Growing

By Strengthening Our Fundamentals

Annual Report 2014

COLGATE-PALMOLIVE (PAKISTAN) LTD.

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

Iqbal Ali Lakhani	Chairman
Amin Mohammed Lakhani	
Tasleemuddin Ahmed Batlay	
Jerome Graham Webb	
Mukul Deoras	
Aliya Saeeda Khan (from March 10, 2014)	
A. Aziz H. Ebrahim (upto March 10, 2014)	
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

Core Values

CARING

The Company cares about people: Colgate people, customers, shareholders and business partners. Colgate is committed to act with compassion, integrity, honesty and high ethics in all situations, to listen with respect to others and to value differences. The Company is also committed to protect the global environment, to enhance the communities where Colgate people live and work, and to be compliant with government laws and regulations.

TEAMWORK

All Colgate people are part of a team, committed to working together. Only by sharing ideas, technologies and talents can the Company achieve and sustain profitable growth.

CONTINUOUS IMPROVEMENT

Colgate is committed to getting better every day in all it does, as individuals and as teams. By better understanding consumers' and customers' expectations and continuously working to innovate and improve products, services and processes, Colgate will "become the best".

ORAL CARE

Colgate's commitment to spread oral hygiene awareness and to improve oral health in the country is reflected in its various initiatives carried out throughout the year.

DENTAL HEALTH WEEK DRIVE

Colgate conducted three drives of Dental Health Week in Pakistan this year. These oral health initiatives reached thousands of consumers in semi-urban and smaller towns of Pakistan, as well as underprivileged areas in metro cities.

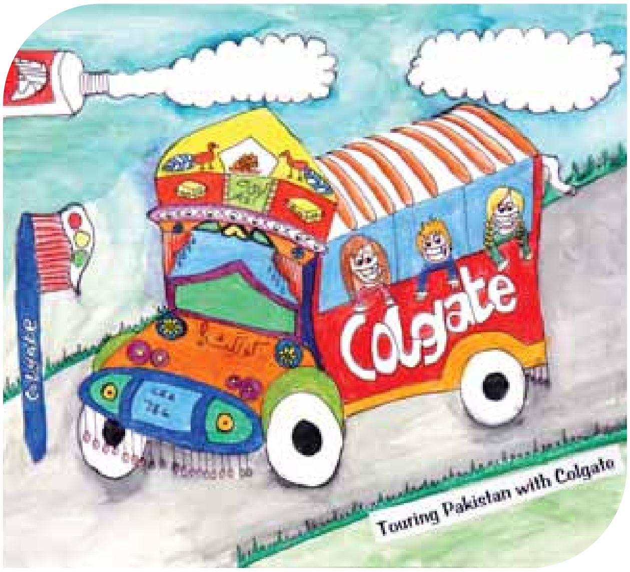
Dental Health Week, conducted on a national scale, not only created dental awareness but also helped consumers build a stronger association with Colgate and its products. With free dental checkups and oral hygiene education, Colgate continued to reach the segment of consumers that had no or very low level of oral health awareness.

BRIGHT SMILES, BRIGHT FUTURES

Since 1991, Colgate's Bright Smiles, Bright Futures global oral health education program has provided oral health education to children worldwide. In Pakistan, our trained educators on oral hygiene conduct sessions across the country to emphasize the importance of oral health and hygiene. From urban cities to rural areas, private and government schools across Pakistan are reached through the program to spread awareness on the importance of oral hygiene.

GLOBAL ART CONTEST (GAC)

Colgate has been organizing the 'My Bright Smile' Global Art Contest every year for the past 14 years. This is a key initiative of Colgate's Oral Health Education Program 'Bright Smiles, Bright Futures' campaign. It provides children all around the globe an opportunity to not only express and display their artistic abilities, but also become more aware of keeping good oral health. With an overwhelming nationwide participation this year, the results have been outstanding! Two artworks from Pakistan made it to the top 12 global winners.



COLGATE SENSITIVE

As the leader in oral health, bringing innovative solutions to consumers is at the heart of Colgate's mission. In line with this commitment, we launched Colgate Sensitive Pro-Relief toothpaste to present the most effective hypersensitivity solution to our consumers.

Aiming to extend Colgate's leadership in the fastest growing sensitivity segment, Colgate Sensitive Pro-Relief, with its breakthrough Pro-Argin Technology, promises to relieve tooth sensitivity at the source instantly and ensures long-lasting protection with its continued use.

At the time of launch, an impactful integrated marketing campaign was used to deliver this breakthrough technology news to our consumers, shoppers, the profession and retail partners.

COLGATE SLIMSOFT CHARCOAL

Colgate expanded its tapered bristles range by introducing Colgate SlimSoft Charcoal this year. Colgate SlimSoft Charcoal's innovative and unique charcoal-infused bristles provide consumers with a superior bacteria-removal benefit. Combined with the 0.01 mm tipped super slim bristles, it provides a deeper and gentle clean.

PERSONAL CARE

The Personal Care category continued improving its shelf presence across all retail environments, complemented by concerted marketing activities. In view of market dynamics and challenges, several initiatives were taken, including the launch of 155g Palmolive Naturals Black Orchid SKU. Increasing pressure of parallel imports at an unfair price was felt by the business.

Palmolive Liquid Hand Wash extended its range with the launch of "Palmolive Naturals Sea Minerals – Conditioning Hand Wash" which contains natural sea minerals to gently and effectively cleanse hands, along with refreshing and conditioning the skin.

FABRIC CARE

In a highly challenging year with heavy media spending and promotional activities by competition, we managed to grow our detergent brands through a mix of strategic and tactical initiatives.

Bonus Tristar maintained its volume leadership and improved its value to consumers through a timely packaging change and a product upgrade which now includes red and green speckles. With a focus to recruit new users and increase the conversion rate from laundry soaps, Bonus Tristar was re-launched with a new integrated marketing campaign.

Brite Anti-Bacterial successfully reached new consumers with its 99% germ-removal benefit versus ordinary detergents. Besides the consumer investment in advertising and promotion, focused working with our retail partners and shopper engagement on the unique benefit of germ-removal from clothes improved assortment and share of shelf for Brite equity.

SURFACE CARE

LEMON MAX ULTRA

An insight-driven innovation of Lemon Max Ultra, a premium concentrated dishwashing liquid was the key launch of the year to strengthen our category leadership, particularly in top end retail. This latest addition to the Lemon Max Liquid portfolio has an attractive, premium packaging that clearly differentiates it on the shelf.

Lemon Max Ultra, with its "Double Power" claim, was launched with a 360° marketing campaign that effectively communicated its superior grease-cutting benefit through relevant touch points for consumers and shoppers.

Lemon Max Ultra is for those who never settle for second best - a must have in your kitchen!

LEMON MAX BAR

Lemon Max Bar was successfully able to maintain its brand leadership in the dishwashing category. A new campaign was launched which focused on germ-removal properties and established the fact that Lemon Max Bar, with its Power of 1000 Lemons, removes the most stubborn forms of grease with ease and up to 99% germs from utensils. The same message was further established via a unique marketing activation which highlighted the benefits of Lemon Max Bar as compared to ordinary bars.

Awards

TOP 25 COMPANIES AWARD

For the 9th consecutive year, the Karachi Stock Exchange (KSE) ranked the Company amongst the top 25 listed companies.

KSE judges the Companies based on a criteria focusing on service to the shareholders, in compliance with listing regulations and good corporate governance.

MAP'S CORPORATE EXCELLENCE AWARDS

The Company was presented its 3rd consecutive 'Corporate Excellence Award' at the 29th Corporate Excellence Awards Ceremony organized by the Management Association of Pakistan. The Company was also awarded Corporate Excellence Certificates on 5 earlier occasions in recognition of its achievements and overall performance.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 36th Annual General Meeting of **COLGATE-PALMOLIVE (PAKISTAN) LIMITED** will be held on Wednesday, September 17, 2014 at 10:30 a.m. at Avari Towers Hotel, Fatima Jinnah Road, Karachi to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the year ended June 30, 2014 together with the Directors' and Auditors' Reports thereon.

2. To declare final dividend in cash @ 170% i.e. Rs.17 per share of Rs.10 each held by the members as recommended by the Board of Directors.

3. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

4. To consider and approve the amendments in some of the clauses of Articles of Association of the Company and pass Special Resolution with or without modification.

Statement under section 160 of the Companies Ordinance, 1984 in the above matter containing draft of the resolution to be passed pertaining to item No. 4 is annexed.

By Order of the Board

MANSOOR AHMED
Company Secretary

KARACHI: August 15, 2014

NOTES:

1. The share transfer books of the Company will remain closed from September 11, 2014 to September 17, 2014, both days inclusive. Transfers received in order by the Shares Registrar of the Company M/s. FAMCO Associates (Private) Limited, 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S, Shahra-e-Faisal, Karachi upto September 10, 2014 will be considered in time for entitlement of the dividend.

2. A member who has deposited his/her shares into Central Depository Company of Pakistan Limited, must bring his/her participant's ID number and account/sub-account number alongwith original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.

3. A member entitled to attend and vote at the general meeting may appoint another member as his/her proxy to attend, speak and vote instead of him/her.

4. Forms of proxy to be valid must be properly filled-in/executed and received at the Company's Registered Office at Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi not later than 48 hours before the time of the meeting.

5. Members are requested to notify the Shares Registrar of the Company promptly of any change in their addresses.

6. Members who have not yet submitted photocopy of their Computerized National Identity Cards (CNIC) are requested to send the same to our Shares Registrar at the earliest.

7. Form of Proxy is enclosed herewith.

STATEMENT UNDER SECTION 160 OF THE COMPANIES ORDINANCE, 1984

PERTAINING TO ITEM NO.4

A. The Board of Directors have recommended to the members to amend certain clauses of Articles of Association of the Company. The proposed changes in certain clauses will update the Articles of Association of the Company.

B. The Directors are interested to the extent of shares held by them and the privileges attached thereto only.

C. The resolution as under will be considered to be passed by the members as special resolution:

"RESOLVED THAT THE AMENDMENTS AS UNDER BE AND ARE HEREBY MADE IN THE ARTICLES OF ASSOCIATION OF THE COMPANY:

1) Substitute the words 'shall not exceed rupees five hundred per meeting of the Board of Directors or a Committee of such Board attended by him' appearing in line-3 of clause 53(1) with the words, figures and commas ', shall be Rupees 5,000 (Five Thousand) or as fixed by the Board of Directors from time to time for attending a meeting of the Board of Directors or a Committee of the Board, plus out of pocket expenses, if any'. The revised clause will read as under:

   53(1) The ordinary remuneration of a Director, other than the regularly paid Chief Executive and full time working Directors, shall be Rupees 5,000 (Five Thousand) or as fixed by the Board of Directors from time to time for attending a meeting of the Board of Directors or a Committee of the Board, plus out of pocket expenses, if any.

2) Insert the words 'in person or via teleconferencing or videoconferencing or by any other electronic means,' between the words 'together' and 'for the dispatch' in line-1, and 'once' between the words 'at least' and 'in each quarter' in line-3 in clause 61. The revised clause will read as under:

   61. The Directors may meet together in person or via teleconferencing or videoconferencing or by any other electronic means, for the dispatch of business, adjourn or otherwise regulate their meetings, as they think fit provided that the Directors shall meet at least once in each quarter of a year. A Director may, and the Secretary on the requisition of a Director shall, at any time, summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Karachi.

3) Insert the words 'or through courier service or any other prescribed mode' after the word 'post' in line-3 in clause 88 and delete the word 'that' in line-5 in clause 88. The revised clause will read as under:

   88. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent by registered post or through courier service or any other prescribed mode to the registered address of the Member or person entitled thereto and in case of joint holders to the registered address of one of the joint holders who is first named on the Register, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrants shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders may direct and payment of the cheque or warrant if purporting to be duly endorsed shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

4) Insert the words 'of the Ordinance or any statutory modifications thereof for the time being in force' before full stop in Line-2 in clause 98 (1). The revised clause will be renumbered as '98' and shall read as under:

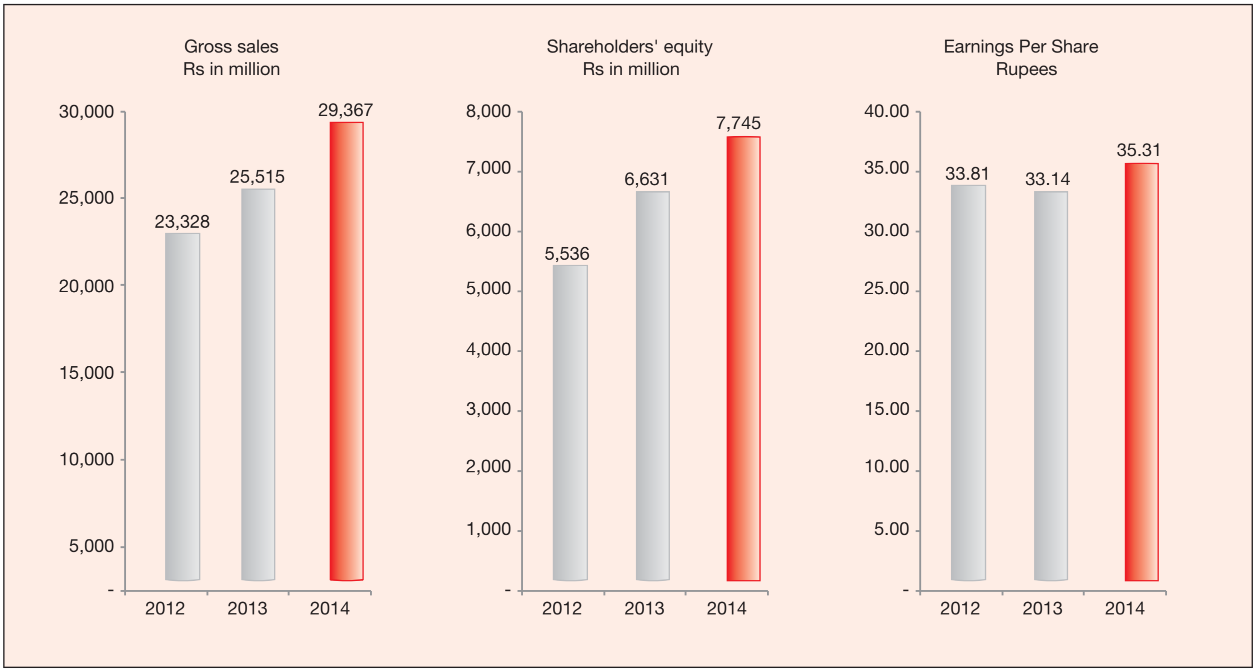
   98. Auditors shall be appointed and their duties regulated in accordance with Sections 252 to 255 of the Ordinance or any statutory modifications thereof for the time being in force.

