



**FIRST QUARTER REPORT
JULY - SEPTEMBER 2020**

CONTENTS

	Page
<u>COMPANY INFORMATION</u>	2
<u>DIRECTORS' REVIEW</u>	3-4
<u>DIRECTORS' REVIEW - IN URDU</u>	5-6
<u>CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION</u>	7
<u>CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</u>	8
<u>CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY</u>	9
<u>CONDENSED INTERIM STATEMENT OF CASH FLOWS</u>	10
<u>NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS</u>	11-19

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

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

DIRECTORS' REVIEW

The directors of your Company are pleased to present un-audited condensed financial statements of the Company for the quarter ended September 30, 2020.

Financial Performance at a Glance

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

Operating Results	July- September 2020	July- September 2019	Increase
	Amount in PKR million		
Turnover	16,419	13,506	21.57%
Net Turnover	12,299	10,209	20.47%
Gross Profit	3,664	2,970	23.37%
Gross Profit %	29.79%	29.09%	70 bps
Selling & Distribution Cost	1,481	1,313	12.80%
Administrative Expenses	148	136	8.82%
Profit from Operations	2,027	1,631	24.28%
Profit after Tax	1,441	1,151	25.20%
Earnings Per Share - Rupees	22.77	18.18	25.20%

Financial Performance Highlights

Topline grew by 20.47% with volume growth and selective price adjustments across all categories. Gross profit margin recorded a modest gain of 70 bps as the price adjustments were offset by increase in input cost.

Selling and distribution cost increased by 12.80% mainly due to increased advertising spend as the Company continued to support its brands amidst increased media presence by competitors.

Business Performance Highlights

Colgate Total relaunch with the new iconic packaging and a breakthrough formulation promising 12-hour anti-bacterial protection for 100% of the mouth surfaces will help strengthen Company's market leadership. The relaunch supported with IMC campaign aimed to add incremental share by capturing key position in multi-benefit segment of the market.

Building momentum with the timely launch of liquid hand soap, increasing distribution of bar soap and growing share of shampoo helped the Palmolive portfolio to make healthy contribution in both top and bottom-line growth of the Company.

All major players in the laundry detergent category have intensified efforts to gain market share by increasing advertising and trade spends. The unorganized sector in smaller towns and rural markets continues to pose a serious challenge to further growth, especially for laundry detergent and dishwash business.

Future Outlook

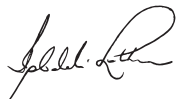
The demand for personal care and hygiene products is expected to stay strong as we continue to fight against COVID-19. However, weaker economic performance and increasing inflation would force the consumers to curtail discretionary spending and look for more cost-effective options.

Uncertainty surrounds the future as expected second wave of COVID-19 could lead to disruption in distribution and supply chain functioning.

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 : October 28, 2020

ڈائریکٹرز رپورٹ

کمپنی ڈائریکٹرز مسرت کے ساتھ 30 ستمبر 2020 کو اختتام پذیر ہونے والی سہ ماہی کے غیر آڈٹ شدہ مختصر مالیاتی گوشوارے پیش کرتے ہیں۔

مالیاتی کارکردگی پر ایک نظر

اس سہ ماہی کی مالیاتی کارکردگی کا ایک مختصر جائزہ ذیل میں پیش کیا جا رہا ہے۔

اضافہ	جولائی - ستمبر 2019	جولائی - ستمبر 2020	کاروباری نتائج
	(روپے ملین میں)		
21.57%	13,506	16,419	مجموعی آمدنی
20.47%	10,209	12,299	خالص آمدنی
23.37%	2,970	3,664	مجموعی منافع
(70 بنیادی پوائنٹس)	29.09%	29.79%	مجموعی منافع %
12.80%	1,313	1,481	فروخت اور ترسیل کے اخراجات
8.82%	136	148	انتظامی اخراجات
24.28%	1,631	2,027	آپریٹنگ سے منافع
25.20%	1,151	1,441	بعد از ٹیکس منافع
25.20%	18.18	22.77	فی شیئر آمدنی (روپے)

