

Unilever Pakistan Foods Limited Annual Report

2022





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Core Values



We are honest, transparent and ethical in our dealings at all times.



We believe in trust, and outstanding teamwork. We value a creative & fun environment.



We are empowered leaders, who are inspired by new challenges and have a bias for action.

Wowing our
Consumers &
Customers

We win the hearts and minds of our consumers and customers.



We deliver what we promise.

Making a **Better World**

We care about and actively contribute to the community in which we live.

Company Information

Board of Directors

Mr. Kamran Y. Mirza Mr. Amir R. Paracha Mr. Aly Yusuf Ms. Asima Haq

Mr. Zulfikar Monnoo

Mr. Muhammad Adil Monnoo

Mr. Kamal Monnoo

Mr. Sarfaraz Ahmed Rehman

Mr. Khalid Mansoor

Mr. Ali Tariq

Independent Director & Chairman of the Board Executive Director & Chief Executive Officer Executive Director & Chief Financial Officer

Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Independent Director
Independent Director

Non-Executive Director

Company Secretary

Mr. Aman Ghanchi

Audit Committee

Mr. Khalid Mansoor Chairman & Member

Mr. Muhammad Adil MonnooMemberMr. Sarfaraz Ahmed RehmanMemberMr. Zulfikar MonnooMemberMr. Kamran Y. MirzaMember

Ms. Marium Farooq Secretary & Head of Internal Audit

Human Resource & Remuneration Committee

Mr. Kamran Y. Mirza Chairman & Member

Mr. Zulfikar Monnoo Member
Mr. Kamal Monnoo Member
Mr. Amir R. Paracha Member
Mr. Sarfaraz Ahmed Rehman Member

Ms. Kanize Fathema Zuberi Secretary & Head of HR

Auditors

Messrs KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building No. 2, Beaumont Road, Karachi – 75530 Pakistan

Registered Office

Avari Plaza Fatima Jinnah Road Karachi - 75530

Share Registration Office

M/s CDC Share Registrar Services Limited CDC House, 99-B, Block "B", S.M.C.H.S, Main Shahra-e-Faisal, Karachi - 74400

Website Address

www.unilever.pk

Directors' Profile

Kamran Y. Mirza - Chairman

Kamran joined the Board in 2014 as Chairman of Unilever Pakistan Foods Limited. He qualified as a Chartered Accountant from the UK. He joined Abbott Laboratories (Pakistan) Limited in 1970, where he was one of the youngest ever Managing Director and served in that position for 29 years till 2006. He was also the CEO of the Pakistan Business Council. Kamran is also the Chairman of Philip Morris (Pakistan) Ltd as well as serving on the Boards of Colgate-Palmolive (Pakistan) Limited & Education Fund for Sindh (EFS). Previously he served as Chairman of Karachi Stock Exchange, PMEX (formerly National Commodities Exchange), Education Fund for Sindh (EFS), Export Processing Zones Authority, Karwan-e-Hayat, Pharma Bureau - (Association of Pharmaceutical Multinationals) and as a President of Overseas Investors Chamber of Commerce & Industry, American Business Council; as Director of State Bank of Pakistan, Bank Alfalah, Pakistan State Oil, National Bank of Pakistan, Pakistan Textile City Limited, Competitiveness Support Fund (CSF), Genco Holding Company, International Steel (ISL), Safari Club and NAVTEC. He lectures regularly at the Pakistan Institute of Corporate Governance (PICG).

Amir R. Paracha - CEO

Amir Paracha joined the Board on February 1, 2020, and he is the Chief Executive Officer of Unilever Pakistan Foods Limited. He began his career with Unilever in 2000 as an Assistant Brand Manager and then progressed into diverse Marketing and Sales leadership positions over the course of his career.

In his present role, Amir is spearheading the company's "Unilever for Pakistan" vision, a purpose-led movement to amplify Unilever Pakistan's role in empowering Pakistanis through equitable opportunities, meaningful lives, and livelihoods at a living wage. In addition, he is driving Unilever Pakistan's climate action with focused efforts around a clean energy transition, reduced plastic footprint, and momentum towards a circular economy in the country. Amir has been recognised by the Government as a "Corona War Hero" and was also conferred Shan-e-Pakistan Award by the President for Unilever Pakistan's COVID relief drive in the country.

He is also the Chairman and Chief Executive Officer of Unilever Pakistan Limited and actively partners with the broader industry and ecosystem in the interest of national progress. He is the President of the Overseas Investors Chamber of Commerce & Industry (OICCI). He serves on the Boards of Shell Pakistan Limited, Endeavor Pakistan, Karachi Vocational Training Centre, and Federation of Pakistan Chambers of Commerce & Industry (FPCCI). He also leads the Centre of Excellence for Responsible Business (CERB) for the Pakistan Business Council.

Amir earned his Master's in Business Administration (MBA) from the Institute of Business Administration. He started his career at The Royal Dutch Shell Oil Company in 1996. Over his career, he also attended executive courses at Harvard, INSEAD & London Business School. In his spare time, he enjoys reading, landscaping, and experimenting with conceptual architecture and is a champion for the Male Champions of Change Australia (MCC)'s Pakistan Coalition.

Aly Yusuf-CFO

Aly Yusuf joined the Board on October 01, 2019 and is currently Director & Chief Financial Officer of Unilever Pakistan Limited & Unilever Pakistan Foods Limited. He joined the company in July 2007. Aly holds an MBA from the LUMS and is a CFA Charter holder. Over his 16-years tenure at Unilever, Aly has gained extensive Finance and Business experience in both developed and developing markets at Unilever. He has worked in United Kingdom, UAE and Pakistan in local, regional and global roles.

Asima Haq

Asima has 21 years + of FMCG experience across local and international markets. Currently she is looking after the 'Beauty & wellbeing and Personal Care' division for Unilever Pakistan and is part of the local Management Committee.

She has been with Unilever since 2001 and has worked across various categories in Beauty & wellbeing and Personal Care and Foods & Refreshments. In 2015, she got expatriated to PT. Unilever Indonesia and was responsible for their hair business till she moved back to Pakistan in 2018.

She is a passionate advocate for girls' empowerment and aims to drive inclusion through the reach and influence of the brands she works on.

Zulfikar Monnoo

Zulfikar joined the Board in 1998 when the Company was formed. He is also a member of the Audit and Human Resource & Remuneration Committees of Unilever Pakistan Foods Limited. He is an alumni of The Wharton School, University of Pennsylvania and Aitchison College, Lahore. He is a Director of Rafhan Maize Products Limited, Maple Leaf Cement Factory Limited & Kohinoor Textile Mill and is also the Chief Executive of Pakwest Industries (Pvt.) Ltd., Lahore.

Muhammad Adil Monnoo

Adil joined the Board on May 5, 2002 as a Non-Executive Director. He is also a Member of the Audit Committee of Unilever Pakistan Foods Limited. He holds directorship in Rafhan Maize Products Limited and is in the business of textile trade as the sole proprietor of HN Enterprises.

Kamal Monnoo

Kamal joined the Board on December 19, 2006 as a Non-Executive Director. Having done his schooling from Aitchison College and graduation from Syracuse University and Yale University, USA, he is also a Member of the Human Resource & Remuneration Committee of Unilever Pakistan Foods Limited. He holds directorships in Samira Fabrics (Pvt.) Limited, Samira Industries (Pvt.) Limited, Kaarvan Crafts Foundation, CNM Textile a.s., Bata Pakistan Limited.

Sarfaraz Ahmed Rehman

Sarfaraz, a Chartered Accountant by qualification, has contributed his management expertise to several multinational companies such as Unilever, SB (GSK), Jardine Matheson/Olayan JV and PepsiCo during his varied career. Sarfaraz joined Fauji Group in June 2020 as MD & CEO of Fauji Fertilizer Bin Qasim Limited (FFBL) till October 2021 and he is currently the Managing Director & Chief Executive Officer of Fauji Fertilizer Company Limited. In 2005, Sarfaraz established Engro Foods as its CEO. The company grew from a green-field to become the leading liquid dairy company in Pakistan. Since Oct 2015, he has been involved in consultancy projects, among others with ICI, IBL, JSPE, Shan Foods, Al-Shaheer, Soya Supreme, Burgue Corp, CCL and ITL. Sarfaraz was Chairman of the Broadcasters/Advertisers Council 2015-18 (joint body controlling advertising in Pakistan). Further, he was the Chairman of the 1st Effie Awards in Pakistan, in 2019. He is also on the Board of Patient Aid Foundation and associated with Hisaar Foundation and its work on water/environmental issues in Pakistan. Additionally, Sarfaraz speaks at various forums. He has given motivational talks at Lays, Mondelez, Nutrico, RB, Engro, Octara, ICI, Shell and MAP. In the past he was associated with Shaukat Khanum Hospital as a Board of Governor and with WWF as a Director.

Khalid Mansoor

Khalid Mansoor is a Graduate in Chemical Engineering with distinction and honors. He has been the Chief Executive Officer of Hubco, the first and largest Independent Power Producer (IPP) in Pakistan, since May 20, 2013. The Company generates approximately 10% of the Country's electricity and is a leading private sector player in addressing the energy crisis currently being

faced by Pakistan. After becoming the CEO of Hubco in May 2013, he has transformed the Company and has initiated growth initiatives with Projects worth over US\$ 3.5 billion under execution.

Mr. Mansoor has been Chairman on the Boards of Laraib Energy Limited, Narowal Energy Limited, Hub Power Services Limited, Hub Power Holding Limited, and ThalNova Power Thar Private Limited. He was also a Director of Thar Energy Limited.

Mr. Mansoor had also been the President of the Overseas Investors Chamber of Commerce & Industry (OICCI) for the term 2017.

He had held the position of CEO of Algeria Oman Fertilizer Company (AOA) where he was responsible for setting up the world's largest Ammonia and Urea Fertilizer Complex.

He has also held the positions of CEO of various Companies of the Engro Group and had been a Director on the Boards of Engro Corp and various Engro subsidiaries including Engro Fertilizers, Engro Foods, Engro Polymers, Engro Vopak, Engro Powergen, Sind Engro Coal Mining Company and Sui Northern Gas Pipeline Limited. He is also a Director on the Boards of Unilever Pakistan Foods Limited and National Bank of Pakistan, Fund Management Limited. He is also providing consultancy as an independent Advisor on Jazz Pakistan (a subsidiary of Veon Global) Advisory Board. Also served as a special assistant to the Prime Minister of Pakistan on CPEC affairs and Minister of State from August 2021 to April 2022.

Mr. Mansoor has over 40 years of experience in Energy and Petrochemical Sectors in leading roles for mega size projects development, execution, management and operations.

Ali Tariq

Ali joined the Board as a Non-Executive Director in April 2017 and the Unilever Group in 2003. He has since held Global, Regional and Country leadership roles in both Developed and Emerging markets. He was the CFO of the Pakistan Business from 2013 to 2017 and has since been based at the headquarters in the UK partnering the Unilever Executive in strategic transformations and supply chain management. Prior to joining Unilever, Ali held business advisory roles with PwC UK where he also trained as a Chartered Accountant. He is a member of the Institute of Chartered Accountants in England & Wales.

Chairman's Review Report

BUSINESS AND INDUSTRY OVERVIEW

On behalf of the Board, it is my pleasure to present the Chairman's review report for the year ended 31 December 2022.

Pakistan's economic and operating environment remained extremely challenging during the year as the country grappled with social, political and economic crisis. This led to another consecutive year of high double-digit inflation, sharp currency devaluation and hike in policy rate to unprecedented levels. Despite these challenges, the Company continued its growth momentum and delivered strong performance in 2022. This was made possible through the efforts of our experienced management and focus on business fundamentals, strong and resilient supply chain network that ensured uninterrupted supplies for our consumers and the strength of our brands through which we continued to please our consumers.

Overall, the business grew by 42.8%, with a healthy mix of price and volume. The growth was broad based with both retail and food solutions registering strong performances. The company continued to invest behind brands and innovations. Through a combination of growth and cost efficiencies, the company was able to increase EPS by 53.8%

The Board's role was instrumental in steering the Company forward in a challenging environment whilst discharging its statutory responsibilities for the benefit of all stakeholders. The Board has remained cognizant throughout the year of its strategic role for achieving the Company's key objectives and on enhancing the returns for all its stakeholders from focused oversight.

BOARD PERFORMANCE AND EFFECTIVENESS

In accordance with the Code of Corporate Governance and the Companies Act, 2017 the evaluation of the Board, its committees and individual directors was conducted by PICG (Pakistan Institute of Corporate Governance) to ensure transparency. The evaluation reflects an increase in overall strategic performance of the Board every year.

The Board was assisted by sub-committees, i.e. the Audit Committee and the HR&R Committee. These sub-committees held meetings during the year as per the stipulations of the code of corporate governance.

It's important to recognize the key role played by the Sub-Committees (Audit Committee & Human Resources and Remuneration Committee) in highlighting areas of improvements and recommending pragmatic solutions for optimum performance. Going forward we will continue our efforts to adopt and implement best governance practices for sustained growth for the benefit of all stakeholders.

FUTURE PROSPECTS

The economic and operating environment is expected to remain challenging due to political uncertainty, sustained high inflation and pressure on foreign exchange reserves that may lead to supply disruptions. All of this is expected to result in an overall economic slowdown. The Company, however, remains committed to deliver strong results on the back of its superior brands, a diversified portfolio, deep consumer insights and a resilient value chain. At the same time, the Company will continue to work towards its vision of reducing carbon footprint and creating a positive social impact, through initiatives such as plastic reduction, green energy, diversity and inclusion etc.

ACKNOWLEDGEMENTS

On behalf of the board of directors, I would like to express gratitude to our stakeholders for their continued support and encouragement. I would also like to appreciate the valuable services rendered by the employees of the Company. I also acknowledge the commitment and diligence of my fellow directors during 2022 and thank their leadership for their valuable contributions for the continued growth of the Company.

Mr. Kamran Y. Mirza

Chairman of the Board





Winning with Brands and Innovations

We have some of the world's best known and most trusted brands, with leadership positions in many of the fast moving consumer goods categories in which we compete. Committed to enhancing the quality of life of the people of Pakistan, we aim to offer a broad portfolio that appeals to diverse consumers year on year.

Directors' Report

The directors present Unilever Pakistan Foods Limited's (UPFL) Annual Report together with audited financial statements for the year ended December 31, 2022.

Company's Principal Activities

The Company manufactures and sells consumer and commercial food products under the brand names of Rafhan, Knorr, Hellmann's, Energile and Glaxose-D. Despite a tough operating environment, including social, economic, and political challenges, the business continued the growth momentum in 2022, delivering a broad-based sales growth of 42.8%, with a healthy mix of price and volume, contributed by both Retail and Food solutions business.

The key growth drivers in 2022 were:

Knorr: Growth was led by noodles on the back of strong brand equity, impactful innovation, increasing rural penetration and value for money proposition. The portfolio was extended to young adults via the 'Blazin' launch, which turned out to be a great success. Moreover, cubes and dressings portfolio continued their growth trajectory.

Rafhan: The desserts portfolio recorded a decent sales growth, contributed by both pricing and volume. Corn oil delivered high double digit growth primarily led by pricing in response to commodity inflation.

Foods Solutions: The business continued its growth momentum on the back of strong brands and high-quality products, increasing footfall at restaurants and expansion of international chain accounts.

Exports: As a key thrust, the company continued its efforts to accelerate the exports portfolio, delivering decent growth by leveraging existing and new geographies.

During the year, inflationary headwinds resulted in gross margin dilution of 278 bps to 42.2% as pricing was not sufficient to entirely offset the cost inflation. However, EPS grew by 53.8% versus last year, primarily driven by business growth.

Operating Results	2022	2021			
	(Rupees in millio				
Sales	28,309	19,821			
Gross Profit	11,949	8,916			
Profit from Operations	8,506	5,502			
Profit before tax	8,366	5,423			
Profit after tax	7,952	5,169			
EPS-basic (Rs)	1248.41	811.53			

Dividends

Cumulative interim dividend declared during the year 2022 of Rs 287 per share amounts to Rs 1,828 million (cumulative interim dividend declared during the year 2021 of Rs 566 per share amounted to Rs 3,605 million).

Final Dividend 2022: Rs. Nil per share (2021: 245 per share).

Industry Review

The Packaged foods business has witnessed a double-digit growth over past few years (as per Euromonitor). The market consists of several local and multinational companies, with numerous regional players as well.

Capital Expenditure

The Company has invested Rs. 2,534 million during the year in capacity expansion and efficiency.

Cashflow projections are prepared, reviewed, and monitored on a periodic basis by your Company to devise the most effective strategy and to optimize returns.

Investment strategies are planned after careful consideration of risk profile. During the year, the Company has invested 75% of the surplus funds between short-term government treasury bills and money market mutual funds to maximize return; whereas the remaining surplus funds are placed in short-term bank deposits.

Evaluation of Company's Performance

There is a stringent performance management mechanism in place at the Company. The management uses several indicators based on global best practices from parent company as well as local leadership to ensure that both short term delivery and long-term health of the business remains in good position.

Our strategic framework to assess performance is based on the '5 fundamentals of growth' which captures – Purposeful Brands, Improved Penetration, Design for Channel, Impactful innovations, and Fuel for Growth – thereby providing a wholistic approach to assessing business shape and progress end to end.

Principal Risks and Uncertainties

The limited FX liquidity in the market, as witnessed from the country's FX reserves level, with further upcoming foreign debt repayments is expected to keep the FX reserves under a check. This may lead to supply disruptions as import of critical raw materials might be difficult.

Moreover, sustained high inflation, particularly on essential commodities and energy, currency devaluation, and rising interest rates continue to impact cost of doing business while simultaneously eroding purchasing power of consumers. All of this may lead to an overall slowdown in the economy and negative impact on consumer demand.

The country urgently requires structural reforms to address the twin account deficit i.e. current and fiscal, without which economic stability will remain a huge challenge.

Our People

We are a purpose-led, future-fit organization and we firmly believe that people with purpose thrive. Our culture promotes openness, agility, creativity and a growth mindset so that employee wellbeing can take centre-stage in all we do.

Our people are the ambassadors of our values of respect, dignity and fair treatment and we take great pride in empowering them with meaningful roles, equipping them for the future of work. In 2022, The Company was recognised with multiple accolades globally and locally, as we received the Most Preferred Employer at the Best Place to Work Awards 2022, the Best Environmental Practices Award, and CFA Employer of Choice.

Environment Protection

Sustainability is deeply embedded in all our brands' operations. It is central to the UPFL manufacturing strategy. Our aim is to uphold the vision of United Nation's Sustainable Development Goals. The UPFL manufacturing site is 95% renewable as of 2022. In 2022, our manufacturing sites initiated and sustained various environmental protection measures for the conservation of water, energy and waste by implementing the following sustainability projects:

- Reduction in utilities consumption through effective run strategy
- Recycling and reusing of water at site
- Installation of additional solar plants at our sites
- Reduction in compressed air consumption through effective loss reduction approach by monitoring and capturing leakages
- Reduction in energy consumption through installation of VFDs on high power motors
- · Conservation of Steam to minimize losses
- Offsetting carbon impact of electricity through purchase of renewable certificates
- Replacement of old motors with energy efficient motors
- Reusing and Recycling of waste materials generated from sites

A reduced carbon footprint is an effort which encompasses the scope of our offices, factories, consumers, and partners. This is enabled by a vision to create impact at scale through powerful alliances that can serve as a catalyst for a sustainable future for the planet amid rising global awareness on climate issues and challenges.

Occupational Safety and Health

Safety lies at the core of all UPFL operations with zero tolerance for any compromise on safety which is a priority aligned with our goal of Vision Zero at UPFL. We remain committed to imparting a safety mindset through reinforced leadership messaging, responsible employee behaviour, safety focused plant designs, facilities and products in addition to the implementation of safe procedures and systems throughout the year. We have now expanded the scope beyond our employees to our partners and service providers and we hold them to our high safety standards. The use of technology has also played a vital role in our journey towards becoming a Zero injury company.

Employee Engagement

Our employees have a strong sense of duty and make a conscious choice to uplift the lives of underserved communities through active support for the health and wellbeing, education, and access to healthy eating through committed fundraising and volunteering activities.

Funds raised through our Employee Payroll Program supports our social partner - The Citizens Foundation; Aga Khan University Hospital and the World Food Program. These funds are channelized to facilitate access to learning, nutrition and wellbeing for underprivileged children and youth.

Unilever for Pakistan – Flood Support (PKR 17 Million)

In the aftermath of the devastating floods last year, UPFL made extensive efforts to provide emergency relief to affected families. Products including Knorr noodles,

soups, Glaxose-D, and Energile were distributed all over Pakistan to the affectees through our on-ground partners which included Pakistan Disaster Management Authority (PDMA), UNICEF, UNWomen, CARE International, HANDS Organization, Pakistan Poverty Alleviation Fund (PPAF), Sindh Rural Support Program (SRSP), Sarhad Rural Support Organization (SRSO), and Akhuwat to name a few.

In this difficult time, our employees also leaned in to support the impacted through their donations. Through our Donation Drive for Flood victims, we were able to raise funds through employee donations which helped in provision of ration bags, medical camps, cooked meals, and hygiene kits. As the scale of destruction still unfolds in its long-term consequences, we are shifting our focus to climate preparedness and rehabilitation of the affected areas, providing sustainable houses, livelihoods, and education and healthcare systems.

Value of investments of employees in retirement funds

UPFL contributed Rs. 14.8 million to the staff retirement funds during the year. The value of investments made by the staff retirement funds operated by the Company as per their financial statements as at December 31, 2022 is as follows:

	Rs. in million
Provident Fund	200
Gratuity Fund	47
Total - 2022	247
Total - 2021	235

Corporate Governance

The management of UPFL is committed to good corporate governance and complying with best practices. As required under the Code of Corporate Governance, the Directors are pleased to state as follows:

- The financial statements prepared by the management of the Company present fairly the result of its operations, cash flows and changes in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies, as applicable in Pakistan, have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgement.
- International Financial Reporting Standards have been followed in the preparation of the financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.

- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no departure from the best practices of corporate governance, as detailed in the Rule Book of the Stock Exchange.
- Statements regarding the following are annexed or are disclosed in the notes to the financial statements;
 - Number of meetings of Board of Directors and its committees held and attendance by directors.
 - Key financial data for the last six years.
 - · Pattern of shareholding.

Directors

Independent Directors • Mr. Kamran Y. Mirza (Chairman of the Board) • Mr. Khalid Mansoor • Mr. Sarfaraz Ahmed Rehman Executive Directors • Mr. Amir R. Paracha (CEO) • Mr. Aly Yusuf (CFO) Female Director • Ms. Asima Haq Non-Executive Directors • Mr. Zulfikar Monnoo • Mr. Muhammad Adil Monnoo • Mr. Kamal Monnoo • Mr. Ali Tariq	Category	Names
Mr. Aly Yusuf (CFO) Female Director Ms. Asima Haq Non-Executive Directors Mr. Zulfikar Monnoo Mr. Muhammad Adil Monnoo Mr. Kamal Monnoo	Independent Directors	(Chairman of the Board) • Mr. Khalid Mansoor
Non-Executive Directors • Mr. Zulfikar Monnoo • Mr. Muhammad Adil Monnoo • Mr. Kamal Monnoo	Executive Directors	` '
Mr. Muhammad Adil MonnooMr. Kamal Monnoo	Female Director	• Ms. Asima Haq
	Non-Executive Directors	Mr. Muhammad Adil MonnocMr. Kamal Monnoo

Audit Committee

Mr. Khalid Mansoor	Chairman & Member
Mr. Muhammad Adil Monnoo	Member
Mr. Sarfaraz Ahmed Rehman	Member
Mr. Zulfikar Monnoo	Member
Mr. Kamran Y. Mirza	Member
Ms. Marium Farooq	Secretary & Head of
	Internal Audit

Human Resource & Remuneration Committee

Mr. Kamran Y. Mirza	Chairman & Member
Mr. Zulfikar Monnoo	Member
Mr. Kamal Monnoo	Member
Mr. Amir R. Paracha	Member
Mr. Sarfaraz Ahmed Rehman	Member
Ms. Kanize Fathema Zuberi	Secretary & Head of HR

The election of directors was held at the AGM of 2020. The term of the present directors will expire on April 19, 2023.

Internal Financial Controls

The directors are aware of their responsibility with respect to internal financial controls. Through discussions with management and auditors (both internal and external), they are of the opinion that adequate controls have been implemented by the Company.

