

Colgate®

Trusted Brands,
Spreading Smiles



COLGATE-PALMOLIVE (PAKISTAN) LTD.

2021
Annual Report

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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

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

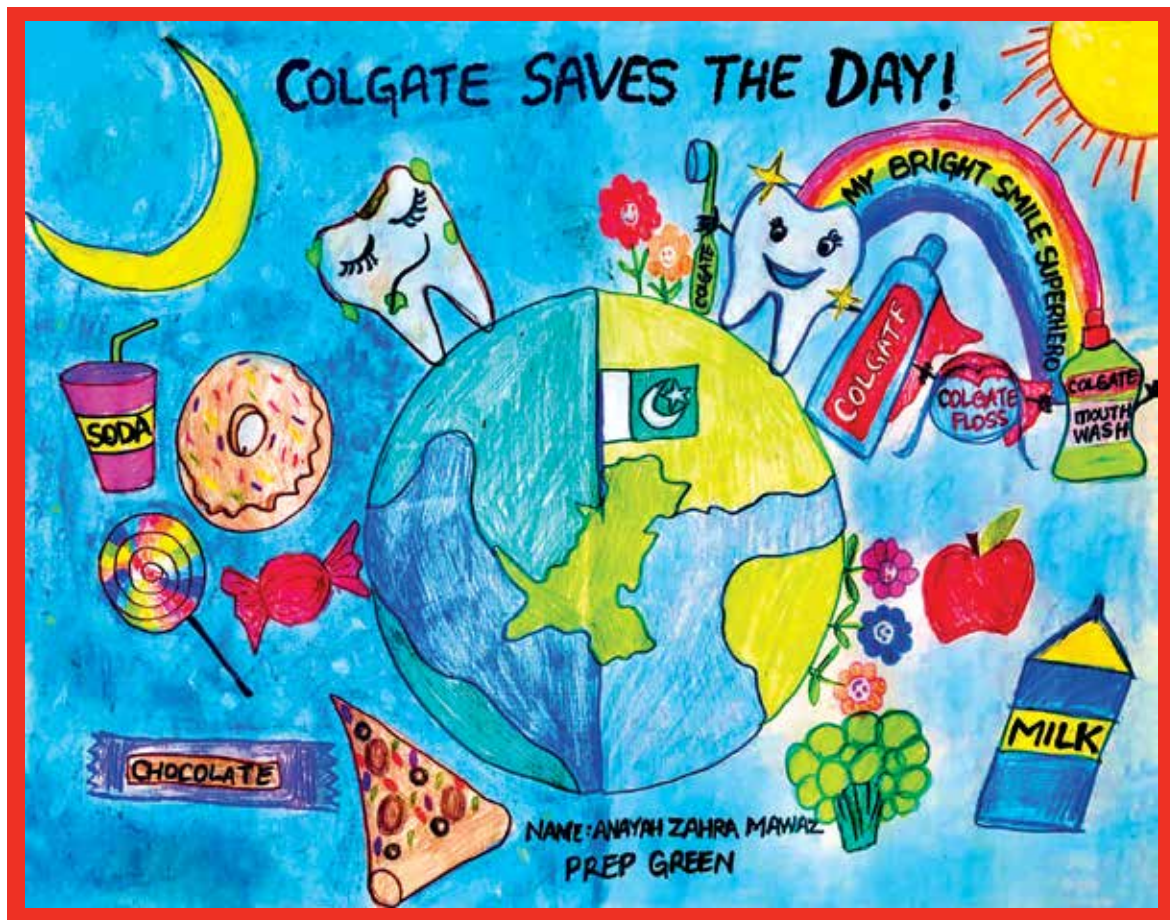
Continuing with its brand leadership, Colgate Maximum Cavity Protection upgraded its formulation with the inclusion of Arginine. The New, Best Ever Colgate with Amino Power, was relaunched with an integrated marketing campaign, targeted on communicating the link between strong teeth and physical strength, i.e., strong teeth aid in better chewing, leading to better absorption of nutrients, and hence, a strong you. The campaign included a functional TVC, digital amplification, stronger brand claims in-store, point of sales merchandising, as well as packaging upgrade.



My Bright Smiles: Global Art Contest 2022

To raise oral health awareness while sparking creativity, Colgate conducted its My Bright Smiles Global Art Contest. With the objective of spreading smiles and positivity amongst kids, the contest was held via digital, as well as through schools on the ground.

With the lockdown, this two-pronged strategy helped collect approximately 35,000 entries from all over Pakistan across 180+ towns.



Personal Care

Protex anti-bacterial range of products, including bar soaps, liquid hand wash, and sanitizer, were introduced into the market this year to cater to the increasing consumer demand for hygiene products.



This launch enabled the company to meet consumers' needs for both beauty, as well as anti-bacterial products.

In addition to Protex, the launch of Palmolive Sanitizers also expanded the portfolio with a range of hygiene-related products made with skin loving natural ingredients.



Surface Care

Max Scrub

Lemon Max delved into the Cleaning Supplies Category with the launch of Max Scrub. It was launched with a range of Scouring Pads and Sponges. Max Scrub is a superior product with 3x grease cutting power, being the perfect partner to Lemon Max Bar, Liquid, and Paste. This launch was supported by TV, Digital, and an In-store visibility drive.



Max Paste

With increased awareness of the germ-killing phenomenon due to COVID-19, Lemon Max Dishwash Paste reworked its formulation to offer anti-bacterial benefits to its consumers. Both of its variants – Lime and Original – now kill 99.9% of bacteria.

Lemon Max Liquid

Lemon Max Dishwash Liquid strengthened its new portfolio by launching Max Soft Feel with Vitamin E offering Soft on Hands benefits. Lemon Max Liquid now offers a unique product for its consumers that has 100% effective grease removal power, while caring for hands.



Fabric Care

Brite

The Brite line extended into an innovative new product – Brite Anti-bacterial – and effectively responded to the evolving needs of consumers concerning hygiene and health. Premium packaging communicating anti-bacterial benefits and a 360 marketing campaign, including a television commercial, in-store activation, and e-commerce integration, highlighting its core message ‘Daagh ko Left aur Germs ko Right Kardega, Brite Sab Right Kardega!’ supported the launch. This helped the brand in achieving better top of mind recall, awareness, and usership trends.



Express Power

Express Power launched a new campaign this year on its 'Why Pay More?' platform to effectively highlight its value proposition vis-à-vis premium detergents by using a product demo challenge format. The tagline for communication was 'Mehngay powder wali dhulai, 100 rupay ki bachat kay sath.' This launch was augmented with various in-store and distribution related initiatives that helped improve the brand's availability and reach.



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 43rd Annual General Meeting of COLGATE-PALMOLIVE (PAKISTAN) LIMITED will be held on Tuesday, September 21, 2021 at 03:30 p.m. at the Registered office of the Company at Lakson Square Building No.2, Sarwar Shaheed Road, Karachi through Video Conference 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, 2021 together with the Directors' and Auditors' reports thereon.
2. To declare final dividend in cash @ 240% i.e. Rs 24.00 per share of Rs 10.00 each and by way of issue of fully paid bonus shares @ 15% in the proportion of Three shares for every Twenty shares of Rs 10.00 each held by the members as recommended by the Board of Directors. This is in addition to interim cash dividend @ 250% i.e. Rs 25.00 per share already paid.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

4. To consider, to increase the authorized capital of the Company from Rs 750,000,000 to Rs.1,250,000,000 divided into 125,000,000 ordinary shares of Rs 10 each and if thought fit to pass a special resolution in the matter.
5. To consider, subject to declaration of the final dividend as above, to capitalize a sum of Rs 94,950,760 by way of issue of 9,495,076 fully paid bonus shares of Rs 10.00 each and if thought fit to pass an ordinary resolution in the matter.

Statement under Section 134 of the Companies Act, 2017 in the above matters mentioned in item Nos.4 & 5 is annexed.

By Order of the Board



(MANSOOR AHMED)
Company Secretary

Karachi: August 20, 2021

NOTES:

1. The share transfer books of the Company will remain closed from September 15, 2021 to September 21, 2021 (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 14, 2021 will be treated in time for entitlement of the dividend and bonus shares.
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.

Notice of Annual General Meeting

3. In view of the prevailing pandemic COVID-19 situation and in line with the directions issued to listed companies by the Securities & Exchange Commission of Pakistan vide its Circular No.4 dated February 15, 2021 and subsequent Circular No.6 of 2021 dated March 03, 2021, the company has decided to hold Annual General Meeting (AGM) through electronic means.

Special arrangements for attending the AGM through electronic means will be as under:

- a. AGM will be held through Zoom application – video link facility.
- b. Shareholders interested in attending the AGM through Zoom application are hereby requested to get themselves registered with the Company Secretary office by sending an email with subject: “Registration for Colgate AGM” at the earliest but not later than 05:00 p.m. on Monday, September 20, 2021 on Email: mansoor@lakson.com.pk along with a valid copy of both sides of CNIC.

Shareholders are advised to mention their Name, Folio/CDC Account Number, CNIC Number, valid email address and cell number.

Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their e-mail address. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smartphone/computer devices.

Shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM on above email or Whatsapp: 0315-5008228.

4. 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.
5. 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 excluding holidays.
6. 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.
7. 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 Shares 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.

Notice of Annual General Meeting

8. 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.
9. (i) The rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 shall be as follows:
1. Persons appearing in Active Tax Payers List (ATL) 15%
 2. Persons not appearing in Active Tax Payers List (ATL) 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 shareholders 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 #	Total Shares	Principal Shareholder		Joint Shareholder	
			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: (021) 3840 0000 or email address mansoor@lakson.com.pk and/or FAMCO Associates (Private) Limited at phone: (021) 3438 0101-5 or email address: info.shares@famco.com.pk

Notice of Annual General Meeting

- (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.
- 10. Section 72 of the Companies Act, 2017 requires every company to replace its physical shares with book-entry form within the period to be notified by the SECP.

The Shareholders having physical shareholding are accordingly encouraged to open their account with investors account services of CDC or sub account with any of the brokers and convert their physical shares in script less form. This will facilitate the shareholders in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.
- 11. An updated list for unclaimed dividend/shares of the Company is available on the Company's website www.colgate.com.pk. These are unclaimed dividend/shares which have remained unclaimed or unpaid for a period of three years from the date these have become due and payable.
- 12. 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.
- 13. Form of Proxy is enclosed.

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

The statement sets out the material facts concerning the Special Business given in agenda items No.4 & 5 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.

Agenda Item No.4 of the Notice – Increase in Authorized Capital to be passed as a Special Resolution.

At present the authorized capital of the Company is Rs.750,000,000 and the paid-up capital is Rs.633,005,070. The Board of Directors recommends to increase the authorized capital to Rs. 1,250,000,000 in order to facilitate increase in the paid-up capital as and when required to do so, and if thought fit by the members to pass the following resolution as a special resolution.

“RESOLVED that the authorized capital of the Company be and is hereby increased to Rs.1,250,000,000 by creation of 50,000,000 new ordinary shares of Rs.10/- each and that Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company be and are hereby amended accordingly.”

Agenda Item No.5 of the Notice – Issue of Bonus Shares to be passed as an Ordinary Resolution

The Board of Directors has recommended to the members of the Company to declare final dividend in cash @ 240% and by way of issue of fully paid bonus shares @ 15% for the year ended June 30, 2021. Subject to approval

Notice of Annual General Meeting

of the Board of Directors' recommendation as above, the resolution as under will be considered to be passed by the members as an ordinary resolution:

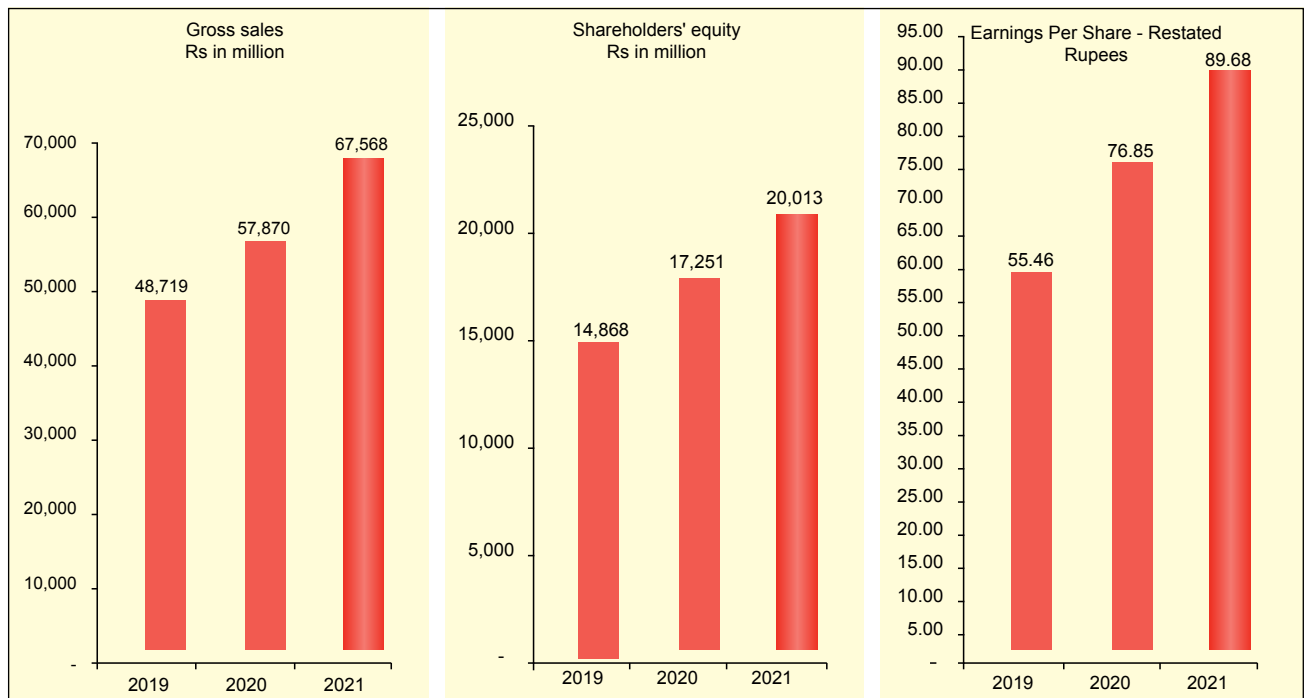
“RESOLVED THAT:

- i) a sum of Rs.94,950,760 out of the profit for the year ended June 30, 2021 be capitalized and applied in making payment in full of 9,495,076 ordinary shares of Rs.10 each and that the said shares be allotted as fully paid up bonus shares to those members of the Company whose names appear in the register of members on September 21, 2021 @ 15% i.e. in the proportion of Three shares for every Twenty existing shares held by the members and that such new shares shall rank pari passu in all respects with the existing ordinary shares of the Company. However, they will not qualify for the final cash dividend declared for the year ended June 30, 2021;
- ii) in the event of any member holding less than Twenty shares or a number of shares which is not an exact multiple of Twenty, the fractional entitlements of shares of such members shall be consolidated into whole new shares and the Directors of the Company be and are hereby authorized to arrange sale of the shares constituted thereby in such manner as they may think fit and to pay the proceeds of the sale to such of the members according to their entitlement;
- iii) for the purpose of giving effect to the above, the Directors be and are hereby authorized to take all necessary steps in the matter and to settle any question or difficulties that may arise in regard to the distribution of the said new shares as they think fit.”

The Directors are interested in this business only to the extent of their entitlement of dividend and bonus shares as ordinary shareholders.

Financial Summary

Year Ended June 30, 2021



Year ended June 30

Rupees in million except EPS	2019	2020	% Change	2021	% Change
Gross Sales	48,719	57,870	18.8%	67,568	16.8%
Operating Income	5,003	6,808	36.1%	8,081	18.7%
Net Profit After Tax	3,511	4,865	38.6%	5,677	16.7%
Earnings per share - Restated - Rupees	55.46	76.85	38.6%	89.68	16.7%
Shareholders' Equity	14,868	17,251	16.0%	20,013	16.0%

Review Report by the Chairman

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 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, 2021, 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 28, 2021

چیئر مین کی جائزہ رپورٹ

کولکٹ پامولیو (پاکستان) لمیٹڈ کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 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 جاسکے۔

مالی سال برائے 30 جون، 2021 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 دورانہدشی، 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

چیئر مین

مورخہ: 28 جولائی، 2021

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, 2021.

