

# UNILEVER4

بہتر معیار زندگی کی پہچان



## Unilever Pakistan Foods Limited Annual Report

# 2023



Unilever



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## Vision

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“Our vision is to grow our business, while decoupling our environmental footprint from our growth and increasing our positive social impact.”

## Core Values

### Impeccable Integrity



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

### Wowing our Consumers & Customers



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

### Living an Enterprise Culture



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

### Demonstrating a Passion for Winning



We deliver what we promise.

### Bringing out the Best in All of Us



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

### Making a Better World



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



# Company Information

## Board of Directors

Mr. Sarfaraz Ahmed Rehman  
Mr. Amir R. Paracha  
Mr. Muhammad Shahzad  
Ms. Asima Haq  
Mr. Zulfikar Monnoo  
Mr. Muhammad Adil Monnoo  
Mr. Kamal Monnoo  
Mr. Asad Said Jafar  
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  
Mr. Muhammad Adil Monnoo  
Mr. Sarfaraz Ahmed Rehman  
Mr. Zulfikar Monnoo  
Mr. Asad Said Jafar  
Ms. Aniq Bawany

Chairman & Member  
Member  
Member  
Member  
Member  
Secretary & Head of Internal Audit

## Human Resource & Remuneration Committee

Mr. Asad Said Jafar  
Mr. Zulfikar Monnoo  
Mr. Kamal Monnoo  
Mr. Amir R. Paracha  
Mr. Sarfaraz Ahmed Rehman  
Ms. Kanize Fathema Zuberi

Chairman & Member  
Member  
Member  
Member  
Member  
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](http://www.unilever.pk)

# Directors' Profile

## Sarfraz Ahmed Rehman

Sarfraz, 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. Sarfraz 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, Sarfraz 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, Burque Corp, CCL and ITL. Sarfraz 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, Sarfraz 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.

## Amir R. Paracha - CEO

Amir Paracha serves as the Chairman of the Board and Chief Executive Officer at Unilever Pakistan Limited. He began his journey with Unilever in 2000 as an Assistant Brand Manager, advancing through various Marketing and Sales leadership roles throughout his career in Pakistan and globally.

Currently, Amir spearheads the Company's "Unilever for Pakistan" vision, a purpose-driven movement aimed at strengthening Unilever Pakistan's impact on the lives of Pakistani citizens by providing equitable opportunities, fostering meaningful livelihoods, and ensuring living wages. As part of this mission, he is also dedicated to promoting Unilever Pakistan's climate action by emphasizing a clean energy transition, minimizing plastic waste, and accelerating the shift toward a circular economy in Pakistan. Amir has been recognized 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.

Committed to collaborating with the broader industry and ecosystem, Amir serves as the President at the Overseas Investors Chamber of Commerce & Industry (OICCI). He is on the boards of Shell Pakistan Limited, Karachi Vocational Training Centre, Habib University Foundation and the Federation of Pakistan Chambers of Commerce & Industry (FPCCI). He also leads the Centre of Excellence for Responsible Business (CERB) under the Pakistan Business Council and is a Male Champion of Change under Australia (MCC)'s Pakistan Coalition.

He obtained his Master's in Business Administration (MBA) from the Institute of Business Administration. His professional journey began at The Royal Dutch Shell Oil Company in 1996. Throughout his career, he has attended executive courses at prestigious institutions, including Harvard, INSEAD, and London Business School.

## Muhammad Shahzad- CFO

Muhammad Shahzad joined the Board as Director & Chief Financial Officer of Unilever Pakistan Limited & Unilever Pakistan Foods Limited in March 2024.

He has over 15 years of experience at Unilever, where he has held various leadership positions in finance across business partnering, audit and corporate finance verticals. In his last role he served as Finance Director for Customer Development, Home Care, and Nutrition responsible for delivering and developing long-term strategies for key brands. He is also the ESG Ambition Lead for Unilever Pakistan, where he engages with key industry and professional forums to drive impact for corporate Pakistan in this space. He has done his Masters in Business Administration from the Institute of Business Administration.

## Asima Haq

Asima has 22 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.

## Asad Said Jafar

Asad Said Jafar, has held the position of Chief Executive Officer and Chairman of the Board of Directors at Signify Pakistan Limited (formerly Philips Pakistan Limited) since 2009. Prior to this, he was Director Supply Chain, for Philips Lighting ASEAN from 2006 to 2008. Asad has extensive manufacturing, supply chain, business excellence and general management experience and has held various leadership roles at Philips including overseas expatriate postings to Indonesia, Thailand and Singapore from 2001 to 2008. Asad joined Philips in 1998 as Supply Chain Manager at Philips Pakistan Limited. He has driven the transformation and revitalization of the Philips business in Pakistan to become a focused lighting technology company offering a complete range of conventional and LED lighting solutions including its connected lighting systems and data-enabled services, design services and turnkey solutions. He has also steered the transition of the company from Philips to Signify in Pakistan. Before Philips, Asad worked at ICI Pakistan Limited from 1988 to 1996, joining them as a Management Trainee and then moving in to various roles in projects, plant maintenance, design and engineering planning before leaving the company to pursue an MBA degree.

Asad served as the President of Overseas Investors Chamber of Commerce and Industry (OICCI) in 2014 and as its Vice President in 2013. He is currently serving on the Board of Directors of Engro Fertilizers Limited and Unilever Pakistan Foods Limited. Previously he has served on the Board of Directors of Pakistan Institute of Corporate Governance (PICG) and Engro Polymer & Chemicals Limited and has been a member of the Institute of Business Administration (IBA) Corporate Leaders Advisory Board (ICLAB). He has also served as a member of International Advisory Board at NED University of Engineering and Technology. He has participated regularly in Karachi School of Business & Leadership's CEO mentorship program. Asad holds an Electrical Engineering (BE) degree from the NED University of Engineering & Technology and a Master's degree in business administration (MBA) from the Imperial College Business School, London, UK where he studied as a Chevening scholar.

Asad has completed several management development programs including the 'Leading a Business' program at Ashridge Business School, UK. He attended the 'Philips Simplicity Brand 1000' programme at the Chicago Graduate School of Business (London Campus) as well as the 'Business Marketing Strategy' program at Kellogg School of Management, Northwestern University, USA. He is often invited to address business professionals and student audiences at corporate and academic events. He is a member of PICG's faculty for the flagship Director Training Program.

## 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 Larail 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. Currently he is the Chairman and CEO of Unilever's business in Sri Lanka, a key emerging market.

Since joining the group 20 years ago, Ali has held Global, Regional and Country leadership roles in both Developed and Emerging markets including South Asia, Far East and Europe. He was the CFO of the Pakistan Business from 2013 to 2017 and from 2017 until 2023 he served 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 fellow 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 2023.

Pakistan's economic and political environment remained extremely challenging during the year as the country grappled with social, economic and political crisis. This led to another consecutive year marked by significant double-digit inflation driven by escalating energy and commodity costs, substantial currency devaluation, and elevated policy rates. Nevertheless, despite these formidable challenges, the Company sustained its growth trajectory. The performance was attributed to the dedication of our seasoned management team, emphasis on core business principles, a robust and adaptable supply chain network ensuring seamless consumer access, and the enduring appeal of our brands, which consistently delighted our consumers.

Overall, the business delivered broad based growth of 22.2%, largely driven by price. The Company continued to invest behind its brands and innovations. EPS grew by 22.5% primarily on the back of growth and higher interest income.

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 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

Persistent high inflation, and structural issues of twin account deficit (i.e. current and fiscal) may continue to pose challenge to the economy in the near term, thereby leading to a challenging economic and operating environment. Nonetheless, the Company remains steadfast in its commitment to achieving strong results, leveraging its exceptional brands, diversified portfolio, profound consumer insights, and robust value chain. The Company also remain dedicated to advancing its vision of reducing its carbon footprint and fostering a positive social impact. Initiatives such as plastic reduction, adoption of green energy, and promotion of diversity and inclusion are integral components of this endeavor.

## 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 2023 and thank their leadership for their valuable contributions for the continued growth of the Company.

**Mr. Sarfaraz Ahmed Rehman**

Chairman of the Board



# DIRECTORS' REPORT





## Winning with Brands and Innovations

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**“ 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, 2023.

## 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 delivered resilient performance in 2023 with a sales growth of 22.2% whilst largely maintaining its operating margin. Growth, however, was mainly price led as sustained inflationary headwinds significantly impacted consumer purchasing power leading to sharper choices, down trading and down grading.

**Knorr:** The portfolio continued its innovations journey in 2023 as well. The Company further extended the young adults portfolio under noodles category by the introduction of Blazin Jalepeno and Fuzon. Other innovations included Thick and Creamy mayo under Hellman's. Whilst volumes remained under pressure, the Company continued its focus to stay relevant to the consumers by offering value for money propositions through various pack-price architecture interventions.

**Rafhan:** Desserts led the way by delivering strong growth through pricing in response to commodity inflation.

**Food solutions:** The business continued its growth momentum and delivered resilient performance on the back of strong brand equity and high quality products.

**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, the company delivered a gross margin improvement of 60bps to 42.8%, driven mainly by pricing to offset inflation. EPS grew by 22.5%, primarily on the back of growth and higher interest income.

## Operating Results

	2023	2022
	(Rupees in million)	
Sales	34,587	28,309
Gross Profit	14,809	11,949
Profit from Operations	10,473	8,506
Profit before tax	10,353	8,366
Profit after tax	9,744	7,952
EPS-basic (Rs)	1529.68	1248.41

## Dividends

Cumulative interim dividend declared during the year 2023 of Rs 251 per share amounts to Rs 1,599 million (cumulative interim dividend declared during the year 2022 of Rs 287 per share amounted to Rs 1,828 million).

Final Dividend 2023: Rs. 178 per share (2022: Nil 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. 2,026 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.

## Principal Risks and Uncertainties

Sustained high levels of inflation and interest rates continue to impact the cost of doing business while simultaneously eroding purchasing power of consumers. This, together with political uncertainty and geo-political tensions, may lead to a further slowdown in the economy and negative impact on consumer demand.

Moreover, despite the improving FX liquidity situation in the country post the IMF standby arrangement, the structural challenges still persist. Significant debt repayments over the coming years are expected to keep the country's FX reserves under pressure. This may lead to currency devaluation and supply disruptions as import of critical raw materials might be difficult.

## Our People

As a purpose-led, future-fit organization, we firmly believe that people with purpose thrive. We believe meaningful work is everyone's right and we promote 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 better livelihoods, meaningful roles, and equipping them for the future of work.

In 2023, the Company was recognised with multiple accolades globally and locally, as we received the Most Preferred Employer across all Industries and Most Preferred Employer within the FMCG sector at the Best Place to Work Gala 2023. Given its commitment to sustainability, the Company received SDPI's Sustainability Award in the Labor Rights Category and was awarded for the Best Environment, Health, and Safety Practices. The Company also received the E-commerce Company of the Year and FMCG Brand of the Year – Knorr Awards at the Daraz E-commerce Summit 2023.

## 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 97% renewable as of 2023. In 2023, 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
- 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 feel a strong sense of responsibility towards the communities we operate in and strive to uplift the lives of underserved communities through active support for education, livelihoods, and health and wellbeing through fundraising and volunteering activities.

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

## Unilever for Pakistan (PKR 19.2 Million)

In response to the devastating floods in 2022, UPFL undertook significant initiatives to extend emergency relief to the impacted families including distribution of essential supplies such as ration bags, medical aids, prepared meals, and hygiene kits. Recognizing the urgent need for sustainable solutions, UPFL partnered with HANDS and Baitussalam to rehabilitate two villages in Thatta and DG Khan. This project ensured access to resilient housing, renewable energy, clean

water and sanitation (WASH) facilities, and medical services for the villages impacted by floods.

Products including Knorr noodles, soups, Glaxose-D, and Energile were also distributed all over Pakistan to the affectees and underprivileged communities 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.

## Value of investments of employees in retirement funds

UPFL contributed Rs. 16.4 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, 2023 is as follows:

	Rs. in million
Provident Fund	190
Gratuity Fund	52
<b>Total – 2023</b>	<b>242</b>
Total – 2022	247

## 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 therefrom 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

Category	Names
Independent Directors	<ul style="list-style-type: none"> <li>• Mr. Sarfaraz Ahmed Rahman (Chairman of the Board)</li> <li>• Mr. Khalid Mansoor</li> <li>• Mr. Asad Said Jafar</li> </ul>
Executive Directors	<ul style="list-style-type: none"> <li>• Mr. Amir R. Paracha (CEO)</li> <li>• Mr. Aly Yusuf (CFO)</li> <li><b>Resigned w.e.f. 01<sup>st</sup> March 2024</b></li> <li>• Mr. Muhammad Shahzad (CFO)</li> <li><b>Appointed w.e.f. 01<sup>st</sup> March 2024</b></li> </ul>
Female Director	<ul style="list-style-type: none"> <li>• Ms. Asima Haq</li> </ul>
Non-Executive Directors	<ul style="list-style-type: none"> <li>• Mr. Zulfikar Monnoo</li> <li>• Mr. Muhammad Adil Monnoo</li> <li>• Mr. Kamal Monnoo</li> <li>• Mr. Ali Tariq</li> </ul>

### Audit committee

Mr. Khalid Mansoor	Chairman & Member
Mr. Muhammad Adil Monnoo	Member
Mr. Sarfaraz Ahmed Rehman	Member
Mr. Zulfikar Monnoo	Member
Mr. Asad Said Jafar	Member
Ms. Aniq Bawany	Secretary & Head of Internal Audit

### Human Resource & Remuneration Committee

Mr. Asad Said Jafar	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 2023. The term of the present directors will expire on April 19, 2026.

## 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 (Audit Committee & Human Resources and 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.

## Reserve Appropriations

	Share Capital	Reserves				Sub Total	Total
	Issued, subscribed and paid up capital	Capital		Revenue			
		Share Premium	Special	General	Un-appropriated Profit		
	(Rupees in thousand)						
Balance as at January 1, 2023	63,699	1,296,499	628	138	6,153,067	7,450,332	7,514,031
Transactions with owners of the Company - Distribution							
	Total						
First Interim dividend for the year ended December 31, 2023 @ Rs. 72 per share	-	-	-	-	(458,636)	(458,636)	(458,636)
Second Interim dividend for the year ended December 31, 2023 @ Rs. 179 per share	-	-	-	-	(1,140,221)	(1,140,221)	(1,140,221)
	-	-	-	-	(1,598,857)	(1,598,857)	(1,598,857)
Total comprehensive income for the year							
Profit for the year ended December 31, 2023	-	-	-	-	9,744,030	9,744,030	9,744,030
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	485	485	485
	-	-	-	-	9,744,515	9,744,515	9,744,515
Balance as at December 31, 2023	63,699	1,296,499	628	138	14,298,725	15,595,990	15,659,689

## Auditors

The Auditors, KPMG Taseer Hadi & Co., Chartered Accountants, were appointed for the year ended December 31, 2023. The Board has recommended the appointment of KPMG Taseer Hadi & Co. as the Auditors of the Company for the year 2024.

## 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.

## 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 due to sustained high level of inflation and pressure on FX reserves due to upcoming foreign debt servicing. This may continue to affect the purchasing power of consumers.

Despite the above our management team remains committed to overcoming the challenges by driving value for our stakeholders and staying connected to consumers by harnessing the strength of our brand, introducing delightful innovations, continuously striving for value-for-money offerings, and driving cost efficiencies throughout the value chain.

Thanking you all.

On behalf of the Board

**Sarfaraz Ahmed Rehman**

Chairman

Karachi

March 04<sup>th</sup>, 2024

**Amir R. Paracha**

Chief Executive Officer

Karachi

March 04<sup>th</sup>, 2024

## Board Meetings Attendance

During the year 2023, five 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**	1	1
Mr. Sarfaraz Ahmed Rehman	5	5
Mr. Amir R. Paracha	5	5
Mr. Aly Yusuf	5	5
Ms. Asima Haq	5	5
Mr. Zulfikar Monnoo	5	5
Mr. Muhammad Adil Monnoo	5	5
Mr. Kamal Monnoo	5	5
Mr. Asad Said Jafar***	4	4
Mr. Khalid Mansoor	5	5
Mr. Ali Tariq	5	5

**Notes:**

\* Meetings held during the period when concerned Director was on the Board.

\*\* Resigned w.e.f. 19<sup>th</sup> April 2023.

\*\*\* Appointed w.e.f. 20<sup>th</sup> April 2023.

## 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	1	1
Mr. Asad Said Jafar** Member	3	3
Mr. Muhammad Adil Monnoo Member	4	4
Mr. Sarfaraz Ahmed Rehman Member	4	2
Ms. Mariam Farooq Secretary	4	4

**Notes:**

\* Meetings held during the period when concerned Member was in the Committee.

\*\* During the year Mr. Asad Said Jafar was appointed as Member of the Committee in place of Mr. Kamran Y. Mirza with effect from 20<sup>th</sup> April 2023.

### 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 2023. 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	7	7
Mr. Aly Yusuf Member	7	7
Ms. Asima Haq Member	7	7
Mr. Aman Ghanchi Secretary	7	7

### 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. Asad Said Jafar** Chairman	1	1
Mr. Zulfikar Monnoo Member	2	2
Mr. Kamal Monnoo Member	2	2
Mr. Amir R. Paracha Member	2	2
Mr. Sarfaraz Ahmed Rehman Member	2	2
Ms. Kanize Fathema Zuberi Secretary	2	2

### Notes:

\* Meetings held during the period when concerned Member was in the Committee

\*\* Mr. Asad Said Jafar has been appointed as Chairman of the Committee in place of Mr. Kamran Y. Mirza with effect from 20<sup>th</sup> April 2023.

