ANNUAL ACCOUNTS June 2016

Gillette
Pakistan
Limited

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS	
CHAIRMAN	Omer Iqbal Awan
MEMBERS	Adeel Ahmed
	Ghazala Nadeem
	Adrian Mark Janjua
	Faredoun Arjani
	Samar Hayat
	Syed Jawaid Iqbal
AUDIT COMMITTEE	
CHAIRMAN	Syed Jawaid Iqbal
MEMBERS	Omer Iqbal Awan
	Adrian Mark Janjua
HEAD OF INTERNAL AUDIT & SECRETARY TO THE AUDIT COMMITTEE	Adnan Mudassar
HUMAN RESOURCE & REMUNERATION COMMITTEE	
CHAIRMAN	Ghazala Nadeem
MEMBERS	Omer Iqbal Awan
	Adrian Mark Janjua
CHIEF EXECUTIVE	Adeel Ahmed
CFO & COMPANY SECRETARY	Mehr Alwy Malik
AUDITORS	Deloitte Yousuf Adil, Chartered Accountants
LEGAL ADVISORS	Surridge & 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, Marine Drive, Clifton, Karachi - 75600, Pakistan. Tel: + (92 21) 3520 5088 Fax: + (92 21) 3529 6150 Web: www.gillettepakistan.com

Directors' Report

On behalf of the Board of Directors (the Board) of Gillette Pakistan Limited ('the Company'), I am pleased to present the audited financial statements of the Company for the year ended June 30, 2016, along with the auditors' report thereon.

Business overview:

The past year has been a challenging year for the Company with sales declining by 9% versus last year leading to a dilution in overall earnings before tax. Slowdown primarily came in the last quarter where the management's pricing strategy on disposables did not deliver in line with expectations.

During the year, the Company launched new innovations while maintaining focus to strengthen the base portfolio. We launched Fusion Proglide Flexball which is our best 5-bladed system available globally. We also continued to offer our consumers better value promo packs across our portfolio. We continued the journey to make our products more widely available by increasing country wide numeric distribution of entire portfolio and focused distribution efforts in whitespace geographies and trade channels.

The Company continues to support distribution drives across customer segments and direct to consumer activities where the Company wants the consumer to trade in to our portfolio and also trade up to premium products for better shaving experience.

Moving forward, our strategy is to fix the value equation for the consumers as a key driver of growth by focusing on our base business to achieve sales growth.

Financial Results:

Following are the financial results of the Company for the year ended June 30, 2016:

	June 30, 2016	June 30, 2015
	-------Rupees in '000-------	
Sales - net	1,902,154	2,079,790
Cost of goods sold	(1,482,919)	(1,551,442)
Gross profit	**419,235**	**528,348**
GP Ratio	*22.0%*	*25.4%*
Selling, marketing and distribution expenses	(291,378)	(313,440)
Administrative expenses	(72,678)	(58,328)
Other operating expenses	(1,445)	(4,470)
Bank charges	(27)	(95)
Other income	20,787	80,390
Profit before tax	**74,494**	**232,405**
PBT Ratio	*3.9%*	*11.2%*
Income tax expense	(103,817)	(115,808)
Profit after tax	**(29,323)**	**116,597**
PAT Ration	*-1.5%*	*5.6%*
	------------- **Rupees** -------------	
EPS	(1.53)	6.07

The above financial results show a reduction in gross margin by 3.4%; 1.6% is driven by mix within the category with an increase in our low tier sales offset with our mid-tier and premium blades. The sales of premium disposables declined due to pricing taken across the year.

Cost of Goods Sold also includes a change in method agreed by management for calculating aging of inventory which contributes to a 2% Gross Margin reduction (Rs. 34.5 million).

There is a 7% decrease in selling, marketing and distribution expenses from previous year mainly due to Transport and Warehousing costs; in line with the sales decline.

We also see a 25% increase in administrative expenses; 9% increase is due to rents, rates, auditor fee and overall inflation whereas 16% increase is due to increase in past service costs on pensions payable as the management decided to increase the minimum pension payable per month to Rs. 13,000. This resulted in Rs. 29.32 million service cost which is included in the above financials.

Other income decline is driven by a one off exchange rate gain last fiscal year on foreign currency liabilities amounting to Rs. 44.6 million (current year: Rs. 2.6 million). There is also a reduction in interest income due to maturing of term deposits.

The current inventory at the balance sheet date holds certain SKUs costing Rs. 29.06 million which are being carried at net realizable value and the impact of this to the profit and loss account is a hurt of Rs. 5.34 million. The net realizable value hurt has been improving year on year as the management continues to negotiate on supply prices of these SKUs with the parent company to ensure that they are in line with the related party pricing policy approved by the Board.

Dividend:

The Board reviewed the financial results of the Company along with the financial position for the year ended June 30, 2016 and has decided to not pay dividend for the year.

Changes in Board of Directors:

Following changes in the Board of directors occurred during the financial year:

a) Mr. Tariq Iqbal Khan resigned from the Board of the Company as an independent director in August 2015. He was replaced by Syed Jawaid Iqbal in October 2015. Syed Jawaid Iqbal was also appointed as a member and Chairman of the Audit Committee, being an independent director on the Board.

b) In August 2015, Mr. Sami Ahmed resigned as Chairman and Non-Executive Director of the Board and Mr. Omer Iqbal Awan was elected as Chairman of the Board. Mrs. Ghazala Nadeem was elected as a non-executive Director to replace Mr. Sami till the remainder of the term of the Board.

The Board would like to thank the outgoing directors for their tremendous support to the Company's business and would also like to welcome the new directors on the Board.

The details of incoming as well as outgoing directors are as follows:

Category	Names of Incoming directors	Names of outgoing directors
Independent Director	Syed Jawaid Iqbal	Mr. Tariq Iqbal Khan
Non-Executive Director	Mrs. Ghazala Nadeem, Mr. Omer Iqbal Awan (Chairman)	Mr. Sami Ahmed

The independent director on the Board has met the criteria of independence under clause i (b) of the Code.

Change in Senior Executives:

Following changes in senior executives of the Company:

a) Mr. Muhammad Noor-e-Arshi Khan, CFO & Company Secretary, resigned from the position, with effect from May 31, 2016 to pursue other interests, and the Board appointed Mrs. Mehr Alwy Malik as CFO & Company Secretary with effect from June 01, 2016.

b) Subsequent to year end, Mr. Adeel Ahmed resigned as CEO & Director on the Board with effect from June 30, 2016, and hence the Board approved appointment of Mr. Khalid Ahmed Farid as Chief Executive Officer effective July 01, 2016. Mr. Khalid Ahmed Farid has also been appointed as a Director on the Board, under section 180 of the Ordinance effective July 01, 2016, for the remainder of the term of the current Board.

Code of Conduct:

The Board has adopted a Code of Conduct defining therein acceptable and unacceptable behaviors. The Board has taken steps to disseminate this Code throughout the company along with supporting policies and procedures and this Code has been put on the company's website available at www.gillettepakistan.com as well.

Code of Corporate Governance:

In compliance with the Code of Corporate Governance, the Board hereby states as follows:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the 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 Board is ultimately responsible for the Company's system of Internal Control and its effectiveness. Such a system is designed to minimize the risk of any material misstatement or loss rather than eliminate the same. The Company maintains sound internal control system considering the size and nature of the business which gives reasonable assurance against any material misstatement or loss. The Internal Control system is regularly reviewed and has been formalized by the Board's Audit Committee and is updated as and when needed.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- The Company is a subsidiary of The Series Acquisition B.V., Netherlands which is a subsidiary of P&G, USA. The parent company holds 91.40% shares of the Company.
- The earnings per share of the Company are disclosed in the financial statements.
- Key operating and financial data for six years in summarized form is given in "Annexure A" to the directors' report.
- Information about taxes and levies is given in the notes to the financial statements.
- The value of investments of provident and pension funds on the basis of un-audited financial statements as at June 30, 2016 amounts to Rs 1.165 million and Rs. 101.02 million respectively.
- Details and attendance of directors in meetings of Board of Directors, Audit Committee and Human Resource & Remuneration Committee are in "Annexure B" to the directors' report.
- The pattern of shareholding and additional information regarding pattern of shareholding as at June 30, 2016 is in "Annexure C" to the directors' report.
- The Board arranged Director's Orientation course for its directors during the year. Evaluation of the Board had been carried based on the feedback received from four directors out of seven. In September 2016, one director completed the Director Certification course whereas the remaining six directors shall acquire the certification and complete the process by June 30, 2018 as required under CCG.