Financial Performance at a Glance

A brief financial analysis is presented as under:

Operating Results	2020 - 2021	2019 - 2020	Increase / (Decrease)
	Amount in PKR million		
Gross Revenue	67,568	57,870	16.76%
Net Revenue	50,563	43,530	16.16%
Gross Profit	14,847	12,617	17.67%
Gross Profit %	29.36%	28.98%	38 bps
Selling & Distribution Costs	6,332	5,504	15.04%
Administrative Expenses	646	582	11.00%
Operating Profit	8,081	6,808	18.70%
Profit After Tax	5,677	4,865	16.69%
Earnings per Share - Rupees	89.68	76.85	16.69%

Financial Highlights

COVID-19 still continues to affect not just human health but impact businesses and the society at large. Against these challenges, net revenue of the Company grew by 16.16% and operating profit grew by 18.7% due to volume gains, selling price adjustment and product / pack mix changes across all categories. Product margins remained under pressure due to rising raw & packing material prices resulting in a modest 38 bps increase in gross profit margin despite selling price adjustments.

Selling and distribution costs increased by 15.04% primarily on account of media and promotional spend to support new launches and respond to increased media presence of competition.

Administrative expenses grew by 11% mainly due to adjustment of employee related costs.

Appropriation of Profit

	2020 – 2021 PKR In '000'
Profit after tax	5,676,749
Un-appropriated profit brought forward	605
Profit available for appropriation	5,677,354
Appropriations:	
Proposed Final Cash Dividend @ 240% i.e. PKR 24 per share (2020: @ 235% i.e. PKR 23.5 per share)	1,519,212
Proposed bonus shares @ 15% i.e. 1.5 shares for every 10 shares held (2020: @ 10% i.e. 1 share for every 10 shares held)	94,951
Interim Cash Dividend @ 250% i.e. PKR 25 per share (2020: @ 225% i.e. PKR 22.5 per share)	1,582,513
Transfer to General Reserve	2,480,000
Un-appropriated profit carried forward	678

Principal Risks and Uncertainties

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

- 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

Innovation continues to drive our growth. The relaunch of our flagship toothpaste variant, Colgate Maximum Cavity Protection with Amino Power based patented technology that helps to strengthen teeth from within. The New, Best Ever Colgate relaunch was supported by an integrated marketing campaign focusing on the significance of stronger teeth and how they help to build one's physical strength.

Palmolive Hand Sanitizer launch also expanded our portfolio with a range of hygiene related products with skin loving ingredients and captivating fragrances.

In addition, Protex antibacterial range of products was launched this year to cater to the increased consumer demand for hygiene products. This exciting addition to the portfolio enabled the company to meet both consumers need for beauty as well as antibacterial products.

The Lemon Max brand extended into the cleaning supplies category with the launch of a range of Scouring Pads and Sponges creating a perfect partnership with Lemon Max Bars, Liquids and Pastes to offer '3X Grease Cutting Power' dishwashing solution. The launch was supported by a TV campaign, digital and in-store visibility drives.

The Fabric Care category remained immensely competitive with all key players increasing marketing and trade spends. In the low-price segment, the unorganized sector continues to flourish unabated with high trade margins and lower retail prices. These players pose a serious challenge to our Fabric and Dish Care Business.

Health, Safety and Environment

Colgate people are committed to maintain a robust safety culture and working environment. To allow for a safer working environment, a COVID-19 vaccination drive was carried out at the head office, manufacturing and sales facilities. So far 99% of head office employees and over 85% of sales and manufacturing employees have been vaccinated.

Colgate is committed to operate our facilities so that we conform to, and often exceed, applicable environmental rules and regulations. We strive to minimize our impact on the environment and the communities in which we operate.

Colgate is committed to water stewardship. In response to this we will continue to improve the water efficiency in our operations and committed to drive optimum water utilization. Water saving drive at plants resulted water saving of 250,000 Gallons on monthly basis. Colgate has also initiated recycling of process water to reduce water consumption by 520,000 Gallons on monthly basis, during 2021-22.

During last 3 years, the Company has successfully implemented various renewable energy projects resulting reduction in Carbon emissions up to 312,000 Kgs per month.

Corporate Social Responsibility

The “My Bright Smiles” Global Art Contest continued to raise oral health & hygiene awareness via art and creativity. The objective of spreading smiles was reached both via digital as well as on ground via schools. With the lockdown, this two-pronged strategy helped collect 35,000 artwork entries from all over Pakistan, across 180+ towns. This year as well our young artists gained recognition globally to feature in the Colgate Global Calendar of 2022.

The Company also continued to support social welfare projects and made donations amounting to PKR 25.7 million.

Future Outlook

Uncertainty around the COVID-19 situation continues as Pakistan is now experiencing its fourth wave. New set of lockdowns are being implemented which are likely to impact supply chain and distribution operations.

Weakening Pak Rupee and rising input costs will continue to squeeze profit margin and dampen profit growth. Competition is also expected to stay intense with all the key players determined to gain market share.

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:

2020 – 2021

PKR In '000'

CPPL Staff Provident Fund	787,747
CPPL Staff Gratuity Fund	867,498

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

Directors Name	Attendance
Mr. Iqbal Ali Lakhani	4
Mr. Zulfiqar Ali Lakhani	4
Mr. Amin Mohammed Lakhani	4
Mr. Peter John Graylin - Nominee of CP – USA	4
Ms. Xuan Dai – Nominee of CP – USA	4
Ms. Aliya Saeeda Khan	4
Mr. Kamran Yousuf Mirza	4
Mr. Shahid Ali Bukhari	4

- 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	3
Mr. Amin Mohammed Lakhani	4
Mr. Kamran Yousuf Mirza	4

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

Members Name	Attendance
Mr. Kamran Yousuf Mirza	1
Ms. Aliya Saeeda Khan	1
Mr. Iqbal Ali Lakhani	1
Mr. Zulfiqar Ali Lakhani	1

Composition of Board

The board consists of 6 male and 2 female directors with following composition:

Independent directors (including 1 female director)	3
Other non-executive directors	4
Executive director	1
Total number of directors	8

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.

Remuneration Package of Chief Executive and Directors

Remuneration package of Chief Executive and other directors is disclosed in note 38 to the financial statements.

Auditors

The Auditors, Messrs A. F. Ferguson & Co., Chartered Accountants, retire at the conclusion of the 43rd 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, 2021 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.

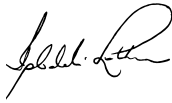
Subsequent Events

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 consumers for their trust in our brands. We are thankful to our bankers, shareholders, customers, distributors and supply chain partners 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: July 28, 2021

ڈائریکٹر رپورٹ

کمپنی ڈائریکٹر مسرت کے ساتھ 30 جون 2021 کو اختتام پذیر ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرتے ہیں۔

مالیاتی کارکردگی ایک نظر میں

کمپنی کا مختصر مالیاتی جائزہ ذیل کے مطابق ہے:

کاروباری کارکردگی کے نتائج	2021-2020	2020-2019	اضافہ / (کمی)
	ملین روپے		
مجموعی آمدنی	67,568	57,870	16.76%
خالص آمدنی	50,563	43,530	16.16%
مجموعی منافع	14,847	12,617	17.67%
مجموعی منافع %	29.36%	28.98%	38 بنیادی پوائنٹس
فروخت اور ترسیل کے اخراجات	6,332	5,504	15.04%
انتظامی اخراجات	646	582	11.00%
آپریشنز سے منافع	8,081	6,808	18.70%
بعد از ٹیکس منافع	5,677	4,865	16.69%
فی شیئر آمدنی۔ (روپے)	89.68	76.85	16.69%

مالیاتی کارکردگی کی جھلکیاں

کوویڈ-19 اس وقت بھی نہ صرف انسانی صحت کو متاثر کر رہا ہے بلکہ بحیثیت مجموعی کاروبار اور معاشرے پر بری طرح اثر انداز ہو رہا ہے۔ اس چیلنج کے باوجود کمپنی کی خالص آمدنی میں 16.16 فیصد کا اضافہ ہوا ہے اور حجم میں اضافے، قیمتوں میں ایڈجسٹمنٹ اور پروڈکٹ / پیک کس میں تبدیلیوں کی وجہ سے آپریشنز سے منافع میں 18.7 فیصد کا اضافہ ہوا ہے۔ خام مال اور پیکنگ میٹریل کی قیمتوں میں اضافے کی وجہ سے پروڈکٹس کے منافع جات دباؤ کا شکار رہے نتیجتاً قیمتوں میں ایڈجسٹمنٹ کے باوجود مجموعی منافع کی سطح میں 38 بنیادی پوائنٹس کا معمولی اضافہ ہوا۔

بنیادی طور پر میڈیا اور تشہیری اخراجات کی وجہ سے فروخت اور ترسیل کے اخراجات میں 15.04 فیصد کا اضافہ ہوا ہے تاکہ نئی لانچز کو معاونت مہیا کی جاسکے اور حریفوں کی میڈیا میں بڑھی ہوئی موجودگی کا جواب دیا جاسکے۔

انتظامی اخراجات میں 11 فیصد اضافہ ہوا ہے جس کی بنیادی وجہ ملازمین سے متعلق اخراجات ہیں۔

منافع کا تصرف

2020-2021

(روپے 000 میں)

5,676,749

605

5,677,354

بعد از ٹیکس منافع

غیر مختص منافع

مختص کرنے کے لئے دستیاب منافع

تصرفات بذریعہ تقسیم:

1,519,212

مجوزہ حتمی کیش ڈیویڈنڈ بحساب 240 فیصد یعنی 24 روپیہ فی حصص

(2020: بحساب 235 فیصد یعنی 23.5 روپیہ فی حصص)

94,951

تجویز کردہ بونس حصص بحساب 15 فیصد یعنی 1.5 حصص ہر 10 حصص کے عوض

(2020: بحساب 10 فیصد یعنی 1 حصص ہر 10 حصص کے عوض)

1,582,513

عبوری کیش ڈیویڈنڈ بحساب 250 فیصد یعنی 25 روپے فی حصص

(2020: بحساب 225 فیصد یعنی 22.5 روپے فی حصص)

2,480,000

جنرل ریزرو میں ٹرانسفر

678

غیر مختص منافع

بنیادی خطرات اور غیر یقینی صورتحال

کمپنی کو کچھ اندرونی خطرات اور غیر یقینی صورتحال کا سامنا ہے۔ تاہم مندرجہ ذیل کو ہم کلیدی خطرات میں شمار کرتے ہیں۔

• زرمبادلہ کی شرح اور اشیاء کی قیمتوں پر منفی اثرات:

• ڈیٹا کی حفاظت اور رازداری، اور

• ٹیکس کا دائرہ وسیع کرنے کے لئے ٹیکس قوانین اور ضوابط میں تبدیلی کی وجہ سے مارکیٹ میں تعطل۔
 مذکورہ بالا خطرات کے ممکنہ اثرات کو کم کرنے/قابل قبول سطح تک لانے کے لئے کمپنی اندرونی اور بیرونی اسٹیک ہولڈرز کے ساتھ مل کر کام کرتی ہے۔

کاروباری کارکردگی کی جھلکیاں

ہماری ترقی کا سلسلہ جدت کی بدولت بدستور جاری ہے۔ امانتوں پاورپرنٹ پیٹنٹ ٹیکنالوجی کے ساتھ ہمارے فلیگ شپ ٹوٹھ پیسٹ کو لکھٹ میکسیم کیو بی ٹی پروڈکشن کی قسم، جو دانتوں کو اندر سے مضبوط بنانے میں معاون ہے، کو دوبارہ متعارف کیا گیا۔ نیو بیسٹ ایور کو لکھٹ کو ایک مربوط مارکیٹنگ مہم کی مدد سے دوبارہ متعارف کیا گیا، جس میں مضبوط دانتوں کی اہمیت اور اس بات پر زور دیا گیا کہ وہ کس طرح جسمانی طاقت کو بڑھانے میں مدد کرتے ہیں۔
 جلد کے لیے مفید اجزاء اور دلکش خوشبو کے ساتھ پامولیو ہینڈ سینیٹائزر کے تعارف نے حفظانِ صحت سے متعلق مصنوعات کی رینج کے ساتھ ہمارے پورٹ فولیو میں بھی اضافہ کیا۔

اس کے علاوہ، صارفین کی حفظانِ صحت سے متعلق مصنوعات کی بڑھتی ہوئی طلب کو پورا کرنے کے لیے اس سال مصنوعات کی پروڈکٹس اینٹی بیکٹیریل رینج متعارف کی گئی تھی۔ پورٹ فولیو میں اس شاندار اضافے نے کمپنی کو اس قابل بنایا کہ وہ صارفین کی بیوٹی کے ساتھ ساتھ اینٹی بیکٹیریل مصنوعات کی طلب کو پورا کر سکے۔

لیمین میکس برانڈ نے اسکاؤٹنگ پیڈز اور اسپونجز کی رینج کے تعارف کے ساتھ کلیننگ سپلائیز میں پیش قدمی اور لیمین میکس ہارز، لیکوڈز اور پیسٹس کے ساتھ ایک بہترین شراکت پیدا کی تاکہ 3X گریز کلنگ پاورڈش واشنگ سلوشن پیش کر سکیں۔ اس تعارف کو ٹی وی پر ایک تشہیری مہم، ڈیجیٹل اور ان اسٹور وی بیلیٹی ڈرائیوز سے مدد فراہم کی گئی۔

فیبرک کیئر کیئر میں مارکیٹنگ اور تجارتی اخراجات میں اضافہ کرنے والے تمام اہم فریقوں کے ساتھ سخت مقابلہ درپیش رہا۔ غیر منظم طبقہ کم قیمت والے سیگمنٹ میں غیر تجارتی سطح اور خوردہ قیمتوں کے کم ہونے کی وجہ سے بلا کاؤٹ پھل پھول رہا ہے۔ یہ طبقہ ہمارے فیبرک اور ڈش کیئرز کے لیے ایک سنگین چیلنج ہیں۔

صحت، سلامتی اور ماحول

کو لکھٹ سے وابستہ افراد مستحکم تحفظ کی ثقافت اور حالات کو برقرار رکھنے کے لیے پرعزم ہیں۔ کام کرنے کے ماحول کو زیادہ محفوظ بنانے کے لیے ہیڈ آفس، مینیو فیکچرنگ اور سیلفیسی لیڈز پر کوویڈ-19 ویکسی نیشن مہم چلائی گئی۔ اب تک ہیڈ آفس کے 99 فیصد ملازمین اور سیلفیو فیکچرنگ کے 85 فیصد سے زائد ملازمین کی ویکسی نیشن کروا چکے ہیں۔

کولکٹ اپنی فیس لیٹیز اس طرح چلانے کے لئے پر عزم ہے کہ وہ نہ صرف ماحولیاتی قوانین اور قواعد و ضوابط کے مطابق ہوں بلکہ اس سے تجاوز کریں۔ ہم ماحولیات اور ان آبادیوں پر اپنے اثرات کم کرنے کے لیے کوشاں ہیں جن میں ہم کام کرتے ہیں۔

کولکٹ پانی کی دیکھ بھال کے لیے پر عزم ہے۔ اس کے لیے ہم اپنے آپریشنز میں پانی کی استعداد کار کو بہتر بناتے رہیں گے اور پانی کے بہتر سے بہتر استعمال کے لیے پر عزم ہیں۔ پلانٹس پر بچت مہم کے نتیجے میں ماہانہ 250,000 گیلن پانی کی بچت ہوئی۔ کولکٹ نے 2021-22 کے دوران ماہانہ بنیادوں پر 520,000 گیلن پانی کی کھپت کو کم کرنے کے لیے پروسیس وائر کی ری سائیکلنگ کا بھی آغاز کیا ہے۔