### 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

2023 2022 2021 2020 2019 2018

← (Rupees in thousand) →

## Financial Position

Property, plant and equipment	<b>7,865,480</b>	6,201,699	4,053,993	3,732,128	3,654,460	2,783,549
Other non-current assets	<b>88,192</b>	109,646	132,272	100,559	108,368	130,808
Current assets	<b>23,106,184</b>	14,305,770	6,202,550	3,614,686	3,326,005	3,056,526
Total assets	<b>31,059,856</b>	20,617,115	10,388,815	7,447,373	7,088,833	5,970,883
Share capital	<b>63,699</b>	63,699	63,699	63,699	63,699	63,699
Reserves	<b>15,595,990</b>	7,450,332	2,905,867	2,683,995	2,240,498	1,828,864
Total equity	<b>15,659,689</b>	7,514,031	2,969,566	2,747,694	2,304,197	1,892,563
Non-current liabilities	<b>1,439,548</b>	1,180,771	591,678	410,824	304,680	174,535
Current liabilities	<b>13,960,619</b>	11,922,313	6,827,571	4,288,855	4,479,956	3,903,785
Total liabilities	<b>15,400,167</b>	13,103,084	7,419,249	4,699,679	4,784,636	4,078,320
Total equity and liabilities	<b>31,059,856</b>	20,617,115	10,388,815	7,447,373	7,088,833	5,970,883
Net current assets / (liabilities)	<b>9,145,565</b>	2,383,457	(625,021)	(674,169)	(1,153,951)	(847,259)

## OPERATING AND FINANCIAL TRENDS

### Profit or loss

Net sales	<b>34,586,732</b>	28,309,317	19,820,946	15,572,747	13,291,424	11,898,430
Cost of Sales	<b>(19,777,895)</b>	(16,359,841)	(10,904,750)	(8,894,178)	(7,789,001)	(6,549,353)
Gross profit	<b>14,808,837</b>	11,949,476	8,916,196	6,678,569	5,502,423	5,349,077
Operating profit	<b>10,472,561</b>	8,506,272	5,501,987	4,077,508	2,942,876	2,543,175
Profit before tax	<b>10,353,100</b>	8,366,367	5,422,836	4,054,958	2,807,800	2,495,875
Profit after tax	<b>9,744,030</b>	7,952,403	5,169,477	3,837,412	2,452,938	1,734,457
Cash ordinary dividends	<b>2,763,110</b>	2,594,401	3,564,734	3,390,721	2,021,704	1,490,332

### Cash flows

Operating activities	<b>8,290,059</b>	8,796,759	6,317,887	3,908,226	3,635,518	1,705,568
Investing activities	<b>(1,089,448)</b>	(5,065,465)	(504,685)	(264,533)	(1,064,794)	(1,042,445)
Financing activities	<b>(2,560,877)</b>	(2,019,966)	(3,445,342)	(3,403,137)	(2,057,207)	(251,118)
Cash and cash equivalents at the end of the year	<b>9,648,817</b>	5,009,083	3,297,755	929,895	689,339	175,822

# Performance Indicators for 6 years

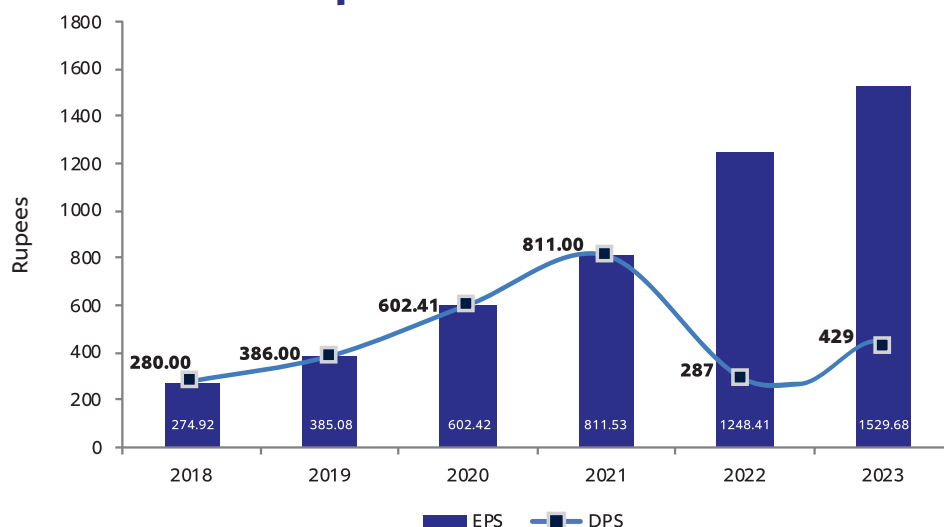
	Unit	2023	2022	2021	2020	2019	2018
<b>FINANCIAL RATIOS</b>							
<b>Profitability Ratios</b>							
Gross Profit Ratio	%	<b>42.82</b>	42.21	44.98	42.89	41.40	44.96
Net Profit to Sales	%	<b>28.17</b>	28.09	26.08	24.64	18.46	14.58
EBITDA margin to sales	%	<b>31.04</b>	30.79	29.09	28.08	23.85	22.87
Operating leverage ratio	Times	<b>1.07</b>	1.27	1.21	2.26	1.34	2.93
Pre Tax return on equity	%	<b>89.35</b>	159.61	189.70	160.53	133.81	240.68
Post tax return on equity	%	<b>84.10</b>	151.71	180.84	151.92	116.90	167.25
Return on captial employed	%	<b>78.74</b>	139.31	173.48	151.20	116.90	167.25
<b>Liquidity Ratios</b>							
Current Ratio	Times	<b>1.66</b>	1.20	0.91	0.84	0.74	0.78
Quick / Acid Test Ratio	Times	<b>1.33</b>	0.94	0.69	0.57	0.51	0.52
Cash to current liabilities	Times	<b>0.69</b>	0.19	0.48	0.22	0.16	0.29
Cash flow from operations to sales	Times	<b>0.24</b>	0.31	0.32	0.25	0.27	0.14
<b>Activity / Operating Performance Ratios</b>							
Inventory turnover ratio	Days	<b>66</b>	47	39	39	44	55
Debtor turnover ratio	Days	<b>11</b>	10	9	16	19	15
Creditor turnover ratio	Days	<b>(204)</b>	(164)	(157)	(171)	(165)	(156)
Total assets turnover ratio	Times	<b>1.11</b>	1.37	1.91	2.09	1.87	1.99
Fixed assets turnover ratio	Times	<b>4.40</b>	4.56	4.89	4.17	3.64	4.27
Operating cycle	Days	<b>(126)</b>	(107)	(109)	(116)	(103)	(87)
<b>Investment / Market Ratios</b>							
Earnings per share (EPS)	Rs.	<b>1,529.68</b>	1,248.41	811.53	602.43	385.08	274.92
Price earning ratio	Times	<b>14.32</b>	19.22	23.41	23.24	19.48	25.92
Dividend yield ratio	Times	<b>0.02</b>	0.01	0.04	0.04	0.05	0.04
Dividend payout ratio - earnings	Times	<b>0.28</b>	0.23	1.00	1.00	1.00	1.02
Dividend payout ratio - par value	Times	<b>42.90</b>	28.70	81.10	60.24	38.60	28.00
Dividend Cover ratio	Times	<b>3.57</b>	4.35	1.00	1.00	1.00	0.98
Cash dividend*	Rs.	<b>429.00</b>	287.00	811.00	602.41	386.00	280.00
Market Value - low	Rs.	<b>17,900</b>	19,267	13,550	6,950	5,170	6,935
Market Value - high	Rs.	<b>24,000</b>	26,000	22,096	15,000	7,625	9,999
Market Value - year end	Rs.	<b>21,900</b>	24,000	19,000	14,000	7,500	7,125
Breakup value per share without surplus on revaluation of fixed assets	Rs.	<b>2,458.37</b>	1,179.61	466.18	431.35	361.73	297.11
<b>Capital Structure Ratios</b>							
Financial leverage ratio	Times	<b>0.06</b>	0.10	0.07	0.01	0.02	0.33
Interest cover ratio	Times	<b>435.00</b>	588.11	695.70	394.46	24.01	79.23

\*This includes interim and proposed final dividend for the year

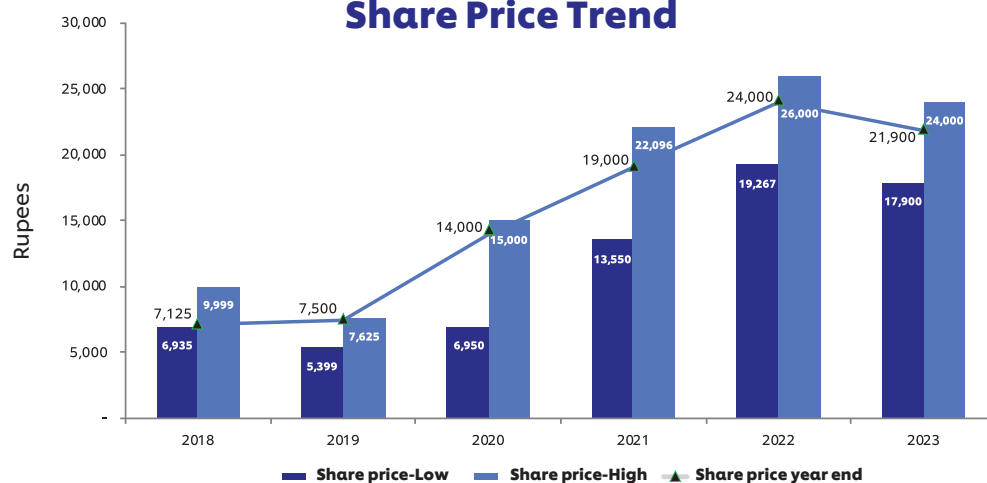


# Performance Indicators for 6 years

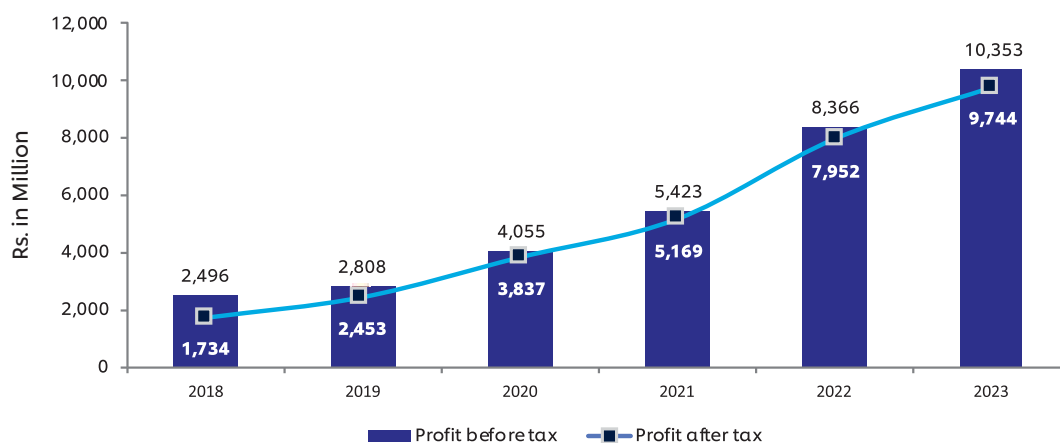
## Comparison of EPS and DPS



## Share Price Trend



## Comparison of PBT and PAT



# Statement of Financial Position

## Horizontal Analysis for 6 years

(Rs. in thousand)

### EQUITY AND LIABILITIES

#### Capital and reserves

	2023 Rs.	23 Vs.22 %	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 %
Share capital	63,699	-	63,699	-	63,699	-	63,699	-	63,699	-	63,699	3.45
Reserves	15,595,990	109.33	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
	15,659,689	108.41	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

#### Non-current liabilities

Retirement benefits - obligation	67,576	27.14	53,150	242.62	15,513	(39.70)	25,727	6.57	24,141	72.44	14,000	49.81
Long term borrowing	557,866	13.59	491,122	191.26	168,619	612.68	23,660	100.00	-	-	-	-
Deferred income - government grant	304,683	36.15	223,780	664.51	29,271	100.00	-	-	-	-	-	-
Lease liabilities	-	-	-	(100.00)	20,571	5215.50	387	100.00	-	(100.00)	24,819	100.00
Deferred taxation	509,423	23.43	412,719	15.38	357,704	(0.93)	361,050	28.70	280,539	106.71	135,716	(33.40)
	1,439,548	21.92	1,180,771	99.56	591,678	44.02	410,824	34.84	304,680	74.57	174,535	(18.11)

#### Current liabilities

Trade and other payables	13,658,132	16.63	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)
Provision	158,294	27.80	123,861	(0.53)	124,524	15.58	107,740	2.56	105,054	96.23	53,536	(11.74)
Accrued interest / mark up	7,000	18.89	5,888	213.86	1,876	202.58	620	(98.21)	34,717	159.26	13,391	485.27
Sales tax payable	-	-	-	-	-	-	-	-	-	-	-	(100.00)
Current portion of deferred income - government grant	62,830	62.38	38,694	1,618.21	2,252	-	-	-	-	-	-	-
Current portion of long term borrowings	74,363	248.01	21,368	100.00	-	-	-	-	-	-	-	-
Current portion of lease liabilities	-	(100.00)	22,252	5,649.87	387	(96.64)	11,519	(62.10)	30,392	0.35	30,287	100.00
Short term borrowings	-	-	-	-	-	-	-	(100.00)	35,217	(96.25)	938,994	60.86
	13,960,619	17.10	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
	31,059,856	50.65	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

### ASSETS

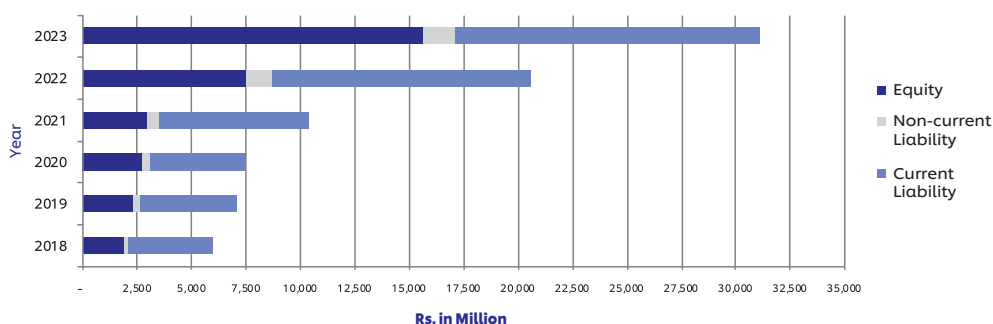
#### Non-current assets

Property, plant and equipment	7,865,480	26.83	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
Right-of-use assets	3,575	(85.72)	25,029	(46.19)	46,511	269.99	12,571	(32.39)	18,594	(46.65)	34,853	100.00
Intangible assets	81,637	-	81,637	-	81,637	-	81,637	-	81,637	-	81,637	-
Long term loans	-	-	-	(100.00)	1,144	(66.06)	3,371	(34.63)	5,157	(54.52)	11,338	(14.14)
Long term deposit and prepayment	2,980	-	2,980	-	2,980	-	2,980	-	2,980	-	2,980	100.00
	7,953,672	26.02	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

#### Current assets

Stores and spares	301,859	52.61	197,796	0.64	196,537	19.62	164,302	16.92	140,520	186.45	49,055	38.39
Stock in trade	4,214,955	44.44	2,918,231	119.76	1,327,888	32.91	999,124	10.72	902,351	(6.30)	963,034	(4.44)
Trade debts	1,118,987	8.67	1,029,752	98.27	519,372	14.09	455,214	(47.57)	868,282	70.49	509,288	16.07
Loans and advances	68,288	160.89	26,175	641.29	3,531	(94.90)	69,256	399.90	13,854	5.70	13,107	7.58
Trade deposits and short term prepayments	121,116	(74.63)	477,329	481.72	82,055	6.02	77,395	437.17	14,408	(57.62)	33,996	(59.80)
Other receivables	155,225	(35.20)	239,536	149.40	96,045	67.02	57,506	79.43	32,050	(32.01)	47,136	143.65
Taxation - net	2,767,828	400.54	552,969	3.06	536,557	(17.30)	648,799	52.22	426,235	61.53	263,869	455.24
Short term investments	3,809,898	(33.99)	5,771,861	100.00	-	-	-	-	-	-	-	-
Cash and bank balances	9,648,817	316.47	2,316,789	(29.75)	3,297,755	254.64	929,895	28.34	724,556	(35.01)	1,114,816	220.76
Sales tax refundable	899,211	15.98	775,332	442.91	142,810	(33.01)	213,195	4.64	203,749	227.44	62,225	100.00
	23,106,184	61.52	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
	31,059,856	50.65	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

### Balance Sheet Analysis - Equity & Liabilities



# Statement of Financial Position

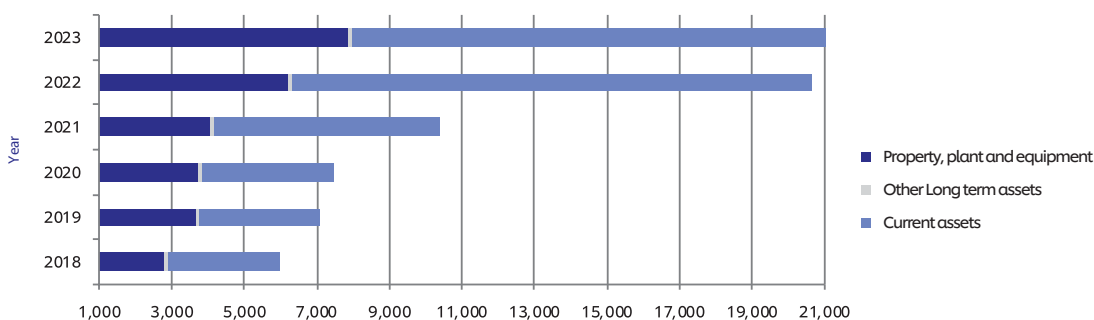
Vertical Analysis for 6 years

(Rs. in thousand)

## EQUITY AND LIABILITIES

	2023		2022		2021		2020		2019		2018	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Capital and reserves												
Share capital	63,699	0.21	63,699	0.31	63,699	0.61	63,699	0.86	63,699	0.90	63,699	1.07
Reserves	15,595,990	50.21	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
	15,659,689	50.42	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
Non-current liabilities												
Retirement benefits - obligation	67,576	0.22	53,150	0.26	15,513	0.15	25,727	0.35	24,141	0.34	14,000	0.23
Long term borrowing	557,866	1.80	491,122	2.38	168,619	1.62	23,660	0.32	-	-	-	-
Deferred income - government grant	304,683	0.98	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	509,423	1.64	412,719	2.00	357,704	3.44	361,050	4.85	280,539	3.96	135,716	2.27
	1,439,548	4.63	1,180,771	5.73	591,678	5.70	410,824	5.52	304,680	4.30	174,535	2.92
Current liabilities												
Trade and other payables	13,658,132	43.97	11,710,250	56.80	6,698,532	64.48	4,168,976	55.98	4,274,576	60.30	2,867,577	48.03
Provision	158,294	0.51	123,861	0.60	124,524	1.20	107,740	1.45	105,054	1.48	53,536	0.90
Accrued interest / mark up	7,000	0.02	5,888	0.03	1,876	0.02	620	0.01	34,717	0.49	13,391	0.22
Current portion of deferred income - government grant	62,830	0.20	38,694	0.19	2,252	0.02	-	-	-	-	-	-
Current portion of long term borrowings	74,363	0.24	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
	13,960,619	44.95	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
	31,059,856	100.00	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
ASSETS												
Non-current assets												
Property, plant and equipment	7,865,480	25.32	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
Right-of-use assets	3,575	0.01	25,029	0.12	46,511	0.45	12,571	0.17	18,594	0.26	34,853	0.58
Intangible assets	81,637	0.26	81,637	0.40	81,637	0.79	81,637	1.10	81,637	1.15	81,637	1.37
Long term loans	-	-	-	-	1,144	0.01	3,371	0.05	5,157	0.07	11,338	0.19
Long term deposit and prepayment	2,980	0.01	2,980	0.01	2,980	0.03	2,980	0.04	2,980	0.04	2,980	0.05
	7,953,672	25.61	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
Current assets												
Stores and spares	301,859	0.97	197,796	0.96	196,537	1.89	164,302	2.21	140,520	1.98	49,055	0.82
Stock in trade	4,214,955	13.57	2,918,231	14.15	1,327,888	12.78	999,124	13.42	902,351	12.73	963,034	16.13
Trade debts	1,118,987	3.60	1,029,752	4.99	519,372	5.00	455,214	6.11	868,282	12.25	509,288	8.53
Loans and advances	68,288	0.22	26,175	0.13	3,531	0.03	69,256	0.93	13,854	0.20	13,107	0.22
Trade deposits and short term prepayments	121,116	0.39	477,329	2.32	82,055	0.79	77,395	1.04	14,408	0.20	33,996	0.57
Other receivables	155,225	0.50	239,536	1.16	96,045	0.92	57,506	0.77	32,050	0.45	47,136	0.79
Taxation - net	2,767,828	8.91	552,969	2.68	536,557	5.16	648,799	8.71	426,235	6.01	263,869	4.42
Short term investments	3,809,898	12.27	5,771,861	28.00	-	-	-	-	-	-	-	-
Cash and bank balances	9,648,817	31.07	2,316,789	11.24	3,297,755	31.74	929,895	12.49	724,556	10.22	1,114,816	18.67
Sales tax refundable	899,211	2.90	775,332	3.76	142,810	1.37	213,195	2.86	203,749	2.87	62,225	1.04
	23,106,184	74.39	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
	31,059,856	100.00	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