مالیاتی کارکردگی کی جھلکیاں

خالص آمدنی میں 20.47% اضافے کی وجہ، تمام کٹیگریز کے حجم میں اضافہ اور قیمتوں میں ردوبدل ہے۔ منافع کی مجموعی سطح میں 70 بنیادی پوائنٹس کا معمولی اضافہ ہوا کیونکہ پیداواری لاگت میں اضافہ کی وجہ سے قیمتوں میں ردوبدل کے فوائد کا کافی رعبہ۔

فروخت اور ترسیل کی لاگت میں 12.80% اضافہ بنیادی طور پر اشتہارات کی مد میں بڑھتے ہوئے اخراجات کے باعث ہوا جو کہ متقابل کمپنیوں کی جانب سے میڈیا میں بڑھتی ہوئی موجودگی کی صورتحال میں اپنے برانڈز کی معاونت جاری رکھنے کے لئے کئے گئے۔

کاروباری کارکردگی کی جھلکیاں

نئی دیدہ زیب پیکجنگ اور ایک انقلابی فارمولا جو کہ منہ کی سطحوں کو بارہ گھنٹوں تک بیکٹیریا سے 100% تحفظ کا وعدہ کرتا ہے، کوکلیٹ ٹوٹل کی دوبارہ لانچ سے کمپنی کی مارکیٹ لیڈرشپ کو مستحکم کرنے میں مدد ملے گی۔ اس ری لانچ کو مریوطہ کمپنیز کے ساتھ مدد فراہم کی گئی جس کا مقصد مارکیٹ کے کثیر فوائد والے حصے میں کلیدی مقام حاصل کرنا ہے۔

لیکویڈ ہینڈ سوپ کے بروقت لانچ، بارصا بن کی بڑھتی ہوئی ڈسٹری بیوشن اور شیپو کے شینر میں اضافے کے ساتھ بڑھتی رفتار نے پامولیو پورٹ فولیو کو کمپنی کی اوپری اورزیریں دونوں اقسام کی ترقی میں صحت مندانہ کردار ادا کیا۔

لائڈری ڈٹرنٹ سبکٹ کے تمام بڑے کھلاڑیوں نے ایڈورٹائزمنٹ اور تجارتی اخراجات میں اضافہ کر کے مارکیٹ شیئر حاصل کرنے کی کوششیں تیز کر دی ہیں۔ غیر منظم سیکٹر چھوٹے قصبوں اور دیہی منڈیوں میں مزید ترقی، خاص طور پر لائڈری ڈٹرنٹ اور ڈش واش برنس کے لیے بدستور ایک چیلنج بنا ہوا ہے۔

مستقبل کی توقعات

توقع ہے کہ ذاتی نگہداشت اور حفظان صحت سے متعلق مصنوعات کی طلب مستحکم رہے گی کیونکہ ہماری کووڈ 19 کے خلاف جنگ جاری ہے۔ تاہم کمزور معاشی کارکردگی اور ہنگامی میں اضافہ صارفین کو صوابدیدی اخراجات محدود کرنے اور زیادہ باکفایت طریقوں کی تلاش پر مجبور کرے گا۔


مستقبل کو غیر یقینی صورتحال کا سامنا ہے کیونکہ کووڈ 19 کی متوقع دوسری لہر سپلائی چین اور ڈسٹری بیوشن کے کاموں میں رکاوٹ کا باعث بن سکتی ہے۔

اعتراف

ہم اپنے صارفین کا ہمارے برانڈز پر اعتماد پر غلوں دل سے شکر یہ ادا کرتے ہیں۔ ہم لگاتار معاونت کے لیے اپنے کسٹمرز، ڈسٹری بیوٹرز، سپلائی چین پارٹنرز، بینکرز اور شیئر ہولڈرز کے ممنون ہیں۔ ہم اپنے ملازمین کی لگن اور کمپنی کے لیے ان کے قابل قدر کردار کا بھی اعتراف کرنا چاہیں گے۔

