

Colgate[®]

Smiling Strong, All Year Long

2023 Annual Report



COLGATE-PALMOLIVE (PAKISTAN) LTD.

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Smile Creates A Path



**OVERVIEW &
STRATEGY**

Company Information

BOARD OF DIRECTORS

Iqbal Ali Lakhani - Chairman
Amin Mohammed Lakhani
Aliya Saeeda Khan
(up to March 10, 2023)
Kamran Yousuf Mirza
Syed Shahid Ali Bukhari
Danish Zuberi
(w.e.f. March 10, 2023)
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., Shakra-e-Faisal,
Karachi

REGISTERED OFFICE

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

FACTORIES

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

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

217, Sundar Industrial Estate,
Raiwind Road, Lahore

WEBSITE

www.colgate.com.pk

Core Values

We are Caring.

We are united in making the world a better place.

We are Caring. We are united in making the world a better place. We believe that everyone deserves a healthier life. We lead with empathy, respect and gratitude. We act with integrity, doing things the right way, for the right reasons, no matter what. We support others by generously sharing our resources and our talents. We work every day to earn the trust of all of our stakeholders.

We are Inclusive.

We create a sense of belonging for all.

We cultivate an environment where people can be their authentic selves. We foster a culture of belonging where everyone feels valued, part of a global team, and empowered to do extraordinary things. We design the best solutions by embracing the unique talents, perspectives, and backgrounds of our diverse workforce. We form the strongest teams and create powerful pathways for our people and communities, to break through everyday barriers for equity of opportunity.

We are Courageous.

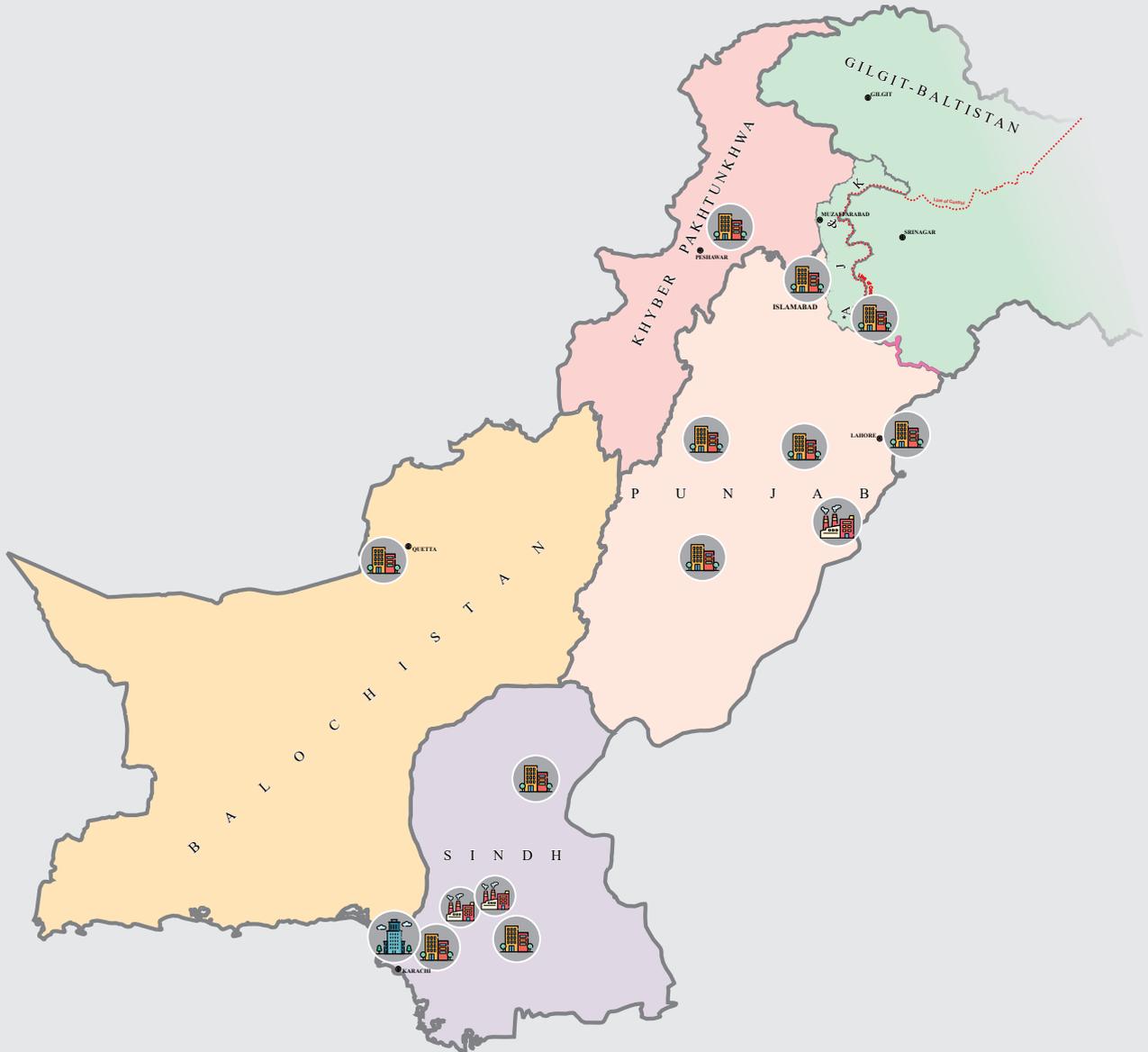
We drive change and get things done.

We think BIG. We are infinitely curious, constantly searching for better ways of working. We challenge each other and how we do things, unafraid to disrupt the status quo, boldly and intentionally innovating, exploring, and reaching for what is possible. We recognize that to grow and thrive we must build on the power of our legacy, our scale, and reach for good for all.

Our Timeline / Milestones



Geographical Presence



Head Office



Factories



Sales Offices

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 11th consecutive 'Corporate Excellence Award' at the 37th 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.



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, 2023, 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.

Dated: July 31, 2023



Iqbal Ali Lakhani
Chairman

Directors' Report

The Directors of your Company are pleased to present the Annual Report with the audited financial statements of the Company for the year ended June 30, 2023.

Financial Performance at a Glance

A brief financial analysis is presented as under:

Operating Results	2022 - 2023	2021 - 2022	Increase / (Decrease)
	Amount in PKR million		
Gross Revenue	119,603	82,398	45.15%
Net Revenue	91,460	62,330	46.73%
Gross Profit	26,099	16,042	62.70%
Gross Profit %	28.54%	25.74%	280 bps
Selling & Distribution Costs	9,162	6,849	33.78%
Administrative Expenses	915	703	30.09%
Operating Profit	16,685	8,865	88.21%
Profit After Tax	10,410	5,872	77.29%
Earnings per Share - Rupees (Restated)	42.88	24.19	77.29%

Financial Highlights

Your company managed to secure significant growth in revenues and profitability amidst tough operating conditions such as dwindling economic and political situation, local currency's significant devaluation, restrictions on imports, unprecedented inflation and rise in direct / indirect taxes.

Despite the above-mentioned challenges, strong revenue and profit growth were driven by the combination of price, volume and favourable product mix changes. Raw material prices which had increased considerably last year have started to come down this year which also led to improving gross margin.

Selling and distribution costs however rose due to increase in local freight and advertising expenses.

Appropriation of Profit

	2022 – 2023
	PKR In '000'
Profit after tax	10,409,994
Un-appropriated profit brought forward	297
Profit available for appropriation	10,410,291
Appropriations:	
Proposed Final Cash Dividend @ 50 % i.e., PKR 5.00 per share (2022: @ 280% i.e., PKR 28 per share)	1,213,866
Proposed Bonus Shares @ nil % i.e., nil shares for every shares held (2022: @ 15% i.e., 3 shares for every 20 shares held)	Nil
Interim Cash Dividend @ 400% i.e., PKR 40 per share (2022: @ 245% i.e., PKR 24.5 per share)	4,855,465
Interim Bonus Shares @ 100% i.e., 1 share for every 1 share held. (2022: Nil)	1,213,866
Interim Cash Dividend @ 200% i.e., PKR 20 per share 31st December 2022 (2022: Nil)	1,674,298
Interim bonus Shares @ 45% i.e., 9 shares for every 20 shares held 31st December 2022 (2022: Nil)	376,718
Transfer to General Reserve	1,057,000
Un-appropriated profit carried forward	19,078

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
- Market disruption due to the law-and-order situation and political uncertainty in the wake of upcoming general elections.

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

Business Performance Highlights

The toothpaste business grew its market share and consolidated its market leadership. The relaunch of our flagship variant, Colgate Maximum Cavity Protection with 'Calcium Boost' formula for stronger teeth is expected to further strengthen the brand. The initiative was supported by consumer communication establishing the 'Calcium Boost' technology that helps to strengthen teeth by restoring the lost calcium and emphasizes the importance of how stronger teeth in turn leads to a stronger you.

Personal Care saw a promising start to the season despite competition. Palmolive Shampoo launched its new communication highlighting 'beautiful hair ready with a finger-comb.' Coupled with trade, on-ground and in-store

activations, the brand continues to make inroads within the hair care category by generating trials and widening its user-base.

To retain market share, the Fabric Care category witnessed high levels of trade and advertising spending from all key players.

Lemon Max maintained its leadership position in dishwashing products. The unorganized sector continues to flourish unabated with high trade margins. These players pose a serious challenge to our Fabric and Dish Care Business.

Health, Safety and Environment

Our energy saving initiatives reflect our efforts to seize optimum renewable energy sources opportunities and solar system installation at plants have resulted in potential energy savings up to 23 percent over the last 4 years. The United States Environmental Protection Agency has recognized our efforts with an Energy Star Award. Further projects coming up in Kotri and Lahore plants reflect our commitment towards green resources.

As part of our efforts towards a green environment, Colgate Palmolive Pakistan has planted 30,000 trees in Sindh and Punjab to reduce the impact of extreme weather patterns in Pakistan's largest cities. The initiative was coordinated through Punjab and Sindh Environmental Protection Agencies on Global Earth Day. We hope to inspire positivity with this initiative while also creating dialogue around climate change this year.

As Pakistan is identified as a water stressed zone, Colgate Palmolive is responsibly acting to save water. Our wastewater treatment plant technology is recovering water to recycle 5 million gallons per annum. Adoption of new technology at Sundar plant is also resulting in higher efficiency of water recycling.

Corporate Social Responsibility

The Company remained focused on the oral health initiatives with its flagship 'Bright Smiles, Bright Futures' program by reaching out to school-going children across cities in Pakistan. Awareness at the grassroots level focused on teaching children the importance of good oral hygiene and regular brushing. Since its inception, the program has touched 15 million children including 1.1 million from last year.

Colgate continued to support "My Bright Smiles" Global Art Contest in 2023. The contest has helped raise awareness of oral hygiene and good brushing habits for children between the age of six to nine years by giving them the opportunity to express their creativity through art.

124,903 artworks were received from all over the country through schools and online submissions. Every year a young artist from Pakistan gets the honour of being featured in the global contest.

The Company also partnered with the dental professionals to help build awareness for oral hygiene through free dental check-ups at different touchpoints easily accessible to the public.

The Company also continues to support social welfare projects and made donations amounting to PKR 33.14 million.

Future Outlook

Macro-economic conditions are expected to remain strained in the coming months owing to ongoing economic / political uncertainty. Further, policy rates are expected to be further increased to keep inflation in check.

The cost of doing business is predicted to rise further amid increasing utility tariffs, sharp rise in fuel costs and soaring tax rates. Rising inflation has affected the disposable income of the masses and their spending is expected to remain under check.

Import curbs in the form of restrictions on the opening of LCs for raw materials and key spares may impact business operations.

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.
- A 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:

	2022 – 2023
	PKR In '000'
CPPL Staff Provident Fund	818,209
CPPL Staff Gratuity Fund	913,355

- The Board held six (6) meetings during the year. Attendance by each director was as follows:

Directors Name	Attendance
Mr. Iqbal Ali Lakhani	6
Mr. Zulfiqar Ali Lakhani	5
Mr. Amin Mohammed Lakhani	6
Mr. Peter John Graylin - Nominee of CP - USA	6
Ms. Xuan Dai - Nominee of CP - USA	5
Ms. Aliya Saeeda Khan (up to 10 March 2023)	3
Ms. Danish Zuberi (from 10 March 2023)	3
Mr. Kamran Yousuf Mirza	6
Mr. Shahid Ali Bukhari	6

- The Audit Committee held four (4) meetings during the year. Attendance by each member was as follows:

Members Name	Attendance
Ms. Aliya Saeeda Khan (up to 10 March 2023)	3
Ms. Danish Zuberi (from 10 March 2023)	1
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:

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

Leave of absence was granted to the members 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
Total number of directors	8

Remuneration Policy of Non-Executive Directors

The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company is determined by the Board from time to time.

Remuneration Package of Chief Executive and Directors

The remuneration package of the Chief Executive and other directors is disclosed in note 39 to the financial statements.

Auditors

The Auditors, Messrs. A. F. Ferguson & Co., Chartered Accountants, retire at the conclusion of the 45th Annual General Meeting. Being eligible, they have offered themselves 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 the pattern of shareholdings of the Company and additional information as of June 30, 2023 is included in the report.

The Board has determined a threshold in respect of trading of Company's shares by executives and employees who are drawing an 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

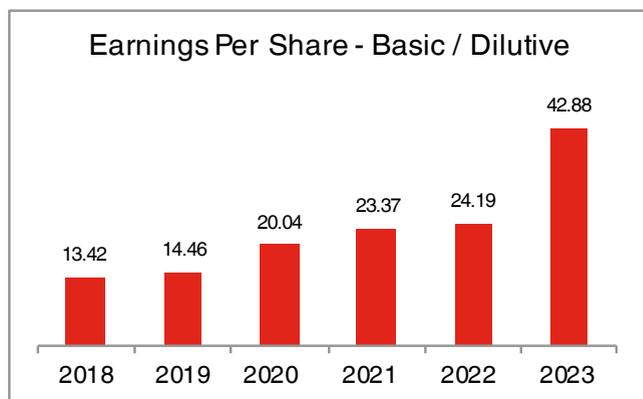
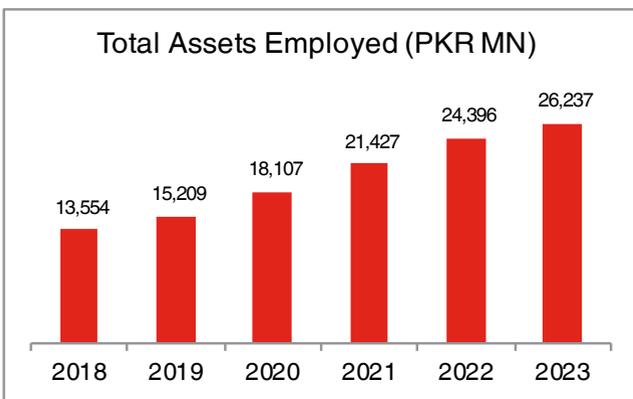
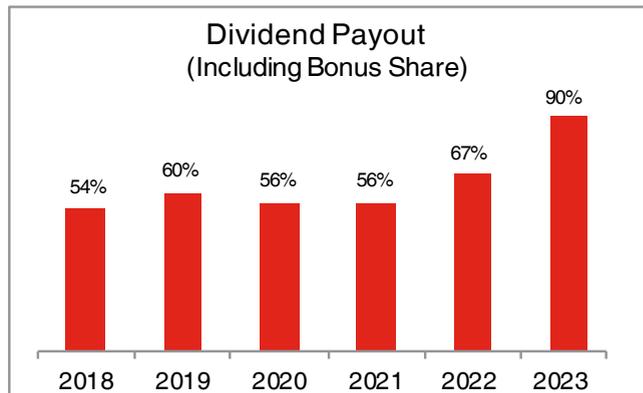
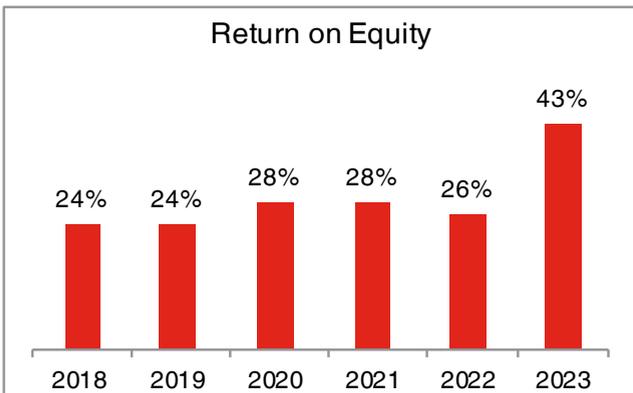
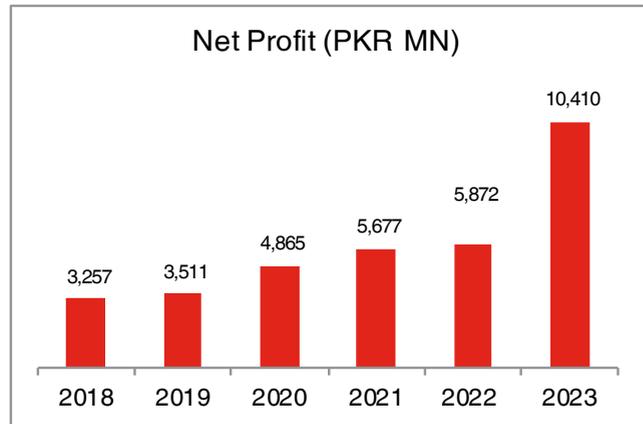
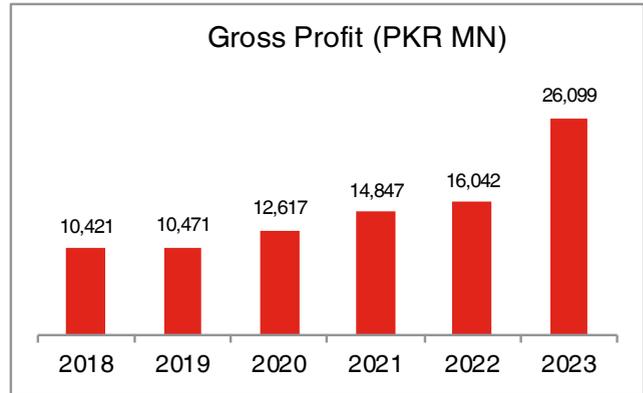
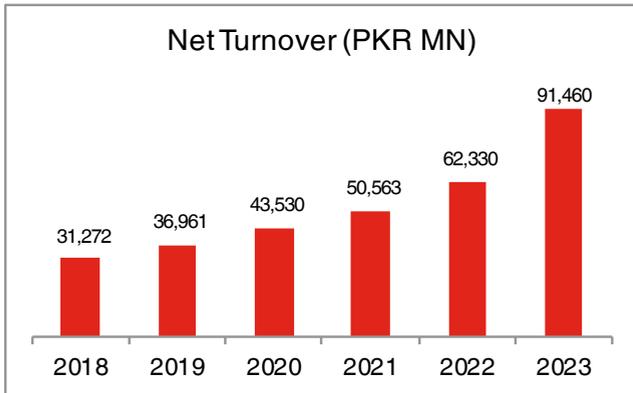
Karachi: July 31, 2023

