



FIRST QUARTER REPORT
JULY - SEPTEMBER 2022

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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

DIRECTORS' REVIEW

The directors of your Company are pleased to present the un-audited, condensed financial statements of the Company for the quarter ended September 30, 2022.

Financial Performance at a Glance

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

| Operating Results | July- September 2022 | July- September 2021 | Increase / (Decrease) |
|-----------------------------|-------------------------|-------------------------|--------------------------|
| | Amount in PKR million | | |
| Turnover | 25,506 | 18,793 | 35.72% |
| Net Turnover | 19,507 | 14,072 | 38.62% |
| Gross Profit | 4,756 | 3,860 | 23.21% |
| Gross Profit % | 24.38% | 27.43% | (305 bps) |
| Selling & Distribution Cost | 2,068 | 1,619 | 27.73% |
| Administrative Expenses | 209 | 166 | 25.90% |
| Profit from Operations | 2,617 | 2,134 | 22.63% |
| Profit After Tax | 1,718 | 1,488 | 15.46% |
| Earnings per Share - Rupees | 20.52 | 17.78 | 15.46% |

Financial Performance Highlights

Net turnover of the Company grew by 38.62% on the back of volume gains, selling price adjustments and favourable pack mix changes. Throughout this quarter, gross margin remained under pressure and dropped by 305 bps on account of rising input costs, including raw / packing materials, freight, utility prices, and devaluation of PKR against USD.

Amid rising fuel prices and supply chain disruptions caused by flash floods, selling and distribution costs increased by 27.73%.

Business Performance Highlights

Colgate launched a new integrated marketing communication campaign for its MaxFresh brand. The campaign with its TV and digital assets, in-store visibility initiatives, distribution drive and on-ground activation delivered good results and kept Colgate top of mind.

The 'Bright Smiles, Bright Futures' school program continued to emphasize the importance of maintaining good oral hygiene by reaching out school-going children.

Palmolive continues to distinguish itself as a leading brand with its range of beauty and hygiene products. With focus on media presence and visible distribution, it has been able to deliver consistent growth and gain market share in the category.

Due to cost pressures, there were frequent selling price adjustments in detergent powders. In the dish care segment, Lemon Max continues to enjoy its leadership position.

Future Outlook

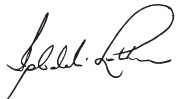
Economic and political outlook remains uncertain amid increasing debt burden, widening current account deficit and depleting foreign exchange reserves. The exchange rate has also been volatile throughout the quarter and future prediction remains a challenge.

Recent floods in Pakistan have destroyed the infrastructure and added to the cost of doing business due to supply chain disruptions and it will take few more months for the situation to normalize. Rising inflation has also affected the disposable income of the masses and their spendings are expected to remain under check posing significant pressure on the business both in terms of volumes and margins.

