

Colgate®



COLGATE-PALMOLIVE (PAKISTAN) LTD.

Smiles make the  
**world go round**

Annual Report 2021 – 22



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# Company Information

## BOARD OF DIRECTORS

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

## ADVISOR

Sultan Ali Lakhani

## AUDIT COMMITTEE

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

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

## COMPANY SECRETARY

Mansoor Ahmed

## CHIEF FINANCIAL OFFICER

Mudassir Iqbal

## EXTERNAL AUDITORS

A. F. Ferguson & Co.  
Chartered Accountants

## INTERNAL AUDITORS

BDO Ebrahim & Co.  
Chartered Accountants

## SHARES REGISTRAR

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

## REGISTERED OFFICE

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

## FACTORIES

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

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

217, Sundar Industrial Estate,  
Raiwind Road, Lahore

## WEBSITE

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



# 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".



# Our Story / Milestones



# Awards

## TOP 25 COMPANIES AWARD

The Company has been ranked amongst the top 25 listed companies by the Pakistan Stock Exchange (PSX) on 16 occasions since 2004. PSX judges companies based on comprehensive criteria, including capital efficiency, profitability, free float of shares, transparency, corporate governance & investors' relations, and compliance with listing of companies & securities regulations.

## MAP'S CORPORATE EXCELLENCE AWARD

The Company was presented its 10th consecutive 'Corporate Excellence Award' at the 36th Corporate Excellence Awards Ceremony organized by the Management Association of Pakistan.

The Company was also awarded Corporate Excellence Certificates on six earlier occasions in recognition of its achievements and overall performance.



# Oral Care

## Building Consumption and Driving Awareness

As part of its 'Bright Smiles, Bright Futures' school program, Colgate celebrated young artists once again this year with its 'My Bright Smile' Global Art Contest 2022. Aimed at raising oral hygiene awareness and inculcating good brushing habits through art, this contest gave children ages 6-9 years the chance to express their creativity and show what their bright smile means to them.



67,654 artworks were received from all over the country, via submissions from schools and through online platforms. This year too, a young artist from Pakistan gets the honor of being featured in the Colgate 'My Bright Smile' Global Calendar.



# Surface Care

## Max Bar

Max Bar continues to lead the Dishwash category and launched its new campaign for its star SKU, Long Bar. The Campaign leverages Max Bar's fundamental claim 'One Long Bar lasts for a month', where it emerges as the ultimate kitchen hero.



# Fabric Care

## Brite

The flagship variant Brite Maximum Power got restaged with a contemporary packaging design. Building on the premium and sophisticated look and feel, the new design will enhance the Brand's appeal to the consumers. This initiative will be complemented with a mega IMC campaign comprising new TVC copies, a digital campaign, POSM drive, in-store activations and direct-to-consumer activities covering multiple touchpoints.







## Express Power



Express Power launched an all-new communication to boost further its 'Why Pay More' proposition. The key message was communicated effectively through an animated TVC, and the campaign was supported by advertising on traditional as well as digital media.

Additionally, investment in store visibility initiatives helped improve the brand's availability and share of shelf.

## Bonus Tristar



The value segment felt the brunt of the increase in raw material prices the most. To continue driving conversion in this segment, Bonus Tristar promised its consumers the best value for money. The new campaign helped reinforce Bonus Tristar's positioning as the brand that offers the most powder at any given price point. Moreover, the Company continues to invest in ensuring strong

brand distribution in not only urban markets, but also in rural markets where regional brands are growing stronger due to disparate trade spends.

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 44th Annual General Meeting of COLGATE-PALMOLIVE (PAKISTAN) LIMITED will be held on Monday, September 26, 2022 at 03:00 p.m. at Avari Towers Hotel, Fatima Jinnah Road, Karachi as well as through Electronic means/Video link facility 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, 2022 together with the Directors' and Auditors' reports thereon.
2. To declare final dividend in cash @ 280% i.e. Rs.28.00 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 @ 245% i.e. Rs.24.50 per share already paid.
3. To appoint Auditors and fix their remuneration.

## SPECIAL BUSINESS

4. To consider, subject to declaration of the final dividend as above, to capitalize a sum of Rs.109,193,380 by way of issue of 10,919,338 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 matter mentioned in item No.4 is annexed.

By Order of the Board



**(MANSOOR AHMED)**  
Company Secretary

Karachi: August 29, 2022

## NOTES:

1. The share transfer books of the Company will remain closed from September 20, 2022 to September 26, 2022 (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 19, 2022 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.



3. Participation in the AGM proceedings via physical presence or through video link facility:

The arrangement for attending the AGM through electronic means will be as under:

1. To facilitate our members who want to attend AGM through zoom application - a video link facility.
2. Shareholders interested in attending the AGM either physically or through Zoom application are hereby requested to get themselves registered with the Company Secretary office by providing the following details at the earliest but not later than 48 hours before the time of AGM (i.e. before 03.00 p.m. on September 23, 2022) through following means:
  - a) Mobile/WhatsApp: 0315 5008228
  - b) E-mail: mansoor@lakson.com.pk

Shareholders are advised to mention Name, CNIC Number, Folio/CDC Account Number, cell number and email ID for identification.

Member wishing to attend in person must also provide a copy of their vaccination certificates at the above e-mail address.

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.

In view of the above, the Shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM by using the aforesaid means.

The Company reserves the right to refuse entry to any member who has not pre-registered for physical attendance or is not carrying their vaccination card with them. These measures are necessary to ensure the safety and the health of all present.

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.

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](http://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. Shareholders appearing in Active Taxpayers List (ATL) 15%
  2. Shareholders not appearing in Active Taxpayers 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 and email address [mansoor@lakson.com.pk](mailto:mansoor@lakson.com.pk) and/or FAMCO Associates (Private) Limited at phone: (021) 3438 0101-5 and email address: [info.shares@famco.com.pk](mailto:info.shares@famco.com.pk)
  - (v) Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or FAMCO Associates (Private) Limited. Shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective folio numbers. Without the NTN company would not be in a position to check filer status on the ATL and hence higher tax of 30% may be applied in such cases.
10. Non-resident individual shareholders shall submit declaration or undertaking with copy of valid passport under definition contained in Section 82 of the Income Tax Ordinance, 2001 for determination of residential status for the purposes of tax deduction on dividend to the Shares Registrar M/s. FAMCO Associates (Private) Limited at 8-F, near Hotel Faran, Nursery Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi or email at [info.shares@famco.com.pk](mailto:info.shares@famco.com.pk) at the latest by September 19, 2022. The copy of declaration form can be downloaded from Shares Registrar website: <https://famco.com.pk/share-registration-services/>.
  11. To claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarized copy of Zakat Declaration Form "CZ-50" on NJSP of Rs. 50.00 to the Shares Registrar, before the first day of book closure.
  12. The Securities and Exchange Commission of Pakistan has issued a letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 addressed to all listed companies drawing attention towards the provision of Section 72 of the Companies Act, 2017 (Act) which requires all companies to replace shares issued by them in physical form with shares to be issued in the Book-Entry-Form within a period not exceeding four years from the date of the promulgation of the Act.  
  
In order to ensure full compliance with the provisions of the aforesaid Section 72 and to benefit from the facility of holding shares in the Book-Entry-Form, the shareholders who still hold shares in physical form are requested to convert their shares in the Book-Entry-Form.
  13. An updated list for unclaimed dividend/shares of the Company is available on the Company's website [www.colgate.com.pk](http://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.  
  
Claims can be lodged by shareholders on Claim Forms as are available on the Company's website. Claims Forms must be submitted to the Company's Shares Registrar for receipt of dividend/shares.
  14. 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 Companies (Postal Ballot) Regulations, 2018.
  15. 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 item No.4 of the Notice will be considered to be passed by the members. The purpose of the Statement is to set forth the material facts concerning such Special Business.

**Agenda Item No.4 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 @ 280% and by way of issue of fully paid bonus shares @ 15% for the year ended June 30, 2022. Subject to approval 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:**

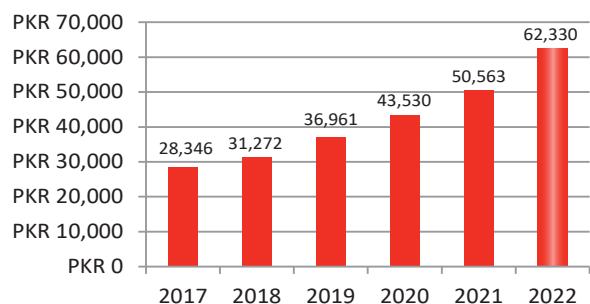
- i) a sum of Rs. 109,193,380 out of the profit for the year ended June 30, 2022 be capitalized and applied in making payment in full of 10,919,338 ordinary shares of Rs.10 each and that the said shares be allotted as fully paid up bonus shares to those members of the Company whose names appear in the register of members on September 19, 2022 @ 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 paripassu 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, 2022;
- 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.

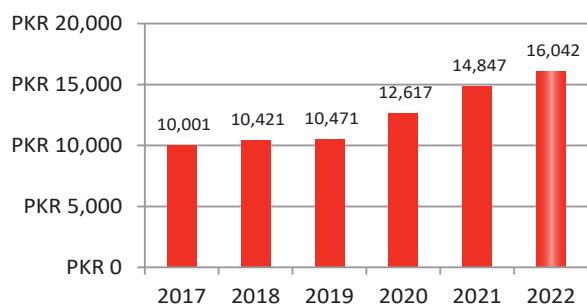
# Financial Summary

For the year ended June 30, 2022

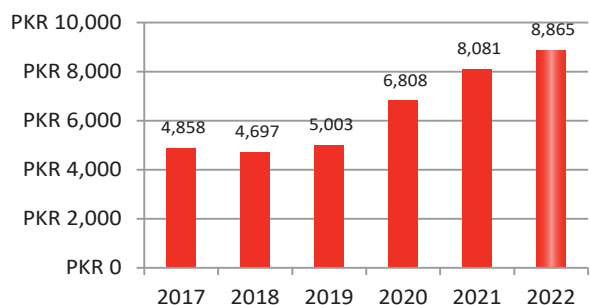
**Net Turnover (PKR MM)**



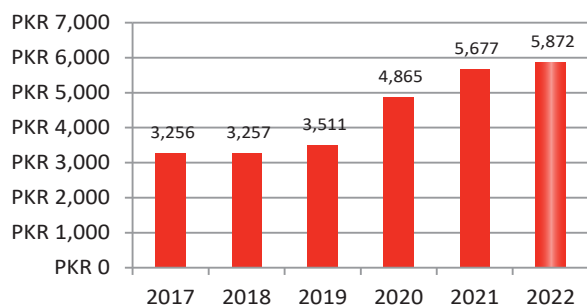
**Gross Profit (PKR MM)**



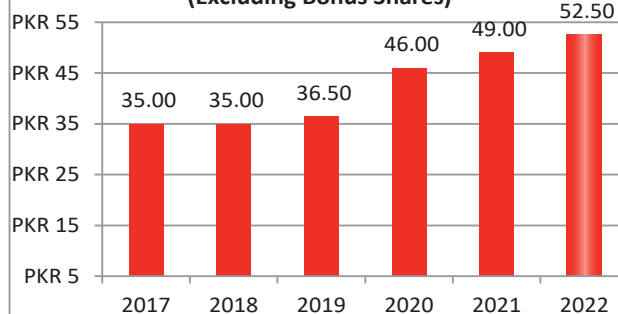
**Operating Profit (PKR MM)**



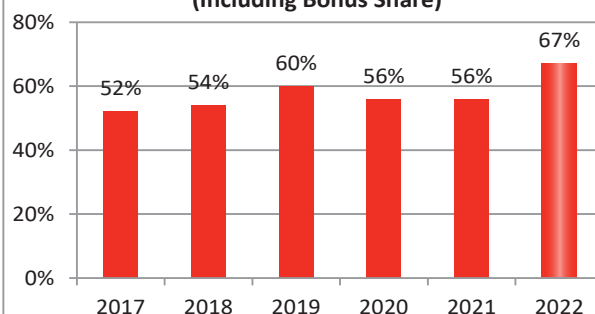
**Net Profit (PKR MM)**



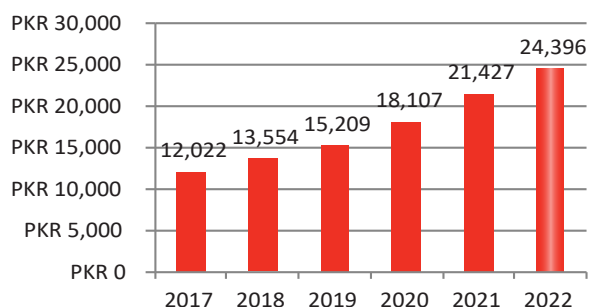
**Cash Dividends Paid Per Share  
(Excluding Bonus Shares)**



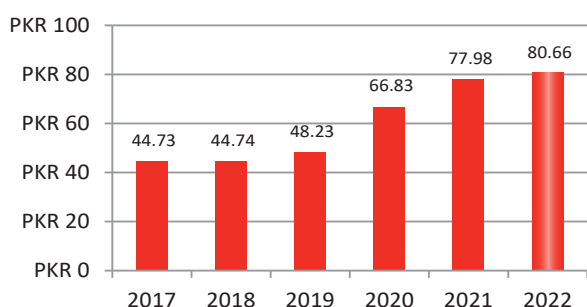
**Dividend Payout  
(Including Bonus Share)**



