Third Quarter Report
January - March 2016

Great ideas
Strong brands
Continuous growth

COLGATE-PALMOLIVE (PAKISTAN) LTD.

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COLGATE-PALMOLIVE (PAKISTAN) LTD.

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	

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 third quarter report along with condensed interim financial information of the Company for the nine months period ending March 31, 2016.

Financial Highlights

The Financial results of the Company are summarized below:

Operating Results	**July- March 2015-16**	July- March 2014-15	Variance (%)
	Rs. in million		
Turnover	24,429	23,414	4.3%
Gross Profit	6,838	5,753	18.9%
- as % age of Net Sales	35.92%	31.37%	455 bps
Selling and Distribution Costs	3,543	3,116	13.7%
- as % age of Net Sales	18.61%	16.99%	162 bps
Administrative Expenses	235	197	19.3%
- as % age of Net Sales	1.23%	1.07%	16 bps
Profit from Operations	3,037	2,425	25.2%
Profit After Tax	2,080	1,664	25.1%
Earnings per Share - Rupees	43.38	34.69	25.1%

The turnover of the Company increased by 4.3% versus the corresponding period last year in a challenging market environment. The net revenue increased by 3.8% even though high trade discounts were given. Cost of sales reduced by 3.1%, mainly because of decreases in commodity prices. This contributed to the Gross Profit of the Company which increased by 18.9% versus the corresponding period last year.

Selling & Distribution costs and administrative expenses increased by 13.7% and 19.3% respectively, mainly due to higher media and promotion spend, employee related expenses and higher depreciation costs. Other income for the nine months period increased by 25.8% versus the corresponding period last year due to the realization of profit on short term investments.

Growth in Profit after Tax was 25.1%. Earnings per share increased by 25.1% to PKR 43.38 per share as compared to PKR 34.69 in the corresponding period last year.

Home and Personal Care Categories

In Fabric Care competition further escalated use of media supported price promotions and deep trade discounts, intensifying challenges in category. Our pricing strategy has delivered the volume growth however value growth is becoming more challenging. In order to increase conversion from laundry soaps to detergents, Bonus Tristar was re-launched with improved packaging and product offering great new fragrance.

Impactful Integrated Marketing Communication (IMC) in dishwashing grew market share that helped strengthen leadership position in the category. On-ground activations continued focusing conversion of low price dishwashing bars users to Lemon Max bar.

Aiming to accelerate the growth of toothpastes, an IMC for Colgate Great Regular Flavor based on relevant consumer insight was launched, engaging consumers and shoppers at all relevant touch points. We continue our market leadership in both toothpaste and toothbrushes. In the fastest growing Sensitivity segment, the new Colgate Sensitive Pro-Relief Enamel Repair launch has been appreciated equally by the consumers, trade and the dental community. Colgate brand achieved a feat by becoming the most recommended brand by dentists for sensitive teeth.

Future Outlook

The Company anticipates pressure on margin as a result of aggressive pricing strategy to counter competition that continues to offer price promotions. Commodity prices are also expected to appreciate. To defend market share in an intensely competitive environment, the Company plans to invest in advertising and promotion along with improving our products' distribution in both urban and rural markets.

Acknowledgement

The management would like to thank our customers for their loyalty and 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 : April 27, 2016

CONDENSED INTERIM BALANCE SHEET (Unaudited-Note 2)