Key Financial Performance Indicators



Financial Summary

For the year ended June 30, 2023



6 Years at a Glance

	2022-2023	2021-2022	2020-2021	2019-2020	2018- 2019	2017- 2018
	------(Rupees in '000)-----					
STATEMENT OF FINANCIAL POSITION						
Property, plant and equipment	7,836,920	7,623,422	6,714,324	5,102,949	4,291,939	3,644,294
Intangible assets	7,198	3,505	8,662	13,675	14,435	24,818
Long term loans & security deposits	97,440	98,965	110,860	54,303	60,775	60,299
	7,941,558	7,725,892	6,833,846	5,170,927	4,367,149	3,729,411
Current assets	39,504,996	25,279,273	21,304,813	17,337,687	14,628,286	13,020,557
Current liabilities	21,209,360	8,609,153	6,711,793	4,401,425	3,786,065	3,196,303
	18,295,636	16,670,120	14,593,020	12,936,262	10,842,221	9,824,254
TOTAL ASSETS EMPLOYED	26,237,194	24,396,012	21,426,866	18,107,189	15,209,370	13,553,665
REPRESENTED BY						
Equity						
Paid-up capital	2,427,733	727,956	633,005	575,459	575,459	479,549
Reserves	22,164,400	22,022,222	19,548,297	16,863,937	14,444,822	12,937,587
Remeasurement on post retirement benefits obligation	(275,285)	(201,936)	(168,676)	(188,474)	(147,819)	(112,888)
Surplus / (Deficit) on revaluation of investments	-	-	-	259	(4,217)	5
	24,316,848	22,548,242	20,012,626	17,251,181	14,868,245	13,304,253
Non-Current liabilities						
Long term loans, deposits, deferred tax, leases and deferred liability	1,920,346	1,847,770	1,414,240	856,008	341,125	249,412
	1,920,346	1,847,770	1,414,240	856,008	341,125	249,412
	26,237,194	24,396,012	21,426,866	18,107,189	15,209,370	13,553,665
STATEMENT OF PROFIT OR LOSS						
Turnover	119,603,270	82,398,332	67,567,680	57,870,219	48,718,781	41,421,811
Sales tax	(19,121,570)	(12,968,034)	(10,714,230)	(9,175,788)	(7,718,475)	(6,568,260)
Trade and other discounts	(9,022,196)	(7,100,072)	(6,290,428)	(5,164,109)	(4,039,264)	(3,581,833)
	(28,143,766)	(20,068,106)	(17,004,658)	(14,339,897)	(11,757,739)	(10,150,093)
Net turnover	91,459,504	62,330,226	50,563,022	43,530,322	36,961,042	31,271,718
Cost of sales	(65,360,062)	(46,288,481)	(35,715,642)	(30,912,914)	(26,490,454)	(20,850,970)
Gross profit	26,099,442	16,041,745	14,847,380	12,617,408	10,470,588	10,420,748
Administrative, selling and distribution cost	(10,076,547)	(7,551,757)	(6,978,509)	(6,085,372)	(5,652,407)	(5,780,419)
Other expenses	(1,491,593)	(724,675)	(643,807)	(724,664)	(428,655)	(410,310)
Other income	2,153,316	1,099,519	855,784	1,000,208	613,160	467,233
	(9,414,824)	(7,176,913)	(6,766,532)	(5,809,828)	(5,467,902)	(5,723,496)
Profit from operations	16,684,618	8,864,832	8,080,848	6,807,580	5,002,686	4,697,252
Finance cost and bank charges	(150,682)	(142,810)	(118,175)	(95,813)	(38,496)	(29,240)
Profit before taxation	16,533,936	8,722,022	7,962,673	6,711,767	4,964,190	4,668,012
Taxation	(6,123,942)	(2,850,442)	(2,285,924)	(1,846,951)	(1,453,387)	(1,410,957)
Profit after taxation	10,409,994	5,871,580	5,676,749	4,864,816	3,510,803	3,257,055
STATEMENT OF CASHFLOWS						
Cash flows from operating activities	16,929,909	1,913,685	7,691,814	4,570,686	2,817,537	2,179,117
Cash flows from investing activities	(8,141,438)	(568,929)	(6,123,234)	288,743	(2,652,153)	(627,746)
Cash flows from financing activities	(6,274,270)	(3,174,212)	(1,987,651)	(2,189,894)	(1,899,123)	(1,675,472)
Net (decrease) / increase in cash and cash equivalents	2,514,201	(1,829,456)	(419,071)	2,669,535	(1,733,739)	(124,101)
Cash and cash equivalents at the beginning of the year	2,978,308	4,807,764	5,226,835	2,557,300	4,291,039	4,415,140
Cash and cash equivalents at the end of the year	5,492,509	2,978,308	4,807,764	5,226,835	2,557,300	4,291,039

Horizontal Analysis

	2022-2023	2021-2022	2020-2021	2019- 2020	2018- 2019	2017- 2018
STATEMENT OF FINANCIAL POSITION						
Non-Current Assets	2.8%	13.1%	32.2%	18.4%	17.1%	32.4%
Current Assets	56.3%	18.7%	22.9%	18.5%	12.3%	7.3%
Total Assets	43.8%	17.3%	25.0%	18.5%	13.4%	12.0%
Share Capital and Reserves	7.8%	12.7%	16.0%	16.0%	11.8%	13.2%
Non-Current Liabilities	3.9%	30.7%	65.2%	150.9%	36.8%	-6.9%
Current Liabilities	146.4%	28.3%	52.5%	16.3%	18.5%	9.1%
Total Equity and Liabilities	43.8%	17.3%	25.0%	18.5%	13.4%	12.0%
STATEMENT OF PROFIT OR LOSS						
Net turnover	46.7%	23.3%	16.2%	17.8%	18.2%	10.3%
Cost of sales	41.2%	29.6%	15.5%	16.7%	27.0%	13.7%
Gross profit	62.7%	8.0%	17.7%	20.5%	0.5%	4.2%
Selling and distribution cost	33.8%	8.2%	15.1%	7.2%	-3.6%	10.6%
Administrative expenses	30.1%	8.8%	11.1%	11.8%	13.7%	16.6%
Other expenses	105.8%	12.6%	-11.2%	69.1%	4.5%	3.3%
Other income	95.8%	28.5%	-14.4%	63.1%	31.2%	1.7%
Profit from operations	88.2%	9.7%	18.7%	36.1%	6.5%	-3.3%
Finance cost and bank charges	5.5%	20.8%	23.3%	148.9%	31.7%	19.2%
Profit before taxation	89.6%	9.5%	18.6%	35.2%	6.3%	-3.4%
Taxation	114.8%	24.7%	23.8%	27.1%	3.0%	-10.5%
Profit after taxation	77.3%	3.4%	16.7%	38.6%	7.8%	0.0%

Vertical Analysis

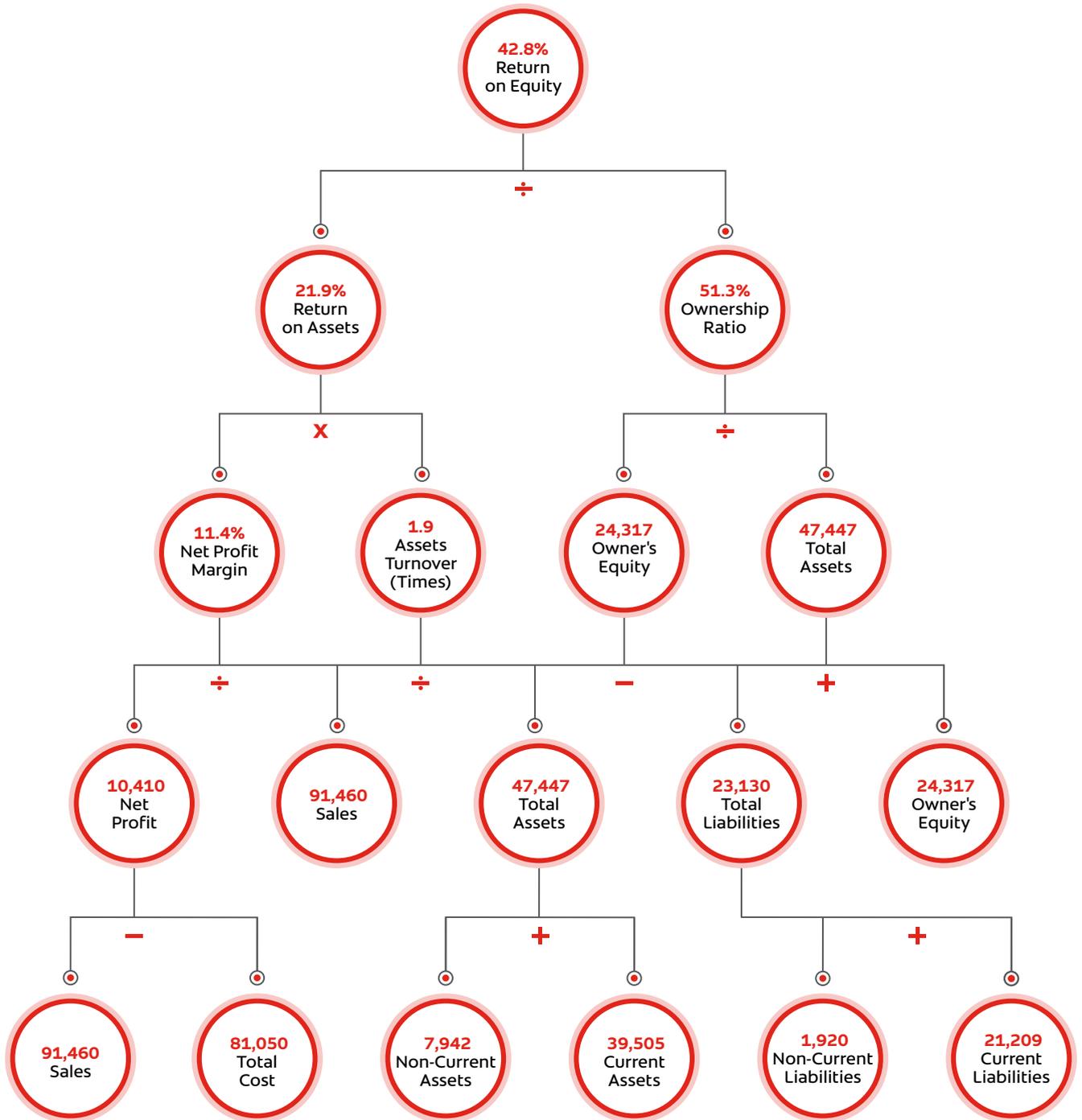
	2022-2023	2021-2022	2020-2021	2019- 2020	2018- 2019	2017- 2018
STATEMENT OF FINANCIAL POSITION						
Non-Current Assets	16.74%	23.41%	24.29%	22.97%	22.99%	22.27%
Current Assets	83.26%	76.59%	75.71%	77.03%	77.01%	77.73%
Total Assets	100%	100%	100%	100%	100%	100%
Share Capital and Reserves	51.25%	68.32%	71.12%	76.64%	78.27%	79.43%
Non-Current Liabilities	4.05%	5.60%	5.03%	3.80%	1.80%	1.49%
Current Liabilities	44.70%	26.08%	23.85%	19.55%	19.93%	19.08%
Total Equity and Liabilities	100%	100%	100%	100%	100%	100%
STATEMENT OF PROFIT OR LOSS						
Net turnover	100%	100%	100%	100%	100%	100%
Cost of sales	71.46%	74.26%	70.64%	71.01%	71.67%	66.68%
Gross profit	28.54%	25.74%	29.36%	28.99%	28.33%	33.32%
Selling and distribution cost	10.02%	10.99%	12.52%	12.64%	13.89%	17.02%
Administrative expenses	1.00%	1.13%	1.28%	1.34%	1.41%	1.46%
Other expenses	1.63%	1.16%	1.27%	1.66%	1.16%	1.31%
Other income	2.35%	1.76%	1.69%	2.30%	1.66%	1.49%
Profit from operations	18.24%	14.22%	15.98%	15.64%	13.54%	15.02%
Finance cost and bank charges	0.16%	0.23%	0.23%	0.22%	0.10%	0.09%
Profit before taxation	18.08%	13.99%	15.75%	15.42%	13.43%	14.93%
Taxation	6.70%	4.57%	4.52%	4.24%	3.93%	4.51%
Profit after taxation	11.38%	9.42%	11.23%	11.18%	9.50%	10.42%

Key Financial Ratios

		2022-2023	2021-2022	2020-2021	2019- 2020	2018- 2019	2017- 2018
RATE OF RETURN							
Pre tax return on equity	%	68	39	40	39	33	35
Post tax return on equity	%	43	26	28	28	24	24
Return on average capital employed	%	66	39	41	41	35	37
Interest cover	times	111	62	68	71	130	161
PROFITABILITY							
Gross profit margin	%	29	26	29	29	28	33
Operating profit to sales	%	18	14	16	16	14	15
Pre tax profit to sales	%	18	14	16	15	13	15
Post tax profit to sales	%	11	9	11	11	9	10
LIQUIDITY							
Current Ratio	ratio	1.9:1	2.9:1	3.2:1	3.9:1	3.9:1	4.1:1
Quick ratio	ratio	1.1:1	1.4:1	2.1:1	2.5:1	2.5:1	2.8:1
FINANCIAL GEARING							
Debt equity ratio	ratio	7:100	8:100	7:100	5:100	2:100	2:100
Gearing ratio	times	0.95	0.46	0.41	0.30	0.28	0.26
CAPITAL EFFICIENCY							
Debtors turnover	days	8	8	8	7	7	9
Average inventory turnover	days	79	80	69	66	63	63
Total assets turnover	times	2	2	2	2	2	2
Property, plant and equipment turnover	times	12	8	8	9	9	9
INVESTMENT MEASURES PER ORDINARY SHARE							
Earnings per share - restated	Rs	42.88	24.19	23.38	20.04	14.46	13.42
Dividend payout (including bonus)	%	90	67	56	56	60	54
Dividend yield	%	6	2	2	2	2	1
Break-up value - restated	Rs	100	93	82	71	61	55
Market value - low	Rs	1,047	1,900	2,150	1,663	1,900	2,105
Market value - high	Rs	2,480	2,600	3,745	2,600	3,288	3,598
Market value - year end	Rs	1,123	2,248	2,500	2,240	2,075	3,149
Market capitalization	Rs in Mn	272,591	163,644	158,251	128,903	119,408	151,010
Dividend - Cash	%	650	525	490	460	365	350
Dividend - Bonus shares	%	145	15	15	10	0	20

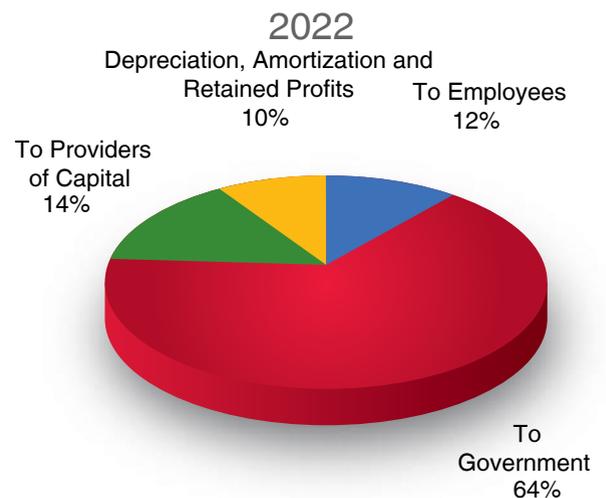
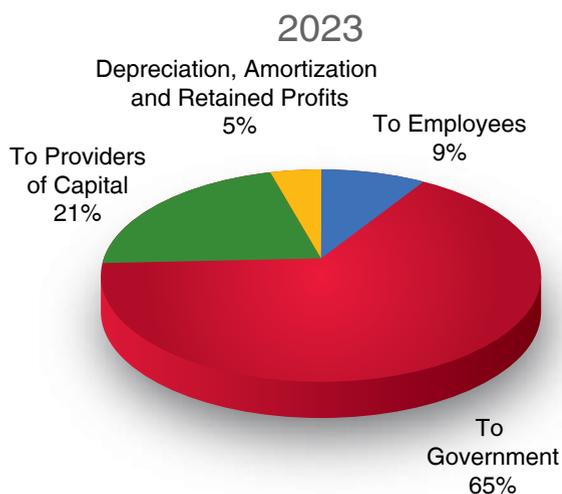
DuPont Analysis

Rs in Million



Statement of Value Added

	Year ended June 30	
	2023	2022
	Rs in '000	
Wealth Generated		
Total revenue net of discount and allowances	112,734,390	76,397,779
Bought-in-material and services	68,171,154	48,029,435
	<u>44,563,236</u>	<u>28,368,344</u>
Wealth Distributed		
To Employees		
Salaries, benefits and other costs	3,955,865	3,345,805
To Government		
Income tax, sales tax, custom and regulatory duty, WPPF, WWF, SIDC and stamp duty	29,110,990	18,143,718
To Providers of Capital		
Dividend to shareholders including bonus shares	9,334,213	3,930,961
Mark up/interest expenses on borrowed funds	150,682	142,810
Retained for Reinvestment and Growth		
Depreciation, amortization and Retained Profits	2,011,486	2,805,050
	<u>44,563,236</u>	<u>28,368,344</u>



Challenges Met, Smiles Spread



**BUSINESS
PERFORMANCE**

Oral Care

Colgate Maximum Cavity Protection

Colgate Maximum Cavity Protection was relaunched with its new unique 'Calcium Boost' formula that strengthens teeth and makes them 2X stronger. The relaunch campaign explains the link between strong teeth and overall wellbeing, i.e., strong teeth aid in better chewing, leading to better absorption of nutrients, and hence, a strong you.



