



**QUARTERLY**  
**ACCOUNTS**  
SEPTEMBER 30, 2019





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## Corporate Information

### BOARD OF DIRECTORS

CHAIRMAN  
MEMBERS

Saqib Zia  
Khalid Ahmed Farid  
Syed Danish Hussain Shah  
Sunnia Anwer  
Sumika Farooqui  
Syed Jawaid Iqbal  
Sheikh Adil Hussain

### AUDIT COMMITTEE

CHAIRMAN  
MEMBERS

Syed Jawaid Iqbal  
Sunnia Anwer  
Saqib Zia

### HEAD OF INTERNAL AUDIT & SECRETARY TO THE AUDIT COMMITTEE

Saad Un Nabi Khan

### HUMAN RESOURCE & REMUNERATION COMMITTEE

CHAIRMAN  
MEMBERS

Sheikh Adil Hussain  
Sumika Farooqui  
Saqib Zia

### CHIEF EXECUTIVE OFFICER

Khalid Ahmed Farid

### CHIEF FINANCIAL OFFICER

Syed Irshad Hassan

### COMPANY SECRETARY

Moosa Haroon

### AUDITORS

Deloitte Yousuf Adil, Chartered Accountants

### LEGAL ADVISORS

Surridge & Beecheno

### 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. Shakra-e-Faisal, Karachi  
Tel: + (92 21) 34380101-2

### REGISTERED OFFICE

11th Floor, The Harbour Front, Dolmen City,  
HC-3, Block-4, Abdul Sattar Edhi Avenue,  
Clifton, Karachi - 75600, Pakistan.  
Tel: + (92 21) 3520 5088  
Fax: + (92 21) 3529 6150  
Web: [www.gillettepakistan.com](http://www.gillettepakistan.com)

## Directors' Report

For the quarter ended September 30, 2019

On behalf of the Board of Directors of Gillette Pakistan Limited ('the Company'), we are pleased to present the un-audited financial statements of the Company for the quarter ended September 30, 2019. The summary of the financial results are as follows:

		For the Quarter Ended	
		September 30, 2019	September 30, 2018
Sales - Net	PKR in '000'	474,051	354,169
Gross Profit	PKR in '000'	159,752	104,172
GP		33.7%	29.4%
Profit before tax	PKR in '000'	120,455	20,652
Profit before tax		25.4%	5.8%
Profit after tax	PKR in '000'	91,114	685
Profit after tax		19.2%	0.2%
Earnings per share	PKR	4.75	0.04

The fiscal year is off to a strong start with Net Sales up by 34% vs year ago. This is behind a combination of a very low base, smart pricing, better sales mix & focus on building business with higher distribution and better in-store strategies. Despite macroeconomic headwinds on applicable duties and devaluation of local currency, the Company has been able to grow profit before tax to 25% vs 6% year ago. Excluding a one-off Other Income adjustment, this translates to 17% profit before tax. This is mainly due to the efforts placed by Management in negotiating our supply prices to ensure that our prices remain competitive in the market.

The management has also placed efforts in reducing overall marketing spend pool of the Company. Moving forward we expect the business to continue achieving growth ahead of market behind focus on all lineups coupled with high levels of distribution behind coverage expansion. However, the management has its set of challenges ahead of them in the form of an economy slow down where consumers might begin to down-tier to lower priced competition.

On behalf of the Board of Directors, we would like to express appreciation to our Shareholders for their absolute confidence, our valued Customers for their un-paralleled reliance in Company's illustrious product line and the Regulators and other stakeholders for their understanding and support. We would accordingly, put on thanks to the Board of Directors for their contribution, the management and employees for their persistent and untiring commitment, arduous work and co-operation throughout the year.

On behalf of the Board,

**Khalid Ahmed Farid**  
 Chief Executive Officer  
 October 24, 2019  
 Karachi

**Syed Danish Hussain Shah**  
 Director



## ڈائریکٹرز رپورٹ

برائے سرمایہ بختمہ 30 ستمبر 2019

جیلت پاکستان لمیٹڈ ("دی کمپنی") کے بورڈ آف ڈائریکٹرز کی جانب سے ہم سمرٹ کمپنی کے غیر آڈٹ شدہ مالیاتی اہلیتوں برائے سرمایہ بختمہ 30 ستمبر 2019 پیش کر رہے ہیں۔ مالیاتی نتائج کا خلاصہ درج ذیل کے مطابق ہے:

برائے سرمایہ بختمہ			
30 ستمبر	30 ستمبر		
2018	2019		
354,169	474,051	1000 پاکستانی روپے میں	نیلز - خاص
104,172	159,752	1000 پاکستانی روپے میں	مجموعی منافع
29.4%	33.7%		بقیہ
20,652	120,455	PKR in '000'	قبل از ٹیکس منافع
5.8%	25.4%		قبل از ٹیکس منافع %
685	91,114	PKR in '000'	بعد از ٹیکس منافع
0.2%	19.2%		بعد از ٹیکس منافع
0.04	4.75	پاکستانی روپے میں	فی شیئر آمدنی

مالیاتی سال ایک بھر پر آٹھ ماہ سے ہوا جب گزشتہ سال کے مقابلے میں خاص نیلز میں %134 اضافہ سے ہوا۔ اس کے پس منظر میں ایک نہایت کم بنیاد قیمتوں کے سامنے تھیں، بہتر سیکورس اور زیادہ ڈسٹری بیوشن کے ذریعہ کاروبار کے فروغ اور بہتر ان اسٹور سٹکٹ عملی کا احراج تھا۔ نیگزرو اس کیس کی لاگو یونٹیز سے مقابلے اور کئی کرنسی کی قدر میں کمی کے باوجود، کمپنی نے اس منافع %25 حاصل کرنے میں کامیاب ہوئی جو گزشتہ سال %6 تھا۔ گجرات آئیڈیٹی کی ایڈجسٹمنٹ کو ال کر ہمیں %17 قبل از ٹیکس منافع حاصل ہوا۔ اس کی بڑی وجہ انتظامیہ کی سپلائی کی قیمتوں کے بارے میں گنت ڈسٹینیٹی کی کوشش تھی جس میں قیمتوں کو مارکیٹ میں مسابقتی سطح پر رکھا گیا۔

انتظامیہ نے مجموعی طور پر کمپنی کے مارکیٹنگ کے اخراجات کے پال کو بھی کم کرنے کی کوششیں کیں۔ آئندہ کیلئے ہمیں توقع ہے کہ ہمارے کاروبار کو مارکیٹ میں پیپلے ہی گرتھ کے حصول کا سلسلہ جاری رہے گا جس کیلئے ہم نے سب کچھ لائن اپ پر توجہ مرکوز کرنے کے ساتھ ساتھ کوریج اور بڑے پیمانے پر ڈسٹری بیوشن شامل ہے۔ تاہم انتظامیہ معاشی ستر روی کی شکل میں متوقع چیلنجز سے نمٹنے کیلئے بندہ دست کر رہی ہے جب کہ صارفین کم قیمت کے مقابلے کی طرف راغب ہو سکتے ہیں

بورڈ آف ڈائریکٹرز کی جانب سے ہم اپنے شیئر ہولڈرز کی جانب سے مکمل اعتماد پر، اپنے معزز صارفین کا کمپنی کی پرکشش پروڈکٹ لائن پر سہ ماہی بھروسہ کرنے اور ریگولریز اور دیگر اسٹیک ہولڈرز کا ان کی بھلائی اور تعاون پر شکر گزار ہیں۔ اس کے ساتھ ہم بورڈ آف ڈائریکٹرز کی خدمات پر، انتظامیہ اور ملازمین کی مستقل مزاجی اور اعلیٰ عزم و محنت اور پورے سال بھر بھروسہ اور تعاون پر ممنون ہیں۔

سید دانش حسین شاہ  
ڈائریکٹر

منجانب بورڈ  
خالد امجد فرید  
چیف ایگزیکٹو آفیسر  
24 اکتوبر 2019  
کراچی



## Condensed Interim Statement of Financial Position

AS AT SEPTEMBER 30, 2019

ASSETS	Note	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
(Rupees in '000)			
<b>Non-current assets</b>			
Long-term deposits		616	616
		<b>616</b>	<b>616</b>
<b>Current assets</b>			
Stock-in-trade	6	291,243	326,792
Trade debts		228,513	156,356
Trade deposits		16,758	9,493
Other receivables and prepayments		98,808	81,130
Other financial assets		438,504	557,312
Sales tax refundable		12,794	27,192
Taxation - net		20,867	25,479
Cash and bank balances	9	4,846	5,625
		<b>1,111,333</b>	<b>1,189,379</b>
<b>Total assets</b>		<b>1,111,949</b>	<b>1,189,995</b>
<b>EQUITY</b>			
<b>Share capital and reserves</b>			
Authorised capital 20,000,000 ordinary shares of Rs. 10/- each		200,000	200,000
Issued, subscribed and paid-up capital		192,000	192,000
Unappropriated profit		541,028	449,914
<b>Total equity</b>		<b>733,028</b>	<b>641,914</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred liability - gratuity scheme		12,200	11,572
<b>Current liabilities</b>			
Trade and other payables		320,414	449,186
Contract liabilities		41,927	82,943
Unclaimed dividend		4,380	4,380
		<b>366,721</b>	<b>536,509</b>
<b>Total equity and liabilities</b>		<b>1,111,949</b>	<b>1,189,995</b>
<b>Contingencies and commitments</b>	7		

The annexed notes 1 to 13 form an integral part of these financial statements.

