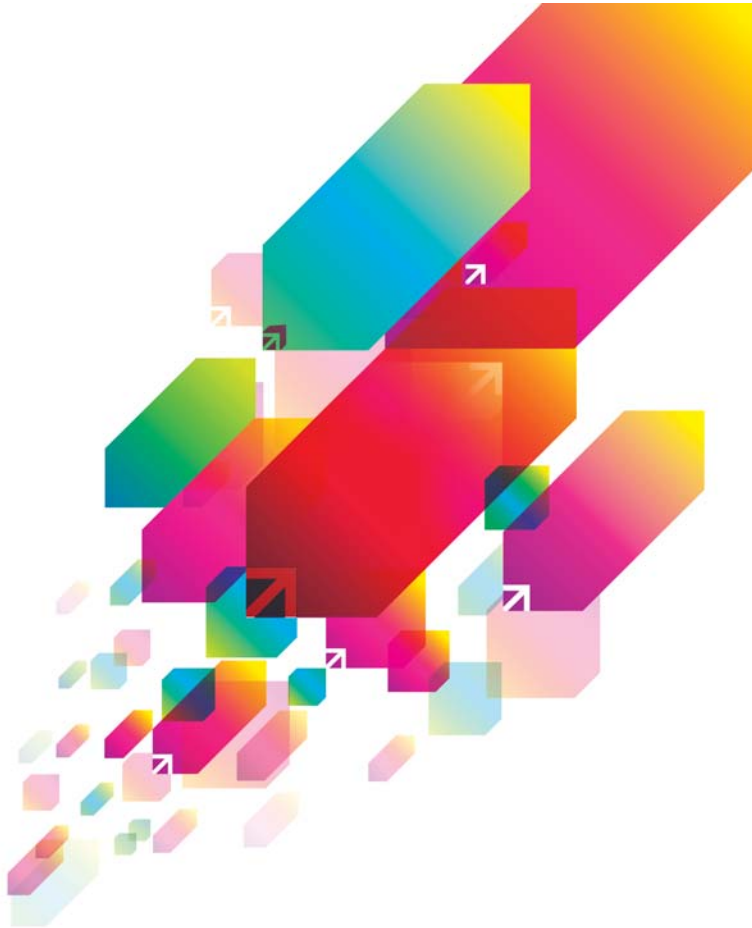


First Quarter Report
July - September 2016





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BOARD OF DIRECTORS

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

Chairman

Chief Executive

ADVISOR

Sultan Ali Lakhani

AUDIT COMMITTEE

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

Chairperson

HUMAN RESOURCE & REMUNERATION COMMITTEE

Iqbal Ali Lakhani
Zulfiqar Ali Lakhani
Amin Mohammed Lakhani

Chairman

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., Shakra-e-Faisal, Karachi.

FACTORIES

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

217, Sundar Industrial Estate
Raiwind Road, Lahore

WEBSITE

www.colgate.com.pk



DIRECTORS' REPORT

The Directors of your Company are pleased to present un-audited condensed financial statements of the Company for the quarter ended September 30, 2016.

Financial Highlights

The financial results of the Company are summarized below:

Operating Results	July- September 2016	July- September 2015	Increase/ Decrease
	Rs. in million		
Gross Revenue	8,795	7,794	12.8%
Net Revenue	6,861	6,062	13.2%
Gross Profit	2,541	2,099	21.1%
Gross Profit %	37.04%	34.63%	+241 bps
Operating Profit	1,080	919	17.6%
Profit After Tax	736	652	12.9%
Earnings per Share - Rupees	15.34	13.59	12.9%

Gross Revenue of the Company increased by 12.8% over the corresponding quarter last year, driven by volume growth in all categories. Gross profit margin of the Company grew by 241 bps to 37.04% continued low oil price contributed in lowering of material cost, utilities and freight. The NPAT stood at PKR 736 million, a growth of 12.9% Quarter on Quarter basis.

The Company continued to invest in its brands. Selling & Distribution costs during the quarter increased by 24.4 % on account of increased spending on media and promotion.

Earnings per share have increased by 12.9% to PKR 15.34 as compared to first quarter last year.

Business Performance Highlights

In the oral care category, we looked to adding and enhancing our hyper sensitivity management range. In the growing sensitivity segment, a new innovative variant of Repair and Prevent was added to our Colgate Sensitive Pro Relief portfolio.

