



#UNILEVERFORPAKISTAN



Unilever Pakistan Foods Limited
Annual Report

2020



Contents

Vision & Core Values	02
Company Information	03
Directors' Profile	04
Chairman's Review	06
Directors' Report	08
Board Meetings Attendance	15
Board Committee Meetings Held During the Year	15
Performance Indicators for 6 years	17
Statement of Financial Position - Analysis for 6 years	20
Profit or Loss Account and other Comprehensive Income - Analysis for 6 years	22
Statement of Wealth Generated and Distributed	24
Pattern of Shareholding	25
Statement of Compliance with the Code of Corporate Governance	27
Independent Auditor's Review Report	28
Financial Statements	29
Notice of Annual General Meeting	80
Form of Proxy <small>پراکسی فارم</small>	86
Dividend Mandate Form <small>ڈویڈنڈ مینڈیٹ فارم</small>	88

Vision

“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. Kamran Y. Mirza	Independent Director & Chairman of the Board
Mr. Amir R. Paracha	Executive Director & Chief Executive Officer
Mr. Aly Yusuf	Executive Director & Chief Financial Officer
Ms. Farheen Salman Amir	Executive Director
Mr. Zulfikar Monnoo	Non-Executive Director
Mr. Muhammad Adil Monnoo	Non-Executive Director
Mr. Kamal Monnoo	Non-Executive Director
Mr. Sarfaraz Ahmed Rehman	Independent Director
Mr. Khalid Mansoor	Independent Director
Mr. Ali Tariq	Non-Executive Director

Company Secretary

Mr. Aman Ghanchi

Audit Committee

Mr. Khalid Mansoor	Chairman & Member
Mr. Muhammad Adil Monnoo	Member
Mr. Sarfaraz Ahmed Rehman	Member
Mr. Zulfikar Monnoo	Member
Mr. Kamran Y. Mirza	Member
Mr. Moiz Idris Rajput	Secretary & Head of Internal Audit

Human Resource & Remuneration Committee

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

Auditors

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

Registered Office

Avari Plaza
Fatima Jinnah Road
Karachi – 75530

Share Registration Office

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

Website Address

www.unilever.pk

Directors' Profile

Kamran Y. Mirza - Chairman

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

Amir R. Paracha - CEO

Amir joined the Board on 1 February, 2020. Over his 21 years with Unilever, he has held various senior management positions in Pakistan and other markets. Amir Paracha is also the Chairman and Chief Executive Officer of Unilever Pakistan Limited, Trustee at The Duke of Edinburgh's Award Foundation Pakistan, Member at the Board of Governors of the National Management Foundation, Co-Chair on PSDF's Parwaaz – National Accelerator on Closing the Skills Gap in Pakistan and is on the Board for the Karachi Vocational Training Centre & Shell Pakistan Limited.

He joined Unilever Pakistan in 2000 as an Assistant Brand Manager on Wheel and subsequently led multiple categories within Laundry and Personal Care business. Between 2006 – 2008, Amir took on leadership role in marketing at Unilever North Africa Middle East for the GCC cluster. He then returned to lead the Home and Personal Care division in Pakistan before assuming the role of Vice President for Customer Development in 2013. Prior to taking over as the CEO, in his role as VP Customer Development, he helped deliver solid results, successfully inspiring a transformative vision for the future. He continues to actively experiment with disruptive business models and has championed inclusion and wellbeing across the Unilever ecosystem in Pakistan.

Amir began his career at the Royal Dutch Shell Oil Company in July 1996. He has done his Masters in Business Administration from the Institute of Business Administration.

Aly Yusuf- CFO

Aly Yusuf joined the Board on October 01, 2019 and is currently Director & Chief Financial Officer of Unilever Pakistan Limited & Unilever Pakistan Foods Limited. He joined the company in July 2007. Aly holds a MBA from the LUMS and is a CFA Charter holder. Over his 14-year tenure at Unilever, Aly has gained extensive Finance and Business experience in both developed and developing markets at Unilever. He has worked in United Kingdom, UAE and Pakistan in local, regional and global roles.

Farheen Salman Amir

Farheen joined the Board on March 7, 2016 and is currently the Director Foods & Refreshments. Farheen joined Unilever as a Management Trainee in 1998. In her 21 years' career with the Company, Farheen has worked in a number of categories across both Food & Refreshment and HPC. In her role as BD Director Ice Cream NAMET, Farheen worked for Unilever Turkey and crafted an innovation & communication program for the portfolio that was instrumental in bringing the Euro 450 million ice cream business back to sustained double-digit growth.

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 the 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 the 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 Textil a.s., Bata Pakistan Limited.

Sarfaraz Ahmed Rehman

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

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 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 is also Chairman of the Boards of Laraib Energy Limited, Narowal Energy Limited, Hub Power Services Limited, Hub Power Holding Limited, and ThalNova Power Thar Private Limited. He is 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 an Advisor on the board of Jazz Pakistan (a subsidiary of Veon Global) Board.

Ali Tariq

Ali joined the Board as a Non-Executive Director in April 2017 and the Unilever group in 2003. He has since held Global, Regional and Country leadership roles in Singapore, UK and Pakistan. He was CFO of the Pakistan Business from 2013 to 2017 and is currently based at Unilever's headquarters in the UK as a Global Vice President of Finance. Ali is a member of Unilever's Global Finance and Supply Chain Leadership teams. Prior to Unilever, Ali held business advisory roles with PricewaterhouseCoopers UK where he also trained as a Chartered Accountant. He is a member of the Institute of Chartered Accountants in England & Wales.

Chairman's Review Report

BUSINESS AND INDUSTRY OVERVIEW

On behalf of the Board, it is my pleasure to present the Chairman's Review Report for the year ended December 31, 2020.

The Company has continued to deliver positive results and maintain position of being a market leader across categories despite of the global pandemic - COVID-19. We faced the challenge of complete lockdown where our food solutions business was badly impacted, but with strong commitment, consumer trust and our nationwide presence, we ensured high performance and steady growth.

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 due to focused oversight over the operations.

In 2020, the business recorded a creditable growth rate of 17.2% through volume and pricing. Knorr and Rafhan recorded growth because of launch of new variants of our products and a renewed sales mix. Increased investment in innovative marketing helped to drive consumer traction and brand reinforcement. Moreover, we recorded EPS growth of 56.4%, which reiterates our ongoing commitment to creating stakeholder value.

BOARD PERFORMANCE AND EFFECTIVENESS

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

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

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

FUTURE PROSPECTS

The Company will strive to deliver strong sales growth by driving its core product portfolio supported by launch of new / innovate products taking cognizance of the competitive environment & market dynamics. Further, the company will make strenuous efforts for wider penetration of rural areas house holds to increase consumption of its products. The Company is committed to achieving operational excellence & attaining its objective/vision of providing sustainable living to all its stakeholders through responsible value chain as well as trust worthy purpose driven brands.

ACKNOWLEDGMENTS

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 despite challenging environment due to COVID-19 and new ways of working. I also acknowledge the commitment and diligence of my fellow directors during 2020 and thank their leadership for their valuable contributions for the continued growth of the Company.

Mr. Kamran Y. Mirza

Chairman of the Board



DIRECTORS' REPORT

* اُردو کے لیے آخری صفحات ملاحظہ فرمائیے۔

Winning with Brands and Innovations

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

Directors' Report

The directors present Unilever Pakistan Foods Limited's (UPFL) Annual Report together with audited financial statements for the year ended December 31, 2020.

Company's Principal Activities

The Company manufactures and sells consumer and commercial food products under the brand names Rafhan, Knorr, Energile, Glaxose-D and Best Foods. In 2020 the business recorded a broad-based growth of 17.2%, despite COVID-19 lockdown that significantly affected Food Solutions business.

The key growth drivers in 2020 were:

Knorr: Growth in Knorr was primarily led by Noodles & Ketchup that grew on the back of building brand equity and consumption in urban as well driving penetration in rural areas, leveraging digital mediums through precision marketing and capitalizing on the excitement of mega occasions. The launch of "cheesy chatt patta" variant was well received in the market.

Rafhan: Despite a challenging year, the brand was able to record healthy sales growth in desserts and corn oil product lines. This was achieved by strategic pricing decisions and relevant consumer promotions.

