Colgate®

Annual Report 2019

KEEP PAKISTAN SMILING

COLGATE-PALMOLIVE (PAKISTAN) LTD.

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Company Information

BOARD OF DIRECTORS

Iqbal Ali Lakhani	Chairman
Amin Mohammed Lakhani	
Tasleemuddin Ahmed Batlay	
Aliya Saeeda Khan	
Peter John Graylin	
Mukul Vinayak Deoras	(from September 27, 2018)
Vinod Nambiar	(upto September 27, 2018)
Zulfiqar Ali Lakhani	Chief Executive

ADVISOR

Sultan Ali Lakhani

AUDIT COMMITTEE

Aliya Saeeda Khan	Chairperson
Iqbal Ali Lakhani	
Amin Mohammed Lakhani	

HUMAN RESOURCE & REMUNERATION COMMITTEE

Aliya Saeeda Khan	Chairperson
Iqbal Ali Lakhani	
Zulfiqar Ali Lakhani	

COMPANY SECRETARY

Mansoor Ahmed

AUDITORS

A. F. Ferguson & Co.
Chartered Accountants

INTERNAL AUDITORS

BDO Ebrahim & Co.
Chartered Accountants

SHARES REGISTRAR

FAMCO Associates (Private) Limited
8-F, Near Hotel Faran, Nursery,
Block-6, P.E.C.H.S., Shahra-e-Faisal,
Karachi

REGISTERED OFFICE

Lakson Square, Building No.2,
Sarwar Shaheed Road,
Karachi-74200
Pakistan

FACTORIES

G-6, S.I.T.E. Kotri
District Jamshoro (Sindh)

217, Sundar Industrial Estate,
Raiwind Road, Lahore

WEBSITE

www.colgate.com.pk

Core Values

Caring

The Company cares about people: Colgate people, customers, shareholders and business partners. Colgate is committed to act with compassion, integrity, honesty and high ethics in all situations, to listen with respect to others and to value differences. The Company is also committed to protect the global environment, to enhance the communities where Colgate people live and work, and to be compliant with government laws and regulations.

Teamwork

All Colgate people are part of a team, committed to working together. Only by sharing ideas, technologies and talents can the Company achieve and sustain profitable growth.

Continuous Improvement

Colgate is committed to getting better every day in all it does, as individuals and as teams. By better understanding consumers' and customers' expectations and continuously working to innovate and improve products, services and processes, Colgate will "become the best".

Oral Care

Colgate GRF

This year, Colgate launched a new campaign, titled 'Andar Se Strong', for its flagship brand Colgate Maximum Cavity Protection. The campaign emotionally connected by linking inner strength to the confidence that mothers instill in children. This confidence is reflected in their beautiful smiles that Colgate promises to protect through its natural calcium infused formula that helps make teeth strong from within.

The campaign was supported across all major touchpoints, including a strong media presence on traditional media via TVC, while digital audiences were touched with heartwarming stories of Pakistani celebrities. Apart from ATL, on-ground activities and strong in-store visibility helped amplify the 'Andar Se Strong' message.

Optic White

Colgate launched new 'Colgate Optic White' in two variants – 'Plus Shine' and 'Dazzling White'. The aspirational message of '1 Shade Whiter Teeth in 1 Week' targets cosmetic benefits seekers. The launch included communicating to its younger audience via a strong digital presence and in-store tools to fortify shelf space and improve visibility.

Global Art Contest (GAC)

Colgate continues to spark creativity through the 'My Bright Smile' Global Art Contest. The 19th Global Art Contest was conducted this year and received approximately 123,000 entries from 1018 schools across 86 towns in Pakistan, ranging from metro cities to remote towns.

The top 12 winning entries from Pakistan selected by a jury of judges were announced via a Press Conference held in Karachi. The artistic work of these winners was sent to compete globally in New York.

AYAN BIN IRFAN
Global Winner from Pakistan

This initiative not only helps develop and recognize the talents of students but also gives them a chance to showcase their artwork locally via the Exhibition held in Karachi, as well as internationally.

Bright Smiles, Bright Futures (BSBF)

The Bright Smiles, Bright Futures Oral Health School Program has reached 12.4 million children since its inception. Spreading awareness about oral hygiene and educating children on good oral health practices, this multi-tiered initiative emphasizes the importance of a healthy mouth through educative and interactive sessions conducted by Colgate's trained professionals. The program is made very engaging for children with the use of animated video and take-home materials that help children to habituate the regimen of maintaining good oral hygiene.

Personal Care

Local production of Palmolive Shampoo started this year that not only helped in improving the margin but also offered flexibility in customizing the packaging and promotions to generate trial. A new TV and digital campaign communicating the 'smooth and manageable hair' benefit improved the top of mind recall of the brand. Continuous trade initiatives and focus on both bottles and sachets significantly increased distribution and in-store presence of our shampoo range.

Palmolive soaps were relaunched in attractive new packaging. This initiative was supported by a new TVC campaign. Consistent marketing support as well as focused trade drives and store visibility initiatives, assisted the brand to grow its market share.

Proudly supporting the prestigious 26th Annual Sindh Women's Swimming Championship 2018, Palmolive extended its support to the Karachi Women's Swimming Association as the principal sponsor. With unwavering belief in women's ability to achieve, succeed and break records, Palmolive Naturals shows great support for local female swimmers by acknowledging their ability, while providing them a platform to compete and dazzle on a national scale. Such opportunities enable swimming to be recognized as a leading sport in Pakistan, as well as allowing individuals to participate on a level of international excellence.

Fabric Care

Brite

Brite remained focused on building equity through continued media presence and with airing of a new TV campaign; it is aiming to improve top of mind recall using the tagline 'Brite Sab Right Kardega'. Supporting communication on digital and in-store maximized the IMC reach and impact. Large-scale consumer connect activities in selected towns were also carried out to increase household penetration.

Express Power

Express Power launched a new communication towards the end of the year to highlight its value proposition vis-a-vis premium detergents. The platform of 'Why Pay More?' when you cannot see a perceivable difference between the wash quality of Express Power and premium detergents was built through a game show format.

Surface Care

Max Liquid - Ek Drop Ki Power

To accelerate the recruitment of new users to Max Liquid, a new 'Power of One Drop' campaign was launched. Max Liquid renewed its focus on economy and product superiority in the dishwash category by highlighting how Max Liquid is economical with 3 times more grease cutting power. Investment in media and digital platforms was done to highlight the power of one drop vs ordinary dishwash brands, thus amplifying the message to a greater audience.

Max All Purpose Cleaner (APC)

Max All Purpose Cleaner was rolled out nationally to strengthen our leadership in the Surface Cleaner category. It was launched across Pakistan with new, innovative packaging, focusing on the urban centers of the country.

The brand promises a sparkling clean, fragrant and fresh home all day. Targeted activities engaged consumers at the point of purchase via attractive in-store branding, promotional campaigns and activations communicating the brand benefits in the competitive Surface Cleaners' market.

Targeting the young housewives, the Max APC launch was supported through a digital campaign, focused on a worry-free cleaning routine.

Award

Management Association of Pakistan's Corporate Excellence Awards

The Company was presented its 8th consecutive 'Corporate Excellence Award' at the 34th Corporate Excellence Awards Ceremony, organized by the Management Association of Pakistan. The Company was also awarded Corporate Excellence Certificates on five earlier occasions in recognition of its achievements and overall performance.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 41st Annual General Meeting of COLGATE-PALMOLIVE (PAKISTAN) LIMITED will be held on Wednesday, September 18, 2019 at 10:30 a.m. at Avari Towers Hotel, Fatima Jinnah Road, Karachi to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2019 together with the Directors' and Auditors' reports thereon.

2. To declare final dividend in cash @ 200% i.e. Rs.20.00 per share of Rs.10.00 each held by the members as recommended by the Board of Directors. This is in addition to interim cash dividend @ 165% i.e. Rs.16.50 per share already paid.

3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

4. To consider to pass the following resolutions as special resolution:

   a) "RESOLVED that the transactions carried out in normal course of business with associated companies during the year ended June 30, 2019 be and are hereby ratified and approved."

   b) "RESOLVED that the Chief Executive of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies/ related parties during the ensuing year ending June 30, 2020 and in this connection the Chief Executive be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

Statement under Section 134 of the Companies Act, 2017 in the above matter mentioned in item No.4 is annexed.

By Order of the Board

(MANSOOR AHMED)
Company Secretary

Karachi: August 19, 2019

NOTES:

1. The share transfer books of the Company will remain closed from September 12, 2019 to September 18, 2019 (both days inclusive). Transfers received in order by the Shares Registrar of the Company, M/s. FAMCO Associates (Private) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi up to the close of business on September 11, 2019 will be treated in time for entitlement of the dividend and purpose of attending the annual general meeting.

2. A member, who has deposited his/her shares into Central Depository Company of Pakistan Limited, must bring his/her participant's ID number and CDC account/sub-account number along with original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.

3. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a member. A proxy must be a member of the Company.

4. Form of proxy, in order to be valid must be properly filled-in/executed and received at the registered office of the Company situated at Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi not later than 48 hours before the time of the meeting.

5. Members holding shares in physical form are requested to promptly notify Shares Registrar of the Company of any change in their addresses. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.

6. Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

   In order to receive dividends directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the registrar of the Company M/s. FAMCO Associates (Private) Limited, in case of physical shares.

   In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services. No further action is required if IBAN has already been incorporated/updated in the CDC account or physical folio of the shareholder.

7. Pursuant to Notification vide SRO.787(1)/2014 of September 08, 2014, SECP has directed to facilitate the members of the company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. In this respect members are hereby requested to convey their consent via e-mail on a standard request form which is available at the Company website i.e. www.colgate.com.pk. Please ensure that your e-mail has sufficient rights and space available to receive such e-mail which may be larger than 1 MB file in size. Further, it is the responsibility of the member to timely update the Shares Registrar of any change in the registered e-mail address.

8. (i) Pursuant to the provisions of the Finance Act, 2019 effective July 1, 2019, the rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 have been revised as follows:

   1. For active tax payer 15%
   2. For non-active tax payer 30%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered in ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

(ii) Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate or stay order from a competent court of law is made available to FAMCO Associates (Private) Limited, by the first day of Book Closure.

(iii) Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Shares Registrar, in writing as follows:

Company Name	Folio/CDS Account #		Principal Shareholder		Joint Shareholder	
		Total Shares	Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The required information must reach our Shares Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

(iv) For any query/problem/information, the investors may contact the Company Secretary at phone: 38400000 and email address mansoor@lakson.com.pk and/or FAMCO Associates (Private) Ltd. at phone: 34380101-5 and email address: info.shares@famco.com.pk

(v) Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the company or FAMCO Associates (Private) Limited. Shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers. Without the NTN company would not be in a position to check filer status on the ATL and hence higher tax of 30% may be applied in such cases.

9. Members can also avail video conference facility, in this regard, please fill the following and submit to registered address of the Company 10 days before holding of the Annual General Meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

"I/We, _____ of _____, being a member of Colgate-Palmolive (Pakistan) Limited, holder of _____ ordinary share(s) as per Registered Folio No. _____ hereby opt for video conference facility at _____."

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access the facility.

10. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 to Section 145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

11. Form of Proxy is enclosed.

STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business, given in agenda item No.4 of the notice will be considered to be passed by the members. The purpose of the Statement is to set forth the material facts concerning such Special Business.

1 - Agenda Item No.4(a) of the Notice – Transactions carried out with associated companies/related parties during the year ended June 30, 2019 to be passed as a Special Resolution.

The transactions carried out in normal course of business with associated companies (Related parties) were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2017.

During the Board meeting it was pointed out by the Directors that as the majority of Company Directors were interested in these transactions, the required quorum of directors seemingly could not be formed for approval of these transactions which have to be approved by the shareholders in the annual general meeting.

In view of the above, the transactions conducted during the financial year ended June 30, 2019 with associated companies/related parties as under is being placed before the shareholders for their consideration and approval/ ratification:

NAME	DESCRIPTION OF TRANSACTION	AMOUNT IN RS		
		PURCHASE	SALE	OTHERS
ACCURAY SURGICALS LIMITED	PURCHASE OF DENTAL INSTRUMENTS FOR DENTAL CONFERENCE	291,330	-	-
	DAY CARE SERVICES	-	60,000	-
CENTURY INSURANCE CO. LTD.	INSURANCE SERVICES RECEIVED	266,431,869	-	-
	INSURANCE CLAIMS RECEIVED	-	-	49,145,698
	INSURANCE COMMISSION RECEIVED	-	-	33,199,720
	DAY CARE SERVICES	-	203,716	-
CENTURY PAPER & BOARD MILLS LTD.	PURCHASE OF GOODS - PACKING MATERIAL	653,455,262	-	-
	REIMBURSEMENT OF EXPENSES	899	-	-
	REIMBURSEMENT OF EXPENSES	-	3,644	-
	SALE OF FINISHED GOODS	-	50,913	-
CYBER INTERNET SERVICES (PVT) LTD.	ALCATEL / SERVER HOSTING SERVICES RECEIVED	3,090,264	-	-
	PURCHASE OF I.P. PHONES	491,400	-	-
	PURCHASE OF NETWORKING SWITCH	-	-	58,500
	DAY CARE SERVICES	-	434,624	-
		-	-	-
AJINOMOTO LAKSON PAKISTAN (PVT) LTD.	DAY CARE SERVICES	-	45,000	-
	SERVICES PROVIDED COST SHARING	-	3,791,762	-
	PURCHASE OF FINISHED GOODS	14,610,602	-	-
HASANALI AND GULBANOO LAKHANI FOUNDATION	RENT & ALLIED SERVICES	-	-	34,144,379
	SALE OF FINISHED GOODS	-	33,645	-

NAME	DESCRIPTION OF TRANSACTION	AMOUNT IN RS		
		PURCHASE	SALE	OTHERS
LAKSON BUSINESS SOLUTIONS LTD.	INTERNET / SOFTWARE DEVELOPMENT & MAINTENANCE SERVICES	19,088,502	-	-
	DAY CARE SERVICES	-	280,715	-
MERIT PACKAGING LTD.	PURCHASE OF PACKING MATERIAL	397,150,946	-	-
PRINCETON TRAVELS (PVT) LTD.	TRAVELLING SERVICES RECEIVED	13,264,093	-	-
SIZA (PVT) LTD.	GUEST HOUSE SERVICES RECEIVED	1,596,723	-	-
	SALE OF FINISHED GOODS	-	19,377	-
SIZA FOODS (PVT) LTD.	SALE OF FINISHED GOODS	-	58,765	-
	REIMBURSEMENT OF EXPENSES	-	62,688	-
SIZA SERVICES (PVT) LTD.	CAR PARKING RENT			2,155,600
	GROUP COMMON EXPENSES SHARING	12,723,792	-	-
	SALE OF FINISHED GOODS	-	21,316	-
SYBRID (PVT) LTD.	CALL CENTER SERVICES RECEIVED	3,427,586	-	-
	TIME MANAGEMENT SYSTEM/ SUPPORT RESIDENT ENGG	11,246,139	-	-
	PURCHASE OF CAMERA	26,910	-	-
	FACE READER DEVICES AND SWITCH	-	-	654,454
	DAY CARE SERVICES	-	91,477	-
LAKSON INVESTMENTS LTD.	PURCHASE OF SHORT TERM INVESTMENT	-	-	2,650,000,000
	SALE PROCEEDS ON REDEMPTION OF SHORT TERM INVESTMENTS	-	-	939,890,760
	PROFIT ON SHORT TERM INVESTMENTS	-	-	10,109,240
	MANAGEMENT FEE	12,826,205	-	-
	DAY CARE SERVICES	-	136,477	-
CARAWAY (PRIVATE) LIMITED	PURCHASE OF FINISHED GOODS	68,282,927	-	-

2 - Agenda Item No. 4(b) of the Notice – Authorization to the Chief Executive for the transactions carried out and to be carried out with associated companies during the ensuing year ending June 30, 2020 to be passed as a Special Resolution

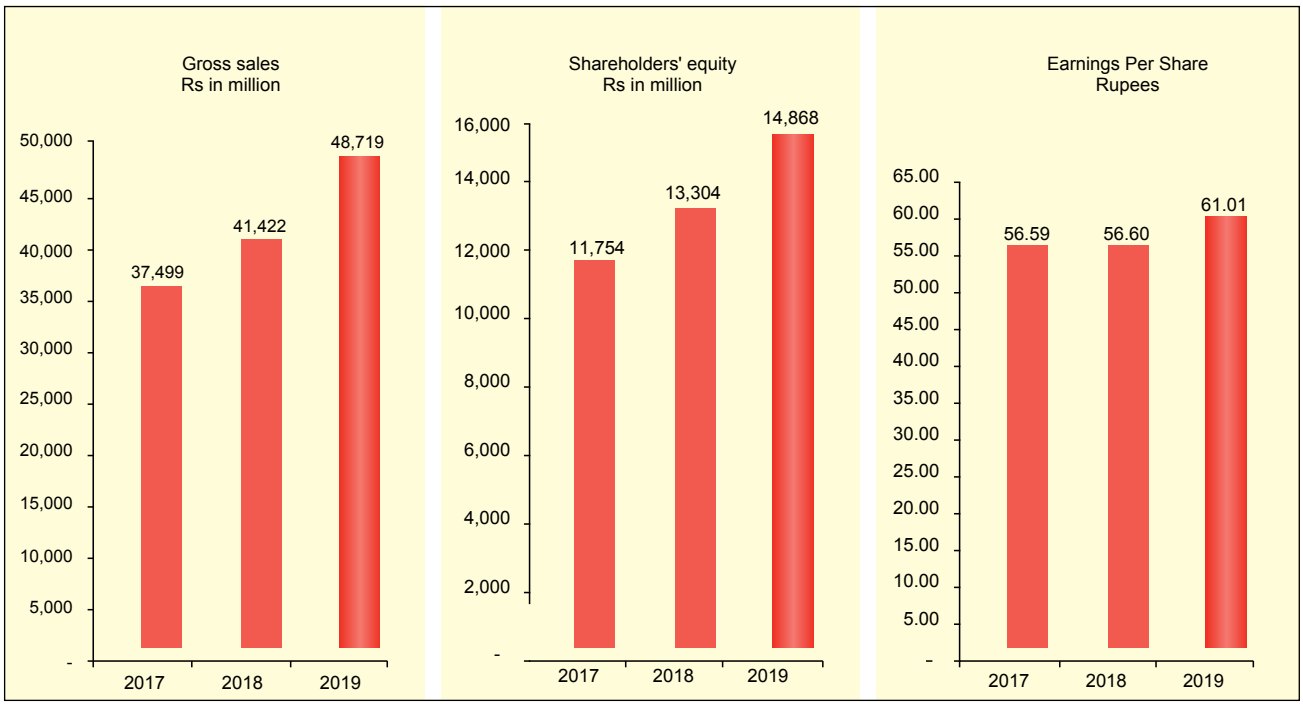
The Company would be conducting transactions with associated companies/related parties in the normal course of business. The majority of Directors are interested in these transactions; therefore, such transactions with associated companies/related parties have to be approved by the shareholders.