In partnership with leading Dental Institutes, clinics and practitioners, the Company organized 'Oral Health Month' nationwide as its commitment to improve oral health in Pakistan. Over 400,000 people from all walks of life gained access to facilities of free dental checkups, professional advice and oral



health education during the month of September. With the help of our professional partners, the program was conducted in urban cities, smaller towns and rural areas. Specially designed mobile dental units manned by qualified dentists increased the reach of this public health program to people in small towns and rural areas with no access to dental care services.

The Company also entered the growing hair care category and launched Palmolive Naturals Shampoos. The range has six variants offering hair solutions suited to Pakistan consumers' hair care needs. The variants are available in bottles and sachets. Along with Shampoos, an exciting range of Hair Conditioners is also introduced in the top end retail. The launch is supported by television campaign, targeted in-store activation and a display and merchandising drive. This launch specifically positions the company favourably in the lucrative personal care segment for future times.

Palmolive Naturals bar soap continued delivering double digit volume and value growth.

Home care performed well in spite of intense competition from both organized and unorganized sectors. The increased level of advertising and direct-to-consumers activities resulted in the solid growth of fabric detergents. In dish washing the Company also continues to gain market share extending its leadership.

Future Outlook

With some early signs of increasing commodity prices, the Company anticipates pressure on margins going forward. The Company will continue to build a technologically superior distribution system as the strategic input to provide a competitive edge on-ground in both urban and rural markets. Supporting its future growth ambitions, the Company has firm plans to enter consumer relevant, profitable new categories with differentiating propositions.

Acknowledgement

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

On behalf of Board of Directors

IQBAL ALI LAKHANI
Chairman

Karachi : October 26, 2016



ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز بڑی مسرت کے ساتھ، مختتمہ سہ ماہی 30 ستمبر 2016 کے لیے غیر آڈٹ شدہ فنانشل اسٹیٹمنٹس کا خلاصہ پیش کرتے ہیں۔

مالیاتی کارکردگی کی جھلکیاں

کمپنی کا مختصر مالیاتی جائزہ ذیل کے مطابق ہے:

اضافہ (کمی)	جولائی - ستمبر 2015	جولائی - ستمبر 2016	کاروباری کارکردگی کے نتائج
	(روپے ملین میں)	(روپے ملین میں)	
12.8%	7,794	8,795	مجموعی آمدنی
13.2%	6,062	6,861	خالص آمدنی
21.1%	2,099	2,541	مجموعی منافع
241bps	34.63%	37.04%	مجموعی منافع %
17.6%	919	1,080	آپریٹنگ منافع
12.9%	652	736	منافع بعد از ٹیکس کٹوتی
12.9%	13.59	15.34	فی شیئر آمدنی - روپے فی شیئر

کمپنی کی مجموعی آمدنی میں گزشتہ سال کی اسی سہ ماہی کے مقابلے میں 12.8 فیصد اضافہ ہوا، جس کی وجہ تمام کیٹیگریز کے حجم میں اضافہ ہے۔ کمپنی کا مجموعی منافع 241bps بڑھ کر 37.04 فیصد ہو گیا۔ اس کا سبب تیل کی قیمتوں کے بدستور کم رہنے کی وجہ سے میٹر تیل کی لاگت، یوٹیلٹیز اور فریٹ کے اخراجات میں کمی ہونا ہے۔ ٹیکس کی کٹوتی کے بعد خالص منافع 736 ملین پاکستانی روپے رہا، جو کہ سہ ماہی بہ سہ ماہی کی بنیاد پر 12.9 فیصد اضافہ ہے۔

کمپنی بدستور اپنے برانڈز میں سرمایہ کاری کرتی رہی۔ اس سہ ماہی میں سیلنگ اور ڈسٹری بیوشن کے اخراجات میں 24.4 فیصد اضافہ ہوا، جس کی وجہ میڈیا اور پروموشنز کے اخراجات کا بڑھ جانا ہے۔

فی شیئر آمدنی گزشتہ سال کی اسی سہ ماہی کے مقابلے میں 12.9 فیصد بڑھ کر 15.34 پاکستانی روپے ہو گئی ہے۔

کاروباری کارکردگی کی جھلکیاں

اورل کئیر کیٹیگری میں ہم نے حساس دانتوں کی دیکھ بھال کے حوالے سے نئی رینج متعارف کرائی۔ حساس دانتوں کی بڑھتی ہوئی مارکیٹ کے لیے ہمارے Colgate Sensitive Pro Relief کے پورٹ فولیو میں ایک نیا اور جدید ویرینٹ ”رپیئر اینڈ پریوینٹ“ متعارف کرایا گیا۔



