



First Quarter Report
July-September 2014

CONTENTS

	Page
<u>COMPANY INFORMATION</u>	2
<u>DIRECTORS' REVIEW</u>	3-4
<u>CONDENSED INTERIM BALANCE SHEET</u>	5
<u>CONDENSED INTERIM PROFIT AND LOSS ACCOUNT</u>	6
<u>CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY</u>	7
<u>CONDENSED INTERIM CASH FLOW STATEMENT</u>	8
<u>NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS</u>	9-18



COLGATE-PALMOLIVE (PAKISTAN) LTD.

COMPANY INFORMATION

BOARD OF DIRECTORS

Iqbal Ali Lakhani	Chairman
Amin Mohammed Lakhani	
Tasleemuddin Ahmed Batlay	
Mukul Deoras	
Lisa Mather (form October 20, 2014)	
Jerome Graham Webb (upto October 20, 2014)	
Aliya Saeeda Khan	
Zulfiqar Ali Lakhani	Chief Executive

ADVISOR

Sultan Ali Lakhani

AUDIT COMMITTEE

Aliya Saeeda Khan	Chairperson
Iqbal Ali Lakhani	
Amin Mohammed Lakhani	
Tasleemuddin Ahmed Batlay	

HUMAN RESOURCE & REMUNERATION COMMITTEE

Iqbal Ali Lakhani	Chairman
Zulfiqar Ali Lakhani	
Amin Mohammed Lakhani	

COMPANY SECRETARY

Mansoor Ahmed

AUDITORS

A. F. Ferguson & Co.
Chartered Accountants

INTERNAL AUDITORS

BDO Ebrahim & Co.
Chartered Accountants

REGISTERED OFFICE

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

SHARES REGISTRAR

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

FACTORIES

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

217, Sundar Industrial Estate
Raiwind Road, Lahore

WEBSITE

www.colgate.com.pk

DIRECTORS' REVIEW

The Directors are pleased to present the audited financial statements of the Company for the quarter ended September 30, 2014.

Financial Highlights

The Financial results of the Company are summarized below:

	July- September 2014	July- September 2013	Variance
	Rs. in million	Rs. in million	(%)
Turnover	7,777	6,945	12.0%
Gross Profit	1,930	1,500	28.7%
- as % age to Net Sales	31.37%	27.40%	+397 bps
Selling and distribution costs	972	826	17.7%
- as % age to Net Sales	15.80%	15.09%	71 bps
Administrative expenses	61	52	17.8%
- as % age to Net Sales	0.99%	0.94%	+5 bps
Profit from Operations	900	587	53.5%
Profit after Tax	613	372	64.8%
Earnings per share (restated) - Rs.	12.77	7.75	64.8%

The turnover of the Company grew by 12%, with a corresponding increase in Cost of Sales of only 6.2%. Cost of raw materials in this quarter remained low because of low commodity prices and lower exchange rate. The Company achieved an increase in Gross Profit of 28.7% for the first quarter ended September 30, 2014 against corresponding period of last year.

Higher advertisement & sales promotion spend, employee related expenses, and freight increased Selling and Distribution expenses by 17.7%. Other expenses grew by 23.4% mainly because of an increase in contribution towards Workers' Profit Participation Fund and Workers' Welfare Fund.

Other income increased from Rs. 25.16 million to Rs. 78.38 million, which can be mainly attributed to a realization of profit on short term investments and increased profit earned on saving accounts.

The Company registered a growth in profit after tax of 64.8% this quarter. Earnings per share also increased by 64.8% to PKR 12.77 per share as compared to PKR 7.75 per share in the corresponding quarter last year.



COLGATE-PALMOLIVE (PAKISTAN) LTD.

Home and Personal Care Categories

Our strong Integrated Marketing Communications based on relevant consumer insights continue to delight our users. Aligned with these campaigns, our highly engaging shopper programs are helping us attract more shoppers towards our brands in key retail environments. With our increased focus across all competing product categories, competition is also intensifying in-store promotion.