**Total Assets Employed (PKR MM)**



**Basic / Dilutive Earnings Per Share**



# 6 Years at a Glance

	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
STATEMENT OF FINANCIAL POSITION	----- (Rupees in '000) -----					
Property, plant and equipment	7,623,422	6,714,324	5,102,949	4,291,939	3,644,294	2,731,203
Intangible assets	3,505	8,662	13,675	14,435	24,818	23,157
Long term loans, security deposits & staff retirement benefits	98,965	110,860	54,303	60,775	60,299	62,181
	7,725,892	6,833,846	5,170,927	4,367,149	3,729,411	2,816,541
Current assets	25,279,273	21,304,813	17,337,687	14,628,286	13,020,557	12,133,883
Current liabilities	8,609,153	6,711,793	4,401,425	3,786,065	3,196,303	2,928,701
	16,670,120	14,593,020	12,936,262	10,842,221	9,824,254	9,205,182
TOTAL ASSETS EMPLOYED	24,396,012	21,426,866	18,107,189	15,209,370	13,553,665	12,021,723
REPRESENTED BY						
Equity						
Paid-up capital	727,956	633,005	575,459	575,459	479,549	479,549
Reserves	22,022,222	19,548,297	16,863,937	14,444,822	12,937,587	11,358,955
Remeasurement on post retirement benefits obligation	(201,936)	(168,676)	(188,474)	(147,819)	(112,888)	(88,621)
Surplus / (Deficit) on revaluation of investments	-	-	259	(4,217)	5	4,043
	22,548,242	20,012,626	17,251,181	14,868,245	13,304,253	11,753,926
Non-Current liabilities						
Long term loans, deposits, deferred tax, leases and deferred liability	1,847,770	1,414,240	856,008	341,125	249,412	267,797
	1,847,770	1,414,240	856,008	341,125	249,412	267,797
	24,396,012	21,426,866	18,107,189	15,209,370	13,553,665	12,021,723
STATEMENT OF PROFIT OR LOSS						
Turnover	82,398,332	67,567,680	57,870,219	48,718,781	41,421,811	37,498,961
Sales tax	(12,968,034)	(10,714,230)	(9,175,788)	(7,718,475)	(6,568,260)	(5,954,616)
Trade and other discounts	(7,100,072)	(6,290,428)	(5,164,109)	(4,039,264)	(3,581,833)	(3,198,848)
	(20,068,106)	(17,004,658)	(14,339,897)	(11,757,739)	(10,150,093)	(9,153,464)
Net turnover	62,330,226	50,563,022	43,530,322	36,961,042	31,271,718	28,345,497
Cost of sales	(46,288,481)	(35,715,642)	(30,912,914)	(26,490,454)	(20,850,970)	(18,344,900)
Gross profit	16,041,745	14,847,380	12,617,408	10,470,588	10,420,748	10,000,597
Administrative, selling and distribution cost	(7,551,757)	(6,978,509)	(6,085,372)	(5,652,407)	(5,780,419)	(5,204,934)
Other expenses	(724,675)	(643,807)	(724,664)	(428,655)	(410,310)	(397,171)
Other income	1,099,519	855,784	1,000,208	613,160	467,233	459,509
	(7,176,913)	(6,766,532)	(5,809,828)	(5,467,902)	(5,723,496)	(5,142,596)
Profit from operations	8,864,832	8,080,848	6,807,580	5,002,686	4,697,252	4,858,001
Finance cost and bank charges	(142,810)	(118,175)	(95,813)	(38,496)	(29,240)	(24,534)
Profit before taxation	8,722,022	7,962,673	6,711,767	4,964,190	4,668,012	4,833,467
Taxation	(2,850,442)	(2,285,924)	(1,846,951)	(1,453,387)	(1,410,957)	(1,577,045)
Profit after taxation	5,871,580	5,676,749	4,864,816	3,510,803	3,257,055	3,256,422
STATEMENT OF CASHFLOWS						
Cash flows from operating activities	1,913,685	7,691,814	4,570,686	2,817,537	2,179,117	3,313,511
Cash flows from investing activities	(568,929)	(6,123,234)	288,743	(2,652,153)	(627,746)	1,457,761
Cash flows from financing activities	(3,174,212)	(1,987,651)	(2,189,894)	(1,899,123)	(1,675,472)	(2,154,359)
Net (decrease)/ increase in cash and cash equivalents	(1,829,456)	(419,071)	2,669,535	(1,733,739)	(124,101)	2,616,913
Cash and cash equivalents at the beginning of the year	4,807,764	5,226,835	2,557,300	4,291,039	4,415,140	1,798,227
Cash and cash equivalents at the end of the year	2,978,308	4,807,764	5,226,835	2,557,300	4,291,039	4,415,140



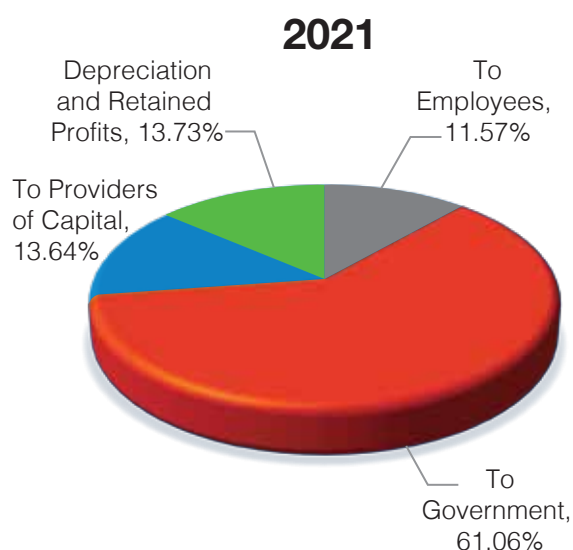
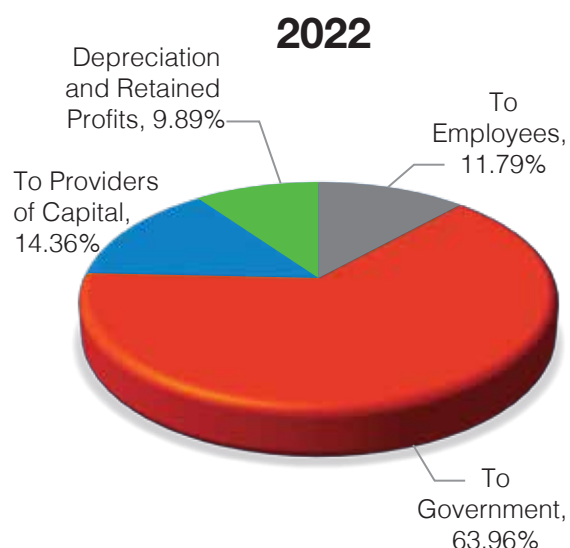
# Key Operating and Financial Data & Ratios

		2021-2022	2020-2021	2019- 2020	2018- 2019	2017- 2018	2016- 2017
<b>RATE OF RETURN</b>							
Pre tax return on equity	%	39	40	39	33	35	41
Post tax return on equity	%	26	28	28	24	24	28
Return on average capital employed	%	39	41	41	35	37	42
Interest cover	times	62	68	71	130	161	198
<b>PROFITABILITY</b>							
Gross profit margin	%	26	29	29	28	33	35
Operating profit to sales	%	14	16	16	14	15	17
Pre tax profit to sales	%	14	16	15	13	15	17
Post tax profit to sales	%	9	11	11	9	10	11
<b>LIQUIDITY</b>							
Current Ratio	ratio	2.9:1	3.2:1	3.9:1	3.9:1	4.1:1	4.1:1
Quick ratio	ratio	1.4:1	2.1:1	2.5:1	2.5:1	2.8:1	3.1:1
<b>FINANCIAL GEARING</b>							
Debt equity ratio	ratio	8:100	7:100	5:100	2:100	2:100	2:100
Gearing ratio	times	0.46	0.41	0.30	0.28	0.26	0.27
<b>CAPITAL EFFICIENCY</b>							
Debtors turnover	days	8	8	7	7	9	10
Average inventory turnover	days	80	69	66	63	63	59
Total assets turnover	times	2	2	2	2	2	2
Property, plant and equipment turnover	times	8	8	9	9	9	10
<b>INVESTMENT MEASURES PER ORDINARY SHARE</b>							
Earnings per share	Rs	80.66	77.98	66.83	48.23	44.74	44.73
Dividend cash (including proposed)	Rs	52.50	49.00	46.00	36.50	35.00	35.00
Dividend payout (including bonus)	%	67	56	56	60	54	52
Dividend yield	%	2	2	2	2	1	2
Price earning ratio	times	28	32	34	43	70	51
Break-up value	Rs	310	275	237	204	183	161
Market value - low	Rs	1,900	2,150	1,663	1,900	2,105	1,450
Market value - high	Rs	2,600	3,745	2,600	3,288	3,598	2,401
Market value - year end	Rs	2,248	2,500	2,240	2,075	3,149	2,302
Market capitalization	Rs in Mn	163,644	181,989	163,062	151,051	229,233	167,575
Dividend - Cash	%	525	490	460	365	350	350
Dividend - Bonus shares	%	15	15	10	0	20	0

# Statement of Value Added

For the year ended June 30, 2022

	2022 (Rupees in '000)	2021 (Rupees in '000)
<b>Wealth Generated</b>		
Total revenue net of discount and allowances	76,397,779	62,133,036
Bought-in-material and services	48,029,435	37,835,172
	<u>28,368,344</u>	<u>24,297,864</u>
<b>Wealth Distributed</b>		
<b>To Employees</b>		
Salaries, benefits and other costs	3,345,805	2,810,696
<b>To Government</b>		
Income tax, sales tax, custom and regulatory duty, WPPF, WWF, SIDC and stamp duty	18,143,718	14,836,408
<b>To Providers of Capital</b>		
Dividend to shareholders	3,930,961	3,196,676
Mark up/interest expenses on borrowed funds	142,810	118,175
<b>Retained for Reinvestment and Growth</b>		
Depreciation and Retained Profits	2,805,050	3,335,909
	<u>28,368,344</u>	<u>24,297,864</u>



# 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, 2022, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvements are an ongoing process leading to action plans. The above overall assessment is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's responsibility.

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

  
**Iqbal Ali Lakhani**  
Chairman

Dated: July 29, 2022

# Director's 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, 2022.

## Financial Performance at a Glance

A brief financial analysis is presented as under:

Operating Results	2021 - 2022	2020 - 2021	Increase / (Decrease)
	Amount in PKR million		
Gross Revenue	82,398	67,568	21.95%
Net Revenue	62,330	50,563	23.27%
Gross Profit	16,042	14,847	8.05%
Gross Profit %	25.74%	29.36%	(362 bps)
Selling & Distribution Costs	6,849	6,332	8.16%
Administrative Expenses	703	646	8.82%
Operating Profit	8,865	8,081	9.70%
Profit After Tax	5,872	5,677	3.43%
Earnings per Share-Rupees	80.66	77.98	3.43%

## Financial Highlights

The business environment remained challenging during the year due to macroeconomic factors, rupee depreciation against the US dollar and rising commodity prices. Availability of key raw materials also remained a key challenge for the business. However, your Company was able to navigate through these challenges by continuing the growth momentum achieving a net revenue growth of 23.27%. Gross profit margin remained under pressure, amid currency depreciation and rising commodity and energy costs, resulting in a drop of 362 bps despite adjustments in selling prices across all categories.

Selling and administration costs increased by 8.16% and 8.82% respectively by applying strict cost controls and bringing efficiencies in the operations.



## Appropriation of Profit

	<b>2021 – 2022</b> <b>PKR In '000'</b>
Profit after tax	5,871,580
Un-appropriated profit brought forward	678
Profit available for appropriation	5,872,258

### Appropriations:

Proposed Final Cash Dividend @ 280% i.e., PKR 28 per share (2021: @ 240% i.e., PKR 24 per share)	2,038,276
Proposed bonus shares @ 15% i.e., 3 shares for every 20 shares held (2021: @ 15% i.e., 3 shares for every 20 shares held)	109,193
Interim Cash Dividend @ 245% i.e., PKR 24.5 per share (2021: @ 250% i.e., PKR 25 per share)	1,783,492
Transfer to General Reserve	1,941,000
Un-appropriated profit carried forward	297

## 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.

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

## Business Performance Highlights

Overall, it was a challenging year for the toothpaste business due to unprecedented increase in raw material cost. The Company remained focused on its consumption building and penetration driving initiatives that include regimen packs, reaching out to school-going children through its Bright Smiles Bright Futures program and efforts to improve its distribution.

Home care category remained highly competitive with all key players increasing investment to gain market share. Despite immense pressure on margins, advertising and trade spends have increased during the year. Unorganized sector continues to pose a challenge especially in semi urban and rural areas with high trade spends and low retail prices.

Lemon Max continues to maintain its leadership position in dish washing products; however, the unorganized sector poses a serious challenge in semi-urban and rural areas.

Palmolive bar soaps and shampoo have sustained the double-digit growth through the year. They maintained presence on media & in-store to deliver growth consistently. Overall, the portfolio remained relevant to beauty as well as hygiene consumers needs through its liquid handwash and Protex anti-bacterial range.

### Health, Safety and Environment

Colgate continues its commitment to act responsibly to protect people and the environment, ensuring health and safety of our teams, building a culture of inclusivity and creating meaningful opportunities for people to succeed the Colgate Palmolive.

Colgate is deeply committed to environment stewardship, in the form of mitigating climate change, safeguarding water wastages, and sourcing responsibly and ethically. The Water Stewardship Program is potentially contributing to water saving of approximately 500,000 gallons a month.

Colgate continues to improve energy efficiencies across its manufacturing operations through initiating energy saving and renewable energy projects. During the last four years, the company has potentially reduced 325,000 kgs of carbon emission on monthly basis.

In response to the Covid Pandemic, the Company has responsibly acted to protect the health of our people. Our teams are fully inoculated in line with the benchmark health practices and our operations have adopted all the precautionary measures to avoid Covid infection in the workplace.

### Corporate Social Responsibility

Colgate celebrated young artists again this year with its “My Bright Smiles” Global Art Contest 2022. The contest helped raised awareness for oral hygiene through art and gave children between the ages of 6-9 years the chance to express their creativity.