## Statement of Financial Position Analysis - Assets



# Profit or Loss Account and Other Comprehensive Income

## Horizontal Analysis for 6 years

(Rs. in thousand)

	2023 Rs.	23vs 22 %	2022 Rs.	22vs 21 %	2021 Rs.	21vs 20 %	2020 Rs.	20 vs 19 %	2019 Rs.	19 vs 18 %	2018 Rs.	18 vs 17 %
Sales	34,586,732	22.17	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
Cost of sales	(19,777,895)	20.89	(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
Gross profit	14,808,837	23.93	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
Distribution cost	(5,207,545)	40.66	(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
Administrative expenses	(882,274)	58.65	(556,120)	14.42	(486,020)	7.90	(450,428)	15.02	(391,596)	24.16	(315,392)	4.17
Other operating expenses	(684,420)	21.15	(564,935)	52.18	(371,223)	29.84	(285,906)	60.56	(178,067)	25.39	(142,016)	3.26
Other income	2,437,963	76.64	1,380,154	386.98	283,410	(33.85)	428,421	40.77	304,339	(11.04)	342,115	68.72
Profit from operations	10,472,561	23.12	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
Finance costs	(119,461)	(14.61)	(139,905)	76.76	(79,151)	90.65	(41,517)	(69.26)	(135,076)	185.57	(47,300)	81.78
Profit before taxation	10,353,100	23.75	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
Taxation	(609,070)	47.13	(413,964)	63.39	(253,359)	16.46	(217,546)	(38.70)	(354,862)	(53.39)	(761,418)	34.76
Profit after taxation	9,744,030	22.53	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
Other comprehensive income/(loss)	485	(102.54)	(19,124)	(1,767.31)	1,147	(74.96)	4,581	256.08	(2,935)	(10,970)	27	(100.54)
Total comprehensive income	9,744,515	22.83	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

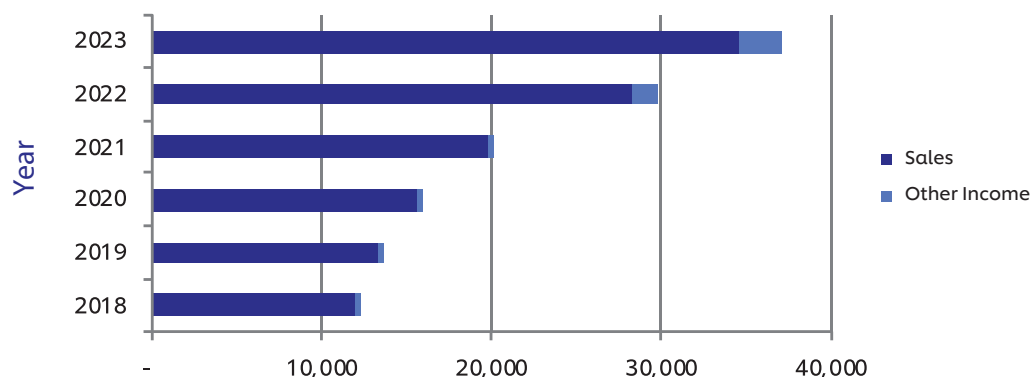
## Vertical Analysis for 6 years

(Rs. in thousand)

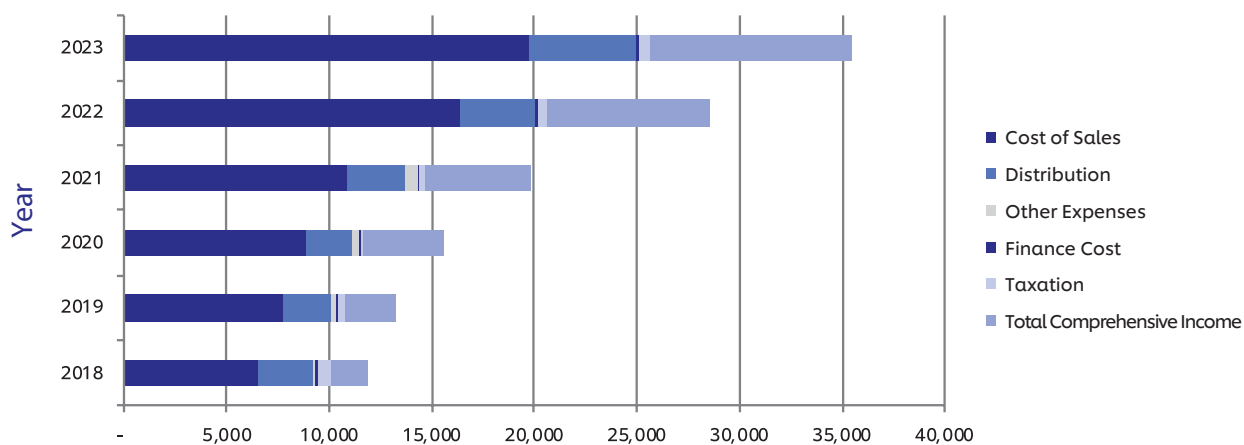
Sales	34,586,732	100.00	28,309,317	100.00	19,820,946	100.00	15,572,747	100.00	13,291,424	100.00	11,898,430	100.00
Cost of sales	(19,777,895)	(57.18)	(16,359,841)	(57.79)	(10,904,750)	(55.02)	(8,894,178)	(57.11)	(7,789,001)	(58.60)	(6,549,353)	(55.04)
Gross profit	14,808,837	42.82	11,949,476	42.21	8,916,196	44.98	6,678,569	42.89	5,502,423	41.40	5,349,077	44.96
Distribution cost	(5,207,545)	(15.06)	(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)
Administrative expenses	(882,274)	(2.55)	(556,120)	(1.96)	(486,020)	(2.45)	(450,428)	(2.89)	(391,596)	(2.95)	(315,392)	(2.65)
Other operating expenses	(684,420)	(1.98)	(564,935)	(2.00)	(371,223)	(1.87)	(285,906)	(1.84)	(178,067)	(1.34)	(142,016)	(1.19)
Other operating income	2,437,963	7.05	1,380,154	4.88	283,410	1.43	428,421	2.75	304,339	2.29	342,115	2.88
Profit from operations	10,472,561	30.28	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
Finance cost	(119,461)	(0.35)	(139,905)	(0.49)	(79,151)	(0.40)	(41,517)	(0.27)	(135,076)	(1.02)	(47,300)	(0.40)
Profit before taxation	10,353,100	29.93	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
Taxation	(609,070)	(1.76)	(413,964)	(1.46)	(253,359)	(1.28)	(217,546)	(1.40)	(354,862)	(2.67)	(761,418)	(6.40)
Profit after taxation	9,744,030	28.17	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
Other comprehensive income/(loss)	485	0.00	(19,124)	(0.07)	1,147	0.01	4,581	0.03	(2,935)	(0.02)	27	0.00
Total comprehensive income	9,744,515	28.17	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

# Graphical Analysis

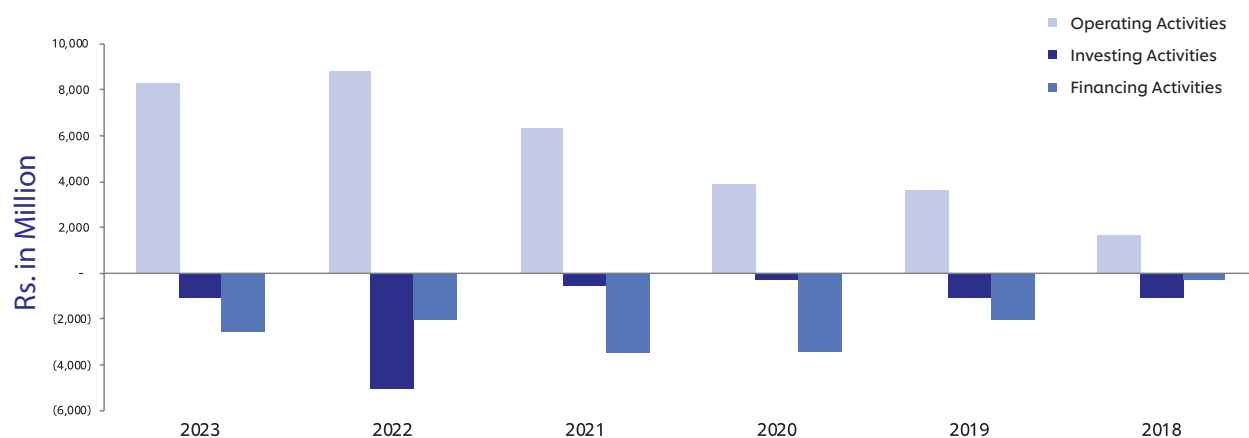
## Profit or Loss Analysis - Income



## Profit or Loss Analysis - Expenses



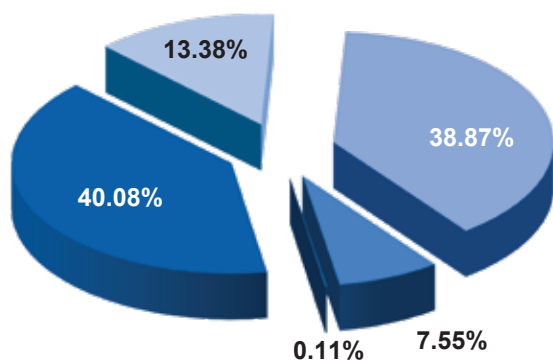
## Cash Flows Analysis



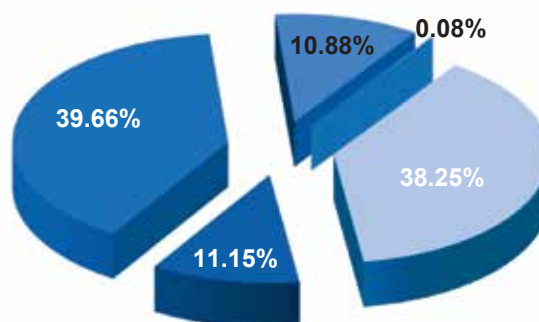
## Statement of Wealth Generated and Distributed

	2023 Rs. in thousand	2022 Rs. in thousand
Total Revenue inclusive of sales tax and other Income	43,639,482	34,806,371
Brought-in-materials and services	(22,470,750)	(17,974,997)
	<u>21,168,732</u>	<u>16,831,374</u>
To Employees	2,833,312	1,876,823
To Government	8,228,974	6,674,799
To Shareholders	1,598,857	1,828,176
To Providers of Capital	23,855	14,250
Retained for reinvestment & future growth	8,483,734	6,437,326
Total	<u>21,168,732</u>	<u>16,831,374</u>

UPFL - WEALTH DISTRIBUTION 2023



UPFL - WEALTH DISTRIBUTION 2022



# Pattern of Shareholding

As at December 31, 2023

Number of Shareholders	Shareholdings' Slab		Total Shares Held
	From	To	
732	1	100	19,896
92	101	500	18,230
16	501	1,000	10,183
19	1,001	5,000	37,138
2	5,001	10,000	12,578
2	10,001	15,000	25,158
2	15,001	20,000	38,016
2	25,001	30,000	59,751
3	30,001	35,000	103,381
2	35,001	40,000	74,390
2	45,001	50,000	99,780
2	50,001	55,000	105,915
1	70,001	75,000	70,085
2	75,001	80,000	154,021
1	80,001	85,000	80,344
2	95,001	100,000	198,461
1	115,001	120,000	117,786
1	125,001	130,000	129,028
1	135,001	140,000	139,515
1	4,875,001	4,880,000	4,876,294
<b>886</b>			<b>6,369,950</b>

Categories of Shareholders	Number of Shareholders	Number of Shares Held	Percentage
Associated Companies, undertakings and related parties	1	4,876,294	76.55
Directors, CEO and their spouse(s) and minor children	11	396,415	6.22
Public Sector Companies and Corporations	2	64	0.00
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	4	1,306	0.02
<b>Executives</b>	1	30	0.00
<b>General Public</b>			
a. Local	821	1,088,990	17.10
b. Foreign	25	645	0.01
Foreign Companies	1	2,460	0.04
Others	20	3,746	0.06
<b>Totals</b>	<b>886</b>	<b>6,369,950</b>	<b>100.00</b>

## Shareholders holding 5% or more :

	Shares Held	Percentage
CONOPCO, INC.	4,876,294	76.55

## Pattern of Shareholding Additional Information

As at December 31, 2023

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

Shareholders' 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. Amir R. Paracha	1	1
Mr. Aly Yusuf	1	1
Ms. Asima Haq	1	1
Mr. Zulfiqar Monnoo	1	159,173
Mr. Mohammad Adil Monnoo	1	112,184
Mr. Kamal Monnoo	1	119,434
Mr. Sarfaraz Ahmed Rehman	1	1
Mr. Asad Said Jafar	1	1
Mr. Ali Tariq	1	1
Mr. Khalid Mansoor	1	1
Mrs. Sarwat Zulfikar W/o Mr. Zulfiqar Monnoo	1	5,617
iii) Public Sector Companies and Corporations	2	64
iv) Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds	4	1,306
v) Shareholders holding 5% or more voting rights (name wise details)		
CONOPCO, INC.	1	4,876,294

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

During January 01, 2023 to December 31, 2023

S.No.	Name	Acquired during the year
1.	Mr. Asad Said Jafar	1
2.	Mr. Kamal Monnoo	1,400



# Statement of Compliance with the Code of Corporate Governance

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

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

Category	Names
Independent Directors	<ul style="list-style-type: none"> <li>Mr. Sarfaraz Ahmed Rehman (Chairman of the Board)</li> <li>Mr. Khalid Mansoor</li> <li>Mr. Asad Said Jafar</li> </ul>
Executive Director	<ul style="list-style-type: none"> <li>Mr. Amir R. Paracha (CEO)</li> <li>Mr. Aly Yusuf (CFO) <b>Resigned w.e.f. 01<sup>st</sup> March 2024</b></li> <li>Mr. Muhammad Shahzad (CFO) <b>Appointed w.e.f. 01<sup>st</sup> March 2024</b></li> </ul>
Female Directors	<ul style="list-style-type: none"> <li>Ms. Asima Haq</li> </ul>
Non-Executive Directors	<ul style="list-style-type: none"> <li>Mr. Zulfikar Monnoo</li> <li>Mr. Adil Monnoo</li> <li>Mr. Kamal Monnoo</li> <li>Mr. Ali Tariq</li> </ul>

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. 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.
5. 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.
6. 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.
7. 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.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. All the Directors of the Company has completed Directors Training Program.
10. 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.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

- a) Audit Committee
  - Mr. Khalid Mansoor
  - Mr. Asad Said Jafar
  - Mr. Zulfikar Monnoo
  - Mr. Muhammad Adil Monnoo
  - Mr. Sarfaraz Ahmed Rehman
- b) HR and Remuneration Committee
  - Mr. Asad Said Jafar
  - Mr. Zulfikar Monnoo
  - Mr. Kamal Monnoo
  - Mr. Sarfaraz Ahmed Rehman
  - Mr. Amir R. Paracha

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
  - a) Audit Committee- 04 Meetings during the year
  - b) HR and Remuneration Committee- 02 Meetings during the year
15. The Board has co-sourced the internal audit function to A. F. Ferguson & Co (a member firm of PricewaterHouseCoopers), BDO Ebrahim & Co., Ernst & Young & Yousuf Adil who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under 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.
17. 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.
18. 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

**Sarfaraz Ahmed Rehman**  
Chairman

Karachi  
March 04, 2024

# 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 2023 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 2023.

KPMG Taseer Hadi & Co.