پچھلے 3 سالوں کے دوران کمپنی نے قابل تجدید توانائی کے مختلف منصوبوں کو کامیابی کے ساتھ نافذ کیا ہے جس کے نتیجے میں کاربن کے اخراج میں ہر ماہ 312,000 کلو گرام تک کمی واقع ہوئی ہے۔

کاروباری سماجی ذمہ داری

عالمی مقابلہ فن مائی برائنٹ اسمائیلز، فن اور تخلیقی صلاحیتوں کے ذریعہ اورل ہیلتھ اور حفظان صحت سے متعلق شعور اجاگر کرتا رہا ہے۔ مسکراہٹیں پھیلانے کا نصب العین ڈیجیٹل کے ساتھ ساتھ اسکولوں کے ذریعے کرہ ارض کے گوشے گوشے میں پہنچا ہے۔ لاک ڈاؤن کے دوران اس دو جہتی حکمت عملی نے پورے پاکستان میں 180 سے زائد شہروں میں 35,000 آرٹ ورک انٹریز جمع کرنے میں مدد کی۔ اس سال بھی ہمارے نو عمر فنکاروں نے 2022 کے کولکٹ گلوبل کیلنڈر کا حصہ بننے کے لیے عالمی سطح پر پہچان حاصل کی۔

کمپنی نے سماجی بہبود کے منصوبوں کی سرپرستی بھی جاری رکھی اور 25.7 ملین روپے عطیہ کیے۔

مستقبل میں توقعات

کوویڈ-19 کی صورتحال کے بارے میں بے یقینی بدستور جاری ہے جیسا کہ پاکستان اب اپنی چوتھی لہر کا سامنا کر رہا ہے۔ لاک ڈاؤن کے نئے ضوابط نافذ کئے جا رہے ہیں جو سپلائی چین اور ترسیل کے آپریشنز پر اثر انداز ہوں گے۔

پاکستانی روپے کی قدر میں کمی اور خام مال کی بڑھتی ہوئی قیمت منافع جات کو سخت دباؤ میں رکھیں گے اور منافع کی نمو کو کم کرتے رہیں گے۔ مارکیٹ شیئر حاصل کرنے کے لیے پر عزم تمام اہم فریقوں کے ساتھ بھی سخت مقابلہ برقرار رہنے کی توقع ہے۔

انٹرنل فنانشل کنٹرول

ڈائریکٹرز انٹرنل فنانشل کنٹرول کے سلسلے میں اپنی ذمہ داری سے بخوبی واقف ہیں۔ مینجمنٹ اور آڈیٹرز (انٹرنل اور ایکسٹرنل دونوں) کے ساتھ بات چیت کے ذریعے، وہ اس بات کی تصدیق کرتے ہیں کہ کمپنی کی طرف سے مناسب کنٹرول نافذ کیے گئے ہیں۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک

بورڈ ممبران پاکستان اسٹاک ایکسچینج کے لسٹنگ ضوابط کی شقوں کی تعمیل میں، درج ذیل بیانات کو ریکارڈ پر لاتے ہوئے خوشی محسوس کرتے ہیں:

☆ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات کی صورت حال، سرگرمیوں کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔

- کمپنی کی طرف سے اکاؤنٹس کے درست کھاتے مینٹین رکھے گئے ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیز کا مستقل اطلاق کیا گیا ہے۔ اکاؤنٹنگ کے تخمینے موزوں اور محتاط اندازے پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS)، جو کہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی ہے۔
- کمپنی میں انٹرنل کنٹرولز کا نظام درست طرز پر ڈیزائن کیا گیا ہے اور اس کا موثر اطلاق اور نگرانی کی گئی ہے۔
- کمپنی کے کاروبار جاری رکھنے کی اہلیت پر کوئی قابل ذکر خدشہ نہیں ہے۔
- کارپوریٹ گورننس کی بہترین روایات سے کسی قسم کا مادی انحراف نہیں کیا گیا ہے جیسا کہ لسٹنگ ریگولیشنز میں تفصیلاً درج ہے۔
- گزشتہ چھ سالوں کی کلیدی سرگرمیوں اور مالیاتی اعداد و شمار کا خلاصہ منسلک ہے۔
- ٹیکسیس اور محصولات کے بارے میں معلومات نوٹس میں دی گئیں ہیں اور انہیں مالی گوشواروں کا حصہ بنایا گیا ہے۔
- اسٹاف ریٹائرمنٹ فنڈز کی مالیت ان کے متعلقہ اکاؤنٹس کی بنیاد پر درج ذیل ہے:

2020-2021

'000 روپوں میں

787,747

867,498

CPPL اسٹاف پروویڈنٹ فنڈ

CPPL اسٹاف گریجویٹ فنڈ

سال کے دوران میں بورڈ کے چار (4) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی طرف سے حاضری درج ذیل رہی:

ڈائریکٹرز کے نام	حاضری
جناب اقبال علی لاکھانی	4
جناب ذوالفقار علی لاکھانی	4
جناب امین محمد لاکھانی	4
جناب پیٹر جان گرلین CP-USA کی طرف سے نامزد	4
محترمہ ڈاؤن ڈائی CP-USA کی طرف سے نامزد	4
محترمہ عالیہ سعیدہ خان	4
جناب کامران یوسف مرزا	4
جناب شاہد علی بخاری	4

آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی طرف سے حاضری درج ذیل رہی:

ممبران کے نام	حاضری
محترمہ عالیہ سعیدہ خان	4
جناب اقبال علی لاکھانی	3
جناب امین محمد لاکھانی	4
جناب کامران یوسف مرزا	4

HR کمیٹی کا ایک (1) اجلاس منعقد ہوا۔ ہر ڈائریکٹر کی طرف سے حاضری درج ذیل رہی:

ممبران کے نام	حاضری
جناب کامران یوسف مرزا	1
محترمہ عالیہ سعیدہ خان	1
جناب اقبال علی لاکھانی	1
جناب ذوالفقار علی لاکھانی	1

بورڈ کی تشکیل

بورڈ درج ذیل ساخت کے ساتھ 6 حضرات اور 2 خواتین ڈائریکٹرز پر مشتمل ہے:

3	خود مختار ڈائریکٹرز (بشمول 1 خاتون ڈائریکٹر)
4	دیگر نان ایگزیکٹو ڈائریکٹرز
1	ایگزیکٹو ڈائریکٹر
8	ڈائریکٹرز کی کل تعداد

نان ایگزیکٹو ڈائریکٹرز کے مشاہرے کی پالیسی

نان ایگزیکٹو اور خود مختار ڈائریکٹرز کے کمپنی کے بورڈ اور کمیٹی کے اجلاسوں میں شرکت کی فیس کا تعین بورڈ کی طرف سے وقتاً فوقتاً کیا جاتا ہے۔

چیف ایگزیکٹو اور ڈائریکٹرز کے مشاہرے کا پیکیج

چیف ایگزیکٹو اور دیگر ڈائریکٹرز کے مشاہرے کا پیکیج مالیاتی گوشواروں کے نوٹ 38 میں مندرج ہے۔

آڈیٹرز

آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس 43 ویں سالانہ اجلاس عام کے اختتام پر ریٹائر ہو رہے ہیں۔ اہل ہونے کی بنیاد پر انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے اور بورڈ کی آڈٹ کمیٹی نے ان کی دوبارہ تقرری کی سفارش کی ہے جس کی بورڈ کی طرف سے توثیق کر دی گئی ہے۔

پیٹرن آف شیئر ہولڈنگ

کمپنی کے شیئر ہولڈرز کا پیٹرن اور اضافی معلومات بمطابق 30 جون 2021 کو ظاہر کرنے والا ایک بیان رپورٹ میں شامل کیا گیا ہے۔ بورڈ نے ان ایگزیکٹوز اور ملازمین کی طرف سے کمپنی کے شیئرز کے لین دین کے سلسلے میں حد کا تعین کیا ہے جو 15 لاکھ یا اس سے زیادہ سالانہ بنیادی تنخواہ حاصل کر رہے ہیں۔

بعد ازاں رونما ہونے والے واقعات

مالیاتی سال کے اختتام اور اس رپورٹ کی تاریخ کے دوران کوئی ایسی اہم تبدیلی اور معاہدہ جات نہیں ہوئے جو کمپنی کی مالیاتی حالت پر اثر انداز ہو سکیں۔

تشکر

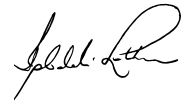
ہم اپنے صارفین کا اپنے برانڈز پر ان کے اعتماد پر انتہائی شکرگزار ہیں۔ ہم لگاتار معاونت کے لیے اپنے کسٹمرز، ڈسٹری بیوٹرز، سپلائی چین پارٹنرز، بینکرز اور شیئر ہولڈرز سے اظہار تشکر کرتے ہیں۔ ہم اپنے ملازمین کی لگن اور کمپنی کے لیے ان کے قابل قدر کردار کا بھی اعتراف کرنا چاہیں گے۔

بورڈ آف ڈائریکٹرز کی جانب سے



ذوالفقار علی لاکھانی

چیف ایگزیکٹو



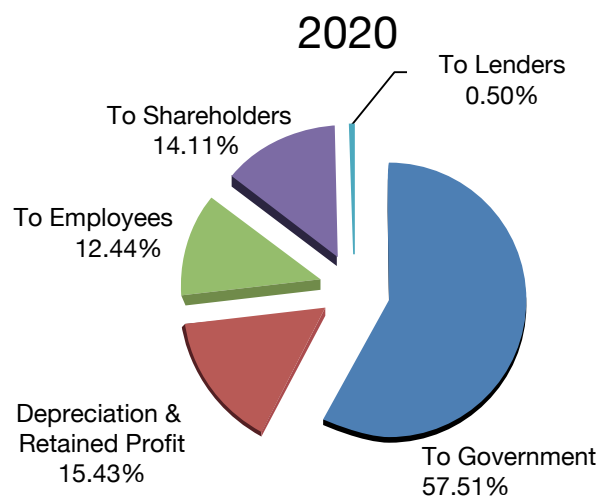
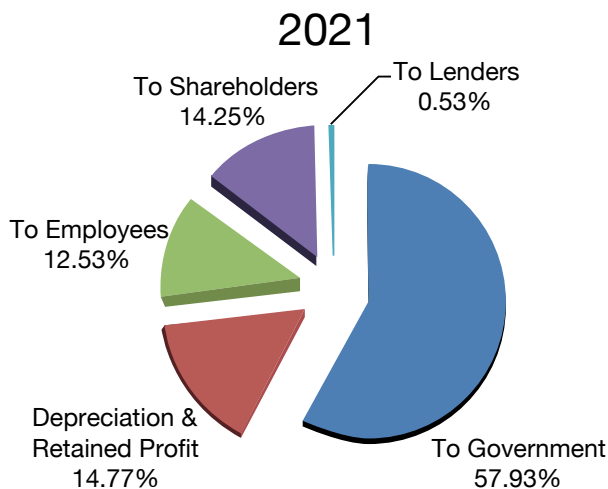
اقبال علی لاکھانی

چیئر مین

کراچی: 28 جولائی 2021

Statement of Value Added

	Year ended June 30	
	2021	2020
	(Rs in million)	
Wealth Generated		
Total revenue net of discount and allowances	62,133	53,706
Bought-in-material and services	39,692	34,540
	<u>22,441</u>	<u>19,166</u>
Wealth Distributed		
To Employees		
Salaries, benefits and other costs	2,811	2,385
To Government		
Income tax, sales tax	13,000	11,023
To Providers of Capital		
Dividend to shareholders	3,197	2,704
Mark up/interest expenses on borrowed funds	118	96
Retained for Reinvestment and Growth		
Depreciation and retained profits	<u>3,315</u>	<u>2,958</u>
	<u>22,441</u>	<u>19,166</u>



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

For The Year Ended June 30, 2021

The Company has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

- The total number of directors are eight as per the following:

a.	Male	6
b.	Female	2

- The composition of the Board is as follows:

Independent Directors	Ms. Aliya Saeeda Khan Mr. Kamran Y. Mirza Mr. Syed Shahid Ali Bukhari
Other Non-executive Directors	Mr. Iqbal Ali Lakhani - Chairman Mr. Amin Mohammed Lakhani Mr. Peter John Graylin Ms. Xuan Dai
Executive Director	Mr. Zulfiqar Ali Lakhani
Female Directors	Ms. Aliya Saeeda Khan Ms. Xuan Dai

- The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.
- 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.
- The board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 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 the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
- The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- Majority of the Directors of the Company have completed / are exempted from the requirement of Directors' Training program.
- The board has approved appointment of Chief Financial Officer, including the remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. During the year there was no change in Head of Internal Audit. Mr. Mansoor Ahmed was assigned the responsibilities of Company Secretary of the Company in addition to his responsibilities in other group companies.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

Audit Committee	Ms. Aliya Saeeda Khan - Chairperson Mr. Iqbal Ali Lakhani - Member Mr. Amin Mohammed Lakhani - Member Mr. Kamran Y. Mirza - Member
HR and Remuneration Committee	Mr. Kamran Y. Mirza - Chairman Mr. Iqbal Ali Lakhani - Member Mr. Zulfiqar Ali Lakhani - Member Ms. Aliya Saeeda Khan - 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 Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.
19. We confirm that the Company has complied with respect to all other material requirements of the Regulations.



Iqbal Ali Lakhani
Chairman



Zulfiqar Ali Lakhani
Chief Executive

Karachi: July 28, 2021

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, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Colgate-Palmolive (Pakistan) Limited (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

As 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. 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.

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, 2021.



A. F. Ferguson & Co.,
Chartered Accountants
Karachi,
August 06, 2021

*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
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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, 2021, 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, 2021 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 Matter

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 is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	<p data-bbox="267 653 805 688">Capitalisation of property, plant and equipment</p> <p data-bbox="267 737 839 793">Refer notes 4.1 and 4.2 to the annexed financial statements</p> <p data-bbox="267 842 839 940">During the current year, the Company has incurred significant capital expenditure mainly to enhance production capacity, as part of expansion activities.</p> <p data-bbox="267 989 839 1087">There are number of areas where significant management judgement is involved in connection with the above activities. These include:</p> <ul data-bbox="267 1136 839 1591" style="list-style-type: none"> <li data-bbox="267 1136 839 1241">• Determining which costs meet the criteria for capitalisation as per International Accounting Standard - 16, 'Property, Plant and Equipment'; <li data-bbox="267 1289 839 1430">• Determining the date on which assets under construction are transferred to operating fixed assets and the respective dates from which their depreciation should commence; and <li data-bbox="267 1478 839 1591">• The estimation of economic useful lives and residual values assigned to property, plant and equipment. <p data-bbox="267 1640 839 1757">We consider the above as a key audit matter being significant transactions and events for the Company during the year having significant impact on the financial position of the Company.</p>	<p data-bbox="859 653 1364 688">Our audit procedures included the following:</p> <ul data-bbox="859 737 1441 1402" style="list-style-type: none"> <li data-bbox="859 737 1441 856">• Assessed, on a sample basis, costs capitalised during the year by comparing the costs capitalised with the relevant underlying documentation, which included purchase agreements and invoices. <li data-bbox="859 905 1441 1003">• Assessed whether the costs capitalised met the relevant criteria for capitalization as per the applicable accounting and reporting framework. <li data-bbox="859 1031 1441 1171">• Evaluated management's estimation of economic useful lives and residual values by considering our knowledge of the business and practices adopted in the local industries. <li data-bbox="859 1199 1441 1297">• Checked the date of transferring capital work-in-progress to operating fixed assets by examining the completion certificates, on a sample basis. <li data-bbox="859 1325 1441 1402">• Assessed whether the disclosures are made in accordance with the financial reporting framework.

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 Farrukh Rehman.



