



QUARTERLY  
**ACCOUNTS**  
September 30, 2020



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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

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 Sep 30, 2020

On behalf of the Board of Directors of Gillette Pakistan Limited ('the Company'), we are pleased to present the un-audited financial statements of the Company for the quarter ended Sep 30, 2020. The summary of the financial results are as follows:

		For the Quarter Ended	
		September	September
		30, 2020	30, 2019
Revenue from contract with customers	PKR in '000'	484,195	474,057
<b>Gross Profit</b>	<b>PKR in '000'</b>	<b>127,624</b>	159,052
GP	%	22.3%	29.6%
<b>Profit before tax</b>	<b>PKR in '000'</b>	<b>93,407</b>	120,455
Profit before tax	%	19.3%	25.4%
<b>Profit after tax</b>	<b>PKR in '000'</b>	<b>57,730</b>	91,114
Profit after tax	%	11.9%	19.2%
<b>Earnings per share</b>	<b>PKR</b>	<b>3.01</b>	4.75

The quarterly results are closed with growth momentum in Revenue which grew by 2% vs year ago. This is behind a rebuilding of consumer demand after Covid-19 lockdown relaxation in combination of a 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 22.3% and 19.3%, 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 foresee 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 slower down the growth. In view of aforesaid, the company has taken several steps in terms of automation and business continuity plan to mitigate these risks.

## 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

**MUHAMMAD KHURRAM KIDWAI**  
Director

October 26, 2020  
Karachi



## ڈائریکٹرز رپورٹ

برائے سہ ماہی کی مدت تختہ 30 ستمبر 2020

جیلٹ پاکستان لمیٹڈ (’کمپنی‘) کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 30 ستمبر 2020 کو ختم ہونے والے سہ ماہی کی مدت کے لیے کمپنی کے غیر آڈٹ شدہ مالی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ مالی نتائج کا خلاصہ مندرجہ ذیل ہے:

### For the Quarter Ended

September 30, 2019	September 30, 2020		
474,057	484,195	PKR in '000	صارفین کے ساتھ معاہدے سے محصول
159,052	127,624	PKR in '000	مجموعی منافع
29.6%	22.3%	%	مجموعی منافع کی شرح
120,455	93,407	PKR in '000	نفع قبل از ٹیکس
25.4%	19.3%	%	نفع قبل از ٹیکس کی شرح
91,114	57,730	PKR in '000	نفع بعد از ٹیکس
19.2%	11.9%	%	نفع بعد از ٹیکس کی شرح
4.75	3.01	PKR	ای پی ایس

سہ ماہی نتائج میں نمو کی رفتار اچھی رہی جہاں 2% آمدنی میں اضافہ ہوا۔ اس کی بڑی وجہ Lock Down میں کمی پر ایشیا کی طلب میں اضافہ اور اسٹارٹ پرائسنگ اور بہتر سیلز کمپن کے 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 22.3% اور 19.3% ہو گئے۔

انتظامیہ نے کاروباری نمونہ 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 اعلیٰ سطح کے ساتھ تمام تیار یوں پر توجہ مرکوز کرتے ہوئے کاروبار مارکیٹ سے بڑھ کر ترقی کا حصول جاری رکھے گا۔

تاہم، انتظامیہ ملک میں اور سرحدوں کے پار جاری COVID-19 کے پھیلاؤ کے ایما پر چیلنجز درپیش ہیں۔ جس کا اثر مستقبل کے منافع پر پڑے گا۔ البتہ انتظامیہ اس بات کو یقینی بنائے گی کہ قیمتیں مسابقتی سطح پر ہیں۔ مزید یہ کہ مقامی نیکرو معاشی محاذوں پر غیر یقینی صورتحال ترقی کی راہ میں رکاوٹ ہو سکتی ہے۔ اگرچہ کمپنی درآمدات اور ڈسٹری بیوشن پر ہونے والے خطرے سے نمٹنے کے لیے آڈیٹوں کی حکمت عملیوں اور کاروباری تسلسل کے منصوبوں پر عمل پیرا ہے جو موثر رہے ہیں۔



