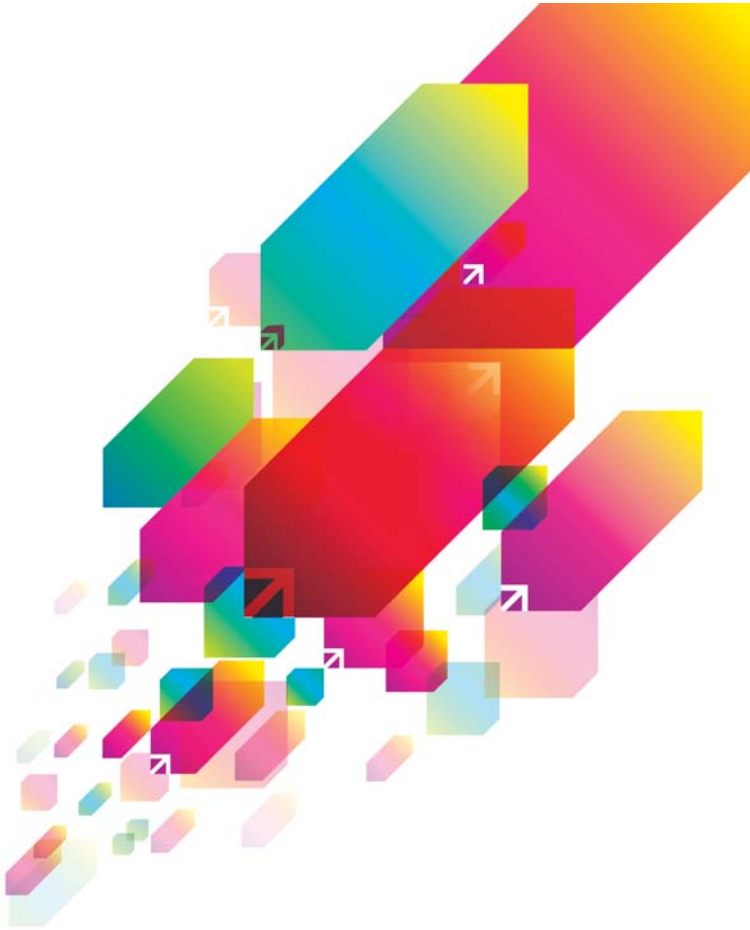


Half Yearly Report
July - December 2016





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COMPANY INFORMATION

BOARD OF DIRECTORS

Iqbal Ali Lakhani	Chairman
Amin Mohammed Lakhani	
Tasleemuddin Ahmed Batlay	
Aliya Saeeda Khan	
Lisa Mather	
Vinod Nambiar	
Zulfiqar Ali Lakhani	Chief Executive

ADVISOR

Sultan Ali Lakhani

AUDIT COMMITTEE

Aliya Saeeda Khan	Chairperson
Iqbal Ali Lakhani	
Amin Mohammed Lakhani	
Tasleemuddin Ahmed Batlay (upto January 31, 2017)	

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 of your Company are pleased to present un-audited condensed financial statements of the Company for the six months period ended December 31, 2016.

Financial Highlights

The financial results of the Company are summarized below:

Operating Results	July- December 2016	July- December 2015	Increase/ Decrease
	Rs. in million		
Turnover	18,043	16,003	12.7%
Gross Profit	5,293	4,414	19.9%
- as %age of Net Sales	37.49%	35.41%	+208 bps
Selling and Distribution Costs	2,799	2,269	23.4%
Administrative Expenses	180	147	22.7%
Profit from Operation	2,270	1,955	16.1%
Profit After Tax	1,606	1,334	20.3%
Earnings per Share - Rupees	33.48	27.82	20.3%

Turnover of the Company increased by 12.7% over the corresponding period last year, driven by volume growth in all categories. Gross profit margin of the Company grew by 208 bps to 37.49% owing to improved product mix, favorable input costs and relatively stable Pak Rupee. The Company continued to invest in its brands. Selling & Distribution costs during the period increased by 23.4% mainly on account of increased spending on media and promotion.

The NPAT stood at PKR 1,606 million, a growth of 20.3%. Earnings per share have increased by 20.3% to PKR 33.48 as compared PKR 27.82 in first half of last year.