A. F. Ferguson & Co
Chartered Accountants

Karachi

Date: August 06, 2021

Statement of Financial Position

As at June 30, 2021

	Note	2021 (Rupees in '000)	2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	6,714,324	5,102,949
Intangible assets	5	8,662	13,675
Long term loans	6	45,542	33,176
Long term security deposits	7	40,712	21,127
Staff retirement benefit	20	24,606	-
		<u>6,833,846</u>	<u>5,170,927</u>
CURRENT ASSETS			
Stores and spares	8	415,959	348,815
Stock in trade	9	7,251,915	6,173,696
Trade debts	10	1,155,879	837,141
Loans and advances	11	109,986	126,670
Trade deposits and short term prepayments	12	66,215	93,847
Other receivables	13	289,345	407,416
Accrued profit		12,158	3,695
Taxation		-	976,164
Short term investments	14	9,881,592	6,030,408
Cash and bank balances	15	2,121,764	2,339,835
		<u>21,304,813</u>	<u>17,337,687</u>
TOTAL ASSETS		<u>28,138,659</u>	<u>22,508,614</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up share capital	16	633,005	575,459
Reserves	17	19,548,297	16,863,937
Remeasurement of post retirement benefits obligation		(168,676)	(188,474)
Surplus on revaluation of investments		-	259
		<u>20,012,626</u>	<u>17,251,181</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation	18	58,817	103,348
Long term deposits	19	122,672	112,613
Deferred liability	20	87,139	47,293
Long-term financing	21	631,297	273,732
Deferred grant		182,296	-
Lease liabilities	22	332,019	319,022
		<u>1,414,240</u>	<u>856,008</u>
CURRENT LIABILITIES			
Trade and other payables	23	5,921,549	4,308,804
Accrued mark up		4,978	121
Current portion of long-term financing	21	506,486	39,105
Current portion of lease liabilities	22	39,040	31,757
Taxation - net		212,470	-
Unclaimed dividend		27,270	21,638
		<u>6,711,793</u>	<u>4,401,425</u>
TOTAL LIABILITIES		<u>8,126,033</u>	<u>5,257,433</u>
TOTAL EQUITY AND LIABILITIES		<u>28,138,659</u>	<u>22,508,614</u>
CONTINGENCIES AND COMMITMENTS	25		

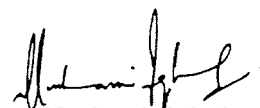
The annexed notes 1 to 45 form an integral part of these financial statements.



Iqbal Ali Lakhani
Chairman



Zulfikar Ali Lakhani
Chief Executive



Mudassir Iqbal
Chief Financial Officer

Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2021

	Note	2021 (Rupees in '000)	2020 (Rupees in '000)
Turnover		67,567,680	57,870,219
Sales tax		(10,714,230)	(9,175,788)
Trade and other discounts		(6,290,428)	(5,164,109)
Net turnover		50,563,022	43,530,322
Cost of sales	26	(35,715,642)	(30,912,914)
Gross profit		14,847,380	12,617,408
Selling and distribution cost	27	(6,332,417)	(5,503,832)
Administrative expenses	28	(646,092)	(581,540)
Other expenses	29	(643,807)	(724,664)
Other income	30	855,784	1,000,208
Profit from operations		8,080,848	6,807,580
Finance cost and bank charges	31	(118,175)	(95,813)
Profit before taxation		7,962,673	6,711,767
Taxation	32	(2,285,924)	(1,846,951)
Profit after taxation		5,676,749	4,864,816
Other comprehensive income / (loss) for the year - net of tax			
Item that may be reclassified subsequently to profit or loss			
Gain / (loss) on investments categorised as 'fair value through other comprehensive income'		(345)	6,729
Impact of tax		86	(2,253)
		(259)	4,476
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of post retirement benefits obligation		27,885	(57,260)
Impact of tax		(8,087)	16,605
		19,798	(40,655)
		19,539	(36,179)
Total comprehensive income for the year		5,696,288	4,828,637

-----Rupees-----
(Restated)

Earnings per share - basic and dilutive

33

89.68

76.85

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


Iqbal Ali Lakhani
Chairman


Zulfikar Ali Lakhani
Chief Executive

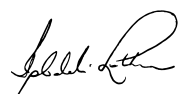

Mudassir Iqbal
Chief Financial Officer

Statement of Changes in Equity

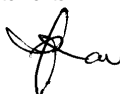
For the year ended June 30, 2021

	Issued, subscribed and paid-up share capital	Reserves			Remeasur- ment on post retirement benefits obligation - net of tax	Surplus/ (deficit) on revaluation of investments- net of tax	Total Equity	
		Capital reserve - share premium	Revenue reserves					Sub total - reserves
			General reserve	Unappro- priated profit				
(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)
Interim dividend for the year ended June 30, 2020 at the rate of Rs 22.5 per share	-	-	-	(1,294,783)	(1,294,783)	-	-	(1,294,783)
Total transactions with owners	-	-	-	(2,445,701)	(2,445,701)	-	-	(2,445,701)
Comprehensive income for the year								
Profit after taxation for the year ended June 30, 2020	-	-	-	4,864,816	4,864,816	-	-	4,864,816
Other comprehensive income / (loss)	-	-	-	-	-	(40,655)	4,476	(36,179)
Total comprehensive income for the year ended June 30, 2020	-	-	-	4,864,816	4,864,816	(40,655)	4,476	4,828,637
Transfer to general reserve	-	-	1,411,000	(1,411,000)	-	-	-	-
Balance as at June 30, 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)	-	-	-
Interim dividend for the year ended June 30, 2021 at the rate of Rs 25 per share	-	-	-	(1,582,513)	(1,582,513)	-	-	(1,582,513)
Total transactions with owners	57,546	-	-	(2,992,389)	(2,992,389)	-	-	(2,934,843)
Comprehensive income for the year								
Profit after taxation for the year ended June 30, 2021	-	-	-	5,676,749	5,676,749	-	-	5,676,749
Other comprehensive income / (loss)	-	-	-	-	-	19,798	(259)	19,539
Total comprehensive income for the year ended June 30, 2021	-	-	-	5,676,749	5,676,749	19,798	(259)	5,696,288
Transfer to general reserve	-	-	2,160,000	(2,160,000)	-	-	-	-
Balance as at June 30, 2021	633,005	13,456	15,440,000	4,094,841	19,548,297	(168,676)	-	20,012,626

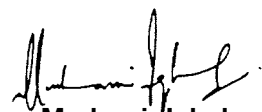
The annexed notes 1 to 45 form an integral part of these financial statements.



Iqbal Ali Lakhani
Chairman



Zulfikar Ali Lakhani
Chief Executive



Mudassir Iqbal
Chief Financial Officer

Statement of Cash Flows

For the year ended June 30, 2021

	Note	2021 (Rupees in '000)	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	34	9,137,857	6,276,130
Finance cost paid		(54,053)	(43,102)
Taxes paid		(1,279,917)	(1,552,156)
Long term loans		(12,366)	8,554
Long term security deposits (assets)		(19,585)	(2,082)
Staff retirement gratuity paid		(90,181)	(142,967)
Long term deposits		10,059	26,309
Net cash generated from operating activities		7,691,814	4,570,686
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(2,429,559)	(1,297,132)
Purchase of intangible assets		(3,855)	(12,633)
Short term investments made during the year		(38,625,906)	(21,802,438)
Proceeds from sale of property, plant and equipment		51,598	62,101
Profit received on savings accounts		95,141	126,057
Profit received on treasury bills		111,618	217,467
Profit received on Sukuk bonds		2,148	1,011
Profit received on Pakistan Investment Bonds		-	19,763
Profit received on term deposit receipts		74,923	89,108
Sale proceeds on disposal of short term investments		34,600,658	22,885,439
Net cash (used in) / generated from investing activities		(6,123,234)	288,743
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing obtained		1,133,864	312,837
Payment of lease liabilities		(65,682)	(56,537)
Long-term financing repaid		(126,622)	-
Dividend paid		(2,929,211)	(2,446,194)
Net cash used in financing activities		(1,987,651)	(2,189,894)
Net (decrease) / increase in cash and cash equivalents during the year		(419,071)	2,669,535
Cash and cash equivalents at beginning of the year		5,226,835	2,557,300
Cash and cash equivalents at end of the year	35	4,807,764	5,226,835

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


Iqbal Ali Lakhani
 Chairman


Zulfikar Ali Lakhani
 Chief Executive


Mudassir Iqbal
 Chief Financial Officer

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2021

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Colgate-Palmolive (Pakistan) Limited (the Company) was 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 ACCOUNTING INFORMATION AND POLICIES

2.1 Basis of preparation

2.1.1 Basis of measurement

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

2.1.2 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.

2.1.3 Initial application of a standard, amendment or an interpretation to an existing standard

2.1.3.1 Amendments to published accounting and reporting standards which are effective for the year ended June 30, 2021

There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

2.1.3.2 Standard, amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Company

There is a standard and certain other amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

2.2 Property, plant and equipment

2.2.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset.

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 4.1.1). 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.

2.2.2 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.

2.2.3 Right-of-use assets

Right of use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on straight line basis over the shorter of the lease term or the useful life of the asset. Where the ownership of the asset transfers to the Company at the end of the lease term or if the cost of the asset reflects that the Company will exercise the purchase option, depreciation is charged over the useful life of asset.

2.3 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.

2.4 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 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 necessary to be incurred to make the sale.

2.5 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

Raw and packing material

Raw and packing material in bonded warehouse and in transit

Work in process and finished goods

Trading goods

Basis of valuation

Moving average cost

Cost accumulated upto the date of statement of financial position

Cost of direct materials and appropriate portion of production overheads

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 to make the sale.

2.6 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 2.18.1.

2.7 Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used. Subsequently these are increased by interest, reduced by lease payments and remeasured for lease modifications, if any.

Liabilities in respect of short term and low value leases are not recognised and payments against such leases are recognised as expense in profit or loss.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.12 Trade and other payables

Liabilities for trade and other payables are carried at their amortised cost, which is approximately fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

2.13 Deferred Grant

Grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received.

The benefit of a long-term finance at a below-market rate of interest is treated as a deferred grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Grants related to long-term finances are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as finance cost related to long-term finances at market rate of interest.

2.14 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.

2.15 Revenue recognition

- Revenue from sale of goods is recognised as or when performance obligations are satisfied by transferring control of promised goods to customer, and control is transferred at a point in time.

Revenue is measured at fair value of the consideration received or receivable, excluding discounts and the payment is typically due on the satisfaction of performance obligation.

- Interest income is recognised on a time proportion basis on the principal amount outstanding and at the applicable rate.
- Gains / (losses) arising on disposal of investments are included in income 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.

2.16 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.

2.17 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.

2.18 Financial instruments

2.18.1 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.

2.18.2 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.

2.18.3 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.

2.19 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.

2.20 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.

2.21 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.

3. 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 operating fixed assets (note 4.1);
- b) assumptions and estimates used in determining lease term and incremental borrowing rate of right-of-use assets and corresponding lease liabilities (notes 4.3 & 22);
- c) assumptions and estimates used in calculating the provision for impairment for trade debts (note 10); and
- d) assumptions and estimates used for valuation of present value of defined benefit obligation and fair value of plan assets (note 20).

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.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2021 (Rupees in '000)	2020
Operating fixed assets	4.1	3,817,846	3,417,800
Capital work in progress	4.2	2,597,752	1,375,804
Right-of-use assets	4.3	298,726	309,345
		<u>6,714,324</u>	<u>5,102,949</u>

4.1 Operating fixed assets

4.1.1 The following is a statement of operating fixed assets:

	Leasehold land	Building on leasehold land	Plant and machinery	Fittings and installations	Furniture and fixtures	Tools and equipment	Vehicles	Computers and accessories	Office equipment	Total
----- (Rupees in '000) -----										
At July 1, 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
Year ended June 30, 2020										
Additions	75	14,276	111,832	3,719	4,235	19,873	110,692	43,098	4,129	311,929
Transfers from capital work in progress during the year (note 4.2.1)	88,709	101,012	283,273	3,026	1,958	4,395	27,240	-	1,993	511,606
Disposals (note 4.1.5)										
Cost	-	-	(18,659)	-	-	-	(72,074)	(5,812)	(1,113)	(97,658)
Depreciation	-	-	4,413	-	-	-	53,178	5,580	928	64,099
Net book value	-	-	(14,246)	-	-	-	(18,896)	(232)	(185)	(33,559)
Write offs (note 4.1.3)										
Cost	-	(236)	(63,243)	(6,359)	(2,762)	(9,062)	-	(7,920)	(15,560)	(105,142)
Depreciation	-	199	59,581	5,339	2,757	8,369	-	7,782	12,078	96,105
Net book value	-	(37)	(3,662)	(1,020)	(5)	(693)	-	(138)	(3,482)	(9,037)
Depreciation charge for the year (note 4.1.6)	-	(107,023)	(432,898)	(30,166)	(14,177)	(42,782)	(63,635)	(41,321)	(20,869)	(752,871)
Net book value as at June 30, 2020	178,634	398,876	2,012,689	138,109	51,790	164,477	342,720	54,192	76,313	3,417,800
Year ended June 30, 2021										
Additions	-	13,912	69,201	16,865	7,884	128,107	131,320	43,335	7,000	417,624
Transfers from capital work in progress during the year (note 4.2.1)	-	235,151	445,010	26,690	15,098	18,768	30,400	8,109	10,761	789,987
Disposals (note 4.1.5)										
Cost	-	-	(694)	-	(120)	(726)	(73,477)	(16,834)	(206)	(92,057)
Depreciation	-	-	694	-	93	726	54,318	16,381	177	72,389
Net book value	-	-	-	-	(27)	-	(19,159)	(453)	(29)	(19,668)
Write offs (note 4.1.3)										
Cost	-	(3,503)	(1,123)	-	(61)	(1,398)	-	(3,867)	(2,564)	(12,516)
Depreciation	-	3,467	930	-	57	1,393	-	3,862	2,561	12,270
Net book value	-	(36)	(193)	-	(4)	(5)	-	(5)	(3)	(246)
Depreciation charge for the year (note 4.1.6)	-	(112,328)	(449,675)	(29,996)	(13,990)	(46,055)	(76,839)	(39,083)	(19,685)	(787,651)
Net book value as at June 30, 2021	178,634	535,575	2,077,032	151,668	60,751	265,292	408,442	66,095	74,357	3,817,846
At June 30, 2020										
Cost	178,634	1,231,807	5,359,309	345,073	172,131	500,717	637,039	218,817	163,090	8,806,617
Accumulated depreciation	-	(832,931)	(3,346,620)	(206,964)	(120,341)	(336,240)	(294,319)	(164,625)	(86,777)	(5,388,817)
Net book value	178,634	398,876	2,012,689	138,109	51,790	164,477	342,720	54,192	76,313	3,417,800
Annual rates of depreciation (%) 2020	-	10 & 25	10 & 25	10 & 25	15 & 33	15 & 33	20 & 50	33	15 & 33	
At June 30, 2021										
Cost	178,634	1,477,367	5,871,703	388,628	194,932	645,468	725,282	249,560	178,081	9,909,655
Accumulated depreciation	-	(941,792)	(3,794,671)	(236,960)	(134,181)	(380,176)	(316,840)	(183,465)	(103,724)	(6,091,809)
Net book value	178,634	535,575	2,077,032	151,668	60,751	265,292	408,442	66,095	74,357	3,817,846
Annual rates of depreciation (%) 2021	-	10 & 25	10 & 25	10 & 25	15 & 33	15 & 33	20 & 50	33	15 & 33	

- 4.1.2 Tools and equipments include cost of moulds held by third parties, for manufacturing certain products of the Company, as follows:

	2021 (Rupees in '000)	2020
Nimir Industrial Chemicals Limited	2,050	1,450
Leo Ultimate Plast	1,035	575
Techno Plast	5,532	15,473
Naveed Company	113	113
Afeef Packages (Private) Limited	2,796	2,796
Transpak Corporation Limited	28,099	5,109
Jeddah Plastic	-	4,608
Rizwan Engineering	1,997	-
Sunrise plastic (Private) Limited	3,200	-
A. S. Engineering	-	275
	44,822	30,399

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

- 4.1.3 During the year, the Company identified certain items of operating fixed assets from which further economic benefits are no longer expected to be derived. Therefore, assets having cost of Rs 12.516 million (2020: 105.142 million) and net book value of Rs 0.246 million (2020: Rs 9.037 million) have been retired from active use and have been written off in these financial statements.

