



Quarterly
ACCOUNTS
SEPTEMBER 30, 2022



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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

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 quarter period ended Sep 30, 2022

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 quarter ended Sep 30, 2022. The summary of the financial results are as follows:

		For the Quarter Ended	
		September	September
		30, 2022	30, 2021
Revenue from contract with customers	PKR in '000'	841,506	617,804
Gross Profit	PKR in '000'	277,936	129,290
GP	%	33.0%	20.9%
Profit before tax	PKR in '000'	54,642	37,024
Profit before tax	%	6.5%	6.0%
Profit/Loss after tax	PKR in '000'	8,279	-2,205
Profit/Loss after tax	%	1.0%	-0.4%
Earnings per share	PKR	0.26	-0.07

The quarterly results are closed with strong momentum where Revenue grew by 36% vs year ago. This is behind better sales mix which were further taken up by focusing on building business with higher distribution and better in-store strategies. However, Company faced many challenges in terms of macroeconomic headwinds on applicable duties which reduced our gross profit margin to 33%. Overall distribution and admin expenses remained in line vs. year ago. However, due to significant increase in forex rates, exchange loss of the quarter was very high which contributed to a low profit before tax and after-tax loss.

The structure of the Board and Committees:

Board of Directors:

M Fahad Saleem	Chairman
Ovais Ather Yousof	CEO
Muhammad Usman	Director
Zeeshan Aamir	Director
Zara Nadeem Ali	Director
Syed Jawaid Iqbal	Independent Director

Audit Committee:

Syed Jawaid Iqbal	Chairman
M Fahad Saleem	Member
Zeeshan Aamir	Member

HR & Remuneration Committee:

Syed Jawaid Iqbal	Chairman
M Fahad Saleem	Member
Ovais Ather Yousof	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

M FAHAD SALEEM

Director

Oct 28, 2022

Karachi



ڈائریکٹرز رپورٹ

برائے سہ ماہی کی مدت چھتئمہ 30 ستمبر 2022 جیٹ پاکستان لمیٹڈ ('کمپنی') کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 30 ستمبر 2022 کو ختم ہونے والے سہ ماہی کی مدت کے لیے کمپنی کے غیر آڈٹ شدہ مالی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ مالی نتائج کا خلاصہ مندرجہ ذیل ہے:

For the Quarterly Ended			
September 30, 2021	September 30, 2022		
617,804	841,506	PKR in '000	صارفین کے ساتھ معاہدے سے محصول
129,290	277,936	PKR in '000	مجموعی منافع
20.9%	33.0%	%	مجموعی منافع کی شرح
37,024	54,642	PKR in '000	نفع قبل از ٹیکس
6.0%	6.5%	%	نفع قبل از ٹیکس کی شرح
-2,205	8,279	PKR in '000	نفع بعد از ٹیکس
-0.4%	1.0%	%	نفع بعد از ٹیکس کی شرح
-0.07	0.26	PKR	ای پی ایس

سہ ماہی نتائج میں نمو کی رفتار اچھی رہی جہاں آمدنی میں 36% اضافہ ہوا۔ یہ بہتر سکیلزکس، بہتر ڈسٹریبیوشن اور ان اسٹور کی حکمت عملی میں اضافہ کی وجہ سے ہوا۔ تاہم کمپنی کو بہت سے مسائل کا سامنا کرنا پڑا جس میں میکرو اکنامک صورتحال کا ڈیویٹیوں پر اثر قابل ذکر رہا۔ اس کی وجہ سے مجموعی منافع کا مارجن 33% تک رہا۔ تقسیم اور انتظامی اخراجات پچھلے سال کے ساوی رہے۔ تاہم غیر ملکی کرنسی کی شرحوں میں منافع اضافہ کی وجہ سے دیگر اخراجات میں اضافہ ہوا۔ اس کی وجہ سے نفع بعد از ٹیکس میں منافع کمی آئی۔