This year, 67,654 artworks were received from all over the country through schools and online submissions. Like every year, a young artist from Pakistan received the honor of being featured in the Colgate ‘My Bright Smiles’ Global Calendar through this contest.

The Company also continued to support social welfare projects and made donations amounting to PKR 20.75 million.

### Future Outlook

The post-pandemic recovery of the global economy has been severely jolted by the ongoing Russia–Ukraine conflict. Consequently, oil prices in the international commodity markets have soared to an all-time high.

Political instability and uncertainty, trade deficit and depletion of foreign exchange reserves, are all leading to significant pressure on the PKR against the US dollar.

Margin protection remains a serious challenge for the business. Rising inflation has affected the disposable income of the masses and their spending is expected to remain under check. Given all these challenges your Company remains focused on minimizing the negative impacts of the same, serving its stakeholders by delivering value; strengthening relationships with customers and suppliers whilst also leveraging its diversified product portfolio to keep pursuing its profitable growth aspirations.

### 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:

	<b>2021 – 2022</b>
	<b>PKR In '000'</b>
CPPL Staff Provident Fund	729,083
CPPL Staff Gratuity Fund	776,540

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

<b>Directors Name</b>	<b>Attendance</b>
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:

<b>Members Name</b>	<b>Attendance</b>
Ms. Aliya Saeeda Khan	4
Mr. Iqbal Ali Lakhani	4
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:

<b>Members Name</b>	<b>Attendance</b>
Mr. Kamran Yousuf Mirza	1
Ms. Aliya Saeeda Khan	1
Mr. Iqbal Ali Lakhani	-
Mr. Zulfiqar Ali Lakhani	1

Leave of absence was granted to the member who could not attend the meeting.

### 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
<b>Total number of directors</b>	<b>8</b>

### 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 44th 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, 2022 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.

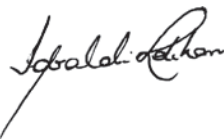
## Subsequent Events

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 29, 2022

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

For the year ended June 30, 2022

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

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

a.	Male	6
b.	Female	2

2. The composition of the Board is as follows:

Independent Directors	Ms. Aliya Saeeda Khan Mr. Kamran Y. Mirza Mr. Syed Shahid Ali Bukhari
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

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. All the Directors of the Company have completed or are exempted from the requirement of Directors' Training program. However, the Company endeavors to apply to Securities and Exchange Commission of Pakistan for approval of Directors' Training Certificate where such trainings have been attained by Directors from foreign institutions.

10. The board has approved appointment of Chief Financial Officer and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. Mr. Mansoor Ahmed was assigned the responsibilities of Company Secretary of the Company in addition to his responsibilities in other group companies.
11. 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. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 is as follows:

S. No.	Non-Mandatory Requirement	Reg. No.	Explanation
1.	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29(1)	Currently, the board has not constituted a separate Nomination Committee and the function are being performed by the Board.
2.	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30(1)	Currently, the board has not constituted a separate Risk Management Committee and the function are being performed by the Board.

  
**Iqbal Ali Lakhani**  
 Chairman

  
**Zulfikar Ali Lakhani**  
 Chief Executive

Karachi: July 29, 2022



A.F. FERGUSON & Co.

# 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 for the year ended June 30, 2022 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, 2022.

**A. F. Ferguson & Co.,**  
Chartered Accountants  
Karachi,  
August 5, 2022

UDIN: CR2022100598hx6mzFaN

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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■ KARACHI ■ LAHORE ■ ISLAMABAD

# **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, 2022, 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, 2022 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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Following is the Key audit matter:

S. No.    Key audit matter	How the matter was addressed in our audit
<p data-bbox="130 499 816 535"><b>i.            Revenue recognition</b></p> <p data-bbox="246 567 816 640"><b>Refer note 2.15 to the annexed financial statements</b></p> <p data-bbox="246 672 816 1060">The principal activity of the Company is the manufacture and sale of detergents, personal care and other related products. 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.</p> <p data-bbox="246 1092 816 1365">We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and due to the reason that revenue increased significantly as compared to last year. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.</p>	<p data-bbox="816 567 1396 640">Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li data-bbox="816 672 1396 777">• Assessed the design, implementation and operating effectiveness of the key internal controls involved in revenue recognition.</li> <li data-bbox="816 808 1396 882">• Understood and evaluated the accounting policy with respect to revenue recognition.</li> <li data-bbox="816 913 1396 1060">• Performed testing of revenue transactions on a sample basis with underlying documentation including dispatch documents and sales invoices.</li> <li data-bbox="816 1092 1396 1260">• Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognised in the correct period.</li> <li data-bbox="816 1291 1396 1396">• Performed audit procedures to analyse variation in the price and quantity sold during the year.</li> <li data-bbox="816 1428 1396 1533">• Assessed the adequacy of disclosures made in the financial statements related to revenue.</li> </ul>

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

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

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss 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 5, 2022

UDIN: AR202210059wO2rEzVub

# Statement of Financial Position

As at June 30, 2022

	Note	2022 (Rupees in '000)	2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	7,623,422	6,714,324
Intangible assets	5	3,505	8,662
Long term loans	6	78,231	45,542
Long term security deposits	7	20,734	40,712
Staff retirement benefit	20	-	24,606
		7,725,892	6,833,846
<b>CURRENT ASSETS</b>			
Stores and spares	8	483,196	415,959
Stock in trade	9	13,067,927	7,251,915
Trade debts	10	1,407,106	1,155,879
Loans and advances	11	291,309	109,986
Trade deposits and short term prepayments	12	148,348	66,215
Other receivables	13	431,603	289,345
Accrued profit		4,760	12,158
Short term investments	14	6,543,716	9,881,592
Cash and bank balances	15	2,901,308	2,121,764
		25,279,273	21,304,813
<b>TOTAL ASSETS</b>		<b>33,005,165</b>	<b>28,138,659</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid-up share capital	16	727,956	633,005
Reserves	17	22,022,222	19,548,297
Remeasurement of post retirement benefits obligation		(201,936)	(168,676)
		22,548,242	20,012,626
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred taxation	18	261,742	58,817
Long term deposits	19	63,134	122,672
Deferred liability	20	76,106	87,139
Long-term financing	21	747,668	631,297
Deferred grant		357,685	182,296
Lease liabilities	22	341,435	332,019
		1,847,770	1,414,240
<b>CURRENT LIABILITIES</b>			
Trade and other payables	23	7,989,140	5,921,549
Accrued mark up		8,322	4,978
Current portion of long-term financing	21	390,889	506,486
Current portion of lease liabilities	22	60,987	39,040
Short-term financing	24	42,334	-
Taxation - net		86,204	212,470
Unclaimed dividend		31,277	27,270
		8,609,153	6,711,793
<b>TOTAL LIABILITIES</b>		<b>10,456,923</b>	<b>8,126,033</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	25		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,005,165</b>	<b>28,138,659</b>

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

  
**Iqbal Ali Lakhani**  
 Chairman

  
**Zulfikar Ali Lakhani**  
 Chief Executive

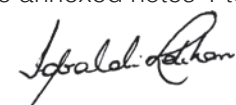
  
**Mudassir Iqbal**  
 Chief Financial Officer

# Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2022

	Note	2022 (Rupees in '000)	2021
Turnover		82,398,332	67,567,680
Sales tax		(12,968,034)	(10,714,230)
Trade and other discounts		(7,100,072)	(6,290,428)
Net turnover		62,330,226	50,563,022
Cost of sales	26	(46,288,481)	(35,715,642)
Gross profit		16,041,745	14,847,380
Selling and distribution cost	27	(6,848,512)	(6,332,417)
Administrative expenses	28	(703,245)	(646,092)
Other expenses	29	(724,675)	(643,807)
Other income	30	1,099,519	855,784
Profit from operations		8,864,832	8,080,848
Finance cost and bank charges	31	(142,810)	(118,175)
Profit before taxation		8,722,022	7,962,673
Taxation	32	(2,850,442)	(2,285,924)
Profit after taxation		5,871,580	5,676,749
<b>Other comprehensive income / (loss) for the year - net of tax</b>			
Item that may be reclassified subsequently to profit or loss			
Gain / (loss) on investments categorised as 'fair value through other comprehensive income'		-	(345)
Impact of tax		-	86
		-	(259)
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of post retirement benefits obligation		(49,642)	27,885
Impact of tax		16,382	(8,087)
		(33,260)	19,798
		(33,260)	19,539
<b>Total comprehensive income for the year</b>		<b>5,838,320</b>	<b>5,696,288</b>
<b>-----Rupees-----</b>			
<b>(Restated)</b>			
Earnings per share - basic and dilutive	33	80.66	77.98

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, 2022

	Issued, subscribed and paid-up share capital	Capital reserve - share premium	Reserves		Sub total - reserves	Remeasur- ement on post retirement benefits obligation - net of tax	Surplus / (deficit) on revaluation of investments- net of tax	Total Equity
			Revenue reserves					
			General reserve	Unappropriated profit				
------(Rupees in '000)-----								
Balance as at July 1, 2020	575,459	13,456	13,280,000	3,570,481	16,863,937	(188,474)	259	17,251,181
<b>Transactions with owners</b>								
Final dividend for the year ended June 30, 2020 at the rate of Rs 23.5 per share	-	-	-	(1,352,330)	(1,352,330)	-	-	(1,352,330)
Bonus shares issued at the rate of one share for every ten shares held	57,546	-	-	(57,546)	(57,546)	-	-	-
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)
<b>Total transactions with owners</b>	57,546	-	-	(2,992,389)	(2,992,389)	-	-	(2,934,843)
<b>Comprehensive income for the year</b>								
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
<b>Total comprehensive income for the year ended June 30, 2021</b>	-	-	-	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
<b>Transactions with owners</b>								
Final dividend for the year ended June 30, 2021 at the rate of Rs 24 per share	-	-	-	(1,519,212)	(1,519,212)	-	-	(1,519,212)
Bonus shares issued at the rate of three shares for every twenty shares held	94,951	-	-	(94,951)	(94,951)	-	-	-
Interim dividend for the year ended June 30, 2022 at the rate of Rs 24.5 per share	-	-	-	(1,783,492)	(1,783,492)	-	-	(1,783,492)
<b>Total transactions with owners</b>	94,951	-	-	(3,397,655)	(3,397,655)	-	-	(3,302,704)
<b>Comprehensive income for the year</b>								
Profit after taxation for the year ended June 30, 2022	-	-	-	5,871,580	5,871,580	-	-	5,871,580
Other comprehensive loss	-	-	-	-	-	(33,260)	-	(33,260)
<b>Total comprehensive income for the year ended June 30, 2022</b>	-	-	-	5,871,580	5,871,580	(33,260)	-	5,838,320
Transfer to general reserve	-	-	2,480,000	(2,480,000)	-	-	-	-
Balance as at June 30, 2022	727,956	13,456	17,920,000	4,088,766	22,022,222	(201,936)	-	22,548,242

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, 2022

	Note	2022 (Rupees in '000)	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	34	4,818,282	9,137,857
Finance cost paid		(74,947)	(54,053)
Taxes paid		(2,757,401)	(1,279,917)
Long term loans		(32,689)	(12,366)
Long term security deposits (assets)		19,978	(19,585)
Staff retirement gratuity paid		-	(90,181)
Long term deposits		(59,538)	10,059
Net cash generated from operating activities		1,913,685	7,691,814
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(1,706,958)	(2,429,559)
Purchase of intangible assets		-	(3,855)
Short term investments made during the year		(24,293,845)	(38,625,906)
Proceeds from sale of property, plant and equipment		57,062	51,598
Profit received on savings accounts		154,231	95,141
Profit received on treasury bills		51,534	111,618
Profit received on Sukuk bonds		-	2,148
Profit received on Pakistan Investment Bonds		436	-
Profit received on term deposit receipts		37,560	74,923
Sale proceeds on disposal of short term investments		25,131,051	34,600,658
Net cash used in investing activities		(568,929)	(6,123,234)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term financing obtained		676,436	1,133,864
Payment of lease liabilities		(94,012)	(65,682)
Long - term financing repaid		(500,273)	(126,622)
Short-term financing obtained		42,334	-
Dividend paid		(3,298,697)	(2,929,211)
Net cash used in financing activities		(3,174,212)	(1,987,651)
Net decrease in cash and cash equivalents during the year		(1,829,456)	(419,071)
Cash and cash equivalents at beginning of the year		4,807,764	5,226,835
Cash and cash equivalents at end of the year	35	2,978,308	4,807,764

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

  
**Iqbal Ali Lakhani**  
 Chairman

  
**Zulfiqar Ali Lakhani**  
 Chief Executive

  
**Mudassir Iqbal**  
 Chief Financial Officer

# Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2022

## 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.

- 1.2 During the year, the Company has made expansion in the plant capacity of its Personal Care and Home Care product classes.

## 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, 2022

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:

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

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## 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 recognised 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 recognised in profit or loss on a systematic basis over the periods in which the Company recognises 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, amortised 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.

During the year, effective from 1 January 2022, the Company revised the useful lives of its certain classes of property, plant and equipment namely 'Buildings on leasehold land' and 'Plant and Machinery' to better reflect the economic benefits being utilized out of these assets. The revision in useful life of these assets have been as follows:

	Before revision	After revision
Buildings on leasehold land		
- Concrete	10 years	20 years
- Others	10 years	15 Years
Plant and machinery - imported	10 years	15 years

The aforesaid revision in the useful life has been accounted for as a change in estimate prospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors.' Had there been no change in the useful life of the aforesaid class of assets, the depreciation expense for the year would have been higher by Rs 116.224 million.

