



Quarterly
ACCOUNTS
MARCH 31, 2023



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CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

MEMBERS

Muhammad Fahad Saleem

Ovais Ather Yousuf

Muhammad Usman

Zeeshan Aamir

Syed Jawaid Iqbal

Zara Nadeem Ali

Saad Amarullah Khan

AUDIT COMMITTEE

CHAIRMAN

MEMBERS

Syed Jawaid Iqbal

Muhammad Fahad Saleem

Zeeshan Aamir

HEAD OF INTERNAL AUDIT

Tabish Jaleel Shaikh

HUMAN RESOURCE & REMUNERATION COMMITTEE

CHAIRMAN

MEMBERS

Syed Jawaid Iqbal

Ovais Ather Yousuf

Muhammad Fahad Saleem

CHIEF EXECUTIVE OFFICER

Ovais Ather Yousuf

CHIEF FINANCIAL OFFICER

Abdullah Saleh

COMPANY SECRETARY & SECRETARY TO THE AUDIT COMMITTEE

Moosa Haroon

AUDITORS

Yousuf Adil, Chartered Accountants

LEGAL ADVISORS

Azeem Rashid

BANKERS

Citibank, N.A.

Habib Bank Limited

Standard Chartered Bank

SHARE REGISTRAR

FAMCO Associates (Pvt) Ltd.

Management Consultants,

8-F, Next to Hotel Faran, Nursery, Block-6,

P.E.C.H.S. Shahra-e-Faisal, Karachi

Tel: + (92 21) 34380101-2

REGISTERED OFFICE

11th Floor, The Harbour Front, Dolmen City,

HC-3, Block-4, Abdul Sattar Edhi Avenue,

Clifton, Karachi - 75600, Pakistan.

Tel: + (92 21) 3520 5088

Fax: + (92 21) 3529 6150

Web: www.gillettepakistan.com



DIRECTORS REPORT

For the nine months period ended Mar 31, 2023

On behalf of the Board of Directors of Gillette Pakistan Limited ('the Company'), we are pleased to present the un-audited financial statements of the Company for the nine months ended Mar 31, 2023. The summary of the financial results are as follows:

		For the Nine Months Ended	
		March 31, 2023	March 31, 2022
Revenue from contract with customers	PKR in '000'	2,613,212	1,940,544
Gross Profit	PKR in '000'	1,385,449	480,357
GP	%	53.0%	24.8%
Profit before tax	PKR in '000'	230,615	120,681
Profit before tax	%	8.8%	6.2%
Profit after tax	PKR in '000'	112,614	19,878
Profit after tax	%	4.3%	1.0%
Earnings per share	PKR	3.53	0.62

Company was able to close nine months results with strong growth momentum where revenue grew by 35 % vs same period year ago. This is behind smart pricing and better sales mix. However, bottom line profit was only increased by 2.61% vs year ago due to all time high devaluation and commodity inflation. Management expects continued growth in revenue. It also foresees several challenges due to high cost of doing business and macroeconomic headwinds which might impact profitability. However, management will ensure to remain competitive.

The structure of the Board and Committees:

Board of Directors:

Muhammad Fahad Saleem	Chairman
Ovais Ather Yousuf	CEO
Muhammad Usman	Director
Zeeshan Aamir	Director
Zara Nadeem Ali	Director
Syed Jawaid Iqbal	Independent Director
Saad Amanullah Khan	Independent Director

Audit Committee:

Syed Jawaid Iqbal	Chairman
Muhammad Fahad Saleem	Member
Zeeshan Aamir	Member

HR & Remuneration Committee:

Syed Jawaid Iqbal	Chairman
Muhammad Fahad Saleem	Member
Ovais Ather Yousuf	Member

On behalf of the Board of Directors, we would like to express appreciation to our Shareholders for their absolute confidence, our valued Customers for their un-paralleled reliance in Company's illustrious product line and the Regulators and other stakeholders for their understanding and support.

On behalf of the Board,

Ovais Ather Yousuf
Chief Executive Officer

Muhammad Fahad Saleem
Director

April 26, 2023
Karachi



ڈائریکٹرز رپورٹ

برائے نو ماہ کی مدت ختم شدہ 31 مارچ 2023


جیلٹ پاکستان لمیٹڈ ("دی کمپنی") کے بورڈ آف ڈائریکٹرز کی جانب سے ہم ہمسرت کمپنی کے غیر آڈٹ شدہ مالیاتی اٹیٹیشنس برائے نو ماہ ختم شدہ 31 مارچ 2023 پیش کرتے ہیں۔ مالیاتی نتائج کا خلاصہ درج ذیل ہے:


For the Nine Months Ended			
MARCH 31, 2022	MARCH 31, 2023		
1,940,544	2,613,212	PKR in '000	سیلز - خالص
480,357	1,385,449	PKR in '000	مجموعی منافع
24.8%	53.0%	%	مجموعی منافع کی شرح
120,681	230,615	PKR in '000	نفع / (نقصان) قبل از ٹیکس
6.2%	8.8%	%	نفع / (نقصان) قبل از ٹیکس کی شرح
19,878	112,614	PKR in '000	نفع / (نقصان) بعد از ٹیکس
1.0%	4.3%	%	نفع / (نقصان) بعد از ٹیکس کی شرح
0.62	3.53	PKR	ای بی ایس

کمپنی کے نو ماہی نتائج کا اختتام اچھے نمبر پر ہوا جہاں آمدنی میں 35 فیصد اضافہ دیکھا گیا۔ اس کی وجہ قیمتوں کے فیصلے اور بہتر سیلز کمپنی تھا۔ البتہ قبل از ٹیکس منافع 2.6 فیصد تک محدود رہا جس کی وجہ روپے کی ناقدری اور افراط زر تھا جو گزشتہ سالوں کے مقابلے میں سب سے زیادہ تھا۔ انتظامیہ آگے بڑھتے ہوئے اضافی آمدنی کی امید کرتی ہے۔ اس کے ساتھ ہی ہمیں زرمبادلہ کی قدر میں کمی اور دیگر اخراجات کے بڑھنے کے مسائل درپیش ہیں جو مستقبل کے منافع پر اثر انداز ہو سکتے ہیں۔ تاہم انتظامیہ اس بات کو یقینی بنانے کی کوشش کر رہا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے ہم اپنے شیئرز ہولڈرز کے ہم پر بھروسہ اور اعتماد، اپنے معزز صارفین کے کمپنی کی معروف پروڈکٹ لائن پر مکمل اطمینان اور ریگولیٹرز اور دیگر اسٹیک ہولڈرز کے ادراک اور تعاون کیلئے بے حد شکر گزار ہیں۔ اس کے ساتھ ہم بورڈ آف ڈائریکٹرز کی ہدایات و رہنمائی کیلئے اور پورے سال میں انتظامیہ اور ملازمین کے مسلسل اور مضبوط عزم، سخت محنت اور تعاون کیلئے شکر ادا کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز


محمد فرید سلیم
ڈائریکٹر


اولیس اطہر یوسف
چیف ایگزیکٹو آفیسر

26 اپریل 2023
کراچی



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

Note	3	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
----- (Rupees in '000) -----			
ASSETS			
Bank balances	8	772,540	19,730
Advance income tax - net		25,620	20,558
Sales tax refundable - net		96,534	177,700
Other financial assets		5,000	26,795
Other receivables and prepayments		353,806	733,161
Trade deposits		1,831	90,949
Trade debts		384,667	264,936
Inventories		813,396	911,761
Total current assets		2,453,394	2,245,590
Non-current assets			
Property, plant and equipment		175,672	185,874
Right-of-use Assets		-	12,043
Long-term deposits		215	215
Total non-current assets		175,887	198,132
Total assets		2,629,281	2,443,722
LIABILITIES AND EQUITY			
Trade and other payables		550,848	1,043,884
Loan from associate company		930,000	350,000
Contract liabilities		85,226	76,986
Current portion of lease liabilities		-	12,362
Unclaimed dividend		1,357	13,368
Total current liabilities		1,567,431	1,496,600
Lease liabilities		-	2,201
Deferred Tax liabilities		1,905	400
Retirement benefit obligation - gratuity scheme		35,208	32,398
Total non-current liabilities		37,113	34,999
Total liabilities		1,604,544	1,531,599
Authorised capital 40,000,000 ordinary shares of Rs.10/- each		400,000	400,000
Issued, subscribed and paid-up capital		318,734	318,720
Unappropriated profit		706,003	593,403
Total equity		1,024,737	912,123
Total equity and liabilities		2,629,281	2,443,722

Contingencies and commitments

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The annexed notes 1 to 10 form an integral part of these financial statements.