We have been able to successfully strengthen our leadership in dish washing and fabric detergents through effective advertising and promotional support. Allocating the right marketing budgets across the right touch points is helping maintain our leadership, despite increased competition spending. Both dish washing bar and liquid formats have led the market share growth.

Future Outlook

Pak Rupee remained stable in July and has depreciated by 4% against the Dollar in the last two months. It is expected to depreciate further in the coming months which may affect our margins.

If international oil prices follow a decreasing trend, the Company hopes to benefit from lower cost of raw material in Home Care.

Acknowledgement

We would like to thank our customers for their loyalty to our brands and our shareholders, bankers and suppliers for their continued support. We would also like to thank our employees for their efforts and commitment to the Company.

On behalf of Board of Directors

IQBAL ALI LAKHANI
Chairman

Karachi : October 27, 2014

CONDENSED INTERIM BALANCE SHEET (Unaudited-Note 2)

As at September 30, 2014

	Note	September 30, 2014 (unaudited)	June 30, 2014 (audited)
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	3,086,623	3,147,236
Intangible assets		3,992	4,810
Long term loans		19,606	14,306
Long term security deposits		14,687	14,587
		<u>3,124,908</u>	<u>3,180,939</u>
CURRENT ASSETS			
Stores and spares		143,549	125,720
Stock in trade	5	2,518,474	2,473,246
Trade debts		632,862	653,003
Loans and advances		164,025	122,898
Trade deposits and short term prepayments	6	126,391	39,127
Other receivables	7	35,979	25,749
Profit receivable from banks		200	188
Taxation		573,278	588,551
Short term investments	8	1,928,732	2,144,508
Cash and bank balances		1,143,525	853,956
		<u>7,267,015</u>	<u>7,026,946</u>
TOTAL ASSETS		<u>10,391,923</u>	<u>10,207,885</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
75,000,000 ordinary shares of Rs.10 each		750,000	750,000
		<u>750,000</u>	<u>750,000</u>
Issued, subscribed and paid-up share capital	9	479,549	479,549
Reserves		7,030,944	7,233,554
Remeasurement on post retirement benefits obligation		(43,623)	(43,623)
Surplus on revaluation of investments		72,118	75,754
		<u>7,538,988</u>	<u>7,745,234</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation		442,253	439,239
Long term deposits		21,042	21,232
Deferred liability		22,189	22,189
		<u>485,484</u>	<u>482,660</u>
CURRENT LIABILITIES			
Trade and other payables	10	2,367,451	1,979,991
TOTAL LIABILITIES		<u>2,852,935</u>	<u>2,462,651</u>
TOTAL EQUITY AND LIABILITIES		<u>10,391,923</u>	<u>10,207,885</u>
CONTINGENCIES AND COMMITMENTS	11		

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


Zulfikar Ali Lakhani
Chief Executive


Tasleemuddin Ahmed Batlay
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT** (Unaudited- Note 2)

For the Quarter ended September 30, 2014

	Note	Quarter ended September 30, 2014	Quarter ended September 30, 2013
		(Rupees in '000)	
Turnover		7,777,236	6,944,581
Sales tax		(1,237,993)	(1,098,665)
Trade discounts		(387,110)	(372,652)
Net turnover		6,152,133	5,473,264
Cost of sales		(4,222,439)	(3,973,386)
Gross profit		1,929,694	1,499,878
Selling and distribution costs		(972,268)	(826,157)
Administrative expenses		(60,893)	(51,677)
Other expenses		(74,878)	(60,672)
Other income		78,380	25,156
Profit from operations		900,035	586,528
Finance costs and bank charges		(4,764)	(4,191)
Profit before taxation		895,271	582,337
Taxation			
- Current - for the period		280,000	212,900
- Deferred		2,647	(2,437)
		(282,647)	(210,463)
Profit after taxation		612,624	371,874
Other comprehensive income for the period-net of tax			
Items that may be reclassified subsequently to profit and loss			
Surplus on investments categorised as 'available for sale'		(4,155)	14,184
Impact of deferred tax		519	(1,417)
		(3,636)	12,767
Total comprehensive income for the period		608,988	384,641
		------(Rupees)-----	
Earnings per share	12	12.77	7.75
		(Restated)	