- 4.1.4 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	48,657
b)	H-36(B) S.I.T.E, Kotri, District Jamshoro (Sindh)	--do--	21,220	7,333
c)	217, Sundar Industrial Estate, Raiwind Road, Lahore	--do--	33,314	17,446

* The covered area includes multi storey buildings.

4.1.5 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 per Company Policy	2,303	1,548	755	755	-	Kalim Ishrat Employee
	--do--	1,953	1,419	534	858	324	Zainab Kaleem Employee
	--do--	1,701	1,167	534	534	-	Irshad Alam Employee
	--do--	2,513	1,846	667	1,153	486	S. Suhail Anwar Rizvi Employee
	--do--	1,643	937	706	813	107	Mujtaba Hussain Employee
	--do--	2,513	1,731	782	782	-	Agha Shah Waliullah Employee
	--do--	1,828	1,294	534	733	199	Muhammad Hasan Imam Employee
	--do--	1,828	1,294	534	733	199	Usman Ali Employee
	--do--	2,507	468	2,039	2,375	336	Khurram Abbas Employee
	--do--	1,250	600	650	1,327	677	Waqas Hanif Employee
	Bids	2,836	2,269	567	3,800	3,233	Transpak Private Limited
	--do--	2,855	2,282	573	3,800	3,227	--do--
Others							
Items having net book value of less than Rs 500,000 each	Various	66,327	55,534	10,793	33,935	23,142	Various
2021		95,057	72,389	19,668	51,598	31,930	
2020		97,658	64,099	33,559	62,101	28,542	

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

	Note	2021 ------(Rupees in '000)-----	2020
Cost of sales	26.1	684,579	653,372
Selling and distribution costs	27	68,341	56,058
Administrative expenses	28	34,731	43,441
		<u>787,651</u>	<u>752,871</u>

4.2 Capital work in progress

Advances to suppliers		339,737	198,644
Others	4.2.1	<u>2,258,015</u>	<u>1,177,160</u>
		<u>2,597,752</u>	<u>1,375,804</u>

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

	Leasehold land	Building on leasehold land	Plant and machinery	Fittings and installation	Other assets	Total
	------(Rupees in '000)-----					
Balance as at July 1, 2019	80,600	254,850	416,512	6,031	20,843	778,836
Capital expenditure incurred during the year (note 4.2.2)	8,109	428,219	375,107	17,856	80,639	909,930
Transfers to operating fixed assets (note 4.1.1)	(88,709)	(101,012)	(283,273)	(3,026)	(35,586)	(511,606)
Balance as at June 30, 2020	-	582,057	508,346	20,861	65,896	1,177,160
Capital expenditure incurred during the year (note 4.2.2)	-	502,042	1,001,875	240,208	126,717	1,870,842
Transfers to operating fixed assets (note 4.1.1)	-	(235,151)	(445,010)	(26,690)	(83,136)	(789,987)
Balance as at June 30, 2021	-	848,948	1,065,211	234,379	109,477	2,258,015

4.2.2 This includes items in transit aggregating Rs 137.599 million (2020: Rs 3.082 million).

4.3 RIGHT-OF-USE ASSETS

4.3.1 The following is a statement of right of use assets:

	Note	Buildings	Tools and equipment	Total
		----- (Rupees in '000) -----		
As at July 1, 2019				
Recognition due to adoption of IFRS 16				
Cost		322,942	31,632	354,574
Depreciation for the year	4.3.2	(40,710)	(4,519)	(45,229)
As at June 30, 2020		282,232	27,113	309,345
Additions		21,183	15,241	36,424
Depreciation for the year	4.3.2	(42,343)	(4,700)	(47,043)
As at June 30, 2021		261,072	37,654	298,726
As at June 30, 2020				
Cost		322,942	31,632	354,574
Accumulated depreciation		(40,710)	(4,519)	(45,229)
Net book value		282,232	27,113	309,345
As at June 30, 2021				
Cost		344,125	46,873	390,998
Accumulated depreciation		(83,053)	(9,219)	(92,272)
Net book value		261,072	37,654	298,726

		2021	2020
		----- (Rupees in '000) -----	
4.3.2 Depreciation charge for the year has been allocated as follows:			
Cost of sales	26.1	9,885	8,071
Selling and distribution costs	27	20,782	20,782
Administrative expenses	28	16,376	16,376
		47,043	45,229

5. INTANGIBLE ASSETS

	Note	Goodwill and trade mark	Computer software	Total
----- (Rupees in '000) -----				
At July 1, 2019				
Cost		43,500	118,815	162,315
Accumulated amortisation		(43,500)	(104,380)	(147,880)
Net book value		-	14,435	14,435
Year ended June 30, 2020				
Additions		-	12,633	12,633
Amortisation for the year	5.3	-	(13,393)	(13,393)
Net book value as at June 30, 2020		-	13,675	13,675
Year ended June 30, 2021				
Additions		-	3,855	3,855
Amortisation for the year	5.3	-	(8,868)	(8,868)
Net book value as at June 30, 2021		-	8,662	8,662
At June 30, 2020				
Cost		43,500	131,448	174,948
Accumulated amortisation		(43,500)	(117,773)	(161,273)
Net book value		-	13,675	13,675
At June 30, 2021				
Cost		43,500	135,303	178,803
Accumulated amortisation		(43,500)	(126,641)	(170,141)
Net book value		-	8,662	8,662

5.1 Goodwill represents 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.

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

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

	Note	2021	2020
		----- (Rupees in '000) -----	
Cost of sales	26.1	542	362
Selling and distribution costs	27	4,699	4,304
Administrative expenses	28	3,627	8,727
		8,868	13,393
6. LONG TERM LOANS			
Considered good			
- due from executives	6.1	48,471	30,717
- due from other employees	6.1	25,085	28,129
		73,556	58,846
Recoverable within one year	11	(28,014)	(25,670)
	6.2	45,542	33,176

6.1 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.

6.2 Long term loans have been carried at cost as the effect of carrying these balances at amortised cost is not considered to be material.

7. LONG TERM SECURITY DEPOSITS	Note	2021 ------(Rupees in '000)-----	2020
Long term security deposits	7.1 & 7.2	40,712	21,127

7.1 These include Rs 11.744 million (2020: Rs 9.073 million) representing amount deposited with Water and Power Development Authority (WAPDA) for enhancement in electricity load for detergent unit at Kotri.

7.2 These include Term Deposit Receipts (TDRs) amounting to Rs 20.249 million (2020: 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 4.4% (2020: 11.43%) per annum and shall mature between August 26, 2021 and December 31, 2021 at which time the management intends to rollover the TDR.

8. STORES AND SPARES	Note	2021 ------(Rupees in '000)-----	2020
Stores		101,917	110,727
Spares	8.1	314,042	238,088
	26.1.3	415,959	348,815

8.1 These include spares in transit amounting to Rs 31.783 million (2020: Rs 14.626 million).

9. STOCK IN TRADE	Note	2021 ------(Rupees in '000)-----	2020
Raw materials			
- in hand		3,961,699	1,930,208
- with third parties		4,118	13,448
- in transit		639,417	1,594,942
	26.1.1	4,605,234	3,538,598
Packing materials			
- in hand		561,849	471,896
- with third parties		7,964	1,648
- in transit		7,252	44,892
	26.1.2	577,065	518,436
Work in process	26.1	314,797	581,972
Finished goods			
- in hand		1,504,979	1,352,713
- in transit		1,239	493
	26	1,506,218	1,353,206
Trading goods			
- in hand		248,049	158,241
- in transit		552	23,243
	26	248,601	181,484
		7,251,915	6,173,696

		Note	2021 ------(Rupees in '000)-----	2020 ------(Rupees in '000)-----
10. TRADE DEBTS				
Considered good				
- due from related parties	10.1	-	-	-
- others		1,155,879	837,141	
		1,155,879	837,141	
Considered doubtful				
- others		7,740	7,740	
		1,163,619	844,881	
Less: Provision for doubtful trade debts	10.3	7,740	7,740	
		1,155,879	837,141	
10.1	The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs 0.109 million (2020: Rs 0.255 million).			
10.2	As at June 30, 2021, trade receivables of Rs 557.305 million (2020: Rs 275.224 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:			
			2021 ------(Rupees in '000)-----	2020 ------(Rupees in '000)-----
Upto 1 month		479,214	126,104	
1 to 6 months		77,739	76,122	
More than 6 months		352	72,998	
		557,305	275,224	
10.3	Provision for doubtful trade debts			
Opening balance		7,740	7,740	
Add: charge for the year		-	-	
Closing balance		7,740	7,740	
		Note	2021 ------(Rupees in '000)-----	2020 ------(Rupees in '000)-----
11. LOANS AND ADVANCES				
Considered good				
Current portion of long term loans				
- due from executives		17,600	13,924	
- due from other employees		10,414	11,746	
	6	28,014	25,670	
Advances				
- to employees	11.1	6,649	6,295	
- to contractors and suppliers	11.2	75,323	94,705	
		109,986	126,670	
11.1	Advances to employees are provided to meet business expenses and are settled as and when the expenses are incurred.			

	Note	2021 ----- (Rupees in '000) -----	2020 ----- (Rupees in '000) -----
11.2	Advances include the following amounts due from following related party:		
	ICE Animations (Private) Limited	221	-
		<u>221</u>	<u>-</u>
11.3	The ageing analysis of advances due from related party is as follows:		
	Upto 1 month	-	-
	1 to 6 months	221	-
	More than 6 months	-	-
		<u>221</u>	<u>-</u>
12.	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
	Security deposits	19,855	64,901
	Prepayments	46,360	28,946
		<u>66,215</u>	<u>93,847</u>
13.	OTHER RECEIVABLES		
	Receivable from related parties	13.1	2,240
	Sales tax claimable	-	8,396
	Special excise duties claimable	8,729	8,729
	LC margin on imports	138,847	203,544
	Others	13.4	139,529
		<u>289,345</u>	<u>407,416</u>
13.1	Other receivables include the following amounts due from related parties:		
		2021 ----- (Rupees in '000) -----	2020 ----- (Rupees in '000) -----
	Century Insurance Company Limited	2,124	2,093
	Lakson Investment Limited	116	-
		<u>2,240</u>	<u>2,093</u>
13.2	The ageing analysis of other receivables due from related parties is as follows:		
	Upto 1 month	1,700	1,550
	1 to 6 months	-	-
	More than 6 months	540	543
		<u>2,240</u>	<u>2,093</u>
13.3	The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs 3.302 million (2020: Rs 3.620 million).		
13.4	These include pay orders issued in favour of Collector of Customs for clearance of tooth brushes shipments amounting to Rs 138.667 million (2020:184.654 million).		

	Note	2021 ------(Rupees in '000)-----	2020
14. SHORT TERM INVESTMENTS			
At amortised cost	14.1	2,686,000	2,904,347
At fair value through profit or loss	14.2	7,195,592	3,091,067
At fair value through other comprehensive income	14.3	-	34,994
		<u>9,881,592</u>	<u>6,030,408</u>

14.1 The profits on these term deposits range between 5.75% and 7.95% per annum (2020: between 6.75% and 11.43% per annum) having maturity in July 2021.

14.2 Investments - Fair value through profit or loss

Name of the investee	As at July 1, 2020	Purchase during year	Bonus units	Sale / Redemption during the year	As at June 30, 2021	Average cost as at June 30, 2021	Fair value as at June 30, 2021	Unrealised gain / (loss) as at June 30, 2021	Fair Value as at June 30, 2020
	------(Number of units in '000)-----					------(Rupees in '000)-----			
Lakson Income Fund	4,214	1,987	-	(4,214)	1,987	203,795	200,900	(2,895)	425,113
Lakson Money Market Fund	14,705	780	-	(2,972)	12,513	1,258,565	1,261,420	2,855	1,478,929
Atlas Money Market Fund	1,890	282	1	(888)	1,285	649,466	650,257	791	954,407
Atlas Income Fund	-	181	9	-	190	100,000	99,515	(485)	-
NBP Money Market Fund	12,819	30,967	71	(43,857)	-	-	-	-	126,683
NBP Islamic Daily Dividend Fund	-	36,004	-	(36,004)	-	-	-	-	-
NBP Income Opportunity Fund	-	8,692	634	-	9,326	100,309	100,421	112	-
UBL Liquidity Plus Fund	-	6,626	11	-	6,637	670,234	670,518	284	-
UBL Cash Fund	-	7,491	238	-	7,729	773,382	773,620	338	-
MCB Cash Management Optimizer	-	9,764	9	-	9,773	987,571	986,715	8,144	-
ABL Cash Fund	10,221	72,164	146	-	82,531	840,056	840,254	198	104,039
ABL Islamic Cash Fund	189	46,364	11	(45,000)	1,564	15,638	15,638	-	1,896
HBL Cash Fund	-	7,102	19	(1,481)	5,640	570,570	570,805	235	-
HBL Money Market Fund	-	2,404	37	(1,392)	1,049	106,266	107,646	1,380	-
NIT Money Market Fund	-	10,529	65	-	10,594	102,676	102,135	(541)	-
Alfalsh Ghp Money Market Fund	-	3,124	1	(1,017)	2,108	209,158	207,129	(2,029)	-
Alfalsh Ghp Cash Fund	-	1,186	31	-	1,217	613,413	608,619	(4,794)	-
	<u>44,038</u>	<u>245,647</u>	<u>1,283</u>	<u>(136,825)</u>	<u>154,143</u>	<u>7,191,999</u>	<u>7,195,592</u>	<u>3,593</u>	<u>3,091,067</u>

14.3 Investments - Fair value through other comprehensive income

	As at July 1, 2019	Purchases during the year	Sales during the year	Carrying amount as at June 30, 2021	Fair value as at June 30, 2021	Unrealised gain as at June 30, 2021
	------(Rupees in '000)-----					
Sukuk Bonds	34,994	-	(34,994)	-	-	-

15. CASH AND BANK BALANCES	Note	2021 ------(Rupees in '000)-----	2020
With banks in current / savings accounts			
- Local currency			
- Current accounts		503,794	786,522
- Savings accounts	15.1	1,508,989	1,414,515
		2,012,783	2,201,037
- Foreign currency			
- Current account		17,456	14,265
Cheques in hand		90,956	123,990
Cash in hand		569	543
		2,121,764	2,339,835

15.1 The rate of profit on savings accounts is 5.5% (2020: 6.5%) per annum.

16. SHARE CAPITAL

16.1 Authorised share capital

2021 Number of shares	2020		2021 ------(Rupees in '000)-----	2020
75,000,000	75,000,000	Ordinary shares of Rs 10 each	750,000	750,000

16.2 Issued, subscribed and paid-up share capital

2021 Number of shares	2020		2021 ------(Rupees in '000)-----	2020
5,882,353	5,882,353	Ordinary shares of Rs 10 each fully paid in cash	58,824	58,824
57,418,169	51,663,576	Ordinary shares of Rs 10 each issued as fully paid bonus shares	574,181	516,635
63,300,522	57,545,929		633,005	575,459

16.3 Reconciliation of number of shares outstanding

2021 Number of shares	2020		2021 ------(Rupees in '000)-----	2020
57,545,929	57,545,929	Ordinary shares of Rs 10 each At the beginning of the year	575,459	575,459
5,754,593	-	Issued during the year as fully paid bonus shares	57,546	-
63,300,522	57,545,929	At the end of the year	633,005	575,459

16.4 Colgate-Palmolive Company, an associate incorporated under the laws of State of Delaware, USA, owns 30% (2020: 30%) of the Company's 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.

