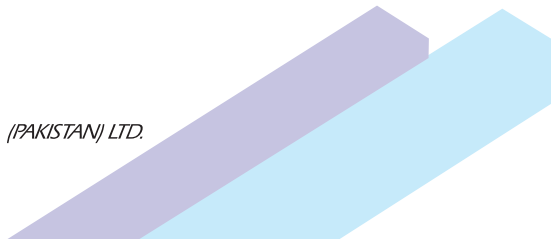




**HALF YEARLY REPORT  
JULY - DECEMBER 2021**



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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Iqbal Ali Lakhani - Chairman  
Amin Mohammed Lakhani  
Aliya Saeeda Khan  
Kamran Yousuf Mirza  
Syed Shahid Ali Bukhari  
Peter John Graylin  
Xuan Dai  
Zulfiqar Ali Lakhani - Chief Executive

### ADVISOR

Sultan Ali Lakhani

### AUDIT COMMITTEE

Aliya Saeeda Khan - Chairperson  
Iqbal Ali Lakhani  
Amin Mohammed Lakhani  
Kamran Yousuf Mirza

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Kamran Yousuf Mirza - Chairman  
Iqbal Ali Lakhani  
Zulfiqar Ali Lakhani  
Aliya Saeeda Khan

### COMPANY SECRETARY

Mansoor Ahmed

### CHIEF FINANCIAL OFFICER

Mudassir Iqbal

### EXTERNAL 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)

H-36 (B), S.I.T.E., Kotri  
District Jamshoro (Sindh)

217, Sundar Industrial Estate,  
Raiwind Road, Lahore

### WEBSITE

[www.colgate.com.pk](http://www.colgate.com.pk)

## DIRECTORS' REVIEW

The directors of your Company are pleased to present the un-audited condensed financial statements of the Company for the six month period ended December 31, 2021.

### Financial Performance at a Glance

A brief financial analysis of the Company's performance is summarized below:

Operating Results	July- December 2021	July- December 2020	Increase / (Decrease)
	Amount in PKR million		
Turnover	38,180	32,791	16.43%
Net Turnover	28,758	24,565	17.07%
Gross Profit	7,789	7,392	5.37%
Gross Profit %	27.08%	30.09%	(301 bps)
Selling & Distribution Cost	3,288	3,138	4.78%
Administrative Expenses	333	294	13.27%
Profit from Operations	4,278	4,044	5.79%
Profit after Tax	2,936	2,774	5.84%
Earnings Per Share - Rupees	40.33	38.11	5.84%

### Financial Performance Highlights

The growth momentum continued as the Company registered 17.07% increase in net turnover. However, increase in input costs including commodities and currency depreciation resulted in a decrease in gross margin by 301 bps from 30.09% to 27.08%.

Amid increasing uncertainty surrounding raw material availability and rising commodity prices, the Company increased its inventory levels to Rs 9,957 million as compared to Rs 7,252 million on June 30, 2021.

Selling and distribution costs went up by 4.78% mainly due to freight charges. Administrative expenses grew by 13.27% primarily due to employee related costs.

### Business Performance Highlights

Colgate built upon its objective of increasing toothpaste consumption via focused drives especially in areas with low penetration of toothpastes.

Personal care category continued to grow with improving share of shelf in store and visible distribution. Shampoo penetration increased through the introduction of various trial packs and increased focus on distribution in smaller towns.

High level of advertising and trade level spending was witnessed in the laundry category. The unorganized sector continues to pose a serious challenge to growth especially in the laundry and dish care business.


#### **Future Outlook**

The year ahead is going to be a challenging one to protect market share amid fierce competition. Margins are expected to remain under pressure due to rising input costs. High inflation is expected to reduce purchasing power of consumers and keep their spending in check. The economic outlook is also expected to be subdued due to recent surge in COVID-19 cases.

#### **Acknowledgement**

We would like to extend our sincere gratitude to our consumers for their trust in our brands. We are thankful to our customers, distributors, supply chain partners, bankers and shareholders 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



**Iqbal Ali Lakhani**  
Chairman



**Zulfiqar Ali Lakhani**  
Chief Executive

Karachi : January 27, 2022



A·F·FERGUSON&CO.

## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF COLGATE-PALMOLIVE (PAKISTAN) LIMITED REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Colgate-Palmolive (Pakistan) Limited as at December 31, 2021 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-months period then ended (here-in-after referred to as the 'interim financial statements'). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended December 31, 2021.

#### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Farrukh Rehman.

**A.F. Ferguson & Co.,  
Chartered Accountants  
Karachi**

**Date: January 31, 2022  
UDIN: RR202110059xPW0ruHUN**

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>*

■KARACHI ■LAHORE ■ISLAMABAD

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

	Note	December 31, 2021 (unaudited)	June 30, 2021 (audited)
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	7,429,299	6,714,324
Intangible assets		5,850	8,662
Long term loans		59,982	45,542
Long term security deposits		37,620	40,712
Staff retirement benefit		1,187	24,606
		<u>7,533,938</u>	<u>6,833,846</u>
<b>CURRENT ASSETS</b>			
Stores and spares		441,608	415,959
Stock in trade	5	9,957,541	7,251,915
Trade debts		1,076,126	1,155,879
Loans and advances		145,469	109,986
Trade deposits and short term prepayments		109,825	66,215
Other receivables		411,705	289,345
Accrued profit		1,975	12,158
Taxation - net		120,124	-
Short term investments	6	9,009,162	9,881,592
Cash and bank balances		1,685,813	2,121,764
		<u>22,959,348</u>	<u>21,304,813</u>
<b>TOTAL ASSETS</b>		<u>30,493,286</u>	<u>28,138,659</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital		1,250,000	750,000
Issued, subscribed and paid-up share capital	7	727,956	633,005
Reserves		20,869,680	19,548,297
Remeasurement of post retirement benefits obligation		(168,676)	(168,676)
		<u>21,428,960</u>	<u>20,012,626</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred taxation		183,740	58,817
Long term deposits		63,886	122,672
Deferred liability		-	87,139
Long-term financing	8	831,456	631,297
Deferred grant		390,464	182,296
Lease liabilities		335,044	332,019
		<u>1,804,590</u>	<u>1,414,240</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	6,284,750	5,921,549
Accrued mark-up		7,186	4,978
Current maturity of long-term financing		506,486	506,486
Current maturity of lease liabilities		44,270	39,040
Taxation - net		-	212,470
Unpaid dividend	10	387,399	-
Unclaimed dividend		29,645	27,270
		<u>7,259,736</u>	<u>6,711,793</u>
<b>TOTAL LIABILITIES</b>		<u>9,064,326</u>	<u>8,126,033</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>30,493,286</u>	<u>28,138,659</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

  
**Iqbal Ali Lakhani**  
 Chairman/Director

  
**Zulfiqar Ali Lakhani**  
 Chief Executive

  
**Mudassir Iqbal**  
 Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Unaudited)

For the Half Year ended December 31, 2021

	Note	Quarter ended December 31, 2021	Quarter ended December 31, 2020	Half year ended December 31, 2021	Half year ended December 31, 2020
(Rupees in '000)					
Turnover		19,386,806	16,372,641	38,180,135	32,791,347
Sales tax		(3,055,453)	(2,588,459)	(6,041,901)	(5,195,043)
Trade and other discounts		(1,644,504)	(1,518,698)	(3,379,765)	(3,031,408)
Net turnover		14,686,849	12,265,484	28,758,469	24,564,896
Cost of sales		(10,757,484)	(8,536,930)	(20,969,116)	(17,172,775)
Gross profit		3,929,365	3,728,554	7,789,353	7,392,121
Selling and distribution cost		(1,668,630)	(1,657,270)	(3,288,068)	(3,138,076)
Administrative expenses		(167,497)	(146,204)	(333,303)	(293,817)
Other expenses		(195,048)	(158,954)	(408,232)	(326,014)
Other income		245,883	250,466	518,457	409,814
Profit from operations		2,144,073	2,016,592	4,278,207	4,044,028
Finance cost and bank charges		(40,080)	(31,926)	(71,173)	(58,622)
Profit before taxation		2,103,993	1,984,666	4,207,034	3,985,406
Taxation					
- Current - for the period		(558,416)	(599,366)	(1,169,770)	(1,180,982)
- for prior year		23,205	(63,931)	23,205	(63,931)
		(535,211)	(663,297)	(1,146,565)	(1,244,913)
- Deferred		(121,459)	11,666	(124,923)	33,594
		(656,670)	(651,631)	(1,271,488)	(1,211,319)
Profit after taxation		1,447,323	1,333,035	2,935,546	2,774,087
Other comprehensive income / (loss) for the period - net of tax Items that may be reclassified subsequently to profit or loss					
Loss on investments categorised as 'fair value through other comprehensive income'		-	(125)	-	(19)
Impact of tax		-	32	-	5
		-	(93)	-	(14)
Total comprehensive income for the period		1,447,323	1,332,942	2,935,546	2,774,073
Earnings per share - basic and diluted	12	19.88	18.31	40.33	38.11