Foods Solutions: The entity-based business saw a steep decline in sales during the year primarily due to lockdown and multiple restrictions on outdoor dining.

Gross margin increased by 1.49% to 42.9% through better cost absorption and a rigorous savings agenda. EPS grew by 56.4% versus last year driven by growth, margin improvement and tax credits pertaining to capital expenditure.

Operating Results

	2020	2019
	Rupees in million	
Sales	15,573	13,291
Gross Profit	6,679	5,502
Profit from Operations	4,078	2,943
Profit before tax	4,055	2,808
Profit after tax	3,837	2,453
EPS-basic (Rs)	602.42	385.08

Dividends

First Interim Dividend 2020 (already paid): Rs. 130 per share (2019: Rs. 88 per share).

Second Interim Dividend 2020 (already paid): Rs. 141 per share. (2019: Rs. 63 per share).

Third Interim Dividend 2020 (already paid): Rs. 120.52 per share. (2019: Rs. 93 per share).

Final Dividend 2020: Rs. 210.89 per share (2019: Rs. 142 per share).

Industry Review

The Foods market (Total package segment) in Pakistan is currently estimated at PKR 3.3 trillion (estimate as per Euromonitor and Consumer Panel). The market consists of several local and multinational companies, with numerous regional players as well. Packaged food is growing at 11.9% mainly led by edible oil and dressings.

Capital Expenditure

The Company, in order to expand capacity and increase efficiency, invested Rs. 363.5 million during the year.

Liquidity Profile

The Company was able to generate Rs. 3,908 million from operating activities during the year. The Company had a net cash and cash equivalents of Rs. 930 million at year end.

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 and surplus funds are mostly kept 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 remain in good position.

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

Principal Risks and Uncertainties

The Company is faced with the following principal risks:

- The on-going COVID-19 situation poses a risk to the growth plans for the business as the plan hinges on sales outlets coverage improvements, driving product assortment and ensuring General Trade channel growing faster than prior years.
- The macro-economy has shown signs of improvements with trade balance and current account increasing, however, medium to long term structural economic reforms remain to be seen.

Our People

At Unilever, our people are our biggest strength. They drive the company mission forward while holding themselves accountable to the highest standards of integrity, respect and social responsibility. We take great pride in the opportunities we make accessible to our people, whether it is through continuous learning programs, challenging assignments, wellbeing initiatives and the like.

2020 while being a most difficult year further highlighted the capabilities and grit of our people as they rose to the challenge of working in an uncertain environment. We pushed our boundaries to devise a flexible work model which complied with international standards of safety, while also taking care of employee mental and physical health with exceptional results as proved by the individual and functional initiatives rolled out to deal with the unique needs that arose in a pandemic.

Equity, Diversity and Inclusion remained a top priority at Unilever as we continued efforts to hire without discrimination against gender, age, race, religion, socioeconomic backgrounds, transgenders and differently abled people, and offer equitable opportunities based on individual needs.

We encourage a culture of agile working especially in the face of an evolving global work environment to promote healthy work life balance.

Environment Protection

Sustainable environmental production lies at the core of the UPFL manufacturing strategy. The Company expends considerable efforts to achieve sustainable development through environment friendly operations whilst upholding the vision of the United Nation's Sustainable Development Goals. In 2020, our manufacturing sites initiated various environmental protection measures for the conservation of water, energy and waste by implementing the following sustainability projects:

- Energy optimization by installation of Load Management system for cooling towers, chillers and air handling.
- Replacement of HPS lights with energy efficient LED lights
- Significant reduction in air emission through boilers by replacing HFO with cleaner fuel
- Reusing effluence in cooling towers by ultraviolet and ultrafiltration projects
- Replacement of water piping network which resulted in significant water savings
- Upgradation of Rainwater Harvesting Storage Tanks
- Recycling of waste materials generated from sites
- Implementation of Project E-Bag

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 an 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.

Community Investment and Welfare Schemes (PKR 14.9 Million)

Driven by its duty to serve the nation in a time of need, Unilever Pakistan was one of the first companies to commit relief towards COVID-19. Through monetary and in-kind donations, Unilever Pakistan brought alive its vision of Unilever for Pakistan with the intention of embracing its role as a force of good for the nation.

Further:

- Knorr invested in an educational content partnership with Taleemabad to educate children on key themes revolving around personal safety and good deeds. Almost 1 million children have been reached through this partnership.
- Knorr continued to provide livelihoods to rural youth through its entrepreneurial program which provides noodle vending carts to people as a means of earning an income while also helping deliver hygienic snacking alternatives to rural communities. Through this initiative, employment opportunities were provided which enhanced the lives of up to 2000 families.

Occupational Safety and Health

There is no room for compromise on safety across all UPFL operations, which is a priority aligned with our goal of **Vision Zero UPFL**. We maintain continuous attention to a safety mindset through reinforced leadership messaging, responsible employee behavior, safety focused plant designs, facilities and products in addition to the implementation of safe procedures and systems throughout the year.

Employee Engagement

The spirit of giving ranks high among our employees as they make a conscious effort to elevate the lives of underserved communities through active support for the health and wellbeing, education and access to healthy eating through committed fundraising and volunteering activities. Our Employee Payroll Program raised close to Rs. 1.5 million in support for our social partners; The Citizen's Foundation; Aga Khan University Hospital and the World Food Program. These funds are channelized to facilitate access to learning, nutrition and wellbeing for underprivileged children and youth.

Value of investments of employees in retirement funds

UPFL contributed Rs. 15.88 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, 2020 is as follows:

	Rs. in million
Provident Fund	192
Gratuity Fund	34
Total – 2020	226
Total – 2019	210

Corporate Governance

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

- The financial statements prepared by the management of the Company present fairly the result of its operations, cash flows and changes in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies, as applicable in Pakistan, have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgement.

- International Financial Reporting Standards have been followed in the preparation of the financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no departure from the best practices of corporate governance, as detailed in the Rule Book of the Stock Exchange.
- Statements regarding the following are annexed or are disclosed in the notes to the financial statements.
 - Number of meetings of Board of Directors and its committees held and attendance by directors.
 - Key financial data for the last six years.
 - Pattern of shareholding.

Directors

The following persons are the directors of the company:

- Mr. Kamran Y. Mirza (Chairman of the Board)
- Mr. Amir R. Paracha (CEO)
- Mr. Aly Yusuf (CFO)
- Ms. Farheen Salman Amir
- Mr. Zulfikar Monnoo
- Mr. Muhammad Adil Monnoo
- Mr. Kamal Monnoo
- Mr. Sarfaraz Ahmed Rehman
- Mr. Ali Tariq
- Mr. Khalid Mansoor

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

Internal Financial Controls

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

Board Evaluation

In accordance with the Code of Corporate Governance and the Companies Act, 2017 the evaluation of the Board, its committees and individual directors was conducted by PICG (Pakistan Institute of Corporate Governance) to ensure transparency. The board is assisted by sub-committees, i.e. the Audit Committee and the HR&R Committee, and these sub-committees held meetings during the year as per the stipulations of the code of corporate governance. It is also important to highlight the key role played by the sub-committees (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. 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.

Auditors

The Auditors, KPMG Taseer Hadi & Co., Chartered Accountants, were appointed for the year ending December 31, 2020. The Board has recommended the appointment of KPMG Taseer Hadi & Co. as the Auditors of the Company for the year 2021.