Business Performance Highlights

Strengthening the Oral Care base business, the Company revitalized Colgate Herbal in a new attractive packaging design. The change was supported with TV advertising and on-ground consumer and shopper engagements. A new innovative variant 'Repair and Prevent' was added to the Colgate Sensitive Pro Relief portfolio which positions our sensitivity management solutions more competitively against competition.



Colgate reiterated its commitment to improve oral health in Pakistan by conducting 'Oral Health Month' program where over 400,000 people from all walks of life benefitted from facilities of free dental checkups.

The entry in mouthwash category with the launch of 'Plax' strengthens Colgate's position as the leader in oral care. We plan to expand the portfolio with indication based mouthwashes like hyper sensitivity in near future.

Palmolive Naturals bar soap continued delivering double digit volume and value growth. The Company has plans to build penetration and distribution of the newly introduced Palmolive Shampoos.

Home Care continues to witness intensifying competition as laundry soap manufacturers ventured into powdered detergent market. These new launches were heavily supported on media increasing the overall industry advertising spends. The Company with its increased level of advertising and direct-to-consumers activities secured solid growth in fabric detergents. In dish washing also the Company continues to gain market share, extending its leadership.

Future Outlook

Increasing commodity prices have started impacting the Company margins in some categories and the trend is anticipated to continue putting further pressure on costs going forward. While the Company focuses on a methodical approach towards controlling costs, the focus areas of our investments remain the same: Building superior distribution system, providing consumers and shoppers value creating propositions.

Acknowledgement

We would like to thank our customers for their trust in our brands. We would also like to acknowledge the continued support of our shareholders, bankers and suppliers, and our employees for their dedication and contribution to the Company.

On behalf of Board of Directors

IQBAL ALI LAKHANI
Chairman

Karachi : January 31, 2017



ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز بڑی مسرت کے ساتھ 31 دسمبر 2016 کو ختم ہونے والے 6 ماہ کے لیے کمپنی کے غیر آڈٹ شدہ مختصر مالیاتی گوشوارے پیش کرتے ہیں۔

مالیاتی کارکردگی کی جھلکیاں

کمپنی کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

کاروباری نتائج	جولائی - دسمبر 2015	جولائی - دسمبر 2016	اضافہ / (کمی)
	(روپے ملین میں)	(روپے ملین میں)	
ٹرن اوور	16,003	18,043	12.7 فی صد
مجموعی منافع	4,414	5,293	19.9 فی صد
مجموعی منافع %	35.41 فی صد	37.49 فی صد	208 بنیادی پوائنٹس
فروخت اور ڈسٹری بیوشن کے اخراجات	2,269	2,799	23.4 فی صد
انتظامی اخراجات	147	180	22.7 فی صد
آپریٹنگ منافع	1,955	2,270	16.1 فی صد
بعد از ٹیکس منافع	1,334	1,606	20.3 فی صد
فی شیئر آمدنی (ای پی ایس)	27.82	33.48	20.3 فی صد

تمام کمیٹیکریز میں کمپنی کے ٹرن اوور میں گزشتہ سال کے مقابلے 12.7 فی صد اضافہ ہوا۔ جس کی وجہ تمام کمیٹیکریز کے حجم میں اضافہ ہے۔ مصنوعات کے بہتر امتزاج، خام مال کی موافق قیمتوں اور نسبتاً مستحکم پاکستانی روپے کی بدولت کمپنی کا مجموعی منافع 208 بنیادی پوائنٹس اضافے کے ساتھ 37.49 فی صد ہو گیا۔ کمپنی نے اپنے برانڈ میں سرمایہ کاری جاری رکھی۔ موجودہ چھ ماہ کے دوران فروخت اور ڈسٹری بیوشن کی لاگت میں 23.4 فی صد اضافہ ہوا جس کی بنیادی وجہ میڈیا اور پروموشن پر اخراجات میں اضافہ ہے۔

20.3 فی صد اضافے کے ساتھ NPAT کی مالیت 1,606 ملین روپے رہی۔ فی شیئر آمدنی گزشتہ سال کے پہلے نصف میں 27.82 روپے کے مقابلے میں 20.3 فی صد اضافے کے ساتھ بڑھ کر 33.48 روپے ہو گئی ہے۔