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

منجانب بورڈ آف ڈائریکٹرز

خالد احمد فرید  
چیف ایگزیکٹو آفیسر

محمد خرم کلدوانی  
ڈائریکٹر

26 اکتوبر 2020

کراچی



## Condensed Interim Statement of Financial Position

As At September 30, 2020

	Note	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Right of use asset		24,825	32,644
Long-term deposits		215	215
		<b>25,040</b>	<b>32,859</b>
<b>Current assets</b>			
Stock-in-trade	6	661,179	511,860
Trade debts		239,845	193,290
Trade deposits		15,455	13,079
Other receivables and prepayments		214,267	139,306
Other financial assets		42,782	478,957
Sales tax refundable		72,801	58,921
Taxation - net		18,881	19,753
Cash and bank balances	8	277,679	14,558
		<b>1,542,889</b>	<b>1,429,724</b>
<b>Total assets</b>		<b>1,567,929</b>	<b>1,462,583</b>
<b>EQUITY</b>			
<b>Share capital and reserves</b>			
Authorised capital 20,000,000 ordinary shares of Rs.10/- each		<b>200,000</b>	<b>200,000</b>
Issued, subscribed and paid-up capital		<b>192,000</b>	<b>192,000</b>
Unappropriated profit		<b>647,999</b>	<b>590,269</b>
Total equity		<b>839,999</b>	<b>782,269</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liability		20,713	25,781
Deferred liability - gratuity scheme		21,612	20,316
		<b>42,325</b>	<b>46,097</b>
<b>Current liabilities</b>			
Trade and other payables		573,591	517,012
Contract liabilities		88,453	93,775
Current portion of finance lease liability		9,792	9,661
Unclaimed dividend		13,769	13,769
		<b>685,605</b>	<b>634,217</b>
<b>Total equity and liabilities</b>		<b>1,567,929</b>	<b>1,462,583</b>
<b>Contingencies and commitments</b>			

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The annexed notes 1 to 12 form an integral part of these financial statements.

**KHALID AHMED FARID**  
Chief Executive Officer

**SYED IRHAD HASSAN**  
Chief Financial Officer

**MUHAMMAD KHURRAM KIDWAI**  
Director



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

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30, 2020	September 30, 2019
----- (Rupees in '000) -----		
Revenue from contract with customer - net	484,195	474,051
Cost of goods sold	(356,571)	(314,299)
<b>Gross profit</b>	<b>127,624</b>	<b>159,752</b>
Selling, marketing and distribution expenses	(61,526)	(71,221)
Administrative expenses	(15,861)	(9,835)
Other operating expenses	(4,310)	(121)
Interest expense	(726)	-
Bank charges	(90)	(58)
	<b>(82,513)</b>	<b>(81,235)</b>
Other income	48,296	41,938
<b>Profit before tax</b>	<b>93,407</b>	<b>120,455</b>
Income tax expense	(35,677)	(29,341)
<b>Profit after tax</b>	<b>57,730</b>	<b>91,114</b>
----- (Rupees) -----		
Earnings per share - basic and diluted	<b>3.01</b>	<b>4.75</b>

The annexed notes 1 to 12 form an integral part of these financial statements.

**KHALID AHMED FARID**  
Chief Executive Officer

**SYED IRHAD HASSAN**  
Chief Financial Officer

**MUHAMMAD KHURRAM KIDWAI**  
Director



**Condensed Interim Statement of Comprehensive Income - (Unaudited)**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Note	September 30, 2020	September 30, 2019
----- (Rupees in '000) -----		
Profit for the period	57,730	91,114
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>57,730</b>	<b>91,114</b>

The annexed notes 1 to 12 form an integral part of these financial statements.

**KHALID AHMED FARID**  
Chief Executive Officer

**SYED IRHAD HASSAN**  
Chief Financial Officer

**MUHAMMAD KHURRAM KIDWAI**  
Director



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

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	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 September 30, 2019	-	91,114	91,114
- Other comprehensive income for the quarter ended September 30, 2019	-	-	-
Total comprehensive income for the quarter ended September 30, 2019	-	91,114	91,114
<b>Balance as at September 30, 2019</b>	<u>192,000</u>	<u>541,028</u>	<u>733,028</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 September 30, 2020	-	57,730	57,730
- Other comprehensive income for the quarter ended September 30, 2020	-	-	-
Total comprehensive income for the period ended September 30, 2020	-	57,730	57,730
<b>Balance as at September 30, 2020</b>	<u>192,000</u>	<u>647,999</u>	<u>839,999</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

