S.S.OIL MILLS LTD

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COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman	SHAHARYAR ALI KHAN
Chief Executive Officer	SHAHZAD ALI KHAN
Directors	NAWABZADA WAJAHAT ALI KHAN CHAUDHARY MUHAMMAD HUMAYUN AHSAN–UD-DIN NAWABZADI BEGUM SHAMIM SHAFQAT SAFDAR IQBAL KHAN

BOARD OF AUDIT COMMITTEE

Chairman	SAFDAR IQBAL KHAN
Member	NAWABZADA WAJAHAT ALI KHAN
Member	SHAHARYAR ALI KHAN

BOARD OF HR & REMUNERATION COMMITTEE

Chairman	NAWABZADA WAJAHAT ALI KHAN
Member	AHSAN U DIN
Member	SAFDAR IQBAL KHAN
CHIEF FINANCIAL OFFICER/ COMPANY SECRETARY	ATTIQ UR RAHMAN
EXTERNAL AUDITORS	ASLAM MALIK & CO. Chartered Accountants.
MANAGER ACCOUNTS	AKHTAR ALI
LEGAL ADVISORS	BARRISTER KHURRAM RAZA
BANKERS	SILK BANK LIMITED THE BANK OF PUNJAB Bank Alfalah LTD
REGISTRARS & SHARE TRANSFER OFFICE	CORP LINK PRIVATE LIMITED. Wings Arcade, 1-k, Commercial Model Town LAHORE. Tel # 042-35839182
REGISTERED HEAD OFFICE	2-TIPU BLOCK, NEW GARDEN TOWN LAHORE. 042-35831991-35831981 Fax # 042-35831982
FACTORY	27/W-B LUDDAN ROAD, VEHARI.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of the Company will be held at its Registered Office 2-Tipu Block New Garden Town, Lahore on Monday October 28, 2019 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, 2019 together with the Auditors' and Directors' Report thereon.

3. To Approve Dividend.

4. To appoint Auditors for next year & fix their remuneration. The present Auditors M/s Aslam Malik & Co. Chartered Accountants retire & being eligible for re-appointment, have offered themselves for re-appointment.

5. To consider any other business with the permission of the Chair.

BY ORDER OF THE BOARD

Lahore
October 06, 2019

ATTIQ-UR-RAHMAN
COMPANY SECRETARY

NOTES:

1. The Share Transfer Book of the Company will remain closed for transaction from October 25, 2019 to October 31, 2019.
2. A member entitled to attend, speak & vote may appoint another member as proxy to attend, speak & vote on his/her behalf. Proxies in order to be effective must be received at the registered office & notice of his/her intention, not later than 48 hours before the meeting.
3. Members whose shares are deposited with Central Depository Company of Pakistan Limited are requested to bring original computerized ID card along with the participants ID number and their account number in Central Depository Company of Pakistan Limited to facilitate identification at the time of annual general meeting. In case of proxy, an attested copy of proxy's identity card, account and participant's ID number is enclosed. In case of corporate entity, the board of directors resolution/ Power of attorney with the specimen signature of the nominee shall be produced at the time of meeting (unless it has been provided earlier or the corporate entity has appointed a proxy).
4. Members are requested to notify change in their address, if any.
5. Attested copies of CNIC of the passport of the beneficial owner and the proxy shall be furnished with the proxy form.

6. In case of corporate entity, the board of Directors resolution /power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the company.
7. The proxy shall produce his original CNIC or original passport at the time of the meeting.
8. Annual financial statements of the Company for the year ended June 30, 2019 along with related reports have been placed at the website of the Company www.ssgroup.pk. Any shareholder can send request for printed copy of the Annual Report-2019 to the Company.

For Attending the Meeting:

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

For Appointing Proxies:

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

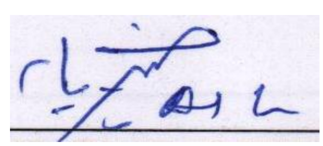
Payment of Cash Dividend Electronically

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

CHAIRMAN'S REVIEW

On behalf of the Board of Directors, prestigious shareholders of the Company are warmly welcomed to the Annual General Meeting of the Company.

Upholding the vision and core values of the business, the Board followed a proactive approach to maximize shareholders' value by equipping the Company with all necessary resources enabling the Company's management to exploit all possible opportunities and at the same time achieving an appropriate tradeoff between risk and returns. Good corporate governance has been ensured by maintaining high levels of professional and business conduct, implementing effective internal controls and audit functions including risk management framework. The Board not only focused on implementing the strategy set in the previous years to continue with the momentum of growth and progression but also took benefit of the new business opportunities. The year was started, under the visionary stewardship of the Board, with a clear roadmap on how to create and capture value for all stakeholders. 2018-19 was another volatile year for the international seed and oil market with prices finally appearing to be on track to a sustainable recovery by the end of the year. The Solvent Extraction Industry has faced several challenges and pressures during the recent years which still need be addressed to make the business more viable in light of slowing global economy and changing political and socioeconomic factors. Growth in emerging markets shall provide an opportunity to support and strengthen this industry to make it more lucrative and profitable. The economic factors within the Country deteriorated in the backdrop of political upheaval and the Government focused on controlling challenges regarding energy crisis, unemployment, infrastructure development and other sectors. Lack of Foreign Direct Investment also contributed to slow down of economy. There is increase of 12% in sales. The management has done well to capture additional share of market to cater the increase in sale. Given the leadership of the Board, the decision-making of the management and the effort of every member of the Company, it is certain that the Company will remain on the path of delivering excellent performance consistently.



Lahore: (SHAHARYAR ALI KHAN)
October 4, 2019 Chairman

DIRECTOR'S REPORT TO THE MEMBERS

The Directors of the Company have pleasure in presenting Annual Report and the Audited Financial Statements of the Company for the year ended June 30, 2019

1. Financial Results

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

	2019 (Rs.'000s)	2018 (Rs.'000s)
Profit before taxation	**43,679**	33,580
Taxation	**30,545**	21,223
Profit after taxation	**13,134**	12,358
E.P.S.-Basic and Diluted	**2.32**	2.18

2. Review of Operations

During the year under review total production of Washed Oil was 10,797 M.Tons, Meal and Soap was 43,007 M. Tons as compared to last year's Washed Oil were 12,610 M.Tons, Meal & Soap 41,884 M.Tons respectively.

Sales for the year of Washed Oil were 11,337 M.Tons & Meal and Soap 42,257 M. Tons as compared to last year's 13,561/- M.Tons & 43,011/- M.Tons respectively.

During the year under review our sales have increased by 12.00%. 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. 13,134 Millions during the year. The management of your company has done well to capture the additional share of the market to cover its enhanced production. The financial cost increased due to increase in import of raw material through short term financing and increase in mark up rate.

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

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

	2013	2014	2015	2016	2017	2018	2019
Sales	2,298,702.,24	1,528,661,058	1,837,061,912	1,421,340,266	2,674,122,680	3,479,731,550	3,890,162,788
Cost of Goods Sold	2,177,613,704	1,435,275,470	1,746,878,928	1,319,820,100	2,543,101,055	3,318,027,883	3,660,642,454
Gross Profit	121,088,420	93,385,588	90,182,984	101,520,166	131,021,625	161,703,667	229,520,334
Operating Profit	102,812,444	69,260,876	67,146,549	70,515,865	91,934,797	124,684,768	186,778,177
Profit Before Tax	55,747,557	31,920,290	3,271,499	15,759,125	38,094,460	33,580,284	43,678,950
Profit After Tax	45,915,551	24,347,914	(9,098,091)	10,536,643	20,781,498	12,357,693	13,134,221
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	767,729,585	600,257,189	928,070,722	1,028,704,761	1,384,709,725	1,199,535,510	1,707,629,660
Current Liabilities	524,387,797	320,313,973	662,299,145	727,933,015	1,070,407,139	882,182,269	1,366,839,957

4. Dividend

The Board of Directors has recommended Cash dividend 10% (2018: 10%).