As at March 31, 2016

	Note	March 31, 2016 (unaudited)	June 30, 2015 (audited)
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,817,165	2,935,589
Intangible assets		6,828	7,552
Long term loans		32,821	19,585
Long term security deposits		14,887	14,267
		2,871,701	2,976,993
CURRENT ASSETS			
Stores and spares		161,874	152,238
Stock in trade	5	2,660,835	2,607,106
Trade debts		415,023	666,378
Loans and advances		199,783	164,821
Trade deposits and short term prepayments	6	68,294	32,960
Other receivables	7	20,818	18,101
Profit receivable from banks		9,584	1,482
Taxation		437,466	886,001
Short term investments	8	5,004,904	3,101,198
Cash and bank balances		980,955	936,419
		9,959,536	8,566,704
TOTAL ASSETS		12,831,237	11,543,697
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
75,000,000 ordinary shares of Rs. 10 each		750,000	750,000
Issued, subscribed and paid-up share capital	9	479,549	479,549
Reserves		9,522,000	8,640,488
Remeasurement on post retirement benefits obligation		(67,469)	(67,469)
Surplus on revaluation of investments		77,647	1,048
		10,011,727	9,053,616
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation		329,473	348,076
Long term deposits		33,926	25,493
Deferred liability		-	37,088
		363,399	410,657
CURRENT LIABILITIES			
Trade and other payables	10	2,456,111	2,079,424
TOTAL LIABILITIES		2,819,510	2,490,081
TOTAL EQUITY AND LIABILITIES		12,831,237	11,543,697
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The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

COLGATE-PALMOLIVE (PAKISTAN) LTD.

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

For the Quarter and Nine months period ended March 31, 2016

	Note	**Quarter ended March 31, 2016**	Quarter ended March 31, 2015	**Nine months period ended March 31, 2016**	Nine months period ended March 31, 2015
		(Rupees in '000)			
Turnover		8,425,658	7,937,626	24,428,853	23,413,810
Sales tax		(1,342,069)	(1,265,289)	(3,893,365)	(3,724,870)
Trade discounts		(513,679)	(489,956)	(1,498,354)	(1,348,113)
Net turnover		6,569,910	6,182,381	19,037,134	18,340,827
Cost of sales		(4,145,991)	(4,193,517)	(12,199,066)	(12,588,050)
Gross profit		2,423,919	1,988,864	6,838,068	5,752,777
Selling and distribution costs		(1,274,391)	(1,075,814)	(3,542,947)	(3,116,371)
Administrative expenses		(88,415)	(67,228)	(235,331)	(196,603)
Other expenses		(85,960)	(63,992)	(244,227)	(190,565)
Other income		106,881	66,060	221,119	175,726
Profit from operations		1,082,034	847,890	3,036,682	2,424,964
Finance cost and bank charges		(5,076)	(5,003)	(16,410)	(14,973)
Profit before taxation		1,076,958	842,887	3,020,272	2,409,991
Taxation					
- Current - for the period		345,032	271,502	983,400	772,300
- for prior year		-	-	(11,263)	(3,857)
		345,032	271,502	972,137	768,443
- Deferred		(14,451)	(1,154)	(32,250)	(21,960)
		(330,581)	(270,348)	(939,887)	(746,483)
Profit after taxation		746,377	572,539	2,080,385	1,663,508
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'		8,665	9,099	90,116	39,104
Impact of deferred tax		(1,300)	(1,137)	(13,517)	(5,665)
		7,365	7,962	76,599	33,439
Total comprehensive income for the period		753,742	580,501	2,156,984	1,696,947
Earnings per share (Rupees)	12	15.56	11.94	43.38	34.69

The annexed notes 1 to 17 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 Nine months period ended March 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, 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 nine months period ended March 31, 2015	-	-	-	1,663,508	1,663,508	-	-	1,663,508
Other comprehensive income	-	-	-	-	-	-	33,439	33,439
Total comprehensive income for the period ended	-	-	-	1,663,508	1,663,508	-	33,439	1,696,947
Transfer to general reserve	-	-	878,000	(878,000)	-	-	-	-
Balance as at March 31, 2015	479,549	13,456	6,403,000	1,665,372	8,081,828	(43,623)	109,193	8,626,947
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
Transactions with owners								
Final dividend for the year ended June 30, 2015 (Rs. 25.00 per share)	-	-	-	(1,198,873)	(1,198,873)	-	-	(1,198,873)
Total transactions with owners	-	-	-	(1,198,873)	(1,198,873)	-	-	(1,198,873)
Comprehensive income for the period	-	-	-	-	-	-	-	-
Profit after taxation for the nine months period ended March 31, 2016	-	-	-	2,080,385	2,080,385	-	-	2,080,385
Other comprehensive income	-	-	-	-	-	-	76,599	76,599
Total comprehensive income for the period ended	-	-	-	2,080,385	2,080,385	-	76,599	2,156,984
Transfer to general reserve	-	-	1,025,000	(1,025,000)	-	-	-	-
Balance as at March 31, 2016	479,549	13,456	7,428,000	2,080,544	9,522,000	(67,469)	77,647	10,011,727

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

COLGATE-PALMOLIVE (PAKISTAN) LTD.