Chartered Accountants

**Date: March 7, 2024**

**Karachi**

**UDIN: CR202310102IEOTK9vof**

# FINANCIAL STATEMENTS 2023







# 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 2023**, 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 material accounting policy information 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 2023 and of the profit and other comprehensive income, 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.	<b>Revenue Recognition</b>	
	<p>Refer notes 4.18 and 26 to the financial statements.</p> <p>The Company is engaged in the manufacturing and sale of consumer and commercial food products. The Company recognized net revenue of Rs. 34.59 billion from the sale of food products for the year ended 31 December 2023.</p> <p>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.</p>	<p>Our audit procedures in respect of recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents;</li> <li>• 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;</li> <li>• 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;</li> <li>• 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;</li> <li>• Assessing the appropriateness of accounting policy for revenue recognition and comparing with the applicable accounting and reporting standards; and</li> <li>• Assessing the adequacy of disclosures related to revenue as required under the accounting and reporting standards as applicable in Pakistan.</li> </ul>

S. No.	Key audit matters	How the matters were addressed in our audit
2.	<b>Valuation of stock-in-trade</b>	
	<p>Refer notes 4.8 &amp; 10 to the financial statements.</p> <p>As at 31 December 2023, stock in trade, comprising of raw and packing material, work in process and finished goods is stated at Rs. 4.21 billion. Stock in trade is measured at the lower of cost and net realizable value.</p> <p>We identified valuation of stock in trade as a key audit matter due to its size, representing 13.57% of the total assets of the Company as at 31 December 2023 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.</p>	<p>Our audit procedures in respect of valuation of stock-in-trade, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Observing condition of stock in trade in attendance at inventory counts;</li> <li>• 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</li> <li>• 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.</li> </ul>

### 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:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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, 2024**

**Karachi**

**UDIN: AR202310102GyO4sjBf3**

**KPMG Taseer Hadi & Co.**

Chartered Accountants



# Statement of Financial Position

As at December 31, 2023

	Note	2023	2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	7,865,480	6,201,699
Right-of-use asset	7.1	3,575	25,029
Intangible assets	8	81,637	81,637
Long term deposits		2,980	2,980
		<b>7,953,672</b>	<b>6,311,345</b>
<b>Current assets</b>			
Stores and spares	9	301,859	197,796
Stock-in-trade	10	4,214,955	2,918,231
Trade debts - net	11	1,118,987	1,029,752
Loans and advances	12	68,288	26,175
Trade deposits and short term prepayments	13	121,116	477,329
Other receivables	14	155,225	239,536
Sales tax refundable - net		899,211	775,332
Taxation - net		2,767,828	552,969
Short term investments	15	3,809,898	5,771,861
Cash and bank balances	16	9,648,817	2,316,789
		<b>23,106,184</b>	<b>14,305,770</b>
<b>Total assets</b>		<b>31,059,856</b>	<b>20,617,115</b>

← (Rupees in thousand) →

# Statement of Financial Position

As at December 31, 2023

	Note	2023	2022
<b>EQUITY AND LIABILITIES</b>			
← (Rupees in thousand) →			
<b>Share capital and reserves</b>			
Share capital	17	63,699	63,699
Reserves	18	15,595,990	7,450,332
<b>Total equity</b>		<b>15,659,689</b>	<b>7,514,031</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Staff retirement benefits	19	67,576	53,150
Long term borrowings	20.1	557,866	491,122
Deferred income - government grant	20.2	304,683	223,780
Deferred taxation	21	509,423	412,719
		<b>1,439,548</b>	<b>1,180,771</b>
<b>Current liabilities</b>			
Trade and other payables	22	12,587,327	9,475,192
Current portion of deferred income - government grant	20.2	62,830	38,694
Current portion of lease liabilities	7.3	-	22,252
Current portion of long term borrowings	20.1	74,363	21,368
Provisions	23	158,294	123,861
Unpaid dividend		1,039,106	2,205,067
Unclaimed dividend		31,699	29,991
Accrued interest / mark up		7,000	5,888
		<b>13,960,619</b>	<b>11,922,313</b>
<b>Total liabilities</b>		<b>15,400,167</b>	<b>13,103,084</b>
<b>Total equity and liabilities</b>		<b>31,059,856</b>	<b>20,617,115</b>
<b>Contingencies and commitments</b>			
	25		

The annexed notes 1 to 45 form an integral part of these financial statements.

**Amir R. Paracha**  
Chief Executive Officer

**Asima Haq**  
Director

**Muhammad Shahzad**  
Director and Chief Financial Officer

# Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2023

	Note	2023 ← (Rupees in thousand) →	2022
Sales - net	26	34,586,732	28,309,317
Cost of sales	27	(19,777,895)	(16,359,841)
Gross profit		14,808,837	11,949,476
Distribution costs	28	(5,207,545)	(3,702,303)
Administrative expenses	29	(882,274)	(556,120)
Other operating expenses	30	(684,420)	(564,935)
Other income	31	2,437,963	1,380,154
Operating profit		10,472,561	8,506,272
Finance costs	32	(119,461)	(139,905)
Profit before taxation		10,353,100	8,366,367
Taxation	33	(609,070)	(413,964)
Profit after taxation		9,744,030	7,952,403
Other comprehensive income which will not be reclassified to the profit or loss in subsequent periods:			
"Gain/ (loss) on remeasurements of post employment defined benefit obligation"	19.8	795 (310)	(28,831) 9,707
Impact of deferred tax		485	(19,124)
		9,744,515	7,933,279
Total comprehensive income			
Basic and diluted earnings per share	34	1,529.68	1,248.41

The annexed notes 1 to 45 form an integral part of these financial statements.

**Amir R. Paracha**

Chief Executive Officer

**Asima Haq**

Director

**Muhammad Shahzad**

Director and Chief Financial Officer

# Statement of Changes in Equity

For the year ended December 31, 2023

	Share Capital	Reserves					Total
		Capital		Revenue		Sub Total	
	Issued, subscribed and paid up capital	Share premium	Special	General	Unappropriated profit		
	<div>← (Rupees in thousand) →</div>						
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 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)
<i>Total comprehensive income for the year</i>							
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
<b>Balance as at December 31, 2022</b>	<b>63,699</b>	<b>1,296,499</b>	<b>628</b>	<b>138</b>	<b>6,153,067</b>	<b>7,450,332</b>	<b>7,514,031</b>
Transactions with owners of the Company - Distribution							
First Interim dividend for the year ended December 31, 2023 @ Rs. 72 per share	-	-	-	-	(458,636)	(458,636)	(458,636)
Second Interim dividend for the year ended December 31, 2023 @ Rs. 179 per share	-	-	-	-	(1,140,221)	(1,140,221)	(1,140,221)
	-	-	-	-	(1,598,857)	(1,598,857)	(1,598,857)
<i>Total comprehensive income for the year</i>							
Profit for the year ended December 31, 2023	-	-	-	-	9,744,030	9,744,030	9,744,030
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	485	485	485
	-	-	-	-	9,744,515	9,744,515	9,744,515
<b>Balance as at December 31, 2023</b>	<b>63,699</b>	<b>1,296,499</b>	<b>628</b>	<b>138</b>	<b>14,298,725</b>	<b>15,595,990</b>	<b>15,659,689</b>

The annexed notes 1 to 45 form an integral part of these financial statements.

**Amir R. Paracha**  
Chief Executive Officer

**Asima Haq**  
Director

**Muhammad Shahzad**  
Director and Chief Financial Officer

# Statement of Cash Flows

For the year ended December 31, 2023

	Note	2023 ← (Rupees in thousand) →	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		10,353,100	8,366,367
<b>Adjustments for:</b>			
Depreciation on property, plant and equipment	6.2	338,561	313,099
Depreciation on right-of-use asset	7.2	21,454	21,482
Loss on disposal of property, plant and equipment	31	-	61
Provision for staff retirement benefits	19.7	15,221	8,806
Provision for impairment of property, plant and equipment - net	27	23,736	71,489
Mark-up on long term borrowings and leases	32	23,855	14,250
Return on short term investments held at fair value through profit or loss	31	(732,003)	(121,374)
Return on savings accounts	31	(934,958)	(425,083)
		(1,244,134)	(117,270)
		9,108,966	8,249,097
<b>Changes in working capital:</b>			
Stores and spares		(104,063)	(1,259)
Stock in trade - net		(1,296,724)	(1,590,343)
Trade debts		(89,235)	(510,380)
Loans and advances		(42,113)	(22,644)
Trade deposits and short term prepayments		356,213	(395,274)
Sales tax refundable		(123,879)	(632,522)
Other receivables		84,311	(143,491)
Trade and other payables		3,100,425	4,217,305
Provisions		34,433	(663)
		1,919,368	920,729
Cash generated from operations (carried forward)		11,028,334	9,169,826

# Statement of Cash Flows

For the year ended December 31, 2023

	Note	2023 (Rupees in thousand)	2022
Cash generated from operations (brought forward)		11,028,334	9,169,826
Mark up paid		(22,450)	(8,557)
Income tax paid		(2,715,825)	(365,654)
Decrease in long term loans		-	1,144
<b>Net cash generated from operating activities</b>		<b>8,290,059</b>	<b>8,796,759</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(2,026,078)	(2,533,925)
Proceeds from disposal of property, plant and equipment		-	1,570
Short term investments made during the year held at fair value through profit or loss		1,672	(2,958,193)
Return received on savings accounts	31	934,958	425,083
<b>Net cash used in investing activities</b>		<b>(1,089,448)</b>	<b>(5,065,465)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease liability payments		(22,545)	(387)
Proceeds from long term financing		246,146	574,822
Repayment of long term loan		(21,368)	-
Dividends paid		(2,763,110)	(2,594,401)
Net cash used in financing activities		(2,560,877)	(2,019,966)
Net increase in cash and cash equivalents		4,639,734	1,711,328
Cash and cash equivalents at beginning of the year		5,009,083	3,297,755
Cash and cash equivalents at end of the year	42	9,648,817	5,009,083

The annexed notes 1 to 45 form an integral part of these financial statements.

**Amir R. Paracha**  
Chief Executive Officer

**Asima Haq**  
Director

**Muhammad Shahzad**  
Director and Chief Financial Officer



# Notes to and forming part of the Financial Statements

For the year ended December 31, 2023

## 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 Raffhan, Knorr, Energile, Glaxose-D, Hellmann 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

- 6th Floor, 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;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are 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 and IFAS, 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

The following amendments to published standards are mandatory for the financial year beginning on 1 January 2023 and are relevant to the Company.

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 The IASB amended

IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

The amendments had no significant impact on the Company's financial statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no significant impact on the Company's 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 Standards) 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 2024:

- 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).
- Lack of Exchangeability (amendments to IAS 21) clarify:
  - when a currency is exchangeable into another currency; and
  - how a company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.
- 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. MATERIAL ACCOUNTING POLICIES

The material 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.

#### 4.2.1 Ijarah

In ijarah transactions' significant portion of the risks and rewards of ownership are retained by the lessor. Islamic Financial Accounting Standard 2 - 'Ijarah' requires the recognition of 'ujrah payments' (lease rentals) against ijarah financing as an expense in the statement of profit or loss on a straight-line basis over the ijarah term.

### 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 consolidated 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, 2023, 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, 2023.

#### 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 cashflow, cash and cash equivalents comprise cash in hand, with banks on current and savings accounts, deposit accounts, investments 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 as 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 measured based on the 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 19 to the financial statements for valuation of present value of defined benefit obligations and fair value of plan assets, based on actuarial advice.

#### 5.3 Provisions

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.

#### 5.4 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.

### 6. PROPERTY, PLANT AND EQUIPMENT

	Note	2023 (Rupees in thousand)	2022
Operating assets	6.1	3,783,542	3,633,459
Capital work in progress - at cost	6.3	4,081,938	2,568,240
		<u>7,865,480</u>	<u>6,201,699</u>

## 6.1 Operating assets

	Freehold land	Building on freehold land	Leasehold improvements	Plant and machinery	Electrical, mechanical and office equipment	Furniture and fittings	Motor vehicles	Total
	(Rupees in thousand)							
Net carrying valuebasis								
Year ended December 31, 2023								
Opening Net Book Value (NBV)	8,179	1,067,482	-	2,436,982	91,909	28,907	-	3,633,459
Additions (at cost)	-	148,899	-	361,830	422	1,229	-	512,380
Depreciation charge (note 6.2)	-	(38,392)	-	(288,974)	(8,042)	(3,153)	-	(338,561)
Provision for impairment of fixed assets	-	-	-	(23,222)	(514)	-	-	(23,736)
Closing NBV	8,179	1,177,989	-	2,486,616	83,775	26,983	-	3,783,542
Gross carrying valuebasis								
At December 31, 2023								
Cost	8,179	1,534,422	14,918	4,570,388	188,326	54,503	38	6,370,774
Provision for impairment of fixed assets	-	(39,995)	-	(148,329)	(4,732)	(2,593)	-	(195,649)
Accumulated depreciation	-	(316,438)	(14,918)	(1,935,443)	(99,819)	(24,927)	(38)	(2,391,583)
Closing NBV	8,179	1,177,989	-	2,486,616	83,775	26,983	-	3,783,542
Net carrying valuebasis								
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)
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 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								
Cost	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
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	2023 (Rupees in thousand)	2022
Cost of sales	27	<b>328,406</b>	303,706
Distribution costs	28	<b>6,770</b>	6,262
Administrative expenses	29	<b>3,385</b>	3,131
		<b>338,561</b>	313,099

**6.3 Capital work in progress – at cost**

Plant and machinery	<b>3,563,490</b>	2,261,192
Civil works	<b>224,068</b>	156,389
Advances to suppliers	<b>294,380</b>	150,659
	<b>4,081,938</b>	2,568,240

**6.4 Particulars of immovable asset of the Company are as follows**

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

**7. LEASES**

**7.1 Right-of-use asset**

	Note	Building	Plant and Machinery	Total
		← (Rupees in Thousand) →		
As at December 31, 2021		46,482	29	<b>46,511</b>
Depreciation expense	7.2	(21,453)	(29)	<b>(21,482)</b>
As at December 31, 2022		25,029	-	<b>25,029</b>
Depreciation expense	7.2	(21,454)	-	<b>(21,454)</b>
As at December 31, 2023		3,575	-	<b>3,575</b>

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

	Note	2023 (Rupees in thousand)	2022
Cost of sales	27	-	29
Distribution costs	28	<b>21,454</b>	21,453
		<b>21,454</b>	21,482



### 7.3 Lease Liabilities

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

	Note	2023 (Rupees in thousand)	2022
As at January 1		22,252	20,958
Accretion of interest	32	293	1,681
Payments		(22,545)	(387)
As at December 31		-	22,252

7.3.1 The Company has used incremental borrowing rate of 8.2% (2022: 8.2%) as its discount rate.

### 8. INTANGIBLE ASSETS

	2023 (Rupees in thousand)	2022
<b>Gross carrying value basis</b>		
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.

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 6.5%. 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% (2022: 15.89%), 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. STORES AND SPARES

	2023 (Rupees in thousand)	2022
Stores	64,286	24,660
Spares	246,257	184,515
	310,543	209,175
Provision for obsolescence	(8,684)	(11,379)
	301,859	197,796

**10. STOCK-IN-TRADE**

	Note	2023 (Rupees in thousand)	2022
Raw and packing materials (including in transit Rs. 82.14 million; 2022: Rs. 84.2 million)		<b>2,585,813</b>	1,823,031
Provision for obsolescence	10.2	<b>(128,237)</b>	(50,520)
		<b>2,457,576</b>	1,772,511
Work in process		<b>44,380</b>	36,976
Finished goods		<b>1,744,113</b>	1,175,089
Provision for obsolescence	10.2	<b>(31,114)</b>	(66,345)
		<b>1,712,999</b>	1,108,744
		<b>4,214,955</b>	2,918,231

**10.1** Stock in trade includes Rs. 1,859.23 million (2022: Rs. 1,263.07 million) held with third parties.

**10.2** The Company made a provision of Rs 116.65 million (2022: Rs. 114.77 million) for obsolescence and has written off inventory of Rs. 74.17 million (2022: Rs. 85.41 million) by utilizing the provision during the year.

<b>11. TRADE DEBTS - net</b>	Note	2023 (Rupees in thousand)	2022
Trade debts		<b>1,183,568</b>	1,115,219
Allowance for impairment	11.1	<b>(64,581)</b>	(85,467)
		<b>1,118,987</b>	1,029,752

**11.1** The Company has charged a provision of Rs. 55.2 million (2022: Rs. 3.7 million) and has written off debtors of Rs. 76.1 million (2022: Rs. 5.1 million) during the year .

<b>12. LOANS AND ADVANCES</b>		2023 (Rupees in thousand)	2022
Considered good		-	438
Current portion of loans to executives		<b>68,288</b>	25,737
Advances to suppliers		<b>68,288</b>	26,175

<b>13. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>	Note	2023 (Rupees in thousand)	2022
Trade deposits	13.1	<b>48,180</b>	440,801
Prepayments	13.2	<b>72,936</b>	36,528
		<b>121,116</b>	477,329

**13.1** This majorly consists of cash margin on imports kept with commercial banks and deposits with custom authorities.

**13.2** This majorly consists of media bulk discount on airing TV commercials and prepaid insurance.

#### 14. OTHER RECEIVABLES

	Note	2023 (Rupees in thousand)	2022
Workers' Profit Participation Fund	14.1	67,603	35,890
Others		87,622	203,646
		<b>155,225</b>	<b>239,536</b>

#### 14.1 Workers' Profits Participation Fund

	2023 (Rupees in thousand)	2022
Balance as at January 1	35,890	(2,229)
Allocation for the year	(487,186)	(398,106)
	<b>(451,296)</b>	<b>(400,335)</b>
Payments during the year	518,899	436,225
Balance as at December 31	<b>67,603</b>	<b>35,890</b>

#### 15. SHORT TERM INVESTMENTS

	2023 (Rupees in thousand)	2022
At amortised cost	15.1	-
At fair value through profit or loss	15.2	2,692,294
	<b>3,809,898</b>	<b>3,079,567</b>
	<b>3,809,898</b>	<b>5,771,861</b>

**15.1** This represents investment in government treasury bills with a maturity upto three months in the prior period. This includes accrued interest amounting to Rs. Nil (2022: 79.75 million).

**15.2** Investments - fair value through profit or loss:

Name of fund	At December 31, 2022	Purchased / (Redeemed) during the year	Units reinvested during the year	At December 31, 2023
	(Units in thousand)			
UBL Liquidity Plus Fund	2,075	296	407	2,778
HBL Cash Fund	3,082	2,352	888	6,322
NBP Money Market Fund	68,223	(20,184)	7,784	55,823
MCB Cash Optimizer	12,077	(9,243)	1,840	4,674
Meezan Cash Fund	8,375	7,000	2,419	17,794
ABL Cash Fund	22,233	(19,421)	846	3,658
HBL Money Market Fund	-	1,673	275	1,948
NBP Cash Plan II	-	32,500	4,040	36,540
UBL Cash Fund	-	1,118	447	1,565
Alhamra Islamic Money Market Fund	-	1,407	128	1,535
	<b>116,065</b>	<b>(2,502)</b>	<b>19,074</b>	<b>132,637</b>

	Cost at December 31, 2023	Fair value at December 31, 2023	Unrealised gain at December 31, 2023
(Units in thousand)			
UBL liquidity Plus fund	280,922	282,101	1,179
HBL cash fund	641,068	652,446	11,378
NBP money market fund	554,461	558,669	4,208
MCB cash optimizer	435,090	475,555	40,465
Meezan Cash fund	889,681	889,681	-
ABL Cash Fund	35,073	37,515	2,442
HBL Money Market Fund	200,306	221,829	21,523
NBP Cash Plan II	361,587	365,791	4,204
UBL Cash Fund	157,212	173,612	16,400
Alhamra Islamic Money Market Fund	152,699	152,699	-
	<b>3,708,099</b>	<b>3,809,898</b>	<b>101,799</b>

## 16. CASH AND BANK BALANCES

	Note	2023 (Rupees in thousand)	2022
With banks on:			
- savings accounts	16.1	<b>9,018,927</b>	2,091,029
- current accounts		<b>629,808</b>	225,729
		<b>9,648,735</b>	2,316,758
Cash in hand		<b>82</b>	31
		<b>9,648,817</b>	2,316,789

**16.1** Savings accounts carry markup at rates ranging from 15.54% to 20.5% per annum (2022: 9.44% to 15.54% per annum).