The campaign coverage included TV advertising, digital amplification, point of sales merchandising, in-store visibility efforts, as well as a packaging upgrade, helping connect with consumers through all relevant touchpoints.

Colgate Total



Colgate Total's double Zinc and Arginine formula makes it the most effective multi-benefit toothpaste, providing 12-hour antibacterial whole mouth protection. Relaunched with a contemporary new packaging design, Colgate Total highlights its superior technology that actively seeks out bacteria on teeth, tongue, cheeks and gums.

Colgate Max Fresh - Energizing Today's Youth, Every Day

Colgate MaxFresh, our youthful, freshness offering, invites consumers to start every morning afresh. The brand's new campaign #MaxFreshTheTrolls, with Fahad Mustafa, addresses today's issues of trolling. He encourages people to make way for a refreshing start - with new ideas, new goals and bright smiles.



Colgate Herbal - The Goodness of Herbs for Healthier Gums

For spicy food loving consumers, Colgate Herbal emphasizes the importance of healthy gums & strong teeth to enjoy the food they love most. The new Colgate Herbal campaign features brand mascot 'Gillu' in a new avatar. It expands on how the goodness of unique herbs used in Colgate Herbal help in maintaining healthy gums & strong teeth naturally.



Furthermore, the brand's in-store visibility and targeted consumption-building initiatives proved to be instrumental in expanding its reach and increasing penetration.

Personal Care

Palmolive Shampoo

With a new and impactful campaign featuring rising star, Komal Meer, Palmolive Shampoo's 'Beautiful Hair Ready with a Finger-Comb' tapped into the desire for smooth and manageable hair. The campaign was driven by and resonated with consumers seeking haircare solutions that combined practicality with beauty.



Surface Care

Max Liquid



Lemon Max Liquid provides consumers with the ultimate in dishwashing convenience, offering not only superior grease cutting power, but also added value through economy, making hassle-free dishwashing very affordable. The brand's new campaign highlights how Lemon Max Liquid, in today's inflationary environment, helps consumers wash 3X more dishes vs. ordinary dishwashing bars.

Fabric Care

Brite



Stemming from a key consumer insight, Brite addressed the challenge of tough oily food stains from beloved Pakistani dishes. Strengthening its proposition with the claim ‘Kormay Se Karahi Tak Har Daagh Wipe Kardega’, Brite further established its superiority in stain removal efficacy.

Establishing its new messaging, Brite launched a new campaign, including TVCs, digital engagement, in-store visibility and trial generation activities at retail stores as well as consumers’ doorsteps. The campaign won a Bronze Award in the Effie Pakistan Awards 2023.

*Greener Earth,
Brighter Smiles*

**SUSTAINABILITY
REPORTING**



Environment

Environment Preservation

We view sustainability as being an integral part of our overall business and growth strategy. Colgate has continued its sustainability journey in the area of product packaging and plastic consumption by resizing and design innovation. A key action of our Sustainability Strategy is to potentially reduce plastic waste. Our strategic framework to achieve this focuses on responsible sourcing and creation of designs that are both efficient and beneficial. These combined efforts helped us to mitigate 32,000 KGs of plastic waste.



Energy Conservation

Our energy saving initiatives reflect our efforts to seize optimum renewable energy sources' opportunities. Solar system installations at plants have resulted in potential energy savings of up to 23 percent over the last 4 years. The United States Environmental Protection Agency has recognized our efforts with an Energy Star Award.

More projects are coming up at both manufacturing sites (Kotri and Lahore plants), reflecting our commitment towards utilizing green resources.



Tree Plantation – Go Green

As part of our efforts in contributing towards a green environment, Colgate Palmolive Pakistan has planted 30,000 trees in Sindh and Punjab to reduce the impact of extreme weather patterns in Pakistan’s largest cities. The initiative was coordinated through Punjab and Sindh Environmental Protection Agencies on Earth Day and World Environment Day. As proud citizens of Pakistan, we hope to inspire positivity with this initiative, while also creating dialogue around climate change this year.



- Good Health & Well Being **3**

- Climate Action **13**

- Life on Land **15**


Water Stewardship

Saving water is a cornerstone of Colgate’s Sustainability Strategy, a key component of our sustainable future. We are making efforts to promote water stewardship, ensure security and resilience across our value chain, protect ecosystems and support water access in our communities. Our commitment involves conserving its use, helping people gain access to safe water and mitigate risks associated with water scarcity.



- Clean Water & Sanitation **6**

- Climate Action **13**

- Life Below Water **14**

- Life on Land **15**


Environment, Health & Safety

Colgate’s value of Caring is aligned with our Environment and Occupational Health Safety (EOHS) Guiding Principles to ensure that we protect the health and safety of all our employees and any individuals who access our sites, minimize our impact on the environment, strive to consider sustainable product solutions and minimize global impact in all operations. Colgate people across Pakistan are committed to maintaining healthy and safe working conditions in our facilities and to keep our business operations environmentally sound.

We continue to maintain a robust EOHS Management System and uphold EOHS Global Standards. The EOHS Management System includes self-assessments and inspection, management of change, training, documentation and EOHS leadership expectations.

Good Health & Well Being **3**



Decent Work & Economic Growth **8**



Sustainable Cities & Communities **11**




Society

Bright Smiles, Bright Futures (BSBF)

Our ongoing flagship 'Bright Smiles, Bright Futures' School Program aims at instilling good oral health and hygiene habits from a young age. Various educational tools are used to explain the importance of oral hygiene in a fun-filled manner. This Program is conducted by trained Colgate professionals. Since inception, the Program has reached 15 million children.



My Bright Smiles: Global Art Contest 2023

Colgate celebrated young artists through its 'My Bright Smile' Global Art Contest 2023. This annual contest aimed to promote oral hygiene awareness and instill good brushing habits among children aged 6-9 years, encouraging them to express their creativity and reflect on what their bright smile means to them. This year's contest received an overwhelming response, with a total of 124,000+ artworks pouring in from all corners of the country. These impressive submissions were sourced through schools and various online platforms, reflecting our campaign's wide reach and engagement.



Good Health & Well Being 3	Quality Education 4	Sustainable Cities & Communities 11
		

World Environment Day

Colgate-Palmolive is dedicated to a healthier, more sustainable future. By promoting eco-conscious behaviour, we inspire employees to contribute to a greener world. Our manufacturing plants marked World Environment Day with a series of activities to raise awareness about pressing environmental issues.

The 'Beat Plastic Pollution' session underscored the need to combat plastic waste. We distributed plantation kits to employees, encouraging their active participation. We also collaborated with external stakeholders like the Environment Protection Agency and Board of Management Sundar Industrial Estate (BOMSIE) for impactful tree plantation drives.



Breast Cancer Awareness Seminar

Our commitment to a better future is made evident through our various Awareness programs. To bring awareness to the official Breast Cancer Awareness Month, Colgate-Palmolive Pakistan partnered with Pakistan Olympic Association Women and Sports Commission for a special Breast Cancer Awareness session.

The seminar was hosted at the Sindh Madrassat-ul-Islam. Internationally renowned expert, Dr. Rufina Soomro, was the chief speaker at the event who gave a very informative lecture to 300+ female participants about the risks of breast cancer, its preventative measures as well as treatment options.

Another awareness session was successfully organized in-house for female employees. The awareness session focused on reducing the stigmas around breast cancer, the importance of early detection and treatment. Employees were also given vouchers for 50% off on a Mammogram and a Vitamin D test in collaboration with Chughtai Labs.

Through concerted efforts, we hope to make a meaningful contribution to the fight against breast cancer and offer support to those navigating this challenging journey.



- 3
Good Health & Well Being
- 4
Quality Education
- 5
Gender Equality
- 10
Reduced Inequalities

Furthermore, our comprehensive workplace harassment awareness training demonstrates our commitment to maintaining the highest ethical standards. These initiatives contribute to creating a respectful and inclusive workplace, where all employees feel safe and valued. Our approach helps enlighten our workforce about the various forms of workplace harassment as well as highlight methods of reporting concerns while maintaining anonymity.

Our People

Sports Fest

Activities such as the Sports Fest highlight our belief in cultivating professional growth and promoting holistic well-being for our employees. Sports Fest comprised of different sporting activities including cricket, table tennis, badminton, tug of war, darts and basketball. Catering to varied interests, Sports Fest ensured all employees had the opportunity to participate and enjoy themselves. The event fostered a sense of team spirit and encouraged collaboration and teamwork across departments. Through such activities, Colgate strives to ensure work-life balance for its employees, contributing to a positive work environment.



Good Health & Well Being 3 	Reduced Inequalities 10 	Sustainable Cities & Communities 11 
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Day Care



As an embodiment of one of our Core Values of ‘Caring’ and our commitment to fostering diversity and inclusion, our on-site day care provides a convenient service for employees with children; a safe and secure environment in which to entrust their children to be cared for during working hours. It offers a range of facilities and all the amenities a professional day care would provide.

Experienced staff is dedicated to ensuring the well-being of the children and are sensitively trained to create a warm and friendly atmosphere where all children feel valued, respected and understood.

<p>Good Health & Well Being 3</p>	<p>Gender Equality 5</p>	<p>Decent Work & Economic Growth 8</p>	<p>Reduced Inequalities 10</p>	<p>Sustainable Cities & Communities 11</p>
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Corporate Social Responsibility (CSR)

CSR Efforts

As part of its CSR efforts, Colgate-Palmolive has worked with many charitable organizations to provide monetary and in-kind contributions worth approximately thirty-three million rupees. Through its efforts, Colgate Palmolive has aided many notable causes such as education and healthcare for the underprivileged. In support of arts and culture, Colgate-Palmolive also sponsored the Nigaah Art Awards, to honor the work of Pakistan's emerging and established artists across a variety of genres.

A major CSR effort was undertaken following the devastating post-monsoon floods wherein Colgate Palmolive aided not only its own employees but also those of its distributors and members of the general public, by offering financial and in-kind assistance free of cost.

Good Health & Well Being **3**



Sustainable Cities & Communities **11**



28th Palmolive Swimming Championship

Continuing its strides in Women Empowerment, Colgate-Palmolive proudly sponsored the 28th Palmolive Sindh Women's Swimming championship, organized by the Karachi Women's Swimming Association (KWSA) held after a hiatus of 3 years.

The event provided a platform for over 200 talented female swimmers from schools and clubs to showcase their talent and take part in healthy competition. Through the event, Colgate Palmolive promoted swimming on a national level encouraging young female athletes who excelled at this event to participate and win accolades for Pakistan at prestigious

platforms like the South Asian Games, South Asian Swimming Championships, and the Islamic Women's Games.

Good Health & Well Being **3**



Reduced Inequalities **10**



Sustainable Cities & Communities **11**



The two-day championship comprised of 64 events where six age groups contested and 4 new records were created. Pakistan's young female swimmers emerged victorious and were celebrated by the crowd on both days.

Numbers Echo Our Journey Of Smiles



**FINANCIAL
STATEMENTS**



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, 2023, 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, 2023 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
i.	<p>Revenue recognition</p> <p>Refer note 2.15 to the annexed financial statements</p> <p>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 either upon shipment or delivery of goods to customer. Revenue is recognised at transaction price (which excludes estimates of variable consideration), which represents the fair value of the consideration received or receivable excluding discount, rebates and government levies and the payment is typically due on the satisfaction of performance obligation.</p> <p>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>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Assessed the design, implementation and operating effectiveness of the key internal controls involved in revenue recognition. • Understood and evaluated the accounting policy with respect to revenue recognition. • Performed testing of revenue transactions on a sample basis with underlying documentation including dispatch documents and sales invoices. • 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. • Performed audit procedures to analyse variation in the price and quantity sold during the year. • Assessed the adequacy of disclosures made in the financial statements related to revenue.

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 4, 2023

UDIN: AR202310059QtgonE5pB

Statement of Financial Position

As at June 30, 2023

	Note	2023 ------(Rupees in '000)-----	2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	7,836,920	7,623,422
Intangible assets	5	7,198	3,505
Long term loans	6	76,180	78,231
Long term security deposits	7	21,260	20,734
		7,941,558	7,725,892
CURRENT ASSETS			
Stores and spares	8	701,919	483,196
Stock in trade	9	15,356,715	13,067,927
Trade debts	10	2,017,453	1,407,106
Loans and advances	11	459,913	291,309
Trade deposits and short term prepayments	12	171,500	148,348
Other receivables	13	1,013,343	431,603
Accrued profit		29,639	4,760
Short term investments	14	14,262,005	6,543,716
Cash and bank balances	15	5,492,509	2,901,308
		39,504,996	25,279,273
TOTAL ASSETS		47,446,554	33,005,165
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up share capital	16	2,427,733	727,956
Reserves	17	22,164,400	22,022,222
Remeasurement of post retirement benefits obligation		(275,285)	(201,936)
		24,316,848	22,548,242
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation	18	392,697	261,742
Long term deposits	19	51,264	63,134
Deferred liability	20	191,865	76,106
Long-term financing	21	702,580	747,668
Deferred grant		291,488	357,685
Lease liabilities	22	290,452	341,435
		1,920,346	1,847,770
CURRENT LIABILITIES			
Trade and other payables	23	16,494,293	7,989,140
Accrued mark up		7,056	8,322
Current portion of long-term financing	21	109,465	390,889
Current portion of lease liabilities	22	66,001	60,987
Short-term financing	24	-	42,334
Taxation - net		1,684,759	86,204
Unpaid dividend	25	2,811,659	-
Unclaimed dividend		36,127	31,277
		21,209,360	8,609,153
TOTAL LIABILITIES		23,129,706	10,456,923
CONTINGENCIES AND COMMITMENTS	26		
TOTAL EQUITY AND LIABILITIES		47,446,554	33,005,165

The annexed notes 1 to 47 form an integral part of these financial statements.



Iqbal Ali Lakhani
Chairman / Director



Zulfiqar Ali Lakhani
Chief Executive



Mudassar Iqbal
Chief Financial Officer

Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2023

	Note	2023 ------(Rupees in '000)-----	2022
Turnover		119,603,270	82,398,332
Sales tax		(19,121,570)	(12,968,034)
Trade and other discounts		(9,022,196)	(7,100,072)
Net turnover		91,459,504	62,330,226
Cost of sales	27	(65,360,062)	(46,288,481)
Gross profit		26,099,442	16,041,745
Selling and distribution cost	28	(9,161,677)	(6,848,512)
Administrative expenses	29	(914,870)	(703,245)
Other expenses	30	(1,491,593)	(724,675)
Other income	31	2,153,316	1,099,519
Profit from operations		16,684,618	8,864,832
Finance cost and bank charges	32	(150,682)	(142,810)
Profit before taxation		16,533,936	8,722,022
Taxation	33	(6,123,942)	(2,850,442)
Profit after taxation		10,409,994	5,871,580
Other comprehensive income / (loss) for the year - net of tax			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of post retirement benefits obligation		(120,245)	(49,642)
Impact of tax		46,896	16,382
		(73,349)	(33,260)
Total comprehensive income for the year		10,336,645	5,838,320
		-----Rupees-----	
		(Restated)	
Earnings per share - basic and dilutive	34	42.88	24.19

The annexed notes 1 to 47 form an integral part of these financial statements.



Iqbal Ali Lakhani
Chairman / Director



Zulfiqar Ali Lakhani
Chief Executive



Mudassar Iqbal
Chief Financial Officer

Statement of Changes in Equity

For the year ended June 30, 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, 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)	-	-
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)
Total transactions with owners	94,951	-	-	(3,397,655)	(3,397,655)	-	(3,302,704)
Comprehensive income for the year							
Profit after taxation for the year ended June 30, 2022	-	-	-	5,871,580	5,871,580	-	5,871,580
Other comprehensive income / (loss)	-	-	-	-	-	(33,260)	(33,260)
Total comprehensive income for the year ended June 30, 2022	-	-	-	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
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)	-	-
First interim dividend for the period ended December 31, 2022 at the rate of Rs 20 per share	-	-	-	(1,674,298)	(1,674,298)	-	(1,674,298)
First interim bonus shares issued at the rate of nine shares for every twenty shares held	376,718	-	-	(376,718)	(376,718)	-	-
Second interim dividend for the year ended June 30, 2023 at the rate of Rs 40 per share	-	-	-	(4,855,465)	(4,855,465)	-	(4,855,465)
Second interim bonus shares issued at the rate of one share for every one share held	1,213,866	-	-	(1,213,866)	(1,213,866)	-	-
Total transactions with owners	1,699,777	-	-	(10,267,816)	(10,267,816)	-	(8,568,039)
Comprehensive income for the year							
Profit after taxation for the year ended June 30, 2023	-	-	-	10,409,994	10,409,994	-	10,409,994
Other comprehensive loss	-	-	-	-	-	(73,349)	(73,349)
Total comprehensive income for the year ended June 30, 2023	-	-	-	10,409,994	10,409,994	(73,349)	10,336,645
Transfer to general reserve	-	-	1,941,000	(1,941,000)	-	-	-
Balance as at June 30, 2023	2,427,733	13,456	19,861,000	2,289,944	22,164,400	(275,285)	24,316,848

The annexed notes 1 to 47 form an integral part of these financial statements.


Iqbal Ali Lakhani
 Chairman / Director


Zulfikar Ali Lakhani
 Chief Executive


Mudassar Iqbal
 Chief Financial Officer

Statement of Cash Flows

For the year ended June 30, 2023

	Note	2023	2022
------(Rupees in '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	21,467,117	4,818,282
Finance cost paid		(103,222)	(74,947)
Taxes paid		(4,347,535)	(2,757,401)
Long term loans		2,051	(32,689)
Long term security deposits (assets)		(526)	19,978
Staff retirement gratuity paid		(76,106)	-
Long term deposits		(11,870)	(59,538)
Net cash generated from operating activities		16,929,909	1,913,685
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(1,187,041)	(1,706,958)
Purchase of intangible assets		(8,661)	-
Short term investments made during the year		(11,441,944)	(24,293,845)
Proceeds from sale of property, plant and equipment		90,249	57,062
Profit received on savings accounts		579,816	154,231
Profit received on treasury bills		3,363	51,534
Profit received on Pakistan Investment Bonds		35	436
Profit received on term deposit receipts		39,337	37,560
Sale proceeds on disposal of short term investments		3,783,408	25,131,051
Net cash used in investing activities		(8,141,438)	(568,929)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing obtained		-	676,436
Payment of lease liabilities		(87,697)	(94,012)
Long - term financing repaid		(392,709)	(500,273)
Short-term financing obtained		(42,334)	42,334
Dividend paid		(5,751,530)	(3,298,697)
Net cash used in financing activities		(6,274,270)	(3,174,212)
Net increase / (decrease) in cash and cash equivalents during the year		2,514,201	(1,829,456)
Cash and cash equivalents at beginning of the year		2,978,308	4,807,764
Cash and cash equivalents at end of the year	36	5,492,509	2,978,308

The annexed notes 1 to 47 form an integral part of these financial statements.