**KHALID AHMED FARID**  
Chief Executive Officer

**SYED IRHAD HASSAN**  
Chief Financial Officer

**MUHAMMAD KHURRAM KIDWAI**  
Director



## Condensed Interim Cash Flow Statement - (Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Note	September 30, 2020	September 30, 2019
----- (Rupees in '000) -----			
<b>Profit before taxation</b>		<b>93,407</b>	120,455
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Adjustment for non-cash charges and other items:			
Stock-in-trade written down to net realizable value	6	9,476	558
Provision for slow moving stock-in-trade		3,184	390
Expense recognized for retirement benefit fund		1,296	449
Interest income		(6,457)	(13,062)
Stocks written off		1,581	-
Depreciation on right-of-use assets		7,819	-
		<b>16,899</b>	(11,665)
<b>WORKING CAPITAL CHANGES</b>			
<b>(Increase) / decrease in current assets:</b>			
Stock-in-trade		(161,978)	34,601
Trade debts		(46,555)	(72,157)
Trade deposits		(2,376)	(6,265)
Sales tax refundable		(13,880)	14,398
Other receivables and prepayments		(74,961)	(17,499)
		<b>(299,750)</b>	(46,922)
<b>Increase/ (decrease) in current liabilities:</b>			
Trade and other payables		54,998	(169,788)
Contract liabilities		(5,322)	-
		<b>49,676</b>	(169,788)
<b>Net cash generated from / (used in) operations</b>		<b>(139,769)</b>	(107,920)
Income taxes paid		(34,805)	(24,729)
<b>Net cash used in operating activities</b>		<b>(174,574)</b>	(132,649)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income received		6,457	13,062
Investments matured		265,000	-
Net cash generated from investing activities		<b>271,457</b>	13,062
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease principal repayment		(4,937)	-
<b>Net cash used in financing activities</b>		<b>(4,937)</b>	-
<b>Net decrease / increase in cash and cash equivalents</b>		<b>91,946</b>	(119,587)
<b>Cash and cash equivalents at the beginning of the period</b>		<b>228,515</b>	562,937
<b>Cash and cash equivalents at the end of the period</b>	8	<b>320,461</b>	443,350

The annexed notes 1 to 12 form an integral part of these financial statements.

**KHALID AHMED FARID**  
Chief Executive Officer

**SYED IRHAD HASSAN**  
Chief Financial Officer

**MUHAMMAD KHURRAM KIDWAI**  
Director



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

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

### 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 repealed Companies Ordinance, 1984 (now the Company Act, 2017) 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, Abdul Sattar Edhi Avenue, 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 Impact of COVID-19

As in the rest of the world, COVID-19 adversely affected lifestyles and business operations in Pakistan. The Company complies with the SOPs prescribed by Federal and Provincial Governments. Sales and import activities were not affected during lockdown and the shipments were received as per schedule with minor disruptions. The Company remained up to date in all its financial commitments. The Management believes that the going concern assumption of the Company remains valid.

### 2. BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the quarter ended September 30, 2020 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 Act, 2017. In case where the requirements differ, the provisions of and directives issued under the Companies Act, 2017 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, 2020.

### 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.

### 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.



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

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

**6 STOCK IN TRADE**

Stock-in-trade includes goods costing Rs. 74.668 million (June 30, 2020: 6.054 million) written down by Rs. 9.475 million (June 30, 2020: Rs. 2.283 million) to net realizable value amounting to Rs. 65.193 million (June 30, 2020: Rs. 3.771 million).

**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**

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
	---- Rupees in '000 ----	
Cash and bank balances	277,679	14,558
Term deposits	42,782	213,957
	<u>320,461</u>	<u>228,515</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. The Company carries out transactions with various related parties at agreed terms. Significant transactions with related parties are as follows:

Name	Relationship with the Company	Nature of transaction	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)
			---- Rupees in '000 ----	
Procter and Gamble International Operations SA, Lancy	Associate	Purchases of finished goods	316,320	261,307
Procter and Gamble Pakistan (Private) Limited.	Associate	Services received	10,868	15,513
		Services rendered	12,644	11,909
Procter and Gamble International Operations SA ROHQ	Associate	Services received	1,143	996
Gillette Pakistan Provident Fund	Retirement benefit plan	Contribution to provident fund	482	333
Gillette Pakistan Pension Fund	Retirement benefit plan	Expense from pension fund	-	(179)
Key Management Personnel		Salaries and benefits	8,795	8,032



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

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

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

Name	Relationship with the Company	September 30,	June 30,
		2020 (Unaudited)	2020 (Audited)
		---- Rupees in '000 ----	
Procter and Gamble International Operations SA, Lancy	Associate	(360,402)	(142,262)
Procter and Gamble Pakistan (Private) Limited.	Associate	1,776	(19,548)
Procter and Gamble International Operations SA ROHQ	Associate	(20,615)	(19,748)
Series Acquisition BV	Associate	(12,011)	(12,011)
Gillette Pakistan Pension Fund	Retirement benefit plan	(4,643)	(4,643)

**11 DATE AUTHORIZED FOR ISSUE**

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on October 26, 2020.

**12 GENERAL**

Figures have been rounded off to the nearest thousand rupee.

**KHALID AHMED FARID**  
Chief Executive Officer

**SYED IRHAD HASSAN**  
Chief Financial Officer

**MUHAMMAD KHURRAM KIDWAI**  
Director



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(based on live feed from KSE)
-  Knowledge center
-  Risk profiler\*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an investor  
Education Initiative of  
Securities and Exchange  
Commission of Pakistan

 [jamapunji.pk](http://jamapunji.pk)

 [@jamapunji\\_pk](https://twitter.com/jamapunji_pk)

\*Mobile apps are also available for download for android and ios devices