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

Zulfikar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited - Note 2)

For the Quarter ended September 30, 2014

	Issued, subscribed and paid up share capital	Capital reserve-share premium	Revenue reserves		Sub Total-reserves	Remeasurement on post retirement benefits obligation- net of tax	Surplus on revaluation of investments-net of tax	Total Equity
			General reserve	Unappropriated profit				
(Rupees in '000)								
Balance as at July 1, 2013	435,954	13,456	4,590,000	1,590,776	6,194,232	(26,738)	27,970	6,631,418
Transactions with owners								
Final dividend for the year ended June 30, 2013 (Rs. 14.00 per share)	-	-	-	(610,336)	(610,336)	-	-	(610,336)
Bonus shares issued at the rate of one share for every ten shares held	43,595	-	-	(43,595)	(43,595)	-	-	-
Total transactions with owners	43,595	-	-	(653,931)	(653,931)	-	-	(610,336)
Comprehensive income for the period								
Profit after taxation for the quarter ended September 30, 2013	-	-	-	371,874	371,874	-	-	371,874
Other comprehensive income	-	-	-	-	-	-	12,767	12,767
Total comprehensive income for the quarter ended September 30, 2013	-	-	-	371,874	371,874	-	12,767	384,641
Transfer to general reserve	-	-	935,000	(935,000)	-	-	-	-
Balance as at September 30, 2013	479,549	13,456	5,525,000	373,719	5,912,175	(26,738)	40,737	6,405,723
Balance as at July 1, 2014	479,549	13,456	5,525,000	1,695,098	7,233,554	(43,623)	75,754	7,745,234
Transactions with owners								
Final dividend for the year ended June 30, 2014 (Rs. 17.00 per share)	-	-	-	(815,234)	(815,234)	-	-	(815,234)
Total transactions with owners	-	-	-	(815,234)	(815,234)	-	-	(815,234)
Comprehensive income for the period								
Profit after taxation for the quarter ended September 30, 2014	-	-	-	612,624	612,624	-	-	612,624
Other comprehensive income	-	-	-	-	-	-	(3,636)	(3,636)
Total comprehensive income for the quarter ended September 30, 2014	-	-	-	612,624	612,624	-	(3,636)	608,988
Transfer to general reserve	-	-	878,000	(878,000)	-	-	-	-
Balance as at September 30, 2014	479,549	13,456	6,403,000	614,488	7,030,944	(43,623)	72,118	7,538,988

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


Zulfiqar Ali Lakhani
 Chief Executive


Tasleemuddin Ahmed Batlay
 Director

**CONDENSED INTERIM CASH FLOW STATEMENT** (Unaudited - Note 2)

For the Quarter ended September 30, 2014

Note **Quarter ended** Quarter ended
September 30, September 30,
2014 2013
(Rupees in '000)

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations	13	1,135,341	719,837
Finance costs paid		-	(1)
Taxes paid		(264,726)	(198,867)
Long term loans		(5,300)	282
Long term security deposits		(100)	(16)
Staff retirement gratuity paid		(16,941)	(5,373)
Long term deposits		(190)	2,195
Net cash inflow from operating activities		848,084	518,057

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure		(67,894)	(72,840)
Purchase of intangible assets		-	(1,081)
Purchase of short term investments		(750,000)	(450,000)
Sale proceeds on disposal of property, plant and equipment		4,243	4,974
Profit received on savings accounts		17,051	10,851
Profit received on a term deposit receipt		29	20
Sale proceeds on disposal of short term investments		1,010,365	350,000
Net cash inflow /(outflow) from investing activities		213,794	(158,076)