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

  
**Iqbal Ali Lakhani**  
Chairman/Director

  
**Zulfikar Ali Lakhani**  
Chief Executive

  
**Mudassir Iqbal**  
Chief Financial Officer



## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the Half Year ended December 31, 2021

	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, 2020	575,459	13,456	13,280,000	3,570,481	16,863,937	(188,474)	259	17,251,181
<b>Transactions with owners</b>								
Final dividend for the year ended June 30, 2020 at the rate of Rs 23.5 per share	-	-	-	(1,352,330)	(1,352,330)	-	-	(1,352,330)
Bonus shares issued at the rate of one share for every ten shares held	57,546	-	-	(57,546)	(57,546)	-	-	-
<b>Total transactions with owners</b>	57,546	-	-	(1,409,876)	(1,409,876)	-	-	(1,352,330)
<b>Comprehensive income for the period</b>								
Profit after taxation for the period ended December 31, 2020	-	-	-	2,774,087	2,774,087	-	-	2,774,087
Other comprehensive income	-	-	-	-	-	-	(14)	(14)
<b>Total comprehensive income for the period ended December 31, 2020</b>	-	-	-	2,774,087	2,774,087	-	(14)	2,774,073
Transfer to general reserve	-	-	2,160,000	(2,160,000)	-	-	-	-
Balance as at December 31, 2020	633,005	13,456	15,440,000	2,774,692	18,228,148	(188,474)	245	18,672,924
Balance as at July 1, 2021	633,005	13,456	15,440,000	4,094,841	19,548,297	(168,676)	-	20,012,626
<b>Transactions with owners</b>								
Final dividend for the year ended June 30, 2021 at the rate of Rs 24 per share	-	-	-	(1,519,212)	(1,519,212)	-	-	(1,519,212)
Bonus shares issued at the rate of three shares for every twenty shares held	94,951	-	-	(94,951)	(94,951)	-	-	-
<b>Total transactions with owners</b>	94,951	-	-	(1,614,163)	(1,614,163)	-	-	(1,519,212)
<b>Comprehensive income for the period</b>								
Profit after taxation for the period ended December 31, 2021	-	-	-	2,935,546	2,935,546	-	-	2,935,546
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period ended December 31, 2021</b>	-	-	-	2,935,546	2,935,546	-	-	2,935,546
Transfer to general reserve	-	-	2,480,000	(2,480,000)	-	-	-	-
Balance as at December 31, 2021	727,956	13,456	17,920,000	2,936,224	20,869,680	(168,676)	-	21,428,960