پاکستان میں لوگوں کے دانتوں کی صحت کو بہتر بنانے کے عزم کے ساتھ کپتی نے صنف اول کے ڈینٹل انشٹیٹیوٹس، کلینکس اور پریٹیکٹسز کی شراکت سے ”اورل ہیلتھ منیج“ کا انعقاد کیا۔ زندگی کے تمام شعبوں سے منسلک 400,000 سے زائد افراد نے ستمبر میں فری ڈینٹل چیک اپس، پیشہ ورانہ مشاورت کے ساتھ ساتھ دانتوں کی صحت و صفائی کے حوالے سے اچھی باتیں سیکھیں۔ اپنے پروفیشنل پارٹنرز کی مدد سے اس پروگرام کا انعقاد شہروں، چھوٹے قصبوں اور دیہی علاقوں میں کیا گیا۔ ایسے چھوٹے قصبوں اور دیہاتوں میں جہاں دانتوں کی دیکھ بھال اور علاج کی سہولیات اور رسائی نہیں ہے، وہاں خاص طور پر ڈیزائن کیے گئے موبائل ڈینٹل یونٹس کا انتظام کیا گیا، جن میں موجود کو ایبٹا ڈینٹلسٹس نے اس پبلک ہیلتھ پروگرام کو انفرادی تک پہنچایا۔

کمپنی نے تیزی سے آگے بڑھتی ہوئی ہینر کیئر کیٹیگری میں بھی قدم رکھ دیا ہے اور حال ہی میں پامولونچر لوشیو کی لانچ کی ہے۔ اس کی ریٹج میں 6 مختلف طرح کے شیمپوشال ہیں جو پاکستانی صارفین کے بالوں کی ضرورتوں کے مطابق بہترین حل فراہم کرتے ہیں۔ یہ تمام شیمپوز یونٹوں اور سائے میں دستیاب ہیں۔ جبکہ بڑی ریٹیل شاپس پر شیمپوز کے ساتھ ساتھ ہینر کنڈیشنرز کی بھی شاندار ریٹج متعارف کی گئی ہے۔ اس لانچ کی ٹیلی وژن پر بھر پور انداز میں تشہیر کی گئی، اسٹوریوں میں ایکٹیویشن اور ڈسپلے اور مرچنڈائزنگ بھی بڑے پیمانے پر کی گئی ہے۔ یہ لانچ کمپنی کے اس رجحان کو بھی خاص طور پر واضح کرتی ہے کہ مستقبل میں پرنٹل کیئر ایک منافع بخش سیکٹور ثابت ہوگا۔

پامولونچر بار سوپ سے مستقل بنیادوں پر دہرے ہندسوں کے سبز کے حجم حاصل ہو رہے ہیں اور برانڈ کی قدر میں بھی اضافہ ہو رہا ہے۔

غیر منظم اور منظم دونوں سیکٹرز کی جانب سے شدید مسابقت کے باوجود ہوم کیئر کی کارکردگی اچھی رہی ہے۔ ایڈورٹائزنگ میں اضافے اور صارفین کے ساتھ براہ راست رابطے کی سرگرمیوں کے نتیجے میں فیبرک ڈیزائن میں مستحکم اضافہ ہوا ہے۔ جبکہ ڈس وائش میں بھی کمپنی مستقل مارکیٹ شیئر حاصل کرتے ہوئے اپنی لیڈر شپ کو وسعت دے رہی ہے۔

مستقبل کا منظر نامہ

کوڈیٹی کی قیمتوں میں اضافے کے کچھ ابتدائی اشاروں کی مدد سے کمپنی، آگے آنے والے مارجنز پر بڑھتے ہوئے دباؤ کو قابو پانے کے لیے قبل از وقت اقدامات کر رہی ہے۔ کمپنی ٹیکنالوجی کے حوالے سے اعلیٰ ترین ڈسٹری بیوشن سسٹم قائم کرنے کے لیے کوشاں رہے گی، جس کا مقصد بہترین حکمت عملیوں کے ذریعے دیہی اور شہری دونوں مارکیٹس میں مسابقتی برتری فراہم کرنا ہے۔ مستقبل میں ترقی کے لیے اپنے عزائم کو سامنے رکھتے ہوئے، کمپنی صارفین کی ضرورتوں کے مطابق مختلف حکمت عملیوں اور لائحہ عمل کے ساتھ نئی منافع بخش کیٹیگریز میں قدم رکھنے کے لیے مستحکم منصوبے شروع کرنے کا ارادہ رکھتی ہے۔