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid		(772,309)	(61,141)
Net cash outflow from financing activities		(772,309)	(61,141)

Net increase in cash and cash equivalents		289,569	298,840
---	--	---------	---------

Cash and cash equivalents at the beginning of the period		853,956	1,051,925
--	--	---------	-----------

Cash and cash equivalents at the end of the period		1,143,525	1,350,765
--	--	-----------	-----------

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

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

**NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS** (Unaudited - Note 2)
For the Quarter ended September 30, 2014

1. THE COMPANY AND ITS OPERATIONS

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 These condensed interim financial statements of the Company for the period ended September 30, 2014 have been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan for interim financial reporting which comprise of the International Accounting Standard 34 - 'Interim Financial Reporting' and provision of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. These interim financial statements should be read in conjunction with the financial statements for the year ended June 30, 2014 as they provide an update of previously reported information.

2.2 These condensed interim financial statements comprise of the condensed interim balance sheet as at September 30, 2014 and the condensed interim profit and loss account, the condensed interim statement of changes in equity, the condensed interim cash flow statement and notes thereto for the three months period then ended.

2.3 The comparative condensed balance sheet, presented in these condensed interim financial statements, as at June 30, 2014 has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2014 whereas the comparative condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement for the period ended September 30, 2013 and are unaudited.

2.4 New standards, amendments to approved accounting standards and new interpretations which became effective during the quarter ended September 30, 2014:

There were certain new standards, amendments to the approved accounting standards and new interpretation issued by the international Financial Reporting Interpretations Committee (IFRIC) which became effective during the period but are considered not



to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

2.5 New standards, amendments to approved accounting standards and new interpretations that are not yet effective and have not been early adopted by the Company:

There are certain new amendments to the approved accounting standards that are mandatory for accounting periods beginning after July 1,2014, but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

2.6 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements for the year ended June 30,2014.

3. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied to financial statements as at and for the year ended June 30, 2014.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2014.

Note **September 30,** June 30,
2014 2014
(unaudited) (audited)
(Rupees in '000)

4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - net book value	4.1,4.2 & 4.3	3,065,204	3,047,545
Capital work-in-progress - at cost	4.4	21,419	99,691
		<u>3,086,623</u>	<u>3,147,236</u>

Quarter ended **Quarter ended**
September 30, **September 30,**
2014 **2013**
(Rupees in '000)

4.1 Additions - operating fixed assets (at cost)

Factory building on leasehold land	1,330	80
Plant and machinery	111,235	11,163
Electric fittings and installation	1,870	99
Furniture and fixtures	542	192
Tools and equipment	6,474	833
Vehicles	17,712	11,096
Computer and accessories	3,960	2,961
Office equipment	3,043	690
	<u>146,166</u>	<u>27,114</u>

4.1.1 Additions include transfers from capital work-in-progress aggregating Rs. 84.550 million (September 30, 2013 : Rs. nil).

4.2 Disposals - operating fixed assets (at net book value)

Vehicles	3,187	3,645
Computer and accessories	3	-
Office equipment	25	-
	<u>3,215</u>	<u>3,645</u>

4.3 Depreciation charge during the period

	<u>125,160</u>	<u>104,390</u>
--	----------------	----------------

4.4 Additions - Capital Work-in-Progress (at cost)

Factory building on leasehold land	3,001	5,674
Plant and machinery	1,860	22,563
Electric fittings and installation	605	11,660
Tools and equipment	27	854
Furniture & fixtures	750	4,818
Computer and accessories	35	-
Office equipment	-	158
	<u>6,278</u>	<u>45,727</u>

4.5 Included in operating fixed assets are few items having cost of Rs. 39.890 million (June 30,2014: Rs. 39.890 million) held by third parties for manufacturing certain products of the Company. These fixed assets are free of lien and the Company has full rights of repossession of these assets.