OVAIS ATHER YOUSUF
Chief Executive Officer

ABDULLAH SALEH
Chief Financial Officer

MUHAMMAD FAHAD SALEEM
Director


Condensed Interim Profit or Loss and Other Comprehensive Income - (Unaudited)
 FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Nine months period ended		Quarter Ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rupees in '000)			
Revenue from contract with customers - net	2,613,212	1,940,544	1,000,079	652,923
Cost of goods sold	(1,227,763)	(1,460,187)	(333,230)	(489,975)
Gross profit	1,385,449	480,357	666,849	162,948
Selling, marketing and distribution expenses	(248,305)	(245,357)	(42,455)	(75,987)
Administrative expenses	(73,050)	(49,786)	(36,103)	(18,133)
Other operating expenses	(829,735)	(78,384)	(500,709)	(38,990)
Other income	69,668	16,035	40,695	4,154
Interest expense	(73,353)	(1,903)	(2,440)	(624)
Bank charges	(59)	(281)	(12)	(104)
	(1,154,834)	(359,676)	(541,024)	(129,684)
Profit before tax	230,615	120,681	125,825	33,264
Income tax expense	(118,001)	(100,803)	(29,500)	(20,220)
Profit after tax	112,614	19,878	96,325	13,044
Other comprehensive income for the period				
Items that may be reclassified subsequently to the statement of profit or loss	-	-	-	-
Items that will not be reclassified to the statement of profit or loss	-	-	-	-
Remeasurement of retirement benefit obligation	-	-	-	-
Total comprehensive income for the quarter	112,614	19,878	96,325	13,044
Earnings per share - basic and diluted	3.53	0.62	3.02	0.41

The annexed notes 1 to 10 form an integral part of these financial statements.



OVAIS ATHER YOUSUF
Chief Executive Officer



ABDULLAH SALEH
Chief Financial Officer



MUHAMMAD FAHAD SALEEM
Director



Condensed Interim Statement of Changes in Equity - (Unaudited)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Issued, sub- scribed and paid- up capital	Unappropriated profit	Total
	----- (Rupees in '000) -----		
Balance as at July 01, 2021	318,720	619,480	938,200
- Loss after taxation for the quarter ended September 30, 2021	-	19,878	19,878
- Other comprehensive income for the quarter ended September 30, 2021	-	-	-
Total comprehensive income for the quarter ended September 30, 2021	-	19,878	19,878
Balance as at March 31, 2022	<u>318,720</u>	<u>639,358</u>	<u>958,078</u>
Balance as at July 01, 2022	318,720	593,403	912,123
- Profit after taxation for the quarter ended September 30, 2022	-	112,614	112,614
- Other comprehensive income for the quarter ended September 30, 2022	-	-	-
Total comprehensive income for the period ended September 30, 2022	-	112,614	112,614
Transactions with owners recorded directly in equity Issuance of ordinary shares	-	-	-
Balance as at March 31, 2023	<u>318,720</u>	<u>706,017</u>	<u>1,024,737</u>

The annexed notes 1 to 10 form an integral part of these financial statements.

OVAIS ATHER YOUSUF
Chief Executive Officer

ABDULLAH SALEH
Chief Financial Officer

MUHAMMAD FAHAD SALEEM
Director



Condensed Interim Cash Flow Statement - (Unaudited)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

Note	March 31, 2023	March 31, 2022
	----- (Rupees in '000) -----	
Profit/ (Loss) before income taxation	230,615	120,681
CASH FLOWS FROM OPERATING ACTIVITIES		
Adjustment for non-cash charges and other items:		
Inventories written down to net realizable value	28,363	-
Provision for slow moving and obsolete inventory	21	-
Interest income on term deposits and saving accounts	(54,856)	(8,426)
Inventories written-off	183,356	7,279
Depreciation	9,792	7,235
Gain on de-recognition on termination of lease	(183)	-
Finance cost	73,353	4,752
Expense recognized for retirement benefit fund	2,496	1,375
	242,341	12,215
WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets:		
Inventories	69,982	(221,272)
Trade debts	(119,731)	(150,866)
Trade deposits	89,118	(9,869)
Sales tax refundable - net	81,166	(91,724)
Other receivables and prepayments	379,355	(386,531)
	499,890	(860,262)
Increase/ (decrease) in current liabilities:		
Trade and other payables	(686,636)	537,549
Contract liabilities	8,240	(76,086)
	(678,396)	461,463
Net cash generated from / (used in) operations	294,450	(265,904)
Income taxes paid	(123,063)	(136,762)
Defined benefit paid	(3,136)	(2,264)
Finance cost paid	(73,353)	(4,752)
Net cash used in from operating activities	94,897	(409,682)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to capital work-in-progress	(1,196)	(167,758)
Investments matured	21,795	-
Interest income received	54,856	8,426
Net cash generated from investing activities	75,455	(159,332)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan from associate company - unsecured	580,000	-
Lease payments - principal	(2,326)	(7,012)
Dividend paid	(12,011)	-
Net cash used in financing activities	565,663	(7,012)
Net decrease in cash and cash equivalents	736,015	(576,026)
Cash and cash equivalents at the beginning of the year	41,525	534,379
Cash and cash equivalents at the end of the year	777,540	(41,647)

The annexed notes 1 to 10 form an integral part of these financial statements.