Acknowledgement

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

On behalf of Board of Directors



Iqbal Ali Lakhani
Chairman



Zulfiqar Ali Lakhani
Chief Executive

Karachi : October 27, 2022

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

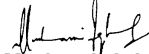
As at September 30, 2022

| | Note | September 30, 2022 (unaudited) (Rupees in '000) | June 30, 2022 (audited) |
|--|------|--|-------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 4 | 7,710,721 | 7,623,422 |
| Intangible assets | | 7,170 | 3,505 |
| Long term loans | | 76,684 | 78,231 |
| Long term security deposits | | 20,928 | 20,734 |
| | | <u>7,815,503</u> | <u>7,725,892</u> |
| CURRENT ASSETS | | | |
| Stores and spares | | 519,440 | 483,196 |
| Stock in trade | 5 | 14,639,969 | 13,067,927 |
| Trade debts | | 1,835,520 | 1,407,106 |
| Loans and advances | | 311,063 | 291,309 |
| Trade deposits and short term prepayments | | 168,801 | 148,348 |
| Other receivables | | 577,076 | 431,603 |
| Accrued profit | | 15,073 | 4,760 |
| Short term investments | 6 | 6,374,229 | 6,543,716 |
| Cash and bank balances | | 4,317,844 | 2,901,308 |
| | | <u>28,759,015</u> | <u>25,279,273</u> |
| TOTAL ASSETS | | <u>36,574,518</u> | <u>33,005,165</u> |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised share capital | | 1,250,000 | 1,250,000 |
| Issued, subscribed and paid-up share capital | 7 | 837,149 | 727,956 |
| Reserves | | 21,592,275 | 22,022,222 |
| Remeasurement of post retirement benefits obligation | | (201,936) | (201,936) |
| | | <u>22,227,488</u> | <u>22,548,242</u> |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Deferred taxation | | 289,806 | 261,742 |
| Long term deposits | | 61,004 | 63,134 |
| Deferred liability | | 17,196 | 76,106 |
| Long-term financing | 8 | 729,674 | 747,668 |
| Deferred grant | | 355,538 | 357,685 |
| Lease liabilities | | 336,160 | 341,435 |
| | | <u>1,789,378</u> | <u>1,847,770</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 9,920,127 | 7,989,140 |
| Accrued mark-up | | 8,657 | 8,322 |
| Current maturity of long-term financing | | 284,409 | 390,889 |
| Current maturity of lease liabilities | | 62,944 | 60,987 |
| Short-term financing | | - | 42,334 |
| Taxation - net | | 211,967 | 86,204 |
| Unpaid dividend | | 2,038,276 | - |
| Unclaimed dividend | | 31,272 | 31,277 |
| | | <u>12,557,652</u> | <u>8,609,153</u> |
| TOTAL LIABILITIES | | <u>14,347,030</u> | <u>10,456,923</u> |
| CONTINGENCIES AND COMMITMENTS | 10 | | |
| TOTAL EQUITY AND LIABILITIES | | <u>36,574,518</u> | <u>33,005,165</u> |

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman/Director


Zulfiqar Ali Lakhani
Chief Executive


Mudassir Iqbal
Chief Financial Officer

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

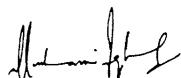
For the Quarter ended September 30, 2022

| | Note | Quarter ended September 30, 2022 | Quarter ended September 30, 2021 |
|--|------|--|--|
| | | (Rupees in '000) | |
| Turnover | | 25,505,771 | 18,793,329 |
| Sales tax | | (4,002,929) | (2,986,448) |
| Trade and other discounts | | (1,996,069) | (1,735,261) |
| Net turnover | | <u>19,506,773</u> | <u>14,071,620</u> |
| Cost of sales | | (14,750,862) | (10,211,632) |
| Gross profit | | <u>4,755,911</u> | <u>3,859,988</u> |
| Selling and distribution cost | | (2,068,352) | (1,619,438) |
| Administrative expenses | | (209,409) | (165,806) |
| Other expenses | | (213,501) | (213,184) |
| Other income | | <u>352,546</u> | <u>272,574</u> |
| Profit from operations | | <u>2,617,195</u> | <u>2,134,134</u> |
| Finance cost and bank charges | | (36,642) | (31,093) |
| Profit before taxation | | <u>2,580,553</u> | <u>2,103,041</u> |
| Taxation | | | |
| - Current - for the quarter | | (834,967) | (611,354) |
| - Deferred | | (28,064) | (3,464) |
| | | <u>(863,031)</u> | <u>(614,818)</u> |
| Profit after taxation | | <u>1,717,522</u> | <u>1,488,223</u> |
| Other comprehensive income for the quarter | | - | - |
| Total comprehensive income for the quarter | | <u>1,717,522</u> | <u>1,488,223</u> |
| | | ----- (Rupees) ----- | |
| | | (Restated) | |
| Earnings per share - basic and diluted | 11 | <u>20.52</u> | <u>17.78</u> |