Board Evaluation

In accordance with the Code of Corporate Governance and the Companies Act, 2017 the evaluation of the Board, its committees and individual directors was conducted by PICG (Pakistan Institute of Corporate Governance) to ensure transparency. The Board is assisted by sub-committees, i.e. the Audit Committee and the HR&R Committee, and these sub-committees held meetings during the year as per the stipulations of the code of corporate governance. It is also important to highlight the key role played by the sub-committees Committee & Human Resources Remuneration Committee) in highlighting areas of improvements and recommending practical solutions. Going forward we will continue our efforts to ensure that we comply with best governance practices on the interest of all stakeholders.

Directors Remuneration Policy

Directors Fee is paid in line with Board approval and the Company has approved a formal policy in this regard in accordance with the Companies Act, 2017 and the CCG. It is ensured that no director takes part in deciding their own remuneration. The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company is determined by the Board from time to time. The Board, if deems appropriate, may engage independent consultant to determine the appropriate level of remuneration of its directors. The remuneration shall not compromise nor influence in any way the independence of the directors.

Auditors

The Auditors, KPMG Taseer Hadi & Co., Chartered Accountants, were appointed for the year ended December 31, 2022. The Board has recommended the appointment of KPMG Taseer Hadi & Co. as the Auditors of the Company for the year 2023.

Holding Company

Through its wholly owned subsidiary Conopco Inc., USA, Unilever PLC, has a holding of 76.5% of the shares in UPFL, and is the Company's ultimate parent company.

Subsequent Events

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this report.

Reserve Appropriations

nooch or ppropriations	Share			Reser	ves		Total
	Capital	Capit	al		Revenue	Sub Total	
	Issued, subscribed and paid up capital	Share Premium	Special	General	Un-appropriated Profit		
	<		— (Rup	pees in the	ousand) ——		
Balance as at January 1, 2022	63,699	1,296,499	628	138	1,608,602	2,905,867	2,969,566
Transactions with owners of the Company - Distribut	ion						
Final dividend for the year ended December 31, 2021 @ Rs. 245 per share	-	-	-	-	(1,560,638)	(1,560,638)	(1,560,638)
First Interim dividend for the year ended December 31, 2022 @ Rs. 287 per share	-	-	-	-	(1,828,176)	(1,828,176)	(1,828,176)
	-	_	_	_	(3,388,814)	(3,388,814)	(3,388,814)
Total comprehensive income for the year							
Profit for the year ended							
December 31, 2022	-	-	-	-	7,952,403	7,952,403	7,952,403
Other comprehensive loss for the year ended December 31, 2022	-	_	_	_	(19,124)	(19,124)	(19,124)
	-	-	-	-	7,933,279	7,933,279	7,933,279
Balance as at December 31, 2022	63,699	1,296,499	628	138	6,153,067	7,450,332	7,514,031

Acknowledgement

Our people are the key drivers behind the sustained growth of UPFL. The directors acknowledge the contribution of each employee of the Company. We would also like to express our thanks to our customers for the trust shown in our products. We are also grateful to our shareholders for their support and confidence in our management.

Future Outlook

Pakistan's economic and operating environment is expected to remain challenging, as the country continues to grapple with the dwindling FX reserves. While efforts are being made to stabilise the situation through revival of IMF program, followed by bi/multi-lateral flows, the requirement for FX reserves for 2023 and beyond remains significantly high and therefore, the FX reserves of the country are expected to remain under pressure, unless major debt restructuring is undertaken. Moreso, measures to bridge fiscal gaps as a pre-requisite of revival of IMF program may lead to further inflation. The ever-rising inflationary pressure is significantly affecting the purchasing power of the consumers forcing them to make sharper choices by down trading and down grading. Moreover, businesses may face supply disruptions as the government is expected to manage imports to stabilise reserves in the best interest of the country.

In light of the above, the Company expects to face some headwinds on both demand and supply side. However, the management remains committed to navigate the situation by building resilience across the value chain and leveraging global expertise. We will continue our efforts to stay relevant to the consumer by delivering value through sound understanding of their needs, innovations and new pack price architecture while managing profitability through a combination of optimum pricing and cost transformation initiatives. Accordingly, we are confident that we will continue to deliver competitive, consistent, responsible and profitable growth benefitting all stakeholders.

Thanking you all.

On behalf of the Board

Kamran Y. Mirza Chairman Karachi

February 24, 2023

Amir R. Paracha Chief Executive Officer Karachi

February 24, 2023

Board Meetings Attendance

During the year 2022, four Board Meetings were held and the attendance of each director is given below:

Directors	Total No. of Meetings Held	No. of Meetings Attended
Mr. Kamran Y. Mirza	4	4
Mr. Amir R. Paracha	4	4
Mr. Aly Yusuf	4	4
Ms. Asima Haq	4	4
Mr. Zulfikar Monnoo	4	4
Mr. Muhammad Adil Monnoo	4	4
Mr. Kamal Monnoo	4	4
Mr. Sarfaraz Ahmed Rehman	4	2
Mr. Khalid Mansoor	4	4
Mr. Ali Tariq	4	4

Board Committee Meetings Held During The Year

Audit Committee

Name of Member	Total No. of Meetings Held	No. of Meetings Attended
Mr. Khalid Mansoor Chairman	4	4
Mr. Zulfikar Monnoo Member	4	4
Mr. Kamran Y. Mirza Member	4	4
Mr. Muhammad Adil Monnoo Member	4	4
Mr. Sarfaraz Ahmed Rehman Member	4	1
Ms. Marium Farooq Secretary	4	4

Terms of Reference

Committee has been constituted by the Board in compliance with Listing Regulations. The Committee oversees the Internal Audit function, and also reviews audit plans and reports. The Committee conducts its meetings as and when required. The Committee appraises the Board about the significant discussions and decisions at its meetings and recommendations in respect of Company's operations and financial results.

The Committee comprises of five members, three independent Director and two Non-Executive Directors. All employees of the Company have access to the Committee. The Committee met four times during 2022. Minutes of the meetings are drawn up expeditiously and circulated for the information and consideration of the Board.

Committee of Directors

Name of Member	Total No. of Meetings Held	No. of Meetings Attended
Mr. Amir R. Paracha Chairman	8	8
Mr. Aly Yusuf Member	8	8
Ms. Asima Haq Member	8	8
Mr. Aman Ghanchi Secretary	8	8

Terms of Reference

The Committee comprises of three members. Periodic meetings are held to facilitate handling of operational matters, share transfer, and any other significant matters arising during the normal course of business operations.

Human Resource & Remuneration Committee

Name of Member	Total No. of Meetings Held	No. of Meetings Attended
Mr. Kamran Y. Mirza Chairman	1	1
Mr. Zulfikar Monnoo Member	1	1
Mr. Kamal Monnoo Member	1	1
Mr. Amir R. Paracha Member	1	1
Mr. Sarfaraz Ahmed Rehman Member	1	-
Ms. Kanize Fathema Zuberi Secretary	1	1

Terms of Reference

The Committee has been constituted by the Board in compliance with applicable laws. It comprises of five members, two of whom are Non-Executive Directors and two are Independent Directors.

Performance Indicators for 6 years

2022 2021 2020 2019 2018 2017

—(Rupees in thousand)—

Financial Position

Timanelact osicion							
Property, plant and equipment	6,201,699	4,053,993	3,732,128	3,654,460	2,783,549	1,992,974	
Other non-current assets	109,646		100,559	108,368	130,808	94,842	
Current assets	14,305,770	6,202,550	3,614,686	3,326,005	3,056,526	1,993,132	
Total assets	20,617,115		7,447,373	7,088,833	5,970,883	4,080,948	
, , , , , , , , , , , , , , , , , , , ,	20,017,113	10,500,015	7,447,575	7,000,033	3,370,003	4,000,540	
Share capital	63,699	63,699	63,699	63,699	63,699	61,576	
Reserves	7,450,332	2,905,867	2,683,995	2,240,498	1,828,864	119,894	
Total equity	7,514,031	2,969,566	2,747,694	2,304,197	1,892,563	181,470	
Non-current liabilities	1,180,771	591,678	410,824	304,680	174,535	213,130	
Current liabilities	11,922,313	6,827,571	4,288,855	4,479,956	3,903,785	3,686,348	
Total liabilities	13,103,084	7,419,249	4,699,679	4,784,636	4,078,320	3,899,478	
Total equity and liabilities	20,617,115	10,388,815	7,447,373	7,088,833	5,970,883	4,080,948	
Net current assets / (liabilities)	2,383,457	(625,021)	(674,169)	(1,153,951)	(847,259)	(1,693,216)	
	1						
OPERATING AND FINANCIAL TRENDS							
OPERATING AND FINANCIAL TRENDS							
OPERATING AND FINANCIAL TRENDS Profit or loss							
	28,309,317	19,820,946	15,572,747	13,291,424	11,898,430	10,745,260	
Profit or loss	28,309,317 (16,359,841)		15,572,747 (8,894,178)	13,291,424 (7,789,001)	11,898,430 (6,549,353)	10,745,260 (5,911,696)	
Profit or loss Net sales							
Profit or loss Net sales Cost of Sales	(16,359,841)	(10,904,750)	(8,894,178)	(7,789,001)	(6,549,353)	(5,911,696)	
Profit or loss Net sales Cost of Sales Gross profit	(16,359,841) 11,949,476	(10,904,750) 8,916,196	(8,894,178) 6,678,569	(7,789,001) 5,502,423	(6,549,353) 5,349,077	(5,911,696) 4,833,564	
Profit or loss Net sales Cost of Sales Gross profit Operating profit	(16,359,841) 11,949,476 8,506,272	(10,904,750) 8,916,196 5,501,987	(8,894,178) 6,678,569 4,077,508	(7,789,001) 5,502,423 2,942,876	(6,549,353) 5,349,077 2,543,175	(5,911,696) 4,833,564 1,946,726	
Profit or loss Net sales Cost of Sales Gross profit Operating profit Profit before tax	(16,359,841) 11,949,476 8,506,272 8,366,367	(10,904,750) 8,916,196 5,501,987 5,422,836	(8,894,178) 6,678,569 4,077,508 4,054,958	(7,789,001) 5,502,423 2,942,876 2,807,800	(6,549,353) 5,349,077 2,543,175 2,495,875	(5,911,696) 4,833,564 1,946,726 1,920,706	
Profit or loss Net sales Cost of Sales Gross profit Operating profit Profit before tax Profit after tax	(16,359,841) 11,949,476 8,506,272 8,366,367 7,952,403	(10,904,750) 8,916,196 5,501,987 5,422,836 5,169,477	(8,894,178) 6,678,569 4,077,508 4,054,958 3,837,412	(7,789,001) 5,502,423 2,942,876 2,807,800 2,452,938	(6,549,353) 5,349,077 2,543,175 2,495,875 1,734,457	(5,911,696) 4,833,564 1,946,726 1,920,706 1,355,673	
Profit or loss Net sales Cost of Sales Gross profit Operating profit Profit before tax Profit after tax Cash ordinary dividends	(16,359,841) 11,949,476 8,506,272 8,366,367 7,952,403	(10,904,750) 8,916,196 5,501,987 5,422,836 5,169,477	(8,894,178) 6,678,569 4,077,508 4,054,958 3,837,412	(7,789,001) 5,502,423 2,942,876 2,807,800 2,452,938	(6,549,353) 5,349,077 2,543,175 2,495,875 1,734,457	(5,911,696) 4,833,564 1,946,726 1,920,706 1,355,673	
Profit or loss Net sales Cost of Sales Gross profit Operating profit Profit before tax Profit after tax	(16,359,841) 11,949,476 8,506,272 8,366,367 7,952,403	(10,904,750) 8,916,196 5,501,987 5,422,836 5,169,477	(8,894,178) 6,678,569 4,077,508 4,054,958 3,837,412	(7,789,001) 5,502,423 2,942,876 2,807,800 2,452,938	(6,549,353) 5,349,077 2,543,175 2,495,875 1,734,457	(5,911,696) 4,833,564 1,946,726 1,920,706 1,355,673	
Profit or loss Net sales Cost of Sales Gross profit Operating profit Profit before tax Profit after tax Cash ordinary dividends	(16,359,841) 11,949,476 8,506,272 8,366,367 7,952,403	(10,904,750) 8,916,196 5,501,987 5,422,836 5,169,477	(8,894,178) 6,678,569 4,077,508 4,054,958 3,837,412	(7,789,001) 5,502,423 2,942,876 2,807,800 2,452,938	(6,549,353) 5,349,077 2,543,175 2,495,875 1,734,457 1,490,332	(5,911,696) 4,833,564 1,946,726 1,920,706 1,355,673	
Profit or loss Net sales Cost of Sales Gross profit Operating profit Profit before tax Profit after tax Cash ordinary dividends	(16,359,841) 11,949,476 8,506,272 8,366,367 7,952,403	(10,904,750) 8,916,196 5,501,987 5,422,836 5,169,477	(8,894,178) 6,678,569 4,077,508 4,054,958 3,837,412	(7,789,001) 5,502,423 2,942,876 2,807,800 2,452,938	(6,549,353) 5,349,077 2,543,175 2,495,875 1,734,457	(5,911,696) 4,833,564 1,946,726 1,920,706 1,355,673	
Profit or loss Net sales Cost of Sales Gross profit Operating profit Profit before tax Profit after tax Cash ordinary dividends Cash flows	(16,359,841) 11,949,476 8,506,272 8,366,367 7,952,403 2,594,401	(10,904,750) 8,916,196 5,501,987 5,422,836 5,169,477 3,564,734	(8,894,178) 6,678,569 4,077,508 4,054,958 3,837,412 3,390,721	(7,789,001) 5,502,423 2,942,876 2,807,800 2,452,938 2,021,704	(6,549,353) 5,349,077 2,543,175 2,495,875 1,734,457 1,490,332	(5,911,696) 4,833,564 1,946,726 1,920,706 1,355,673 2,737,580	
Profit or loss Net sales Cost of Sales Gross profit Operating profit Profit before tax Profit after tax Cash ordinary dividends Cash flows Operating activities Investing activities Financing activities	(16,359,841) 11,949,476 8,506,272 8,366,367 7,952,403 2,594,401	(10,904,750) 8,916,196 5,501,987 5,422,836 5,169,477 3,564,734 6,317,887 (504,685)	(8,894,178) 6,678,569 4,077,508 4,054,958 3,837,412 3,390,721 3,908,226 (264,533)	(7,789,001) 5,502,423 2,942,876 2,807,800 2,452,938 2,021,704 3,635,518 (1,064,794) (2,057,207)	(6,549,353) 5,349,077 2,543,175 2,495,875 1,734,457 1,490,332	(5,911,696) 4,833,564 1,946,726 1,920,706 1,355,673 2,737,580	
Profit or loss Net sales Cost of Sales Gross profit Operating profit Profit before tax Profit after tax Cash ordinary dividends Cash flows Operating activities Investing activities	(16,359,841) 11,949,476 8,506,272 8,366,367 7,952,403 2,594,401 9,061,535 (5,065,465)	(10,904,750) 8,916,196 5,501,987 5,422,836 5,169,477 3,564,734 6,317,887 (504,685)	(8,894,178) 6,678,569 4,077,508 4,054,958 3,837,412 3,390,721 3,908,226 (264,533)	(7,789,001) 5,502,423 2,942,876 2,807,800 2,452,938 2,021,704 3,635,518 (1,064,794)	(6,549,353) 5,349,077 2,543,175 2,495,875 1,734,457 1,490,332	(5,911,696) 4,833,564 1,946,726 1,920,706 1,355,673 2,737,580 1,883,709 (77,091)	

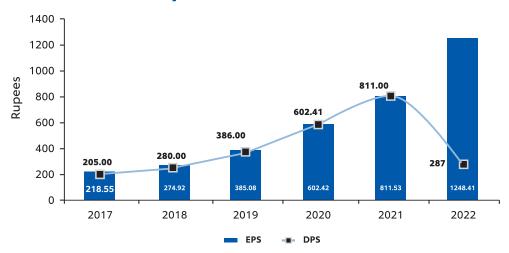
Performance Indicators for 6 years

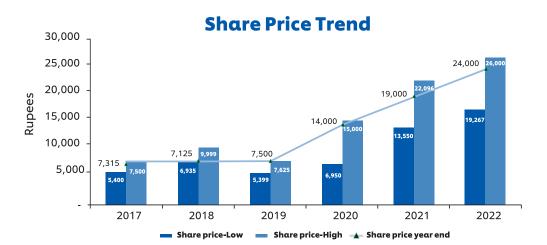
	Unit	2022	2021	2020	2019	2018	2017
FINANCIAL RATIOS							
Profitability Ratios							
Gross Profit Ratio	%	42.21	44.98	42.89	41.40	44.96	44.98
Net Profit to Sales	%	28.09	26.08	24.64	18.46	14.58	12.62
EBITDA margin to sales	%	30.79	29.09	28.08	23.85	22.87	19.54
Operating leverage ratio	Times	1.27	1.21	2.26	1.34	2.93	0.66
Pre Tax return on equity	%	159.61	189.70	160.53	133.81	240.68	193.39
Post tax return on equity	%	151.71	180.84	151.92	116.90	167.25	136.50
Return on captial employed	%	139.31	173.48	151.20	116.90	167.25	136.50
Liquidity Ratios							
Current Ratio	Times	1.20	0.91	0.84	0.74	0.78	0.54
Quick / Acid Test Ratio	Times	0.94	0.69	0.57	0.51	0.52	0.26
Cash to current liabilities	Times	0.22	0.48	0.22	0.16	0.29	0.09
Cash flow from operations to sales	Times	0.32	0.32	0.25	0.27	0.14	0.18
Activity / Operating Performance Ratios							
Inventory turnover ratio	Days	47	39	39	44	55	61
Debtor turnover ratio	Days	10	9	16	19	15	13
Creditor turnover ratio	Days	(164)	(157)	(171)	(165)	(156)	(168)
Total assets turnover ratio	Times	1.37	1.91	2.09	1.87	1.99	2.63
Fixed assets turnover ratio	Times	4.56	4.89	4.17	3.64	4.27	5.39
Operating cycle	Days	(107)	(109)	(116)	(103)	(87)	(95)
Investment / Market Ratios							
Earnings per share (EPS)	Rs.	1,248.41	811.53	602.43	385.08	274.92	218.55
Price earning ratio	Times	19.22	23.41	23.24	19.48	25.92	27.22
Dividend yield ratio	Times	0.01	0.04	0.04	0.05	0.04	0.03
Dividend payout ratio - earnings	Times	0.23	1.00	1.00	1.00	1.02	0.93
Dividend payout ratio - par value	Times	28.70	81.10	60.24	38.60	28.00	20.50
Dividend Cover ratio	Times	4.35	1.00	1.00	1.00	0.98	1.07
Cash dividend*	Rs.	287.00	811.00	602.41	386.00	280.00	205.00
Market Value - low	Rs.	19,267	13,550	6,950	5,170	6,935	5,400
Market Value - high	Rs.	26,000	22,096	15,000	7,625	9,999	7,500
Market Value - year end	Rs.	24,000	19,000	14,000	7,500	7,125	7,315
Breakup value per share without surplus on revaluation of fixed assets	Rs.	1,179.61	466.18	431.35	361.73	297.11	29.47
Capital Structure Ratios							
Financial leverage ratio	Times	0.10	0.07	0.01	0.02	0.33	0.01
Interest cover ratio	Times	588.11	695.70	394.46	24.01	79.23	135.66

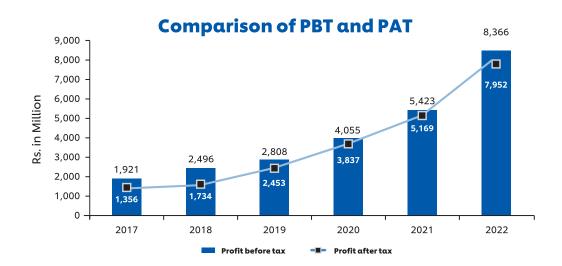
^{*}This includes interim and proposed final dividend for the year

Performance Indicators for 6 years

Comparison of EPS and DPS







Statement of Financial Position

Horizontal Analysis for 6 years

(Rs. in thousand)

EQUITY AND LIABILITIES

2022 22 Vs.21 2021 21 Vs.20 2020 20 Vs.19 2019 19 Vs.18 2018 18 Vs.17 2017 17 Vs.16 Rs. % Rs. % Rs. % Rs. % Rs. %

Capital and reserves

Share capital
Reserves

Non-current liabilities

Retirement benefits - obligation Long term borrowing Deferred income - government grant Lease liabilities Deferred taxation

Current liabilities

Trade and other payables
Provision
Accrued interest / mark up
Sales tax payable
Current portion of deferred incomegovernment grant
Current portion of long term borrowings
Current portion of lease liabilities
Short term borrowings

63,699	-	63,699	-	63,699	-	63,699	-	63,699	3.45	61,576	-
7,450,332	156.39	2,905,867	8.27	2,683,995	19.79	2,240,498	22.51	1,828,864	1,425.40	119,894	(93.12)
7,514,031	153.03	2,969,566	8.07	2,747,694	19.25	2,304,197	21.75	1,892,563	942.91	181,470	(89.95)
53,150	242.62	15,513	(39.70)	25,727	6.57	24,141	72.44	14,000	49.81	9,345	281.12
491,122	191.26	168,619	612.68	23,660	100.00	-	-	-	-	-	-
223,780	664.51	29,271	100.00	-	-	-	-	-	-	-	-
_	(100.00)	20,571	5215.50	387	100.00	-	(100.00)	24,819	100.00	-	-
412,719	15.38	357,704	(0.93)	361,050	28.70	280,539	106.71	135,716	(33.40)	203,785	(4.43)
1,180,771	99.56	591,678	44.02	410,824	34.84	304,680	74.57	174,535	(18.11)	213,130	(1.19)
11,710,250	74.82	6,698,532	60.68	4,168,976	(2.47)	4,274,576	49.07	2,867,577	(5.00)	3,018,467	24.49
123,861	(0.53)	124,524	15.58	107,740	2.56	105,054	96.23	53,536	(11.74)	60,659	5.27
5,888	213.86	1,876	202.58	620	(98.21)	34,717	159.26	13,391	485.27	2,288	100.00
-	-	-	-	-	-	-	-	-	(100.00)	21,193	(81.60)
38,694	1,618.21	2,252	-	-	-	-	-	-	-	-	-
21,368	100.00	-	-	-	-	-	-	-	-	-	-
22,252	5,649.87	387	(96.64)	11,519	(62.10)	30,392	0.35	30,287	100.00	-	100.00
_	-	-	-	-	(100.00)	35,217	(96.25)	938,994	60.86	583,741	100.00
11,922,313	74.62	6,827,571	59.19	4,288,855	(4.27)	4,479,956	14.76	3,903,785	5.90	3,686,348	41.92
20,617,115	98.45	10,388,815	39.50	7,447,373	5.06	7,088,833	18.72	5,970,883	46.31	4,080,948	(11.63)

ASSETS

Non-current assets

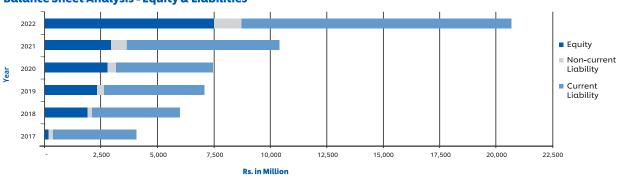
Property, plant and equipment Right-of-use assets Intangible assets Long term loans Long term deposit and prepayment

Current assets

Stores and spares
Stock in trade
Trade debts
Loans and advances
Trade deposits and short term
prepayments
Other receivables
Taxation - net
Short term investments
Cash and bank balances
Sales tax refundable