## 17. SHARE CAPITAL

### Authorised share capital

2023 (Number of shares)	2022		2023 (Rupees in thousand)	2022
<b>20,000,000</b>	20,000,000	Ordinary shares of Rs. 10 each	<b>200,000</b>	200,000

### Issued, subscribed and paid up capital

		Ordinary shares of Rs. 10 each allotted:		
<b>1,451,659</b>	1,451,659	for consideration paid in cash	<b>14,516</b>	14,516
<b>24,196</b>	24,196	for consideration other than cash	<b>242</b>	242
<b>4,894,095</b>	4,894,095	as bonus shares	<b>48,941</b>	48,941
<b>6,369,950</b>	6,369,950		<b>63,699</b>	63,699

**17.1** As at December 31, 2023, Conopco Inc. USA, subsidiary of Unilever P.L.C., held 4.88 million (2022: 4.88 million) ordinary shares of Rs. 10 each.

**17.2** All shares carry equal voting rights.

## 18. RESERVES

	Note	2023 (Rupees in thousand)	2022
<b>Capital reserves</b>			
- Share premium	18.1	1,296,499	1,296,499
- Special		628	628
		<b>1,297,127</b>	1,297,127
<b>Revenue reserves</b>			
- General		138	138
- Unappropriated profit		14,298,725	6,153,067
		<b>14,298,863</b>	6,153,205
		<b>15,595,990</b>	7,450,332

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

## 19. STAFF RETIREMENT BENEFITS

**19.1** 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, 2023.

**19.2** 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.

**19.3** The latest actuarial valuation of the Fund as at December 31, 2023 was carried out using the 'Projected Unit Credit Method'. Details of the Fund as per the actuarial valuation are as follows:

	Note	2023 (Rupees in thousand)	2022
<b>19.4 Reconciliation</b>			
Present value of defined benefit obligation at December 31	19.5	(119,994)	(99,708)
Fair value of plan assets at December 31	19.6	52,418	46,558
Deficit		<b>(67,576)</b>	(53,150)
<b>19.5 Movement in the present value of defined benefit obligation</b>			
Balances as at January 1		99,708	62,794
Benefits paid by the plan		(5,138)	(127)
Current service costs		8,578	6,246
Interest cost		13,114	8,108
Remeasurement on obligation		3,732	22,687
Balance as at December 31		<b>119,994</b>	99,708

	Note	2023 (Rupees in thousand)	2022
<b>19.6 Movement in the fair value of plan assets</b>			
Fair value of plan assets at January 1		<b>46,558</b>	47,281
Benefits paid by the plan		<b>(5,138)</b>	(127)
Interest income		<b>6,471</b>	5,548
Remeasurement on plan assets		<b>4,527</b>	(6,144)
Fair value of plan assets at December 31		<b>52,418</b>	46,558
<b>19.7 Expense recognized in statement of profit or loss</b>			
Current service costs	19.5	<b>8,578</b>	6,246
Net interest cost	19.5 & 19.6	<b>6,643</b>	2,560
		<b>15,221</b>	8,806
<b>19.8 Remeasurements recognized in Other Comprehensive Income</b>			
Remeasurement on obligation	19.5	<b>3,732</b>	22,687
Remeasurement on plan assets	19.6	<b>(4,527)</b>	6,144
Remeasurements		<b>(795)</b>	28,831
<b>19.9 Net recognized liability - gratuity</b>			
Net liability at January 1		<b>53,150</b>	15,513
Charge for the year	19.7	<b>15,221</b>	8,806
Remeasurements recognized in Other comprehensive income	19.8	<b>(795)</b>	28,831
Net recognized liability as at December 31		<b>67,576</b>	53,150
<b>19.10 Plan assets comprises of following:</b>			
Government bonds		<b>20,054</b>	28,163
National savings certificates		<b>9,817</b>	7,794
Shares		<b>14,970</b>	11,147
Cash at bank		<b>13,473</b>	213
Due to the Company		<b>(5,896)</b>	(759)
Total as at December 31		<b>52,418</b>	46,558
<b>19.11 Actuarial assumptions</b>			
Discount rate at 31 December		<b>15.00%</b>	13.50%
Future salary increases		<b>13.00%</b>	11.50%
<b>19.12 Mortality was assumed to be 70% of the EFU(61-66) Table.</b>			
<b>19.13 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 2023 consists of</b>			



Government bonds, National Savings shares and cash at bank. The Company believes that national saving and shares offer the best returns over the long term with an acceptable level of risk.

- 19.14** 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 2024 is expected to amount to Rs. 36.11 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, 2023.

#### 19.15 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 (Percentage)	Increase in assumption (Rupees in thousand)	Decrease in assumption
Discount rate at 31st December 2023	1.00%	(13,329)	15,645
Future salary increases	1.00%	15,794	(13,658)
Discount rate at 31st December 2022	1.00%	(10,281)	11,979
Future salary increases	1.00%	12,094	(10,539)

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.

- 19.16** 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.
- 19.17** The weighted average duration of the defined benefit obligation is 14 years.

Expected maturity analysis of undiscounted retirement benefit plans.

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>At December 31, 2023</b>	(Rupees in thousand)				
Retirement benefit plans	795	4,464	21,356	86,167	112,782
<b>At December 31, 2022</b>					
Retirement benefit plans	5,863	771	9,481	63,001	79,116

**19.18** 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. 16.42 million (2022: Rs. 14.78 million).

	<b>Note</b>	<b>2023</b> <b>(Rupees in thousand)</b>	<b>2022</b>
<b>20. LONG TERM BORROWINGS - secured</b>			
<b>20.1 Long term borrowings</b>			
Finance facility - solar	20.1.1	<b>108,999</b>	121,110
Current portion of finance facility - solar		<b>(12,111)</b>	(12,111)
		<b>96,888</b>	108,999
Temporary Economic Refinance Facility (TERF)			
Current portion of TERF	20.1.2	<b>890,743</b> <b>(62,252)</b> <b>828,491</b>	653,854 (9,257) 644,597
Deferred income - government grant	20.2	<b>(367,513)</b> <b>460,978</b> <b>557,866</b>	(262,474) 382,123 491,122

**20.1.1** 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. The loan carries mark-up at the rate of 3.65% per annum.

	<b>2023</b> <b>(Rupees in thousand)</b>	<b>2022</b>
Opening	<b>121,110</b>	89,840
Disbursements	-	31,270
	<b>121,110</b>	121,110
Repayment	<b>(12,111)</b>	-
Closing	<b>108,999</b>	121,110

**20.1.2** 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 which has been completely 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.

	<b>2023</b> <b>(Rupees in thousand)</b>	<b>2022</b>
Opening	<b>653,854</b>	110,302
Disbursements	<b>246,146</b>	543,552
	<b>900,000</b>	653,854
Repayment	<b>(9,257)</b>	-
Closing	<b>890,743</b>	653,854

## 20.2 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.

	2023	2022
	(Rupees in thousand)	
Deferred income - government grant	367,513	262,474
Current portion of deferred income - government grant	(62,830)	(38,694)
	<b>304,683</b>	<b>223,780</b>

## 21. DEFERRED TAXATION

Taxable temporary differences arising in respect of:

- accelerated tax depreciation allowance
- depreciation of right-of-use asset
- amortization of intangible assets

	2023	2022
	(Rupees in thousand)	
	577,703	466,974
	1,350	8,043
	30,833	26,233
	<b>609,886</b>	<b>501,250</b>

Deductible temporary differences arising in respect of:

- provision for stock in trade and stores and spares
- allowance for impairment of trade debts
- provision for staff retirement benefits
- amortization of lease liability
- others

	(63,465)	(41,210)
	(25,187)	(28,204)
	(10,800)	(11,109)
	-	(7,151)
	(1,011)	(857)
	<b>(100,463)</b>	<b>(88,531)</b>
	<b>509,423</b>	<b>412,719</b>

## 22. TRADE AND OTHER PAYABLES

Trade creditors		3,756,090	2,371,197
Bills payable	22.1	1,418,486	1,178,539
Accrued liabilities		3,685,412	3,740,702
Royalty and technology fee		3,196,059	1,815,580
Contract liabilities	22.2	143,780	145,746
Withholding tax		128,250	16,468
Workers' Welfare Fund	22.3	226,971	184,856
Payable in respect of Employee Retirement Benefit		5,122	5,183
Liability for share-based compensation	22.4	26,932	15,888
Others		225	1,033
		<b>12,587,327</b>	<b>9,475,192</b>

**22.1** Bills payable represents inland letters of credit under vendor financing arrangements.

**22.2** Contract liabilities amounting to Rs 98.38 million as of the beginning of the year have been recognized as revenue for the year ended 31 December 2023 (2022: Rs. 121.5 million).

**22.3 Workers' Welfare Fund**

	<b>Note</b>	<b>2023 (Rupees in thousand)</b>	<b>2022</b>
Balance as at January 1		<b>(184,856)</b>	(129,169)
Charge for the year	30	<b>(197,234)</b>	(166,829)
		<b>(382,090)</b>	(295,998)
Payment during the year		<b>166,829</b>	111,142
Others		<b>(11,710)</b>	-
Balance as at December 31		<b>(226,971)</b>	(184,856)

**22.4 Share based compensation plans**

As at December 31, 2023 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, 2023 and 2022 and changes during the years ended on these dates is presented below:

	<b>2023 (Numbers of shares)</b>	<b>2022</b>
Outstanding at January 1	<b>1,740</b>	1,287
Awarded	<b>502</b>	763
Vested	<b>(352)</b>	(310)
Outstanding at December 31	<b>1,890</b>	1,740
Share price		
Unilever PLC Netherlands	<b>€ 43.80</b>	€ 47.30
Unilever PLC	<b>£ 38.00</b>	£ 41.82

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

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

	<b>2023</b>	<b>2022</b>
	<b>(Rupees in thousand)</b>	
Holding company	<b>219,859</b>	91,993
Other related parties	<b>5,202,755</b>	2,367,635
	<b>5,422,614</b>	2,459,628

## **23. PROVISIONS**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>(Rupees in thousand)</b>	
Sindh Infrastructure Cess	23.1	<b>158,294</b>	123,861

### **23.1 Sindh Infrastructure Cess**

Balance as at January 1	<b>123,861</b>	74,428
Charge for the year	<b>34,433</b>	49,433
Balance as at December 31	<b>158,294</b>	123,861

## **24. SHORT TERM BORROWINGS**

### **Running finance under mark-up arrangements**

The facilities for running finance available from various banks amount to Rs. 3.005 billion (2022: Rs. 2.275 billion). The rates of mark-up range between 1-month KIBOR - 0.3% to 3-month KIBOR + 0.5% per annum (2022: 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. 4.071 billion (2022: Rs. 1.804 billion).

The facilities for opening letters of credit and guarantees as at December 31, 2023 amounted to Rs. 15.56 billion (2022: Rs. 10.1 billion) of which the amount utilized at year end was Rs. 2.185 billion (2022: Rs. 3.378 billion).

## **25. CONTINGENCIES AND COMMITMENTS**

### **25.1 Contingency**

There were no contingencies as at December 31, 2023 and 2022.

### **25.2 Commitments**

Aggregate commitments outstanding for capital expenditure as at December 31, 2023 amounted to Rs. 578.73 million (2022: Rs. 915.2 million).

	2023	2022
	(Rupees in thousand)	
<b>26. SALES - net</b>		
Gross sales	47,061,264	37,715,365
Sales tax	(6,614,787)	(5,116,900)
	40,446,477	32,598,465
Returns, rebates and allowances	(5,859,745)	(4,289,148)
	34,586,732	28,309,317

**26.1** The Company analyses its net revenue by the following product groups:

	2023	2022
	(Rupees in thousand)	
Products used by entities	5,704,548	3,974,915
Products used by end consumers	28,882,184	24,334,402
	34,586,732	28,309,317

Revenue from one customer approximates 10.02% (2022: 12.1%) of the total revenue of the Company.

	Note	2023	2022
		(Rupees in thousand)	
<b>27. COST OF SALES</b>			
Raw and packing materials consumed		17,114,648	14,471,090
Third party manufacturing charges		211,958	119,610
Staff costs		1,733,574	1,178,984
Utilities	27.1	353,835	362,914
Depreciation	6.2	328,406	303,706
Repairs and maintenance	27.2	165,026	127,417
Provision for impairment of property, plant and equipment - net		23,736	71,489
Rent, rates and taxes		2,918	2,107
Travelling and entertainment		39,459	13,374
Insurance		33,854	23,785
Stationery and office expenses		18,439	16,116
Other expenses		120,652	31,649
Technology charges		50,592	13,977
		20,197,097	16,736,218
Opening work in process		36,976	39,998
Closing work in process		(44,380)	(36,976)
Cost of goods manufactured		20,189,693	16,739,240
Opening stock of finished goods		1,108,744	480,058
Purchase of finished goods		192,457	249,287
Closing stock of finished goods		(1,712,999)	(1,108,744)
		19,777,895	16,359,841

**27.1** This includes an amount of depreciation for rights-of-use asset in relation to contracts for provision of utility (note 7.2).

**27.2** This includes an amount of Rs. 116.36 million (2022: Rs. 122.22 million) in respect of stores and spares consumed during the year.

	Note	2023 (Rupees in thousand)	2022
<b>28. DISTRIBUTION COSTS</b>			
Staff costs		<b>674,002</b>	450,722
Advertisement and sales promotion		<b>1,915,818</b>	1,477,565
Outward freight and handling		<b>887,152</b>	513,781
Royalty, technology fee and related duties	28.1	<b>1,522,580</b>	1,103,896
Travelling and entertainment		<b>53,273</b>	41,586
Rent, rates and taxes	28.2	<b>53,193</b>	43,422
Depreciation	6.2	<b>6,770</b>	6,262
Vehicle running expense		<b>52,704</b>	28,880
Repairs and maintenance		<b>9,285</b>	6,494
Stationary and office expenses		<b>4,222</b>	3,721
Technology charges		<b>5,140</b>	2,901
Other expenses		<b>23,406</b>	23,073
		<b>5,207,545</b>	3,702,303

**28.1** This includes an amount payable to Conopco Inc. (Holding Company), Unilever Plc (Associated Company) and Unilever IP Holdings B.V. (Associated Company).

**28.2** This includes depreciation for rights-of-use asset in relation with rental contracts (note 7.2).

	Note	2023 (Rupees in thousand)	2022
<b>29. ADMINISTRATIVE EXPENSES</b>			
Staff costs		<b>425,736</b>	247,117
Depreciation	6.2	<b>3,385</b>	3,131
Travelling and entertainment		<b>23,126</b>	6,811
Auditors' remuneration	29.1	<b>6,385</b>	3,034
Allowance for impairment of trade debts		<b>55,176</b>	3,675
Legal and professional charges		<b>52,411</b>	19,863
Other expenses		<b>74,384</b>	59,749
Rent, rates & taxes		<b>111,359</b>	133,651
Technology charges		<b>130,312</b>	79,089
		<b>882,274</b>	556,120

#### 29.1 Auditors' remuneration

Annual audit fee	<b>1,300</b>	1,000
Half yearly review	<b>1,000</b>	500
Certifications	<b>3,600</b>	1,275
Out of pocket expenses	<b>485</b>	259
	<b>6,385</b>	3,034

#### 30. OTHER OPERATING EXPENSES

Workers' Profits Participation Fund	14.1	<b>487,186</b>	398,106
Workers' Welfare Fund	22.3	<b>197,234</b>	166,829
		<b>684,420</b>	564,935



31.1 OTHER INCOME	Note	2023 (Rupees in thousand)	2022
<b>Income from financial assets</b>			
Return on savings accounts		934,958	425,083
Return on short term investments - at amortized cost		438,823	126,400
Return on short term investments - at fair value through profit or loss		732,003	121,374
		<u>2,105,784</u>	<u>672,857</u>
<b>Income from non-financial assets</b>			
Scrap sales			
(Loss) / gain on disposal of property, plant and equipment		245,304	126,159
		-	(61)
		<u>245,304</u>	<u>126,098</u>
<b>Others</b>			
Write back of technology charges	31.1	-	18,065
Others	31.2	86,875	163,134
		<u>2,437,963</u>	<u>1,380,154</u>

**31.1** This represents the liability written back in lieu of technology charges due to Unilever Europe Business Center BV for prior years

**31.2** This balance in the prior year majorly includes the receivable recognised in respect of stamp duty to be adjusted in accordance with the order of Sindh High Court.

	Note	2023 (Rupees in thousand)	2022
<b>32. FINANCE COSTS</b>			
Mark-up on long term borrowings		23,562	12,569
Mark-up on leases	7.3	293	1,681
Exchange loss - net		91,321	98,877
Bank charges		4,285	26,778
		<u>119,461</u>	<u>139,905</u>

### 33. TAXATION

<b>Current Year</b>		454,433	323,132
- Current tax		19,335	21,073
- Deferred tax			
<b>Prior Year</b>		58,243	26,110
- Current		77,059	43,649
- Deferred		609,070	413,964

**33.1** Reconciliation between tax expense and accounting profit.

Profit before tax		<u>10,353,100</u>	<u>8,366,367</u>
Tax at the applicable tax rate of 39% (2022: 33%)		4,037,709	2,760,901
Tax effect of credits		(3,195,974)	(2,284,669)
Tax effect of final tax / reduced rate		(368,158)	(129,876)
Tax effect of prior years		135,302	69,758
Others		191	(2,150)
Tax expense for the year		<u>609,070</u>	<u>413,964</u>

	2023 (Rupees in thousand)	2022
<b>34. BASIC AND DILUTED EARNINGS PER SHARE</b>		
Profit after taxation attributable to ordinary shareholders	<b>9,744,030</b>	7,952,403
	<b>(Number in thousand)</b>	
Weighted average number of shares in issue during the year	<b>6,370</b>	6,370
	<b>(Rupees)</b>	
Basic earnings per share	<b>1,529.68</b>	1,248.41
There is no dilutive effect on the basic earnings per share of the Company.		

### 35. 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:

			2023 (Rupees in thousand)	2022
<b>35.1</b>	<b>Relationship with the Company</b>	<b>Nature of transactions</b>		
i	Holding company	Royalty	<b>82,880</b>	78,734
ii	Associated companies	Royalty and technology fee	<b>1,439,700</b>	1,025,050
		Purchase of goods & property, plant & equipment	<b>3,120,046</b>	3,351,516
		Sale of goods	<b>15,104</b>	24,532
		Fee for receiving of services from related parties	<b>11,044</b>	6,326
		Reimbursement of shared expenses to related parties	<b>1,881,789</b>	1,030,093
		Reimbursement of shared expenses from related parties	<b>14,000</b>	-
iii.	Staff retirement funds	Contribution to:		
		- Defined contribution plans	<b>16,414</b>	14,783
		Settlement on behalf of:		
		- Defined contribution plans	<b>43,340</b>	42,951
iv	Key management personnel	Salaries and other short-term employee benefits	<b>51,121</b>	33,193

**35.2** 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

**35.3** 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 of Incorporation	Registered Address	Basis of Association	Aggregate % of 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 Lanka Consumer 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 IP Holdings 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 Mashreq Manufacturing and Trading	5th Floor, North Tower, Galleria 40 Business Complex, Sheikh Zayed, 6th of October City, Giza	Associated Company	N/A
Unilever UK Central Resources Limited	Unilever House 100 Victoria Embankment, London EC4Y 0DY	Associated Company	N/A
Unilever Europe Business Center 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
Unilever PLC, Netherlands	PO BOX 544, 2400 AM Alphen aan den Rijn, The Netherlands	Associated Company	N/A
Pepsi Lipton International	Bosch 67 6331 Hunenberg Zug, Switzerland	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. 2.205 billion (2022: Rs. 1.401 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, 2023 are included in other receivables and trade and other payables. These are settled in the ordinary course of business.