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman/Director


Zulfiqar Ali Lakhani
Chief Executive


Mudassir Iqbal
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the Quarter ended September 30, 2022

| | Issued, subscribed and paid up share capital | Capital reserve- share premium | Reserves | | | Remeasurement on post retire- ment benefits obligation- net of tax | Total Equity |
|--|---|---|--------------------|-------------------------------|---------------------------|--|-----------------|
| | | | Revenue reserves | | Sub Total- reserves | | |
| | | | General reserve | Unappro- priated profit | | | |
| (Rupees in '000) | | | | | | | |
| Balance as at July 1, 2021 | 633,005 | 13,456 | 15,440,000 | 4,094,841 | 19,548,297 | (168,676) | 20,012,626 |
| Transactions with owners | | | | | | | |
| 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) | - | - |
| Total transactions with owners | 94,951 | - | - | (1,614,163) | (1,614,163) | - | (1,519,212) |
| Comprehensive income for the quarter | | | | | | | |
| Profit after taxation for the quarter ended September 30, 2021 | - | - | - | 1,488,223 | 1,488,223 | - | 1,488,223 |
| Other comprehensive income | - | - | - | - | - | - | - |
| Total comprehensive income for the quarter ended September 30, 2021 | - | - | - | 1,488,223 | 1,488,223 | - | 1,488,223 |
| Transfer to general reserve | - | - | 2,480,000 | (2,480,000) | - | - | - |
| Balance as at September 30, 2021 | 727,956 | 13,456 | 17,920,000 | 1,488,901 | 19,422,357 | (168,676) | 19,981,637 |
| Balance as at July 1, 2022 | 727,956 | 13,456 | 17,920,000 | 4,088,766 | 22,022,222 | (201,936) | 22,548,242 |
| Transactions with owners | | | | | | | |
| Final dividend for the year ended June 30, 2022 at the rate of Rs 28 per share | - | - | - | (2,038,276) | (2,038,276) | - | (2,038,276) |
| Bonus shares issued at the rate of three shares for every twenty shares held | 109,193 | - | - | (109,193) | (109,193) | - | - |
| Total transactions with owners | 109,193 | - | - | (2,147,469) | (2,147,469) | - | (2,038,276) |
| Comprehensive income for the quarter | | | | | | | |
| Profit after taxation for the quarter ended September 30, 2022 | - | - | - | 1,717,522 | 1,717,522 | - | 1,717,522 |
| Other comprehensive income | - | - | - | - | - | - | - |
| Total comprehensive income for the quarter ended September 30, 2022 | - | - | - | 1,717,522 | 1,717,522 | - | 1,717,522 |
| Transfer to general reserve | - | - | 1,941,000 | (1,941,000) | - | - | - |
| Balance as at September 30, 2022 | 837,149 | 13,456 | 19,861,000 | 1,717,819 | 21,592,275 | (201,936) | 22,227,488 |

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
 Chairman/Director


Zulfiqar Ali Lakhani
 Chief Executive


Mudassir Iqbal
 Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited)

For the Quarter ended September 30, 2022

| | Note | Quarter ended September 30, 2022 | Quarter ended September 30, 2021 |
|---|------|--|--|
| (Rupees in '000) | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 12 | 2,390,336 | 2,510,674 |
| Finance cost and bank charges paid | | (23,683) | (15,564) |
| Taxes paid | | (709,204) | (826,130) |
| Staff retirement benefit paid | | (76,106) | - |
| Long term loans | | 1,547 | (2,508) |
| Long term security deposits (assets) | | (194) | (92) |
| Long term deposits | | (2,130) | (43,034) |
| Net cash generated from operating activities | | 1,580,566 | 1,623,346 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for property, plant and equipment | | (319,614) | (645,564) |
| Purchase of intangible assets | | (4,976) | - |
| Short term investments made during the quarter | | (7,637,621) | (12,374,883) |
| Proceeds from sale of property, plant and equipment | | 18,583 | 8,103 |
| Profit received on savings accounts | | 75,529 | 28,430 |
| Profit received on treasury bills | | 406 | 33,972 |
| Profit received on term deposit receipts | | 3,369 | 17,389 |
| Sale proceeds on disposal of short term investments | | 7,808,196 | 11,087,853 |
| Net cash used in investing activities | | (56,128) | (1,844,700) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividend paid | | (5) | (983,241) |
| Long-term financing obtained | | - | 351,492 |
| Long-term financing repaid | | (126,621) | (126,621) |
| Short-term financing repaid | | (42,334) | - |
| Payment of lease liabilities | | (15,942) | (16,905) |
| Net cash used in financing activities | | (184,902) | (775,275) |
| Net increase (decrease) in cash and cash equivalents | | 1,339,536 | (996,629) |
| Cash and cash equivalents at the beginning of the quarter | | 2,978,308 | 4,807,764 |
| Cash and cash equivalents at the end of the quarter | 13 | 4,317,844 | 3,811,135 |