5) Delete the clause 98 (2), as this has become redundant.

6) Delete the clause 98 (3), as this has become redundant."

FINANCIAL SUMMARY

Year Ended June 30, 2014



Year ended June 30

Rupees in million except EPS	2012	2013	% Change	2014	% Change
Gross Sales	23,328	25,515	9.4%	29,367	15.1%
Operating Income	2,261	2,278	0.8%	2,477	8.7%
Net Profit After Tax	1,621	1,589	-2.0%	1,693	6.5%
Earnings per share - restated (Rs.)	33.81	33.14	-2.0%	35.31	6.5%
Shareholders' Equity	5,536	6,631	19.8%	7,745	16.8%

DIRECTORS' REPORT

The Directors of your Company are pleased to present the Annual Report with the audited financial statements of the Company for the year ended June 30, 2014.

Financial Highlights

For the year 2013 - 2014, the Company achieved sales revenue of PKR 29.4 billion, which was a 15.10% increase as compared to 2012 - 2013. The NPAT this year was PKR 1.69 billion, an increase of 6.55% over 2012 - 2013. Media and promotion furthered sales while the appreciation of the Pak Rupee against the US Dollar contributed to lower raw material costs.

The Gross Profit margin of the Company is at 28.33%, a marginal increase of 0.34% over 2012 - 2013. A lower than expected increase in raw material cost and other manufacturing expenditures contributed to this.

Selling & Distribution costs for the year increased by 22.15% mainly due to higher media and promotion spend, royalty on the sale of licensed products and increased freight charges. Administrative expenses grew by 22.80% primarily due to higher depreciation, transportation costs and other employee related expenses.

Other income this year increased by 57.85% versus 2012 - 2013 due to the realization of profit on short term investments and a higher profit rate.

Earnings per share have increased by 6.55% to PKR 35.31 as compared to last year.

Financial Position at a Glance

A brief financial analysis is presented as under:

Operating Results	**2013-14**	**2012-13**	**Increase/**
	Rs. in million		**(Decrease)**
Gross Revenue	29,367	25,515	15.10%
Net Revenue	23,226	20,267	14.60%
Gross Profit	6,580	5,673	15.99%
Gross Profit %	28.33%	27.99%	34 bps
Operating Profit	2,477	2,278	8.73%
Profit After Tax	1,693	1,589	6.55%
Profit After Tax (% of Sales)	7.29%	7.84%	(55) bps
Earnings per Share	35.31	33.14	6.55%

	2013-14 **Rs. In '000'**
Profit and Appropriations	
Profit After Tax	1,693,253
Un-appropriated profit brought forward	1,845
Profit available for appropriation	1,695,098
Appropriations:	
Proposed Cash Dividend @170% i.e. Rs. 17 per share	815,234
(2013: @ 140% i.e. Rs. 14 per share)	
Reserve for proposed issue of bonus shares nil	-
(2013: @ 10% i.e. 1 share for every 10 shares)	
Transfer to General Reserve	878,000
Un-appropriated profit carried forward	1,864

Business Performance Highlights

While the competitive environment has become very challenging, the Company is launching new and innovative products to grow our business profitably. Furthermore, shopper and customer programs were rolled out to increase engagement at relevant touch points to drive market share.

Oral Care witnessed another successful year where effective advertising and promotional support drove both volume growth and market share. Colgate SlimSoft Charcoal toothbrush was launched which features unique charcoal-infused bristles for superior bacteria removal. Combined with the 0.01 mm ultra-soft tapered bristles, this is an ideal toothbrush for everyday use.

In the fastest growing Sensitivity segment, we launched Colgate Sensitive Pro-Relief. Its revolutionary Pro-Argin technology helps patients find instant and long lasting relief from tooth sensitivity pain. With the support of an impactful integrated marketing campaign and a strong dentist and patient sampling drive, this product has strengthened Colgate's leadership and helped us become a major player in the Sensitivity segment.

Palmolive bar soap growth came under pressure in the latter half of the year as we saw local soap manufacturers suffer by the influx of imported soaps brought into the country at a price much lower than the raw material cost of manufacturing. A combined effort at the industry level has been initiated to move the authorities to eliminate this cost disadvantage to local manufacturers and provide a level playing field.

In the Home Care category we continued to face intensified competition and have invested in advertising and promotion to defend and grow our market share. Our dish washing products performed well which delivered good growth. We continued to focus on conversion activities from cheap/local bars with Max Bar. A new dish washing liquid, Max Ultra was recently launched in the premium segment to gain share in the top end retail.

Targeting to increase the fabric detergents' user base, Bonus Tristar continued to engage laundry soap consumers for conversion. In the premium segment Brite Anti-Bacterial successfully reached new consumers with it's laboratory proven benefit of 99% germ removal versus ordinary detergents. A fully integrated marketing campaign focused on germ removal from clothes improved assortment and share of shelf for Brite equity.

At Colgate, we are increasing our investment behind improving distribution network and systems to maximize our products availability to consumers in both urban and rural markets. We remained focused in providing our retail partners and shoppers the best service and value to deliver incremental growth.

Corporate Social Responsibility

With a commitment to improve oral health in Pakistan, our global health education program (Bright Smiles, Bright Futures) has reached more than 7.3 million children since its inception in both urban and rural Pakistan. The program which is very popular in schools across Pakistan, engages children to learn about oral hygiene in a fun manner.

In its 14th year of partnering with hundreds of schools across Pakistan, the Global Art Contest based on the theme 'My Bright Smile' saw another successful year. This contest not only provides children an opportunity to showcase their talent on an international level but also to learn about good oral hygiene practices. This year as well, an overwhelming participation was recorded.

Dental Health weeks were organized in big urban centers, smaller towns and rural areas to provide free dental checkups and spread oral hygiene awareness amongst masses. Instrumental in increasing our reach to people in these small towns and villages with no access to dental care services are our mobile dental units. Operated with qualified dentists, these mobile units examine patients' oral health and educate them about good oral hygiene practices to prevent dental ailments.

The Company also endeavored to give back to the society on World Environment Day by organizing visits to schools and arranging lectures on the environment for children. It also conducted tree plantation drives.

Future Outlook

In the wake of the expected Pak Rupee depreciation, the Company anticipates increase in raw material costs especially in its detergent business that will further put pressure on margins. The Company is focused on optimizing its operations and associated costs for greater efficiencies that deliver savings to reduce pressure on margins.

The security concerns in the country also continue to be a challenge.

Despite competitive and macroeconomic challenges, we expect our growth momentum to continue in 2014-15. We are pleased that we have a full new product pipeline to deliver the incremental volume that will support the Company to achieve sustained, profitable growth.

The competition will intensify efforts in capturing market share through increased spending. However with faster speed-to-market, highly engaging consumer and shopper programs and strong business relationships with our trade partners, the Company is confident it will perform well in the market place.

Financial & Corporate Reporting Framework

The Directors are pleased to state that the Company is compliant with the provisions of the Code of Corporate Governance as required by Securities & Exchange Commission of Pakistan (SECP).

Following are the statements on Corporate and Financial Reporting Framework:

- The financial statements prepared by the management of the Company present its state of affairs fairly, the results of its operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts on the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations except as stated in the statement of compliance.
- Summary of key operational and financial data for the last six years annexed in this annual report.
- Information about taxes and levies is given in the notes to and forming part of financial statements.

- The valuation of investment made by the staff retirement funds based on their respective accounts are as follows:

	2013-14 **Rs. in million**
CPPL Staff Provident Fund	464.214
CPPL Staff Gratuity Fund	227.256

- The Board held four (4) meetings during the year. Attendance by each Director was as follows:

Director's Name	**Attendance**
Mr. Iqbal Ali Lakhani	3
Mr. Zulfiqar Ali Lakhani	4
Mr. Amin Mohammed Lakhani	3
Mr. Tasleemuddin Ahmed Batlay	4
Mr. Jerome Graham Webb - Nominee of CP - USA	3
Mr. Mukul Deoras - Nominee of CP - USA	4
Mr. A. Aziz H. Ebrahim (upto March 10, 2014)	3
Ms. Aliya Saeeda Khan (from March 10, 2014) as independent Director	1

Mr. A. Aziz H. Ebrahim was a part of the Board upto March 10, 2014
Ms. Aliya Saeeda Khan is a part of the Board of Directors since March 10, 2014

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

Member's Name	**Attendance**
Ms. Aliya Saeeda Khan	1
Mr. Iqbal Ali Lakhani	2
Mr. Amin Mohammed Lakhani	4
Mr. Tasleemuddin Ahmed Batlay	4

- The HR Committee held one (1) meeting during the year. Attendance by each member was as follows:

Member's Name	**Attendance**
Mr. Iqbal Ali Lakhani	1
Mr. Zulfiqar Ali Lakhani	1
Mr. A. Aziz H. Ebrahim (upto April 14 , 2014)	1
Mr. Amin Mohammed Lakhani (from April 14, 2014)	-

- The shareholders elected seven Directors of the Board for the next three years term in extraordinary general meeting held on 10th of March 2014. The Board now consists of Mr. Iqbal Ali Lakhani, Mr. Zulfiqar Ali Lakhani, Mr. Amin Mohammed Lakhani, Mr. Tasleemuddin A. Batlay, Ms. Aliya Saeeda Khan, Mr. Jerome Graham Webb and Mr. Mukul Deoras.

- The Board also re-appointed Mr. Zulfiqar Ali Lakhani as Chief Executive of the Company for a term of three years.

- The revised terms and conditions of the Chief Executive and a Director of the Company were approved by the Board for the current term of three years ending on March 10, 2017 as under:

(1) Mr. Zulfiqar Ali Lakhani

Remuneration	:	Gross aggregate annual sum not exceeding Rs. 33 million (Rupees Thirty Three Million) This will include house rent allowance.
Perquisites and allowances		
Bonuses	:	As may be determined from year to year and approved by the Board.
Electricity, Gas, Water and Telephone at Residence	:	Bills at actual
Conveyance	:	Company maintained car with driver.
Provident Fund, Medical, Leave and Retirement Benefits	:	As per Company's policy, rules and regulations in force for the time being and as amended from time to time.

(2) Mr. Tasleemuddin Ahmed Batlay

Remuneration	:	Gross aggregate annual sum not exceeding Rs. 10 million (Rupees Ten Million). This will include house rent allowance.
Perquisites and allowances		
Conveyance, Provident Fund, Bonuses, Medical, Leave, Utilities at Residence, Telephone and Retirement Benefits	:	As per Company's policy, rules and regulations in force for the time being and as amended from time to time.

- Mr. Zulfiqar Ali Lakhani - the Chief Executive and Mr. Tasleemuddin A. Batlay - Director of the Company and being shareholders of the Company have interest to the extent of remuneration and avail perquisites, benefits and allowances to which they are entitled.

Auditors

The Auditors, Messrs A. F. Ferguson & Co., Chartered Accountants, retire at the conclusion of the 36th Annual General Meeting. Being eligible, they have offered themselves for re-appointment.

Pattern of Shareholding

A statement showing pattern of shareholdings of the Company and additional information as at June 30, 2014 is included in the report.

The Board has determined threshold under clause xvi(l) of CCG-2012 in respect of trading of Company's shares by executives and employees who are drawing annual basic salary of Rs.1.5 million or more.

Acknowledgement

We 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.