In order to comply with the provisions of clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2017, the shareholders may authorize the Chief Executive to approve transactions carried out and to be carried out in normal course of business with associated companies/related parties during the ensuing year ending June 30, 2020.

The Directors are interested in the resolutions to the extent of their common directorships and shareholding in the associated companies and the privileges attached thereto only.

Financial Summary

Year Ended June 30, 2019



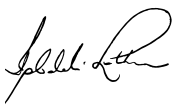
	Year ended June 30				
Rupees in million except EPS	2017	2018	% Change	**2019**	**% Change**
Gross Sales	37,499	41,422	10.5%	**48,719**	**17.6%**
Operating Income	4,858	4,697	-3.3%	**5,003**	**6.5%**
Net Profit After Tax	3,256	3,257	0.0%	**3,511**	**7.8%**
Earnings per share - Rupees	56.59	56.60	0.0%	**61.01**	**7.8%**
Shareholders' Equity	11,754	13,304	13.2%	**14,868**	**11.8%**

Review Report by the Chairman

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2017 an annual evaluation of the Board of Directors of Colgate-Palmolive (Pakistan) Limited is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2019, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvements are an ongoing process leading to action plans. The above overall assessment is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's responsibility.

The Board of Directors of your Company received agendas and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings. The board meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.



(IQBAL ALI LAKHANI)
Chairman

Dated : July 29, 2019

چیئرمین کی جائزہ رپورٹ

کولگیٹ پامولیو (پاکستان) لمیٹڈ کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ لیسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2017 کے تحت کیا جاتا ہے۔ اس جائزے کا مقصد اس امر کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور افادیت کو کمپنی کے مختص کردہ مقاصد کے تناظر میں پرکھا جا سکے۔

مالی سال برائے 30 جون، 2019 کے لیے بورڈ کی مجموعی کارکردگی اور افادیت اطمینان بخش قرار پائی ہے۔ بہتری ایک مستقل جاری رہنے والا عمل ہے جس کی مدد سے عملی منصوبہ بندیوں کو ممکن بنایا جاتا ہے۔ مجموعی جائزہ ضروری اجزاء کے انفرادی جائزے پر منحصر ہے جن میں دور اندیشی، نصب العین اور اقدار، حکمت عملی کے بنانے میں کردار، پالیسیز کی تشکیل، کمپنی میں جاری کاروباری سرگرمیوں کی نگرانی، مالیاتی وسائل کے انتظام کی نگرانی، موثر مالی نگرانی، بورڈ کے کاروبار کو پورا کرنے میں ملازمین کے ساتھ منصفانہ سلوک اور بورڈ کی ذمہ داریوں کو موثر انداز سے پورا کرنا شامل ہیں۔

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کو اور اس کی کمیٹی کی ملاقاتوں میں ایجنڈا مع دیگر ضروری دستاویزات قبل از وقت موصول ہوئے۔ بورڈ ضروری سرگرمیوں اور ذمہ داریوں کو موثر طریقے سے انجام دینے کے لیے باقاعدگی سے ملاقات کرتا ہے۔ نان ایگزیکٹو اور آزاد ڈائریکٹرز بھی اہم فیصلوں میں برابری کی بنیاد پر شامل ہوتے ہیں۔

اقبال علی لاکھانی

چیئرمین

مورخہ: 29 جولائی، 2019

Directors' Report

The Directors of your Company are pleased to present the Annual Report with the audited financial statements of the Company for the year ended June 30, 2019.

Financial Position at a Glance

A brief financial analysis is presented as under:

Operating Results	2018 - 2019	2017 - 2018	Increase / (Decrease)
	Amount in PKR million		
Turnover	48,719	41,422	17.62%
Net Turnover	36,961	31,272	18.19%
Gross Profit	10,471	10,421	0.48%
Gross Profit %	28.33%	33.32%	(499 bps)
Selling & Distribution Costs	5,132	5,323	(3.59%)
Administrative Expenses	520	458	13.54%
Operating Profit	5,003	4,697	6.51%
Profit After Tax	3,511	3,257	7.80%
Earnings per Share - Rupees	61.01	56.60	7.80%

Net turnover, gross profit and selling and distribution costs of corresponding year have been restated due to implementation of IFRS 15 as detailed in note 3.1.3 to the financial statements.

Financial Highlights

Net turnover of the Company grew by 18.19% on the back of volume and selling price increases across all categories. Currency devaluation and commodity price increases had a significant effect on product costs. In order to reduce the impact, the Company undertook aggressive selling price increases and measures to control costs. However the Company was unable to pass on the full impact of cost increases to consumers. Hence gross profit margin dropped by 499 bps.

Media and promotional spending was optimized resulting in decrease of 3.59% in selling and distribution costs. Administrative expenses increased by 13.54% primarily due to employee related cost and depreciation expense.

Appropriation of Profit

	2018 – 2019 PKR In '000'
Profit after tax	3,510,803
Un-appropriated profit brought forward – restated (refer note 3.1.3.1)	1,070
Profit available for appropriation	3,511,873
Appropriations:	
Proposed Final Cash Dividend @ 200% i.e. PKR 20 per share	1,150,918
(2018: @ 200% i.e. PKR 20 per share)	
Proposed bonus shares @ 0%	-
(2018: @ 20% i.e. 1 share for every 5 shares held)	
Interim Cash Dividend @ 165% i.e. PKR 16.5 per share	949,508
(2018: @ 150% i.e. PKR 15 per share)	
Transfer to General Reserve	1,411,000
Un-appropriated profit carried forward	447

Principal Risks and Uncertainties

The Company is exposed to certain inherent risks and uncertainties. However, we consider the following as key risks:

- Significant competition in our product categories;
- Adverse movement in foreign exchange rates and commodity prices;
- Data security and data privacy; and
- Market disruption due to changes in tax laws and regulations to widen the tax net.

The Company works with internal and external stakeholders to mitigate / reduce to acceptable level the likely impacts of aforesaid risks.

Business Performance Highlights

In Oral Care, the Company strengthened its leadership position by growing market share. During the year, Colgate Optic White was launched offering cosmetic benefit of teeth whitening to consumers. Colgate Classic Shine toothbrush was launched to cater to a price sensitive segment.

Local Production of Palmolive Shampoo helped in improving margins. The relaunch was supported by an IMC campaign and a focus on improving distribution and visibility of both sachets and bottles. Palmolive Soap's relaunch in attractive new packaging is expected to further support its market share growth.

Fabric Care business faced immense pressure on margins due to rupee devaluation. The pressure was further intensified in the lower price segment as the Company was unable to keep selling prices affordable for the masses and defend its market share which potentially was captured by the growing unorganized sector benefiting from tax avoidance.

In Surface Care, Max Bar maintained its leadership position with strong focus on brand building activities. Max All-Purpose Cleaner was launched nationwide to further consolidate the Company's leadership position in the surface cleaning category.

Health, Safety and Environment

The Company complies with all applicable rules and regulations in the formulation, manufacture, labeling and marketing of its products and also takes active measures to reduce discharge of hazardous waste in the environment. In order to remain environmental friendly, the Company encourages its employees to identify potentially hazardous conditions, incorporates health and safety considerations into their daily activities and provides training on work safety and sound environmental practices.

The Company is committed on carrying out its business in a responsible manner and continuously looks for ways to reduce the impact of its products on the environment.

The Company continues to invest in projects that will reduce its environmental footprint. During the year Company made further progress in converting to renewable energy by installing solar panels.

Corporate Social Responsibility

Colgate continues to deliver Oral Health Education to children across Pakistan, through the Bright Smiles Bright Futures program. This multi-tiered initiative aims to create awareness about oral hygiene and inculcate the practice of improving oral health, which is emphasized via interactive sessions; animated video and engaging take home materials for the students. The program has reached over 12.4 million children since its inception through Colgate's trained educators.

Colgate also provides a platform for young artists to let their creative skills shine in the My Bright Smile Global Art Contest. This is an international initiative which not only recognizes talent from all over the world, but also publishes the top 12 entries in the Colgate Global Calendar along with granting winners a scholarship. In its 19th year, the contest continues to get overwhelming response with approximately 123,000 entries received from across Pakistan.

The Company made donations amounting to PKR 19.5 million for health, education and social welfare projects.

Future Outlook

The Rupee devalued by 35% during the outgoing year and there may be a further correction against the USD. The inflation is also on the rise and it could put more pressure on buying power of consumers and drive them towards purchasing value products.

These are indeed challenging times as the economic outlook of the country remains uncertain. The Company will focus on cost saving projects and selective selling price adjustments to mitigate these challenges to the extent possible.

Government is taking steps which will curb smuggling and imports of finished consumer products which may help the company gain share. The government is also regulating players avoiding tax which may benefit the organized sector.

Internal Financial Controls

The directors are aware of their responsibility with respect to internal financial controls. Through discussions with management and auditors (both internal and external), they confirm that adequate controls have been implemented by the Company.

Financial & Corporate Reporting Framework

In compliance with the provisions of the listing regulations of the Pakistan Stock Exchange, the Board members are pleased to place the following statements on record:

- The financial statements prepared by the management of the Company present its state of affairs fairly, the results of its operations, cash flows and changes in equity.
- The Company maintains proper books of accounts.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan are followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively monitored and implemented.
- There are no doubts on the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Summary of key operational and financial data for the last six years is annexed in this annual report.
- Information about taxes and levies is given in the notes to and forming part of financial statements.
- The valuation of investment made by the staff retirement funds based on their respective accounts is as follows:

	2018 – 2019 **PKR In '000'**
CPPL Staff Provident Fund	625,163
CPPL Staff Gratuity Fund	514,085

- The Board held four (4) meetings during the year. Attendance by each Director was as follows:

Directors Name	Attendance
Mr. Iqbal Ali Lakhani	2
Mr. Zulfiqar Ali Lakhani	4
Mr. Amin Mohammed Lakhani	3
Mr. Tasleemuddin Ahmed Batlay	4
Ms. Aliya Saeeda Khan	4
Mr. Peter John Graylin - Nominee of CP – USA	2
Mr. Mukul Vinayak Deoras – Nominee of CP – USA (from September 27, 2018)	3
Mr. Vinod Nambiar - Nominee of CP – USA (upto September 27, 2018)	1

Leave of absence was granted to directors who could not attend some of the Board meetings.

- The Audit Committee held four (4) meetings during the year. Attendance by each member was as follows:

Members Name	Attendance
Ms. Aliya Saeeda Khan	4
Mr. Iqbal Ali Lakhani	2
Mr. Amin Mohammed Lakhani	2

- The HR Committee held one (1) meeting during the year. Attendance by each member was as follows:

Members Name	Attendance
Ms. Aliya Saeeda Khan	1
Mr. Iqbal Ali Lakhani	0
Mr. Zulfiqar Ali Lakhani	1

Composition of Board

The board consists of 6 male and 1 female directors with following composition:

Independent directors	1
Other non-executive directors	4
Executive directors	2
Total number of directors	**7**

Remuneration Policy of Non-Executive Directors

The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company is determined by the Board from time to time.

Auditors

The Auditors, Messrs A. F. Ferguson & Co., Chartered Accountants, retire at the conclusion of the 41st Annual General Meeting. Being eligible, they have offered themselves for re-appointment and the Board's Audit Committee has also recommended their re-appointment which has been endorsed by the Board.

Pattern of Shareholding

A statement showing pattern of shareholdings of the Company and additional information as at June 30, 2019 is included in the report.

The Board has determined threshold in respect of trading of Company's shares by executives and employees who are drawing annual basic salary of PKR 1.5 million or more.

Subsequent Events

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this report.

Acknowledgement

We would like to extend our sincere gratitude to our customers for their trust in our brands. We are thankful to our bankers, shareholders and suppliers for their continued support. We also appreciate our employees for their relentless dedication and immense contribution to the Company.

On behalf of Board of Directors

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

Karachi: July 29, 2019

ڈائریکٹرز رپورٹ

کمپنی ڈائریکٹرز مسرت کے ساتھ 30 جون، 2019 کو اختتام پذیر ہونے والے سال کے لیے سالانہ رپورٹ کے ہمراہ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

مالیاتی صورتحال ایک نظر میں

کمپنی کا مختصر مالیاتی جائزہ ذیل کے مطابق ہے:

کاروباری نتائج	2018-2019	2017-2018	اضافہ/(کمی)
	(روپے ملین میں)		
مجموعی آمدنی	48,719	41,422	17.62%
خالص آمدنی	36,961	31,272	18.19%
مجموعی منافع	10,471	10,421	0.48%
مجموعی منافع %	28.33%	33.32%	(499 بنیادی پوائنٹس)
فروخت اور ترسیل کے اخراجات	5,132	5,323	(3.59%)
انتظامی اخراجات	520	458	13.54%
آپریشنز سے منافع	5,003	4,697	6.51%
بعد از ٹیکس منافع	3,511	3,257	7.80%
فی شیئر آمدنی (روپے میں)	61.01	56.60	7.80%

IFRS15 کے اطلاق کی وجہ سے متعلقہ سال کی خالص آمدنی، مجموعی منافع اور فروخت و ترسیل کے اخراجات کی درجہ بندی دوبارہ سے کی گئی ہے جس کی تفصیل مالیاتی گوشواروں کے نوٹ 3.1.3 میں درج ہے۔

مالیاتی کارکردگی کی جھلکیاں

تمام کیٹیگریز میں حجم اور قیمت فروخت میں اضافے کے باعث کمپنی کی خالص آمدنی میں 18.19% اضافہ ہوا۔ روپے کی قدر میں کمی اور اشیاء تصرف کے نرخوں میں اضافے نے مصنوعات کی لاگتوں پر نمایاں اثرات مرتب کئے۔ ان اثرات کو کم کرنے کے لیے کمپنی نے قیمت فروخت میں خاطر خواہ اضافہ کیا اور لاگتیں قابو کرنے لیے اقدامات کیے۔ تاہم کمپنی لاگت میں اضافے کے مکمل اثرات صارفین تک منتقل کرنے سے قاصر رہی۔ لہٰذا مجموعی منافع کی شرح میں 499 بنیادی پوائنٹس کی کمی ہوئی۔

میڈیا اور پروموشن کے اخراجات میں اصلاحات کے نتیجے میں فروخت اور ترسیل کے اخراجات میں 3.59% کمی ہوئی۔ انتظامی اخراجات میں 13.54% اضافہ ہوا جس کی بنیادی وجہ ملازمین اور ڈیپریسیئشن سے متعلق اخراجات ہیں۔

منافع کا تصرف

	2018-2019
	(روپے ہزار میں)
بعد از ٹیکس منافع	3,510,803
گذشتہ غیر مختص شدہ منافع۔ دوبارہ بیان کردہ (نوٹ 3.1.3.1 ملاحظہ کیجئے)	1,070
منافع جو مختص کرنے کے لیے دستیاب ہے	3,511,873
تصرفات بذریعہ تقسیم:	
تجویز کردہ حتمی کیش ڈیویڈنڈ بحساب 200 فی صد یعنی 20 روپے فی شیئر	1,150,918
(2018: بحساب 200 فی صد یعنی 20 روپے فی شیئر)	
تجویز کردہ بونس حصص بحساب 0 فی صد	-
(2018؛ بحساب 20 فی صد یعنی 1 حصص ہر 5 حصص کے عوض)	
عبوری کیش ڈیویڈنڈ بحساب 165 فی صد یعنی 16.5 روپے فی شیئر	949,508
(2018: بحساب 150 فی صد یعنی 15 روپے فی شیئر)	
جنرل ریزرو میں ٹرانسفر	1,441,000
غیر مختص شدہ منافع	447

بنیادی خطرات اورغیر یقینی صورتحال

کمپنی کومخصوص امکانی خطرات اورخدشات کا سامنا ہے، البتہ ہم درج ذیل کواہم خطرات تصور کرتے ہیں۔

- ہماری پروڈکٹ کیٹیگریز میں نمایاں مقابلہ
- زرمبادلہ کی شرحوں اوراشیا کی قیمتوں میں منفی ردوبدل
- ڈیٹاسیکیورٹی اورڈیٹاپرائیویسی، اور
- ٹیکس نیٹ بڑھانے کے لیے ٹیکس قوانین اورضوابط میں ردوبدل کی وجہ سے مارکیٹ میں خلل

کمپنی مذکورہ بالا خطرات کے ممکنہ اثرات میں قابلِ قبول حدتک تخفیف / کمی کے لیے اندرونی اور بیرونی اسٹیک ہولڈرز کے ساتھ مل کر کام کرتی ہے۔

کاروباری کارکردگی کی جھلکیاں

اورل کیئر میں کمپنی نے مارکیٹ شیئر میں اضافے کے ذریعے اپنا قائدانہ مقام مستحکم کیا۔ سال کے دوران کولگیٹ آپٹک وائٹ متعارف کرایا گیا جس سے صارفین کو دانتوں کی سفیدی کا کاسمیٹک فائدہ حاصل ہوتا ہے۔ قیمت کے حوالے سے حساس طبقے کی ضروریات کی تکمیل کے لیے کولگیٹ کلاسک شائن ٹوتھ برش متعارف کیا گیا۔

پامولیوشیمپو کی مقامی پیداوار سے منافع جات بہتر بنانے میں مدد ملی۔ دوبارہ تعارف کوایک IMC مہم اورترسیل ومرئیت میں بہتری پرتوجہ کے ذریعے مدد دی گئی۔ پامولیوصابن کے نئے دلکش پیکیجنگ کے ساتھ دوبارہ تعارف سے مارکیٹ شیئر میں اضافے میں مزید مدد متوقع ہے۔

روپے کی قدر میں کمی کی وجہ سے فیبرک کیئر بزنس کے منافع جات کوشدید دباؤ کا سامنا رہا۔ دباؤ کی شدت کم قیمت والے سیگمنٹ میں زیادہ محسوس کی گئی جہاں کمپنی عوام کے لیے قیمتِ فروخت مناسب رکھنے اوراپنے مارکیٹ شیئر کے تحفظ میں ناکام رہی جوممکنہ طور پرٹیکس ادا نہ کرنے سے فائدہ اٹھانے والے بڑھتے ہوئے غیر منظّم طبقے نے حاصل کرلیا۔

سرفیس کیئر کیٹیگری میں میکس بار نے برانڈ بلڈنگ سرگرمیوں پر بھرپورتوجہ کے ساتھ اپنا قائدانہ مقام برقرار رکھا۔ کیٹیگری میں کمپنی کا قائدانہ مقام مزید مستحکم کرنے کے لیے میکس آل پرپز کلینز ملک گیر سطح پر متعارف کیا گیا۔