 Khalid Ahmed Farid  
Chief Executive Officer

 Syed Irshad Hassan  
Chief Financial Officer

 Syed Danish Hussain Shah  
Director



## Condensed Interim Statement of Profit or Loss - (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Note	September 30, 2019	September 30, 2018
		(Rupees in '000)	
Sales - net		474,051	354,169
Cost of goods sold		(314,299)	(249,997)
<b>Gross profit</b>		<b>159,752</b>	<b>104,172</b>
Selling, marketing and distribution expenses		(71,221)	(57,947)
Administrative expenses		(9,835)	(18,233)
Other operating expenses		(121)	(2,065)
Interest expense		-	(5,866)
Bank charges		(58)	(16)
		(81,235)	(84,127)
Other income	8	41,938	607
<b>Profit before tax</b>		<b>120,455</b>	<b>20,652</b>
Income tax expense		(29,341)	(19,967)
<b>Profit after tax</b>		<b>91,114</b>	<b>685</b>
		(Rupees)	
<b>Earnings per share - basic and diluted</b>		<b>4.75</b>	<b>0.04</b>

The annexed notes 1 to 13 form an integral part of these financial statements.

Khalid Ahmed Farid  
Chief Executive Officer

Syed Irshad Hassan  
Chief Financial Officer

Syed Danish Hussain Shah  
Director



## Condensed Interim Statement of Comprehensive Income - (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30, 2019	September 30, 2018
	(Rupees in '000)	
Profit for the period	91,114	685
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>91,114</b>	<b>685</b>

The annexed notes 1 to 13 form an integral part of these financial statements.

Khalid Ahmed Farid  
Chief Executive Officer

Syed Irshad Hassan  
Chief Financial Officer

Syed Danish Hussain Shah  
Director





## Condensed Interim Statement of Cash Flows - (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2019

Note	September 30, 2019	September 30, 2018
	(Rupees in '000)	
<b>Profit before taxation</b>	120,455	20,652
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Adjustment for non-cash charges and other items:		
Stock-in-trade written down to net realizable value	558	2,025
Provision for slow moving stock-in-trade	390	14
Interest income	(13,062)	(130)
Provision for retirement benefit	449	508
Finance cost	-	5,866
Provision custom duties refundable	-	2,203
	(11,665)	10,486
<b>WORKING CAPITAL CHANGES</b>		
(Increase) / decrease in current assets:		
Stock-in-trade	34,601	88,652
Trade debts	(72,157)	30,021
Trade deposits	(6,265)	-
Sales tax refundable	14,398	(1,393)
Other receivables and prepayments	(17,499)	82,117
	(46,922)	199,397
Increase/ (decrease) in current liabilities:		
Trade and other payables	(169,788)	(13,959)
<b>Net cash generated from / (used in) operations</b>	(107,920)	216,576
Gratuity paid	-	(714)
Finance cost paid	-	(5,866)
Income taxes paid	(24,729)	(13,171)
<b>Net cash used in from operating activities</b>	(132,649)	196,825
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Long-term deposits made	-	-
Interest income received	13,062	69
<b>Net cash generated from investing activities</b>	13,062	69
<b>Net increase / (decrease) in cash and cash equivalents</b>	(119,587)	196,894
<b>Cash and cash equivalents at the beginning of the period</b>	562,937	(143,682)
<b>Cash and cash equivalents at the end of the period</b>	443,350	53,212

The annexed notes 1 to 13 form an integral part of these financial statements.

