

## S.S.OIL MILLS LTD

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

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

### BOARD OF AUDIT COMMITTEE

<b>Chairman</b>	SAFDAR IQBAL KHAN
<b>Member</b>	NAWABZADA WAJAHAT ALI KHAN
<b>Member</b>	SHAHARYAR ALI KHAN

### BOARD OF HR & REMUNERATION COMMITTEE

<b>Chairman</b>	NAWABZADA WAJAHAT ALI KHAN
<b>Member</b>	SIKANDAR ALI KHAN
<b>Member</b>	SAFDAR IQBAL KHAN

### COMPANY SECRETARY

ATTIQ UR RAHMAN

### EXTERNAL AUDITORS

ASLAM MALIK & CO  
Chartered Accountants.

### CHIEF FINANCIAL OFFICER

AKHTAR ALI

### LEGAL ADVISORS

BARRISTER KHURRAM RAZA

### BANKERS

SILK BANK LIMITED  
THE BANK OF PUNJAB  
Bank Alfalah LTD

### 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 Wednesday October 28, 2020 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, 2020 together with the Auditors' and Directors' Report thereon.
3. To appoint Auditors for next year & fix their remuneration. The present Auditors M/s Aslam Malik & Co. Chartered Accountants retire & being eligible for re-appointment, have offered themselves for re-appointment.
4. To consider any other business with the permission of the Chair.

### **SPECIAL BUSINESS**

5. To ratify and approve transactions conducted with related parties for the year ended June 30, 2020 by passing the following special resolution with or without modification:

**"RESOLVED THAT** the transactions conducted with related parties as disclosed in the note 33 of the financial statements for the year ended June 30, 2020 and specified in the Statement of Material Information under section 134(3) be and are hereby ratified, approved and confirmed"

6. To authorize the Board of Directors of the Company to approve transactions with related parties for the financial year ending June 30, 2021 by passing the following special resolution with or without modification:

**"RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis for the financial year ending June 30, 2021."

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

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

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

BY ORDER OF THE BOARD

Lahore  
October 06, 2020

ATTIQ-UR-RAHMAN  
**COMPANY SECRETARY**

**CORONAVIRUS; CONTINGENCY PLANNING FOR ANNUAL GENERAL MEETING:**

In light of the threat posed by the COVID-19 situation, the Securities and Exchange Commission of Pakistan (SECP) has advised companies to modify their usual planning for general meetings in order to ensure safety and well-being of shareholders and the public at large through Circular No. 5 of 2020 dated: March 17, 2020 and Circular No. 25 of 2020 dated: August 31, 2020.

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

The shareholders intending to participate in the meeting via video link are hereby requested to share following information with the office of Company Secretary (address mentioned below) earliest but not later than 48 hours before the time of the AGM i.e. before 11:00 a.m. on October 28, 2020.

**Required information:**

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

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

**Modes of Communication**

The above mentioned information can be provided through following modes:

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

Video link details and login credentials (ZOOM Application) will be shared with those shareholders who provide their intent to attend the meeting containing all the particulars as mentioned above on or before October 28, 2020 by 10:00 a.m.

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

**NOTES:**

1. The Share Transfer Book of the Company will remain closed for transaction from October 25, 2020 to October 31, 2020.
2. A member entitled to attend, speak & vote may appoint another member as proxy to attend, speak & vote on his/her behalf. Proxies in order to be effective must be received at the registered office & notice of his/her intention, not later than 48 hours before the meeting.
3. Members whose shares are deposited with Central Depository Company of Pakistan Limited are requested to bring original computerized ID card along with the participants ID number and their account number in Central Depository Company of Pakistan Limited to facilitate identification at the time of annual general meeting. In case of proxy, an attested copy of proxy's identity card, account and participant's ID number be enclosed. 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, 2020 along with related reports have been placed at the website of the Company [www.ssgroup.pk](http://www.ssgroup.pk). Any shareholder can send request for printed copy of the Annual Report-2020 to the Company.

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

**1. Item Number 5 of the notice – Ratification and approval of the related party transactions**

Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year since majority of the Company's Directors were interested in certain transactions due to their common directorships in the group companies. These transactions are being placed for the approval by shareholders in the Annual General Meeting. All transactions with related parties to be ratified have been disclosed in the note 33 to the financial statements for the year ended June 30, 2020. Party-wise details of such related party transactions are given below:

Name of Related Party	Transaction Type	PKR
S.S Feed Mills (Private)Limited	Sale of goods	1,398,613,552

The company carries out transactions with its related parties on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions entered into with related parties require the approval of the Board Audit Committee of the Company, which is chaired by an independent director of the company. Upon the recommendation of the Board Audit Committee, such transactions are placed before the board of directors for approval. Transactions entered into with the related parties include sale of goods (in accordance with the approval of shareholders and board where applicable). The nature of relationship with these related parties has also been indicated in the note 33 to the financial statements for the year ended June 30, 2020. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

**2. Item number 6 – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2021**

The Company shall be conducting transactions with its related parties during the year ending June 30, 2021 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in the holding / associated companies. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ending June 30, 2021, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

**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


I welcome you all in the Annual General Meeting of the Company.

The COVID-19 Pandemic badly affected global economies in the hardest possible way and Pakistan's economy was no exception, which was already being managed under a very tight plan approved by the International Monetary Fund. As the economy was subjected to demand and supply shocks, the fiscal year 2019-20 witnessed a contraction in economic activity owing to COVID-19. However, the Government took some bold steps to reduce the impact of COVID-19 on the economy of Pakistan and at the moment the pandemic situation is well under control in Pakistan as compared to other regional countries.

The government took several steps to revamp the economy by adopting liberal fiscal measures in order to stimulate the local demand and reduced the benchmark interest rates by 575 basis points.

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. 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. 2019-20 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 28.83% 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:  
October 6, 2020

  
(SHAHARYAR ALI KHAN)  
Chairman



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

The Directors of the Company have pleasure in presenting Annual Report and the Audited Financial Statements of the Company for the year ended June 30, 2020

### **1. Financial Results**

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

	<b><u>2020</u></b> <b>(Rs.'000s)</b>	<b><u>2019</u></b> <b>(Rs.'000s)</b>
<b>Profit before taxation</b>	<b>80,241</b>	43,679
<b>Taxation</b>	<b>51,615</b>	30,545
<b>Profit after taxation</b>	<b>28,626</b>	13,134
<b>E.P.S.-Basic and Diluted</b>	<b>5.06</b>	2.32

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

During the year under review total production of Washed Oil was 11,957 M.Tons, Meal and Soap was 47,001 M. Tons as compared to last year's Washed Oil were 10,797 M.Tons, Meal & Soap 43,007 M.Tons respectively.

Sales for the year of Washed Oil were 11,129 M.Tons & Meal and Soap 48,503 M. Tons as compared to last year's 11,337/- M.Tons & 42,257/- M.Tons respectively.

During the year under review our sales have increased by 28.83%. 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. 28.626 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.

### 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.

	2014	2015	2016	2017	2018	2019	2020
<b>Sales</b>	1,528,661,058	1,837,061,912	1,421,340,266	2,674,122,680	3,479,731,550	3,890,162,788	5,011,834,462
<b>Cost of Goods Sold</b>	1,435,275,470	1,746,878,928	1,319,820,100	2,543,101,055	3,318,027,883	3,660,642,454	4,693,181,200
<b>Gross Profit</b>	93,385,588	90,182,984	101,520,166	131,021,625	161,703,667	229,520,334	318,653,262
<b>Operating Profit</b>	69,260,876	67,146,549	70,515,865	91,934,797	124,684,768	186,778,177	277,174,710
<b>Profit Before Tax</b>	31,920,290	3,271,499	15,759,125	38,094,460	33,580,284	43,678,950	80,240,850
<b>Profit After Tax</b>	24,347,914	(9,098,091)	10,536,643	20,781,498	12,357,693	13,134,221	28,626,093
<b>Paid Up Capital</b>	56,584,000	56,584,000	56,584,000	56,584,000	56,584,000	56,584,000	56,584,000
<b>Current Assets</b>	600,257,189	928,070,722	1,028,704,761	1,384,709,725	1,199,535,510	1,707,629,660	2,319,975,059
<b>Current Liabilities</b>	320,313,973	662,299,145	727,933,015	1,070,407,139	882,182,269	1,366,839,956	1,942,834,130

### 4. Dividend

The Board of Directors has recommended Cash dividend Nil (2019: 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, 2021.