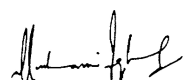
The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Iqbal Ali Lakhani
Chairman/Director



Zulfikar Ali Lakhani
Chief Executive



Mudassir Iqbal
Chief Financial Officer

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

For the Quarter ended September 30, 2022

1. THE COMPANY AND ITS OPERATIONS

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

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

2.2 These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2022.

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

2.3.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2023

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

2.3.2 New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2023

There is a new standard and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or expected to have any significant effect on the Company's financial reporting.

- 2.4 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements for the year ended June 30, 2022.

3. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied to financial statements as at and for the year ended June 30, 2022.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2022.

| | | |
|------|----------------------|-----------|
| Note | September 30, | June 30, |
| | 2022 | 2022 |
| | (unaudited) | (audited) |
| | (Rupees in '000) | |

4. PROPERTY, PLANT AND EQUIPMENT

| | | | |
|--|------------|------------------|------------------|
| Operating fixed assets - at net book value | 4.1 to 4.4 | 7,100,358 | 6,943,409 |
| Capital work in progress - at cost | 4.5 | 301,691 | 353,877 |
| Right of use assets - at net book value | | 308,672 | 326,136 |
| | | <u>7,710,721</u> | <u>7,623,422</u> |

| | Quarter ended September 30, 2022 (Rupees in '000) | Quarter ended September 30, 2021 |
|---|--|--|
| 4.1 Additions - operating fixed assets (at cost) | | |
| Leasehold land | 9,974 | - |
| Buildings on leasehold land | 51,962 | 8,716 |
| Plant and machinery | 128,211 | 268,713 |
| Fittings and installation | 17,022 | 140,269 |
| Furniture and fixtures | 6,205 | 2,372 |
| Tools and equipment | 77,961 | 15,687 |
| Vehicles | 68,027 | 49,842 |
| Computers and accessories | 7,696 | 2,868 |
| Office equipment | 4,741 | 3,216 |
| | <u>371,799</u> | <u>491,683</u> |
| 4.1.1 Additions include transfers from capital work in progress aggregating Rs 213.329 million (September 30, 2021: Rs 401.406 million). | | |
| 4.2 Disposals - operating fixed assets (at net book value) | | |
| Plant and machinery | 360 | - |
| Tools and equipment | 9 | - |
| Vehicles | 7,713 | 3,497 |
| Computers and accessories | 4 | - |
| Office equipment | - | 1 |
| | <u>8,086</u> | <u>3,498</u> |
| 4.3 Depreciation charge for the period | <u>206,764</u> | <u>196,224</u> |
| 4.4 Included in operating fixed assets are items having aggregate cost of Rs 47.498 million (June 30, 2022: Rs 46.322 million) held by third parties for manufacturing certain products of the Company. These operating fixed assets are free of lien and the Company has full right of repossession of these assets. | | |
| 4.5 Additions - capital work-in-progress (at cost) | | |
| Buildings on leasehold land | 16,244 | 84,290 |
| Plant and machinery | 104,878 | 447,505 |
| Vehicles | 2,382 | 975 |
| Fittings and installation | 27,497 | 12,922 |
| Tools and equipment | 23,442 | 19,828 |
| Furniture and fixtures | 173 | 3,968 |
| Office equipment | 3,593 | 6,892 |
| Computer and accessories | 3,095 | 3,389 |
| | <u>181,304</u> | <u>579,769</u> |

| | Note | September 30, 2022 (unaudited) | June 30, 2022 (audited) |
|--|------|--------------------------------------|-------------------------------|
| | | (Rupees in '000) | |