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, 2020.

6. No. Of Board Meetings Held

Five Board meetings were held during the year ended June 30, 2019. Attendance by each director is appended hereunder;

Name of Directors	Meetings Attended
SHAHZAD ALI KHAN	4
NAWABZADA WAJAHAT ALI KHAN	4
CHAUDHARY MUHAMMAD HAMAYUN	4
AHSAN–UD-DIN	4
NAWABZADI BEGUM SHAMIM SHAFQAT	3
SAFDAR IQBAL KHAN	4
SHAHARYAR ALI KHAN	4

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;

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

8. HR & Remuneration Committee

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

Nawabzada Wajahat Ali Khan	Chairman
Ahsan u Din	Member
Safdar Iqbal Khan	Member

9. Outstanding Statutory Payments:

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

10. Pattern of Shareholding

Pattern of shareholding as on June 30, 2019 is annexed.

11. Director's Statement

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

a. The financial statements prepared by the management present a true and fair state of affairs of the company.

b. Proper books of accounts have been maintained.

c. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.

d. International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statement and any departure there from has been adequately disclosed.

e. The system of internal control is sound in design and has been effectively implemented and monitored.

f. The current assets have increased the current liabilities by Rs. 340.790 M and the shareholders equity is in the positive.

g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

12. Social Responsibilities

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

13. Future Prospect

We expect to continue our good performance and InshAllah, will overcome all these problems by hard working, timely decision of management and team work. We hope that in the year 2019-20 we will present better financial position. Globally tendency of oil seed prices are going upward which help us to sell our current finished product on better rates. We further expect that the quality of local seed crop will improve further and we attained better yield in the next financial year.

14. Acknowledgement

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

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

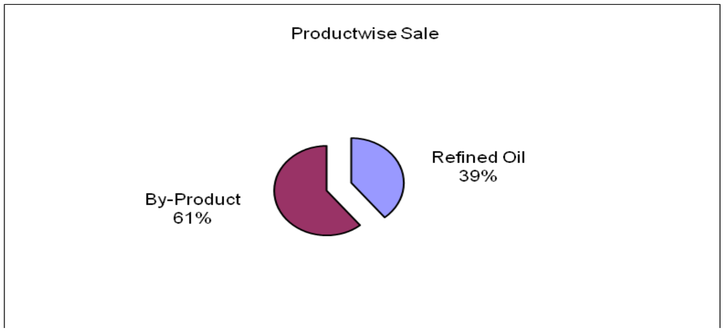
On behalf of the Board

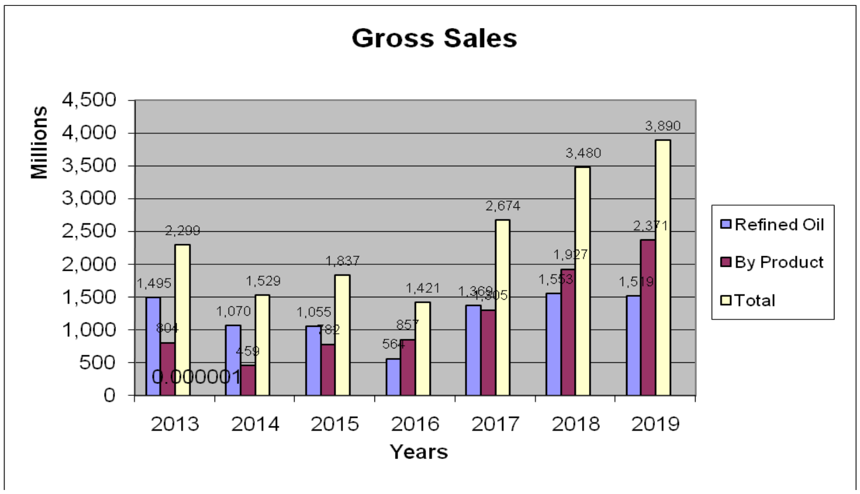
Lahore
October 4, 2019

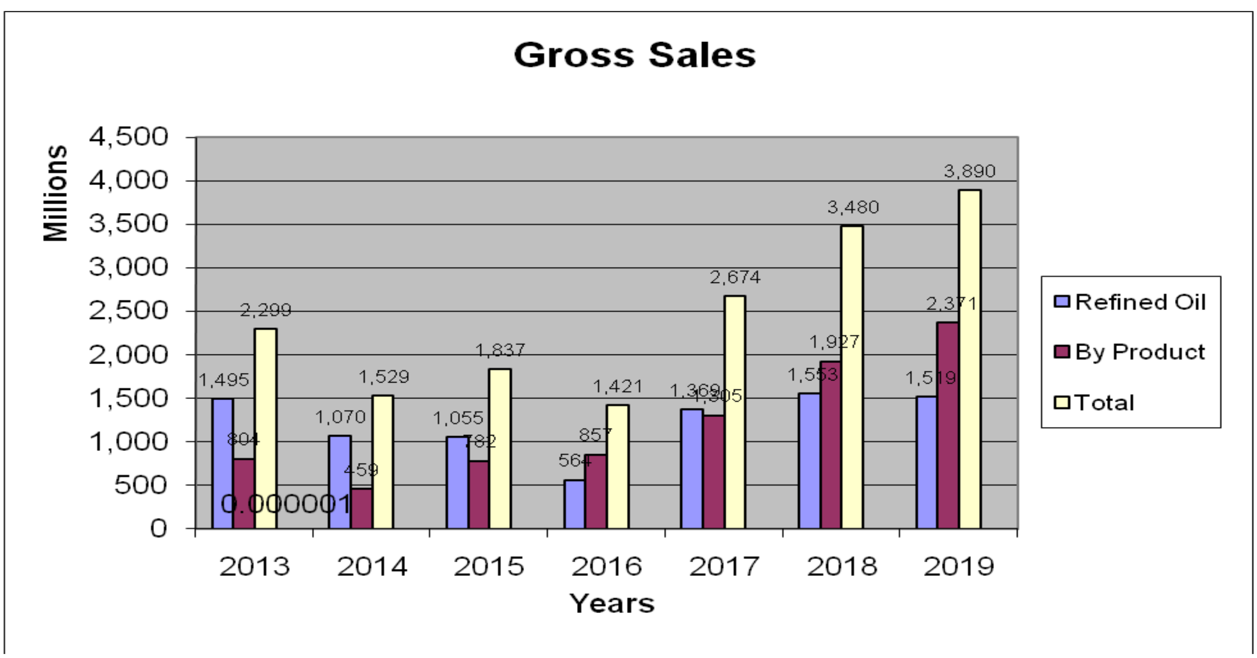
Director

Chief Executive

STATISTICAL PERFORMANCE CHART AND GRAPHS







Statement of Compliance

With Listed Companies (Code of Corporate Governance) Regulations, 2017

Name of company: **SS Oil Mills Limited**
Year ending: **June 30, 2019**

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

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

Gender	Number
Male	**6**
Female	**1**

2. The composition of board is as follows:

Category	Names
Independent Directors	**1. Mr. Safdar Iqbal Khan**
Other Non Executive Directors	**1. Mr. Shaharyar Ali Khan** **2. Mr. Chaudhary Muhammad Humayun** **3. Mrs. Nawabzadi Begum Shamim Shafqat** **4. Mr. Ahsan U Din** **5. Mr. Nawabzada Wajahat Ali Khan**
Executive Director	**1. Shahzad Ali Khan (Chief Executive)**

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. In terms of Regulation 20 of the 2017 Code, the Companies are required to ensure that all the directors on their board have acquired the prescribed certification under Director Training Program by June 30, 2021.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