بورڈ آف ڈائریکٹرز کی جانب سے


ذوالفقار علی لاکھانی
چیف ایگزیکٹو


اقبال علی لاکھانی
چیئر مین

کراچی: 28 اکتوبر، 2020

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Unaudited)

As at September 30, 2020

	Note	September 30, 2020 (unaudited)	June 30, 2020 (audited)
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	5,471,222	5,102,949
Intangible assets		13,158	13,675
Long term loans		34,206	33,176
Long term security deposits		44,502	38,474
		5,563,088	5,188,274
CURRENT ASSETS			
Stores and spares		342,326	348,815
Stock in trade	5	6,008,251	6,173,696
Trade debts		1,043,247	837,141
Loans and advances		199,479	126,670
Trade deposits and short term prepayments		190,174	93,847
Other receivables		351,044	407,416
Accrued profit		12,250	3,695
Taxation		606,021	976,164
Short term investments	6	8,617,286	6,013,061
Cash and bank balances		1,787,630	2,339,835
		19,157,708	17,320,340
TOTAL ASSETS		24,720,796	22,508,614
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		750,000	750,000
Issued, subscribed and paid-up share capital		633,005	575,459
Reserves		16,895,113	16,863,937
Remeasurement of post retirement benefits obligation		(188,474)	(188,474)
Surplus on revaluation of investments		338	259
		17,339,982	17,251,181
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation		81,447	103,348
Long term deposits		113,626	112,613
Deferred liability		304	47,293
Long-term financing		405,246	273,732
Lease liabilities		328,382	319,022
		929,005	856,008
CURRENT LIABILITIES			
Trade and other payables	7	4,799,215	4,308,804
Accrued mark-up		1,314	121
Current portion of long-term financing		243,147	39,105
Current portion of lease liabilities		34,216	31,757
Unpaid dividend		1,352,330	-
Unclaimed dividend		21,587	21,638
		6,451,809	4,401,425
TOTAL LIABILITIES		7,380,814	5,257,433
TOTAL EQUITY AND LIABILITIES		24,720,796	22,508,614
CONTINGENCIES AND COMMITMENTS			
	8		

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman/Director


Zulfiqar Ali Lakhani
Chief Executive


Mirza Rehan Ahmed
Chief Financial Officer

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

For the Quarter ended September 30, 2020

	Note	Quarter ended September 30, 2020	Quarter ended September 30, 2019
(Rupees in '000)			
Turnover		16,418,706	13,506,462
Sales tax		(2,606,584)	(2,142,542)
Trade and other discounts		(1,512,710)	(1,154,442)
Net turnover		<u>12,299,412</u>	<u>10,209,478</u>
Cost of sales		<u>(8,635,845)</u>	<u>(7,239,725)</u>
Gross profit		3,663,567	2,969,753
Selling and distribution cost		(1,480,806)	(1,313,054)
Administrative expenses		(147,613)	(135,798)
Other expenses		(167,060)	(129,004)
Other income		<u>159,348</u>	<u>238,824</u>
Profit from operations		2,027,436	1,630,721
Finance cost and bank charges		<u>(26,696)</u>	<u>(22,588)</u>
Profit before taxation		2,000,740	1,608,133
Taxation			
- Current - for the quarter		<u>(581,616)</u>	<u>(480,000)</u>
- Deferred		<u>21,928</u>	<u>22,626</u>
		<u>(559,688)</u>	<u>(457,374)</u>
Profit after taxation		1,441,052	1,150,759
Other comprehensive income for the quarter-net of tax			
Items that may be reclassified subsequently to profit or loss			
Gain on investments categorised as fair value through other comprehensive income		<u>106</u>	<u>5,349</u>
Impact of tax		<u>(27)</u>	<u>(1,337)</u>
		<u>79</u>	<u>4,012</u>
Total comprehensive income for the quarter		<u>1,441,131</u>	<u>1,154,771</u>
		----- (Rupees) -----	
Earnings per share-basic and dilutive	9	<u>22.77</u>	<u>18.18</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman/Director


Zulfiqar Ali Lakhani
Chief Executive


Mirza Rehan Ahmed
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the Quarter ended September 30, 2020