### 36. 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 Executive		Executives	
	2023	2022	2023	2022	2023	2022
	(Rupees in thousand)					
Managerial remuneration and allowances	15,345	12,133	16,172	9,337	53,665	48,098
Retirement benefits	36.1 1,867	1,492	-	-	6,002	5,950
Other long term benefits	-	202	-	-	878	238
Medical expenses	133	82	-	46	1,856	1,657
Other expenses	-	-	219	142	-	1,333
Share based compensation	-	-	-	-	3,482	3,536
	17,345	13,909	16,391	9,525	65,883	60,812
Number of persons	2	2	1	1	9	9

In addition to this, a lump sum amount of Rs. 10.29 million (2022: Rs. 9.18 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 2022 and 2021 following payments were made:

	Paid in 2023 relating to 2022	Paid in 2022 relating to 2021
	(Rupees in thousand)	
Executive Director	6,882	4,122
Chief Executive	10,503	5,637
Executives	10,350	6,756
	27,735	16,515

Aggregate amount charged in these financial statements for the year for fee to seven non-executive directors was Rs. 7.2 million (2022: seven non-executive directors Rs. 5.6 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.

#### 36.1 Retirement benefits represent amount contributed towards various retirement benefit plans.

37. PLANT CAPACITY AND PRODUCTION	2023	2022
Actual production of the plant in metric tons	<u>46,377</u>	<u>55,277</u>

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

### 38. 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.

39. NUMBER OF EMPLOYEES	2023	2022
	Number	
Total number of employees at year end	<u>234</u>	<u>244</u>
Average number of employees during the year	<u>239</u>	<u>241</u>
Total number of factory employees as at the reporting date	<u>225</u>	<u>235</u>
Average number of factory employees during the year	<u>230</u>	<u>231</u>

### 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### 40.1 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.

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

	Lease liabilities	Long term Borrowings	Unappropriated profit	Total
	(Rupees in thousand)			
Balance as at 1 January 2023	22,252	512,490	6,153,067	6,687,809
Changes from financing cash flows				
Repayment of lease liabilities	(22,545)	-	-	(22,545)
Financing obtained during the year	-	246,146	-	246,146
Repayment of lease liabilities	-	(21,368)	-	(21,368)
Dividends paid	-	-	(2,763,110)	(2,763,110)
<b>Total changes from financing activities</b>	<b>(22,545)</b>	<b>224,778</b>	<b>(2,763,110)</b>	<b>(2,560,877)</b>
Other changes				
Interest expense	293	-	-	293
Deferred grant	-	(105,039)	-	(105,039)
<b>Total changes</b>	<b>293</b>	<b>(105,039)</b>	<b>-</b>	<b>(104,746)</b>
Total comprehensive income for the year	-	-	9,744,515	9,744,515
Dividend not paid during the year	-	-	1,164,253	1,164,253
<b>Balance as at 31 December 2023</b>	<b>-</b>	<b>632,229</b>	<b>14,298,725</b>	<b>14,930,954</b>

	Lease liabilities	Long term Borrowings	Unappropriated profit	Total
	(Rupees in thousand)			
Balance as at 1 January 2022	20,958	168,619	1,608,602	1,798,179
Changes from financing cash flows				
Payment of lease liabilities	(387)	-	-	(387)
Financing obtained during the year	-	574,822	-	574,822
Dividends paid	-	-	(2,594,401)	(2,594,401)
Total changes from financing activities	(387)	574,822	(2,594,401)	(2,019,966)
Other changes				
Interest expense	1,681	-	-	1,681
Deferred grant	-	(230,951)	-	(230,951)
Total changes	1,681	(230,951)	-	(229,270)
Total comprehensive income for the year	-		7,933,279	7,933,279
Dividend not paid during the year	-	-	(794,413)	(794,413)
Balance as at 31 December 2022	22,252	512,490	6,153,067	6,687,809

### 40.3 Financial assets and liabilities by category and their respective maturities

	Interest / Mark up bearing			Non-interest / Non-mark up bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
	← (Rupees in thousand) →						
<b>FINANCIAL ASSETS</b>							
<i>Amortized cost</i>							
Trade debts	-	-	-	1,118,987	-	1,118,987	1,118,987
Long term deposits	-	-	-	-	2,980	2,980	2,980
Trade deposits	-	-	-	48,180	-	48,180	48,180
Other receivables	-	-	-	87,622	-	87,622	87,622
Cash and bank balances	9,018,927	-	9,018,927	629,890	-	629,890	9,648,817
<i>Fair value through profit or loss</i>							
Short term investment	-	-	-	3,809,898	-	3,809,898	3,809,898
<b>December 31, 2023</b>	<b>9,018,927</b>	<b>-</b>	<b>9,018,927</b>	<b>5,694,577</b>	<b>2,980</b>	<b>5,697,557</b>	<b>14,716,484</b>
December 31, 2022	4,783,323	-	4,783,323	4,979,964	2,980	4,982,944	9,766,267
<b>FINANCIAL LIABILITIES</b>							
<i>Financial liabilities- not measured at fair value</i>							
Long term borrowings	74,363	557,866	632,229	-	-	-	632,229
Trade and other payables	1,418,486	-	1,418,486	10,637,786	-	10,637,786	12,056,272
Unpaid dividend	-	-	-	1,039,106	-	1,039,106	1,039,106
Unclaimed dividend	-	-	-	31,699	-	31,699	31,699
Accrued interest / mark up	-	-	-	7,000	-	7,000	7,000
<b>December 31, 2023</b>	<b>1,492,849</b>	<b>557,866</b>	<b>2,050,715</b>	<b>11,715,591</b>	<b>-</b>	<b>11,715,591</b>	<b>13,766,306</b>
December 31, 2022	1,222,159	491,122	1,713,281	10,169,458	-	10,169,458	11,882,739
<b>ON BALANCE SHEET GAP</b>							
<b>FINANCIAL POSITION GAP</b>							
<b>December 31, 2023</b>	<b>7,526,078</b>	<b>(557,866)</b>	<b>6,968,212</b>	<b>(6,021,014)</b>	<b>2,980</b>	<b>(6,018,034)</b>	<b>950,178</b>
December 31, 2022	3,561,164	(491,122)	3,070,042	(5,189,494)	2,980	(5,186,514)	(2,116,472)
<b>NON FINANCIAL POSITION ITEMS</b>							
Letters of credit / guarantee:							
<b>December 31, 2023</b>							<b>2,185,593</b>
December 31, 2022							3,377,541

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

#### (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. 14,716 million (2022: Rs. 9,766 million), the financial assets which are subject to credit risk amounted to Rs. 1,122 million (2022: Rs. 1,033 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 2023 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.

2023				
	Gross carrying amount	Expected credit loss	Specific loss allowance	Expected credit loss rate
	(Rupees in thousand)			
Not yet due	835,916	4,180	-	0.1%-0.5%
Less than 3 months	291,881	10,219	-	0.1%-5%
More than 3 months to not later than 6 months	6,574	985	-	0.1%-15%
More than 6 months to not later than 12 months	47,194	-	47,194	100%
More than one year	2,003	-	2,003	100%
	1,183,568	15,384	49,197	

2022				
	Gross carrying amount	Expected credit loss	Specific loss allowance	Expected credit loss rate
	(Rupees 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	

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.

## (iii) 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.

### a) Foreign exchange risk

Foreign exchange risk arises mainly where receivables and payables exist in foreign currency. As at December 31, 2023, net financial liabilities of Rs.287 million (2022: Rs. 255 million) were in foreign currency which were exposed to foreign currency risk.

Foreign currency financial assets are in USD, EUR and GBP. Foreign currency liabilities are approx. 53.18% in EUR, 21.85% in USD, 13.92% in CNY, & 11.05% in GBP.

As at December 31, 2023, 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. 7.6 million (2022: Rs. 5.1 million), mainly as a result of foreign exchange losses / gains on translation of Euro denominated net financial liabilities.

As at December 31, 2023, 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. 3.14 million (2022: Rs. 4.24 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar denominated net financial liabilities.

As at December 31, 2023, 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 million (2022: Rs. 2.32 million), mainly as a result of foreign exchange losses / gains on translation of CNY denominated financial liabilities.

As at December 31, 2023, 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. 1.59 million (2022: Rs. 1.10 million), mainly as a result of foreign exchange losses / gains on translation of GBP denominated net 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.

### Derivative financial liability / asset - at fair value through profit or loss

	2023 (Rupees in thousand)	2022
Opening balance as at January 1	639	(146)
Cumulative net gain during the year	(639)	8,622
Net realized loss during the year	-	(7,837)
Net unrealized loss as at December 31	-	639

## 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, 2023, the Company had variable interest bearing financial assets of Rs. 9,018.9 million (2022: Rs. 4,783.3 million) and financial liabilities of Rs. 2,050.7 million (2022: Rs 1,713.3 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. 139.4 million (2022: 61.40 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, 2023, 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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- 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).
- 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:

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, 2023:

Financial assets	2023			Total
	Level 1	Level 2	Level 3	
	(Rupees in thousand)			
Short term investments - at fair value through profit or loss	-	3,809,898	-	3,809,898

## 41. 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, 2023 and 2022 were as follows:

	2023 (Rupees in thousand)	2022
<b>Derivative financial liability / asset - at fair value through profit or loss</b>		
Long term borrowings	557,866	491,122
Cash and bank balances	(9,648,817)	(2,316,789)
Net cash surplus	(9,090,951)	(1,825,667)
Total capital	15,659,689	7,514,031
Debt-to-capital ratio	3.56%	6.54%

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.

#### 42. CASH AND CASH EQUIVALENTS

	Note	2023 (Rupees in thousand)	2022
Cash and bank balances	16	9,648,817	2,316,789
Short term investments valued at amortized cost	15	-	2,692,294
		9,648,817	5,009,083

#### 43. PROPOSED AND DECLARED DIVIDENDS

At the Board of Directors' meeting held on March 4, 2024, a final dividend of Rs. 178 per share amounting to Rs. 1134 million in respect of 2023 is proposed (2022: Nil per share amounting to Nil). This is in addition to the cumulative interim cash dividend of Rs. 251 per share amounting to Rs. 1,598.8 million (2022: Rs. 287 per share amounting to Rs. 1,828 million) declared during the year.

#### 44. CORRESPONDING FIGURES

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.

		(Rupees in thousand)
<b>Reclassified from</b>	<b>Reclassified to</b>	
Cash and bank balances	Trade deposits and short term prepayments	264,776

#### 45. DATE OF AUTHORISATION

These financial statements were authorized for issue on March 4, 2024 by the Board of Directors of the Company.

**Amir R. Paracha**  
Chief Executive Officer

**Asima Haq**  
Director

**Muhammad Shahzad**  
Director and Chief Financial Officer

# Notice of Annual General Meeting

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of Unilever Pakistan Foods Limited will be held at The Institute Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Block-8, Karachi and through video link, on Tuesday, April 16, 2024, 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 2023, together with the Reports of the Auditors and Directors thereon.
2. To approve and declare dividend (2023) on the Ordinary Shares of the Company.  
The Directors have recommended a final cash dividend of 1780% (or Rs.178.00) per share) on the Ordinary Shares. Together with the First Interim Dividend of 720% (or Rs. 72.00) per ordinary share, Second Interim Dividend of 1790% (or Rs. 179.00) per ordinary share, already paid, the total dividend for will thus amount to 4290% (or Rs. 429.00) per ordinary share.
3. 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.

## SPECIAL BUSINESS

### 1. Approval for Online Transmission of Annual Audited Financial Statements

The Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated 21st March 2023, while considering technological advancements and obsolescence of old technologies, has allowed listed companies to circulate their annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to its members through QR enabled code and weblink instead of CD / DVD / USB. Accordingly, consent of the members is sought for transmission of the annual audited financial statements of the Company via QR enabled code and weblink and to pass the following resolutions:

**"RESOLVED** that the Company may transmit the annual audited financial statements to the members via QR enabled code and weblink, in place of CD / DVD / USB, as allowed by the Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated 21st March 2023.

**RESOLVED FURTHER** that the Chief Executive Officer, Chief Financial Officer and the Company Secretary be and hereby are jointly and singularly authorized to do all such acts and take all such steps as may be necessary or desirable to give effect to the foregoing resolution."

Statement of Material Facts pursuant to Section 134 of the Companies Act 2017 is annexed to the notice.

By Order of the Board

Karachi  
March 26, 2024

**Aman Ghanchi**  
Company Secretary

## Notes:

1. Share Transfer Books will be closed from April 12, 2024 to April 16, 2024 (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 Central Depository Company Share Registrar Services Limited, CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahr-e-Faisal, Karachi-74400 by the close of the Business on April 11, 2024 will be treated in time for the purpose of payment of Final Dividend to the transferees and 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 (1<sup>st</sup> 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 Securitisation 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. 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.

7. (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 -2020 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 before the start of book closure date i.e. April 12, 2024 for entitlement to final dividend to be paid on 29 April, 2024 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 Central Depository Company 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 Central Depository Company 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:

Name of Company	Folio/CDS Account#	Total Shares	Principal Shareholder		Joint Shareholder	
			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).

8. 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.
9. 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 of \_\_\_\_\_ Ordinary Share(s) as per Register Folio No. \_\_\_\_\_ hereby opt for video conferencing facility at \_\_\_\_\_ (Name of City).

\_\_\_\_\_  
Signature of Member

10. 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.
11. 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.

12. The financial statements of the Company for the year ended December 31, 2023 have been placed on the website of the Company [www.unilever.pk](http://www.unilever.pk)



# STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2017

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The statement sets out the material facts concerning the Special Business given in agenda item of the Notice which will be considered to be passed by the members. The purpose of the Statement is to set forth the material facts concerning such Special Business.

Agenda Item: Circulation of Annual Audited Financial Statements through QR enabled code and web link.

The Securities and Exchange Commission of Pakistan (SECP) through its Notification No. S.R.O.389(1)/2023 dated March 21, 2023 has allowed the companies to circulate the Annual Audited Financial Statements to its Members/Shareholders through Quick Response (QR) enabled code and web link. Consequently, notice of meeting shall be dispatched to Members as per requirements of the Companies Act, 2017 on their registered address, containing the QR code and the web link address to enable them to view and download the Annual Audited Financial Statements together with the Reports and documents required to be annexed thereto under the Companies Act, 2017.

Considering the optimum use of advancements in technology and in order to fulfil the Company's corporate social responsibility to the environment and sustainability, Members approval is sought for the circulation of the Annual Report (including Annual Audited Financial Statements and other reports contained therein) to the Members of the Company through QR enabled code and weblink in accordance with S.R.O. 389(1)/2023 dated March 21, 2023.

The Company shall send hard copies of Annual Audited Financial Statements to the shareholders, free of charge, upon receipt of a duly completed Request Form, as available on the Company's website.

None of the Directors of the Company have any direct or indirect interest in the Special Business, except in their capacity as members and Directors of the Company.

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- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
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\*Mobile apps are also available for download for android and ios devices

# Form of Proxy

The Secretary  
**Unilever Pakistan Foods Limited**  
Avari Plaza, Fatima Jinnah Road  
Karachi-75530, Pakistan.

I/We \_\_\_\_\_ son/daughter/wife of \_\_\_\_\_ shareholder of Unilever Pakistan Foods Limited, holding \_\_\_\_\_ ordinary shares hereby appoint Mr./Ms. \_\_\_\_\_ having CNIC No. \_\_\_\_\_ who is my \_\_\_\_\_ [state relationship (if any) with the proxy; required by Government regulations] and the son/daughter/wife of \_\_\_\_\_, (holding \_\_\_\_\_ ordinary shares in the Company under Folio No. \_\_\_\_\_) [required by Government; delete if proxy is not the Company's shareholder] as my / our proxy, to attend and vote for me / us and on my / our behalf at the 26<sup>th</sup> Annual General Meeting of the Company to be held on April 16, 2024 and / or any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

## Witness 1:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

CNIC #: \_\_\_\_\_

Address : \_\_\_\_\_

(Signature should agree with the specimen signature registered with the Company)

**Sign across Rs. 5/-  
Revenue Stamp**

## Witness 2:

Signature of Member(s)

Signature: \_\_\_\_\_

Shareholder's Folio No.: \_\_\_\_\_

Name: \_\_\_\_\_

and / or CDC Participant I.D. No.: \_\_\_\_\_

CNIC #: \_\_\_\_\_

and Sub- Account No.: \_\_\_\_\_

Address : \_\_\_\_\_

Shareholder's CNIC #: \_\_\_\_\_

Email Address of Proxy: \_\_\_\_\_

Contact No. of Proxy: \_\_\_\_\_

## Note:

- The Member is requested to:
  - affix Revenue Stamp of Rs. 5/- at the place indicated above.
  - sign across the Revenue Stamp in the same style of signature as is registered with the Company.
  - write down his/her/their Folio Number.
  - attach an attested photocopy of their valid Computerised National Identity Card / Passport / Board Resolution and the copy of valid CNIC of the proxy, with this proxy form before submission.
- In order to be valid, this Proxy must be received at the Registered Office of the Company at least 48 hours before the time fixed for the Meeting, duly completed in all respects.
- Detailed procedure is given in the Notes to the Notice of AGM.