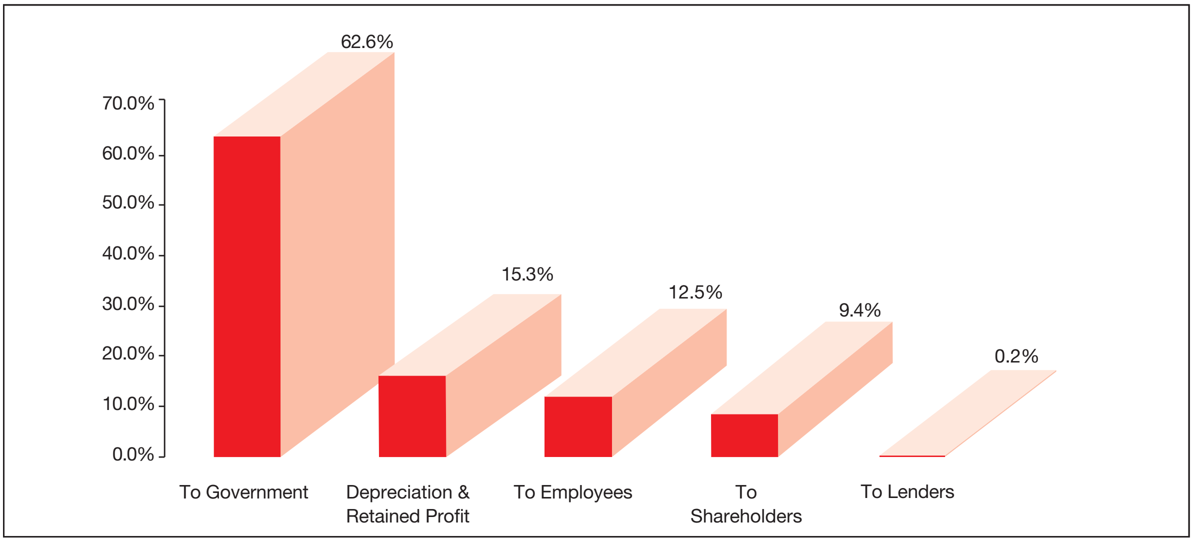
On behalf of Board of Directors

IQBAL ALI LAKHANI
Chairman

Karachi: July 24, 2014

STATEMENT OF VALUE ADDED

	Year Ended June 30	
	2014	2013
	(Rs. in million)	
Wealth Generated		
Total revenue net of discount and allowances	28,035	24,225
Bought-in-material and services	19,349	16,773
	8,686	7,452
Wealth Distributed		
To Employees		
Salaries, benefits and other costs	1,085	920
To Government		
Income tax, sales tax	5,434	4,543
To Providers of Capital		
Dividend to shareholders	815	654
Mark up/interest expenses on borrowed funds	18	15
Retained for Reinvestment and Growth		
Depreciation and Retained Profits	1,334	1,320
	8,686	7,452



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED JUNE 30, 2014

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No.35 of listing regulations of Karachi & Lahore Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive Directors and Directors representing minority interests on its Board of Directors. The newly elected Board comprises of the following:

Category	**Name**
Independent Director	Ms. Aliya Saeeda Khan
Executive Directors	M/s. Zulfiqar Ali Lakhani and Tasleemuddin A. Batlay
Non-Executive Directors	M/s. Iqbal Ali Lakhani, Amin Mohammed Lakhani, Jerome Graham Webb and Mukul Deoras

2. The Directors have confirmed that none of them is serving as a Director in more than seven listed companies, including this Company.

3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a Banking company, a DFI or an NBFI.

4. The election of the Directors were held during the year in which seven Directors were elected for a term of three years. No casual vacancy occurred on the Board during the current year.

5. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies alongwith the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive Director have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, alongwith agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated. The Chairman Audit Committee was, however, unable to attend the preceding Annual General Meeting of the Company.

9. In accordance with the criteria specified on clause (xi) of CCG, majority of Directors of the Company are exempted from the requirement of Directors' training program and rest of the Directors to be trained within specified time.

10. The Board has approved appointment of CFO including their remuneration and terms and conditions of

employment. Mr. Mansoor Ahmed was assigned the responsibilities of Company Secretary of Colgate-Palmolive (Pakistan) Limited in addition to his responsibilities in other Group Companies. Internal Audit function of the Company was outsourced with the approval of the Board. The Board has approved appointment of Head of Internal Audit and terms and conditions of his appointment.

11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG. Annual evaluation of the Board's own performance is in process.

15. During the year as a result of constitution of the audit committee following the election of the Board, the audit committee from March,2014 comprises two non-executive directors and one executive director. Subsequent to the year end the Company is taking measures to reconstitute the audit committee in accordance with the requirements of the Code.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company. The Terms of Reference of the Committee have been formed and advised to the Committee for compliance.

17. The Board has formed a HR and Remuneration Committee. It comprises of three members, of whom two are non executive Directors and the Chairman of the Committee is a non executive Director.

18. The Board has outsourced internal audit function of the Company to a firm of Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedure of the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period' prior of the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchanges(s).

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

23. We confirm that all other material principles enshrined in the CCG have been complied with.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

Karachi: July 24, 2014

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Colgate-Palmolive (Pakistan) Limited for the year ended June 30, 2014 to comply with the requirements of Listing Regulation No. 35 of the Karachi and Lahore Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2014.

Further, we would like to highlight below instances of non-compliance with the requirements of the Code as reflected in point reference where these are stated in the Statement of Compliance:

S. No.	Paragraph reference	Description
i.	7	The mechanism is in the process of development for an annual evaluation of the board's own performance.
ii.	8	The chairman of Audit Committee was unable to attend the preceding Annual General Meeting held on September 18, 2013.
iii.	15	From March, 2014 the audit committee comprises of two non-executive and one executive director instead of three non-executive directors as required by the Code.

A.F. Ferguson & Co.

A.F. FERGUSON & CO.
Chartered Accountants

Karachi, July 24, 2014

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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A. F. FERGUSON & CO.

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Colgate-Palmolive (Pakistan) Limited** as at June 30, 2014 and the related profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that-

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion-

  (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied.

  (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

  (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2014 and of the profit, its changes in equity and cash flows for the year then ended; and

(d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

A.F. Ferguson & Co.

A.F. FERGUSON & CO.
Chartered Accountants
Audit Engagement Partner: Saad Kaliya

Karachi, July 24, 2014

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BALANCE SHEET

AS AT JUNE 30, 2014

	Note	2014	2013
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	3,147,236	3,185,014
Intangible assets	5	4,810	4,987
Long term loans	6	14,306	13,565
Long term security deposits	7	14,587	13,581
		3,180,939	3,217,147
CURRENT ASSETS			
Stores and spares	8	125,720	83,088
Stock in trade	9	2,473,246	2,787,322
Trade debts	10	653,003	533,353
Loans and advances	11	122,898	131,562
Trade deposits and short term prepayments	12	39,127	38,198
Other receivables	13	25,749	32,653
Profit receivable from banks	14	188	9
Taxation		588,551	349,712
Short term investments	15	2,144,508	978,272
Cash and bank balances	16	853,956	1,051,925
		7,026,946	5,986,094
TOTAL ASSETS		10,207,885	9,203,241
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital	17	750,000	750,000
Issued, subscribed and paid-up share capital	17	479,549	435,954
Reserves	18	7,233,554	6,194,232
Remeasurement on post retirement benefits obligation		(43,623)	(26,738)
Surplus on revaluation of investments		75,754	27,970
		7,745,234	6,631,418
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation	19	439,239	445,436
Long term deposits	20	21,232	18,459
Deferred liability	21	22,189	40,235
		482,660	504,130
CURRENT LIABILITIES			
Trade and other payables	22	1,979,991	2,067,693
TOTAL LIABILITIES		2,462,651	2,571,823
TOTAL EQUITY AND LIABILITIES		10,207,885	9,203,241
CONTINGENCIES AND COMMITMENTS	24		

The annexed notes 1 to 44 form an integral part of these financial statements.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2014

	Note	**2014**	2013
		(Rupees in '000)	
Turnover		29,367,346	25,515,265
Sales tax		(4,668,503)	(3,869,346)
Trade discounts		(1,472,757)	(1,378,479)
Net turnover		23,226,086	20,267,440
Cost of sales	25	(16,645,655)	(14,594,894)
Gross profit		6,580,431	5,672,546
Selling and distribution cost	26	(3,811,056)	(3,120,036)
Administrative expenses	27	(223,672)	(182,138)
Other expenses	28	(209,036)	(181,301)
Other income	29	140,728	89,154
Profit from operations		2,477,395	2,278,225
Finance cost and bank charges	30	(17,796)	(15,376)
Profit before taxation		2,459,599	2,262,849
Taxation	31	(766,346)	(673,699)
Profit after taxation		1,693,253	1,589,150
Other comprehensive income for the year - net of tax			
Items that may be reclassified subsequently to profit and loss			
Surplus on investments categorised as 'available for sale'	15	104,094	31,078
Gain realised on disposal of short term investments		(49,484)	(3,536)
Impact of tax		(6,826)	(2,761)
Total items that may be reclassified subsequently to profit and loss		47,784	24,781
Item that will not be reclassified to profit or loss			
Remeasurement of post retirement benefits obligation		(25,583)	(15,229)
Impact of tax		8,698	5,087
Total items that will not be reclassified to profit and loss		(16,885)	(10,142)
		30,899	14,639
Total comprehensive income for the year		1,724,152	1,603,789
		-------------Rupees-------------	
			(Restated)
Earnings per share	32	35.31	33.14

The annexed notes 1 to 44 form an integral part of these financial statements.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 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, 2012	363,295	13,456	3,550,000	1,622,898	5,186,354	(16,596)	3,189	5,536,242
Transactions with owners								
Final dividend for the year ended June 30, 2012 (Rs 14 per share)	-	-	-	(508,613)	(508,613)	-	-	(508,613)
Bonus shares issued at the rate of one share for every five shares held	72,659	-	-	(72,659)	(72,659)	-	-	-
Total transactions with owners	72,659	-	-	(581,272)	(581,272)	-	-	(508,613)
Comprehensive income for the year								
Profit after taxation for the year ended June 30, 2013	-	-	-	1,589,150	1,589,150	-	-	1,589,150
Other comprehensive income	-	-	-	-	-	(10,142)	24,781	14,639
Total comprehensive income for the year ended June 30, 2013	-	-	-	1,589,150	1,589,150	(10,142)	24,781	1,603,789
Transfer to general reserve	-	-	1,040,000	(1,040,000)	-	-	-	-
Balance as at June 30, 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 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 year								
Profit after taxation for the year ended June 30, 2014	-	-	-	1,693,253	1,693,253	-	-	1,693,253
Other comprehensive income	-	-	-	-	-	(16,885)	47,784	30,899
Total comprehensive income for the year ended June 30, 2014	-	-	-	1,693,253	1,693,253	(16,885)	47,784	1,724,152
Transfer to general reserve	-	-	935,000	(935,000)	-	-	-	-
Balance as at June 30, 2014	479,549	13,456	5,525,000	1,695,098	7,233,554	(43,623)	75,754	7,745,234

The annexed notes 1 to 44 form an integral part of these financial statements.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2014

	Note	**2014**	2013
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	33	2,908,687	2,743,211
Finance cost paid		(27)	(88)
Taxes paid		(1,009,510)	(655,876)
Long term loans		(741)	(4,113)
Long term security deposits (assets)		(1,006)	(2,869)
Staff retirement gratuity paid		(61,723)	(20,467)
Long term deposits (liabilities)		2,773	3,711
Net cash inflow from operating activities		1,838,453	2,063,509
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(436,004)	(721,138)
Purchase of intangible assets		(3,133)	(3,499)
Short term investments made during the year		(2,300,000)	(1,595,841)
Sale proceeds on disposal of items of property, plant and equipment		23,679	20,654
Profit received on savings accounts		47,454	33,264
Profit received on term deposit receipt		115	117
Sale proceeds on disposal of short term investments		1,241,127	925,000
Net cash outflow from investing activities		(1,426,762)	(1,341,443)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(609,660)	(508,023)
Net cash outflow from financing activities		(609,660)	(508,023)
Net (decrease) / increase in cash and cash equivalents		(197,969)	214,043
Cash and cash equivalents at the beginning of the year		1,051,925	837,882
Cash and cash equivalents at the end of the year	16	853,956	1,051,925

The annexed notes 1 to 44 form an integral part of these financial statements.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 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, Pakistan.

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

2. SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

2.1 Basis of preparation and statement of compliance

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

2.2 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 (the Ordinance), provision of and directive issued under the Ordinance. In case requirements differ, the provisions or directives of the Ordinance shall prevail.

2.3 **New standards, amendments to approved accounting standards and new interpretations**

2.3.1 **New amendments to approved accounting standards and interpretation which became effective during the year ended June 30, 2014**

There were certain new amendments to the approved accounting standards and a new interpretation issued by the International Financial Reporting Interpretations Committee (IFRIC) which became effective during the year 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.

2.3.2 **New standard, amendments to approved accounting standards and new interpretation that is not yet effective and has not been early adopted by the Company:**

There are certain amendments to the approved accounting standards and a new interpretation issued by the International Financial Reporting Interpretations Committee (IFRIC) which will be effective after July 1, 2013 but are considered not to be relevant or are expected to have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

2.4 Property, plant and equipment

2.4.1 These assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for leasehold land and capital work in progress which are stated at cost.