اظہار تشکر

ہم اپنے برانڈز پر اعتماد کے لیے اپنے کسٹمرز کا شکریہ ادا کرنا چاہیں گے۔ ہم لگا تار سرپرستی کے لیے اپنے شیئر ہولڈرز، بینکرز اور سپلائرز کے تعاون اور کمپنی کے لیے خدمات پر اپنے ملازمین کا بھی شکریہ ادا کرنا چاہیں گے۔

بورڈ آف ڈائریکٹرز کی جانب سے

اقبال علی لاکھانی
چیئر مین

کراچی، 26 اکتوبر، 2016

**CONDENSED INTERIM BALANCE SHEET** (Unaudited-Note 2)

As at September 30, 2016

	Note	September 30, 2016 (unaudited) (Rupees in '000)	June 30, 2016 (audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,708,508	2,769,966
Intangible assets		4,606	6,091
Long term loans		36,617	30,675
Long term security deposits		17,887	17,887
		2,767,618	2,824,619
CURRENT ASSETS			
Stores and spares		167,640	158,257
Stock in trade	5	2,506,912	2,827,048
Trade debts		601,439	537,994
Loans and advances		195,803	208,587
Trade deposits and short term prepayments	6	139,502	110,647
Other receivables	7	16,170	15,986
Accrued profit		689	4,425
Taxation		275,178	461,116
Short term investments	8	5,310,716	5,436,147
Cash and bank balances		2,237,904	1,122,602
		11,451,953	10,882,809
TOTAL ASSETS		14,219,571	13,707,428
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 75,000,000 ordinary shares of Rs.10 each		750,000	750,000
Issued, subscribed and paid-up share capital	9	479,549	479,549
Reserves		9,557,690	10,260,504
Remeasurement on post retirement benefits obligation		(69,982)	(69,982)
Surplus on revaluation of investments		32,456	7,296
		9,999,713	10,677,367
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation		263,034	265,940
Long term deposits		55,237	48,644
Deferred liability		-	2,683
		318,271	317,267
CURRENT LIABILITIES			
Trade and other payables	10	3,901,587	2,712,794
TOTAL LIABILITIES		4,219,858	3,030,061
TOTAL EQUITY AND LIABILITIES		14,219,571	13,707,428
CONTINGENCIES AND COMMITMENTS	11		

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


Zulfiqar Ali Lakhani
Chief Executive


Tasleemuddin Ahmed Batlay
Director



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

For the Quarter ended September 30, 2016

Note	Quarter ended September 30, 2016	Quarter ended September 30, 2015
	(Rupees in '000)	
Turnover	8,794,812	7,794,057
Sales tax	(1,391,293)	(1,242,224)
Trade discounts	(542,471)	(489,583)
Net turnover	6,861,048	6,062,250
Cost of sales	(4,319,640)	(3,962,987)
Gross profit	2,541,408	2,099,263
Selling and distribution costs	(1,350,409)	(1,085,441)
Administrative expenses	(89,175)	(71,803)
Other expenses	(88,705)	(74,216)
Other income	67,342	50,711
Profit from operations	1,080,461	918,514
Finance costs and bank charges	(5,317)	(5,194)
Profit before taxation	1,075,144	913,320
Taxation		
- Current - for the period	347,500	296,500
- Deferred	(8,190)	(34,957)
	(339,310)	(261,543)
Profit after taxation	735,834	651,777
Other comprehensive income for the period-net of tax		
Items that may be reclassified subsequently to profit and loss		
Surplus on investments categorised as 'available for sale'	29,600	47,575
Impact of deferred tax	(4,440)	(5,947)
	25,160	41,628
Total comprehensive income for the period	760,994	693,405
	------(Rupees)-----	
Earnings per share	12	15.34
		13.59

