



**HALF YEARLY REPORT
JULY - DECEMBER 2023**

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

ADVISOR

Sultan Ali Lakhani

AUDIT COMMITTEE

Kamran Yousuf Mirza - Chairman
Iqbal Ali Lakhani
Amin Mohammed Lakhani
Danish Zuberi

HUMAN RESOURCE & REMUNERATION COMMITTEE

Kamran Yousuf Mirza - Chairman
Iqbal Ali Lakhani
Zulfiqar Ali Lakhani
Syed Shahid Ali Bukhari

CHIEF FINANCIAL OFFICER

Mudassir Iqbal

COMPANY SECRETARY

Mansoor Ahmed

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 six-month period ended December 31, 2023.

Financial Performance at a Glance

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

Operating Results	July- December 2023	July- December 2022	Increase / (Decrease)
	Amount in PKR million		
Turnover	72,489	54,731	32%
Net Turnover	55,072	41,944	31%
Gross Profit	16,434	10,898	51%
Gross Profit %	29.84%	25.98%	386 bps
Selling & Distribution Cost	5,489	4,537	21%
Administrative Expenses	573	435	32%
Profit from Operations	11,938	6,255	91%
Profit After Tax	7,371	4,217	75%
Earnings per Share - Rupees	30.36	17.37	75%

Financial Performance Highlights

Business posted a topline growth of 31% on the back of volume gains and favorable pack mix changes. Administrative and Selling expenses increased mainly due to inflationary pressures and continued investment in advertisement and brand building initiatives. EPS grew by 75% due to the expansion of gross margins supported by reduction in commodity prices and relatively stable exchange rates.

Business Performance Highlights

Colgate continued to lead the Oral Care category in Pakistan. Prioritizing penetration and consumption building, initiatives were carried out nationally aimed at improving oral hygiene and toothpaste consumption through efficient consumer engagement and sustained advertising.

Palmolive continued to make inroads within the skin and haircare segments on the back of new campaigns on soap and shampoo. Through media and on-ground efforts, the brand has managed to capture market share and carve its niche within a busy, competitive landscape.

All fabric detergent key players continued to invest heavily in advertising and trade. The unorganized sector continues to pose a challenge to growth, in both laundry and dish care business.

Future Outlook

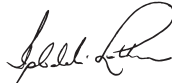
Company continues to face challenges as economy is struggling and the future outlook including geopolitical situation remains subdued with marginal growth projection.

Consistent inflationary pressures pose significant checks on consumers spending and demand. Your Company remains committed to leverage its diverse product portfolio and implementing cost rationalization efforts to minimize any adverse impacts and deliver sustainable results.

Acknowledgement

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

On behalf of Board of Directors



Iqbal Ali Lakhani
Chairman



Zulfiqar Ali Lakhani
Chief Executive

Karachi : January 29, 2024



A.F.FERGUSON&CO.

INDEPENDENT AUDITOR'S REVIEW REPORT

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Colgate-Palmolive (Pakistan) Limited as at December 31, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-months period then ended (here-in-after referred to as the 'interim financial statements'). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended December 31, 2023.