Iqbal Ali Lakhani
Chairman / Director



Zulfikar Ali Lakhani
Chief Executive



Mudassar Iqbal
Chief Financial Officer

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2023

1. THE COMPANY AND ITS OPERATIONS

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

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

2. SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

2.1 Basis of preparation

2.1.1 Basis of measurement

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

2.1.2 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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

2.1.3.1 Amendments to published accounting and reporting standards which are effective for the year ended June 30, 2023

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.

Depreciation is charged to income applying the straight line method by applying rates (as stated in note 4.1.1). Depreciation on additions is charged from the month in which the asset is put to use and on disposal upto the month of disposal.

No depreciation is charged if the asset's residual value exceeds its carrying amount.

Residual values and the useful lives are reviewed at each date of statement of financial position and adjusted if expectations differ significantly from previous estimates.

Residual values are determined by the management as the amount it expects it would receive currently for an item of property, plant and equipment if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

The carrying values of property, plant and equipment are reviewed at each reporting date for indications that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the asset or cash generating unit is written down to its recoverable amount. The recoverable amount of property, plant and equipment is the greater of fair value less cost to sell and value in use.

Normal repairs and maintenance are charged to profit or loss as and when incurred. Major renewals and improvements, if any, are capitalised, when it is probable that future economic benefits will flow to the Company.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount of the relevant assets. These are included in profit or loss.

2.2.2 **Capital work in progress**

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when assets are available for use.

2.2.3 **Right-of use assets**

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

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

2.3 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognised when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining computer software are recognised as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged over the estimated useful life of the asset on a systematic basis applying the straight line method at the rate of 33.33%.

Useful lives of intangible operating assets are reviewed, at each date of statement of financial position and adjusted if the impact of amortisation is significant.

The carrying amount of the intangible is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversal of impairment losses are also recognised in the profit or loss, however, it is restricted to the original cost of the asset.

2.4 Stores and spares

Stores and spares are valued at lower of cost using the moving average method and estimated net realisable value. Items in transit are valued at cost accumulated upto the date of statement of financial position. Provision for obsolete items, if any, is based on their condition as at the financial position date depending upon the management's judgement.

Loose tools are recognised as expense as and when purchased as their inventory is generally not significant.

Net realisable value specifies the estimated selling price in the ordinary course of business less the estimated cost of completion and cost necessary to be incurred to make the sale.

2.5 Stock in trade

Stock in trade is valued at the lower of cost and estimated net realisable value. Cost is determined as follows:

Stages of stock in trade	Basis of valuation
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 2.19.1.

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.

The Company applies the short-term or low value lease recognition exemption towards certain leases. 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 either upon shipment or delivery of goods to customer.
- Revenue is recognised at transaction price (which excludes estimates of variable consideration), which represents the fair value of the consideration received or receivable excluding discount, rebates and government levies 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 Earning per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

2.19 Financial instruments

2.19.1 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.

2.19.2 **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.

2.19.3 **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.

2.20 **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.

2.21 **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.

2.22 **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. SIGNIFICANT 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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
------(Rupees in '000)-----			
Operating fixed assets	4.1	7,241,794	6,943,409
Capital work in progress	4.2	343,951	353,877
Right-of-use assets	4.3	251,175	326,136
		<u>7,836,920</u>	<u>7,623,422</u>

4.1 Operating fixed assets

4.1.1 The following is a statement of operating fixed assets:

	Leasehold land	Building on leasehold land	Plant and machinery	Fittings and installations	Furniture and fixtures	Tools and equipment	Vehicles	Computers and accessories	Office equipment	Total
------(Rupees in '000)-----										
At July 1, 2021										
Cost	178,634	1,477,367	5,871,703	388,628	194,932	645,468	725,282	249,560	178,081	9,909,655
Accumulated depreciation	-	(941,792)	(3,794,671)	(236,960)	(134,181)	(380,176)	(316,840)	(183,465)	(103,724)	(6,091,809)
Net book value	178,634	535,575	2,077,032	151,668	60,751	265,292	408,442	66,095	74,357	3,817,846
Year ended June 30, 2022										
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 4.1.4)										
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)
Depreciation charge for the year (note 4.1.5)	-	(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
Year ended June 30, 2023										
Additions	9,974	7,874	33,074	7,800	6,381	78,849	268,128	20,713	7,090	439,883
Transfers from capital work in progress during the year (note 4.2.1)	-	118,663	492,737	34,488	3,069	79,218	12,503	8,869	7,173	756,720
Disposals (note 4.1.4)										
Cost	-	-	(18,737)	(2,065)	(84)	(1,639)	(99,201)	(14,273)	(8,605)	(144,604)
Depreciation	-	-	16,790	2,065	84	1,630	60,934	13,553	8,545	103,601
Net book value	-	-	(1,947)	-	-	(9)	(38,267)	(720)	(60)	(41,003)
Depreciation charge for the year (note 4.1.5)	-	(95,862)	(397,254)	(76,943)	(17,070)	(91,759)	(115,043)	(39,775)	(23,509)	(857,215)
Net book value as at June 30, 2023	188,608	1,523,991	3,783,188	561,442	58,184	421,491	567,621	51,728	85,541	7,241,794
At June 30, 2022										
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
Annual rates of depreciation (%) 2022	-	5 to 20	7 to 25	10 & 25	15 & 33	15 & 33	20 & 50	33	15 & 33	
At June 30, 2023										
Cost	188,608	2,655,959	8,349,024	919,226	224,444	949,538	992,037	287,075	221,290	14,787,201
Accumulated depreciation	-	(1,131,968)	(4,565,836)	(357,784)	(166,260)	(528,047)	(424,416)	(235,347)	(135,749)	(7,545,407)
Net book value	188,608	1,523,991	3,783,188	561,442	58,184	421,491	567,621	51,728	85,541	7,241,794
Annual rates of depreciation (%) 2023	-	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:

	2023	2022
	----- (Rupees in '000) -----	
Nimir Industrial Chemicals Limited	2,050	2,050
Leo Ultimate Plast	1,035	1,035
Techno Plast	6,708	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	5,900	4,700
	48,698	46,322

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

- 4.1.3 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

	Location	Usage of immovable property	Total area (Square meters)	* Covered area (Square meters)
a)	G-6, S.I.T.E., Kotri District Jamshoro (Sindh)	Manufacturing facility	51,719	48,657
b)	H-36(B) S.I.T.E, Kotri, District Jamshoro (Sindh)	--do--	21,220	7,333
c)	217, Sundar Industrial Estate, Raiwind Road, Lahore	--do--	33,314	18,180

* The covered area includes multi storey buildings.

4.1.4 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) -----								
Vehicles:								
	Bids	2,717	668	2,049	3,280	1,231	Naseer Autos	N/A
	--do--	1,979	48	1,931	2,500	569	Sybird Private Limited	Related Party
	Maturity of Company's maintained car scheme	2,467	822	1,645	2,407	762	Waqas Hani	Employee
	As per Company policy	2,899	1,369	1,530	3,264	1,734	Zafar Iqbal	--do--
	Bids	1,995	692	1,303	2,115	812	Lakson Business Solutions	Related Party
	Maturity of Company's maintained car scheme	2,444	1,206	1,238	2,790	1,552	Rafiq Lightwala	Employee
	Bids	1,633	446	1,187	2,131	944	Muhammad Hassan	--do--
	--do--	2,050	984	1,066	2,134	1,068	Transpak Enterprises	N/A
	As per Company policy	2,663	1,625	1,038	1,171	133	Syed Hasan Mehdi Kazmi	Employee
	--do--	2,864	1,829	1,035	1,185	150	Saleem Khan	--do--
	--do--	2,613	1,589	1,024	1,055	31	Mazhar Ali	--do--
	Bids	1,905	914	991	1,905	914	Tanveer Abassi	--do--
	As per Company policy	2,379	1,423	956	2,290	1,334	Syed Muhammad Omer Nadeem	--do--
	--do--	1,308	484	824	1,422	598	Fayyaz Ahmed	--do--
	--do--	1,743	1,076	667	1,007	340	Atif Zain	--do--
	Bids	1,308	645	663	1,633	970	Sijad Muhammad	--do--
	As per Company policy	1,101	444	657	657	-	Hanzala Mushtaq	--do--
	Maturity of Company's maintained car scheme	1,483	827	656	1,890	1,234	Kashif Shaikh	--do--
	As per Company policy	1,124	483	641	641	-	Muhammad Kashif	--do--
	Maturity of Company's maintained car scheme	1,340	733	607	1,488	881	Iftikhar Ahmed	--do--
	As per Company policy	1,949	1,359	590	1,122	532	Muhammad Irfan Khan	--do--
	As per Company policy	1,713	1,130	583	970	387	Noman Alam Khan	--do--
	Maturity of Company's maintained car scheme	1,308	732	576	1,260	684	Talib Ali	--do--
	As per Company policy	1,944	1,376	568	773	205	Dawar Zafar	--do--
	Maturity of Company's maintained car scheme	1,101	558	543	1,305	762	Muhammad Shahbaz	--do--
	As per Company policy	1,998	1,459	539	893	354	Faraz Ahmed	--do--
	--do--	1,998	1,459	539	893	354	Kamran Liaqat	--do--
	Maturity of Company's maintained car scheme	1,340	822	518	1,280	762	Sajid Hussain	--do--
Other items having net book value of less than Rs 500,000 each	Various	91,238	76,399	14,839	44,788	29,949		
2023		144,604	103,601	41,003	90,249	49,246		
2022		125,286	99,336	25,950	57,062	31,112		

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

	Note	2023	2022
----- (Rupees in '000) -----			
Cost of sales	27.1	714,878	673,955
Selling and distribution costs	28	100,551	86,608
Administrative expenses	29	41,786	38,757
		857,215	799,320

4.2 Capital work in progress

Advances to suppliers		82,053	205,423
Others	4.2.1	261,898	148,454
		343,951	353,877

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

	Building on leasehold land	Plant and machinery	Fittings and installation	Other assets	Total
----- (Rupees in '000) -----					
Balance as at July 1, 2021	848,948	1,065,211	234,379	109,477	2,258,015
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	44,904	75,602	15,825	12,123	148,454
Capital expenditure incurred during the year (note 4.2.2)	100,641	577,735	48,284	149,965	876,625
Transfers to operating fixed assets (note 4.1.1)	(118,663)	(492,737)	(34,488)	(110,832)	(756,720)
Transfers within class	-	-	-	-	-
Charge off	(2,251)	(2,889)	(156)	(1,165)	(6,461)
Balance as at June 30, 2023	24,631	157,711	29,465	50,091	261,898

4.2.2 This includes items in transit aggregating Rs 33.598 million (2022: Rs 65.946 million).

4.3 RIGHT-OF-USE ASSETS

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

	Note	Buildings	Tools and equipment	Total
------(Rupees in '000)-----				
As at July 1, 2021				
Cost		344,125	46,873	390,998
Accumulated depreciation		(83,053)	(9,219)	(92,272)
Net book value		261,072	37,654	298,726
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
Year ended June 30, 2023				
Additions		8,062	-	8,062
Impact of termination of lease				
Cost		-	15,241	15,241
Accumulated depreciation		-	(5,443)	(5,443)
		-	9,798	9,798
Depreciation charge for the year	4.3.2	(62,511)	(10,714)	(73,225)
Net book value as at June 30, 2023		218,142	33,033	251,175
As at June 30, 2022				
Cost		394,431	73,478	467,909
Accumulated depreciation		(121,840)	(19,933)	(141,773)
Net book value		272,591	53,545	326,136
As at June 30, 2023				
Cost		402,493	58,237	460,730
Accumulated depreciation		(184,351)	(25,204)	(209,555)
Net book value		218,142	33,033	251,175

	Note	2023	2022
------(Rupees in '000)-----			
4.3.2 Depreciation charge for the year has been allocated as follows:			
Cost of sales	27.1	23,133	17,775
Selling and distribution cost	28	34,080	25,126
Administrative expenses	29	16,012	16,375
		73,225	59,276

5. INTANGIBLE ASSETS	Note	Goodwill and trade mark	Computer software	Total
		------(Rupees in '000)-----		
At July 1, 2021				
Cost		43,500	135,303	178,803
Accumulated amortisation		(43,500)	(126,641)	(170,141)
Net book value		-	8,662	8,662
Year ended June 30, 2022				
Additions		-	-	-
Amortisation for the year	5.3	-	(5,157)	(5,157)
Net book value as at June 30, 2022		-	3,505	3,505
Year ended June 30, 2023				
Additions		-	8,661	8,661
Amortisation for the year	5.3	-	(4,968)	(4,968)
Net book value as at June 30, 2023		-	7,198	7,198
At June 30, 2022				
Cost		43,500	135,303	178,803
Accumulated amortisation		(43,500)	(131,798)	(175,298)
Net book value		-	3,505	3,505
At June 30, 2023				
Cost		43,500	143,964	187,464
Accumulated amortisation		(43,500)	(136,766)	(180,266)
Net book value		-	7,198	7,198

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	2023	2022
		------(Rupees in '000)-----	
Cost of sales	27.1	277	439
Selling and distribution cost	28	2,589	3,018
Administrative expenses	29	2,102	1,700
		4,968	5,157

	Note	2023	2022
------(Rupees in '000)-----			
6. LONG TERM LOANS			
Considered good			
- due from executives	6.1	83,782	84,965
- due from other employees	6.1	30,718	32,068
		114,500	117,033
Recoverable within one year	11	(38,320)	(38,802)
	6.2	76,180	78,231

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.

	Note	2023	2022
------(Rupees in '000)-----			
7. LONG TERM SECURITY DEPOSITS			
Long term security deposits	7.1	21,260	20,734

7.1 These include Rs 11.744 million (2022: Rs 11.744 million) representing amount deposited with Water and Power Development Authority (WAPDA) for enhancement in electricity load for detergent unit at Kotri.

	Note	2023	2022
------(Rupees in '000)-----			
8. STORES AND SPARES			
Stores		168,354	111,937
Spares	8.1	544,880	377,584
		713,234	489,521
Less: Provision for obsolete stores and spares	8.2	(11,315)	(6,325)
		701,919	483,196

8.1 These include spares in transit amounting to Rs 10.235 million (2022: Rs 5.649 million).

8.2 Provision for obsolete stores and spares

	Note	2023	2022
------(Rupees in '000)-----			
Opening balance		6,325	-
Add: charge for the year		4,990	6,325
Closing balance		11,315	6,325

9. STOCK IN TRADE

	Note	2023	2022
------(Rupees in '000)-----			
Raw materials			
- in hand		7,229,089	7,804,622
- with third parties		-	41,830
- in transit		2,164,108	903,728
		<u>9,393,197</u>	<u>8,750,180</u>
Packing materials			
- in hand		1,506,737	870,664
- with third parties		2,459	9,202
- in transit		150,857	11,651
		<u>1,660,053</u>	<u>891,517</u>
Work in process	27.1	985,935	1,044,795
Finished goods			
- in hand		2,957,169	1,966,046
- in transit		-	957
	27	<u>2,957,169</u>	<u>1,967,003</u>
Trading goods			
- in hand		406,833	427,493
- in transit		13,530	3,137
	27	<u>420,363</u>	<u>430,630</u>
Less: Provision for obsolete inventory	9.1	<u>(60,002)</u>	<u>(16,198)</u>
		<u>15,356,715</u>	<u>13,067,927</u>
9.1 Provision for obsolete inventory			
Opening balance		16,198	-
Add: charge for the year		43,804	16,198
Closing balance		<u>60,002</u>	<u>16,198</u>

10. TRADE DEBTS

Considered good			
- due from related parties	10.1 & 10.2	2,006	4,703
- others		2,015,447	1,402,403
		<u>2,017,453</u>	<u>1,407,106</u>
Considered doubtful			
- others		7,740	7,740
		<u>2,025,193</u>	<u>1,414,846</u>
Less: Provision for doubtful trade debts	10.4	<u>7,740</u>	<u>7,740</u>
		<u>2,017,453</u>	<u>1,407,106</u>

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

	Note	2023	2022
------(Rupees in '000)-----			
The Aga Khan Hospital and Medical College Foundation		1,985	4,425
Ajinomoto Lakson Pakistan (Private) Limited		-	269
SIZA (Private) Limited		11	2
SIZA Foods (Private) Limited		10	7
		<u>2,006</u>	<u>4,703</u>

10.2 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs 5.395 million (2022: Rs 4.703 million).

10.3 As at June 30, 2023, trade receivables of Rs 953.334 million (2022: Rs 420.980 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	2023	2022
------(Rupees in '000)-----			
Upto 1 month		724,157	301,386
1 to 6 months		225,974	119,232
More than 6 months		3,203	362
		<u>953,334</u>	<u>420,980</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		28,006	26,576
- due from other employees		10,314	12,226
	6	<u>38,320</u>	<u>38,802</u>
Advances			
- to employees	11.1	9,211	6,352
- to contractors and suppliers	11.2	284,212	209,690
- to collector of customs		128,170	36,465
		<u>459,913</u>	<u>291,309</u>

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

	2023	2022
------(Rupees in '000)-----		
11.2 Advances include the following amounts due from following related parties:		
Cyber Internet Services (Private) Limited	-	410
Television Media Network (Private) Limited	-	40,450
	<u>-</u>	<u>40,860</u>

11.3 The ageing analysis of advances due from related parties is as follows:

Upto 1 month	<u>-</u>	<u>40,860</u>
--------------	----------	---------------

12. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Note	2023	2022
	----- (Rupees in '000) -----	
Security deposits	28,859	30,864
Prepayments	142,641	117,484
	<u>171,500</u>	<u>148,348</u>

12.1 This includes prepaid insurance to Century Insurance Company Limited amounting to Rs 15.05 million (2022: Rs 11.587 million.)