CONDENSED INTERIM CASH FLOW STATEMENT (Unaudited - Note 2)

For the Nine months period ended March 31, 2016

	Note	**Nine months period ended March 31, 2016**	Nine months period ended March 31, 2015
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	3,766,304	2,813,085
Staff retirement gratuity paid		(59,958)	(16,941)
Finance cost and bank charges paid		(16,410)	(14,973)
Taxes paid		(523,602)	(841,497)
Long term loans		(13,237)	(5,767)
Long term security deposits		(620)	320
Long term deposits		8,432	259
Net cash inflow from operating activities		3,160,909	1,934,486
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(302,311)	(236,215)
Purchase of Intangible assets		(4,008)	(4,430)
Sale proceeds on disposal of items of property, plant and equipment		50,635	18,566
Profit received on savings accounts		37,110	42,259
Purchase of short term investments		(6,577,803)	(2,500,000)
Sale proceeds on redemption of short term investments		4,077,373	1,910,365
Net cash outflow from investing activities		(2,719,004)	(769,455)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1,197,369)	(814,464)
Net cash outflow from financing activities		(1,197,369)	(814,464)
Net (decrease) / increase in cash and cash equivalents		(755,464)	350,567
Cash and cash equivalents at the beginning of the period		1,736,419	853,956
Cash and cash equivalents at the end of the period		980,955	1,204,523

The annexed notes 1 to 17 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 Nine months period ended March 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 the Karachi and Lahore Stock Exchanges, with effect from January 11,2016 both merged into 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 These condensed interim financial statements of the Company for the nine months period ended March 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, 2015 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 March 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 nine months period then ended. These condensed interim financial statements also include the condensed interim profit and loss account for the quarter ended March 31, 2016.

2.3 The comparative balance sheet presented in these condensed interim financial statements, as at June 30, 2015 has been extracted from the annual audited financial statements of the Company for the year ended June 30,2015 whereas the comparative condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement for the nine months period ended March 31, 2015 have been extracted from the condensed interim financial statements of the Company for the nine months period then ended. The comparative condensed interim profit and loss account for the quarter ended March 31, 2015 also included in these condensed interim financial statements.

2.4 **New standards, amendments to approved accounting standards and new interpretations which became effective during the nine months period ended March 31, 2016:**

There were certain new standards, amendments to the approved accounting standards and a new interpretation issued by the IFRS Interpretations Committee (formerly International Financial Reporting Interpretations Committee) 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 condensed interim 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 amendments to the approved accounting standards that are mandatory for the Company's accounting periods beginning after July 1, 2015, but are considered not to be relevant or have any siginficant effect on the Company's operations and are, therefore, not disclosed in these condensed interim 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, 2015.

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, 2015.

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, 2015.

	Note	**March 31, 2016 (unaudited)**	June 30, 2015 (audited)
		(Rupees in '000)	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets (at net book value)	4.1 to 4.5	2,563,845	2,846,001
Capital work-in-progress (at cost)	4.6	253,320	89,588
		2,817,165	2,935,589

	Nine months period ended March 31, 2016	Nine months period ended March 31, 2015
	(Rupees in '000)	
4.1 **Additions - operating fixed assets (at cost)**		
Factory building on leasehold land	3,368	6,764
Plant and machinery	42,549	141,974
Electric fittings and installation	1,482	5,917
Furniture and fixtures	1,694	2,646
Tools and equipment	8,107	11,592
Vehicles	49,009	75,475
Computers and accessories	18,911	17,795
Office equipment	13,015	13,219
	138,135	275,382

4.1.1 Additions include transfers from capital work-in-progress aggregating Rs 1.131 million (March 31,2015: Rs 104.447 million).