صحت، سلامتی اور ماحول

کمپنی اپنی پروڈکٹس کی فارمولیشن، تیاری، لیبلنگ اور مارکیٹنگ میں تمام لاگو قوانین وضوابط کی تعمیل کرتی ہے اور ماحول میں مضر فضلے کے اخراج کی تخفیف کے لیے موثر اقدامات کرتی ہے۔ ماحول دوست رہنے کے لیے کمپنی اپنے ملازمین کوممکنہ خطرناک حالات کی شناخت کرنے میں حوصلہ افزائی کرتی ہے، ان کی روزمرہ سرگرمیوں میں صحت اورتحفظ کی تجاویز شامل کرتی ہے اورانہیں کام کی جگہ پرتحفظ اورعمدہ ماحولیاتی معمولات کی تربیت فراہم کرتی ہے۔

کمپنی اپنے کاروبار کو ذمہ دارانہ انداز میں سرانجام دینے کے عہد پر عمل پیرا ہے اور مسلسل اپنی مصنوعات کے ماحول پر اثرات کم کرنے کے طریقوں کی جستجو میں رہتی ہے۔

کمپنی مسلسل ایسے پروجیکٹس میں سرمایہ کاری کر رہی ہے جن سے اس کے ماحولیاتی اثرات میں کمی آ سکے۔ اس سال کمپنی نے سولر پینلز کی تنصیب کے ذریعے قابل تجدید توانائی کی طرف تبدیلی میں مزید پیش رفت کی ہے۔

کاروباری سماجی ذمہ داری

کولگیٹ اپنے ''برائٹ اسمائیلز، برائٹ فیوچرز'' پروگرام کے ذریعے ملک بھر میں بچوں کو منہ کی صفائی کی تعلیم مہیا کرنے کا سلسلہ جاری رکھے ہوئے ہے۔ اس کثیر سطحی اقدام کا مقصد منہ کی صحت بخش صفائی کے بارے میں آگاہی پیدا کرنا اور اورل ہیلتھ میں بہتری کی مشق کو زندگی میں شامل کرنا ہے، جس پر انٹرایکٹیو اجلاس، انیمیٹڈ وڈیوز اور طلبہ کے لیے گھر لے جانے والے مواد کے ذریعے زور دیا جاتا ہے۔ یہ پروگرام کولگیٹ کے تربیت یافتہ معلمین کے ذریعے اپنے قیام سے اب تک 12.4 ملین سے زائد بچوں تک پہنچ چکا ہے۔

کولگیٹ مائی برائٹ سمائیل عالمی مقابلۂ مصوری کے ذریعے بچوں کو اپنی مصورانہ صلاحیتوں کے اظہار کے لیے پلیٹ فارم بھی فراہم کرتا ہے۔ یہ ایک بین الاقوامی اقدام ہے جو نہ صرف تمام دنیا سے آنے والے ٹیلنٹ کا اعتراف کرتا ہے بلکہ جیتنے والے کو اسکالرشپ دینے کے ساتھ سرفہرست 12 اندراجات کو کولگیٹ گلوبل کیلنڈر میں شائع بھی کرتا ہے۔ یہ مقابلہ اپنے 19 ویں سال میں پاکستان بھر سے موصول ہونے والے تقریباً 123,000 اندراجات کے ساتھ زبردست پزیرائی حاصل کرنے کا سلسلہ بھی جاری رکھے ہوئے ہے۔

کمپنی نے صحت، تعلیم اور سماجی فلاح و بہبود کے منصوبوں کو 19.5 ملین روپے بطور عطیہ دیے۔

مستقبل کی توقعات

گزشتہ سال کے دوران امریکی ڈالر کے مقابلے روپے کی قدر میں 35% کمی ہوئی اور مزید تصحیح بھی ہوسکتی ہے۔ افراطِ زر میں اضافے کا رجحان جاری ہے جو صارفین کی قوتِ خرید پر مزید دباؤ ڈال سکتا ہے اور انہیں ویلیو پروڈکٹس کی خریداری پر راغب کرسکتا ہے۔

یہ بلاشبہ آزمائش سے بھرپور دور ہے جیسا کہ ملک کی معاشی صورتحال بدستور بے یقینی کا شکار ہے۔ کمپنی ان چیلنجوں کو ممکنہ حد تک کم کرنے کے لیے لاگت میں بچت کے پروجیکٹس اور قیمتِ فروخت میں منتخب ردوبدل پر توجہ مرکوز رکھے گی۔

حکومت ایسے اقدامات کر رہی ہے جن سے اسمگلنگ اور تیار شدہ اشیائے صرف کی درآمد کی روک تھام میں مدد ملے گی جس سے کمپنی کو شیئر حاصل کرنے میں مدد مل سکتی ہے۔ حکومت ٹیکس بچانے والے فریقوں کو نظم وضبط کے تحت لانے کی کوشش کر رہی ہے جس سے منظّم سیکٹر کو فائدہ حاصل ہوسکتا ہے۔

انٹرنل فنانشل کنٹرولز

ڈائریکٹرز انٹرنل فنانشل کنٹرولز کے حوالے سے اپنی ذمہ داریوں سے آگاہ ہیں۔ انتظامیہ اور آڈیٹرز (انٹرنل اور ایکسٹرنل دونوں) کے ساتھ تبادلہ خیال کے ذریعے وہ تصدیق کرتے ہیں کہ کمپنی کی طرف سے مناسب کنٹرولز لاگو کیے گئے ہیں۔

کارپوریٹ اور فائنانشل رپورٹنگ فریم ورک

پاکستان اسٹاک ایکسچینج کی جانب سے اطلاق کردہ لسٹنگ ریگولیشنز کی تعمیل کرتے ہوئے بورڈ ممبران مسرت کے ساتھ درج ذیل بیان ریکارڈ پر رکھتے ہیں:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے اس کے معاملات، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- کمپنی نے اپنے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
- کمپنی نے مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی ہے اور شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں کی، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، پیروی کی گئی ہے۔
- انٹرنل کنٹرول کا نظام مستحکم ہے اور اسے موثر انداز میں لاگو کیا گیا ہے اور اس کی نگرانی کی جاتی ہے۔
- کمپنی کی کاروبار رواں دواں رکھنے کی صلاحیت شکوک وشبہات سے بالاتر ہے۔
- لسٹنگ ریگولیشنز میں تفصیلاً درج کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔
- گزشتہ چھ سال کا اہم کاروباری اور مالیاتی ڈیٹا اس سالانہ رپورٹ کے ساتھ منسلک ہے۔
- ٹیکسوں اور محصولات کے بارے میں معلومات نوٹس میں دی گئی ہیں اور مالیاتی گوشواروں کا حصہ ہیں۔
- اسٹاف ریٹائرمنٹ فنڈز کی طرف سے کی جانے والی سرمایہ کاری کی تشخیصی مالیت ان کے متعلقہ اکاؤنٹس کی بنیاد پر درج ذیل ہے:

	2018-19
	(روپے ہزار میں)
CPPL اسٹاف پروویڈنٹ فنڈ	625,163
CPPL اسٹاف گریچویٹی فنڈ	514,085

- اس سال کے دوران بورڈ کے چار اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی طرف سے اجلاسوں میں حاضری کی تعداد درج ذیل ہے:

ڈائریکٹر کا نام	حاضری
جناب اقبال علی لاکھانی	2
جناب ذوالفقار علی لاکھانی	4
جناب امین محمد لاکھانی	3
جناب تسلیم الدین احمد باٹلے	4
محترمہ عالیہ سعیدہ خان	4
جناب پیٹر جان گرلین ۔CP-USA کے نامزد کردہ	2
جناب مُکل ونایک دیوراس۔CP-USA کے نامزد کردہ (27 ستمبر، 2018 سے)	3
جناب ونود نمبیار۔CP-USA کے نامزد کردہ (27 ستمبر، 2018 تک)	1

جو ڈائریکٹرز بعض میٹنگز میں شریک نہیں ہو سکے، انہیں رخصت برائے غیر حاضری عطا کر دی گئی۔

- اس سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ ہر ممبر کی حاضری درج ذیل رہی:

ممبر کا نام	حاضری
محترمہ عالیہ سعیدہ خان	4
جناب اقبال علی لاکھانی	2
جناب امین محمد لاکھانی	2

- اس سال کے دوران HR کمیٹی کا ایک (1) اجلاس منعقد ہوا۔ ہر ممبر کی حاضری درج ذیل رہی:

ممبر کا نام	حاضری
محترمہ عالیہ سعیدہ خان	1
جناب اقبال علی لاکھانی	0
جناب ذوالفقار علی لاکھانی	1

بورڈ کی تشکیل

بورڈ درج ذیل تشکیل کے ساتھ 6 حضرات اور 1 خاتون پر مشتمل ہے:

خودمختار ڈائریکٹرز	1
دیگر نان ایگزیکٹیو ڈائریکٹرز	4
ایگزیکٹیو ڈائریکٹرز	2
ڈائریکٹرز کی مجموعی تعداد	**7**

نان ایگزیکٹیو ڈائریکٹرز کے لیے مشاہرے کی پالیسی

کمپنی کی بورڈ اور کمیٹی میٹنگز میں شرکت کے لیے نان ایگزیکٹیو ڈائریکٹرز اور خودمختار ڈائریکٹرز کے مشاہرے کا تعین بورڈ کی طرف سے وقتاً فوقتاً کیا جاتا ہے۔

آڈیٹرز

آڈیٹرز میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس 41 ویں سالانہ اجلاس عام کے اختتام پر ریٹائر ہو رہے ہیں۔ اہلیت کی بنیاد پر انہوں نے دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔ بورڈ کی آڈٹ کمیٹی نے بھی ان کی دوبارہ تقرری کی سفارش کی ہے جس کی بورڈ کی طرف سے تائید کی گئی ہے۔

پیٹرن آف شیئر ہولڈنگ

30 جون 2019ء کے مطابق کمپنی کے شیئر ہولڈنگ پیٹرن اور اضافی معلومات کی نشاندہی کرنے والی ایک اسٹیٹمنٹ رپورٹ میں شامل ہے۔

بورڈ نے کمپنی کے ایسے ایگزیکٹیو اور ملازمین کے لیے، جو سالانہ 1.5 ملین روپے یا زائد بنیادی تنخواہ وصول کر رہے ہیں، کمپنی کے شیئرز کی خرید و فروخت کے حوالے سے حتمی حد کا تعین کر رکھا ہے۔

بعدازاں رونما ہوئے واقعات

مالیاتی سال کے اختتام اوراس رپورٹ کی تاریخ کے دوران کوئی ایسی اہم تبدیلیاں اور معاہدہ جات نہیں ہوئے جو کمپنی کی مالیاتی حالت پر اثر انداز ہوسکیں۔

تشکر

ہم اپنے صارفین کے انتہائی شکرگزار ہیں کہ انہوں نے ہمارے برانڈز پر اپنا اعتماد برقرار رکھا۔ ہم اپنے بینکرز، شیئر ہولڈرز اور سپلائیرز کی مسلسل معاونت پر انکے مشکور ہیں۔ ہم اپنے ملازمین کی انتھک لگن اور قابل قدر کردار کی بھی تعریف کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

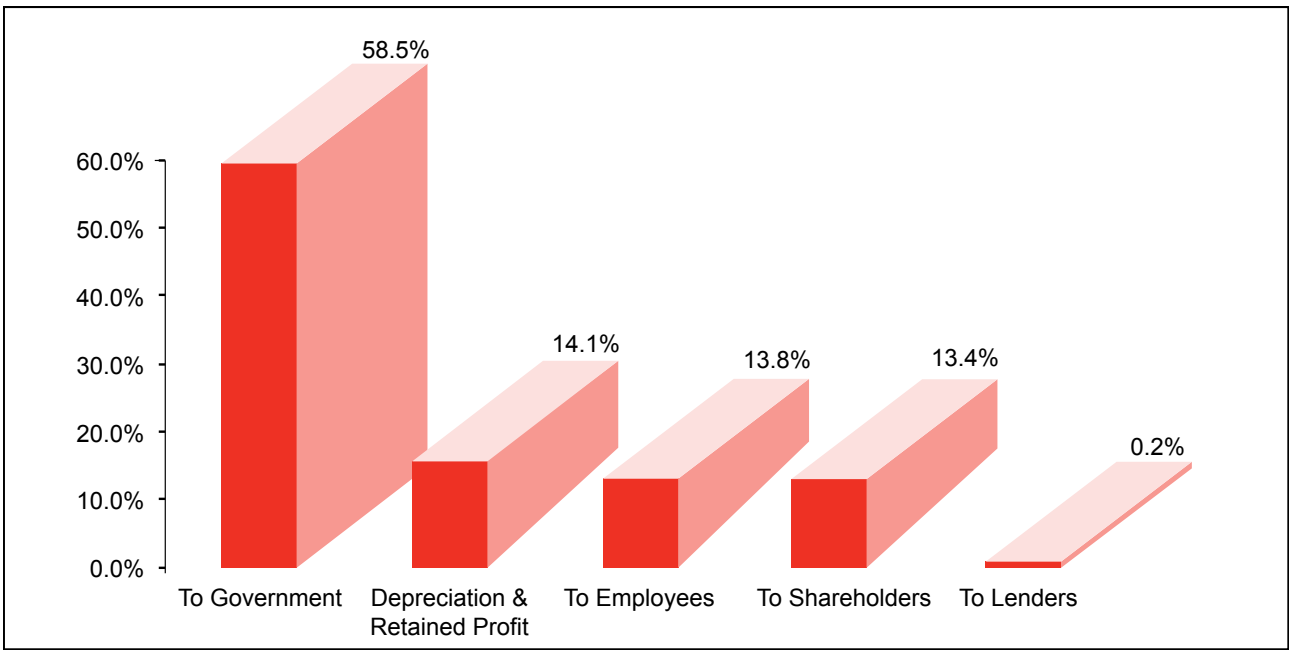
ذوالفقار علی لاکھانی
چیف ایگزیکٹیو

تسلیم الدین احمد باٹلے
ڈائریکٹر

کراچی: 29 جولائی، 2019

Statement of Value Added

	Year ended June 30	
	2019	2018
	(Rs in million)	
Wealth Generated		
Total revenue net of discount and allowances	45,292	38,307
Bought-in-material and services	29,622	24,501
	15,670	13,806
Wealth Distributed		
To Employees		
Salaries, benefits and other costs	2,143	1,867
To Government		
Income tax, sales tax	9,171	7,979
To Providers of Capital		
Dividend to shareholders	2,101	1,775
Mark up/interest expenses on borrowed funds	38	30
Retained for Reinvestment and Growth		
Depreciation and retained profits	2,217	2,155
	15,670	13,806



Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

For The Year Ended June 30, 2019

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

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

a.	Male	6
b.	Female	1

2. The composition of Board is as follows:

Independent Director	Ms. Aliya Saeeda Khan
Other Non-executive Directors	Mr. Iqbal Ali Lakhani - Chairman Mr. Amin Mohammed Lakhani Mr. Peter John Graylin Mr. Mukul Vinayak Deoras
Executive Directors	Mr. Zulfiqar Ali Lakhani Mr. Tasleemuddin Ahmed Batlay

3. The Directors have confirmed that none of them is serving as a Director on more than five 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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

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

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

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

9. Majority of the Directors of the Company are exempted from the requirement of Directors' Training program.

10. The board has approved appointment of CFO and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. Mr. Mansoor Ahmed was assigned the responsibilities of Company Secretary of the Company in addition to his responsibilities in other group companies.

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

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

Audit Committee	Ms. Aliya Saeeda Khan – Chairperson Mr. Iqbal Ali Lakhani - Member Mr. Amin Mohammed Lakhani - Member
HR and Remuneration Committee	Ms. Aliya Saeeda Khan – Chairperson Mr. Iqbal Ali Lakhani - Member Mr. Zulfiqar Ali Lakhani – Member

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 committees were as per following:

a.	Audit Committee	4 quarterly meetings
b.	HR and Remuneration Committee	1 annual meeting

15. The board has outsourced the internal audit function of the Company to a firm of Chartered Accountants, 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 ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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

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

Iqbal Ali Lakhani
Chairman

Zulfiqar Ali Lakhani
Chief Executive

Karachi: July 29, 2019

Independent Auditor's Review Report to the Members of Colgate Palmolive (Pakistan) Limited

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

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

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

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

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

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 June 30, 2019.

Chartered Accountants

Karachi, July 29, 2019

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Independent Auditor's Report to the members of Colgate-Palmolive (Pakistan) Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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KARACHI LAHORE ISLAMABAD

Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
(i)	**First time application of IFRS 15 – Revenue from Contracts with Customers** *Refer notes 3.1.3.1 and 3.12 to the annexed financial statements* The International Financial Reporting Standard 15 "Revenue from Contracts with Customers" (IFRS 15) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended June 30, 2019. Under the aforesaid standard the revenue from sale of goods is recognised when the Company satisfies its performance obligation by transferring the promised goods to customer under the contract with customer. Revenue from sale of goods is measured at transaction price net of pricing allowances, trade discounts, incentive / promotions and rebates offered to customers (collectively 'trade discounts'). As a result of application of the aforesaid standard the management has performed extensive evaluation of its contractual arrangement with its customers, consequent to which certain trade discounts / rebates amounting to Rs 1,250.477 million (2018: Rs 1,069.215 million) have been reclassified from "Selling and distribution cost" to "Trade and other discounts" (corresponding figures where applicable have been reclassified accordingly). The first time application of IFRS 15 and the aforementioned reclassification made in the annexed financial statements is considered as a key audit matter.	Our audit procedures included the following: – Considering the appropriateness of revenue recognition policy, including recognition and classification criteria for trade and other discounts and comparing it with the applicable accounting standards. – Testing the effectiveness of Company's controls over the classification of trade and other discounts and correct timing of revenue recognition. – Reviewing the management procedures carried out for evaluation of contractual arrangements with customers with respect to their classification between 'Trade and other discounts' and 'Selling and distribution cost'. – Reviewing a sample of contractual arrangement entered into by the Company with its customers and checked the appropriateness of classification of trade discounts and other discounts. – Reviewing the adequacy of disclosure as required under applicable financial reporting framework.

S. No.	Key audit matters	How the matter was addressed in our audit
(ii)	**Contingencies** Refer notes 24.1.3 and 24.1.4 to the annexed financial statements The Company has significant litigation cases in respect of claim of exemption from duties and taxes on import of a raw material and levy of Gas Infrastructure Development Cess. Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses, and therefore, we have identified this as key audit matter.	Our audit procedures included the following: – Obtaining understanding of the Company's processes and controls over litigations through meetings with the management and review of the minutes of the Board of Directors and Board Audit Committee. – Reading correspondence of the Company with regulatory departments and the Company's external counsel, where applicable. Where relevant, also assessing external legal advices obtained by the Company. – Discussing open matters and developments with the officials of the legal department of the Company. – Circularising external confirmations, where appropriate, on material cases and assessing the replies received thereto. – Whilst noting the inherent uncertainties involved with the legal and regulatory matters, assessing the appropriateness of the related disclosures made in the annexed financial statements.

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:

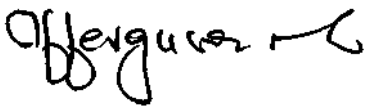
(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the statement of financial position, the statement of profit or loss and other 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 auditor's report is Khurshid Hasan.