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

  
**Iqbal Ali Lakhani**  
Chairman/Director

  
**Zulfiqar Ali Lakhani**  
Chief Executive

  
**Mudassir Iqbal**  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS** (Unaudited)

For the Half Year ended December 31, 2021

	Note	Half year ended December 31, 2021	Half year ended December 31, 2020
(Rupees in '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	13	1,903,168	4,889,973
Finance cost and bank charges paid		(32,709)	(26,029)
Taxes paid		(1,479,159)	(657,371)
Staff retirement benefit paid		-	(58,015)
Long term loans		(14,440)	(9,713)
Long term security deposits (assets)		3,092	(23,375)
Long term deposits		(58,786)	4,273
Net cash generated from operating activities		321,166	4,119,743
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(1,145,792)	(1,177,109)
Purchase of intangible assets		-	(2,024)
Short term investments made during the period		(23,448,232)	(17,203,440)
Proceeds from sale of property, plant and equipment		17,025	37,086
Profit received on saving accounts		56,349	43,318
Profit received on treasury bills		48,289	58,030
Profit received on Sukuks bonds		-	1,527
Profit received on Pakistan Investment Bonds		338	-
Profit received on term deposit receipts		29,151	41,846
Sale proceeds on disposal of short term investments		22,723,860	13,910,481
Net cash used in investing activities		(1,719,012)	(4,290,285)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(1,129,438)	(1,349,513)
Long-term financing obtained		661,569	806,046
Long-term financing repaid		(253,242)	-
Payment of lease liabilities		(32,994)	(31,387)
Net cash used in financing activities		(754,105)	(574,854)
Net decrease in cash and cash equivalents		(2,151,951)	(745,396)
Cash and cash equivalents at the beginning of the period		4,807,764	5,226,835
Cash and cash equivalents at the end of the period	14	2,655,813	4,481,439

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

  
**Iqbal Ali Lakhani**  
 Chairman/Director

  
**Zulfiqar Ali Lakhani**  
 Chief Executive

  
**Mudassir Iqbal**  
 Chief Financial Officer

## **NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)**

For the Half Year ended December 31, 2021

### **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. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2021.

#### **2.3 New standards, amendments to approved accounting standards and new interpretations**

##### **2.3.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2022**

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

**2.3.2 New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2022**

There is a new standard and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or expected to have any significant effect on the Company's financial reporting.

- 2.4 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements for the year ended June 30, 2021 and corresponding interim period.

**3. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**

The preparation of these condensed interim financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied to financial statements as at and for the year ended June 30, 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

Note	December 31, 2021 (unaudited)	June 30, 2021 (audited)
	(Rupees in '000)	

**4. PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets - at net book value	4.1 to 4.4	6,223,291	3,817,846
Capital work in progress - at cost	4.5	917,557	2,597,752
Right of use assets - at net book value		288,451	298,726
		7,429,299	6,714,324

	<b>Half year ended December 31, 2021</b>	<b>Half year ended December 31, 2020</b>
	(Rupees in '000)	
<b>4.1 Additions - operating fixed assets (at cost)</b>		
Buildings on leasehold land	963,829	56,627
Plant and machinery	1,214,435	235,116
Fittings and installation	412,539	12,917
Furniture and fixtures	13,799	2,158
Tools and equipment	87,589	33,133
Vehicles	92,852	96,399
Computers and accessories	16,783	21,954
Office equipment	24,161	5,328
	<u>2,825,987</u>	<u>463,632</u>

4.1.1 Additions include transfers from capital work in progress aggregating Rs 2,659.703 million (December 31, 2020: Rs 288.268 million).

	<b>Half year ended December 31, 2021</b>	<b>Half year ended December 31, 2020</b>
	(Rupees in '000)	
<b>4.2 Disposals - operating fixed assets (at net book value)</b>		
Furniture and fixtures	-	27
Vehicles	6,358	13,246
Computers and accessories	208	15
Office equipment	147	17
	<u>6,713</u>	<u>13,305</u>
<b>4.3 Depreciation charge for the period</b>	<u>413,829</u>	<u>396,147</u>

4.4 Included in operating fixed assets are items having aggregate cost of Rs 44.822 million (June 30, 2021: Rs 44.822 million) held by third parties for manufacturing certain products of the Company. These operating fixed assets are free of lien and the Company has full right of repossession of these assets.