Committees	Composition/Names
Audit Committee	**Chairman:** **Mr. Safdar Iqbal Khan** **(Independent Director)** **Members:** **Mr. Nawabzada Wajahat Ali Khan** **Mr. Shaharyar Ali Khan**
HR & Remuneration Committee	**Chairman:** **Mr. Nawabzada Wajahat Ali Khan** **Members:** **Mr. Ahsan U Din** **Mr. Safdar Iqbal Khan**

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

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

Committees	Frequency
Audit Committee	**Four quarterly meetings were held during the financial year ended June 30, 2019**
HR & Remuneration Committee	**One meeting was held during the financial year ended June 30, 2019**

15. The board has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board 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 the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

Lahore: **Director** **Chief Executive**
October 4, 2019

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF S.S OIL MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **SS Oil Mills Limited** (the Company), which comprise the statement of financial position as at **June 30, 2019**, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key Audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	**Revaluation of Property, plant and equipment:** IAS 16 (Property Plant and Equipment) obligates the entity that the valuation of property plant and equipment should be carried out with sufficient regularity so that the carrying amount doesn't differ materially from that	Our Audit procedures in respect of this matter amongst others, included the following: ➢ We reviewed the design and management controls over capitalization of revaluation surplus.

	which would be determined using fair value at the reporting date. Refer notes 6 to the financial statements and the accounting policy in note 4.2 to the financial statements regarding the revaluation of Property Plant and Equipment. During the year company performed revaluation of fixed assets as required by the accounting standards and recognize the revaluation surplus amounting to Rs 342,956,959 on June 19, 2019. The valuation was performed by independent valuers, expert external for company. The revaluation of tangible fixed assets at their fair value is complex process related to calculation of estimate while using a number of assumptions and specifics methods and models. Due care is required for accounting for gains on the revaluation and providing adequate disclosures in the financial statements. Due to specifics of valuation process, accounting and disclosure requirements and the materiality of the amount of revaluation surplus. We have determined this matter as a key audit matters.	➢ Considered and reviewed the tangible fixed assets valuation process and the rules, policies and the procedures applied by the company; ➢ Appraisal of the objectivity ,competence and independence of the external independent management expert; ➢ We compared the key inputs , used by the external independent management expert with publicly accessible data and/or historical available data; ➢ Recalculated the Incremental depreciation and impact of deferred tax due to revaluation surplus and checked the accounting treatment in the financial statements. ➢ Checked the accuracy, completeness, and the adequacy of the disclosures in company's financial statements with regard to the revaluation performed.
2.	**Revenue:** Refer notes 4.10 to the financial statements and the accounting policy in note 20 to the financial statements regarding the sale of goods. The Company generates revenue from sale of goods to domestic consumers only. Sale to related party is 15% of the total sales. The Company is engaged in the extracting, refining, processing and sale of semi refined washed oil and meal on competitive prices.	Our Audit procedures to assess the recognition of revenue, amongst others, included the following: ➢ We obtained an understanding of the processes relating to the recognition of revenue and accessing the design, implementation and operating effectiveness of key internal controls over the recording of revenue; ➢ We compared the selected sample of revenue transactions recorded during the year with the sales orders, sales invoices, delivery documents and other relevant underlying documents; and

	The Company recognized revenue from the sales of Refined Oil of Rs. 1,519,239,127 and By Products of Rs. 2,613,108,915 for the year ended 30 June 2019. We identified recognition of revenue against the sale of goods as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk of the existence and the accuracy of the revenue further it could be subject to misstatement to meet expectations or targets.	➢ We compared the sample of revenue transactions recorded around the year end with the sales invoices, delivery orders and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; and ➢ We compared the details of a sample of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation. ➢ We performed analytical analysis by comparing the sales of Main-Product and By-Product from the last year and analyse the variations and inquire, inspect and examine the reasons and documents provided by the management. ➢ Inquired and inspect the quality report of seed for oil contents, provided by the management.
3	**Stock in Trade** Refer notes 16 to the financial statements and the accounting policy in note 4.5 to the financial statements regarding the Stock in trade. Stock in trade constitutes28% of total assets of the company. The cost of closing stock is determined as weighted average rate on the closing units included a proportion of production overheads. Stock in trade is carried in the financial statements at the lower of cost or net realizable value. We focused on stock in trade and considered it to be key audit matter as it is a significant portion of company's total assets and it requires management judgement in determining as appropriate costing basis and assessing its valuation.	Our Audit procedures in respect of this matter amongst others, included the following: ➢ We performed audit procedures with respect to inventory items including, Testing valuation methods and their appropriateness in accordance with the applicable accounting standards. We also tested the calculations of per unit cost of finished goods and assessed the appropriateness of management's basis for the allocation of cost and production overheads. ➢ Performed recalculation of the net realizable value (NRV) for sample selected in the closing stock-in-trade by comparing the cost with the : • Subsequent selling price verified through sales invoices issued after the year end. • Less cost to sell which was based on the actual cost incurred during the year to sell the underlying products.

		➢ We also performed list to floor test and floor to list test during physical inventory count procedures and verified the item quantity and its physical condition on sample basis. ➢ We also assessed the adequacy of the disclosures made in respect of the accounting policies and the details of inventory balances held by the company at the year end.
4	**Trade Debtors** Refer note17 and the accounting policy in note 4.12 to the financial statements regarding the trade debts. Trade debts constitute 36% of total assets of the company. The Company has significant balance of trade debts. Loss allowance against trade debts is based on management's judgement to determine the appropriate level of provision against balances which may not ultimately not recovered. In view of the significance of trade debtors in relation to the total assets of the company and recoverability, we identified trade debtors as key audit matter as it involves significant management judgement in determining the recoverable amount of trade debts.	Our audit procedures to assess the valuation of trade debts, amongst others, includes the following: ➢ We tested the design and effectiveness of internal controls implemented by the company through the trade receivable cycle. ➢ We examined on a sample evidence related to post year end cash receipts. ➢ We considered the appropriateness of loss allowance of trade receivables as per the company policies and assessing compliance with applicable accounting standards. ➢ We obtained an understanding of the management's basis for determining of the loss allowance required at the year end and the recoverability of trade debts; ➢ For a sample of trade debtors, tested the adequacy of the loss allowance against trade debts by taking into account the aging of receivables at the year end and cash received after the year end, as well as assessing the judgements made by the management in relation to credit worthiness of the debtors.

Information Other Than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended June 30, 2019.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

Place: Lahore
Date: October 04, 2019

(Aslam Malik & Co.)
Chartered Accountants
Hafiz Muhammad Ahmad.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of SS Oil Mills Limited

Review report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **SS Oil Mills Limited** for the year ended 30 June 2019 in accordance with the requirements of regulation 40 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensued compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried procedures to access and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Following instance of non-compliance with the requirement of the Regulations was observed which is not stated in the Statement of Compliance:

i. As per Regulation 19 of the Regulations, the Company has not made appropriate arrangements to carry out orientation courses for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed company for and on behalf of shareholders.

Based on our review, except for the instance of above non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2019.