Scope of Review

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

Conclusion

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

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

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

**Date: February 02, 2024
UDIN: RR202310059y RspJrhgN**

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

■ KARACHI ■ LAHORE ■ ISLAMABAD

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

	Note	December 31, 2023 (unaudited) (Rupees in '000)	June 30, 2023 (audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	8,223,355	7,836,920
Intangible assets		5,515	7,198
Long term loans		82,185	76,180
Long term security deposits		24,538	21,260
		<u>8,335,593</u>	<u>7,941,558</u>
CURRENT ASSETS			
Stores and spares		903,235	701,919
Stock in trade	5	14,991,244	15,356,715
Trade debts		1,778,475	2,017,453
Loans and advances		325,454	459,913
Trade deposits and short term prepayments		81,609	171,500
Other receivables	6	2,528,278	1,013,343
Accrued profit		38,825	29,639
Short term investments	7	19,825,234	14,262,005
Cash and bank balances		5,459,903	5,492,509
		<u>45,932,257</u>	<u>39,504,996</u>
TOTAL ASSETS		<u>54,267,850</u>	<u>47,446,554</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		2,500,000	2,500,000
Issued, subscribed and paid-up share capital	8	2,427,733	2,427,733
Reserves		28,321,979	22,164,400
Remeasurement of post retirement benefits obligation		(275,285)	(275,285)
		<u>30,474,427</u>	<u>24,316,848</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation		427,400	392,697
Long term deposits		48,127	51,264
Deferred liability		112,507	191,865
Long-term financing	9	660,842	702,580
Deferred grant		262,534	291,488
Lease liabilities		268,974	290,452
		<u>1,780,384</u>	<u>1,920,346</u>
CURRENT LIABILITIES			
Trade and other payables	10	16,805,983	16,494,293
Accrued mark-up		6,979	7,056
Current maturity of long-term financing		140,606	109,465
Current maturity of lease liabilities		57,081	66,001
Taxation - net		2,633,764	1,684,759
Unpaid dividend	11	2,323,087	2,811,659
Unclaimed dividend	12	45,539	36,127
		<u>22,013,039</u>	<u>21,209,360</u>
TOTAL LIABILITIES		<u>23,793,423</u>	<u>23,129,706</u>
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		<u>54,267,850</u>	<u>47,446,554</u>

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
 Chairman/Director


Zulfikar Ali Lakhani
 Chief Executive


Mudassir Iqbal
 Chief Financial Officer

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

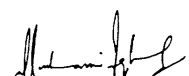
For the Half Year Ended December 31, 2023

	Note	Quarter ended December 31, 2023	Quarter ended December 31, 2022	Half year ended December 31, 2023	Half year ended December 31, 2022
(Rupees in '000)					
Turnover		35,994,230	29,224,863	72,488,591	54,730,634
Sales tax		(5,922,243)	(4,536,929)	(11,965,685)	(8,539,858)
Trade and other discounts		(2,683,534)	(2,250,300)	(5,451,387)	(4,246,369)
Net turnover		27,388,453	22,437,634	55,071,519	41,944,407
Cost of sales		(19,341,049)	(16,295,943)	(38,637,239)	(31,046,805)
Gross profit		8,047,404	6,141,691	16,434,280	10,897,602
Selling and distribution cost		(2,753,906)	(2,469,005)	(5,489,116)	(4,537,357)
Administrative expenses		(322,663)	(225,280)	(573,448)	(434,689)
Other expenses		(401,177)	(240,865)	(851,273)	(454,366)
Other income	15	1,320,465	430,980	2,418,033	783,526
Profit from operations		5,890,123	3,637,521	11,938,476	6,254,716
Finance cost and bank charges		(48,147)	(38,235)	(86,773)	(74,877)
Profit before taxation		5,841,976	3,599,286	11,851,703	6,179,839
Taxation					
- Current - for the period		(2,178,575)	(1,135,548)	(4,434,410)	(1,970,515)
- for prior period		-	92,628	(11,145)	92,628
		(2,178,575)	(1,042,920)	(4,445,555)	(1,877,887)
- Deferred		7,500	(56,885)	(34,703)	(84,949)
		(2,171,075)	(1,099,805)	(4,480,258)	(1,962,836)
Profit after taxation		3,670,901	2,499,481	7,371,445	4,217,003
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		3,670,901	2,499,481	7,371,445	4,217,003
(Rupees)					
Earnings per share			(Restated)		(Restated)
- basic and diluted	16	15.12	10.30	30.36	17.37

The annexed notes 1 to 21 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 Half Year Ended December 31, 2023