Khalid Ahmed Farid  
Chief Executive Officer

Syed Irshad Hassan  
Chief Financial Officer

Syed Danish Hussain Shah  
Director



## Condensed Interim Statement of Changes in Equity - (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Issued, sub- scribed and paid-up capital	Unappropriated profit	Total
	(Rupees in '000)		
Balance as at July 01, 2018	192,000	340,350	532,350
- Profit after taxation for the quarter ended September 30, 2018	-	685	685
- Other comprehensive income for the quarter ended September 30, 2018	-	-	-
Total comprehensive income for the quarter ended September 30, 2018	-	685	685
<b>Balance as at September 30, 2018</b>	<b>192,000</b>	<b>341,035</b>	<b>533,035</b>
Balance as at July 01, 2019	192,000	449,914	641,914
- Profit after taxation for the quarter ended September 30, 2019	-	91,114	91,114
- Other comprehensive income for the quarter ended September 30, 2019	-	-	-
Total comprehensive income for the period ended September 30, 2019	-	91,114	91,114
<b>Balance as at September 30, 2019</b>	<b>192,000</b>	<b>541,028</b>	<b>733,028</b>

The annexed notes 1 to 13 form an integral part of these financial statements.

\_\_\_\_\_  
 Khalid Ahmed Farid  
 Chief Executive Officer

\_\_\_\_\_  
 Syed Irshad Hassan  
 Chief Financial Officer

\_\_\_\_\_  
 Syed Danish Hussain Shah  
 Director



## Notes to the Condensed Interim Financial Statements - Unaudited

FOR THE QUARTER ENDED SEPTEMBER 30, 2019

### 1. STATUS AND NATURE OF BUSINESS

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

### 2. BASIS OF PREPARATION

- 2.1 This condensed interim financial information of the Company for the quarter ended September 30, 2019 have 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 financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2019.

### 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, 2019.

### 4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2019.

### 5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2019.

### 6. STOCK IN TRADE

Stock-in-trade includes goods costing Rs. 2.467 million (June 30, 2019: Nil) written down by Rs. 0.558 million (June 30, 2019: Rs. Nil) to net realizable value amounting to Rs. 1.965 million (June 30, 2019: Nil).

### 7. CONTINGENCIES AND COMMITMENTS

The status of the contingencies and commitments which are reported in note 16 to the annual financial statements of the Company for the year ended June 30, 2019 have not changed materially

## Notes to the Condensed Interim Financial Statements - Unaudited

FOR THE QUARTER ENDED SEPTEMBER 30, 2019

### 8. OTHER INCOME

The other income includes the interest income earned on the financial assets and gain on foreign exchange due to appreciation of foreign currency in July 2019.

### 9 CASH AND CASH EQUIVALENTS

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	(Rupees in '000)	
Cash and bank balances	4,846	66,462
Term deposits	438,504	-
Short term running finance	-	(13,250)
	<b>443,350</b>	<b>53,212</b>

### 10 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the holding company (The Series Acquisition B.V., Netherlands), the ultimate parent company (The Procter & Gamble Company, USA), related group companies, companies in which directors are interested, staff retirement benefit plans, key management personnel and close member of the family of all the aforementioned related parties. The Company carries out transactions with various related parties at agreed terms. 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 28. Other significant transactions with related parties are as follows:

Name	Relationship with the Company	Nature of transaction	September 30, 2019 (Unaudited)	September 30, 2018 (Unaudited)
			(Rupees in '000)	
Procter and Gamble International Operations SA, Lancy	Associate	Purchases of finished goods	66,874	225,230
Procter and Gamble Pakistan (Private) Limited.	Associate	Services received	15,513	15,533
		Services rendered	11,909	6,734
Procter and Gamble International Operations SA ROHQ	Associate	Services received	996	481
Gillette Pakistan Provident Fund	Retirement benefit plan	Contribution to provident fund	333	325
Gillette Pakistan Pension Fund	Retirement benefit plan	Expense from pension fund	(179)	(901)
Key Management Personnel		Salaries and benefits	8,032	6,985



## Notes to the Condensed Interim Financial Statements - Unaudited

FOR THE QUARTER ENDED SEPTEMBER 30, 2019

September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
(Rupees in '000)	

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

Name	Relationship with the Company		
Procter and Gamble International Operations SA, Lancy	Associate	(142,262)	(235,245)
Procter and Gamble Pakistan (Private) Limited.	Associate	(4,393)	(23,684)
Procter and Gamble International Operations SA ROHQ	Associate	(10,455)	(9,848)
Series Acquisition BV	Associate	(3,161)	(3,161)
Gillette Pakistan Pension Fund	Retirement benefit plan	5,103	4,924

### 12 DATE AUTHORIZED FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on October 24, 2019.

### 13 GENERAL

Figures have been rounded off to the nearest thousand rupee.

\_\_\_\_\_  
Khalid Ahmed Farid  
Chief Executive Officer

\_\_\_\_\_  
Syed Irshad Hassan  
Chief Financial Officer

\_\_\_\_\_  
Syed Danish Hussain Shah  
Director