#### 4. PROPERTY, PLANT AND EQUIPMENT

	Note	2022 (Rupees in '000)	2021
Operating fixed assets	4.1	6,943,409	3,817,846
Capital work in progress	4.2	353,877	2,597,752
Right-of-use assets	4.3	326,136	298,726
		<u>7,623,422</u>	<u>6,714,324</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)									
<b>At July 1, 2020</b>										
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
<b>Year ended June 30, 2021</b>										
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
<b>Year ended June 30, 2022</b>										
Additions	-	6,001	73,900	11,137	2,372	83,248	132,867	36,887	6,392	352,804
Transfers from capital work in progress during the year (note 4.2.1)	-	1,046,054	1,913,243	494,592	17,861	73,590	17,193	457	35,039	3,598,029
Disposals (note 4.1.5)										
Cost	-	-	(16,896)	(15,354)	(87)	(9,196)	(64,735)	(15,138)	(3,880)	(125,286)
Depreciation	-	-	16,175	14,433	87	8,887	41,364	14,661	3,729	99,336
Net book value	-	-	(721)	(921)	-	(309)	(23,371)	(477)	(151)	(25,950)
Write offs (note 4.1.3)										
Cost	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Net book value	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year (note 4.1.6)	-	(94,314)	(406,876)	(60,379)	(15,180)	(66,629)	(94,831)	(40,321)	(20,790)	(799,320)
Net book value as at June 30, 2022	178,634	1,493,316	3,656,578	596,097	65,804	355,192	440,300	62,641	94,847	6,943,409
<b>At June 30, 2021</b>										
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
<b>Annual rates of depreciation (%) 2021</b>	-	10 & 25	10 & 25	10 & 25	15 & 33	15 & 33	20 & 50	33	15 & 33	
<b>At June 30, 2022</b>										
Cost	178,634	2,529,422	7,841,950	879,003	215,078	793,110	810,607	271,766	215,632	13,735,202
Accumulated depreciation	-	(1,036,106)	(4,185,372)	(282,906)	(149,274)	(437,918)	(370,307)	(209,125)	(120,785)	(6,791,793)
Net book value	178,634	1,493,316	3,656,578	596,097	65,804	355,192	440,300	62,641	94,847	6,943,409
<b>Annual rates of depreciation (%) 2022</b>	-	5 to 20	7 to 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:

	2022 (Rupees in '000)	2021
Nimir Industrial Chemicals Limited	2,050	2,050
Leo Ultimate Plast	1,035	1,035
Techno Plast	5,532	5,532
Naveed Company	113	113
Afeef Packages (Private) Limited	2,796	2,796
Transpak (Private) Limited	28,099	28,099
Rizwan Enterprises	1,997	1,997
Sunrise Plastic Industries (Private) Limited	4,700	3,200
	<u>46,322</u>	<u>44,822</u>

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

- 4.1.3 Assets having cost of Rs Nil (2021: 12.516 million) and net book value of Rs Nil (2021: Rs 0.246 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 metres)	* Covered Area (Square metres)
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	18,180

\* 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 buyers	Relationship of buyer with Company or director, if any
----- (Rupees in '000) -----								
<b>Vehicles:</b>	As per Company policy	6,407	2,734	3,673	5,040	1,367	Aziz Jindani	Employee
	--do--	3,767	1,140	2,627	3,185	558	Kalim Eshrat	--do--
	--do--	2,297	31	2,266	2,575	309	Faizan Farooqi	N/A
	--do--	2,327	965	1,362	2,253	891	Saad Bhutta	Employee
	--do--	2,588	1,508	1,080	1,080	-	Mudassir Iqbal	--do--
	Maturity of Company's maintained car scheme	1,271	729	542	1,414	872	Muhammad Ashraf	--do--
<b>Fittings and installations:</b>								
	Bids	1,252	355	897	500	(397)	Sajid Ali Scrap Dealer	N/A
Other items having net book value of less than Rs 500,000 each	Various	105,377	91,874	13,503	41,015	27,512		
<b>2022</b>		125,286	99,336	25,950	57,062	31,112		
2021		92,057	72,389	19,668	51,598	31,930		

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

	Note	2022	2021
----- (Rupees in '000) -----			
Cost of sales	26.1	673,955	684,579
Selling and distribution costs	27	86,608	68,341
Administrative expenses	28	38,757	34,731
		<u>799,320</u>	<u>787,651</u>

## 4.2 Capital work in progress

Advances to suppliers		205,423	339,737
Others	4.2.1	148,454	2,258,015
		<u>353,877</u>	<u>2,597,752</u>

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

	Building on leasehold land	Plant and machinery	Fittings and installations	Other assets	Total
----- (Rupees in '000) -----					
Balance as at July 1, 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)
Transfers within class	-	-	-	-	-
Charge off	-	-	-	-	-
Balance as at June 30, 2021	<u>848,948</u>	<u>1,065,211</u>	<u>234,379</u>	<u>109,477</u>	<u>2,258,015</u>
Capital expenditure incurred during the year (note 4.2.2)	266,938	881,544	170,180	201,585	1,520,247
Transfers to operating fixed assets (note 4.1.1)	(1,046,054)	(1,913,243)	(494,592)	(144,140)	(3,598,029)
Transfers within class	(24,928)	50,498	115,030	(140,600)	-
Charge off	-	(8,408)	(9,172)	(14,199)	(31,779)
Balance as at June 30, 2022	<u>44,904</u>	<u>75,602</u>	<u>15,825</u>	<u>12,123</u>	<u>148,454</u>

4.2.2 This includes items in transit aggregating Rs 65.946 million (2021: Rs 137.599 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)-----		
<b>As at July 1, 2021</b>				
Cost		344,125	46,873	390,998
Accumulated depreciation		(83,053)	(9,219)	(92,272)
Net book value		261,072	37,654	298,726
 Year ended June 30, 2022				
Additions		85,410	26,605	112,015
 Impact of termination of lease				
Cost		(35,104)	-	(35,104)
Accumulated depreciation		9,775	-	9,775
		(25,329)	-	(25,329)
Depreciation charge for the year	4.3.2	(48,562)	(10,714)	(59,276)
Net book value as at June 30, 2022		272,591	53,545	326,136
 <b>As at June 30, 2021</b>				
Cost		344,125	46,873	390,998
Accumulated depreciation		(83,053)	(9,219)	(92,272)
Net book value		261,072	37,654	298,726
 <b>As at June 30, 2022</b>				
Cost		394,431	73,478	467,909
Accumulated depreciation		(121,840)	(19,933)	(141,773)
Net book value		272,591	53,545	326,136

**2022                      2021**  
------(Rupees in '000)-----

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

Cost of sales	26.1	17,775	9,885
Selling and distribution costs	27	25,126	20,782
Administrative expenses	28	16,375	16,376
		<u>59,276</u>	<u>47,043</u>

**5. INTANGIBLE ASSETS**

	Note	Goodwill and trade mark	Computer software	Total
----- (Rupees in '000) -----				
<b>At July 1, 2020</b>				
Cost		43,500	131,448	174,948
Accumulated amortisation		(43,500)	(117,773)	(161,273)
Net book value		-	13,675	13,675
<b>Year ended June 30, 2021</b>				
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
<b>Year ended June 30, 2022</b>				
Additions		-	-	-
Amortisation for the year	5.3	-	(5,157)	(5,157)
Net book value as at June 30, 2022		-	3,505	3,505
<b>At June 30, 2021</b>				
Cost		43,500	135,303	178,803
Accumulated amortisation		(43,500)	(126,641)	(170,141)
Net book value		-	8,662	8,662
<b>At June 30, 2022</b>				
Cost		43,500	135,303	178,803
Accumulated amortisation		(43,500)	(131,798)	(175,298)
Net book value		-	3,505	3,505

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	2022	2021
----- (Rupees in '000) -----			
Cost of sales	26.1	439	542
Selling and distribution costs	27	3,018	4,699
Administrative expenses	28	1,700	3,627
		5,157	8,868

**6. LONG TERM LOANS**

Considered good			
- due from executives	6.1	84,965	48,471
- due from other employees	6.1	32,068	25,085
		117,033	73,556
Recoverable within one year	11	(38,802)	(28,014)
	6.2	78,231	45,542

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** **2022** **2021**  
-----**(Rupees in '000)**-----

Long term security deposits 7.1 20,734 40,712

7.1 These include Rs 11.744 million (2021: Rs 11.744 million) representing amount deposited with Water and Power Development Authority (WAPDA) for enhancement in electricity load for detergent unit at Kotri.

**8. STORES AND SPARES** **Note** **2022** **2021**  
-----**(Rupees in '000)**-----

Stores		111,937	101,917
Spares	8.1	377,584	314,042
		489,521	415,959
Less: Provision for obsolete stores and spares		(6,325)	-
	26.1.3	<u>483,196</u>	<u>415,959</u>

8.1 These include spares in transit amounting to Rs 5.649 million (2021: Rs 31.783 million).

**9. STOCK IN TRADE** **Note** **2022** **2021**  
-----**(Rupees in '000)**-----

Raw materials			
- in hand		7,804,622	3,961,699
- with third parties		41,830	4,118
- in transit		903,728	639,417
	26.1.1	<u>8,750,180</u>	<u>4,605,234</u>
Packing materials			
- in hand		870,664	561,849
- with third parties		9,202	7,964
- in transit		11,651	7,252
	26.1.2	<u>891,517</u>	<u>577,065</u>
Work in process	26.1	<u>1,044,795</u>	<u>314,797</u>
Finished goods			
- in hand		1,966,046	1,504,979
- in transit		957	1,239
	26	<u>1,967,003</u>	<u>1,506,218</u>
Trading goods			
- in hand		427,493	248,049
- in transit		3,137	552
	26	<u>430,630</u>	<u>248,601</u>
Less: Provision for obsolete inventory		(16,198)	-
		<u>13,067,927</u>	<u>7,251,915</u>



10. TRADE DEBTS	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
Considered good			
- due from related parties	10.1	4,703	1,624
- others		1,402,403	1,154,255
		<u>1,407,106</u>	<u>1,155,879</u>
Considered doubtful			
- others		7,740	7,740
		<u>1,414,846</u>	<u>1,163,619</u>
Less: Provision for doubtful trade debts	10.4	7,740	7,740
		<u>1,407,106</u>	<u>1,155,879</u>

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

	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
The Aga Khan Hospital and Medical College Foundation	4,425	1,624
Ajinomoto Lakson Pakistan (Private) Limited	269	-
SIZA (Private) Limited	2	-
SIZA Foods (Private) Limited	7	-
	<u>4,703</u>	<u>1,624</u>

10.2 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs 4.703 million (2021: Rs 1.624 million).

10.3 As at June 30, 2022, trade receivables of Rs 420.980 million (2021: Rs 557.305 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:

	Note	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
Upto 1 month		301,386	479,214
1 to 6 months		119,232	77,739
More than 6 months		362	352
		<u>420,980</u>	<u>557,305</u>
10.4 Provision for doubtful trade debts			
Opening balance		7,740	7,740
Add: charge for the year		-	-
Closing balance		<u>7,740</u>	<u>7,740</u>

## 11. LOANS AND ADVANCES

Considered good			
Current portion of long term loans			
- due from executives		26,576	17,600
- due from other employees		12,226	10,414
	6	<u>38,802</u>	<u>28,014</u>
Advances			
- to employees	11.1	6,352	6,649
- to contractors and suppliers	11.2	209,690	75,323
- to collector of customs		36,465	-
		<u>291,309</u>	<u>109,986</u>

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

	Note	2022 ------(Rupees in '000)-----	2021
11.2 Advances include the following amounts due from following related parties:			
ICE Animations (Private) Limited		-	221
Cyber Internet Services (Private) Limited		410	-
Television Media Network (Private) Limited		40,450	-
		<u>40,860</u>	<u>221</u>
11.3 The ageing analysis of advances due from related parties is as follows:			
Upto 1 month		40,860	-
1 to 6 months		-	221
		<u>40,860</u>	<u>221</u>
<b>12. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Security deposits		30,864	19,855
Prepayments		117,484	46,360
		<u>148,348</u>	<u>66,215</u>
<b>13. OTHER RECEIVABLES</b>			
Receivable from related parties	13.1	2,790	2,240
Special excise duties claimable		8,729	8,729
LC margin on imports		305,226	138,847
Others	13.4	114,858	139,529
		<u>431,603</u>	<u>289,345</u>
13.1 Other receivables include the following amounts due from related parties:			
Century Insurance Company Limited		2,730	2,124
Lakson Investment Limited		40	116
Cyber Internet Services (Private) Limited		20	-
		<u>2,790</u>	<u>2,240</u>
13.2 The ageing analysis of other receivables due from related parties is as follows:			
Upto 1 month		2,790	1,700
More than 6 months		-	540
		<u>2,790</u>	<u>2,240</u>
13.3 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs 2.790 million (2021: Rs 3.302 million).			
13.4 These include pay orders issued in favour of Collector of Customs for clearance of tooth brushes shipments amounting to Rs 113.647 million (2021:138.667 million).			

14. SHORT TERM INVESTMENTS	Note	2022 ----- (Rupees in '000) -----	2021
At amortised cost	14.1	149,105	2,686,000
At fair value through profit or loss	14.2	6,394,611	7,195,592
		<b>6,543,716</b>	<b>9,881,592</b>

14.1 The profits on these term deposits range between 6.85% and 8.75% per annum (2021: between 5.75% and 7.95% per annum) having maturity within one year.