	Issued, subscribed and paid up share capital	Reserves			Remeasurement on post retirement benefits obligation- net of tax	(Deficit)/Surplus on revaluation of investments- net of tax	Total Equity	
		Capital reserve- share premium	General reserve	Revenue reserves Unappropriated profit				Sub Total- reserves
(Rupees in '000)								
Balance as at July 1, 2019	575,459	13,456	11,869,000	2,562,366	14,444,822	(147,819)	(4,217)	14,868,245
Transactions with owners								
Final dividend for the year ended June 30, 2019 at the rate of Rs 20 per share	-	-	-	(1,150,918)	(1,150,918)	-	-	(1,150,918)
Total transactions with owners	-	-	-	(1,150,918)	(1,150,918)	-	-	(1,150,918)
Comprehensive income for the quarter								
Profit after taxation for the quarter ended September 30, 2019	-	-	-	1,150,759	1,150,759	-	-	1,150,759
Other comprehensive income	-	-	-	-	-	-	4,012	4,012
Total comprehensive income for the quarter ended September 30, 2019	-	-	-	1,150,759	1,150,759	-	4,012	1,154,771
Transfer to general reserve	-	-	1,411,000	(1,411,000)	-	-	-	-
Balance as at September 30, 2019	575,459	13,456	13,280,000	1,151,207	14,444,663	(147,819)	(205)	14,872,098
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
Transactions with owners								
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)	-	-	-
Total transactions with owners	57,546	-	-	(1,409,876)	(1,409,876)	-	-	(1,352,330)
Comprehensive income for the quarter								
Profit after taxation for the quarter ended September 30, 2020	-	-	-	1,441,052	1,441,052	-	-	1,441,052
Other comprehensive income	-	-	-	-	-	-	79	79
Total comprehensive income for the quarter ended September 30, 2020	-	-	-	1,441,052	1,441,052	-	79	1,441,131
Transfer to general reserve	-	-	2,160,000	(2,160,000)	-	-	-	-
Balance as at September 30, 2020	633,005	13,456	15,440,000	1,441,657	16,895,113	(188,474)	338	17,339,982

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman/Director


Zulfikar Ali Lakhani
Chief Executive


Mirza Rehan Ahmed
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited)

For the Quarter ended September 30, 2020

	Note	Quarter ended September 30, 2020	Quarter ended September 30, 2019
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	2,492,798	1,774,945
Finance cost and bank charges paid		(13,196)	(9,480)
Taxes paid		(211,473)	(251,002)
Staff retirement gratuity paid		(58,015)	(90,112)
Long term loans		(1,030)	4,205
Long term security deposits (assets)		(6,028)	(154)
Long term deposits		1,013	2,225
Net cash generated from operating activities		2,204,069	1,430,627
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(564,961)	(283,295)
Purchase of intangible assets		(2,025)	-
Short term investments made during the quarter		(8,163,304)	(401,483)
Proceeds from sale of property, plant and equipment		7,069	21,381
Profit received on saving accounts		21,148	25,759
Profit received on treasury bills		25,695	36,426
Profit received on Sukuks bonds		813	956
Profit received on Pakistan Investment Bonds		-	19,763
Profit received on term deposit receipts		20,666	13,827
Sale proceeds on disposal of short term investments		5,623,849	949,737
Net cash (used in) / generated from investing activities		(3,031,050)	383,071
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(51)	(751,132)
Long term finances		335,556	-
Payment of lease liabilities		(15,729)	(14,173)
Net cash generated from / (used in) financing activities		319,776	(765,305)
Net (decrease) / increase in cash and cash equivalents		(507,205)	1,048,393
Cash and cash equivalents at the beginning of the quarter		5,226,835	2,557,300
Cash and cash equivalents at the end of the quarter	11	4,719,630	3,605,693

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



Iqbal Ali Lakhani
Chairman/Director



Zulfiqar Ali Lakhani
Chief Executive



Mirza Rehan Ahmed
Chief Financial Officer

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

For the Quarter ended September 30, 2020

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, 2020.