4.2 **Disposals - operating fixed assets (at net book value)**		
Plant and machinery	-	1,422
Tools and equipment	104	-
Vehicles	17,121	7,943
Computer and accessories	145	163
Office equipment	274	398
	17,644	9,926
4.3 Depreciation charge during the period	402,549	384,232

4.4 Included in operating fixed assets are few items having cost of Rs. 36.665 million (June 30,2015: Rs. 38.265 million) held by third parties for manufacturing certain products of the Company. These 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 property, plant and equipment from which further economic benefits are no longer being derived. Therefore, assets having cost of Rs 7.674 million (March 31, 2015: Rs 3.108 million) and net book value of Rs 0.098 million (March 31, 2015: Rs 0.284 million) have been retired from active use and have been written off in these condensed interim financial statements. These items do not include any assets which have been fully depreciated in prior periods.

	Note	**Nine months period ended March 31, 2016**	Nine months period ended March 31, 2015
		(Rupees in '000)	
4.6 **Additions - Capital Work-in-Progress (at cost)**			
Factory building on leasehold land		38,680	16,011
Plant and machinery		118,657	36,738
Electric fittings and installation		4,638	1,161
Tools and equipment		1,462	126
Furniture & fixtures		1,419	1,520
Office equipment		450	386
Vehicles		-	9,338
		165,306	65,280

	March 31, 2016 (unaudited)	June 30, 2015 (audited)
	(Rupees in '000)	
5. STOCK IN TRADE		
Raw and packing materials	1,565,893	1,764,188
Work-in-process	277,418	196,392
Finished goods - Manufactured	651,682	500,435
Finished goods - Trading	165,842	146,091
	817,524	646,526
	2,660,835	2,607,106

5.1 Stock in trade include raw and packing materials in transit aggregating to Rs 623.996 million (June 30,2015 : Rs 441.491 million) and finished goods in transit aggregating to Rs 8.088 million (June 30,2015 : Rs 3.888 million).

6. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
Security deposits	15,660	11,955
Prepayments	52,634	21,005
	68,294	32,960
7. OTHER RECEIVABLES		
Receivable from related parties 7.1	6,004	2,674
Sales tax claimable	5,940	6,187
Special excise duty claimable	8,720	8,720
Claims receivable from an insurance company	144	502
Other	10	18
	20,818	18,101

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

	Note	March 31, 2016 (unaudited)	June 30, 2015 (audited)
		(Rupees in '000)	
Tetley Clover (Private) Limited		-	2,674
Century Insurance Company Limited		287	-
Colgate-Palmolive (Pakistan) Limited - Employee gratuity fund		5,717	-
		6,004	2,674

8. SHORT TERM INVESTMENTS

Investments - Term deposits	8.1	-	800,000
Investments - Held to maturity	8.2	1,051,461	-
Investments - Available for sale	8.3	3,953,443	2,301,198
		5,004,904	3,101,198

8.1 The range of rates of profit on these term deposits is between 7.15% and 7.50% per annum (June 30, 2015: 7.30% per annum) matured in January 2016.

8.2

Name of the investment instrument / issuer	Maturity	Effective interest rate	As at July 01, 2015	Purchase during the period	Sale/Redemption during the period	As at March 31, 2016	Amortised cost as at March 31, 2016
			Number of units				Rupees in '000
Treasury bills Government of Pakistan	Between May 2016 and January 2017	Between 6.16% and 6.21%	-	31,454	(20,650)	10,804	1,051,461

Treasury bills have a nominal value of Rs. 100,000/- each.