4.6 During the period, the Company has identified certain items of operating fixed assets from which further economic benefits are no longer being derived. Therefore, assets having cost of Rs. 0.623 million (September 30, 2013: Rs. 0.237 million) and net book value of Rs. 0.132 million (September 30, 2013: Rs. 0.026 million) have been retired from active use and have been written off in these financial statements. These items do not include any assets which have been fully depreciated in prior periods.

Note **September 30,** June 30,
2014 2014
(unaudited) (audited)
(Rupees in '000)

5. STOCK IN TRADE

Raw and packing materials	5.1	1,429,575	1,455,682
Work-in-process		333,517	360,531
Finished goods - Manufacturing		577,256	528,842
Finished goods - Trading		178,126	128,191
		755,382	657,033
		<u>2,518,474</u>	<u>2,473,246</u>

5.1 Included stock in transit aggregating to Rs. 618.610 million (June 30, 2014 : Rs. 389.379 million).

6. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Security deposits		25,310	15,875
Prepayments		101,081	23,252
		<u>126,391</u>	<u>39,127</u>

7. OTHER RECEIVABLES

Receivable from related parties	7.1	20,861	10,787
Sales Tax claimable		5,846	5,376
Special excise duties claimable		8,720	8,720
Claims receivable from an insurance company		552	866
		<u>35,979</u>	<u>25,749</u>

7.1 **Other receivables include the following amounts due from related parties:**

Clover Pakistan Limited		91	39
Tetley Clover (Private) Limited		8,064	10,748
Employee gratuity fund		12,706	-
		<u>20,861</u>	<u>10,787</u>

8. SHORT TERM INVESTMENTS

Investments - Available for sale	8.1	1,928,732	2,144,508
----------------------------------	-----	-----------	-----------

8.1	Name of the investee company	As at July 01, 2014	Purchase during the period	Bonus units	Sales / Redemptions during the period	As at September 30, 2014	Average cost as at September 30, 2014	Fair Value as at September 30, 2014	Unrealised Gain as at September 30, 2014
		Number of units					Rupees in '000		
	Lakson Money Market Fund	12,687,575	1,480,753	-	(3,429,832)	10,738,496	1,028,805	1,097,807	69,002
	UBL Liquidity Plus Fund	5,126,897	-	-	(3,923,190)	1,203,707	117,507	123,375	5,868
	Meezan Sovereign Fund	5,144,548	-	-	(5,144,548)	-	-	-	-
	Atlas Money Market Fund	199,318	589,619	-	-	788,937	400,000	404,985	4,985
	ABL Cash Fund	-	29,549,372	-	-	29,549,372	300,000	302,565	2,565
		<u>23,158,338</u>	<u>31,619,744</u>	<u>-</u>	<u>(12,497,570)</u>	<u>42,280,512</u>	<u>1,846,312</u>	<u>1,928,732</u>	<u>82,420</u>

9. SHARE CAPITAL

9.1 Authorised share capital

September 30, 2014 (unaudited)	June 30, 2014 (audited)	September 30, 2014 (unaudited)	June 30, 2014 (audited)
(Number of shares)		(Rupees in '000)	
<u>75,000,000</u>	<u>75,000,000</u>	<u>750,000</u>	<u>750,000</u>

9.2 Issued, subscribed and paid-up share capital

September 30, 2014 (unaudited)	June 30, 2014 (audited)	September 30, 2014 (unaudited)	June 30, 2014 (audited)
(Number of shares)		(Rupees in '000)	
5,882,353	5,882,353	58,824	58,824
42,072,576	42,072,576	420,725	420,725
<u>47,954,929</u>	<u>47,954,929</u>	<u>479,549</u>	<u>479,549</u>