Assets having cost exceeding the minimum threshold as determined by the management are capitalised. All other assets are charged to income in the year when acquired.

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

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

Residual values and the useful lives are reviewed at each balance sheet date and adjusted if expectations differ significantly from previous estimates.

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

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

Normal repairs and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalised.

Profit or loss on disposal of assets is recognised in income currently.

2.4.2 Capital work in progress

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

2.5 Intangible assets

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

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

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

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

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

2.6 Impairment

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment and intangible assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed recoverable amounts, assets are written down to their recoverable amounts and the differences are recognised in income currently.

2.7 Stores and spares

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

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

2.8 Stock in trade

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

Stages of stock in trade	**Basis of valuation**
Raw and packing material	Moving average cost
Raw and packing material in bonded warehouse and in transit	Cost accumulated upto the balance sheet date
Work in process and finished goods	Cost of direct materials and appropriate portion of production overheads
Trading goods	Moving average cost

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less estimated costs of completion and the estimated costs necessary to be incurred for its sale.

2.9 Trade debts and other receivables

Trade debts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade debts and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. Debts, considered irrecoverable, are written off, as and when identified.

2.10 Taxation

Current

Provision for current taxation is based on taxable income for the year at the current rates of taxation after taking into account tax credits and tax rebates available, if any, and tax paid on presumptive basis.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amount of the assets and liabilities and their tax bases.

Deferred tax liabilities are recognised for all major taxable temporary differences.

Deferred tax assets are recognised for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date and is recognised only to the extent that it is probable that future taxable profits will be available against which the assets may be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it becomes probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilised or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the balance sheet date.

2.11 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise of cash and cheques in hand, deposits held with banks and running finances under mark-up arrangement.

2.12 Borrowing costs

Borrowing costs relating to the acquisition, construction or production of a qualifying asset are recognised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which these are incurred.

2.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed periodically and adjusted to reflect the current best estimates.

2.14 Staff retirement benefits

Defined benefit plan

The Company operates a defined benefit plan i.e. an approved funded gratuity scheme for all its permanent employees subject to attainment of retirement age and minimum service of prescribed period. Contributions are made to the fund on the basis of actuarial recommendations. Actuarial valuation is carried out using the projected unit credit method.

All actuarial gains and losses are recognised in 'other comprehensive income' as they occur.

Defined contribution plan

The Company operates an approved funded provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Company and its employees, to the fund at the rate of 9 percent of the basic salaries of employees.

Compensated absences

The liability in respect of compensated absences of employees is accounted for in the period in which the absences accrue.

2.15 Revenue recognition

- Sales are recognised on despatch of goods to the customers.
- Profit on bank balances are recognised on a time proportion basis on the principal amount outstanding and at the applicable rate.
- Insurance commission income is recognised as and when received.
- Gains / (losses) arising on disposal of investments are included in income currently and are recognised on the date when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'available for sale' are included in other comprehensive income in the period in which they arise.

2.16 Foreign currency transactions

Transactions in foreign currencies are translated in Pakistan rupees (functional and presentation currency) at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan rupees at the rates of exchange approximating those prevalent at the balance sheet date. Exchange differences are charged to income currently.

2.17 Dividend and other appropriations

Dividend is recognised as a liability in the period in which it is declared. Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

2.18 Financial instruments

2.18.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date. Available for sale financial assets are classified as short term investments in the balance sheet.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised as "Other comprehensive Income" are included in the profit and loss account as gains and losses on disposal of short term investments. Interest on available for sale securities calculated using effective interest method is recognised in the profit and loss account. Dividends on available for sale equity instruments are recognised in the profit and loss account when the Company's right to receive payments is established.

d) Held to maturity

Held to maturity are financial assets with fixed or determinable payments and fixed maturity that are quoted in an active market, where management has the intention and ability to hold till maturity are carried at amortised cost.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised at trade date i.e. the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account.

Available for sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. 'Loans and receivables' and 'held to maturity' investments are carried at amortised cost using effective interest rate method.

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

2.18.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss account.

2.18.3 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.19 Transactions with related parties

The Company enters into transactions with related parties for sale or purchase of goods and services on mutually agreed terms.

2.20 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Executive Officer has been identified as the 'chief operating decision-maker', who is responsible for allocating resources and assessing performance of the operating segments.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgements which are significant to the financial statements:

a) Assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property, plant and equipment (note 4);

b) assumptions and estimates used in determining the useful lives and residual values of intangible assets (note 5);

c) assumptions and estimates used in determining the provision for slow moving stores and spares (note 8);

d) assumptions and estimates used in writing down items of stock in trade to their net realisable value (note 9);

e) assumptions and estimates used in calculating the provision for impairment for trade debts (note 10);

f) assumptions and estimates used in the recognition of deferred taxation (note 19);

g) assumptions and estimates used in accounting for defined benefit plan (note 21);and

h) assumptions and estimates used in disclosure and assessment of provision for contingencies (note 24).

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

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2014	2013
		(Rupees in '000)	
Operating fixed assets	4.1	3,047,545	2,786,920
Capital work in progress	4.2	99,691	398,094
		3,147,236	3,185,014

4.1 Operating fixed assets

4.1.1 The following is a statement of operating fixed assets:

	Leasehold land	Factory building on leasehold land	Plant and machinery	Electric fittings and installation	Gas installation	Furniture and fixtures	Tools and equipment	Vehicles	Computers and accessories	Office equipment	Total
	(Rupee'000)										
At July 1, 2012											
Cost	89,850	618,809	2,418,354	123,777	154	70,526	235,178	262,458	77,959	48,887	3,945,952
Accumulated depreciation	-	(184,007)	(715,551)	(38,968)	(107)	(17,269)	(76,788)	(125,985)	(54,710)	(21,084)	(1,234,469)
Net book value	89,850	434,802	1,702,803	84,809	47	53,257	158,390	136,473	23,249	27,803	2,711,483
Year ended June 30, 2013											
Additions	-	9,409	82,518	4,006	-	3,007	9,482	65,978	41,087	5,044	220,531
Transfers from capital work in progress during the year (note 4.2.1)	-	4,048	226,682	1,327	-	-	13,485	-	-	8,613	254,155
Disposals (note 4.1.5)											
Cost	-	-	-	-	-	-	-	(23,807)	(1,776)	(138)	(25,721)
Depreciation	-	-	-	-	-	-	-	11,721	1,707	38	13,466
Net book value	-	-	-	-	-	-	-	(12,086)	(69)	(100)	(12,255)
Write offs (note 4.1.3)											
Cost	-	-	(2,229)		-		(2,558)	-	(3,355)	(275)	(8,417)
Depreciation	-	-	1,427	-	-		1,952	-	3,353	184	6,916
Net book value	-	-	(802)	-	-	-	(606)	-	(2)	(91)	(1,501)
Depreciation charge for the year (note 4.1.6)	-	(53,402)	(224,728)	(10,041)	(7)	(9,938)	(30,710)	(31,408)	(18,612)	(6,647)	(385,493)
Net book value as at June 30, 2013	89,850	394,857	1,786,473	80,101	40	46,326	150,041	158,957	45,653	34,622	2,786,920
Year ended June 30, 2014											
Opening net book value											
Additions	-	2,290	51,178	4,330	-	4,471	8,622	82,368	13,674	6,069	173,002
Transfers from capital work in progress during the year (note 4.2.1)	-	91,534	352,177	50,936	-	21,130	9,870	29,819	-	5,939	561,405
Disposals (note 4.1.5)											
Cost	-	-	-	(1,418)	-	-	-	(33,304)	(623)	(63)	(35,408)
Depreciation	-	-	-	304	-	-	-	17,861	525	13	18,703
Net book value	-	-	-	(1,114)	-	-	-	(15,443)	(98)	(50)	(16,705)
Write offs (note 4.1.3)											
Cost	-	-	(976)	(866)	-	(18)	(649)	-	(4,839)	(1,873)	(9,221)
Depreciation	-	-	613	580	-	15	453	-	4,816	1,626	8,103
Net book value	-	-	(363)	(286)	-	(3)	(196)	-	(23)	(247)	(1,118)
Depreciation charge for the year (note 4.1.6)	-	(58,187)	(262,865)	(14,641)	(7)	(10,797)	(33,190)	(42,594)	(25,306)	(8,372)	(455,959)
Net book value as at June 30, 2014	89,850	430,494	1,926,600	119,326	33	61,127	135,147	213,107	33,900	37,961	3,047,545

	Leasehold land	Factory building on leasehold land	Plant and machinery	Electric fittings and installation	Gas installation	Furniture and fixtures	Tools and equipment	Vehicles	Computers and accessories	Office equipment	Total
	--------	--------	--------	--------	--------	(Rupee'000)	--------	--------	--------	--------	--------
At June 30, 2013											
Cost	89,850	632,266	2,725,325	129,110	154	73,533	255,587	304,629	113,915	62,131	4,386,500
Accumulated depreciation	-	(237,409)	(938,852)	(49,009)	(114)	(27,207)	(105,546)	(145,672)	(68,262)	(27,509)	(1,599,580)
Net book value	89,850	394,857	1,786,473	80,101	40	46,326	150,041	158,957	45,653	34,622	2,786,920
Annual rates of depreciation (%) 2013	-	10	10	10	10	15	15	20	33	15	
At June 30, 2014											
Cost	89,850	726,090	3,127,704	182,092	154	99,116	273,430	383,512	122,127	72,203	5,076,278
Accumulated depreciation	-	(295,596)	(1,201,104)	(62,766)	(121)	(37,989)	(138,283)	(170,405)	(88,227)	(34,242)	(2,028,733)
Net book value	89,850	430,494	1,926,600	119,326	33	61,127	135,147	213,107	33,900	37,961	3,047,545
Annual rates of depreciation (%) 2014	-	10	10	10	10	15	15	20	33	15	

4.1.2 Cost of operating assets held by third parties, for manufacturing certain products of the Company, are as follows:

	2014	2013
	(Rupees in '000)	
Industrial Packages	7,132	15,849
Rollins Industries (Private) Limited	21,711	22,332
Techno Plast	7,911	7,911
Naveed Company	113	113
Afeef Packages (Private) Limited	1,348	1,348
Transpak Corporation Limited	1,675	1,675
	39,890	49,228

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

4.1.3 During the year, 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 9.221 million (2013: Rs 8.417 million) and net book value of Rs 1.118 million (2013: Rs 1.501 million) have been retired from active use and have been written off in these financial statements.

4.1.4 No impairment relating to operating fixed assets was identified in the current year.

4.1.5 The following operating fixed assets with a net book value exceeding Rs 50,000 were disposed of during the year:

Particulars	Mode of disposal	Cost	Accumulated depreciation	Net book value	Sale proceeds / receivable from insurance company	Gain / (loss)	Particulars of purchasers
		(Rupees in '000)					
Vehicles	Maturity of the Company's car scheme	1,419	817	602	626	24	Muhammad Saleem Khan Employee of the Company
	--do--	631	449	182	368	186	Adnan Shahzad Employee of the Company
	--do--	1,390	1,020	370	875	505	Omar Qadri Employee of the Company
	--do--	287	137	150	347	197	Mazhar Ali Employee of the Company
	--do--	424	309	115	199	84	Khalid Noor Muhammad Employee of the Company
	--do--	403	296	107	184	77	Arif Dadani Employee of the Company
	--do--	353	234	119	119	-	Syed Aijaz Ali Employee of the Company
	--do--	1,389	973	416	536	120	Muhammad Yusuf Kasbati Employee of the Company
	--do--	404	244	160	163	3	Muhammad Irfan Employee of the Company
	--do--	1,389	973	416	536	120	Muhammad Farooq Employee of the Company
	--do--	904	644	260	372	112	Naseem-ur-Rehman Employee of the Company
	--do--	834	574	260	302	42	Mehmood Athar Employee of the Company
	Maturity of Company's maintained car scheme	742	148	594	700	106	Hassan Azhar Ex-employee of the Company
	--do--	742	133	609	670	61	Shoukat Fareed Ex-employee of the Company
	--do--	589	192	397	500	103	Syed Asim Ali Ex-employee of the Company
	--do--	605	290	315	315	-	Asghar Zafar Employee of the Company
	--do--	934	693	241	560	319	Naveed Ahmed Employee of the Company
	--do--	384	289	95	266	171	Qamar Haider Employee of the Company
	--do--	915	687	228	612	384	Muhammad Ibrahim Employee of the Company
	--do--	362	273	89	238	149	Fayyaz Ahmed Butt Employee of the Company
	--do--	376	299	77	164	87	Attaullah Khan Employee of the Company
	--do--	682	514	168	450	282	Zahoor Ahmed Employee of the Company
	--do--	389	300	89	275	186	Waseem Eiruj Employee of the Company
	--do--	925	715	210	682	472	Khurram Vohra Employee of the Company
	--do--	715	290	425	425	-	Jamil Anwer Employee of the Company
	--do--	504	402	102	290	188	Muhammad Ali Employee of the Company
	Bid	390	300	90	285	195	Hussain Akber Ali House # M/12,Gulshan-e-Karim, Nazimabad, Karachi
	--do--	395	302	93	300	207	Abdul Hameed House # S.3.604,Chisti Nagar, Sector 11-1/2, Karachi
	--do--	335	197	138	316	178	Syed M. Qamar Naqvi House # D-88,Nishtar Road, Pakistan Quarter, Garden West, Karachi
	--do--	335	197	138	316	178	Syed M. Raza Naqvi House # D-88,Nishtar Road, Pakistan Quarter, Garden West, Karachi"
	--do--	395	307	88	295	207	Naseer Ahmed House # 22/B, 37-D Area, Landhi # 1, Karachi
	--do--	842	609	233	250	17	Afzal Suleman House # 25, Al-Hilal Society, University Road, Karachi
	--do--	1,229	962	267	400	133	Abdul Rehman House # B-112, Afridi Colony Bin Qasim, Malir, Karachi
	--do--	590	471	119	370	251	Ali Diamond Pirani Flat # C-21, Noor Appartment, Block E, North Nazimabad, Karachi
	--do--	945	277	668	863	195	Muhammad Taimoor Dyer House # 282, D'Cruz Road, Garden East, Karachi
	--do--	725	290	435	585	150	Muhammad Taimoor Dyer House # 282, D'Cruz Road, Garden East, Karachi
	--do--	870	292	578	800	222	Muhammad Taimoor Dyer House # 282, D'Cruz Road, Garden East, Karachi