کاروباری کارکردگی کی جھلکیاں

اورل کیئر پرائیویٹ کاروبار کو مستحکم کرتے ہوئے کمپنی نے کولکلیٹ ہریبل کو نئے دلکش ہیپیجنگ ڈیزائن کے ساتھ نئی طاقت دی۔ اس تبدیلی کو ٹی وی ایڈورٹائزنگ اور صارف اور خریداری عملی شمولیت کے ذریعے مدد فراہم کی گئی تھی۔ کولکلیٹ سینٹیو پورٹ بلیف پورٹ فوئیو میں ایک نئے اور جدت پسندانہ قسم ”ریسیسر اینڈ پریوٹ“ کا اضافہ کیا جو خود کو ہمارے سینٹیو پیٹنٹ سولوشنز کو حریف کے مقابل زیادہ مسابقتی انداز میں پوزیشن کرتا ہے۔

کولکلیٹ نے اپنے ”اورل ہیلتھ منیج“ پروگرام کے ذریعے پاکستان میں اورل ہیلتھ کی بہتری کے عزم کی تجدید کی۔ اس پروگرام میں زندگی کے تمام شعبوں کے 400,000 سے زائد افراد نے دانتوں کے مفت چیک اپ کی سہولیات سے فائدہ اٹھایا۔

'PLAX' کے لانچ کے ساتھ ماؤتھ واش کیلگری میں داخلے نے کولکلیٹ کی اورل کیئر میں بطور لیڈر پوزیشن مستحکم کر دی ہے۔ ہم مستقبل قریب میں ہائپر سینٹیو پیٹنٹ جیسے انڈیکیشن پرائیویٹ ماؤتھ واشز کے ساتھ اپنے پورٹ فوئیو کو وسعت دینے کا پلان رکھتے ہیں۔

پامولیونچرلز ہارسوپ نے بدستور دہرے ہندسوں میں حجم اور قدر میں اضافہ فراہم کرنے سلسلہ جاری رکھا۔ کمپنی نئے متعارف کردہ پامولیونچرلز کے ذریعے نفوذ (Penetration) اور ڈسٹری بیوشن سے فائدہ اٹھانے کا ارادہ رکھتی ہے۔

ہوم کیئر کو بدستور شدت کے مقابلے کا سامنا رہا جیسا کہ لائڈری سوپ تیار کرنے والوں نے ڈسٹری بیوٹ مارکیٹ میں زوردار انداز میں قدم رکھا۔ نئی لانچر کو میڈیا کی زبردست مدد حاصل تھی جس سے انڈسٹری کے ایڈورٹائزنگ کے مجموعی اخراجات میں اضافہ ہوا۔ کمپنی نے اپنی ایڈورٹائزنگ اور ڈسٹری بیوٹ ٹوکنز پر ایکٹو ٹیکٹیکس کی سطح میں اضافے کے ساتھ فیکٹر ڈسٹری بیوٹ میں مستحکم اضافہ حاصل کیا۔ کمپنی نے ڈسٹری بیوٹنگ میں بھی اپنے مارکیٹ شیئر میں اضافہ جاری رکھا اور اپنی لیڈر شپ کو مزید وسعت دی۔

مستقبل کی توقعات

اشیائے صرف کی قیمتوں میں اضافے نے بعض کیلگریز میں کمپنی کے منافع کی سطح کو متاثر کرنا شروع کر دیا ہے اور یہ رجحان جاری رہنے کی توقع ہے جس سے لاگوٹوں پر مزید باؤ پڑنے کا سلسلہ آئندہ بھی جاری رہے گا۔ جہاں کمپنی نے اخراجات کنٹرول کرنے کی طرف ایک سوچے سمجھے لانچ عمل پر توجہ مرکوز کر رکھی ہے، ہماری سرمایہ کاری کا ارتکاز بدستوران ہی شعبوں پر ہے یعنی اعلیٰ ترین ڈسٹری بیوٹ سسٹم قائم کرنا اور صارفین اور خریداروں کو فراہمی کے لیے قابل قدر پیشکشوں کی تخلیق جاری رکھنا۔

اعتراف

ہمارے برانڈز پر ان کے اعتماد پر ہم اپنے کسٹمرز کا شکریہ ادا کرتے ہیں۔ ہم لگاتار معاونت کے لیے اپنے شیئر ہولڈرز، بینکرز اور سپلائرز اور اپنے ملازمین کی لگن اور کمپنی کے لیے ان کے قابل قدر کردار کا بھی اعتراف کرنا چاہیں گے۔

بورڈ آف ڈائریکٹرز کی جانب سے

اقبال علی لاکھانی
چیئر مین

کراچی: 31 جنوری 2017



A. F. FERGUSON & CO.

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Colgate-Palmolive (Pakistan) Limited as at December 31, 2016, the related condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement and notes thereto for the six-month period then ended (herein-after referred to as the 'interim financial information'). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures included in the condensed interim profit and loss account for the quarters ended December 31, 2016 and 2015 and the notes thereto have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2016.