Place: Lahore
Date: October 04, 2019

(Aslam Malik & Co.)
Chartered Accountants
Hafiz Muhammad Ahmad

S. S. OIL MILLS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

EQUITY & LIABILITIES	Note	30-Jun-19 Rupees	30-Jun-18 Rupees
SHARE CAPITAL AND RESERVES			
Authorised			
7,000,000 Ordinary Shares of Rs. 10 each		70,000,000	70,000,000
Issued, Subscribed and Paid up	5	56,584,000	56,584,000
Accumulated Profit		484,565,196	454,104,687
Surplus on Revaluation of Fixed Assets	6	428,775,687	186,586,037
-Net of Deferred tax			
		969,924,883	697,274,724
NON-CURRENT LIABILITIES			
Long Term Loan	7	12,307,000	14,769,000
DEFERRED LIABILITIES	29	126,398,205	64,071,660
		126,398,205	64,071,660
CURRENT LIABILITIES			
Current Portion of Long Term Loan	7	2,462,000	1,231,000
Loan from Directors and Associates	8	20,837,014	20,837,014
Short Term Borrowings	9	1,255,841,798	801,942,722
Creditors, Accrued and other Liabilities	10	58,389,292	42,881,339
Unpaid Dividend	11	1,270,673	1,011,679
Markup Accrued		28,039,180	14,278,515
		1,366,839,957	882,182,269
Contingencies and Commitments	12		
		2,475,470,045	**1,658,297,653**

ASSETS	Note	30-Jun-19 Rupees	30-Jun-18 Rupees
NON-CURRENT ASSETS			
Fixed Assets - Tangible			
Operating Fixed Assets	13	764,496,735	455,418,493
LONG TERM DEPOSITS	14	3,343,650	3,343,650
		767,840,385	458,762,143
CURRENT ASSETS			
Stores & Spares	15	53,494,504	37,029,670
Stocks in Trade	16	688,133,861	554,320,140
Trade Debtors	17	900,529,109	555,743,278
Advances, Deposits, Prepayments and Other Receivables	18	35,778,305	42,656,232
Cash and Bank Balances	19	29,693,881	9,786,190
		1,707,629,660	1,199,535,510
		2,475,470,045	**1,658,297,653**

The annexed notes 1 to 39 form an integral part of these financial statements

Lahore

October 4, 2019

Chief Executive **Director** **CFO**

S.S. OIL MILLS LIMITED

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2019

PARTICULARS	Note	30-Jun-19 Rupees	30-Jun-18 Rupees
Sales - Net	20	3,890,162,788	3,479,731,550
Less: Cost of Goods Sold	21	3,660,642,454	3,318,027,883
Gross Profit		**229,520,334**	**161,703,667**
Administrative and General Expenses	22	31,416,975	30,801,001
Selling & Distribution Costs	23	11,325,182	6,217,898
		42,742,157	37,018,899
Operating Profit		**186,778,177**	**124,684,768**
Other Income	24	704,550	436,185
		187,482,727	125,120,953
Financial Costs	25	140,105,748	89,051,905
Other Expenses	26	3,698,029	2,488,764
		143,803,777	91,540,669
Net Profit for the Year Before Taxation		**43,678,950**	**33,580,284**
Taxation	27	30,544,729	21,222,591
Profit for the Year After Taxation		**13,134,221**	**12,357,693**
Earning per Share (Rs. / Share) Basic and Diluted	28	**2.32**	**2.18**

The annexed notes 1 to 39 form an integral part of these financial statements

Lahore
October 4, 2019

Chief Executive **Director** **CFO**

S. S. OIL MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	30-Jun-19 Rupees	30-Jun-18 Rupees
Profit after Taxation	13,134,221	12,357,693
Items that cannot be reclassified to Profit or Loss		
Remeasurement of defined benefit plan	235,893	166,718
Revaluation Surplus-Net of Deferred Tax	257,205,566	-
Total Comprehensive Income	**270,575,680**	**12,524,411**

Lahore
October 4, 2019

Chief Executive **Director** **CFO**

S.S.OIL MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	30-Jun-19 Rupees	30-Jun-18 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	43,678,950	33,580,284
Adjustment for:		
Provision for Depreciation	39,877,273	39,433,345
Finance Cost	140,105,748	89,051,905
Other Expenses (WPPF & WWF)	3,698,029	2,488,764
Gratuity	1,040,829	990,710
	184,721,879	131,964,725
Profit before working capital changes	228,400,829	165,545,008
(Increase)/decrease in current assets		
Stores and spares	(16,464,834)	(7,720,605)
Stock in trade	(133,813,721)	289,800,542
Trade debtors	(344,785,831)	(208,444,106)
Advances, deposits, prepayments & Other Receivables	7,232,818	99,573,034
	(487,831,568)	173,208,865
Increase/ (Decrease) in current liabilities	14,557,683	(9,868,884)
	(473,273,885)	163,339,981
Taxes Paid - net	(46,354,724)	(42,980,767)
W.W.F. Paid	(685,312)	(777,438)
W.P.P.F. Paid	(1,803,452)	(2,045,889)
Gratuity Paid	(1,041,800)	(1,477,350)
Dividend Paid	(5,658,400)	(8,487,600)
Financial Charges Paid	(126,345,083)	(86,068,907)
	(181,888,772)	(141,837,951)
Net Cash from Operating Activities	(426,761,828)	187,047,038
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets Purchased	(5,998,556)	(32,261,090)
	(5,998,556)	(32,261,090)
CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase in Short term loans	453,899,076	(182,235,420)
Net Increase in Long term loans	(1,231,000)	16,000,000
	452,668,076	(166,235,420)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT	19,907,691	(11,449,473)
Cash & Cash Equivalents at the beginning of the Year	9,786,190	21,235,663
Cash & Cash Equivalents at the end of the Year **A**	29,693,881	9,786,190

Cash & Cash Equivalents include cash and bank balances as stated in Note 19

The annexed notes 1 to 39 form an integral part of these financial statements

Lahore
October 4, 2019

Chief Executive **Director** **CFO**

S.S.OIL MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

Particulars	Share Capital (Rupees)	Accumulated Profit (Rupees)	Revaluation Surplus (Rupees)	Equity (Rupees)
Balance as on June 30, 2017	56,584,000	427,329,428	201,468,803	**685,382,231**
Total Comprehensive Income for the year	-	12,524,411	-	**12,524,411**
Dividend Paid for the year Ended June 30, 2017	-	(8,487,600)	-	**(8,487,600)**
Transferred from surplus on revaluation of Fixed Assets -Current Year	-	22,738,448	(14,882,766)	**7,855,682**
Balance as at June 30, 2018	**56,584,000**	**454,104,687**	**186,586,037**	**697,274,724**
Total Comprehensive Income for the year	-	13,370,114	-	**13,370,114**
Revaluation during the year-Net of Deferred Tax	-	-	257,205,566	**257,205,566**
Dividend Paid for the year Ended June 30, 2018		(5,658,400)	-	**(5,658,400)**
Transferred from surplus on revaluation of Fixed Assets -Net of Deferred Tax	-	22,748,795	(15,015,916)	**7,732,879**
Balance as at June 30, 2019	**56,584,000**	**484,565,196**	**428,775,687**	**969,924,883**

The annexed notes 1 to 39 form an integral part of these financial statements

Lahore
October 4, 2019

Chief Executive **Director** **CFO**

1 The Company and its operation

S.S. OIL MILLS LTD (The Company) was incorporated in Pakistan in August 21, 1990 as a Public Limited Company under the repealed companies ordinance, 1984.The shares of the company are quoted on 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 the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
-International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
-Provisions of and directives issued under the Companies Act, 2017.
-Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Summary Of Significant Transactions And Events

(a) During the year, the Company has revalued its Property, Plant & Equipment which resulted into revalution surplus amounting to Rs. 342.957 million . Revaluation details are reflected in note 6.

(b) The exchange rate of US Dollar to Pakistan Rupee has increased from PKR 120.35 as at June 30, 2018 to PKR 161.6 as at June 30, 2019. This movement in exchange rate has impact on the profits earned by the Company.

(c) Other significant transactions and events have been adequately described in these financial statements. For detail performance review of the Company, refer Directors' Report.

2.3 Adoption of New And Revised Standards And Interpretations

IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from Contracts with Customers” became applicable to the Company from July 1, 2018. For related changes in accounting policies and impact on the Company's financial statements refer note 4(a) to these financial statements.

The following are the standards, amendments & interpretations which have been issued but are not yet effective for the current financial year and have not been early adopted by the Company.