### 6. No. Of Board Meetings Held

Four Board meetings were held during the year ended June 30, 2020. Attendance by each director is appended hereunder;

<b>Name of Directors</b>	<b>Meetings Attended</b>
SHAHZAD ALI KHAN	4
NAWABZADA WAJAHAT ALI KHAN	3
CHAUDHERY MUHAMMAD HAMAYUN	2
AHSAN –UD-DIN	2
NAWABZADI BEGUM SHAMIM SHAFQAT	4
SAFDAR IQBAL KHAN	4
SHAHARYAR ALI KHAN	4
SIKANDAR ALI KHAN	2
JAVAID UMAR	1

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

## Changes in Board during the year

Casual Vacancies:

During the year, following two casual vacancies occurred in the Board:

Outgoing Directors	New Directors	Appointment Date of New Directors
Ahsan Ud Din	Sikandar Ali Khan	January 23, 2020
Ch. Mohammad Humayun	Javaid Umar	March 10, 2020

## 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
Sikandar Ali Khan	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, 2020 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.

- The financial statements prepared by the management present a true and fair state of affairs of the company.
- 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. 377.141 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 2020-21 we will present better financial position. Globally tendency of oil seed prices are going upward which help us to sell our current finished product on better rates. We further expect that the quality of local seed crop will improve further and we attained better yield in the next financial year.

## 14. Acknowledgement

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

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

On behalf of the Board



**Chief Executive**



**Director**

Lahore  
October 6, 2020

## ڈائریکٹر رپورٹ برائے ممبران

کمپنی کے ڈائریکٹرز 30 جون 2020 کو ختم ہونے والے سال کیلئے کمپنی کی سالانہ رپورٹ اور آڈٹ شدہ کمپنی حسابات کی تفصیل پیش کرتے ہیں۔

### 1 - مالیاتی نتائج

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

2019	2020	
(Rs.'000s)	(Rs.'000s)	
43,679	80,241	ٹیکس سے پہلے منافع
30,545	51,615	ٹیکس
13,134	28,626	ٹیکس کے بعد منافع
2.32	5.06	آمدنی فی حصص

### 2 - آپریسٹر کا جائزہ

جاترے کے تحت سال کے دوران واہڈ آئل کی کل پیداوار 11,957 میٹرک ٹن، کھل چورہ اور صابن 47,001 میٹرک ٹن رہی جبکہ پچھلے سال واہڈ آئل کی پیداوار 10,797 میٹرک ٹن اور کھل چورہ اور صابن کی کل پیداوار 43,007 میٹرک ٹن رہی۔

اسی طرح برائے سال واہڈ آئل کی فروخت 11,129 میٹرک ٹن اور کھل چورہ اور صابن کی فروخت 48,503 میٹرک ٹن رہی جبکہ گذشتہ سال واہڈ آئل کی فروخت 11,337 میٹرک ٹن اور کھل چورہ اور صابن کی فروخت 42,257 میٹرک ٹن تھی۔

زیر جاترہ سال کے دوران ہماری فروخت میں %28.83 فیصد کا اضافہ ہوا ہے اور انتظامیہ نے تمام معاشی، عمومی رکاوٹوں اور برہمتی ہوئی خام مال کی قیمتوں کو مد نظر رکھتے ہوئے ٹیکس کے بعد خالص منافع 28.626 ملین روپے کمانے پر نہایت خوشی کا اظہار کیا ہے۔ کمپنی انتظامیہ نے مارکیٹ میں اپنا حجم بڑھانے کے لئے جو اقدامات کئے ہیں وہ قابل ستائش ہیں اس سے وسیع پیداوار کی کھپت ہو جائیگی۔ قلیل مدتی قرضے، درآمدی خام مال میں اضافے اور شرح سود میں اضافے کی وجہ سے مالیاتی لاگت میں اضافہ ہوا۔

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

2020	2019	2018	2017	2016	2015	2014	
5,011,834,462	3,890,162,788	3,479,371,550	2,874,122,880	1,421,340,266	1,837,061,912	1,528,661,058	فروخت
4,693,181,200	3,660,642,454	3,318,027,883	2,543,101,055	1,319,820,100	1,746,878,928	1,435,275,470	فروخت سامان کی قیمت
318,653,262	229,520,334	161,703,667	131,021,825	101,520,166	90,182,984	93,385,588	کل منافع
277,174,710	186,778,177	124,684,768	91,934,797	70,515,865	67,146,549	68,260,876	اوپر ڈنک منافع
80,240,850	43,678,950	33,580,284	38,094,460	15,759,125	3,271,499	31,920,290	ٹیکس سے پہلے منافع
28,626,093	13,134,221	12,357,893	20,781,498	10,536,643	(9,098,091)	24,347,914	ٹیکس کے بعد منافع
56,584,000	56,584,000	56,584,000	56,584,000	56,584,000	56,584,000	56,584,000	اداشہ صراہ
2,319,975,059	1,707,629,660	1,199,535,510	1,384,709,725	1,028,704,761	928,070,722	600,257,189	موجودہ اثاثہ جات
1,942,834,130	1,366,839,957	882,182,269	1,070,407,139	727,933,015	662,299,145	320,313,973	موجودہ اثاثہ جات

#### 4۔ ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے نقد ڈیویڈنڈ 0% (2019: 10%) کی سٹارٹس کی ہے۔

#### 5۔ آڈیٹرز

موجودہ آڈیٹرز میسرز اسلم ملک ایچ این سی، چارٹرڈ اکاؤنٹنٹس جو کہ ریٹائر ہوئے ہیں اور سال 30 جون 2021 کے انتخاب کیلئے دوبارہ اپنے آپ کو پیش کرتے ہیں۔

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

30 جون 2020 کو ختم ہونے والے سال کے دوران بورڈ کے چار (4) اجلاس منعقد ہوئے۔

ڈائریکٹرز کے نام	اجلاس میں شرکت کی۔
شہزاد علی خان	4
نوابزادہ وجاہت علی خان	3
چوہدری محمد طاہر	2
احسن الدین	2
نوابزادی بیگم شہیم شفقت	4
صدر اقبال خان	4
شہزاد علی خان	4
سکندر علی خان	2
جاوید عمر	1

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

#### دوران سال بورڈ میں ہونے والی تہدیلیاں

#### اتفاقی آسامیاں

دوران سال مندرجہ ذیل اتفاقی آسامیاں واقع ہوئیں۔

جانبے والے ڈائریکٹران	جانبے آنے والے ڈائریکٹران	نئے ڈائریکٹران کی تاریخ تقرری
احسن الدین	سکندر علی خان	23 جنوری 2020
چوہدری محمد طاہر	جاوید عمر	10 مارچ 2020

#### 7۔ آڈٹ کمیٹی

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

صدر اقبال خان	چیرمین
نوابزادہ وجاہت علی خان	ممبر
شہزاد علی خان	ممبر

#### B۔ افرادی قوت اور معاوضہ کمیٹی

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

نوابزادہ وجاہت علی خان	چیرمین
سکندر علی خان	ممبر
صدر اقبال خان	ممبر

#### 8۔ واجب الادا قانونی ادائیگیاں

روزمرہ کے علاوہ ٹیکسوں، بھجولات، جرمانہ اور سچے کی حد میں کوئی قانونی ادائیگی واجب الادا نہیں ہے۔

### 10۔ شیئر ہولڈنگ کا نمونہ

30 جون 2020 کے حصص ہولڈنگ کا نمونہ لکھ جاوے۔

### 11۔ ڈائریکٹران کے تاثرات

کھیتی کے ڈائریکٹران نے کارپوریٹ کوڈ کا جائزہ لیا اور اس بات کی تصدیق کرتے ہوئے خوشی کا اظہار کیا ہے کہ کھیتی نے سٹیورٹ ز ایگزیکٹو آف پاکستان (ایس ای سی پی) کے شیعین کردہ دفعات کی مکمل تہیل کی ہے۔ اور پاکستان ٹاکس ایجنسی کے شیئنگ رجسٹریشن کے شیئنگ کردہ بہترین اصولوں کے برعکس سٹیورٹ ز ایگزیکٹو آف پاکستان (ایس ای سی پی) کی۔