Scope of Review

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

Conclusion

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

Chartered Accountants
Karachi : January 31, 2017
Engagement Partner : Khurshid Hasan

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

■ KARACHI ■ LAHORE ■ ISLAMABAD



CONDENSED INTERIM BALANCE SHEET (Unaudited-Note 2)

As at December 31, 2016

	Note	December 31, 2016 (unaudited) (Rupees in '000)	June 30, 2016 (audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	4	2,662,700	2,769,966
Intangibles		5,836	6,091
		<u>2,668,536</u>	<u>2,776,057</u>
Long term loans		37,622	30,675
Long term security deposits		17,887	17,887
		<u>2,724,045</u>	<u>2,824,619</u>
CURRENT ASSETS			
Stores and spares		180,850	158,257
Stock in trade	5	2,907,752	2,827,048
Trade debts		494,206	537,994
Loans and advances		160,659	208,587
Trade deposits and short term prepayments		112,233	110,647
Other receivables		16,540	15,986
Accrued profit		8,952	4,425
Taxation		409,257	461,116
Short term investments	6	5,981,675	5,436,147
Cash and bank balances		778,393	1,122,602
		<u>11,050,517</u>	<u>10,882,809</u>
TOTAL ASSETS		<u>13,774,562</u>	<u>13,707,428</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		750,000	750,000
Issued, subscribed and paid-up capital		479,549	479,549
Reserves		10,427,450	10,260,504
Remeasurement on post retirement benefits obligation - net of tax		(69,982)	(69,982)
Surplus on revaluation of investments - net of tax		70,498	7,296
		<u>10,907,515</u>	<u>10,677,367</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation		235,923	265,940
Long term deposits		59,820	48,644
Deferred liability		-	2,683
		<u>295,743</u>	<u>317,267</u>
CURRENT LIABILITIES			
Trade and other payables	7	2,571,304	2,712,794
TOTAL LIABILITIES		<u>2,867,047</u>	<u>3,030,061</u>
TOTAL EQUITY AND LIABILITIES		<u>13,774,562</u>	<u>13,707,428</u>
CONTINGENCIES AND COMMITMENTS			
	8		

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.


Zulfiqar Ali Lakhani
Chief Executive


Tasleemuddin Ahmed Batlay
Director

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

For the Quarter and Six months period ended December 31, 2016

Note	Quarter ended December 31, 2016	Quarter ended December 31, 2015	Six months period ended December 31, 2016	Six months period ended December 31, 2015
(Rupees in '000)				
Turnover	9,248,379	8,209,138	18,043,191	16,003,195
Sales tax	(1,469,134)	(1,309,072)	(2,860,427)	(2,551,296)
Trade discounts	(521,511)	(495,092)	(1,063,982)	(984,675)
Net turnover	7,257,734	6,404,974	14,118,782	12,467,224
Cost of sales	(4,505,782)	(4,090,088)	(8,825,422)	(8,053,075)
Gross profit	2,751,952	2,314,886	5,293,360	4,414,149
Selling and distribution costs	(1,448,510)	(1,183,115)	(2,798,919)	(2,268,556)
Administrative expenses	(91,041)	(75,113)	(180,216)	(146,916)
Other expenses	(91,179)	(84,051)	(179,884)	(158,267)
Other income	68,415	63,527	135,757	114,238
Profit from operations	1,189,637	1,036,134	2,270,098	1,954,648
Finance cost and bank charges	(6,914)	(6,140)	(12,231)	(11,334)
Profit before taxation	1,182,723	1,029,994	2,257,867	1,943,314
Taxation				
- Current - for the period	375,461	341,868	722,961	638,368
- for prior years	(29,518)	(11,263)	(29,518)	(11,263)
	345,943	330,605	693,443	627,105
- Deferred	(32,980)	17,158	(41,170)	(17,799)
	(312,963)	(347,763)	(652,273)	(609,306)
Profit after taxation	869,760	682,231	1,605,594	1,334,008
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' - net	44,755	33,876	74,355	81,451
Impact of deferred tax	(6713)	(6,270)	(11,153)	(12,217)
	38,042	27,606	63,202	69,234
Total comprehensive income for the period	907,802	709,837	1,668,796	1,403,242
Earnings per share - (Rupees) 9	18.14	14.23	33.48	27.82

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.


