83,591,049

- (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.

**Financial Assets**

Bank Balances ( Deposits Accounts) 6.50%

**Financial Liabilities**

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. 432,958,914/- (2012 Rs. 346,604,371/-) the financial assets which may subject to credit risk amounts to Rs. 150,813,825/- (2012 Rs. 143,230,162)

**33 REMUNERATION OF Chief Executive, Directors and Executives**

	Chief Executive		Directors		Executives	
	2013	2012	2013	2012	2013	2012
No. of Persons	1	1	1	1	-	-
Remuneration	320,000	320,000	526,667	428,324	-	-
House Rent	144,000	144,000	237,000	192,746	-	-
Utilities	16,000	16,000	26,333	21,416	-	-
	<b>480,000</b>	<b>480,000</b>	<b>790,000</b>	<b>642,486</b>	-	-

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

33.2 The employees of the company can be categorized 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 (5897)10/2004 dated July 05, 2004 in current period as well in last year.

**34 PLANT CAPACITY AND ACTUAL PRODUCTION**

	M. Tons	2013		2012	
		Assessed Capacity	Actual Product.	Assessed Capacity	Actual Production
Seed Crushing		90,000	33,497	90,000	36,527
		90,000	33,497	90,000	36,527

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

**35 SUBSEQUENT EVENT**

There are no subsequent events occurring after the balance sheet date.

**36 GENERAL**

36.1 Number of Employees as at June 30, 2013 was 130 (2012:134)

36.2 Figures have been rounded off to nearest rupee.

36.3 These accounts were authorized for the issue in the Board Of Directors meeting held on \_\_\_\_\_

**FORM 34**

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

1. Incorporation Number

2. Name of the Company

3. Pattern of holding of the shares held by the shareholders as at

4. No. of Shareholders	---Shareholding---		Total Shares Held
	From	To	
124	1	100	12,400
1424	101	500	671,000
15	501	1000	15,000
31	1001	5000	91,300
15	5001	10000	120,500
3	10001	15000	36,200
1	15001	20000	16,900
2	20001	25000	44,800
4	25001	30000	107,400
1	30001	35000	30,800
1	40001	45000	44,600
1	50001	55000	53,500
1	85001	90000	90,000
1	90001	95000	90,600
1	95001	100000	100,000
1	110001	115000	113,600
1	350001	355000	352,800
1	545001	550000	549,300
1	780001	785000	785,000
1	1145001	1150000	1,150,000
1	1180001	1185000	1,182,700
1631			5,658,400

5. Categories of shareholders	Share held	Percentage
5.1 Directors, Chief Executive Officers, and their spouse and minor children	2,424,700	42.8513%
5.2 Associated Companies, undertakings and related parties.	785,000	13.8732%
5.3 NIT and ICP	0	0.0000%
5.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	90,600	1.6012%
5.5 Insurance Companies	0	0.0000%
5.6 Modarabas and Mutual Funds	0	0.0000%
5.7 Share holders holding 10%	3,117,700	55.0986%
5.8 General Public		
a. Local	1,891,700	33.4317%
b. Foreign	0	0.0000%
5.9 Others (to be specified)		
Foreign Companies	466,400	8.2426%

6. Signature of Company Secretary

7. Name of Signatory

8. Designation

9. NIC Number

10. Date

Categories of Shareholding required under Code of Corporate Governance (CCG)  
As on June 30, 2013

Sr. No.	Name	No. of Shares Held	Percentage
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## Associated Companies, Undertakings and Related Parties (Name Wise Detail):

1	SIKANDAR COMMODITIES (PVT) LIMITED.	785,000	13.8732%
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## Mutual Funds (Name Wise Detail)

## Directors and their Spouse and Minor Children (Name Wise Detail):

1	NAWABZADA SHAHZAD ALI KHAN	1,182,700	20.9017%
2	NAWABZADA SHAHARYAR ALI KHAN	1,150,000	20.3238%
3	MRS. SHAMIM SHAFQUAT	90,000	1.5906%
4	CHAUDHRY MOHAMMAD HUMAYUN	500	0.0088%
5	MR. AHSAN-UD-DIN	500	0.0088%
6	MR. SAFDAR IQBAL KHAN	500	0.0088%
7	MR. WAJAHAT ALI KHAN	500	0.0088%

## Executives:

## Public Sector Companies &amp; Corporations:

Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	90,600	1.6012%
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## Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

1	NAWABZADA SHAHZAD ALI KHAN	1,182,700	20.9017%
2	NAWABZADA SHAHARYAR ALI KHAN	1,150,000	20.3238%
3	SIKANDAR COMMODITIES (PVT) LIMITED.	785,000	13.8732%
4	NAWABZADA SHAFQAT ALI KHAN	549,300	9.7077%
5	BARING SECURITIES NOMINEES LIMITED	352,800	6.2350%

## 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
		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  
on 31<sup>st</sup> October, 2013 at 2-Tipu Block, Garden Town Lahore and at any adjournment  
thereof.

Signed this-----day of-----2013.

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: \_\_\_\_\_  
CNIC 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.