Chartered Accountants

Karachi, July 29, 2019

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Statement of Financial Position

As at June 30, 2019

	Note	2019	2018
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	4,168,568	3,644,294
Intangible assets	6	14,435	24,818
Long term loans	7	41,730	42,651
Long term security deposits	8	19,045	17,648
		4,243,778	3,729,411
CURRENT ASSETS			
Stores and spares	9	267,753	228,561
Stock in trade	10	4,974,814	4,110,978
Trade debts	11	749,550	736,373
Loans and advances	12	404,795	253,582
Trade deposits and short term prepayments	13	56,962	66,597
Other receivables	14	204,730	204,338
Accrued profit		14,167	14,693
Taxation		1,317,968	522,942
Short term investments	15	5,546,618	5,354,454
Cash and bank balances	16	1,214,300	1,528,039
		14,751,657	13,020,557
TOTAL ASSETS		18,995,435	16,749,968
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital	17	750,000	750,000
Issued, subscribed and paid-up share capital	17	575,459	479,549
Reserves	18	14,444,822	12,937,587
Remeasurement of post retirement benefits obligation		(147,819)	(112,888)
Surplus on revaluation of investments		(4,217)	5
		14,868,245	13,304,253
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation	19	164,709	163,350
Long term deposits	20	86,304	86,062
Deferred liability	21	90,112	-
		341,125	249,412
CURRENT LIABILITIES			
Trade and other payables	22	3,763,934	3,183,656
Unclaimed dividend		22,131	12,647
		3,786,065	3,196,303
TOTAL LIABILITIES		4,127,190	3,445,715
TOTAL EQUITY AND LIABILITIES		18,995,435	16,749,968
CONTINGENCIES AND COMMITMENTS	24		

The annexed notes 1 to 45 form an integral part of these financial statements.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

Mirza Rehan Ahmed
Chief Financial Officer

Statement of Profit or Loss and other Comprehansive Income

For the year ended June 30, 2019

	Note	2019	2018
		(Rupees in '000)	
Turnover		48,718,781	41,421,811
Sales tax		(7,718,475)	(6,568,260)
Trade and other discounts		(4,039,264)	(3,581,833)
Net turnover		36,961,042	31,271,718
Cost of sales	25	(26,490,454)	(20,850,970)
Gross profit		10,470,588	10,420,748
Selling and distribution cost	26	(5,132,341)	(5,322,829)
Administrative expenses	27	(520,066)	(457,590)
Other expenses	28	(428,655)	(410,310)
Other income	29	613,160	467,233
Profit from operations		5,002,686	4,697,252
Finance cost and bank charges	30	(38,496)	(29,240)
Profit before taxation		4,964,190	4,668,012
Taxation	31	(1,453,387)	(1,410,957)
Profit after taxation		3,510,803	3,257,055
Other comprehensive loss for the year - net of tax			
Items that may be reclassified subsequently to profit or loss			
(Loss) / Gain on investments categorised as 'fair value through other comprehensive income'		(4,652)	156,146
Gain realised on disposal of short term investments		-	(161,764)
Impact of tax		1,379	1,580
Total items that may be reclassified subsequently to profit or loss		(3,273)	(4,038)
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of post retirement benefits obligation		(49,198)	(34,665)
Impact of tax		14,267	10,398
Total items that will not be reclassified subsequently to profit or loss		(34,931)	(24,267)
		(38,204)	(28,305)
Total comprehensive income for the year		3,472,599	3,228,750
		----------Rupees----------	
			(Restated)
Earnings per share - basic and dilutive	32	61.01	56.60

The annexed notes 1 to 45 form an integral part of these financial statements.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

Mirza Rehan Ahmed
Chief Financial Officer

Statement of Changes in Equity

For the year ended June 30, 2019

	Issued, subscribed and paid-up share capital	Reserves				Remeasurement on post retirement benefits obligation - net of tax	Surplus on revaluation of investments- net of tax	Total Equity
		Capital reserve - share premium	Revenue reserves		Sub total - reserves			
			General reserve	Unappropriated profit				
	(Rupees in '000)							
Balance as at July 1, 2017	479,549	13,456	8,808,000	2,537,499	11,358,955	(88,621)	4,043	11,753,926
Transactions with owners								
Final dividend for the year ended June 30, 2017 at the rate of Rs 20 per share	-	-	-	(959,099)	(959,099)	-	-	(959,099)
Interim dividend for the year ended June 30, 2018 at the rate of Rs 15 per share	-	-	-	(719,324)	(719,324)	-	-	(719,324)
Total transactions with owners	-	-	-	(1,678,423)	(1,678,423)	-	-	(1,678,423)
Comprehensive income for the year								
Profit after taxation for the year ended June 30, 2018	-	-	-	3,257,055	3,257,055	-	-	3,257,055
Other comprehensive loss	-	-	-	-	-	(24,267)	(4,038)	(28,305)
Total comprehensive income for the year ended June 30, 2018	-	-	-	3,257,055	3,257,055	(24,267)	(4,038)	3,228,750
Transfer to general reserve	-	-	1,578,000	(1,578,000)	-	-	-	-
Balance as at June 30, 2018	479,549	13,456	10,386,000	2,538,131	12,937,587	(112,888)	5	13,304,253
Impact of reclassification (note 3.1.3.1)	-	-	-	949	949	-	(949)	-
Balance as at July 1, 2018	479,549	13,456	10,386,000	2,539,080	12,938,536	(112,888)	(944)	13,304,253
Transactions with owners								
Final dividend for the year ended June 30, 2018 at the rate of Rs 20 per share	-	-	-	(959,099)	(959,099)	-	-	(959,099)
Bonus shares issued at the rate of one share for every five shares held	95,910	-	-	(95,910)	(95,910)	-	-	-
Interim dividend for the year ended June 30, 2019 at the rate of Rs 16.5 per share	-	-	-	(949,508)	(949,508)	-	-	(949,508)
Total transactions with owners	95,910	-	-	(2,004,517)	(2,004,517)	-	-	(1,908,607)
Comprehensive income for the year								
Profit after taxation for the year ended June 30, 2019	-	-	-	3,510,803	3,510,803	-	-	3,510,803
Other comprehensive loss	-	-	-	-	-	(34,931)	(3,273)	(38,204)
Total comprehensive income for the year ended June 30, 2019	-	-	-	3,510,803	3,510,803	(34,931)	(3,273)	3,472,599
Transfer to general reserve	-	-	1,483,000	(1,483,000)	-	-	-	-
Balance as at June 30, 2019	575,459	13,456	11,869,000	2,562,366	14,444,822	(147,819)	(4,217)	14,868,245

The annexed notes 1 to 45 form an integral part of these financial statements.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

Mirza Rehan Ahmed
Chief Financial Officer

Statement of Cash Flows

For the year ended June 30, 2019

	Note	2019	2018
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	33	5,049,179	4,040,394
Taxes paid		(2,231,408)	(1,816,276)
Long term loans		921	1,570
Long term security deposits (assets)		(1,397)	312
Staff retirement gratuity paid		-	(66,073)
Long term deposits		242	19,190
Net cash generated from operating activities		2,817,537	2,179,117
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(1,382,021)	(1,602,610)
Purchase of intangible assets		(2,567)	(13,266)
Short term investments made during the year		(21,032,596)	(16,161,952)
Proceeds from sale of property, plant and equipment		70,230	24,832
Profit received on saving accounts		60,602	48,044
Profit received on treasury bills		111,818	109,783
Profit received on Musharakah certificates		-	3,896
Profit received on Sukuks certificates		9,672	1,646
Profit received on Pakistan Investment Bonds		27,124	5,059
Profit received on term deposit receipts		52,204	89,822
Sale proceeds on disposal of short term investments		19,433,381	16,867,000
Net cash (used in) investing activities		(2,652,153)	(627,746)
CASH USED IN FINANCING ACTIVITIES			
Dividend paid		(1,899,123)	(1,675,472)
Net decrease in cash and cash equivalents during the year		(1,733,739)	(124,101)
Cash and cash equivalents at the beginning of the year		4,291,039	4,415,140
Cash and cash equivalents at the end of the year	34	2,557,300	4,291,039

The annexed notes 1 to 45 form an integral part of these financial statements.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

Mirza Rehan Ahmed
Chief Financial Officer

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

1. THE COMPANY AND ITS OPERATIONS

Colgate-Palmolive (Pakistan) Limited (the Company) was initially incorporated in Pakistan on December 5, 1977 as a public limited company with the name of National Detergents Limited. The name of the Company was changed to Colgate-Palmolive (Pakistan) Limited on March 28, 1990 when the Company entered into a Participation Agreement with Colgate-Palmolive Company, USA. The Company is listed on Pakistan Stock Exchange. The registered office of the Company is situated at Lakson Square, Building No. 2, Sarwar Shaheed Road, Karachi, Pakistan.

The Company is mainly engaged in the manufacture and sale of detergents, personal care and other related products.

2. SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

a) The Company imports significant portion of raw and packing material in foreign currency. Consequently, the Company's financial performance including gross profit margin has been significantly affected on account of significant devaluation of functional currency to foreign currency by approximately 35.54%.

b) During the year, the Company has made significant investment on non-current assets for extension and expansion of existing manufacturing facilities of Home care and Personal care products.

c) The adoption of new accounting standards on financial instruments and revenue from contracts with customers as detailed in note 3.1.3.

3. SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

3.1 Basis of preparation

3.1.1 Basis of measurement

These financial statements have been prepared under the historical cost convention unless otherwise specifically stated.

3.1.2 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 (IFRSs) 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 IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.1.3 **New standards, amendments to approved accounting standards and new interpretations**

3.1.3.1 **Amendments to approved accounting standards and interpretations which are effective during the year ended June 30, 2019**

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2018 but are considered not to be relevant or have any significant effect on the Company's financial reporting, except as mentioned below:

- IFRS 9 'Financial Instruments' - This standard replaces guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. It includes requirements on the classification and measurement of financial assets and liabilities derecognition of financial instruments, impairment of financial assets and hedge accounting; it also includes an expected credit losses impairment model that replaces the current incurred loss impairment model.

  As a result of application of IFRS 9, investments in mutual funds amounting to Rs 2,200 million as at July 1, 2018 have been reclassified from 'available for sale' to 'fair value through profit or loss'. In accordance with the transitional provisions of IFRS 9, comparative figures and their related gains / (losses) have been reclassified in the opening statement of financial position. Further all financial assets previously classified under the head 'loans and receivables' are now classified as 'amortised cost'.

- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 'Revenue', IAS 11 'Construction Contracts, and the related interpretations on revenue recognition.

  IFRS 15 introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those promised goods or services.

  As a result of application of IFRS 15, certain payments / rebates for the year amounting to Rs 1,250.477 million (2018: Rs 1,069.215 million) that were classified in 'Selling and distribution cost' have now been netted of against 'Turnover' by including in 'Trade and other discounts'. However, there has been no change in recognition of revenue due to IFRS-15.

  Based on the assessment performed by the management, there is no significant impact of the changes laid down by IFRS 9 and IFRS 15 on these financial statements of the Company except for as disclosed above. Further, consequent to the adoption of above mentioned standards, changes in accounting policies have been reflected in note 3.6, 3.12 and 3.15.

3.1.3.2 **New standards, amendments to approved accounting standards and interpretations that are effective for the Company's accounting periods beginning on or after July 1, 2019**

IFRS 16 'Leases' will be effective for the Company's annual accounting period beginning July 1, 2019. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. At present the Company is in the process of determining the impacts of application of IFRS 16 on future financial statements of the Company. Further, IFRS 17 'Insurance contracts' is yet to be adopted by the SECP.

Additionally there are certain new standards, amendments and interpretations to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

3.2 **Property, plant and equipment**

3.2.1 These assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and capital work in progress which are stated at cost.

Assets having cost exceeding the minimum threshold as determined by the management are capitalised. All other assets are charged to profit or loss in the year when acquired.

Consistent with prior year, depreciation is charged to income applying the straight line method by applying rates (as stated in note 5.1.1). Depreciation on additions is charged from the month in which the asset is put to use and on disposal upto the month of disposal.

No depreciation is charged if the asset's residual value exceeds its carrying amount.

Residual values and the useful lives are reviewed at each date of statement of financial position and adjusted if expectations differ significantly from previous estimates.

Residual values are determined by the management as the amount it expects it would receive currently for an item of property, plant and equipment if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

The carrying values of property, plant and equipment are reviewed at each reporting date for indications that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the asset or cash generating unit is written down to its recoverable amount. The recoverable amount of property, plant and equipment is the greater of fair value less cost to sell and value in use.

Normal repairs and maintenance are charged to profit or loss as and when incurred. Major renewals and improvements, if any, are capitalised, when it is probable that future economic benefits will flow to the Company.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount of the relevant assets. These are included in profit or loss.

3.2.2 **Capital work in progress**

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when assets are available for use.

3.3 **Intangible assets**

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognised when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining computer software are recognised as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged over the estimated useful life of the asset on a systematic basis applying the straight line method at the rate of 33.33%.

Useful lives of intangible operating assets are reviewed, at each date of statement of financial position and adjusted if the impact of amortisation is significant.

The carrying amount of the intangible is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversal of impairment losses are also recognised in the profit or loss, however, it is restricted to the original cost of the asset.

3.4 Stores and spares

Stores and spares are valued at lower of cost using the moving average method and estimated net realisable value. Items in transit are valued at cost as accumulated upto the date of statement of financial position. Provision for obsolete items, if any, is based on their condition as at the financial position date depending upon the management's judgement.

Loose tools are recognised as expense as and when purchased as their inventory is generally not significant.

Net realisable value specifies the estimated selling price in the ordinary course of business less the estimated cost of completion and cost necessarily to be incurred to make the sale.

3.5 Stock in trade

Stock in trade is valued at the lower of cost and estimated net realisable value. Cost is determined as follows:

Stages of stock in trade	Basis of valuation
Raw and packing material	Moving average cost
Raw and packing material in bonded warehouse and in transit	Cost accumulated upto the date of statement of financial position
Work in process and finished goods	Cost of direct materials and appropriate portion of production overheads
Trading goods	Moving average cost

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less estimated costs of completion and the estimated costs necessary to be incurred for its sale.

3.6 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method. Impairment of trade debts and other receivables is described in note 3.15.1

3.7 Taxation

Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation or alternative corporate tax computed on accounting income or minimum tax on turnover, whichever is higher, and taxes paid / payable on final tax basis, after taking into account tax credit available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalised during the year.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amount of the assets and liabilities and their tax bases.

Deferred tax liabilities are recognised for all major taxable temporary differences.

Deferred tax assets are recognised for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The carrying amount of the deferred tax asset is reviewed at each date of statement of financial position and is recognised only to the extent that it is probable that future taxable profits will be available against which the assets may be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred income tax assets are reassessed at each date of statement of financial position and are recognised to the extent that it becomes probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilised or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the financial position date.

3.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and bank balances, cheques in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, running finance under mark-up arrangements and short term loans which form an integral part of the Company's cash management.

3.9 **Borrowing costs**

Borrowing costs relating to the acquisition, construction or production of a qualifying asset are recognised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which these are incurred.

3.10 **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed periodically and adjusted to reflect the current best estimates.

3.11 **Staff retirement benefits**

Defined benefit plan

The Company operates a defined benefit plan i.e. an approved funded gratuity scheme for all its permanent employees subject to attainment of retirement age and minimum service of prescribed period. Contributions are made to the fund on the basis of actuarial recommendations. Actuarial valuation is carried out using the projected unit credit method.

All actuarial gains and losses (i.e. remeasurements) are recognised in 'other comprehensive income' as they occur.

Defined contribution plan

The Company operates an approved funded provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Company and its employees, to the fund at the rate of 9 percent of the basic salaries of employees.

Compensated absences

The liability in respect of compensated absences of employees is accounted for in the period in which the absences accrue. As the component of liability involved is not material, the Company does not carry out actuarial valuation for the said liability.

3.12 **Revenue recognition**

- Revenue from sale of goods is recognised when control of goods is transferred to customers.
- Profit on bank balances are recognised on a time proportion basis on the principal amount outstanding and at the applicable rate.
- Insurance commission income is recognised as and when received.
- Gains / (losses) arising on disposal of investments are included in income currently and are recognised on the date when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.

3.13 **Foreign currency transactions**

Transactions in foreign currencies are translated in Pakistan rupees (functional and presentation currency) at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan rupees at the rates of exchange approximating those prevalent at the date of statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

3.14 **Dividend and other appropriations**

Dividend is recognised as a liability in the period in which it is declared. Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

3.15 **Financial instruments**

3.15.1 **Financial assets**

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

a) Financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

b) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Equity instrument financial assets / mutual funds are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

3.15.2 **Financial liabilities**

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

3.15.3 Off-setting of financial assets and financial liabilities

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

3.16 **Contingent liabilities**

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.17 **Contingent assets**

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised until their realisation become virtually certain.

3.18 **Segment reporting**

Operating segments are reported in a manner consistent with the internal reports issued to the chief operating decision-maker. The Chief Executive Officer has been identified as the 'chief operating decision-maker', who is responsible for allocating resources and assessing performance of the operating segments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgements which are significant to the financial statements:

a) assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property, plant and equipment (note 5);

b) assumptions and estimates used in determining the useful lives and residual values of intangible assets (note 6);

c) assumptions and estimates used in determining the provision for slow moving stores and spares (note 9);

d) assumptions and estimates used in writing down items of stock in trade to their net realisable value (note 10);

e) assumptions and estimates used in calculating the provision for impairment for trade debts (note 11);

f) assumptions and estimates used in deriving fair value of short term investments (note 15);

g) deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the assets may be utilised (note 19);

h) assumptions and estimates used for valuation of present value of defined benefit obligation and fair value of plan assets (note 21);

i) assumptions and estimates used in disclosure and assessment of provision for contingencies (note 24); and

j) assumptions and estimates used in determining current income under relevant tax law and the decisions of appellate authorities on certain cases issued in the past (note 31).