Holding Company

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

Subsequent Events

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

Reserve Appropriations

	Share Capital		Reserves			Total	
	Issued, subscribed and paid up capital	Capital	Special	General	Revenue	Sub Total	
		Share Premium			Un-appropriated Profit		
	(Rupees in thousand)						
Balance as at December 31, 2019	63,699	1,296,499	628	138	943,233	2,240,498	2,304,197
Total comprehensive income for the period	-	-	-	-	3,841,993	3,841,993	3,841,993
Profit for the year ended							
December 31, 2020	-	-	-	-	3,837,412	3,837,412	3,837,412
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	4,581	4,581	4,581
Final dividend for the year ended							
December 31, 2019 @ Rs. 142 per share	-	-	-	-	(904,533)	(904,533)	(904,533)
First Interim dividend for the year ending							
December 31, 2020 @ Rs. 130 per share	-	-	-	-	(828,094)	(828,094)	(828,094)
Second Interim dividend for the year ending							
December 31, 2020 @ Rs. 141 per share	-	-	-	-	(898,163)	(898,163)	(898,163)
Third Interim dividend for the year ending							
December 31, 2020 @ Rs. 120.52 per share	-	-	-	-	(767,706)	(767,706)	(767,706)
Balance as at December 31, 2020	63,699	1,296,499	628	138	1,386,730	2,683,995	2,747,694

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

Covid-19 has posed enhanced difficulties on an international scale vis-a-vis growth and accompanying socio-economic adversities. Pakistan has been no exception while at the same time also having to grapple with its own specific cum long-standing economic challenges. Despite such a testing economic and operating environment, your Company expects to deliver competitive results in the foreseeable future, as the management remains committed to deal with the situation through an access to Unilever's global expertise, a sound consumer understanding, our on-going innovation endeavours, and by consistently offering an exemplary customer service. The launch of the new "Cheesy Chatt Patta" noodle variant further enhances our noodles portfolio and is a manifestation of the Company's continuous endeavours towards innovation. We are confident that our dedicated and focused efforts will help us in providing enhanced value to help meet our consumers' daily needs and in delivering sustained profitable growth benefitting all stakeholders.

Thanking you all.

On behalf of the Board

Kamran Y. Mirza
Chairman
Karachi
March 1, 2021

Amir R. Paracha
Chief Executive Officer
Karachi
March 1, 2021

Board Meetings Attendance

During the year 2020, four Board Meetings were held and the attendance of each director is given below:

Directors	Total No. of Meetings Held *	No. of Meetings Attended
Mr. Kamran Y. Mirza	4	4
Mr. Amir R. Paracha	4	4
Mr. Aly Yusuf	4	4
Ms. Farheen Salman Amir	4	4
Mr. Zulfikar Monnoo	4	4
Mr. Muhammad Adil Monnoo	4	4
Mr. Kamal Monnoo	4	4
Mr. Badaruddin F. Vellani**	1	1
Mr. Sarfaraz Ahmed Rehman***	3	3
Mr. Khalid Mansoor	4	4
Mr. Ali Tariq	4	4

Notes:

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

** Resigned w.e.f. 20th April 2020.

*** Appointed w.e.f. 20th April 2020.

Board Committee Meetings Held During the Year

Audit Committee

Name of Member	Total No. of Meetings Held*	No. of Meetings Attended
Mr. Khalid Mansoor Chairman	4	4
Mr. Zulfikar Monnoo Member	4	4
Mr. Kamran Y. Mirza Member	4	4
Mr. Muhammad Adil Monnoo Member	4	4
Mr. Badaruddin F. Vellani** Member	1	1
Mr. Sarfaraz Ahmed Rehman** Member	3	2
Mr. Moiz Idris Rajput Secretary	4	4

Notes:

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

** During the year, Mr. Sarfaraz Ahmed Rehman was appointed as Member of the Committee in place of Mr. Badaruddin F. Vellani with effect from 20th April 2020.

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 2020. 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	6	6
Mr. Aly Yusuf Member	6	6
Ms. Farheen Salman Amir Member	6	6
Mr. Aman Ghanchi Secretary	6	6

Terms of Reference

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

Human Resource & Remuneration Committee

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

* Appointed w.e.f. 20th April 2020.

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

2020 2019 2018 2017 2016 2015

← (Rupees in thousand) →

Financial Position

Property, plant and equipment	3,732,128	3,654,460	2,783,549	1,992,974	2,084,856	2,040,339
Other non-current assets	100,559	108,368	130,808	94,842	96,544	119,386
Current assets	3,614,686	3,326,005	3,056,526	1,993,132	2,436,695	2,257,568
Total assets	7,447,373	7,088,833	5,970,883	4,080,948	4,618,095	4,417,293
Share capital	63,699	63,699	63,699	61,576	61,576	61,576
Reserves	2,683,995	2,240,498	1,828,864	119,894	1,743,342	1,617,018
Total equity	2,747,694	2,304,197	1,892,563	181,470	1,804,918	1,678,594
Non-current liabilities	410,824	304,680	174,535	213,130	215,694	220,644
Current liabilities	4,288,855	4,479,956	3,903,785	3,686,348	2,597,483	2,518,055
Total liabilities	4,699,679	4,784,636	4,078,320	3,899,478	2,813,177	2,738,699
Total equity and liabilities	7,447,373	7,088,833	5,970,883	4,080,948	4,618,095	4,417,293
Net current liabilities	(674,169)	(1,153,951)	(847,259)	(1,693,216)	(160,788)	(260,487)

OPERATING AND FINANCIAL TRENDS

Profit or loss

Net sales	15,572,747	13,291,424	11,898,430	10,745,260	9,466,836	8,571,097
Cost of sales	(8,894,178)	(7,789,001)	(6,549,353)	(5,911,696)	(5,264,621)	(4,738,804)
Gross profit	6,678,569	5,502,423	5,349,077	4,833,564	4,202,215	3,832,293
Operating profit	4,077,508	2,942,876	2,543,175	1,946,726	1,802,228	1,701,775
Profit before tax	4,054,958	2,807,800	2,495,875	1,920,706	1,767,758	1,665,685
Profit after tax	3,837,412	2,452,938	1,734,457	1,355,673	1,276,089	1,232,128
Cash ordinary dividends	3,390,721	2,021,704	1,490,332	2,737,580	1,152,012	457,309

Cash flows

Operating activities	3,908,226	3,635,518	1,705,568	1,883,709	1,517,410	1,191,568
Investing activities	(264,533)	(1,064,794)	(1,042,445)	(77,091)	(182,195)	(330,757)
Financing activities	(3,403,137)	(2,057,207)	(251,118)	(2,737,580)	(1,152,012)	(457,309)
Cash and cash equivalents at the end of the year	929,895	689,339	175,822	(236,183)	694,779	511,576