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

b۔ اکاؤنٹس کی مناسب کتابیں تیار کی گئی ہیں۔

c۔ مالی حسابات کے تیار کرنے میں پچھلے سالوں کی اکاؤنٹنگ پالیسیاں لاگو کی ہیں اور مالی تخمینہ جات معتدل اور پکا فیصلوں پر مبنی ہے۔

d۔ پاکستان میں سرحدی بین الاقوامی اکاؤنٹنگ سٹیٹنڈرڈز کو مالیاتی حسابات کی تیاری میں استعمال کیا گیا ہے۔

e۔ اعزلی کنٹرول کا شیئنگ کردہ منظم طریقہ کار موثر انداز میں عملی کیلئے نافذ ہے۔

f۔ قلیل مدتی اثاثے، قلیل مدتی واجبات سے 377.141 ملین روپے زیادہ ہیں اور حصص داران کی سرمایہ کاری مثبت میں ہے۔

g۔ کارپوریٹ گورننس کے شیئنگ کردہ بہترین اصولوں کے برعکس سٹیورٹ ز ایگزیکٹو آف پاکستان (ایس ای سی پی) کی۔

### 12۔ سماجی ذمہ داریاں

کھیتی کی انتظامیہ واجبات کے بارے میں اپنی معاشرتی ذمہ داریوں کو ذہن میں رکھتے ہوئے ہیں اور وہ ماحول پر ہمارے آپریشن کے تاثرات پر قابو پانے کیلئے پوزیشن ہے اور پاکستان میں ایک بہتر اور ماحولیاتی دوست مستقبل کو فروغ دینے کیلئے آلودگی پر قابو پانے کیلئے ماحولیاتی قانون سازی کی تہیل کرتی۔

### 13۔ آئینہ کار کا لاگو عمل

ہم اپنی آئینی کارکردگی کو جاری رکھنے کا عزم رکھتے ہیں اور انشا اللہ خدمتِ محنت، بروقت فیصلہ اور اجتماعی کوشش سے تمام مشکلات پر قابو پائیں گے۔ ہم امید کرتے ہیں کہ سال 2020-21 میں ہم بہتر مالی حیثیت پیش کریں گے۔ تہیل کے شیئوں کی قیمتوں میں عالمی سطح پر بڑھاؤ کا رجحان ہے جو ہماری موجودہ تیار شدہ محصولات کو بہتر شیئوں میں فروخت کرنے میں معاون ثابت ہوگا۔ ہم مزید توقع کرتے ہیں کہ مقامی سطح کی فصل کے معیار میں مزید بہتری آئیگی اور اگلے مالی سال میں ہم بہتر پیداوار حاصل کریں گے۔

### 14۔ اظہار تشکر

ہمارا یہ اعزاز ہے کہ ہم سال کے دوران کھیتی کے ملازمین کی طرف سے دکھائی جانے والی اختلاف کوششوں اور لگن کیلئے بے حد مشکور ہیں۔

ہم اپنے قابل قدر سٹریٹیجیوں، سپلائیرز، فنانسرز اور شہر ہولڈرز کے تعاون اور ہماری کھیتی پر اعتماد کا شکریہ ادا کرتے ہیں۔

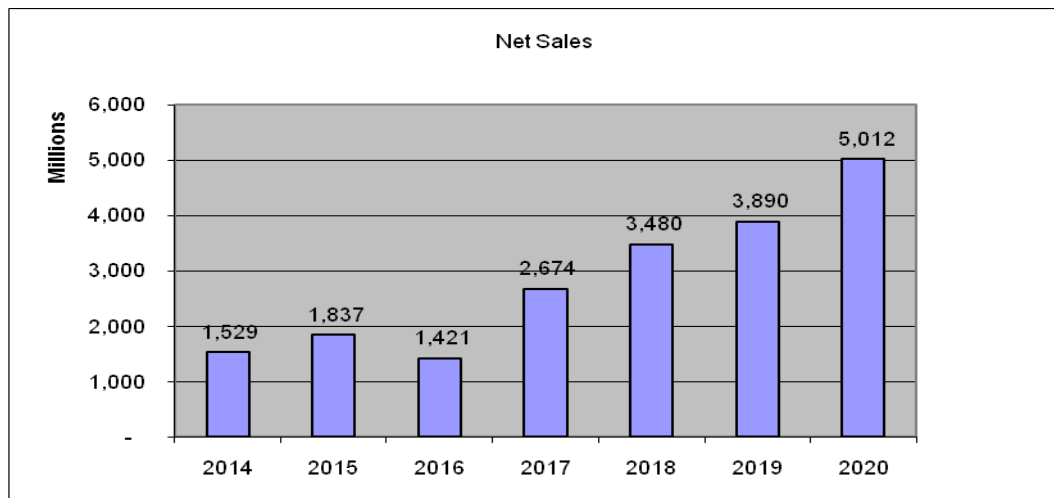
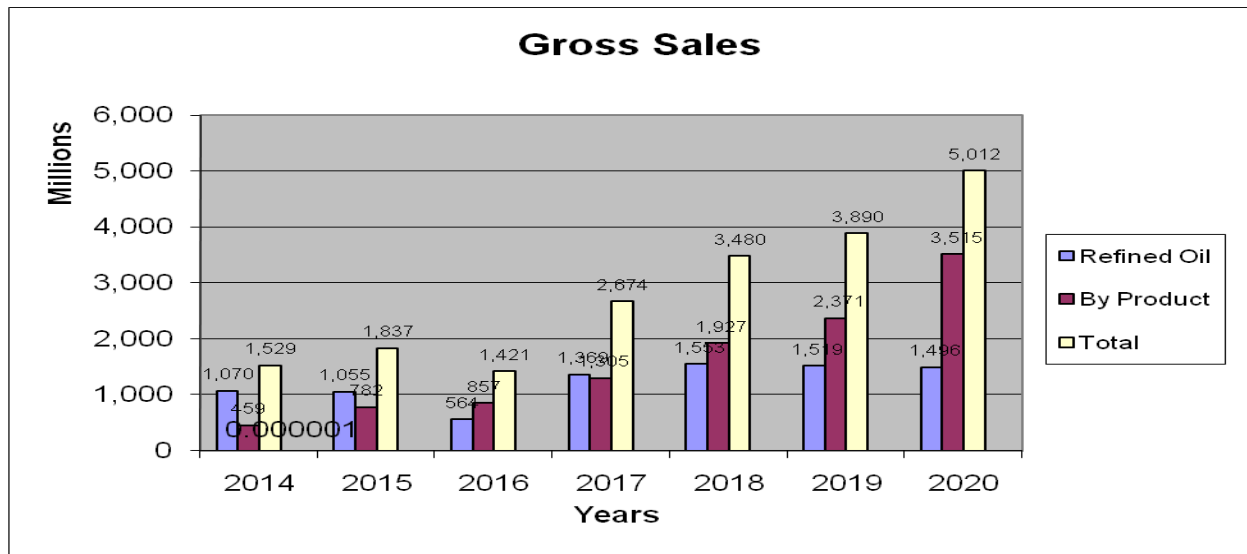
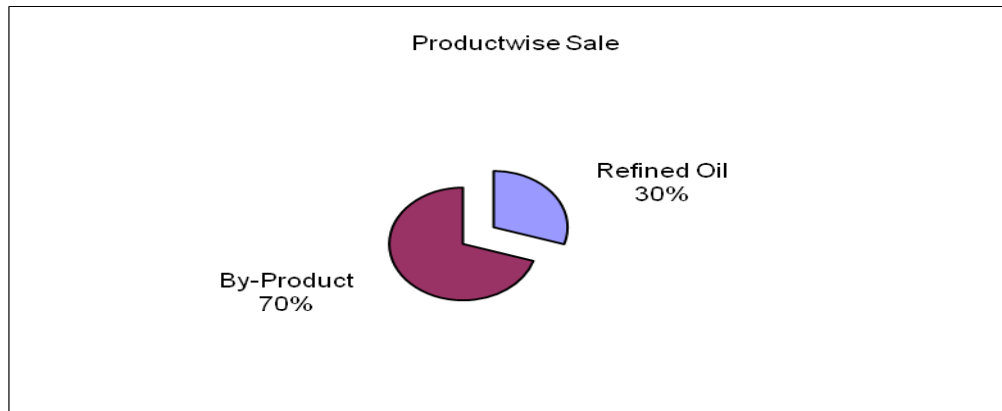
منجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو

لاہور 8 اکتوبر 2020

STATISTICAL PERFORMANCE CHART AND GRAPHS





## Statement of Compliance

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

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

**Year ending:** June 30, 2020

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

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

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

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. In terms of Regulation 19 of the 2019 Code, companies are encouraged that all directors on their board have acquired the prescribed certification under Directors' Training Program (DTP) by June 30, 2022. Presently, four (4) directors of the Company meet the exemption requirement of the DTP, two (2) directors appointed during the year and remaining one (1) director shall obtain certification under the DTP in due course of time.
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

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

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

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

Committees	Frequency
<b>Audit Committee</b>	<b>Four quarterly meetings were held during the financial year ended June 30, 2020</b>
<b>HR &amp; Remuneration Committee</b>	<b>One meeting was held during the financial year ended June 30, 2020</b>

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



Chief Executive



Chairman of Board

Lahore  
October 06, 2020

## INDEPENDENT AUDITOR'S REPORT

### TO MEMBERS To S.S OIL MILLS LIMITED

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the annexed financial statements of S.S. OIL MILLS LIMITED (the Company), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss and the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

##### Basis for Opinion

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

##### Key Audit Matters

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

##### Following are the key Audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p><b>Stock in Trade:</b></p> <p>Refer notes 4.5 and 16 to the financial statements, the Company has stock-in-trade aggregating Rs.1,250 million comprising raw materials, finished goods and work in progress. We identified this area as a key audit matter because stock-in-trade constitutes 41% of the total assets of the Company as at June 30, 2020 and determining an appropriate</p>	<p>Our audit procedures in respect of this area included:</p> <ul style="list-style-type: none"> <li>➤ Observation of physical inventory count procedures and compared on a sample basis, physical count with valuations sheets;</li> <li>➤ Compared on a sample basis specific purchases and directly attributable cost with underlying supporting documents;</li> </ul>

	<p>write down as a result of net realizable value (NRV) involves management judgement and estimation.</p>	<ul style="list-style-type: none"> <li>➤ Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards; and</li> <li>➤ We also considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017.</li> </ul>
<p>2.</p>	<p><b>Borrowing:</b>                  The Company has significant amounts of borrowings from Banks amounting to Rs.1,820 million being 60% of total financial position, as at reporting date.                  Given the significant level of borrowings, finance costs, the disclosure given by the management in financial statements and compliance with various loan covenants, this is considered to be a key audit matter</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>➤ Review of loan agreements and facility letters to ascertain the terms and conditions of repayment, rates of markup used and disclosed by management for finance costs and to ensure that the borrowings have been approved at appropriate level.</li> <li>➤ Verification of disbursement of loans and utilization on sample basis. Review of documents for charge registration with regulator- SECP.</li> <li>➤ Verification of repayments made by the Company during the year on sample basis to confirm that repayments are being made on time and no default has been made.</li> <li>➤ Understanding and assessing procedures designed by management to comply with the debt covenants and performing covenant tests on sample basis.</li> <li>➤ Obtaining confirmation from Banks of the Company to confirm balances, terms &amp; conditions stated in the facility offer letter and compliance thereof.</li> <li>➤ Performing analytical procedures, recalculations and other related procedures for verification of finance costs.</li> <li>➤ Ensuring that the outstanding liabilities have been properly classified and related securities and other terms are adequately disclosed in the financial state</li> </ul>

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

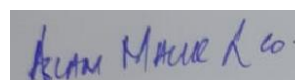
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes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

#### Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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



Place: Lahore  
Date: October 06, 2020

(Aslam Malik & Co.)  
Chartered Accountants

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of S.S. Oil Mills Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **S.S. Oil Mills Limited** for the year ended 30 June 2020 in accordance with the requirements of regulation 36 of the Regulations.

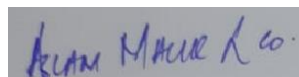
The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2020.

Place: Lahore  
Date: October 06, 2020



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



**S. S. OIL MILLS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
AS AT JUNE 30, 2020

EQUITY & LIABILITIES	Note	30-Jun-20 Rupees	30-Jun-19 Rupees	ASSETS	Note	30-Jun-20 Rupees	30-Jun-19 Rupees
<b>SHARE CAPITAL AND RESERVES</b>				<b>NON-CURRENT ASSETS</b>			
<b>Authorised</b>				<b>Fixed Assets - Tangible</b>			
7,000,000 Ordinary Shares of Rs. 10 each		70,000,000	70,000,000	Operating Fixed Assets	13	724,372,538	764,496,735
<b>Issued, Subscribed and Paid up</b>				<b>LONG TERM DEPOSITS</b>			
Accumulated Profit	5	56,584,000	56,584,000		14	4,343,650	3,343,650
Surplus on Revaluation of Fixed Assets	6	555,882,079	484,565,196			728,716,188	767,840,385
-Net of Deferred tax		398,285,709	428,775,687				
		1,010,751,788	969,924,883				
<b>NON-CURRENT LIABILITIES</b>				<b>CURRENT ASSETS</b>			
Long Term Loan	7	9,845,000	12,307,000	Stores & Spares	15	46,629,173	53,494,504
<b>DEFERRED LIABILITIES</b>				Stocks in Trade	16	1,250,252,205	688,133,861
	29	85,260,329	126,398,205	Trade Debtors	17	922,932,767	900,529,109
<b>CURRENT LIABILITIES</b>				Advances, Deposits, Prepayments and Other Receivables	18	77,613,293	35,778,305
Creditors, Accrued and other Liabilities	8	78,568,261	58,389,292	Cash and Bank Balances	19	22,547,621	29,693,881
Markup Accrued		19,228,664	28,039,180			2,319,975,059	1,707,629,660
Current Portion of Long Term Loan	7	2,462,000	2,462,000			<b>3,048,691,247</b>	<b>2,475,470,045</b>
Short Term Borrowings	9	1,820,126,649	1,255,841,798				
Loan from Directors and Associates	10	20,837,014	20,837,014				
Unpaid Dividend	11	1,611,542	1,270,673				
		1,942,834,130	1,366,839,957				
<b>Contingencies and Commitments</b>							
	12	-	-				
		<b>3,048,691,247</b>	<b>2,475,470,045</b>				

The annexed notes 1 to 40 form an integral part of these financial statements

  
**Chief Executive**

  
**Director**

  
**Chief Financial Officer**

**S.S. OIL MILLS LIMITED****STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2020**

<b>PARTICULARS</b>	<b>Note</b>	<b>30-Jun-20 Rupees</b>	<b>30-Jun-19 Rupees</b>
Sales - Net	20	5,011,834,462	3,890,162,788
Less: Cost of Goods Sold	21	4,693,181,200	3,660,642,454
<b>Gross Profit</b>		<b>318,653,262</b>	<b>229,520,334</b>
Administrative and General Expenses	22	37,337,482	31,416,975
Selling & Distribution Costs	23	4,141,070	11,325,182
		41,478,552	42,742,157
<b>Operating Profit</b>		<b>277,174,710</b>	<b>186,778,177</b>
Other Income	24	1,687,329	704,550
		278,862,039	187,482,727
Financial Costs	25	191,715,179	140,105,748
Other Expenses	26	6,906,010	3,698,029
		198,621,189	143,803,777
<b>Net Profit for the Year Before Taxation</b>		<b>80,240,850</b>	<b>43,678,950</b>
<b>Taxation</b>	27	51,614,757	30,544,729
<b>Profit for the Year After Taxation</b>		<b>28,626,093</b>	<b>13,134,221</b>
Earning per Share (Rs. / Share) Basic and Diluted	28	<b>5.06</b>	<b>2.32</b>

The annexed notes 1 to 40 form an integral part of these financial statements



Chief Executive



Director

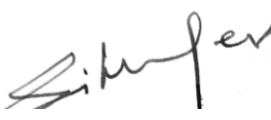


Chief Financial Officer

**S. S. OIL MILLS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	30-Jun-20 Rupees	30-Jun-19 Rupees
<b>Profit after Taxation</b>	28,626,093	13,134,221
<i>Items that cannot be reclassified to Profit or Loss</i>		
Remeasurement of defined benefit plan	545,458	235,893
Related tax impact	(158,183)	-
Revaluation Surplus-Net of Deferred Tax	-	257,205,566
<b>Total Comprehensive Income</b>	<b>29,013,368</b>	<b>270,575,680</b>

