



QUARTERLY
ACCOUNTS
March 31,
2017



Gillette
Pakistan
Limited



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CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN
MEMBERS

Omer Iqbal Awan
Khalid Ahmed Farid
Ghazala Nadeem
Adrian Mark Janjua
Faredoun Arjani
Samar Hayat
Syed Jawaid Iqbal

AUDIT COMMITTEE

CHAIRMAN
MEMBERS

Syed Jawaid Iqbal
Omer Iqbal Awan
Adrian Mark Janjua

HEAD OF INTERNAL AUDIT & SECRETARY TO THE AUDIT COMMITTEE

Adnan Mudassar

HUMAN RESOURCE & REMUNERATION COMMITTEE

CHAIRMAN
MEMBERS

Ghazala Nadeem
Omer Iqbal Awan
Adrian Mark Janjua

CHIEF EXECUTIVE

Khalid Ahmed Farid

CFO & COMPANY SECRETARY

Mehr Alwy Malik

AUDITORS

Deloitte Yousuf Adil,
Chartered Accountants

LEGAL ADVISORS

Surrige & Beecheno
Mandviwalla & Zafar

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,
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Fax: + (92 21) 3529 6150
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DIRECTORS' REPORT FOR THE NINE MONTHS ENDED MARCH 31, 2017

On behalf of the Board of Directors of Gillette Pakistan Limited ('the Company'), I am pleased to present the un-audited financial statements of the Company for the quarter ended March 31, 2017. The summary of the financial results are as follows:

		Nine Months Ended	
		March 31, 2017	March 31, 2016
Sales - net	PKR in '000	1,423,635	1,547,276
Gross profit	PKR in '000	354,652	387,416
GP Ratio	%	24.9%	25.0%
Profit before tax	PKR in '000	85,410	122,975
PBT Ratio	%	6.0%	7.9%
Profit for the period	PKR in '000	17,980	37,551
PAT Ratio	%	1.3%	2.4%
EPS	PKR	0.94	1.96

Gillette Pakistan delivers strong results behind positive sales momentum with steady progress across our Systems and Disposables. We continue to improve distribution to ensure consistent growth coupled with our focus on key fundamentals via competitive pricing to gain more users in the market.

The Board would like to take this opportunity to express its appreciation to the employees of the Company for the commitment, hard work and co-operation throughout the period. We would also like to thank our shareholders for their continued support.

Statement under section 218 of the Companies Ordinance, 1984:

The Board of the Company, on recommendation of Human Resource and Remuneration Committee, has approved an increment of 11% in salary of Mr. Adnan Mudassar, Head of Internal Audit of the Company with effect from January 01, 2017, with no changes in any other benefits. His revised base salary would be Rs. 251,300 per month. The Head of Internal Audit would continue to receive all other allowances and benefits as applicable to him and as disclosed in note 2.10 and note 25.1 of the financial statements of the Company for the year ended June 30, 2016.

On behalf of the Board,

Khalid Ahmed Farid
Chief Executive

Karachi
April 24, 2017

Condensed Interim Balance Sheet - (Unaudited)

As at March 31, 2017

	Note	March 31, 2017 (Unaudited)	June 30, 2016 (Audited)
----- Rupees in '000 -----			
ASSETS			
Non-current assets			
Long-term deposits		616	616
Current assets			
Stock-in-trade	6	574,065	565,767
Trade debts		250,872	192,618
Loans and advances		4,488	9,664
Trade deposits		-	327
Interest receivable on term deposits		174	197
Other receivables		3,662	24,175
Other financial assets		239,039	186,538
Sales tax refundable		16,188	27,024
Taxation - net		49,109	45,206
Cash and bank balances	8	134,660	13,920
		<u>1,272,257</u>	<u>1,065,436</u>
TOTAL ASSETS		<u>1,272,873</u>	<u>1,066,052</u>
EQUITY			
Share capital and reserves			
Authorized			
20,000,000 ordinary shares of Rs.10/- each		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up share capital			
19,200,000 ordinary shares of Rs.10/- each		192,000	192,000
Unappropriated profit		542,565	524,585
TOTAL EQUITY		<u>734,565</u>	716,585
LIABILITIES			
Non-current liabilities			
Deferred liability - gratuity scheme		6,530	6,080
Current liabilities			
Trade and other payables		531,778	343,387
TOTAL EQUITY AND LIABILITIES		<u>1,272,873</u>	<u>1,066,052</u>
CONTINGENCIES AND COMMITMENTS			
	7		