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, 2021

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2020 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, 2021

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, 2021 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, 2020.

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.

Judgements 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, 2020.

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, 2020.

Note	September 30, 2020 (unaudited)	June 30, 2020 (audited)
------	--------------------------------------	-------------------------------

(Rupees in '000)

4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - at net book value	4.1 to 4.5	3,514,006	3,417,800
Capital work in progress at cost	4.6	1,644,119	1,375,804
Right of use assets - at net book value		313,097	309,345
		<u>5,471,222</u>	<u>5,102,949</u>

	Note	Quarter ended September 30, 2020	Quarter ended September 30, 2019
(Rupees in '000)			
4.1 Additions - operating fixed assets (at cost)			
Leasehold land		-	88,709
Factory building on leasehold land		53,315	85,688
Plant and machinery		158,622	48,452
Fittings and installation		6,096	2,318
Furniture and fixtures		447	2,027
Tools and equipment		12,325	8,297
Vehicles		52,142	17,769
Computers and accessories		9,356	8,462
Office equipment		4,343	2,890
		296,646	264,612

4.1.1 Additions include transfers from capital work in progress aggregating Rs 228.283 million (September 30, 2019: Rs 185 million).

4.2 Disposals - operating fixed assets (at net book value)

Plant and Machinery	-	12,364
Furniture and fixtures	27	-
Vehicles	4,592	4,563
Computers and accessories	14	-
Office equipment	14	7
	4,647	16,934

4.3 Depreciation charge for the period

	195,647	177,942
--	---------	---------

4.4 Included in operating fixed assets are items having aggregate cost of Rs 34.988 million (June 30, 2020: Rs 30.399 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.

4.5 During the period, 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 5.837 million (September 30, 2019: Rs 8.977 million) and net book value of Rs 0.146 million (September 30, 2019: Rs 8.509 million) have been retired from active use and have been written off in these condensed interim financial statements.

	Note	Quarter ended September 30, 2020 (Rupees in '000)	Quarter ended September 30, 2019
4.6 Additions - capital work-in-progress (at cost)			
Factory building on leasehold land		152,151	150,643
Plant and machinery		267,085	49,437
Vehicles		1,700	-
Electric fittings and installation		31,578	1,303
Tools and equipment		687	1,600
Furniture and fixtures		2,811	646
Office equipment		2,571	54
Computer and accessories		265	-
		<u>458,848</u>	<u>203,683</u>
		September 30, 2020 (unaudited)	June 30, 2020 (audited)
		(Rupees in '000)	
5. STOCK IN TRADE			
Raw and packing materials		4,130,759	4,057,034
Work-in-process		554,070	581,972
Finished goods - Manufactured		<u>1,135,164</u>	<u>1,353,206</u>
Finished goods - Trading		<u>188,258</u>	<u>181,484</u>
		<u>1,323,422</u>	<u>1,534,690</u>
		<u>6,008,251</u>	<u>6,173,696</u>
5.1		Stock in trade include raw and packing materials in transit aggregating Rs 1,432.459 million (June 30, 2020: Rs 1,639.834 million) and finished goods in transit aggregating Rs 12.862 million (June 30, 2020: Rs 23.736 million).	
6. SHORT TERM INVESTMENTS			
Amortised cost	6.1	2,932,000	2,887,000
Fair value through profit or loss	6.2	5,650,186	3,091,067
Fair value through other comprehensive income	6.3	<u>35,100</u>	<u>34,994</u>
		<u>8,617,286</u>	<u>6,013,061</u>
6.1		The range of rates of profits on these term deposits is between 5.75% and 7.80% (June 30, 2020: 6.75% and 8.35%) per annum having maturity in October and December 2020.	