14.2 Investments - Fair value through profit or loss

Name of the investee	As at July 01, 2021	Purchase during the year	Units reinvested during the year	Sale / Redemption during the year	As at June 30, 2022	Average cost as at June 30, 2022	Fair Value as at June 30, 2022	Unrealised gain / (loss) as at June 30, 2022	Fair Value as at June 30, 2021
----- (Number of units in '000) -----					----- (Rupees in '000) -----				
Lakson Income Fund	1,987	-	123	(2,110)	-	-	-	-	200,900
Lakson Money Market Fund	12,513	-	1,095	-	13,608	1,372,020	1,379,898	7,878	1,261,420
Atlas Money Market Fund	1,285	295	133	-	1,713	867,138	869,868	2,730	650,257
Atlas Income Fund	190	194	-	(384)	-	-	-	-	99,515
NBP Income Opportunity Fund	9,326	-	-	(9,326)	-	-	-	-	100,421
UBL Liquidity Plus Fund	6,637	989	566	(2,468)	5,724	577,606	578,654	1,048	670,518
UBL Cash Fund	7,729	-	438	(2,739)	5,428	543,334	543,942	608	773,620
MCB Cash Management Optimizer	9,773	988	932	-	11,693	1,180,718	1,184,662	3,944	986,715
ABL Cash Fund	82,531	-	5,771	(29,294)	59,008	599,197	601,979	2,782	840,254
ABL Islamic Cash Fund	1,564	-	47	(1,609)	2	-	5	5	15,638
HBL Cash Fund	5,640	-	515	-	6,155	622,926	623,602	676	570,805
HBL Money Market Fund	1,049	-	-	(1,049)	-	-	-	-	107,646
NIT Money Market Fund	10,594	-	951	-	11,545	111,327	111,460	133	102,135
Alfalah Ghp Money Market Fund	2,108	1,010	107	(3,225)	-	-	-	-	207,129
Alfalah Ghp Cash Fund	1,217	194	75	(584)	902	455,198	453,596	(1,602)	608,619
Pakistan Income Fund	-	2,736	10	(2,746)	-	-	-	-	-
HBL Income Fund	-	897	7	(818)	86	9,508	9,568	60	-
Faysal Money Market Fund	-	2,932	118	(2,684)	366	37,301	37,377	76	-
	<b>154,143</b>	<b>10,235</b>	<b>10,888</b>	<b>(59,036)</b>	<b>116,230</b>	<b>6,376,273</b>	<b>6,394,611</b>	<b>18,338</b>	<b>7,195,592</b>

<b>15. CASH AND BANK BALANCES</b>	<b>Note</b>	<b>2022</b> <b>----- (Rupees in '000) -----</b>	<b>2021</b> <b>----- (Rupees in '000) -----</b>
With banks in current / savings accounts			
- Local currency			
- Current accounts		902,009	503,794
- Savings accounts	15.1	1,877,822	1,508,989
		<u>2,779,831</u>	<u>2,012,783</u>
- Foreign currency			
- Current accounts		13,295	17,456
Cheques in hand		107,595	90,956
Cash in hand		587	569
		<u>2,901,308</u>	<u>2,121,764</u>

15.1 The rate of profit on savings accounts ranges between 12.25% and 12.80% (2021: 5.5%) per annum.

## 16. SHARE CAPITAL

### 16.1 Authorised share capital

<b>2022</b> <b>Number of shares</b>	<b>2021</b> <b>Number of shares</b>		<b>2022</b> <b>----- (Rupees in '000) -----</b>	<b>2021</b> <b>----- (Rupees in '000) -----</b>
<u>125,000,000</u>	<u>75,000,000</u>	Ordinary shares of Rs 10 each	<u>1,250,000</u>	<u>750,000</u>

### 16.2 Issued, subscribed and paid-up share capital

<b>2022</b> <b>Number of shares</b>	<b>2021</b> <b>Number of shares</b>	<b>Note</b>	<b>2022</b> <b>----- (Rupees in '000) -----</b>	<b>2021</b> <b>----- (Rupees in '000) -----</b>
5,882,338	5,882,338	Ordinary shares of Rs 10 each fully paid in cash	58,824	58,824
66,913,245	57,418,169	Ordinary shares of Rs 10 each issued as fully paid bonus shares	669,132	574,181
<u>72,795,583</u>	<u>63,300,507</u>	16.3	<u>727,956</u>	<u>633,005</u>

### 16.3 Reconciliation of number of shares outstanding

<b>2022</b> <b>Number of shares</b>	<b>2021</b> <b>Number of shares</b>		<b>2022</b> <b>----- (Rupees in '000) -----</b>	<b>2021</b> <b>----- (Rupees in '000) -----</b>
63,300,507	57,545,914	Ordinary shares of Rs. 10/- each At the beginning of the year	633,005	575,459
9,495,076	5,754,593	Issued during the year as fully paid bonus shares	94,951	57,546
<u>72,795,583</u>	<u>63,300,507</u>	At the end of the year	<u>727,956</u>	<u>633,005</u>

- 16.4 Colgate-Palmolive Company, an associate incorporated under the laws of State of Delaware, USA, owns 30% (2021: 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.
- 16.5 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

## 17. RESERVES

	Note	2022 ----- (Rupees in '000) -----	2021
Capital reserve			
- Share premium reserve	17.1	13,456	13,456
Revenue reserve			
- General reserve		17,920,000	15,440,000
- Unappropriated profit		4,088,766	4,094,841
		22,008,766	19,534,841
		22,022,222	19,548,297

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

## 18. DEFERRED TAXATION

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

### Taxable temporary difference

Accelerated tax depreciation allowance	332,980	110,582
Right-of-use assets	107,625	86,631
Intangibles	45	-
Short term investments	10,376	3,856
	451,026	201,069

### Deductible temporary difference

Provision for compensated absences	(24,860)	(19,631)
Provision for obsolete inventory and stores and spares	(7,433)	-
Intangibles	-	(388)
Provision for impairment of trade debts	(2,554)	(2,203)
Deferred liabilities	(14,089)	(12,381)
Lease liabilities	(140,348)	(107,649)
	(189,284)	(142,252)
	261,742	58,817

18.1 The movement in temporary differences is as follows:

	Balance as at July 1, 2020	Recognised in profit or loss	Balance as at June 30, 2021	Recognised in profit or loss	Balance as at June 30, 2022
	----- (Rupees in '000) -----				
<b>Deferred tax debits:</b>					
Accelerated tax depreciation allowance	145,248	(34,666)	110,582	222,398	332,980
Right-of-use assets	89,710	(3,079)	86,631	20,994	107,625
Short term investments	2,495	1,361	3,856	6,520	10,376
	237,453	(36,384)	201,069	249,912	450,981
<b>Deferred tax credits:</b>					
Provision for compensated absences	(16,787)	(2,844)	(19,631)	(5,229)	(24,860)
Provision for obsolete inventory and stores and spares	-	-	-	(7,433)	(7,433)
Intangibles	(1,008)	620	(388)	433	45
Provision for impairment of trade debts	(2,203)	-	(2,203)	(351)	(2,554)
Deferred liabilities	(12,381)	-	(12,381)	(1,708)	(14,089)
Lease liabilities	(101,726)	(5,923)	(107,649)	(32,699)	(140,348)
	103,348	(44,531)	58,817	202,925	261,742

## 19. LONG TERM DEPOSITS

	2022	2021
	----- (Rupees in '000) -----	
Deposits obtained from:		
- Distributors	60,629	120,167
- Transporters	500	500
- Others	2,005	2,005
	63,134	122,672

19.1 As per the requirements of section 217 of the Companies Act, 2017 deposits amounting to Rs 35.948 million (2021: Rs 98.205 million) are utilised for the purpose of business as per the written agreements and deposits amounting to Rs 24.680 million (2021: Rs 23.962 million) are kept in separate bank account.

	Note	2022	2021
		----- (Rupees in '000) -----	
<b>20. DEFERRED LIABILITIES</b>			
Staff retirement gratuity	20.1	76,106	(24,606)
Payable against Gas infrastructure development cess (GIDC)		-	87,139
20.1 Defined benefit plan (staff retirement gratuity)			
- funded	20.5	76,106	(24,606)

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, 2022. The disclosures made in notes 20.3 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, 2022. The projected unit credit method using the following significant assumptions was used for this valuation:

	2022 Percentage	2021
- Discount rate - per annum compound	13.25	10.00
- Expected rate of increase in salaries - per annum		
For next year	13.50	13.00
For subsequent years	13.25	10.00

20.4 Mortality rate

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

20.5 Statement of financial position reconciliation

	Note	2022 ----- (Rupees in '000) -----	2021
Present value of defined benefit obligation	20.6	897,616	842,892
Fair value of plan assets	20.7	(821,510)	(867,498)
		<u>76,106</u>	<u>(24,606)</u>

20.6 Movement in defined benefit obligation

Present value of defined benefit obligation as at July 1	842,892	737,791
Current service cost	53,822	46,367
Interest cost	79,647	61,292
Remeasurement on obligation from changes in financial assumption	1,782	18,848
Remeasurement on obligation from experience adjustments	12,317	12,014
Benefits paid	(92,844)	(33,420)
Present value as at June 30	<u>897,616</u>	<u>842,892</u>

20.7 Movement in fair value of plan assets

Fair value as at July 1	867,498	690,498
Expected return on plan assets	82,399	61,492
Remeasurement on fair value of plan assets	(35,543)	58,747
Contributions made to the fund	-	90,181
Benefits paid	(92,844)	(33,420)
Fair value as at June 30	<u>821,510</u>	<u>867,498</u>



	Note	2022 ----- (Rupees in '000) -----	2021
20.8 Movement in net liability in the statement of financial position is as follows:			
Balance of net liability as at July 1		(24,606)	47,293
Charge for the year	20.10	51,070	46,167
Contributions made to the fund		-	(90,181)
Net remeasurement for the year		49,642	(27,885)
Balance of net liability / (asset) as at June 30		<u>76,106</u>	<u>(24,606)</u>

20.9 Amounts charged to profit or loss:

Current service cost	53,822	46,367
Net interest cost	(2,752)	(200)
	<u>51,070</u>	<u>46,167</u>

20.10 Charge for the year has been allocated as under:

Cost of sales	26.1	23,414	20,565
Selling and distribution costs	27	15,950	14,505
Administrative expenses	28	11,706	11,097
		<u>51,070</u>	<u>46,167</u>

20.11 Actual return on plan assets

Expected return on plan assets	82,399	61,492
Remeasurement on fair value of plan assets	(35,543)	58,747
Actual return on plan assets	<u>46,856</u>	<u>120,239</u>

20.12 Plan assets comprise of the following:

	2022		2021	
	(Rs in '000)	Percentage	(Rs in '000)	Percentage
Shares and units of mutual funds	316,692	38.55	369,440	43.00
Debt instruments	445,834	54.27	435,396	50.00
Cash at Banks	58,984	7.18	62,662	7.00
	<u>821,510</u>	<u>100.00</u>	<u>867,498</u>	<u>100.00</u>

20.13 Expected contribution to defined benefit plan for the year ending June 30, 2023 is Rs 103.636 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%	839,441	962,977
Salary growth rate	1%	962,354	838,967

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.

21	LONG-TERM FINANCING	Note	2022 ----- (Rupees in '000) -----	2021
	Financing under:			
	- salary refinance scheme	21.2	374,481	873,788
	- temporary economic refinance facility	21.3	1,067,412	399,630
	- renewable energy finance facility	21.4	54,349	46,661
			1,496,242	1,320,079
	Less: reclassified to Deferred grant	21.5	357,685	182,296
	Less: current maturity of financing under:			
	- salary refinance scheme		368,544	499,308
	- temporary economic refinance facility		12,964	-
	- renewable energy finance facility		9,381	7,178
			390,889	506,486
			747,668	631,297

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

	2022 ----- (Rupees in '000) -----	2021
Balance as at July 1	1,320,079	312,837
Proceeds from long-term financing	676,436	1,133,864
Less: Long-term financing repaid during the year	(500,273)	(126,622)
Less: Amount recognised as deferred grant	(357,685)	(182,296)
Less: Current portion shown under current liability	(390,889)	(506,486)
Balance as at June 30	747,668	631,297

- 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 1,466.67 million and Rs 1,800 million respectively (2021: Rs 1,376.19 million and Rs 1,766.67 million respectively).

		2022	2021
		----- (Rupees in '000) -----	
<b>22. LEASE LIABILITIES</b>			
Present value of minimum lease payments		402,422	371,059
Less: current portion of lease liabilities		(60,987)	(39,040)
		<u>341,435</u>	<u>332,019</u>

- 22.1 The Company has total cash outflows for leases of Rs 94.012 million (2021: Rs 65.682 million).

		Note	2022	2021
			----- (Rupees in '000) -----	
<b>23. TRADE AND OTHER PAYABLES</b>				
Trade creditors	23.1		1,830,431	1,390,668
Accrued liabilities	23.2		2,949,599	2,337,495
Bills payable			1,464,105	637,968
Advances from customers - unsecured	23.3		160,930	110,726
Sales tax payable			310,066	335,630
Royalty payable to Colgate-Palmolive Co., USA			466,630	402,068
Workers' profits participation fund	23.4		468,010	427,415
Workers' welfare fund			174,357	158,944
Retention money payable			12,947	14,667
Gas Infrastructure Development Cess liability			22,785	35,518
Others	23.5		129,280	70,450
			<u>7,989,140</u>	<u>5,921,549</u>

		2022	2021
		----- (Rupees in '000) -----	
23.1	These include the following amounts due to related parties:		
	Century Paper & Board Mills Limited	36,216	5,418
	Century Insurance Company Limited	28,232	10,666
	Merit Packaging Limited	103,212	109,634
	Caraway (Private) Limited	898	-
	The Aga Khan Hospital and Medical College Foundation	-	30
	Television Media Network (Private) Limited	24,191	107
	Express Publication (Private) Limited	-	7
	Sybrid (Private) Limited	-	277
	Ajinomoto Lakson Pakistan (Private) Limited	585	-
	Siza (Private) Limited	-	136
	Siza Services (Private) Limited	224	-
	Lakson Investment Limited	16	1,327
		193,574	127,602
23.2	These include the following amounts accrued in respect of related parties:		
		2022	2021
		----- (Rupees in '000) -----	
	Ajinomoto Lakson (Private) Limited	1,806	506
	Century Paper & Board Mills Limited	278	3,183
	Merit Packaging Limited	87,307	12,393
	Caraway (Private) Limited	5,496	-
	Sybrid (Private) Limited	60	60
	Television Media Network (Private) Limited	14,105	67,545
		109,052	83,687
		Note	
		2022	2021
		----- (Rupees in '000) -----	
23.3	These include the following amounts of advances from related parties:		
	Century Paper & Board Mills Limited	48,416	-
		48,416	-
23.4	Workers' profits participation fund		
	Balance at beginning of the year	427,415	360,009
	Allocation for the year	468,010	427,415
		895,425	787,424
	Less: Payments during the year	427,415	360,009
	Balance at end of the year	468,010	427,415
23.5	These include the following amounts payable to related parties:		
	CPPL Employees Provident Fund Trust	12,150	-
	Colgate-Palmolive (Thailand) Ltd.	-	1,742
	Colgate-Palmolive (Hongkong) Ltd.	-	5,030
	Colgate-Palmolive (China) Co. Ltd. Guangzhou	37	28
		12,187	6,800

## **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 (2021: Rs 1,540 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 2022 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 14.41% to 15.99% (2021: 7.95% to 8.95%) per annum.
- 24.3 The facilities for opening letters of credit and guarantees as at June 30, 2022 aggregated Rs 9,300 million and Rs 2,425 million (2021: Rs 5,900 million and Rs 285 million) respectively of which the amounts remaining unutilised at the year end were Rs 5,061 million and Rs 2,078 million (2021: Rs 3,672.818 million and Rs 174.253 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 346.985 million (2021: Rs 110.747 million).