- Syed Jawaid Iqbal, Director of the Company purchased 500 shares during the year. No additional trade in shares of the Company was carried out by any other executive of the Company.
- We confirm that all other material principles enshrined in the CCG have been complied with in all aspect.
- A statement of compliance with the code of corporate governance is given on page 12.

Statement in compliance with section 218 of the Companies Ordinance, 1984:

A statement in compliance with section 218 of the Companies Ordinance, 1984 is in "Annexure D" of the directors' report.

External auditors:

M/s. Deloitte Yousuf Adil, Chartered Accountants retire and being eligible have offered themselves for re-appointment as statutory auditors of the Company for the year ending June 30, 2017.

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 year. We would also like to thank our shareholders for their continued support.

On behalf of the Board,

Khalid Ahmed Farid
Chief Executive

Karachi
September 22, 2016

Key operating and financial data

Annexure "A"

INCOME STATEMENT		FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16
Net Sales	Rs. in '000	1,032,769	1,408,301	1,769,225	2,060,302	2,079,790	**1,902,154**
Cost of Goods Sold	Rs. in '000	(768,631)	(1,017,362)	(1,143,145)	(1,600,903)	(1,551,442)	**(1,482,919)**
Gross Profit	Rs. in '000	264,138	390,939	626,080	459,399	528,348	**419,235**
GP Ratio	%	*25.6%*	*27.8%*	*35.4%*	*22.3%*	*25.4%*	***22.0%***
Other income	Rs. in '000	51,998	26,397	39,850	54,141	80,390	**20,787**
Selling, marketing and distribution expense	Rs. in '000	(218,669)	(253,704)	(257,467)	(288,009)	(313,440)	**(291,378)**
Administrative expenses	Rs. in '000	(35,248)	(33,056)	(47,379)	(56,525)	(58,328)	**(72,678)**
Other operating expenses	Rs. in '000	(19,491)	(2,691)	(29,373)	(5,452)	(4,470)	**(1,445)**
Bank charges	Rs. in '000	(311)	(314)	(50)	(45)	(95)	**(27)**
Profit before tax	Rs. in '000	42,417	127,571	331,661	163,509	232,405	**74,494**
PBT Ratio	%	*4.1%*	*9.1%*	*18.7%*	*7.9%*	*11.2%*	***3.9%***
Income tax expense	Rs. in '000	(66,982)	(65,981)	(81,780)	(105,798)	(115,808)	**(103,817)**
Profit after tax	Rs. in '000	(24,565)	61,590	249,881	57,711	116,597	**(29,323)**
PAT Ratio	%	*-2.4%*	*4.4%*	*14.1%*	*2.8%*	*5.6%*	***-1.5%***
EPS	(Rs./share)	(1.28)	3.21	13.01	3.01	6.07	**(1.53)**
Dividends	(Rs./share)	Nil	Nil	0.50	Nil	5.00	**Nil**

BALANCE SHEET		FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16
Cash & cash equivalents	Rs. in '000	122,207	281,279	524,491	494,595	601,985	**200,458**
Trade debts	Rs. in '000	135,032	149,678	144,539	165,317	241,018	**192,618**
Other Receivables	Rs. in '000	21,186	24,245	6,925	29,099	21,560	**24,175**
Inventory	Rs. in '000	355,182	256,824	450,545	596,236	650,445	**565,767**
Property, Plant & Equipment	Rs. in '000	5,282	7,335	-	-	-	**-**
Other Assets	Rs. in '000	83,039	62,321	85,284	99,523	83,039	**83,034**
Total Assets	Rs. in '000	**721,928**	**781,682**	**1,211,784**	**1,384,770**	**1,598,047**	**1,066,052**
Trade Payables	Rs. in '000	296,402	248,782	458,838	587,578	605,665	**221,809**
Other Payables	Rs. in '000	60,794	106,578	84,628	73,510	149,923	**121,578**
Deferred liabilities	Rs. in '000	-	-	2,525	3,821	4,360	**6,080**
Equity	Rs. in '000	364,732	426,322	665,793	719,861	838,099	**716,585**
Total Liability and Equity	Rs. in '000	**721,928**	**781,682**	**1,211,784**	**1,384,770**	**1,598,047**	**1,066,052**
Current ratio	Times	2.01	2.18	2.23	2.09	2.11	**3.10**
Quick ratio (inventory excluded)	Times	1.01	1.46	1.40	1.19	1.25	**1.46**
Book value per share	Rs. Per share	19.00	22.20	34.68	37.49	43.65	**37.32**
Receivable days	Days	47.72	38.79	29.82	29.29	42.30	**36.96**
Inventory days	Days	168.67	92.14	143.86	135.94	153.03	**139.26**
Payable days	Days	140.75	89.26	146.50	133.97	142.49	**54.60**

Annexure "B"

Directors' attendance in meetings

During the year ended June 30, 2016, four meetings of the Board of Directors and Audit Committee were held. These were held on September 21, 2015, October 26, 2015, February 22, 2016 and April 25, 2016. The meetings were attended by the directors as under:

Board of Directors' Meetings:

Name of Directors	Meeting held during the tenure	Meetings attended
Mr. Omer Iqbal Awan - Chairman*	4	3
Mr. Adeel Ahmed	4	4
Mrs. Ghazala Nadeem*	4	4
Mr. Adrian Mark Janjua*	4	4
Mr. Faredoun Arjani*	4	1
Mr. Samar Hayat	4	-
Syed Jawaid Iqbal	2	2

*Includes meeting attended by nominating an alternate director

Audit Committee Meetings:

Name of Directors	Meeting held during the tenure	Meetings attended
Syed Jawaid Iqbal - Chairman	2	2
Mr. Omer Iqbal Awan	4	2
Mr. Adrian Mark Janjua*	4	4

*Includes meeting attended by nominating an alternate director

Human Resource and Remuneration Committee:

In addition to above, three meetings of Human Resource and Remuneration Committee were held on September 16, 2015, April 12, 2016 and May 23, 2016 and these meeting were attended by directors as under:

Name of Directors	Meeting held during the tenure	Meetings attended
Mrs. Ghazala Nadeem - Chairman	3	3
Mr. Omer Iqbal Awan	3	3
Mr. Adrian Janjua	3	3

Annexure "C"

Pattern of Shareholding:

No. of Shareholders	Shareholding From	Shareholding To	Total Shares Held
421	1	100	28,543
157	101	500	46,048
26	501	1000	21,656
25	1001	5000	52,097
7	5001	10000	58,600
6	10001	15000	76,700
3	15001	20000	49,520
4	20001	25000	89,680
2	30001	35000	61,600
1	35001	40000	36,500
2	40001	45000	81,600
2	45001	50000	94,800
2	50001	55000	107,900
1	195001	200000	196,385
1	645001	650000	649,800
1	17500000	17600000	17,548,571
661			**19,200,000**

Shareholding by major category:

Shareholders Category	No. of Shareholders	No. of Shares	%
Individuals	651	779,243	4.06
Investment Companies	1	200	0.00
Insurance Companies	-	-	-
Joint Stock Companies	4	652,001	3.40
Financial Institutions	1	1,000	0.01
Modarabas and Mutual Funds	1	196,385	1.02
Associated Companies undertaking & related parties	1	17,548,571	91.40
Foreigners	2	22,600	0.12
Total:	**661**	**19,200,000**	**100.00**

Name wise shareholding by category:

Shareholder Category	Number of Shareholders	Number of Shares held
Associated Companies, Undertakings and Related Parties (name wise Details)		
Series Acquisition B.V.	1	17,548,571
Mutual Funds (name wise detail)	Nil	Nil
Directors, CEO and their spouse(s) and minor children (name wise details)		
Syed Jawaid Iqbal	1	500
Mr. Khalid Ahmed Farid*	1	100
**shares held prior to appointment*		
Public Sector Companies and Corporations	Nil	Nil
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension funds.	2	197,385
Shareholders holding 5% or more voting rights in the listed company (name wise details)		
Series Acquisition B.V.	1	17,548,571

Annexure “D”

Statement in compliance with section 218 of the Companies Ordinance, 1984

Appointment of Chief Executive Officer and CFO & Company Secretary:

The Board of the Company, on recommendation of Human Resource and Remuneration Committee of the Board, has approved appointment of Mr. Khalid Ahmed Farid as Chief Executive Officer of the Company w.e.f. July 01, 2016 and Mrs. Mehr Alwy Malik as CFO & Company Secretary of the Company w.e.f June 01. 2016, on following terms and conditions:

Name of Executive	Mr. Khalid Ahmed Farid	Mrs. Mehr Alwy Malik
Position	Chief Executive Officer	CFO & Company Secretary
Effective Date	July 01, 2016	June 01, 2016
Base Salary	Rs. 474,941 per month	Rs. 269,608 per month
Other monthly allowances	House rent, utilities and leave fare assistance as per rules and regulations of the Company.	
Performance Bonus	As per performance criteria defined	N/A
Vehicle	1800 cc company maintained vehicle	1300 cc company maintained vehicle
Medical and life insurance	- OPD and hospitalization for self and immediate family - Life insurance for self only	
End of service benefits	- Company contribution to approved provident fund at the rate of 10% of base salary - Gratuity payable as per rules and regulations of the Company	

The remuneration of above two executive shall be subject to such increments, adjustments and other entitlements as may be granted from time to time by the Board of the Company and/or in accordance with the rules and regulations of the Company for the time being in force.

Mr. Khalid Ahmed Farid has also been appointed as a Director on the Board of Directors of the Company effective July 01, 2016.

The above information has already been disseminated to Company's shareholders and stock exchanges within the stipulated time frame as given in section 218 of the Companies Ordinance, 1984.

Statement of Compliance with the Code of Corporate Governance

For the year ended June 30, 2016

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in the regulations of Pakistan Stock Exchange 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 Board). At as June 30, 2016, the Board includes:

Category	Names
Independent Director	Syed Jawaid Iqbal
Executive Directors	Mr. Adeel Ahmed
Non-Executive Director	Mr. Omer Iqbal Awan (Chairman) Mrs. Ghazala Nadeem Mr. Samar Hayat Mr. Faredoun Arjani Mr. Adrian Janjua

The independent director on the Board has met the criteria of independence under clause 5.19.1. (b) of the CCG.

Subsequent to year end, Mr. Adeel Ahmed resigned as CEO & Executive Director of the Company, with effect from June 30th, 2016, and the Board has approved appointed of Mr. Khalid Ahmed Farid as Chief Executive Officer effective from July 1st 2016. Mr. Khalid Ahmed Farid was also appointed an Executive Director to the Board, under section 180 of the Companies Ordinance, 1984, effective from July 1st, till the remainder of the term of the current Board.

2. The directors have confirmed that none of them is serving as a director on 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 or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.

4. Casual vacancy occurred on the Board in August 2015 and September 2015, was filled up by the directors within 90 days.

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 along with 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, other executive and non-executive directors, 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, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board arranged Director's Orientation course for its directors during the year. Evaluation of the Board had been carried based on the feedback received from four directors out of seven. In September 2016, One director completed the Director Certification course whereas the remaining six directors shall acquire the certification and complete the process by June 30, 2018 as required under CCG.

10. Mr. Muhammad Noor-e-Arshi Khan resigned as CFO & Company Secretary with effect from May 31, 2016. The Board has approved appointment of Mrs. Mehr Alwy Malik as CFO & Company Secretary effective June 1, 2016. The Board has also approved on-going appointment of Head of Internal Audit, including their remuneration and terms and conditions of employment.

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.

15. The Board has formed an Audit Committee. It comprises of three members which are all non-executive directors and the Chairman of the committee is an independent director.

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 and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed an HR and Remuneration Committee. It comprises of 3 members, of whom all are non-executive directors including the chairman.

18. The Board has outsourced the internal audit function to M/s Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures 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 ICAP, 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 ICAP.

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 to 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.

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

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

Khalid Ahmed Farid
Chief Executive

Karachi
September 22, 2016

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal,
Karachi-75350
Pakistan

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REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE 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 Gillette Pakistan Limited (the Company) for the year ended June 30, 2016 to comply with the requirements of the Code contained in the Regulations of Pakistan Stock Exchange, 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 part of our audit of 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 of 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 requirement to the extent of approval of 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, 2016.

Deloitte Yousuf Adil

Chartered Accountants

Engagement Partner:
Naresh Kumar

Date: September 23, 2016
Place: Karachi

Member of
Deloitte Touche Tohmatsu Limited

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants
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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Gillette Pakistan Limited** (the Company) as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity 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 comprehensive income, cash flow statement and statement of changes in equity 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, 2016 and of the loss, comprehensive loss, its cash flows and changes in equity for the year then ended; and

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

Deloitte Yousuf Adil

Chartered Accountants

Engagement Partner:
Naresh Kumar

Date: September 23, 2016
Place: Karachi

Member of
Deloitte Touche Tohmatsu Limited

Balance Sheet

As at June 30, 2016

	Note	June 30, 2016	June 30, 2015
		---Rupees in '000---	
ASSETS			
Non-current assets			
Long-term deposits	3	**616**	616
Current assets			
Stock-in-trade	4	**565,767**	650,445
Trade debts	5	**192,618**	241,018
Loans and advances		**9,664**	471
Trade deposits		**327**	277
Interest receivable on term deposits		**197**	1,432
Other receivables	6	**24,175**	21,560
Other financial assets	7	**186,538**	435,409
Sales tax refundable		**27,024**	35,306
Taxation - net		**45,206**	44,937
Cash and bank balances	8	**13,920**	166,576
		1,065,436	1,597,431
Total assets		**1,066,052**	1,598,047
EQUITY			
Share capital and reserves			
Authorized			
20,000,000 ordinary shares of Rs.10/- each		**200,000**	200,000
Issued, subscribed and paid-up capital	9	**192,000**	192,000
Unappropriated profit		**524,585**	646,099
Total equity		**716,585**	838,099
LIABILITIES			
Non-current liabilities			
Deferred liability - gratuity scheme	27	**6,080**	4,360
Current liabilities			
Trade and other payables	11	**343,387**	755,588
Total equity and liabilities		**1,066,052**	1,598,047
Contingencies and commitments	12		

The annexed notes 1 to 30 form an integral part of these financial statements.

KHALID AHMED FARID
Chief Executive

SYED JAWAID IQBAL
Director

Profit and Loss Account

For the year ended June 30, 2016

	Note	June 30, 2016	June 30, 2015
		------------Rupees in '000------------	
Sales - net	13	**1,902,154**	2,079,790
Cost of goods sold	14	**(1,482,919)**	(1,551,442)
Gross profit		**419,235**	528,348
Selling, marketing and distribution expenses	16	**(291,378)**	(313,440)
Administrative expenses	17	**(72,678)**	(58,328)
Other operating expenses	18	**(1,445)**	(4,470)
Bank charges		**(27)**	(95)
		(365,528)	(376,333)
Other income	15	**20,787**	80,390
Profit before tax		**74,494**	232,405
Income tax expense	19	**(103,817)**	(115,808)
(Loss) / profit after tax		**(29,323)**	116,597
		------------------Rupees------------------	
(Loss) / earning per share - basic and diluted	20	**(1.53)**	6.07

The annexed notes 1 to 30 form an integral part of these financial statements.