13. OTHER RECEIVABLES

2023
----- (Rupees in '000) -----

	2023	2022
	----- (Rupees in '000) -----	
Receivable from related parties	5,179	2,790
Special excise duties claimable	8,729	8,729
LC margin on imports	967,533	305,226
Others	31,902	114,858
	<u>1,013,343</u>	<u>431,603</u>

13.1 Other receivables include the following amounts due from related parties:

2023
----- (Rupees in '000) -----

	2023	2022
	----- (Rupees in '000) -----	
Century Insurance Company Limited	3,701	2,730
Lakson Investment Limited	79	40
Cyber Internet Services (Private) Limited	59	20
Colgate-Palmolive Company, USA	1,340	-
	<u>5,179</u>	<u>2,790</u>

13.2 The ageing analysis of other receivables due from related parties is as follows:

	2023	2022
Upto 1 month	5,179	2,790
1 to 6 months	1,340	-
	<u>6,519</u>	<u>2,790</u>

13.3 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs 5.874 million (2022: Rs 2.790 million).

13.4 These include pay orders issued in favour of Collector of Customs for clearance of tooth brushes shipments amounting to Rs 30.531 million (2022: Rs 113.647 million).

14. Short term investments

Note
2023
----- (Rupees in '000) -----

Note	2023	2022
	----- (Rupees in '000) -----	
At amortised cost	601,236	149,105
At fair value through profit or loss	13,660,769	6,394,611
	<u>14,262,005</u>	<u>6,543,716</u>

14.1 This includes profits on these term deposits range between 10.53% and 20% per annum (2022: between 6.85% and 8.75% per annum) having maturity within one year.

14.2 Investments - Fair value through profit or loss

Name of the investee	As at July	Purchase	Units	Sale /	As at	Average	Fair Value	Unrealised	Fair Value	
	July 01, 2022	during the year	reinvested during the year	Redemption during the year	June 30, 2023	cost as at June 30, 2023	as at June 30, 2023	gain / (loss) as at June 30, 2023	as at June 30, 2022	
	----- (Number of units in '000) -----					----- (Rupees in '000) -----				
Lakson Money Market Fund	13,608	10,520	8,292	(3,675)	28,745	2,930,483	2,944,312	13,829	1,379,898	
Atlas Money Market Fund	1,713	63	-	(1,770)	6	3,004	3,010	6	869,868	
UBL Liquidity Plus Fund	5,724	10,575	-	(3,940)	12,359	1,249,485	1,250,547	1,062	578,654	
UBL Cash Fund	5,428	2,280	-	(4,483)	3,225	294,184	322,288	28,106	543,942	
MCB Cash Management Optimizer	11,693	11,324	-	(10,742)	12,275	1,232,116	1,245,482	13,366	1,184,662	
ABL Cash Fund	59,008	150,637	324	(87,745)	122,224	1,249,653	1,250,192	539	601,979	
ABL Islamic Cash Fund	2	30,009	-	(30,011)	-	-	-	-	5	
HBL Cash Fund	6,155	10,573	79	(573)	16,234	1,639,169	1,652,307	13,138	623,602	
HBL Money Market Fund	-	20	-	(20)	-	-	-	-	-	
NIT Money Market Fund	11,545	135,328	1,071	(20,670)	127,274	1,228,361	1,236,175	7,814	111,460	
AlFalah GHP Money Market Fund	-	11,511	87	(469)	11,129	1,104,276	1,098,258	(6,018)	-	
AlFalah GHP Cash Fund	902	506	25	(921)	512	269	257	(12)	453,596	
Faysal Money Market Fund	366	2,144	12	-	2,522	258,748	258,539	(209)	37,377	
HBL Income Fund	86	-	-	(86)	-	-	-	-	9,568	
ABL Special Savings Fund	-	31,632	-	-	31,632	299,870	315,602	15,732	-	
AL Habib Money Market Fund	-	8,987	-	-	8,987	898,668	898,668	-	-	
MCB Pakistan F.Return Plan XII	-	10,816	6	-	10,822	1,081,561	1,083,566	2,005	-	
Meezan Fixed Fund - MPM VI	-	2,019	-	-	2,019	100,906	100,906	-	-	
Meezan Rozana Amdani Fund	-	2,013	-	(2,000)	13	660	660	-	-	
	116,230	430,957	9,896	(167,105)	389,978	13,571,413	13,660,769	89,358	6,394,611	

14.3 Lakson Money Market fund is managed by Lakson Investments Limited.

15. CASH AND BANK BALANCES		Note	2023	2022
			----- (Rupees in '000) -----	
With banks in current / savings accounts				
• Local currency				
- Current accounts			796,062	902,009
- Savings accounts		15.1	4,428,698	1,877,822
			<u>5,224,760</u>	<u>2,779,831</u>
• Foreign currency				
- Current account			120,058	13,295
Cheques in hand				
			146,934	107,595
Cash in hand				
			757	587
			<u>5,492,509</u>	<u>2,901,308</u>
15.1	The rate of profit on savings accounts ranges between 19.5% and 19.75% (2022: 12.25% and 12.80%) per annum.			
16. SHARE CAPITAL				
16.1	Authorised share capital			
	2023	2022	2023	2022
	Number of shares		----- (Rupees in '000) -----	
	<u>250,000,000</u>	<u>125,000,000</u>	<u>2,500,000</u>	<u>1,250,000</u>
	Ordinary shares of Rs 10 each			
16.2	Issued, subscribed and paid-up share capital			
	2023	2022	Note	2023
	Number of shares			----- (Rupees in '000) -----
	5,882,338	5,882,338		58,824
				58,824
	236,890,934	66,913,245		2,368,909
				669,132
	<u>242,773,272</u>	<u>72,795,583</u>	16.3	<u>2,427,733</u>
				<u>727,956</u>
16.3	Reconciliation of number of shares outstanding			
	2023	2022	2023	2022
	Number of shares		----- (Rupees in '000) -----	
	72,795,583	63,300,507		727,956
				633,005
	169,977,689	9,495,076		1,699,777
				94,951
	<u>242,773,272</u>	<u>72,795,583</u>		<u>2,427,733</u>
				<u>727,956</u>
16.4	Colgate-Palmolive Company, an associate incorporated under the laws of State of Delaware, USA, owns 30% (2022: 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	2023 ----- (Rupees in '000) -----	2022
Capital reserve			
- Share premium reserve	17.1	13,456	13,456
Revenue reserve			
- General reserve		19,861,000	17,920,000
- Unappropriated profit		2,289,944	4,088,766
		<u>22,150,944</u>	<u>22,008,766</u>
		<u>22,164,400</u>	<u>22,022,222</u>

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

Balances arising in respect of timing differences relating to:

Taxable temporary difference

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

	2023 ----- (Rupees in '000) -----	2022
	481,174	332,980
	97,338	107,625
	-	45
	32,099	10,376
	<u>610,611</u>	<u>451,026</u>

Deductible temporary difference

Provision for compensated absences
Provision for obsolete inventory and stores and spares
Intangibles
Provision for impairment of trade debts
Deferred liabilities
Lease liabilities

	(32,431)	(24,860)
	(27,638)	(7,433)
	(59)	-
	(3,000)	(2,554)
	(16,651)	(14,089)
	(138,135)	(140,348)
	<u>(217,914)</u>	<u>(189,284)</u>
	<u>392,697</u>	<u>261,742</u>

18.1 The movement in temporary differences is as follows:

	Balance as at July 1, 2021	Recognised in profit or loss	Balance as at June 30, 2022	Recognised in profit or loss	Balance as at June 30, 2023
	------(Rupees in '000)-----				
Taxable temporary differences					
Accelerated tax depreciation allowance	110,582	222,398	332,980	148,194	481,174
Right-of-use assets	86,631	20,994	107,625	(10,287)	97,338
Short term investments	3,856	6,520	10,376	21,723	32,099
	201,069	249,912	450,981	159,630	610,611
Deductible temporary differences					
Provision for compensated absences	(19,631)	(5,229)	(24,860)	(7,571)	(32,431)
Provision for obsolete inventory and stores and spares	-	(7,433)	(7,433)	(20,205)	(27,638)
Intangibles	(388)	433	45	(104)	(59)
Provision for impairment of trade debts	(2,203)	(351)	(2,554)	(446)	(3,000)
Deferred liabilities	(12,381)	(1,708)	(14,089)	(2,562)	(16,651)
Lease liabilities	(107,649)	(32,699)	(140,348)	2,213	(138,135)
	58,817	202,925	261,742	130,955	392,697

18.2 Due to imposition of super tax at the rate of 10% the applicable rate has increased to 39% for the tax year 2023 and onwards. Accordingly, the Company has recorded deferred tax at 39% in accordance with applicable accounting and reporting standards.

19. LONG TERM DEPOSITS

	2023	2022
	------(Rupees in '000)-----	
Deposits obtained from:		
- Distributors	48,771	60,629
- Transporters	500	500
- Others	1,993	2,005
	51,264	63,134

19.1 As per the requirements of section 217 of the Companies Act, 2017 deposits amounting to Rs 22.280 million (2022: Rs 35.948 million) are utilised for the purpose of business as per the written agreements and deposits amounting to Rs 26.490 million (2022: Rs 24.680 million) are kept in separate bank account.

20. DEFERRED LIABILITIES

	Note	2023	2022
		------(Rupees in '000)-----	
Staff retirement gratuity	20.1	191,865	76,106

20.1 The Company operates a defined benefit plan i.e. an approved funded gratuity scheme for all its permanent employees. The gratuity fund is governed under the Trusts Act, 1882, Trust Deed and Rules of Fund, Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. Responsibility for governance of plan, including investment decisions and contribution schedule lie with Board of Trustees of the Fund.

	Note	2023 ----- (Rupees in '000) -----	2022
Defined benefit plan (staff retirement gratuity) - funded	20.5	191,865	76,106

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, 2023. 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, 2023. The projected unit credit method using the following significant assumptions was used for this valuation:

	2023 Percentage	2022
- Discount rate - per annum compound	16.25	13.25
- Expected rate of increase in salaries - per annum		
For next year	16.50	13.50
For subsequent years	16.25	13.25

20.4 Mortality rate

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

	Note	2023 ----- (Rupees in '000) -----	2022
Statement of financial position reconciliation			
Present value of defined benefit obligation	20.6	1,122,981	897,616
Fair value of plan assets	20.7	(931,116)	(821,510)
		191,865	76,106

	Note	2023 ----- (Rupees in '000) -----	2022
20.6 Movement in defined benefit obligation			
Present value of defined benefit obligation as at July 1 2022 / 2021		897,616	842,892
Past service cost		7,878	-
Current service cost		58,700	53,822
Interest cost		114,199	79,647
Remeasurement on obligation from changes in financial assumption		2,223	1,782
Remeasurement on obligation from experience adjustments		113,837	12,317
Benefits paid		(71,472)	(92,844)
Present value as at June 30		1,122,981	897,616

	Note	2023	2022		
		----- (Rupees in '000) -----			
20.7	Movement in fair value of plan assets				
	Fair value as at July 1 2022 / 2021	821,510	867,498		
	Expected return on plan assets	109,157	82,399		
	Remeasurement on fair value of plan assets	(4,185)	(35,543)		
	Contributions made to the fund	76,106	-		
	Benefits paid	(71,472)	(92,844)		
	Fair value as at June 30	<u>931,116</u>	<u>821,510</u>		
20.8	Movement in net liability in the statement of financial position is as follows:				
	Balance of net liability as at July 1 2022 / 2021	76,106	(24,606)		
	Charge for the year	20.10 71,620	51,070		
	Contributions made to the fund	(76,106)	-		
	Net remeasurement for the year	120,245	49,642		
	Balance of net liability / (asset) as at June 30	<u>191,865</u>	<u>76,106</u>		
20.9	Amounts charged to profit or loss:				
	Current service cost	58,700	53,822		
	Past service cost	7,878	-		
	Net interest cost	5,042	(2,752)		
		<u>71,620</u>	<u>51,070</u>		
20.10	Charge for the year has been allocated as under:				
	Cost of sales	27.1 31,360	23,414		
	Selling and distribution costs	28 26,480	15,950		
	Administrative expenses	29 13,780	11,706		
		<u>71,620</u>	<u>51,070</u>		
20.11	Actual return on plan assets				
	Expected return on plan assets	109,157	82,399		
	Remeasurement on fair value of plan assets	(4,185)	(35,543)		
	Actual return on plan assets	<u>104,972</u>	<u>46,856</u>		
20.12	Plan assets comprise of the following:				
		2023		2022	
		(Rs in '000)	Percentage	(Rs in '000)	Percentage
	Shares and units of mutual funds	540,047	58.00	316,692	38.55
	Debt instruments	327,753	35.20	445,834	54.27
	Cash at Banks	63,316	6.80	58,984	7.18
		<u>931,116</u>	<u>100.00</u>	<u>821,510</u>	<u>100.00</u>
20.13	Expected contribution to defined benefit plan for the year ending June 30, 2024 is Rs 106.228 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%	1,051,709	1,202,692
Salary growth rate	1%	1,201,952	1,051,142

20.15 The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the staff retirement gratuity recognised within the statement of financial position.

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

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

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

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

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

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

	Note	2023	2022
		----- (Rupees in '000) -----	
21 LONG-TERM FINANCING			
Financing under:			
- salary refinance scheme	21.2	-	374,481
- temporary economic refinance	21.3	1,056,362	1,067,412
- renewable energy finance	21.4	47,171	54,349
		1,103,533	1,496,242
Less: reclassified to deferred grant	21.5	291,488	357,685
Less: current maturity of financing under:			
- salary refinance scheme		-	368,544
- temporary economic refinance		102,286	12,964
- renewable energy finance		7,179	9,381
		109,465	390,889
		702,580	747,668

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.

	2023	2022
	----- (Rupees in '000) -----	
Balance as at July 1 2022 / 2021	1,496,242	1,320,079
Proceeds from long-term financing	-	676,436
Less: Long-term financing repaid during the year	(392,709)	(500,273)
Less: Amount recognised as deferred grant	(291,488)	(357,685)
Less: Current portion shown under current liability	(109,465)	(390,889)
Balance as at June 30	<u>702,580</u>	<u>747,668</u>

21.2 The long-term financing had 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 were scheduled in 8 quarterly installments which commenced from April 2021 and are fully repaid in the current period.

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 have commenced 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 (2022: Rs 1,466.67 million and Rs 1,800 million respectively).

	2023	2022
	----- (Rupees in '000) -----	

22. LEASE LIABILITIES

Present value of minimum lease payments	356,453	402,422
Less: current portion of lease liabilities	(66,001)	(60,987)
	<u>290,452</u>	<u>341,435</u>

22.1 The Company enters into lease arrangement for lease of registered office, sale offices, warehouses and vehicles.

22.2 The Company has total cash outflows for leases of Rs 100.448 million (2022: Rs 94.012 million).

23. TRADE AND OTHER PAYABLES	Note	2023	2022
		----- (Rupees in '000) -----	
Trade creditors	23.1	3,063,806	1,830,431
Accrued liabilities	23.2	4,232,691	2,949,599
Bills payable	23.3	6,005,657	1,464,105
Advances from customers - unsecured	23.4	284,015	160,930
Sales tax payable		607,789	310,066
Royalty payable to Colgate-Palmolive Co., USA		955,487	466,630
Workers' profits participation fund	23.5	886,366	468,010
Workers' welfare fund		330,215	174,357
Retention money payable		5,287	12,947
Gas Infrastructure Development Cess liability		-	22,785
Others	23.6	122,980	129,280
		<u>16,494,293</u>	<u>7,989,140</u>
23.1 These include the following amounts due to related parties:			
Century Paper & Board Mills Limited		21,872	36,216
Century Insurance Company Limited		17,418	28,232
Merit Packaging Limited		364,983	103,212
Caraway (Private) Limited		-	898
Television Media Network (Private) Limited		21,204	24,191
Ajinomoto Lakson Pakistan (Private) Limited		718	585
Siza (Private) Limited		230	-
Siza Services (Private) Limited		206	224
Lakson Investment Limited		11	16
Princeton Travels (Private) Limited		383	-
Hasanali and Gulbanoo Lakhani Foundation		1,737	-
Cyber Internet Services (Private) Limited		2,246	-
		<u>431,008</u>	<u>193,574</u>
23.2 These include the following amounts accrued in respect of related parties:			
		2023	2022
		----- (Rupees in '000) -----	
Ajinomoto Lakson (Private) Limited		4,276	1,806
Century Paper & Board Mills Limited		7,183	278
Merit Packaging Limited		70,634	87,307
Caraway (Private) Limited		7,867	5,496
Sybrid (Private) Limited		60	60
Television Media Network (Private) Limited		42,131	14,105
		<u>132,151</u>	<u>109,052</u>
23.3 These include the following amounts due to related parties:			
Colgate-Palmolive Asia Pacific Ltd.		417,915	-
Colgate-Palmolive (China) Co.Ltd.		266,046	23,853
Colgate-Palmolive Company, USA		106,334	-
		<u>790,295</u>	<u>23,853</u>

	Note	2023 ------(Rupees in '000)-----	2022
23.4	These include the following amounts of advances from related parties:		
	Century Paper & Board Mills Limited	89	48,416
	Colgate Palmolive PNG Limited	2,379	-
		<u>2,468</u>	<u>48,416</u>
23.5	Workers' profits participation fund		
	Balance at beginning of the year	468,010	427,415
	Allocation for the year	886,366	468,010
		<u>1,354,376</u>	<u>895,425</u>
	Less: Payments during the year	468,010	427,415
	Balance at end of the year	<u>886,366</u>	<u>468,010</u>
23.6	These include the following amounts payable to related parties:		
	CPPL Employees Provident Fund Trust	-	12,150
	Colgate-Palmolive (China) Co. Ltd. Guangzhou	51	37
		<u>51</u>	<u>12,187</u>

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 (2022: Rs 1,540 million), which can be interchangeably utilised as running finance facilities or import credit facilities. These facilities were 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. The company did not avail running finance facility during the year.
- 24.2 The mark-up on short term running facilities ranges Nil (2022: 14.41% to 15.99%) per annum.
- 24.3 The facilities for opening letters of credit and guarantees as at June 30, 2023 aggregated Rs 13,900 million and Rs 3,260 million (2022:Rs 9,300 million and Rs 2,425 million) respectively of which the amounts remaining unutilised at the year end were Rs 11,511 million and Rs 2,623 million (2022: Rs 5,061 million and Rs 2,078 million) respectively. The utilized guarantees includes an amount of Rs 520 million (2022: Rs 270 million) issued in favor of Excise & Taxation (Taxes-II) in relation to Sindh Infrastructure Cess.