	<b>Half year ended December 31, 2021</b>	<b>Half year ended December 31, 2020</b>
	(Rupees in '000)	
<b>4.5 Additions - capital work-in-progress (at cost)</b>		
Buildings on leasehold land	175,217	243,068
Plant and machinery	729,589	580,663
Vehicles	11,760	1,700
Fittings and installation	102,399	53,541
Tools and equipment	112,928	1,257
Furniture and fixtures	10,804	9,108
Office equipment	11,833	2,819
Computer and accessories	3,440	513
	<u>1,157,970</u>	<u>892,669</u>
	<b>December 31, 2021 (unaudited)</b>	<b>June 30, 2021 (audited)</b>
	(Rupees in '000)	

**5. STOCK IN TRADE**

Raw and packing materials	7,032,967	5,182,299
Work-in-process	828,612	314,797
Finished goods - Manufactured	<u>1,781,077</u>	<u>1,506,218</u>
Finished goods - Trading	<u>314,885</u>	<u>248,601</u>
	<u>2,095,962</u>	<u>1,754,819</u>
	<u>9,957,541</u>	<u>7,251,915</u>

- 5.1 Stock in trade include raw and packing materials in transit aggregating Rs 2,147.057 million (June 30, 2021: Rs 646.669 million) and finished goods in transit aggregating Rs 11.280 million (June 30, 2021: Rs 1.791 million).

Note	<b>December 31, 2021 (unaudited)</b>	<b>June 30, 2021 (audited)</b>
(Rupees in '000)		

**6. SHORT TERM INVESTMENTS**

- Amortised cost	6.1 & 6.2	1,231,268	2,686,000
- Fair value through profit or loss		<u>7,777,894</u>	<u>7,195,592</u>
		<u>9,009,162</u>	<u>9,881,592</u>

- 6.1 The profits on these term deposits range between 6.85% and 12.35% per annum (June 30, 2021 between 5.75% and 7.95% per annum) having maturity in January 2022.

6.2 These include Term Deposit Receipts (TDRs) amounting to Rs 261.268 million (June 30, 2021: Rs 77 million) provided as security to banking companies for issuance of guarantees.

## 7. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

7.1 Movement in issued, subscribed and paid-up share capital during the period ended is as follows:

December 31, 2021 (unaudited)	December 31, 2020 (unaudited)		December 31, 2021 (unaudited)	December 31, 2020 (unaudited)
Number of shares			— (Rupees in '000) —	
63,300,507	57,545,915	Ordinary shares of Rs. 10 each at the beginning of the period	633,005	575,459
9,495,076	5,754,592	Issued during the period as fully paid bonus shares	94,951	57,546
<u>72,795,583</u>	<u>63,300,507</u>	At the end of the period	<u>727,956</u>	<u>633,005</u>

December 31, 2021 (unaudited)	June 30, 2021 (audited)
(Rupees in '000)	

## 8. LONG-TERM FINANCING

Financing under:

- salary refinance scheme
- temporary economic refinance facility
- renewable energy finance facility

Less reclassified to deferred grant

Less current maturity of financing under:

- salary refinance scheme
- renewable energy finance facility

624,135	873,788
1,061,199	399,630
43,072	46,661
<u>1,728,406</u>	<u>1,320,079</u>
390,464	182,296
499,308	499,308
7,178	7,178
<u>506,486</u>	<u>506,486</u>
<u>831,456</u>	<u>631,297</u>

8.1 There has been no change in the terms and conditions as disclosed in note 21 to the Companies financial statements for the year ended June 30, 2021.

	Note	December 31, 2021 (unaudited)	June 30, 2021 (audited)
(Rupees in '000)			
<b>9. TRADE AND OTHER PAYABLES</b>			
Trade creditors	9.1	1,671,667	1,390,668
Accrued liabilities	9.2	1,902,626	2,337,495
Bills payable		1,476,594	637,968
Advances from customers - unsecured	9.3	194,129	110,726
Sales tax payable		288,680	335,630
Royalty payable to Colgate-Palmolive Co., USA - associated company		261,189	402,068
Workers' profits participation fund		225,784	427,415
Workers' welfare fund		84,116	158,944
Retention money payable		14,922	14,667
Gas Infrastructure Development Cess liability		88,766	35,518
Others	9.4	76,277	70,450
		6,284,750	5,921,549

9.1 These include Rs 273.740 million (June 30, 2021: Rs 127.602 million) payable to related parties.

9.2 These include Rs 50.808 million (June 30, 2021: Rs 83.687 million) accrued to related parties.

9.3 These include Rs 10.569 million (June 30, 2021: Rs Nil) received from related parties.

9.4 These include Rs 6.589 million (June 30, 2021: Rs 6.800 million) payable to related parties.

9.5 There has been no change in short-term borrowing facilities from various banks on mark-up basis from those that are mentioned in note 24 of the Company's financial statements for the year ended June 30, 2021.