	Description	Effective for annual periods beginning on or after
IAS 1	Presentation of financial statements (Amendments)	January 01, 2020
IAS 8	Presentation of financial statements (Amendments)	January 01, 2020
IAS 12	Income Taxes (Amendments)	January 01, 2019
IAS 19	Employee benefits (Amendments)	January 01, 2019
IAS 23	Borrowing Costs (Amendments)	January 01, 2019
IAS 28	Investment in Associates and Joint Ventures	January 01, 2019
IFRS 3	Business combinations (Amendments)	January 01, 2020
IFRS 9	Financial instruments (Amendments)	January 01, 2019
IFRS 11	Joint Arrangements (Amendments)	January 01, 2019
IFRS 16	Leases	January 01, 2019
IFRIC 23	Uncertainty Over Income Tax	January 01, 2019

The management anticipates that, except as stated below, adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 14	Regulatory Deferral Accounts
IFRS 17	Insurance Contracts

The following interpretations issued by the IASB have been waived off by SECP:

IFRIC 4	Determining whether an arrangement contains lease
IFRIC 12	Service concession arrangements

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 past.

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

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

4 Summary of significant accounting policies.

4.1 **Accounting Convention:**

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

4.2 **Tangible Fixed Assets and Depreciation:**

(a) **owned**

Building, Plant and machinery are stated at revalued amount less accumulated depreciation. Freehold land is carried at revalued amounts. All other operating assets are stated at cost less accumulated deprecation 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. 13.

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

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

(b) **Lease hold Assets**

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 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:

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.

4.6 **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**

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 of financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable in 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 part events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made. Provision are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

4.15 Financial Instruments

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

4.15 .1 Financial Assets

Classification

Effective July 1, 2018, the Company classifies its financial assets in the following measurement categories:

a) Amortized cost where the effective interest rate method will apply;

b) fair value through profit or loss;

c) fair value through other comprehensive income.

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

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

Recognition and derecognition

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

Measurement

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

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

Debt Instrument

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash

flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

a) Amortised Cost

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

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

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

c) Fair value through profit or loss (FVTPL)

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

De-recognition of financial assets

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

i. The rights to receive cash flows from the asset have expired

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

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

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

Impairment of financial assets

Effective July 1, 2018, the Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

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

Simplified approach for trade debts

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:
– an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
– reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

Recognition of loss allowance

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

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

Write-off

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

4.15 .2 **Financial Liabilities**

Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:
• at fair value through profit or loss; and
• other financial liabilities

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

a) Fair value through profit or loss

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

b) Amortised cost

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

De-recognition of financial liabilities

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

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

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

4.16 **Financial Expenses**

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

4.17 **Impairment of Assets**

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

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

4.18 **Trade and Other Payable**

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

4.19 **Dividend and other appropriations**

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

4.20 **Fair value measurement**

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

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

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

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

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

measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value

hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

4 (a) Changes in Accounting Policies

i IFRS 9 - Financial Instruments

IFRS 9 "Financial Instruments" (IFRS 9) replaces IAS 39 "Financial Instruments: Recognition and Measurement" (IAS 39).

IFRS 9 introduces new requirements for i) the classification and measurement of financial assets and financial liabilities ii) impairment

IFRS 9 permits either a full retrospective or a modified retrospective approach for adoption. The Company has adopted the standard using the modified retrospective approach for classification, measurement and impairment. This means that the cumulative impact, if any, of the adoption is recognized in unappropriated profit as of July 1, 2018 and comparatives are not restated. Details of these new requirements as well as their impact on the Company's financial statements are described below:

i) **Classification and measurement of financial assets and financial liabilities**

The new standard requires the Company to assess the classification of financial assets on its statement of financial position in accordance with the cash flow characteristics of the financial assets and the relevant business model that the Company has for a specific class of financial assets.

IFRS 9 no longer has an "Available-for-sale" classification for financial assets. The new standard has different requirements for debt or equity financial assets.

Debt instruments should be classified and measured either at:

a) Amortized cost, where the effective interest rate method will apply;
b) Fair value through other comprehensive income, with subsequent recycling to the profit or loss upon disposal of the financial asset; or
c) Fair value through profit or loss.

Investments in equity instruments, other than those to which consolidation or equity accounting apply, should be classified and measured either at:

a) Fair value through other comprehensive income, with no subsequent recycling to the profit or loss upon disposal of the financial asset; or

b) Fair value through profit or loss.

Application of IFRS 9 had no impact on financial liability of the company.

Assessment of financial impact of measurement requirements on adoption of IFRS 9 on financial assets as at July 1, 2018 is as follows:

	Measurement Category		Carrying Amount		
	Original (IAS 39)	New (IFRS 9)	Original Rs.	New Rs.	Difference Rs.
Non-Current Financial Assets					
Long term deposits	Held to Maturity	Amortised Cost	3,343,650	3,343,650	-
Current Financial Assets					
Trade debts	Loans and Receivables	Amortised Cost	900,529,109	900,529,109	-
Advances, deposits and other receivables	Loans and Receivables	Amortised Cost	30,219,965	30,219,965	-
Cash and bank balances	Loans and Receivables	Amortised Cost	29,693,881	29,693,881	-

Impairment of financial assets

IFRS 9 introduces the Expected Credit Loss (ECL) model, which replaces the incurred loss model of IAS 39 whereby an allowance for doubtful debt was required only in circumstances where a loss event has occurred. By contrast, the ECL model requires the Company to recognize an allowance for doubtful debt on all financial assets carried at amortized cost (including, for example, trade debts and other receivables), as well as debt instruments classified as financial assets carried at fair value through other comprehensive income, since initial recognition, irrespective whether a loss event has occurred. For trade receivables and other receivables, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance while general 3-stage approach for other financial assets i.e to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

ii) IFRS 15 - Revenue from contracts with customers

The Company has adopted IFRS 15 from July 1, 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. However, in accordance with the transition provisions in IFRS 15, there is no impact on the Company that require retrospective change and restatement of comparatives for the year ended June 30, 2018.

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.
IFRS 15 permits either a full retrospective or a modified retrospective approach for adoption.
The application of IFRS 15 has no material impact on the financial statements of the Company.

S.S.OIL MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

			30-Jun-19 Rupees	30-Jun-18 Rupees
5	**Issued, Subscribed and paid up Capital**			
	5,018,400 (2018: 5,018,400) ordinary shares of Rs. 10/- fully paid in cash		50,184,000	50,184,000
	640,000 (2018: 640,000)Ordinary shares of Rs. 10/- each issued for consideration other than cash		6,400,000	6,400,000
			56,584,000	56,584,000
6	**Surplus on Revaluation of Fixed Assets - Net of Deferred Tax**			
	Surplus on Revaluation Opening Balance		235,859,579	258,598,027
	Add:- Assets Revalued during the year		342,956,959	-
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(15,015,916)	(14,882,766)
	Related deferred tax liability of incremental depreciation charged during the year		(7,732,879)	(7,855,682)
	Surplus on Revaluation of Fixed Assets		556,067,743	235,859,579
	Less: related Deferred Tax Liability			
	-revaluation as at July 1		49,273,542	57,129,224
	-revaluation recognized during the year		85,751,393	-
	-incremental depreciation charged during the year transferred to Profit and Loss account		(7,732,879)	(7,855,682)
			127,292,056	49,273,542
			428,775,687	186,586,037
7	**Long Term Loan (FFSAP)**		14,769,000	16,000,000
	Less: Current Portion of long Term loan		2,462,000	1,231,000
			12,307,000	14,769,000

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

8	**Loan From Directors and Associates**	8.1	20,837,014	20,837,014
			20,837,014	20,837,014

8.1 This amount represents interest free loan received from directors and associates and repayable on demand.

9	**Short Term Borrowings**			
	Short Term Financing - Secured	9.1	1,255,841,798	801,942,722
			1,255,841,798	801,942,722
9.1	***Short Term Financing - Secured***			
	BOP - Running Finance		42,559,302	42,558,602
	BOP		212,093,037	189,723,364
	SILK BANK LTD		235,520,449	142,218,752
	BANK ALFALAH LTD		231,484,990	192,231,597
	SAMBA BANK LTD		266,311,301	207,560,085
	SONERI BANK LTD		101,406,006	-
	BANKISLAMI		166,466,713	27,650,322
			1,255,841,798	801,942,722

These finances have been obtained on mark up basis from commercial banks against aggregate sanctioned limit of Rs. 1,900/- Million (2018: Rs. 1,900/- Million).