6,201,699	52.98	4,053,993	8.62	3,732,128	2.13	3,654,460	31.29	2,783,549	39.67	1,992,974	(4.41)
25,029	(46.19)	46,511	269.99	12,571	(32.39)	18,594	(46.65)	34,853	100.00	-	-
81,637	-	81,637	-	81,637	-	81,637	-	81,637	-	81,637	-
-	(100.00)	1,144	(66.06)	3,371	(34.63)	5,157	(54.52)	11,338	(14.14)	13,205	7.34
2,980	-	2,980	-	2,980	-	2,980	-	2,980	100.00	-	(100.00)
6,311,345	50.76	4,186,265	9.23	3,832,687	1.86	3,762,828	29.11	2,914,357	39.59	2,087,816	(4.29)
197,796	0.64	196,537	19.62	164,302	16.92	140,520	186.45	49,055	38.39	35,446	12.78
2,918,231	119.76	1,327,888	32.91	999,124	10.72	902,351	(6.30)	963,034	(4.44)	1,007,742	5.17
1,029,752	98.27	519,372	14.09	455,214	(47.57)	868,282	70.49	509,288	16.07	438,767	45.32
26,175	641.29	3,531	(94.90)	69,256	399.90	13,854	5.70	13,107	7.58	12,184	(48.94)
212,553	159.04	82,055	6.02	77,395	437.17	14,408	(57.62)	33,996	(59.80)	84,566	14.20
239,536	149.40	96,045	67.02	57,506	79.43	32,050	(32.01)	47,136	143.65	19,346	78.88
552,969	3.06	536,557	(17.30)	648,799	52.22	426,235	61.53	263,869	455.24	47,523	(86.09)
5,771,861	100.00	-	-	-	-	-	-	-	-	-	-
2,581,565	(21.72)	3,297,755	254.64	929,895	28.34	724,556	(35.01)	1,114,816	220.76	347,558	(49.98)
775,332	442.91	142,810	(33.01)	213,195	4.64	203,749	227.44	62,225	100.00	-	-
14,305,770	130.64	6,202,550	71.59	3,614,686	8.68	3,326,005	8.82	3,056,526	53.35	1,993,132	(18.20)
20,617,115	98.45	10,388,815	39.50	7,447,373	5.06	7,088,833	18.72	5,970,883	46.31	4,080,948	(11.63)

Balance Sheet Analysis - Equity & Liabilities



20

Statement of Financial Position

Vertical Analysis for 6 years

(Rs. in thousand)

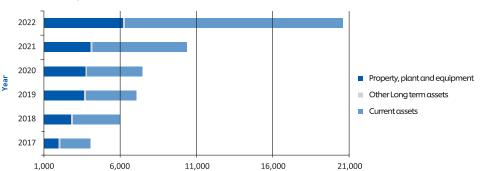
EQUITY AND LIABILITIES

	202	2	202	1	202	20	201	9	201	8	201	7
Capital and reserves	Rs.	~	Rs.	' %	Rs.	%	Rs.	%	Rs.	%	Rs.	%
· ·												
Share capital	63,699	0.31	63,699	0.61	63,699	0.86	63,699	0.90	63,699	1.07	61,576	1.51
Reserves	7,450,332	36.14	2,905,867	27.97	2,683,995	36.04	2,240,498	31.61	1,828,864	30.63	119,894	2.94
	7,514,031	36.45	2,969,566	28.58	2,747,694	36.89	2,304,197	32.50	1,892,563	31.70	181,470	4.45
Non-current liabilities												
Retirement benefits - obligation	53,150	0.26	15,513	0.15	25,727	0.35	24,141	0.34	14,000	0.23	9,345	0.23
Long term borrowing	491,122	2.38	168,619	1.62	23,660	0.32	- 1,	0.54	14,000	0.25	5,545	0.23
Deferred income -	15.7.22		100,015	1.02	25,000	0.52						
government grant	223,780	1.09	29,271	0.28	_	-	-	-	_	-	_	-
Lease liabilities	_	_	20,571	0.20	387	0.01	-	0.00	24,819	0.42	-	-
Deferred taxation	412,719	2.00	357,704	3.44	361,050	4.85	280,539	3.96	135,716	2.27	203,785	4.99
	1,180,771	5.73	591,678	5.70	410,824	5.52	304,680	4.30	174,535	2.92	213,130	5.22
Current liabilities												
Trade and other payables					4450.075		4,274,576		2007.577	40.00	2040 457	70.06
Provision	11,710,250	56.80 0.60	6,698,532 124,524	64.48	4,168,976 107,740	55.98	105,054	60.30	2,867,577 53,536	48.03 0.90	3,018,467	73.96
Accrued interest / mark up	123,861 5,888	0.60	1,876	1.20 0.02	620	1.45 0.01	34,717	1.48 0.49	13,391	0.90	60,659 2,288	1.49
Sales tax payable	3,000	0.03	1,076	0.02	020	0.01	J-,,,,,,	0.49	13,391	0.22	21,193	0.52
Current portion of deferred income	-		-		-			-	_		21,193	0.52
- government grant	38,694	0.19	2,252	0.02	_	_	_	_	_	_	_	_
Current portion of long term borrowings	21,368	0.10		-	_	_	_	_	_	_	_	_
Current portion of lease liabilities	22,252	0.11	387	0.00	11,519	0.15	30,392	0.43	30,287	_	_	_
Short term borrowings		_		-			35,217	0.50	938,994	15.73	583,741	14.30
	11,922,313	57.83	6,827,571	65.72	4,288,855	57.59	4,479,956	63.20	3,903,785	65.38	3,686,348	90.33
	20,617,115	100.00	10,388,815	100.00	7,447,373	100.00	7,088,833	100.00	5,970,883	100.00	4,080,948	100.00
ASSETS												
Non-current assets												
Property, plant and equipment	6,201,699	30.08	4,053,993	39.02	3,732,128	50.11	3,654,460	51.55	2,783,549	46.62	1,992,974	48.84
Right-of-use assets	25,029	0.12	46,511	0.45	12,571	0.17	18,594	0.26	34,853	0.58	.,,,,,,,,	-0.04
Intangible assets	81,637	0.40	81,637	0.79	81,637	1.10	81,637	1.15	81,637	1.37	81,637	2.00
Long term loans		_	1,144	0.01	3,371	0.05	5,157	0.07	11,338	0.19	13,205	0.32
Long term deposit and prepayment	2,980	0.01	2,980	0.03	2,980	0.04	2,980	0.04	2,980	0.05	-	-
	6,311,345	30.61	4,186,265	40.30	3,832,687	51.46	3,762,828	53.08	2,914,357	48.81	2,087,816	51.16
Current assets												
Stores and spares	197,796	0.96	196,537	1.89	164,302	2.21	140,520	1.98	49,055	0.82	35,446	0.87
Stock in trade	2,918,231	14.15	1,327,888	12.78	999,124	13.42	902,351	12.73	963,034	16.13	1,007,742	24.69
Trade debts	1,029,752	4.99	519,372	5.00	455,214	6.11	868,282	12.25	509,288	8.53	438,767	10.75
Loans and advances	26,175	0.13	3,531	0.03	69,256	0.93	13,854	0.20	13,107	0.22	12,184	0.30
Trade deposits and short term												
prepayments	212,553	1.03	82,055	0.79	77,395	1.04	14,408	0.20	33,996	0.57	84,566	2.07
Other receivables	239,536	1.16	96,045	0.92	57,506	0.77	32,050	0.45	47,136	0.79	19,346	0.47
Taxation - net	552,969	2.68	536,557	5.16	648,799	8.71	426,235	6.01	263,869	4.42	47,523	1.16
Short term investments	5,771,861	28.00	-	-	-	-	-	-	-	-	-	-
Cash and bank balances	2,581,565	12.52	3,297,755	31.74	929,895	12.49	724,556	10.22	1,114,816	18.67	347,558	8.52
Sales tax refundable	775,332	3.76	142,810	1.37	213,195	2.86	203,749	2.87	62,225	1.04	-	-
	14,305,770	69.39	6,202,550	59.70	3,614,686	48.54	3,326,005	46.92	3,056,526	51.19	1,993,132	48.84

Statement of Financial Position Analysis - Assets

20,617,115

100.00 10,388,815



100.00 7,088,833

100.00 5,970,883

100.00 4,080,948

7,447,373

Profit or Loss Account and Other Comprehensive Income

Horizontal Analysis for 6 years

(Rs. in thousand)

	2022 Rs.	22 vs 21 %	2021 Rs.	21 vs 20 %	2020 Rs.	20 vs 19 %	2019 Rs.	19 vs 18 %	2018 Rs.	18 vs 17 %	2017 Rs.	17 vs 16 %
Sales	28,309,317	42.83	19,820,946	27.28	15,572,747	17.16	13,291,424	11.71	11,898,430	10.73	10,745,260	13.50
Cost of sales	(16,359,841)	50.02	(10,904,750)	22.61	(8,894,178)	14.19	(7,789,001)	18.93	(6,549,353)	10.79	(5,911,696)	12.29
Gross profit	11,949,476	34.02	8,916,196	33.50	6,678,569	21.38	5,502,423	2.87	5,349,077	10.67	4,833,564	15.02
Distribution cost	(3,702,303)	30.35	(2,840,376)	24.90	(2,274,181)	(0.87)	(2,294,223)	(14.73)	(2,690,609)	1.56	(2,649,320)	18.35
Administrative expenses	(556,120)	14.42	(486,020)	7.90	(450,428)	15.02	(391,596)	24.16	(315,392)	4.17	(302,756)	95.15
Other operating expenses	(564,935)	52.18	(371,223)	29.84	(285,906)	60.56	(178,067)	25.39	(142,016)	3.26	(137,533)	8.65
Other income	1,380,154	386.98	283,410	(33.85)	428,421	40.77	304,339	(11.04)	342,115	68.72	202,771	68.49
Profit from operations	8,506,272	54.60	5,501,987	34.31	4,096,475	39.20	2,942,876	15.72	2,543,175	30.64	1,946,726	8.02
Finance costs	(139,905)	76.76	(79,151)	90.65	(41,517)	(69.26)	(135,076)	185.57	(47,300)	81.78	(26,020)	(24.51)
Profit before taxation	8,366,367	54.28	5,422,836	33.73	4,054,958	44.42	2,807,800	12.50	2,495,875	29.95	1,920,706	8.65
Taxation	(413,964)	63.39	(253,359)	16.46	(217,546)	(38.70)	(354,862)	(53.39)	(761,418)	34.76	(565,033)	14.92
Profit after taxation	7,952,403	53.83	5,169,477	34.71	3,837,412	56.44	2,452,938	41.42	1,734,457	27.94	1,355,673	6.24
Other comprehensive income/(loss)	(19,124)	(1,767.31)	1,147	(74.96)	4,581	256.08	(2,935)	(10,970)	27	(100.54)	(4,992)	(427.34)
Total comprehensive income	7,933,279	53.43	5,170,624	34.58	3,841,993	56.82	2,450,003	41.25	1,734,484	28.42	1,350,681	5.72

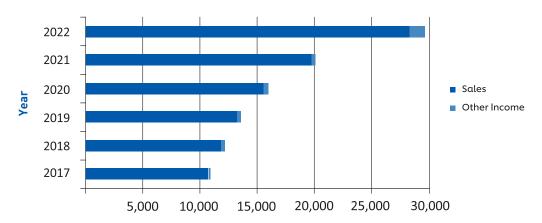
Vertical Analysis for 6 years

(Rs. in thousand)

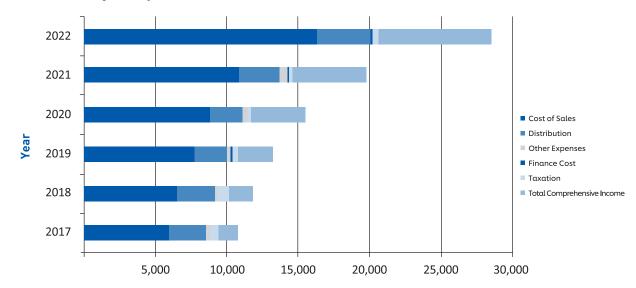
Sales	28,309,317	100.00	19,820,946	100.00	15,572,747	100.00	13,291,424	100.00	11,898,430	100.00	10,745,260	100.00
Cost of sales	(16,359,841)	(57.79)	(10,904,750)	(55.02)	(8,894,178)	(57.11)	(7,789,001)	(58.60)	(6,549,353)	(55.04)	(5,911,696)	(55.02)
Gross profit	11,949,476	42.21	8,916,196	44.98	6,678,569	42.89	5,502,423	41.40	5,349,077	44.96	4,833,564	44.98
Distribution cost	(3,702,303)	(13.08)	(2,840,376)	(14.33)	(2,274,181)	(14.60)	(2,294,223)	(17.26)	(2,690,609)	(22.61)	(2,649,320)	(24.66)
Administrative expenses	(556,120)	(1.96)	(486,020)	(2.45)	(450,428)	(2.89)	(391,596)	(2.95)	(315,392)	(2.65)	(302,756)	(2.82)
Other operating expenses	(564,935)	(2.00)	(371,223)	(1.87)	(285,906)	(1.84)	(178,067)	(1.34)	(142,016)	(1.19)	(137,533)	(1.28)
Other operating incom	1,380,154	4.88	283,410	1.43	428,421	2.75	304,339	2.29	342,115	2.88	202,771	1.89
Profit from operations	8,506,272	30.05	5,501,987	27.76	4,096,475	26.31	2,942,876	22.14	2,543,175	21.37	1,946,726	18.12
Finance cost	(139,905)	(0.49)	(79,151)	(0.40)	(41,517)	(0.27)	(135,076)	(1.02)	(47,300)	(0.40)	(26,020)	(0.24)
Profit before taxation	8,366,367	29.55	5,422,836	27.36	4,054,958	26.04	2,807,800	21.12	2,495,875	20.98	1,920,706	17.87
Taxation	(413,964)	(1.46)	(253,359)	(1.28)	(217,546)	(1.40)	(354,862)	(2.67)	(761,418)	(6.40)	(565,033)	(5.26)
Profit after taxation	7,952,403	28.09	5,169,477	26.08	3,837,412	24.64	2,452,938	18.46	1,734,457	14.58	1,355,673	12.62
Other comprehensive income/(loss)	(19,124)	(0.07)	1,147	0.01	4,581	0.03	(2,935)	(0.02)	27	0.00	(4,992)	(0.05)
Total comprehensive income	7,933,279	28.02	5,170,624	26.09	3,841,993	24.67	2,450,003	18.43	1,734,484	14.58	1,350,681	12.57

Graphical Analysis

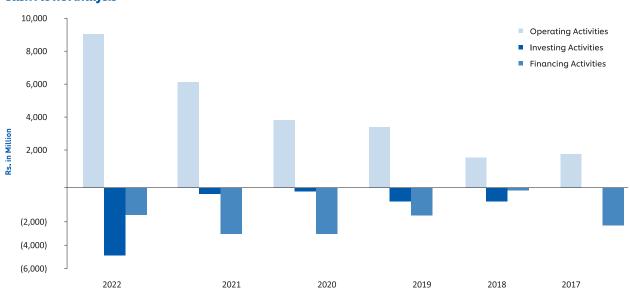
Profit or Loss Analysis - Income



Profit or Loss Analysis - Expenses

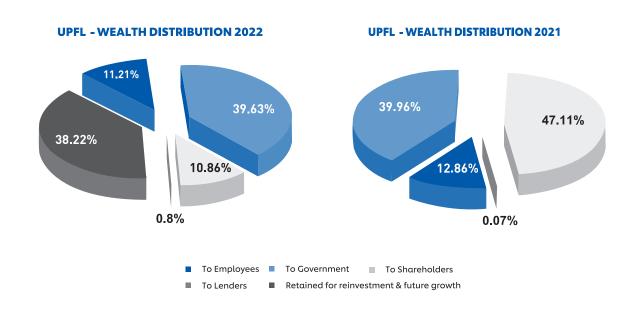


Cash Flows Analysis



Statement of Wealth Generated and Distributed

	2022 Rs. in thousand	2021 Rs. in thousand
Total Revenue inclusive of sales tax and other Income	34,806,371	23,761,923
Brought-in-materials and services	(17,964,596)	(12,143,638)
	16,841,775	11,618,285
To Employees	1,887,224	1,494,339
To Government	6,674,799	4,642,651
To Shareholders	1,828,176	5,473,489
To Providers of Capital	14,250	7,806
Retained for reinvestment & future growth	6,437,326	-
Total	16,841,775	11,618,285



Pattern of Shareholding

As at December 31, 2022

Number of Shareholders	Shai	reholdings' Slab		Total Shares Held		
665 90 18 16 2 2 2 2 2 2 1 2 1 2 1 1 2 1 1 1 1 1	From 1 101 501 1,001 5,001 10,001 15,001 25,001 30,001 35,001 45,001 70,001 75,001 80,001 95,001 115,001 125,001 135,001 4,875,001	100 500 1,000 5,000 10,000 15,000 20,000 30,000 35,000 40,000 55,000 75,000 80,000 85,000 100,000 120,000 130,000 140,000 4,880,000		18,667 17,357 11,401 32,582 12,578 25,158 38,016 59,751 69,623 111,488 99,780 105,915 70,085 156,121 80,344 198,461 117,786 129,028 139,515 4,876,294 6,369,950		
Categories of Shareholders		Number of Shareholders	Number of Shares Held	Percentage		
Associated Companies, undert related parties	akings and	1	4,876,294	76.55		
Directors, CEO and their spouse children	e(s) and minor	12	396,867	6.23		
Public Sector Companies and C	Corporations	2	64	0.00		
Banks, development finance in non-banking finance companie companies, takaful, modarabo funds	es, insurance	4	1,257	0.02		
Executives		1	30	0.00		
General Public						
a. Local* b. Foreign*		762 17	1,089,131 553	17.10 0.01		
Foreign Companies		1	2,160	0.03		
Others		16	3,594	0.06		
Totals		816	6,369,950	100.00		
Shareholders holding 5% or m	ore:		Shares Held	Percentage		
CONOPCO, INC.			4,876,294	76.55		

Pattern of Shareholding Additional Information

As at December 31, 2022

Information on shareholding required under reporting framework of Code of Corporate Governance is as follows:

Sh	areholders' Category	Number of Shareholders	Number of Shares Held
i)	Associated Companies, undertakings and related parties (name-wise details)		
	CONOPCO, INC.	1	4,876,294
ii)	Directors, CEO and their spouse(s) and minor children		
	Mr. Kamran Y. Mirza Mr. Amir R. Paracha Mr. Aly Yusuf Ms. Asima Haq Mr. Zulfikar Monnoo Mr. Muhammad Adil Monnoo Mr. Kamal Monnoo Mr. Sarfaraz Ahmed Rehman Mr. Ali Tariq Mr. Khalid Mansoor Ms. Amna Monnoo D/o Mr. Zulfikar Monnoo Mrs. Sarwat Zulfikar W/o Mr. Zulfikar Monnoo	1 1 1 1 1 1 1 1 1 1	1,823 1 1 1 1 159,173 112,184 118,034 1 1 1 30 5,617
iii)	Public Sector Companies and Corporations	2	64
iv) v)	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds Shareholders holding 5% or more voting rights (name wise details)	4	1,257
	CONOPCO, INC.	1	4,876,294

Dealings in Shares by Directors, Executives and their spouses and minor children

During January 01, 2022 to December 31, 2022

S.No.	Name	Acquired during
		the year
1.	-	-

Statement of Compliance with the Code of Corporate Governance

The Company has complied with the requirements of the 12. Regulations in the following manner:

- The total number of Directors are 10 as per the following:
 - a. Male: 9
 - b. Female: 1
- The composition of Board is as follows:

2. The composition of board is as rollows.						
Category	No	ımes				
Independent Directors	•	Mr. Kamran Y. Mirza (Chairman of the Board)				
	•	Mr. Khalid Mansoor				
	•	Mr. Sarfaraz Ahmed Rehman				
Executive Directors	•	Mr. Amir R. Paracha (CEO)				
	•	Mr. Aly Yusuf (CFO)				
Female Directors	•	Ms. Asima Haq				
Non-Executive Directors	•	Mr. Zulfikar Monnoo				
	•	Mr. Muhammad Adil Monnoo				
	•	Mr. Kamal Monnoo				
	•	Mr. Ali Tariq				

- The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
- The company has adopted 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.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 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. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
- The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- All the Directors of the Company has completed Directors Training Program.
- The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

- The Board has formed committees comprising of members given below:
- a) **Audit Committee**
 - Mr. Khalid Mansoor (Chairman)

 - Mr. Kamran Y. Mirza Mr. Zulfikar Monnoo
 - Mr. Muhammad Adil Monnoo
 - Mr. Sarfaraz Ahmed Rehman
- HR and Remuneration Committee b)
 - Mr. Kamran Y. Mirza (Chairman)
 - Mr. Zulfikar Monnoo
 - Mr. Kamal Monnoo
 - Mr. Sarfaraz Ahmed Rehman
 - Mr. Amir R. Paracha
- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- of meetings (quarterly/half frequency yearly/yearly) of the committee were as per following:
 - a) Audit Committee 04 Meetings during the year
 - HR and Remuneration Committee 01 Meeting during the year
- The Board has co-sourced the internal audit function to A.F.Ferguson & Co (a member firm of Price water House Coopers), BDO Ebrahim & Co. & Yousuf Adil who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
- The statutory auditors of the company have confirmed that they have been given a satisfactory rating under that they have been given a satisfactory rating and the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
- The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- We confirm that all requirements including regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

For the purpose of Clause 6 (1), the Company has not rounded up the fraction as one since the Board has adequate Independent Directors i.e. 03 Independent Directors out of the Board of 10 Directors. We have duly complied with the minimum requirement of Executive & Independent Director. The additional number out of 10 is assigned to Non-Executive Director.

Amir R. Paracha Chief Executive Officer Kamran Y. Mirza Chairman

Karachi February 24, 2023

Independent Auditor's Review Report

To the members of Unilever Pakistan Foods Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Unilever Pakistan Foods Limited** (the Company) for the year ended 31 December 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

As a part of our audit of the 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 Regulations require 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, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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 requirements contained in the Regulations as applicable to the Company for the year ended 31 December 2022.

KPMG Taseer Hadi & Co. Chartered Accountants

Date: March 7, 2023

Karachi

UDIN: CR202210102jcxIYCzOt





Independent Auditor's Report

To the members of Unilever Pakistan Foods Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Unilever Pakistan Foods Limited (the Company), which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit	
1.	Revenue Recognition		
	Refer notes 4.18 and 27 to the financial statements. The Company is engaged in the manufacturing and sale of consumer and commercial food products. The Company recognized net revenue of Rs. 28.31 billion from the sale of food products for the year ended 31 December 2022. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that it could be subject to misstatement to meet expectations or targets, consequently requiring significant time and audit efforts.	Our audit procedures in respect of recognition of revenue, amongst others, included the following: Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; Comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents; Comparing a sample of revenue transactions recorded around the year end and post year end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; Comparing the details of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation; Comparing a sample of sales return subsequent to the year end with the credit notes, customer correspondence and other underlying documentation to assess revenue recognized during the year was not overstated; Assessing the appropriateness of accounting policy for revenue recognition and comparing with the applicable accounting and reporting standards; and Assessing the adequacy of disclosures related to revenue as required under the accounting and reporting standards as applicable in Pakistan.	

S. No.	Key audit matters	How the matters were addressed in our audit
2.	Valuation of stock-in-trade	
	Refer notes 4.8 & 11 to the financial statements. As at 31 December 2022, stock in trade, comprising of raw and packing material, work in process and finished goods is stated at Rs. 2.92 billion. Stock in trade is measured at the lower of cost and net realizable value. We identified valuation of stock in trade as a key audit matter due to its size, representing 14.15% of the total assets of the Company as at 31 December 2022 and the judgement and estimation involved in valuation due to provision for slow moving items, obsolescence and stating amounts at lower of cost and NRV.	 Our audit procedures in respect of valuation of stock-in-trade, amongst others, included the following: Obtaining understanding of and assessing the design, implementation and operating effectiveness of key internal controls over valuation of stock-in-trade including determination of net realizable values and identification of slow moving and obsolete stock in trade; Observing condition of stock in trade in attendance at inventory counts; Assessing the net realizable value of stock-in-trade by comparing, on a sample basis, management's estimation of future selling prices and cost to sell for the products and selling prices less cost to sell achieved subsequent to the end of the reporting period; and Comparing sample of ageing of stock in trade with underlying purchase supporting documents for completeness and accuracy of ageing, recalculating provision for slow moving/ obsolete items in accordance with accounting policy of the Company and checking the accounting policy for reasonableness.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The Other Information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017); a)
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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.

The engagement partner on the audit resulting in this independent auditor's report is Moneeza Usman Butt.

Date: March 7, 2023

Karachi

UDIN: AR202210102eLduxD0Ek

KPMG Taseer Hadi & Co.