#### 10. UNPAID DIVIDEND

10.1 This represents dividend payable to Colgate-Palmolive Company, USA. The Company has submitted duly certified application for remittance to authorized dealer on October 21, 2021 for onward approval of regulator which is still awaited.

#### 11. CONTINGENCIES AND COMMITMENTS

##### 11.1 Contingencies

11.1.1 There has been no material change in the status of contingencies disclosed in note 25 to the Company's financial statements for the year ended June 30, 2021.



## 11.2 Commitments

11.2.1 Commitments in respect of capital expenditure and inventory items amount to Rs 69.868 million and Rs 1,132.383 million respectively (June 30, 2021: Rs 357.068 million and Rs 984.946 million respectively).

11.2.2 Outstanding letters of credit amount to Rs 1,022.380 million (June 30, 2021: Rs 1,589.214 million).

11.2.3 Outstanding duties leviable on clearing of stocks amount to Rs 37.526 million (June 30, 2021: Rs 13.688 million).

11.2.4 Post dated cheques issued to the collector of customs against duty on inventory items amount to Rs 163.881 million (June 30, 2021: Rs 127.038 million).

## 12. EARNINGS PER SHARE - [basic and diluted]

	Quarter ended December 31, 2021	Quarter ended December 31, 2020	Half year ended December 31, 2021	Half year ended December 31, 2020
	(Rupees in '000)			
Profit after taxation	1,447,323	1,333,035	2,935,546	2,774,087
	(Number of shares)			
	(Restated)		(Restated)	
Weighted average number of ordinary shares outstanding at the end of the period	72,795,583	72,795,583	72,795,583	72,795,583
	(Rupees)			
	(Restated)		(Restated)	
Earnings per share - basic and diluted	19.88	18.31	40.33	38.11

12.1 The figures have been retrospectively restated to reflect the impact of bonus shares issued during the period.

12.2 There are no dilutive potential ordinary shares outstanding as at December 31, 2021 and 2020.

	Note	Half year ended December 31, 2021 (Rupees in '000)	Half year ended December 31, 2020
<b>13. CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		4,207,034	3,985,406
Adjustment for non-cash charges and other items:			
Depreciation on operating fixed assets		413,829	396,147
Depreciation on right-of-use assets		26,924	23,339
Amortisation expense		2,812	4,964
Gain on disposal of items of property, plant and equipment		(10,312)	(23,781)
Staff retirement benefit		23,419	22,051
Profit on saving accounts		(56,263)	(43,241)
Profit on a term deposit receipt		(19,054)	(43,911)
Profit on treasury bills		(48,289)	(58,030)
Profit on PIBs		(338)	-
Profit on Sukuks bonds		-	(1,221)
Unrealised gain on investments classified as fair value through profit or loss		(99,854)	-
Gain on disposal of short term investments		(19,344)	(30,935)
Finance cost and bank charges		71,173	58,622
Stores and spares written off		-	1,599
Property, plant and equipment written off		-	198
Working capital changes	13.1	(2,588,569)	598,766
		<u>1,903,168</u>	<u>4,889,973</u>
<b>13.1 Working capital changes</b>			
(Increase) / decrease in current assets:			
Stores and spares		(25,649)	(54,744)
Stock in trade		(2,705,626)	10,008
Trade debts		79,753	(26,694)
Loans and advances		(35,483)	(60,817)
Trade deposits and short term prepayments		(43,610)	(30,801)
Other receivables		(122,360)	(5,872)
		<u>(2,852,975)</u>	<u>(168,920)</u>
Increase in current liabilities:			
Trade and other payables		264,406	767,686
		<u>(2,588,569)</u>	<u>598,766</u>