The rate of mark up of BOP is 3 months KIBOR + 135 bps

Mark up Rate of FIM facility provided by SILK Bank Limited for Rs. 400 (M) is 3 month Kibor +200 bps.

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

Mark up Rate of FIM facility provided by Samba Bank for Rs. 375 (M) is 1 month Kibor + 125 bps.

Mark up Rate of FIM facility provided by Bank Alfalah for Rs. 400 (M) is 3 month Kibor + 175 bps.

Mark up Rate of FIM facility provided by BankIslami for Rs. 225 (M) is 3 month Kibor + 125 bps.

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

	Note	30-Jun-19 Rupees	30-Jun-18 Rupees
10 Creditors, Accrued and Other Liabilities			
Creditors		42,210,760	28,425,018
Accrued liabilities		7,856,866	7,047,037
Advances from Customers		955,106	1,546,481
Withholding Tax Payable		3,668,531	3,374,039
Workers Welfare Fund Payable		1,329,180	685,312
Workers Profit Participation Fund Payable	10.1	2,368,849	1,803,452
		58,389,292	42,881,339

10.1 ***Workers Profit Participation Fund***

Balance as on July 01, 2018	1,803,452	2,045,889
Contribution due for the year	2,368,849	1,803,452
	4,172,301	3,849,341
Payments made during the year	1,803,452	2,045,889
	2,368,849	1,803,452

11 Unpaid Dividend

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

12 Contingencies and Commitments

12.1 **Contingencies**

NIL

12.2 **Commitments**

a) The company has commitments against letter of credit issued in the normal course of business amounting to Rs.

716,089,885/-($4,353,130/-) (2018 Rs. 824,320,456/-($6,571,870 /-)) in favour of foreign suppliers for raw material.

b) Letter of Guarantee issued in favour of SNGPL Rs. 21.00 million (2018: Rs. 21.00 millions).

	Note	30-Jun-19	30-Jun-18
13 Operating Fixed Assets	13.1&13.2	764,496,735	455,418,493
(As per fixed assets schedule attached.)	13.3		

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

13.2 These represents the value of Fixed Assets subsequent to revaluation on 30th June 2019 through an independent evaluator M/s. Material & Design Services Pvt. Ltd.

13.3 Forced sale value as per revaluation report as of June 30, 2019

Asset Class	Forced Sale Value
Land	76,117,500
Building	129,108,200
Machinery	408,280,000

13.4 OPERATING FIXED ASSETS - 2019

PARTICULARS	COST				DEPRECIATION					W.D.V
	As at July 1, 2018	Addition/ (Deletion)	Revaluation of Fixed Assets	As at June-30, 2019	Rate %	As at July 1, 2018	Adjustment	Normal Charge for the Year	As at June-30, 2019	As at June-30, 2019
Land-freehold	42,287,500	-	47,262,500	89,550,000	-	-		-	-	89,550,000
Buildings	150,958,851	-	72,589,256	223,548,107	5	67,846,805		4,442,185	72,288,990	151,259,118
Plant and machinery	630,007,972	5,998,556	223,105,203	859,111,731	10	313,775,168		33,240,924	347,016,092	512,095,639
Electric Installation	13,488,463	-	-	13,488,463	10	9,312,872		417,559	9,730,431	3,758,032
Office Equipment	1,796,810	-	-	1,796,810	10	1,536,831		25,998	1,562,829	233,981
Furniture and Fixtures	729,929	-	-	729,929	10	590,361		13,957	604,318	125,611
Tools and equipment	3,278,625	-	-	3,278,625	10	2,330,248		94,838	2,425,086	853,539
Vehicles	26,943,026	-	-	26,943,026	20	18,922,345		1,604,136	20,526,481	6,416,545
Tractor & Trollies	1,735,590	-	-	1,735,590	20	1,600,773		26,963	1,627,736	107,854
Fire fighting equipment	668,923	-	-	668,923	10	610,245		5,868	616,113	52,810
Arms & Ammunition	221,375	-	-	221,375	10	191,656		2,972	194,628	26,747
Tarpauline	100,000	-	-	100,000	10	81,268		1,873	83,141	16,859
Total Free Hold Assets	**872,217,064**	**5,998,556**	**342,956,959**	**1,221,172,579**		**416,798,572**		**39,877,273**	**456,675,845**	**764,496,735**
2019	**872,217,064**	**5,998,556**	**342,956,959**	**1,221,172,579**		**416,798,572**	**-**	**39,877,273**	**456,675,845**	**764,496,735**

OPERATING FIXED ASSETS - 2018

PARTICULARS	COST				DEPRECIATION					W.D.V
	As at July 1, 2017	Addition/ (Deletion)	Revaluation of Fixed Assets	As at June-30, 2018	Rate %	As at July 1, 2017	Adjustment	Normal Charge for the Year	As at June-30, 2018	As at June-30, 2018
Land-freehold	42,287,500	-	-	42,287,500	-	-		-	-	42,287,500
Buildings	150,958,851	-	-	150,958,851	5	63,472,487		4,374,318	67,846,805	83,112,047
Plant and machinery	603,735,948	26,272,024	-	630,007,972	10	281,314,044		32,461,124	313,775,168	316,232,804
Electric Installation	12,834,598	653,865	-	13,488,463	10	8,915,515		397,357	9,312,872	4,175,591
Office Equipment	1,796,810	-	-	1,796,810	10	1,507,945		28,886	1,536,831	259,979
Furniture and Fixtures	729,929	-	-	729,929	10	574,853		15,508	590,361	139,568
Tools and equipment	3,278,625	-	-	3,278,625	10	2,224,873		105,375	2,330,248	948,377
Vehicles	21,607,825	5,335,201	-	26,943,026	20	16,917,175	-	2,005,170	18,922,345	8,020,681
Tractor & Trollies	1,735,590	-	-	1,735,590	20	1,567,069		33,704	1,600,773	134,817
Fire fighting equipment	668,923	-	-	668,923	10	603,725		6,520	610,245	58,678
Arms & Ammunition	221,375	-	-	221,375	10	188,354		3,302	191,656	29,719
Tarpauline	100,000	-	-	100,000	10	79,187		2,081	81,268	18,732
Total Free Hold Assets	**839,955,974**	**32,261,090**	**-**	**872,217,064**		**377,365,227**		**39,433,345**	**416,798,572**	**455,418,493**
2018	**839,955,974**	**32,261,090**	**-**	**872,217,064**		**377,365,227**	**-**	**39,433,345**	**416,798,572**	**455,418,493**

13.4.1 Had there been no revaluation, the net book value of land, building and machinery as on 30-06-2019 would have been Rs. 251.986 million (2018: Rs. 270.736 million).