Zulfiqar Ali Lakhani
 Chief Executive


Tasleemuddin Ahmed Batlay
 Director



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

For the Six months period ended December 31, 2016

	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, 2015	479,549	13,456	6,403,000	2,224,032	8,640,488	(67,469)	1,048	9,053,616
Comprehensive income for the period								
Profit after taxation for the six months period ended December 31, 2015	-	-	-	1,334,008	1,334,008	-	-	1,334,008
Other comprehensive income	-	-	-	-	-	-	69,234	69,234
Total comprehensive income for the period ended	-	-	-	1,334,008	1,334,008	-	69,234	1,403,242
Transfer to general reserve	-	-	1,025,000	(1,025,000)	-	-	-	-
Transactions with owners								
Final dividend for the year ended June 30, 2015 (Rs 25 per share)	-	-	-	(1,198,873)	(1,198,873)	-	-	(1,198,873)
Balance as at December 31, 2015	479,549	13,456	7,428,000	1,334,167	8,775,623	(67,469)	70,282	9,257,985
Balance as at July 1, 2016	479,549	13,456	7,428,000	2,819,048	10,260,504	(69,982)	7,296	10,677,367
Comprehensive income for the period								
Profit after taxation for the six months period ended December 31, 2016	-	-	-	1,605,594	1,605,594	-	-	1,605,594
Other comprehensive income	-	-	-	-	-	-	63,202	63,202
Total comprehensive income for the period ended	-	-	-	1,605,594	1,605,594	-	63,202	1,668,796
Transfer to general reserve	-	-	1,380,000	(1,380,000)	-	-	-	-
Transactions with owners								
Final dividend for the year ended June 30, 2016 (Rs 30 per share)	-	-	-	(1,438,648)	(1,438,648)	-	-	(1,438,648)
Balance as at December 31, 2016	479,549	13,456	8,808,000	1,605,994	10,427,450	(69,982)	70,498	10,907,515

The annexed notes 1 to 14 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 Six months period ended December 31, 2016

	Note	Six months period ended December 31, 2016 (Rupees in '000)	Six months period ended December 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	2,277,082	2,675,731
Staff retirement gratuity paid		(2,683)	(22,870)
Finance cost and bank charges paid		(12,231)	(11,334)
Taxes paid		(641,584)	(143,485)
Long term loans		(6,947)	(8,619)
Long term security deposits (assets)		-	(620)
Long term deposits (liabilities)		11,176	7,381
Net cash inflow from operating activities		1,624,813	2,496,184
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(181,418)	(160,655)
Purchase of intangibles		(1,976)	(4,008)
Proceeds from disposal of property, plant and equipment		16,647	34,451
Profit received on savings accounts and term deposit receipts		23,266	32,676
Profit received on Pakistan Investment Bonds		11,121	-
Short term investments made during the period		(2,305,907)	(3,741,021)
Disposal / redemption of short term investments		3,483,186	2,368,123
Net cash inflow / (outflow) from investing activities		1,044,919	(1,470,434)
CASH FLOWS FROM FINANCING ACTIVITY			
Dividend paid		(1,435,187)	(1,195,985)
Net increase / (decrease) in cash and cash equivalents		1,234,545	(170,235)
Cash and cash equivalents at the beginning of the period	11	1,798,227	1,736,419
Cash and cash equivalents at the end of the period	11	3,032,772	1,566,184

The annexed notes 1 to 14 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 Six months period ended December 31, 2016

1. THE COMPANY AND ITS OPERATIONS

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the six months period ended December 31, 2016 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 provisions 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, 2016 as they provide an update of previously reported information.

2.2 These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2016.

2.3 These condensed interim financial statements comprise of the condensed interim balance sheet as at December 31, 2016 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 six months period then ended which have been subjected to a review in accordance with the Pakistan Stock Exchange Rules but not audited. These condensed interim financial statements also include the condensed interim profit and loss account for the quarter ended December 31, 2016 which has neither been reviewed nor audited.