	Issued, subscribed and paid up share capital	Reserves			Sub Total-reserves	Remeasurement on post retirement benefits obligation- net of tax	Total Equity
		Capital reserve-share premium	Revenue reserves				
			General reserve	Unappropriated profit			
(Rupees in '000)							
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 period							
Profit after taxation for the period ended December 31, 2022	-	-	-	4,217,003	4,217,003	-	4,217,003
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period ended December 31, 2022	-	-	-	4,217,003	4,217,003	-	4,217,003
Transfer to general reserve	-	-	1,941,000	(1,941,000)	-	-	-
Balance as at December 31, 2022	<u>837,149</u>	<u>13,456</u>	<u>19,861,000</u>	<u>4,217,300</u>	<u>24,091,756</u>	<u>(201,936)</u>	<u>24,726,969</u>
Balance as at July 1, 2023	2,427,733	13,456	19,861,000	2,289,944	22,164,400	(275,285)	24,316,848
Transactions with owners							
Final dividend for the year ended June 30, 2023 at the rate of Rs 5 per share	-	-	-	(1,213,866)	(1,213,866)	-	(1,213,866)
Total transactions with owners	-	-	-	(1,213,866)	(1,213,866)	-	(1,213,866)
Comprehensive income for the period							
Profit after taxation for the period ended December 31, 2023	-	-	-	7,371,445	7,371,445	-	7,371,445
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period ended December 31, 2023	-	-	-	7,371,445	7,371,445	-	7,371,445
Transfer to general reserve	-	-	1,057,000	(1,057,000)	-	-	-
Balance as at December 31, 2023	<u>2,427,733</u>	<u>13,456</u>	<u>20,918,000</u>	<u>7,390,523</u>	<u>28,321,979</u>	<u>(275,285)</u>	<u>30,474,427</u>

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.


Iqbal Ali Lakhani
Chairman/Director


Zulfqar Ali Lakhani
Chief Executive


Mudassir Iqbal
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited)

For the Half Year Ended December 31, 2023

	Note	Half year ended December 31, 2023	Half year ended December 31, 2022
------(Rupees in '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	17	11,180,523	5,939,844
Finance cost and bank charges paid		(66,033)	(50,170)
Taxes paid		(3,496,551)	(1,254,072)
Staff retirement benefit paid		(130,000)	(76,107)
Long term loans		(6,005)	2,770
Long term security deposits (assets)		(3,278)	(526)
Long term deposits		(3,137)	(2,487)
Net cash generated from operating activities		7,475,519	4,559,252
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(932,123)	(554,806)
Purchase of intangible assets		(191)	(4,976)
Short term investments made during the period		(7,563,192)	(3,918,387)
Proceeds from sale of property, plant and equipment		71,255	38,463
Profit received on savings accounts		412,006	209,464
Profit received on treasury bills		1,669	951
Profit received on Pakistan Investment Bonds		21	-
Profit received on term deposit receipts		58,718	6,985
Sale proceeds on disposal of short term investments		2,227,504	2,170,526
Net cash used in investing activities		(5,724,333)	(2,051,780)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1,693,026)	(1,423,417)
Long-term financing repaid		(39,551)	(253,243)
Short-term financing repaid		-	(42,334)
Payment of lease liabilities		(51,215)	(39,547)
Net cash used in financing activities		(1,783,792)	(1,758,541)
Net (decrease) / increase in cash and cash equivalents		(32,606)	748,931
Cash and cash equivalents at the beginning of the period		5,492,509	2,978,308
Cash and cash equivalents at the end of the period	18	5,459,903	3,727,239

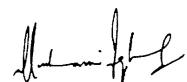
The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



Iqbal Ali Lakhani
Chairman/Director



Zulfiqar Ali Lakhani
Chief Executive



Mudassir Iqbal
Chief Financial Officer

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

For the Half Year Ended December 31, 2023

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, 2023.

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, 2024

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or have any significant effect on the Company's financial reporting and therefore, have not been disclosed in these condensed interim financial statements.

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, 2024

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

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, 2023.

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, 2023.

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, 2023.

Note	December 31, 2023 (unaudited)	June 30, 2023 (audited)
	(Rupees in '000)	

4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - at net book value	4.1 to 4.4	7,742,100	7,241,794
Capital work in progress - at cost	4.5	266,086	343,951
Right of use assets - at net book value		215,169	251,175
		8,223,355	7,836,920