17. RESERVES

Note **2021** **2020**
-----**(Rupees in '000)**-----

Capital reserve			
- Share premium reserve	17.1	13,456	13,456
Revenue reserve			
- General reserve		15,440,000	13,280,000
- Unappropriated profit		4,094,841	3,570,481
		19,534,841	16,850,481
		19,548,297	16,863,937

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

2021 **2020**
-----**(Rupees in '000)**-----

18. DEFERRED TAXATION

Credit / (debit) balances arising in respect of timing differences relating to:

Taxable temporary difference

Accelerated tax depreciation allowance
Right-of-use assets
Short term investments

	110,582	145,248
	86,631	89,710
	3,856	2,495
	201,069	237,453
	(19,631)	(16,787)
	(388)	(1,008)
	(2,203)	(2,203)
	(12,381)	(12,381)
	(107,649)	(101,726)
	(142,252)	(134,105)
	58,817	103,348

Deductible temporary difference

Provision for compensated absences
Intangibles
Provision for impairment of trade debts
Deferred liabilities
Lease liabilities

- 18.1 The movement in temporary differences is as follows:

	Balance as at July 1, 2019	Recognised in profit or loss	Recognised in other comprehensive income	Balance as at June 30, 2020	Recognised in profit or loss	Balance as at June 30, 2021
----- (Rupees in '000) -----						
Deferred tax debits:						
Accelerated tax depreciation allowance	185,997	(40,749)	-	145,248	(34,666)	110,582
Right-of-use assets	-	89,710	-	89,710	(3,079)	86,631
Short term investments	7,033	(6,791)	2,253	2,495	1,361	3,856
	193,030	42,170	2,253	237,453	(36,384)	201,069
Deferred tax credits:						
Provision for compensated absences	(13,235)	(3,552)	-	(16,787)	(2,844)	(19,631)
Intangibles	(502)	(506)	-	(1,008)	620	(388)
Provision for impairment of trade debts	(2,203)	-	-	(2,203)	-	(2,203)
Deferred liabilities	(12,381)	-	-	(12,381)	-	(12,381)
Lease Liabilities	-	(101,726)	-	(101,726)	(5,923)	(107,649)
	164,709	(63,614)	2,253	103,348	(44,531)	58,817

19. LONG TERM DEPOSITS

	2021	2020
	----- (Rupees in '000) -----	
Deposits obtained from:		
- Distributors	120,167	112,108
- Transporters	500	500
- Others	2,005	5
	<u>122,672</u>	<u>112,613</u>

- 19.1 As per the requirements of section 217 of the Companies Act, 2017 deposits amounting to Rs 98.205 million (2020: Rs 90.061 million) are utilised for the purpose of business as per the written agreements and deposits amounting to Rs 23.962 million (2020: Rs 22.552 million) are kept in separate bank account.

	Note	2021	2020
		----- (Rupees in '000) -----	

20. DEFERRED LIABILITY

Staff retirement gratuity	20.1	(24,606)	47,293
Payable against Gas infrastructure development cess (GIDC)		87,139	-

- | | | | | |
|------|--|------|----------|--------|
| 20.1 | Defined benefit plan (staff retirement gratuity)
- funded | 20.5 | (24,606) | 47,293 |
|------|--|------|----------|--------|

- 20.2 As stated in note 2.14, 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, 2021. The disclosures made in notes 20.2 to 20.17 are based on the information included in the actuarial report.

- 20.3 The actuarial valuation of gratuity plan was carried out as at June 30, 2021. The projected unit credit method using the following significant assumptions was used for this valuation:

	2021	2020
	Percentage	
- Discount rate - per annum compound	10.00	8.50
- Expected rate of increase in salaries - per annum		
For next year	13.00	12.50
For subsequent years	10.00	8.50

- 20.4 Mortality rate

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

- 20.5 Statement of financial position reconciliation

	Note	2021	2020
		----- (Rupees in '000) -----	
Present value of defined benefit obligation	20.6	842,892	737,791
Fair value of plan assets	20.7	(867,498)	(690,498)
		<u>(24,606)</u>	<u>47,293</u>

	Note	2021 ------(Rupees in '000)-----	2020 ------(Rupees in '000)-----
20.6	Movement in defined benefit obligation		
Present value of defined benefit obligation as at July 1		737,791	597,897
Past service cost		-	431
Current service cost		46,367	40,014
Interest cost		61,292	84,184
Remeasurement on obligation from changes in financial assumption		18,848	22,298
Remeasurement on obligation from experience adjustments		12,014	7,231
Benefits paid		(33,420)	(14,264)
Present value as at June 30		842,892	737,791
20.7	Movement in fair value of plan assets		
Fair value as at July 1		690,498	507,785
Expected return on plan assets		61,492	81,741
Remeasurement on fair value of plan assets		58,747	(27,731)
Contributions made during to the fund		90,181	142,967
Benefits paid		(33,420)	(14,264)
Fair value as at June 30		867,498	690,498
20.8	Movement in net liability in the statement of financial position is as follows:		
Balance of net liability as at July 1		47,293	90,112
Charge for the year	20.1	46,167	42,888
Contributions made to the fund		(90,181)	(142,967)
Net remeasurement for the year		(27,885)	57,260
Balance of net liability as at June 30		(24,606)	47,293
20.9	Amounts charged to profit or loss:		
Current service cost		46,367	40,014
Past service cost		-	431
Net interest cost		(200)	2,443
		46,167	42,888
20.10	Charge for the year has been allocated as under:		
Cost of sales	26.1	20,565	20,763
Selling and distribution costs	27	14,505	12,442
Administrative expenses	28	11,097	9,683
		46,167	42,888

	Note	2021 ------(Rupees in '000)-----	2020 ------(Rupees in '000)-----
20.11	Actual return on plan assets		
	Expected return on plan assets	61,492	81,741
	Remeasurement on fair value of plan assets	58,747	(27,731)
	Actual return on plan assets	120,239	54,010

20.12 Plan assets comprise of the following:

	2021		2020	
	(Rs in '000)	Percentage	(Rs in '000)	Percentage
Shares and units of mutual funds	369,440	43.00	160,886	23.30
Debt instruments	435,396	50.00	495,778	71.80
Cash at Banks	62,662	7.00	33,834	4.90
	867,498	100.00	690,498	100.00

20.13 Expected contribution to defined benefit plan for the year ending June 30, 2022 is Rs 146.167 million.

20.14 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%	787,816	905,170
Salary growth rate	1%	904,389	787,500

20.15 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.

20.16 The average duration of the defined benefit obligation is 7 years.

20.17 The Company faces the following risks on account of defined benefit plan:

Mortality risks - The risk that the actual mortality experience is different. The effect depends on the beneficiaries service/age distribution and the benefit.

Final salary risks - The risk that the final salary at the time of cessation of service is different than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases as salary increases.

Withdrawal risks – The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

Investment risk - risk of investment underperforming and being not sufficient to meet the liabilities.

	Note	2021 ------(Rupees in '000)-----	2020
21 LONG-TERM FINANCING			
Financing under:			
- salary refinance scheme	21.2	873,788	312,837
- temporary economic refinance facility	21.3	399,630	-
- renewable energy finance facility	21.4	46,661	-
		1,320,079	312,837
Less reclassified to Deferred grant:	21.5	182,296	-
Less current maturity of financing under:			
- salary refinance scheme		499,308	39,105
- renewable energy finance facility		7,178	-
		506,486	39,105
		631,297	273,732
21.1	Following are the changes in the long term finances for which cash flows have been classified as financing activities in the statement of cash flows		
	Note	2021 ------(Rupees in '000)-----	2020
Balance as at July 1		312,837	-
Proceeds from long-term financing		1,133,864	312,837
Less: Long-term financing repaid during the year		(126,622)	-
Less: Amount recognised as deferred grant		(182,296)	-
Less: Current portion shown under current liability		(506,486)	(39,105)
Balance as at June 30		631,297	273,732
21.2	The long-term financing has been obtained under salary refinance scheme of State Bank of Pakistan for a term of 2.5 years with grace period of 6 months from disbursement and carry mark-up at the rate of 1% per annum payable quarterly. The principal repayments are scheduled in 8 quarterly installments which have commenced from April 2021.		
21.3	The long-term financing has been obtained under temporary economic refinance facility scheme of State Bank of Pakistan for a term of 10 years with grace period of 24 months from disbursement and carry mark-up at the rate of 2.5% per annum payable quarterly in arrears. The principal repayment will take place in 32 quarterly installments which shall commence from March 2023.		
21.4	The long-term financing has been obtained under Renewable energy scheme of State Bank of Pakistan for a term of 6.75 years from disbursement and carry mark-up at the rate of 3.75% per annum payable quarterly in arrears. The principal repayment will take place in 27 quarterly installments which have commenced from April 2021.		
21.5	These loans have been recognised at fair value (present value of loan receipts discounted using prevailing market interest rates for a similar instrument) and the differential amount has been recorded as deferred grant. The loan amount is being accreted using the effective interest rate method with the corresponding effect on the interest expenses for the year in the profit or loss.		
21.6	These loan facilities have been secured by way of charge over 'stocks & book debts' and 'machinery & equipment' of the Company to the extent of Rs 1,376.19 million and Rs 1,766.67 million respectively.		

22 LEASE LIABILITIES

	Note	2021 ------(Rupees in '000)-----	2020
Present value of minimum lease payments		371,059	350,779
Less : current portion of lease liabilities		(39,040)	(31,757)
		<u>332,019</u>	<u>319,022</u>

22.1 The Company has total cash outflows for leases of Rs 65.682 million (2020: Rs 56.537 million).

23 TRADE AND OTHER PAYABLES

Trade creditors	23.1	1,390,668	743,183
Accrued liabilities	23.2	2,337,495	1,712,903
Bills payable		637,968	394,837
Advances from customers - unsecured	23.3	110,726	93,316
Sales tax payable		335,630	278,799
Royalty payable to Colgate-Palmolive Co., USA		402,068	339,968
Workers' profits participation fund	23.4	427,415	360,009
Workers' welfare fund		158,944	130,837
Retention money payable		14,667	11,259
Gas Infrastructure Development Cess liability		35,518	175,813
Others	23.5	70,450	67,880
		<u>5,921,549</u>	<u>4,308,804</u>

23.1 These include the following amounts due to related parties:

Century Paper & Board Mills Limited	5,418	-
Century Insurance Company Limited	10,666	559
Merit Packaging Limited	109,634	18,149
The Aga Khan Hospital and Medical College Foundation	30	-
Television Media Network (Private) Limited	107	34,542
Express Publication (Private) Limited	7	-
Sybrid (Private) Limited	277	-
Siza (Private) Limited	136	-
Lakson Investment Limited	1,327	2,039
	<u>127,602</u>	<u>55,289</u>

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

Ajinomoto Lakson (Private) Limited	506	168
Century Paper & Board Mills Limited	3,183	15,269
Merit Packaging Limited	12,393	5,008
Sybrid (Private) Ltd	60	60
Television Media Network (Private) Limited	67,545	42,051
	<u>83,687</u>	<u>62,556</u>

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

Hasanali and Gulbanoo Lakhani Foundation	-	5
	<u>-</u>	<u>5</u>

	Note	2021 ------(Rupees in '000)-----	2020
23.4	Workers' profits participation fund		
	Balance at beginning of the year	360,009	266,082
	Allocation for the year	427,415	360,009
		787,424	626,091
	Less: Payments during the year	360,009	266,082
	Balance at end of the year	427,415	360,009
23.5	These include the following amounts payable to related parties:		
	CPPL Employees Provident Fund Trust	-	10,071
	Colgate-Palmolive (Thailand) Ltd.	1,742	1,857
	Colgate-Palmolive (Hongkong) Ltd.	5,030	2,682
	Colgate-Palmolive (China) Co. Ltd. Guangzhou	28	30
		6,800	14,640

24. SHORT TERM RUNNING FINANCES

- 24.1 The Company has arranged short-term borrowing facilities from various banks on mark-up basis to the extent of Rs 1,540 million (2020: 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 between July, 2021 and October, 2023. 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.
- 24.2 The mark-up on short term running facilities ranges between 7.95% to 8.95% (2020: 8.64 % to 9.64%) per annum.
- 24.3 The facilities for opening letters of credit and guarantees as at June 30, 2021 aggregated Rs 5,900 million and Rs 285 million (2020: Rs 5,300 million and Rs 260 million) respectively of which the amounts remaining unutilised at the year end were Rs 3,672.818 million and Rs 174.253 million (2020: Rs 3,794.503 million and Rs 131.311 million) respectively.

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

- 25.1.1 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 customs authorities from taking any coercive action against the Company.

In 2016, Company deposited Post dated cheques with customs authorities as a security in respect of duties and taxes amounting to Rs 19.758 million payable at the time of exbonding of imported goods. Further, customs authorities have withheld cheques which became due during the year 2018 amounting to Rs 19.758 million on account of claim in relation to custom duty, sales tax and income tax made by custom authorities.

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.

- 25.1.2 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 110.747 million (2020: Rs 61.382 million).

25.2 Commitments

- 25.2.1 Commitments in respect of capital expenditure and inventory items amounted to Rs 357.068 million and Rs 984.946 million (2020: Rs 642.618 million and Rs 789.121 million) respectively.
- 25.2.2 Outstanding letters of credit amounted to Rs 1,589.214 million (2020: Rs 1,294.489 million).
- 25.2.3 Outstanding duties leviable on clearing of stocks amounted to Rs 13.688 million (2020: 17.175 million).
- 25.2.4 Post dated cheques issued to the collector of customs against duty on inventory items amount to Rs 127.038 million (2020: Rs Nil).

		Note	2021 ------(Rupees in '000)-----	2020
26	COST OF SALES			
	Opening stock of finished goods (including trading goods)		1,534,690	1,165,419
	Cost of goods manufactured	26.1	30,671,731	26,994,981
	Purchases of trading goods		5,264,040	4,287,204
			37,470,461	32,447,604
	Less: Closing stock of finished goods (including trading goods)	9	1,754,819	1,534,690
			<u>35,715,642</u>	<u>30,912,914</u>
26.1	Cost of goods manufactured			
	Opening stock of work in process		581,972	478,627
	Raw materials consumed	26.1.1 & 26.1.4	21,555,148	19,222,461
	Packing materials consumed	26.1.2 & 26.1.4	5,261,056	4,650,243
	Stores and spares consumed	26.1.3	164,728	136,373
	Salaries, wages and other benefits		1,475,993	1,205,543
	Staff retirement gratuity	20.1	20,565	20,763
	Provident fund	26.1.5	22,519	19,970
	Power and fuel	26.1.6	653,060	656,626
	Repairs and maintenance		48,394	62,786
	Rent, rates and taxes		43,863	46,765
	Insurance		69,125	73,985
	Laboratory expenses		17,954	18,564
	Cartage		235,987	219,783
	Depreciation on operating fixed assets	4.1.6	684,579	653,372
	Depreciation on right-of-use assets	4.3.2	9,885	8,071
	Amortisation	5.3	542	362
	Other manufacturing expenses		141,158	102,659
			30,986,528	27,576,953
	Less: Closing stock of work in process	9	314,797	581,972
			<u>30,671,731</u>	<u>26,994,981</u>
26.1.1	Raw materials consumed			
	Opening stock		3,538,598	2,944,891
	Purchases		22,621,784	19,816,168
			26,160,382	22,761,059
	Less: Closing stock	9	4,605,234	3,538,598
			<u>21,555,148</u>	<u>19,222,461</u>
26.1.2	Packing materials consumed			
	Opening stock		518,436	385,877
	Purchases		5,319,685	4,782,802
			5,838,121	5,168,679
	Less: Closing stock	9	577,065	518,436
			<u>5,261,056</u>	<u>4,650,243</u>
26.1.3	Stores and spares consumed			
	Opening stock		348,815	267,753
	Purchases		231,872	217,435
			580,687	485,188
	Less: Closing stock	8	415,959	348,815
			<u>164,728</u>	<u>136,373</u>

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

	2021	2020
	------(Rupees in '000)-----	
Raw materials	-	1,244
Packing materials	-	126
Finished goods	-	2,039
	-	3,409

26.1.5 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.