Particulars	Mode of disposal	Cost	Accumulated depreciation	Net book value	Sale proceeds / receivable from insurance company	Gain / (loss)	Particulars of purchasers
		(Rupees in '000)					
	--do--	618	387	231	601	370	Muhammad Taimoor Dyer House # 282, D'Cruz Road, Garden East, Karachi"
	--do--	555	441	114	425	311	Muhammad Waseem Ansari House # 144, H-Area, Korangi 100 Quarter, Karachi
Electric Fittings & Installation	--do--	1,400	292	1,108	150	(958)	AQS Engineering 70-C Jami Commercial Street No. 9 D.H.A. Phase VII, Karachi
Vehicles	Insurance claim	1,399	261	1,138	1,389	251	Century Insurance Co. Ltd, Lakson Square Building No. 3, Sarwar Shaheed Road Karachi
	--do--	2,232	105	2,127	2,222	95	--do--
	--do--	742	208	534	732	198	--do--
	--do--	1,708	159	1,549	1,615	66	--do--
Computers & Accessories	Insurance claim	70	8	62	64	2	--do--
Office equipment	Insurance claim	63	13	50	63	13	--do--
		34,529	17,973	16,556	22,815	6,259	
Others Items having net book value of less than Rs 50,000 each	Various	879	730	149	864	715	Various
2014		35,408	18,703	16,705	23,679	6,974	
2013		25,721	13,466	12,255	20,654	8,399	

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

	Note	**2014**	2013
		(Rupees in '000)	
Cost of sales	25.1	391,128	337,472
Selling and distribution costs	26	42,778	33,170
Administrative expenses	27	22,053	14,851
		455,959	385,493

4.2 Capital work in progress

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

	Factory building on leasehold land	Plant and machinery	Electric fittings and installation	Other assets	Total
			(Rupees in '000)		
Balance as at July 1, 2012	18,335	128,716	3,967	624	151,642
Capital expenditure incurred during the year (note 4.2.2)	60,442	375,776	23,693	40,696	500,607
Transfers to operating fixed assets (note 4.1.1)	(4,048)	(226,682)	(1,327)	(22,098)	(254,155)
Balance as at June 30, 2013	74,729	277,810	26,333	19,222	398,094
Capital expenditure incurred during the year (note 4.2.2)	26,529	158,794	24,957	52,722	263,002
Transfers to operating fixed assets (note 4.1.1)	(91,534)	(352,177)	(50,936)	(66,758)	(561,405)
Balance as at June 30, 2014	9,724	84,427	354	5,186	99,691

4.2.2 This includes capital work in progress in transit aggregating Rs 6.817 million (2013: Rs 50.920 million).

5. INTANGIBLE ASSETS

	Note	Goodwill and trade mark	Computer software	Total
		(Rupees in '000)		
At July 1, 2012				
Cost		43,500	60,955	104,455
Accumulated amortisation		(43,500)	(54,614)	(98,114)
Net book value		-	6,341	6,341
Year ended June 30, 2013				
Additions		-	3,499	3,499
		-	9,840	9,840
Amortisation for the year	5.3	-	(4,853)	(4,853)
Net book value as at June 30, 2013		-	4,987	4,987
Year ended June 30, 2014				
Additions		-	3,133	3,133
		-	8,120	8,120
Amortisation for the year	5.3	-	(3,310)	(3,310)
Net book value as at June 30, 2014		-	4,810	4,810
At June 30, 2013				
Cost		43,500	64,454	107,954
Accumulated amortisation		(43,500)	(59,467)	(102,967)
Net book value		-	4,987	4,987
At June 30, 2014				
Cost		43,500	67,587	111,087
Accumulated amortisation		(43,500)	(62,777)	(106,277)
Net book value		-	4,810	4,810

5.1 Goodwill includes amount paid on acquisition of the brand "Sparkle" from Transpak Corporation Limited and a trade mark costing Rs 1.5 million in respect of the brand "Sparkle" purchased on January 4, 2001. The trade mark was fully amortised during the year ended June 30, 2005. However, it is still in active use.

5.2 Computer softwares are being amortised over a useful life of 3 years.

5.3 Amortisation charge for the year has been allocated as follows:

	Note	**2014**	2013
		(Rupees in '000)	
Cost of sales	25.1	277	8
Selling and distribution costs	26	658	269
Administrative expenses	27	2,375	4,576
		3,310	4,853

6. LONG TERM LOANS

	Note	2014	2013
Considered good			
- due from executives	6.1& 6.2	6,489	3,929
- due from other employees	6.2	18,304	18,308
		24,793	22,237
Recoverable within one year	11	(10,487)	(8,672)
		14,306	13,565

6.1 Reconciliation of carrying amount of loans to executives:

	2014	2013
Opening balance as at July 1, 2013 / 2012	3,929	3,600
Disbursements	5,000	3,050
Repayments	(2,440)	(2,721)
Closing balance as at June 30, 2014 / 2013	6,489	3,929

6.2 These loans are interest free and have been given to executives and other employees of the Company for purchase of house, vehicles or for personal use in accordance with their terms of employment. These loans are to be repaid over a period of two to five years in equal monthly installments. Any outstanding loan due from an employee at the time of leaving the service of the Company is adjustable against final settlement of staff provident fund.

6.3 Long term loans have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these financial statements.

	Note	**2014**	2013
		(Rupees in '000)	
7. LONG TERM SECURITY DEPOSITS			
Long term security deposits	7.1 & 7.2	14,587	13,581

7.1 This includes amount of Rs 5.783 million (2013: Rs 5.742 million) representing amount deposited with Water and Power Development Authority (WAPDA) for enhancement in electricity load for detergent unit at Kotri.

7.2 This includes a Term Deposit Receipt (TDR) amounting to Rs 1.7 million (2013: Rs 1.7 million) issued by a banking company. This TDR has been provided as a security (lien) to a banking company for issuance of guarantee in favour of Sui Southern Gas Company Limited against a lien on the TDR. The TDR carries profit at the rate of 6.7890% (2013: 6.7890%) per annum and shall mature on September 3, 2014 at which time the management intends to rollover the TDR.

8. STORES AND SPARES

	Note	2014	2013
Stores		41,888	37,851
Spares	8.1	83,832	45,237
	25.1.3	125,720	83,088

8.1 This includes spares in transit amounting to Rs 5.662 million (2013: Rs 10.224 million).

9. STOCK IN TRADE

	Note	2014	2013
Raw materials			
- in hand		840,594	728,917
- in bonded warehouse		-	448,897
- in transit		384,705	611,422
	25.1.1	1,225,299	1,789,236
Packing materials			
- in hand		229,735	199,341
- in transit		293	12,708
- with third parties		355	650
	25.1.2	230,383	212,699
Work in process	25.1	360,531	169,306
Finished goods			
- in hand		528,601	487,828
- in transit		241	411
	25	528,842	488,239
Trading goods			
- in hand		124,051	122,058
- in transit		4,140	5,784
	25	128,191	127,842
		2,473,246	2,787,322

	Note	**2014**	2013
		(Rupees in '000)	
10. TRADE DEBTS			
Considered good			
- due from related parties	10.1	2,105	52,079
- others		650,898	481,274
		653,003	533,353
Considered doubtful			
- others		30,968	30,943
		683,971	564,296
Less: Provision for impairment	10.2 & 10.4	30,968	30,943
		653,003	533,353

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

	2014	2013
Merit Packaging Limited	89	37
Century Paper and Board Mills Limited	68	43
Tetley Clover (Private) Limited	1,529	1,041
Hasanali and Gulbanoo Lakhani Foundation	11	5
SIZA (Private) Limited	8	2
Television Media Network (Private) Limited	360	217
Cyber Internet Services (Private) Limited	30	10
SIZA Foods (Private) Limited	10	11
	2,105	1,366

10.2 Provision for impairment

	Note	2014	2013
Balance as at July 1, 2013 / 2012		30,943	30,943
Provision made during the year	28	4,986	-
Write offs during the year		(4,961)	-
Balance as at June 30, 2014 / 2013		30,968	30,943

10.3 As at June 30, 2014, trade receivables of Rs 177.403 million (2013: Rs 175.198 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2014	2013
Upto 1 month	110,294	72,293
1 to 6 months	1,118	48,568
More than 6 months	65,991	54,337
	177,403	175,198

10.3.1 Ageing analysis of the amounts due from related parties is as follows:

	Upto 1 month	**1 to 6 months**	**More than 6 months**	**As at June 30, 2014**	**As at June 30, 2013**
	-------------------------------(Rupees in '000)-------------------------------				
Merit Packaging Limited	6	-	83	89	37
Century Paper and Board Mills Limited	24	-	45	69	43
Tetley Clover (Private) Limited	239	-	1,291	1,530	1,041
Hasanali and Gulbanoo Lakhani Foundation	10	-	-	10	5
SIZA (Private) Limited	3	4	-	7	2
Television Media Network (Private) Limited	6	98	256	360	217
Cyber Internet Services (Private) Limited	-	20	10	30	10
SIZA Foods (Private) Limited	7	-	3	10	11
	295	122	1,688	2,105	1,366

10.4 As at June 30, 2014, trade receivables of Rs 30.968 million (2013: Rs 30.943 million) were impaired and provided for. The ageing of these receivables is as follows:

	Note	**2014**	2013
		(Rupees in '000)	
One year to five years		4,986	23,731
Five years and over		25,982	7,212
		30,968	30,943

11. LOANS AND ADVANCES

	Note	2014	2013
Considered good			
Current portion of long term loans			
- due from executives		3,603	1,321
- due from other employees		6,884	7,351
	6	10,487	8,672
Advances			
- to employees	11.1	10,986	7,970
- to contractors and suppliers	11.2	101,425	114,920
		122,898	131,562

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

11.2 Advances include the following amounts due from related parties:

	2014	2013
Century Insurance Company Limited	232	936
Lakson Business Solutions Limited	-	357
	232	1,293

12. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	2014	2013
Security deposits	15,875	14,272
Prepayments	23,252	23,926
	39,127	38,198

13. OTHER RECEIVABLES

	Note	2014	2013
Receivable from related parties	13.1	10,787	18,241
Sales tax claimable		5,376	5,342
Special excise duties claimable		8,720	8,720
Insurance claims receivable from Century Insurance Company Limited		866	350
		25,749	32,653

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

	2014	2013
Clover Pakistan Limited	39	39
Tetley Clover (Private) Limited	10,748	18,202
	10,787	18,241

14. PROFIT RECEIVABLE FROM BANKS

	2014	2013
Profit receivable from banks	188	9

	Note	2014	2013
		(Rupees in '000)	
15. SHORT TERM INVESTMENTS			
Investments - Held to maturity	15.1	-	196,731
Investments - Available for sale	15.2	2,144,508	781,541
		2,144,508	978,272

15.1

Name of the Issuer	Maturity	Effective interest rate	As at July 1, 2013	Purchase during the year	Sales / Redemptions during the year	As at June 30, 2014	Amortised cost as at June 30, 2014
		---------- Number of units			----------	------ Rupees in '000 -----	
Treasury bills							
Government of Pakistan	September 5, 2013	9.2301%	-	2,000	2,000	-	-

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

15.2

Name of the Investee Company	As at July 1, 2013	Purchase during the year	Bonus units	Sales / Redemptions during the year	As at June 30, 2014	Average cost as at June 30, 2014	Fair value as at June 30, 2014	Unrealised Gain as at June 30, 2014
		---------- Number of units			----------	---------- Rupees in '000		----------
Lakson Money Market Fund	5,735,900	11,981,034	703,417	(5,732,776)	12,687,575	1,207,402	1,270,077	62,675
UBL Liquidity Plus Fund	2,040,782	6,946,690	244,519	(4,105,094)	5,126,897	500,492	514,569	14,077
Meezan Sovereign Fund	-	5,903,210	276,256	(1,034,918)	5,144,548	250,926	259,697	8,771
Atlas Money Market Fund	-	199,318	-	-	199,318	100,000	100,165	165
	7,776,682	25,030,252	1,224,192	(10,872,788)	23,158,338	2,058,820	2,144,508	85,688

	Note	2014	2013
		(Rupees in '000)	
16. CASH AND BANK BALANCES			
Cash with banks in:			
- Current accounts			
- Local currency		290,337	321,834
- Foreign currency		-	473
		290,337	322,307
- Savings accounts			
- Local currency	16.1	498,670	634,057
		789,007	956,364
Cheques in hand		64,475	95,106
Cash in hand		474	455
		853,956	1,051,925

16.1 The range of rates of profit on these savings accounts is between 6% and 9% per annum (2013: 6% and 9% per annum).

17. SHARE CAPITAL

17.1 Authorised share Capital

2014	2013		2014	2013
Number of shares			(Rupees in '000)	
75,000,000	75,000,000	Ordinary shares of Rs 10 each	750,000	750,000

17.2 Issued, subscribed and paid-up shares capital

2014	2013		2014	2013
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	37,713,037	Ordinary shares of Rs 10 each issued as fully paid bonus shares (note 17.2.1)	420,725	377,130
47,954,929	43,595,390		479,549	435,954

17.2.1 These shares include 4,359,539 bonus shares of Rs 10 each (June 30, 2013: 7,265,898 bonus shares of Rs 10 each) issued by the Company during the current year.

