



**NINE MONTHS**  
**ACCOUNTS**  
**MARCH 31, 2021**



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

CHAIRMAN  
MEMBERS

Muhammad Khurram Kidwai  
Khalid Ahmed Farid  
Syed Danish Hussain Shah  
Anam Parekh  
Abdullah Saleh  
Syed Jawaid Iqbal  
Sheikh Adil Hussain

### AUDIT COMMITTEE

CHAIRMAN  
MEMBERS

Syed Jawaid Iqbal  
Muhammad Khurram Kidwai  
Abdullah Saleh

### HEAD OF INTERNAL AUDIT

Saad Un Nabi Khan

### HUMAN RESOURCE & REMUNERATION COMMITTEE

CHAIRMAN  
MEMBERS

Sheikh Adil Hussain  
Muhammad Khurram Kidwai  
Khalid Ahmed Farid

### CHIEF EXECUTIVE OFFICER

Khalid Ahmed Farid

### CHIEF FINANCIAL OFFICER

Syed Irshad Hassan

### COMPANY SECRETARY & SECRETARY TO THE AUDIT COMMITTEE

Moosa Haroon

### AUDITORS

Yousuf Adil, Chartered Accountants

### LEGAL ADVISORS

Azeem Rashid

### BANKERS

Citibank, N.A.  
Habib Bank Limited  
Standard Chartered Bank

### SHARE REGISTRAR

FAMCO Associates (Pvt) Ltd.  
Management Consultants,  
8-F, Next to Hotel Faran, Nursery, Block-6,  
P.E.C.H.S. 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 nine-months ended March 31, 2021

On behalf of the Board of Directors of Gillette Pakistan Limited ('the Company'), we are pleased to present the un-audited financial statements of the Company for the nine months period ended March 31, 2021. The summary of the financial results are as follows:

		For the Nine Months Ended	
		March	March
		31, 2021	31, 2020
Revenue from contract with customers	PKR in '000'	1,671,401	1,533,346
Gross Profit	PKR in '000'	256,809	589,112
GP	%	15.4%	38.4%
<b>Profit before tax</b>	PKR in '000'	113,592	380,580
Profit before tax	%	6.8%	24.8%
<b>Profit after tax</b>	PKR in '000'	41,520	274,647
Profit after tax	%	2.5%	17.9%
<b>Earnings per share</b>	PKR	1.30	14.30

The current results are closed with growth momentum in Revenue which grew by 9% vs same period year ago. This is behind a rebuilding of consumer demand in combination of smart pricing and better sales mix with higher distribution and better in-store strategies. However due to COVID-19 challenges and other macroeconomic headwinds, the Company's gross margin and profit before tax have decreased to 15.4% and 6.8%, respectively.

The management has also placed efforts in reducing overall marketing spend pool of the Company by way of optimization without impacting the business growth. Moving forward we expect the business to continue achieving growth ahead of market behind focus on all lineups coupled with high levels of distribution and coverage expansion.

The management foresees several challenges including higher cost of business due to COVID-19 situation in the country and globally which might have adverse impact on the Company's profitability. However, management will ensure that prices remain competitive. Further, uncertainty on local macro environment may create circumstances to slow down the growth.

## The structure of the Board and Committees:

### Board of Directors:

M Khurram Kidwai	Chairman
Khalid Ahmed Farid	CEO
Syed Danish Hussain Shah	Director
Abdullah Saleh	Director
Anam Parekh	Director
Syed Jawaid Iqbal	Independent Director
Sheikh Adil Hussain	Independent Director

### Audit Committee:

Syed Jawaid Iqbal	Chairman
M Khurram Kidwai	Member
Abdullah Saleh	Member

### HR & Remuneration Committee:

Sheikh Adil Hussain	Chairman
M Khurram Kidwai	Member
Khalid Ahmed Farid	Member

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

On behalf of the Board,

**KHALID AHMED FARID**

Chief Executive Officer

April 21, 2021  
Karachi

**SYED JAWAID IQBAL**

Director



## ڈائریکٹرز رپورٹ

برائے نو ماہ کی مدت مختتمہ 31 مارچ 2021 جیٹ پاکستان لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 31 مارچ 2021 کو ختم ہونے والے نو ماہ کی مدت کے لیے کمپنی کے غیر آڈٹ شدہ مالی گوشوارے پیش کرتے ہوئے خوش محسوس کرتے ہیں۔ مالی نتائج کا خلاصہ مندرجہ ذیل ہے:

For the Nine Months Ended			
March 31, 2020	March 31, 2021		
1,533,346	1,671,401	PKR in '000	صارفین کے ساتھ معاہدے سے محصول
589,112	256,809	PKR in '000	مجموعی منافع
38.4%	15.4%	%	مجموعی منافع کی شرح
380,580	113,592	PKR in '000	نفع قبل از ٹیکس
24.8%	6.8%	%	نفع قبل از ٹیکس کی شرح
274,647	41,520	PKR in '000	نفع بعد از ٹیکس
17.9%	2.5%	%	نفع بعد از ٹیکس کی شرح
14.30	1.30	PKR	ای پی ایس

نو ماہی نتائج میں نمو کی رفتار اچھی رہی جہاں 9% آمدنی میں اضافہ ہوا۔ اس کی بڑی وجہ اشیاء کی طلب میں اضافہ اور اساتذہ پراننگ اور بہتر سہولتوں کے ساتھ ساتھ ڈسٹری بیوشن اور ان اسٹور کی حکمت عملی میں اضافہ ہے۔ البتہ COVID-19 اور دیگر معاشی مشکلات کی وجہ سے مجموعی منافع کی شرح اور نفع قبل از محصولات منافع کم ہو کر 15.4% اور 6.8% ہو گئے۔

انتظامیہ نے کاروباری نمو کو متاثر کیے بغیر اصلاح کے ذریعے کمپنی کی مجموعی مارکیٹنگ کے اخراجات کو کم کرنے کے لیے بھی کوششیں کیں۔ آگے بڑھتے ہوئے ہم توقع کرتے ہیں کہ کوریج کی وسعت اور ڈسٹری بیوشن کی اصلاح کے ساتھ تمام تیاریوں پر توجہ مرکوز کرتے ہوئے کاروبار مارکیٹ سے بڑھ کر ترقی کا حصول ممکن ہو سکے گا۔

تاہم، انتظامیہ ملک میں اور سرحدوں کے پار جاری COVID-19 کے پھیلاؤ کے اہم اثرات کا سامنا کر رہی ہیں۔ جس کا اثر مستقبل کے منافع پر پڑے گا۔ البتہ انتظامیہ اس بات کو یقینی بنانے کی کوششیں مسابقتی سطح پر ہیں۔ مزید یہ کہ مقامی میکرو معاشی محاذوں پر غیر یقینی صورتحال ترقی کی راہ میں رکاوٹ ہو سکتی ہے۔

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

منجانب بورڈ آف ڈائریکٹرز

سید جاوید اقبال  
ڈائریکٹر

خالد احمد فرید  
چیف ایگزیکٹو آفیسر

21 اپریل 2021

کراچی



## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2021

	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Right of use asset	6	33,269	32,644
Long-term deposits		215	215
		<b>33,484</b>	<b>32,859</b>
<b>Current assets</b>			
Stock-in-trade		486,626	511,860
Trade debts		225,689	193,290
Trade deposits		20,749	13,079
Other receivables and prepayments		167,646	139,306
Other financial assets		778,390	478,957
Sales tax refundable		-	58,921
Taxation - net		30,242	19,753
Cash and bank balances		15,217	14,558
		<b>1,724,559</b>	<b>1,429,724</b>
<b>Total assets</b>		<b>1,758,043</b>	<b>1,462,583</b>
<b>EQUITY</b>			
<b>Share capital and reserves</b>			
Authorised capital 40,000,000 ordinary shares of Rs.10/- each		<b>400,000</b>	200,000
Issued, subscribed and paid-up capital		<b>318,727</b>	192,000
Unappropriated profit		<b>631,789</b>	590,269
<b>Total equity</b>		<b>950,516</b>	782,269
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liability		<b>28,140</b>	25,781
Deferred liability - gratuity scheme		<b>23,592</b>	20,316
		<b>51,732</b>	46,097
<b>Current liabilities</b>			
Trade and other payables		<b>617,067</b>	517,012
Contract liabilities		<b>105,489</b>	93,775
Current portion of finance lease liability		<b>12,060</b>	9,661
Sales tax payable		<b>7,409</b>	-
Unclaimed dividend		<b>13,769</b>	13,769
		<b>755,794</b>	634,217
<b>Total equity and liabilities</b>		<b>1,758,043</b>	<b>1,462,583</b>
<b>Contingencies and commitments</b>			
	7		