  
**Chief Executive**

  
**Director**

  
**Chief Financial Officer**

**S.S.OIL MILLS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	30-Jun-20 Rupees	30-Jun-19 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before taxation</b>	80,240,850	43,678,950
Adjustment for:		
Provision for Depreciation	61,108,772	39,877,273
Finance Cost	191,715,179	140,105,748
Other Expenses (WPPF & WWF)	6,906,010	3,698,029
Gratuity	1,217,765	1,040,829
	<u>260,947,726</u>	<u>184,721,879</u>
<b>Profit before working capital changes</b>	341,188,576	228,400,829
<b>(Increase)/decrease in current assets</b>		
Stores and spares	6,865,331	(16,464,834)
Stock in trade	(562,118,344)	(133,813,721)
Trade debtors	(22,403,658)	(344,785,831)
Advances, deposits, prepayments & Other Receivables	(49,826,624)	7,232,818
	<u>(627,483,295)</u>	<u>(487,831,568)</u>
<b>Increase/ (Decrease) in current liabilities</b>	17,311,859	14,557,683
	<u>(610,171,436)</u>	<u>(473,273,885)</u>
Taxes Paid - net	(66,885,954)	(46,354,724)
W.W.F. Paid	(1,329,180)	(685,312)
W.P.P.F. Paid	(2,368,849)	(1,803,452)
Gratuity Paid	(1,233,600)	(1,041,800)
Dividend Paid	(5,658,400)	(5,658,400)
Financial Charges Paid	(200,525,695)	(126,345,083)
	<u>(278,001,677)</u>	<u>(181,888,772)</u>
<b>Net Cash from Operating Activities</b>	<u>(546,984,537)</u>	<u>(426,761,828)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed Assets Purchased	(20,984,575)	(5,998,556)
Long Term Deposits	(1,000,000)	-
	<u>(21,984,575)</u>	<u>(5,998,556)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Increase in Short term loans	564,284,851	453,899,076
Net Increase in Long term loans	(2,462,000)	(1,231,000)
	<u>561,822,851</u>	<u>452,668,076</u>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENT</b>	(7,146,260)	19,907,691
<b>Cash &amp; Cash Equivalents at the beginning of the Year</b>	29,693,881	9,786,190
<b>Cash &amp; Cash Equivalents at the end of the Year</b> <b>A</b>	<u>22,547,621</u>	<u>29,693,881</u>

Cash & Cash Equivalents include cash and bank balances as stated in Note 19  
The annexed notes 1 to 40 form an integral part of these financial statements

  
Chief Executive

  
Director

  
Chief Financial Officer

**S.S.OIL MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Particulars	Share Capital (Rupees)	Accumulated Profit (Rupees)	Revaluation Surplus (Rupees)	Equity (Rupees)
<b>Balance as on June 30, 2018</b>	56,584,000	454,104,687	186,586,037	<b>697,274,724</b>
Total Comprehensive Income for the year	-	13,370,114	-	<b>13,370,114</b>
Revaluation during the year-Net of Deferred Tax			257,205,566	<b>257,205,566</b>
Dividend Paid for the year Ended June 30, 2018	-	(5,658,400)	-	<b>(5,658,400)</b>
Transferred from surplus on revaluation of Fixed Assets -Current Year	-	22,748,795	(15,015,916)	<b>7,732,879</b>
<b>Balance as at June 30, 2019</b>	<b>56,584,000</b>	<b>484,565,196</b>	<b>428,775,687</b>	<b>969,924,883</b>
Total Comprehensive Income for the year	-	29,013,368	-	<b>29,013,368</b>
Dividend Paid for the year Ended June 30, 2019		(5,658,400)	-	<b>(5,658,400)</b>
Transferred from surplus on revaluation of Fixed Assets -Net of Deferred Tax	-	47,961,915	(30,489,978)	<b>17,471,937</b>
<b>Balance as at June 30, 2020</b>	<b>56,584,000</b>	<b>555,882,079</b>	<b>398,285,709</b>	<b>1,010,751,788</b>

The annexed notes 1 to 40 form an integral part of these financial statements



Chief Executive



Director



Chief Financial Officer

**S S OIL MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**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 Adoption of New And Revised Standards And Interpretations**

**Standards, interpretations and amendments to published approved accounting standards that are effective and relevant**

IFRS 16 "Leases", IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (right to use lease item) and lease liability to pay rentals are recognized. The only exception are short term and low value leases. The application of IFRS 16 has no impact on the financial statements of the Company.

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 date (annual periods beginning on or after
IAS 1 Presentation of financial statements (Amendments)	January 01, 2020
IAS 8 Accounting policies, changes in accounting estimates and errors (Amendments)	January 01, 2020
IAS 16 Property, Plant and Equipment (Amendments)	January 01, 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 01, 2022
IAS 41 Agriculture (Amendments)	January 01, 2020
IASB Conceptual Framework for Financial Reporting (Revised)	January 01, 2020
IFRS 3 Business combinations (Amendments)	January 01, 2020
IFRS 4 Insurance Contracts (Amendments)	January 01, 2023
IFRS 7 Financial Instruments : Disclosures (Amendments)	January 01, 2020
IFRS 9 Financial Instruments (Amendments)	January 01, 2020
IFRS 16 Leases	June 01, 2020

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 17 Insurance Contracts

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

- 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 depreciation except capital work-in-progress which is stated at cost.

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

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

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

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

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

##### **Lease Liability**

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

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

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

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

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

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

**4.4 Stores & Spares**

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

**4.5 Stock in Trade:**

Basis of valuation are as follows:

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 in accordance by applying the following steps:

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

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

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

**4.11 Foreign Currency Translations.**

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

**4.12 Trade Debts and other receivables**

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



## 4.13 Borrowing Costs

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

## 4.14 Provisions

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

## 4.15 Financial Instruments

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

### 4.15.1 Financial Assets Classification

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

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

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

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

#### Recognition and derecognition

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

#### Measurement

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

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

#### Debt Instrument

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

##### a) Amortised Cost

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

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

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

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

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

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

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

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

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

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

## **Impairment of financial assets**

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

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

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

## **Simplified approach for trade debts**

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

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

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

## **Recognition of loss allowance**

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

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

## **Write-off**

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

## **4.15.2 Financial Liabilities**

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

The Company classifies its financial liabilities in the following categories:

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

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

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

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

#### **b) Amortised cost**

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

## **De-recognition of financial liabilities**

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

### **4.15.3 Off-setting of financial assets and financial liabilities.**

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

### **4.16 Financial Expenses**

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

### **4.17 Impairment of Assets**

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

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

### **4.18 Trade and Other Payable**

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

### **4.19 Dividend and other appropriations**

Dividend 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.

**S.S.OIL MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	30-Jun-20	30-Jun-19
	Rupees	Rupees
<b>5 Issued, Subscribed and paid up Capital</b>		
5,018,400 (2019: 5,018,400) ordinary shares of Rs. 10/- fully paid in cash	50,184,000	50,184,000
640,000 (2019: 640,000) Ordinary shares of Rs. 10/- each issued for consideration other than cash	6,400,000	6,400,000
	<u>56,584,000</u>	<u>56,584,000</u>
<b>6 Surplus on Revaluation of Fixed Assets - Net of Deferred Tax</b>		
Surplus on Revaluation Opening Balance	556,067,743	235,859,579
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	(30,489,978)	(15,015,916)
Related deferred tax liability of incremental depreciation charged during the year	(17,471,936)	(7,732,879)
<b>Surplus on Revaluation of Fixed Assets</b>	<u>508,105,829</u>	<u>556,067,743</u>
Less: related Deferred Tax Liability		
-revaluation as at July 1	127,292,056	49,273,542
-revaluation recognized during the year	-	85,751,393
-incremental depreciation charged during the year transferred to Profit and Loss account	(17,471,936)	(7,732,879)
	<u>109,820,120</u>	<u>127,292,056</u>
	<u>398,285,709</u>	<u>428,775,687</u>
<b>7 Long Term Loan (FFSAP)</b>	12,307,000	14,769,000
Less: Current Portion of long Term loan	2,462,000	2,462,000
	<u>9,845,000</u>	<u>12,307,000</u>
<b>7.1</b> 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.		
<b>8 Creditors, Accrued and Other Liabilities</b>		
Creditors	46,379,191	42,210,760
Accrued liabilities	15,032,507	7,856,866
Contract Laibilities	786,501	955,106
Withholding Tax Payable	9,464,052	3,668,531
Workers Welfare Fund Payable	2,548,667	1,329,180
Workers Profit Participation Fund Payable	4,357,343	2,368,849
	<u>78,568,261</u>	<u>58,389,292</u>
<b>8.1 Workers Profit Participation Fund</b>		
Balance as on July 01	2,368,849	1,803,452
Contribution due for the year	4,357,343	2,368,849
	<u>6,726,192</u>	<u>4,172,301</u>
Payments made during the year	2,368,849	1,803,452
	<u>4,357,343</u>	<u>2,368,849</u>
<b>9 Short Term Borrowings</b>		
Short Term Financing - Secured	1,820,126,649	1,255,841,798
	<u>1,820,126,649</u>	<u>1,255,841,798</u>