2.4 The comparative balance sheet presented in these condensed interim financial statements as at June 30, 2016 has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2016 whereas the comparative condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement together with the notes thereto for the six months period ended December 31, 2015 have been extracted from the



condensed interim financial statements of the Company for the six months period then ended, which were subjected to a review but not audited. The comparative condensed interim profit and loss account for the quarter ended December 31, 2015 included in these condensed interim financial statements was neither subjected to a review nor audited.

2.5 New standards, interpretations and amendments to published approved accounting standards

a) Amendments to the approved accounting standards which are effective

There are certain amendments to the approved accounting standards which are mandatory for the Company's annual accounting period which began on July 1, 2016. However, such do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

b) Standards and amendments to the approved accounting standards that are not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2017. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements. Further, the new standards are yet to be adopted by the Securities and Exchange Commission of Pakistan.

- 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, 2016.

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, 2016.

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, 2016.



	Note	December 31, 2016 (unaudited)	June 30, 2016 (audited)
		(Rupees in '000)	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets (at net book value)	4.1 to 4.5	2,491,980	2,662,034
Capital work-in-progress (at cost)	4.6	170,720	107,932
		<u>2,662,700</u>	<u>2,769,966</u>
		Six months period ended December 31, 2016	Six months period ended December 31, 2015
		(Rupees in '000)	
4.1 Additions - operating fixed assets (at cost)			
Factory building on leasehold land		2,200	3,101
Plant and machinery		58,518	27,991
Electric fittings and installation		4,692	1,020
Furniture and fixtures		174	656
Tools and equipment		10,995	5,180
Vehicles		31,561	36,733
Computers and accessories		5,070	10,111
Office equipment		5,281	8,276
		<u>118,491</u>	<u>93,068</u>
4.1.1 Additions include transfers from capital work-in-progress aggregating Rs 1.26 million (December 31, 2015: Rs 0.868 million).			
4.2 Disposals - operating fixed assets (at net book value)			
Vehicles		6,533	11,187
Computers and accessories		47	71
Office equipment		80	213
Tools and equipment		-	104
		<u>6,660</u>	<u>11,575</u>
4.3 Depreciation charge for the period		<u>281,651</u>	<u>267,782</u>
4.4 Included in operating fixed assets are items having aggregate cost of Rs 37.380 million (June 30, 2016: Rs 37.380 million) held by third parties for manufacturing certain products of the Company. These operating fixed assets are free of lien and the Company has full right of repossession of these assets.			
4.5 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 1.772 million (December 31, 2015: Rs 1.919 million) and net book value of Rs 0.234 million (December 31, 2015: Rs 0.062 million) have been retired from active use and have been written off in these condensed interim financial statements.			



Note	Six months period ended December 31, 2016	Six months period ended December 31, 2015
	(Rupees in '000)	
4.6 Additions - Capital Work-in-Progress (at cost)		
Factory building on leasehold land	17,350	5,490
Plant and machinery	15,746	56,577
Electric fittings and installation	4,201	3,507
Tools and equipment	2,768	1,454
Furniture and fixtures	15,125	1,167
Office equipment	6,011	260
Computer and accessories	2,986	-
	<u>64,187</u>	<u>68,455</u>

4.6.1 During the period, the Company has charged off capital work-in-progress aggregating Rs 0.139 million (December 31, 2015: Rs Nil).

	December 31, 2016 (unaudited)	June 30, 2016 (audited)
	(Rupees in '000)	
5. STOCK IN TRADE		
Raw and packing materials	1,708,181	1,830,712
Work-in-process	260,565	261,086
Finished goods - Manufacturing	658,231	540,336
Finished goods - Trading	280,775	194,914
	<u>939,006</u>	<u>735,250</u>
	<u>2,907,752</u>	<u>2,827,048</u>

5.1 Stock in trade include raw and packing materials in transit aggregating Rs 646.471 million (June 30, 2016: Rs 851.949 million) and finished goods in transit aggregating Rs 16.185 million (June 30, 2016: Rs 15.240 million).

6. SHORT TERM INVESTMENTS

Investments - Loans and receivables (term deposits) 6.1	2,100,000	-
Investments - Held to maturity 6.2	154,379	1,925,262
Investments - Available for sale 6.3	3,727,296	3,510,885
	<u>5,981,675</u>	<u>5,436,147</u>

6.1 The range of rates of profits on these term deposits is between 5.7% and 7.4% per annum and are maturing between January and March 2017.