	2014	2013
	(Rupees in '000)	
18. RESERVES		
Capital reserve		
- Share premium reserve	13,456	13,456
Revenue reserve		
- General reserve	5,525,000	4,590,000
- Unappropriated profit	1,695,098	1,590,776
	7,233,554	6,194,232
19. DEFERRED TAXATION		
Credit / (debit) balances arising in respect of timing differences relating to:		
Accelerated tax depreciation allowance	474,916	471,942
Provision for compensated absences	(8,594)	(6,682)
Short term investments	(3,392)	3,954
Provision for impairment of trade debts	(10,645)	(10,337)
Deferred liabilities	(13,046)	(13,441)
	439,239	445,436

20. LONG TERM DEPOSITS

	2014	2013
	(Rupees in '000)	
Deposits obtained from:		
- Distributors	18,727	15,954
- Transporters	500	500
- Others	2,005	2,005
	21,232	18,459

20.1 These deposits are interest free and are not refundable during the subsistence of relationship with the Company.

21. DEFERRED LIABILITY

	Note	2014	2013
		(Rupees in '000)	
Defined benefit plan (staff retirement gratuity) - funded	21.4	22,189	40,235

21.1 As stated in note 2.14, the Company operates a defined benefit plan i.e. an approved funded gratuity scheme for all its permanent employees subject to attainment of retirement age and minimum service of prescribed period. Actuarial valuation of the scheme is carried out every year and the latest actuarial valuation was carried out as at June 30, 2014. The disclosures made in notes 21.2 to 21.14 are based on the information included in that actuarial report.

21.2 The actuarial valuation of gratuity plan was carried out as at June 30, 2014. The projected unit credit method using the following significant assumptions was used for this valuation:

	2014	2013
	Percentage	
- Discount rate - per annum compound	13.25	11
- Expected rate of increase in salaries - per annum	12.25	10

21.3 Mortality rate

The rates assumed were based on the EFU 61-66 mortality table.

21.4 Balance sheet reconciliation

	Note	2014	2013
		(Rupees in '000)	
Present value of defined benefit obligation	21.5	249,445	194,613
Fair value of plan assets	21.6	(227,256)	(154,378)
Net liability in the balance sheet		22,189	40,235

21.5 Movement in defined benefit obligation

	2014	2013
Present value of defined benefit obligation as at July 1, 2013 / 2012	194,613	166,037
Current service cost	17,063	14,522
Interest cost	21,065	21,585
Remeasurement on obligation	22,933	12,948
Benefits paid	(6,229)	(20,479)
Present value as at June 30, 2014 / 2013	249,445	194,613

		Note	2014	2013
			(Rupees in '000)	
21.6	Movement in fair value of plan assets			
	Fair value as at July 1, 2013 / 2012		154,378	138,647
	Expected return on plan assets		20,034	18,024
	Remeasurement on fair value of plan assets		(2,650)	(2,281)
	Contributions made during the year to the fund		61,723	20,467
	Benefits paid		(6,229)	(20,479)
	Fair value as at June 30, 2014 / 2013		227,256	154,378
21.7	Movement in net liability in the balance sheet is as follows:			
	Opening balance of net liability		40,235	27,390
	Charge for the year	21.8	18,094	18,083
	Contributions made during the year to the fund		(61,723)	(20,467)
	Net remeasurement for the year		25,583	15,229
	Closing balance of net liability		22,189	40,235
21.8	Charge for the year has been allocated as under:			
	Cost of sales	25.1	10,155	10,744
	Selling and distribution costs	26	3,964	3,593
	Administrative expenses	27	3,975	3,746
			18,094	18,083
21.9	The following amounts have been recognised in the profit and loss account in respect of the gratuity plan:			
	Current service cost		17,063	14,522
	Net Interest cost		1,031	3,561
	Expenses		18,094	18,083
21.10	Actual return on plan assets			
	Expected return on plan assets		20,034	18,024
	Remeasurement on fair value of plan assets		(2,650)	(2,281)
	Actual return on plan assets		17,384	15,743

21.11 Plan assets comprise of the following:

	2014		2013	
	(Rs in '000)	Percentage	(Rs in '000)	Percentage
Shares and units of mutual funds	32,846	14.45	34,982	22.66
Debt instruments	173,087	76.16	82,499	53.44
Cash	21,323	9.39	36,897	23.90
	227,256	100.00	154,378	100.00

21.12 Expected contribution to post employment benefit plan for the year ending June 30, 2015 is Rs 16.941 million (2014: Rs 21.488 million).

21.13 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumptions	Increase in assumption	Decrease in assumption
		(Rupees in '000)	
Discount rate	1%	(20,651)	23,981
Salary growth rate	1%	23,981	(20,995)

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

	Note	**2014**	2013
		(Rupees in '000)	

22. TRADE AND OTHER PAYABLES

	Note	**2014**	2013
Trade creditors	22.1	470,883	477,818
Accrued liabilities	22.2	748,820	702,373
Bills payable		221,000	513,412
Advances from distributors		35,349	28,584
Sales tax payable		188,114	69,394
Royalty payable to an associated undertaking		106,282	86,762
Workers' profits participation fund	22.3	132,071	120,836
Workers' welfare fund		49,101	45,257
Retention money payable		4,318	4,509
Unclaimed dividend		3,964	3,288
Others	22.4	20,089	15,460
		1,979,991	2,067,693

22.1 This includes Rs 44.802 million (June 30, 2013: Rs 48.518 million) payable to related parties.

22.2 This includes Rs 6.953 million (June 30, 2013: Rs 6.402 million) payable to related parties.

22.3 Workers' profits participation fund

	Note	**2014**	2013
Balance at the beginning of the year		120,836	120,327
Allocation for the year	28	132,071	120,836
		252,907	241,163
Less: Payments during the year		120,836	120,327
Balance at the end of the year		132,071	120,836

22.4 This includes Rs 0.842 million (June 30, 2013: Rs 1.596 million) payable to related parties.

23. SHORT TERM RUNNING FINANCES

23.1 The Company has arranged short-term borrowing facilities from various banks on mark-up basis to the extent of Rs 940 million (2013: Rs 1,040 million), which can be interchangeably utilised as running finance facilities or import credit facilities. These facilities expired during the year and were renewed subsequently. The renewed facilities are available for various periods expiring between July 31, 2014 to July 31, 2017. The arrangements are secured by a joint hypothecation of stocks, stores and spares, trade debts, other current assets and second charge on immovable assets of the Company.

23.2 The mark-up on short-term running finance facilities ranges between 10.92% to 12.33% (2013: 10.27% to 11.88%) per annum.

23.3 The facilities for opening letters of credit and guarantee as at June 30, 2014 aggregated Rs 3,900 million and Rs 40 million (2013: Rs 4,276 million and Rs 40 million) respectively of which the amounts remaining unutilised at the year end were Rs 3,335.334 million and Rs 7.069 million (2013: Rs 3,762.588 million and Rs 10.454 million) respectively.

24. CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 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 favour 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 favour 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.

24.1.2 Cases have been filed against the Company by some employees claiming Rs 2.078 million (2013: Rs 2.587 million) in aggregate. Provision has not been made in these 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.

24.1.3 Post dated cheques have been issued to custom authorities as a security in respect of duties and taxes amounting to Rs 76.026 million (2013: Rs 291.276 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.

24.1.4 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 (2013: Rs 29.547 million).

24.2 Commitments

24.2.1 Commitments in respect of capital expenditure and inventory items amount to Rs 46.134 million and Rs 325.056 respectively (2013: Rs 48.726 million and Rs nil respectively).

24.2.2 Outstanding letters of credit amount to Rs 726.451 million (2013: Rs 520.214 million).

24.2.3 Outstanding duties leviable on clearing of stocks amount to Rs 10.677 million (2013: Rs 11.144 million).

	Note	**2014**	2013
		(Rupees in '000)	
25. COST OF SALES			
Opening stock of finished goods (including trading goods)		616,081	643,862
Cost of goods manufactured	25.1	13,957,585	12,220,139
Purchases of trading goods		2,729,022	2,346,974
		17,302,688	15,210,975
Less: Closing stock of finished goods (including trading goods)	9	657,033	616,081
		16,645,655	14,594,894
25.1 Cost of goods manufactured			
Opening stock of work in process		169,306	185,395
Raw materials consumed	25.1.1 & 25.1.4	9,610,219	8,431,321
Packing materials consumed	25.1.2 & 25.1.4	2,719,640	2,244,033
Stores and spares consumed	25.1.3	64,345	45,311
Salaries, wages and other benefits		582,469	488,888
Staff retirement gratuity	21.8	10,155	10,744
Provident fund		9,934	8,889
Power and fuel		399,918	323,819
Repairs and maintenance		33,192	30,515
Rent, rates and taxes		11,184	11,143
Insurance		38,528	33,387
Laboratory expenses		4,019	4,838
Cartage		228,171	192,777
Depreciation	4.1.6	391,128	337,472
Amortisation		277	8
Other manufacturing expenses		45,631	40,905
		14,318,116	12,389,445
Less: Closing stock of work in process		360,531	169,306
		13,957,585	12,220,139
25.1.1 Raw materials consumed			
Opening stock		1,789,236	1,818,823
Purchases		9,046,282	8,401,734
		10,835,518	10,220,557
Less: Closing stock		1,225,299	1,789,236
		9,610,219	8,431,321
25.1.2 Packing materials consumed			
Opening stock		212,699	204,591
Purchases		2,737,324	2,252,141
		2,950,023	2,456,732
Less: Closing stock	9	230,383	212,699
		2,719,640	2,244,033

	Note	2014	2013
		(Rupees in '000)	
25.1.3 Stores and spares consumed			
Opening stock		83,088	64,952
Purchases		106,977	63,447
		190,065	128,399
Less: Closing stock	8	125,720	83,088
		64,345	45,311

25.1.4 Cost of sales includes amounts written off during the year in respect of the following:

		2014	2013
Raw materials		15,247	2,225
Packing materials		15,724	-
		30,971	2,225

26. SELLING AND DISTRIBUTION COST

	Note	2014	2013
Salaries, wages and other benefits		355,623	299,103
Staff retirement gratuity	21.8	3,964	3,593
Provident fund		10,624	9,364
Travelling and conveyance		45,961	41,328
Repairs and maintenance		6,464	5,870
Vehicle running expenses		145,007	120,592
Advertising and sales promotion		2,194,418	1,753,255
Royalty on sale of licensed products		105,752	86,762
Postage, telephone and internet charges		15,479	14,179
Rent, rates and taxes		56,183	37,992
Printing and stationery		5,192	3,992
Subscription and membership		5,500	1,992
Legal and professional		869	829
Freight		756,714	656,898
Electricity		11,382	9,510
Insurance		24,281	17,621
Security service charges		6,445	6,082
Depreciation	4.1.6	42,778	33,170
Amortisation	5.3	658	269
Other expenses		17,600	18,604
		3,810,894	3,121,005
Charge / (recovery) from related parties		162	(969)
		3,811,056	3,120,036