	Half year ended December 31, 2023	Half year ended December 31, 2022
	(Rupees in '000)	
4.1 Additions - operating fixed assets (at cost)		
Leasehold land	-	9,974
Buildings on leasehold land	30,824	81,990
Plant and machinery	655,918	262,833
Fittings and installation	29,457	23,697
Furniture and fixtures	6,241	6,431
Tools and equipment	72,876	95,356
Vehicles	161,421	155,397
Computers and accessories	32,378	9,854
Office equipment	20,872	17,975
	1,009,987	663,507
4.1.1 Additions include transfers from capital work in progress aggregating Rs 753.624 million (December 31, 2022: Rs 394.548 million).		
4.2 Disposals - operating fixed assets (at net book value)		
Plant and machinery	-	647
Fittings and installation	30,915	-
Tools and equipment	-	9
Vehicles	18,370	16,915
Computers and accessories	267	691
Office equipment	-	11
	49,552	18,273
4.3 Depreciation charge for the period	460,130	421,344
4.4 Included in operating fixed assets are items having aggregate cost of Rs 65.345 million (June 30, 2023: Rs 48.698 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	43,581	36,656
Plant and machinery	502,537	261,804
Vehicles	47,007	2,382
Fittings and installations	3,646	20,009
Tools and equipment	49,509	101,668
Furniture and fixtures	8,494	202
Office equipment	11,623	7,924
Computer and accessories	1,235	4,758
	667,632	435,403

	Note	December 31, 2023 (unaudited) (Rupees in '000)	June 30, 2023 (audited)
5. STOCK IN TRADE			
Raw and packing materials		10,486,047	11,053,250
Work-in-process		1,152,065	985,935
Finished goods - Manufactured		2,974,880	2,957,169
Finished goods - Trading		438,472	420,363
		<u>15,051,464</u>	<u>15,416,717</u>
Less: Provision for obsolete inventory		(60,220)	(60,002)
		<u>14,991,244</u>	<u>15,356,715</u>

5.1 Stock in trade include raw and packing materials in transit aggregating Rs 1,516.347 million (June 30, 2023: Rs 2,314.965 million) and finished goods in transit aggregating Rs 1.711 million (June 30, 2023: Rs 13.530 million).

6. OTHER RECEIVABLES

These include Rs 2.484 billion (June 30, 2023: Rs 0.967 billion) pertaining to LC margins.

7. SHORT TERM INVESTMENTS

- Amortised cost	7.1 & 7.2	812,859	601,236
- Fair value through profit or loss	7.3	19,012,375	13,660,769
		<u>19,825,234</u>	<u>14,262,005</u>

7.1 The profits on these term deposits range between 10.93% and 20% per annum (June 30, 2023: between 10.53% and 20% per annum) having maturity in December 2024.

7.2 These include Term Deposit Receipts (TDRs) amounting to Rs 790.256 million (June 30, 2023: Rs 590.239 million) provided as security to banking companies for issuance of guarantees.

7.3 This represents investment in mutual funds.

8. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

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

December 31, 2023 (unaudited) Number of shares	December 31, 2022 (unaudited)		December 31, 2023 (unaudited) (Rupees in '000)	December 31, 2022 (unaudited)
242,773,272	72,795,583	Ordinary shares of Rs. 10 each at the beginning of the period	2,427,733	727,956
-	10,919,338	Issued during the period as fully paid bonus shares	-	109,193
<u>242,773,272</u>	<u>83,714,921</u>	At the end of the period	<u>2,427,733</u>	<u>837,149</u>

	Note	December 31, 2023 (unaudited)	June 30, 2023 (audited)
(Rupees in '000)			
9. LONG-TERM FINANCING			
Financing under:			
- temporary economic refinance facility		1,020,401	1,056,362
- renewable energy finance facility		43,581	47,171
		<u>1,063,982</u>	<u>1,103,533</u>
Less: reclassified to deferred grant		262,534	291,488
Less: current maturity of financing under:			
- temporary economic refinance facility		133,427	102,286
- renewable energy finance facility		7,179	7,179
		<u>140,606</u>	<u>109,465</u>
		<u>660,842</u>	<u>702,580</u>

9.1 There has been no change in the terms and conditions as disclosed in note 21 to the Company's financial statements for the year ended June 30, 2023.