## 25.2 Commitments

- 25.2.1 Commitments in respect of capital expenditure and inventory items amounted to Rs 66.767 million and Rs 1,165.499 million (2021: Rs 357.068 million and Rs.984.946 million) respectively.
- 25.2.2 Outstanding letters of credit amounted to Rs. 2,775.056 million (2021: Rs 1,589.214 million).
- 25.2.3 Outstanding duties leviable on clearing of stocks amounted to Rs 13.149 million (2021: Rs 13.688 million).
- 25.2.4 Post dated cheques issued to the collector of customs against duty on inventory items amount to Rs 595.414 million (2021: Rs 127.038 million).

	Note	2022 ------(Rupees in '000)-----	2021
<b>26 COST OF SALES</b>			
Opening stock of finished goods (including trading goods)		1,754,819	1,534,690
Cost of goods manufactured	26.1	39,938,789	30,671,731
Purchases of trading goods		6,992,506	5,264,040
		48,686,114	37,470,461
Less: Closing stock of finished goods (including trading goods)	9	2,397,633	1,754,819
		<u>46,288,481</u>	<u>35,715,642</u>

	Note	2022 ----- (Rupees in '000) -----	2021
26.1 Cost of goods manufactured			
Opening stock of work in process		314,797	581,972
Raw materials consumed	26.1.1	29,685,274	21,555,148
Packing materials consumed	26.1.2	6,577,426	5,261,056
Stores and spares consumed	26.1.3	175,119	164,728
Salaries, wages and other benefits		1,822,355	1,475,993
Staff retirement gratuity	20.10	23,414	20,565
Provident fund	26.1.4	24,453	22,519
Power and fuel		1,076,544	653,060
Repairs and maintenance		81,902	48,394
Rent, rates and taxes		80,847	43,863
Insurance		83,678	69,125
Laboratory expenses		16,264	17,954
Cartage		167,637	235,987
Depreciation on operating fixed assets	4.1.6	673,955	684,579
Depreciation on right-of-use assets	4.3.2	17,775	9,885
Amortisation	5.3	439	542
Other manufacturing expenses		161,705	141,158
		40,983,584	30,986,528
Less: Closing stock of work in process	9	1,044,795	314,797
		39,938,789	30,671,731
26.1.1 Raw materials consumed			
Opening stock		4,605,234	3,538,598
Purchases		33,830,220	22,621,784
		38,435,454	26,160,382
Less: Closing stock	9	8,750,180	4,605,234
		29,685,274	21,555,148
26.1.2 Packing materials consumed			
Opening stock		577,065	518,436
Purchases		6,891,878	5,319,685
		7,468,943	5,838,121
Less: Closing stock	9	891,517	577,065
		6,577,426	5,261,056
26.1.3 Stores and spares consumed			
Opening stock		415,959	348,815
Purchases		242,356	231,872
		658,315	580,687
Less: Closing stock	8	483,196	415,959
		175,119	164,728
26.1.4 The investments by the provident fund in collective investment schemes, listed equity and debts securities have been made in accordance with the conditions specified in section 218 of the Companies Act, 2017 and rules specified thereunder.			



	Note	2022 ----- (Rupees in '000) -----	2021
<b>27. SELLING AND DISTRIBUTION COST</b>			
Salaries, wages and other benefits		1,028,499	886,024
Staff retirement gratuity	20.10	15,950	14,505
Provident fund	26.1.4	29,588	26,639
Travelling and conveyance		53,666	28,904
Repairs and maintenance		21,669	8,623
Vehicle running expenses		167,354	102,149
Advertising and sales promotion		2,632,780	2,821,256
Royalty on sale of licensed products	27.1	407,929	340,280
Software license and maintenance		5,196	9,023
Postage, telephone and internet charges		25,971	29,009
Rent, rates and taxes	27.2	140,229	127,875
Printing and stationery		4,889	5,484
Subscription and membership		450	36
Legal and professional		944	1,898
Freight		2,092,395	1,740,497
Electricity		14,519	13,033
Insurance		62,587	57,560
Security service charges		11,559	11,775
Depreciation on operating fixed assets	4.1.6	86,608	68,341
Depreciation on right-of-use assets	4.3.2	25,126	20,782
Amortisation	5.3	3,018	4,699
Other expenses		17,586	14,025
		<u>6,848,512</u>	<u>6,332,417</u>

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

Name of Recipient	Relationship with the Company	Registered Address	2022 ----- (Rupees in '000) -----	2021
Colgate-Palmolive Company	Associate	300 Park Avenue, New York 10022-7499 USA	340,281	278,180

27.2 Expense in respect of short term leases amounted to Rs 6.345 million (2021: Rs 6.753 million).

**Note**

**2022      2021**

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

**28. ADMINISTRATIVE EXPENSES**

Salaries, wages and other benefits		375,945	341,136
Staff retirement gratuity	20.10	11,706	11,097
Provident fund	26.1.4	13,894	12,218
Travelling and conveyance		6,959	3,859
Repairs and maintenance		74,768	61,027
Vehicle running expenses		25,726	23,077
Postage, telephone and internet charges		16,402	14,949
Rent, rates and taxes		6,467	4,956
Software license fee		31,606	34,580
Printing and stationery		5,863	5,564
Subscription and membership		16,897	22,160
Legal and professional		19,280	5,469
Electricity		6,204	5,698
Insurance		25,488	25,396
Security service charges		5,984	5,236
Depreciation on operating fixed assets	4.1.6	38,757	34,731
Depreciation on right-of-use assets	4.3.2	16,375	16,376
Amortisation	5.3	1,700	3,627
Others		502	4,138
		<u>700,523</u>	<u>635,294</u>
Charge from related parties		2,722	10,798
		<u>703,245</u>	<u>646,092</u>

**29. OTHER EXPENSES**

Workers' profits participation fund	23.4	468,010	427,415
Workers' welfare fund	29.1	173,083	158,202
Auditors' remuneration	29.2	3,551	4,243
Property, plant and equipment - written off	4.1.1	-	246
Donations	29.3	20,750	33,955
Exchange loss - net		52,545	-
Others		6,736	19,746
		<u>724,675</u>	<u>643,807</u>

29.1 Workers' welfare fund			
Charge for the year		174,357	158,944
Prior year		(1,274)	(742)
		<u>173,083</u>	<u>158,202</u>

29.2 Auditors' remuneration			
Audit fee		1,500	1,283
Fee for half yearly review		626	557
Statutory certifications		660	349
Others	29.2.1	469	1,702
		<u>3,255</u>	<u>3,891</u>

Out of pocket expenses		296	352
		<u>3,551</u>	<u>4,243</u>

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	2022 ----- (Rupees in '000) -----	2021 ----- (Rupees in '000) -----
Mr. Zulfiqar Ali Lakhani, Mr. Amin Mohammed Lakhani and Mr. Iqbal Ali Lakhani	Trustees	Hasanali and Gulbanoo Lakhani Foundation	18,000	22,700
Mr. Iqbal Ali Lakhani	Trustee	Layton Rehmatullah Benevolent Trust	500	500
Mr. Iqbal Ali Lakhani	Spouse is the chairperson	Pakistan Special Olympics	1,000	2,412
Mr. Zulfiqar Ali Lakhani	Spouse is the patron	Pakistan Women's Swimming Association	20	-

**Note**

**2022**  
----- (Rupees in '000) -----

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

**30. OTHER INCOME**

**Income from financial assets**

Profit on savings accounts	154,863	95,031
Profit on treasury bills	53,320	111,618
Profit on a term deposit receipt	29,400	83,903
Profit on PIBs	436	-
Profit on Sukuk bonds	-	1,741
Dividend Income	646,066	364,191
Exchange gain - net	-	42,067
Unrealised gain on investments classified as fair value through profit or loss	14,745	4,422
Gain on disposal of short term investments	91,929	22,859
Reversal of GIDC	-	22,789
	990,759	748,621

**Income from non-financial assets**

Insurance commission	530	-
Gain on disposal of items of property, plant and equipment 4.1.5	31,112	31,931
Sale of scrap	60,915	52,455
Others	16,203	22,777
	108,760	107,163
	1,099,519	855,784

**31. FINANCE COST AND BANK CHARGES**

**2022**      **2021**  
-----**(Rupees in '000)**-----

Guarantee commission	2,360	1,913
Interest on lease liabilities	49,224	49,538
Interest on long-term financing	29,637	13,145
Interest on short-term financing	252	-
Bank commission and other charges	46,042	43,852
Finance cost on GIDC	15,295	9,727
	<u>142,810</u>	<u>118,175</u>

**32. TAXATION**

Current		
- for the year	2,657,589	2,338,795
- for prior years	(10,072)	(8,426)
	<u>2,647,517</u>	<u>2,330,369</u>
Deferred tax	202,925	(44,445)
	<u>2,850,442</u>	<u>2,285,924</u>

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

**2022**      **2021**  
**Percentage**

Applicable tax rate	29.00	29.00
Tax effect of income assessed under reduced rate	(1.05)	(0.55)
Tax effect due to impact of super tax	3.78	-
Others	1.07	0.36
	<u>32.80</u>	<u>28.81</u>
Tax effect of income tax reversal relating to prior years	(0.12)	(0.11)
	<u>32.68</u>	<u>28.70</u>

**33. EARNINGS PER SHARE**

**2022**      **2021**  
-----**(Rupees in '000)**-----

Profit after taxation	5,871,580	5,676,749
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Weighted average number of ordinary shares outstanding during the year

**(Number of shares)**  
**(Restated)**

72,795,583	72,795,583
------------	------------

**2022**      **2021**  
-----**(Rupees)**-----  
**(Restated)**

Earnings per share	80.66	77.98
--------------------	-------	-------

33.1 There are no dilutive potential ordinary shares outstanding as at June 30, 2022 and 2021.

	Note	2022 ----- (Rupees in '000) -----	2021
<b>34. CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		8,722,022	7,962,673
Adjustment for non-cash charges and other items:			
Depreciation on operating fixed assets		799,320	787,651
Depreciation on right-of-use assets		59,276	47,043
Amortisation expense		5,157	8,868
Gain on disposal of items of property, plant and equipment		(31,112)	(31,931)
Gain on termination of lease		(10,535)	-
Staff retirement gratuity		51,070	46,167
Profit on savings accounts		(154,863)	(95,030)
Profit on a term deposit receipt		(29,400)	(83,903)
Profit on treasury bills		(53,320)	(111,618)
Profit on PIBs		(436)	-
Profit on Sukuk bonds		-	(1,741)
Unrealised gain on investments classified as fair value through profit or loss		(14,745)	(4,422)
Gain on disposal of short term investments		(91,929)	(22,859)
Profit on short term investments			
Finance cost and Bank Charges		142,810	118,175
Provision for obsolete inventory		16,199	-
Provision for slow moving stores and spares		6,325	-
Stores and spares written off		-	1,599
Property, plant and equipment written off		-	246
Working capital changes	34.1	(4,597,557)	516,939
		<u>4,818,282</u>	<u>9,137,857</u>
<b>34.1 Working capital changes</b>			
(Increase) / decrease in current assets:			
Stores and spares		(73,562)	(68,743)
Stock in trade		(5,832,211)	(1,078,219)
Trade debts		(251,227)	(318,738)
Loans and advances		(181,323)	16,684
Trade deposits and short term prepayments		(82,133)	27,632
Other receivables		(142,258)	118,071
		<u>(6,562,714)</u>	<u>(1,303,313)</u>
Increase in current liabilities:			
Trade and other payables		1,965,157	1,820,252
		<u>(4,597,557)</u>	<u>516,939</u>
<b>35. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	15	2,901,308	2,121,764
Short term investments	14	77,000	2,686,000
		<u>2,978,308</u>	<u>4,807,764</u>
<b>36. PROPOSED DIVIDEND</b>			

The Board of Directors in its meeting held on July 29, 2022 have proposed a cash dividend of Rs 28 per share (2021: Rs 24 per share) aggregating Rs 2,038.276 million (2021: 1,519.212 million) and bonus issue of 10.919 million shares (2021: 9.495 million) at the rate of 1.5 shares for every 10 shares held (2021: 1.5 shares for every 10 shares) aggregating Rs 109.193 million (2021: 94.951 million) for the year ended June 30, 2022. This is in addition to the interim cash dividend of Rs 24.5 (2021: Rs 25) per share aggregating Rs 1,783.492 million (2021: Rs 1,582.513 million). Further, the Board has proposed a transfer of unappropriated profit to general reserve amounting to Rs 1,941 million (2021: Rs 2,480 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, 2023.