8.3

Name of the investees Company	As at July 01, 2015	Purchase during the period	Sales / Redemptions during the period	As at March 31, 2016	Average cost as at March 31, 2016	Fair Value as at March 31, 2016	Unrealised gain as at March 31, 2016
	Number of units				Rupees in '000		
Lakson Money Market Fund	7,990,363	3,869,018	(3,869,632)	7,989,749	812,570	833,798	21,228
Lakson Income Fund	7,934,925	2,886,836	(2,887,667)	7,934,094	808,865	855,031	46,166
ABL Govt.Securities Fund	-	134,723,659	(68,838,205)	65,885,454	700,000	701,140	1,140
UBL Govt.Securities Fund	-	12,501,319	(6,339,049)	6,162,270	700,000	705,964	5,964
Atlas Money Market Fund	1,389,744	-	(1,389,744)	-	-	-	-
Atlas Income Fund	-	1,325,833	-	1,325,833	700,000	716,294	16,294
Pakistan Investment Bonds	-	-	-	-	-	141,216	653
	17,315,032	155,306,665	(83,324,297)	89,297,400	3,721,435	3,953,443	91,445

9. SHARE CAPITAL

9.1 Authorised share capital

March 31, 2016 (unaudited)	June 30, 2015 (audited)		March 31, 2016 (unaudited)	June 30, 2015 (audited)
(Number of shares)			(Rupees in '000)	
75,000,000	75,000,000	Ordinary shares of Rs. 10 each	750,000	750,000

9.2 Issued, subscribed and paid-up share capital

March 31, 2016 (unaudited)	June 30, 2015 (audited)		March 31, 2016 (unaudited)	June 30, 2015 (audited)
(Number of shares)			(Rupees in '000)	
5,882,353	5,882,353	Ordinary shares of Rs. 10 each fully paid in cash	58,824	58,824
42,072,576	42,072,576	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	420,725	420,725
47,954,929	47,954,929		479,549	479,549

10. TRADE AND OTHER PAYABLES

	Note	March 31, 2016 (unaudited)	June 30, 2015 (audited)
		(Rupees in '000)	
Trade creditors	10.1	605,823	517,478
Accrued liabilities	10.2	980,586	872,908
Bills payable		372,932	215,479
Amounts due to distributors		49,742	43,184
Sales tax payable		51,946	27,068
Royalty payable to an associated undertaking		115,221	125,429
Workers' profit participation fund		162,314	175,827
Workers' welfare fund		63,630	66,814
Retention money payable		3,173	3,173
Unclaimed dividend		6,154	4,650
Others	10.3	44,590	27,414
		2,456,111	2,079,424

10.1 This includes Rs. 46.752 million (June 30,2015: Rs. 35.485 million) payable to related parties.

10.2 This includes Rs. 28.005 million (June 30,2015: Rs. 32.301 million) payable to related parties.

10.3 This includes Rs. 7.569 million (June 30,2015: Rs. 1.004 million) payable to related parties.

11. CONTINGENCIES AND COMMITMENTS

11.1 **Contingencies**

11.1.1 As stated in note 23.1.3 of the financial statements for the year ended June 30, 2015, the Company petition relating to Gas Infrastructure Development Cess is pending before the Sindh High Court. The amount of cess if determined to be payable by the Company with retrospective effect shall aggregate Rs 53.157million. However, the Company based on the advice of its legal councel,is confident of a favorable outcome of the aforementioned pending petition and, therefore, has not accounted for the amount of Rs 53.157 million in these condensed interim financial statements.

11.1.2 During the current period, the 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 fulfilled all conditions under the SRO and shall submit a reply to the aforementioned letter in due course. The management of the Company, based on its discussion with the tax consultants, is confident that its submissions shall be accepted and no demand will be raised against the Company.

11.1.3 Cases have been filed against the Company by some employees claiming Rs 3.248 million (June 30,2015: Rs 0.784 million) in aggregate. Provision has not been made in these condensed interim financial statements for the said amount 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 favour.

11.1.4 Post dated cheques have been issued to custom authorities in respect of duties and taxes amounting to Rs 134.420 million (June 30, 2015: Rs 188.456 million) as a security and in the event that the imported goods are not consumed within the prescribed time period and the certificate of the same is not provided to the collector of customs,cheques issued as security shall be encashable.

11.1.5 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 30,2015 - Rs. 32.931 million).

11.2 **Commitments**

11.2.1 Commitments in respect of capital expenditure and inventory items amount to Rs 92.162 million and Rs 484.122 respectively (June 30,2015: Rs 4.826 million and Rs 359.828 respectively).