5. STOCK IN TRADE

| | | |
|--|-------------------|-------------------|
| Raw and packing materials | 10,541,719 | 9,641,697 |
| Work-in-process | 1,392,907 | 1,044,795 |
| Finished goods - Manufactured | 2,287,821 | 1,967,003 |
| Finished goods - Trading | 438,968 | 430,630 |
| | <u>14,661,415</u> | <u>13,084,125</u> |
| Less: Provision for obsolete inventory | (21,446) | (16,198) |
| | <u>14,639,969</u> | <u>13,067,927</u> |

- 5.1 Stock in trade include raw and packing materials in transit aggregating Rs 2,053.179 million (June 30, 2022: Rs 915.379 million) and finished goods in transit aggregating Rs 12.116 million (June 30, 2022: Rs 4.094 million).

6. SHORT TERM INVESTMENTS

| | | | |
|-------------------------------------|-----|------------------|------------------|
| - Amortised cost | 6.1 | 51,747 | 149,105 |
| - Fair value through profit or loss | | <u>6,322,482</u> | <u>6,394,611</u> |
| | | <u>6,374,229</u> | <u>6,543,716</u> |

- 6.1 The profits on these term deposits range between 6.85% and 10.53% per annum (2022: between 6.85% and 8.75% per annum) having maturity in September 2023.

7. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

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

| September 30, 2022 (unaudited) | September 30, 2021 (unaudited) | | September 30, 2022 (unaudited) | September 30, 2021 (unaudited) |
|--------------------------------------|--------------------------------------|--|--------------------------------------|--------------------------------------|
| Number of shares | | | (Rupees in '000) | |
| 72,795,583 | 63,300,507 | Ordinary shares of Rs. 10 each at the beginning of the quarter | 727,956 | 633,005 |
| 10,919,338 | 9,495,076 | Issued during the quarter as fully paid bonus shares | 109,193 | 94,951 |
| <u>83,714,921</u> | <u>72,795,583</u> | At the end of the quarter | <u>837,149</u> | <u>727,956</u> |

| | Note | September 30, 2022 (unaudited) | June 30, 2022 (audited) |
|--|------|--------------------------------------|-------------------------------|
| | | (Rupees in '000) | |

8. LONG-TERM FINANCING

Financing under:

| | | | |
|--|--|------------------|------------------|
| - salary refinance scheme | | 249,654 | 374,481 |
| - temporary economic refinance facility | | 1,067,412 | 1,067,412 |
| - renewable energy finance facility | | 52,555 | 54,349 |
| | | <u>1,369,621</u> | <u>1,496,242</u> |
| Less: reclassified to deferred grant | | 355,538 | 357,685 |
| Less: current maturity of financing under: | | | |
| - salary refinance scheme | | 249,654 | 368,544 |
| - temporary economic refinance facility | | 25,453 | 12,964 |
| - renewable energy finance facility | | 9,302 | 9,381 |
| | | <u>284,409</u> | <u>390,889</u> |
| | | <u>729,674</u> | <u>747,668</u> |

- 8.1 There has been no change in the terms and conditions as disclosed in note 21 to the Companies financial statements for the year ended June 30, 2022.

9. TRADE AND OTHER PAYABLES

| | | | |
|---|-----|------------------|------------------|
| Trade creditors | 9.1 | 1,831,335 | 1,830,431 |
| Accrued liabilities | 9.2 | 3,605,532 | 2,973,853 |
| Bills payable | | 2,798,845 | 1,464,105 |
| Advances from customers - unsecured | 9.3 | 190,801 | 160,930 |
| Sales tax payable | | 401,019 | 310,066 |
| Royalty payable to Colgate-Palmolive Co., USA - associated company | | 607,061 | 466,630 |
| Workers' profits participation fund | | 138,830 | 468,010 |
| Workers' welfare fund | | 226,078 | 174,357 |
| Retention money payable | | 4,077 | 12,947 |
| Gas Infrastructure Development Cess liability | | - | 22,785 |
| Others | 9.4 | 116,549 | 105,026 |
| | | <u>9,920,127</u> | <u>7,989,140</u> |

- 9.1 These include Rs 214.627 million (June 30, 2022: Rs 193.574 million) payable to related parties.
- 9.2 These include Rs 130.453 million (June 30, 2022: Rs 109.052 million) accrued to related parties.
- 9.3 These include Rs 0.663 million (June 30, 2022: Rs 48.416 million) received from related parties.