### 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	2022 (Rupees in '000)	2021
Sale of goods, services provided and reimbursement of expenses	Associates	100,034	60,059
Purchase of goods, services received and reimbursement of expenses	Associates	4,261,227	3,463,913
Rent, allied and other charges	Associates	40,147	37,380
Purchase of short term investments	Associate	-	200,000
Sale proceeds on redemption of short term investments	Associate	200,000	650,000
Profit on short term investments	Associate	31,724	16,168
Royalty charges	Associate	404,842	340,280
Purchase of property, plant and equipment	Associate	-	481
Expense in relation to staff retirement gratuity fund	Employees fund	51,070	46,167
Expense in relation to provident fund	Employees fund	67,936	61,375
Donations	Associates	19,520	25,612
Compensation paid to key management personnel	Key management personnel	86,597	117,428
Insurance claims received	Associate	4,184	4,003
Dividend paid	Associates	2,904,706	2,372,368
Dividend received on mutual funds	Associates	130,118	93,399

37.2 The related party status of outstanding balances as at June 30, 2022 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 has 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 Fund	--do--	Trustee	N/A
32	The Aga Khan Hospital and Medical College Foundation	--do--	Common Director	N/A
33	Pakistan Women's Swimming Association	--do--	Associate	N/A
34	ICE Animations (Private) Limited	--do--	Common Director	N/A



### 38. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

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

	<b>Chief Executive</b>		<b>Executives</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>------(Rupees in '000)-----</b>			
Managerial remuneration	23,173	19,862	473,756	406,320
Bonus / commission	-	-	171,418	124,957
Staff retirement gratuity	-	-	90,546	79,895
Provident fund	-	-	39,435	33,702
Housing	10,427	8,938	213,271	182,858
Utilities	3,884	3,572	-	-
Motor vehicles	2,339	1,629	35,955	25,278
Others	-	-	69,309	56,409
	<b>39,823</b>	<b>34,001</b>	<b>1,093,690</b>	<b>909,419</b>
Number of persons	<b>1</b>	<b>1</b>	<b>180</b>	<b>146</b>

38.2 The Chief Executive 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. 1.2 million (2021: Rs 1.1 million). No remuneration is paid to any non-executive director.

**2022      2021**  
**------(Rupees in '000)-----**

### 39. FINANCIAL INSTRUMENTS BY CATEGORY

#### FINANCIAL ASSETS

##### At amortised cost

Long term loans	78,231	45,542
Long term security deposits	20,734	40,712
Trade debts	1,407,106	1,155,879
Loans	38,802	28,014
Trade deposits	30,864	19,855
Other receivables	422,874	280,616
Accrued profit	4,760	12,158
Short term investments	149,105	2,686,000
Cash and bank balances	2,901,308	2,121,764
	<b>5,053,784</b>	<b>6,390,540</b>
<b>At fair value through profit or loss</b>	<b>6,394,611</b>	<b>7,195,592</b>
	<b>11,448,395</b>	<b>13,586,132</b>

**FINANCIAL LIABILITIES****At amortised cost**

	2022	2021
	----- (Rupees in '000) -----	
Long term deposits	63,134	122,672
Long-term financing	1,496,242	1,320,079
Lease Liabilities	402,422	371,059
Short-term financing	42,334	-
Trade and other payables	6,875,777	4,888,834
Unclaimed dividend	31,277	27,270
Accrued mark up	8,322	4,978
	<u>8,919,508</u>	<u>6,734,892</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 11,448.395 million (2021: Rs 13,586.132 million), the financial assets that are subject to credit risk aggregated Rs 11,447.808 million (2021: Rs 13,585.563 million).

The analysis below summarises the credit quality of the Company's financial assets as at June 30, 2022 / 2021.

The bank balances along with credit ratings are tabulated below:

	2022	2021
	----- (Rupees in '000) -----	
Credit ratings		
A-1+	2,777,104	2,019,800
Others	123,617	101,395
	<u>2,900,721</u>	<u>2,121,195</u>

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

	2022	2021
	----- (Rupees in '000) -----	
Credit ratings		
A-1+	128,747	2,686,000
AA	20,358	-
Management Quality ratings		
AM1	1,296,121	1,189,272
AM2+	5,098,490	6,006,320
	<u>6,543,716</u>	<u>9,881,592</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:

	<b>2022</b>	<b>2021</b>
	<b>----- (Rupees in '000) -----</b>	
<b>Due from customers other than related parties</b>		
Institutional customers	1,300,101	1,054,908
Distributors	93,661	106,782
Others	16,381	305
	<u>1,410,143</u>	<u>1,161,995</u>

Out of Rs 1,410.413 million (2021: Rs 1,161.695 million), the Company has provided Rs 7.740 million (2021: 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:

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>----- (Rupees in '000) -----</b>	
Trade debts	10.1	4,703	1,624
Other receivables	13.1	2,790	2,240
		<u>7,493</u>	<u>3,864</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
	<b>June 30, 2022</b>		
	----- (Rupees in '000) -----		
<b>Financial liabilities</b>			
Long term deposits	-	63,134	63,134
Long-term financing	427,269	1,217,583	1,644,852
Lease Liabilities	90,221	650,252	740,473
Trade and other payables	6,875,777	-	6,875,777
Short-term financing	42,334	-	42,334
Unclaimed dividend	31,277	-	31,277
Accrued mark up	8,322	-	8,322
	<b>7,475,200</b>	<b>1,930,969</b>	<b>9,406,169</b>
	<b>June 30, 2021</b>		
	----- (Rupees in '000) -----		
<b>Financial liabilities</b>			
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
Short-term financing	-	-	-
Unclaimed dividend	27,270	-	27,270
Accrued mark up	4,978	-	4,978
	<b>5,520,414</b>	<b>1,487,928</b>	<b>7,008,342</b>

## 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, 2022, 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 73.205 million (2021: Rs 31.026 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, long term financing, lease liabilities and cash with banks in savings accounts which are based on fixed interest rates. As at June 30, 2022, had there been increase / decrease in fixed interest rates by 100 basis points, with all other variables held constant, profit before tax for the year would have been higher / lower by Rs 12.704 million (2021: Rs 25.039 million).
- 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, 2022, 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 63.946 million (2021: Rs 71.956 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, 2022, all financial assets and financial liabilities are carried at amortised cost except for investment in mutual funds and PIBs 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 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, 2022:

Financial assets	2022			Total
	Level 1	Level 2	Level 3	
	(Rupees in '000)			
Financial investments: Fair value through profit or loss	6,394,611	-	-	6,394,611

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

#### 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, 2022 and 2021, 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:

	2022	2021
Personal Care	27%	28%
Home Care	69%	68%
Others	4%	4%
	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

	2022 (Quantities in tons)	2021 (Quantities in tons)
Capacity	290,600	278,000
Production	271,729	253,867

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, 2022 and 2021 respectively are as follows:

	<b>2022</b>	<b>2021</b>
	<b>No of employees</b>	
Average number of employees during the year	1,152	1,118
Number of employees as at June 30	1,164	1,134

**45. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on July 29, 2022 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

As at June 30, 2022

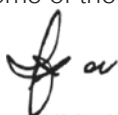
Incorporation Number KAR-5010 OF 1977-78  
CUIN Registration NO. 005832

No. of Shareholders	Shareholdings			Total Shares Held
	From	To		
526	1	100	Shares	11,911
180	101	500	Shares	43,687
81	501	1000	Shares	58,146
127	1001	5000	Shares	258,993
15	5001	10000	Shares	99,175
6	10001	15000	Shares	73,499
2	15001	20000	Shares	32,520
1	20001	25000	Shares	24,725
4	25001	30000	Shares	108,745
1	35001	40000	Shares	37,102
1	60001	65000	Shares	64,941
1	95001	100000	Shares	99,000
1	240001	245000	Shares	244,998
1	245001	250000	Shares	249,395
1	255001	260000	Shares	260,000
1	2235001	2240000	Shares	2,235,624
1	3270001	3275000	Shares	3,272,336
1	3855001	3860000	Shares	3,859,980
1	8865001	8870000	Shares	8,867,089
1	12650001	12655000	Shares	12,651,945
1	18400001	18405000	Shares	18,403,118
1	21835001	21840000	Shares	21,838,654
<b>955</b>				<b>72,795,583</b>

## Categories of Shareholders

	Shares held	Percentage
Directors, Chief Executive Officer, and their spouses and minor children	3,288,726	4.52
Associated Companies, undertakings and related parties	42,950,516	59.00
NIT and ICP	-	-
Banks, Development Financial Institutions, Non Banking Financial Institutions, Insurance Companies	3,769	0.01
Modarabas and Mutual funds	1,877	-
Shareholders holding 10%	61,760,806	84.84
General Public		
a. Local	740,701	1.01
b. Foreign	-	-
Others	25,809,994	35.46

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



**Zulfikar Ali Lakhani**  
Chief Executive

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

i)	<b><u>ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES</u></b>	<b>Shares Held</b>
	1. SIZA (Pvt) Limited	12,651,945
	2. SIZA Services (Pvt) Limited	18,403,118
	3. SIZA Commodities (Pvt) Limited	2,495,624
	4. Premier Fashions (Pvt) Limited	8,867,089
	5. Century Insurance Company Limited	26,774
	6. Sultan Ali Lakhani	510
	7. Shaista Sultan Ali Lakhani	813
	8. Babar Ali Lakhani	4,371
	9. Bilal Ali Lakhani	1,738
	10. Danish Ali Lakhani	2,521
	11. Anushka Lakhani	250,056
	12. Anika Amin Lakhani	959
	13. Natasha Lakhani	244,998
ii)	<b><u>MUTUAL FUND</u></b> CDC – Trustee AKD Index Tracker Fund	1,877
iii)	<b><u>DIRECTORS AND THEIR SPOUSES AND MINOR CHILDREN</u></b>	
	1. Iqbal Ali Lakhani Chairman/Director	3,273,426
	2. Zulfiqar Ali Lakhani Director/Chief Executive	2,374
	3. Amin Mohammed Lakhani Director	7,984
	4. Aliya Saeeda Khan Director	1,518
	5. Kamran Yousuf Mirza Director	632
	6. Syed Shahid Ali Bukhari Director	632
	7. Peter John Graylin Nominee of Colgate-Palmolive Company, USA	-
	8. Ms. Xuan Dai Nominee of Colgate-Palmolive Company, USA	-
	9. Ronak Iqbal Lakhani W/o. Iqbal Ali Lakhani	754
	10. Fatima Lakhani W/o. Zulfiqar Ali Lakhani	470
	11. Saira Amin Lakhani W/o. Amin Mohammed Lakhani	936
iv)	<b><u>EXECUTIVES</u></b>	1,614
v)	<b><u>PUBLIC SECTOR COMPANIES AND CORPORATIONS</u></b>	NIL
vi)	<b><u>BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS AND:</u></b> [Other than those reported at i (5)]	23,724
vii)	<b><u>SHAREHOLDERS HOLDING 5% OR MORE</u></b> Colgate-Palmolive Co., USA. Arisaig India Fund Limited, Hongkong [Other than those reported at i(1), i(2) & i(4)]	21,838,654 3,859,980
viii)	<b><u>INDIVIDUALS AND OTHER THAN THOSE MENTIONED ABOVE</u></b>	830,492 72,795,583

## پیٹرن آف شیر ہولڈنگ

کمپنی کے شیر ہولڈرز کا پیٹرن اور اضافی معلومات بمطابق 30 جون 2022 کو ظاہر کرنے والا ایک بیان رپورٹ میں شامل کیا گیا ہے۔  
بورڈ نے ان ایگزیکٹوز اور ملازمین کی طرف سے کمپنی کے شیرز کے لین دین کے سلسلے میں حد کا تعین کیا ہے جو 15 لاکھ یا اس سے زیادہ سالانہ بنیادی  
متنخواہ 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

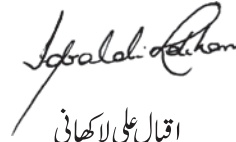
ہم اپنے صارفین کا اپنے برانڈز پر ان کے اعتماد پر انتہائی شکر گزار ہیں۔ ہم لگاتار معاونت کے لیے اپنے کسٹمرز، ڈسٹری بیوٹرز، سپلائی چین پارٹنرز، بینکرز  
اور شیر ہولڈرز سے اظہار تشکر کرتے ہیں۔ ہم اپنے ملازمین کی لگن اور کمپنی کے لیے ان کے قابل قدر کردار کا بھی اعتراف کرنا چاہیں گے۔

بورڈ آف ڈائریکٹرز کی جانب سے



ذوالفقار علی لاکھانی

چیف ایگزیکٹو



اقبال علی لاکھانی

چیرمین

کراچی: 29 جولائی 2022

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

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

جو ڈائریکٹر اجلاس میں شرکت نہ کر سکے، انہیں رخصت برائے غیر حاضری عطا کر دی گئی۔

### 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 44 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۔

- ☆ مالیاتی گوشواروں کی تیاری میں انٹرنیشنل فائنانشل 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۔
- ☆ ٹیکس 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:

2021-2022

'000 روپوں میں

CPPL اسٹاف پروویڈنٹ فنڈ 729,083

CPPL اسٹاف گرپوئیٹ فنڈ 776,540

☆ 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
محترمہ عالیہ سعیدہ خان	4
جناب پیٹریک جان گرین۔ CP-USA کی طرف سے نامزد	4
محترمہ ژاؤن ڈائی۔ CP-USA کی طرف سے نامزد	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	4
جناب امین محمد لاکھانی	4
جناب کامران یوسف مرزا	4