بورڈ آف ڈائریکٹرز کی جانب سے، ہم اپنے شیئرز ہولڈرز کے مکمل اعتماد، کمپنی کی نمایاں پروڈکٹ لائن میں ان کے بے مثال انحصار اور ریگولیشنز اور دیگر اسٹیک ہولڈرز کو ان کی تقسیم اور مدد کے لیے اپنی نیک تمناؤں کا اظہار کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

محمد فہد سلیم
ڈائریکٹر

اولیس اطہر یوسف
چیف ایگزیکٹو آفیسر

28 اکتوبر 2022

کراچی



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at September 30, 2022

	Note	September 30, 2022 (Unaudited)	June 30, 2022 (Audited)
----- (Rupees in '000) -----			
ASSETS			
Bank balances	9	15,384	19,730
Advance income tax - net		42,361	20,558
Sales tax refundable - net		188,296	177,700
Other financial assets		653,341	26,795
Other receivables and prepayments		1,262,734	733,161
Trade deposits		90,949	90,949
Trade debts		341,564	264,936
Inventories		1,017,720	911,761
Total current assets		3,612,349	2,245,590
Non-current assets			
Property, plant and equipment		186,484	185,874
Right-of-use Assets	7	16,760	12,043
Long-term deposits		215	215
Total non-current assets		203,459	198,132
Total assets		3,815,808	2,443,722
LIABILITIES AND EQUITY			
Trade and other payables		2,136,923	1,043,884
Loan from associate company		930,000	350,000
Contract liabilities		109,668	76,986
Current portion of lease liabilities		12,371	12,362
Unclaimed dividend		13,367	13,368
Total current liabilities		3,202,329	1,496,600
Lease liabilities		3,063	2,201
Deferred Tax liability		400	400
Retirement benefit obligation - gratuity scheme		32,207	32,398
Total non-current liabilities		35,670	34,999
Total liabilities		3,237,999	1,531,599
Authorised capital 40,000,000 ordinary shares of Rs.10/- each		400,000	400,000
Issued, subscribed and paid-up capital		318,720	318,720
Unappropriated profit		259,089	593,403
Total equity		577,809	912,123
Total equity and liabilities		3,815,808	2,443,722
Contingencies and commitments	8		

The annexed notes 1 to 11 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 Quarter Ended September 30, 2022

For the three months period ended

	September 30, 2022	September 30, 2021
	----- (Rupees in '000) -----	
Revenue from contract with customers - net	841,506	617,804
Cost of goods sold	(563,570)	(488,514)
Gross profit	277,936	129,290
Selling, marketing and distribution expenses	(88,963)	(58,073)
Administrative expenses	(27,158)	(17,011)
Other operating expenses	(89,055)	(21,510)
Other income	19,271	5,033
Interest expense	(37,389)	(594)
Bank charges	-	(111)
	(223,294)	(92,266)
Profit before tax	54,642	37,024
Income tax expense	(46,363)	(39,229)
Profit after tax	8,279	(2,205)
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	8,279	(2,205)
Earnings per share - basic and diluted	0.26	(0.07)

The annexed notes 1 to 11 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 Quarter Ended September 30, 2022

	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	-	(2,205)	(2,205)
- Other comprehensive income for the quarter ended September 30, 2021	-	-	-
Total comprehensive income for the quarter ended September 30, 2021	-	(2,205)	(2,205)
Balance as at September 30, 2021	<u>318,720</u>	<u>617,275</u>	<u>935,995</u>
Balance as at July 01, 2022	318,720	593,403	912,123
- Profit after taxation for the quarter ended September 30, 2022	-	8,279	8,279
- Other comprehensive income for the quarter ended September 30, 2022	-	-	-
Total comprehensive income for the period ended September 30, 2022	-	8,279	8,279
Transactions with owners recorded directly in equity Issuance of ordinary shares	-	-	-
Balance as at September 30, 2022	<u>318,720</u>	<u>601,682</u>	<u>920,402</u>

The annexed notes 1 to 11 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 Quarter Ended September 30, 2022