OVAIS ATHER YOUSUF
Chief Executive Officer


ABDULLAH SALEH
Chief Financial Officer


MUHAMMAD FAHAD SALEEM
Director



Notes to the Condensed Interim Financial Statements - (Unaudited)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

1. STATUS AND NATURE OF BUSINESS

1.1 Gillette Pakistan Limited ("the Company") was incorporated on December 9, 1986 as a public limited company under the Companies Ordinance, 1984 and is a subsidiary of The Series Acquisition B.V. Netherlands (which is a wholly owned subsidiary of The P&G Company, USA). The registered office of the Company is situated at 11th Floor, Harbour Front, Dolmen City, HC-3, Block-4, Marine Drive, Clifton, Karachi-75600 and the Company is listed on Karachi and Lahore Stock Exchanges. The principal activities of the Company include marketing and selling of blades and razors.

1.2 The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim statement of financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the notes required for the full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2021.

2.2 These condensed interim financial statements are presented in Pak Rupees which is also the Company's functional currency and figures presented in these condensed interim financial statements have been rounded off to the nearest thousand rupees.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2022.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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



Notes to the Condensed Interim Financial Statements - (Unaudited)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

In preparing this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2022.

5. FINANCIAL RISK MANAGEMENT

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, 2022.

6. Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation and tax paid on presumptive basis. Income tax paid at import stage has been changed by Finance Act, 2019 from Final Tax Regime to Minimum Tax Regime (MTR).

Deferred

Deferred tax asset is not recognized by the Company as timing of availability of sufficient taxable profit can not be determined due to applicability of minimum tax under section 113 of Income Tax Ordinance, 2001.

7. CONTINGENCIES AND COMMITMENTS

The status of the contingencies and commitments which are reported in Note 20 to the annual financial statements of the Company for the year ended June 30, 2022 have not changed materially.

8. CASH AND CASH EQUIVALENTS

	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)	March 31, 2022 (Unaudited)
	---- Rupees in '000 ----		
Bank balances	772,540	19,730	13,358
Term deposits having maturity up to 3 months	-	21,795	5,000
Short term running finance	-	-	(65,340)
	<u>772,540</u>	<u>41,525</u>	<u>(46,982)</u>

9. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the holding company (The Series Acquisition B.V., Netherlands), the ultimate parent company (The Procter & Gamble Company, USA), related group companies, companies in which directors are interested, staff retirement benefit plans, key management personnel and close member of the family of all the aforementioned related parties. The Company carries out transactions with various related parties at agreed terms. Significant transactions with related parties are as follows:



Notes to the Condensed Interim Financial Statements - (Unaudited)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

9.1 Significant transactions with related parties are as follows:

Name	Relationship with the Company	Nature of transaction	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
---- Rupees in '000 ----				
Procter and Gamble International Operations SA, Lancy	Associate due to common parent Company	Purchases of finished goods	908,243	898,191
Procter & Gamble International Operation SA Singapore Branch	Associate due to common parent Company	Purchases of finished goods	17,373	-
Procter and Gamble Pakistan (Private) Limited.	Associate due to common parent Company	Services received	68,637	40,072
		Unsecured loan	950,000	-
Procter and Gamble Philippines Business Services-Inc	Associate due to common parent Company	Services rendered	9,728	26,926
		Services rendered	3,652	3,933
Gillette Pakistan Provident Fund	Retirement benefit plan	Expense from pension fund	1,485	1,849
Gillette Pakistan Pension Fund	Retirement benefit plan	Expense from pension fund	1,542	107
Key Management Personnel		Short term compensation	32,792	9,844

9.2 Amounts due from / (due to) related parties are shown as under:

Name	Relationship with the Company	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
---- Rupees in '000 ----			
Procter and Gamble International Operations SA, Lancy	Associate due to common parent Company	(191,442)	-
Procter and Gamble International Operations	Associate due to common parent Company	(178,538)	(836,579)
Procter and Gamble Pakistan (Private) Limited.	Associate due to common parent Company	(37,717)	(3,644)
Procter and Gamble Philippines Business Services-Inc	Associate due to common parent Company	19,435	(10,810)
Procter and Gamble Distributing LLC	Associate due to common parent Company	(232,169)	(164,318)
Series Acquisition BV	Associate	-	(12,011)
Gillette Pakistan Pension Fund	Retirement benefit plan	(17,063)	(15,521)

10 DATE AUTHORIZED FOR ISSUE

These condensed interim financial statements was authorized for issue by the Board of Directors of the Company on April 26, 2023.

OVAIS ATHER YOUSUF
Chief Executive Officer

ABDULLAH SALEH
Chief Financial Officer

MUHAMMAD FAHAD SALEEM
Director