**December 31, 2021**  
**(Unaudited)**  
(Rupees in '000)

December 31, 2020  
(Unaudited)

**14. CASH AND CASH EQUIVALENTS**

Cash and bank balances	1,685,813	2,004,439
Short term investments	970,000	2,477,000
	<b>2,655,813</b>	<b>4,481,439</b>

**15. RELATED PARTIES**

**15.1 Disclosure of transactions and closing balances between the Company and related parties:**

The related parties include associated companies, staff retirement funds, directors, key management personnel and close family members of directors and 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:

<b>Nature of transactions</b>	<b>Half year ended December 31, 2021</b> (Rupees in '000)	Half year ended December 31, 2020
<b>Associated companies</b>		
Sale of goods and services provided and reimbursement of expenses	46,083	24,205
Purchase of goods and services received and reimbursement of expenses	2,035,547	1,705,879
Sale proceeds on redemption of short term investments	-	200,000
Profit on short term investments	26,079	13,788
Rent, allied and other charges	20,181	18,747
Royalty charges	199,400	169,826
Insurance claims received	2,002	1,111
Purchase of property, plant and equipment	-	481
Donations	10,000	15,200
Dividend received on mutual funds	52,640	45,514
Dividend paid	948,738	1,189,331
<b>Employee funds</b>		
Contribution to staff retirement benefits	55,798	50,846
<b>Key management personnel</b>		
Compensation paid to key management personnel	53,667	52,462

**December 31,  
2021  
(unaudited)**      June 30,  
2021  
(audited)  
(Rupees in '000)

**Nature of balances****Associated companies**

Trade debts	329	-
Loans and advances	149	221
Other receivables	1,350	2,240
Short term investments	1,533,143	1,462,320
Lease liabilities	167,896	160,486
Unpaid dividend	387,399	-
Trade and other payables	Refer note 9	

**16. ENTITY-WIDE INFORMATION**

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

## 16.2 Information about products

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

	<b>Half year ended December 31, 2021</b>	Half year ended December 31, 2020
Personal Care	28%	29%
Home Care	68%	67%
Others	4%	4%
	<u>100%</u>	<u>100%</u>

## 16.3 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.

## 16.4 Information about major customers


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

**17. NON-ADJUSTING EVENT AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION**

The Board of Directors in its meeting held on January 27, 2022 has proposed an interim cash dividend of Rs 24.5 per share (December 31, 2020: Rs 25 per share) in respect of the year ending June 30, 2022. These condensed interim financial statements do not include the effect of this dividend which will be accounted for in the condensed interim financial statements for the quarter ending March 31, 2022.

**18. DATE OF AUTHORISATION FOR ISSUE**

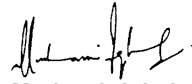
These condensed interim financial statements were authorised for issue on January 27, 2022 by the Board of Directors of the Company.



**Iqbal Ali Lakhani**  
Chairman/Director



**Zulfiqar Ali Lakhani**  
Chief Executive



**Mudassir Iqbal**  
Chief Financial Officer

### کاروباری کارکردگی کی جھلکیاں

کولکٹیو نے ٹوتھ پیسٹ کے استعمال میں اضافے کے نصب العین کے پیش نظر، خصوصاً کم ٹوتھ پیسٹ استعمال کرنے والے علاقوں میں کیسوٹی کے ساتھ ہم کے ذریعے پیش قدمی جاری رکھی۔

اسٹور میں شیلیف کے بہتر ہوتے شیئر اور ان کی نمایاں تقسیم کے ساتھ ذاتی نگہداشت کی کیٹیگری میں نمو جاری رہی۔ مختلف ٹرائل پیکیس کے تعارف اور چھوٹے شہروں میں ترسیل پر توجہ میں اضافے کے ذریعے شیپو کی پینچ میں اضافہ ہوا۔

لائڈری کیٹیگری میں تیسری اور تجارتی سطح پر اخراجات میں اضافہ دیکھنے میں آیا۔ خصوصاً لائڈری اور ڈش کیئر کے کاروبار میں نمونو غیر منظم شعبے سے بدستور ایک سنگین چیلنج درپیش ہے۔