10. TRADE AND OTHER PAYABLES

Trade creditors	10.1	3,878,858	3,063,806
Accrued liabilities	10.2	3,969,100	4,232,691
Bills payable	10.3	5,861,998	6,005,657
Advances from customers - unsecured	10.4	235,679	284,015
Sales tax payable		655,447	607,789
Royalty payable to Colgate-Palmolive Co., USA			
- associated company		1,211,232	955,487
Workers' profits participation fund		636,604	886,366
Workers' welfare fund		236,349	330,215
Retention money payable		9,744	5,287
Others	10.5	110,972	122,980
		<u>16,805,983</u>	<u>16,494,293</u>

10.1 These include Rs 381.010 million (June 30, 2023: Rs 431.008 million) payable to related parties.

10.2 These include Rs 140.880 million (June 30, 2023: Rs 132.151 million) accrued to related parties.

10.3 These include Rs 814.093 million (June 30, 2023: Rs 790.295 million) payable to related parties.

10.4 These include Rs 0.019 million (June 30, 2023: Rs 2.468 million) advance from related parties.

10.5 These include Rs 0.051 million (June 30, 2023: Rs 0.051 million) liable to related parties.

11. TAXATION - net

Through Finance Act, 2023, the Government has introduced new slab rates for super tax for taxpayers having income in excess of Rs 350 million. As a result, the highest slab rate of 10% will be applicable on taxpayers of all sectors having income in excess of Rs 500 million. The Company, having income of more than Rs 500 million in the financial year June 30, 2023, recorded provision of super tax at the rate of 10%. However, the Company appealed to the Honorable Islamabad High Court challenging the retrospective increase in super tax rates. In response, the Honorable Islamabad High Court issued an order stating that super tax exceeding the rate prescribed before the amendment would not be collected. Consequently, in the light of court order, the super tax in the latest income tax return was paid accordingly.

12. UNPAID DIVIDEND

12.1 This represents dividend payable to Colgate-Palmolive Company, USA. The Company has submitted duly certified application for remittance to authorized dealer in March 2023, August 2023 and October 2023 for onward approval of regulator which is still awaited.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 There is no change in the status of the constitutional petition No. D-3134 of 2016 in the high court of Sindh from that disclosed in the note 26.1.1 of the financial statements of the Company for the year ended June 30, 2023.

13.1.2 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 836.721 million (June 30, 2023: Rs 636.721 million).

13.2 Commitments

13.2.1 Commitments in respect of capital expenditure and inventory items amount to Rs 338.535 million and Rs 19.962 million respectively (June 30, 2023: Rs 75.251 million and Rs 9.245 million respectively).

13.2.2 Outstanding letters of credit amount to Rs 3,225.559 million (June 30, 2023: Rs 2,389.310 million).

13.2.3 Outstanding duties leviable on clearing of stocks amount to Rs 1.651 million (June 30, 2023: Rs 11.325 million).

13.2.4 Post dated cheques issued to the collector of customs against duty on inventory items amount to Rs 541.130 million (June 30, 2023: Nil).

14. SHORT TERM RUNNING FINANCES

There has been no change in short-term borrowing facilities from various banks on mark-up basis from those that are mentioned in note 24.1 of the Company's financial statements for the year ended June 30, 2023.

Note	Half year ended December 31, 2023	Half year ended December 31, 2022
	(Rupees in '000)	

15. OTHER INCOME

Profit on savings accounts	412,656	212,596
Dividend Income on mutual funds	1,561,493	329,657
Others	443,884	241,273
	2,418,033	783,526

16. EARNINGS PER SHARE

	Quarter ended December 31, 2023	Quarter ended December 31, 2022	Half year ended December 31, 2023	Half year ended December 31, 2022
	(Rupees in '000)			
Profit after taxation	3,670,901	2,499,481	7,371,445	4,217,003
	(Number of shares)			
	(Restated)		(Restated)	
Weighted average number of ordinary shares outstanding during the period	242,773,272	242,773,272	242,773,272	242,773,272
	(Rupees)			
	(Restated)		(Restated)	
Earnings per share - basic and diluted	15.12	10.30	30.36	17.37