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


Zulfiqar Ali Lakhani
Chief Executive


Tasleemuddin Ahmed Batlay
Director

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

For the Quarter ended September 30, 2016

	Issued, subscribed and paid up share capital	Capital reserve-share premium	Revenue reserves		Sub Total-reserves	Remeasurement on post retirement benefits obligation- net of tax	Surplus on revaluation of investments- net of tax	Total Equity
			General reserve	Unappropriated profit				
(Rupees in '000)								
Balance as at July 1, 2015	479,549	13,456	6,403,000	2,224,032	8,640,488	(67,469)	1,048	9,053,616
Transactions with owners								
Final dividend for the year ended June 30, 2015 (Rs. 25.00 per share)	-	-	-	(1,198,873)	(1,198,873)	-	-	(1,198,873)
Total transactions with owners	-	-	-	(1,198,873)	(1,198,873)	-	-	(1,198,873)
Comprehensive income for the period								
Profit after taxation for the quarter ended September 30, 2015	-	-	-	651,777	651,777	-	-	651,777
Other comprehensive income	-	-	-	-	-	-	41,628	41,628
Total comprehensive income for the quarter ended September 30, 2015	-	-	-	651,777	651,777	-	41,628	693,405
Transfer to general reserve	-	-	1,025,000	(1,025,000)	-	-	-	-
Balance as at September 30, 2015	479,549	13,456	7,428,000	651,936	8,093,392	(67,469)	42,676	8,548,148
Balance as at July 1, 2016	479,549	13,456	7,428,000	2,819,048	10,260,504	(69,982)	7,296	10,677,367
Transactions with owners								
Final dividend for the year ended June 30, 2016 (Rs. 30.00 per share)	-	-	-	(1,438,648)	(1,438,648)	-	-	(1,438,648)
Total transactions with owners	-	-	-	(1,438,648)	(1,438,648)	-	-	(1,438,648)
Comprehensive income for the period								
Profit after taxation for the quarter ended September 30, 2016	-	-	-	735,834	735,834	-	-	735,834
Other comprehensive income	-	-	-	-	-	-	25,160	25,160
Total comprehensive income for the quarter ended September 30, 2016	-	-	-	735,834	735,834	-	25,160	760,994
Transfer to general reserve	-	-	1,380,000	(1,380,000)	-	-	-	-
Balance as at September 30, 2016	479,549	13,456	8,808,000	736,234	9,557,690	(69,982)	32,456	9,999,713

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


Zulfiqar Ali Lakhani
 Chief Executive


Taseemuddin Ahmed Batlay
 Director



CONDENSED INTERIM CASH FLOW STATEMENT (Unaudited - Note 2)

For the Quarter ended September 30, 2016

Note **Quarter ended** Quarter ended
September 30, September 30,
2016 2015
(Rupees in '000)

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations	13	1,365,606	1,681,918
Taxes paid		(161,562)	(73,691)
Long term loans		(5,942)	(3,817)
Staff retirement gratuity paid		(16,968)	(22,869)
Long term deposits		6,593	4,175
Net cash generated from operating activities		1,187,727	1,585,716

CASH FLOWS FROM INVESTING ACTIVITIES

Payments of property, plant and equipment		(80,436)	(65,251)
Purchase of intangible assets		-	(1,645)
Short term investments made during the period		(3,079,442)	(2,491,619)
Proceeds from sale of property, plant and equipment		4,415	7,819
Profit received on savings accounts		23,340	14,732
Profit received on term deposit receipt		69	5,950
Sale proceeds on disposal of short term investments		4,391,311	2,100,199
Net cash inflow / (outflow) from investing activities		1,259,257	(429,815)

CASH USED IN FINANCING ACTIVITIES

Dividend paid		(212,753)	(833,215)
Net increase in cash and cash equivalents		2,234,231	322,686
Cash and cash equivalents at the beginning of the period		1,798,227	936,419
Cash and cash equivalents at the end of the period	14	4,032,458	1,259,105

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

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited - Note 2) For the Quarter ended September 30, 2016

1. THE COMPANY AND ITS OPERATIONS

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

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 These condensed interim financial statements of the Company for the period ended September 30, 2016 have been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan for interim financial reporting which comprise of the International Accounting Standard 34 - 'Interim Financial Reporting' and provision of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. These interim financial statements should be read in conjunction with the financial statements for the year ended June 30, 2016 as they provide an update of previously reported information.

2.2 These condensed interim financial statements comprise of the condensed interim balance sheet as at September 30, 2016 and the condensed interim profit and loss account, the condensed interim statement of changes in equity, the condensed interim cash flow statement and notes thereto for the three months period then ended.

2.3 The comparative condensed balance sheet, presented in these condensed interim financial statements, as at June 30, 2016 has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2016 whereas the comparative condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement for the period ended September 30, 2015 and are unaudited.

2.4 New standards, amendments to approved accounting standards and new interpretations which became effective during the quarter ended September 30, 2016:

There were certain new standards, amendments to the approved accounting standards and a new interpretation issued by the IFRS Interpretations Committee (formerly



international Financial Reporting Interpretations Committee) which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

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

There are certain amendments to the approved accounting standards that are mandatory for the Company's accounting periods beginning after July 1, 2016, but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

2.6 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements for the year ended June 30, 2016.

3. SIGNIFICANT ACCOUNTING ESTIMATES , JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied to financial statements as at and for the year ended June 30, 2016.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2016.