		30-Jun-20	30-Jun-19
		Rupees	Rupees
9.1	<b>Short Term Financing - Secured</b>		
	BOP - Running Finance	42,558,898	42,559,302
	BOP	358,833,599	212,093,037
	SILK BANK LTD	342,337,253	235,520,449
	BANK ALFALAH LTD	398,516,642	231,484,990
	SAMBA BANK LTD	463,265,074	266,311,301
	SONERI BANK LTD	90,588,761	101,406,006
	BANKISLAMI	124,026,422	166,466,713
		<b>1,820,126,649</b>	<b>1,255,841,798</b>
<p>These finances have been obtained on mark up basis from commercial banks against aggregate sanctioned limit of Rs. 2,075/- Million (2019: Rs. 1,900/- Million).</p> <p>The rate of mark up of BOP is 3 months KIBOR + 135 bps</p> <p>Mark up Rate of FIM facility provided by SILK Bank Limited for Rs. 400 (M) is 3 month Kibor +400 bps.</p> <p>Mark up Rate of FIM facility provided by Soneri Bank Limited for Rs. 200 (M) is 3 month Kibor + 150 bps.</p> <p>Mark up Rate of FIM and FATR facility provided by Samba Bank for Rs. 525 (M) is 1 month Kibor + 125 bps.</p> <p>Mark up Rate of FIM and FATR facility provided by Bank Alfalah for Rs. 475 (M) is 3 month Kibor + 175 bps.</p> <p>Mark up Rate of FIM facility provided by BankIslami for Rs. 225 (M) is 3 month Kibor + 175 bps.</p> <p>These are secured by pledge/hypothecation of Stocks, first charge on fixed/current assets of the company and promissory notes.</p>			
10	<b>Loan From Directors and Associates</b>	20,837,014	20,837,014
		<b>20,837,014</b>	<b>20,837,014</b>
10.1	This amount represents interest free loan received from directors and associates and repayable on demand.		
11	<b>Unpaid Dividend</b>		
	This amount represents dividend of various shareholders pending due to compliance of SRO # 831(I)/2012 dated July 05, 2012.		
12	<b>Contingencies and Commitments</b>		
12.1	<b>Contingencies</b>		
	NIL		
12.2	<b>Commitments</b>		
a)	The company has commitments against letter of credit issued in the normal course of business amounting to Rs. 374,211,684/-(\$2,223,480/-) (2019 Rs. 716,089,885/-(\$4,353,130/-)) in favour of foreign suppliers for raw material.		
b)	Letter of Guarantee issued in favour of SNGPL Rs. 21.00 million and PSO Rs. 10.00 million(2019: SNGPL Rs. 21.00 million and PSO Rs. Nil).		
13	<b>Operating Fixed Assets</b>	724,372,538	764,496,735
	(As per fixed assets schedule attached.)	<b>724,372,538</b>	<b>764,496,735</b>
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 - 2020

PARTICULARS	C O S T				D E P R E C I A T I O N					W.D.V
	As at July 1, 2019	Addition/ (Deletion)	Revaluation of Fixed Assets	As at June-30, 2020	Rate %	As at July 1, 2019	Adjustment	Normal Charge for the Year	As at June-30, 2020	As at June-30, 2020
Land-freehold	89,550,000	-	-	89,550,000	-	-	-	-	-	89,550,000
Buildings	223,548,107	-	-	223,548,107	5	72,288,990	-	7,562,956	79,851,946	143,696,162
Plant and machinery	859,111,731	20,984,575	-	880,096,306	10	347,016,092	-	51,734,178	398,750,270	481,346,036
Electric Installation	13,488,463	-	-	13,488,463	10	9,730,431	-	375,803	10,106,234	3,382,229
Office Equipment	1,796,810	-	-	1,796,810	10	1,562,829	-	23,398	1,586,227	210,583
Furniture and Fixtures	729,929	-	-	729,929	10	604,318	-	12,561	616,879	113,050
Tools and equipment	3,278,625	-	-	3,278,625	10	2,425,086	-	85,354	2,510,440	768,185
Vehicles	26,943,026	-	-	26,943,026	20	20,526,481	-	1,283,309	21,809,790	5,133,236
Tractor & Trolleys	1,735,590	-	-	1,735,590	20	1,627,736	-	21,571	1,649,307	86,283
Fire fighting equipment	668,923	-	-	668,923	10	616,113	-	5,281	621,394	47,529
Arms & Ammunition	221,375	-	-	221,375	10	194,628	-	2,675	197,303	24,072
Tarpauline	100,000	-	-	100,000	10	83,141	-	1,686	84,827	15,173
<b>Total Free Hold Assets</b>	<b>1,221,172,579</b>	<b>20,984,575</b>	<b>-</b>	<b>1,242,157,154</b>		<b>456,675,845</b>		<b>61,108,772</b>	<b>517,784,617</b>	<b>724,372,538</b>
<b>2020</b>	<b>1,221,172,579</b>	<b>20,984,575</b>	<b>-</b>	<b>1,242,157,154</b>		<b>456,675,845</b>	<b>-</b>	<b>61,108,772</b>	<b>517,784,617</b>	<b>724,372,538</b>

OPERATING FIXED ASSETS - 2019

PARTICULARS	C O S T				D E P R E C I A T I O N					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 & Trolleys	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
<b>Total Free Hold Assets</b>	<b>872,217,064</b>	<b>5,998,556</b>	<b>342,956,959</b>	<b>1,221,172,579</b>		<b>416,798,572</b>		<b>39,877,273</b>	<b>456,675,845</b>	<b>764,496,735</b>
<b>2019</b>	<b>872,217,064</b>	<b>5,998,556</b>	<b>342,956,959</b>	<b>1,221,172,579</b>		<b>416,798,572</b>	<b>-</b>	<b>39,877,273</b>	<b>456,675,845</b>	<b>764,496,735</b>

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. 248.307 million (2019: Rs. 251.986 million).

13.4.2 Depreciation for the year has been allocated as under

	2020 Rupees	2019 Rupees
Cost of Goods Sold / Manufacturing	59,781,548	38,224,342
Administrative / General	1,327,224	1,652,931
	<u>61,108,772</u>	<u>39,877,273</u>

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

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

		30-Jun-20	30-Jun-19
		Rupees	Rupees
<b>14 Long Term Deposits</b>			
	LESCO (WAPDA)	1,218,650	1,218,650
	LETTER OF GUARANTEE MARGIN (SNGPL)	3,100,000	2,100,000
	SECURITY DEPOSIT - CDC	25,000	25,000
		4,343,650	3,343,650
<b>15 Stores and Spares</b>			
	There are no stores and spares held for specific capitalization.	46,629,173	53,494,504
<b>16 Stock in Trade</b>			
	Raw Material - Seed	757,610,986	537,080,215
	Finished Goods	166,149,495	151,053,646
	Stock in Transit	326,491,724	-
		1,250,252,205	688,133,861
<b>17 Trade Debtors</b>			
	<b>Due from related Parties</b>	297,310,801	233,772,050
	<b>Others</b>	625,621,966	666,757,059
		922,932,767	900,529,109
	<b>17.1</b> Due from related parties		
	S.S Feed Mills Pvt Ltd	297,310,801	233,772,050
	<b>17.2</b> Aggregate maximum outstanding balance of trade debts due from related parties at the end of any month during the year was Rs. 362,523,530/- (2019: Rs. 233,772,050/- ).		
	<b>17.3</b> These are unsecured but considered good		
	<b>17.4</b> As of June 30, 2020, trade debts due from related parties of Rs Nil (2019: Rs Nil) were past due but not impaired.		
<b>18 Advances, Deposits, Prepayments and Other Receivables</b>			
	Advances:		
	Employees	34,890	35,000
	Suppliers/Contractors	4,582,024	4,500,262
	Prepayments		
	Advance Against Import	4,762,510	764,282
	Prepaid Insurance	3,190,138	2,931,138
	Sales Tax Advance	56,868,923	11,381,179
	Income Tax - Net	8,174,808	16,166,444
		77,613,293	35,778,305
	18.1 These are unsecured but are considered good.		
<b>19 Cash and Bank balances</b>			
	These balances were held at different banks		
	in Saving Accounts	2,289,406	2,170,841
	in Current Accounts	20,253,488	27,393,748
		22,542,894	29,564,589
	Cash in Hand	4,727	129,292
		22,547,621	29,693,881
	<b>19.1</b> These balances carry interest / mark-up ranging from 3.25% to 7.5% (2019: 3.8% to 10.7%) per annum.		
<b>20 Sales</b>			
	Refined Oil	1,750,846,246	1,519,239,127
	By Products	3,872,512,659	2,613,108,915
		5,623,358,905	4,132,348,042
	Less: Sales Tax	611,524,443	242,185,254
	<b>Net sales</b>	5,011,834,462	3,890,162,788
	20.1 During the year company has recognized revenue, amounting to Rupess 955,106 out of contract liability as at 1st July 2019.		
	20.2 Revenue has been recognized at a point in time for local sales made during the year.		