11.2.2 Outstanding letters of credit amount to Rs 383.216 million (June 30,2015: Rs. 350.492 million).

11.2.3 Outstanding duties leviable on clearing of stocks amount to Rs. 11.278 million (June 30,2015: Rs. 10.849 million).

12. EARNINGS PER SHARE

	Quarter ended March 31, 2016	Quarter ended March 31, 2015	**Nine months period ended March 31, 2016**	Nine months period ended March 31, 2015
	(Rupees in '000)			
Profit after taxation	746,377	572,539	2,080,385	1,663,508
	(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	15.56	11.94	43.38	34.69

12.1 There were no dilutive potential ordinary shares outstanding as at March 31, 2016 or 2015.

		Note	**Nine months period ended March 31, 2016**	Nine months period ended March 31, 2015
			(Rupees in '000)	
13.	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		3,020,272	2,409,991
	Adjustment for non-cash charges and other items:			
	Depreciation and amortisation expense		407,281	386,658
	Gain on disposal of items of property, plant and equipment		(32,991)	(8,640)
	Advance to an employee written off		61	-
	Expenses for staff retirement gratuity		17,152	12,705
	Property,plant and equipment written off	4.5	98	284
	Capital work-in-progress charged off		443	-
	Profit on savings accounts		(45,212)	(42,462)
	Profit on treasury bills		(20,453)	-
	Gain on redemption of short term investments		(92,575)	(94,272)
	Finance cost and bank charges		16,410	14,973
	Stocks in trade written off		8,622	12,390
	Net exchange loss / (gain)		2,168	-
	Liabilities no longer payable written back		-	(52)
	Working capital changes	13.1	485,028	121,510
			3,766,304	2,813,085
13.1	**Working capital changes**			
	Decrease / (increase) in current assets:			
	Stores and spares		(9,636)	(39,534)
	Stock in trade		(62,351)	(66,304)
	Trade debts		251,355	71,924
	Loans and advances		(35,023)	13,366
	Trade deposits and short term prepayments		(35,334)	(35,727)
	Other receivables		3,002	4,878
			112,013	(51,397)
	Increase in current liabilities:			
	Trade and other payables		373,015	172,907
			485,028	121,510
14.	**CASH AND CASH EQUIVALENTS**			
	Cash and bank balances		980,955	1,204,523
	Short term investments	8	-	-
			980,955	1,204,523

15. RELATED PARTIES DISCLOSURES

15.1 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.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**	**Nine months period ended March 31, 2016**	Nine months period ended March 31, 2015
		(Rupees in '000)	
Sale of goods, services provided and reimbursement of expenses	Associates	5,523	23,134
Purchase of goods, services received and reimbursement of expenses	Associates	1,210,389	1,242,276
Purchase of short term investments	Associates	700,000	900,000
Sale proceeds on redemption of short term investments	Associates	700,000	750,000
Profit on short term investments	Associates	21,435	-
Rent, allied and other charges	Associates	24,987	20,128
Royalty charges	Associates	88,111	80,952
Insurance claims received	Associates	6,828	12,007
Insurance commission income	Associates	12,660	16,741
Sale of property, plant and equipment	Associates	-	30
Purchase of property,plant and equipment	Associates	4,667	1,831
Contribution to staff retirement benefits	Employees funds	41,303	34.045
Compensation paid to Key management personnel	Key management personnel	43,224	43,187
Donations	Associate	13,500	13,500
Dividend paid	Associates	1,054,371	716,973

Nature of balances	**Relationship with the Company**	**March 31, 2016 (unaudited)**	June 30, 2015 (audited)
		(Rupees in '000)	
Trade debts	Associates	3,029	4,054
Loans and advances	Associates	-	25,496
Other receivables	Associates	Refer note 7.1	
Short term investments	Associates	1,688,829	1,601,198
Trade and other payables	Associates	Refer note 10	

16. ENTITY-WIDE INFORMATION

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

16.2 Information about products

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

	Nine months period ended March 31, 2016	Nine months period ended March 31, 2015
Personal Care	23%	22%
Home Care	74%	74%
Others	3%	4%
	100%	100%

16.3 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.

16.4 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.

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 27, 2016 by the Board of Directors of the Company.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

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