Note September 30, 2016 (unaudited)	June 30, 2016 (audited)
(Rupees in '000)	

4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (at net book value)	4.1 to 4.5	2,544,910	2,662,034
Capital work-in-progress (at cost)	4.6	163,598	107,932
		2,708,508	2,769,966



Quarter ended
September 30,
2016

Quarter ended
September 30,
2015

(Rupees in '000)

4.1 Additions - operating fixed assets (at cost)

Factory building on leasehold land	1,105	1,276
Plant and machinery	7,916	15,462
Electric fittings and installation	2,175	990
Furniture and fixtures	17	-
Tools and equipment	2,492	3,216
Vehicles	8,437	18,435
Computer and accessories	1,548	3,184
Office equipment	1,080	4,427
	<u>24,770</u>	<u>46,990</u>

4.1.1 Additions include transfers from capital work-in-progress aggregating Rs. nil (September 30, 2015 : Rs. 00.528 million).

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

Vehicles	2,364	5,008
Computer and accessories	22	-
Tools and equipment	-	104
Office equipment	-	212
	<u>2,386</u>	<u>5,324</u>

4.3 Depreciation charge for the period

	<u>139,508</u>	<u>133,170</u>
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4.4 Included in operating fixed assets are few items having cost of Rs. 37.380 million (June 30,2016: Rs. 37.380 million) held by third parties for manufacturing certain products of the Company. These fixed assets are free of lien and the Company has full rights of repossession of these assets.

4.5 During the period, the Company has identified certain items of operating fixed assets from which further economic benefits are no longer being derived. Therefore, assets having cost of Rs. 0.548 million (September 30, 2015: Rs. 1.735 million) and net book value Rs. nil (September 30, 2015: Rs. 0.007 million) have been retired from active use and have been written off in these condensed interim financial statements.



	Note	Quarter ended September 30, 2016	Quarter ended September 30, 2015
(Rupees in '000)			
4.6 Additions - Capital Work-in-Progress (at cost)			
Factory building on leasehold land		7,584	4,358
Plant and machinery		33,075	10,351
Electric fittings and installation		2,777	2,619
Tools and equipment		35	177
Furniture & fixtures		5,036	1,110
Computer and accessories		2,851	-
Office equipment		4,308	174
		<u>55,666</u>	<u>18,789</u>
		September 30, 2016 (unaudited)	June 30, 2016 (audited)
(Rupees in '000)			
5. STOCK IN TRADE			
Raw and packing materials	5.1	1,466,525	1,830,712
Work-in-process		269,118	261,086
Finished goods - Manufacturing		517,973	540,336
Finished goods - Trading		253,296	194,914
		<u>771,269</u>	<u>735,250</u>
		<u>2,506,912</u>	<u>2,827,048</u>
5.1	Stock in trade include raw and packing materials in transit aggregating Rs 416.138 million (June 30,2016 : Rs 851.949 million) and finished goods in transit aggregating Rs 21.361 million (June 30,2016 : Rs 15.240 million).		
6. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Security deposits		49,832	20,485
Prepayments		89,670	90,162
		<u>139,502</u>	<u>110,647</u>
7. OTHER RECEIVABLES			
Receivable from related parties	7.1	288	288
Sales Tax claimable		7,153	6,222
Special excise duties claimable		8,720	8,720
Insurance claims receivable from New Jubilee General Insurance		-	747
Others		9	9
		<u>16,170</u>	<u>15,986</u>



7.1 Other receivables include the following amount due from related party:

	Note	September 30, 2016 (unaudited)	June 30, 2016 (audited)
Century Insurance Company Limited		288	288

(Rupees in '000)

8. SHORT TERM INVESTMENTS

Investments - Held to maturity	8.1	2,224,609	1,925,262
Investments - Available for sale	8.2	3,086,107	3,510,885
		<u>5,310,716</u>	<u>5,436,147</u>

8.1	Name of the investment instrument / issuer	Maturity	Effective interest rate	As at July 1, 2016	Purchase during the period	Redemption during the period	As at September 30, 2016	Amortised cost as at September 30, 2016
				(Number of units '000)				(Rupees in '000)
	Treasury bills (T-bills) Government of Pakistan	Between January 2016 and January 2017	Between 5.84% and 6.17%	19,610	18,040	(15,170)	22,480	2,224,609