25. UNPAID DIVIDEND

This includes dividend payable to Colgate-Palmolive Company, USA amounting to Rs 2,570 million (2022: Rs Nil) . The Company has submitted duly certified application for remittance to authorized dealer on November 2022 and March 2023 for onward approval of regulator which is still awaited.

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 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.

The aforesaid cases are pending for hearing before the relevant authorities and 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.

26.1.2 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 636.721 million (2022: Rs 346.985 million).

26.2 Commitments

26.2.1 Commitments in respect of capital expenditure and inventory items amounted to Rs 75.251 million and Rs 9.245 million (2022: Rs 66.767 million and Rs.1,165.499 million) respectively.

26.2.2 Outstanding letters of credit amounted to Rs. 2,389.310 million (2022: Rs 2,775.056 million).

26.2.3 Outstanding duties leviable on clearing of stocks amounted to Rs 11.325 million (2022: Rs 13.149 million).

26.2.4 Post dated cheques issued to the collector of customs against duty on inventory items amount to Rs Nil (2022: Rs 595.414 million).

	Note	2023	2022
----- (Rupees in '000) -----			
27 COST OF SALES			
Opening stock of finished goods (including trading goods)		2,397,633	1,754,819
Cost of goods manufactured	27.1	56,321,118	39,938,789
Purchases of trading goods		10,018,843	6,992,506
		68,737,594	48,686,114
Less: Closing stock of finished goods (including trading goods)	9	3,377,532	2,397,633
		65,360,062	46,288,481

	Note	2023 ------(Rupees in '000)-----	2022
27.1	Cost of goods manufactured		
	Opening stock of work in process	1,044,795	314,797
	Raw materials consumed	41,586,724	29,685,274
	Packing materials consumed	9,110,268	6,577,426
	Stores and spares consumed	271,298	175,119
	Salaries, wages and other benefits	2,094,298	1,822,355
	Staff retirement gratuity	20.10	31,360
	Provident fund	27.1.1	28,535
	Power and fuel	1,592,580	1,076,544
	Repairs and maintenance	101,508	81,902
	Rent, rates and taxes	129,777	80,847
	Insurance	102,538	83,678
	Laboratory expenses	24,577	16,264
	Cartage	236,933	167,637
	Depreciation on operating fixed assets	4.1.5	714,878
	Depreciation on right-of-use assets	4.3.2	23,133
	Amortisation	5.3	277
	Other manufacturing expenses	213,574	161,705
		57,307,053	40,983,584
	Less: Closing stock of work in process	9	985,935
		56,321,118	39,938,789

27.1.1 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	2023 ------(Rupees in '000)-----	2022
28.	SELLING AND DISTRIBUTION COST		
	Salaries, wages and other benefits	1,236,658	1,028,499
	Staff retirement gratuity	20.10	26,480
	Provident fund	27.1.1	38,880
	Travelling and conveyance	72,021	53,666
	Repairs and maintenance	8,064	5,943
	Vehicle running expenses	295,589	167,354
	Advertising and sales promotion	3,291,302	2,632,780
	Royalty on sale of licensed products	28.1	549,583
	Software license and maintenance	29,023	20,922
	Postage, telephone and internet charges	27,386	25,971
	Rent, rates and taxes	28.2	159,395
	Printing and stationery	10,311	4,889
	Subscription and membership	57	450
	Legal and professional	736	944
	Freight	3,142,323	2,092,395
	Electricity	19,335	14,519
	Insurance	85,389	62,587
	Security service charges	13,543	11,559
	Depreciation on operating fixed assets	4.1.5	100,551
	Depreciation on right-of-use assets	4.3.2	34,080
	Amortisation	5.3	2,589
	Other expenses	18,382	17,586
		9,161,677	6,848,512

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

Name of Recipient	Relationship with the Company	Registered Address	2023	2022
			------(Rupees in '000)-----	
Colgate-Palmolive Company	Associate	300 Park Avenue, New York 10022-7499 USA	60,726	340,281

28.2 Expense in respect of short term leases amounted to Rs 3.379 million (2022: Rs 6.345 million).

Note **2023** **2022**
------(Rupees in '000)-----

29. ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits		470,370	375,945
Staff retirement gratuity	20.10	13,780	11,706
Provident fund	27.1.1	15,504	13,894
Travelling and conveyance		11,587	6,959
Repairs and maintenance		15,356	6,121
Vehicle running expenses		37,861	25,726
Postage, telephone and internet charges		22,666	16,402
Rent, rates and taxes		5,703	6,467
Software license and maintenance		151,382	100,253
Printing and stationery		9,271	5,863
Subscription and membership		28,312	16,897
Legal and professional		17,032	19,280
Electricity		8,500	6,204
Insurance		27,114	25,488
Security service charges		8,123	5,984
Depreciation on operating fixed assets	4.1.5	41,786	38,757
Depreciation on right-of-use assets	4.3.2	16,012	16,375
Amortisation	5.3	2,102	1,700
Others		3,238	502
		905,699	700,523
Charge from related parties		9,171	2,722
		914,870	703,245

30. OTHER EXPENSES

Workers' profits participation fund	23.5	886,366	468,010
Workers' welfare fund	30.1	300,612	173,083
Auditors' remuneration	30.2	8,291	3,551
Donations	30.3	33,144	20,750
Exchange loss - net		263,012	52,545
Others		168	6,736
		1,491,593	724,675

30.1 Workers' welfare fund
Charge for the year
Prior year

		330,215	174,357
		(29,603)	(1,274)
		300,612	173,083

	Note	2023 ------(Rupees in '000)-----	2022
30.2	Auditors' remuneration		
	Audit fee	1,858	1,500
	Fee for half yearly review	784	626
	Statutory certifications	720	660
	Others	3,603	469
		6,965	3,255
	Out of pocket expenses	1,326	296
		8,291	3,551
30.2.1	This includes services relating to taxation.		

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

Name of director	Interest in donee	Name of donee	2023 ------(Rupees in '000)-----	2022
Mr. Zulfiqar Ali Lakhani, Mr. Amin Mohammed Lakhani and Mr. Iqbal Ali Lakhani	Trustees	Hasanali and Gulbanoo Lakhani Foundation	25,500	18,000
Mr. Iqbal Ali Lakhani	Trustee	Layton Rehmatullah Benevolent Trust	600	500
Mr. Iqbal Ali Lakhani	Spouse is the chairperson	Pakistan Special Olympics	3,100	1,000
Mr. Zulfiqar Ali Lakhani	Spouse is the patron	Pakistan Women's Swimming Association	741	20

	Note	2023 ------(Rupees in '000)-----	2022
31. OTHER INCOME			
Income from financial assets			
Profit on savings accounts		580,039	154,863
Profit on treasury bills		3,293	53,320
Profit on a term deposit receipt		64,064	29,400
Profit on PIBs		35	436
Dividend Income		1,239,283	646,066
Unrealised gain on investments classified as fair value through profit or loss	14.2	89,358	14,745
Gain on disposal of short term investments		47,395	91,929
		2,023,467	990,759
Income from non-financial assets			
Insurance commission		-	530
Gain on disposal of items of property, plant and equipment	4.1.4	49,246	31,112
Sale of scrap		62,281	60,915
Others		18,322	16,203
		129,849	108,760
		2,153,316	1,099,519

	Note	2023 ------(Rupees in '000)-----	2022
32. FINANCE COST AND BANK CHARGES			
Guarantee commission		1,997	2,360
Interest on lease liabilities		48,726	49,224
Interest on long-term financing		29,485	29,637
Interest on short-term financing		1,137	252
Bank commission and other charges		69,337	46,042
Finance cost on GIDC		-	15,295
		<u>150,682</u>	<u>142,810</u>

33. TAXATION

Current			
- for the year		6,070,452	2,657,589
- for prior years		(77,465)	(10,072)
		<u>5,992,987</u>	<u>2,647,517</u>
Deferred tax		130,955	202,925
		<u>6,123,942</u>	<u>2,850,442</u>

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

	2023 ----- Percentage-----	2022
Applicable tax rate	29.00	29.00
Tax effect of income assessed under reduced rate	(2.17)	(1.05)
Tax effect due to impact of super tax	10.00	3.78
Others	0.68	1.07
	<u>37.51</u>	<u>32.80</u>
Tax effect of income tax reversal relating to prior years	(0.47)	(0.12)
	<u>37.04</u>	<u>32.68</u>

34. EARNINGS PER SHARE

	2023 ------(Rupees in '000)-----	2022
Profit after taxation	<u>10,409,994</u>	<u>5,871,580</u>
Weighted average number of ordinary shares outstanding during the year		(Number of shares) (Restated)
	<u>242,773,272</u>	<u>242,773,272</u>
		(Rupees) (Restated)
Earnings per share	<u>42.88</u>	<u>24.19</u>

34.1 There are no dilutive potential ordinary shares outstanding as at June 30, 2023 and 2022.

	Note	2023 ------(Rupees in '000)-----	2022
35. CASH GENERATED FROM OPERATIONS			
Profit before taxation		16,533,936	8,722,022
Adjustment for non-cash charges and other items:			
Depreciation on operating fixed assets		857,215	799,320
Depreciation on right-of-use assets		73,225	59,276
Amortisation expense		4,968	5,157
Gain on disposal of items of property, plant and equipment		(49,246)	(31,112)
Gain on termination of lease		(4,898)	(10,535)
Staff retirement gratuity		71,620	51,070
Profit on savings accounts		(580,039)	(154,863)
Profit on a term deposit receipt		(64,064)	(29,400)
Profit on treasury bills		(3,293)	(53,320)
Profit on PIBs		(35)	(436)
Unrealised gain on investments classified as fair value through profit or loss		(89,358)	(14,745)
Gain on disposal of short term investments		(47,395)	(91,929)
Profit on short term investments			
Finance cost and bank charges		150,682	142,810
Provision for obsolete inventory		43,804	16,199
Provision for slow moving stores and spares		4,990	6,325
Working capital changes	35.1	4,565,005	(4,597,557)
		<u>21,467,117</u>	<u>4,818,282</u>
35.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		(223,713)	(73,562)
Stock in trade		(2,332,592)	(5,832,211)
Trade debts		(610,347)	(251,227)
Loans and advances		(168,604)	(181,323)
Trade deposits and short term prepayments		(23,152)	(82,133)
Other receivables		(581,740)	(142,258)
		<u>(3,940,148)</u>	<u>(6,562,714)</u>
Increase in current liabilities:			
Trade and other payables		8,505,153	1,965,157
		<u>4,565,005</u>	<u>(4,597,557)</u>
36. CASH AND CASH EQUIVALENTS			
Cash and bank balances	15	5,492,509	2,901,308
Short term investments	14	-	77,000
		<u>5,492,509</u>	<u>2,978,308</u>
37. PROPOSED DIVIDEND			

The Board of Directors in its meeting held on July 31, 2023 have proposed a cash dividend of Rs 5 per share (2022: Rs 28 per share) aggregating Rs 1,213.866 million (2022: Rs 2,038.276 million) and bonus issue of nil shares (2022: 10.919 million) at the rate of nil shares for every shares held (2022: 3 shares for every 20 shares) aggregating nil (2022: Rs 109.913 million) for the year ended June 30, 2023. This is in addition to the interim cash dividend of Rs 20 and Rs 40 (2022: Rs 24.5) per share aggregating Rs 1,674.298 million and Rs 4,855.465 million (2022: Rs 1,783.492 million) and interim bonus issue at the rate of 9 shares for every 20 shares and one for every one share (2022: Nil) aggregating Rs 376.718 million and 1,213.866 million (2022: Nil). Further, the Board has proposed a transfer of unappropriated profit to general reserve amounting to Rs 1,057 million (2022: Rs 1,941 million). The dividend and transfer are subject to the approval of members at the annual general meeting. The effect of such dividend and transfer shall be accounted for in the financial statements for the year ending June 30, 2024.

38. RELATED PARTY DISCLOSURES

38.1 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	2023	2022
		(Rupees in '000)	
Sale of goods, services provided and reimbursement of expenses	Associates	80,891	100,034
Purchase of goods, services received and reimbursement of expenses	Associates	5,577,612	4,261,227
Rent, allied and other charges	Associates	38,049	40,147
Purchase of short term investments	Associate	2,000,000	-
Sale proceeds on redemption of short term investments	Associate	700,000	200,000
Profit on short term investments	Associate	27,238	31,724
Royalty charges	Associate	549,583	404,842
Sale of property, plant and equipment	Associate	4,685	-
Expense in relation to staff retirement gratuity fund	Employees fund	68,784	51,070
Expense in relation to provident fund	Employees fund	82,919	67,936
Donations	Associates	29,941	19,520
Compensation paid to key management personnel	Key management personnel	280,969	181,623
Insurance claims received	Associate	18,755	4,184
Dividend paid	Associates	4,995,723	2,904,706
Dividend received on mutual funds	Associates	279,031	130,118

38.2 The related party status of outstanding balances as at June 30, 2023 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.

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

S.No.	Company Name	Country of incorporation	Basis of relationship	Aggregate % of shareholding in the Company
1	Colgate-Palmolive Company, USA	USA	Associate	30.00%
2	Colgate-Palmolive PNG Ltd.	Papua New Guinea	Associate	N/A
3	Colgate-Palmolive (Hongkong) Ltd.	Hong kong	Associate	N/A
4	Colgate-Palmolive Asia Pacific Ltd.	--do--	Associate	N/A
5	Colgate-Palmolive (Thailand) Ltd.	Thailand	Associate	N/A
6	Colgate Sanxiao Co. Ltd.	China	Associate	N/A
7	Colgate-Palmolive (China) Co.Ltd.,Guangzhou	--do--	Associate	N/A
8	Colgate-Palmolive (Vietnam) Co. Ltd.	Vietnam	Associate	N/A
9	Colgate-Palmolive Brazil.	Brazil	Associate	N/A
10	SIZA Services (Private) Limited	Pakistan	Common Director	25.28%
11	SIZA (Private) Limited	--do--	Common Director	17.38%
12	SIZA Commodities (Private) Limited	--do--	Common Director	3.43%
13	Century Insurance Co. Ltd.	--do--	Common Director	0.04%
14	Century Paper & Board Mills Limited	--do--	Common Director	N/A
15	Merit Packaging Limited	--do--	Common Director	N/A
16	Lakson Business Solutions Limited	--do--	Common Director	N/A
17	Lakson Investments Limited	--do--	Common Director	N/A
18	Cyber Internet Services (Private) Limited	--do--	Common Director	N/A
19	Princeton Travels (Private) Limited	--do--	Common Director	N/A
20	SIZA Foods (Private) Limited	--do--	Common Director	N/A
21	Sybrid (Private) Limited	--do--	Common Director	N/A
22	Caraway (Private) Limited	--do--	Associate	N/A
23	Ajinomoto Lakson Pakistan (Private) Limited	--do--	Common Director	N/A
24	Pakistan Business Council	--do--	Common Director	N/A
25	Express Publication (Private) Limited	--do--	Associate	N/A
26	Television Media Network (Private) Limited	--do--	Associate	N/A
27	Pakistan Special Olympics	--do--	Associate	N/A
28	Hasanali & Gulbanoo Lakhani Foundation	--do--	Trustee	N/A
29	LRBT (Layton Rehmatullah Benevolent Trust)	--do--	Trustee	N/A
30	CPPL Employees Contributory Provident Fund	--do--	Trustee	N/A
31	CPPL Employees Gratuity Provident Fund	--do--	Trustee	N/A
32	The Aga Khan Hospital and Medical College Foundation	--do--	Common Director	N/A
33	Pakistan Women's Swimming Association	--do--	Associate	N/A
34	ICE Animations (Private) Limited	--do--	Common Director	N/A
35	Fly Jinnah Services (Private) Limited	--do--	Common Director	N/A

39. REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE DIRECTOR AND EXECUTIVES

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

	Chief Executive		Executives	
	2023	2022	2023	2022
	------(Rupees in '000)-----			
Managerial remuneration	28,968	23,173	641,272	473,756
Bonus / commission	-	-	202,953	171,418
Staff retirement gratuity	-	-	177,446	90,546
Provident fund	-	-	51,709	39,435
Housing	13,032	10,427	288,714	213,271
Utilities	5,455	3,884	-	-
Motor vehicles	2,471	2,339	63,104	35,955
Others	-	-	102,857	69,309
	<u>49,926</u>	<u>39,823</u>	<u>1,528,055</u>	<u>1,093,690</u>
Number of persons	1	1	254	180

39.2 The Chief Executive and the executives of the Company are also provided with Company maintained cars.

39.3 Aggregate amount charged in these financial statements in respect of fees to independent directors is Rs. 2.2 million (2022: Rs 1.2 million). No remuneration is paid to any non-executive director.

40. FINANCIAL INSTRUMENTS BY CATEGORY

	2023	2022
	------(Rupees in '000)-----	
FINANCIAL ASSETS		
At amortised cost		
Long term loans	76,180	78,231
Long term security deposits	21,260	20,734
Trade debts	2,017,453	1,407,106
Loans	38,320	38,802
Trade deposits	28,859	30,864
Other receivables	1,004,614	422,874
Accrued profit	29,639	4,760
Short term investments	601,236	149,105
Cash and bank balances	5,492,509	2,901,308
	<u>9,310,070</u>	<u>5,053,784</u>
At fair value through profit or loss	<u>13,660,769</u>	<u>6,394,611</u>
	<u>22,970,839</u>	<u>11,448,395</u>

2023 **2022**
 -----**(Rupees in '000)**-----

FINANCIAL LIABILITIES

At amortised cost

Long term deposits	51,264	63,134
Long-term financing	1,103,533	1,496,242
Lease Liabilities	356,453	402,422
Short-term financing	-	42,334
Trade and other payables	14,385,908	6,875,777
Unclaimed dividend	36,127	31,277
Accrued mark up	7,056	8,322
	15,940,341	8,919,508

41. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

41.1 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 41.1.1, 41.1.2 and 41.1.3 below:

41.1.1 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 22,970.839 million (2022: Rs 11,448.395 million), the financial assets that are subject to credit risk aggregated Rs 22,970.082 million (2022: Rs 11,447.808 million).

The analysis below summarises the credit quality of the Company's financial assets as at June 30, 2023 / 2022.

The bank balances along with credit ratings are tabulated below:

	2023	2022
	----- (Rupees in '000) -----	
Credit ratings		
A-1+	5,029,833	2,777,104
Others	461,919	123,617
	5,491,752	2,900,721

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

	2023	2022
	----- (Rupees in '000) -----	
Credit ratings		
A-1+	601,236	128,747
AA	-	20,358
Management Quality ratings		
AM1	8,457,725	1,296,121
AM2+	4,944,505	5,098,490
AM2++	258,539	-
	14,262,005	6,543,716

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 when there is no reasonable expectation of recovering the contractual cash flows.