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

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2019	2018
		(Rupees in '000)	
Operating fixed assets	5.1	3,389,732	2,757,033
Capital work in progress	5.2	778,836	887,261
		4,168,568	3,644,294

5.1 Operating fixed assets

5.1.1 The following is a statement of operating fixed assets:

	Leasehold land	Factory building on leasehold land	Plant and machinery	Electric fittings and installations	Furniture and fixtures	Tools and equipment	Vehicles	Computers and accessories	Office equipment	Total
	(Rupees in '000)									
At July 1, 2017										
Cost	89,850	858,131	3,692,890	206,030	108,665	321,367	451,870	177,455	91,075	5,997,333
Accumulated depreciation	-	(509,481)	(2,146,472)	(124,551)	(80,180)	(246,563)	(235,436)	(133,679)	(55,594)	(3,531,956)
Net book value	89,850	348,650	1,546,418	81,479	28,485	74,804	216,434	43,776	35,481	2,465,377
Year ended June 30, 2018										
Additions	-	5,530	94,559	2,411	9,371	36,977	71,295	61,554	16,034	297,731
Transfers from capital work in progress during the year (note 5.2.1)	-	58,844	454,211	33,592	34,627	45,020	33,434	2,863	20,853	683,444
Disposals (note 5.1.5)										
Cost	-	-	(18,877)	-	-	(4,281)	(32,437)	(35,268)	(950)	(91,813)
Depreciation	-	-	16,418	-	-	4,221	22,432	35,006	785	78,862
Net book value	-	-	(2,459)		-	(60)	(10,005)	(262)	(165)	(12,951)
Write offs (note 5.1.3)										
Cost	-	-	(10,251)	-	(95)	(1,975)	-	(9,341)	(1,416)	(23,078)
Depreciation	-	-	9,115	-	95	1,773	-	9,329	1,294	21,606
Net book value	-	-	(1,136)	-	-	(202)	-	(12)	(122)	(1,472)
Depreciation charge for the year (note 5.1.6)	-	(101,296)	(391,007)	(24,282)	(15,927)	(39,956)	(55,718)	(35,027)	(11,883)	(675,096)
Net book value as at June 30, 2018	89,850	311,728	1,700,586	93,200	56,556	116,583	255,440	72,892	60,198	2,757,033
Year ended June 30, 2019										
Additions	-	19,679	147,250	12,059	11,832	77,326	98,885	18,959	11,763	397,753
Transfers from capital work in progress during the year (note 5.2.1)	-	190,614	723,549	95,100	4,934	25,856	10,966	623	41,051	1,092,693
Disposals (note 5.1.5)										
Cost	-	(16,043)	(8,861)	(4,505)	(373)	(1,906)	(62,832)	(6,552)	(1,708)	(102,780)
Depreciation	-	38	438	308	139	866	43,899	6,413	321	52,422
Net book value	-	(16,005)	(8,423)	(4,197)	(234)	(1,040)	(18,933)	(139)	(1,387)	(50,358)
Write offs (note 5.1.3)										
Cost	-	-	(28,364)	-	(261)	(12,873)	-	(20,842)	(3,061)	(65,401)
Depreciation	-	-	27,345	-	251	12,803	-	20,782	2,837	64,018
Net book value	-	-	(1,019)	-	(10)	(70)	-	(60)	(224)	(1,383)
Depreciation charge for the year (note 5.1.6)	-	(115,368)	(493,553)	(33,612)	(13,299)	(34,971)	(59,039)	(39,490)	(16,674)	(806,006)
Net book value as at June 30, 2019	89,850	390,648	2,068,390	162,550	59,779	183,684	287,319	52,785	94,727	3,389,732
At June 30, 2018										
Cost	89,850	922,505	4,212,532	242,033	152,568	397,108	524,162	197,263	125,596	6,863,617
Accumulated depreciation	-	(610,777)	(2,511,946)	(148,833)	(96,012)	(280,525)	(268,722)	(124,371)	(65,398)	(4,106,584)
Net book value	89,850	311,728	1,700,586	93,200	56,556	116,583	255,440	72,892	60,198	2,757,033
Annual rates of depreciation (%) 2018	**-**	**10**	**10**	**10**	**15**	**15**	**20**	**33**	**15**	
At June 30, 2019										
Cost	89,850	1,116,755	5,046,106	344,687	168,700	485,511	571,181	189,451	173,641	8,185,882
Accumulated depreciation	-	(726,107)	(2,977,716)	(182,137)	(108,921)	(301,827)	(283,862)	(136,666)	(78,914)	(4,796,150)
Net book value	89,850	390,648	2,068,390	162,550	59,779	183,684	287,319	52,785	94,727	3,389,732
Annual rates of depreciation (%) 2019	**-**	**10 & 25**	**10 & 25**	**10 & 25**	**15 & 33**	**15 & 33**	**20 & 50**	**33**	**15 & 33**	

5.1.2 Cost of operating fixed assets representing moulds held by third parties, for manufacturing certain products of the Company, are as follows:

	2019	2018
	(Rupees in '000)	
Industrial Packages (Private) Limited	-	7,132
Leo Ultimate Plast	575	-
Techno Plast	15,473	15,473
Naveed Company	113	113
Afeef Packages (Private) Limited	2,796	2,796
Transpak Corporation Limited	5,109	5,109
Jeddah Plastic	4,608	4,608
A. S. Engineering	275	275
	28,949	35,506

These assets are free of lien and the Company has full right of repossession of these assets.

5.1.3 During the year, the Company has identified certain items of operating fixed assets from which further economic benefits are no longer being derived. Therefore, assets having cost of Rs 65.401 million (2018: 23.078 million) and net book value of Rs 1.383 million (2018: Rs 1.472 million) have been retired from active use and have been written off in these financial statements.

5.1.4 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

	Location	Usage of Immovable Property	Total Area (Square meters)	* Covered Area (Square meters)
a)	G-6, S.I.T.E., Kotri District Jamshoro (Sindh)	Manufacturing facility	51,719	58,408
b)	217, Sundar Industrial Estate, Raiwind Road, Lahore	<do>	33,314	8,841

** The covered area includes multi storey buildings.*

5.1.5 The following operating fixed assets with a net book value exceeding Rs 500,000 were disposed off during the year:

Particulars	Mode of disposal	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Particulars of purchasers
		(Rupees in '000)					
Vehicles	As Company car Policy	1,953	1,101	852	852	-	Hasan Kazmi Employee of the Company
	--do--	1,869	1,256	613	612	-	Mazhar Ali Employee of the Company
	--do--	2,388	1,721	667	1,020	353	Saleem Khan Employee of the Company
	--do--	1,039	503	536	704	167	Nadir Rehman Employee of the Company
	--do--	1,953	1,017	936	1,076	141	Muhammad Zafar Iqbal Employee of the Company
	--do--	1,683	1,178	505	646	141	Monis Siddique Employee of the Company
	--do--	1,683	1,178	505	646	141	Navid Ahmed Employee of the Company
	--do--	2,028	1,295	733	1,600	868	Pervaiz Khalil Mallick Ex-Employee of the Company
	Maturity of Company's maintained car scheme	2,388	1,210	1,178	1,350	172	Taimur Butt Ex-Employee of the Company
	Bid	1,522	807	715	1,406	691	Afzal Suleman House # 25-D Al-Hilal Society University Road, Karachi Cnic# 42201-7087911-5
	Negotiations	1,375	55	1,320	1,340	20	Suzuki South Office 25-1/A, Sector 23 Korangi Industrial Area Karachi Ntn 7489261-1
	Insurance Claim	1,628	875	753	1,475	723	Century Insurance Co. Ltd Related Party Lakson Square Building No. 3, Sarwar Shaheed Road Karachi
Office and Electrical Equipment	--do--	1,312	-	1,312	1,312	-	--do--
Building	--do--	15,928	-	15,928	16,767	-	--do--
Plant and Machinery	--do--	6,886	-	6,886	6,886	-	--do--
Electrical Fitting and Installation	--do--	4,505	308	4,197	3,942	(255)	--do--
Others Items having net book value of less than Rs 500,000 each	Various	52,640	39,918	12,722	28,596	16,710	Various
2019		**102,780**	**52,422**	**50,358**	**70,230**	**19,872**	
2018		91,813	78,862	12,951	24,832	11,881	

5.1.6 Depreciation charge for the year has been allocated as follows:

	Note	2019	2018
		(Rupees in '000)	
Cost of sales	25.1	709,267	588,760
Selling and distribution costs	26	51,526	47,187
Administrative expenses	27	45,213	39,149
		806,006	675,096

5.2 Capital work in progress

5.2.1 The following is a statement of capital work in progress:

	Leasehold land Note (5.2.3)	Factory building on leasehold land	Plant and machinery	Electric fittings and installation	Other assets	Total
	(Rupees in '000)					
Balance as at July 1, 2017	-	32,460	157,416	14,780	61,170	265,826
Capital expenditure incurred during the year (note 5.2.2)	-	123,373	1,062,915	21,137	97,454	1,304,879
Transfers to operating fixed assets (note 5.1.1)	-	(58,844)	(454,211)	(33,592)	(136,797)	(683,444)
Balance as at June 30, 2018	-	96,989	766,120	2,325	21,827	887,261
Capital expenditure incurred during the year (note 5.2.2)	80,600	348,475	373,941	98,806	82,446	984,268
Transfers to operating fixed assets (note 5.1.1)	-	(190,614)	(723,549)	(95,100)	(83,430)	(1,092,693)
Balance as at June 30, 2019	80,600	254,850	416,512	6,031	20,843	778,836

5.2.2 This includes items in transit aggregating Rs 7.205 million (2018: Rs 396.1 million).

5.2.3 The title of leasehold land has not been transferred to the Company at reporting date.

6. INTANGIBLE ASSETS

	Note	Goodwill and trade mark	Computer software	Total
		(Rupees in '000)		
At July 1, 2017				
Cost		43,500	102,982	146,482
Accumulated amortisation		(43,500)	(79,825)	(123,325)
Net book value		-	23,157	23,157
Year ended June 30, 2018				
Additions		-	13,266	13,266
Amortisation for the year	6.3	-	(11,605)	(11,605)
Net book value as at June 30, 2018		-	24,818	24,818
Year ended June 30, 2019				
Additions		-	2,567	2,567
Amortisation for the year	6.3	-	(12,950)	(12,950)
Net book value as at June 30, 2019		-	14,435	14,435
At June 30, 2018				
Cost		43,500	116,248	159,748
Accumulated amortisation		(43,500)	(91,430)	(134,930)
Net book value		-	24,818	24,818
At June 30, 2019				
Cost		43,500	118,815	162,315
Accumulated amortisation		(43,500)	(104,380)	(147,880)
Net book value		-	14,435	14,435

6.1 Goodwill includes amount paid on acquisition of the brand "Sparkle" from Transpak Corporation Limited and a trade mark costing Rs 1.5 million in respect of the brand "Sparkle" purchased on January 4, 2001. The trade mark was fully amortised during the year ended June 30, 2005, however, it is still in active use.

6.2 Computer software is being amortised over a useful life of 3 years.

6.3 Amortisation charge for the year has been allocated as follows:

	Note	2019	2018
		(Rupees in '000)	
Cost of sales	25.1	50	50
Selling and distribution costs	26	3,905	3,623
Administrative expenses	27	8,995	7,932
		12,950	11,605

7. LONG TERM LOANS

	Note	2019	2018
		(Rupees in '000)	
Considered good			
- due from executives	7.1 & 7.2	34,301	37,479
- due from other employees	7.2	34,158	32,135
		68,459	69,614
Recoverable within one year	12	(26,729)	(26,963)
	7.3	41,730	42,651

7.1 Reconciliation of carrying amount of loans to executives:

Opening balance as at July 1, 2018 / 2017	37,479	17,393
Disbursements	15,811	33,837
Repayments	(18,989)	(13,751)
Closing balance as at June 30	34,301	37,479

7.2 These loans are interest free and have been given to executives and other employees of the Company for purchase of house, vehicles or for personal use in accordance with their terms of employment. These loans are to be repaid over a period of two to five years in equal monthly installments. Any outstanding loan due from an employee at the time of leaving the service of the Company is adjustable against final settlement of staff provident fund.

7.3 Long term loans have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these financial statements.

8. LONG TERM SECURITY DEPOSITS

	Note	2019	2018
		(Rupees in '000)	
Long term security deposits	8.1 & 8.2	19,045	17,648

8.1 These include Rs 5.783 million (2018: Rs 5.783 million) representing amount deposited with Water and Power Development Authority (WAPDA) for enhancement in electricity load for detergent unit at Kotri.

8.2 These include a Term Deposit Receipt (TDR) amounting to Rs 1.7 million (2018: Rs 1.7 million) issued by a banking company. This TDR has been provided as a security (lien) to a banking company for issuance of guarantee in favour of Sui Southern Gas Company Limited. The TDR carries profit at the rate of 8.85% (2018: 5%) per annum and shall mature on December 13, 2019 at which time the management intends to rollover the TDR.

9. STORES AND SPARES

	Note	2019	2018
		(Rupees in '000)	
Stores		79,080	62,676
Spares	9.1	188,673	165,885
	25.1.3	267,753	228,561

9.1 These include spares in transit amounting to Rs 0.509 million (2018: Rs 8.882 million).

10. STOCK IN TRADE

	Note	2019	2018
		(Rupees in '000)	
Raw materials			
- in hand		1,429,784	1,450,702
- with third parties		3,304	1,818
- in transit		1,511,803	1,059,515
	25.1.1	2,944,891	2,512,035
Packing materials			
- in hand		366,205	305,003
- in transit		19,672	29,042
	25.1.2	385,877	334,045
Work in process	25.1	478,627	311,269
Finished goods			
- in hand		989,490	702,701
- in transit		127	490
	25	989,617	703,191
Trading goods			
- in hand		162,328	214,234
- in transit		13,474	36,204
	25	175,802	250,438
		4,974,814	4,110,978

11. TRADE DEBTS

	Note	2019	2018
		(Rupees in '000)	
Considered good			
- due from related parties	11.1	41	750
- others		749,509	735,623
		749,550	736,373
Considered doubtful			
- others		7,740	6,033
		757,290	742,406
Less: Provision for doubtful trade debts	11.5	7,740	6,033
		749,550	736,373

11.1 Trade debts include the following amounts due from related parties:

	2019	2018
	(Rupees in '000)	
Merit Packaging Limited	-	136
Tetley Clover (Private) Limited	-	-
Hasanali and Gulbanoo Lakhani Foundation	41	18
Century Paper and Board Mills Limited	-	6
SIZA (Private) Limited	-	9
Television Media Network (Private) Limited	-	456
Cyber Internet Services (Private) Limited	-	26
SIZA Foods (Private) Limited	-	-
SIZA Services (Private) Limited	-	11
Caraway (Private) Limited	-	88
	41	750

11.2 Trade debts include amount of Rs Nil (2018: Rs Rs 3.947 million) representing receivable against export sales to UAE and Madagascar amounting to Rs Nil (2018: Rs 2.83 million) and Rs Nil (2018: Rs 3.988 million) respectively under documents against acceptance basis.

11.3 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs 1.551 million (2018: Rs 2.822 million).

11.4 As at June 30, 2019, trade receivables of Rs 453.198 million (2018: Rs 240.279 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2019	2018
	(Rupees in '000)	
Upto 1 month	137,054	78,776
1 to 6 months	252,121	108,907
More than 6 months	64,023	52,596
	453,198	240,279

11.4.1 Ageing analysis of the amounts due from related parties is as follows:

	upto 1 months	1 to 6 months	More than 6 months	As at June 30, 2019	As at June 30, 2018
	(Rupees in '000)				
Merit Packaging Limited	-	-	-	-	136
Hasanali and Gulbanoo Lakhani Foundation	-	-	-	-	18
Century Paper and Board Mills Limited	-	-	-	-	6
SIZA (Private) Limited	-	-	-	-	9
Television Media Network (Private) Limited	10	31	-	41	456
Cyber Internet Services (Private) Limited	-	-	-	-	26
SIZA Services (Private) Limited	-	-	-	-	11
Caraway (Private) Limited	-	-	-	-	88
	10	31	-	41	750

11.5 Provision for doubtful trade debts

	2019	2018
	(Rupees in '000)	
Opening balance	6,033	20,536
Add: Charge for the year	1,707	-
Less: Write off against provision	-	(14,503)
Closing balance	7,740	6,033

		Note	2019	2018
			(Rupees in '000)	
12.	**LOANS AND ADVANCES**			
	Considered good			
	Current portion of long term loans			
	- due from executives	12.1	15,291	13,811
	- due from other employees		11,438	13,152
		7	26,729	26,963
	Advances			
	- to employees	12.2	6,997	6,627
	- to contractors and suppliers	12.3	371,069	219,992
			404,795	253,582

12.1 These include loans exceeding Rs 1 million to Ms. Samar Irshad Sethi at terms stated in note 7.2.

12.2 Advances to employees are provided to meet business expenses and are settled as and when the expenses are incurred.

		Note	2019	2018
			(Rupees in '000)	
12.3	Advances include the following amounts due from following related parties:			
	Television Media Network (Private) Limited		-	2,513
	Ajinomoto Lakson Pakistan (Private) Limited		251	248
	Princeton Travel (Private) Limited		1,331	1,518
	Lakson Business Solutions Limited		-	257
			1,582	4,536

12.4 The ageing analysis of advances due from related parties is as follows:

Upto 1 month	2,751	3,018
1 to 6 months	40	-
More than 6 months	1,331	1,518
	4,122	4,536

13.	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**			
	Security deposits		23,906	29,545
	Prepayments		33,056	37,052
			56,962	66,597
14.	**OTHER RECEIVABLES**			
	Receivable from related parties	14.1	2,030	1,769
	Sales tax claimable		900	2,088
	Special excise duties claimable		8,729	8,729
	Others	14.4	193,071	191,752
			204,730	204,338

14.1 Other receivables include the following amounts due from related parties:

	2019	2018
	(Rupees in '000)	
Century Insurance Company Limited	1,827	591
Cyber Internet Services (Private) Limited	80	45
Lakson Business Solutions Limited	110	15
Siza Foods (Pvt) Limited	6	-
Lakson Investment Limited	7	-
Ajinomoto Lakson Pakistan (Private) Limited	-	1,118
	2,030	1,769

14.2 The ageing analysis of other receivables due from related parties is as follows:

Upto 1 month	1,401	-
1 to 6 months	246	1,769
More than 6 months	383	-
	2,030	1,769

14.3 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs 2.959 million (2018: Rs 2.005 million).

14.4 These include payorders issued in favour of Collector of Customs for clearance of tooth brushes shipments amounting to Rs 190.585 million. Application for release of these payorders alongwith bank guarantees amounting to Rs 67.307 million has been filed after decision of the matter in favour of the Company.

15. SHORT TERM INVESTMENTS

	Note	2019	2018
		(Rupees in '000)	
Investments - Amortised cost	15.1	1,345,607	2,765,607
Investments -Fair value through profit or loss	15.2	3,817,896	2,200,676
Investments - Fair value through other comprehensive income	15.3	383,115	388,171
		5,546,618	5,354,454

15.1 The range of rates of profits on these term deposits is 13.20% per annum (2018: between 5.00% and 7.30% per annum) having maturity in February 2020.