		Note	2014	2013
			(Rupees in '000)	
27.	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits		102,983	91,284
	Staff retirement gratuity	21.8	3,975	3,746
	Provident fund		4,573	3,871
	Travelling and conveyance		6,330	4,899
	Repairs and maintenance		13,035	11,672
	Vehicle running expenses		12,176	10,566
	Postage, telephone and internet charges		5,767	6,396
	Rent, rates and taxes		4,321	4,705
	Printing and stationery		2,383	2,376
	Subscription and membership		8,863	6,102
	Legal and professional		6,354	2,223
	Electricity		4,141	3,408
	Insurance		7,749	7,376
	Security service charges		4,494	4,080
	Depreciation	4.1.6	22,053	14,851
	Amortisation	5.3	2,375	4,576
	Others		2,588	739
			214,160	182,870
	Charge / (recovery) from related parties		9,512	(732)
			223,672	182,138
28.	**OTHER EXPENSES**			
	Workers' profits participation fund	22.3	132,071	120,836
	Workers' welfare fund	28.1	49,762	33,034
	Auditors' remuneration	28.2	2,523	1,864
	Property, plant and equipment - written off	4.1.1	1,118	1,501
	Donations	28.3	18,576	16,200
	Provision for impairment - trade debts	10.2	4,986	-
	Net exchange loss		-	7,866
			209,036	181,301
28.1	Workers' welfare fund			
	Charge for the year		49,101	45,257
	Prior year		661	(12,223)
			49,762	33,034
28.2	Auditors' remuneration			
	Audit fee		776	690
	Fee for half yearly review		338	300
	Tax and others		937	560
			2,051	1,550
	Out of pocket expenses		472	314
			2,523	1,864

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

Name of director	Interest in donee	Name and address of donee	2014 (Rupees in '000)	2013 (Rupees in '000)
Mr. Iqbal Ali Lakhani	(See note 1 below)	Special Olympics Pakistan, 205, Sunset Tower, Sunset Boulevard, DHA, Phase-II, Karachi.	500	-
Note 1: Spouse of Mr. Iqbal Ali Lakhani is the Program Chief Executive of the donee organisation.				
Mr. Zulfiqar Ali Lakhani	(See note 2 below)	Zulfiqar & Fatima Foundation, 9 - Khayaban-e-Ghazi, DHA, Phase-V, Karachi.	-	7,200
Note 2: Mr. Zulfiqar Ali Lakhani, his spouse and children are trustees of the donee organisation.				
Mr. Zulfiqar Ali Lakhani, Mr. Amin Mohammed Lakhani and Mr. Iqbal Ali Lakhani	(See note 3 below)	Hasanali and Gulbanoo Lakhani Foundation	18,000	9,000

Note 3: The above mentioned directors are trustees of Hasanali and Gulbanoo Lakhani Foundation

29. OTHER INCOME

	Note	2014 (Rupees in '000)	2013 (Rupees in '000)
Income from financial assets / liabilities			
Profit on savings accounts		47,633	33,244
Profit on treasury bills		3,269	891
Profit on a term deposit receipt		115	117
Profit on short term investments		-	163
Net exchange gain		9,786	-
Gain on disposal of short term investments		49,484	23,669
Liabilities no longer payable written back		91	431
		110,378	58,515
Income from non-financial assets			
Insurance commission		9,016	7,867
Gain on disposal of items of property, plant and equipment	4.1.5	6,974	8,399
Sale of scrap		14,309	14,334
Interest income of employee loan		51	39
		30,350	30,639
		140,728	89,154

30. FINANCE COST AND BANK CHARGES

	2014	2013
Markup on short term borrowings	27	65
Guarantee commission	546	524
Bank commission and other charges	17,223	14,787
	17,796	15,376

31. TAXATION

	2014	2013
	(Rupees in '000)	
Current		
- for the year	776,017	706,640
- for prior years	3,352	(31,237)
	779,369	675,403
Deferred tax	(13,023)	(1,704)
	766,346	673,699

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

	2014	2013
	Percentage	
Applicable tax rate	34.00	35.00
Tax effect of income assessed under final tax regime	0.34	(1.30)
Tax effect of change in statutory tax rate for next year	(1.13)	(0.57)
Tax credits	(2.19)	(1.49)
Others	-	(0.48)
	31.02	31.16
Tax effect of income tax provision relating to prior years	0.14	(1.38)
	31.16	29.78

32. EARNINGS PER SHARE

	2014	2013
	(Rupees in '000)	
Profit after taxation	1,693,253	1,589,150
	(Number of shares)	(Restated)
Weighted average number of ordinary shares outstanding during the year	47,954,929	47,954,929
	(Rupees)	(Restated)
Earnings per share	35.31	33.14

32.1 There are no dilutive potential ordinary shares outstanding as at June 30, 2014 and 2013.

32.2 Earnings per share has been restated to account for the impact of issue of bonus shares.

	Note	2014	2013
		(Rupees in '000)	

33. CASH GENERATED FROM OPERATIONS

	Note	2014	2013
Profit before taxation		2,459,599	2,262,849
Adjustment for non-cash charges and other items:			
Depreciation and amortisation expense		459,269	390,346
Gain on disposal of items of property, plant and equipment		(6,974)	(8,399)
Provision for impairment - trade debts		4,986	-
Expenses for gratuity		18,094	18,083
Profit on savings accounts		(47,633)	(33,244)
Profit on a term deposit receipt		(115)	(117)
Profit on treasury bills		(3,269)	(891)
Gain on redemption of short term investments		(49,484)	(23,669)
Finance cost		27	65
Liabilities no longer payable written back		(91)	(431)
Stocks in trade written off		30,971	2,225
Property, plant and equipment written off		1,118	1,501
Working capital changes	33.1	42,189	134,893
		2,908,687	2,743,211

33.1 Working capital changes

	2014	2013
Decrease / (increase) in current assets:		
Stores and spares	(42,632)	(18,136)
Stock in trade	283,105	63,124
Trade debts	(124,636)	(40,916)
Loans and advances	8,664	(39,218)
Trade deposits and short term prepayments	(929)	(18,000)
Other receivables	6,904	(11,717)
	130,476	(64,863)
Increase / (decrease) in current liabilities:		
Trade and other payables	(88,287)	199,756
	42,189	134,893

34. PROPOSED DIVIDEND

The Board of Directors in their meeting held on July 24, 2014 has proposed a cash dividend of Rs 17 per share (2013: Rs 14 per share) for the year ended June 30, 2014, amounting to Rs 815.234 million (2013: Rs 610.336 million), bonus issue nil shares (2013: Rs 4,359,539 shares @ one share for every ten shares held) and transfer of unappropriated profit to general reserve amounting to Rs 878 million (2013: Rs 935 million) subject to the approval of members at the annual general meeting to be held on September 17, 2014.

35. RELATED PARTY DISCLOSURES

35.1 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. 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	2014	2013
		(Rupees in '000)	
Sale of goods, services provided and reimbursement of expenses	Associates	28,642	21,600
Purchase of goods, services received and reimbursement of expenses	Associates	1,564,774	1,176,484
Rent, allied and other charges	Associates	21,422	20,037
Purchase of short term investments	Associate	1,200,000	1,200,000
Sale proceeds on redemption of short term investments	Associate	575,000	925,000
Profit on short term investments	Associate	-	163
Royalty charges	Joint venture company	105,752	86,762
Sale of property, plant and equipment	Associate	137	-
Contribution to staff retirement benefits	Employees fund	46,620	42,591
Donations	Associate	18,000	16,200
Compensation paid to key management personnel	Key management personnel	See note 36.1	
Insurance claims received	Associate	9,471	5,192
Insurance commission income	Associate	9,016	7,867
Purchase of property, plant and equipment	Associates	2,321	6,178
Dividend paid	Associates / Joint Venture	536,771	447,330

35.2 The related party status of outstanding balances as at June 30, 2014 are included in trade debts (note 10), loans and advances (note 11), other receivables (note 13), investments (note 15) and trade and other payables (note 22). These are to be settled in the ordinary course of business. The receivables and payables are primarily unsecured in nature and bear no interest.

35.3 For better presentation, the Company has reassessed the requirements of IAS 24 - 'Related-Party Disclosures' and has changed the disclosures of related party transactions and balances alongwith the corresponding amounts in these financial statements.

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

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

	Chief Executive		Director		Executives	
	2014	2013	**2014**	2013	**2014**	2013
	(Rupees in '000)					
Managerial remuneration	-	2,691	2,973	2,740	154,355	125,924
Bonus / commission	-	-	518	460	33,601	24,464
Staff retirement gratuity	-	-	772	733	2,079	1,745
Provident fund	-	-	268	247	12,842	10,816
Housing	-	807	1,338	1,233	69,615	56,752
Utilities	1,411	1,383	-	-	-	-
Motor vehicles	1,453	1,417	310	294	18,791	15,095
Others	-	-	307	283	22,062	18,522
	2,864	6,298	6,486	5,990	313,345	253,318
Number of persons	1	1	1	1	144	118

36.2 The Chief Executive, a working director and the executives of the Company are also provided with Company maintained cars.

36.3 The Company considers its Chief Executive and the Director as its key management personnel.

37. FINANCIAL INSTRUMENTS BY CATEGORY

	2014	2013
	(Rupees in '000)	
FINANCIAL ASSETS		
Loans and receivables at amortised cost		
Long term loans	14,306	13,565
Long term security deposits	14,587	13,581
Trade debts	653,003	533,353
Loans and advances	10,487	8,672
Trade deposits	15,875	14,272
Other receivables	11,653	18,591
Profit receivable from banks	188	9
Cash and bank balances	853,956	1,051,925
	1,574,055	1,653,968
Held to Maturity		
Short term investments	-	196,731
Available for sale		
Short term investments	2,144,508	781,541
	3,718,563	2,632,240
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Long term deposits	21,232	18,459
Trade and other payables	1,575,356	1,803,622
	1,596,588	1,822,081

38. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

38.1 The Company's activities expose it to certain financial risks. Such financial risks emanate from various factors that include, but not limited to, market risk, credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risks measured and managed by the Company are explained in notes 38.1.1, 38.1.2 and 38.1.3 below:

38.1.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail to perform as contracted.

Out of the total financial assets of Rs 3,718.501 million (2013: Rs 2,632.240 million), the financial assets that are subject to credit risk amounted to Rs 3,718.027 million (2013: Rs 2,435.054 million).

The analysis below summarises the credit quality of the Company's financial assets as at June 30, 2014 / 2013.

The bank balances along with credit ratings are tabulated below:

	2014	2013
	(Rupees in '000)	
Credit ratings		
A-1+	695,218	805,630
Others	158,264	245,840
	853,482	1,051,470

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

	2014	2013
	(Rupees in '000)	
Credit ratings		
AA(f)	1,529,774	577,307
AA+(f)	614,734	204,234
	2,144,508	781,541

For trade debts, internal risk assessments process determines the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are fixed by the management based on internal or external ratings. The utilisation of credit limits is regularly monitored. Accordingly the credit risk is minimal and the Company also believes that it is not exposed to major concentration of credit risk.

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

	2014	2013
	(Rupees in '000)	
Due from customers other than related parties		
Institutional customers	366,617	362,689
Distributors	307,207	149,528
Others	8,042	50,713
	681,866	562,930

Out of Rs 681.866 million (2013: Rs 562.930 million), the Company has provided Rs 30.968 million (2013: Rs 30.943 million) as the amounts being doubtful to be recovered from certain customers.

The balances of financial assets held with related parties are as follows:

	2014	2013
	(Rupees in '000)	
Trade debts	2,105	1,366
Other receivables	10,787	18,241
	12,892	19,607

Due to the Company's long standing business relationships with the other counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by the other counter parties on their obligations to the Company.

38.1.2 Liquidity risk

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

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

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

	Non- interest/mark-up bearing		
	Maturity within one year	**Maturity after one year**	**Total**
	----------------------(Rupees in '000)------------------		
		June 30, 2014	
Financial liabilities			
Long term deposits	-	21,232	21,232
Trade and other payables	1,575,356	-	1,575,356
	1,575,356	21,232	1,596,588
		June 30, 2013	
Financial liabilities			
Long term deposits	-	18,459	18,459
Trade and other payables	1,803,622	-	1,803,622
	1,803,622	18,459	1,822,081

38.1.3 Market Risk

Currency Risk

Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company primarily has foreign currency exposures in US Dollars (USD) and Euro.

At June 30, 2014, had Pakistani rupees weakened / strengthened by 5% against the USD and Euro with all other variables held constant, profit before taxation for the year would have been lower / higher by Rs 11.050 million (2013: Rs 25.671 million). This will mainly result due to foreign exchange gains / losses on translation of USD and Euro denominated bank balances and bills payables.

Interest rate risk

Interest / mark-up rate risk arises from the possibility that changes in interest / mark-up rates will affect the value of financial instruments. At June 30, 2014 the Company's financial instruments mainly affected due to changes in the interest rates are balances placed on deposit accounts with banks where changes in interest rates may have impact on the future profits / cash flows. The effects of changes in interest rates on the future profits arising on the balances placed on deposit accounts with banks is not considered to be material in the overall context of these financial statements.

Other price risk

Other price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The effects of changes in fair value of such investments made by Company, on the future profits are not considered to be material in the overall context of these financial statements.

38.1.4 Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

As at June 30, 2014 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Financial assets which are tradeable in an open market are revalued at the market prices prevailing on the balance sheet date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values as these financial assets and liabilities are short term in nature.

The Company classifies the financial statements measured in the balance sheet at fair value in accordance with the following fair value measurement hierarchy:

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Financial assets classified as short term investments - available for sale are classified under level 1 as at June 30, 2014.