9.4 These include Rs 14.065 million (June 30, 2022: Rs 12.187 million) payable to related parties.

9.5 There has been no change in short-term borrowing facilities from various banks on mark-up basis from those that are mentioned in note 24 of the Company's financial statements for the year ended June 30, 2022.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

10.1.1 Custom Appellate Tribunal has dismissed the Custom Appeal 32-K of 2018 vide Judgment dated 19.07.2022, as disclosed in note 25.1.1 to the Company's financial statements for the year ended June 30, 2022, on the grounds that instant appeal of the department has no merits.

10.1.2 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 422.836 million (June 30, 2022: Rs 346.985 million).

10.2 Commitments

10.2.1 Commitments in respect of capital expenditure and inventory items amount to Rs 79.807 million and Rs 672.035 million respectively (June 30, 2022: Rs 66.767 million and Rs 1,165.499 million respectively).

10.2.2 Outstanding letters of credit amount to Rs 2,887.483 million (June 30, 2022: Rs 2,775.056 million).

10.2.3 Outstanding duties leviable on clearing of stocks amount to Rs 2.341 million (June 30, 2022: Rs 13.149 million).

10.2.4 Post dated cheques issued to the collector of customs against duty on inventory items amount to Rs 508.243 million (June 30, 2022: Rs 595.414 million).

11. EARNINGS PER SHARE

| | Quarter ended September 30, 2022 | Quarter ended September 30, 2021 |
|---|--|--|
| | (Rupees in '000) | |
| Profit after taxation | 1,717,522 | 1,488,223 |
| | (Number of shares) | |
| | (Restated) | |
| Weighted average number of ordinary shares outstanding during the quarter | 83,714,921 | 83,714,921 |
| | (Rupees) | |
| | (Restated) | |
| Earnings per share - basic & dilutive | 20.52 | 17.78 |

- 11.1 There are no dilutive potential ordinary shares outstanding as at September 30, 2022 and 2021.

Note **Quarter ended September 30, 2022** Quarter ended September 30, 2021
(Rupees in '000)

12. CASH GENERATED FROM OPERATIONS

| | | |
|--|------------------|------------------|
| Profit before taxation | 2,580,553 | 2,103,041 |
| Adjustment for non-cash charges and other items: | | |
| Depreciation on operating fixed assets | 206,764 | 196,224 |
| Depreciation on right-of-use assets | 17,465 | 13,443 |
| Amortisation expense | 1,311 | 1,534 |
| Gain on disposal of items of property, plant and equipment | (10,497) | (4,605) |
| Staff retirement benefit | 17,196 | 11,710 |
| Profit on saving accounts | (86,411) | (28,220) |
| Profit on a term deposit receipt | (2,479) | (8,647) |
| Profit on treasury bills | (727) | (33,972) |
| Unrealised gain on investments classified as fair value through profit or loss | (65,311) | (81,584) |
| Gain on disposal of short term investments | (12,777) | - |
| Finance cost and bank charges | 36,642 | 31,093 |
| Provision for obsolete inventory | 5,247 | - |
| Provision for obsolete stores and spares | 252 | - |
| Working capital changes | 12.1 (296,892) | 310,657 |
| | <u>2,390,336</u> | <u>2,510,674</u> |

12.1 Working capital changes

| | | |
|---|--------------------|------------------|
| (Increase) / decrease in current assets: | | |
| Stores and spares | (36,496) | 5,537 |
| Stock in trade | (1,577,289) | 128,769 |
| Trade debts | (428,414) | (145,259) |
| Loans and advances | (19,754) | (35,926) |
| Trade deposits and short term prepayments | (20,453) | (97,778) |
| Other receivables | (145,473) | (418,613) |
| | <u>(2,227,879)</u> | <u>(563,270)</u> |
| Increase in current liabilities: | | |
| Trade and other payables | 1,930,987 | 873,927 |
| | <u>(296,892)</u> | <u>310,657</u> |