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

8.2	Name of the investee	As at July 01, 2016	Purchase during the period	Bonus units	Sales / Redemptions during the period	As at September 30, 2016	Average cost as at September 30, 2016	Fair Value as at September 30, 2016	Unrealised Gain as at September 30, 2016
		(Number of units '000)					(Rupees in '000)		
	Lakson Money Market Fund	11,993	-	-	(1,972)	10,021	1,002,642	1,016,654	14,012
	Lakson Income Fund	3,955	-	-	-	3,955	400,000	405,358	5,358
	ABL Govt. Securities Fund	49,804	-	-	(49,804)	-	-	-	-
	UBL Govt. Securities Fund	4,753	-	-	(4,753)	-	-	-	-
	Atlas Money Market Fund	1,398	398	-	(197)	1,599	801,161	811,482	10,321
	NAFA Money Market Fund	-	81,080	19	(10,025)	71,074	701,089	709,719	8,630
	Pakistan Investment Bonds (PIBs)	-	-	-	-	142,070	142,070	142,894	824
		<u>71,903</u>	<u>81,478</u>	<u>19</u>	<u>(66,751)</u>	<u>228,719</u>	<u>3,046,962</u>	<u>3,086,107</u>	<u>39,145</u>



9. SHARE CAPITAL

9.1 Authorised share capital

September 30, 2016 (unaudited)	June 30, 2016 (audited)		September 30, 2016 (unaudited)	June 30, 2016 (audited)
		(Number of shares)		(Rupees in '000)

75,000,000	75,000,000	Ordinary shares of Rs. 10 each	750,000	750,000
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9.2 Issued, subscribed and paid-up share capital

September 30, 2016 (unaudited)	June 30, 2016 (audited)		September 30, 2016 (unaudited)	June 30, 2016 (audited)
		(Number of shares)		(Rupees in '000)

5,882,353	5,882,353	Ordinary shares of Rs. 10 each fully paid in cash	58,824	58,824
42,072,576	42,072,576	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	420,725	420,725
<u>47,954,929</u>	<u>47,954,929</u>		<u>479,549</u>	<u>479,549</u>

Note	September 30, 2016 (unaudited)	June 30, 2016 (audited)
		(Rupees in '000)

10. TRADE AND OTHER PAYABLES

Trade creditors	10.1	699,875	632,767
Accrued liabilities	10.2	1,098,856	1,050,920
Bills payable		220,543	414,075
Advances from distributors		74,585	58,598
Sales tax payable		186,031	54,391
Royalty payable to an associated undertaking		182,088	152,147
Workers' profit participation fund		57,895	224,560
Workers' welfare fund		108,058	86,246
Retention money payable		4,270	3,831
Unclaimed dividend		1,231,978	6,084
Others	10.3	37,408	29,175
		<u>3,901,587</u>	<u>2,712,794</u>



- 10.1 This includes Rs. 55.218 million (June 30, 2016: Rs. 119.930 million) payable to related parties.
- 10.2 This includes Rs. 21.732 million (June 30, 2016: Rs. 17.042 million) payable to related parties.
- 10.3 This includes Rs.7.255 million (June 30, 2016: Rs. 0.755 million) payable to related parties.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

- 11.1.1 Certain cases have been filed against the Company by some employees claiming Rs. 4.167 million (June 30, 2016: Rs. 3.248 million) in aggregate. Provision has not been made in these condensed interim financial statements for the said amounts as the management of the Company, based on the advice of its legal counsel handling the subject cases, is of the opinion that matters shall be decided in the Company's favor.
- 11.1.2 Post dated cheques have been issued to custom authorities as a security in respect of duties and taxes amounting to Rs 19.758 million (June 30, 2016: Rs 19.758 million) payable at the time of exbonding of imported goods. Further, the custom authorities has withheld cheques which became due amounting to Rs 134.420 million on account of claim in relation to custom duty, sales tax and income tax made by custom authorities as mentioned in note 23.1.3 to the Company's financial statements for the year ended June 30, 2016.
- 11.1.3 There has been no change the case disclosed as contingency in note 23.1.3 to the Company's financial statements for the year ended June 30, 2016.
- 11.1.4 As stated in note 23.1.4 of the financial statements for the year ended June 30, 2016, the Company petition relating to Gas Infrastructure Development Cess is pending before the Sindh High Court. The amount of cess if determined to be payable by the Company with retrospective effect shall aggregate Rs 63.304 million. However, the Company based on the advice of its legal counsel, is confident of a favorable outcome of the aforementioned pending petition and, therefore, has not accounted for the amount of Rs 63.304 million in these condensed interim financial statements.
- 11.1.5 Contingent liabilities in respect of indemnities given to financial institutions for guarantees issued by them on behalf of the Company in the normal course of business aggregate Rs.37.984 million (June 30, 2016 - Rs. 37.948 million).