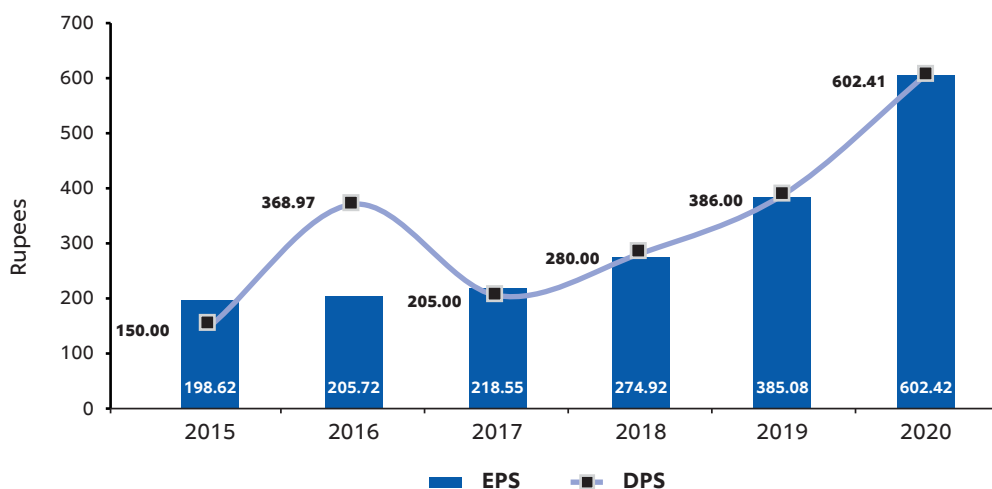
Performance Indicators for 6 years

	Unit	2020	2019	2018	2017	2016	2015
FINANCIAL RATIOS							
Profitability Ratios							
Gross Profit Ratio	%	42.89	41.40	44.96	44.98	44.39	44.71
Net Profit to sales	%	24.64	18.46	14.58	12.62	13.48	14.38
EBITDA margin to sales	%	28.08	23.85	22.87	19.54	20.45	20.88
Operating leverage ratio	Times	2.25	1.34	2.85	0.66	0.54	-0.10
Pre tax return on equity	%	160.53	133.81	240.68	193.39	101.49	135.31
Post tax return on equity	%	151.92	116.90	167.25	136.50	70.70	100.09
Return on capital employed	%	151.20	116.21	167.25	136.50	70.70	100.09
Liquidity Ratios							
Current Ratio	Times	0.84	0.74	0.78	0.54	0.94	0.90
Quick / Acid Test Ratio	Times	0.57	0.51	0.52	0.26	0.56	0.51
Cash to current liabilities	Times	0.22	0.16	0.29	0.09	0.27	0.24
Cash flow from operations to sales	Times	0.25	0.27	0.14	0.18	0.16	0.14
Activity / Operating Performance Ratios							
Inventory turnover ratio	Days	39	44	55	61	66	70
Debtor turnover ratio	Days	16	19	15	13	10	9
Creditor turnover ratio	Days	(171)	(165)	(156)	(168)	(165)	(187)
Total assets turnover ratio	Times	2	2	2	3	2	2
Fixed assets turnover ratio	Times	4	4	4	5	5	4
Operating cycle	Days	(116)	(102)	(86)	(94)	(89)	(108)
Investment / Market Ratios							
Earnings per share (EPS)	Rs.	602.42	385.08	274.92	218.55	205.72	198.62
Price earning ratio	Times	23.24	19.48	25.92	27.22	28.44	29.96
Dividend yield ratio	Times	0.04	0.05	0.04	0.03	0.06	0.03
Dividend payout ratio - earnings	Times	1.00	1.00	1.02	0.93	1.79	0.76
Dividend payout ratio - par value	Times	60.24	38.60	28.00	20.50	36.90	15.00
Dividend Cover ratio	Times	1.00	1.00	0.98	1.07	0.56	1.32
Cash dividend*	Rs.	602.41	386.00	280.00	205.00	368.97	150.00
Market Value - low	Rs.	6,950	5,170	6,935	5,400	4,800	5,890
Market Value - high	Rs.	15,000	7,625	9,999	7,500	6,200	10,395
Market Value - year end	Rs.	14,000	7,500	7,125	7,315	5,850	5,950
Breakup value per share without surplus on revaluation of fixed assets	Rs.	431.35	361.73	297.11	29.47	293.12	272.60
Capital Structure Ratios							
Financial leverage ratio	Times	0.01	0.02	0.33	0.01	0.00	0.05
Interest cover ratio	Times	392.63	23.91	79.23	135.66	180.74	101.01

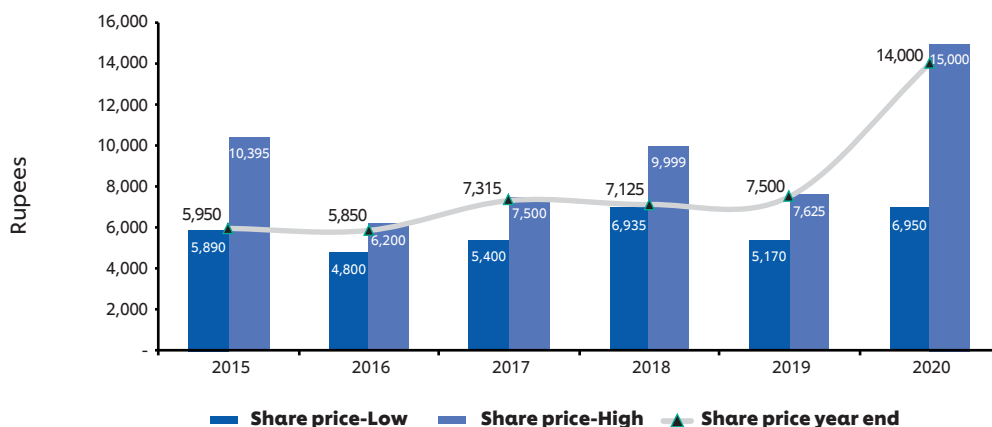
*This includes interim and proposed final dividend for the year

Performance Indicators for 6 years

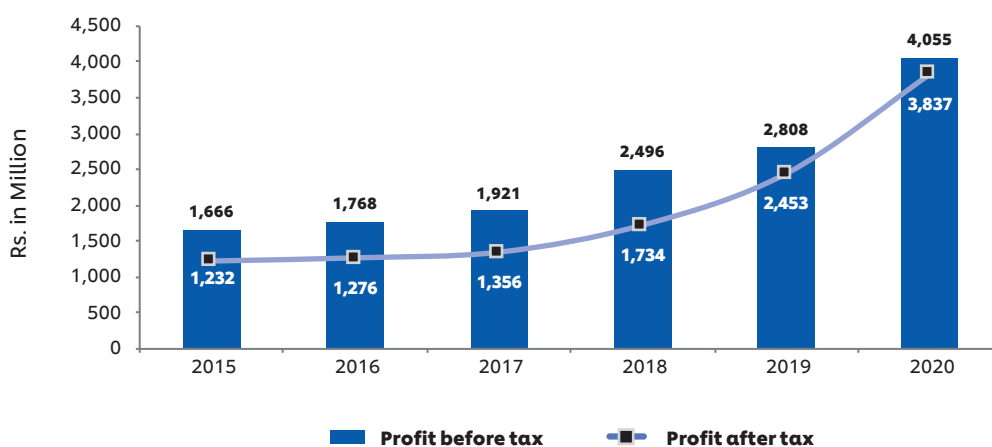
Comparison of EPS and DPS



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

	2020 Rs.	20 Vs.19 %	2019 Rs.	19 Vs.18 %	2018 Rs.	18 Vs.17 %	2017 Rs.	17 Vs.16 %	2016 Rs.	16 Vs.15 %	2015 Rs.	15 Vs.14 %
Share capital	63,699	-	63,699	-	63,699	3.45	61,576	-	61,576	-	61,576	-
Reserves	2,683,995	19.79	2,240,498	22.51	1,828,864	1,425.40	119,894	(93.12)	1,743,342	7.81	1,617,018	124.02
	2,747,694	19.25	2,304,197	21.75	1,892,563	942.91	181,470	(89.95)	1,804,918	7.53	1,678,594	114.27

Non-current liabilities

Retirement benefits - obligation	25,727	6.57	24,141	72.44	14,000	49.81	9,345	281.12	2,452	(56.91)	5,691	315.70
Long term borrowing	23,660	100.00	-	-	-	-	-	-	-	-	-	-
Lease liabilities	387	100.00	-	(100.00)	24,819	100.00	-	-	-	-	-	-
Deferred taxation	361,050	28.70	280,539	106.71	135,716	(33.40)	203,785	(4.43)	213,242	(0.80)	214,953	93.88
	410,824	34.84	304,680	74.57	174,535	(18.11)	213,130	(1.19)	215,694	(2.24)	220,644	96.58

Current liabilities

Trade and other payables*	4,168,976	(2.47)	4,274,576	49.07	2,867,577	(5.00)	3,018,467	24.49	2,424,678	3.24	2,348,513	(6.76)
Provision	107,740	2.56	105,054	96.23	53,536	(11.74)	60,659	5.27	57,623	51.90	37,935	74.09
Accrued interest / mark up	620	(98.21)	34,717	159.26	13,391	485.27	2,288	100.00	-	(100.00)	1,119	47.82
Sales tax payable	-	-	-	-	-	(100.00)	21,193	(81.60)	115,182	135.97	48,812	100.00
Current portion of lease liabilities	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	583,741	100.00	-	(100.00)	81,676	182.13
	4,288,855	(4.27)	4,479,956	14.76	3,903,785	5.90	3,686,348	41.92	2,597,483	3.15	2,518,055	(2.03)
	7,447,373	5.06	7,088,833	18.72	5,970,883	46.31	4,080,948	(11.63)	4,618,095	4.55	4,417,293	27.45