	Note	September 30, 2014 (unaudited)	June 30, 2014 (audited)
(Rupees in '000)			
10. TRADE AND OTHER PAYABLES			
Trade creditors	10.1	602,641	470,883
Accrued liabilities	10.2	800,318	748,820
Bills payable		449,750	221,000
Amounts due to distributors		27,549	35,349
Sales tax payable		156,003	188,114
Royalty payable to an associated undertaking		135,170	106,282
Workers' profit participation fund		48,035	132,071
Workers' welfare fund		66,501	49,101
Retention money payable		3,518	4,318
Unclaimed dividend		46,889	3,964
Others	10.3	31,077	20,089
		<u>2,367,451</u>	<u>1,979,991</u>

10.1 This includes Rs. 52.546 million (June 30,2014: Rs. 44.802 million) payable to related parties.

10.2 This includes Rs. 39.631 million (June 30,2014: Rs. 6.953 million) payable to related parties.

10.3 This includes Rs.6.477 million (June 30,2014: Rs. 0.842 million) payable to related parties.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

11.1.1 As a result of a recovery suit of Rs 31.455 million along with interest at the rate of thirteen percent (13%) per annum filed by the Octroi Contractor against the Government of Sindh, Union Council Bulari and Kotri Association of Trade and Industries (KATI) in the Civil Court, the Honorable Senior Judge issued a decree of Rs 7.336 million in favor of Octroi Contractor. KATI had filed an appeal in the High Court of Sindh, whereas, the Octroi Contractor had also filed an appeal requesting to enhance the amount of decree. Subsequently, the case was transferred to the Additional District Judge Kotri by the High Court of Sindh. The District Judge allowed the appeal in favour of KATI and remanded the case to Senior Civil Judge Kotri for adjudication. The relevant case had been dismissed by the Senior Civil Judge in favor of KATI. Subsequently, the Octroi Contractor filed an appeal in the District Court Jamshoro against the dismissal, which was dismissed during February 2014. At present, the management believes that in case a further appeal is pursued by the Contractor then also the subject matter will eventually be decided in favour of KATI. Accordingly, no provision has been made in the financial statements on this account.

11.1.2 Cases have been filed against the Company by some employees claiming approximately Rs. 2.078 million (June 30, 2014: Rs. 2.078 million) in aggregate. Provision has not been made in these financial statements for the said amounts as the management of the Company, based on the advice of its legal counsel handling the subject cases, is of the opinion that matters shall be decided in the Company's favor.

11.1.3 Post dated cheques have been issued to custom authorities as a security in respect of duties and taxes amounting to Rs. 62.711 million (June 30, 2014: Rs. 76.026 million) payable at the time of exbonding of imported goods. In the event the goods are not cleared from custom warehouse within the prescribed time period, cheques issued as security shall be encashable.

11.1.4 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. 32.931 million (June 30,2014 - Rs. 32.931 million).

11.2 Commitments

11.2.1 Commitments in respect of capital expenditure and inventory items amount to Rs. 44.247 million and Rs. 463.311 million respectively (June 30,2014: Rs. 46.134 million and Rs. 325.056 respectively).

11.2.2 Outstanding letters of credit amount to Rs. 527.993 million (June 30,2014: Rs. 726.451 million).

11.2.3 Outstanding duties leviable on clearing of stocks amount to Rs. 4.066 million (June 30,2014: Rs. 10.677 million).

	Quarter ended September 30, 2014	Quarter ended September 30, 2013
	(Rupees in '000)	
12. EARNINGS PER SHARE		
Profit after taxation	612,624	371,874
	(Number of shares)	
Weighted average number of ordinary shares outstanding during the period	47,954,929	47,954,929
	(Rupees)	
Earnings per share	12.77	(Restated) 7.75