13.4.2 Depreciation for the year has been allocated as under

	2019 Rupees	2018 Rupees
Cost of Goods Sold / Manufacturing	38,224,342	37,373,959
Administrative / General	1,652,931	2,059,386
	39,877,273	39,433,345

13.4.3 Particular of Immovable property (i-e land and buildings) in the name of Company are asfollows:

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

		30-Jun-19 Rupees	30-Jun-18 Rupees
14 Long Term Deposits			
LESCO (WAPDA)		1,218,650	1,218,650
LETTER OF GUARANTEE MARGIN (SNGPL)		2,100,000	2,100,000
SECURITY DEPOSIT - CDC		25,000	25,000
		3,343,650	3,343,650
15 Stores and Spares			
There are no stores and spares held for specific capitalization.		53,494,504	37,029,670
16 Stock in Trade			
Raw Material - Seed		537,080,215	314,860,850
Finished Goods		151,053,646	144,771,002
Stock in Transit		-	94,688,288
		688,133,861	554,320,140
17 Trade Debtors			
Due from related Parties	17.1 & 17.2	233,772,050	174,256,680
Others		666,757,059	381,486,598
	17.3	900,529,109	555,743,278

17.1 Due from related parties

S.S Feed Mills Pvt Ltd	233,772,050	174,256,680

17.2 Aggregate maximum outstanding balance of trade debts due from related parties at the end of any month during the year was Rs. 233,772,050/- (2018: Rs. 178,825,936/-).

17.3 These are unsecured but considered good

17.4 As of June 30, 2019, trade debts due from related parties of Rs Nil (2018: Rs Nil) were past due but not impaired.

	30-Jun-19 Rupees	30-Jun-18 Rupees
18 Advances, Deposits, Prepayments and and Other Receivables		
Advances:		
Employees	35,000	34,500
Suppliers/Contractor	4,500,262	3,505,863
Prepayments		
Advance Against Import	764,282	1,422,369
Prepaid Insurance	2,931,138	2,595,425
Sales Tax Advance	11,381,179	19,286,522
Income Tax	16,166,444	15,811,553
	35,778,305	42,656,232

17.1 These are unsecured but are considered good.

	30-Jun-19 Rupees	30-Jun-18 Rupees
19 Cash and Bank balances		
These balances were held at different banks		
On Profit and Loss Accounts	2,170,841	8,058,022
On Current Accounts	27,393,748	1,671,294
	29,564,589	9,729,316
Cash in Hand	129,292	56,874
	29,693,881	9,786,190
20 Sales		
Refined Oil	1,519,239,127	1,620,643,548
By Products	2,613,108,915	2,109,270,671
	4,132,348,042	3,729,914,219
Less: Sales Tax	242,185,254	250,182,669
Net sales	3,890,162,788	3,479,731,550

		00-Jan-00	30-Jun-18
		Rupees	Rupees
21 Cost of Sales			
Raw material consumed	21.1	3,279,704,770	2,753,090,955
Freight Seed, Loading Unloading & Other Expenses		168,362,925	207,986,961
Direct Material Consumed		44,718,821	35,553,815
Stores and Spares Consumed		8,996,180	8,671,800
Salaries and Benefits		36,314,951	38,307,083
Power, Fuel and Other expenses		84,080,005	94,005,965
Repair & Maintenance		3,924,848	11,699,149
Insurance & Others		2,598,256	2,745,856
Depreciation	13.4.2	38,224,342	37,373,959
Cost of Goods Manufactured		3,666,925,098	3,189,435,543
Add: Opening Stock of Finished Goods		144,771,002	273,363,342
Cost of Goods Available for Sale		3,811,696,100	3,462,798,885
Less: Closing Stock of Finished Goods		(151,053,646)	(144,771,002)
Cost of Goods Sold		3,660,642,454	3,318,027,883
21.1 **Raw Material Consumed**			
Opening Stocks		314,860,850	346,088,384
Purchases during the year		3,501,924,135	2,721,863,421
		3,816,784,985	3,067,951,805
Less: Closing Stocks		537,080,215	314,860,850
		3,279,704,770	2,753,090,955
22 Administrative and General Expenses			
Salaries and Benefits		14,990,169	15,452,787
Electricity, Gas and Water Bills		3,488,986	1,917,668
Communications		783,044	806,399
Printing and Stationery		346,334	340,548
Travelling, Conveyance & Other Expenses		1,778,241	110,546
Vehicles Running Expenses		2,405,365	1,988,704
Repair and Maintenance		768,166	2,177,814
Legal and Professional Charges		855,000	240,000
Entertainment Expenses.		1,271,888	1,097,922
Fee and Subscription		1,019,801	2,635,975
Advertisement		92,650	116,800
Miscellaneous Expenses		1,114,400	1,356,452
Depreciation	13.4.2	1,652,931	2,059,386
Audit Fee	22.1	850,000	500,000
		31,416,975	30,801,001
22.1 Audit Fee			
Annual audit		750,000	400,000
Review of half yearly financial statements		100,000	100,000
		850,000	500,000
23 Selling and Distribution Expenses			
Freight, Forwarding and Shortage/Claims		10,971,908	6,059,180
Commission and Other expenses		353,274	158,718
		11,325,182	6,217,898
24 Other Income			
Profit on Bank Deposits		704,550	436,185
		704,550	436,185
25 Financial Expenses			
Mark up on Short Term Bank Borrowings		138,371,928	87,694,531
Bank Charges		1,733,820	1,357,374
		140,105,748	89,051,905
26 Other Expenses			
Worker's Profit Participation Fund		2,368,849	1,803,452
Worker Welfare's Fund		1,329,180	685,312
		3,698,029	2,488,764

27 Taxation

	30-Jun-19	30-Jun-18
Current Year	Rupees	Rupees
-For the Year	48,627,035	43,496,644
-For the Prior Year	(2,627,202)	-
Deferred Tax	(15,455,103)	(22,274,053)
	30,544,729	21,222,591

27.1 Corporate tax rate applicable for the year is 29% (2018: 30%).

27.2 Management assessment of sufficiency of current tax provision

27.3 It is management's assessment that the provision for taxation made in the financial statements is sufficient.

27.4 Comparison of Tax Provision with Tax Assessment

	2018	2017	2016
		Rupees	
Tax Provision as per Accounts	43,496,644	26,741,227	14,213,403
Tax Assessment	40,869,442	23,675,221	12,498,059

27.5

The relationship between tax expense and accounting profit has not been presented in these financial statements as the Corporate Tax @ 29% is less than minimum tax u/s 113. Therefore minimum tax @ 1.25% has been provided in these financial statements Sufficient tax provision has been incorporated in these financial statements.

28 Earning per share-Basic and Diluted

Profit after Taxation	13,134,221	12,357,693
weighted Average No. of Shares in Issue	5,658,400	5,658,400
	2.32	2.18

29 Deferred Liabilities

	Note		
Deferred Tax Credits Arising Due to:-			
Accelerated Depreciation on Fixed Assets	29.1	(5,340,967)	10,114,138
Surplus on Revaluation of Fixed Assets		127,292,056	49,273,542
		121,951,089	59,387,680
Gratuity:-	29.2	4,447,116	4,683,980
		126,398,205	64,071,660

29.1 Accelerated Depreciation on Fixed Assets

Opening Balance	10,114,138	32,388,191
For the Year	(15,455,104)	(22,274,053)
Closing Balance	(5,340,967)	10,114,138

29.2 Staff Gratuity-Defined Benefit Plan

Company operates unfunded gratuity scheme for its employees that pays a lump sum gratuity to members on leaving company's service after completion of one year of continuous service. The future contribution rates of the scheme include allowances for deficit and surplus. Projected unit credit method based on the following significant assumptions is used for valuation of this scheme. The latest actuarial valuation was carried out by M/S Nauman Associates as on June 30, 2019.