KHALID AHMED FARID
Chief Executive

SYED JAWAID IQBAL
Director

Statement of Comprehensive Income

For the year ended June 30, 2016

	June 30, 2016	June 30, 2015
	----------Rupees in '000----------	
(Loss) / profit for the year	**(29,323)**	**116,597**
Other comprehensive income for the year - net of tax		
Items that may be reclassified subsequently to profit and loss account	**-**	**-**
Items that will not be reclassified to profit and loss account		
Remeasurement of post retirement benefit obligations	**3,809**	**1,641**
Total items that will not be reclassified to profit and loss account	**3,809**	**1,641**
Total comprehensive income for the year	**(25,514)**	**118,238**

The annexed notes 1 to 30 form an integral part of these financial statements.

KHALID AHMED FARID
Chief Executive

SYED JAWAID IQBAL
Director

Cash Flow Statement

For the year ended June 30, 2016

	Note	June 30, 2016	June 30, 2015
		-----------Rupees in '000-----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows from operations	22	**(208,294)**	214,022
Income taxes paid		**(104,086)**	(120,494)
Defined benefits paid	27	**(25,278)**	(20,756)
Net cash (used in) / generated from operating activities		**(337,658)**	72,772
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income received		**18,972**	34,618
Net cash generated from investing activities		**18,972**	34,618
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(82,841)**	-
Net cash used in financing activities		**(82,841)**	-
Net (decrease) / increase in cash and cash equivalents		**(401,527)**	107,390
Cash and cash equivalents at the beginning of the year		**601,985**	494,595
Cash and cash equivalents at the end of the year	21	**200,458**	601,985

The annexed notes 1 to 30 form an integral part of these financial statements.

KHALID AHMED FARID
Chief Executive

SYED JAWAID IQBAL
Director

Statement of Changes in Equity

For the year ended June 30, 2016

	Issued, subscribed and paid-up capital	Unappropriated profit	Total
	Rupees in '000		
Balance as at July 1, 2014	192,000	527,861	719,861
- Profit for the year	-	116,597	116,597
- Other comprehensive income	-	1,641	1,641
Total comprehensive income for the year ended June 30, 2015	-	118,238	118,238
Balance as at June 30, 2015	**192,000**	**646,099**	**838,099**
- Loss for the year	-	**(29,323)**	**(29,323)**
- Other comprehensive income	-	**3,809**	**3,809**
Total comprehensive income for the year ended June 30, 2016	-	**(25,514)**	**(25,514)**
Transactions with owners:			
Final dividend for the year ended June 30, 2015 (Rs. 5 per share)	-	**(96,000)**	**(96,000)**
Balance as at June 30, 2016	**192,000**	**524,585**	**716,585**

The annexed notes 1 to 30 form an integral part of these financial statements.

KHALID AHMED FARID
Chief Executive

SYED JAWAID IQBAL
Director

Notes to the Financial Statements

For the year ended June 30, 2016

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 Pakistan Stock Exchange (formerly Karachi and Lahore Stock Exchanges). The principal activities of the Company include marketing and selling of blades and razors, personal care products and beauty care appliances.

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

2.2 Accounting convention

The financial statements have been prepared under the historical cost convention except for the recognition of certain staff retirement benefits at present value as referred to in note 2.12 to these financial statements.

2.3 Adoption of new accounting standards/ amendments and interpretations to the published accounting standards:

The following standards, amendments and interpretations are effective for the year ended June 30, 2016. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standards/amendments/interpretations	Effective Date (accounting periods beginning on or after)
IFRS 10 – Consolidated Financial Statements	Effective from accounting period beginning on or after January 01, 2015
IFRS 11 – Joint Arrangements	Effective from accounting period beginning on or after January 01, 2015
IFRS 12 – Disclosure of Interests in Other Entities	Effective from accounting period beginning on or after January 01, 2015
IFRS 13 – Fair Value Measurement	Effective from accounting period beginning on or after January 01, 2015
IAS 27 (Revised 2011) – Separate Financial Statements	Effective from accounting period beginning on or after January 01, 2015
IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures	Effective from accounting period beginning on or after January 01, 2015

Certain annual improvements have also been made to a number of IFRSs.

2.3.1 Standards, interpretations and amendments to the published approved accounting standards not yet effective:

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standards/amendments/interpretations	Effective Date (accounting periods beginning on or after)
Amendments to IAS 16 'Property Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortization	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 16 'Property Plant and Equipment' and IAS 41 'Agriculture' - Measurement of bearer plants	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 16 'Property Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortization	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements	Effective from accounting period beginning on or after January 01, 2016
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective date is deferred indefinitely. Earlier adoption is permitted.
Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception	Effective from accounting period beginning on or after January 01, 2016
Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative	Effective from accounting period beginning on or after January 01, 2016
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	Effective from accounting period beginning on or after January 01, 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses	Effective from accounting period beginning on or after January 01, 2017
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	Effective from accounting period beginning on or after January 01, 2018

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases

2.4 Impairment

Financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Impairment losses are recognized in profit and loss account and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on impaired assets continues to be recognised through unwinding of discount. If an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss account.

Non-financial assets

The Company assesses at each balance sheet date whether there is any indication that non-financial assets other than stock-in-trade 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 amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount and reversal of impairment loss is recognized immediately in profit and loss account, but however the carrying amount is increased to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

2.5 Operating lease

Leases in which a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating lease. Rentals payable under operating leases are charged to profit and loss account on a straight-line basis over the term of the relevant lease.

2.6 Investments

Recognition

All purchases and sales of investments are recognized using trade date accounting. Trade date is the date that the Company commits to purchase or sell the investment.

Held-to-maturity

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intent and ability to hold to maturity. Held to maturity investments are initially recognized at cost inclusive of transaction cost and are subsequently carried at amortized cost using effective interest rate method, less any impairment losses. This method uses an effective interest rate that exactly discounts estimated future cash receipts through the expected life of the investment to its net carrying amount. Gains and losses are recognized in the income statement when the investments are de-recognized or impaired, as well as through the amortization process.

Derecognition

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

2.7 Stock-in-trade

Stocks are valued at the lower of cost and estimated net realizable value. Costs are determined by using the first-in, first-out method except for goods-in-transit which are valued at the actual cost accumulated to the balance sheet date. Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The cost of stocks includes expenditure incurred in acquiring / bringing the inventories items to their existing location and condition.

2.8 Trade debts and other receivables

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment. A provision for impairment of trade debts is estimated when there is objective evidence that the Company will not be able to collect all amount due according to the original terms of the receivables. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the profit and loss account within 'administrative expenses'. When a trade debt is uncollectible, it is written off against the allowance account for trade debts. Subsequent recoveries of amounts previously written off are credited to 'other income' in the profit and loss account.

2.9 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 under Final Tax Regime (FTR) is recognized as tax expense in the period in which related goods are sold.

Deferred

Deferred tax is not booked as the majority of the income of the Company falls under the Final Tax Regime of Income Tax Ordinance, 2001. Deferred tax impact on the income falling under normal tax regime is immaterial to the financial statements.

2.10 Staff retirement benefits

Funded Pension Scheme

The Company operates a defined benefit plan i.e., approved funded pension fund scheme for all its permanent employees subject to prescribed qualifying age limit. Contributions are made to the fund on the basis of actuarial recommendations. Actuarial valuation is carried out using projected unit credit method. As per the Company policy, only employees who opted for this scheme and all ex-employees continue to receive benefit under this scheme.

During the year, the management decided to increase the minimum pension payable per month to Rs 13,000, effective from September 01, 2015, for all existing and new pensioners, with no increase for pensioners already receiving pension higher than Rs 13,000.

Details of the schemes are given in note 27 to these financial statements.

Unfunded gratuity scheme

Effective from July 01, 2012, the Company has started to operate a defined benefit plan i.e. approved unfunded gratuity scheme for all its current permanent employees, with the exception of those employees receiving (or are eligible to receive) benefit under approved funded pension scheme, subject to the prescribed qualifying age limit. This scheme is unfunded and actuarial valuation is carried out using projected unit credit method. As per the Company policy, all new employees would be entitled to this gratuity scheme only.

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 10 per cent of basic salaries of employees.

Compensated absences

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

2.11 Trade and other payables

Liabilities for trade and other amounts payable are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the Company or not.