12.1 There were no dilutive potential ordinary shares outstanding as at September 30,2014 and 2013.



	Note	Quarter ended September 30, 2014	Quarter ended September 30, 2013
(Rupees in '000)			
13. CASH GENERATED FROM OPERATIONS			
Profit before taxation		895,271	582,337
Adjustment for non-cash charges and other items:			
Depreciation and amortisation expense		125,978	105,486
Gain on sale of items of property, plant and equipment		(1,028)	(1,330)
Expenses for gratuity		4,235	5,373
Property, plant and equipment written off		132	26
Stocks in trade written off		7,325	1,712
Profit on savings accounts		(17,064)	(11,028)
Profit on a term deposit receipt		(29)	(20)
Profit on treasury bills		-	(3,268)
Gain on redemption of short term investments		(47,858)	(4,084)
Finance costs		-	3
Liabilities no longer payable written back		(20)	-
Net exchange loss		3,909	11,306
Working capital changes	13.1	164,490	33,324
		<u>1,135,341</u>	<u>719,837</u>
13.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		(17,829)	(8,610)
Stock in trade		(52,553)	228,981
Trade debts		20,141	(60,460)
Loans and advances		(41,127)	(29,977)
Trade deposits and short term prepayments		(87,264)	(82,452)
Other receivables		2,484	(7,219)
		<u>(176,148)</u>	<u>40,263</u>
Increase / (decrease) in current liabilities:			
Trade and other payables		340,638	(6,939)
		<u>164,490</u>	<u>33,324</u>

14. RELATED PARTIES DISCLOSURES**14.1 Disclosure of transactions between the Company and related parties**

The related parties comprise associated companies, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Significant balances and transactions with related parties are as follows:

Nature of Transaction	Relationship with the Company	Quarter ended	Quarter ended
		September 30, 2014	September 30, 2013
		(Rupees in '000)	
Sale of goods, services and reimbursement of expenses	Associates	6,947	6,511
Purchase of goods and services received and reimbursement of expenses	Associates	462,675	421,089
Purchase of short term investments	Associates	150,000	350,000
Profit on short term investments	Associates	21,404	-
Sale proceeds on redemption of short term investments	Associates	328,596	-
Purchase of property, plant and equipment	Associates	-	19
Sale of property, plant and equipment	Associates	4	-
Rent, allied and other charges	Associates	6,898	4,583
Royalty charges	Joint venture company	28,888	25,788
Insurance claims received	Associates	626	2,570
Insurance commission income	Associates	8,388	2,223
Contribution to staff retirement benefits	Employee fund	11,003	11,225
Compensation paid to key management personnel	Key management personnel	16,004	14,615
Donation	Associates	4,500	4,500
Dividend paid	Associates / Joint venture	716,973	536,771
		September 30, 2014	June 30, 2014
		(unaudited)	(audited)
		(Rupees in '000)	

Receivable against sale of goods	Associates	1,113	2,105
Loans and advances	Associates		Refer note 7
Other receivable from related parties	Associates		Refer note 9
Royalty payable to associated undertaking	Associates		Refer note12
Due from gratuity fund	Retirement benefit fund		Refer note 9
Payable against purchase of goods	Associates		Refer note12

15. ENTITY-WIDE INFORMATION

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



15.2 Information about products

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

	Quarter ended September 30, 2014	Quarter ended September 30, 2013
Personal Care	22%	23%
Home Care	74%	73%
Others	4%	4%
	<hr/> 100%	<hr/> 100%

15.3 Information about geographical areas

The Company does not hold non-current assets in any foreign country. Revenues from external customers attributed to foreign countries in aggregate are not material.

15.4 Information about major customers

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

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 27, 2014 by the Board of Directors of the Company.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

THIS PAGE LEFT BLANK

THIS PAGE LEFT BLANK



COLGATE-PALMOLIVE (PAKISTAN) LTD.

Lakson Square, Building No. 2,
Sarwar Shaheed Road, Karachi-74200.
Tel: +9221-35698000