11.2 Commitments

- 11.2.1 Commitments in respect of capital expenditure and inventory items amount to Rs. 47.620 million and Rs. 299.143 respectively (June 30, 2016: Rs. 56.536 million and Rs. 547.060 respectively).
- 11.2.2 Outstanding letters of credit amount to Rs. 506.599 million (June 30, 2016: Rs. 240.406 million).
- 11.2.3 Outstanding duties leviable on clearing of stocks amount to Rs. 5.803 million (June 30, 2016: Rs. 10.576 million).



	Note	Quarter ended September 30, 2016	Quarter ended September 30, 2015
(Rupees in '000)			
12. EARNINGS PER SHARE			
Profit after taxation		735,834	651,777
		(Number of shares)	
Weighted average number of ordinary shares outstanding during the period		47,954,929	47,954,929
		(Rupees)	
Earnings per share		15.34	13.59
12.1	There were no dilutive potential ordinary shares outstanding as at September 30, 2016 and 2015.		
13. CASH GENERATED FROM OPERATIONS			
Profit before taxation		1,075,144	913,320
Adjustment for non-cash charges and other items:			
Depreciation expense		139,508	133,170
Amortisation expense		1,485	1,260
Gain on disposal of items of property, plant and equipment		(2,027)	(2,496)
Provision for impairment - trade debts		-	(61)
Staff retirement gratuity		16,968	6,805
Property, plant and equipment written off		-	7
Profit on savings accounts		(11,714)	(13,612)
Profit on a term deposit receipt		(69)	(5,950)
Profit on treasury bills		(31,165)	(7,795)
Profit on PIBs		(7,890)	-
Gain on disposal of short term investments		(8,581)	(8,865)
Net exchange loss		403	1,987
Working capital changes	13.1	193,544	664,148
		<u>1,365,606</u>	<u>1,681,918</u>
13.1 Working capital changes			
Decrease in current assets:			
Stores and spares		(9,383)	(7,663)
Stock in trade		320,136	317,860
Trade debts		(63,445)	87,748
Loans and advances		12,784	(4,229)
Trade deposits and short term prepayments		(28,855)	(86,107)
Other receivables		(184)	(678)
		<u>231,053</u>	<u>306,931</u>
(Decrease) / increase in current liabilities:			
Trade and other payables		(37,509)	357,217
		<u>193,544</u>	<u>664,148</u>



	Quarter ended September 30, 2016	Quarter ended September 30, 2015
	(Rupees in '000)	
14. CASH AND CASH EQUIVALENTS		
Cash and bank balances	2,237,904	1,259,105
Short term investments - Held to maturity	1,794,554	-
	<u>4,032,458</u>	<u>1,259,105</u>

15. RELATED PARTIES DISCLOSURES

15.1 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 Transaction	Relationship with the Company	Quarter ended September 30, 2016	Quarter ended September 30, 2015
		(Rupees in '000)	
Sale of goods, services and reimbursement of expenses	Associates	442	6,745
Purchase of goods and services received and reimbursement of expenses	Associates	484,691	450,344
Purchase of short term investments	Associates	-	300,000
Profit on short term investments	Associates	2,643	8,865
Sale proceeds on redemption of short term investments	Associates	197,357	300,000
Purchase of property, plant and equipment	Associates	20	-
Rent, allied and other charges	Associates	7,030	7,507
Royalty charges	Joint venture company	29,941	30,160
Insurance claims received	Associates	393	2,425
Insurance commission income	Associates	1,259	5,763
Contribution to staff retirement benefits	Employee fund	25,462	14,553
Compensation paid to Key management personnel	Key management personnel	18,056	19,516
Donation	Associates	4,500	4,500
Dividend paid	Associates / Joint venture	1,265,245	1,054,371



Nature of balances	Relationship with the Company	September 30, 2016 (unaudited)	June 30, 2016 (audited)
(Rupees in '000)			
Trade debts	Associates	3,124	3,086
Other receivable	Associates	Refer note 7.1	
Short term investments	Associates	1,422,012	1,600,863
Trade and other payables	Associates	Refer note 10	

16. ENTITY-WIDE INFORMATION

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

16.2 Information about products

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

	Quarter ended September 30, 2016	Quarter ended September 30, 2015
Personal Care	25%	24%
Home Care	72%	73%
Others	3%	3%
	100%	100%

16.3 Information about geographical areas

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

16.4 Information about major customers

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

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 26, 2016 by the Board of Directors of the Company.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director

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