### مستقبل کا منظر نامہ

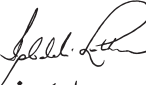
سال کے اگلے عرصہ میں سخت مقابلہ کے باعث مارکیٹ شیئر کا تحفظ چیلنج سے بھرپور رہے گا۔ خام مال کی بڑھتی ہوئی لاگت کی وجہ سے منافع جات پر دباؤ جاری رہنے کی توقع ہے۔ بلند افراط زر سے صارفین کی قوت خرید میں کمی اور ان کے اخراجات محدود رہنے کی توقع ہے۔ کووڈ-19 کیسز میں حالیہ اضافے کی وجہ سے اقتصادی منظر نامہ بھی محکوم رہنے کی توقع ہے۔

### تشکر

ہم اپنے صارفین کا اپنے برانڈز پر ان کے اعتماد پر انتہائی شکر گزار ہیں۔ ہم لگاتار معاونت کے لیے اپنے کسٹمرز، ڈسٹری بیوٹرز، سپلائی چین پارٹنرز، مینکرز اور شیئر ہولڈرز سے اظہار تشکر کرتے ہیں۔ ہم اپنے ملازمین کی لگن اور کوشش کے لیے ان کے قابل قدر کردار کا بھی اعتراف کرتے ہیں۔

یورڈ آف ڈائریکٹرز کی جانب سے

  
ذوالفقار علی لاکھانی  
چیف ایگزیکٹو

  
اقبال علی لاکھانی  
چیئر مین

کراچی: 27 جنوری، 2022

## ڈائریکٹرز رپورٹ

کمپنی ڈائریکٹرز مسرت کے ساتھ 31 دسمبر 2021 کو اختتام پذیر ہونے والے ششماہی کے غیر آڈٹ شدہ مختصر مالیاتی گوشوارے پیش کرتے ہیں۔

## مالیاتی کارکردگی ایک نظر میں

کمپنی کی کارکردگی کا ایک مختصر مالیاتی تجزیہ ذیل کے مطابق ہے:

اضافہ (کمی)	جولائی - دسمبر 2020	جولائی - دسمبر 2021	کاروباری کارکردگی کے نتائج
	(روپے ملین میں)		
16.43%	32,791	38,180	مجموعی آمدنی
17.07%	24,565	28,758	خالص آمدنی
5.37%	7,392	7,789	مجموعی منافع
(301 بنیادی پوائنٹس)	30.09%	27.08%	مجموعی منافع %
4.78%	3,138	3,288	فروخت اور ترسیل کے اخراجات
13.27%	294	333	انتظامی اخراجات
5.79%	4,044	4,278	آپریٹنگ منافع
5.84%	2,774	2,936	بعد از ٹیکس منافع
5.84%	38.11	40.33	فی شیئر آمدنی - (روپے)

## مالیاتی کارکردگی کی جھلکیاں

نمونہ میں ترقی کا تسلسل برقرار رہا اور کمپنی کی خالص آمدنی میں 17.07% کا اضافہ ہوا تاہم خالص مال بشمول اجناس کی قیمتوں میں اضافے اور روپے کی قدر میں کمی کے نتیجے میں مجموعی شرح منافع 301 بنیادی پوائنٹس کمی کے ساتھ 30.09% سے کم ہو کر 27.08% پر آگئی۔

خالص مال کی دستیابی اور اجناس کی قیمتوں کے حوالے سے غیر یقینی صورتحال کے پیش نظر کمپنی نے اپنی انویسٹری کی سطح میں 30 جون 2021 کے مقابلے میں اضافہ کیا جس کے نتیجے میں انویسٹری 7,252 ملین روپے سے بڑھ کر 9,957 ملین روپے ہو گئی۔ مال برداری کے اخراجات کی وجہ سے فروخت اور ترسیل کی لاگت میں 14.78% اضافہ ہوا۔ انتظامی اخراجات میں 13.27% اضافہ ہوا جس کی بنیادی وجہ ملازمین سے متعلق اخراجات ہیں۔

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