15.2 Investments -Fair value through profit or loss

Name of the investee	As at July 1, 2018	Purchases during the year	Bonus units	Sales / Redemptions during the year	As at June 30, 2019	Average cost as at June 30, 2019	Fair value as at June 30, 2019	Unrealised gain as at June 30, 2019
	Number of units in '000					Rupees in '000		
Lakson Money Market Fund (associated undertaking)	-	26,722	682	(2,881)	24,523	2,350,000	2,462,873	112,873
Lakson Income Fund (associated undertaking)	9,442	230	465	(6,367)	3,770	350,000	380,621	30,621
Atlas Money Market Fund	1,513	118	81	-	1,712	800,000	860,082	60,082
NAFA Money Market Fund	38,464	823	2,138	(29,840)	11,585	100,000	114,320	14,320
	49,419	27,893	3,366	(39,088)	41,590	3,600,000	3,817,896	217,896

15.3 Investments - Fair value through other comprehensive income

	As at July 1, 2018	Purchases during the year	Sales during the year	Carrying amount as at June 30, 2019	Fair value as at June 30, 2019	Unrealised loss as at June 30, 2019
	Rupees in '000					
Pakistan Investment Bonds (PIBs)	338,572	-	-	339,350	333,778	(5,572)
Sukuk Bonds	49,599	-	-	49,746	49,337	(409)
	388,171	-	-	389,096	383,115	(5,981)

16. CASH AND BANK BALANCES

	Note	2019	2018
		(Rupees in '000)	
With banks in current / saving accounts			
- Local currency			
- Current accounts		461,203	461,307
- Saving accounts	16.1	730,015	1,052,556
		1,191,218	1,513,863
Cheques in hand		22,594	13,759
Cash in hand		488	417
		1,214,300	1,528,039

16.1 The rate of profit on these saving accounts is 10.25% (2018: 3.00% and 6.90%) per annum.

17. SHARE CAPITAL

17.1 Authorised share capital

2019	2018		2019	2018
Number of shares			(Rupees in '000)	
75,000,000	75,000,000	Ordinary shares of Rs 10 each	750,000	750,000

17.2 Issued, subscribed and paid-up share capital

2019	2018		2019	2018
Number of shares			(Rupees in '000)	
5,882,353	5,882,353	Ordinary shares of Rs 10 each fully paid in cash	58,824	58,824
51,663,576	42,072,576	Ordinary shares of Rs 10 each issued as fully paid bonus shares	516,635	420,725
57,545,929	47,954,929		575,459	479,549

17.2.1 Colgate-Palmolive Company, an associate incorporated under the laws of State of Delaware, USA, having its registered address at 300 Park Avenue, New York, USA, owns 30% (2018: 30%) of the Company's ordinary shares issued, subscribed and the paid-up share capital. The controlling shareholders of the Company have a right of first refusal in the event that Colgate-Palmolive Company should divest their shares.

Mr. Noel R.Wallace is the President and Chief Executive Officer of Colgate-Palmolive Company. As per the latest available financial statements, prepared on going concern basis, the auditors of Colgate-Palmolive Company have expressed an unmodified opinion.

17.2.2 The Company has received an intention on behalf of Colgate-Palmolive Company U.S.A (C.P U.S.A) to acquire additional shares of the Company up to twenty one percent (21%). Consequent to above said intention, C.P U.S.A has also appointed manager to offer in this respect.

18. RESERVES

	Note	2019	2018
		(Rupees in '000)	
Capital reserve			
- Share premium reserve	18.1	13,456	13,456
Revenue reserve			
- General reserve		11,869,000	10,386,000
- Unappropriated profit		2,562,366	2,538,131
		14,431,366	12,924,131
		14,444,822	12,937,587

18.1 This reserve can be utilised by the Company only for the purpose specified in section 81 of the Companies Act 2017.

19. DEFERRED TAXATION

	2019	2018
	(Rupees in '000)	
Credit / (debit) balances arising in respect of timing differences relating to:		
Taxable temporary difference		
Accelerated tax depreciation allowance	185,997	187,430
Intangibles	-	1,625
Short term investments	7,033	132
	193,030	189,187
Deductible temporary difference		
Provision for compensated absences	(13,235)	(11,751)
Intangibles	(502)	-
Provision for impairment of trade debts	(2,203)	(1,705)
Deferred liabilities	(12,381)	(12,381)
	(28,321)	(25,837)
	164,709	163,350

19.1 The movement in temporary differences is as follows:

	Balance as at July 1, 2017	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at June 30, 2018	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at June 30, 2019
	(Rupees in '000)						
Deferred tax debits:							
Accelerated tax depreciation allowance	229,010	(41,580)	-	187,430	(1,433)	-	185,997
Short term investments	966	347	(1,181)	132	8,280	(1,379)	7,033
	229,976	(41,233)	(1,181)	187,562	6,847	(1,379)	193,030
Deferred tax credits:							
Provision for compensated absences	(11,026)	(725)	-	(11,751)	(1,484)	-	(13,235)
Intangibles	804	821	-	1,625	(2,127)	-	(502)
Provision for impairment of trade debts	(6,021)	4,316	-	(1,705)	(498)	-	(2,203)
Deferred liabilities	(12,808)	427	-	(12,381)	-	-	(12,381)
	200,925	(36,394)	(1,181)	163,350	2,738	(1,379)	164,709

20. LONG TERM DEPOSITS

	2019	2018
	(Rupees in '000)	
Deposits obtained from:		
- Distributors	85,799	83,557
- Transporters	500	500
- Others	5	2,005
	86,304	86,062

20.1 As per the requirements of section 217 of the Companies Act, 2017 deposits amounting to Rs 68.298 million (2018: Rs 64.722 million) are utilised for the purpose of business as per the written agreements and deposits amounting to Rs 18.006 million (2018: Rs 21.340 million) are kept in separate bank account.

21. DEFERRED LIABILITY

	Note	2019	2018
		(Rupees in '000)	
Defined benefit plan (staff retirement gratuity) - funded	21.4	90,112	-

21.1 As stated in note 3.11, the Company operates a defined benefit plan i.e. an approved funded gratuity scheme for all its permanent employees subject to attainment of retirement age and minimum service of prescribed period. Actuarial valuation of the scheme is carried out every year and the latest actuarial valuation was carried out as at June 30, 2019. The disclosures made in notes 21.2 to 21.15 are based on the information included in that actuarial report.

21.2 The actuarial valuation of gratuity plan was carried out as at June 30, 2019. The projected unit credit method using the following significant assumptions was used for this valuation:

	2019	2018
	Percentage	
- Discount rate - per annum compound	14.25	8.75
- Expected rate of increase in salaries - per annum		
For next year	12.00	13.00
For subsequent years	14.25	7.75

21.3 Mortality rate

The rates assumed were based on the SLIC (2001-2005) mortality table.

21.4 Statemement of financial position reconciliation

	Note	2019	2018
		(Rupees in '000)	
Present value of defined benefit obligation	21.5	597,897	516,989
Fair value of plan assets	21.6	(507,785)	(516,989)
		90,112	-

21.5 Movement in defined benefit obligation

Present value of defined benefit obligation as at July 1, 2018 / 2017	516,989	465,328
Past service cost	5,562	-
Current service cost	35,516	31,597
Interest cost	43,861	36,048
Remeasurement on obligation	27,414	13,473
Benefits paid	(31,445)	(29,457)
Present value as at June 30	597,897	516,989

21.6 Movement in fair value of plan assets

	Note	2019	2018
		(Rupees in '000)	
Fair value as at July 1, 2018 / 2017		516,989	465,328
Expected return on plan assets		44,025	36,237
Remeasurement on fair value of plan assets		(21,784)	(21,192)
Contributions made during the year to the fund		-	66,073
Benefits paid		(31,445)	(29,457)
Fair value as at June 30		507,785	516,989

21.7 Movement in net liability in the statement of financial position is as follows:

Balance of net liability as at July 1, 2018 / 2017		-	-
Charge for the year	21.9	40,914	31,408
Contributions made during the year to the fund		-	(66,073)
Net remeasurement for the year		49,198	34,665
Balance of net liability as at June 30		90,112	-

21.8 Amounts charged to profit or loss:

Current service cost	35,516	31,597
Past service cost	5,562	-
Net interest cost	(164)	(189)
	40,914	31,408

21.9 Charge for the year has been allocated as under:

Cost of sales	25.1	20,174	15,825
Selling and distribution costs	26	11,513	8,588
Administrative expenses	27	9,227	6,995
		40,914	31,408

21.10 Actual return on plan assets

Expected return on plan assets	44,025	36,237
Remeasurement on fair value of plan assets	(21,784)	(21,192)
Actual return on plan assets	22,241	15,045

21.11 Plan assets comprise of the following:

	2019		2018	
	(Rs in '000)	Percentage	(Rs in '000)	Percentage
Shares and units of mutual funds	114,759	22.6	84,476	16.34
Debt instruments	139,133	27.4	120,355	23.28
Cash at Banks	253,893	50.0	312,158	60.38
	507,785	100.00	516,989	100.00

21.12 Expected contribution to defined benefit plan for the year ending June 30, 2020 is Rs 95.107 million.

21.13 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		(Rupees in '000)	
Discount rate	1%	(532,977)	624,127
Salary growth rate	1%	624,180	(532,224)

21.14 The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the staff retirement gratuity recognised within the statement of financial position.

21.15 The average duration of the defined benefit obligation is 8 years.

22. TRADE AND OTHER PAYABLES

	Note	2019	2018
		(Rupees in '000)	
Trade creditors	22.1	802,825	790,063
Accrued liabilities	22.2	1,645,911	1,402,467
Bills payable		342,320	317,929
Advances from customers - unsecured	22.3	63,864	47,636
Sales tax payable		205,186	2,053
Royalty payable to Colgate-Palmolive Co., USA		271,522	222,814
Workers' profits participation fund	22.4	266,082	250,446
Workers' welfare fund		93,960	93,540
Retention money payable		7,514	4,945
Others	22.5	64,750	51,763
		3,763,934	3,183,656

22.1 These include the following amounts due to related parties:

Century Paper & Board Mills Limited	36,631	41,041
Century Insurance Company Limited	32,826	12,504
Merit Packaging Limited	2,668	34,326
Cyber Internet Services (Private) Limited	-	257
Sybrid (Private) Limited	-	51
Express Publication (Private) Limited	1,200	801
Siza Foods (Private) Limited	40	40
Siza Services (Pvt) Limited	188	-
Siza (Pvt) Limited	463	-
Hasanali and Gulbanoo Lakhani Foundation	20	-
Lakson Investment Limited	809	1,912
	74,845	90,932

	Note	2019	2018
		(Rupees in '000)	

22.2 These include the following amounts accrued in respect of related parties:

Caraway (Private) Limited	-	34,268
Ajinomoto Lakson (Private) Limited	991	788
Century Paper & Board Mills Limited	2,303	987
Merit Packaging Limited	7,190	517
Television Media Network (Private) Limited	41,181	36,839
	51,665	73,399

22.3 These include the following amounts of advances from related parties:

Caraway (Pvt) Limited	74	-
SIZA Foods (Private) Limited	-	35
Colgate Palmolive PNG Limited	2,626	6,170
	2,700	6,205

22.4 Workers' profits participation fund

Balance at the beginning of the year		250,446	259,321
Allocation for the year	28	266,082	250,446
		516,528	509,767
Less: Payments during the year		250,446	259,321
Balance at the end of the year		266,082	250,446

22.5 These include the following amounts payable to related parties:

CPPL Employees Provident Fund Trust	6,367	-
Colgate-Palmolive (Thailand) Ltd.	1,810	1,338
Colgate-Palmolive (Hongkong) Ltd.	2,615	1,932
Colgate-Palmolive (China) Co. Ltd. Guangzhou	29	22
	10,821	3,292

23. SHORT TERM RUNNING FINANCES

23.1 The Company has arranged short-term borrowing facilities from various banks on mark-up basis to the extent of Rs 1,090 million (2018: Rs 1,090 million), which can be interchangeably utilised as running finance facilities or import credit facilities. These facilities expired during the year and were renewed subsequently. The renewed facilities are available for various periods upto March 31, 2020. The arrangements are secured by a joint hypothecation of stocks, stores and spares, trade debts, other current assets and second charge on immovable assets of the Company.

23.2 The mark-up on short term running facilities ranges between 11.63% to 14.55% (2018: 6.93 % and 8.67%) per annum.

23.3 The facilities for opening letters of credit and guarantees as at June 30, 2019 aggregated Rs 5,100 million and Rs 260 million (2018: Rs 4,900 million and Rs 260 million) respectively of which the amounts remaining unutilised at the year end were Rs 3,827.716 million and Rs 146.05 million (2018: Rs 4,248.088 million and Rs 151.943 million) respectively.

24. CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 Certain cases have been filed against the Company by some employees claiming Rs 2.380 million (2018: Rs 2.072 million) in aggregate. Provision has not been made in these financial statements for the said amount as the management of the Company, based on the advice of its legal counsel handling the subject cases, is of the opinion that matters shall be decided in the Company's favour.

24.1.2 Post dated cheques have been issued to custom authorities as a security in respect of duties and taxes amounting to Rs 19.758 million in the year 2016 payable at the time of exbonding of imported goods. Further, the custom authorities have withheld cheques which became due during the previous year amounting to Rs 19.758 million on account of claim in relation to custom duty, sales tax and income tax made by custom authorities as mentioned in note 24.1.3 below.

24.1.3 Company received a letter dated December 21, 2015 from the Directorate of Input Output Co-Efficient Organisation, Federal Board of Revenue stating that the conditions for claiming the exemption on import of a raw material during the year ended June 30, 2015 under SRO 565(1) / 2006 (SRO) were not fulfilled and sought an explanation from the Company as to why Custom Duty of Rs 560.964 million, Sales Tax of Rs 93.971 million and Income Tax of Rs 8.237 million remitted under SRO may not be recovered from the Company. The Company filed a constitutional petition No. D - 3134 of 2016 in the High Court of Sindh dated May 28, 2016 and obtained a stay order dated May 31, 2016 to restrain the custom authorities from taking any coercive action against the Company.

During the year 2017, the Company received another letter dated April 20, 2017 issued by Collectorate of Customs claiming duties and taxes amounting to Rs 137.905 million on the same grounds as stated in aforementioned paragraph.

During the year 2018, the Collector of Customs (Adjudication - I) vide order dated November 14, 2017 adjudicated the show cause notice and accordingly directed the Collectorate to take further necessary actions in the light of the judgement of the High Court of Sindh. The Collector of Customs being aggrieved by the decision has filed a Custom Appeal 32-K of 2018 before the Custom Appellate Tribunal which is pending till date.

The management of the Company, based on its discussion with tax and legal consultants, is confident that its submissions shall be accepted and no demand will be raised against the Company.

24.1.4 During the year 2011, the Gas Infrastructure Development Cess (GIDC) was levied at Rs 13 per unit of gas consumption through the Gas Infrastructure Development Cess Act, 2011 (the Act) . The rate was increased to Rs 100 per unit w.e.f. July 2012 whereas subsequently it was reduced to Rs 50 per unit through a notification dated September 7, 2012. The High Court of Sindh through its order dated September 19, 2012, however, has restrained Sui Southern Gas Company Limited (SSGCL), being the company required to charge and collect the cess, from charging cess over and above Rs 13 per unit from the Company. In case of a separate petition on June 13, 2013, the GIDC Act was declared unconstitutional by the Peshawar High Court (PHC) and such judgment was also upheld by the Supreme Court on August 22, 2014.

On September 25, 2014, the Gas Infrastructure Development Cess Ordinance, 2014 (the GIDC Ordinance) was promulgated which levied GIDC at Rs 150 per unit. Section 8 of the Ordinance interlia states that notwithstanding anything to the contrary contained in any decree of any court, the cess levied under the Act shall be deemed to have been validly levied under the provision of the Ordinance (i.e. retrospective application). The Company has filed a petition to invalidate the promulgation of the Ordinance which is pending adjudication. In the meantime on the basis of the Company's application on October 20, 2014, the High Court of Sindh issued a stay order in favour of the Company refraining SSGCL from collecting GIDC under the GIDC Ordinance.

On May 23, 2015, the Gas Infrastructure Development Cess Act, 2015 (the new GIDC Act) was promulgated which levied GIDC at Rs 100 per unit. Section 8 of the new GIDC Act interlia states that notwithstanding anything to the contrary contained in any decree of any court, the cess levied under the new GIDC Act shall be deemed to have been validly levied under the provision of the new GIDC Act (i.e. retrospective application). On June 29, 2015, the Company filed a petition to invalidate the promulgation of the new GIDC Act which is pending adjudication.

The amount of cess if determined to be payable by the Company with retrospective i.e w.e.f 2011 effect shall aggregate to Rs 150.725 million (2018: Rs 126.783 million) approximately, however the Company, based on the advice of its legal counsel, is confident of a favourable outcome of the aforementioned applications to the High Court of Sindh and, therefore, has not provided for the amount of Rs 150.725 million in these financial statements.

24.1.5 Contingent liabilities in respect of indemnities given to financial institutions for guarantees issued by them on behalf of the Company in the normal course of business aggregate Rs.46.643 million (2018: Rs 40.750 million).

24.1.6 During the year ended June 30, 2018, the Company received an order dated August 10, 2017 from the Competition Commission of Pakistan imposing a penalty of Rs 10 million under section 10 of The Competition Act, 2010 against the show cause notice issued for indulging in deceptive marketing practices. The Company filed an appeal with the Competition Appellate Tribunal against the above mentioned order which also granted an interim relief order in favour of the Company stating that no coercive action shall be taken untill the disposal of appeal.

During the year, Competition Appellate Tribunal upheld the decision of Competition Commission of Pakistan. However, penalty imposed was reduced to Rs 3 million as full and final settlement.

24.2 Commitments

24.2.1 Commitments in respect of capital expenditure and inventory items amounted to Rs. 134.545 million and Rs. 431.622 million respectively (2018: Rs 165.729 million and Rs 963.283 million respectively).

24.2.2 Outstanding letters of credit amounted to Rs. 1,146.456 million (2018: Rs 534.505 million).

24.2.3 Outstanding duties leviable on clearing of stocks amounted to Rs 22.812 million (2018: Rs 6.261 million).

		Note	2019	2018
			(Rupees in '000)	
25	**COST OF SALES**			
	Opening stock of finished goods (including trading goods)		953,629	848,587
	Cost of goods manufactured	25.1	22,979,941	17,614,109
	Purchases of trading goods		3,722,303	3,341,903
			27,655,873	21,804,599
	Less: Closing stock of finished goods (including trading goods)	10	1,165,419	953,629
			26,490,454	20,850,970
25.1	Cost of goods manufactured			
	Opening stock of work in process		311,269	297,372
	Raw materials consumed	25.1.1 & 25.1.4	16,075,497	11,602,595
	Packing materials consumed	25.1.2 & 25.1.4	4,135,396	3,564,521
	Stores and spares consumed	25.1.3 & 25.1.4	123,422	95,762
	Salaries, wages and other benefits		1,116,251	999,333
	Staff retirement gratuity	21.9	20,174	15,825
	Provident fund	25.1.5	16,961	14,949
	Power and fuel		444,406	390,221
	Repairs and maintenance		70,663	35,964
	Rent, rates and taxes		52,693	17,384
	Insurance		67,553	51,093
	Laboratory expenses		16,876	9,322
	Cartage		213,449	179,982
	Depreciation	5.1.6	709,267	588,760
	Amortisation	6.3	50	50
	Other manufacturing expenses		84,641	62,245
			23,458,568	17,925,378
	Less: Closing stock of work in process	10	478,627	311,269
			22,979,941	17,614,109
25.1.1	Raw materials consumed			
	Opening stock		2,512,035	1,665,797
	Purchases		16,508,353	12,448,833
			19,020,388	14,114,630
	Less: Closing stock	10	2,944,891	2,512,035
			16,075,497	11,602,595
25.1.2	Packing materials consumed			
	Opening stock		334,045	296,006
	Purchases		4,187,228	3,602,560
			4,521,273	3,898,566
	Less: Closing stock	10	385,877	334,045
			4,135,396	3,564,521
25.1.3	Stores and spares consumed			
	Opening stock		228,561	196,150
	Purchases		162,614	128,173
			391,175	324,323
	Less: Closing stock	9	267,753	228,561
			123,422	95,762

25.1.4 Cost of sales includes amounts written off during the year in respect of the following:

	2019	2018
	(Rupees in '000)	
Packing materials	-	502

25.1.5 The investments by the provident fund in collective investment schemes, listed equity and debts securities have been made in accordance with the conditions specified in section 218 of the Companies Act, 2017 and rules specified thereunder.