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

**KHALID AHMED FARID**  
Chief Executive Officer

**SYED IRSHAD HASSAN**  
Chief Financial Officer

**SYED JAWAID IQBAL**  
Director



## Condensed Interim Profit and Loss Account - (Unaudited)

For the Quarter and Nine Months Period Ended March 31, 2021

	Nine Months Ended		Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(Rupees in '000)				
Revenue from contract with customers - net	1,671,401	1,533,346	572,343	548,771
Cost of goods sold	(1,414,592)	(944,234)	(492,190)	(342,047)
<b>Gross profit</b>	<b>256,809</b>	<b>589,112</b>	<b>80,153</b>	<b>206,724</b>
Selling, marketing and distribution expenses	(176,477)	(205,574)	(63,535)	(73,444)
Administrative expenses	(34,487)	(41,343)	(14,616)	(26,979)
Other operating expenses	(9,262)	(4,932)	10,312	(5,132)
Interest expense	(4,510)	(3,854)	(3,171)	(1,746)
Bank charges	(235)	(142)	(70)	(36)
	(224,971)	(255,845)	(71,080)	(107,337)
Other income	81,754	47,313	29,155	(7,745)
<b>Profit before tax</b>	<b>113,592</b>	<b>380,580</b>	<b>38,228</b>	<b>91,642</b>
Income tax expense	(72,072)	(106,181)	(9,755)	(21,440)
<b>Profit after tax</b>	<b>41,520</b>	<b>274,399</b>	<b>28,473</b>	<b>70,202</b>
(Rupees)				
<b>Earnings per share - basic and diluted</b>	<b>1.30</b>	<b>14.29</b>	<b>0.89</b>	<b>3.66</b>

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

**KHALID AHMED FARID**  
Chief Executive Officer

**SYED IRSHAD HASSAN**  
Chief Financial Officer

**SYED JAWAID IQBAL**  
Director



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

For the Quarter and Nine Months Period Ended March 31, 2021

	Nine Months Ended		Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Rupees in '000)			
Profit for the period	41,520	274,399	28,473	70,202
<b>Other comprehensive income for the period</b>	-	-	-	-
<b>Items that may be reclassified subsequently to profit and loss account</b>	-	-	-	-
<b>Items that will not be reclassified to profit and loss account</b>	-	-	-	-
Remeasurement of post retirement benefit obligations	-	-	-	-
Total items that will not be reclassified to profit and loss account	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>41,520</u>	<u>274,399</u>	<u>28,473</u>	<u>70,202</u>

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

**KHALID AHMED FARID**  
Chief Executive Officer

**SYED IRSHAD HASSAN**  
Chief Financial Officer

**SYED JAWAID IQBAL**  
Director



## Condensed Interim Cash Flow Statement - (Unaudited)

For the Quarter and Nine Months Period Ended March 31, 2021

Note	March 31, 2021	March 31, 2020
	----- (Rupees in '000) -----	
<b>Profit before taxation</b>	<b>113,592</b>	<b>380,580</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Adjustment for non-cash charges and other items:		
Stock-in-trade written down to net realizable value	-	4,813
Provision for slow moving stock-in-trade	148	161
Interest income on term deposits and saving accounts	(18,090)	(47,975)
Stock written off	8,390	6,095
Depreciation on right-of-use assets	12,193	7,917
Finance cost	4,510	3,854
Provision for Transport and warehousing	-	13,610
Expense recognized on employee benefits - gratuity	2,924	-
Provision for post retirement benefits	-	901
	<b>10,074</b>	<b>(10,624)</b>
<b>WORKING CAPITAL CHANGES</b>		
<b>(Increase) / decrease in current assets:</b>		
Stock-in-trade	16,697	(86,720)
Trade debts	(32,399)	(174,783)
Trade deposits	(7,670)	(6,055)
Sales tax refundable	58,921	40,313
Other receivables and prepayments	(28,340)	(214,241)
	<b>7,209</b>	<b>(441,486)</b>
<b>Increase/ (decrease) in current liabilities:</b>		
Trade and other payables	104,917	152,505
Sales tax payable	7,409	-
Contract liabilities	11,714	102,052
	<b>124,040</b>	<b>254,557</b>
<b>Net cash generated from / (used in) operations</b>	<b>254,915</b>	<b>183,027</b>
Finance cost paid	(4,510)	(3,854)
Income taxes paid	(82,560)	(69,104)
<b>Net cash used in from operating activities</b>	<b>167,845</b>	<b>110,069</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income received	18,090	47,975
Net cash generated from investing activities	<b>18,090</b>	<b>47,975</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance of ordinary shares	126,727	-
Lease principal repayment	(12,570)	(6,318)
Dividend paid	-	(57,812)
<b>Net cash used in financing activities</b>	<b>114,157</b>	<b>(64,130)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>300,092</b>	<b>93,914</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>493,515</b>	<b>562,937</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>793,607</b>	<b>656,851</b>