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

29.2.1 Reconciliation of amount recognised in the balance sheet

Present value of defined benefit obligation	3,920,116	4,156,980
Benefits payables	527,000	527,000
Balance sheet liability/(asset)	4,447,116	4,683,980

29.2.2 Movement in liability recognized in the balance sheet

Present values of defined benefit obligation		4,156,980	4,810,338
current service cost		713,582	675,156
interest cost on define benefit obligation		327,247	315,554
Benefit due but not paid (payables)		-	-
Benefit payments		(1,041,800)	(1,477,350)
Remeasurements:			
Actuarial(gain/Loss) from changes in financial assumptions		13,220	3,515
Experience adjustments	29.2.4	(249,113)	(170,233)
		3,920,116	4,156,980

	30-Jun-19	30-Jun-18
	Rupees	Rupees
29.2.3 The amounts recognized in the profit and loss account are as follows		
Current service cost	713,582	675,156
Interest cost	327,247	315,554
	1,040,829	990,710
29.2.4 Total Remeasurements chargeable in other comprehensive income		
Actuarial(gain/Loss) from changes in financial assumptions	13,220	3,515
Experience adjustments	(249,113)	(170,233)
	(235,893)	(166,718)
29.2.5 Allocation of charge for the year		
Cost of sales	898,898	855,613
Administrative expenses	141,931	135,097
	1,040,829	990,710
29.2.6 The principal actuarial assumptions used were as follows		
Discount rate	9.00%	9.75%
Expected rate of increase in salary	13.25%	7.25%
Average expected remaining working life of employees	7 Years	7 Years
29.2.7 Year end sensitivity analysis on defined benefit obligation		
Discount Rate +100 bps	3,667,192	3,879,624
Discount Rate -100 bps	4,216,066	4,484,027
Salary Increase +100 bps	4,216,066	4,484,027
Salary Increase -100 bps	3,663,026	3,874,849

30 Financial Instruments & Related Disclosures

30.1 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, 2019 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 2019
Financial Assets					
At Amortised Cost					
Long Term Deposits	-	-	-	3,343,650	3,343,650
Trade Debtors	-	-	-	900,529,109	900,529,109
Advances, Deposits & Prepayments	-	-	-	35,778,305	35,778,305
Cash In Hand & Bank	9.00%	2,170,841	-	27,523,040	29,693,881
Total:	-	**2,170,841**	**-**	**967,174,104**	**969,344,945**
Financial Liabilities					
At Amortised Cost					
Long term Loans	6%	2,462,000	12,307,000	-	14,769,000
Short Term Finances	3 Month KIBOR + 125 to 200 bps	1,255,841,798	-	-	1,255,841,798
Creditors, Accrued & Other Payables		-	-	58,389,292	58,389,292
Total:		**1,258,303,798**	**12,307,000**	**58,389,292**	**1,329,000,089**
On Balance Sheet Gap 2019		**(1,256,132,957)**	**(12,307,000)**	**908,784,813**	**(359,655,144)**
On Balance Sheet Gap 2018		(795,115,700)	(14,769,000)	560,589,989	(249,294,711)

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

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

Financial Assets		
Bank Balances (Deposits Accounts)	9.00%	
Financial Liabilities		
Long Term Loans	6%	(3.5% BOP Share +2.5% SBP Share)
Short Tem Finances	12.34 % to 14.65 %	3 month Kibor Plus 125 bps -200bps

30.2 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.963,374,093/- (2018 Rs. 608,185,700/-) the financial assets which may subject to credit risk amounts to Rs. 900,529,109/- (2018 Rs. 555,743,278/-)

30.3 Financial risk management

30.3.1 Financial risk factors

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

a) Credit Risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk of the Company arises from deposits with banks, trade debts, loans and advances and other receivables. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties and trade debts are subject to specific credit ceilings based on customer credit history.

b) Liquidity risk

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

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

	Carrying Amount	Contractual Cash Flows	Les than 1 year	Above 1 year
At June 30, 2019				
Long Term Loan	14,769,000	14,769,000	2,462,000	12,307,000
Loan from Directors and Associates	20,837,014	20,837,014	20,837,014	-
Short Term Borrowings	1,255,841,798	1,255,841,798	1,255,841,798	-
Creditors, Accrued and other Liabilities	87,699,145	87,498,289	87,498,289	-
At June 30, 2018				
Long Term Loan	16,000,000	16,000,000	1,231,000	14,769,000
Loan from Directors and Associates	20,837,014	20,837,014	20,837,014	-
Short Term Borrowings	801,942,722	801,942,722	801,942,722	-
Creditors, Accrued and other Liabilities	58,171,533	58,171,533	58,171,533	-

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

c) Market Risk

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

i) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no long term interest bearing financial assets whose fair value or future cash flows will fluctuate because of changes in market interest rates. Financial liabilities include balances of Rs 1,270.611 million (2018: Rs 817.943 million) , which are subject to interest rate risk. Applicable interest rates for liabilities have been indicated in respective notes.

Sensitivity analysis

At June 30, 2019, if interest rates had been 1% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 12.71 million (2018: Rs 8.18 million) higher/lower, mainly as a result of higher/lower interest income/expense from these financial assets and liabilities.

ii) Price risk

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

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

30.4 Capital risk management

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

31 Fair value of financial assets:-

The company does not have any financial assets which qualify for the following levels.
Level 1: The fair value of financial instruments traded in active markets (Such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices at the end of reporting period. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in Level 1.

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

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

32 REMUNERATION Of Chief Executive, Directors and Executives

	Chief Executive		Directors (Non Executive)		Executives	
	2019	2018	2019	2018	2019	2018
No. of Persons	1	1	1	1	1	1
Remuneration	1,206,000	1,206,000	1,206,000	1,206,000	1,206,000	1,206,000
House Rent	540,000	540,000	540,000	540,000	540,000	540,000
Utilities	54,000	54,000	54,000	54,000	54,000	54,000
	1,800,000	**1,800,000**	**1,800,000**	**1,800,000**	**1,800,000**	**1,800,000**

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

33 TRANSACTION WITH RELATED PARTIES

Aggregate transactions with related parties, other than remuneration to the chief executive, directors and executives of the Company under their terms of employment disclosed in note 32, were as follows:

Related Parties	Basis of Association		30-Jun-19 Rupees	30-Jun-18 Rupees
S.S Feed Mills Private Limited	Commom Directorship			
Associate shareholding in the Company		-		
Sale of Goods			583,177,697	370,658,154
Sikandar Commodities Private Limited	Commom Directorship			
Associate shareholding in the Company		13.87%		
Company's shareholding in the associate		-		
Dividend paid			785,000	1,177,500

34 PLANT CAPACITY AND ACTUAL PRODUTION

		2019		2018	
		Assessed Capacity	Actual Production	Assessed Capacity	Actual Production
Seed Crushing	M. Tons	90,000	57,237	90,000	58,007
		90,000	57,237	90,000	58,007

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

35 SUBSEQUENT EVENT

The Board of Directors of the Company have proposed a final dividend for the year ended June 30, 2019 of Re 1.00 (2018: Re 1.00) per share at their meeting held on October 04, 2019 for approval of members at the Annual General Meeting to be held on October 28, 2019. These financial statements do not reflect this dividend payable.

36 CORRESPONDING FIGURES

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

37 GEOGRAPHICAL LOCATION AND ADDRESS OF BUSINESS UNITS

The business units of the Company includes the following:

Business unit	**Location**
Plant	27/W-B Luddan Road, Vehari

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on **October 4, 2019** by the Board of Directors of the Company.

39 GENERAL

39.1 Number of permanent employees as at June 30, 2019 was 129 (2018:125) and average number of employees during the year was 123 (2018:124). Total number of employees includes 107 (2018:110) employees at Factory at the end of the year and average number of employees during the year at Factory was 108 (2018:109).

39.2 Figures have been rounded off to nearest rupee.

Lahore
October 4, 2019

Chief Executive | Director | CFO

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 28st October, 2019 at 2-Tipu Block, Garden Town Lahore and at any adjournment thereof.

Signed this ---------day of ----------2019.

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 per son 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.