6.2	Name of the investee	As at July 01, 2020	Purchase during the quarter	As at September 30, 2020	Average cost as at September 30, 2020	Fair Value as at September 30, 2020	Unrealised Gain as at September 30, 2020
		(Number of units in '000)		(Rupees in '000)			
	Lakson Money Market Fund (associated undertaking) managed by Lakson Investment Limited	14,706	123	14,829	1,491,349	1,500,644	9,295
	Lakson Income Fund (associated undertaking) managed by Lakson Investment Limited	4,214	-	4,214	425,113	430,700	5,587
	Atlas Money Market Fund managed by Atlas Asset Management Limited	1,889	222	2,111	1,066,956	1,068,193	1,237
	NBP Money Market Fund (Formerly NAFA Money Market Fund) managed by NBP Funds Management Limited	12,819	20,576	33,395	330,030	330,217	187
	NBP Islamic Daily Dividend Fund managed by NBP Funds Management Limited	-	35,244	35,244	352,439	352,439	-
	UBL Liquidity Plus Fund managed by UBL Fund Managers Limited	-	1,983	1,983	200,195	200,273	78
	UBL Cash Fund managed by UBL Fund Managers Limited	-	1,970	1,970	200,000	200,313	313
	MCB Cash Management Optimizer managed by MCB-Arif Habib Savings & Investment Limited	-	4,980	4,980	502,323	503,100	777
	ABL Cash Fund managed by ABL Asset Management Company Limited	10,221	49,321	59,542	606,629	608,819	2,190
	ABL Islamic Cash Fund managed by ABL Asset Management Company Limited	189	45,360	45,549	455,488	455,488	-
		<u>44,038</u>	<u>159,779</u>	<u>203,817</u>	<u>5,630,522</u>	<u>5,650,186</u>	<u>19,664</u>

6.3 These include Sukuk Bonds having profit rate of 8.16% per annum and maturity in November 2022.

Note **September 30, 2020** (unaudited) June 30, 2020 (audited)
(Rupees in '000)

7. TRADE AND OTHER PAYABLES

Trade creditors	7.1	1,069,007	743,183
Accrued liabilities	7.2	1,803,390	1,712,903
Bills payable		524,902	394,837
Advances from customers - unsecured	7.3	114,372	93,316
Sales tax payable		339,492	278,799
Royalty payable to Colgate-Palmolive Co., USA - associated company		427,535	339,968
Workers' profits participation fund		95,417	360,009
Workers' welfare fund		170,852	130,837
Retention money payable		11,911	11,259
Gas Infrastructure Development Cess payable		170,638	175,813
Others	7.4	71,699	67,880
		<u>4,799,215</u>	<u>4,308,804</u>

- 7.1 These include Rs 92.830 million (June 30, 2020: Rs 55.289 million) payable to related parties.
- 7.2 These include Rs 52.168 million (June 30, 2020: Rs 62.556 million) accrued to related parties.
- 7.3 These include Rs 0.327 million (June 30, 2020: Rs 0.005 million) in relation to advance from related parties.
- 7.4 These include Rs 4.569 million (June 30, 2020: Rs 14.640 million) payable to related parties.
- 7.5 There has been no change in short-term borrowing facilities from various banks on mark-up basis from those that are mentioned in note 24.1 of the Company's financial statements for the year ended June 30, 2020.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

- 8.1.1 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, 2020.

8.2 Commitments

- 8.2.1 Commitments in respect of capital expenditure and inventory items amount to Rs 595.160 million and Rs 593.753 million respectively (June 30, 2020: Rs 642.618 million and Rs 789.121 million respectively).
- 8.2.2 Outstanding letters of credit amount to Rs 1,171.792 million (June 30, 2020: Rs 1,294.489 million).
- 8.2.3 Outstanding duties leviable on clearing of stocks amount to Rs 12.108 million (June 30, 2020: Rs 17.175 million).

Quarter ended September 30, 2020	Quarter ended September 30, 2019
(Rupees in '000)	

9. EARNINGS PER SHARE

Profit after taxation	1,441,052	1,150,759
	(Number of shares)	
Weighted average number of ordinary shares outstanding during the quarter	63,300,521	63,300,521
	(Rupees)	
Earnings per share - restated	22.77	18.18

- 9.1 There are no dilutive potential ordinary shares outstanding as at September 30, 2020 and 2019.