6.2	Name of the investment instrument / issuer	Maturity	Effective interest rate	As at July 1, 2016	Purchase during the period	Redemption during the period	As at December 31, 2016	Amortised cost as at December 31, 2016
				(Number of units '000)			(Rupees in '000)	
	Treasury bills (T-bills)	Between	Between					
	Government of Pakistan	October 2016 and March 2017	5.86% and 5.95%	19,610	36,410	(54,480)	1,540	154,379

6.2.1 Treasury bills have a normal value of Rs. 100,000 each.

6.3	Name of the investee	As at July 01, 2016	Purchase during the period	Bonus units	Sales/Redemptions during the period	As at December 31, 2016	Average cost as at December 31, 2016	Fair Value as at December 31, 2016	Unrealised Gain as at December 31, 2016
		(Number of units '000)					(Rupees in '000)		
	Lakson Money Market Fund								
	- a related party	11,993	-	-	(1,972)	10,021	1,002,643	1,030,388	27,745
	Lakson Income Fund								
	- a related party	3,955	5,814	-	-	9,769	1,000,000	1,015,423	15,423
	Atlas Money Market Fund	1,398	398	-	(197)	1,599	801,161	822,239	21,078
	ABL Govt. Securities Fund	49,804	-	-	(49,804)	-	-	-	-
	UBL Govt. Securities Fund	4,753	-	-	(4,753)	-	-	-	-
	NAFA Money Market Fund	-	81,080	19	(10,025)	71,074	701,089	719,768	18,679
	Pakistan Investment Bonds (PIBs)	-	-	-	-	-	139,465	139,478	13
		71,903	87,292	19	(66,751)	92,463	3,644,358	3,727,296	82,938

Note
December 31, 2016
(unaudited)
(Rupees in '000)

June 30, 2016
(audited)

7. TRADE AND OTHER PAYABLES

Trade creditors	7.1	629,812	632,767
Accrued liabilities	7.2	1,209,909	1,050,920
Bills payable		315,693	414,075
Advances from distributors		91,687	58,598
Sales tax payable		-	54,391
Royalty payable to an associated undertaking		106,724	152,147
Workers' profits participation fund		121,445	224,560
Workers' welfare fund		44,200	86,246
Retention money payable		4,820	3,831
Unclaimed dividend		9,545	6,084
Others	7.3	37,469	29,175
		2,571,304	2,712,794

7.1 This includes Rs 56.442 million (June 30, 2016: Rs 119.93 million) payable to associates.

7.2 This includes Rs 25.826 million (June 30, 2016: Rs 17.042 million) payable to associates.



7.3 This includes Rs 2.063 million (June 30, 2016: Rs 0.755 million) payable to associates.

7.4 There has been no change in short-term borrowing facilities from various banks on mark-up basis from those that are mentioned in note 22.1 of annual audited financial statements for the year ended June 30, 2016.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

8.1.1 Post dated cheques have been issued to custom authorities as a security in respect of duties and taxes amounting to Rs Nil (June 30, 2016: Rs 19.758 million) payable at the time of exbonding of imported goods.

8.1.2 There have been no significant changes in the cases disclosed as contingency in notes 23.1.1, 23.1.3 and 23.1.4 to the Company's financial statements for the year ended June 30, 2016.

8.1.3 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 37.984 million (June 30, 2016: Rs 37.948 million).

8.2 Commitments

8.2.1 Commitments in respect of capital expenditure and inventory items amount to Rs 101.576 million and Rs 406.493 million respectively (June 30, 2016: Rs 56.536 million and Rs 547.060 million respectively).