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

**KHALID AHMED FARID**  
Chief Executive Officer

**SYED IRSHAD HASSAN**  
Chief Financial Officer

**SYED JAWAID IQBAL**  
Director



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

For the Quarter and Nine Months Period Ended March 31, 2021

	Issued, sub- scribed and paid- up capital	Unappropriated profit	Total
	----- (Rupees in '000) -----		
<b>Balance as at July 01, 2019</b>	192,000	449,914	641,914
- Profit after taxation for the quarter ended March 31, 2020	-	274,399	274,399
- Other comprehensive income for the quarter ended March 31, 2020	-	-	-
Total comprehensive income for the quarter ended March 31, 2020	-	274,399	274,399
Interim dividend @ Rs 3.5 per share	-	(67,200)	(67,200)
Balance as at March 31, 2020	<u>192,000</u>	<u>657,113</u>	<u>849,113</u>
<b>Balance as at July 01, 2020</b>	<b>192,000</b>	<b>590,269</b>	<b>782,269</b>
- Profit after taxation for the quarter ended March 31, 2021	-	41,520	41,520
- Other comprehensive income for the quarter ended March 31, 2021	-	-	-
<b>Total comprehensive income for the period ended March 31, 2021</b>	<b>-</b>	<b>41,520</b>	<b>41,520</b>
<b>Transactions with owners recorded directly in equity issuance of ordinary shares</b>	<b>126,727</b>	<b>-</b>	<b>126,727</b>
<b>Balance as at March 31, 2021</b>	<b><u>318,727</u></b>	<b><u>631,789</u></b>	<b><u>950,516</u></b>

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

**KHALID AHMED FARID**  
Chief Executive Officer

**SYED IRSHAD HASSAN**  
Chief Financial Officer

**SYED JAWAID IQBAL**  
Director



## Notes to the Condensed Interim Financial Information - (Unaudited)

For the Quarter and Nine Months Period Ended March 31, 2021

### 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 Exchanges. The principal activities of the Company include marketing and selling of blades and razors.

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

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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

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

These condensed interim financial statements do not include all the notes required for the full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2020.

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2020.

### 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, 2020.



## Notes to the Condensed Interim Financial Information - (Unaudited)

For the Quarter and Nine Months Period Ended March 31, 2021

### 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, 2020.

### 6. RIGHT OF USE ASSETS

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

### 7. CONTINGENCIES AND COMMITMENTS

The status of the contingencies and commitments which are reported in Note 17 to the annual financial statements of the Company for the year ended June 30, 2020 have not changed materially.

### 8. CASH AND CASH EQUIVALENTS

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)	March 31, 2020 (Unaudited)
	---- Rupees in '000 ----		
Cash and bank balances	15,217	14,558	49,604
Term deposits having maturity up to 3 months	778,390	478,957	607,247
	<u>793,607</u>	<u>493,515</u>	<u>656,851</u>

### 9. TRANSACTIONS WITH RELATED PARTIES

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

#### 9.1 Significant transactions with related parties are as follows:

Name	Relationship with the Company	Nature of transaction	March 31, 2021 (Unaudited)	March 31, 2020 (Unaudited)
			---- Rupees in '000 ----	
Procter and Gamble International Operations SA, Lancy	Associate due to common parent Company	Purchase of finished goods	789,413	934,793
Procter and Gamble Pakistan (Private) Limited	Associate due to common parent Company	Expenses reimbursed to	26,541	51,563
		Expenses reimbursed from	33,310	36,288
Procter and Gamble International Operations SA, ROHQ	Associate due to common parent Company	Services received	5,819	6,956
Gillette Pakistan Provident Fund	Retirement benefits plan	Contribution to provident fund	1,024	1,196
Gillette Pakistan Pension Fund	Retirement benefits plan	Income from pension fund	-	(537)
Key management personnel		Short term compensation	26,597	19,743



**Notes to the Condensed Interim Financial Information - (Unaudited)**

For the Quarter and Nine Months Period Ended March 31, 2021

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

Name	Relationship with the Company	March 31, 2021	June 30, 2020
		(Unaudited)	(Audited)
		---- Rupees in '000 ----	
Procter and Gamble International Operations SA, Lancy	Associate due to common parent Company	(420,948)	(142,262)
Procter and Gamble Pakistan (Private) Limited	Associate due to common parent Company	(9,017)	(19,548)
Procter and Gamble International Operations SA, ROHQ	Associate due to common parent Company	(23,548)	(19,748)
Series Acquisition BV	Associate	(12,011)	(12,011)
Gillette Pakistan Pension Fund	Retirement benefits plan	(4,643)	(4,643)

**10** DATE AUTHORIZED FOR ISSUE

These condensed interim financial statements was authorized for issue by the Board of Directors of the Company on April 21, 2021.

**KHALID AHMED FARID**  
Chief Executive Officer

**SYED IRSHAD HASSAN**  
Chief Financial Officer

**SYED JAWAID IQBAL**  
Director