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

Khalid Ahmed Farid
Chief Executive

Syed Jawaid Iqbal
Director



Condensed Interim Profit and Loss Account - (Unaudited)
For the nine months period ended March 31, 2017

	Nine Months Ended		Quarter Ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
----- Rupees in '000 -----				
Sales - net	1,423,635	1,547,276	456,357	550,876
Cost of goods sold	(1,068,983)	(1,159,860)	(332,005)	(446,605)
Gross profit	354,652	387,416	124,352	104,271
Selling, marketing and distribution expenses	(253,719)	(240,208)	(81,112)	(83,670)
Administrative expenses	(24,981)	(26,915)	(6,554)	(7,513)
Other operating expenses	(2,010)	(11,751)	(707)	(9,690)
Bank charges	(14)	(16)	(4)	-
	(280,724)	(278,890)	(88,377)	(100,873)
Other income	11,482	14,449	(6,116)	7,320
Profit before tax	85,410	122,975	29,859	10,718
Income tax expense	(67,430)	(85,424)	(15,598)	(31,763)
Profit / (loss) for the period	17,980	37,551	14,261	(21,045)
Rupees				
Earnings / (loss) per share-basic and diluted	0.94	1.96	0.74	(1.10)

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

Khalid Ahmed Farid
Chief Executive

Syed Jawaid Iqbal
Director



Condensed Interim Statement of Comprehensive Income - (Unaudited)
For the nine months period ended March 31, 2017

	Nine Months Ended		Quarter Ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	----- Rupees in '000 -----			
Profit / (loss) for the period	17,980	37,551	14,261	(21,045)
Other comprehensive income for the period	-	-	-	-
Items that may be reclassified subsequently to profit and loss account	-	-	-	-
Items that will not be reclassified subsequently to profit and loss account	-	-	-	-
Total comprehensive income for the period	17,980	37,551	14,261	(21,045)

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

Khalid Ahmed Farid
Chief Executive

Syed Jawaid Iqbal
Director

Condensed Interim Cash Flow Statement - (Unaudited)

For the nine months period ended March 31, 2017

	Note	Nine months ended	
		March 31, 2017	March 31, 2016
		----- Rupees in '000 -----	
Profit before taxation		85,410	122,975
CASH FLOWS FROM OPERATING ACTIVITIES			
Adjustments for non cash charges and other items:			
Stock-in-trade written down to net realizable value		5,726	12,108
Provision for slow moving stock in trade		2,175	3,836
Provision for custom duties refundable		6,652	-
Interest income on term deposit and saving account		(9,751)	(14,137)
Provision for post retirement benefits		3,269	2,783
		8,071	4,590
WORKING CAPITAL CHANGES			
(Increase) / decrease in current assets:			
Stock-in-trade		(16,199)	29,209
Trade debts		(58,254)	64,764
Loans and advances		5,176	(1,389)
Trade deposits		327	(50)
Interest receivable on term deposits		-	1,198
Other receivables		13,861	(669)
Sales tax refundable		10,836	1,633
		(44,253)	94,696
Increase / (decrease) in current liabilities:			
Trade and other payables		187,398	(256,578)
Net cash generated from / (used in) operations		236,626	(34,317)
Gratuity paid		(1,826)	
Income taxes paid		(71,333)	(80,466)
Net cash generated from / (used in) operating activities		163,467	(114,783)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income received		9,774	15,335
Net cash generated from investing activities		9,774	15,335
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		-	(82,839)
Net cash used in financing activities		-	(82,839)
Net increase / (decrease) in cash and cash equivalents		173,241	(182,287)
Cash and cash equivalents at the beginning of the period		200,458	601,985
Cash and cash equivalents at the end of the period	8	373,699	419,698

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

Khalid Ahmed Farid
 Chief Executive

Syed Jawaid Iqbal
 Director



Condensed Interim Statement of Changes In Equity - (Unaudited)

For the nine months period ended March 31, 2017

	Issued, subscribed and paid-up capital	Unappropriated profit	Total
	----- Rupees in '000 -----		
Balance as at July 01, 2015	192,000	646,099	838,099
Profit for the period	-	37,551	37,551
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	37,551	37,551
Transaction with owners			
Final dividend for the year ended June 30, 2015 (Rs. 5 per share)	-	(96,000)	(96,000)
Balance as at March 31, 2016	<u>192,000</u>	<u>587,650</u>	<u>779,650</u>
Balance as at July 01, 2016	192,000	524,585	716,585
Profit for the period	-	17,980	17,980
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	17,980	17,980
Balance as at March 31, 2017	<u>192,000</u>	<u>542,565</u>	<u>734,565</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