		30-Jun-20	30-Jun-19
		Rupees	Rupees
<b>21</b>	<b>Cost of Sales</b>		
	Raw material consumed	4,140,533,841	3,279,704,770
	Freight Seed, Loading Unloading & Other Expenses	247,221,742	168,362,925
	Direct Material Consumed	59,547,353	44,718,821
	Stores and Spares Consumed	17,126,587	8,996,180
	Salaries and Benefits	39,745,740	36,314,951
	Power, Fuel and Other expenses	134,979,071	84,080,005
	Repair & Maintenance	6,752,300	3,924,848
	Insurance & Others	2,588,867	2,598,256
	Depreciation	59,781,548	38,224,342
	Cost of Goods Manufactured	4,708,277,049	3,666,925,098
	Add: Opening Stock of Finished Goods	151,053,646	144,771,002
	Cost of Goods Available for Sale	4,859,330,695	3,811,696,100
	Less: Closing Stock of Finished Goods	(166,149,495)	(151,053,646)
	Cost of Goods Sold	4,693,181,200	3,660,642,454
	<b>21.1 Raw Material Consumed</b>		
	Opening Stocks	537,080,215	314,860,850
	Purchases during the year	4,361,064,612	3,501,924,135
		4,898,144,827	3,816,784,985
	Less: Closing Stocks	757,610,986	537,080,215
		4,140,533,841	3,279,704,770
<b>22</b>	<b>Administrative and General Expenses</b>		
	Salaries and Benefits	20,621,556	14,990,169
	Electricity, Gas and Water Bills	3,407,737	3,488,986
	Communications	921,818	783,044
	Printing and Stationery	411,414	346,334
	Travelling, Conveyance & Other Expenses	1,197,763	1,778,241
	Vehicles Running Expenses	2,915,299	2,405,365
	Repair and Maintenance	1,096,084	768,166
	Legal and Professional Charges	240,000	855,000
	Entertainment Expenses.	1,361,198	1,271,888
	Fee and Subscription	1,346,208	1,019,801
	Advertisement	90,000	92,650
	Miscellaneous Expenses	1,201,181	1,114,400
	Depreciation	1,327,224	1,652,931
	Audit Fee	1,200,000	850,000
		37,337,482	31,416,975
	<b>22.1 Audit Fee</b>		
	Annual audit	1,050,000	750,000
	Review of half yearly financial statements	150,000	100,000
		1,200,000	850,000
<b>23</b>	<b>Selling and Distribution Expenses</b>		
	Freight, Forwarding and Shortage/Claims	2,892,028	10,971,908
	Commission and Other expenses	1,249,042	353,274
		4,141,070	11,325,182
<b>24</b>	<b>Other Income</b>		
	Profit on Bank Deposits	1,687,329	704,550
		1,687,329	704,550
<b>25</b>	<b>Financial Expenses</b>		
	Mark up on Short Term Bank Borrowings	189,302,100	138,371,928
	Bank Charges	2,413,079	1,733,820
		191,715,179	140,105,748
<b>26</b>	<b>Other Expenses</b>		
	Worker's Profit Participation Fund	4,357,343	2,368,849
	Worker Welfare's Fund	2,548,667	1,329,180
		6,906,010	3,698,029



	30-Jun-20	30-Jun-19
	Rupees	Rupees
<b>27 Taxation</b>		
Current Year		
-For the Year	75,177,517	48,627,035
-For the Prior Year	(299,928)	(2,627,202)
Deferred Tax	(23,262,832)	(15,455,103)
	51,614,757	30,544,729

**27.1** Corporate tax rate applicable for the year is 29% (2019: 29%).

**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

	2019	2018	2017
	Rupees		
Tax Provision as per Accounts	48,627,035	43,496,644	26,741,227
Tax Assessment	48,327,107	40,869,442	23,675,221

**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 @ 1.5% 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	28,626,093	13,134,221
weighted Average No. of Shares in Issue	5,658,400	5,658,400
	5.06	2.32

**29 Deferred Liabilities**

**Deferred Tax Credits Arising Due to:-**

Accelerated Depreciation on Fixed Assets	29.1	(28,445,615)	(5,340,966)
Surplus on Revaluation of Fixed Assets		109,820,120	127,292,055
		81,374,506	121,951,089

**Gratuity:-**

	29.2	3,885,823	4,447,116
		85,260,329	126,398,205

**29.1 Accelerated Depreciation on Fixed Assets**

Opening Balance	(5,340,966)	10,114,138
For the Year	(23,104,649)	(15,455,103)
Closing Balance	(28,445,615)	(5,340,966)

**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, 2020.

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	3,358,823	3,920,116
Benefits payables	527,000	527,000
Balance sheet liability/(asset)	3,885,823	4,447,116

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

Present values of defined benefit obligation	3,920,116	4,156,980
current service cost	747,042	713,582
interest cost on define benefit obligation	470,723	327,247
Benefit payments	(1,233,600)	(1,041,800)

**Remeasurements:**

Actuarial(gain/Loss) from changes in financial assumptions	(14,175)	13,220
Experience adjustments	(531,283)	(249,113)
	3,358,823	3,920,116

	30-Jun-20	30-Jun-19
	Rupees	Rupees
<b>29.2.3 The amounts recognized in the profit and loss account are as follows</b>		
Current service cost	747,042	713,582
Interest cost	470,723	327,247
	1,217,765	1,040,829
<b>29.2.4 Total Remeasurements chargeable in other comprehensive income</b>		
Actuarial(gain/Loss) from changes in financial assumptions	(14,175)	13,220
Experience adjustments	(531,283)	(249,113)
	(545,458)	(235,893)
<b>29.2.5 Allocation of charge for the year</b>		
Cost of sales	1,051,706	898,898
Administrative expenses	166,059	141,931
	1,217,765	1,040,829
<b>29.2.6 The principal actuarial assumptions used were as follows</b>		
Discount rate	14.25%	9.00%
Expected rate of increase in salary	7.50%	13.25%
Average expected remaining working life of employees	8 Years	7 Years
<b>29.2.7 Year end sensitivity analysis on defined benefit obligation</b>		
Discount Rate +100 bps	3,103,068	3,667,192
Discount Rate -100 bps	3,662,383	4,216,066
Salary Increase +100 bps	3,662,383	4,216,066
Salary Increase -100 bps	3,098,661	3,663,026

**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, 2020 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 2020
<b>Financial Assets</b>					
<b>At Amortised Cost</b>					
Long Term Deposits	-	-	-	4,343,650	4,343,650
Trade Debtors	-	-	-	922,932,767	922,932,767
Advances, Deposits	-	-	-	77,613,293	77,613,293
Cash In Hand & Bank	3.25 % to 7.5 %	2,289,406	-	20,258,215	22,547,621
<b>Total:</b>	-	<b>2,289,406</b>	-	<b>1,025,147,925</b>	<b>1,027,437,331</b>
<b>Financial Liabilities</b>					
<b>At Amortised Cost</b>					
Long term Loans	6%	2,462,000	9,845,000	-	12,307,000
Short Term Finances	3 Month KIBOR + 125 to 400 bps	1,820,126,649	-	-	1,820,126,649
Creditors, Accrued & Other Payables		-	-	78,568,261	78,568,261
<b>Total:</b>		<b>1,822,588,649</b>	<b>9,845,000</b>	<b>78,568,261</b>	<b>1,911,001,910</b>
On Balance Sheet Gap 2020		<b>(1,820,299,243)</b>	<b>(9,845,000)</b>	<b>946,579,664</b>	<b>(883,564,579)</b>
On Balance Sheet Gap 2019		(1,256,132,957)	(12,307,000)	908,784,813	(359,655,144)

- (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) 3.25 % to 7.5 %

**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.1,023,093,681/- (2019 Rs. 963,374,093/-) the financial assets which may subject to credit risk amounts to Rs. 922,932,767/- (2019 Rs. 900,529,109/-)

**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.

The credit quality of Company's bank balances can be assessed with reference to the external credit ratings as follows:

Banks	Rating		
	Short term	Long term	Agency
<b>Conventional</b>			
Bank Alfalah Limited	A-1+	AA+	PACRA
MCB Bank Limited	A-1+	AAA	PACRA
Samba Bank Limited	A-1	AA	VIS
Silk Bank Limited	A-2	A-	VIS
Soneri Bank Limited	A-1+	AA-	PACRA
The Bank Of Punjab	A-1+	AA	PACRA
<b>Shariah Compliant</b>			
Bankislami Pakistan Limited	A-1	A+	PACRA

**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 circumstances that cannot reasonably be predicted, such as natural disasters.