Chartered Accountants

Statement of Financial Position

As at December 31, 2022

	Note	2022	2021	
ASSETS	←	(Rupees in thousαnd)		
Non-current assets				
Property, plant and equipment	6	6,201,699	4,053,993	
Right-of-use asset	7.1	25,029	46,511	
Intangible assets	8	81,637	81,637	
Long term deposits		2,980	2,980	
Long term loans and advances	9	-	1,144	
		6,311,345	4,186,265	
Current assets				
Stores and spares	10	197,796	196,537	
Stock-in-trade	11	2,918,231	1,327,888	
Trade debts - net	12	1,029,752	519,372	
Loans and advances	13	26,175	3,531	
Trade deposits and short term prepayments	14	212,553	82,055	
Other receivables	15	239,536	96,045	
Sales tax refundable - net		775,332	142,810	
Taxation - net		552,969	536,557	
Short term investments	16	5,771,861	-	
Cash and bank balances	17	2,581,565	3,297,755	
		14,305,770	6,202,550	
Total assets		20,617,115	10,388,815	

Statement of Financial Position

As at December 31, 2022

	Note	2022	2021	
EQUITY AND LIABILITIES	←	——(Rupees in thousand) ——→		
Share capital and reserves				
Share capital	18	63,699	63,699	
Reserves	19	7,450,332	2,905,867	
Total equity		7,514,031	2,969,566	
LIABILITIES				
Non-current liabilities				
Staff retirement benefits	20	53,150	15,513	
Long term borrowings	21.1	491,122	168,619	
Deferred income - government grant	21.2	223,780	29,271	
Lease liabilities	7.3	-	20,571	
Deferred taxation	22	412,719	357,704	
		1,180,771	591,678	
Current liabilities				
Trade and other payables	23	9,475,192	5,257,887	
Current portion of deferred income - government grant	21.2	38,694	2,252	
Current portion of lease liabilities	7.3	22,252	387	
Current portion of long term borrowings	21.1	21,368	-	
Provisions	24	123,861	124,524	
Unpaid dividend		2,205,067	1,416,018	
Unclaimed dividend		29,991	24,627	
Accrued interest / mark up		5,888	1,876	
•		11,922,313	6,827,571	
Total liabilities		13,103,084	7,419,249	
Total equity and liabilities		20,617,115	10,388,815	

The annexed notes 1 to 46 form an integral part of these financial statements.

Amir R. Paracha **Chief Executive Officer**

Contingencies and commitments

Asima Haq Director

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Aly Yusuf Director and Chief Financial Officer

Statement of Profit or Loss and Other **Comprehensive Income**

For the year ended December 31, 2022

	Note	2022 ←——(Rupees in	2021 thousand) →
Sales - net	27	28,309,317	19,820,946
Cost of sales	28	(16,359,841)	(10,904,750)
Gross profit		11,949,476	8,916,196
Distribution costs	29	(3,702,303)	(2,840,376)
Administrative expenses	30	(556,120)	(486,020)
Other operating expenses	31	(564,935)	(371,223)
Other income	32	1,380,154	283,410
Operating profit		8,506,272	5,501,987
Finance costs	33	(139,905)	(79,151)
Profit before taxation		8,366,367	5,422,836
Taxation	34	(413,964)	(253,359)
Profit after taxation		7,952,403	5,169,477
Other comprehensive income which will not be reclassified to the profit or loss in subsequent periods: (Loss) / gain on remeasurements of post employment			
defined benefit obligation	20.8	(28,831)	1,616
Impact of deferred tax		9,707	(469)
Total samurahansiya insama		(19,124)	1,147
Total comprehensive income		7,933,279	5,170,624
		← (Ru	pees)
Basic and diluted earnings per share	35	1,248.41	811.53

The annexed notes 1 to 46 form an integral part of these financial statements.

Amir R. Paracha **Chief Executive Officer** Asima Haq Director

Aly Yusuf Director and Chief Financial Officer

Statement of Changes in Equity

For the year ended December 31, 2022

	SHARE	RESERVES				TOTAL	
	CAPITAL	CA	PITAL	R	REVENUE	SUB	
	Issued, subscribed and paid up capital		Special	General	Unappropriated Profit	TOTAL	
	•			(Rupees in th	nousand) ———		-
Balance as at January 1, 2021 Transactions with owners of the Company - Distribution	63,699 on	1,296,499	628	138	1,386,730	2,683,995	2,747,694
Final dividend for the year ended							
December 31, 2020 @ Rs. 210.89 per share	-	-	-	-	(1,343,359)	(1,343,359)	(1,343,359)
First Interim dividend for the year ended							
December 31, 2021 @ Rs. 228 per share	-	-	-	-	(1,452,350)	(1,452,350)	(1,452,350)
Second Interim dividend for the year ended							
December 31, 2021 @ Rs. 151 per share	-	-	-	-	(961,862)	(961,862)	(961,862)
Third Interim dividend for the year ended							
December 31, 2021 @ Rs. 187 per share	-	-	-	-	(1,191,181)	(1,191,181)	(1,191,181)
Takal asususahan siya inaa saa faytha ya su	-	-	-	-	(4,948,752)	(4,948,752)	(4,948,752)
Total comprehensive income for the year - Profit for the year ended December 31, 2021	_	_	_	_	5,169,477	5,169,477	5,169,477
- Other comprehensive income for the year					3,109,477	3,109,477	3,109,477
ended December 31, 2021	-	-	-	-	1,147	1,147	1,147
	-	-	-	-	5,170,624	5,170,624	5,170,624
Balance as at December 31, 2021	63,699	1,296,499	628	138	1,608,602	2,905,867	2,969,566
Transactions with owners of the Company - Distribution	on						
Final dividend for the year ended							
December 31, 2021 @ Rs. 245 per share	-	-	-	-	(1,560,638)	(1,560,638)	(1,560,638)
First Interim dividend for the year ended							
December 31, 2022 @ Rs. 287 per share	-	-	-	-	(1,828,176)	(1,828,176)	(1,828,176)
Total comprehensive income for the year	-	-	-	-	(3,388,814)	(3,388,814)	(3,388,814)
- Profit for the year ended December 31, 2022	-	-	-	-	7,952,403	7,952,403	7,952,403
 Other Comprehensive loss for the year ended December 31, 2022 	_	-	_	_	(19,124)	(19,124)	(19,124)
		-	_	_	7,933,279	7,933,279	7,933,279
		1 204 422		480		7 450 555	7.544.004
Balance as at December 31, 2022	63,699	1,296,499	628	138	6,153,067	7,450,332	7,514,031

The annexed notes 1 to 46 form an integral part of these financial statements.

Amir R. Paracha
Chief Executive Officer

Asima Haq Director Aly Yusuf

Director and Chief Financial Officer

Statement of Cash Flows

For the year ended December 31, 2022

Note	2022	2021
	← (Rupees in	thousand)
Cash flows from operating activities		
Profit before taxation	8,366,367	5,422,836
FIGHT Delote taxation	0,300,307	5,422,030
Adjustments for:		
Depreciation on property, plant and equipment 6.2	313,099	304,012
Depreciation on right-of-use asset 7.2	21,482	30,418
Loss / (gain) on disposal of property, plant and equipment 32	61	(5,610)
Provision for staff retirement benefits 20.7	8,806	7,150
Provision for impairment of property, plant and equipment - net 28	71,489	32,442
Mark-up on long term borrowings and leases 33	14,250	6,022
Return on short term investments held at fair value through profit or loss 32	(121,374)	-
Return on savings accounts 32	(425,083)	(148,024)
	(117,270)	226,410
	8,249,097	5,649,246
Changes in working capital:		
Stores and spares	(1,259)	(32,235)
Stock in trade - net	(1,590,343)	(328,764)
Trade debts	(510,380)	(64,158)
Loans and advances	(22,644)	65,725
Trade deposits and short term prepayments	(130,498)	(4,660)
Sales tax refundable	(632,522)	70,385
Other receivables	(143,491)	(38,539)
Trade and other payables	4,217,305	1,145,538
Provisions	(663)	16,784
	1,185,505	830,076
Cash generated from operations (carried forward)	9,434,602	6,479,322

Statement of Cash Flows

For the year ended December 31, 2022

	Note	2022 ← (Rupees in	2021 n thousand) ———>
Cash generated from operations (brought forward)		9,434,602	6,479,322
Mark up paid		(8,557)	(6,544)
Income tax paid		(365,654)	(141,370)
Staff retirement benefits - contributions paid		-	(15,748)
Decrease in long term loans		1,144	2,227
Net cash generated from operating activities		9,061,535	6,317,887
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,533,925)	(658,488)
Proceeds from disposal of property, plant and equipment		1,570	5,779
Short term investments made during the year held at fair value			
through profit or loss		(2,958,193)	-
Return received on savings accounts	32	425,083	148,024
Net cash used in investing activities		(5,065,465)	(504,685)
Cash flows from financing activities			
Lease liability payments		(387)	(57,090)
Proceeds from long term financing		574,822	176,482
Dividends paid		(2,594,401)	(3,564,734)
Net cash used in financing activities		(2,019,966)	(3,445,342)
Net increase in cash and cash equivalents		1,976,104	2,367,860
Cash and cash equivalents at beginning of the year		3,297,755	929,895
Cash and cash equivalents at end of the year	43	5,273,859	3,297,755

The annexed notes 1 to 46 form an integral part of these financial statements.

Amir R. Paracha
Chief Executive Officer

Asima Haq Director **Aly Yusuf**Director and Chief Financial Officer

Notes to and forming part of the Financial Statements

For the year ended December 31, 2022

1. THE COMPANY AND ITS OPERATIONS

The Company is a limited liability company incorporated in Pakistan and is listed on the Pakistan Stock Exchange. It manufactures and sells consumer and commercial food products under brand names of Rafhan, Knorr, Energile, Glaxose-D, Hellmann's and Food Solutions. The registered office of the Company is situated at Avari Plaza, Fatima Jinnah Road, Karachi.

The Company is a subsidiary of Conopco Inc. USA, whereas its ultimate parent Company is Unilever PLC United Kingdom.

The manufacturing facilities and sales offices of the Company are situated at the following locations:

Factory

- 52-Km, Multan Road Lahore, Parna Plant Near Bhai Pheru.

Sales Offices

- 4th Floor, Siddiqui Center, Abdali Masjid Road, Multan.
- Crystal Mall, Bosan Road Multan
 Plot No- 12A, Sector G/8 Markaz, Islamabad
- Shahpur Interchange, 14KM Multan Road, Lahore.
- Beacon Impex Plaza, Bilal Road, New Civil Lines, Faisalabad.
- Plot #A/51-B SITE Area, Hyderabad.
- HPC Factory, Laghari Road, Rahim Yar Khan

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Changes in accounting standards, interpretations and pronouncements

New or amendments / interpretations to existing standards, interpretations and forthcoming requirements

There are certain new or amended standards and interpretations that are mandatory for accounting periods beginning on or after January 1, 2022, but are considered not to be relevant or do not have any significant effect on the Company's financial position and are therefore not stated in these financial statements.

Standards, interpretations and amendments to published approved accounting and reporting standards that are not yet effective

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2023:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the Initial Recognition Exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.

After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted.

Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above standards, interpretations and amendments are not likely to have an impact on the Company's financial statements.

3. MEASUREMENT BASIS

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

These financial statements are presented in Pakistan Rupees which is the functional currency of the Company and figures are rounded off to the nearest thousands of Rupees, except where disclosed otherwise.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

4.1 Property, plant and equipment

Property, plant and equipment of each class is stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for free hold land and capital work in progress which are stated at cost less impairment loss, if any. Depreciation is calculated using the straight line method to charge off their cost excluding residual value, if not insignificant, over their estimated useful lives. Depreciation on additions is charged from the month in which asset is available for use and on disposals up to the month of deletion.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains and losses on disposal of property, plant and equipment are recognized in the statement of profit or loss.

Capital work-in-progress is stated at cost less identified impairment loss, if any. It consists of all expenditures and advances connected with specific assets incurred and made during installations and construction period. These are transferred to relevant property, plant and equipment as and when assets are available for use.

4.2 Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date, except for short term leases of 12 months or less and leases of low value items, which are expensed in the statement of profit or loss on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payment that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate applicable in the market for such leases.

The lease liability is subsequently measured at amortized cost using the effective interest rate method and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

At inception, the ROU asset comprises the initial lease liability, initial direct costs and the obligations to refurbish the asset, less any incentives granted by the lessors. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets.

4.3 Intangible assets

Intangible assets having definite useful life are stated at cost less accumulated amortisation and impairment, if any. Amortization is calculated using the straight line method to charge off their cost over their estimated useful lives. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

The useful lives of intangible assets are reviewed at each reporting date to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset.

Impairment testing involves a number of judgemental areas which are subject to inherent significant uncertainty, including the preparation of cash flow forecasts for periods that are beyond the normal requirements of management reporting and the assessment of the discount rate appropriate to the business. The detailed assumptions underlying impairment testing of goodwill and intangibles with indefinite lives are given in note 8 to these financial statements.

4.4 **Taxation**

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, as the case may be.

4.4.1 Current

Provision for current taxation is based on taxability of certain income streams of the Company under Final, Minimum and Normal tax regime at the applicable tax rates, after taking into account tax credits and tax rebates available, if any.

4.4.2 Deferred

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.5 **Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.6 **Staff retirement benefits**

The Company operates various post-employment schemes, including both defined benefit and defined contribution plans.

4.6.1 Defined contribution plans

A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(i) Provident fund

The Company operates an approved contributory provident fund for all employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 6% per annum of the base salary of management employees and 14% of base salary plus cost of living allowance in respect of unionized staff respectively.

(ii) DC Pension Fund

The Company has established a defined contribution plan - DC Pension Fund for the following management employees:

- a) permanent employees who joined on or after April 1, 2012; and
- b) permanent employees who joined on or before March 31, 2012 and opted for DC Pension plan in lieu of future benefits under the existing pension and management gratuity.

Contributions are made by the Company to the plan at the rate of 9% per annum of the base salary.

4.6.2 Defined benefit plans

Defined benefit plans define an amount of pension or gratuity that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined benefit plan is a plan that is not a defined contribution plan. The liability recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligations are calculated annually by independent actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plans.

The present values of the defined benefit obligations are determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds or the market rates on government bond. These are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The Company operates the funded gratuity scheme for non-management employees of the Company. Contributions are made on the basis of the actuarial valuation. The latest actuarial valuation was carried out as at December 31, 2022, using the 'Projected Unit Credit Method'.

The amount arising as a result of remeasurements are recognized in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur.

Past-service costs are recognized immediately in statement of profit or loss.

4.6.3 Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in statement of profit or loss in the period in which they arise.

The Company provides long term service awards for staff completing specified years of service. All full-time permanent employees are eligible for these awards. Contributions are made on the basis of actuarial valuation. The latest actuarial valuation was carried out as at December 31, 2022.

4.7 Stores and spares

These are valued at weighted average cost less impairment loss, if any, except for items in transit which are stated at invoice value plus other charges incurred thereon. Cost comprises invoice value and other direct costs but excludes borrowing costs. Provision is made for obsolete / slow moving items where necessary and is recognized in the statement of profit or loss.

4.8 Stock in trade

Stock in trade is valued at the lower of cost and net realizable value. Cost is determined using the weighted average method except for those in transit where it represents invoice value and other charges paid thereon. Cost of work in process and finished goods include cost of raw and packing materials, direct labour and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business less cost necessary to be incurred in order to make the sale. Provision is made for obsolete / slow moving stocks where necessary and recognized in the statement of profit or loss.

4.9 Trade and other receivables

Trade debts and other receivables are recognised and carried at original invoice amount (unless they contain significant financing component in which case such are recognised at fair value) less an estimated allowance made for doubtful receivables based on 'Expected Credit Loss' model. Balances considered bad and irrecoverable are written off when identified.

4.10 Cash and cash equivalents

For the purposes of the statement of cashflows, cash and cash equivalents comprise cash in hand, with banks on current and savings accounts, deposit accounts with maturities of three months or less and short term finance.

4.11 Financial Instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

The Company derecognizes a financial asset or a portion of financial asset when, and only when, the Company loses control of the contractual rights that comprise the financial asset or a portion of financial assets. While a financial liability or part of financial liability is derecognized from the statement of financial position when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on the recognition or derecognition of the financial assets and liabilities is taken to statement of profit or loss or other comprehensive income.

(iv) Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

4.12 Impairment

4.12.1 Financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

4.12.2 Non-financial assets

The carrying amounts of non-financial assets other than inventories, are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized as an expense in the statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessment of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

4.13 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

4.14 Provisions

Provisions, if any, are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Restructuring cost provisions comprise staff redundancy payments, relocation and dismantling of factory, and are recognized in the period in which the Company becomes legally or constructively committed to incur.

4.15 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the statement of profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in the statement of profit or loss.

4.16 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. 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 period.

4.17 Foreign currency transactions and translation

Transactions denominated in foreign currencies are translated to Pakistan Rupees at the exchange rate ruling at the date of transaction.

Monetary assets and liabilities in foreign currencies at reporting date are translated into Pakistan Rupees at exchange rates ruling on that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

4.18 Revenue recognition

Revenue from sale of goods is recognized when the Company satisfies a performance obligation by transferring promised goods to customer. Goods are transferred when the customer obtains their control (i.e. either upon shipment or delivery of goods to customers). Revenue is recognized at transaction price which is mutually agreed between the Company and the counterparty.

4.19 Miscellaneous Income

Dividend income is recognized when the Company's right to receive the payment is established.

Return on savings accounts and deposit accounts is recognized on time proportion basis, taking effect of the effective interest rate.

Service income is recognized on accrual basis at rate agreed with counter parties. Miscellaneous income is recognized on receipt basis.

4.20 Dividend and appropriations

Dividend distribution to the Company's shareholders and appropriations to / from reserves are recognized in the year in which these are approved.

4.21 Share based payment

The cost of awarding shares of associated companies to employees is reflected by recording a charge in the statement of profit or loss equivalent to the fair value of shares over the vesting period, corresponding liability created is reflected in trade and other payables.

The liability is remeasured at each reporting date and at settlement date based on the fair value of the equity instruments granted. Any changes in the liability are recognized in the statement of profit or loss.

4.22 Operating segment

The financial statements are prepared on the basis of single reporting segment consistent with the information reviewed by the chief operating decision maker of the Company.

4.23 Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government refers to government, government agencies and similar bodies whether local, national or international.

The Company recognizes government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with grants.

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

The benefit of a government loan at a below-market rate of interest is treated as a government grant. The loan shall be recognised and measured in accordance with IFRS 9 Financial Instruments. The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving higher degree of judgment or complexity, or areas where assumptions and estimates may be significant to the financial statements are disclosed below:

5.1 **Income taxes**

In making the estimates for income taxes, the Company takes into account the current income tax law and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a material nature is in accordance with the law. The difference between the potential and actual tax charge, if any, is disclosed as a contingent liability.

5.2 **Defined benefit plans**

The Company has adopted certain actuarial assumptions as disclosed in note 20 to the financial statements for valuation of present value of defined benefit obligations and fair value of plan assets, based on actuarial advice.

Provisions 5.3

Provisions are considered, among others, for legal matters, disputed indirect taxes, employee termination cost and restructuring where a legal or constructive obligation exists at the reporting date and reliable estimate can be made of the likely outcome. The nature of these costs is such that judgment is involved in estimating the timing and amount of cash flows.

Significant assumptions are also involved while calculating the provisions which are adjustments to the carrying amount of the assets such as impairment of assets, provision for obsolescence of stock in trade / stores and spares and allowance for impairment of trade debts.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Property, plant and equipment / intangible assets

The Company reviews the rate of depreciation / amortization, useful life, residual value and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment / intangible assets with a corresponding effect on the depreciation / amortization charge and impairment.

5.5 Stock in trade, stores and spares

The Company continuously reviews its inventory for existence of any items which may have become obsolete. These estimates are based on historical experience and are continuously reviewed and the cost of such stocks is fully provided for.

5.6 Trade debts and other receivables

These financial assets are adjusted for loss allowances that are measured at amount equal to lifetime expected credit loss that result from all possible default events over expected life of the financial asset.

5.7 Leases

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset to the site on which it is located less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of fixed assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted to certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

5.8 Rebate accrual

Accrual for rebate is recognized as deduction from revenue based on terms of the arrangements with the customer and is included in trade and other payables.

PROPERTY, PLANT AND EQUIPMENT 6. 2022 2021 Note (Rupees in thousand) Operating assets 6.1 3,633,459 3,380,073 Capital work in progress - at cost 6.3 2,568,240 673,920 6,201,699 4,053,993

6.1 Operating assets

	Freehold land	l Building on freehold land	Leasehold improve- ments	Plant and machinery	Electrical, mechanical and office equipment	Furniture and fittings	Motor vehicles	Total
	←			— (Rupees in	thousand) —			
Net carrying value basis								
Year ended December 31, 2022								
Opening Net Book Value (NBV)	8,179	1,078,638	=	2,159,375	100,390	33,491	-	3,380,073
Additions (at cost)	-	27,792	-	608,714	2,150	949	-	639,605
Disposals	-	(34,307)	-	(85,167)	(8,833)	(1,243)	(680)	(130,230)
Cost								
Accumulated depreciation	-	32,794	-	85,167	8,715	1,243	680	128,599
Disposals (NBV)	-	(1,513)	-	-	(118)	-	-	(1,631)
Depreciation charge (note 6.2)	-	(37,011)	=	(263,114)	(9,678)	(3,296)	-	(313,099)
Provision for impairment		(42.4)		(67.000)	(025)	(2.227)		(74,400)
of fixed assets	-	(424)	=	(67,993)	(835)	(2,237)	=	(71,489)
Closing NBV	8,179	1,067,482		2,436,982	91,909	28,907		3,633,459
#								
Gross carrying value basis								
At December 31, 2022	0.470	4 205 522	44.040	4 200 550	407.004	F2 274	20	5 050 304
Cost Provision for impairment of	8,179	1,385,523	14,918	4,208,558	187,904	53,274	38	5,858,394
Provision for impairment of fixed assets	-	(39,995)	-	(125,107)	(4,218)	(2,593)	-	(171,913)
Accumulated depreciation	-	(278,046)	(14,918)	(1,646,469)	(91,777)	(21,774)	(38)	(2,053,022)
Closing NBV	8,179	1,067,482		2,436,982	91,909	28,907		3,633,459
Net carrying value basis								
Year ended December 31, 2021								
Opening Net Book Value (NBV)	8,179	1,061,099	_	2,327,030	103,105	31,169	_	3,530,582
Additions (at cost)	-	53,908	_	115,939	10,565	5,702	_	186,114
Disposals		33,700		113,535	10,505	3,702		100,114
Cost	_	_	_	(19,091)	(1,619)	(122)	(687)	(21,519)
Accumulated depreciation	-	_	_	18,941	1,600	122	687	21,350
Disposals (NBV)	_	<u>-</u>		(150)	(19)	_	_	(169)
Depreciation charge (Note 6.2)	-	(36,761)	_	(253,643)	(10,498)	(3,110)	_	(304,012)
Provision for impairment								
of fixed assets	-	(18,111)	-	(32,107)	(2,780)	(270)	-	(53,268)
Reversal of provision for impairment of fixed assets	-	18,503	_	2,306	17	-	-	20,826
Closing NBV	8,179	1,078,638	-	2,159,375	100,390	33,491	_	3,380,073
Gross carrying value basis								
At December 31, 2021								
Cost	8,179	1,392,038	14,918	3,685,011	194,587	53,568	718	5,349,019
Provision for impairment of fixed assets	_	(39,571)	_	(57,114)	(3,383)	(356)	_	(100,424)
Accumulated depreciation	_	(273,829)	(14,918)	(1,468,522)	(90,814)	(19,721)	(718)	(1,868,522)
Closing NBV	8,179	1,078,638	-	2,159,375	100,390	33,491	-	3,380,073
· ·								
Depreciation rate (%) per annum	-	2.5	2.5	7 to 33.33	7 to 25	7	20 to 25	

6.2	The depreciation charge for the year has been allocated as follows:	Note	2022 (Rupees in th	2021 nousand)
	Cost of sales	28	303,706	294,892
	Distribution costs	29	6,262	6,080
	Administrative expenses	30	3,131	3,040
			313,099	304,012
6.3	Capital work in progress – at cost			
	Plant and machinery		2,261,192	452,423
	Civil works		156,389	215,442
	Advances to suppliers		150,659	6,055
			2,568,240	673,920

6.4 Particulars of immovable asset of the Company are as follows

Location	Address	Usage of immovable	Covered
		property	area (sq. ft)
Foods Factory	52-Km, Multan Road Lahore,	Manufacturing Plant	717,300 sq. feet
	Parna Plant Near Bhai Pheru		

7. LEASES

7.1	Right-of-use of asset	Note	Building	Plant and Machinery	Total	
		+	(Rupe	(Rupees in Thousand)		
	As at December 31, 2020		1,326	11,245	12,571	
	Addition		64,358	-	64,358	
	Depreciation expense	7.2	(19,202)	(11,216)	(30,418)	
	As at December 31, 2021		46,482	29	46,511	
	Depreciation expense	7.2	(21,453)	(29)	(21,482)	
	As at December 31, 2022	_	25,029	-	25,029	

7.2 The depreciation charge for the year pertaining to right-of-use-asset is as follows:

	Note	2022	2021
		(Rupees in t	housand)
Cost of sales	28	29	11,216
Distribution costs	29	21,453	19,202
		21,482	30,418

7.3 **Lease Liabilities**

Set out below are the carrying amount of lease liabilities and the movements during the year:

	Note	2022	2021
		(Rupees in thousand)	
As at January 1		20,958	11,906
Additions		-	64,358
Accretion of interest	33	1,681	1,784
Payments		(387)	(57,090)
As at December 31	=	22,252	20,958
Current		22,252	387
Non - Current		-	20,571
	_	22,252	20,958

7.3.1 The Company has used incremental borrowing rate of 8.2% (2021: 8.2% and 12.5%) as its discount rate.

8.	INTANGIBLE ASSETS	2022	2021	
	Gross carrying value basis	(Rupees in thousand)		
	Cost			
	- Goodwill	94,578	94,578	
	- Agreement in restraint of trade	139,661	139,661	
	- Trademark	20,000	20,000	
		254,239	254,239	
	Accumulated impairment	(172,602)	(172,602)	
	Net book value	81,637	81,637	

The above represents amount paid for the acquisition of Glaxose-D in 1999 to Glaxo Wellcome Pakistan Limited (now GlaxoSmithKline Pakistan Limited).