Khalid Ahmed Farid
Chief Executive

Syed Jawaid Iqbal
Director



Notes to the Condensed Interim Financial Statements - (Unaudited)

For the nine months period ended March 31, 2017

1. STATUS AND NATURE OF BUSINESS

- 1.1** Gillette Pakistan Limited ("the Company") was incorporated on December 09, 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, The Harbour Front, Dolmen City, HC-3, Block 4, Abdul Sattar Edhi Avenue, Clifton, Karachi-75600, Pakistan and the Company is listed on Pakistan Stock Exchange Limited. The principal activities of the Company include marketing and selling of blades and razors, personal care products and beauty care appliances.
- 1.2** This condensed interim financial information have been presented in Pak Rupees, which is the Company's functional and presentation currency.

2. BASIS OF PREPARATION

- 2.1** This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 'Interim Financial Reporting' and the provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 shall prevail. This condensed interim financial information does not include all information required for annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2016.
- 2.2** The comparative balance sheet presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2016 whereas the comparative presented in condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity have been taken from un-audited condensed interim financial information for the nine month period ended March 31, 2016.

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, 2016.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use of judgments that affects the application of policies and reported amounts of assets and liabilities and income and expenses.

Notes to the Condensed Interim Financial Statements - (Unaudited)

For the nine months period ended March 31, 2017

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing this condensed interim financial information, the significant judgments 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, 2016.

5. FINANCIAL RISK MANAGEMENT

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

6. STOCK-IN-TRADE

Stock-in-trade includes goods costing Rs. 27.780 million (June 30, 2016: 29.063 million) written down by Rs. 5.725 million (June 30, 2016: Rs. 5.238 million) to net realizable value amounting to Rs. 22.055 million (June 30, 2016: 23.825 million).

7. CONTINGENCIES AND COMMITMENTS

The status of the contingencies which were reported in note 12 to the annual audited financial statements of the Company for the year ended June 30, 2016 have not changed materially in the current period.

8. CASH AND CASH EQUIVALENTS	March 31, 2017 (Unaudited)	June 30, 2016 (Audited)	March 31, 2016 (Unaudited)
	Rupees in '000		
Cash and bank balances	134,660	13,920	14,006
Other financial assets	239,039	186,538	405,692
	<u>373,699</u>	<u>200,458</u>	<u>419,698</u>



Notes to the Condensed Interim Financial Statements - (Unaudited)
For the nine months period ended March 31, 2017

9. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the parent company (The Series Acquisition B.V., Netherlands), the ultimate parent company (The Procter and Gamble Company USA), related group companies, companies in which directors are interested, staff retirement benefit plans, directors, 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:

Name	Relationship with the Company	Nature of transaction	Nine months ended	
			March 31, 2017 (Unaudited)	March 31, 2016 (Unaudited)
----- Rupees in '000 -----				
Procter and Gamble International Operations	Associate	Purchase of finished goods	903,541	1,070,413
Procter and Gamble Pakistan (Private) Limited	Associate	Services received	42,242	54,188
		Services rendered	16,164	19,655
Procter and Gamble International Operations SA	Associate	Services received	2,106	1,465
Procter and Gamble US Business Services	Associate	Services received	-	900
Modern Products Company	Associate	Services rendered	239	-
Gillette Pakistan Provident Fund	Retirement benefits plan	Contribution to Provident Fund	1,131	1,127
Gillette Pakistan Pension Fund	Retirement benefits plan	Expense recognized	1,859	1,736
Key management personnel	-	Short term benefits	21,551	24,549



Notes to the Condensed Interim Financial Statements - (Unaudited)
For the nine months period ended March 31, 2017

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

Name	Relationship with the Company	March 31, 2017	June 30, 2016
		(Unaudited)	(Audited)
----- Rupees in '000 -----			
Procter and Gamble International Operations	Associate	(394,586)	(345,743)
Procter and Gamble Pakistan (Private) Limited	Associate	(9,465)	(19,957)
Procter and Gamble International Operations SA ROHQ	Associate	(703)	(634)
Procter and Gamble US Business Services	Associate	-	(176)
Gillette Pakistan Pension Fund	Retirement benefits plan	(1,859)	(1,736)

10. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on April 24, 2017.

11. GENERAL

Figures have been rounded off to the nearest thousand rupee.

Khalid Ahmed Farid
Chief Executive

Syed Jawaid Iqbal
Director