2.12 Provisions

Provisions are recognized when the Company has the legal or constructive obligation as a result of past events and 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 obligations. However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

2.13 Foreign currency translation

Transactions in foreign currencies are recorded into Pak Rupee at the exchange rate prevailing on the date of transaction. At each reporting period, monetary assets and liabilities denominated in foreign currencies are translated into rupees at the rates of exchange prevailing at the balance sheet date. Exchange gains and losses are included in profit and loss account in the year in which they arise.

2.14 Revenue recognition

Sales are recorded on delivery of goods and acceptance by the customer.

Mark-up / return on bank balances / investment income is recognized on a time proportionate basis on the principal amount outstanding by applying the effective interest rate.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits in banks and short term liquid investments that are readily convertible to known amounts of cash.

2.16 Dividend

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the periods in which the dividends are approved by the appropriate authority.

2.17 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.18 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled or expires. Any gains or losses on derecognition of financial assets and financial liabilities are taken to the profit and account currently.

Financial instruments carried on the balance sheet include loans, deposits, trade debts, accrued profit, other receivables, cash and bank balances and trade and other payables. The particular recognition method adopted are disclosed in the individual policy statements associated with each item.

2.19 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.20 Significant judgments and key sources of estimation in applying the accounting policies

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

Judgments and estimates made by management that may have significant risk of material adjustments to the financial statements in the subsequent years are as follows:

i) Determination of net realizable value for stock-in-trade (note 2.7 and note 4);
ii) Provision / (reversal) for doubtful debts (note 2.8);
iii) Assumptions and estimates used in accounting for defined benefits plan (note 2.10 and note 27);
iv) Provision for taxation (note 2.9 and note 19); and
v) Contingencies and commitments (note 12).

During the year, the Company in line with other group entities has changed the method for calculating aging of inventory for determining variance on closing stock from average number of days of holding of stock to average stock turnover days. Had there been no change in the method of calculation of aging of inventory, cost of goods sold for the year would have been lower by Rs. 34.5 million and stock-in-trade and profit for the period would have been higher by Rs. 34.5 million.

	Note	**June 30, 2016**	June 30, 2015
		---------Rupees in '000---------	
3. LONG-TERM DEPOSITS			
Central Depository Company Limited - registration deposit		**37**	37
Employee medical insurance deposit		**101**	101
Marine insurance deposit		**300**	300
Security deposit to suppliers		**178**	178
		616	616
4 STOCK-IN-TRADE			
4.1 Breakup of Stock-in-trade is as follows:			
Finished goods			
- on hand	4.2 & 4.3	**493,555**	475,913
- in transit		**72,688**	182,565
Stock-in-trade before provision		**566,243**	658,478
Provision due to slow-moving and obsolete inventory	4.4	**(476)**	(8,033)
		565,767	650,445

4.2 Stock-in-trade includes goods costing Rs. 29.063 million (June 30, 2015: 39.740 million) written down by Rs. 5.238 million (June 30, 2015: Rs. 9.822 million) to net realizable value amounting to Rs. 23.825 million (June 30, 2015: 29.918 million).

4.3 Finished goods are held at a third party warehouse under a service agreement.

4.4 Movement in provision for slow-moving and non-performing inventory is as follows:

	June 30, 2016	June 30, 2015
	---------Rupees in '000---------	
Opening balance	**8,033**	1,582
(Reversal) / charged for the year	**(7,557)**	6,451
Closing balance	**476**	8,033

5 TRADE DEBTS

Unsecured - considered good	**192,618**	241,018

5.1 Trade receivables are non-interest bearing and the credit period on sale of goods is 96 days for Braun products and 26 days for Blades & Razors and others (June 30, 2015: 96 days for Braun products and 25 days for Blade & Razors and others).

5.2 In determining the recoverability of a trade debt, the Company considers any change in the credit quality of the trade debt on each reporting period from the date when credit was initially granted. Accordingly, the management believe that no provision for doubtful debts is required, as there has not been a significant change in credit quality of the customer.

5.3 Aging of trade debts

	1 - 26 days	27 - 96 days	Above 96 days
June 30, 2016		Rupees in '000	
Neither due nor impaired	**186,689**	-	-
Past due but not impaired	-	**5,929**	-
Past due and impaired	-	-	-

	1 - 25 days	26 - 96 days	Above 96 days
June 30, 2015		Rupees in '000	
Neither due nor impaired	137,525	92,680	-
Past due but not impaired	-	10,795	18
Past due and impaired	-	-	-

	Note	June 30, 2016	June 30, 2015
		----------Rupees in '000----------	
6. OTHER RECEIVABLES			
Duties refundable	6.1	**23,423**	13,820
Others		**752**	7,740
		24,175	21,560

6.1 This includes refundable claim lodged with Custom Authorities on account of duty refund on re-export of products.

	Note	June 30, 2016	June 30, 2015
7. OTHER FINANCIAL ASSETS		----------Rupees in '000----------	
Term deposits - held-to-maturity	7.1	**186,538**	435,409

7.1 This represents term deposits, having maturity period of one month to three months and effective interest rates are in range from 4.82% to 6% (June 30, 2015: 4.75% to 9.2%) per annum.

8. CASH AND BANK BALANCES			
Current account		**624**	625
Savings account	8.1	**13,296**	165,951
		13,920	166,576

8.1 These are balances maintained with commercial banks. The effective interest rate on the account ranges from 4% to 4.5% (June 30, 2015: 4.5% to 7%) per annum.

9. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

June 30, 2016	June 30, 2015		June 30, 2016	June 30, 2015
Number of shares			----------Rupees in '000----------	
		Ordinary shares of Rs. 10/- each fully paid:		
15,936,000	15,936,000	- In Cash	**159,360**	159,360
3,264,000	3,264,000	- Other than cash	**32,640**	32,640
19,200,000	19,200,000		**192,000**	192,000

9.1 The Series Acquisition B.V., Netherlands, and its nominees held 17,548,574 (June 30, 2015: 17,548,574) ordinary shares of Rs. 10 each of the Company.

9.2 The Company has one class of ordinary shares which carry no right to fixed income. The holders of the shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

9.3 There was no movement in ordinary shares during the year.

9.4 The Company has no reserved shares for issuance under options and sales contracts.

10. CAPITAL RISK MANAGEMENT

The Company's objectives, policies and processes for managing capital are as follows:

- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The capital structure of the Company consists of equity comprising issued share capital and unappropriated profit. The Company's overall strategy remains unchanged from 2015.

The Company is not subject to any externally imposed capital requirements.

11. TRADE AND OTHER PAYABLES

	Note	June 30, 2016	June 30, 2015
		----------Rupees in '000----------	
Trade creditors	11.1	**221,809**	605,665
Payable to pension fund	27.1.2	**26,085**	25,015
Accrued liabilities	11.2 & 11.3	**81,730**	124,304
Unclaimed dividend		**13,763**	604
		343,387	755,588

11.1 This includes amount payable to related party, Procter and Gamble International Operations (PGIO).

11.2 This includes payable to following related parties:

	June 30, 2016	June 30, 2015
	----------Rupees in '000----------	
Procter & Gamble Pakistan (Private) Limited	**11,100**	15,950
Procter & Gamble International Operations SA-ROHQ	**785**	1,074
The Procter & Gamble US Business Services Company	**94**	235
	11,979	17,259

11.3 This includes payable in respect of Workers Welfare Fund amounting to Rs.1.42 million (June 30, 2015: Rs. 4.47 million). Movement of the payable is as follows:

	June 30, 2016	June 30, 2015
	----------Rupees in '000----------	
Opening balance	**4,470**	3,320
Payments made	**(4,470)**	(3,320)
Provision for the year	**1,424**	4,470
Closing balance	**1,424**	4,470

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 The income tax assessments of the Company have been completed up to and including tax year 2015 (i.e. year ended on June 30, 2015). The tax returns for the tax years from 2003 to 2015 are treated as assessment orders under section 120 of the Income Tax Ordinance, 2001 on the date returns were filed, unless amended otherwise.