	Note	2019	2018
		(Rupees in '000)	
26. SELLING AND DISTRIBUTION COST			
Salaries, wages and other benefits		664,160	553,171
Staff retirement gratuity	21.9	11,513	8,588
Provident fund	25.1.5	19,040	16,830
Travelling and conveyance		38,044	44,301
Repairs and maintenance		9,980	3,750
Vehicle running expenses		110,242	90,058
Advertising and sales promotion		2,365,195	3,023,079
Royalty on sale of licensed products	26.1	210,669	159,322
Postage, telephone and internet charges		24,719	24,371
Rent, rates and taxes		133,512	112,378
Printing and stationery		4,758	5,059
Subscription and membership		280	181
Legal and professional		2,765	2,266
Freight		1,378,902	1,143,384
Electricity		13,116	10,525
Insurance		60,012	50,079
Security service charges		10,485	9,544
Depreciation	5.1.6	51,526	47,187
Amortisation	6.3	3,905	3,623
Other expenses		19,518	15,133
		5,132,341	5,322,829

26.1 Details of royalty paid during the year are as follows:

Name of Receipient	Relationship with the Company	Registered Address	2019	2018
			(Rupees in '000)	
Colgate-Palmolive Company	Associate	300 Park Avenue, New York 10022-7499 US	137,506	97,931
The Walt Disney Company LImited	N/A	3 Queen Caroline Street, Hammersmith, London	144	158
Universal Studios Licensing LLC	N/A	10 Universal City Plaza, Universal City, United States	-	41

27. ADMINISTRATIVE EXPENSES

	Note	2019	2018
		(Rupees in '000)	
Salaries, wages and other benefits		275,082	242,128
Staff retirement gratuity	21.9	9,227	6,995
Provident fund	25.1.5	9,787	9,006
Travelling and conveyance		8,057	9,517
Repairs and maintenance		37,008	34,308
Vehicle running expenses		20,799	16,106
Postage, telephone and internet charges		16,252	14,728
Rent, rates and taxes		15,438	9,217
Printing and stationery		4,966	3,820
Subscription and membership		24,812	19,886
Legal and professional		7,506	9,800
Electricity		4,985	5,162
Insurance		14,953	12,925
Security service charges		7,629	6,764
Depreciation	5.1.6	45,213	39,149
Amortisation	6.3	8,995	7,932
Others		1,823	1,789
		512,532	449,232
Charge from related parties		7,534	8,358
		520,066	457,590

28. OTHER EXPENSES

Workers' profits participation fund	22.4	266,082	250,446
Workers' welfare fund	28.1	91,333	90,365
Auditors' remuneration	28.2	5,345	3,195
Property, plant and equipment - written off	5.1.1	1,383	1,472
Donations	28.3	19,500	19,795
Others		45,012	45,037
		428,655	410,310

28.1 Workers' welfare fund

Charge for the year	93,960	93,540
Prior year	(2,627)	(3,175)
	91,333	90,365

28.2 Auditors' remuneration

Audit fee		1,100	1,100
Fee for half yearly review		478	478
Statutory certifications		323	323
Others	28.2.1	2,878	824
		4,779	2,725
Out of pocket expenses		566	470
		5,345	3,195

28.2.1 These include services relating to taxation and business process improvement.

28.3 Donations include the following in which certain directors are interested:

Name of director	Interest in donee	Name of donee	2019	2018
			(Rupees in '000)	
Mr. Zulfiqar Ali Lakhani, Mr. Amin Mohammed Lakhani and Mr. Iqbal Ali Lakhani	Trustees	Hasanali and Gulbanoo Lakhani Foundation	18,000	18,000
Mr. Iqbal Ali Lakhani	Trustee	Layton Rehmatullah Benevolent Trust	500	500
Mr. Iqbal Ali Lakhani	Spouse is the chairperson	Pakistan Special Olympics	1,000	1,150

	Note	2019	2018
		(Rupees in '000)	
29. OTHER INCOME			
Income from financial assets			
Profit on saving accounts		62,720	49,104
Profit on treasury bills		111,818	109,783
Profit on a term deposit receipt		49,716	89,421
Profit on PIBs		27,060	3,935
Profit on Musharakah certificates		-	3,896
Profit on Sukuks certificates		9,580	2,204
Dividend Income		234,795	-
Unrealised gain on investments classified as fair value through profit or loss		2,858	-
Gain on disposal of short term investments		14,743	157,829
		513,290	416,172
Income from non-financial assets			
Insurance commission		33,583	16,060
Gain on disposal of items of property, plant and equipment	5.1.5	19,872	11,881
Sale of scrap		46,339	23,120
Others		76	-
		99,870	51,061
		613,160	467,233

	2019	2018
	(Rupees in '000)	
30. FINANCE COST AND BANK CHARGES		
Guarantee commission	2,391	1,352
Bank commission and other charges	36,105	27,888
	38,496	29,240
31. TAXATION		
Current		
- for the year	1,444,308	1,473,203
- for prior years	6,341	(25,852)
	1,450,649	1,447,351
Deferred tax	2,738	(36,394)
	1,453,387	1,410,957

31.1 Reconciliation between the average effective tax rate and the applicable tax rate.

	2019	2018
	Percentage	
Applicable tax rate	29.00	30.00
Tax effect of income assessed under final tax regime	(0.56)	(0.54)
Tax effect of change in statutory tax rate for next years	-	(0.03)
Tax credits	(1.26)	(1.63)
Tax effect due to impact of super tax	1.91	2.98
	29.09	30.78
Tax effect of income tax provision relating to prior years	0.13	(0.23)
	29.22	30.55

31.2 As per the management's assessment, sufficient tax provision has been made in the Company's financial statements. The comparison of tax provision as per the financial statements viz-a-viz tax assessment for last three years is as follows:

	2018	2017	2016
	----------(Rupees in '000)----------		
Provision as per financial statements	1,454,200	1,640,460	1,426,660
Tax assessment	1,454,200	1,640,460	1,426,660

31.3 The Board of Directors in its meeting held on January 31, 2019 have distributed sufficient interim cash dividend for the year ended June 30, 2019 (refer note 35). Accordingly, no provision for tax on undistributed profit under section 5A of the Income Tax Ordinance, 2001 has been recognised in these financial statements for the year ended June 30, 2019.

32. EARNINGS PER SHARE

	2019	2018
	(Rupees in '000)	
Profit after taxation	3,510,803	3,257,055
	(Number of shares)	
Weighted average number of ordinary shares outstanding during the year - Restated	57,545,929	57,545,929

	2019	2018
	(Rupees)	(Restated)
Earnings per share	61.01	56.60

32.1 There are no dilutive potential ordinary shares outstanding as at June 30, 2019 and 2018.

		Note	2019	2018
			(Rupees in '000)	
33.	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		4,964,190	4,668,012
	Adjustment for non-cash charges and other items:			
	Depreciation expense		806,006	675,096
	Provision for doubtful trade debts		1,707	-
	Amortisation expense		12,950	11,605
	Gain on disposal of items of property, plant and equipment		(19,872)	(11,881)
	Staff retirement gratuity		40,914	31,408
	Profit on saving accounts		(62,720)	(49,104)
	Profit on a term deposit receipt		(49,716)	(89,421)
	Profit on treasury bills		(111,818)	(109,783)
	Profit on PIBs		(27,060)	(3,935)
	Profit on Musharakah certificates		-	(3,896)
	Profit on Sukuks certificates		(9,580)	(2,204)
	Unrealised gain on investments classified as fair value through profit or loss		(2,858)	-
	Gain on disposal of short term investments		(14,743)	(157,829)
	Stocks in trade written off		-	502
	Property, plant and equipment written off		1,383	1,472
	Working capital changes	33.1	(479,604)	(919,648)
			5,049,179	4,040,394
33.1	Working capital changes			
	(Increase) / decrease in current assets:			
	Stores and spares		(39,192)	(32,411)
	Stock in trade		(863,836)	(1,003,718)
	Trade debts		(14,884)	5,659
	Loans and advances		(151,213)	(11,070)
	Trade deposits and short term prepayments		9,635	50,049
	Other receivables		(392)	(192,808)
			(1,059,882)	(1,184,299)
	Increase in current liabilities:			
	Trade and other payables		580,278	264,651
			(479,604)	(919,648)
34.	**CASH AND CASH EQUIVALENTS**			
	Cash and bank balances	16	1,214,300	1,528,039
	Short term investments - Term Deposit Receipts (TDRs)	15	1,343,000	2,763,000
			2,557,300	4,291,039

35. PROPOSED DIVIDEND

The Board of Directors in its meeting held on July 29, 2019 has proposed a cash dividend of Rs 20 per share (2018: Rs 20 per share) aggregating Rs 1,150.918 million (2018: Rs 959.099 million) and bonus issue of Nil shares (2018: 9.591 million share at the rate of one share for every five shares held) aggregating Rs Nil (2018: Rs 95.910 million) for the year ended June 30, 2019. This is in addition to the interim cash dividend of Rs 16.5 per share (2018: Rs 15 per share) aggregating Rs 949.508 million (2018: Rs 719.324 million). Further, the Board has proposed a transfer of unappropriated profit to general reserve amounting to Rs 1,411 million (2018: Rs 1,483 million). The dividend and transfer are subject to the approval of members at the annual general meeting. The effect of such dividend and transfer shall be accounted for in the financial statements for the year ending June 30, 2020.

36. RELATED PARTY DISCLOSURES

36.1 Disclosure of transactions between the Company and related parties

The related parties comprise associated companies, staff retirement funds, directors and other key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Nature of transactions	Relationship with the Company	2019	2018
		(Rupees in '000)	
Sale of goods, services provided and reimbursement of expenses	Associates	49,126	67,649
Purchase of goods, services received and reimbursement of expenses	Associates	2,740,489	2,364,267
Rent, allied and other charges	Associates	36,300	34,294
Purchase of short term investments	Associate	2,650,000	3,200,000
Sale proceeds on redemption of short term investments	Associate	939,891	3,627,585
Profit on short term investments	Associate	10,109	72,415
Royalty charges	Associate	210,475	159,062
Purchase of property, plant and equipment	Associates	713	1,248
Expense in relation to staff retirement gratuity fund	Employees fund	41,032	31,408
Expense in relation to provident fund	Employees fund	45,786	40,785
Donations	Associates	19,500	19,650
Compensation paid to key management personnel	Key management personnel	74,312	61,932
Insurance claims received	Associate	49,146	8,344
Insurance commission income	Associate	33,200	16,060
Dividend paid	Associates	1,678,559	1,476,120

36.2 The related party status of outstanding balances as at June 30, 2019 are included in trade debts (note 11), loans and advances (note 12), other receivables (note 14), investments (note 15) and trade and other payables (note 22). These are to be settled in the ordinary course of business. The receivables and payables are primarily unsecured in nature and bear no interest.

36.3 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place.

S. No.	Company Name	Basis of relationship	Aggregate % of Shareholding in the Company
1	SIZA Services (Private) Limited	Common Director	25.28%
2	SIZA (Private) Limited	Common Director	17.38%
3	Premier Fashion (Private) Limited	Common Director	12.18%
4	SIZA Commodities (Private) Limited	Common Director	3.07%
5	Century Insurance Company Limited	Common Director	0.04%
6	Cenury Paper & Board Mills Limited	Common Director	N/A
7	Merit Packaging Limited	Common Director	N/A
8	Accuray Surgicals Limited	Common Director	N/A
9	Lakson Business Solutions Limited	Common Director	N/A
10	Lakson Investments Limited	Common Director	N/A
11	Cyber Internet Services (Private) Limited	Common Director	N/A
12	Princeton Travels (Private) Limited	Common Director	N/A
13	Siza Foods (Private) Limited	Common Director	N/A
14	Sybird (Private) Limited	Common Director	N/A
15	Ice Animations (Private) Limited	Common Director	N/A
16	Caraway (Private) Limited	Associate	N/A
17	Ajinomoto Lakson Pakistan (Private) Limited	Common Director	N/A
18	Pakistan Business Council	Common Director	N/A
19	Express Publications (Private) Limited	Associate	N/A
20	Television Media Network (Pvt) Limited	Associate	N/A
21	Pakistan Special Olympics	Associate	N/A
22	Hasanali & Gulbanoo Lakhani Foundation	Trustee	N/A
23	LRBT (Layton Rehmatullah Benevolent Trust)	Trustee	N/A
24	CPPL Employees Contributory Provident Fund	Trustee	N/A
25	CPPL Employees Gratuity Fund	Trustee	N/A

36.4 Following are the particulars of associated undertakings incorporated outside Pakistan with whom the Company has entered into transactions during the year:

Company Name	Registered Address and Country of Incorporation	Name of CEO / Principal Officer / Authorized Agent	Basis of Relationship	Aggregate % of Shareholding in the Company
Colgate-Palmolive Company, USA	Refer Note 17.2.1	Refer Note 17.2.1	Associate	30%
Colgate-Palmolive (China) Co. Limited	No. 338, Qingnian Road, Guangzhou Economic & Technology Development Dist., Guangdong Province, China	Winnie Wong	Associate	N/A
Colgate-Palmolive (Thailand) Limited	19 Off Na Ranong Road, Sunthornkosa Road, Khwang Klongtoey, Khet Klongtoey, 10110, Bangkok, Thailand	Board of Directors 1. Ruben Young 2. Burat Luengthada 3. Jennifer Peng 4. Kitisak Sangkaeo 5. Pakorn Thavisin	Associate	N/A
Colgate-Palmolive (PNG) Limited	Level 5, Harbourside West, Stanley Esplanade, Portions 771 & 1158, Granville, Port Moresby, National Captial District, Papua New Guinea	John Wood	Associate	N/A
Colgate-Palmolive (India) Limited	Colgate Research Centre, Main Street, Hiranandani Gardens Powai, Mumbai, 400076 India	Issam Bachaalani	Associate	N/A
Colgate-Palmolive Company NJ, Inc.	C/o The Corporation Trust Company, 820 Bear Tavern Road, West Trenton, New Jersey, 08628, USA	President - Henning I. Jakobsen Vice President - Jennifer M. Daniels Vice President and Secretary - Kristine Hutchinson Vice President and Treasurer - Stephane Lionnet	Associate	N/A
Colgate-Palmolive Asia Pacific Limited	52/F and Room 4908-10, Hopewell Centre, 183 Queen's Road East, WanChai, Hong Kong	Board of Directors 1. Mukul Deoras 2. Iain Kielty 3. Raymond Ho 4. Ram Raghavan 5. Tatiana Protsenko	Associate	N/A

36.4.1 All above entities are going concern and their auditors have expressed an unmodified opinion as per latest available financial statements.

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

37.1 The aggregate amount charged in these financial statements for remuneration, including certain benefits to the chief executive, the director and executives of the Company, are as follows:

	Chief Executive		Director		Executives	
	2019	2018	2019	2018	2019	2018
	(Rupees in '000)					
Managerial remuneration	13,000	11,088	2,188	2,033	272,796	228,703
Bonus / commission	-	-	-	-	90,425	67,631
Staff retirement gratuity	-	-	-	-	52,320	39,926
Provident fund	-	-	-	-	21,685	18,604
Housing	5,720	4,752	984	915	122,790	103,016
Utilities	2,802	1,954	-	-	-	-
Motor vehicles	1,490	787	321	271	18,805	14,762
Others	-	-	228	213	39,387	32,775
	23,012	18,581	3,721	3,432	618,208	505,417
Number of persons	1	1	1	1	109	98

37.2 The Chief Executive, a working director and the executives of the Company are also provided with Company maintained cars.

37.3 No remuneration is paid to any other director.

38. FINANCIAL INSTRUMENTS BY CATEGORY

	2019	2018
	(Rupees in '000)	
FINANCIAL ASSETS		
At amortised cost		
Long term loans	41,730	42,651
Long term security deposits	19,045	17,648
Trade debts	749,550	736,373
Loans	26,729	26,963
Trade deposits	23,906	29,545
Other receivables	195,101	193,521
Accrued profit	14,167	14,693
Short term investments	1,345,607	2,765,607
Cash and bank balances	1,214,300	1,528,039
	3,630,135	5,355,040
Financial asset -		
At fair value through other comprehensive income	383,115	388,171
At fair value through profit or loss	3,817,896	2,200,676
	7,831,146	7,943,887
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Long term deposits	86,304	86,062
Trade and other payables	3,134,842	2,789,981
Unclaimed dividend	22,131	12,647
	3,243,277	2,888,690

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

39.1 The Company's activities expose it to certain financial risks. Such financial risks emanate from various factors that include, but not limited to, market risk, credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risks measured and managed by the Company are explained in notes 39.1.1, 39.1.2 and 39.1.3 below:

39.1.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail to perform as contracted.

Out of the total financial assets of Rs 7,831.146 million (2018: Rs 7,943.887 million), the financial assets that are subject to credit risk aggregated Rs 7,830.658 million (2018: Rs 7,604.898 million).

The analysis below summarises the credit quality of the Company's financial assets as at June 30, 2019 / 2018.

The bank balances along with credit ratings are tabulated below:

Credit ratings	2019	2018
	(Rupees in '000)	
A-1+	1,191,202	1,256,890
Others	22,608	270,732
	1,213,810	1,527,622

The analysis of credit rating of investees' in relation to short term investments is as follows:

Credit ratings	2019	2018
	(Rupees in '000)	
A-1+	1,345,607	2,765,607
AA	49,337	49,599
Government securities	333,778	338,572
Management Quality ratings		
AM1	114,320	400,215
AM2+	3,703,576	1,800,461
	5,546,618	5,354,454

Long term security deposits are held with parties which have long association with the Company and have a good credit history.

For trade debts, internal risk assessments process determines the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are fixed by the management based on internal or external ratings. The utilisation of credit limits is regularly monitored. Accordingly the credit risk is minimal and the Company also believes that it is not exposed to major concentration of credit risk.