ASSETS

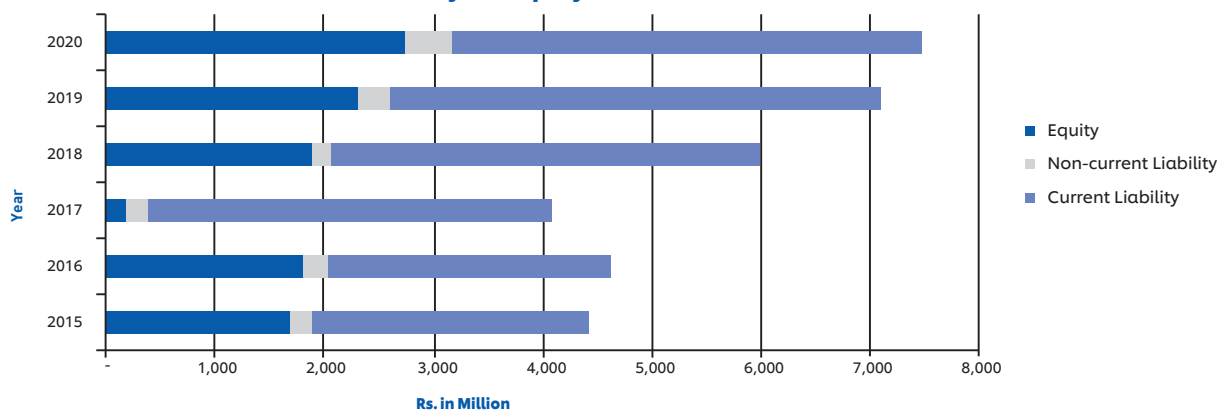
Non-current assets

Property, plant and equipment	3,732,128	2.13	3,654,460	31.29	2,783,549	39.67	1,992,974	(4.41)	2,084,856	2.18	2,040,339	13.10
Right-of-use assets	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	3,371	(34.63)	5,157	(54.52)	11,338	(14.14)	13,205	7.34	12,302	(67.41)	37,749	111.42
Long term deposit and prepayment	2,980	-	2,980	-	2,980	100.00	-	(100.00)	2,605	100.00	-	-
Retirement benefit - prepayment	-	-	-	-	-	-	-	-	-	-	-	(100.00)
	3,832,687	1.86	3,762,828	29.11	2,914,357	39.59	2,087,816	(4.29)	2,181,400	1.00	2,159,725	13.36

Current assets

Stores and spares	164,302	16.92	140,520	186.45	49,055	38.39	35,446	12.78	31,429	39.79	22,483	(12.46)
Stock in trade	999,124	10.72	902,351	(6.30)	963,034	(4.44)	1,007,742	5.17	958,171	(0.12)	959,276	12.98
Trade debts	455,214	(47.57)	868,282	70.49	509,288	16.07	438,767	45.32	301,929	44.42	209,064	2.31
Loans and advances	69,256	399.90	13,854	5.70	13,107	7.58	12,184	(48.94)	23,864	57.21	15,180	(5.58)
Trade deposits and short term prepayments	77,395	437.17	14,408	(57.62)	33,996	(59.80)	84,566	14.20	74,049	46.68	50,484	(15.95)
Other receivables	57,506	79.43	32,050	(32.01)	47,136	143.65	19,346	78.88	10,815	(64.96)	30,868	(40.53)
Taxation - net	648,799	52.22	426,235	61.53	263,869	455.24	47,523	(86.09)	341,659	(9.36)	376,961	116.84
Cash and bank balances	929,895	28.34	724,556	(35.01)	1,114,816	220.76	347,558	(49.98)	694,779	17.11	593,252	332.95
Sales tax refundable	213,195	4.64	203,749	227.44	62,225	100.00	-	-	-	-	-	(100.00)
	3,614,686	8.68	3,326,005	8.82	3,056,526	53.35	1,993,132	(18.20)	2,436,695	7.93	2,257,568	44.65
	7,447,373	5.06	7,088,833	18.72	5,970,883	46.31	4,080,948	(11.63)	4,618,095	4.55	4,417,293	27.45

Statement of Financial Position Analysis - Equity & Liabilities



Statement of Financial Position

Vertical Analysis for 6 years

(Rs. in thousand)

	2020		2019		2018		2017		2016		2015	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
EQUITY AND LIABILITIES												
Capital and reserves												
Share capital	63,699	0.85	63,699	0.90	63,699	1.07	61,576	1.51	61,576	1.33	61,576	1.39
Reserves	2,683,995	36.04	2,240,498	31.60	1,828,864	30.63	119,894	2.94	1,743,342	37.75	1,617,018	36.61
	2,747,694	36.89	2,304,197	32.50	1,892,563	31.70	181,470	4.45	1,804,918	39.08	1,678,594	38.00
Non-current liabilities												
Retirement benefits - obligation	25,727	0.34	24,141	0.34	14,000	0.23	9,345	0.23	2,452	0.05	5,691	0.13
Long term borrowing	23,660	0.32	-	-	-	-	-	-	-	-	-	-
Lease liabilities	387	0.01	-	-	24,819	0.42	-	-	-	-	-	-
Deferred taxation	361,050	4.85	280,539	3.96	135,716	2.27	203,785	4.99	213,242	4.62	214,953	4.87
	410,824	5.52	304,680	4.30	174,535	2.92	213,130	5.22	215,694	4.67	220,644	5.00
Current liabilities												
Trade and other payables	4,168,976	55.98	4,274,576	60.30	2,867,577	48.03	3,018,467	73.96	2,424,678	52.50	2,348,513	53.17
Provision	107,740	1.45	105,054	1.48	53,536	0.90	60,659	1.49	57,623	1.26	37,935	0.86
Accrued interest / mark up	620	0.01	34,717	0.49	13,391	0.22	2,288	0.06	-	-	1,119	0.02
Sales tax payable	-	-	-	-	-	-	21,193	0.52	115,182	2.49	48,812	1.10
Current portion of lease liabilities	11,519	0.15	30,392	0.43	30,287	0.50	-	-	-	-	-	-
Short term borrowings	-	-	35,217	0.50	938,994	15.73	583,741	14.30	-	-	81,676	1.85
	4,288,855	57.59	4,479,956	63.20	3,903,785	65.38	3,686,348	90.33	2,597,483	56.25	2,518,055	57.00
	7,447,373	100.00	7,088,833	100.00	5,970,883	100.00	4,080,948	100.00	4,618,095	100.00	4,417,293	100.00

ASSETS

Non-current assets

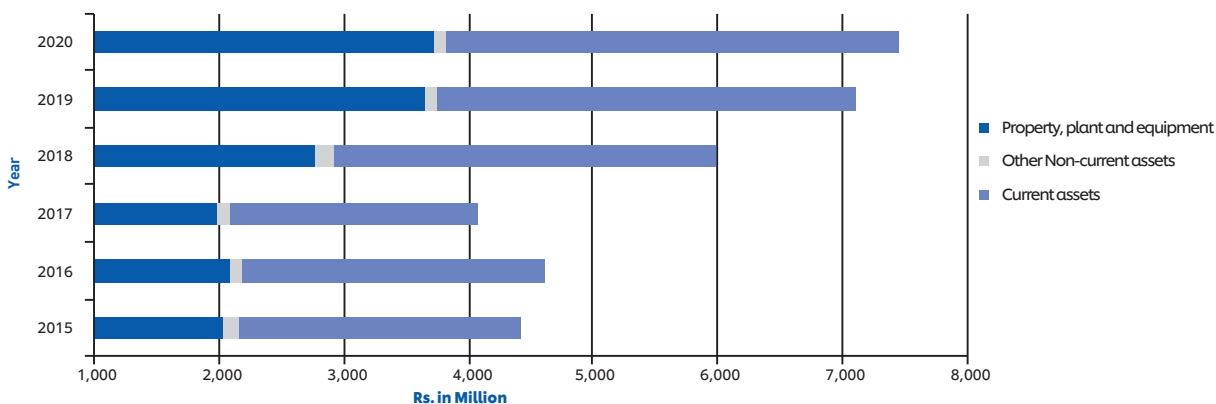
Property, plant and equipment	3,732,128	50.11	3,654,460	51.56	2,783,549	46.62	1,992,974	48.84	2,084,856	45.15	2,040,339	46.19
Right-of-use assets	12,571	0.17	18,594	0.26	34,853	0.58	-	-	-	-	-	-
Intangible assets	81,637	1.10	81,637	1.15	81,637	1.37	81,637	2.00	81,637	1.77	81,637	1.85
Long term loans	3,371	0.05	5,157	0.07	11,338	0.19	13,205	0.32	12,302	0.27	37,749	0.85
Long term deposit and prepayment	2,980	0.03	2,980	0.04	2,980	0.05	-	-	2,605	0.05	-	-
Retirement benefit - prepayment	-	-	-	-	-	-	-	-	-	-	-	-
	3,832,687	51.46	3,762,828	53.08	2,914,357	48.81	2,087,816	51.16	2,181,400	47.24	2,159,725	48.89