September 30, 2022
(Unaudited)
 (Rupees in '000)

September 30, 2021
 (Unaudited)

13. CASH AND CASH EQUIVALENTS

| | | |
|------------------------|-----------|-----------|
| Cash and bank balances | 4,317,844 | 2,384,135 |
| Short term investments | - | 1,427,000 |
| | 4,317,844 | 3,811,135 |

14. RELATED PARTIES

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

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

Quarter ended September 30, 2022
 (Rupees in '000)

Quarter ended September 30, 2021

Nature of transactions

Associated companies

| | | |
|---|-----------|-----------|
| Sale of goods and services provided and reimbursement of expenses | 19,753 | 35,506 |
| Purchase of goods and services received and reimbursement of expenses | 1,151,921 | 1,019,881 |
| Purchase of short term investments | 100,000 | - |
| Profit on short term investments | 15,540 | 24,989 |
| Rent, allied and other charges | 7,577 | 10,388 |
| Royalty charges | 140,431 | 103,154 |
| Insurance claims received | 1,694 | 1,435 |
| Donations | 18,000 | 5,500 |
| Dividend received on mutual funds | 36,185 | 22,237 |
| Dividend paid | - | 880,373 |

Employee funds

| | | |
|---|--------|--------|
| Contribution to staff retirement benefits | 35,738 | 27,980 |
|---|--------|--------|

Key management personnel

| | | |
|---|--------|--------|
| Compensation paid to key management personnel | 53,748 | 30,722 |
|---|--------|--------|

**September 30,
2022
(unaudited)**
(Rupees in '000)

June 30,
2022
(audited)

Nature of balances**Associated companies**

| | | |
|--------------------------|--------------|-----------|
| Trade debts | 5,395 | 4,703 |
| Loans and advances | 171 | 40,860 |
| Other receivables | 5,874 | 2,790 |
| Short term investments | 1,502,778 | 1,379,898 |
| Lease liabilities | 169,204 | 167,687 |
| Unpaid dividend | 1,799,930 | - |
| Trade and other payables | Refer note 9 | |

15. ENTITY-WIDE INFORMATION

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

15.2 Information about products

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

| | Quarter ended September 30, 2022 | Quarter ended September 30, 2021 |
|---------------|---|--|
| Personal Care | 29% | 29% |
| Home Care | 66% | 67% |
| Others | 5% | 4% |
| | <u>100%</u> | <u>100%</u> |

15.3 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.

15.4 Information about major customers

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

16. DATE OF AUTHORISATION FOR ISSUE

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


Iqbal Ali Lakhani
Chairman/Director


Zulfikar Ali Lakhani
Chief Executive


Mudassir Iqbal
Chief Financial Officer

کاروباری کارکردگی کی جھلکیاں

کولگیٹ نے اپنے میکس فزیش برانڈ کیلئے ایک نئی مربوط مارکیٹنگ کیونیکیشن مہم شروع کی۔ اس مہم نے اپنے ٹی وی اور ڈیجیٹل اثاثہ جات، دکانوں میں نمایاں طور پر دکھائی دینے سے متعلق اقدامات، ڈسٹری بیوشن مہم اور زمینی فعالیت کے ساتھ اچھے نتائج دیے اور کولگیٹ کو صارفین کی پہلی ترجیح بنائے رکھا۔

”برائٹ اسمائلز، برائٹ فیوچرز“ پروگرام نے اسکول جانے والے بچوں تک پہنچ کر دانتوں کی اچھی صفائی کی اہمیت اجاگر کرنے کا سلسلہ جاری رکھا۔

پامولونے خوبصورتی اور حفظانِ صحت سے متعلق اپنی مصنوعات کی وسیع رینج کے ساتھ سرکردہ برانڈ کے طور پر اپنی علیحدہ پہچان بنائے رکھی۔ ذرائع ابلاغ میں موجودگی اور نمایاں ڈسٹری بیوشن پر توجہ مرکوز کرتے ہوئے یہ نمونہ تسلسل برقرار رکھنے اور اپنی کیلگری میں مارکیٹ شیئر حاصل کرنے میں کامیاب رہا ہے۔