The management has assessed the useful life of the intangible as indefinite, since it is expected that the underlying brand, Glaxose-D, will operate in the market for an indefinite period of time.

For impairment testing, the estimated recoverable amount has been determined using the discounted cash flows for a period of five years using growth rate of 8.7%. Key assumptions used in estimation of recoverable amount includes profit forecasts (based on both internal and external market information and past performance) and discount rate.

The discount rate used is 15.89% (2021: 11.89%), a pre-tax measure based on government bonds rate. The valuation exceeds the carrying amount sufficiently such that a reasonably possible change to key assumptions is unlikely to result in an impairment of Glaxose-D.

9.	LONG TERM LOANS AND ADVANCES - considered god	d
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LONG TERM LOANS AND ADVANCES - considered good	Note	2022	2021
		(Rupees in	thousand)
Executives	9.1	438	2,992
Recoverable within one year	13	(438)	(1,848)
	_	<u>-</u>	1,144

9.1	 1 Reconciliation of carrying amount of loans to executives: - Opening balances - Disbursements - Repayments 	2022 (Rupees in	2021 thousand)
	- Opening balances	2,992	6,147
	- Disbursements	-	1,767
	- Repayments	(2,554)	(4,922)
		438	2,992

- 9.2 Loans to employees have been provided to facilitate purchase of houses in accordance with the Company's policy which are repayable over a period of five years and are interest free. The policy has been discontinued and only the employees who joined on or before 31st December 2013 are eligible for the facility.
- 9.3 The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 2.78 million (2021: Rs. 5.22 million).

			2022	2021	
10.	STORES AND SPARES		(Rupees in thousand)		
	Stores		24,660	19,596	
	Spares		184,515	183,467	
			209,175	203,063	
	Provision for obsolescence		(11,379)	(6,526)	
			197,796	196,537	
		Note	2022	2021	
11.	STOCK-IN-TRADE	NO.	(Rupees ir	in thousand)	
	Raw and packing materials (including in transit				
	Rs. 84.2 million; 2021: Rs. 135.7 million)		1,823,031	838,400	
	Provision for obsolescence	11.2	(50,520)	(30,568)	
			1,772,511	807,832	
	Work in process		36,976	39,998	
	Finished goods (including in transit Rs. 2.2 million; 2021: Nil)		1,175,089	536,998	
	Provision for obsolescence	11.2	(66,345)	(56,940)	
			1,108,744	480,058	
			2,918,231	1,327,888	

- 11.1 Stock in trade includes Rs. 1,263.07 million (2021: Rs. 556.99 million) held with third parties.
- 11.2 The Company made a provision of Rs. 114.77 million (2021: Rs. 57.57 million) for obsolescence and has written off inventory of Rs. 85.41 million (2021: Rs. 39.98 million) by utilizing the provision during the year.

		Note	2022	2021
12.	TRADE DEBTS - net		(Rupees ir	thousand)
	Trade debts		1,115,219	606,237
	Allowance for impairment	12.1	(85,467)	(86,865)
			1,029,752	519,372

12.1 The Company has charged a provision of Rs. 3.7 million (2021: Rs. 30.1 million) and has written off debtors of Rs. 5.1 million (2021: Rs. 2.2 million) during the year .

LOANS AND ADVANCES	Note	2021 (Rupees in t	2020 housand)
Considered good			
Current portion of loans to executives	9	438	1,848
Advances to suppliers	_	25,737	1,683
		26,175	3,531
	Considered good Current portion of loans to executives	Considered good Current portion of loans to executives 9	Considered good Current portion of loans to executives 9 438 Advances to suppliers 25,737

14. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Trade deposits	14.1	176,025	31,827
Prepayments	14.2	36,528	50,228
		212,553	82,055

- 14.1 This majorly consists of cash margin on imports kept with commercial banks with maturity of greater than 3 months and deposits with custom authorities.
- 14.2 This majorly consists of media bulk discount on airing TV commercials and prepaid insurance.

		Note	2022	2021
			(Rupees in	thousand)
15.	OTHER RECEIVABLES			
	Workers' Profit Participation Fund	23.3	35,890	-
	Others	15.1	203,646	96,045
			239,536	96,045

15.1 This includes amount paid with respect to stamp duty on purchases made before July 15, 2020 recoverable as per the judgement passed by the Honorable High Court of Sindh with respect to petition filed by the Company dated November 6, 2019. It also includes an amount receivable from staff defined contribution funds.

16. SHO	DRT TERM INVESTMENTS	Note	2022 (Rupees in t	2021 housand)
At o	umortised cost	16.1	2,692,294	_
At f	air value through profit or loss	16.2	3,079,567	-
			5,771,861	-

- **16.1** This represents investment in government treasury bills with a maturity upto three months. This includes accrued interest amounting to Rs. 79.75 million (2021: Nil).
- **16.2** Investments fair value through profit or loss:

	At December 31, 2021	Purchased during the year	Units reinvested during the year	At December 31, 2022
		(Units in	thousand)	
Name of fund				
UBL Liquidity Plus Fund	_	1,977	98	2,075
HBL Cash Fund	_	2,918	164	3,082
NBP Money Market Fund	-	65,057	3,166	68,223
MCB Cash Optimizer	=	11,804	273	12,077
Meezan Cash Fund	-	8,000	375	8,375
ABL Cash Fund	-	21,905	328	22,233
	-	111,661	4,404	116,065
		Cost at December 31, 2022	Fair value at December 31, 2022	Unrealised gain at December 31, 2022
			(Units in thousand)	
UBL liquidity Plus fund		209,822	210,587	765
HBL cash fund		312,370	315,681	3,311
NBP money market fund		677,635	679,111	1,476
MCB cash optimizer		1,224,849	1,225,809	960
Meezan Cash fund		418,759	418,759	-
ABL Cash Fund		226,806	229,620	2,814
		3,070,241	3,079,567	9,326

17. CASH AND BANK BALANCES

	Note	2022 (Rupees in	2021
With banks on:		(Kupees III	cirousuriu)
- saving accounts	17.1	2,091,029	2,689,067
- current accounts	17.2	490,505	608,661
		2,581,534	3,297,728
Cash in hand		31	27
		2,581,565	3,297,755

- 17.1 Savings accounts carry markup at rates ranging from 9.44% to 15.54% per annum (2021: 6.33% to 9.71% per annum).
- 17.2 This includes an amount of Rs. 264.8 million (2021: Rs. 182.2 million) in respect of cash margin on imports kept with commercial banks.

18. **SHARE CAPITAL**

Authorised share capital

2022	2021		2022	2021
(Number o	of shares)		(Rupees in	thousand)
20,000,000	20,000,000	Ordinary shares of Rs. 10 each	200,000	200,000
Issued, subscr	ibed and paid ι	up capital		
		Ordinary shares of Rs. 10 each allotted:		
1,451,659	1,451,659	for consideration paid in cash	14,516	14,516
24,196	24,196	for consideration other than cash	242	242
4.894.095	4.894.095	as bonus shares	48,941	48,941

63,699

63,699

- As at December 31, 2022, Conopco Inc. USA, subsidiary of Unilever P.L.C., held 4.88 million (2021: 4.88 million) ordinary shares of Rs. 10 each.
- 18.2 All shares carry equal voting rights.

6,369,950

6,369,950

19. **RESERVES**

	Note	2022 (Rupees in	2021
Capital reserves		(Kupeesiii	inousana)
- Share premium	19.1	1,296,499	1,296,499
- Special		628	628
		1,297,127	1,297,127
Revenue reserves			
- General		138	138
- Unappropriated profit		6,153,067	1,608,602
		6,153,205	1,608,740
		7,450,332	2,905,867

This reserve can be utilized by the Company only for the purpose specified in section 81 of the Companies Act, 2017.

20. STAFF RETIREMENT BENEFITS

- 20.1 As stated in note 4.6, the Company operates a retirement benefit plan (The Plan) namely approved funded defined benefit gratuity scheme for all non-management employees subject to minimum service of prescribed period in the respective trust deed. The latest actuarial valuation was carried out as at December 31, 2022.
- 20.2 Plan assets held in trust are governed by local regulations which mainly includes Trust Act, 1882, Companies Act, 2017, Income Tax Rules, 2002, Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018 and Rules under the Trust deed of the Plan. Responsibility for governance of the Plan, including investment decisions and contribution schedules, lies with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.
- **20.3** The latest actuarial valuation of the Fund as at December 31, 2022 was carried out using the 'Projected Unit Credit Method'. Details of the Fund as per the actuarial valuation are as follows:

		Note	2022	2021
20.4	Reconciliation		(Rupees in	thousand)
	Present value of defined benefit obligation at December 31	20.5	(99,708)	(62,794)
	Fair value of plan assets at December 31	20.6	46,558	47,281
	Deficit		(53,150)	(15,513)
20.5	Movement in the present value of defined benefit obligation			
	Balances as at January 1		62,794	55,710
	Benefits paid by the plan		(127)	(304)
	Current service costs		6,246	5,146
	Interest cost		8,108	5,556
	Remeasurement on obligation		22,687	(3,314)
	Balance as at December 31		99,708	62,794
20.6	Movement in the fair value of plan assets			
	Fair value of plan assets at January 1		47,281	29,983
	Contributions paid into the plan		-	15,748
	Benefits paid by the plan		(127)	(304)
	Interest income		5,548	3,552
	Remeasurement on plan assets		(6,144)	(1,698)
	Fair value of plan assets at December 31		46,558	47,281
20.7	Expense recognised in statement of profit or loss			
	Current service cost	20.5	6,246	5,146
	Net interest cost	20.5 & 20.6	2,560	2,004
			8,806	7,150
20.8	Remeasurements recognised in Other Comprehensive Income			
20.0	Remeasurement on obligation	20.5	22,687	(3,314)
	Remeasurement on plan assets	20.6	6,144	1,698
	Remeasurements		28,831	(1,616)

20.9	Net recognized liability - gratuity	Note	2022 (Rupees in	2021 thousand)
	Net liability at January 1		15,513	25,727
	Charge for the year	20.7	8,806	7,150
	Contribution made during the year	20.6	-	(15,748)
	Remeasurements recognized in Other Comprehensive Income	20.8	28,831	(1,616)
	Net recognized liability as at December 31		53,150	15,513
20.10	Plan assets comprises of following:			
	Government bonds		28,163	13,432
	National savings certificates		7,794	21,812
	Shares		11,147	11,070
	Cash at bank		213	509
	Due (to) / from the Company		(759)	458
	Total as at December 31		46,558	47,281
20.11	Actuarial assumptions		2022 (Percer	2021 ntage)
	Discount rate at 31 December		13.50%	11.75%
	Future salary increases		11.50%	9.75%

- 20.12 Mortality was assumed to be 70% of the EFU(61-66) Table.
- 20.13 In case of the funded plan, the Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the Retirement benefit plan. Within this framework, the Company's ALM objective is to match assets to the retirement benefit obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the Retirement benefit plan obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2022 consists of Government bonds, National Savings and shares. The Company believes that national saving and shares offer the best returns over the long term with an acceptable level of risk.
- 20.14 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date.

The Company's contribution to the gratuity fund in 2023 is expected to amount to Rs. 27.6 million.

The actuary conducts separate valuations for calculating contribution rates and the Company contributes to the gratuity funds according to the actuary's advice. Expense of the defined benefit plan is calculated by the actuary.

Figures in this note are based on the latest actuarial valuation carried out as at December 31, 2022.

20.15 Sensitivity analysis for actuarial assumptions

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

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	(Percentage)	(Rupees in	thousand)
Discount rate at 31st December 2022	1.00%	(10,281)	11,979
Future salary increases	1.00%	12,094	(10,539)
Discount rate at 31st December 2021	1.00%	(6,768)	7,957
Future salary increases	1.00%	8,035	(6,940)

There is no significant change in the obligation if life expectancy increases by 1 year.

The sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- **20.16** The expected return on plan assets is based on the market expectations and depends upon the asset portfolio of the Fund, at the beginning of the period, for returns over the entire life of related obligation.
- **20.17** The Company's contributions towards the Rafhan Best Foods Limited Employees Gratuity Fund for the year ended December 31, 2022 amounted to Nil (2021: Rs. 15.7 million).
- **20.18** The weighted average duration of the defined benefit obligation is 12.8 years.

Expected maturity analysis of undiscounted retirement benefit plans.

	Less than a year	1-2 years	Between 2-5 years	Over 5 years	Total
At December 31, 2022	•	——— (Rup	ees in thousar	nd) ———	
Retirement benefit plans	5,863	771	9,481	63,001	79,116
At December 31, 2021 Retirement benefit plans	566	5,043	11,356	36,807	53,772

20.19 The Company also operates two defined contribution plans which receives fixed contributions. The expense recognized in the current year in relation to these contributions was Rs. 14.78 million (2021: Rs. 15.48 million).

21.	LONG TERM BORROWINGS - secured	Note	2022 (Rupees i	2021 n thousand)
21.1	Long term borrowings			
	Finance facility - solar	21.1.1	121,110	89,840
	Current portion of finance facility - solar		(12,111)	-
			108,999	89,840
	Temporary Economic Refinance Facility (TERF)	21.1.2	653,854	110,302
	Current portion of TERF		(9,257)	-
			644,597	110,302
	Deferred income - government grant	21.2	(262,474)	(31,523)
		'	382,123	78,779
			491,122	168,619

21.1.1 During the year 2020, the Company entered into a long term borrowing arrangement with a commercial bank for installation of solar panels under State Bank of Pakistan's Refinancing Scheme for Renewable energy. The total facility is available for twelve years ending in 2032 and amounts to Rs. 149 million out of which Rs. 121 million were utilized as at year end. The loan carries mark-up at the rate of 3.65% per annum.

	2022	2021
	(Rupees in t	housand)
Opening	89,840	23,660
Disbursements	31,270	66,180
Closing	121,110	89,840

21.1.2 During the year 2021, the Company also entered into a long term borrowing arrangement with commercial banks under State Bank of Pakistan's Temporary Economic Refinance Facility amounting to Rs. 900 million out of which, Rs. 654 million has been utilized as at year end. This loan carries a concessional mark-up rate of 2.3% and is repayable in 32 quarterly installments with a 2 year grace period commencing from first disbursement.

	(Rupees in	thousand)
Opening	110,302	-
Disbursements	543,552	110,302
Closing	653,854	110,302

21.2 Deferred income - government grant

The TERF scheme qualifies for the recognition criteria of a Government Grant as per IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. As a result, the liability has been broken down into two components. First one being recognition of a financial liability in accordance with IFRS 9 Financial Instruments which has been measured at fair value, that is, present value of future cashflows at the prevailing market rate. Second component is the recognition of deferred income as a liability. This is the difference between the fair value of the financing facility and loan proceeds received from the bank.

	2022	2021
	(Rupees in thousand)	
Deferred income - government grant	262,474	31,523
Current portion of deferred income - government grant	(38,694)	(2,252)
	223,780	29,271

2022

2024

22.	DEFERRED TAXATION		2022	2024
		Note	2022	2021
	Taxable temporary differences arising in respect of:		(Rupees in t	housand)
	- accelerated tax depreciation allowance		466,974	376,831
	- depreciation of right-of-use asset		8,043	13,256
	- amortization of intangible assets		26,233	23,087
	- others		-	4,417
		-	501,250	417,591
	Deductible temporary differences arising in respect of:			
	- provision for stock in trade		(41,210)	(26,800)
	- allowance for impairment of trade debts		(28,204)	(25,191)
	- provision for restructuring		-	(521)
	- provision for staff retirement benefits		(11,109)	(1,402)
	- amortization of lease liability		(7,151)	(5,973)
	- others		(857)	-
			(88,531)	(59,887)
			412,719	357,704
		=		
23.	TRADE AND OTHER PAYABLES			
	Trade creditors		2,371,197	1,331,843
	Bills payable	23.1	1,178,539	841,118
	Forward foreign exchange contract		-	146
	Accrued liabilities		3,740,702	2,185,113
	Royalty and technology fee		1,815,580	603,303
	Contract liabilities	23.2	145,746	133,464
	Withholding tax		16,468	16,088
	Workers' Profits Participation Fund	23.3	-	2,229
	Workers' Welfare Fund	23.4	184,856	129,169
	Payable in respect of Employee Retirement Benefit		5,183	4,002
	Liability for share-based compensation	23.5	15,888	9,562
	Others		1,033	1,850
			9,475,192	5,257,887

- **23.1** Bills payable represents inland letters of credit under vendor financing arrangements.
- **23.2** Contract liabilities amounting to Rs 121.5 million as of the beginning of the year have been recognized as revenue for the year ended 31 December 2022.

23.3	Workers' Profits Participation Fund	Note	2022 (Rupees in	2021 thousand)
	Balance as at January 1		(2,229)	4,177
	Allocation for the year	31	(398,106)	(260,406)
			(400,335)	(256,229)
	Payments during the year		436,225	254,000
	Balance as at December 31		35,890	(2,229)

			2022	2021
23.4	Workers' Welfare Fund	Note	(Rupees in thousand)	
	Balance as at January 1		(129,169)	(97,538)
	Charge for the year	31	(166,829)	(110,817)
			(295,998)	(208,355)
	Payment during the year		111,142	79,186
	Balance as at December 31		(184,856)	(129,169)

23.5 Share based compensation plans

As at December 31, 2022 Company had share-based compensation plans in the form of performance shares.

Management Co-Investment Plan (MCIP) has been discontinued effective December 31, 2020. The new long-term award is the Performance Share Plan (PSP). Conditional PSP shares are awarded as an addition to bonus for a particular year depending on Employee's Target Bonus, Grade, and Personal Differentiation Factor. The differentiation factor can range from 0% to 200% of the Standard Target Award Value. The awards of the plans vests over a 3 year period.

The performance conditions of PSP are proportionate to business winning share, free cash flow, return on invested capital and sustainability progress index.

In addition to above, 'buy 3 get 1 free share' plan gives eligible employees an opportunity to invest in Unilever PLC shares. After a holding period of 3 years, the company will award 1 free share, for every 3 shares bought.

A summary of the status of the Share Plans as at December 31, 2022 and 2021 and changes during the years ended on these dates is presented below:

	2022	2021
	(Numbers of shares)	
Outstanding at January 1	1,287	612
Awarded	763	735
Vested	(310)	(60)
Outstanding at December 31	1,740	1,287
Share price Unilever PLC Netherlands Unilever PLC	€ 47.30 £ 41.82	€ 47.06 £ 39.45

The Company has treated these share-based plans as cash settled in view of obligation of the Company.

23.6 Amounts due to related parties included in trade and other payables are as follows:

	2022	2021
	(Rupees i	n thousand)
Holding company	91,993	13,260
Other related parties	2,367,635	1,073,286
	2,459,628	1,086,546

		Note	2022	2021
24.	PROVISIONS		(Rupees in thousand)	
	Sindh Infrastructure Cess	24.1	123,861	74,428
	Restructuring	24.2	-	1,829
	Stamp Duty	24.3	-	48,267
			123,861	124,524
24.1	Sindh Infrastructure Cess			
	Balance as at January 1		74,428	62,520
	Charge for the year		49,433	11,908
	Balance as at December 31		123,861	74,428
24.2	Restructuring			
	Balance as at January 1		1,829	1,829
	Reversal during the year		(1,829)	-
	Balance as at December 31	-	-	1,829
24.3	Stamp Duty			
	Balance as at January 1		48,267	43,391
	Movement during the year	24.3.1	(48,267)	4,876
	Balance as at December 31			48,267

24.3.1 As per the judgement passed by the Honorable High Court of Sindh with respect to petition filed by the Company dated November 6, 2019 provision for period after July 15, 2020 has been reclassified to trade and other payables, whereas provision for period prior to the said date has been taken to statement of profit and loss.

25. SHORT TERM BORROWINGS

Running finance under mark-up arrangements

The facilities for running finance available from various banks amount to Rs. 2.275 billion (2021: Rs. 3.561 billion). The rates of mark-up range between 1-month KIBOR - 0.3% to 3-month KIBOR + 0.5% per annum (2021: 1-month KIBOR - 0.3% to 3-month KIBOR + 0.5% per annum).

The arrangements are secured by way of hypothecation over the Company's current assets amounting to Rs. 1.804 billion (2021: Rs. 2.204 billion).

The facilities for opening letters of credit and guarantees as at December 31, 2022 amounted to Rs. 10.1 billion (2021: Rs. 5.5 billion) of which the amount utilized at year end was Rs. 3.378 billion (2021: Rs. 2.688 billion).

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingency

There were no contingencies as at December 31, 2022 and 2021.

26.2 Commitments

Aggregate commitments outstanding for capital expenditure as at December 31, 2022 amounted to Rs. 915.2 million (2021: Rs. 990.9 million).

		2022	2021
27.	SALES - net	(Rupees in thousand)	
	Gross sales	37,715,365	26,788,663
	Sales tax	(5,116,900)	(3,657,567)
		32,598,465	23,131,096
	Returns, rebates and allowances	(4,289,148)	(3,310,150)
		28,309,317	19,820,946
27.1	The Company analyses its net revenue by the following product groups:		
	Products used by entities	3,974,915	2,638,720
	Products used by end consumers	24,334,402	17,182,226
		28,309,317	19,820,946

27.2 Revenue from one customer approximates 12.1% (2021: 13.4%) of the total revenue of the Company.

		Note	2022	2021
28.	COST OF SALES		(Rupees in thousand)	
	Raw and packing materials consumed		14,471,090	8,885,348
	Third party manufacturing charges		119,610	55,526
	Staff costs		1,189,385	1,002,314
	Utilities	28.1	362,914	229,246
	Depreciation	6.2	303,706	294,892
	Repairs and maintenance	28.2	127,417	102,949
	Provision for impairment of property, plant and equipment - net		71,489	32,442
	Rent, rates and taxes		811	195
	Travelling and entertainment		8,645	5,288
	Insurance		23,785	15,949
	Stationery and office expenses		16,116	14,468
	Other expenses		39,824	51,899
	Technology charges		1,426	33,300
			16,736,218	10,723,816
	Opening work in process		39,998	31,071
	Closing work in process		(36,976)	(39,998)
	Cost of goods manufactured		16,739,240	10,714,889
	Opening stock of finished goods		480,058	374,996
	Purchase of finished goods		249,287	294,923
	Closing stock of finished goods		(1,108,744)	(480,058)
			16,359,841	10,904,750

- 28.1 This includes an amount of depreciation for rights-of-use asset in relation to contracts for provision of utility (note 7.2).
- 28.2 This includes an amount of Rs. 122.22 million (2021: Rs. 88.64 million) in respect of stores and spares consumed during the year.

		Note	2022	2021
29.	DISTRIBUTION COSTS		(Rupees in thousand)	
	Staff costs		450,722	337,008
	Advertisement and sales promotion		1,477,565	1,320,827
	Outward freight and handling		513,781	324,794
	Royalty, technology fee and related duties	29.1	1,103,896	694,686
	Travelling and entertainment		41,586	17,164
	Rent, rates and taxes	29.2	43,422	41,443
	Depreciation	6.2	6,262	6,080
	Repairs and maintenance		6,494	4,456
	Stationary and office expenses		3,721	682
	Technology charges		2,901	67,464
	Other expenses		51,953	25,772
		•	3,702,303	2,840,376

- **29.1** This includes an amount payable to Conopco Inc. (Holding Company), Unilever Plc (Associated Company) and Unilever IP Holdings B.V. (Associated Company).
- **29.2** This includes depreciation for rights-of-use asset in relation with rental contracts (note 7.2).