16.1 There are no dilutive potential ordinary shares outstanding as at December 31, 2023 and 2022.

	Half year ended December 31, 2023	Half year ended December 31, 2022
	(Rupees in '000)	
17. CASH GENERATED FROM OPERATIONS		
Profit before taxation	11,851,703	6,179,839
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	460,130	421,344
Depreciation on right-of-use assets	36,006	36,856
Amortisation expense	1,874	2,634
Gain on disposal of items of property, plant and equipment	(21,703)	(20,190)
Staff retirement benefit	50,642	34,393
Profit on saving accounts	(412,656)	(212,596)
Profit on a term deposit receipt	(66,557)	(11,459)
Profit on treasury bills	(2,365)	(1,526)
Profit on Pakistan Investment Bond	(21)	-
Unrealised gain on investments classified as fair value through profit or loss	(185,515)	(73,118)
Gain on disposal of short term investments	(42,026)	(35,283)
Finance cost and bank charges	86,773	74,877
Provision for obsolete inventory	24,565	18,041
Provision for obsolete stores and spares	608	3,143
Working capital changes 17.1	(600,935)	(477,111)
	<u>11,180,523</u>	<u>5,939,844</u>
17.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	(201,924)	(82,764)
Stock in trade	340,906	(2,410,771)
Trade debts	238,978	(391,913)
Loans and advances	134,459	99,466
Trade deposits and short term prepayments	89,891	54,284
Other receivables	(1,514,935)	26,146
	<u>(912,625)</u>	<u>(2,705,552)</u>
Increase in current liabilities:		
Trade and other payables	311,690	2,228,441
	<u>(600,935)</u>	<u>(477,111)</u>
18. CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>5,459,903</u>	<u>3,727,239</u>

19. RELATED PARTIES

19.1 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:

	Half year ended December 31, 2023	Half year ended December 31, 2022
	(Rupees in '000)	
Nature of transactions		
Associated companies		
Sale of goods and services provided and reimbursement of expenses	67,153	47,105
Purchase of goods and services received and reimbursement of expenses	3,428,886	2,538,978
Purchase of short term investments	1,900,000	700,000
Sale proceeds on redemption of short term investments	600,000	300,000
Sale of assets	700	-
Profit on short term investments	71,579	23,426
Rent, allied and other charges	27,650	22,064
Royalty charges	338,182	271,734
Insurance claims received	46,488	9,718
Purchase of property, plant and equipment	13,039	-
Donations	10,000	20,841
Dividend received on mutual funds	376,777	80,072
Dividend paid	1,319,245	1,188,447
Employee funds		
Contribution to staff retirement benefits	97,986	71,866
Key management personnel		
Compensation paid to key management personnel	135,431	102,627

	December 31, 2023 (unaudited) (Rupees in '000)	June 30, 2023 (audited)
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Nature of balances

Associated companies

Trade debts	2,240	2,006
Trade deposits and short term prepayments	76,069	15,050
Other receivables	4,128	5,179
Short term investments	4,737,582	2,944,312
Lease liabilities	160,523	163,914
Unpaid dividend	2,323,087	2,570,411
Trade and other payables	Refer note 10	

20. ENTITY-WIDE INFORMATION

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

20.2 Information about products

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

	Half year ended December 31, 2023 (Rupees in '000)	Half year ended December 31, 2022
Personal Care	25%	25%
Home Care	70%	68%
Others	5%	7%
	100%	100%

20.3 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.

20.4 Information about major customers

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

21. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on January 29, 2024 by the Board of Directors of the Company.


Iqbal Ali Lakhani
Chairman/Director


Zulfqar Ali Lakhani
Chief Executive


Mudassir Iqbal
Chief Financial Officer

ڈائریکٹرز جائزہ رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کے لیے 31 دسمبر 2023ء کو ختم ہونے والی ششماہی کے لیے کمپنی کے غیر آڈٹ شدہ مختصر مالیاتی گوشوارے پیش کرنا باعث مسرت ہے۔

مالیاتی کارکردگی کا جائزہ

مذکورہ مدت کے لیے کمپنی کی کارکردگی کے مختصر مالی تجزیے کا خلاصہ حسب ذیل ہے:

آپریٹنگ نتائج	جولائی تا دسمبر	جولائی تا دسمبر	اضافہ/(کمی)
	2022	2023	
	(رقم بلین روپے میں)		
مجموعی آمدنی	54,731	72,489	32%
خالص آمدنی	41,944	55,072	31%
مجموعی منافع	10,898	16,434	51%
مجموعی منافع %	25.98%	29.84%	386 bps
فروخت اور تقسیم کے اخراجات	4,537	5,489	21%
انتظامی اخراجات	435	573	32%
آپریٹرز سے منافع	6,255	11,938	91%
ٹیکس کے بعد منافع	4,217	7,371	75%
فی شیئر آمدنی - (روپے)	17.37	30.36	75%