Current assets

Stores and spares	164,302	2.21	140,520	1.98	49,055	0.82	35,446	0.87	31,429	0.68	22,483	0.51
Stock in trade	999,124	13.42	902,351	12.74	963,034	16.13	1,007,742	24.69	958,171	20.75	959,276	21.72
Trade debts	455,214	6.11	868,282	12.25	509,288	8.53	438,767	10.75	301,929	6.54	209,064	4.73
Loans and advances	69,256	0.93	13,854	0.19	13,107	0.22	12,184	0.30	23,864	0.52	15,180	0.34
Trade deposits and short term prepayments	77,395	1.04	14,408	0.20	33,996	0.57	84,566	2.07	74,049	1.60	50,484	1.14
Other receivables	57,506	0.77	32,050	0.45	47,136	0.79	19,346	0.47	10,815	0.23	30,868	0.71
Taxation - payments less provision	648,799	8.71	426,235	6.01	263,869	4.42	47,523	1.17	341,659	7.40	376,961	8.53
Cash and bank balances	929,895	12.49	724,556	10.23	1,114,816	18.67	347,558	8.52	694,779	15.04	593,252	13.43
Sales tax refundable	213,195	2.86	203,749	2.87	62,225	1.04	-	-	-	-	-	-
	3,614,686	48.54	3,326,005	46.92	3,056,526	51.19	1,993,132	48.84	2,436,695	52.76	2,257,568	51.11
	7,447,373	100.00	7,088,833	100.00	5,970,883	100.00	4,080,948	100.00	4,618,095	100.00	4,417,293	100.00

Balance Sheet Analysis - Assets

Statement of Financial Position Analysis - Assets



Profit or Loss Account and other Comprehensive Income

Horizontal Analysis for 6 years

(Rs. in thousand)

	2020 Rs.	20 Vs.19 %	2019 Rs.	19 Vs.18 %	2018 Rs.	18 Vs.17 %	2017 Rs.	17 Vs.16 %	2016 Rs.	16 Vs.15 %	2015 Rs.	15 Vs.14 %
Sales	15,572,747	17.16	13,291,424	11.71	11,898,430	10.73	10,745,260	13.50	9,466,836	10.45	8,571,097	10.07
Cost of sales	(8,894,178)	14.19	(7,789,001)	18.93	(6,549,353)	10.79	(5,911,696)	12.29	(5,264,621)	11.10	(4,738,804)	7.04
Gross profit	6,678,569	21.38	5,502,423	2.87	5,349,077	10.67	4,833,564	15.02	4,202,215	9.65	3,832,293	14.05
Distribution cost	(2,274,181)	(0.87)	(2,294,223)	(14.73)	(2,690,609)	1.56	(2,649,320)	18.35	(2,238,606)	14.56	(1,954,022)	35.13
Administrative expenses	(450,428)	15.02	(391,596)	24.16	(315,392)	4.17	(302,756)	95.15	(155,137)	0.54	(154,298)	(4.01)
Other operating expenses	(285,906)	60.56	(178,067)	25.39	(142,016)	3.26	(137,533)	8.65	(126,587)	0.97	(125,372)	(1.45)
Other income	409,454	34.54	304,339	(11.04)	342,115	68.72	202,771	68.49	120,343	16.64	103,174	(9.16)
Profit from operations	4,077,508	38.56	2,942,876	15.72	2,543,175	30.64	1,946,726	8.02	1,802,228	5.90	1,701,775	(2.18)
Finance costs	(22,550)	(83.31)	(135,076)	185.57	(47,300)	81.78	(26,020)	(24.51)	(34,470)	(4.49)	(36,090)	(27.52)
Profit before taxation	4,054,958	44.42	2,807,800	12.50	2,495,875	29.95	1,920,706	8.65	1,767,758	6.13	1,665,685	(1.43)
Taxation	(217,546)	(38.70)	(354,862)	(53.39)	(761,418)	34.76	(565,033)	14.92	(491,669)	13.40	(433,557)	(16.32)
Profit after taxation	3,837,412	56.44	2,452,938	41.42	1,734,457	27.94	1,355,673	6.24	1,276,089	3.57	1,232,128	5.15
Other comprehensive income/(loss)	4,581	256	(2,935)	(10,970)	27	100.54	(4,992)	(427.34)	1,525	134.49	(4,421)	(538.59)
Total comprehensive income	3,841,993	56.82	2,450,003	41.25	1,734,484	28.42	1,350,681	5.72	1,277,614	4.07	1,227,707	4.68

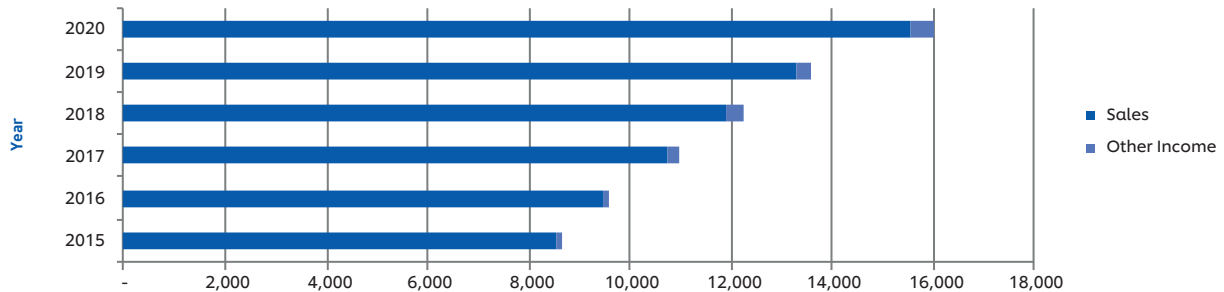
Vertical Analysis for 6 years

(Rs. in thousand)

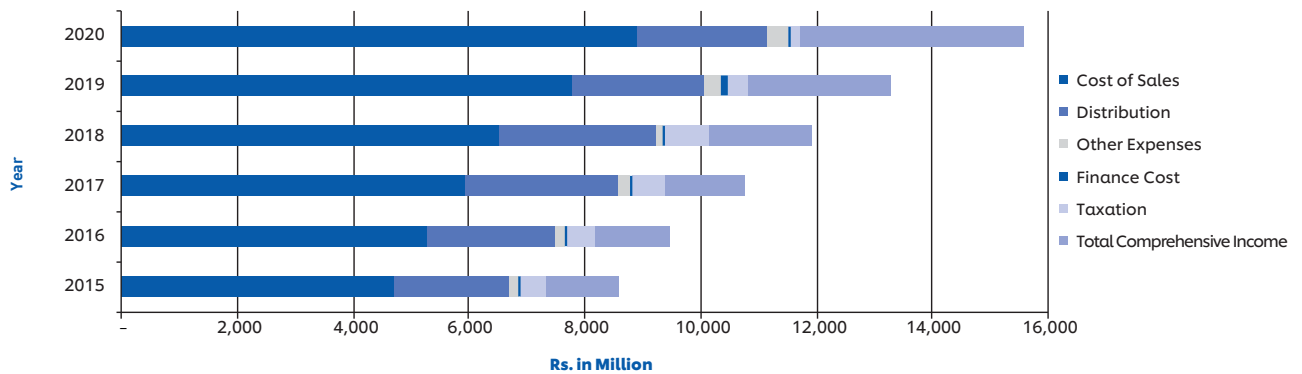
	2020 Rs.	20 Vs.19 %	2019 Rs.	19 Vs.18 %	2018 Rs.	18 Vs.17 %	2017 Rs.	17 Vs.16 %	2016 Rs.	16 Vs.15 %	2015 Rs.	15 Vs.14 %
Sales	15,572,747	100.00	13,291,424	100.00	11,898,430	100.00	10,745,260	100.00	9,466,836	100.00	8,571,097	100.00
Cost of sales	(8,894,178)	(57.11)	(7,789,001)	(58.60)	(6,549,353)	(55.04)	(5,911,696)	(55.02)	(5,264,621)	(55.61)	(4,738,804)	(55.29)
Gross profit	6,678,569	42.89	5,502,423	41.40	5,349,077	44.96	4,833,564	44.98	4,202,215	44.39	3,832,293	44.71
Distribution cost	(2,274,181)	(14.60)	(2,294,223)	(17.26)	(2,690,609)	(22.61)	(2,649,320)	(24.66)	(2,238,606)	(23.65)	(1,954,022)	(22.80)
Administrative expenses	(450,428)	(2.89)	(391,596)	(2.95)	(315,392)	(2.65)	(302,756)	(2.82)	(155,137)	(1.64)	(154,298)	(1.80)
Other operating expenses	(285,906)	(1.84)	(178,067)	(1.34)	(142,016)	(1.19)	(137,533)	(1.28)	(126,587)	(1.34)	(125,372)	(1.46)
Other operating income	409,454	2.63	304,339	2.29	342,115	2.88	202,771	1.89	120,343	1.27	103,174	1.20
Profit from operations	4,077,508	26.18	2,942,876	22.14	2,543,175	21.37	1,946,726	18.12	1,802,228	19.04	1,701,775	19.85
Finance costs	(22,550)	(0.14)	(135,076)	(1.02)	(47,300)	(0.40)	(26,020)	(0.24)	(34,470)	(0.36)	(36,090)	(0.42)
Profit before taxation	4,054,958	26.04	2,807,800	21.12	2,495,875	20.98	1,920,706	17.87	1,767,758	18.67	1,665,685	19.43
Taxation	(217,546)	(1.40)	(354,862)	(2.67)	(761,418)	(6.40)	(565,033)	(5.26)	(491,669)	(5.19)	(433,557)	(5.06)
Profit after taxation	3,837,412	24.64	2,452,938	18.46	1,734,457	14.58	1,355,673	12.62	1,276,089	13.48	1,232,128	14.38
Other comprehensive income/(loss)	4,581	0.03	(2,935)	(0.02)	27	0.00	(4,992)	(0.05)	1,525	0.02	(4,421)	(0.05)
Total comprehensive income	3,841,993	24.67	2,450,003	18.43	1,734,484	14.58	1,350,681	12.57	1,277,614	13.50	1,227,707	14.32