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

	Carrying Amount	Contractual Cash Flows	Les than 1 year	Above 1 year
<b>At June 30, 2020</b>				
Long Term Loan	12,307,000	12,307,000	2,462,000	9,845,000
Loan from Directors and Associates	20,837,014	20,837,014	20,837,014	-
Short Term Borrowings	1,820,126,649	1,682,356,271	1,682,356,271	-
Creditors, Accrued and other Liabilities	99,408,468	115,339,843	115,339,843	-
<b>At June 30, 2019</b>				
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	-

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 1,694.663 million (2019: Rs 1,270.611 million) , which are subject to interest rate risk. Applicable interest rates for liabilities have been indicated in respective notes.

**Sensitivity analysis**

At June 30, 2020, if interest rates had been 1% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 18.41 million (2019: Rs 12.71 million) higher/lower, mainly as a result of higher/lower interest income/expense from these financial assets and liabilities.

**ii) Price risk**

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

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

**ii) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions and payables that exist due to transactions in foreign currencies.

**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 securities

**32 REMUNERATION Of Chief Executive, Directors and Executives**

	Chief Executive		Directors ( Non Executive)		Executives	
	2020	2019	2020	2019	2020	2019
No. of Persons	1	1	1	1	1	1
Remuneration	1,206,000	1,206,000	1,206,000	1,206,000	1,206,000	1,206,000
House Rent	540,000	540,000	540,000	540,000	540,000	540,000
Utilities	54,000	54,000	54,000	54,000	54,000	54,000
	<b>1,800,000</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>1,800,000</b>

**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-20 Rupees	30-Jun-19 Rupees
S.S Feed Mills Private Limited Associate shareholding in the Company	Common Directorship	-	-
Sale of Goods		1,398,613,552	583,177,697
<b>Sikandar Commodities Private Limited</b> Associate shareholding in the Company Company's shareholding in the associate	Common Directorship	13.87%	-
<b>Dividend paid</b>		825,500	785,000

**34 PLANT CAPACITY AND ACTUAL PRODUCTION**

		2020		2019	
		Assessed Capacity	Actual Production	Assessed Capacity	Actual Production
Seed Crushing	M. Tons	90,000	63,909	90,000	57,237
		90,000	63,909	90,000	57,237

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 Nil (2019: Re 1.00) per share at their meeting held on October 06, 2020 for approval of members at the Annual General Meeting to be held on October 28, 2020. 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 IMPACT OF COVID-19 (CORONA VIRUS)**

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On March 23, 2020, the Government of the Punjab announced a temporary lock down as a measure to reduce the spread of the COVID-19. The company's operations were not affected as it fell under the exemption provided by the Government of Punjab to providers of essential services. After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the company continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. Due to this, management has assessed the accounting implications of these developments on these financial statements, however, according to management's assessment, there is no significant accounting impact of the effects of COVID-19 on these financial statements.

**39 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on **October 6, 2020** by the Board of Directors of the Company.

**40 GENERAL**

- 40.1** Number of permanent employees as at June 30, 2020 was 127 (2019:129) and average number of employees during the year was 121 (2019:123). Total number of employees includes 105 (2019:107) employees at Factory at the end of the year and average number of employees during the year at Factory was 104 (2019:108).
- 40.2** Figures have been rounded off to nearest rupee.



Chief Executive



Director



Chief Financial Officer

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**FORM 34**

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

S.S. Oil Mills Limited  
Categories of Shareholding required under Code of Corporate Governance (CCG)  
As on June 30, 2020

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

2.1. Pattern of holding of the shares held by the shareholders as at **30-06-2020**

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
99	1	100	7,031
717	101	500	339,832
35	501	1,000	34,400
59	1,001	5,000	149,235
16	5,001	10,000	129,500
7	10,001	15,000	91,000
1	15,001	20,000	18,000
4	20,001	25,000	90,400
3	25,001	30,000	84,500
1	30,001	35,000	35,000
1	40,001	45,000	42,500
1	45,001	50,000	50,000
1	55,001	60,000	55,300
1	85,001	90,000	90,000
1	90,001	95,000	92,500
1	95,001	100,000	100,000
1	115,001	120,000	116,602
1	125,001	130,000	130,000
1	155,001	160,000	156,500
1	180,001	185,000	180,100
1	545,001	550,000	549,300
1	780,001	785,000	784,000
1	1,145,001	1,150,000	1,150,000
1	1,180,001	1,185,000	1,182,700
<b>956</b>			<b>5,658,400</b>

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	2,424,700	42.8690%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	826,500	14.6066%
2.3.3 NIT and ICP	0	0.0000%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	21,100	0.3729%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	336,600	5.9487%
2.3.7 Shareholders holding 10% or more	3,159,200	55.8320%
2.3.8 General Public		
a. Local	1,938,200	34.2358%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
Joint Stock Companies	28,500	0.5037%
Foreign Companies	82,800	1.4633%

Signature of Company Secretary

Name of Signatory

Designation

NIC Number

Date

Sr. No.	Name	No. of Shares Held	Percentage
<b>Associated Companies, Undertakings and Related Parties (Name Wise Detail):</b>			
1	SIKANDAR COMMODITIES (PVT) LIMITED.	826,500	14.6066%
<b>Mutual Funds (Name Wise Detail)</b>			
1	CDC - TRUSTEE AKD OPPORTUNITY FUND (CDC)	156,500	2.7658%
2	GOLDEN ARROW SELECTED STOCKS FUND LIMITED (CDC)	180,100	3.1829%
<b>Directors and their Spouse and Minor Children (Name Wise Detail):</b>			
1	NAWABZADA SHAHZAD ALI KHAN	1,182,700	20.9017%
2	NAWABZADA SHAHAYAR ALI KHAN	1,150,000	20.3238%
3	MRS. SHAMIM SHAFQUAT	90,000	1.5906%
4	MR. SAFDAR IQBAL KHAN	500	0.0088%
5	MR. WAJAHAT ALI KHAN	500	0.0088%
6	MR. SIKANDAR ALI KHAN	500	0.0088%
7	MR. JAVAID UMAR	500	0.0088%
<b>Executives:</b>		-	-
<b>Public Sector Companies &amp; Corporations:</b>		-	-
<b>Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:</b>		21,100	0.3729%
<b>Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)</b>			
1	NAWABZADA SHAHZAD ALI KHAN	1,182,700	20.9017%
2	NAWABZADA SHAHAYAR ALI KHAN	1,150,000	20.3238%
3	SIKANDAR COMMODITIES (PVT) LIMITED.	826,500	14.6066%
4	NAWABZADA SHAFQUAT ALI KHAN	549,300	9.7077%

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

S.No	NAME	SALE	PURCHASE
1	MR. SIKANDAR ALI KHAN	-	500
2	MR. JAVAID UMAR	-	500



FORM OF PROXY

I/We----- of -----being a member of S.S OIL MILLS LIMITED and holding----- ordinary shares as per Share Register Folio No-----hereby appoint Mr.----- of -----or failing him Mr.-----of----- as my /our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 28th October, 2020 at 2-Tipu Block, Garden Town Lahore and at any adjournment thereof.

Signed this -----day of -----2020.

Witnesses:

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

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

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

NIC or

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

Signature on  
Rupees Five  
Revenue Stamp

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

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

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

NIC or

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

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

Note:

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