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

	2023	2022
	----- (Rupees in '000) -----	
Due from customers other than related parties		
Institutional customers	1,506,589	1,300,101
Distributors	180,239	93,661
Others	336,359	16,381
	2,023,187	1,410,143

Out of Rs 2,023.187 million (2022: Rs 1,410.413 million), the Company has provided Rs 7.740 million (2022: 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:

	Note	2023	2022
		----- (Rupees in '000) -----	
Trade debts	10.1	2,006	4,703
Other receivables	13.1	5,179	2,790
		7,185	7,493

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.

41.1.2 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. The management believes that it is not exposed to any significant level of liquidity risk.

The management forecasts the liquidity of the Company on the basis of expected cash flow considering the level of liquid assets necessary to meet such risk.

Financial liabilities in accordance with their contractual maturities are presented below:

	Contractual cashflows		
	Maturity within one year	Maturity after one year	Total
June 30, 2023			
----- (Rupees in '000) -----			
Financial liabilities			
Long term deposits	-	51,264	51,264
Long-term financing	137,902	1,068,605	1,206,507
Lease liabilities	78,386	289,762	368,148
Trade and other payables	14,385,908	-	14,385,908
Unpaid dividend	2,811,659	-	2,811,659
Unclaimed dividend	36,127	-	36,127
Accrued mark up	7,056	-	7,056
	17,457,038	1,409,631	18,866,669
June 30, 2022			
----- (Rupees in '000) -----			
Financial liabilities			
Long term deposits	-	63,134	63,134
Long-term financing	419,605	1,217,428	1,637,033
Lease liabilities	107,838	539,970	647,808
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
	7,485,153	1,820,532	9,305,685

41.1.3 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, 2023, 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 294.28 million (2022: Rs 73.205 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 and cash with banks in savings accounts which are based on fixed interest rates. As at June 30, 2023, 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 46.845 million (2022: Rs 12.704 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, 2023, 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 136.608 million (2022: Rs 63.946 million).

41.1.4 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, 2023, all financial assets and financial liabilities are carried at amortised cost except for investment in mutual funds 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, 2023:

Financial assets	2023			Total
	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----				
Financial investments: Fair value through profit or loss	13,660,769	-	-	13,660,769

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

42. 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, 2023 and 2022, the Company had surplus reserves to meet its requirements.

43. ENTITY-WIDE INFORMATION

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

43.2 Information about products

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

	2023	2022
Personal Care	25%	27%
Home Care	69%	69%
Others	6%	4%
	100%	100%

43.3 Information about geographical areas

The Company does not hold non-current assets in any foreign country.

43.4 Information about major customers

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

44. PLANT CAPACITY AND ACTUAL PRODUCTION

	2023	2022
	(Quantities in tons)	
Capacity	292,245	290,600
Production	276,818	271,729

Actual production was sufficient to meet the demand.

45. NUMBER OF EMPLOYEES

The total and average number of employees during the year and as at June 30, 2023 and 2022 respectively are as follows:

	2023	2022
	No of employees	
Average number of employees during the year	1,190	1,152
Number of employees as at June 30	1,217	1,164

46. DATE OF AUTHORISATION FOR ISSUE

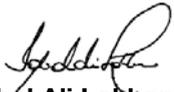
46.1 These financial statements were authorised for issue on July 31, 2023 by the Board of Directors of the Company.

47. GENERAL

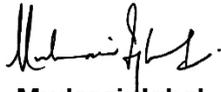
47.1 These financial statements are presented in Pakistan Rupee which is the Company’s functional currency. Amounts presented in the financial statements have been rounded off to the nearest of thousand of Rupees, unless otherwise stated.

47.2 Wherever considered necessary, corresponding figures have been reclassified for the purpose of comparison and improved presentation. Following balances have been reclassified in these financial statements.

FSLI		Note	Presented in June 30, 2023	Presented in June 30, 2022
----- (Rupees in '000) -----				
Selling and Distribution Cost	Repairs and maintenance	28	5,943	21,669
	Software license and maintenance	28	20,922	5,196
Administrative Expenses	Repairs and maintenance	29	6,121	74,768
	Software license and maintenance	29	100,253	31,606


Iqbal Ali Lakhani
Chairman / Director


Zulfikar Ali Lakhani
Chief Executive


Mudassir Iqbal
Chief Financial Officer

*Integrity In Action,
Smiles In Reflection*



**GOVERNANCE
AND COMPLIANCE**

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

For The Year Ended June 30, 2023

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	Mr. Kamran Yousuf Mirza Mr. Syed Shahid Ali Bukhari Ms. Danish Zuberi
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. Danish Zuberi 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	Mr. Kamran Yousuf Mirza – Chairman Mr. Iqbal Ali Lakhani – Member Mr. Amin Mohammed Lakhani – Member Ms. Danish Zuberi – Member
HR and Remuneration Committee	Mr. Kamran Yousuf Mirza – Chairman Mr. Iqbal Ali Lakhani – Member Mr. Zulfiqar Ali Lakhani – Member Mr. Syed Shahid Ali Bukhari – 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


Zulfiqar Ali Lakhani
 Chief Executive

Karachi: July 31, 2023



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, 2023 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, 2023.

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

Date: August 4, 2023

UDIN: CR202310059rnYdwtJLI

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>

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 45th Annual General Meeting of COLGATE-PALMOLIVE (PAKISTAN) LIMITED will be held on Friday, September 29, 2023 at 3:00 p.m. at the ICAP Auditorium, Chartered Accountants Avenue, Clifton, Karachi, as well as through electronic means/Video link facility to transact the following business:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2023 together with the Directors' and Auditors' reports thereon.
2. To declare final cash dividend for the year ended June 30, 2023 at Rs.5.00 per share i.e. 50%. This is in addition to 1st interim cash dividend already paid at Rs.20.00 per share i.e. 200% and by way of issue of fully paid bonus shares @ 45% in the proportion of Nine shares for every Twenty shares of Rs.10/- each and 2nd interim cash dividend already paid at Rs.40.00 per share i.e. 400% and by way of issue of fully paid bonus shares @ 100% in the proportion of One Share for every One share of Rs.10/- each.
3. To appoint Auditors and fix their remuneration.

By Order of the Board



(MANSOOR AHMED)
Company Secretary

Karachi: August 31, 2023

NOTES:

1. The share transfer books of the Company will remain closed from September 22, 2023 to September 29, 2023 (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., Shakra-e-Faisal, Karachi up to the close of business on September 21, 2023 will be treated in time for entitlement of the dividend.
2. **Participation in the AGM via physical presence or through video conferencing**
 - a. 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.
 - b. 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:

- a. To facilitate our members who want to attend AGM through Zoom application - a video link facility will be provided.
- b. Shareholders interested in attending the AGM 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 27, 2023) through following means:

Notice of Annual General Meeting

- 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.

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.

3. Requirements for appointing Proxies

- a. 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.
- b. 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.
- c. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- d. Copies of CNIC or the valid passport of the beneficial owners and the proxy shall be furnished along with the proxy form.
- e. The proxy shall produce his original CNIC or original valid passport at the time of the Meeting.
- f. In case of a corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

4. Updation of shareholder addresses / other particulars

Members holding shares in physical form are requested to promptly notify Shares Registrar of the Company of any change in their addresses or any other particulars. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.

Further, to comply with requirements of section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all CDC and shareholders are requested to provide their email address and cell phone numbers incorporated / updated in their physical folio or CDC account.

Notice of Annual General Meeting

5. Electronic dividend mandate

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 Investor Account Services. No further action is required if IBAN has already been incorporated/updated in the CDC account or physical folio of the shareholder.

6. Electronic Transmission of Annual Reports and Notices

Pursuant to Notification vide SRO.787(1)/2014 of September 08, 2014, SECP has directed to facilitate the members of the company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. In this respect members are hereby requested to convey their consent via e-mail on a standard request form which is available at the Company website i.e. www.colgate.com.pk. Please ensure that your e-mail has sufficient rights and space available to receive such e-mail which may be larger than 1 MB file in size. Further, it is the responsibility of the member to timely update the Shares Registrar of any change in the registered e-mail address.

7. Income tax on dividend payments

(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 on 'Filer/Non-Filer' status separately of the 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:

Notice of Annual General Meeting

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 and/or FAMCO Associates (Private) Limited at phone: (021) 3438 0101-5 and email address: 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.

8. Non-Resident Shareholders

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 Register 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 at the latest by September 21, 2023. The copy of declaration form can be downloaded from Shares Registrar website: <https://famco.com.pk/share-registration-services/>.

9. Zakat Exemption

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 Register, before the first day of book closure.

10. Conversion of Physical Shares into CDC Account

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, as soon as possible.

Notice of Annual General Meeting

The shareholders may contact their Broker, CDC Participant or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. It would facilitate the shareholders in many ways including safe custody of shares, avoidance of formalities required for the issuance of duplicate shares, etc.

11. Unclaimed Dividend / Shares under Section 244 of the Companies Act, 2017

An updated list for unclaimed dividend/shares of the Company is available on the Company's website www.colgate.com.pk. These are unclaimed dividend/shares which have remained unclaimed or unpaid for a period of three years from the date these have become due and payable.

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.

12. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 to Section 145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.

13. Form of Proxy is enclosed and is also available on Company's website: www.colgate.com.pk.

Pattern of Shareholding

AS AT 30 JUNE 2023

Incorporation Number KAR-5010 OF 1977-78

CUIN Registration No. 005832

No. of Shareholders	Shareholdings			Total Shares held
	From	To		
1,527	1	100	Shares	59,674
650	101	500	Shares	157,385
159	501	1000	Shares	118,176
227	1001	5000	Shares	536,723
51	5001	10000	Shares	355,664
24	10001	15000	Shares	290,466
8	15001	20000	Shares	135,548
5	20001	25000	Shares	108,592
4	25001	30000	Shares	103,842
2	30001	35000	Shares	62,184
1	35001	40000	Shares	35,434
3	40001	45000	Shares	126,074
1	45001	50000	Shares	46,996
1	50001	55000	Shares	53,632
2	55001	60000	Shares	117,210
2	80001	85000	Shares	167,096
1	85001	90000	Shares	89,290
1	90001	95000	Shares	91,276
1	95001	100000	Shares	97,450
1	120001	125000	Shares	123,734
1	215001	220000	Shares	216,576
1	815001	820000	Shares	817,066
1	830001	835000	Shares	831,730
1	8320001	8325000	Shares	8,322,904
1	10860001	10865000	Shares	10,863,238
1	12870001	12875000	Shares	12,873,032
1	29570001	29575000	Shares	29,571,740
1	42190001	42195000	Shares	42,194,234
1	61370001	61375000	Shares	61,374,396
1	72830001	72835000	Shares	72,831,910
2,681				242,773,272

Categories of Shareholders

	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouses and minor children	10,964,658	4.52
Associated Companies, undertakings and related parties	143,239,938	59.00
NIT and ICP	1,406	-
Banks, Development Financial Institutions, Non Banking Financial Institutions, Insurance Companies	11,152	-
Modarabas and Mutual Funds	6,828	-
Shareholders holding 10%	205,972,280	84.84
General Public		
a. Local	2,481,224	1.02
b. Foreign	-	-
Others	86,068,066	35.46

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



Zulfiqar Ali Lakhani
Chief Executive

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

i) <u>ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES</u>	Shares held
1. SIZA (Pvt) Limited	42,194,234
2. SIZA Services (Pvt) Limited	61,374,396
3. SIZA Commodities (Pvt) Limited	8,322,904
4. Premier Fashions (Pvt) Limited	29,571,740
5. Century Insurance Company Limited	89,290
6. Sultan Ali Lakhani	1,698
7. Shaista Sultan Ali Lakhani	2,708
8. Babar Ali Lakhani	14,574
9. Bilal Ali Lakhani	5,794
10. Danish Ali Lakhani	8,406
11. Anushka Lakhani	833,934
12. Anika Amin Lakhani	3,194
13. Natasha Lakhani	817,066
ii) <u>MUTUAL FUND</u>	
CDC – Trustee AKD Index Tracker Fund	6,748
iii) <u>DIRECTORS AND THEIR SPOUSES AND MINOR CHILDREN</u>	
1. Iqbal Ali Lakhani	Chairman/Director 10,916,870
2. Zulfiqar Ali Lakhani	Director/Chief Executive 7,916
3. Amin Mohammed Lakhani	Director 26,624
4. Kamran Yousuf Mirza	Director 2,104
5. Syed Shahid Ali Bukhari	Director 2,104
6. Danish Zuberi	Director 1,000
7. Peter John Graylin	Nominee of Colgate-Palmolive Company, USA -
8. Xuan Dai	Nominee of Colgate-Palmolive Company, USA -
9. Ronak Iqbal Lakhani W/o. Iqbal Ali Lakhani	2,514
10. Fatima Lakhani W/o. Zulfiqar Ali Lakhani	1,566
11. Saira Amin Lakhani W/o. Amin Mohammed Lakhani	3,120
12. Tehmineh Kashani W/o. Syed Shahid Ali Bukhari	840
iv) <u>EXECUTIVES</u>	1,304
v) <u>PUBLIC SECTOR COMPANIES AND CORPORATIONS</u>	NIL
vi) <u>BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS AND: [Other than those reported at i (5)]</u>	69,266
vii) <u>SHAREHOLDERS HOLDING 5% OR MORE</u>	
Colgate-Palmolive Co., USA.	72,831,910
Arisaig India Fund Limited, Hongkong	12,873,032
[Other than those reported at i(1), i(2) & i(4)]	
viii) <u>INDIVIDUALS AND OTHER THAN THOSE MENTIONED ABOVE</u>	2,786,416
	242,773,272

آڈیٹرز

آڈیٹرز، میسرز ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، 45 ویں سالانہ عام اجلاس کے اختتام پر ریٹائر ہو رہے ہیں۔ اہل ہونے کی وجہ سے انہوں نے دوبارہ تقرری کے لیے خود کو پیش کیا ہے اور بورڈ کی آڈٹ کمیٹی نے بھی ان کی دوبارہ تقرری کی سفارش کی ہے، جس کی بورڈ نے توثیق کر دی ہے۔

شیئر ہولڈنگ کا نمونہ

رپورٹ میں 30 جون 2023 تک کمپنی کے حصص کے پیٹرن اور اضافی معلومات کو ظاہر کرنے والا ایک بیان شامل کیا گیا ہے۔ جو ایگزیکٹوز اور ملازمین سالانہ 1.5 ملین روپے یا اس سے زیادہ بنیادی تنخواہ لے رہے ہیں، بورڈ نے ان کی جانب سے کمپنی کے حصص کی خرید و فروخت کے سلسلے میں ایک حد کا تعین کر دیا ہے۔

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۔

اظہار تشکر

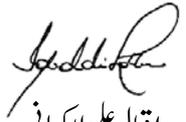
ہم اپنے برانڈز پر اعتماد کرنے پر صارفین کا تہہ دل سے شکریہ ادا کرنا چاہتے ہیں۔ ہم اپنے مینیکرز، شیئر ہولڈرز، صارفین، ڈسٹری بیوٹرز اور سپلائی چین پارٹنرز کے مسلسل تعاون پر ان کے ممنون ہیں۔ ہم انتھک لگن اور کمپنی کے ساتھ بے حد تعاون پر اپنے ملازمین کو بھی سراہتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز



ذولفقار علی لاکھانی

چیف ایگزیکٹو



اقبال علی لاکھانی

چیرمین

کراچی: 31 جولائی 2023

☆ سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس ہوئے، ان میں ہر رکن کی شرکت حسب ذیل تھی:

شرکت	رکن کا نام
3	محترمہ عالیہ سعیدہ خان (10 مارچ 2023ء تک)
1	محترمہ دانش زبیری (10 مارچ 2023ء سے)
4	جناب اقبال علی لاکھانی
4	جناب امین محمد لاکھانی
4	جناب کامران یوسف مرزا

☆ سال کے دوران ایچ آر کمیٹی کا ایک (1) اجلاس ہوا، اس میں ہر رکن کی شرکت حسب ذیل تھی:

شرکت	رکن کا نام
1	جناب کامران یوسف مرزا
1	محترمہ عالیہ سعیدہ خان
1	جناب اقبال علی لاکھانی
-	جناب ذوالفقار علی لاکھانی

جو ارکان اجلاس میں شرکت نہ کر سکے، انہیں غیر حاضری پر رخصت دے دی گئی۔

بورڈ کی تشکیل

بورڈ 6 مرد اور 2 خواتین ڈائریکٹرز پر مشتمل ہے، جس کی ساخت حسب ذیل ہے:

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

نان ایگزیکٹو ڈائریکٹرز کی معاوضہ پالیسی

کمپنی کے بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لئے نان ایگزیکٹو اور خود مختار ڈائریکٹرز کی فیس کا تعین بورڈ وقتاً فوقتاً کرتا ہے۔

چیف ایگزیکٹو اور ڈائریکٹرز کے معاوضے کا پیکج

چیف ایگزیکٹو اور دیگر ڈائریکٹرز کے معاوضے کے پیکج کو مالیاتی گوشواروں میں نوٹ 39 میں ظاہر کیا گیا ہے۔

- کمپنی تمام اکاؤنٹ بکس درست حالت میں رکھتی ہے۔
- مالی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جو کہ پاکستان میں لاگو ہوتے ہیں، پر عمل کیا جاتا ہے۔
- داخلی کنٹرول کا نظام اپنے ڈیزائن میں درست ہے اور مؤثر نگرانی کے تحت اس پر عمل درآمد کیا گیا ہے۔
- کمپنی کی اپنی موجودہ کاروباری سرگرمیوں کو جاری رکھنے کی صلاحیت کے بارے میں کوئی شک نہیں ہے۔
- کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی مادی انحراف نہیں کیا گیا، جیسا کہ لسٹنگ ریگولیشنز میں تفصیل سے بیان کیا گیا ہے۔
- گزشتہ چھ سالوں کے کلیدی آپریشنل اور مالیاتی اعداد و شمار کا خلاصہ اس سالانہ رپورٹ کے ساتھ منسلک کیا گیا ہے۔
- ٹیکسوں اور لیویز کے بارے میں معلومات نوٹ کی شکل میں دی جاتی ہیں اور مالی بیانات کا حصہ ہیں۔