Graphical Analysis

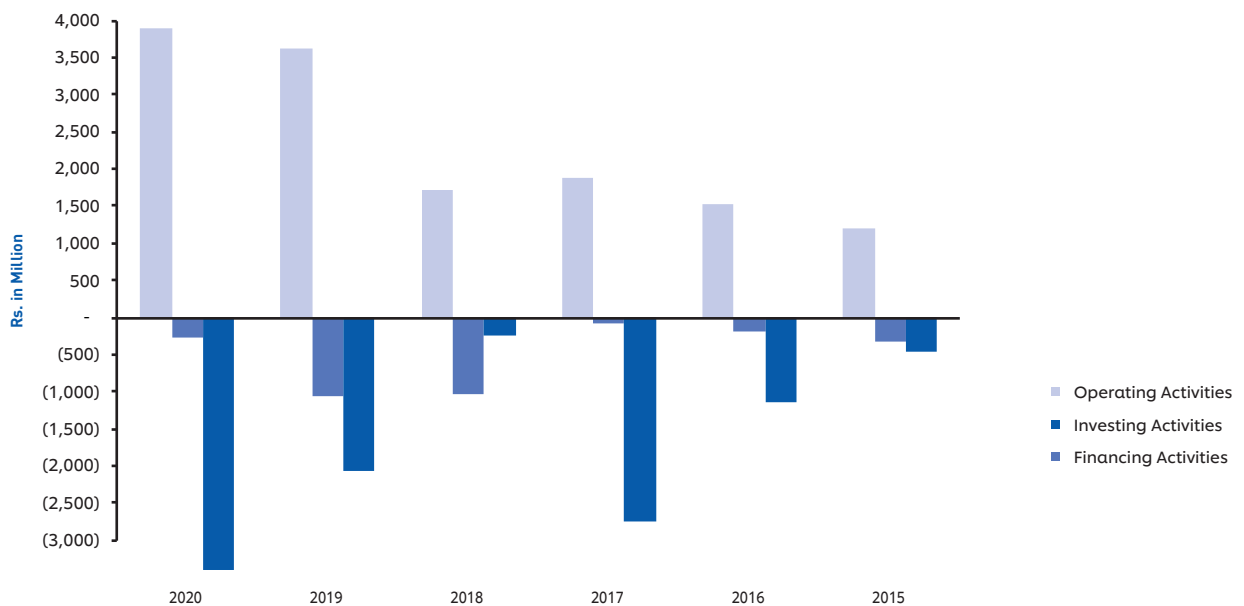
Profit or Loss Analysis - Income



Profit or Loss Analysis - Expenses



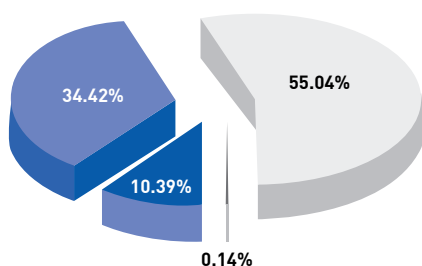
Cash Flows Analysis



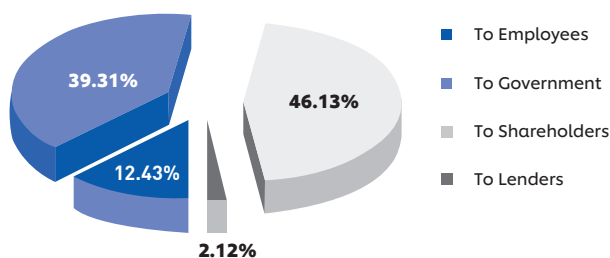
Statement of Wealth Generated and Distributed

	2020 Rs. in thousand	2019 Rs. in thousand
WEALTH GENERATED		
Total Revenue inclusive of sales tax and other Income	17,612,886	14,950,763
Bought-in materials and services	(10,125,735)	(9,171,878)
	<u>7,487,151</u>	<u>5,778,885</u>
WEALTH DISTRIBUTION		
To Employees		
Salaries, benefits and other costs	778,194	718,423
To Government		
Income tax, sales tax, excise duty, custom duty, WWF and WPPF	2,577,397	2,271,929
To Providers of Capital		
Dividend to shareholders	4,121,206	2,665,974
Mark-up / interest expense on borrowed funds	10,354	122,559
	<u>7,487,151</u>	<u>5,778,885</u>

WEALTH DISTRIBUTION 2020



WEALTH DISTRIBUTION 2019



Pattern of Shareholding

As at December 31, 2020

Number of Shareholders	Shareholdings' Slab		Total Shares Held*
	From	To	
678	1	100	19,890
91	101	500	17,411
18	501	1,000	11,378
16	1,001	5,000	31,904
3	5,001	10,000	18,328
2	10,001	15,000	25,158
2	25,001	30,000	59,751
2	35,001	40,000	75,084
3	45,001	50,000	145,816
2	50,001	55,000	108,096
1	65,001	70,000	69,500
1	70,001	75,000	70,085
1	75,001	80,000	78,524
1	80,001	85,000	80,344
3	95,001	100,000	296,058
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
828			6,369,950

Shareholders' Category	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	12	396,867	6.23
Public Sector Companies and Corporations	2	64	0.00
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	3	1,122	0.02
Executives	1	30	0.00
General Public			
a. Local*	784	1,090,735	17.12
b. Foreign*	8	424	0.01
Foreign Companies	1	1,720	0.03
Others	16	2,694	0.04
Totals	828	6,369,950	100.00

Shareholders holding 5% or more :

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

Pattern of Shareholding Additional Information

As at December 31, 2020

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. Kamran Y. Mirza	1	1,823
Mr. Amir R. Paracha	1	1
Mr. Aly Yusuf	1	1
Ms. Farheen Salman Amir	1	1
Mr. Zulfikar Monnoo	1	159,173
Mr. Mohammad Adil Monnoo	1	112,184
Mr. Kamal Monnoo	1	118,034
Mr. Sarfaraz Ahmed Rehman	1	1
Mr. Ali Tariq	1	1
Mr. Khalid Mansoor	1	1
Ms. Amna Monnoo D/o Mr. Zulfikar Monnoo	1	30
Mrs. Sarwat Zulfikar W/o Mr. Zulfikar 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	3	1,122
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, 2020 to December 31, 2020

S.No.	Name	Acquired during the year
1.	Amir R. Paracha	1
2.	Sarfaraz Ahmed Rehman	1

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"> Mr. Kamran Y. Mirza (Chairman of the Board) Mr. Khalid Mansoor Mr. Sarfaraz Ahmed Rehman
Executive Directors	<ul style="list-style-type: none"> Mr. Amir R. Paracha (CEO) Mr. Aly Yusuf (CFO)
Female Directors	<ul style="list-style-type: none"> Ms. Farheen Salman Amir
Non-Executive Directors	<ul style="list-style-type: none"> Mr. Zulfikar Monnoo Mr. Muhammad Adil Monnoo Mr. Kamal Monnoo Mr. Ali Tariq

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 (Chairman)
- Mr. Kamran Y. Mirza
- Mr. Zulfikar Monnoo
- Mr. Muhammad Adil Monnoo
- Mr. Sarfaraz Ahmed Rehman

b) HR and Remuneration Committee

- Mr. Kamran Y. Mirza (Chairman)
- 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 - 01 Meeting 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. & Deloitte 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

Kamran Y. Mirza
Chairman

Karachi
March 01, 2021

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 2020 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 2020.