30.	ADMINISTRATIVE EXPENSES	Note	2022	2021
			(Rupees in thousand)	
	Staff costs		247,117	155,017
	Depreciation	6.2	3,131	3,040
	Travelling and entertainment		6,811	4,941
	Auditors' remuneration	30.1	3,034	2,176
	Allowance for impairment of trade debts		3,675	30,123
	Legal and professional charges		19,863	17,430
	Other expenses		59,749	53,509
	Rent, rates & taxes		133,651	128,739
	Technology charges	_	79,089	91,045
		=	556,120	486,020
30.1	Auditors' remuneration			
	Annual audit fee		1,000	1,000
	Half yearly review		500	300
	Certifications		1,275	730
	Out of pocket expenses	_	259	146
		=	3,034	2,176
31.	OTHER OPERATING EXPENSES			
	Workers' Profits Participation Fund	23.3	398,106	260,406
	Workers' Welfare Fund	23.4	166,829	110,817
		=	564,935	371,223

32.	OTHER INCOME	Note	2022	2021
			(Rupees in	thousand)
	Income from financial assets			
	Return on savings accounts		425,083	148,024
	Return on short term investments - at amortized cost		126,400	-
	Return on short term investments - at fair value through profit or loss		121,374	-
			672,857	148,024
	Income from non-financial assets			
	Scrap sales		126,159	74,994
	(Loss) / gain on disposal of property, plant and equipment		(61)	5,610
			126,098	80,604
	Others			
	Write back of technology charges	32.1	418,065	-
	Others	32.2	163,134	54,782
			1,380,154	283,410

- This represents the liability written back in lieu of technology charges due to Unilever Europe Business Center BV for prior years.
- **32.2** This majorly includes the receivable recognised in respect of stamp duty to be adjusted in accordance with the order of Sindh High Court.

		Note	2022	2021
			(Rupees in thousand)	
33.	FINANCE COSTS			
			12,569	6,022
	Mark-up on long term borrowings	7.3	1,681	1,784
	Mark-up on leases	7.5	98,877	50,743
	Exchange loss - net		· · · · · · · · · · · · · · · · · · ·	
	Bank charges		26,778	20,602
			139,905	79,151
34.	TAXATION			
	- Current tax		323,132	203,612
	- Deferred tax		64,722	(1,452)
	- Prior year tax		26,110	51,199
	•		413,964	253,359
34.1	Reconciliation between tax expense and accounting prof	it.		
	Profit before tax		8,366,367	5,422,836
	Tax at the applicable tax rate of 33% (2021: 29%)		2,760,901	1,572,635
	Tax effect of credits		(2,284,669)	(1,340,738)
	Tax effect of final tax		(129,876)	(28,108)
	Tax effect of prior years		69,758	51,199
	Others		(2,150)	(1,629)
	Tax expense for the year		413,964	253,359
	. a.c. expense for the year			233,337

35. BASIC AND DILUTED EARNINGS PER SHARE

Profit after taxation attributable to ordinary shareholders	7,952,403	5,169,477
	(Number in t	housand)
Weighted average number of shares in issue during the year	6,370	6,370
	(Rupe	es)
Basic earnings per share	1,248.41	811.53

2022

(Rupees in thousand)

2021

There is no dilutive effect on the basic earnings per share of the Company.

36. RELATED PARTY DISCLOSURES

The related parties comprises of holding company, its group companies, directors and their close family members, associated undertakings, key management personnel and retirement benefit funds.

The Company in the normal course of business carries out transactions with various related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere are as follows:

				2022	2021
36.1	5.1 Relationship with the Company		Nature of transactions	(Rupees in thousan	
	i)	Holding company	Royalty	28,716	2,050
	ii)	Associated companies	Royalty and technology fee	1,075,180	692,636
			Purchase of goods & Property, Plant &		
			Equipment	3,193,815	1,728,002
			Sale of goods	24,532	78,594
			Fee for receiving of services from		
			related parties	-	157,723
			Fee for providing of services to		
			related parties	61,550	54,783
			Reimbursement of shared expenses		
			to related parties	1,064,744	758,150
	iii)	Staff retirement funds	Contribution to:		
			- Defined contribution plans	14,783	15,480
			Settlement on behalf of:		
			- Defined contribution plans	42,951	97,319
	iv)	Key management	Salaries and other short-term		
		personnel	employee benefits	33,193	19,186

36.2 The following are the related parties with whom the Company entered into transaction or have arrangement / agreement in place:

Name of the Related Party	Basis of association	Aggregate % of Shareholding
Rafhan Maize Products Co. Limited	Associated Company due to common directorship	4.26%
Unilever Pakistan Limited	Associated Company due to common directorship	N/A

36.3 Details of related parties, including those incorporated outside Pakistan, with whom the Company had entered into transactions or have arrangement / agreement in place are as below:

Name and country		Registered	Basis of	Aggregate % of	
	of Incorporation	Address	Association	shareholding	
	Unilever Asia Private Limited (Singapore)	18 Nepal Park Singapore, 139407	Associated Company	N/A	
	Unilever Bangladesh Limited (Bangladesh)	51 Kalurghat Heavy Industrial Area, Kalurghat, Chittagong	Associated Company	N/A	
	Unilever Lipton Ceylon Limited (Sri Lanka)	258 M. Vincent Perera Mawatha, Colombo 01400, Sri Lanka	Associated Company	N/A	
	Unilever Europe BV	Weena 455, 3013 AL Rotterdam, Netherlands	Associated Company	N/A	
	Unilever Europe Business Center BV	Weena 455, 3013 AL Rotterdam, Netherlands	Associated Company	N/A	
	Unilever IP Holdings BV	Weena 455, 3013 AL Rotterdam, Netherlands	Associated Company	N/A	
	Unilever Foods & Refreshments Global BV	Weena 455, 3013 AL Rotterdam, Netherlands	Associated Company	N/A	
	Conopco Inc.	800 Sylvan Avenue Englewood Cliffs, NJ 07632 United States	Holding Company	76.55%	
	Unilever PLC	Unilever House, 100 Victoria Embankment, London	Associated Company	N/A	
	Unilever Malaysia Holdings Sdn BHD	Level 33-35, Menara Telekom, Jalan Pantai Baru, Kuala Lumpur, Malaysia	Associated Company	N/A	
	Unilever Mashreq Manufacturing and Trading	5th Floor, North Tower, Galleria 40 Business Complex, Sheikh Zayed, 6th of October City, Giza	Associated Company	N/A	
	Unilever PLC, Netherlands	PO BOX 544, 2400 AM Alphen aan den Rijn, The Netherlands	Associated Company	N/A	

Transactions with related parties are carried out on agreed commercial terms and conditions.

Royalty and technology fee are paid in accordance with the agreements duly acknowledged by the State Bank of Pakistan. The purchase and sale of goods and services from related parties are made on agreed terms and conditions.

Dividend paid to the Holding Company amounts to Rs. 1.401 billion (2021: Rs. 2.387 billion).

The Company has entered into an agreement with Unilever Pakistan Limited (Associated Company) to share costs incurred in connection with the efficient business operations as per the agreed terms and conditions. These shared costs are included within cost of sales, distribution expenses, and administrative expenses in the statement of profit or loss.

The related party outstanding balances as at December 31, 2022 are included in other receivables and trade and other payables. These are settled in the ordinary course of business.

37. REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amounts charged in the financial statements of the year for remuneration including all benefits to directors, chief executive and executives of the Company are as follows:

		Executive Directors		Chief Ex	ecutive	Execu	ıtives
	Note	2022	2021	2022	2021	2022	2021
				(Rupees in	thousand)		
Managerial remuneration							
and allowances		12,133	8,249	9,337	5,961	48,098	62,019
Retirement benefits	37.1	1,492	982	-	=	5,950	8,721
Other long term benefits		202	-	-	=	238	-
Medical expenses		82	19	46	3	1,657	1,588
Other expenses		-	-	142	69	1,333	398
Share based compensatio	n	-	-	-	-	3,536	2,694
		13,909	9,250	9,525	6,033	60,812	75,420
Number of persons		2	2	1	1	9	11

In addition to this, a lump sum amount of Rs. 9.18 million (2021: Rs. 25.73 million) on account of variable pay has been accounted for in financial statements for the current year payable in 2023 after verification of target achievement.

Out of the variable pay recognized for 2021 and 2020 following payments were made:

	Paid in 2022 relating to 2021	Paid in 2021 relating to 2020
	(Rupees in	thousand)
Executive Directors	4,122	1,635
Chief Executive	5,637	2,268
Executives	6,756	7,985
Other employees		317
	16,515	12,205

Aggregate amount charged in these financial statements for the year for fee to seven non-executive directors was Rs. 5.6 million (2021: seven non-executive directors Rs. 4.5 million).

Certain executives of the Company are also provided with the Company maintained cars.

In respect of full time working Director, Chief Executive and Company Secretary, the Company is charged monthly by an associated undertaking (Unilever Pakistan Limited) on agreed basis.

37.1 Retirement benefits represent amount contributed towards various retirement benefit plans.

38.	PLANT CAPACITY AND PRODUCTION	2022	2021
	Actual production of the plant in metric tons	55,277	47,559

The capacity of the plant is indeterminable as it is a multiproduct plant capable of producing several interchangeable products.

39. PROVIDENT FUND RELATED DISCLOSURE

All investments out of provident fund have been made in accordance with the provision of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

40.	NUMBER OF EMPLOYEES	2022 (Numi	2021 ber)
	Total number of employees at year end	244	237
	Average number of employees during the year	241	243
	Total number of Factory employees as at the reporting date	235	226
	Average number of Factory employees during the year	231	227

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES 41.

41.1 Financial risk factors

The Company's activities expose it to variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost effective funding as well as manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

41.2 Reconciliation of movements of financial liabilities to cash flows arising from financing activities

Lease liabilities	Long term Borrowings	Unappropriated profit	Total
—	——— (Rup	ees in thousand) ——	
20,958	168,619	1,608,602	1,798,179
(387)	-	-	(387)
-	574,822	-	574,822
_	-	(2,594,401)	(2,594,401)
(387)	574,822	(2,594,401)	(2,019,966)
1,681	-	-	1,681
-	(230,951)	-	(230,951)
1,681	(230,951)	-	(229,270)
_		7,933,279	7,933,279
-	-	(794,413)	(794,413)
22,252	512,490	6,153,067	6,687,809
	20,958 (387) - (387) 1,681 - 1,681	(387) -	Continue

ı	Lease liabilities	Long term Borrowings	Unappropriated profit	Total
		——— (Rup	ees in thousand) ———	
Balance as at 1 January 2021	11,906	23,660	1,386,730	1,422,296
Changes from financing cash flows				
Payment of lease liabilities	(57,090)	-	-	(57,090)
Financing obtained during the year	-	176,482	-	176,482
Dividends paid	_		(3,564,734)	(3,564,734)
Total changes from financing activities	(57,090)	176,482	(3,564,734)	(3,445,342)
Other changes				
Interest expense	1,784	-	-	1,784
Deferred grant	-	(31,523)	-	(31,523)
Increase in lease liabilities	64,358	=	=	64,358
Total changes	66,142	(31,523)	-	34,619
Total comprehensive income for the year	_	-	5,170,624	5,170,624
Dividend not paid during the year	-	-	(1,384,018)	(1,384,018)
Balance as at December 31, 2021	20,958	168,619	1,608,602	1,798,179

41.3 Financial assets and liabilities by category and their respective maturities.

	Interest / Mark-up bearing			Non-interest	Non-interest / Non mark-up bearing				
	Maturity up to one year	Maturity after one year		Maturity up to one year	Maturit after on year				
				(Rupees in thousand)					
FINANCIAL ASSETS									
Amortized Cost									
Loans and advances	-	-	-	438	-	438	438		
Trade debts	-	-	-	1,029,752	-	1,029,752	1,029,752		
Long term deposits	-	-	-	-	2,980	2,980	2,980		
Trade deposits	=	-	-	176,025	-	176,025	176,025		
Other receivables	=	-	-	203,646	-	203,646	203,646		
Short term investment	2,692,294	-	2,692,294	=	-	-	2,692,294		
Cash and bank balances	2,091,029	-	2,091,029	490,536	-	490,536	2,581,565		
Fair value through profit or loss									
Short term investment	-	-	-	3,079,567	-	3,079,567	3,079,567		
December 31, 2022	4,783,323	-	4,783,323	4,979,964	2,980	4,982,944	9,766,267		
December 31, 2021	2,689,067	2,689,067 -		1,257,780	4,124	1,261,904	3,950,971		
FINANCIAL LIABILITIES							= =====		
Financial liability- not									
measured at fair value									
Long term borrowings	21,368	491,122	512,490	-	-	-	512,490		
Trade and other payables	1,178,539	-	1,178,539	7,928,512	- 7,928,512		9,107,051		
Unpaid dividend	-	-	-	2,205,067	-	2,205,067	2,205,067		
Unclaimed dividend	-	-	-	29,991	-	29,991	29,991		
Accrued interest / mark up	-	-	-	5,888	- 5,888		5,888		
Lease liability	22,252	-	22,252	-	-	-	22,252		
December 31, 2022	1,222,159	491,122	1,713,281	10,169,458	-	10,169,458	11,882,739		
December 31, 2021	841,505	189,190	1,030,695	5,564,776	-	5,564,776	6,595,471		
ON BALANCE SHEET GAP									
FINANCIAL POSITION GAP									
December 31, 2022	3,561,164	(491,122)	3,070,042	(5,189,494)	2,980	(5,186,514)	(2,116,472)		
December 31, 2021	1,847,562	(189,190)	1,658,372	(4,306,996)	4,124	(4,302,872)	(2,644,500)		
NON FINANCIAL POSITION ITEMS									
Letters of credit / guarantee:									
December 31, 2022							3,377,541		

December 31, 2021

2,688,647

The carrying value of financial assets and financial liabilities approximate their fair value largely due to the short-term maturities of these instruments.

For valuation of derivative (forward foreign exchange contract: refer note 15) at reporting date, the relevant rate has been taken from financial institution and has been classified in to level 2 fair value measurement hierarchy as defined in IFRS 13.

(i) Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of total financial assets of Rs. 9,802 million (2021: Rs. 3,951 million), the financial assets which are subject to credit risk amounted to Rs. 1,033 million (2021: Rs. 522 million).

For trade debts, the Company applies IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance for all trade debts, to measure the expected credit losses, trade debts have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 1 January 2022 and the corresponding historical credit losses experienced within this period.

The following table provides information about the exposure to credit risk and Expected Credit Loss for trade debts as at reporting date.

	•	202	2 ———	
	Gross carrying amount	Expected credit loss	Specific loss allowance	Expected credit loss rate
	← (Ru	pees in thousand)	
Not yet due	797,839	1,286	-	0.1% - 0.5%
Less than 3 months	231,039	347	-	0.1% - 5%
More than 3 months to not				
later than 6 months	2,549	42	-	0.1% - 15%
More than 6 months to not later				
than 12 months	5,352	-	5,352	100%
More than one year	78,440		78,440	100%
,	1,115,219	1,675	83,792	
	•	202	1	——
	Gross carrying amount	Expected credit loss	Specific loss allowance	Expected credit loss rate
	← (Ru	pees in thousand)	
Not yet due	466,045	739	-	0.1% - 0.5%
Less than 3 months	34,464	50	_	0.1% - 5%
More than 3 months to not				
later than 6 months	49,197	815	28,730	0.1% - 15%
More than 6 months to not				
later than 12 months	10,924	-	10,924	30% - 75%
More than one year	45,607	-	45,607	75%-100%
	606,237	1,604	85,261	

Deposits have been placed mainly against utility company, shipping guarantees and letters of credit, hence exposed to no significant credit risk.

Loans and advances to employees are not exposed to any material credit risk.

Other receivables constitute mainly receivables from the Government authorities and related parties, therefore, are not exposed to any significant credit risk.

The bank balances and short term investments represent low credit risk as they are placed with banks and mutual funds having good credit ratings assigned by credit rating agencies.

The management does not expect any losses from non-performance by these counterparties.

Management believes that it is not exposed to significant credit risk.

(ii) **Liquidity risk**

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Market risk

Market risk is the risk that changes in foreign exchange rate, interest rates will effect the Company's income or value of its holding in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

Foreign exchange risk

Foreign exchange risk arises mainly where receivables and payables exist in foreign currency. As at December 31, 2022, financial liabilities of Rs.255 million (2021: Rs. 135 million) were in foreign currency which were exposed to foreign currency risk.

All foreign currency financial assets are in USD. Foreign currency liabilities are approx. 39.9% in EUR, 33.3% in USD, 18.2% in CNY, & 8.6% in GBP

As at December 31, 2022, if the Pakistan Rupee had weakened / strengthened by 5% against Euro with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 5.1 million (2021: Rs. 0.3 million), mainly as a result of foreign exchange losses / gains on translation of Euro denominated financial liabilities.

As at December 31, 2022, if the Pakistan Rupee had weakened / strengthened by 5% against US Dollar with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 4.24 million (2021: Rs. 4.58 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar denominated financial liabilities.

As at December 31, 2022, if the Pakistan Rupee had weakened / strengthened by 5% against CNY with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 2.32 million (2021: Rs. 1.17 million), mainly as a result of foreign exchange losses / gains on translation of CNY denominated financial liabilities.

As at December 31, 2022, if the Pakistan Rupee had weakened / strengthened by 5% against Great Britain Pound with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 1.10 million (2021: Rs. 0.71 million), mainly as a result of foreign exchange losses / gains on translation of GBP denominated financial liabilities.

The sensitivity of foreign exchange rate looks at the outstanding foreign exchange balances of the Company only as at the reporting date and assumes this is the position for a full twelve-month period.

	2022 (Rupees in	2021 thousand)
Derivative financial liability - at fair value through profit or loss		
Opening balance as at January 1	(146)	(341)
Cumulative net gain during the year	8,622	17,250
Net realized loss during the year	(7,837)	(17,055)
Net unrealized loss as at December 31	639	(146)

b) Interest rate risk

Interest rate risk arises due to changes in market interest rates that results in fluctuation in fair value or future cash flows of a financial instrument. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

At December 31, 2022, the Company had variable interest bearing financial assets of Rs. 4,783.3 million (2021: Rs. 2,689.1 million) and financial liabilities of Rs. 1,713.3 million (2021: Rs 1,030.7 million), and had the interest rate varied by 200 basis points with all the other variables held constant, profit before tax for the year would have been approximately Rs. 61.40 million (2021: 53.67 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings.

(iv) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at December 31, 2022, all financial assets and financial liabilities are carried at amortised cost except for investment in mutual funds which are carried at their fair values.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

The fair value of financial instruments traded in active markets is based on Net Asset Values (NAVs) of the units of the mutual funds and quoted prices for floating rate PIBs at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis.

The following table analyses within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at December 31, 2022:

		202	22		
Financial assets	Level 1	Level 2	Level 3	Total	
		(Rupees in t	(Rupees in thousand)		
Short term investments - at fair value through profit or loss		3,079,567	-	3,079,567	

42. **CAPITAL RISK MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The debt-to-capital ratios as at December 31, 2022 and 2021 were as follows:

	2022	2021
	(Rupees i	n thousand)
Long term borrowings	491,122	168,619
Cash and bank balance	(2,581,565)	(3,297,755)
Net cash surplus	(2,090,443)	(3,129,136)
Total capital	7,514,031	2,969,566
Debt-to-capital ratio	6.54%	5.68%

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance.

43.	CASH AND CASH EQUIVALENTS	Note	2022	2021		
			(Rupees in	thousand)		
	Cash and bank balances	17	2,581,565	3,297,755		
	Short term investments valued at amortized cost	16	2,692,294	-		
			5,273,859	3,297,755		

PROPOSED AND DECLARED DIVIDENDS

At the Board of Directors' meeting held on 24 Feb, 2023, a final dividend of Rs. Nil per share amounting to Rs. Nil million in respect of 2022 is proposed (2021: Rs. 245.00 per share amounting to Rs. 1,561 million). This is in addition to the cumulative interim cash dividend of Rs. 287 per share amounting to Rs. 1,828 million (2021: Rs. 566 per share amounting to Rs. 3,605 million) declared during the year.

CORRESPONDING FIGURES 45.

Corresponding figures have been re-arranged and reclassified, wherever necessary for purpose of comparison and better presentation. This did not affect profit, net assets or equity.

Reclassified from	Reclassified to	(Rupee in thousand)
Other income	Distribution costs	47,957

DATE OF AUTHORISATION 46.

These financial statements were authorized for issue on 24 Feb, 2023 by the Board of Directors of the Company.

Amir R. Paracha	Asima Haq	Aly Yusuf
Chief Executive Officer	Director	Director and Chief Financial Officer

Notice of Annual General Meeting

Notice is hereby given that the 25th Annual General Meeting of Unilever Pakistan Foods Limited will be held at Overseas Investors Chamber of Commerce & Industry (OICCI) Chamber of Commerce Building, Talpur Road, Karachi, Pakistan and through video link, on Thursday, April 13, 2023, at 10:30 a.m. to transact the following business:

Ordinary Business

- 1. To receive, consider and adopt the Company's Financial Statements for the year ended 31 December 2022, together with the Reports of the Auditors and Directors thereon.
- 2. To approve Interim Dividend of Rs. 287.00 (2870%) per Ordinary Share of the Company, already paid during the year 2022.
- To appoint Auditors for the ensuing year, and to fix their remuneration.
 Messrs KPMG Taseer Hadi & Co., Chartered Accountants, retire and being eligible have offered themselves for re-appointment.
- 4. To elect Directors of the Company for a three-year term. The Board of Directors in the meeting held on February 24, 2023, fixed the number of Directors at ten (10). The term of the office of the following ten (10) Directors will expire on April 19, 2023.

Mr. Kamran Y. Mirza
 Mr. Aly Yusuf
 Mr. Aly Yusuf
 Ms. Asima Haq

5. Mr. Zulfikar Monnoo6. Mr. Muhammad Adil Monnoo7. Mr. Kamal Monnoo8. Mr. Sarfaraz Ahmed Rehman

9. Mr. Ali Tariq 10. Mr. Khalid Mansoor

Attached to this notice of meeting being sent to the members is a statement under Section 166(3) of the Companies Act, 2017.

By Order of the Board

Karachi March 21, 2023 Aman Ghanchi Company Secretary

Notes:

- 1. Share Transfer Books will be closed from April 10, 2023 to April 12, 2023 (both days inclusive) when no transfer of shares will be accepted for registration. Transfers in good order, received at the office of Company's Share Registrar M/s CDC Share Registrar Services Limited, CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 by the close of the Business on April 07, 2023 will be treated in time for ascertaining the entitlement of Shareholders for attending the Annual General Meeting.
- 2. All Members / Shareholders are entitled to attend and vote at the meeting. A Member may appoint a proxy who need not be a Member of the Company.
- 3. The Individuals (Member/Proxy), shall authenticate his / her identity by showing his / her original valid Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting. In case of members who wish to attend the meeting online, Video-Link and Login credentials will be shared with only those Members whose emails, containing all the required particulars, are received at the given email address / WhatsApp Number 48 hours before the meeting. The shareholders can also provide their comments and questions for the agenda items of the AGM on WhatsApp Number 0321-8200864 and email: Corporate.Secretarial@unilever.com
- 4. Duly completed instrument of proxy, and the other authority under which it is signed, or a notarially certified copy thereof, must be lodged with the Company Secretary at the Company's Registered Office (1st Floor, Avari Plaza, Fatima Jinnah Road, Karachi) at least 48 hours before the time of the meeting. In case of proxyholders who wish to attend the meeting online, Video-Link and Login credentials will be shared with only those Proxies whose Duly completed instrument of proxy, and the other authority under which it is signed, or a notarially certified copy thereof are received 48 hours before the meeting at the given email address and WhatsApp Number.
- 5. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:

A. For Attending the Meeting:

- i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his / her identity by showing his / her original valid Computerised National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies:

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form accordingly.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii.Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv.The proxy shall produce his / her original valid CNIC or original passport at the time of meeting.
- v. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature and attested copy of valid CNIC of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted along with proxy form to the Company.