# پراکسی فارم

جناب سیکریٹری صاحب  
یونی لیور پاکستان فوڈز لمیٹڈ  
آواری پلازہ، فاطمہ جناح روڈ  
کراچی۔ 75530، پاکستان۔

میں/ہم \_\_\_\_\_ بیٹا/بیٹی/بیوی \_\_\_\_\_  
یونی لیور پاکستان فوڈز لمیٹڈ کا شیئر ہولڈر ہوں اور \_\_\_\_\_ عمومی شیئرز / پرفنس شیئرز، کی تحویل رکھتا ہوں، میں بذریعہ بلدا  
جناب/محترمہ \_\_\_\_\_  
سی این آئی سی نمبر: \_\_\_\_\_ جو تعلق میں میرے \_\_\_\_\_ ہیں (رشتہ داری واضح کریں،  
اگر کوئی ہو یہ حکومتی ضابطوں کے تحت درکار ہے) یہ کمپنی میں \_\_\_\_\_ عمومی شیئرز / پرفنس شیئرز،  
فولیو نمبر \_\_\_\_\_ کے تحت رکھتے ہیں [یہ حکومتی ضابطوں کے تحت درکار ہے، پراکسی کے کمپنی کا شیئر ہولڈر نہ ہونے کی صورت میں کراس (X) لگادیں] کو اپنا  
پراکسی (مختار) نامزد کرتا/کرتی ہوں جو میری/ہماری جانب سے کمپنی کے 26 ویں سالانہ اجلاس عام میں شرکت کرنے اور ووٹ دینے کے اہل ہیں جو کہ  
16 اپریل 2024 کو یا التواء کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقدہ ہوگا۔

آج بتاریخ \_\_\_\_\_ 2024 کو دستخط کیا۔

گواہ نمبر 1:

(دستخط کمپنی کے پاس رجسٹر کردہ دستخط  
کے جیسا ہونا چاہیئے)

5 روپے کا رسیدی ٹکٹ  
چسپاں کر کے دستخط کریں

ممبر (ز) کا/کے دستخط:

گواہ نمبر 2:

\_\_\_\_\_ شیئر ہولڈر کا فولیو نمبر:  
\_\_\_\_\_ اور/یا CDC میں شرکت کا آئی ڈی نمبر:  
\_\_\_\_\_ اور ذیلی اکاؤنٹ نمبر:  
\_\_\_\_\_ شیئر ہولڈر کا سی این آئی سی نمبر:  
\_\_\_\_\_ پراکسی کا ای میل ایڈریس:  
\_\_\_\_\_ پراکسی کا رابطہ نمبر:

نوٹ:

(1) ممبر سے درخواست ہے کہ:

(i) درج بالا واضح کردہ جگہ پر 5 روپے کا رسیدی ٹکٹ چسپاں کریں۔

(ii) رسیدی ٹکٹ پر دستخط کریں جیسے کہ کمپنی کے ریکارڈ میں ہیں۔

(iii) اپنا فولیو نمبر لکھیں۔

(iv) اس فارم کو جمع کرانے سے پہلے اپنا کارآمدی این آئی سی / پاسپورٹ / بورڈ کی قرارداد اور پراکسی کے کارآمدی این آئی سی کی تصدیق شدہ کاپی فارم کے  
ساتھ منسلک کریں۔

(2) پانضابطہ مکمل شدہ پراکسی فارم کمپنی کے رجسٹرڈ آفس میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل موصول ہو جانا چاہئے۔

(3) تفصیلی طریقہ کار سالانہ اجلاس عام کی اطلاع کے نوٹس میں درج ہے۔

**Company:** \_\_\_\_\_

**Folio No./CDS Account No.** \_\_\_\_\_

**Name of Shareholder:** \_\_\_\_\_

**Father's / Husband's Name:** \_\_\_\_\_

**Address:**

**CNIC #:**

**Cell #:**

**Landline #:**

**Email:** \_\_\_\_\_

**It is requested that all my cash dividend amounts declared by the Company, may be credited into the following bank account:**

**International Bank Account Number (IBAN) – Mandatory:**[illegible]

Bank's Name Branch Name Branch Address	
----------------------------------------------	--

It is stated that the above-mentioned information is correct and that I will intimate the changes in the above-mentioned information to the company and the concerned Share Registrar as soon as these occur.

Name of Shareholder (s)

Encl: Photocopy of CNIC

**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 نقد ادائیگی کے لیے شیئر ہولڈرز کے بینک اکاؤنٹ کی تفصیل (ڈیویڈنڈ مینڈیٹ فارم)  
(کمپنیز ایکٹ 2017 کے مطابق لازمی طور پر مطلوب)

کمپنی: \_\_\_\_\_

فولیو نمبر/CDS اکاؤنٹ نمبر: \_\_\_\_\_

شیئر ہولڈر کا نام: \_\_\_\_\_

والد/شوہر کا نام: \_\_\_\_\_

ایڈریس: \_\_\_\_\_

\_\_\_\_\_

قومی شناختی کارڈ نمبر: \_\_\_\_\_

\_\_\_\_\_

موبائل نمبر: \_\_\_\_\_

\_\_\_\_\_

فون نمبر: \_\_\_\_\_

\_\_\_\_\_

ای میل: \_\_\_\_\_

گزارش کی جاتی ہے کہ کمپنی کی جانب سے دیئے جانے والے میرے منافع منقسمہ کی تمام رقم مندرجہ ذیل بینک اکاؤنٹ میں جمع کر دی جائے۔

انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN): لازمی:

P	K																		
---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

بینک کا نام برانچ کا نام برانچ کا ایڈریس	
------------------------------------------------	--

بیان کیا جاتا ہے کہ کمپنی اور متعلقہ شیئر رجسٹرار کو دی جانے والی مندرجہ بالا معلومات درست ہے اور اس میں ہونے والی کسی طرح کی بھی تبدیلی سے متعلق آپ کو آگاہ کیا جائے گا۔

شیئر ہولڈر کے نام  
بشمول سی این آئی سی کا پی

نوٹ: مکمل اور دستخط شدہ یہ فارم بشمول فعال کمپیوٹرائزڈ قومی شناختی کارڈ کی کاپی (سی این آئی سی) سی ڈی سی شیئر رجسٹرار سروس لمیٹڈ، سی ڈی سی  
ہاؤس، 99-B، بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی، 74400 پاکستان کو بھیجی ہوگی۔

## ہولڈنگ کمپنی (مالک کمپنی):

## مستقبل کا اندازہ:

پاکستان کے معاشی اور سیاسی ماحول میں مشکلات جاری رہنے کے امکانات ہیں کیونکہ مہنگائی بڑھتی جارہی ہے اور بیرونی قرضہ جات کی ادائیگیوں کے سبب زرمبادلہ کے ذخائر میں کمی کا سامنا ہے۔ اس سے صارفین کی قوت خرید متاثر ہونے کی بھی توقع ہے۔

مندرجہ بالا صورتحال کے باوجود، ہماری انتظامیہ تمام اسٹیک ہولڈرز کے مفادات کو تحفظ دینے کے لیے ان چیلنجز سے نبھانا ہونے کے لیے پرعزم ہے اور اپنی ویلیو چین میں استحکام کے ذریعے اپنے برانڈ کی طاقت کو استعمال کرتے ہوئے، صارفین کی ضروریات کے عین مطابق جدت سے مزین، مقدار، بچت اور قیمتوں کے تعین سے اپنے منافع کو برقرار رکھنے کے لیے پراعتماد ہے۔

بورڈ کی جانب سے  
آپ سب کا شکریہ

سرفراز احمد رحمن

چیئر مین

کراچی

4 مارچ 2024ء

عامر پراچہ

چیف ایگزیکٹو آفیسر

کراچی

4 مارچ 2024ء

یونی لیور پاکستان فوڈز لمیٹڈ میں 76.5% شیئرز یونی لیور پی۔ ایل۔ سی۔ کے موجود ہیں جو یونی لیور کی مادر کمپنی یعنی کونو پکوا انکارپوریشن یو۔ ایس۔ اے نے حاصل کیے ہیں۔

## بعد کے واقعات:

گزشتہ مالی سال کے اختتام سے لے کر اس رپورٹ کی تاریخ تک کمپنی کی مالی حالت میں کوئی تبدیلی واقع نہیں ہوئی۔

## اعتراف:

یونی لیور پاکستان فوڈز لمیٹڈ کی مسلسل ترقی میں کمپنی کے لوگوں کا بڑا ہاتھ ہے اور کمپنی کے ڈائریکٹر کمپنی کے ہر ملازم کے تعاون کا اعتراف کرتے ہیں۔ ہماری مصنوعات پر جو اعتماد ہمارے صارفین نے ظاہر کیا اس کے لئے ہم ان کے بھی بے حد مشکور ہیں۔ اپنی انتظامیہ کے ساتھ تعاون اور اعتماد کے لئے ہم اپنے حصے داروں کا بھی شکریہ ادا کرتے ہیں۔

## ریزرو اپروپری ایشنز

	Reserves					Total	
	Share Capital		Capital			Sub Total	
	Issued, subscribed and paid up capital	Share Premium	Special	General	Un-appropriated Profit		
Balance as at January 1, 2023	63,699	1,296,499	628	138	6,153,067	7,450,332	7,514,031
Transactions with owners of the Company - Distribution							
First Interim dividend for the year ended December 31, 2023 @ Rs. 72 per share	-	-	-	-	(458,636)	(458,636)	(458,636)
Second Interim dividend for the year ended December 31, 2023 @ Rs. 179 per share	-	-	-	-	(1,140,221)	(1,140,221)	(1,140,221)
	-	-	-	-	(1,598,857)	(1,598,857)	(1,598,857)
Total comprehensive income for the year							
Profit for the year ended December 31, 2023	-	-	-	-	9,744,030	9,744,030	9,744,030
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	485	485	485
	-	-	-	-	9,744,515	9,744,515	9,744,515
Balance as at December 31, 2023	63,699	1,296,499	628	138	14,298,725	15,595,990	15,659,689



- جناب محمد شہزاد (سی۔ایف۔او)
- یکم مارچ 2024 کو منتخب ہوئے۔

ہیں۔ انتظامیہ اور آڈیٹرز (داخلی اور خارجی) سے بات چیت کے بعد ان کی رائے یہ ہے کہ کمپنی مناسب کنٹرولز پر عمل کر رہی ہے۔

## بورڈ کی قدر پیمائی:

کوڈ آف کارپوریٹ گورننس اور کمپنیز ایکٹ 2017ء کے مطابق بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹروں کی قدر پیمائی پی۔آئی۔سی۔جی (پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس) کے ذریعے انجام پائی تاکہ شفافیت کو یقینی بنایا جاسکے۔ بورڈ کو اپنی ذیلی کمیٹیوں یعنی آڈٹ کمیٹی اور ایچ۔آر۔اینڈ۔آر۔کمیٹی کا تعاون حاصل ہے اور ان سب کمیٹیوں نے کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق دوران سال اپنی میٹنگز منعقد کیں۔ یہاں سب کمیٹیوں (آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمونریشن کمیٹی) کا کردار بتانا ضروری ہے جو انہوں نے بہتری لانے اور مسائل کے عملی حل پیش کرنے میں ادا کیا۔ آئندہ بھی ہم اپنے تمام متعلقین کے مفاد کی خاطر بہترین نظم و نسق کے اقدامات پر عمل کو یقینی بنانے کی کوشش کرتے رہیں گے۔

## ڈائریکٹروں کے مشاہرے کی پالیسی:

ڈائریکٹروں کی فیس بورڈ کی منظوری کے مطابق ادا کی جاتی ہے اور اس سلسلے میں کمپنی نے ایک باقاعدہ پالیسی بنائی ہے جو کمپنیز ایکٹ 2017ء اور سی۔سی۔جی (CCG) کے مطابق ہے۔ اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے مشاہرے کے فیصلے میں شریک نہ ہو۔ بورڈ اور کمپنی کی کمیٹیوں کی میٹنگز میں شرکت کرنے کے لیے نان ایگزیکٹو اور خود مختار ڈائریکٹروں کی فیس وقفے وقفے سے بورڈ مقرر کرتا ہے۔ مناسب سمجھنے پر بورڈ اپنے ڈائریکٹرز کے مشاہرے کی مناسب سطح متعین کرنے کے لیے آزاد کنسلٹنٹ کی خدمات حاصل کر سکتا ہے۔ معاوضہ کی پالیسی ڈائریکٹرز کی آزادی کے راستے میں کسی بھی طرح اثر انداز نہیں ہوگی۔

## آڈیٹرز:

31 دسمبر 2023ء کو ختم ہونے والے سال کے لئے کے۔پی۔ایم۔جی۔ تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو آڈیٹر مقرر کیا گیا تھا۔ بورڈ نے اس مرتبہ پھر کے۔پی۔ایم۔جی۔ تاثیر ہادی اینڈ کمپنی کو 2024ء کے لئے کمپنی کا آڈیٹر مقرر کرنے کی سفارش کی ہے۔

● خواتین ڈائریکٹرز

● نان ایگزیکٹو ڈائریکٹرز

● جناب ذوالفقار منٹو

● جناب محمد عادل منٹو

● جناب کمال منٹو

● جناب علی طارق

## آڈٹ کمیٹی

● جناب خالد منصور

● چیئر مین اینڈ ممبر

● جناب محمد عادل منٹو

● جناب سرفراز احمد رحمن

● جناب ذوالفقار منٹو

● جناب اسد سعید جعفر

● محترمہ عنیقہ باوانی

● سیکریٹری اینڈ ہیڈ آف انٹرنل آڈٹ

## ہیومن ریسورسز اینڈ ریمونریشن کمیٹی

● جناب اسد سعید جعفر

● چیئر مین اینڈ ممبر

● جناب ذوالفقار منٹو

● جناب کمال منٹو

● جناب عامر پراچہ

● جناب سرفراز احمد رحمن

● محترمہ کنیر فاطمہ زبیری

● سیکریٹری اینڈ ہیڈ آف ایچ آر

ڈائریکٹروں کا چناؤ 2023ء میں ہونے والی سالانہ جنرل میٹنگ میں کیا گیا تھا۔ موجودہ ڈائریکٹروں کی مدت 19 اپریل 2026ء کو ختم ہوگی۔

## مالی کنٹرولز (اندرونی)

ڈائریکٹرز کمپنی کے اندرونی مالی کنٹرولز سے متعلق اپنی ذمہ داری سے آگاہ

- اس پروجیکٹ نے سیلاب سے متاثرہ دیہات کے لیے پائیدار مکانات،
- متبادل توانائی، صاف پانی اور صفائی ستھرائی کی سہولیات اور میڈیکل سروسز
- تک رسائی کو یقینی بنایا۔
- اس مقصد کے پیش نظر پورے ملک میں ہر جگہ موجود اپنے شراکت داروں
- کی مدد سے کنور نوڈلز، سوپس، گلیکوز ڈی اور انرجائل جیسی پروڈکٹس
- سیلاب متاثرین اور پسماندہ آبادیوں میں تقسیم کی گئیں۔ ہمارے شراکت
- داروں میں پاکستان ڈزاسٹر مینجمنٹ اتھارٹی (PDMA)، یونیسف، یواین
- دووین، کیمر انٹرنیشنل، ہینڈز آرگنائزیشن، پاکستان پاورٹی ایلویشن
- فنڈ (PPAF)، سندھ رورل سپورٹ پروگرام (SRSP)، سرحد رورل
- سپورٹ آرگنائزیشن (SRSO) اور اخوت جیسے بڑے نام شامل ہیں۔

### ریٹائرمنٹ فنڈز میں ملازمین کی سرمایہ کاری:

- یونی لیور پاکستان فوڈز لمیٹڈ نے گزشتہ سال 16.4 ملین روپے اسٹاف ر
- ریٹائرمنٹ فنڈ کے لئے فراہم کئے۔ 31 دسمبر 2023 کے مالیاتی گوشواروں
- کے مطابق، کمپنی نے اسٹاف ریٹائرمنٹ فنڈ کے لیے جو قومات فراہم کیں
- ان کی تفصیل درج ذیل ہے:

پروایڈنٹ فنڈ	190 ملین روپے
گریجویٹ فنڈ	52 ملین روپے
ٹوٹل 2023ء	242 ملین روپے
ٹوٹل 2022ء	247 ملین روپے

### کمپنی کا نصب و نسق:

یونی لیور پاکستان فوڈز لمیٹڈ کی انتظامیہ اعلیٰ نظم و نسق کی پابند ہے اور اعلیٰ اقدامات پر عمل کرتی ہے۔ کوڈ آف کارپوریٹ گورننس کے مطابق کمپنی کے ڈائریکٹرز مندرجہ ذیل بیان دیتے ہوئے خوشی محسوس کر رہے ہیں:

- کمپنی کی انتظامیہ جو مالی گوشوارے تیار کرتی ہے ان میں کمپنی کی کاروائیاں، قومات کا لین دین اور ملکیت میں تبدیلیاں واضح طور پر بیان کی جاتی ہیں۔

- حساب کتاب کے مناسب رجسٹر رکھے جاتے ہیں۔
- مالی گوشواروں کی تیاری میں پاکستان میں لاگو مناسب پالیسیاں
- استعمال کی جاتی ہیں اور حساب کتاب کے تخمینے لگانے میں معمول
- اور دانشمندانہ فیصلے کیے جاتے ہیں۔
- مالی گوشواروں کی تیاری میں بین الاقوامی مالی رپورٹنگ کے معیار پر
- عمل کیا ہے اور اس سے کسی قسم کا انحراف ہو تو اس کی مناسب
- نشاندہی کی جاتی ہے۔
- کمپنی میں اندرونی کنٹرول کا نظام ڈیزائن کے لحاظ سے نہایت اعلیٰ
- ہے اور اس پر موثر طریقے سے عمل کیا جاتا ہے۔
- ایک ترقی پذیر ادارے کی حیثیت سے کمپنی کی آگے بڑھنے کی لیاقت
- پر کوئی خاص شبہات نہیں ہیں۔
- کمپنی چلانے میں ان اعلیٰ اصولوں سے کسی قسم کی روگردانی نہیں کی
- جاتی جو اسٹاک ایکسچینج کے قواعد و ضوابط کے رجسٹر میں بتائے گئے ہیں۔
- ہم مندرجہ ذیل امور سے متعلق گوشوارے منسلک کر رہے ہیں یا ان
- کی وضاحت مالی گوشواروں کے آخر میں کردی گئی ہے۔
- بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں نے کتنی میٹنگز منعقد کیں اور
- ان میں ڈائریکٹروں کی حاضری کتنی رہی۔
- گزشتہ 6 سال کے مالی اعداد و شمار۔
- حصے داری کی تفصیلات۔

### ڈائریکٹرز:

- |                     |                                           |
|---------------------|-------------------------------------------|
| کیٹگری              | نام                                       |
| آزاد ڈائریکٹرز      | ● جناب سرفراز احمد رحمن (بورڈ کے چیئرمین) |
|                     | ● جناب خالد منصور                         |
|                     | ● جناب اسد سعید جعفر                      |
| ایگزیکٹیو ڈائریکٹرز | ● جناب عامر پراچہ (سی۔ای۔او)              |
|                     | ● جناب علی یوسف (سی۔ایف۔او)               |
|                     | ● یکم مارچ 2024 کو مستعفی ہو گئے۔         |

## ماحول کی حفاظت:

### پیشہ ورانہ سیفٹی اور صحت:

یونی لیور پاکستان فوڈز لمیٹڈ کے کاموں میں سیفٹی پر سمجھوتے کی کوئی گنجائش نہیں ہے۔ یونی لیور پاکستان فوڈز لمیٹڈ کے (zero vision) کا ایک اہم نکتہ ہے۔ ہم سیفٹی پر مسلسل اپنی توجہ مرکوز رکھتے ہیں اور ہماری قیادت اس سلسلے میں برابر پیغامات دیتی رہتی ہے، جن میں ملازمین کا ذمہ دارانہ رویہ اور مشینوں کے محفوظ ڈیزائن، سہولیات اور مصنوعات شامل ہیں۔ ساتھ ہی ساتھ سارا سال محفوظ طریقے اور نظام اختیار کرنے پر توجہ دی جاتی ہے۔ ہم نے ملازمین سے بھی آگے اپنے شراکت داروں اور سروس فراہم کرنے والوں تک اس میں توسیع کی ہے اور ہم انہیں اپنے اعلیٰ حفاظتی معیارات پر پابند رکھتے ہیں۔ ٹیکنالوجی کے استعمال نے ہمیں صفر حادثات (Zero Injury) کمپنی بنانے میں اہم کردار ادا کیا ہے۔