The breakup of amount due from customers other than related parties as stated in note 11 is presented below:

	2019	2018
	(Rupees in '000)	
Due from customers other than related parties		
Institutional customers	575,680	506,163
Distributors	180,152	216,346
Others	1,417	19,147
	757,249	741,656

Out of Rs 757.249 million (2018: Rs 741.656 million), the Company has provided Rs 7.740 million (2018: Rs 6.033 million) as the amounts being doubtful to be recovered from certain customers.

The balances of financial assets held with related parties other than short term investments are as follows:

	2019	2018
	(Rupees in '000)	
Trade debts	41	750
Other receivables	2,030	1,769
	2,071	2,519

Concentration of credit risk exists when changes in economic and industry factors similarly affect the group of counter parties whose aggregated credit exposure is significant in relation to the Company's total credit exposure. The Company's financial assets are broadly diversified and transactions are entered into with diverse credit worthy parties thereby mitigating any significant concentration risk. Therefore, the Company believes that it is not exposed to major concentration of credit risk.

39.1.2 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. The management believes that it is not exposed to any significant level of liquidity risk.

The management forecasts the liquidity of the Company on basis of expected cash flow considering the level of liquid assets necessary to meet such risk.

Financial liabilities in accordance with their contractual maturities are presented below:

	Non-interest / mark-up bearing		
	Maturity within one year	Maturity after one year	Total
	June 30, 2019		
	(Rupees in '000)		
Financial liabilities			
Long term deposits	-	86,304	86,304
Trade and other payables	3,134,842	-	3,134,842
Unclaimed dividend	22,131	-	22,131
	3,156,973	86,304	3,243,277
	June 30, 2018		
	(Rupees in '000)		
Financial liabilities			
Long term deposits	-	86,062	86,062
Trade and other payables	2,789,981	-	2,789,981
Unclaimed dividend	12,647	-	12,647
	2,802,628	86,062	2,888,690

39.1.3 Market Risk

Currency Risk

Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company primarily has foreign currency exposures in US Dollars (USD) and Euro.

At June 30, 2019, had Pakistan rupee weakened / strengthened by 5% against the USD and Euro with all other variables held constant, profit before taxation for the year would have been lower / higher by Rs 17.116 million (2018: Rs 15.896 million). This will mainly result due to foreign exchange gains / losses on translation of USD and Euro denominated bills payables.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market interest rates.

- Fair value risk - Presently, fair value risk to the Company arises from TDRs, T-Bills, PIBs, Sukuk Bonds and cash with banks in saving accounts which are based on fixed interest rates. As at June 30, 2019, had there been increase / decrease in fixed interest rates by 100 basis points, with all other variables held constant, profit before tax and other comprehensive income for the year would have been higher / lower by Rs 20.756 million (2018: Rs 18.373 million) and Rs 3.831 million (2018: Rs. 2.4 million) respectively.
- Future cash flow risk - Presently, the Company is not exposed to future cash flow risk.

Other price risk

Other price risk is the risk of changes in the fair value of investment in mutual funds as the result of changes in the levels of net asset value of units held by the Company.As at June 30, 2019, had there been increase / decrease in net asset value by 1%, with all other variables held constant,the profit before tax for the year would have been higher / lower by Rs 38.179 million (2018: Rs 22.007 million).

39.1.4 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2019, all financial assets and financial liabilities are carried at amortised cost except for investment in mutual funds, PIBs and Sukuk Bonds which are carried at their fair values.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (eg. significant increases / decreases in activity)
- changes in inputs used in valuation techniques (eg inputs becoming / ceasing to be observable in the market)

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

The fair value of financial instruments traded in active markets is based on Net Asset Values (NAVs) of the units of the mutual funds, market prices for Sukuk Bonds and quoted prices for floating rate PIBs at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table analysis within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2019:

	2019			
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Total**
	----------Rupees in '000----------			
Financial investments: Fair value through profit or loss	3,817,896	-	-	3,817,896
Financial investments: Fair value through other comprehensive income	-	383,115	-	383,115

	2018			
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Total**
	----------Rupees in '000----------			
Financial investments: Fair value through profit or loss	2,200,676	-	-	2,200,676
Financial investments: Fair value through other comprehensive income	-	388,171	-	388,171

40. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company manages its capital risk by monitoring its liquid assets and keeping in view future investment requirements and expectation of the shareholders.

As at June 30, 2019 and 2018, the Company had surplus reserves to meet its requirements.

41. ENTITY-WIDE INFORMATION

41.1 The Company constitutes of a single reportable segment, the principal classes of products of which are Personal Care, Home Care and Others.

41.2 Information about products

The Company's principal classes of products accounted for the following percentages of sales:

	2019	2018
Personal Care	24%	24%
Home Care	69%	72%
Others	7%	4%
	100%	100%

41.3 Information about geographical areas

The Company does not hold non-current assets in any foreign country. Revenues from external customers attributed to foreign countries in aggregate are not material in the overall context of these financial statements.

41.4 Information about major customers

The Company does not have transactions with any external customer which amount to 10 percent or more of its revenues.

42. PLANT CAPACITY AND ACTUAL PRODUCTION

	2019	2018
	(Quantities in tons)	
Capacity	246,392	239,432
Production	214,635	207,122

Actual production was sufficient to meet the demand.

43. NUMBER OF EMPLOYEES

The total and average number of employees during the year and as at June 30, 2019 and 2018 respectively are as follows:

	2019	2018
	No of employees	
Average number of employees during the year	1,050	1,020
Average number of factory employees during the year	616	591
Number of employees as at June 30	1,081	1,030
Number of factory employees as at June 30	636	597

44. 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.

45. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on July 29, 2019 by the board of directors of the Company.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

Mirza Rehan Ahmed
Chief Financial Officer

Pattern of Shareholding

Held by the shareholders as at June 30, 2019

Incorporation Number KAR-5010 OF 1977-78
CUIN Registration NO. 005832

No. of Shareholders	Shareholdings From	To		Total Shares held
419	1	100	Shares	8,321
151	101	500	Shares	38,643
71	501	1000	Shares	53,853
107	1001	5000	Shares	217,908
17	5001	10000	Shares	122,427
2	10001	15000	Shares	22,380
1	15001	20000	Shares	19,546
4	20001	25000	Shares	85,920
1	25001	30000	Shares	29,330
1	50001	55000	Shares	51,338
1	75001	80000	Shares	78,655
1	190001	195000	Shares	193,675
1	195001	200000	Shares	197,151
1	1765001	1770000	Shares	1,765,874
1	2785001	2790000	Shares	2,786,749
1	3050001	3055000	Shares	3,051,369
1	7005001	7010000	Shares	7,009,558
1	10000001	10005000	Shares	10,001,539
1	14545001	14550000	Shares	14,547,920
1	17260001	17265000	Shares	17,263,759
784				**57,545,915**

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouses and minor children	2,806,670	4.88
Associated Companies, undertakings and related parties	33,746,037	58.64
NIT and ICP	241	-
Banks, Development Financial Institutions, Non Banking Financial Institutions, Insurance Companies	2,742	0.01
Modarabas and Mutual Funds	1,319	-
Shareholders holding 10%	48,822,776	84.84
General Public		
a. Local	597,588	1.04
b. Foreign	-	-
Others	20,391,318	35.43

NOTE: Some of the shareholders are reflected in more than one category.

Zulfiqar Ali Lakhani
Chief Executive

Details of Pattern of Shareholding as Per Requirements of Code of Corporate Governance

i)	**ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES**		**SHARES HELD**
	1. SIZA (Pvt) Limited		10,001,539
	2. SIZA Services (Pvt) Limited		14,547,920
	3. SIZA Commodities (Pvt) Limited		1,765,874
	4. Premier Fashions (Pvt) Limited		7,009,558
	5. Century Insurance Company Limited		21,166
	6. Sultan Ali Lakhani		404
	7. Shaista Sultan Ali Lakhani		643
	8. Babar Ali Lakhani		3,456
	9. Bilal Ali Lakhani		1,375
	10. Danish Ali Lakhani		1,994
	11. Anushka Zulfiqar Lakhani		197,674
	12. Anika Amin Lakhani		759
	13. Natasha Lakhani		193,675
ii)	**MUTUAL FUND**		
	CDC – Trustee AKD Index Tracker Fund		1,319
iii)	**DIRECTORS AND THEIR SPOUSES AND MINOR CHILDREN**		
	1. Iqbal Ali Lakhani	Chairman/Director	2,793,224
	2. Zulfiqar Ali Lakhani	Director/Chief Executive	1,878
	3. Amin Mohammed Lakhani	Director	6,312
	4. Tasleemuddin Ahmed Batlay	Director	2,347
	5. Aliya Saeeda Khan	Director	1,200
	6. Peter John Graylin	Nominee of Colgate-Palmolive Company, USA	-
	7. Mukul Vinayak Deoras	Nominee of Colgate-Palmolive Company, USA	-
	8. Ronak Iqbal Lakhani W/o. Iqbal Ali Lakhani		597
	9. Fatima Lakhani W/o. Zulfiqar Ali Lakhani		372
	10. Saira Amin Lakhani W/o. Amin Mohammed Lakhani		740
iv)	**EXECUTIVES**		3,694
v)	**PUBLIC SECTOR COMPANIES AND CORPORATIONS**		NIL
vi)	**BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS AND: [Other than those reported at i (5)**		17,882
vii)	**SHAREHOLDERS HOLDING 5% OR MORE**		
	Colgate-Palmolive Co., USA.		17,263,759
	Arisaig India Fund Limited, Hongkong		3,051,369
	[Other than those reported at i(1), i(2) & i(4)]		
viii)	**INDIVIDUALS AND OTHER THAN THOSE MENTIONED ABOVE**		655,185
			57,545,915

Operating and Financial Highlights

STATEMENT OF FINANCIAL POSITION	2018- 2019	2017- 2018	2016- 2017	2015- 2016	2014- 2015	2013- 2014
	(Rupees in '000)					
Property,plant and equipment	**4,168,568**	3,644,294	2,731,203	2,769,966	2,935,589	3,147,236
Intangible assets	**14,435**	24,818	23,157	6,091	7,552	4,810
Long term loans and security deposits	**60,775**	60,299	62,181	48,562	33,852	28,893
	4,243,778	3,729,411	2,816,541	2,824,619	2,976,993	3,180,939
Current assets	**14,751,657**	13,020,557	12,133,883	10,882,809	8,566,704	7,026,946
Current liabilities	**3,786,065**	3,196,303	2,928,701	2,712,794	2,079,424	1,979,991
	10,965,592	9,824,254	9,205,182	8,170,015	6,487,280	5,046,955
TOTAL ASSETS EMPLOYED	**15,209,370**	13,553,665	12,021,723	10,994,634	9,464,273	8,227,894
REPRESENTED BY						
Equity						
Paid-up capital	**575,459**	479,549	479,549	479,549	479,549	479,549
Reserves	**14,444,822**	12,937,587	11,358,955	10,260,504	8,640,488	7,233,554
Remeasurement on post retirement benefits obligation	**(147,819)**	(112,888)	(88,621)	(69,982)	(67,469)	(43,623)
Surplus on revaluation of investments	**(4,217)**	5	4,043	7,296	1,048	75,754
	14,868,245	13,304,253	11,753,926	10,677,367	9,053,616	7,745,234
Non-Current liabilities						
Long term loans,deposits deferred tax and deferred liability	**341,125**	249,412	267,797	317,267	410,657	482,660
	341,125	249,412	267,797	317,267	410,657	482,660
	15,209,370	13,553,665	12,021,723	10,994,634	9,464,273	8,227,894
STATEMENT OF PROFIT OR LOSS						
Turnover	**48,718,781**	41,421,811	37,498,961	33,135,291	31,174,591	29,367,346
Less : Sales tax	**7,718,475**	6,568,260	5,954,616	5,278,903	4,962,757	4,668,503
: Trade discounts	**4,039,264**	3,581,833	3,198,848	2,811,429	2,513,469	1,944,999
	11,757,739	10,150,093	9,153,464	8,090,332	7,476,226	6,613,502
Net turnover	**36,961,042**	31,271,718	28,345,497	25,044,959	23,698,365	22,753,844
Cost of sales	**26,490,454**	20,850,970	18,344,900	16,502,405	16,631,197	16,645,655
Gross profit	**10,470,588**	10,420,748	10,000,597	8,542,554	7,067,168	6,108,189
Administrative,selling and distribution cost	**(5,652,407)**	(5,780,419)	(5,204,934)	(4,423,168)	(3,870,762)	(3,562,486)
Other expenses	**(428,655)**	(410,310)	(397,171)	(336,846)	(262,926)	(209,036)
Other income	**613,160**	467,233	459,509	416,927	361,719	140,728
	(5,467,902)	(5,723,496)	(5,142,596)	(4,343,087)	(3,771,969)	(3,630,794)
Profit from operations	**5,002,686**	4,697,252	4,858,001	4,199,467	3,295,199	2,477,395
Finance costs	**38,496**	29,240	24,534	23,476	20,410	17,796
Profit before taxation	**4,964,190**	4,668,012	4,833,467	4,175,991	3,274,789	2,459,599
Taxation	**1,453,387**	1,410,957	1,577,045	1,357,102	1,052,621	766,346
Profit after taxation	**3,510,803**	3,257,055	3,256,422	2,818,889	2,222,168	1,693,253

Operating and Financial Highlights - Continued

		2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
FINANCIAL RATIOS							
RATE OF RETURN							
Pre tax return on equity	%	33	35	41	39	36	32
Post tax return on equity	%	24	24	28	26	25	22
Return on average capital employed	%	24	25	28	28	25	22
Interest cover	times	130	161	198	179	161	139
PROFITABILITY							
Gross profit margin - restated	%	28	33	35	34	30	27
Operating profit to sales - restated	%	14	15	17	17	14	11
Pre tax profit to sales - restated	%	13	15	17	17	14	11
Post tax profit to sales - restated	%	9	10	11	11	9	7
LIQUIDITY							
Current Ratio	ratio	4.0:0	4.0:0	4.1:1	4.0:1	4.1:1	3.5:1
Quick ratio	ratio	2.5:1	2.7:1	3.0:1	2.9:1	2.8:1	2.2:1
FINANCIAL GEARING							
Debt equity ratio	ratio	0:100	0:100	0:100	0:100	0:100	0:100
Gearing ratio	times	0.28	0.26	0.27	0.28	0.28	0.32
CAPITAL EFFICIENCY							
Debtors turnover - restated	days	7	9	10	8	10	10
Inventory turnover	days	63	63	59	60	56	58
Total assets turnover - restated	times	2	2	2	2	2	3
Property, plant and equipment turnover - restated	times	9	9	10	9	8	7
INVESTMENT MEASURES PER ORDINARY SHARE							
Earnings per share - restated	Rs	61.01	56.60	56.57	48.98	38.61	29.42
Dividend cash (including proposed)	Rs	36.50	35	35	30	25	17
Dividend payout (including bonus)	%	60	54	52	51	54	48
Dividend yield	%	2	1	2	2	2	1
Price earning ratio - restated	times	34.01	55.64	40.69	31.13	39.29	60.88
Break-up value - restated	Rs	258.37	231.19	204.25	185.54	157.33	134.59
Market value - low	Rs	1,900	2,105	1,450	1,300	1,355	1,310
Market value - high	Rs	3,288	3,598	2,401	1,659	2,290	1,969
Market value - year end	Rs	2,075	3,149	2,302	1,525	1,517	1,791
Market capitalization -restated	Rs in Mn	119.408	181.212	132.471	87.758	87.297	103.065
Dividend - Cash	%	365	350	350	300	250	170
Dividend - Bonus shares	%	0	20	0	0	0	0

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FORM OF PROXY

I/We_____

of _____

a member of COLGATE-PALMOLIVE (PAKISTAN) LIMITED

herebyappoint_____

of_____

or failing him_____

of_____

who is/are also member/s of Colgate-Palmolive (Pakistan) Limited to act as my/our proxy and to vote for me/us and on my/our behalf at the Annual General Meeting of the shareholders of the Company to be held on the 18th day of September 2019 and at any adjournment thereof.

Signed this _____day of _____2019.

Folio No.	CDC Participant ID No.	CDC Account/ Sub-Account No.	No. of Shares held

Signature over Revenue Stamp

Witness 1

Signature _____

Name _____

CNIC No. _____

Address _____

_____

Witness 2

Signature _____

Name _____

CNIC No. _____

Address _____

_____

Notes:

1. The proxy must be a member of the Company.
2. The signature must tally with the specimen signature/s registered with the Company.
3. If a proxy is granted by a member who has deposited his/her shares in Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant's ID number and CDC account/sub-account number along with attested photocopies of Computerized National identity Card (CNIC) or the Passport of the beneficial owner. Representatives of corporate members should bring the usual documents required for such purpose.
4. The instrument of Proxy properly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.

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AFFIX
CORRECT
POSTAGE

Company Secretary
COLGATE-PALMOLIVE (PAKISTAN) LIMITED
Lakson Square, Building No. 2,
Sarwar Shaheed Road,
Karachi.74200.
Phone: 38400000

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مختارنامہ (پراکسی فارم)

میں/ہم _____

ساکن _____

بحیثیت رکن (ممبر) کولگیٹ پاموليو (پاکستان) لمیٹڈ مقرر کرتا / کرتی ہوں / کرتے ہیں مسمّی /مسماۃ _____

ساکن _____

کو یا ان کی غیر حاضری میں مسمّی/مسماۃ _____

ساکن _____

کو جو خود بھی کولگیٹ پاموليو (پاکستان) لمیٹڈ کا رکن ہے کہ وہ بطور میرا/ ہمارا مختارنامہ (پراکسی) کولگیٹ پاموليو (پاکستان) لمیٹڈ کے سالانہ اجلاس عام میں جو ۱۸ ستمبر ۲۰۱۹ کو منعقد ہو رہا ہے یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور وہ میری/ ہماری جگہ میری/ ہماری طرف سے حق رائے دہی استعمال کرے۔

مورخہ ستمبر _____ ۲۰۱۹ کو میرے/ ہمارے دستخط سے جاری ہوا۔

فولیو نمبر	سی ڈی سی کھاتہ نمبر	حصص کی تعداد

دستخط

گواہ نمبر۱

دستخط _____

نام _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____

پتہ _____

گواہ نمبر۲

دستخط _____

نام _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____

پتہ _____

ہدایات:

۱۔ مختار (پراکسی) کا کمپنی کا رکن (ممبر) ہونا ضروری ہے۔

۲۔ ممبر (رکن) کے دستخط، نمونہ شدہ دستخط/ اندراج شدہ دستخط سے مماثلت ہونا ضروری ہے۔

۳۔ سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختارنامہ (پراکسی فارم) کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کرنا ضروری ہے۔ کارپوریٹ ادارے کے نمائندوں کو معمول کے مطابق دستاویزات ساتھ لانا ضروری ہے۔

۴۔ مختارنامہ (پراکسی فارم) مکمل پُر شدہ کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقرر وقت سے کم از کم ۴۸ گھنٹے قبل جمع کرانا ضروری ہے۔

COLGATE-PALMOLIVE (PAKISTAN) LTD.

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