Note	September 30, 2022	September 30, 2021
	----- (Rupees in '000) -----	
Profit before income taxation	8,279	15,024
CASH FLOWS FROM OPERATING ACTIVITIES		
Adjustment for non-cash charges and other items:		
Inventories written down to net realizable value	3,166	3,450
Provision for slow moving and obsolete inventory	1,706	993
Interest income on term deposits and saving accounts	(9,889)	(4,985)
Inventories written-off	2,903	2,069
Depreciation on right-of-use asset	1,489	7,534
Interest expense on lease liabilities	4,464	594
Expense recognized for retirement benefit fund	2,469	1,269
	6,308	10,924
WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets:		
Inventories	(101,087)	(65,872)
Trade debts	(76,628)	(119,090)
Sales tax refundable - net	(5,156)	(35,156)
Other receivables and prepayments	(10,596)	62,150
	(193,467)	(157,968)
Increase/ (decrease) in current liabilities:		
Trade and other payables	793,081	(49,015)
Contract liabilities	32,682	(42,747)
	825,763	(91,761)
Net cash generated from / (used in) operations	646,883	(223,782)
Income taxes paid	(24,560)	(49,002)
Net cash used in from operating activities	622,323	(272,784)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to capital work-in-progress	-	(390)
Interest income received	9,889	4,985
Net cash generated from investing activities	9,889	4,595
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments - principal	(5,012)	(7,012)
Net cash used in financing activities	(5,012)	(7,012)
Net decrease in cash and cash equivalents	627,200	(275,201)
Cash and cash equivalents at the beginning of the year	41,525	534,379
Cash and cash equivalents at the end of the year	668,725	259,178

The annexed notes 1 to 11 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 Information - (Unaudited)

For the Quarter Ended September 30, 2022

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.

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.



Notes to the Condensed Interim Financial Information - (Unaudited)

For the Quarter Ended September 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. RIGHT OF USE ASSETS

The right of use assets comprise of lease of employees' cars from Deinfa Motors (Private) Limited.

8. 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.

9. CASH AND CASH EQUIVALENTS

	September 30, 2022 (Unaudited)	June 30, 2022 (Audited)	September 30, 2021 (Unaudited)
	----- Rupees in '000 -----		
Bank balances	15,384	13,392	14,829
Term deposits having maturity up to 3 months	653,341	6,338	244,349
	<u>668,725</u>	<u>19,730</u>	<u>259,178</u>

10. 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 Information - (Unaudited)

For the Quarter Ended September 30, 2022

10.1 Significant transactions with related parties are as follows:

Name	Relationship with the Company	Nature of transaction	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
---- Rupees in '000 ----				
Procter and Gamble International Operations	Associate due to common parent Company	Purchase of finished goods	323,264	33,264
Procter and Gamble Pakistan (Private) Limited	Associate due to common parent Company	Services received Unsecured loan Services received	15,144 600,000 10,032	14,461 - 8,665
Procter and Gamble International Operations SA, ROHQ	Associate due to common parent Company	Services received	-	1,950
Gillette Pakistan Philippines Business Services-Inc	Associate due to common parent Company	Services received	2,495	-
Gillette Pakistan Pension Fund	Retirement benefits plan	Expense from pension fund	514	107
Key management personnel		Short term compensation	17,186	9,844

10.2 Amounts (due to) / due from related parties as at period end are shown as under:

Name	Relationship with the Company	September 30, 2022 (Unaudited)	June 30, 2022 (Audited)
---- Rupees in '000 ----			
Procter and Gamble International Operations	Associate due to common parent Company	(519,146)	(836,579)
Procter and Gamble Pakistan (Private) Limited.	Associate due to common parent Company	(14,112)	(3,644)
Procter and Gamble Philippines Business Services-Inc	Associate due to common parent Company	13,305	10,810
Series Acquisition BV	Associate	(12,011)	(12,011)
Gillette Pakistan Pension Fund	Retirement benefit plan	(16,035)	(15,521)

11 DATE AUTHORIZED FOR ISSUE

These condensed interim financial statements was authorized for issue by the Board of Directors of the Company on October 27, 2022.

OVAIS ATHER YOUSUF
Chief Executive Officer

ABDULLAH SALEH
Chief Financial Officer

MUHAMMAD FAHAD SALEEM
Director