اخراجات کے دباؤ کی وجہ سے ڈسٹری بیوٹرز کی قیمت فروخت میں متعدد مرتبہ رد و بدل کیا گیا۔ ڈسٹری بیوٹرز میں لیسن میکس نے اپنی قائدانہ حیثیت برقرار رکھی ہے۔

مستقبل میں توقعات

قرضوں کے بوجھ میں اضافے، بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے اور زرمبادلہ کے کم ہوتے ہوئے ذخائر کے تناظر میں معاشی اور سیاسی منظر نامہ بدستور غیر یقینی دکھائی دیتا ہے۔ پوری سہ ماہی کے دوران شرح تبادلہ غیر مستحکم رہی اور مستقبل کے بارے میں پیش گوئی کرنا بھی مشکل ہے۔

پاکستان میں حالیہ سیلاب نے بنیادی ڈھانچہ تباہ کر دیا اور سپلائی چین میں خلل کی وجہ سے کاروبار کرنے کی لاگت بڑھ گئی ہے اور صورت حال کے معمول پر آنے میں مزید چند ماہ لگیں گے۔ بڑھتی ہوئی مہنگائی نے عوام کی قابل صرف آمدنی کو بھی متاثر کیا ہے اور ان کی طرف سے اخراجات محدود رہنے کا امکان ہے۔


جو فروخت کے حجم اور منافع دونوں پر نمایاں دباؤ کا باعث بنے گا۔

تشکر

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

یورڈ آف ڈائریکٹرز کی جانب سے


ڈو الفکار علی لاکھانی
چیف ایگزیکٹو


اقبال علی لاکھانی
چیئر مین

کراچی: 27 اکتوبر، 2022

ڈائریکٹرز رپورٹ

کمپنی ڈائریکٹرز مسرت کے ساتھ 30 ستمبر 2022 کو اختتام پذیر ہونے والے سہ ماہی کے غیر آڈٹ شدہ مختصر مالیاتی گوشوارے پیش کرتے ہیں۔

مالیاتی کارکردگی ایک نظر میں

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

| کاروباری کارکردگی کے نتائج | جولائی - ستمبر 2022 | جولائی - ستمبر 2021 | اضافہ/(کمی) |
|----------------------------|------------------------|------------------------|-----------------------|
| | (روپے ملین میں) | | |
| مجموعی آمدنی | 25,506 | 18,793 | 35.72% |
| خالص آمدنی | 19,507 | 14,072 | 38.62% |
| مجموعی منافع | 4,756 | 3,860 | 23.21% |
| مجموعی منافع % | 24.38% | 27.43% | (305 بنیادی پوائنٹس) |
| فروخت اور ترسیل کے اخراجات | 2,068 | 1,619 | 27.73% |
| انتظامی اخراجات | 209 | 166 | 25.90% |
| آپریٹنگ منافع | 2,617 | 2,134 | 22.63% |
| بعد از ٹیکس منافع | 1,718 | 1,488 | 15.46% |
| فی شیئر آمدنی - (روپے) | 20.52 | 17.78 | 15.46% |

مالیاتی کارکردگی کی جھلکیاں

کمپنی کی خالص آمدنی فروخت میں اضافے، قیمت فروخت میں ردوبدل اور موافق پیکس تبدیلیوں کے نتیجے میں 38.62% فیصد بڑھی۔ اس پوری سہ ماہی کے دوران بڑھتے ہوئے اخراجات بشمول خام مال/ پیکیٹنگ میٹریل، مال برداری، ٹیلیٹی قیمتوں میں اضافے اور ڈالر کے مقابلے میں روپے کی قدر میں کمی کی وجہ سے مجموعی منافع جات دباؤ میں رہے اور ان میں 305 بنیادی پوائنٹس کی کمی واقع ہوئی۔

اینڈھن کی بڑھتی ہوئی قیمتوں اور سیلاب کے باعث سپلائی چین متاثر ہونے کے نتیجے میں فروخت اور ترسیل کے اخراجات 27.73% فیصد بڑھ گئے۔

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