	Note	Quarter ended September 30, 2020 (Rupees in '000)	Quarter ended September 30, 2019
10. CASH GENERATED FROM OPERATIONS			
Profit before taxation		2,000,740	1,608,133
Adjustment for non-cash charges and other items:			
Depreciation on operating fixed assets		195,647	177,942
Depreciation on right-of-use assets		11,489	11,307
Amortisation expense		2,542	2,973
Gain on disposal of items of property, plant and equipment		(2,422)	(4,447)
Staff retirement gratuity		11,026	13,214
Profit on saving accounts		(21,003)	(26,256)
Profit on a term deposit receipt		(29,649)	(8,553)
Profit on treasury bills		(25,695)	(36,426)
Profit on PIBs		-	(17,849)
Profit on Sukuks bonds		(530)	(1,793)
Unrealised gain on investments classified as fair value through profit or loss		(19,664)	-
Gain on disposal of short term investments		-	(19,125)
Finance cost and bank charges		26,696	22,588
Property, plant and equipment written off		146	468
Working capital changes	10.1	343,475	52,769
		<u>2,492,798</u>	<u>1,774,945</u>
10.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		6,489	(42,460)
Stock in trade		165,445	230,982
Trade debts		(206,106)	(26,184)
Loans and advances		(72,809)	8,571
Trade deposits and short term prepayments		(96,327)	(107,700)
Other receivables		56,372	(6,874)
		<u>(146,936)</u>	<u>56,335</u>
Increase / (decrease) in current liabilities:			
Trade and other payables		490,411	(3,566)
		<u>343,475</u>	<u>52,769</u>
		September 30, 2020 (unaudited)	September 30, 2019 (unaudited)
		(Rupees in '000)	(Rupees in '000)
11. CASH AND CASH EQUIVALENTS			
Cash and bank balances		1,787,630	1,652,893
Short term investments		2,932,000	1,952,800
		<u>4,719,630</u>	<u>3,605,693</u>

12. RELATED PARTIES

12.1 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:

Nature of transactions	Quarter ended September 30, 2020	Quarter ended September 30, 2019
	(Rupees in '000)	
Associated companies		
Sale of goods and services provided and reimbursement of expenses	6,370	9,233
Purchase of goods and services received and reimbursement of expenses	887,624	665,595
Purchase of short term investments	-	200,000
Sale proceeds on redemption of short term investments	-	500,000
Profit on short term investments	14,882	19,711
Rent, allied and other charges	9,200	9,271
Royalty charges	87,567	66,533
Insurance claims received	582	14,120
Insurance commission income	-	5,539
Purchase of property, plant and equipment	389	38
Donations	5,500	4,500
Dividend received on mutual funds	14,612	65,474
Dividend paid	-	1,012,196
Employee funds		
Contribution to staff retirement benefits	25,437	25,867
Key management personnel		
Compensation paid to key management personnel	27,524	24,052
	September 30, 2020 (unaudited)	June 30, 2020 (audited)
	(Rupees in '000)	
Nature of balances		
Associated companies		
Trade debts	7	-
Loans and advances	41,136	-
Other receivables	2,718	2,093
Short term investments	1,931,344	1,904,042
Lease liabilities	167,865	167,252
Trade and other payables	Refer note 7	
Unpaid dividend	1,189,331	-

13. ENTITY-WIDE INFORMATION

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

13.2 Information about products

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

	Quarter ended September 30, 2020	Quarter ended September 30, 2019
Personal Care	29%	26%
Home Care	67%	68%
Others	4%	6%
	<u>100%</u>	<u>100%</u>

13.3 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.

13.4 Information about major customers

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

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 28, 2020 by the Board of Directors of the Company.



Iqbal Ali Lakhani
Chairman/Director



Zulfiqar Ali Lakhani
Chief Executive



Mirza Rehan Ahmed
Chief Financial Officer

THIS PAGE LEFT BLANK



Lakson Square, Building No. 2,
Sarwar Shaheed Road, Karachi-74200.
Tel: +9221-38400000