### ملازمین کی شراکت:

چندہ جمع کرنے اور رضا کارانہ سرگرمیوں کے ذریعے ہمارے ملازمین نادار لوگوں کی زندگی بہتر کرنے کے لئے انہیں تعلیم اور صحت بخش غذا فراہم کرنے میں ان کی مدد کرتے ہیں۔

ہمارے ملازمین کی تنخواہوں سے فنڈز اکٹھا کر کے ہمارے سوشل پارٹنرز کو دیے گئے جن میں دی سٹیزن فاؤنڈیشن، آغا خان یونیورسٹی ہسپتال اور ورلڈ فوڈ پروگرام شامل تھے۔ یہ رقم نادار بچوں اور نوجوانوں کی تعلیم، غذا اور صحت کے لیے فراہم کی گئی۔

### یونی لیور پاکستان کی جانب سے سیلاب زدگان کی امداد (19.2 ملین روپے)

2022 میں تباہ کن بارشوں اور سیلاب کے بعد، یونی لیور فوڈز پاکستان نے متاثرین کی فوری امداد کے لیے اہم اقدامات کئے جن میں راشن بیگ، طبی امداد، تیار کھانا اور حفظان صحت کی کٹس پر مشتمل ضروری سامان فراہم کیا۔ اس کے علاوہ پائیدار حل کی فوری ضرورت کے پیش نظر، یونی لیور پاکستان فوڈز لمیٹڈ نے ٹھٹھہ اور ڈیرہ غازی خان میں دیہات کی بحالی کے لیے ہینڈز اور بیت السلام کے ساتھ شراکت داری کی۔

ہمارے تمام برانڈ آپریشنز میں سسٹین ایبلٹی کو اہمیت دی جاتی ہے۔ یونی لیور پاکستان فوڈز لمیٹڈ کی مینوفیکچرنگ حکمت عملی میں اسے مرکزی حیثیت حاصل ہے۔ اقوام متحدہ کے قابل برداشت ترقیاتی مقاصد حاصل کرنا ہم نے اپنا مقصد بنا رکھا ہے۔ یونی لیور پاکستان فوڈز لمیٹڈ کے مینوفیکچرنگ سائٹ کو 2023 تک 97 فیصد توانائی کے متبادل ذریعہ پر منتقل کیا جا چکا ہے۔ 2023 کے دوران ہماری کمپنی کے مینوفیکچرنگ سائٹس نے ماحول کی حفاظت کے لیے کئی 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 پروجیکٹس پر کام ہوا:

- موثر حکمت عملی اپنانے کی بدولت یوٹیلیٹی کے استعمال میں واضح کمی لائی گئی۔
- سائٹ پر پانی کوری سائیکلنگ کے بعد دوبارہ قابل استعمال بنایا۔
- نگرانی اور رساؤ کی جانچ سے نقصان میں موثر کمی کے ذریعے کمپریسڈ ایئر کے استعمال میں کمی لائی گئی۔
- ہائی پاور موٹرز پر VFD کی تنصیب کے ذریعے بجلی کی کھپت میں کمی کی گئی۔
- اسٹیم نیٹ ورک کی درستگی عمل میں لائی گئی۔
- متبادل سرٹیفکیٹس کی خریداری کے ذریعے بجلی کے کاربن اثرات ختم کئے گئے۔
- پرانے موٹرز کی جگہ نئے کم بجلی لینے والے موٹرز لگائے گئے۔
- فیکٹریوں سے نکلنے والے بے کار مواد کو دوبارہ استعمال کے قابل بنایا گیا۔
- ہمارے دفاتر، فیکٹریاں، صارفین اور شرکاء کی کوشش یہ ہے کہ کاربن کے اخراج میں زیادہ سے زیادہ کمی کی جائے۔ ہم یہ کام اپنے اتحادیوں سے مل کر انجام دے رہے ہیں تاکہ ہمارے کرہ ارض کا مستقبل برداشت کے قابل رہے۔ ہم یہ بھی جانتے ہیں کہ عالمی طور پر آب و ہوا کے معاملات اور مشکلات سے متعلق آگاہی بڑھتی جا رہی ہے۔

## حصہ داروں کا منافع: (ڈیویڈنڈ)

2023ء کے لیے اعلان کردہ مجموعی عبوری ڈیویڈنڈ 251 روپے فی شیئر کے حساب سے 1,599 ملین روپے بنتا ہے (2022ء کا مجموعی عبوری ڈیویڈنڈ 287 روپے فی شیئر کے حساب سے 1,828 ملین روپے تھا۔ 2023 کا حتمی ڈیویڈنڈ 178 روپے فی شیئر ہے (2022ء: صفر روپے فی شیئر تھا)۔

## انڈسٹری کا جائزہ:

گزشتہ کچھ سالوں کے دوران ہیکٹیڈ فوڈز برنس ڈبل ڈجٹ ترقی حاصل کرنے میں کامیاب رہا (یہ اندازہ یورو مانیٹر نے لگایا ہے)۔ اس مارکیٹ میں کئی قومی اور ملٹی نیشنل کمپنیوں کے علاوہ بہت سی علاقائی کمپنیاں بھی شامل ہیں۔

## سرمایہ کاری:

کمپنی نے اپنی گنجائش بڑھانے اور کارکردگی بہتر کرنے کی غرض سے گزشتہ سال کے دوران 2,026 ملین روپے کی سرمایہ کاری کی ہے۔

آپ کی کمپنی وقفہ وقفہ کے بعد جائزہ لے کر مالی گوشوارے تیار کرتی ہے تاکہ زیادہ سے زیادہ منافع حاصل کرنے کے لیے بہترین حکمت عملی اپنائی جائے۔

دوران سال، کمپنی نے اپنے منافع کو بڑھانے کے پیش نظر اپنے اضافی فنڈز کا 75 فیصد مختصر مدت کے حکومتی ٹریژری بلز اور منی مارکیٹ میچوکل فنڈز میں لگایا ہے اور باقی کے اضافی پیسے مختصر مدت کے لیے بینکوں میں رکھے جاتے ہیں۔

## کمپنی کی کارکردگی کا جائزہ:

کمپنی میں ایک ایسا نظام موجود ہے جس میں کمپنی کی کارکردگی کا سختی سے جائزہ لیا جاتا ہے۔ کمپنی کی انتظامیہ اس کے لیے کئی طریقے استعمال کرتی ہے جو اس کی مادر کمپنی اور مقامی قیادت کے اچھے اقدامات پر مبنی ہوتے ہیں تاکہ ہمارا کاروبار مختصر مدت اور طویل مدت دونوں کے دوران اچھی پوزیشن میں رہے۔

## خاص خطرات اور غیر یقینی حالات:

مہنگائی کے تسلسل اور شرح سود میں اضافے سے کاروبار کرنے کی لاگت پر منفی اثر کے ساتھ صارفین کی قوت خرید ختم ہو کر رہ گئی ہے۔ اس کے ساتھ سیاسی غیر یقینی اور علاقائی و جغرافیائی کشیدگی کی صورتحال معاشی سست روی میں مزید اضافے اور صارفین کی طلب کو متاثر کر رہی ہے۔

مزید برآں، IMF کے اسٹینڈ بائی انتظامات کے بعد ملک کے فارن آپیکس کی صورتحال میں بہتری کے باوجود، ساختی (اسٹرکچرل) چیلنجز اب بھی برقرار ہیں۔ آئندہ سالوں میں اہم قرضوں کی ادائیگیوں کے سبب ملکی زر مبادلہ کے ذخائر دباؤ میں رہنے کے امکانات ہیں۔ نتیجتاً، کرنسی کی قدر میں کمی اور سپلائی میں رکاوٹ کا امکان رہے گا کیونکہ اہم خام مال کی درآمد مشکل ہو سکتی ہے۔

## ہمارے لوگ:

ہم ایک بامقصد اور مستقبل سے باخبر ادارہ ہیں اور اس بات پر یقین رکھتے ہیں کہ بامقصد لوگ ہی کامیابی سے ہمکنار ہوتے ہیں۔ ہمارا ماحول صاف گوئی، مستعدی، تخلیق اور ترقی کی سوچ کو فروغ دیتا ہے۔ ملازمین کی صحت ہمارے ہر کام میں مرکزی حیثیت کی حامل ہے۔ ہمارے لوگ احترام، عظمت اور بہترین اخلاق پر مشتمل ہماری اقدار کے امین ہیں اور ہم اپنے لوگوں کو اچھے مواقع فراہم کر کے بڑا فخر محسوس کرتے ہیں۔

2023 میں، کمپنی کو بین الاقوامی اور ملکی سطح پر بڑے اعزازات سے نوازا گیا، ہم نے ”بیسٹ پلیس ٹو ورک گالا 2023“ میں FMCG شعبے میں سب سے زیادہ ترجیحی آجر کا ایوارڈ جیتا۔ دوسری جانب سسٹین ایبلٹی کو ترجیح دینے پر، کمپنی کو بیسٹ انو انرمنٹل، ہیلتھ اور سیفٹی پریکٹسز کے لیے لیبر رائٹس کیلگری میں SDPI کے سسٹین ایبلٹی ایوارڈ سے نوازا گیا۔ علاوہ ازیں، ماحولیات، صحت اور حفاظت کے بہترین طریقے اپنانے کی بدولت کمپنی کو دراز ای کامرس سمٹ 2023، کنور ایوارڈز میں ای کامرس کمپنی آف دی ایئر اور FMCG برانڈ آف دی ایئر، ایوارڈ سے نوازا گیا۔

## ڈائریکٹرز کی جائزہ رپورٹ

31 دسمبر 2023 کو ختم ہونے والے سال کے لیے یونی لیور پاکستان فوڈز لمیٹڈ کی سالانہ رپورٹ اور آڈٹ شدہ مالی گوشوارے ڈائریکٹروں کی جانب سے پیش کیے جا رہے ہیں۔

کمپنی کی خاص خاص سرگرمیاں:

رفان، کنور، ہیلمنز، ایبز جائل اور گلیکسو زڈی کے برانڈ ناموں سے کمپنی کنزرویومر اور کمرشل فوڈز پروڈکٹس بناتی اور فروخت کرتی ہے۔ مشکل ترین کاروباری حالات بشمول سماجی، معاشی اور سیاسی مسائل کے باوجود بزنس نے 2023 میں بھی ترقی کا سفر جاری رکھا اور 22.2 فیصد پر مشتمل سیلز کی ترقی حاصل کرتے ہوئے اپنے کاروباری منافع کو برقرار رکھا۔ تاہم ترقی کی اصل وجہ قیمتوں میں اضافہ رہا کیونکہ مہنگائی کے تسلسل نے صارفین کی قوت خرید کو نمایاں طور پر متاثر کیا، نتیجے میں محدود انتخاب، غیر معیاری اور سستی خریداریوں کو توجہ ملی۔

کنور: پورٹ فولیو نے 2023 میں بھی جدت کا سفر جاری رکھا۔ کمپنی نے نوجوانوں کی کیٹگری میں بلیزن جیلیپیو اور فیوزن کے آغاز سے پورٹ فولیو میں توسیع جاری رکھی۔ دیگر نئی اور جدید پیش رفت میں، ہیلمنز کے تحت ”تھک اینڈ کری می مایو“ کا آغاز شامل ہے۔ حجم کے اعتبار سے دباؤ میں رہنے کے باوجود، کمپنی نے پیک کی قیمتوں پر بچت کی پیش کش جیسے طریقوں سے صارفین کی توجہ برقرار رکھنے کی کوشش جاری رکھی۔

رفان: ڈیزلٹس کے پورٹ فولیو نے قیمت میں اضافے کی بدولت ترقی حاصل کی۔ قیمت میں اضافہ خام مال کے مہنگا ہونے کی وجہ سے کیا گیا تھا۔

فوڈ سلوشنز: بزنس نے ترقی کا سفر جاری رکھتے ہوئے مستحکم برانڈز اور اعلیٰ معیاری پروڈکٹس کی بدولت شاندار کارکردگی کا مظاہرہ کیا۔

ایکسپورٹس: کمپنی نے اپنے اہم مقصد کی بنیاد پر اپنے ایکسپورٹس میں اضافے کی کوششیں جاری رکھیں اور موجودہ اور نئے کلائنٹس پر توجہ دیتے ہوئے شاندار ترقی حاصل کی۔

دوران سال، مجموعی منافع 60bps کے اضافے کے ساتھ 42.8 فیصد پر آ گیا ہے۔ یہ اضافہ قیمتوں کے بڑھنے سے ہے جو کہ خام مال اور دیگر اشیاء میں بڑھتی ہوئی مہنگائی کے اثر کو مد نظر رکھتے ہوئے کیا گیا تھا۔ کاروباری ترقی اور شرح سود میں اضافے کی بدولت ای پی ایس (EPS) گزشتہ سال کے مقابلے میں 22.5 فیصد زیادہ رہا۔

2022	2023	کاروباری نتائج:
(ملین روپے)		
28,309	34,587	سیلز
11,949	14,809	مجموعی منافع
8,506	10,473	سرگرمیوں کے ذریعے منافع
8,366	10,353	ٹیکس سے پہلے منافع
7,952	9,744	ٹیکس کے بعد منافع
1248.41	1529.68	بنیادی ای پی ایس (روپے)

# چیئر مین کا جائزہ

## بزئس اور انڈسٹری کا جائزہ

31 دسمبر 2023 کو ختم ہونے والے سال کے لیے بورڈ کی جانب سے چیئر مین کی جائزہ رپورٹ پیش کرتے ہوئے مجھے خوشی محسوس ہو رہی ہے۔

گزشتہ سال پاکستان کے اقتصادی اور سیاسی ماحول کے لیے ایک مشکل ترین سال رہا کیونکہ ملک کو سماجی، سیاسی اور معاشی مسائل درپیش رہے۔ جس کے نتیجے میں مسلسل اس سال بھی ڈبل ڈجٹ مہنگائی بڑھنے کے ساتھ، توانائی اور اجناس کی قیمتوں میں ہوشربا اضافہ، 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۔ یہ سب کچھ ہماری تجربہ کار انتظامیہ کی انتھک محنت، کاروبار کے بنیادی اصولوں پر توجہ، مضبوط و مستحکم سپلائی چین نیٹ ورک کی بدولت صارفین کے لیے بلا تعطل سپلائی یقینی بنانے اور اپنے برانڈز کی مضبوطی سے ممکن ہوا اور ہم نے اپنے صارفین کے لیے خوشیوں کا سامان مہیا کیا۔

مجموعی طور پر، کاروبار نے قیمت میں اضافے کی بدولت 22.2 فیصد ترقی کی۔ کمپنی نے برانڈز اور جدت کے لیے سرمایہ کاری جاری رکھی۔ ترقی اور بچت کے اقدامات سے کمپنی اپنے بنیادی ای پی ایس میں 22.5 فیصد اضافہ کرنے میں کامیاب رہی۔

بورڈ نے ایک مشکل ماحول میں اپنے تمام متعلقین کے مفاد کی خاطر اپنی آئینی ذمہ داریاں پوری کرنے کے ساتھ ساتھ کمپنی کو آگے بڑھایا۔ نیز کمپنی کے اہم مقاصد حاصل کرنے اور تمام متعلقین کے منافع میں اضافہ کرنے کے لیے بورڈ نے سارا سال اپنے کردار اور اپنی سرگرمیوں پر گہری نظر رکھی۔

## بورڈ کی کارکردگی اور اس کے نتائج

کوڈ آف کارپوریٹ گورننس اوپنیز ایکٹ 2017ء کے مطابق، بورڈ اور اس کی کمیٹیوں اور ڈائریکٹروں کو پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) کے ذریعے جانچا گیا تاکہ شفافیت یقینی بنائی جاسکے۔

اس کام میں بورڈ کی ذیلی کمیٹیوں نے بورڈ کی مدد کی، ان ذیلی کمیٹیوں میں آڈٹ کمیٹی اور ہیومن ریسورسز اینڈ ریمو نیشن (HR & R) کمیٹی شامل تھیں۔ دوران سال کوڈ آف کارپوریٹ گورننس کے قواعد و ضوابط کے مطابق ان سب کمیٹیوں نے اپنی میننگز منعقد کیں۔

یہاں یہ ضروری ہے کہ ہم ان ذیلی کمیٹیوں (آڈٹ کمیٹی اور ہیومن ریسورسز اینڈ ریمو نیشن (HR & R) کمیٹی) کا عملی کردار جان لیں تاکہ ہمیں زیادہ سے زیادہ بہتری لانے کے لیے عملی اقدامات معلوم ہو سکیں۔ اس کے ساتھ ہی ہم بہترین عملی اقدامات اور اپنے تمام متعلقین کے مسلسل مفاد کے لیے اپنی کوششیں جاری رکھیں گے۔

## مستقبل کے امکانات

مہنگائی کے تسلسل، کرنٹ اکاؤنٹ اور معاشی خسارے جیسے ساختی مسائل مستقبل قریب میں معیشت کے لیے مشکلات پیدا کر سکتے ہیں، اس لیے کاروباری اور معاشی ماحول مشکل رہنے کی توقع ہے۔ البتہ، کمپنی اعلیٰ برانڈز، وسیع ترپورٹ فولیو، صارفین کی زبردست سوجھ بوجھ اور بہترین ویلیو چین کی بدولت شاندار نتائج دینے کے لیے پرعزم ہے۔ اسی کے ساتھ کمپنی پلاسٹک میں کمی لانے، گرین انرجی (ماحول دوست توانائی)، تنوع اور شمولیت وغیرہ جیسے اقدامات سے مثبت سماجی کردار اور آلودگی کو کم کرنے کے اپنے عزم پر کاربند رہے گی۔

## اعتراف

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے، میں کمپنی کے تمام متعلقین کا شکریہ ادا کرتا ہوں کہ وہ ہمارے ساتھ مسلسل تعاون اور ہماری حوصلہ افزائی کرتے رہے۔ میں کمپنی کے ملازمین کا بھی مشکور ہوں کہ انہوں نے اپنی قیمتی خدمات فراہم کیں۔ 2023ء کے دوران میرے ساتھی ڈائریکٹروں نے جس وابستگی اور جانفشانی سے کام کیا اور کمپنی کی ترقی کے لیے جو کوششیں کیں اس کے لیے بھی میں ان کا شکریہ ادا کرتا ہوں۔

جناب سرفراز احمد رحمن

بورڈ چیئر مین

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