اس سال ملک بھر کے اسکولوں سے اور آن لائن جمع کرائے گئے 67,654 فن پارے موصول ہوئے۔ ہر سال کی طرح اس سال بھی پاکستان کے ایک نو عمر آرٹسٹ کو اس مقابلے کے ذریعے کولگیٹ مائی برائٹ سائنلز، عالمی کیلنڈر میں شائع ہونے کا اعزاز حاصل ہوا۔

کمپنی نے سماجی بہبود کے منصوبوں کی معاونت بھی جاری رکھی اور 20.75 ملین روپے کے عطیات دیے گئے۔

### مستقبل میں توقعات

عالمی معیشت کی عالمی وبا کے بعد کی بحالی کوروس اور یوکرین کے جاری تنازع سے شدید جھٹکا لگا ہے۔ نتیجتاً اجناس کی بین الاقوامی منڈیوں میں تیل کی قیمتیں تاریخ کی بلند ترین سطح پر پہنچ گئی ہیں۔

سیاسی عدم استحکام اور غیر یقینی صورتحال، تجارتی خسارہ اور زر مبادلہ کے ذخائر میں کمی، یہ سب پاکستانی روپے پر امریکی ڈالر کے مقابلے میں نمایاں دباؤ کا باعث بن رہے ہیں۔

منافع جات کا تحفظ کاروبار کے لیے ایک سنگین چیلنج بنا ہوا ہے۔ بڑھتی ہوئی مہنگائی نے عوام کی قابل صرف آمدنی کو متاثر کیا ہے اور ان کی طرف سے اخراجات محدود رہنے کا امکان ہے۔ ان تمام چیلنجوں کے پیش نظر آپ کی کمپنی یہ منفی اثرات کم کرنے، قدر کی فراہمی کے ذریعے اپنے اسٹیک ہولڈرز کی خدمت، اپنی مصنوعات کے متنوع پورٹ فولیو سے فائدہ اٹھاتے ہوئے صارفین اور سپلائرز کے ساتھ تعلقات کو مضبوط بنانے پر توجہ مرکوز رکھے ہوئے ہے تاکہ اپنے منافع بخش نمو کے عزائم کو جاری رکھا جاسکے۔

### انٹرئل فنانشل کنٹرول

ڈائریکٹر انٹرئل فنانشل کنٹرول کے سلسلے میں اپنی ذمہ داری سے بخوبی واقف ہیں۔ مینجمنٹ اور آڈیٹرز (انٹرئل 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 شقوق 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، لیکویڈیٹی اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔

☆ کمپنی کی طرف سے اکاؤنٹس کے درست کھاتے مینجمنٹ رکھے گئے ہیں۔

☆ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیز کا مستقلاً اطلاق کیا گیا ہے۔ اکاؤنٹنگ کے تخمینے موزوں اور محتاط اندازے پر مبنی ہیں۔

مارکیٹ شیئر حاصل کرنے کے لیے تمام اہم کھلاڑیوں کی طرف سے سرمایہ کاری میں اضافے کے ساتھ ہوم کیئر کیٹیگری انتہائی مسابقتی رہی۔ منافع جات پر بے پناہ دباؤ کے باوجود سال کے دوران اشتہارات اور تجارتی اخراجات میں اضافہ ہوا ہے۔ بہت زیادہ تجارتی اخراجات اور کم خوردہ قیمتوں کے ساتھ غیر منظم شعبہ خاص طور پر نیم شہری اور دیہی علاقوں میں ایک چیلنج بنا ہوا ہے۔

ڈش واشنگ پروڈکٹس میں لیمن میکس اپنی قائدانہ حیثیت برقرار رکھے ہوئے ہے۔ تاہم، نیم شہری اور دیہی علاقوں میں غیر منظم شعبہ ایک سنگین چیلنج ہے۔

پامولیو بار صابن اور شیپونے سال بھر میں دوہرے ہندسے کی نمو برقرار رکھی ہے۔ انہوں نے میڈیا اور این اسٹور موجودگی کے ساتھ نموکا تسلسل برقرار رکھا۔ مجموعی طور پر، پورٹ فولیو نے اپنے لیکویڈ ہینڈ واش اور پروٹیکس اینٹی بیکٹیریل رینج سے، خوبصورتی کے ساتھ ساتھ صارفین کی حفظان صحت کی ضروریات بھی پوری کیں۔

### صحت، سلامتی اور ماحول

کولگیٹ لوگوں اور ماحول کے تحفظ کے لیے ذمہ داری سے کام کرنے، اپنی ٹیموں کی صحت اور سلامتی یقینی بنانے، شمولیت کا کلچر تشکیل دینے اور لوگوں کے لیے کولگیٹ پامولیو کو کامیابی کے با معنی مواقع پیدا کرنے کے لیے اپنا عزم آگے بڑھا رہا ہے۔

کولگیٹ ماحولیاتی تبدیلیوں میں کمی، پانی ضائع ہونے سے بچانے، اور ذمہ دار اور اخلاقی ذرائع اختیار کرنے کی شکل میں، ماحولیات کی سرپرستی کا پختہ عزم رکھتی ہے۔ واٹر اسٹیورڈ شپ پروگرام پانی کی بچت میں اپنے طور پر تقریباً 500,000 گیلن ماہانہ حصہ ڈال رہا ہے۔

کولگیٹ توانائی کی بچت اور قابل تجدید توانائی کے منصوبوں کو شروع کرنے کے ذریعے اپنے مینوفیکچرنگ آپریشنز میں توانائی کی استعداد کار کو بہتر بنا رہا ہے۔ پچھلے چار سالوں کے دوران، کمپنی نے کاربن کے اخراج میں ممکنہ طور پر ماہانہ بنیادوں پر 325,000 کلوگرام کمی کی ہے۔

کوویڈ کی عالمی وبا کے جواب میں، کمپنی نے اپنے لوگوں کی صحت کے تحفظ کے لیے ذمہ داری سے اپنا کردار ادا کیا ہے۔ ہماری ٹیموں کو صحت کے معیاری اصولوں کے مطابق حفاظتی ٹیکے لگائے گئے ہیں اور ہمارے آپریشنز نے کام کی جگہ پر کوویڈ انفیکشن سے بچنے کے لیے تمام احتیاطی تدابیر اختیار کی ہیں۔

### کاروباری سماجی ذمہ داری

کولگیٹ نے اس سال اپنے 'مائی برائنٹ سائلز' گلوبل آرٹ کانٹیسٹ 2022 کے ساتھ ایک بار پھر نوجوان آرٹسٹس کا جشن منایا۔ اس مقابلے نے آرٹ کے ذریعے منہ کی صفائی کے بارے میں آگاہی پیدا کرنے میں مدد کی اور 6 سے 9 سال کی عمر کے بچوں کو اپنی تخلیقی صلاحیتوں کے اظہار کا موقع فراہم کیا۔

## منافع کا تصرف

2021–2022

(روپے 000 میں)

5,871,580

بعد از ٹیکس منافع

678

غیر مختص منافع

5,872,258

مختص کرنے کے لئے دستیاب منافع

تصرفات بذریعہ تقسیم:

2,038,276

مجوزہ حتمی کیش ڈیویڈنڈ بحساب 280 فیصد یعنی 28 روپیہ فی حصص

(2021: بحساب 240 فیصد یعنی 24 روپیہ فی حصص)

109,193

تجویز کردہ بونس حصص بحساب 15 فیصد یعنی 3 حصص ہر 20 حصص کے عوض

(2021: بحساب 15 فیصد یعنی 3 حصص ہر 20 حصص کے عوض)

1,783,492

عبوری کیش ڈیویڈنڈ بحساب 245 فیصد یعنی 24.5 روپے فی حصص

(2021: بحساب 250 فیصد یعنی 25 روپے فی حصص)

1,941,000

جنرل ریزرو میں ٹرانسفر

297

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 قابل قبول سطح تک لانے کے لئے کمپنی اندرونی اور بیرونی اسٹیک ہولڈرز کے ساتھ مل کر کام کرتی ہے۔

## کاروباری کارکردگی کی جھلکیاں

خام مال کی قیمت میں غیر معمولی اضافے کی وجہ سے ٹوٹھ پیسٹ کے کاروبار کے لیے یہ مجموعی طور پر ایک چیلنج سے بھرپور سال تھا۔ کمپنی نے اپنی مصنوعات کی کھپت اور رسائی بڑھانے کے اقدامات پر توجہ مرکوز رکھی جس میں معمولاتی (Regimen) پیکیس، اپنے برائٹ سائلز برائٹ فیوچرز پروگرام کے ذریعے اسکول جانے والے بچوں تک پہنچنا اور اپنی ڈسٹری بیوشن بہتر بنانے کی کوششیں شامل ہیں۔



## ڈائریکٹرز رپورٹ

کمپنی ڈائریکٹرز مسرت کے ساتھ 30 جون 2022 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	2022 - 2021	2021 - 2020	اضافہ / (کمی)
ملین روپے			
مجموعی آمدنی	82,398	67,568	21.95%
خالص آمدنی	62,330	50,563	23.27%
مجموعی منافع	16,042	14,847	8.05%
مجموعی منافع %	25.74%	29.36%	(362 بنیادی پوائنٹس)
فروخت اور ترسیل کے اخراجات	6,849	6,332	8.16%
انتظامی اخراجات	703	646	8.82%
آپریشنز سے منافع	8,865	8,081	9.70%
بعد از ٹیکس منافع	5,872	5,677	3.43%
فی شیئر آمدنی - (روپے)	80.66	77.98	3.43%

### مالیاتی کارکردگی کی جھلکیاں

رواں سال کاروباری ماحول چیلنجز سے بھرپور رہا جس کی اہم وجوہات میکرو اکنامک اثرات، روپے کی قدر میں ڈالر کے مقابلے میں کمی اور اجناس کی بڑھتی ہوئی قیمتیں رہیں۔ ضروری خام مال کی دستیابی کاروبار کے لیے ایک اہم چیلنج بنی رہی۔ تاہم، آپ کی کمپنی ترقی کی رفتار برقرار رکھتے ہوئے خالص آمدنی میں 23.27 فیصد اضافہ کے ساتھ ان چیلنجز سے نمٹنے میں کامیاب رہی۔ کرنسی کی قدر میں کمی اور اجناس اور مال برداری کی بڑھتی ہوئی لاگت کی وجہ سے مجموعی منافع جات دباؤ میں رہے، جس کے نتیجے میں تمام زمروں میں فروخت کی قیمتوں میں ایڈجسٹمنٹ کے باوجود 362 بنیادی پوائنٹس کی کمی واقع ہوئی۔

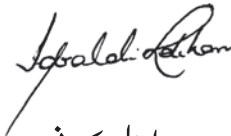
اخراجات پر سخت کنٹرول اور آپریشنز میں کفایتی اقدامات لاگو کرنے سے فروخت اور انتظامی اخراجات میں بالترتیب 8.16 فیصد اور 8.82 فیصد اضافہ ہوا۔

## چیئر مین کی جائزہ رپورٹ

کولگیٹ پامولیو (پاکستان) لمیٹڈ کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ سلسلہ 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، 2022 کے لیے بورڈ کی مجموعی کارکردگی اور افادیت اطمینان بخش قرار پائی ہے۔ بہتری ایک مستقل جاری رہنے والا عمل ہے جس کی مدد سے عملی منصوبہ بندیوں کو ممکن بنایا جاتا ہے۔ مجموعی جائزہ ضروری اجزاء کے انفرادی جائزے پر منحصر ہے جن میں دور اندیشی، نصب العین اور اقدار، حکمت عملی کے بنانے میں کردار، پالیسیز کی تشکیل، کمپنی میں جاری کاروباری سرگرمیوں کی نگرانی، مالیاتی وسائل کے انتظام کی نگرانی، موثر مالی نگرانی، بورڈ کے کاروبار کو پورا کرنے میں ملازمین کے ساتھ منصفانہ سلوک اور بورڈ کی ذمہ داریوں کو موثر انداز سے پورا کرنا شامل ہیں۔

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کو بورڈ 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: 29 جولائی، 2022

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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 26th day of September, 2022 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

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

**Witness 1** \_\_\_\_\_

**Witness 2** \_\_\_\_\_

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

Name \_\_\_\_\_

CNIC No. \_\_\_\_\_

CNIC No. \_\_\_\_\_

Address \_\_\_\_\_

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 مسماۃ / مسماۃ \_\_\_\_\_  
 ساکن \_\_\_\_\_  
 کو یا ان کی غیر حاضری میں مسماۃ / مسماۃ \_\_\_\_\_  
 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 ۲۶ ستمبر ۲۰۲۲ کو منعقد ہو رہا ہے یا اس کے ملتوی شدہ اجلاس میں شرکت کرے اور وہ میری / ہماری جگہ میری / ہماری طرف سے حق رائے دہی استعمال کرے۔

مورخہ \_\_\_\_\_ ۲۰۲۲ کو میرے / ہمارے دستخط سے جاری ہوا۔

فولیو نمبر	سی ڈی سی کھاتہ نمبر	حصص کی تعداد

دستخط

گواہ نمبر ۱ \_\_\_\_\_  
 گواہ نمبر ۲ \_\_\_\_\_  
 دستخط \_\_\_\_\_  
 نام \_\_\_\_\_  
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر \_\_\_\_\_  
 پتہ \_\_\_\_\_  
 دستخط \_\_\_\_\_  
 نام \_\_\_\_\_  
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر \_\_\_\_\_  
 پتہ \_\_\_\_\_

ہدایات:

- ۱۔ مختار (پراکسی) کا کمپنی کا رکن (ممبر) ہونا ضروری ہے۔
- ۲۔ ممبر (رکن) کے دستخط، نمونہ شدہ دستخط / اندراج شدہ دستخط سے مماثلت ہونا ضروری ہے
- ۳۔ سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو 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 کروانا ضروری ہے۔





***COLGATE-PALMOLIVE (PAKISTAN) LTD.***

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

Tel.: +9221- 38400000