26.1.6 This includes charge for GIDC amounting to Rs Nil (2020:Rs 25.538 million).

	Note	2021	2020
		------(Rupees in '000)-----	
27. SELLING AND DISTRIBUTION COST			
Salaries, wages and other benefits		886,024	777,758
Staff retirement gratuity	20.1	14,505	12,442
Provident fund	26.1.5	26,639	23,262
Travelling and conveyance		28,904	30,300
Repairs and maintenance		17,080	12,065
Vehicle running expenses		102,149	107,335
Advertising and sales promotion		2,821,256	2,278,060
Royalty on sale of licensed products	27.1	340,280	278,920
Postage, telephone and internet charges		29,009	27,664
Rent, rates and taxes	27.2	127,875	125,875
Printing and stationery		5,484	6,603
Subscription and membership		602	237
Legal and professional		1,898	1,703
Freight		1,740,497	1,635,767
Electricity		13,033	11,343
Insurance		57,560	61,299
Security service charges		11,775	10,804
Depreciation on operating fixed assets	4.1.6	68,341	56,058
Depreciation on right-of-use assets	4.3.2	20,782	20,782
Amortisation	5.3	4,699	4,304
Other expenses		14,025	21,251
		6,332,417	5,503,832

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

Name of Recipient	Relationship with the Company	Registered Address	2021	2020
			------(Rupees in '000)-----	
Colgate-Palmolive Company	Associate	300 Park Avenue, New York 10022-7499 USA	278,180	210,474

27.2 Expense in respect of short term leases amounted to Rs 6.753 million (2020: 6.758 million).

	Note	2021	2020
		----- (Rupees in '000) -----	
28. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits		341,136	304,248
Staff retirement gratuity	20.1	11,097	9,683
Provident fund	26.1.5	12,218	10,995
Travelling and conveyance		3,859	8,117
Repairs and maintenance		61,027	60,405
Vehicle running expenses		23,077	26,630
Postage, telephone and internet charges		14,949	16,254
Rent, rates and taxes		4,956	3,484
Software license fee		34,580	20,051
Printing and stationery		5,564	5,092
Subscription and membership		22,160	9,403
Legal and professional		5,469	4,581
Electricity		5,698	4,471
Insurance		25,396	12,051
Security service charges		5,236	6,885
Depreciation on operating fixed assets	4.1.6	34,731	43,441
Depreciation on right-of-use assets	4.3.2	16,376	16,376
Amortisation	5.3	3,627	8,727
Others		4,138	2,153
		635,294	573,047
Charge from related parties		10,798	8,493
		646,092	581,540
29. OTHER EXPENSES			
Workers' profits participation fund	23.4	427,415	360,009
Workers' welfare fund	29.1	158,202	128,403
Auditors' remuneration	29.2	4,243	7,094
Property, plant and equipment - written off	4.1.1	246	9,037
Donations	29.3	33,955	52,966
Gas Infrastructure Development Cess		-	150,275
Others		19,746	16,880
		643,807	724,664
29.1 Workers' welfare fund			
Charge for the year		158,944	130,837
Prior year		(742)	(2,434)
		158,202	128,403
29.2 Auditors' remuneration			
Audit fee		1,283	1,188
Fee for half yearly review		557	516
Statutory certifications		349	323
Others	29.2.1	1,702	4,732
		3,891	6,759
Out of pocket expenses		352	335
		4,243	7,094

29.2.1 This includes services relating to taxation.

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

Name of director	Interest in donee	Name of donee	2021 ------(Rupees in '000)-----	2020
Mr. Zulfiqar Ali Lakhani, Mr. Amin Mohammed Lakhani and Mr. Iqbal Ali Lakhani	Trustees	Hasanali and Gulbanoo Lakhani Foundation	22,700	51,366
Mr. Kamran Yousuf Mirza	Trustee	Karwan e Hayat	-	100
Mr. Iqbal Ali Lakhani	Trustee	Layton Rehmatullah Benevolent Trust	500	500
Mr. Iqbal Ali Lakhani	Spouse is the chairperson	Pakistan Special Olympics	2,412	1,000

Note 2021 2020
(Rupees in '000)

30. OTHER INCOME

Income from financial assets

Profit on savings accounts	95,031	122,911
Profit on treasury bills	111,618	217,467
Profit on a term deposit receipt	83,903	83,756
Profit on PIBs	-	17,849
Profit on Sukuk bonds	1,741	951
Dividend Income	364,191	420,131
Exchange gain - net	42,067	21,946
Unrealised gain on investments classified as fair value through profit or loss	4,422	3,679
Gain on disposal of short term investments	22,859	12,383
Reversal of GIDC	22,789	-
	748,621	901,073

Income from non-financial assets

Insurance commission	-	23,338
Gain on disposal of items of property, plant and equipment	31,931	28,542
Sale of scrap	52,455	44,185
Others	22,777	3,070
	107,163	99,135
	855,784	1,000,208

4.1.5

	2021	2020
	------(Rupees in '000)-----	
31. FINANCE COST AND BANK CHARGES		
Guarantee commission	1,913	1,039
Interest on lease liabilities	43,852	52,590
Interest on long-term financing	13,145	121
Bank commission and other charges	49,538	42,063
Finance cost on GIDC	9,727	-
	<u>118,175</u>	<u>95,813</u>

32. TAXATION		
Current		
- for the year	2,338,795	1,940,295
- for prior years	(8,426)	(29,730)
	<u>2,330,369</u>	<u>1,910,565</u>
Deferred tax	(44,445)	(63,614)
	<u>2,285,924</u>	<u>1,846,951</u>

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

	2021	2020
	Percentage	
Applicable tax rate	29.00	29.00
Tax effect of income assessed under final tax regime	(0.55)	(0.80)
Others	0.36	(0.24)
	<u>28.81</u>	<u>27.96</u>
Tax effect of income tax reversal relating to prior years	(0.11)	(0.44)
	<u>28.70</u>	<u>27.52</u>

	2021	2020
	------(Rupees in '000)-----	
33. EARNINGS PER SHARE		
Profit after taxation	<u>5,676,749</u>	<u>4,864,816</u>
Weighted average number of ordinary shares outstanding during the year	<u>63,300,522</u>	<u>63,300,522</u>
	(Number of shares) (Restated)	

	2021	2020
	------(Rupees in '000)-----	(Restated)
Earnings per share	<u>89.68</u>	<u>76.85</u>

33.1 There are no dilutive potential ordinary shares outstanding as at June 30, 2021 and 2020.

	Note	2021 ------(Rupees in '000)-----	2020
34. CASH GENERATED FROM OPERATIONS			
Profit before taxation		7,962,673	6,711,767
Adjustment for non-cash charges and other items:			
Depreciation on operating fixed assets		787,651	752,871
Depreciation on right-of-use assets		47,043	45,229
Amortisation expense		8,868	13,393
Gain on disposal of items of property, plant and equipment		(31,930)	(28,542)
Staff retirement gratuity		46,167	42,888
Profit on savings accounts		(95,030)	(122,911)
Profit on a term deposit receipt		(83,903)	(83,756)
Profit on treasury bills		(111,618)	(217,467)
Profit on PIBs		-	(17,849)
Profit on Sukuk bonds		(1,741)	(951)
Unrealised gain on investments classified as fair value through profit or loss		(4,422)	(3,679)
Gain on disposal of short term investments		(22,859)	(12,383)
Finance cost and Bank Charges		118,175	95,813
Stocks in trade written off		-	3,409
Stores and spares written off		1,599	-
Property, plant and equipment written off		246	9,037
Working capital changes	34.1	516,939	(910,739)
		<u>9,137,857</u>	<u>6,276,130</u>
34.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		(68,743)	(81,062)
Stock in trade		(1,078,219)	(1,202,291)
Trade debts		(318,738)	(87,591)
Loans and advances		16,684	60,569
Trade deposits and short term prepayments		27,632	(37,318)
Other receivables		118,071	(108,501)
		<u>(1,303,313)</u>	<u>(1,456,194)</u>
Increase in current liabilities:			
Trade and other payables		1,820,252	545,455
		<u>516,939</u>	<u>(910,739)</u>
35. CASH AND CASH EQUIVALENTS			
Cash and bank balances	15	2,121,764	2,339,835
Short term investments	14	2,686,000	2,887,000
		<u>4,807,764</u>	<u>5,226,835</u>
36. PROPOSED DIVIDEND			

The Board of Directors in its meeting held on July 28, 2021 have proposed a cash dividend of Rs 24 per share (2020: Rs 23.5 per share) aggregating Rs 1,519.212 million (2020: 1,352.330 million) and bonus issue of 9.495 million shares (2020: 5.755 million) at the rate of 1.5 shares for every 10 shares held (2020: 1 share for every 10 shares) aggregating Rs 94.951 million (2020: 57.546 million) for the year ended June 30, 2021. This is in addition to the interim cash dividend of Rs 25 (2020: Rs 22.50) per share aggregating Rs 1,582.513 million (2020: Rs 1,294.783 million). Further, the Board has proposed a transfer of unappropriated profit to general reserve amounting to Rs 2,480 million (2020: Rs 2,160 million). The dividend, bonus issue and transfer are subject to the approval of members at the annual general meeting. The effect of such dividend, bonus issue and transfer shall be accounted for in the financial statements for the year ending June 30, 2022.

37. RELATED PARTY DISCLOSURES

37.1 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	2021 (Rupees in '000)	2020 (Rupees in '000)
Sale of goods, services provided and reimbursement of expenses	Associates	40,643	72,713
Purchase of goods, services received and reimbursement of expenses	Associates	3,463,913	2,447,390
Rent, allied and other charges	Associates	37,380	35,574
Purchase of short term investments	Associate	200,000	200,000
Sale proceeds on redemption of short term investments	Associate	650,000	1,400,000
Profit on short term investments	Associate	16,168	10,984
Royalty charges	Associate	340,280	278,920
Purchase of property, plant and equipment	Associates	481	1,294
Expense in relation to staff retirement gratuity fund	Employees fund	46,167	42,888
Expense in relation to provident fund	Employees fund	61,375	54,228
Donations	Associates	25,612	52,966
Compensation paid to key management personnel	Key management personnel	117,428	107,786
Insurance claims received	Associate	4,003	17,741
Insurance commission income	Associate	-	23,338
Dividend paid	Associates	2,372,368	2,150,923
Dividend received on mutual funds	Associates	93,399	293,605

37.2 The related party status of outstanding balances as at June 30, 2021 are included in trade debts (note 10), loans and advances (note 11), other receivables (note 13), investments (note 14) and trade and other payables (note 23). These are to be settled in the ordinary course of business. The receivables and payables are primarily unsecured in nature and bear no interest.

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

S.No.	Company Name	Country of incorporation	Basis of relationship	Aggregate % of shareholding in the Company
1	Colgate-Palmolive Company, USA	USA	Associate	30.00%
2	Colgate-Palmolive PNG Ltd.	Papua New Guinea	Associate	N/A
3	Colgate-Palmolive (Hongkong) Ltd.	Hong kong	Associate	N/A
4	Colgate-Palmolive Asia Pacific Ltd.	--do--	Associate	N/A
5	Colgate-Palmolive (Thailand) Ltd.	Thailand	Associate	N/A
6	Colgate Sanxiao Co. Ltd.	China	Associate	N/A
7	Colgate-Palmolive (China) Co.Ltd.,Guangzhou	--do--	Associate	N/A
8	Colgate-Palmolive (Vietnam) Co. Ltd.	Vietnam	Associate	N/A
9	Colgate-Palmolive Brazil.	Brazil	Associate	N/A
10	SIZA Services (Private) Limited	Pakistan	Common Director	25.28%
11	SIZA (Private) Limited	--do--	Common Director	17.38%
12	SIZA Commodities (Private) Limited	--do--	Common Director	3.07%
13	Century Insurance Co. Ltd.	--do--	Common Director	0.04%
14	Century Paper & Board Mills Limited	--do--	Common Director	N/A
15	Merit Packaging Limited	--do--	Common Director	N/A
16	Lakson Business Solutions Limited	--do--	Common Director	N/A
17	Lakson Investments Limited	--do--	Common Director	N/A
18	Cyber Internet Services (Private) Limited	--do--	Common Director	N/A
19	Princeton Travels (Private) Limited	--do--	Common Director	N/A
20	SIZA Foods (Private) Limited	--do--	Common Director	N/A
21	Sybrid (Private) Limited	--do--	Common Director	N/A
22	Caraway (Private) Limited	--do--	Associate	N/A
23	Ajinomoto Lakson Pakistan (Private) Limited	--do--	Common Director	N/A
24	Pakistan Business Council	--do--	Common Director	N/A
25	Express Publication (Private) Limited	--do--	Associate	N/A
26	Television Media Network (Private) Limited	--do--	Associate	N/A
27	Pakistan Special Olympics	--do--	Associate	N/A
28	Hasanali & Gulbanoo Lakhani Foundation	--do--	Trustee	N/A
29	LRBT (Layton Rehmatullah Benevolent Trust)	--do--	Trustee	N/A
30	CPPL Employees Contributory Provident Fund	--do--	Trustee	N/A
31	CPPL Employees Gratuity Provident Fund	--do--	Trustee	N/A
32	The Aga Khan Hospital and Medical College Foundation	--do--	Common Director	N/A
33	ICE Animations (Private) Limited	--do--	Common Director	N/A

38. REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE DIRECTOR AND EXECUTIVES

38.1 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		Executive Director		Executives	
	2021	2020	2021	2020	2021	2020
	----- (Rupees in '000) -----					
Managerial remuneration	19,862	16,055	-	1,550	406,320	322,332
Bonus / commission	-	-	-	-	124,957	98,639
Staff retirement gratuity	-	-	-	-	79,895	57,350
Provident fund	-	-	-	-	33,702	26,627
Housing	8,938	7,225	-	698	182,858	145,075
Utilities	3,572	2,394	-	-	-	-
Motor vehicles	1,629	4,582	-	246	25,278	21,406
Others	-	-	-	162	56,409	47,208
	34,001	30,256	-	2,656	909,419	718,637
Number of persons	1	1	-	1	146	115

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

38.3 Aggregate amount charged in these financial statements in respect of fees to independent directors is Rs. 1.1 million (2020: Rs 0.4 million). No remuneration is paid to any non-executive director.

39. FINANCIAL INSTRUMENTS BY CATEGORY

	2021	2020
	----- (Rupees in '000) -----	
FINANCIAL ASSETS		
At amortised cost		
Long term loans	45,542	33,176
Long term security deposits	40,712	21,127
Trade debts	1,155,879	837,141
Loans	28,014	25,670
Trade deposits	19,855	64,901
Other receivables	280,616	390,291
Accrued profit	12,158	3,695
Short term investments	2,686,000	2,904,347
Cash and bank balances	2,121,764	2,339,835
	6,390,540	6,620,183
Financial asset -		
At fair value through other comprehensive income	-	34,994
At fair value through profit or loss	7,195,592	3,091,067
	13,586,132	9,746,244

	2021	2020
	------(Rupees in '000)-----	
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Long term deposits	122,672	112,613
Long-term financing	1,320,079	312,837
Lease Liabilities	371,059	350,779
Trade and other payables	4,888,834	3,445,843
Unclaimed dividend	27,270	21,638
Accrued mark up	4,978	121
	<u>6,734,892</u>	<u>4,243,831</u>

40. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

40.1 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 40.1.1, 40.1.2 and 40.1.3 below:

40.1.1 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 13,586.132 million (2020: Rs 9,746.244 million), the financial assets that are subject to credit risk aggregated Rs 13,585.563 million (2020: Rs 9,745.701 million).

The analysis below summarises the credit quality of the Company's financial assets as at June 30, 2021 / 2020.