8.2.2 Outstanding letters of credit amount to Rs 693.236 million (June 30, 2016: Rs 240.406 million).

8.2.3 Outstanding duties leviable on clearing of stocks amount to Rs 7.083 million (June 30, 2016: Rs 10.576 million).

9. EARNINGS PER SHARE

	Quarter ended December 31, 2016	Quarter ended December 31, 2015	Six months period ended December 31, 2016	Six months period ended December 31, 2015
	(Rupees in '000)			
Profit after taxation	869,760	682,231	1,605,594	1,334,008
	(Number of shares)			
Weighted average number of ordinary shares outstanding during the period	47,954,929	47,954,929	47,954,929	47,954,929
	(Rupees)			
Earnings per share	18.14	14.23	33.48	27.82



9.1 There were no dilutive potential ordinary shares outstanding as at December 31, 2016 and 2015.

Note	Six months period ended December 31, 2016	Six months period ended December 31, 2015
	(Rupees in '000)	

10. CASH GENERATED FROM OPERATIONS

Profit before taxation	2,257,867	1,943,314
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Adjustment for non-cash and other items:

Depreciation and amortisation expense	283,882	270,462
Gain on disposal of items of operating fixed assets	(9,987)	(22,876)
Expense for staff retirement gratuity	-	11,435
Operating fixed assets written off	234	62
Profit received on savings accounts and term deposit receipts	(28,755)	(33,232)
Profit on treasury bills	(61,117)	(9,078)
Profit on PIBs	(10,159)	-
Gain on redemption of short term investments	(8,581)	(26,890)
Finance cost and bank charges	12,231	11,334
Stock in trade written off	4,288	8,351
Capital work-in-progress charged off	139	-
Advances to an employee written off	-	61
Working capital changes	(162,960)	522,788
	<u>2,277,082</u>	<u>2,675,731</u>

10.1 Working capital changes

(Increase) / decrease in current assets:

Stores and spares	(22,593)	(9,190)
Stock in trade	(84,992)	124,131
Trade debts	43,788	218,355
Loans and advances	47,928	(8,851)
Trade deposits and short term prepayments	(1,586)	(55,216)
Other receivables	(554)	2,682
	<u>(18,009)</u>	<u>271,911</u>

(Decrease) / increase in current liabilities:

Trade and other payables	(144,951)	250,877
	<u>(162,960)</u>	<u>522,788</u>

11. CASH AND CASH EQUIVALENTS

Cash and bank balances	778,393	1,122,602
Short term investments - TDRs	2,100,000	-
Short term investments - Held to maturity	154,379	675,625
	<u>3,032,772</u>	<u>1,798,227</u>



12. RELATED PARTIES

12.1 Disclosure of transactions and closing balances 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 on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Nature of Transaction	Relationship with the Company	Six months period ended December 31, 2016	Six months period ended December 31, 2015
(Rupees in '000)			
Sale of goods, services provided and reimbursement of expenses	Associates	577	4,776
Purchase of goods, services received and reimbursement of expenses	Associates	970,535	827,965
Purchase of short term investments	Associates	600,000	300,000
Sale proceeds on redemption of short term investments	Associates	200,000	300,000
Profit on short term investments	Associates	2,643	8,865
Rent, allied and other charges	Associates	16,538	16,525
Royalty charges	Associates	63,359	59,510
Insurance claims received	Associates	847	3,765
Insurance commission income	Associates	5,934	9,210
Purchase of property, plant and equipment	Associates	20	3,771
Contribution to staff retirement benefits	Employees funds	50,819	26,860
Key management personnel compensation paid	Key management personnel	30,576	30,318
Donations	Associate	9,000	9,000
Dividend paid	Associates	1,265,245	1,054,371
Nature of balances	Relationship with the Company	December 31, 2016 (unaudited)	June 30, 2016 (audited)
(Rupees in '000)			
Trade debts	Associates	3,173	3,086
Loans and advances	Associates	32,492	-
Other receivables	Associates	Refer note 7.1	
Short term investments	Associates	2,045,811	1,600,863
Trade and other payables	Associates	Refer note 7	



13. ENTITY-WIDE INFORMATION

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

13.2 Information about products

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

	Six months period ended December 31, 2016	Six months period ended December 31, 2015
Personal Care	24%	23%
Home Care	73%	74%
Others	3%	3%
	<u>100%</u>	<u>100%</u>

13.3 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.

13.4 Information about major customers

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

14.1 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on January 31, 2017 by the Board of Directors of the Company.

14.2 The Board of Directors in its meeting held on January 31, 2017 have declared an interim cash dividend of Rs 15 per share (aggregating Rs 719.324 million) in respect of the year ending June 30, 2017. These condensed interim financial statements, do not include the effect of this dividend which will be accounted for in the condensed interim financial statements for the quarter ending March 31, 2017.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

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COLGATE-PALMOLIVE (PAKISTAN) LTD.

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