39. CAPITAL RISK MANAGEMENT

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholders.

As at June 30, 2014 and 2013, the Company had surplus reserves to meet its requirements.

40. ENTITY-WIDE INFORMATION

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

40.2 Information about products

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

	2014	2013
Personal Care	22%	21%
Home Care	74%	75%
Others	4%	4%
	100%	100%

40.3 Information about geographical areas

The Company does not hold non-current assets in any foreign country. Revenues from external customers attributed to foreign countries in aggregate are not material in the overall context of these financial statements.

40.4 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.

41. PLANT CAPACITY AND ACTUAL PRODUCTION

	2014	2013
	(Quantities in tons)	
Capacity	233,900	232,700
Production	167,441	157,048

Actual production was sufficent to meet the demand.

42. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on latest un-audited financial statements of the Fund:

	2014	2013
	(Rupees in '000)	
Size of the fund - Total assets	464,214	410,549
Cost of investments made	434,681	386,353
Percentage of investments made	100%	100%
Fair value of investments	464,214	410,549

42.1 The break-up of fair value of investments is:

	2014		2013	
	(Rs in '000)	**-----%------**	(Rs in '000)	------%------
Shares in listed companies	18,256	3.93%	18,028	4.39%
Bank balances	28,183	6.07%	346	0.08%
Government securities	302,708	65.21%	316,571	77.11%
Debt securities	36,501	7.86%	2,003	0.49%
Mutual funds	78,566	16.93%	73,601	17.93%
	464,214	100%	410,549	100%

42.2 The investments out of provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

43. NUMBER OF EMPLOYEES

The total and average number of employees during the year and as at June 30, 2014 and 2013 respectively are as follows:

	No of employees	
Average number of employees during the year	734	720
Number of employees as at June 30, 2014 / 2013	736	728

44. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on July 24, 2014 by the board of directors of the Company.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

PATTERN OF SHAREHOLDING

Held by the shareholders as at June 30, 2014

Incorporation Number KAR-5010 OF 1977-78
CUIN Registration No. 005832

No. of shareholders	Shareholdings From	To		Total shares held
412	1	100	Shares	9,008
158	101	500	Shares	42,018
68	501	1,000	Shares	52,196
94	1,001	5,000	Shares	182,081
13	5,001	10,000	Shares	83,033
6	15,001	20,000	Shares	102,890
1	20,001	25,000	Shares	24,442
2	25,001	30,000	Shares	50,927
1	40,001	45,000	Shares	42,782
1	65,001	70,000	Shares	65,546
2	160,001	165,000	Shares	325,689
1	1,470,001	1,475,000	Shares	1,471,562
1	2,320,001	2,325,000	Shares	2,322,291
1	2,490,001	2,495,000	Shares	2,494,816
1	5,840,001	5,845,000	Shares	5,841,299
1	8,330,001	8,335,000	Shares	8,334,616
1	12,120,001	12,125,000	Shares	12,123,267
1	14,385,001	14,390,000	Shares	14,386,466
765	**Total**			47,954,929

Categories of shareholders	shares held	Percentage
Directors, Chief Executive Officer, and their spouses and minor children	2,338,893	4.88
Associated Companies, undertakings and related parties	27,795,811	57.96
NIT and ICP	201	-
Banks, Development Financial Institutions, Non Banking Financial Institutions, Insurance Companies	2,393	0.01
Modarabas and Mutual Funds	1,146	-
Shareholders holding 10 %	40,685,648	84.84
General Public		
a. Local	888,217	1.85
b. Foreign	-	-
Others	16,928,268	35.30

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

Zulfiqar Ali Lakhani
Chief Executive

DETAILS OF PATTERN OF SHAREHOLDING AS PER REQUIREMENTS OF CODE OF CORPORATE GOVERNANCE

i)		**ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES**		**SHARES HELD**
	1.	M/s. SIZA (Pvt) Limited		8,334,616
	2.	M/s. SIZA Services (Pvt) Limited		12,123,267
	3.	M/s. SIZA Commodities (Pvt) Limited		1,471,562
	4.	M/s. Premier Fashions (Pvt) Limited		5,841,299
	5.	M/s. Century Insurance Company Limited		17,639
	6.	Mr. Sultan Ali Lakhani		337
	7.	Mrs. Shaista Sultan Ali Lakhani		536
	8.	Mr. Babar Ali Lakhani		2,880
	9.	Mr. Bilal Ali Lakhani		944
	10.	Mr. Danish Ali Lakhani		1,662
	11.	Miss Anushka Zulfiqar Lakhani		436
	12.	Miss Anika Amin Lakhani		633
ii)		**MUTUAL FUND**		
		CDC - Trustee AKD Index Tracker Fund		1,146
iii)		**DIRECTORS AND THEIR SPOUSES AND MINOR CHILDREN**		
	1.	Mr. Iqbal Ali Lakhani	Chairman/Director	2,327,687
	2.	Mr. Zulfiqar Ali Lakhani	Director/Chief Executive	1,565
	3.	Mr. Amin Mohammed Lakhani	Director	5,260
	4.	Mr. Tasleemuddin Ahmed Batlay	Director	1,956
	5.	Ms. Aliya Saeeda Khan	Director	1,000
	6.	Mr. Jerome Graham Webb	Nominee of Colgate-Palmolive Company, USA	-
	7.	Mr. Mukul Deoras	Nominee of Colgate-Palmolive Company, USA	-
	8.	Mrs. Ronak Iqbal Lakhani W/o. Iqbal Ali Lakhani		498
	9.	Mrs. Fatima Lakhani W/o. Zulfiqar Ali Lakhani		310
	10.	Mrs. Saira Amin Lakhani W/o. Amin Mohammed Lakhani		617
iv)		**EXECUTIVES**		2,828
v)		**PUBLIC SECTOR COMPANIES AND CORPORATIONS**		NIL
vi)		**BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS AND: [Other than those reported at i (5)**		2,594
vii)		**SHAREHOLDERS HOLDING 5% OR MORE**		
		M/s. Colgate-Palmolive Co., USA.		14,386,466
		M/s. Arisaig India Fund Limited, Hongkong		2,494,816
		[Other than those reported at i(1), i(2) & i(4)]		
viii)		**INDIVIDUALS AND OTHER THAN THOSE MENTIONED ABOVE**		932,375
				47,954,929

OPERATING AND FINANCIAL HIGHLIGHTS

BALANCE SHEET	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
	(Rupees in '000)					
Property,plant and equipment	3,147,236	3,185,014	2,863,125	2,680,784	1,873,118	1,168,256
Intangible assets	4,810	4,987	6,341	18,775	32,155	42,074
Long term loans and security deposits	28,893	27,146	20,164	22,709	23,597	24,935
	3,180,939	3,217,147	2,889,630	2,722,268	1,928,870	1,235,265
Current assets	7,026,946	5,986,094	5,006,017	3,687,865	2,877,700	2,705,155
Current liabilities	1,979,991	2,067,693	1,867,801	1,668,040	1,011,144	1,072,926
	5,046,955	3,918,401	3,138,216	2,019,825	1,866,556	1,632,229
TOTAL ASSETS EMPLOYED	8,227,894	7,135,548	6,027,846	4,742,093	3,795,426	2,867,494
REPRESENTED BY						
Equity						
Paid-up capital	479,549	435,954	363,295	315,909	274,704	238,873
Reserves	7,233,554	6,194,232	5,186,354	4,054,720	3,302,442	2,461,338
Remeasurement on post retirement benefits obligation	(43,623)	(26,738)	(16,596)	(15,322)		
Surplus on revaluation of investments	75,754	27,970	3,189			
	7,745,234	6,631,418	5,536,242	4,355,307	3,577,146	2,700,211
Non-Current liabilities						
Long term loans,deposits deferred tax and deferred liability	482,660	504,130	491,604	386,786	218,280	167,283
	482,660	504,130	491,604	386,786	218,280	167,283
	8,227,894	7,135,548	6,027,846	4,742,093	3,795,426	2,867,494
PROFIT AND LOSS ACCOUNT						
Turnover	29,367,346	25,515,265	23,327,820	18,132,057	14,583,936	13,994,706
Less : Sales tax & sed	4,668,503	3,869,346	3,464,671	2,994,755	2,260,329	2,148,237
: Trade discounts *	1,472,757	1,378,479	1,154,438	986,882	794,297	581,792
	6,141,260	5,247,825	4,619,109	3,981,637	3,054,626	2,730,029
Net turnover	23,226,086	20,267,440	18,708,711	14,150,420	11,529,310	11,264,677
Cost of sales	16,645,655	14,594,894	13,297,138	9,990,872	7,699,401	8,482,756
Gross profit	6,580,431	5,672,546	5,411,573	4,159,548	3,829,909	2,781,921
Administrative,selling and distribution cost *	(4,034,728)	(3,302,174)	(3,006,685)	(2,274,972)	(1,988,119)	(1,527,738)
Other expenses	(209,036)	(181,301)	(206,472)	(164,081)	(156,206)	(112,508)
Other income	140,728	89,154	62,192	72,573	89,644	53,297
	(4,103,036)	(3,394,321)	(3,150,965)	(2,366,480)	(2,054,681)	(1,586,949)
Profit from operations	2,477,395	2,278,225	2,260,608	1,793,068	1,775,228	1,194,972
Finance costs	17,796	15,376	17,587	11,933	11,036	48,867
Profit before taxation	2,459,599	2,262,849	2,243,021	1,781,135	1,764,192	1,146,105
Taxation	766,346	673,699	621,728	616,801	612,553	396,139
Profit after taxation	1,693,253	1,589,150	1,621,293	1,164,334	1,151,639	749,966

OPERATING AND FINANCIAL HIGHLIGHTS-CONTINUED

		2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
FINANCIAL RATIOS							
RATE OF RETURN							
Pre tax return on equity	%	32	34	41	41	49	42
Post tax return on equity	%	22	24	29	27	32	28
Return on average capital employed	%	22	24	30	27	35	29
Interest cover	times	139	148	129	150	161	24
PROFITABILITY							
Gross profit margin	%	28	28	29	29	33	25
Operating profit to sales	%	11	11	12	13	15	11
Pre tax profit to sales	%	11	11	12	13	15	10
Post tax profit to sales	%	7	8	9	8	10	7
LIQUIDITY							
Current Ratio	ratio	3.5:1	2.9:1	2.7:1	2.2:1	2.8:1	2.5:1
Quick ratio	ratio	2.2:1	1.5:1	1.1:1	0.8:1	1.5:1	1.5:1
FINANCIAL GEARING							
Debt equity ratio	ratio	0:100	0:100	0:100	0:100	0:100	0:100
Gearing ratio	times	0.32	0.39	0.43	0.47	0.34	0.46
CAPITAL EFFICIENCY							
Debtors turnover	days	10	10	10	8	10	11
Inventory turnover	days	58	71	72	67	58	46
Total assets turnover	times	2	2	2	2	2	3
Property, plant and equipment turnover	times	7	6	7	5	6	9
INVESTMENT MEASURES PER ORDINARY SHARE							
Earnings per share - restated	Rs	35.31	33.14	33.81	24.28	24.01	15.64
Dividend cash (including proposed)	Rs	17	14	14	14	13.50	11.50
Dividend payout (including bonus)	%	48	41	36	42	36	41
Dividend yield	%	1	1	2	2	3	5
Price earning ratio - restated	times	50.72	55.37	28.98	31.68	24.42	17.90
Break-up value - restated	Rs	161.51	138.28	115.45	90.82	74.59	56.31
Market value - low	Rs	1,310.00	970.00	534.83	556.01	277.26	261.74
Market value - high	Rs	1,969.00	2,100.00	979.99	1,008.18	658.99	689.90
Market value - year end	Rs	1,791.00	1,835.00	979.99	769.25	586.40	280.00
Market capitalization -restated	Rs in Mn	85,887	87,997	46,995	36,889	28,121	13,427
Dividend - Cash	%	170	140	140	140	135	115
Dividend - Bonus shares	%	0	10	20	15	15	15

FORM OF PROXY

I/We ____

of ____

a member of **COLGATE-PALMOLIVE (PAKISTAN) LIMITED**

hereby appoint ____

of ____

or failing him ____

of ____

who is/are also member/s of Colgate-Palmolive (Pakistan) Limited to act as my/our proxy and to vote for me/us and on my/our behalf at the Annual General Meeting of the shareholders of the Company to be held on the 17th day of September 2014 and at any adjournment thereof.

Signed this____________day of____________________2014.

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

Signature over Revenue Stamp

Witness 1

Signature ____________________

Name ____________________

CNIC No. ____________________

Address ____________________

____

Witness 2

Signature ____________________

Name ____________________

CNIC No. ____________________

Address ____________________

____

Notes:

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

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AFFIX
CORRECT
POSTAGE

Company Secretary
COLGATE-PALMOLIVE (PAKISTAN) LIMITED
Lakson Square, Building No. 2,
Sarwar Shaheed Road,
Karachi.74200.
Phone: 35698000

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COLGATE-PALMOLIVE (PAKISTAN) LTD.

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