The bank balances along with credit ratings are tabulated below:

	2021	2020
	------(Rupees in '000)-----	
Credit ratings		
A-1+	2,019,800	2,205,473
Others	101,395	133,819
	<u>2,121,195</u>	<u>2,339,292</u>

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

	2021	2020
	------(Rupees in '000)-----	
Credit ratings		
A-1+	2,686,000	2,904,347
AA	-	34,994
Government securities	-	-
Management Quality ratings		
AM1	1,189,272	232,618
AM2+	6,006,320	2,858,449
	<u>9,881,592</u>	<u>6,030,408</u>

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 Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full and it is subsequently written off, if required.

The break up of amount due from customers other than related parties as stated in note 10 is presented below:

	2021	2020
	----- (Rupees in '000) -----	
Due from customers other than related parties		
Institutional customers	1,056,532	670,046
Distributors	106,782	96,683
Others	305	78,152
	<u>1,163,619</u>	<u>844,881</u>

Out of Rs 1,163.619 million (2020: Rs 844.881 million), the Company has provided Rs 7.740 million (2020: Rs 7.740 million) being considered doubtful of recovery.

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

	2021	2020
	----- (Rupees in '000) -----	
Trade debts	-	-
Other receivables	2,240	2,093
	<u>2,240</u>	<u>2,093</u>

Concentration of credit risk exists when changes in economic and industry factors 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.

40.1.2 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 the 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:

	Contractual cashflows		
	Maturity within one year	Maturity after one year	Total
	June 30, 2021		
	----- (Rupees in '000) -----		
Financial liabilities			
Long term deposits	-	122,672	122,672
Long-term financing	524,798	868,245	1,393,043
Lease Liabilities	74,534	497,011	571,545
Trade and other payables	4,888,834	-	4,888,834
Unclaimed dividend	27,270	-	27,270
Accrued mark up	4,978	-	4,978
	5,520,414	1,487,928	7,008,342

	June 30, 2020		
	----- (Rupees in '000) -----		
Financial liabilities			
Long term deposits	-	112,613	112,613
Long-term financing	41,526	276,123	317,649
Lease Liabilities	79,948	515,010	594,958
Trade and other payables	3,445,843	-	3,445,843
Unclaimed dividend	21,638	-	21,638
Accrued mark up	121	-	121
	3,589,076	903,746	4,492,822

40.1.3 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, 2021, 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 31.026 million (2020: Rs 19.742 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, Sukuk Bonds, Long term financing, Lease liabilities and cash with banks in savings accounts which are based on fixed interest rates. As at June 30, 2021, 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 25.039 million (2020: Rs 36.552 million) and Rs Nil (2020: Rs 0.35 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 a result of changes in the levels of net asset value of units held by the Company. As at June 30, 2021, 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 71.956 million (2020: Rs 30.911 million).

40.1.4 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, 2021, all financial assets and financial liabilities are carried at amortised cost except for investment in mutual funds 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 (e.g. significant increases / decreases in activity)
- changes in inputs used in valuation techniques (e.g. 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 on going basis.

The following table analyses within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2021:

Financial assets	2021			Total
	Level 1	Level 2	Level 3	
	----- (Rupees in ‘000) -----			
Financial investments: Fair value through profit or loss	7,195,592	-	-	7,195,592
Financial investments: Fair value through other comprehensive income	-	-	-	-

Financial assets	2020			Total
	Level 1	Level 2	Level 3	
	----- (Rupees in '000) -----			
Financial investments: Fair value through profit and loss	3,091,067	-	-	3,091,067
Financial investments: Fair value through other comprehensive income	-	34,994	-	34,994

41. 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, 2021 and 2020, the Company had surplus reserves to meet its requirements.

42. ENTITY-WIDE INFORMATION

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

42.2 Information about products

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

	2021	2020
Personal Care	28%	26%
Home Care	68%	69%
Others	4%	5%
	100%	100%

42.3 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.

42.4 Information about major customers

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

43. PLANT CAPACITY AND ACTUAL PRODUCTION

	2021 (Quantities in tons)	2020
Capacity	278,000	276,552
Production	253,867	242,336

Actual production was sufficient to meet the demand.

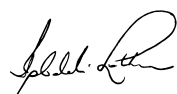
44. NUMBER OF EMPLOYEES

The total and average number of employees during the year and as at June 30, 2021 and 2020 respectively are as follows:

	2021	2020
	No of employees	
Average number of employees during the year	1,118	1,083
Number of employees as at June 30	1,134	1,089

45. DATE OF AUTHORISATION FOR ISSUE

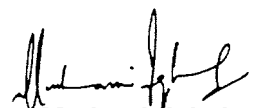
These financial statements were authorised for issue on July 28, 2021 by the board of directors of the Company.



Iqbal Ali Lakhani
Chairman



Zulfiqar Ali Lakhani
Chief Executive



Mudassir Iqbal
Chief Financial Officer

Pattern of Shareholding

HELD BY THE SHAREHOLDERS AS AT JUNE 30, 2021

Incorporation Number KAR-5010 OF 1977-78

CUIN Registration No. 005832

No. of Shareholders	Shareholdings			Total Shares held
	From	To		
471	1	100	Shares	10,091
174	101	500	Shares	43,352
68	501	1000	Shares	46,295
129	1001	5000	Shares	250,068
15	5001	10000	Shares	108,382
4	10001	15000	Shares	50,147
4	20001	25000	Shares	90,600
1	25001	30000	Shares	25,410
1	30001	35000	Shares	32,263
1	55001	60000	Shares	56,471
1	85001	90000	Shares	86,520
1	210001	215000	Shares	213,042
1	215001	220000	Shares	216,866
1	1940001	1945000	Shares	1,944,021
1	3065001	3070000	Shares	3,065,423
1	3355001	3360000	Shares	3,356,505
1	7710001	7715000	Shares	7,710,513
1	11000001	11005000	Shares	11,001,692
1	16000001	16005000	Shares	16,002,712
1	18990001	18995000	Shares	18,990,134
878				63,300,507

Categories of Shareholders

	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouses and minor children	3,085,852	4.88
Associated Companies, undertakings and related parties	37,172,194	58.72
NIT and ICP	212	-
Banks, Development Financial Institutions, Non Banking Financial Institutions, Insurance Companies	3,067	0.01
Modarabas and Mutual Funds	1,502	-
Shareholders holding 10%	53,705,051	84.84
General Public		
a. Local	602,430	0.95
b. Foreign	-	-
Others	22,435,250	35.44

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)	<u>ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES</u>	Shares held
	1. SIZA (Pvt) Limited	11,001,692
	2. SIZA Services (Pvt) Limited	16,002,712
	3. SIZA Commodities (Pvt) Limited	1,994,021
	4. Premier Fashions (Pvt) Limited	7,710,513
	5. Century Insurance Company Limited	23,282
	6. Sultan Ali Lakhani	444
	7. Shaista Sultan Ali Lakhani	707
	8. Babar Ali Lakhani	3,801
	9. Bilal Ali Lakhani	1,512
	10. Danish Ali Lakhani	2,193
	11. Anushka Lakhani	217,441
	12. Anika Amin Lakhani	834
	13. Natasha Lakhani	213,042
ii)	<u>MUTUAL FUND</u>	
	CDC – Trustee AKD Index Tracker Fund	1,502
iii)	<u>DIRECTORS AND THEIR SPOUSES AND MINOR CHILDREN</u>	
	1. Iqbal Ali Lakhani Chairman/Director	3,072,545
	2. Zulfiqar Ali Lakhani Director/Chief Executive	2,065
	3. Amin Mohammed Lakhani Director	6,943
	4. Aliya Saeeda Khan Director	1,320
	5. Kamran Yousuf Mirza Director	550
	6. Syed Shahid Ali Bukhari Director	550
	7. Peter John Graylin Nominee of Colgate-Palmolive Company, USA	-
	8. Xuan Dai Nominee of Colgate-Palmolive Company, USA	-
	9. Ronak Iqbal Lakhani W/o. Iqbal Ali Lakhani	656
	10. Fatima Lakhani W/o. Zulfiqar Ali Lakhani	409
	11. Saira Amin Lakhani W/o. Amin Mohammed Lakhani	814
iv)	<u>Executives</u>	6,412
v)	<u>PUBLIC SECTOR COMPANIES AND CORPORATIONS</u>	NIL
vi)	<u>BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS AND: [Other than those reported at i (5)]</u>	19,704
vii)	<u>SHAREHOLDERS HOLDING 5% OR MORE</u> Colgate-Palmolive Co., USA. Arisaig India Fund Limited, Hongkong <u>[Other than those reported at i(1), i(2) & i(4)]</u>	18,990,134 3,356,505
viii)	<u>INDIVIDUALS AND OTHER THAN THOSE MENTIONED ABOVE</u>	668,204
		63,300,507

Operating and Financial Highlights

STATEMENT OF FINANCIAL POSITION

	2020-2021	2019- 2020	2018- 2019	2017- 2018	2016- 2017	2015- 2016
	------(Rupees in '000)-----					
Property, plant and equipment	6,714,324	5,102,949	4,291,939	3,732,651	2,803,304	2,821,165
Intangible assets	8,662	13,675	14,435	24,818	23,157	6,091
Long term loans, security deposits & staff retirement benefits	110,860	54,303	60,775	60,299	62,181	48,562
	6,833,846	5,170,927	4,367,149	3,817,768	2,888,642	2,875,818
Current assets	21,304,813	17,337,687	14,628,286	12,932,200	12,061,782	10,831,610
Current liabilities	6,711,793	4,401,425	3,786,065	3,196,303	2,928,701	2,712,794
	14,593,020	12,936,262	10,842,221	9,735,897	9,133,081	8,118,816
TOTAL ASSETS EMPLOYED	21,426,866	18,107,189	15,209,370	13,553,665	12,021,723	10,994,634
REPRESENTED BY						
Equity						
Paid-up capital	633,005	575,459	575,459	479,549	479,549	479,549
Reserves	19,548,297	16,863,937	14,444,822	12,937,587	11,358,955	10,260,504
Remeasurement on post retirement benefits obligation	(168,676)	(188,474)	(147,819)	(112,888)	(88,621)	(69,982)
Surplus / (Deficit) on revaluation of investments	-	259	(4,217)	5	4,043	7,296
	20,012,626	17,251,181	14,868,245	13,304,253	11,753,926	10,677,367
Non-Current liabilities						
Long term loans, deposits, deferred tax, leases and deferred liability	1,414,240	856,008	341,125	249,412	267,797	317,267
	1,414,240	856,008	341,125	249,412	267,797	317,267
	21,426,866	18,107,189	15,209,370	13,553,665	12,021,723	10,994,634

STATEMENT OF PROFIT OR LOSS

Turnover	67,567,680	57,870,219	48,718,781	41,421,811	37,498,961	33,135,291
Less : Sales tax & SED	10,714,230	9,175,788	7,718,475	6,568,260	5,954,616	5,278,903
: Trade and other discounts	6,290,428	5,164,109	4,039,264	3,581,833	3,198,848	2,811,429
	17,004,658	14,339,897	11,757,739	10,150,093	9,153,464	8,090,332
Net turnover	50,563,022	43,530,322	36,961,042	31,271,718	28,345,497	25,044,959
Cost of sales	35,715,642	30,912,914	26,490,454	20,850,970	18,344,900	16,502,405
Gross profit	14,847,380	12,617,408	10,470,588	10,420,748	10,000,597	8,542,554
Administrative, selling and distribution cost	(6,978,509)	(6,085,372)	(5,652,407)	(5,780,419)	(5,204,934)	(4,423,168)
Other expenses	(643,807)	(724,664)	(428,655)	(410,310)	(397,171)	(336,846)
Other income	855,784	1,000,208	613,160	467,233	459,509	416,927
	(6,766,532)	(5,809,828)	(5,467,902)	(5,723,496)	(5,142,596)	(4,343,087)
Profit from operations	8,080,848	6,807,580	5,002,686	4,697,252	4,858,001	4,199,467
Finance costs	118,175	95,813	38,496	29,240	24,534	23,476
Profit before taxation	7,962,673	6,711,767	4,964,190	4,668,012	4,833,467	4,175,991
Taxation	2,285,924	1,846,951	1,453,387	1,410,957	1,577,045	1,357,102
Profit after taxation	5,676,749	4,864,816	3,510,803	3,257,055	3,256,422	2,818,889

Operating and Financial Highlights - Continued

		2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
FINANCIAL RATIOS							
RATE OF RETURN							
Pre tax return on equity	%	40	39	33	35	41	39
Post tax return on equity	%	28	28	24	24	28	26
Return on average capital employed	%	42	41	35	37	42	41
Interest cover	times	68	71	130	161	198	179
PROFITABILITY							
Gross profit margin	%	29	29	28.33	33.32	35	34
Operating profit to sales	%	16	16	13.54	14.52	17	17
Pre tax profit to sales	%	16	15	13	15	17	17
Post tax profit to sales	%	11	11	9	10.07	11	11
LIQUIDITY							
Current Ratio	ratio	3.2:1	3.9:1	4.0:1	4.0:1	4.1:1	4.0:1
Quick ratio	ratio	2.1:1	2.5:1	2.5:1	2.7:1	3.0:1	2.9:1
FINANCIAL GEARING							
Debt equity ratio	ratio	6:100	2:100	0:100	0:100	0:100	0:100
Gearing ratio	times	0.41	0.30	0.28	0.26	0.27	0.28
CAPITAL EFFICIENCY							
Debtors turnover	days	8	7	7	9	10	8
Average Inventory turnover	days	69	66	63	63.18	59	60
Total assets turnover	times	2	2	2	1.93	2	2
Property, plant and equipment turnover	times	8	9	9	8	10	9
INVESTMENT MEASURES PER ORDINARY SHARE							
Earnings per share	Rs	89.68	76.85	55.46	51.45	51.44	44.53
Dividend cash (including proposed)	Rs	49	46	36.5	35	35	30
Dividend payout (including bonus)	%	56	56	60	54	52	51
Dividend yield	%	2	2	2	1	2	2
Price earning ratio	times	27.88	29.14	37.41	61.21	44.75	34.25
Break-up value	Rs	316.15	272.53	274.88	210.18	185.68	168.68
Market value - low	Rs	2,150	1,663	1,900	2,105	1,450	1,300
Market value - high	Rs	3,745	2,600	3,288	3,598	2,401	1,659
Market value - year end	Rs	2,500	2,240	2,075	3,149	2,302	1,525
Market capitalization	Rs in Mn	158,251	141,793	131,349	199,333	145,718	96,533
Dividend - Cash	%	490	460	365	350	350	300
Dividend - Bonus shares	%	15	10	0	20	0	0

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FORM OF PROXY

I/We _____

of _____

a member of COLGATE-PALMOLIVE (PAKISTAN) LIMITED

hereby appoint _____

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 21st day of September 2021 and at any adjournment thereof.

Signed this _____ day of _____ 2021.

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

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 excluding holidays.

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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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مختار نامہ (پراکسی فارم)

میں/ہم _____ ساکن _____
 بحیثیت رکن (ممبر) کو لگیٹ - پامولیو (پاکستان) لمیٹڈ مقرر کرتا / کرتی ہوں / کرتے ہیں مسملی / مسماة _____ ساکن _____
 کو یا ان کی غیر حاضری میں مسملی / مسماة _____ ساکن _____
 کو جو خود بھی کو لگیٹ - پامولیو (پاکستان) لمیٹڈ کا رکن ہے کہ وہ بطور میرا / ہمارا مختار نامہ (پراکسی) کو لگیٹ - پامولیو (پاکستان) لمیٹڈ کے سالانہ اجلاس عام میں جو ۲۱ ستمبر ۲۰۲۱ 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 _____ ۲۰۲۱ کو میرے / ہمارے دستخط سے جاری ہوا۔

فولیو نمبر	سی ڈی سی کھاتہ نمبر	حصص کی تعداد

دستخط

گواہ نمبر _____ گواہ نمبر ۲ _____
 دستخط _____ دستخط _____
 نام _____ نام _____
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____ کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____
 پتہ _____ 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 مختار نامہ (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۔ مختار نامہ (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۔



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