For CDC account holders / proxy holders who wish to attend the meeting online, Video-Link and Login credentials will be shared with only those Members whose emails, containing all the required particulars, are received at the given email address / WhatsApp Number 48 hours before the meeting. The shareholders can also provide their comments and questions for the agenda items of the AGM on WhatsApp Number 0321-8200864 and email: Corporate.Secretarial@unilever.com

6. Procedure to Contest Election of Director:

Any person who seeks to contest the election to the office of directors, whether he is retiring director or otherwise, shall file the following documents with the Company Secretary, at the Registered Office of the Company located at Avari Towers, Fatima Jinnah Road, Karachi not later than 14 days before the date of the Meeting:

- i) Notice of intention to offer him / herself for the election to the office of director in terms of Section 159(3) of the Companies Act 2017 ("Act");
- ii) Consent on Form 28 prescribed under the Companies Act, 2017;
- iii) A detail profile along with office address;
- iv) Declaration under Clause 3 of the Listed Companies (Code of Corporate Governance) Regulations 2019 ("COCG").
- v) Declaration that he/she is eligible to become a director of the Company in terms of Section 153 of the Act;
- vi) Since independent director(s) will be elected through the process of election of director in accordance with the provision of the Act and the Companies (Manner and Selection of Independent Directors) Regulations 2018 ("Independent Director Regulations"), accordingly the following additional documents are required to be submitted by the candidates intending to contest election of directors as an Independent Director:

Declaration by Independent Director(s) under Clause 6(3) of the COCG; and Undertaking on non-judicial stamp paper that he/she meet the requirements of sub-regulation (1) of rule 4 of the Independent Director Regulations.

- 7. In accordance with the directives of the SECP, the dividends of shareholders whose CNIC copies have not been received by the Company shall not be electronically credited until receipt thereof. Therefore, the individual shareholders who have not submitted their CNIC copies are requested to send the same at the earliest to the share registrar of the Company. Corporate entities are requested to provide their NTN. While providing their CNIC/NTN, shareholders must quote their respective folio numbers.
- 8. (i) The Government of Pakistan through Finance Act, 2014 has made certain amendments in Section 150 of the Income Tax Ordinance 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the Companies. Now these rates as per the Finance Act -2022 are as under:
 - (a) For Filers of Income Tax Return 15%
 - (b) For Non-Filers of Income Tax Return 30%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30% all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

(ii) For any query/problem/information, the investor may contact the Share Registrar: The Manager, M/s CDC Share Registrar Services Limited, telephone number: 0800 - 23275 (Toll Free), e-mail address: info@cdcpak.com and /or the Company: Mr. Hussain Ahmed, telephone number: +92-21-35681008 e-mail address: Corporate.Secretarial@unilever.com.

(iii) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholder should send a copy of their NTN certificate to the company or it's Share Registrar M/s CDC Share Registrar Services Limited. The Shareholders while sending NTN or NTN certificates as the case may be, must quote Company name and their respective folio numbers.

According to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal Shareholder as well as Joint Holder(s) based on their shareholding proportions, in case of joint holding / joint account. In this regard, all shareholders who hold shares with joint shareholders, are requested to provide shareholding proportions of Principal Shareholder and Joint Holder(s) in respect of shares held by them, to Company's Share Registrar, M/s CDC Share Registrar Services Limited, CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, in writing as follows:

			Principal S	Shareholder	Joint Shareholder			
Name of Company	Follo/CDS Account#	Total Shares	Name and CNIC#	Shareholding Proportion (No. of Shares)	Name and CNIC#	Shareholding Proportion (No. of Shares)		

Otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint -Holder(s).

- 9. Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders are requested to fill in Dividend Mandate Shareholders having physical holding should submit the prescribed Dividend Mandate Form, to the Company's Share Registrar. The Shareholders who hold shares with participants / stock brokers or with Central Depository Company may approach to submit the prescribed Dividend Mandate details to their participants / stock broker or to CDC for this option, with a copy of the Dividend Mandate Form to Share Registrar of the Company. The Dividend Mandate Form is available in the Annual Report and also uploaded on our Company's website.
- **10.** Pursuant to Section 134(2) and Section 132(2) of the Companies Act, 2017, members can also avail video conference facility at Lahore, subject to the following conditions.

The video conferencing facility will be provided only if the Company receives consent from members holding in aggregate 10% or more shareholding residing at Lahore, to participate in the meeting through video conference at least 7 days prior to the date of general meeting.

The Company will intimate to the members regarding venue of video conference facility 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

In this regard, members who wish to participate through video conference facility at Lahore should send a duly signed request as follows:

I/ We,	S/o, D/o, W/o	being
a member of Unilever Pakistan Foods Limited, holder o	f Ordinary Share(s) as per Register Folio No	
hereby opt for video conferencing facility at	(Name of City).	

Signature of Member

- 11. Any change of address of Members should be immediately notified to the Company's Share Registrars, M/s CDC Share Registrar Services Limited, CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahra-e-Faisal, Karachi -74400.
- **12.** Pursuant to the section 72 of the Companies Act, 2017 listed companies are required to replace its physical shares with book-entry form within the stipulated period notified by the SECP.

The Shareholders who hold physical shares are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form.

13. The financial statements of the Company for the year ended December 31, 2022 have been placed on the website of the Company www.unilever.pk

Statement of Material Facts under section 166 (3) of the Companies Act, 2017

This statement sets out the material facts concerning election of directors, given in agenda items No.4 of the Notice, to be transacted at the 25th Annual General Meeting of the Company.

Section 166 (3) of the Companies Act 2017 (the Act) requires that a statement of material facts is required to be annexed to the notice of the general meeting called for the purpose of election of directors which shall indicate the justification for choosing independent director.

The Company is required to have at least three (3) independent directors on the Board under the Listed Companies (Code of Corporate Governance) Regulations, 2019. The independent directors shall also be elected through the process of election of directors in terms of section 159 of the Companies Act, 2017.

Justification for selecting Independent Directors -Candidates should be eligible for election as director of a listed company under Section 153 of the Act and meet the criteria of independence laid down under section 166(2) of the Act and the Companies (Manner and Selection of Independent Directors) Regulation, 2018 and his/her name is included in the data bank of independent directors maintained by the Pakistan Institute of Corporate Governance (PICG) duly authorized by the Securities & Exchange Commission of Pakistan.

The present Directors of the Company have no interest in the above said business except being eligible for re-election as director of the company.





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Form of Proxy

			shareholder of Un
			_ordinary shares hereby appoint M C Nov
ny		_ [state relationship (if any) v	with the proxy; required by Govern
			, (holding) [required by Government; delete if pr
-			ote for me / us and on my / our behalf
5 th Annual Gene	eral Meeting of the	Company to be held on April 13,	, 2023 and / or any adjournment thereo
gned this	day of	2023.	
/itness 1:			
gnature:			
ame:			(Signature should agree with the spec
 NIC #:			signature registered with the Comp
			Sign across Rs. 5/-
ddress:			Revenue Stamp
/itness 2:			Signature of Member(s)
gnature:		Shareholder's Fc	olio No.:
ame:		and / or CDC Par	rticipant I.D. No.:
NIC #:		and Sub- Accour	nt No.:
ddress :		Shareholder's CI	NIC #:
		Email Address of	f Proxy:
		Contact No. of Pr	roxy:
		Shareholder's CN Email Address of	NIC #:

2. In order to be valid, this Proxy must be received at the Registered Office of the Company at least 48 hours

3. Detailed procedure is given in the Notes to the Notice of AGM. $\label{eq:AGM.}$

before the time fixed for the Meeting, duly completed in all respects.

پراکسی فارم

جناب سیریٹری صاحب

يونی ليوريا کستان فو ڈ زلم پیٹر آ واري پلازه، فاطمه جناح روڙ کراچی۔ 75530، پاکستان۔ _ بیٹا/ بیٹی/ بیوی _ میں/ ہم _____ مومی شیئرز / پرفرنس ثیئرز ، کی تحویل رکھتا ہوں ، میں بذریعہ ہذا یونی لیور پاکستان فو دٔ زلمیژهٔ کاشیئر هولدُر هون اور ___ جوتعلق میں میرے _____ میں (رشتہ داری واضح کریں ، سى اين آئىسىنمبر: _ اگر کوئی ہو بیچکونتی ضابطوں کے تحت درکار ہے) یہ نمپنی میں ____عموی شیئر ز / رفرنس شیئر ز ، . فولیونمبر _____ کے تحت رکھتے ہیں[بیکومتی ضابطوں کے تحت در کارہے، پرانسی کے مہینی کاشیئر ہولڈر نہ ہونے کی صورت میں کراس (X) لگادیں] کو اپنا پرائسی (ُمختار) نامزد کرتا /کرتی ہوں جومیری/ ہماری جانب ہے کمپنی کے 25وئیں سالانہ اجلاس عام میں شرکت کرنے اورووٹ دینے کے اہل ہیں جو کہ 13 ايريل 2023 كو پاالتواء كي صورت مين كسي بھي ديگر وقت مقرره پرمنعقده ہوگا۔ ————— 2023 کو د شخط کیا۔ آج بتاریخ _ گواه نمبر 1: دستخط: (دستخط تمینی کے پاس رجسٹر کردہ دستخط کے جبیہا ہونا حابیئے) سى اين آئىسىنمبر: 5 روپے کا رسیدی ٹکٹ چسیاں کر کے دستخط کریں ممبر(ز) کا / کے دستخط: گواه نمبر 2: وستخط: شيئر ہولڈر کا فولیونمبر: _ اور/ یا CDC میں شرکت کا آئی ڈی نمبر: _ اور ذیلی ا کاؤنٹ نمبر: ____ سى اين آئىسىنمېر: _ شيئر ہولڈر کاسی این آئی سی نمبر: ىراكسى كااى مىل ايدريس: ىراكسى كارابطەنمبر: _

- 1) ممبرے درخواست ہے کہ:
- i) درج بالا واضح كرده جله ير 5 روي كارسيدى مكث چسپال كريں۔
 - ii) رسیدی ٹکٹ پروستخط کریں جیسے کہ کمپنی کے ریکارڈ میں ہیں۔
 - iii) اینافولیونمبر لکھیں۔
- iv) اس فارم کوجع کرانے سے پہلے اپنا کار آمدی این آئی سی/ پاسپورٹ/ بورڈ کی قرار داداور پراکسی کے کار آمدی این آئی سی کی تصدیق شدہ کا پی فارم کے ساتھ منسلک کریں۔
 - 2) یاضالطه کمل شده پراکسی فارم کمپنی کے رجٹر ڈ آفس میں اجلاس کے وقت ہے کم از کم 48 گھٹے قبل موصول ہو جانا چاہئے۔
 - تقصیلی طریقهٔ کارسالانه اجلاس عام کی اطلاع کے نوٹس میں درج ہے۔

Bank Account Details of Shareholder for Payment of Cash Dividend (Dividend Mandate Form) (Mandatory Requirement as per the Companies Act, 2017)

Con	ıpar	ıy: _																					
Foli	o No	./CE)S A	ccol	ınt N	No.																	
Nan	ne of	f Sho	areh	old	er:																		
Fatk	ner's	/Hu	usbo	and'	's No	ıme	<u></u>																
Add	ress																						
CNIC	C#:		_																				
Cell	#:		_																				
Lan	dline	e#:	_																				
Emo	uil:		_																				
cre	req dite	d in	to t	he f	follo	wir	ng b	ank	aco	our	nt:					ed l	by t	he	Cor	npa	any,	ma	y be
Р	К																						
Bra Bra It is		Nan Add	ne Iress nat t	he a																			ges in
	e oc		enti	one	a int	orm	atioi 	n to	tne	com	npan	iy ar	na tr	ne c	once	erne	a Sr	nare	ке	gistr	ar a	S SO	on as
	ne c					(s)																	

Note:

This form duly filled and signed along with legible photocopy of valid Computerised National Identity Card (CNIC) will be sent to the M/s CDC Share Registrar Services Limited , CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, Pakistan.

منافع منقسمہ کی نقدادا ئیگی کے لیشیئر ہولڈرز کے بینک اکاؤنٹ کی تفصیل (ڈیویڈنڈمینڈیٹ فارم) (کمپنیزا یکٹ2017 کے مطابق لازمی طور پر مطلوب)

	:
;CDاکا وَنٹ نمبر	SI
كائم:	<i>بولڈر</i> ک
וזיק:	شوہرکا
	:ں
كاردْنمبر:	شاختی ا
	ئىبر:
	:ر
	ن:
بالي به كالميني كان سده يخيبها فيها لهر المومنقسر كانة إمر فم مون به نابا ما كام زوام من جمع كروي با	
جاتی ہے کہ کمپنی کی جانب سے دیئے جانے والے میرے منافع منقسمہ کی تمام رقم مندرجہ ذیل بینک ا کاؤنٹ میں جمع کر دی جائے۔ ب ا کاؤنٹ نمبر (IBAN):لازمی:	
ل ا کاؤنٹ نمبر (IBAN):لازی:	ل بينك بيئك براخ
ك اكاؤنث نجر (IBAN):لازى: 	ل بینک بینک براوخ براوخ
ك اكاؤنث نجر (IBAN):لازى: 	ئل بينك بينك براخ براخ
ك اكاؤنٹ نجبر (IBAN):لازى: K اكائام	ئل بينك بينك براخ براخ

نو ئىمىل اورد تخط شدەپىغارم بىشمول فعال كىپيوٹرائز ڈقو مى شناختى كار ڈىكا كى (سى اين آئىسى) سى ڈىسى شىئرر جىڑارسروس لىمىيىڭە بىي ڈىسى

ہاؤس B - 99 ، بلاك بى، ايس ايم سى اين ايس ، مين شاہراہ فيصل ، کراچى ، 74400 پا کستان کو جھيجنى ہوگى _

اعتراف:

یونی لیور یا کستان فوڈز لمیٹڈ کی مسلسل ترقی میں سمپنی کے لو گوں کابڑاہاتھ ہے اور سمپنی کے ڈائر کیٹر سمپنی کے ہر ملازم کے تعاون کااعتراف کرتے ہیں۔ہماری مصنوعات پر جواعتاد ہمارے صارفین نے ظاہر کیا اس کے لئے ہم ان کے بھی بے حد مشکور ہیں۔اپنی انتظامیہ کے ساتھ تعاون اور اعتاد کے لئے ہم اپنے جھے داروں کا بھی شکر یہ ادا کرتے ہیں۔

مستقبل كاندازه:

یا کتان کے معاثی اور سیاسی ماحول میں شدید مسائل رہنے کے امکانات ہیں کیو نکہ ملک کوزر مبادلہ کے ذخائر میں مسلسل کمی کا سامنا ہے۔البتہ آئی ایم ایف یرو گرام کی بحالیاور ہاہمی اور کثیر الحبتی لین دین ہے اس صور تحال میں بہتری لانے کی کوششیں جاری ہیں، جسکے ہاوجود 2023اور بعد کے زرمبادلہ کے ذخائر کی ضروریات نمایاں طور پرزیادہ ہی رہیں گی ، چنانچہ قرض سے متعلق بڑی تنظیم نوکے بغیر ملک کے زر مبادلہ کے ذخائر پر دباؤبر قرار رہنے کاامکان ہے۔علاوہ ازیں ، آئی ایم ایف پرو گرام کی بحالی کی پیشگی لوازمات کے طور پر مالی خسارے کو تم کرنے کے اقدامات سے مہنگائی میں مزیداضافے کاامکان ہے۔ملک میں جاری ہو شربا مہنگائی نے صارفین کی قوت خرید کو شدید متاثر کیا ہے ، نتیجاً وہ سستی اور غیر معیار ی خریداریوں کے لیے مجبور ہیں۔ مزید براں، ملکی مفاد کے پیش نظر، حکومت کی جانب سے مالی ذخائر کومشخکم کرنے کے لیے در آمدات پر متوقع پابندیاں سپلائی میں خلل کاباعث بن سکتی ہیں۔

مندر جہ بالاصور تحال کی روشنی میں، تمپنی کو طلب اور رسد میں کچھ مشکلات کاسامنامتو قع ہے۔ تاہم انتظامیہ اپنے بین الا قوامی تج بے اور وبلیع چین میں استحکام سے ہر صور تحال سے نبر د آزماہونے کے لیے تیار ہے۔ہم اپنے صارفین کی ضروریات کی واضح سمجھ بوجھ، جدت طرازیاورنٹے پیک پرائس آرلیبیکچر کے ذریعے اپنے صار فین سے متعلقہ رہنے کے لیے کوشش جاری رکھیں گے۔ جبکہ زیادہ سے زیادہ قیمتوں کے تعین اور لا گت میں تبدیلی کے اقدامات کے ذریعے سے منافع کاانتظام کریں گے۔اس طرح، ہم تمام اسٹیک ہولڈرز کے مفادات کو تحفظ دینے کے لیے معیاری، مسلسل، ذمہ دارانہ اور منافع بخش ترقی کے لیے یرعزم ہیں۔

> بورڈ کی حانب سے آ بسب کاشکریہ

عامريراچه چف ایگزیکٹیوآ فیسر کراچی

24 فروري 2023ء

كامران مرزا چیر مدن کراچی

24 فروری 2023ء

نے ایک با قاعدہ پالیسی بنائی ہے جو کمپنیز ایکٹ 2017ء اور سی۔ی۔ بی (CCG)

کے مطابق ہے۔اس بات کوئیتی بنایا جا تا ہے کہ کوئی بھی ڈائر یکٹراپنے مشاہرے کے
فیصلے میں شریک نہ ہو۔ بورڈ اور کمپنی کی کمپیٹیوں کی میٹنگز میں شرکت کرنے کے لیے
نان ایگز یکٹیواور خود مختار ڈائر یکٹروں کی فیس وقفے وقفے سے بورڈ مقرر کرتا ہے۔
مناسب سیحھنے پر بورڈ اپنے ڈائر یکٹرز کے مشاہرے کی مناسب سطم متعین کرنے کے
لیے آزاد کنسائنٹ کی خدمات حاصل کرسکتا ہے۔ مشاہرے کی پالیسی ڈائر یکٹرز کی
آزادی کے رائے میں کسی بھی طرح اثر انداز نہیں ہوگی۔

آۋىيرز:

31 دسمبر 2022ء کوختم ہونے والے سال کے لئے کے۔ پی۔ایم۔ بی۔تاثیر ہادی اینڈ کمپنی چارٹرڈ اکا ونٹنٹس کوآڈیٹر مقرر کیا گیا تھا۔ بورڈ نے اس مرتبہ پھر کے۔ پی۔ ایم۔ بی۔تاثیر ہادی اینڈ کمپنی کو 2023ء کے لئے کمپنی کا آڈیٹر مقرر کرنے کی سفارش

مولدٌنگ ميني (ما لک ميني):

یونی لیور پاکستان فو ڈزلمیٹڈ میں % 76.5 شیئر زیونی لیورپی۔ایل۔سی۔کےموجود ہیں جو یونی لیور کی مادر مپنی لیعنی کونو پکوا نکارپورلیش یو۔الیں۔اے نے حاصل کیے ہیں۔

بعد کے واقعات:

گزشتہ مالی سال کے اختتام سے لے کراس رپورٹ کی تاریخ تک کمپنی کی مالی حالت میں کوئی تبدیلی واقع نہیں ہوئی۔ ڈائر کیٹروں کا چناؤ2020ء میں ہونے والی سالانہ جزل میٹنگ میں کیا گیا تھا۔ موجودہ ڈائر کیٹروں کی مدت 19 ایریل 2023ء کوختم ہوگی۔

مالی کنٹرولز (اندرونی)

ڈائر کیٹرز کمپنی کے اندرونی مالی کنٹرولز سے متعلق اپنی ذمتہ داری سے آگاہ ہیں۔ انتظامیداورآ ڈیٹرز (داخلی اور خارجی) سے بات چیت کے بعدان کی رائے یہ ہے کہ کمپنی مناسب کنٹرولز بیٹمل کررہی ہے۔

بورڈ کی قدر پیائی:

کوڈ آف کار پوریٹ گورننس اور کمپنیز ایکٹ 2017ء کے مطابق بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹروں کی قدر پیائی پی۔ آئی۔ سی۔ جی (پاکستان انٹیٹیوٹ آف کارپوریٹ گورننس) کے ذریعے انجام پائی تاکہ شفافیت کو بیٹی بنایا جا سکے۔ بورڈ کو اپنی ذیلی کمیٹیوں یعنی آڈٹ کمیٹی اور آئی۔ آر۔ کمیٹی کا تعاون حاصل ہے اور ان سب کمیٹیوں نے کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق دوران سال اپنی میٹنگز منعقد کیس ۔ یہاں سب کمیٹیوں (آڈٹ کمیٹی اور جیومن ریسورس اینٹر میٹیئر منعقد کیس ۔ یہاں سب کمیٹیوں (آڈٹ کمیٹی اور جیومن ریسورس اینٹر میمیزیش کمیٹی) کا کر دار بتانا ضروری ہے جوانہوں نے بہتری لانے اور مسائل کے علی صل بیش کرنے میں ادا کیا۔ آئندہ بھی ہم اپنے تمام منعلقین کے مفاد کی خاطر بہترین ظم ونس کے اقدامات پڑمل کو لینٹی بنانے کی کوشش کرتے رہیں گے۔

ڈائر یکٹروں کے مشاہرے کی پالیسی:

ڈائر کیٹروں کی فیس بورڈ کی منظوری کے مطابق ادا کی جاتی ہے اوراس سلسلے میں کمپنی

ريزروا يبرويري ايشنر

	Share _ Capital	Reserves					Total
		Capital		Revenue		Sub Total	
	Issued, subscribed and paid up capital	Share Premium	Special	General	Un- appropriated Profit		
	→ Table 1		(Ru	pees in thou	usand) ———		
Balance as at January 1, 2022	63,699	1,296,499	628	138	1,608,602	2,905,867	2,969,566
Transactions with owners of the Company - Distribution							
Final dividend for the year ended		7	1		(4.550.500)	(4.550.500)	(4.550.500)
December 31, 2021 @ Rs. 245 per share	-	-	-	-	(1,560,638)	(1,560,638)	(1,560,638)
First Interim dividend for the year ended December 31, 2022 @ Rs. 287 per share	-	-	-	-	(1,828,176)	(1,828,176)	(1,828,176
	-		- -	_	(3,388,814)	(3,388,814)	(3,388,814
Total comprehensive income for the year							
Profit for the year ended							
December 31, 2022	-	-	-	-	7,952,403	7,952,403	7,952,403
Other comprehensive income for the year ended December 31, 2022	_	_	_	_	(19,124)	(19,124)	(19,124
•	-	-	-	_	7,933,279	7,933,279	7,933,279
Balance as at December 31, 2022	63,699	1,296,499	628	138	6,153,067	7,450,332	7,514,031

يونى ليورياكتان كى جانب سے سيلاب زدگان كى امداد (17 ملين روي)

گزشته سال میں تباہ کن بارشوں اور سیلاب کے بعد ، یونی یور پاکستان نے متاثرین کی فوری امداد کے لیے زبر دست خد مات انجام دیں۔ اس مقصد کے پیش نظر پورے ملک میں ہر جگہ موجود اپنے شراکت داروں کی مدد سے کنور نو ڈلز ، سوپس ، گلیکسو ز ڈ کی اور انرجا کل جیسی پروڈ کش تقسیم کی گئیں۔ ہمارے شراکت داروں میں پاکستان ڈزاسٹر مینجمنٹ اتھار ٹی (PDMA)، یونیسیف ، یواین وومین ، کیئرانٹرنیشنل ، بینڈزا رگنا کزیشن ، پاکستان پاورٹی ایلیویشن فنڈ (PPAF)، سندھ رورل سپورٹ پروگرام (SRSP) ، سرحد رورل سپورٹ بروگرام (SRSP) ، سرحد رورل سپورٹ بروگرام (SRSP) ، سرحد

اس مشکل وقت میں ہمارے ملاز مین نے بھی اپنے عطیات کے ذریعے سیلاب متاثرین کی بھر پور مدد کی۔سیلاب متاثرین کے لیے عطیات جمع کرنے کی مہم میں متاثرین کی بھر پور مدد کی۔سیلاب متاثرین کے لیے عطیات جمع کرنے کی مہم میں ہمارے ملاز مین نے راشن بیگ ،میڈیکل کیمپ، تیار کھانا، اور صفائی کے سامان کی فراہمی میں زبروست حصد لیا۔سیلا بوں سے ہونے والی تباہی اور نقصانات طویل مدتی میں اس لیے اب ہماری توجہ متاثرہ علاقہ جات کو ماحولیاتی اثرات سے بچانے اور بحالی کی طرف ہے جس میں مکانات ، روزگار کی فراہمی کے ساتھ تعلیم اور صحت کے نظام کی در شکی شامل ہے۔