In respect of assessment years 2000-2001 and 2001-2002, the Commissioner of Income Tax (Appeals) made certain additions / disallowances which resulted in additional tax liability amounting to Rs. 49.422 million and Rs. 8.241 million respectively. The Company filed appeals before the Income Tax Appellate Tribunal (ITAT), which are pending for the decision.

In respect of the above, the Company has made a payment of the full amount and made a provision of Rs. 40.518 million in previous years. The management considers that a further provision of Rs. 1.357 million would be required based on the assessment order issued on November 28, 2015.

12.1.2 The Commissioner of Inland Revenue has filed an appeal in the High Court of Sindh against the order of Appellate Tribunal Inland Revenue, issued in favour of the Company for the years 1999-2000 and 2000-01. The case pertained to alleged incorrect payment / short payment of sales tax by the company on various transactions in these years. The initial demand of sales tax and additional tax raised by the tax department was amounting to Rs. 34.5 million. The Company is now pursuing the case in the Court; however, no provision has been made in these financial statements as the management anticipates that the case would be decided in the favour of the Company.

12.1.3 In 2007, a case had been filed by one of the ex-employee of the Company regarding payment of severance cost amounting to Rs. 28.9 million in the High Court of Sindh (the Court). After some initial hearings, the Court on the application of plaintiff has allowed appointment of commissioner to hear the case, with the cost to be borne by the plaintiff. Once the hearing is completed, the matter will be fixed in the Court for arguments. However, based on the advice from the Company's legal counsel, the Company anticipates that the case shall be decided in its favour. Hence, the management has not made any provision against this case in these financial statements.

12.1.4 During the year 2014, the Company received notice of selection for sales tax audit for the tax periods from July 2011 to June 2012 under section 72B of the Sales Tax Act, 1990. Subsequently, the Company received a demand issued by the deputy commissioner inland revenue (DCIR) for the period from July 2011 to June 2012 alleging that the company has taken input tax amounting to Rs. 6.862 million which suppliers have not declared and paid output tax in monthly sales tax return and therefore the subject input tax is allegedly not allowed under section 8(1) of the Sales Tax Act,1990. The Company has filed an appeal before the Appellate Tribunal Inland Revenue against Deputy Commissioner's demand for sales tax and no provision has been made in these financial statements as the management believes that the case will be decided in the favor of the Company. However in the company's appeal the Appellate Tribunal Inland Revenue remanded the case back to the department which is pending for adjudication.

12.2 Commitments

	June 30, 2016	June 30, 2015
	----------Rupees in '000----------	
Rental due under operating lease arrangements in respect of vehicles:		
Not later than one year	**758**	1,781
Later than one year but not later than five years	**-**	2,818
	758	4,599

	Note	June 30, 2016	June 30, 2015
		----------Rupees in '000----------	
13. SALES - NET			
Gross sales		2,540,364	2,730,632
Trade discounts		(269,097)	(245,819)
Sales tax		(369,113)	(405,023)
		1,902,154	2,079,790
14. COST OF GOODS SOLD			
Opening stock of finished goods		650,445	596,236
Purchases of finished goods		1,398,240	1,605,651
		2,048,685	2,201,887
Closing stock of finished goods		(565,766)	(650,445)
	14.1	1,482,919	1,551,442

14.1 Finished goods have been written down to net realizable value by Rs.5.238 million (June 30, 2015: Rs.9.822 million) and are charged to cost of goods sold.

	Note	June 30, 2016	June 30, 2015
15. OTHER INCOME			
15.1 Income from financial assets			
Interest income on term deposits and saving accounts		17,737	34,699
Exchange gain		2,643	44,649
		20,380	79,348
15.2 Income other than financial assets			
Others		407	1,042
		20,787	80,390
16. SELLING, MARKETING AND DISTRIBUTION EXPENSES			
Advertising and sales promotion		210,535	216,415
Warehousing and transportation		51,520	54,195
Salaries, wages and other benefits		25,592	39,005
Traveling and conveyance		1,204	2,970
Others		2,527	855
		291,378	313,440
17. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits		46,899	35,562
Legal and outsourced professional services		11,950	10,654
Rent, rates and taxes		6,808	7,068
Auditors' remuneration	17.1	1,491	1,299
Traveling and conveyance		886	786
Others		4,644	2,959
		72,678	58,328

		Note	June 30, 2016	June 30, 2015
			----------Rupees in '000----------	
17.1	**Auditors' remuneration**			
	Audit fee		**922**	790
	Half yearly review		**516**	459
	Review of compliance with Code of Corporate Governance		**28**	28
	Out of pocket expenses		**25**	22
			1,491	1,299
18.	**OTHER OPERATING EXPENSES**			
	Workers Welfare Fund		**1,424**	4,470
	Others		**21**	-
			1,445	4,470
19.	**INCOME TAX EXPENSE**			
	Current year tax	19.1	**102,460**	115,808
	Prior year tax		**1,357**	-
			103,817	115,808
19.1	**The tax charge for the year includes the following:**			
	- tax under Final Tax Regime on commercial imports		**96,784**	104,357
	- tax under Normal Tax Regime on interest income		**5,676**	11,451
			102,460	115,808
19.2	**Relationship between tax expense and accounting profit**			
	Accounting profit for the year		**74,494**	232,405
	Tax rate		**32%**	33%
	Tax charge		**23,838**	76,694
	Effect of taxes paid under Final Tax Regime		**78,622**	39,114
			102,460	115,808
20.	**(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED**			
	(Loss) / profit for the year		**(29,323)**	116,597
			-------Number of shares-------	
	Weighted average number of ordinary shares outstanding during the year		**19,200,000**	19,200,000
			-------------- Rupees ----------------	
	(Loss) / earnings per share - basic and diluted		**(1.53)**	6.07

	Note	June 30, 2016	June 30, 2015
		----------Rupees in '000----------	
21. CASH AND CASH EQUIVALENTS			
Cash and bank balances	8	**13,920**	166,576
Term deposits	7	**186,538**	435,409
		200,458	601,985
22. CASH FLOWS FROM OPERATIONS			
Profit before taxation		**74,494**	232,405
Adjustment for non-cash charges and other items:			
Expense recognized on employee benefits - pension	27.1.5	**30,482**	23,074
Expense recognized on employee benefits - gratuity	27.1.5	**1,396**	1,439
Stock-in-trade written down to net realizable value	4.2	**5,238**	9,822
(Reversal) / provision for slow moving stock-in-trade	4.4	**(7,557)**	6,451
Interest income on term deposits and saving accounts	15.1	**(17,737)**	(34,699)
Working capital changes	23	**(294,610)**	(24,470)
		(208,294)	214,022
23. WORKING CAPITAL CHANGES			
(Increase) / decrease in current assets:			
Stock-in-trade		**86,997**	(70,482)
Trade debts		**48,400**	(75,701)
Loans and advances		**(9,193)**	(399)
Trade deposits		**(50)**	258
Sales tax refundable		**8,282**	21,392
Other receivables		**(2,616)**	7,539
		131,820	(117,393)
(Decrease) / increase in current liabilities:			
Trade and other payables		**(426,430)**	92,923
		(294,610)	(24,470)

24. 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 have interest, staff retirement benefit plans, directors of the Company, 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. Amount due from and to related parties are shown under 'other receivables' and 'trade and other payables', amounts due from key management personnel are shown under 'loans and advances', whereas remuneration of directors, chief executive and executives are disclosed in note 25. Other significant transactions with related parties are as follows:

Name	Relationship with the Company	Nature of transaction	June 30, 2016	June 30, 2015
			----------Rupees in '000----------	
Procter and Gamble International Operations	Associate	Purchases of finished goods	**1,167,115**	1,526,815
Procter and Gamble Pakistan (Private) Limited.	Associate	Services received	**66,131**	73,679
		Services rendered	**26,204**	20,832
Procter and Gamble International Operations SA	Associate	Services received	**2,063**	2,351
Procter and Gamble US Business Services	Associate	Services received	**1,179**	1,534
Gillette Pakistan Provident Fund	Retirement benefit plan	Contribution to provident fund	**1,566**	1,506
Gillette Pakistan Pension Fund	Retirement benefit plan	Expense from pension fund	**30,482**	23,074

25. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

25.1 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	
	For the year ended June 30, 2016	For the year ended June 30, 2015	**For the year ended June 30, 2016**	For the year ended June 30, 2015	**For the year ended June 30, 2016**	For the year ended June 30, 2015
	Rupees in '000					
Basic salary	**5,419**	4,440	**-**	4,782	**11,023**	5,743
Bonus	**434**	-	**-**	594	**433**	-
Housing allowance	**2,439**	1,998	**-**	2,152	**4,772**	2,584
Utilities allowance	**542**	444	**-**	478	**1,102**	574
Leave fare assistance allowance	**813**	666	**-**	717	**1,653**	861
Retirement benefits	**542**	444	**-**	478	**1,024**	513
Others	**124**	31	**-**	5	**2,333**	2,190
	10,313	8,023	**-**	9,206	**22,340**	12,465
Number of persons	**1**	1	**-**	1	**7**	6

	June 30, 2016	June 30, 2015
Number of employees as at	**7**	7
Average number of employees during the year	**7**	8

25.2 Chief Executive, a working director and executives of the Company are also provided with free use of company maintained cars, enrollment in either approved funded pension fund or unfunded approved gratuity scheme and medical for self and family members and other benefits as per rules of the Company.

25.3 The aggregate amount of fees paid to one non-executive director was Rs. 150,000 (June 30, 2015: Rs.150,000).

25.4 Remuneration of Director for prior year, represents remuneration paid to Chief Financial Officer and Company Secretary who was also a Director on the Board of the Company till June 28, 2015.

25.5 During the year, the CFO and one of the executive obtained advance against house rent and car loan amounted to Rs. 900,000 and Rs. 1,000,000. As at year end, total amount receivable from the CFO and executive amounted to Rs. 900,000 and Rs. 1,000,000 respectively.

26. FINANCIAL RISK MANAGEMENT

26.1 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below and disclosed in note 2.

	Held-to-maturity		Loans and receivable	
	June 30, 2016	June 30 2015	**June 30, 2016**	June 30, 2015
	Rupees in '000			
Assets as per balance sheet				
Long-term deposits	**-**	-	**616**	616
Trade debts	**-**	-	**192,618**	241,018
Loans and advances	**-**	-	**9,664**	471
Trade deposits	**-**	-	**327**	277
Interest receivable on term deposits	**-**	-	**197**	1,432
Other receivables	**-**	-	**752**	7,740
Other financial assets	**186,538**	435,409	**-**	-
Cash and bank balances	**-**	-	**13,920**	166,576
	186,538	435,409	**218,094**	418,130

	Financial liabilities at amortized cost	
	June 30, 2016	June 30, 2015
	Rupees in '000	
Liabilities as per balance sheet		
Trade and other payables	**343,387**	755,588

26.2 Financial risk factors

The Company is exposed to market risk (including interest rate risk, price risk and currency risk), credit risk and liquidity risk arising from its business activities. The Company's overall risk management strategy seeks to minimize adverse effects from the unpredictability of risk factors on the Company's financial performance.

The Board of Directors has overall responsibility for the oversight of financial risk management for the Company. To assist the Board in discharging its oversight responsibility, the management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures.

26.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market variables. Market risk comprises three types of risk: interest rate risk, price risk and currency risk. The exposure to these risks and their management is explained below:

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company is not exposed to interest rate risks, therefore, no sensitivity analysis is provided for this risk.

ii. Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of 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.

As the Company is not exposed to price risks, therefore, no sensitivity analysis is provided for this risk.

iii. Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and bank balances in foreign currency. The Company's exposure to foreign currency risk is as follows;

	June 30, 2016		
	USD	**EURO**	**Total**
	----------Rupees in '000----------		
Trade and other payables	**(879)**	**(221,809)**	**(222,688)**
Net Exposure	**(879)**	**(221,809)**	**(222,688)**

	June 30, 2015		
	USD	EURO	Total
	----------Rupees in '000----------		
Trade and other payables	(1,309)	(569,775)	(571,084)
Net Exposure	(1,309)	(569,775)	(571,084)

In respect of monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level and balance the risk itself.

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
Rupees per	**2016**	2015	**2016**	2015
USD	**104.60**	101.80	**104.71**	101.85
EURO	**117.54**	114.25	**115.98**	113.59

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the USD and Euro exchange rates, with all other variables held constant, on the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Change in rate	Effect on PBT USD	Effect on PBT EURO	Effect on PBT Total
		Rupees in '000		
June 30, 2016	**+10%**	**(88)**	**(22,181)**	**(22,269)**
	-10%	**88**	**22,181**	**22,269**
June 30, 2015	+10%	(131)	(56,977)	(57,108)
	-10%	131	56,977	57,108

26.2.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the balance sheet date is as follows:

	June 30, 2016	June 30, 2015
	Rupees in '000	
Long-term deposits	**616**	616
Trade debts	**192,618**	241,018
Loans and advances	**9,664**	471
Trade deposits	**327**	277
Interest receivable on term deposits	**197**	1,432
Other receivables	**752**	7,740
Other financial assets	**186,538**	435,409
Bank balances	**13,920**	166,576
	404,632	853,539

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers. Outstanding customer receivables are regularly monitored and shipments are only made if the credit history of the customer is clean.

Credit risk from balances with banks is managed by treasury in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties.

The Company is exposed to credit risk from its operating activities primarily for trade debts, other receivables, deposits with banks and other financial assets. The names and credit ratings of banks, where the Company maintains its bank balance are as follows:

Name of bank	**Rating agency**	**Credit rating Short-term**	**Long-term**
Habib Bank Limited	Standard & Poor's	A-1+	AAA
Citi Bank, N.A.	Moody's	P-1	A1
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA

26.2.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company has minimal liquidity risk as it maintains sufficient cash for operations through prudent liquidity risk management. The Company has no external borrowings.

The financial liabilities of the Company are analyzed into the relevant maturity buckets based on their contractual maturity dates in the table below:

	Carrying Amount	Contractual Cash Flow	Less than 1 month	1 - 3 months	3 months to 1 year	1-5 years	5+ years
	---Rupees in '000---						
FINANCIAL LIABILITIES							
June 30, 2016							
Trade and other payables	**343,387**	**(343,387)**	**(343,387)**	**-**	**-**	**-**	**-**
June 30, 2015							
Trade and other payables	755,588	(755,588)	(755,588)	-	-	-	-

Management closely monitors the Company's liquidity and cash flow position by maintaining availability of financing through banking arrangements.

26.3 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amount of all financial assets and liabilities reflected in these financial statements approximate their fair values.

26.3.1 Fair value hierarchy

The following table provided an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to 3 based on the degree to which the fair value is observable.

Level - 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level - 2 fair value measurements are those derived from input other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level - 3 fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2016, the Company does not hold any financial instrument, which can be categorised in any of the above levels.

27. STAFF RETIREMENT BENEFITS

27.1 Funded post retirement pension and unfunded gratuity schemes

27.1.1 The actuarial valuation of pension plan was carried out at June 30, 2016. The projected unit credit method, using the following significant financial assumptions, has been used for the actuarial valuation:

	June 30, 2016		June 30, 2015	
	Pension	**Gratuity**	Pension	Gratuity
- Discount rate - per annum compound	**9.50%**	**9.50%**	9.25%	9.25%
- Expected rate of increase in salaries - per annum	**0.00%**	**9.50%**	0.00%	9.25%
- Expected rate of return on plan assets - per annum	**9.50%**	**-**	9.25%	-
- Pension indexation rate - per annum	**7.75%**	**-**	7.50%	-

Mortality rates assumed were based on the State Life Insurance Corporation (SLIC) 2001-05 ultimate mortality rates.