مالیاتی کارکردگی کی جھلکیاں

حجم میں اضافے اور سازگار پیک کس تبدیلیوں کی وجہ سے کاروباری آمدنی میں 31 فیصد اضافہ ہوا ہے۔ انتظامی اور فروخت کے اخراجات میں بنیادی طور پر افراط زر کے دباؤ اور اشتہارات اور برانڈ بلڈنگ سے متعلق اقدامات میں مسلسل سرمایہ کاری کی وجہ سے اضافہ ہوا۔ اشیاء کی قیمتوں میں کمی اور نسبتاً مستحکم شرح تبادلہ کی مدد سے مجموعی منافع بڑھنے کی وجہ سے "ای پی ایس" میں 75 فیصد اضافہ ہوا۔

کاروباری کارکردگی کی جھلکیاں

کولگیٹ، پاکستان میں منہ اور دانتوں کی نگہداشت کے میدان میں سب سے آگے ہے۔ رسائی بڑھانے اور استعمال میں اضافے کو ترجیح دیتے ہوئے قومی سطح پر اقدامات کیے گئے، جن کا مقصد صارفین کی موثر شمولیت اور مستقل اشتہارات کے ذریعے منہ اور دانتوں کی حفظان صحت اور ٹوتھ پیسٹ کے استعمال کو فروغ دینا تھا۔

پامولونے صابن اور شیمپو سے متعلق نئی تشہیری مہم کی مدد سے جلد اور بالوں کی دیکھ بھال کے شعبوں میں اپنی جگہ بنانے کا سلسلہ جاری رکھا ہوا ہے۔ میڈیا اور عملی کوششوں کے ذریعے یہ مارکیٹ شیئر بڑھانے اور ایک مسابقتی منظر نامے میں اپنی جگہ بنانے میں کامیاب رہا ہے۔ تمام ترفیہ ک ڈیجیٹل کے شعبے میں کلیدی کھلاڑیوں نے اشتہارات اور تجارت میں بھاری سرمایہ کاری جاری رکھی۔ غیر منظم شعبہ لانڈری اور ڈش واشنگ برنس میں ترقی کے لئے بدستور ایک چیلنج بنا ہوا ہے۔

مستقبل کا منظر نامہ

کمپنی کو معیشت کے غیر مستحکم ہونے کی وجہ سے چیلنجز کا سامنا ہے اور جغرافیائی و سیاسی صورتحال سمیت مستقبل کا منظر نامہ معمولی نمو کے تخمینے کے ساتھ کمزور دکھائی دیتا ہے۔

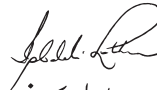
افراط زر کا مسلسل دباؤ صارفین کے اخراجات اور طلب میں نمایاں کمی لاتا ہے۔ کسی بھی طرح کے منفی اثرات کو کم سے کم کرنے اور پائیدار نتائج فراہم کرنے کے لئے آپ کی کمپنی متنوع مصنوعات کے اپنے پورٹ فولیو سے فائدہ اٹھانے اور لاگت کو معقول بنانے کی کوششوں کے حوالے سے پر عزم ہے۔

اظہار تشکر

ہم اپنے برانڈز پر اعتماد کرنے پر صارفین کا تہہ دل سے شکریہ ادا کرتے ہیں۔ ہم اپنے صارفین، ڈسٹری بیوٹرز، سپلائی چین پارٹنرز، بینکرز اور شیئر ہولڈرز کے مسلسل تعاون کے لیے ان کے شکر گزار ہیں۔ ہم انتھک لگن اور کمپنی کے لیے بے پناہ تعاون پر اپنے ملازمین کو بھی سراہتے ہیں۔

از طرف بورڈ آف ڈائریکٹرز


ذوالفقار علی لاکھانی
چیف ایگزیکٹو


اقبال علی لاکھانی
چیئر مین

کراچی: 29 جنوری، 2024ء

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