ریٹائرمنٹ فنڈ زمیں ملازمین کی سرماییکاری:

یونی لیور پاکستان فوڈ ذلمیٹڈ نے گزشتہ سال 14.8 ملین روپے اسٹاف ریٹا کرمنٹ فنڈ کے لئے فراہم کئے -31 دسمبر 2022 کے مالیاتی گوشواروں کے مطابق، کمپنی نے اسٹاف ریٹا کرمنٹ فنڈ کے لیے جورتو مات فراہم کیس ان کی تفصیل درج ذیل ہے:

200 ملین روپے	براو پژنٹ فنڈ
47 ملین روپے	گریجو یٹی فنڈ
247 ملين روپ	ٹوٹل 202 2ء
235 ملين روپي	ٽوڻل2021ء

تمینی کا نظم ونسق:

یونی لیور پاکستان فو ڈزلمیٹر کی انتظامیاعلی نظم ونسق کی پابندہاوراعلی اقدامات پڑل کرتی ہے۔ کوڈ آف کار پوریٹ گورنس کے مطابق کمپنی کے ڈائر یکٹرز مندرجہ ذیل بیان دیتے ہوئے خوثی محسوس کررہے ہیں:

- کمپنی کی انتظامیہ جو مالی گوشوارے تیار کرتی ہےان میں کمپنی کی کاروائیاں، رقومات کالین دین اور ملکیت میں تبدلیاں واضح طور پر بیان کی جاتی ہیں۔
 - حماب کتاب کے مناسب رجسٹر رکھے جاتے ہیں۔
- مالی گوشواروں کی تیاری میں پاکتان میں لا گومناسب پالیسیاں استعال کی جاتی میں اوردانشمندانہ فیصلے کیے جاتے ہیں۔
- مالی گوشواروں کی تیاری میں بین الاقوامی مالی رپورٹنگ کے معیار پڑمل کیا ہے اور اس سے کسی قتم کا انحراف ہوتو اس کی مناسب نشاند ہی کی جاتی ہے۔
- کمپنی میں اندرونی کنٹرول کا نظام ڈیزائن کے لحاظ سے نہایت اعلی ہے اوراس پرموژ طریقے سے عمل کیا جاتا ہے۔

- ایک ترقی پذیرادارے کی حیثیت سے کمپنی کی آگے بڑھنے کی لیادت پر کوئی خاص شبہات نہیں ہیں۔
- کمپنی چلانے میں ان اعلی اصولوں سے کسی قتم کی روگر دانی نہیں کی جاتی جواسٹاک ایک چیخ کے قوائد و ضوا بط کے رجسٹر میں بتائے گئے ہیں۔
- ہم مندرجہ ذیل امور ہے متعلق گوشوار ہے نسلک کرر ہے ہیں یاان کی وضاحت مالی گوشواروں کے آخر میں کر دی گئی ہے۔
- بورڈ آف ڈائر کیٹرزاوراس کی کمیٹیوں نے کتنی میٹنگز منعقد کیس اوران میں ڈائر کیٹروں کی حاضری کتنی رہی ۔
 - گزشتہ 6 سال کے مالی اعداد وشار۔
 - حصے داری کی تفصیلات۔

ڈائر کیٹرز:

کیبگری نا

آزاد ڈائر یکٹرز • جناب کامران مرزا (بورڈ کے چیئر مین)

- جناب خالد منصور
- جناب سرفراز احدر حمٰن

ا نگزیکٹوڈائر کیٹرز • جناب عامر پراچہ (سی۔ای۔او)

• جناب علی یوسف (سی۔ایف۔او)

- خواتین ڈائر کیٹر محترمہ عاصمہ ق
- نان ایگزیکٹیوڈ ائریکٹرز جناب ذوالفقارمتو
- جناب محمد عادل متو
 - جناب كمال متو
- جناب على طارق

آ ڈٹ سمیٹی

جناب خالد منصور چيئر مين ايندهمبر

جناب محمرعا دل متو ممب

م. جناب سرفراراحدرخمن ممبر

بناب مررادا مدر ن جناب ذ والفقارمتو ممبر

ئماب د وا نفقار متو ر

جناب کامران مرزا ممبر معرب برید تا میران میران میران میران میران میران

محترمه مریم فاروق سیکریٹری اینڈ ہیڈ آف انٹرنل آڈٹ

ہیومن ریسورسز اینڈ ریمونریش سمیٹی

جناب کامران مرزا چیئر مین اینڈممبر

جناب ذ والفقارمة و

جناب كمال متو

جناب عامر پراچه ممبر

جناب سرفراراحمدرخمن ممبر

محترمه کنیز فاطمه زبیری سیریٹری اینڈ ہیڈآ ف آیج آر

سر مایہ کاری کے لیے حکمت عملی کافی سوچ سمجھ کرتر تیب دی جاتی ہے۔ دوران سال، سمپنی نے اپنے منافع کو بڑھانے کے پیش نظراپنے اضافی فنڈز کا 75 فیصد مختصر مدت کے حکومتی ٹریژری بلز اور منی مارکیٹ میچوکل فنڈ زمیس لگایا ہے اور ضرورت سے زائد رقومات مختصر مدت کے لیے بینکوں میں رکھی جاتی ہیں۔

سمپنی کی کارکردگی کا جائزه:

کمپنی میں ایک ایبانظام موجود ہے جس میں کمپنی کی کارکردگی کا تختی ہے جائزہ لیاجا تا ہے۔ کمپنی کی کارکردگی کا تختی ہے جائزہ لیاجا تا ہے۔ کمپنی کی انتظامیاس کے لیے کئی طریقے استعال کرتی ہے جواس کی مادر کمپنی اور مقامی قیادت کے اچھے اقد امات پر بمنی ہوتے ہیں تا کہ ہمارا کاروبار مختصر مدت اور طویل مدت دونوں کے دوران اچھی یوزیشن میں رہے۔

کارکردگی جانچنے کے لیے ہمارے اقدامات پانچ بنیادی نکات پر مشتل ہوتے ہیں ایعنی بامقصد برانڈ، بہتر رسائی جینل کاڈیزائن، موثر تبدیلیاں اور ترقی کی کوشش ۔اس سے کاروباری تفکیل اور ترقی کی ایک ساتھ گرانی ہوتی رہتی ہے۔

خاص خطرات اورغيريقيني حالات:

مکی زرمبادلہ کے ذخائر کی سطح کے نتیج میں مارکیٹ میں زرمبادلہ کے ذخائر کی محدود کیکوئیڈٹی کے ساتھ بیرونی قرضہ جات کی واپسی کا وقت آنے سے زرمبادلہ کے ذخائر پر دباؤ برقر ارر ہنے کے امکانات ہیں۔ جس سے اہم وضروری خام مال کی درآ مدات میں مشکلات اور نتیجے میں سیلائی میں خلل واقع ہوسکتا ہے۔

علاوہ ازیں، بڑھتی ہوئی مہنگائی،خاص کرضروری اجناس اورتوانائی،روپے کی قدر میں کی اورشر سود کے بڑھے جا کیں گے جا مراجات مزید بڑھ جا کیں گے جبیہ صارفین کی توت خرید بھی شدیدمتاثر ہوگی۔ بیسب عوامل مجموعی طور پرمعاثی ست روی کا سبب اورصارفین کی طلب پرمنفی اثر ات مرتب کریں گے۔

ملک کوفوری طور پرساختی اصلاحات کی بحالی کے اقدامات اٹھانے بشمول کرنٹ اکاؤنٹ اور معاثی خسارے کو کم کرنے کی اشد ضرورت ہے جس کے بغیر معاشی استحکام ایک بڑا چینج رہےگا۔

يمار بےلوگ:

ہم ایک بامقصدادارہ ہیں اوراس بات پر یقین رکھتے ہیں کہ ایک ادار ہے کوکا میا بی اس کی مقصد کے تحت حاصل ہے۔ ہمارا ماحول صاف گوئی ، مستعدی ، تخلیق اور ترقی کی سوچ کو فروغ دیتا ہے۔ ملاز مین کی صحت ہمارے ہر کام میں مرکزی حیثیت کی حامل ہے۔ ہمارے لوگ احترام ، عظمت اور بہترین اخلاق پر ششمل ہماری اقدار کے امین ہیں اور ہما ہے لوگوں کو اچھے مواقع فرا ہم کر کے بڑا اخر محسوں کرتے ہیں ۔ 2022 میں ، کمپنی کو بین الاقوامی اور مکی سطح پر بڑے اعزازات سے نوازاگیا، ہم نے '' بیسٹ بلیس ٹو ورک ایوارڈ ز 2022 میں سب سے زیادہ ترجیجی آجر، '' بیسٹ انواز منظل پر بیکشرز ایوارڈ "اور" 2022 میں سب سے زیادہ ترجیجی آجر، '' بیسٹ انواز منظل پر بیکشرز ایوارڈ "اور" EFA) میمپلائر آف چواکس' جیسے ایوارڈ ز جیتے۔

ماحول كى حفاظت:

یونی لیور پاکتان فو ڈ زلمیٹڈ کی مینوفیکچرنگ حکمت عملی میں بیا ہم نکته شامل ہے کہ

مصنوعات تیار کرنے میں ماحول کی تفاظت کا خاص خیال رکھا جائے۔ اقوام متحدہ کی جزل اسمبلی سے منظور شدہ پائیدار ترقی کے اہداف (SDGs 2023) حاصل کرنا ہم نے اپنا مقصد بنا رکھا ہے۔ یونی لیور پائستان فوڈز لمیٹڈ کے مینوفیکچرنگ سائٹ کو 2022 تک 95 فیصد توانائی کے متبادل ذریعہ پر منتقل کیا جاچکا ہے۔ 2022 کے دوران ہماری کمپنی کے مینوفیکچرنگ سائٹس نے ماحول کی حفاظت کے لیے گئ اقدامات کیے جن میں پانی اور توانائی کا کم سے کم استعمال اور کوڑے کرکٹ میں کمی کرنا شامل تھا۔ ان مقاصد کے لیے درج ذیل پر وجیکٹس پر کام ہوا:

- موثر حکمت عملی اینانے کی بدولت بیٹیلیٹیز کے استعمال میں واضح کمی لائی گئی۔
 - سائٹ پریانی کوری سائیکلنگ کے بعد دوبارہ قابل استعال بنایا۔
 - ہمارے سائٹس براضافی سولر بلانٹس نصب کئے گئے۔
- گرانی اوررساؤ کی جانج سے نقصان میں موثر کی کے ذریعے کمپریسڈ ایئر کے استعال میں کمی لائی گئی۔
 - ہائی یاورموٹرزیر VFD کی تنصیب کے ذریعے بجلی کی کھیت میں کمی کی گئے۔
 - اسٹیم نبیٹ ورک کی درنگی عمل میں لائی گئی۔
- متبادل سرشفکیش کی خریداری کے ذریعے بلی کے کاربن اثرات ختم کئے گئے۔
 - یرانے موٹرز کی جگہ نئے کم بجلی لینے والے موٹرز لگائے گئے۔
 - فیکٹریوں سے نکلنےوالے بے کارمواد کودوبارہ استعال کے قابل بنایا گیا۔

ہمارے دفاتر، فیکٹریاں، صارفین اور شرکاء کی کوشش یہ ہے کہ کاربن کے اخراج میں زیادہ سے نار انجام دے رہے ہیں زیادہ سے نار انجام دے رہے ہیں تاکہ ہمارے کرہ ارض کامستقبل برداشت کے قابل رہے۔ ہم میر بھی جانتے ہیں کہ عالمی طور پر آب وہوا کے معاملات اور مشکلات سے تعلق آگاہی بڑھتی جارہی ہے۔

پیشه ورانه میفی اورصحت:

یونی لیور پاکستان فوڈ زلمیٹڈ کے کا موں میں سیفٹی پر سمجھوتے کی کوئی گنجائش نہیں ہے۔
یونی لیور پاکستان فوڈ زلمیٹڈ کے (zero vision) کا ایک اہم کلتہ ہے۔ ہم سیفٹی پر
مسلسل اپنی توجہ مرکوز رکھتے ہیں اور ہماری قیادت اس سلسلے ہیں برابر پیغامات دیق
مسلسل اپنی توجہ مرکوز رکھتے ہیں اور ہماران قیادت اس سلسلے ہیں برابر پیغامات دی رہتی ہے، جن میں ملاز مین کا ذمہ دارانہ روبیا اور مشینوں کے محفوظ ڈیز ائن ، سہولیات
اور مصنوعات شامل ہیں۔ ساتھ ہی ساتھ ساراسال محفوظ طریقے اور نظام اختیار کرنے
روتوجہ دی جاتی ہے۔ ہم نے ملاز مین سے بھی آگے اپنے شراکت داروں اور سروس
پر توجہ دی جاتی ہے۔ ہم نے ملاز مین تو سیع کی ہے اور ہم انہیں اپنے اعلیٰ حفاظتی معیارات
پر پابند رکھتے ہیں۔ ٹیکنالوجی کے استعال نے ہمیں صفر حادثات (Zero Injury)

ملاز مین کی شراکت:

رضا کارانہ سرگرمیوں کے ذریعے ہمارے ملاز مین نادارلوگوں کی زندگی بہتر کرنے کے لئے آئییں تعلیم اورصحت بحش غذا فراہم کرنے میں ان کی مددکرتے ہیں۔

ہمارے ملاز مین کی تخواہوں سے فنڈ زاکٹھا کر کے ہمارے سوشل پارٹنرزکودیے گئے جن میں دی سٹیزن فائڈیش ،آغا خان یو نیورٹی ہمپتال اور ورلڈفوڈ پر وگرام شامل تھے۔ بیرقم نادار بچوں اورنو جوانوں کی تعلیم ،غذا اور صحت کے لیے فراہم کی گئی۔

ڈائر یکٹرز کی جائزہ رپورٹ

31 دسمبر 2022 کونتم ہونے والے سال کے لیے یونی لیور پاکستان فوڈز کمیٹٹر کی سالا نہر اپورٹ اور آ ڈٹ شدہ مالی گوشوارے ڈائر بکٹروں کی جانب سے ذیل میں پیش کیے جارہے ہیں: سب ب

مینی کی خاص خاص سرگرمیان:

رفیان، کنورہ بیلمنس،اینز جائل اورگلیکسو زڈی کے برانڈ ناموں سے کمپنی کنز بومراور کمرشل فوڈ زیروڈکٹس بناتی اورفروخت کرتی ہے۔مشکل ترین کاروباری حالات بشمول ساجی،معاشی اور سیاسی مسائل کے باوجود برنس نے 2022 میں بھی ترقی کا سفر جاری رکھااور 42.8 فیصد پرشتمل سیزکی وسطے ترترقی حاصل کی ،جس میں ریٹیل اورفوڈ سلوشنز برنس کی جانب سے قیمت اورمقدار کا اضافہ شامل ہے۔

2022 كى ترتى ميسا جم كردار درج ذيل تھے:

کنور: کنور میں اضافہ خاص طور پراس کے نمایاں برانڈ زنوڈلز میں ہواجس کی وجو ہات میں زبر دست برانڈ یکو پٹی ،موژ تبدیلی ، دیبات کی مارکیٹوں تک رسائی میں اضافہ اور سرمایی کی بہتر تجاویز شامل ہیں نو جوانوں کوٹارگٹ کرنے والے "بلیزن" کے آغاز ہے پورٹ نولیو میں توسیع کی گئی جس میں شاندار کامیابی حاصل ہوئی ۔علاوہ ازیں ، کیو ہزاورڈ ریسنگ کے پورٹ فولیونے بھی اپنی ترقی کا سفر جاری رکھا۔

رفحان: ڈیزرٹس کے پورٹ فولیونے قیمت اور مقدار میں اضافے کی بدوات بہترین سینز ترقی حاصل کی۔اجناس کی قیمتوں کے مہنگا ہونے سے کارن آئل کی قیمت میں اضافہ کیا اور پورٹ فولیونے ڈبل ڈجٹ ترقی کے ساتھ شاندارنتان کے فراہم کئے۔

فو ڈسلومٹنز: بزنس نے متحکم برانڈزاوراعلیٰ معیاری پروڈکٹس کی بدولت ترقی کاسفر جاری رکھا جس میں ریسٹورٹٹس کی رونق بحال ہونے اورانٹزیشنل چین ا کاؤنٹس کی توسیع نے اہم کردارادا کیا۔

ا بیسپورٹس: کمپنی نے اپنے اہم مقصد کی بنیاد پراپنے ایکسپورٹس میں اضافے کی کوششیں جاری رکھیں اورموجودہ اور نئے کلاکنٹس پر توجہ دیتے ہوئے شاندار ترقی حاصل کی۔ دوران سال،مہنگائی کےمسائل نے مجموعی منافع میں 278 bps سے کم ہوکر 42.2 فیصد ہوگیا کیونکہ قیمتیں بڑھتے ہوئے اخراجات کےمقابلے میں کم رہیں۔البتہ کاروباری ترقی کے نتیجے میں ای پی ایس (EPS) گزشتہ سال کےمقابلے میں %53.8 زیادہ رہا۔

كاروبارى نتائج:	2022	2021
	(ملين رو_	
سيار	28,309	19,821
مجموعى منافع	11,949	8,916
سرگرمیوں کے ذریعے منافع	8,506	5,502
ٹیکس سے پہلے منافع	8,366	5,423
ٹیکس کے بعدمنا فع	7,952	5,169
بنیادی ای پیالیس (روپے)	1248.41	811.53

حصه دارول كامنافع: (دُيويدُندُ)

2022ء کے لیے اعلان کردہ مجموعی عبوری ڈیویڈنڈ 287 روپے فی شیئر کے حساب سے 1,828 ملین روپے بنا ہے (2021ء کا مجموعی عبوری ڈیویڈنڈ 566 روپے فی شیئر کے حساب سے 3,605 ملین روپے تھا۔

2022 کا حتمی ڈیوڈنڈ صفر روپ فی شیئر ہے (2021ء: 245 روپ فی شیئر تھا)۔

انڈسٹری کا جائزہ:

گزشتہ کچھسالوں کے دوران پیکچڈفو ڈ زبزنس ڈبل ڈجٹ تر قی حاصل کرنے میں

کامیاب رہا (بداندازہ یورومانیٹر نے لگایاہے)۔اس مارکیٹ میں کئی قومی اورملٹی نیشل کمپنیوں کےعلاوہ بہت سی علاقائی کمپنیاں بھی شامل ہیں۔

برماییکاری:

کمپنی نے اپنی گنجائش بڑھانے اور کار کردگی بہتر کرنے کی غرض سے گزشتہ سال کے دوران 2,534 ملین روپے کی سرمایہ کاری کی ہے۔

آپ کی سمپنی و تفے و تفے کے بعد جائزہ لے کر مالی گوشوارے تیار کرتی ہے تا کہ زیادہ سے زیادہ منافع حاصل کرنے کے لیے بہترین حکمت عملی اپنائی جائے۔

برنس اورا ندسٹری کا جائزہ

31 دئمبر 2022 كوختم ہونے والے سال كے ليے بورڈكي جانب سے چيئر مين كى جائز در پورٹ پيش كرتے ہوئے مجھے خوشی محسوس ہورہی ہے۔

گزشتہ سال پاکستان کے اقتصادی اور کاروباری ماحول کے لیے ایک مشکل ترین سال رہا کیونکہ ملک کوسا بھی ،سیاسی اور معاشی مسائل در چیش رہے۔ جس کے نتیجے میں مسلسل اس سال بھی ڈبل ڈجٹ مہنگائی بڑھنے کے ساتھ ، کرنسی کی تیزی سے گرتی قدر اور پالیسی ریٹ میں غیر معمولی اضافہ دیکھا گیا۔ ان مسائل کے باوجود ، کمپنی نے ترقی کا سفر جاری رکھا اور 2022 میں شاندار کارکردگی کا مظاہرہ کیا۔ بیسب کچھ ہماری تجربہ کا رائظ میر کی انتظامیہ کی انتظام مینت ، کاروبار کے بنیادی اصولوں پر توجہ ، مضبوط و مشخکم سپلائی چین نبیٹ ورک کی ہدولت صارفین کے لیے خوشیوں کا سامان مہیا کیا۔

مجموعی طور پر ، کاروبار نے قبت اور مقدار میں اضافے کی بدولت 42.8 فیصد ترقی کی۔اس وسیع البنیا د ترقی میں ریٹیل اور فوڈ سلوشنز کا اہم کر دارر ہا۔ کمپنی نے برانڈ زاور جدت کے لیے سر ماریکاری جاری رکھی۔ ترقی اور بچیت کے اقدامات سے کمپنی اپنے نبیادی ای بی ایس میں 53.8 فیصد اضافہ کرنے میں کا میاب رہی۔

بورڈ نے ایک مشکل ماحول میں اپنے تمام متعلقین کے مفاد کی خاطرا پی آئین ذمہ داریاں پوری کرنے کے ساتھ ساتھ کمپنی کوآگے بڑھایا۔ نیز کمپنی کے اہم مقاصد حاصل کرنے اور تمام متعلقین کے منافع میں اضافہ کرنے کے لیے بورڈ نے ساراسال اپنے کر داراورا پئی سرگرمیوں پر گہری نظر رکھی۔

بورڈ کی کارکردگی اوراس کے نتائج

کوڈ آف کارپوریٹ گورننس اور کمپنیزایکٹ 2017ء کے مطابق ، بورڈ اوراس کی کمیٹیوں اور ڈائر یکٹروں کو پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) کے ذریعے جانچا گیا تا کہ شفافیت یقینی بنائی جاسکے۔اس جانچ کے ذریعے بورڈ کی ہرسال کی کارکردگی میں اضافہ ظاہر ہوا۔

اس کام میں بورڈ کی ذیلی کمیٹیوں نے بورڈ کی مدد کی،ان ذیلی کمیٹیوں میں آؤٹ کمیٹی اور جیومن ریسورسز اینڈ ریمیونریشن (HR & R) کمیٹی شامل تھیں۔ دوران سال کوڈ آف کارپوریٹ گورننس کے توائدوضوابط کےمطابق ان سب کمیٹیوں نے اپنی میٹنگز منعقد کیس۔

یہاں بیضروری ہے کہ ہم ان ذیلی کمیٹیوں (آڈٹ کمیٹی اور ہیومن ریسورسز اینڈریمیونریشن (HR & R) کمیٹی کاعملی کردار جان لیس تا کہ ہمیں زیادہ سے زیادہ بہتری لانے کے لیے ملی اقد امات معلوم ہو سکیں۔اس کے ساتھ ہی ہم بہترین عملی اقد امات اوراپے تمام متعلقین کے سلسل مفاد کے لیے اپنی کوششیں جاری رکھیں گے۔

مستقبل کے امکانات

سیاسی غیر یقینی کی صورتحال، بڑھتی ہوئی مہنگائی اور زرمبادلہ کے ذخائر پر دباؤ کے سبب سپلائی میں آنے والے ممکن تعطل سے کاروباری اور معاثی ماحول مشکل رہنے کی توقع ہے۔ نیتجنًا مجموعی طور پر معاثی ست روی کے امکانات ہیں۔ البتہ بمپنی اعلی برانڈز، وسیح تر پورٹ فولیو، صارفین کی زبر دست سوجھ بوجھ اور بہترین ویلیوچین کی بدولت شاندار نتائج دینے کے لیے پرعزم ہے۔ اس کے ساتھ کمپنی پلاسٹک میں کمی لانے ،گرین انرجی (ماحول دوست تو انائی)، تنوع اور شمولیت وغیرہ جیسے اقد امات سے مثبت ساجی کردار اور آلودگی کو کم کرنے کے اسپنے عزم پرکار بندر ہے گی۔

اعتراف

کمپنی کے بورڈ آف ڈائر کیٹرز کی جانب سے، میں کمپنی کے تمام متعلقین کا شکر بیادا کرتا ہوں کہ وہ ہمارے ساتھ مسلسل تعاون اور ہماری حوصلہ افزائی کرتے رہے۔ میں کمپنی کے ملاز مین کا بھی مشکور ہوں کہ انہوں نے اپنی فیتی خدمات فراہم کیں۔ 2022ء کے دوران میرے ساتھی ڈائر کیٹروں نے جس وابستگی اور جانفشانی سے کام کیا اور کمپنی کی ترقی کے لیے جوکوششیں کیس اس کے لیے بھی میں ان کاشکر بیادا کرتا ہوں۔

جناب كامران مرزا

بورڈ چیئر مین

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