	June 30, 2016 Pension	June 30, 2016 Gratuity	June 30, 2015 Pension	June 30, 2015 Gratuity
	-----------Rupees in '000-----------			
27.1.2 Balance sheet reconciliation				
Fair value of plan assets	**(101,027)**	**-**	(71,905)	-
Present value of defined benefit obligation	**127,112**	**6,080**	96,920	4,360
Liability carried forward in the balance sheet	**26,085**	**6,080**	25,015	4,360
27.1.3 Movement in fair value of plan assets				
Fair value at beginning of the year	**71,905**	**-**	78,766	-
Interest income	**7,671**	**-**	9,093	-
Remeasurement on post retirement benefits	**(596)**	**-**	4,331	-
Benefits paid	**(2,968)**	**-**	(20,285)	-
Contribution by the Company	**25,015**	**-**	-	-
Fair value at the end of the year	**101,027**	**-**	71,905	-
27.1.4 Movement in defined benefit obligation				
Obligation at beginning of the year	**96,920**	**4,359**	81,918	3,821
Current service cost	**-**	**1,004**	1,894	964
Interest cost	**8,828**	**392**	9,510	475
Past service cost - vested	**29,325**	**-**	20,763	-
Remeasurement on post retirement benefits	**(4,993)**	**588**	3,120	(429)
Benefits paid	**(2,968)**	**(263)**	(20,285)	(471)
Obligation at the end of the year	**127,112**	**6,080**	96,920	4,360
27.1.5 Charge to profit and loss account				
Current service cost	**-**	**1,004**	1,894	964
Past service cost - vested	**29,325**	**-**	20,763	-
Net interest cost	**1,157**	**392**	417	475
	30,482	**1,396**	23,074	1,439
27.1.6 Record in statement of other comprehensive income				
Remeasurement due to:				
Financial assumptions	**-**	**-**	18,316	-
Experience adjustment	**(4,397)**	**588**	(19,528)	(429)
	(4,397)	**588**	(1,212)	(429)

	June 30, 2016 Pension	June 30, 2016 Gratuity	June 30, 2015 Pension	June 30, 2015 Gratuity
	---Rupees in '000---			
27.1.7 Actual return on plan assets is as follows:				
Interest income	7,671	-	9,093	-
Remeasurement on post retirement benefits	(596)	-	4,331	-
Actual return on plan assets	7,075	-	13,424	-
27.1.8 Detail of plan assets				
Pakistan Investment Bonds	77,906	-	52,811	-
Term Deposit Receipts	8,441	-	7,788	-
Units of Mutual Funds	2,576	-	2,228	-
Cash at bank	12,105	-	9,078	-
	101,028	-	71,905	-

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

		Impact on obligation of change in assumption			
		Pension		Gratuity	
	Changes in assumptions	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(111,315)	146,435	(5,234)	7,124
Salary increase	1%	143,729	(113,081)	7,145	(5,203)
Mortality age	1 year	(131,257)	123,287	(6,173)	5,990

	June 30, 2016 Pension	June 30, 2016 Gratuity
27.1.10 Weighted average plan duration	13.87 years	13.87 years

27.1.11 The number of employees covered under the pension fund and gratuity fund are 1 and 7 respectively.

27.1.12 The company expects to make a contribution of Rs. 0.456 million to the defined benefit plans during the next financial year.

	Note	June 30, 2016	June 30, 2015
		----------Rupees in '000----------	
27.2 Defined contribution plan - Recognized provident fund*			
The Company maintains the fund of provident fund in a separate trust.			
Size of provident fund - Net assets		**9,144**	9,256
Fair value of investment	27.2.1	**1,165**	4,462
Break-up of fair value investments:			
- Balance in savings accounts			
Amount of investment		**384**	148
Percentage of size of investment		**4%**	2%
- Term deposit receipts			
Amount of investment		**-**	3,300
Percentage of size of investment		**0%**	36%
- Shares of listed companies			
Amount of investment	27.2.2	**781**	1,014
Percentage of size of investment		**8%**	11%

* *These figures are taken from unaudited financial statements of Gillette Pakistan's Provident Fund.*

27.2.1 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.

27.2.2 It includes investment made in listed shares with purchase price of Rs. 0.668 million which are valued at market price as of June 30, 2016.

28. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

28.1 The Board of Directors of the Company in their meeting held on September 22, 2016 have proposed a final cash dividend at the rate of 0% i.e. Rs. Nil per share for the year ended June 30, 2016 (2015: Rs.5 per share), amounting to Rs. Nil (2015: Rs. 96 million).

29. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on September 22, 2016.

30. GENERAL

Figures have been rounded off to the nearest thousand rupee.

KHALID AHMED FARID
Chief Executive

SYED JAWAID IQBAL
Director

Notice of the Annual General Meeting

Notice is hereby given that the 29th Annual General Meeting of the Company will be held on October 26, 2016 at The ICAP House, Chartered Accountants Avenue, Karachi at 10:00 am to transact the following business:

1. To confirm the minutes of Extra Ordinary General Meeting of the Company held on August 04, 2016.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2016, together with the auditors' and directors' report thereon.
3. To appoint auditors for the year ending June 30, 2017 and fix their remuneration. Messrs. Deloitte Yousuf Adil, Chartered Accountants, the present auditors have retired and being eligible have offered themselves for reappointment.
4. Any other business with the permission of the Chair.

By Order of the Board

Mehr Alwy Malik
Company Secretary

Karachi
October 03, 2016

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 14, 2016 till October 26, 2016 (both days inclusive). Transfer received in order by the Company's Share Register, FAMCO Associates (Pvt) Ltd., 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S, Shahra-e-Faisal, Karachi-75600 up to close of business on October 13, 2016 will be eligible for any entitlement, if any.
2. A member entitled to attend, speak and vote at the Meeting shall be entitled to appoint another person as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights with respect to attending, speaking and voting at the Meeting as are available to Member. CDC shareholders desiring to attend the meeting are requested to bring their original Computerized National Identity Card, Account and Participant's ID Number, for identification purpose, and in case of proxy, to enclose an attested copy of his/her CNIC.
3. Pursuant to provisions of SECP's Companies (E-Voting) Regulations, 2016, the Company's Articles of Association have been amended with a Special Resolution. However, E-Voting facility cannot be made available to the Members for this meeting because all the conditions required to be satisfied for providing e-voting facility cannot be satisfied.
4. The instrument of appointing a proxy together with the power of attorney (if any) or other authority, under which it is signed or a notarially certified copy thereof should be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.
5. Members are requested to communicate to the Company's Registrar any change in their addresses.
6. Shareholders are requested to submit details of their CNIC along with its copy to our share registrar in order to comply with the requirements of SRO 831 (1) 2012 dated July 02, 2012.
7. Shareholders are requested to provide option for dividend mandate to our share registrar in order to comply with the requirements of Circular 18 of 2012 dated June 05, 2012.
8. Shareholders are requested to share their email address with our share registrar so that the Company can send Financial Statements & Notice of Shareholders' meetings via electronic transmission.
9. Shareholders are requested to provide their National Tax Number to our share registrar in order to comply with the requirements of Circular No. 19/2014 dated October 24, 2014.

Proxy Form

The Company Secretary
Gillette Pakistan Limited
11th Floor, The Harbour Front,
Dolmen City, HC-3, Block-4,
Marine Drive, Clifton,
Karachi - 75600, Pakistan.
Tel: + (92 21) 3520 5088
Fax: + (92 21) 3529 6150

Folio No. ____________________

I / We ____________________

being a Member of Gillette Pakistan Limited hereby appoint ____________________

____

or failing him / her ____________________

____

as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the 29th Annual General Meeting of the Company to be held on October 26, 2016 and at any adjournment thereof.

As witness my hand this ____________________ day of ____________ 2016

Signed by the said ____________________

____

in the presence of ____________________

____

____

Revenue Stamp

Important:

1. Signatures should agree with the specimen signatures registered with the Company.
2. This form of proxy duly completed and signed across a revenue stamp, must be deposited at the Company's registered office not less than 48 hours before the time for holding the Meeting.

Gillette
Fusion
ProGlide
Gel
Gillette
Fusion
ProGlide
Power
Gillette
Fusion
ProGlide
Gillette
Mach3
Turbo