☆ عملے کے ریٹائرمنٹ فنڈز کے ذریعہ ان کے متعلقہ اکاؤنٹس کی بنیاد پر کی گئی سرمایہ کاری کی تفصیل مندرجہ ذیل ہے:

2023-2022 روپے '000 میں	
818,209	سی پی بی ایل اسٹاف پراویڈنٹ فنڈ
913,355	سی پی بی ایل اسٹاف گریجویٹ فنڈ

☆ سال کے دوران بورڈ کے چھ (6) اجلاس ہوئے، ان میں ہر ڈائریکٹر کی شرکت حسب ذیل تھی:

شرکت	ڈائریکٹر کا نام
6	جناب اقبال علی لاکھانی
5	جناب ذوالفقار علی لاکھانی
6	جناب امین محمد لاکھانی
6	جناب پیٹر جان گرین (سی پی۔ امریکا کے نامزد کردہ)
5	محترمہ زاؤن ڈائی (سی پی۔ امریکا کی نامزد کردہ)
3	محترمہ عالیہ سعیدہ خان (10 مارچ 2023ء تک)
3	محترمہ دانش زبیری (10 مارچ 2023ء سے)
6	جناب کامران یوسف مرزا
6	جناب شاہد علی بخاری

کارپوریٹ سماجی ذمہ داری

کمپنی نے پاکستان کے مختلف شہروں میں اسکول جانے والے بچوں تک رسائی حاصل کرتے ہوئے اپنے فلگ شپ 'برائٹ اسمائلز، برائٹ فیوچرز' پروگرام کے ذریعے دانتوں کی صحت کے اقدامات پر توجہ مرکوز رکھی۔ نجلی سطح پر آگاہی کو بچوں کو دانتوں کی اچھی صحت و صفائی اور باقاعدگی سے برش کرنے کی اہمیت سکھانے پر مرکوز رکھا گیا۔ آغاز سے لے کر اب تک اس پروگرام نے اب تک ڈیڑھ کروڑ بچوں تک رسائی حاصل کر لی ہے، جن میں گزشتہ سال کے 11 لاکھ بچے بھی شامل ہیں۔

کولگیٹ نے 2023ء میں بھی "مائی برائٹ اسمائلز" نامی گلوبل آرٹ مقابلے کے ساتھ تعاون جاری رکھا۔ اس مقابلے نے 6 سے 9 سال کی عمر کے بچوں میں حفظان صحت دنداں اور برش کرنے کی اچھی عادات کے بارے میں شعور اجاگر کرنے میں مدد کی ہے اور انہیں آرٹ کے ذریعے اپنی تخلیقی صلاحیتوں کا اظہار کرنے کا موقع فراہم کیا ہے۔ اسکولوں اور آن لائن درخواستوں کے ذریعے ملک بھر سے 124,903 فن پارے موصول ہوئے۔ ہر سال پاکستان سے تعلق رکھنے والے ایک نو عمر فنکار کو عالمی مقابلے میں حصہ لینے کا اعزاز حاصل ہوتا ہے۔

کمپنی نے ڈینٹل پروفیشنلز کے ساتھ شراکت داری بھی کی تاکہ عوام کے لئے آسانی سے قابل رسائی مختلف مقامات پر دانتوں کے مفت چیک اپ کے ذریعے دانتوں کی صحت و صفائی کے بارے میں آگاہی پیدا کرنے میں مدد مل سکے۔ کمپنی سماجی بہبود کے مختلف منصوبوں میں بھی تعاون جاری رکھے ہوئے ہے اور اب تک 33.14 ملین روپے کے عطیات دے چکی ہے۔

مستقبل کا منظر نامہ

جاری معاشی و سیاسی غیر یقینی صورتحال کی وجہ سے آنے والے مہینوں میں میکرو اکنامک حالات پر دباؤ برقرار رہنے کی توقع ہے۔ اس کے علاوہ افراط زر کو قابو میں رکھنے کے لیے پالیسی ریٹ میں مزید اضافے کا بھی امکان ہے۔

یوٹیلٹی ٹیرف میں اضافے، ایندھن کی لاگت تیزی سے بڑھنے اور ٹیکس کی بڑھتی ہوئی شرح کے تناظر میں کاروباری لاگت میں مزید اضافے کی پیش گوئی کی گئی ہے۔ بڑھتی ہوئی مہنگائی نے عوام کی قابل استعمال (ڈسپوزیبل) آمدنی کو متاثر کیا ہے اور توقع ہے کہ ان کی جانب سے اخراجات کم رہیں گے۔ خام مال اور کلیدی فاضل سامان کے لئے ایل سی کھولنے پر پابندیوں کی شکل میں درآمدی پابندیاں کاروباری آپریشنز کو متاثر کر سکتی ہیں۔

داخلی مالیاتی کنٹرول

ڈائریکٹرز داخلی مالیاتی کنٹرول کے سلسلے میں اپنی ذمہ داری سے آگاہ ہیں۔ انتظامیہ اور آڈیٹرز (اندرونی اور بیرونی) کے ساتھ بات چیت کے ذریعے، وہ تصدیق کرتے ہیں کہ کمپنی کی طرف سے مناسب کنٹرول نافذ کیے گئے ہیں۔

فنانشل اور کارپوریٹ رپورٹنگ فریم ورک

پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز کی شقوں کی تعمیل میں، بورڈ کے ممبران کے لیے مندرجہ ذیل بیانات کو ریکارڈ پر لانا باعث مسرت ہے:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالی گوشوارے اس کے معاملات کی صورت حال، اس کے آپریشنز کے نتائج، کیش فلوا اور ایکویٹی میں تبدیلیوں کی درست عکاسی کرتے ہیں۔

مذکورہ خطرات کے ممکنہ اثرات کو کم کرنے کے لئے کمپنی اندرونی اور بیرونی اسٹیک ہولڈرز کے ساتھ کام کرتی رہے گی۔

کاروباری کارکردگی کی جھلکیاں

ٹوتھ پیسٹ بزنس نے اپنا مارکیٹ شیئر بڑھایا اور اپنی مارکیٹ قیادت کو مستحکم کیا۔ مضبوط دانتوں کے لیے 'کیلشیم بوسٹ' فارمولے کے ساتھ ہمارے فلیگ شپ ورژن کولگیٹ میکسیم کیویٹی پروٹیکشن کی دوبارہ لانچ سے برانڈ کو مزید تقویت ملنے کی توقع ہے۔ یہ اقدام صارفین کے ساتھ رابطے کی مدد سے کیا گیا، 'کیلشیم بوسٹ' ٹیکنالوجی کھوئے ہوئے کیلشیم کو بحال کر کے دانتوں کو مضبوط بنانے میں مدد کرتی ہے اور اس بات کی اہمیت پر زور دیتی ہے کہ بدلے میں مضبوط دانت کس طرح آپ کو مضبوط بناتے ہیں۔

پرنسپل کیئر نے مسابقت کے باوجود سیزن کا امید افزا آغاز کیا۔ پامولوشیپونے اپنی نئی کمیونیکیشن مہم لانچ کی ہے، جس میں 'خوب صورت بال، انگلی کی کنگھی سے تیار' کو اجاگر کیا گیا ہے۔ یہ ٹریڈ، آن گراؤنڈ اور ان اسٹور ایکٹیویشن کے علاوہ برانڈ ٹرانزائلز اور اپنے صارفین کے حلقے کو وسیع کر کے بالوں کی نگہداشت کے شعبے میں اپنی جگہ بنانا جاری رکھے ہوئے ہے۔

مارکیٹ شیئر کو برقرار رکھنے کے لیے فیبرک کیئر کے شعبے میں تمام کلیدی پلیئرز کی طرف سے تجارتی اور اشتہاری اخراجات میں اضافہ دیکھا گیا۔ لیمن میکس نے ڈش واشنگ مصنوعات میں اپنی قائدانہ پوزیشن برقرار رکھی۔ غیر منظم شعبہ زیادہ تجارتی مارجن کے ساتھ بلا روک ٹوک پھل پھول رہا ہے۔ یہ پلیئرز ہمارے فیبرک اور ڈش کیئر بزنس کے لئے ایک سنگین چیلنج بنے ہوئے ہیں۔

صحت، سلامتی اور ماحول

توانائی کی بچت سے متعلق ہمارے اقدامات قابل تجدید توانائی کے زیادہ سے زیادہ مواقع سے فائدہ اٹھانے کی ہماری کوششوں کی عکاسی کرتے ہیں اور پلانٹس میں سولر سسٹمز کی تنصیب کے نتیجے میں گزشتہ 4 سالوں میں توانائی کی ممکنہ بچت 23 فیصد تک رہی۔ دی یونائیٹڈ اسٹیٹس انوائرمینٹل پروٹیکشن ایجنسی نے انرجی اسٹار ایوارڈ سے نواز کے ہماری ان کوششوں کا برملا اعتراف کیا ہے۔ کوٹری اور لاہور پلانٹس کے مزید نئے منصوبے گرین ریورسز کے متعلق ہمارے عزم کی عکاسی کرتے ہیں۔

سرسبز ماحول کے لیے ہماری کوششوں کے ایک حصے کے طور پر کولگیٹ پامولو پاکستان نے ملک کے بڑے شہروں میں شدید موسمی پیٹرن کے اثرات کو کم کرنے کے لئے سندھ اور پنجاب میں 30,000 درخت لگائے ہیں۔ یہ اقدام 'عالمی یوم ارض' کے موقع پر پنجاب اور سندھ کے ماحولیاتی تحفظ کے اداروں کے اشتراک سے کیا گیا تھا۔ ہم امید کرتے ہیں کہ اس اقدام سے مثبت رجحان کی حوصلہ افزائی ہوگی اور اس سال ماحولیاتی تبدیلیوں کے بارے میں مکالمہ کو ممکن بنایا جاسکے گا۔

پاکستان کی شناخت پانی کی قلت والے زون کے طور پر کی گئی ہے، کولگیٹ پامولو پانی بچانے کے لئے ذمہ داری سے کام کر رہا ہے۔ ہماری ویسٹ واٹر ٹریٹمنٹ پلانٹ ٹیکنالوجی سالانہ 5 ملین گیلن ری سائیکل کرنے کے لئے پانی بازیاب (Recover) کر رہی ہے۔ سنڈر پلانٹ میں نئی ٹیکنالوجی کو اپنانے کے نتیجے میں پانی کی ری سائیکلنگ بھی بہتر ہوگئی ہے۔

منافع کا تصرف

2023-2022
(روپے '000 میں)

10,409,994

بعد از ٹیکس منافع

297

غیر مختص شدہ منافع (براٹ فارورڈ)

10,410,291

تصرف کے لیے دستیاب منافع

تصرفات:

1,213,866

مجوزہ حتمی کیش ڈیویڈنڈ @ 50% یعنی 5.00 روپے فی حصص

(2022: @ 280% یعنی 28.00 روپے فی حصص)

صفر

مجوزہ بونس حصص @ صفر% یعنی ہر حصص کے لیے 0 حصص

(2022: @ 15% یعنی ہر 20 حصص کے لیے 3 حصص)

4,855,465

عبوری کیش ڈیویڈنڈ @ 400% یعنی 40 روپے فی حصص

(2022: @ 245% یعنی 24.5 روپے فی حصص)

1,213,866

عبوری بونس حصص @ 100% یعنی ہر 1 حصص کے لیے 1 حصص۔

(2022- صفر)

1,674,298

عبوری کیش ڈیویڈنڈ @ 200% یعنی 31 دسمبر 2022 کو 20 روپے فی حصص

(2022- صفر)

376,718

عبوری بونس حصص @ 45% یعنی 31 دسمبر 2022 کو ہر 20 حصص کے لیے 9 حصص

(2022- صفر)

1,057,000

جزل ریزرو میں منتقلی

19,078

غیر مختص منافع (کیئرڈ فارورڈ)

بنیادی خطرات اور غیر یقینی صورتحال

کمپنی کو کچھ دیرینہ خطرات اور غیر یقینی صورتحال کا سامنا ہے۔ تاہم، ہم مندرجہ ذیل کو کلیدی خطرات کے طور پر دیکھتے ہیں:

• غیر ملکی زرمبادلہ کی شرح اور اشیاء کی قیمتوں میں منفی ردوبدل

• ڈیٹا کی حفاظت اور ڈیٹا کی رازداری

• آنے والے عام انتخابات کے تناظر میں امن و امان کی صورتحال اور سیاسی غیر یقینی کی وجہ سے مارکیٹ میں خلل۔

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریٹرز 30 جون 2023ء کو اختتام پذیر ہونے والے سالانہ آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرور ہیں۔

مالیاتی کارکردگی پر ایک نظر

ایک مختصر مالیاتی تجزیہ ذیل میں پیش کیا جاتا ہے:

کاروباری کارکردگی کے نتائج	2022-2023	2021-2022	اضافہ / (کمی)
	(رقم ملین روپے میں)		
مجموعی آمدنی	119,603	82,398	45.15%
خالص آمدنی	91,460	62,330	46.73%
مجموعی منافع	26,099	16,042	62.70%
مجموعی منافع (%)	28.54%	25.74%	280 bps
فروخت اور ترسیل کے اخراجات	9,162	6,849	33.78%
انتظامی اخراجات	915	703	30.09%
آپریشنز سے منافع	16,685	8,865	88.21%
بعد از ٹیکس منافع	10,410	5,872	77.29%
فی شیئر آمدنی - روپے (ری سٹیڈ)	42.88	24.19	77.29%

مالیاتی جھلکیاں

آپ کی کمپنی بگڑتی معاشی و سیاسی صورتحال، مقامی کرنسی کی قدر میں نمایاں کمی، درآمدات پر پابندیوں، غیر معمولی افراط زر اور براہ راست / بالواسطہ ٹیکسوں میں اضافے جیسے سخت آپریٹنگ حالات کے باوجود آمدنی اور منافع میں نمایاں اضافہ کرنے میں کامیاب رہی۔

مندرجہ بالا چیلنجوں کے باوجود آمدنی میں استحکام اور منافع میں اضافہ دراصل قیمت، حجم اور سازگار پروڈکٹ کس جیسی تبدیلیوں کے امتزاج کی بدولت ممکن ہوا۔ خام مال کی قیمتیں جو گزشتہ سال کافی بڑھ گئی تھیں، اس سال کم ہونا شروع ہو گئیں، جس کی وجہ سے مجموعی مارجن میں بھی بہتری آئی۔ تاہم مقامی مال برداری اور اشتہاری اخراجات میں اضافے کی وجہ سے فروخت اور ترسیل کے اخراجات بڑھ گئے۔

چیرمین کی جائزہ رپورٹ

کولگیٹ پالمولیو (پاکستان) لمیٹڈ کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت کیا جاتا ہے۔ اس جائزے کا مقصد اس امر کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور افادیت کو کمپنی کے مختص کردہ مقاصد کے تناظر میں پرکھا جاسکے۔

مالی سال برائے 30 جون، 2023 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 دورانہدیشی، نصب العین اور اقدار، حکمت عملی کے بنانے میں کردار، پالیسیز کی تشکیل، کمپنی میں جاری کاروباری سرگرمیوں کی نگرانی، مالیاتی وسائل کے انتظام کی نگرانی، موثر مالی نگرانی، بورڈ کے کاروبار کو پورا کرنے میں ملازمین کے ساتھ منصفانہ سلوک اور بورڈ کی ذمہ داریوں کو موثر انداز سے پورا کرنا شامل ہیں۔

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کو اور اس کی کمیٹی کی ملاقاتوں میں ایجنڈا مع دیگر ضروری دستاویزات قبل از وقت موصول ہوئے۔ بورڈ ضروری سرگرمیوں اور ذمہ داریوں کو موثر طریقے سے انجام دینے کے لیے باقاعدگی سے ملاقات کرتا ہے۔ نان ایگزیکٹو اور آزاد ڈائریکٹرز بھی اہم فیصلوں میں برابری کی بنیاد پر شامل ہوتے ہیں۔



اقبال علی لاکھانی

چیرمین

مورخہ: 31 جولائی، 2023

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 29th day of September 2023 and at any adjournment thereof.

Signed this _____ day of _____ 2023.

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

Witness 1

Signature _____

Name _____

CNIC No. _____

Address _____

Witness 2

Signature _____

Name _____

CNIC No. _____

Address _____

Notes:

1. The proxy must be a member of the Company.
2. The signature must tally with the specimen signature/s registered with the Company.
3. If a proxy is granted by a member who has deposited his/her shares in Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant's ID number and CDC account/sub-account number along with attested photocopies of Computerized National Identity Card (CNIC) or the Passport of the beneficial owner. Representatives of corporate members should bring the usual documents required for such purpose.
4. The instrument of Proxy properly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting excluding holidays.

Fold Here

AFFIX
CORRECT
POSTAGE

Company Secretary
COLGATE-PALMOLIVE (PAKISTAN) LIMITED
Lakson Square, Building No. 2,
Sarwar Shaheed Road,
Karachi.74200.
Phone: 38400000

Fold Here

Fold Here

Fold Here

Fold Here

Fold Here

مختار نامہ (پراکسی فارم)

میں/ہم _____ ساکن
 _____ 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 ۲۹ ستمبر ۲۰۲۳ کو منعقد ہو رہا ہے یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور وہ میری / ہماری جگہ میری / ہماری طرف سے حق رائے دہی استعمال کرے۔

مورخہ _____ ۲۰۲۳ کو میرے / ہمارے دستخط سے جاری ہوا۔

فولیو نمبر	سی ڈی سی کھاتہ نمبر	حصص کی تعداد

دستخط

گواہ نمبر _____ دستخط _____
 گواہ نمبر ۲ _____ دستخط _____
 نام _____ نام _____
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____ کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____
 پتہ _____ پتہ _____

ہدایات:

- ۱- مختار (پراکسی) کا کمپنی کا رکن (ممبر) ہونا ضروری ہے۔
- ۲- ممبر (رکن) کے دستخط، نمونہ شدہ دستخط / اندراج شدہ دستخط سے مماثلت ہونا ضروری ہے۔
- ۳- سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختار نامہ (پراکسی فارم) کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کرنا ضروری ہے۔ کارپوریٹ ادارے کے نمائندوں کو معمول کے مطابق دستاویزات ساتھ لانا ضروری ہے۔
- ۴- مختار نامہ (پراکسی فارم) مکمل پُر شدہ کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقرر وقت سے کم از کم ۴۸ گھنٹے قبل جمع کرانا ضروری ہے۔



COLGATE-PALMOLIVE (PAKISTAN) LTD.

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