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: March 05, 2021
Karachi

FINANCIAL STATEMENTS 2020



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 2020**, and the statement of profit or loss account and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss account 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 2020 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.	Revenue Recognition	
	<p>Refer notes 4.19 and 26 to the financial statements.</p> <p>The amount of revenue is the most significant class of transaction on the statement of profit or loss account. Revenue is recognized when control of the underlying products has been transferred to the customer. We identified revenue recognition as a key audit matter since it is a key performance measure for the Company and gives rise to the risk associated with the judgement in determining the transfer of control of goods.</p>	<p>Our audit procedures in respect of recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the Company's revenue recognition accounting policies by comparing with applicable accounting standards; Obtaining an understanding of and testing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period; Comparing, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; Critically assessing manual journals posted to revenue to identify unusual or irregular items; and Testing, on a sample basis, invoices and inspecting credit notes issued subsequent to year end for accuracy of revenue.

S. No.	Key audit matters	How the matters were addressed in our audit
2.	Valuation of stock-in-trade	
	<p>Refer notes 4.8 and 11 to the financial statements.</p> <p>Stock-in-trade forms a significant part of the Company's total assets. Stock-in-trade comprise of raw and packing materials, work in process and finished goods which are stated at lower of cost and estimated net realizable value.</p> <p>We identified the valuation of stock in- trade as a key audit matter because there is a potential risk of inappropriate valuation as determining an appropriate write-down as a result of net realizable value (NRV) being lower than their cost and provisions for slow moving and obsolescence stock-in-trade involve significant management judgment and estimation.</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"> • Obtaining an understanding of and assessing the design and testing implementation of management's controls over valuation of stock-in-trade including identification of slow moving and / or obsolete stock-in-trade and estimation of NRV; • Evaluating and testing, on a sample basis, management's determination of NRV and the key estimates adopted, including future selling prices and costs necessary to make the sales and their basis of calculation; and • assessing compliance of management's policies with regards to provisioning of slow moving and / or obsolete stock-in-trade; aging analysis of stock-in-trade and forecasted sales determined by management.
3.	Capitalization of Property, Plant and Equipment	
	<p>Refer notes 4.1 and 6 to the financial statements.</p> <p>The Company has incurred significant capital expenditure on expansion of manufacturing facilities.</p> <p>We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that capitalization criteria as per applicable accounting standards may not be appropriately followed and transfer of assets from capital work-in-progress to operating fixed assets</p>	<p>Our audit procedures in respect of capitalization of property, plant and equipment, amongst others, included the following:</p> <ul style="list-style-type: none"> • obtaining an understanding of and assessing the design and testing implementation of management controls over capitalization of property, plant and equipment and timely transfers from capital work-in-progress to operating fixed assets as per applicable accounting standards;

S. No.	Key audit matters	How the matters were addressed in our audit
	may not be done on timely basis resulting in understatement of depreciation charge for the year.	<ul style="list-style-type: none"> • testing, on sample basis, capital expenditure incurred with supporting documentation and assessing whether the expenditure meets the criteria for capitalization as per applicable accounting standards; and • performing substantive procedures over timely transfer of assets from capital work-in-progress to operating fixed assets which included assessing status of items in capital work-in-progress at year end and evaluating whether transfer of assets were made on a timely basis.

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 are 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 account 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 5, 2021
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Financial Position

As at December 31, 2020

	Note	2020	2019
ASSETS			
Non-current assets			
Property, plant and equipment			
Property, plant and equipment	6	3,732,128	3,654,460
Right-of-use assets	7	12,571	18,594
Intangible assets	8	81,637	81,637
Long term deposits		2,980	2,980
Long term loans and advances	9	3,371	5,157
		3,832,687	3,762,828
Current assets			
Stores and spares	10	164,302	140,520
Stock-in-trade	11	999,124	902,351
Trade debts - net	12	455,214	868,282
Loans and advances	13	69,256	13,854
Trade deposits and short term prepayments	14	77,395	14,408
Other receivables	15	57,506	32,050
Sales tax refundable - net		213,195	203,749
Taxation - net		648,799	426,235
Cash and bank balances	16	929,895	724,556
		3,614,686	3,326,005
Total assets		7,447,373	7,088,833

← (Rupees in thousand) →

Statement of Financial Position

As at December 31, 2020

	Note	2020	2019
← (Rupees in thousand) →			
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	17	63,699	63,699
Reserves	18	2,683,995	2,240,498
		2,747,694	2,304,197
LIABILITIES			
Non-current liabilities			
Staff retirement benefits	19	25,727	24,141
Long term borrowing	20	23,660	-
Lease liabilities	7	387	-
Deferred taxation	21	361,050	280,539
		410,824	304,680
Current liabilities			
Trade and other payables	22	4,112,349	4,225,724
Unpaid dividend		31,180	27,348
Unclaimed dividend		25,447	21,504
Provisions	23	107,740	105,054
Accrued interest / mark up		620	34,717
Current portion of lease liabilities	7	11,519	30,392
Short term borrowings	24	-	35,217
		4,288,855	4,479,956
Total liabilities		4,699,679	4,784,636
Total equity and liabilities		7,447,373	7,088,833
Contingencies and commitments	25		

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

Amir R. Paracha
Chief Executive Officer

Farheen Salman
Director

Aly Yusuf
Director and Chief Financial Officer

Statement of Profit or Loss Account and Other Comprehensive Income

For the year ended December 31, 2020

	Note	2020 (Rupees in thousand)	2019
Sales - net	26	15,572,747	13,291,424
Cost of sales	27	(8,894,178)	(7,789,001)
Gross profit		6,678,569	5,502,423
Distribution cost	28	(2,274,181)	(2,294,223)
Administrative expenses	29	(450,428)	(391,596)
Other operating expenses	30	(285,906)	(178,067)
Other income	31	409,454	304,339
Operating profit		4,077,508	2,942,876
Finance costs	32	(22,550)	(135,076)
Profit before taxation		4,054,958	2,807,800
Taxation	33	(217,546)	(354,862)
Profit after taxation		3,837,412	2,452,938
Other comprehensive income :			
Gain / (Loss) on remeasurements of post employment defined benefit obligation		6,452	(4,134)
Impact of deferred tax		(1,871)	1,199
		4,581	(2,935)
Total comprehensive income		3,841,993	2,450,003
		(Rupees)	
Basic and diluted earnings per share	34	602.42	385.08

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

Amir R. Paracha
Chief Executive Officer

Farheen Salman
Director

Aly Yusuf
Director and Chief Financial Officer

Statement of Cash Flows

For the year ended December 31, 2020

	2020	2019
	(Rupees in thousand)	
Cash flows from operating activities		
Profit before taxation	4,054,958	2,807,800
Adjustments for non-cash charges and other items		
Depreciation	283,794	213,036
Depreciation on right-of-use asset	23,613	27,048
Gain on disposal of property, plant and equipment	-	(810)
Reversal of provision for impairment of fixed assets	-	(14,581)
Provision for staff retirement benefits	9,531	9,910
Property, plant and equipments written off	2,086	-
Mark-up on short term borrowings	10,354	122,559
Return on savings accounts	(99,015)	(3,762)
	230,363	353,400
	4,285,321	3,161,200
Effect on cash flows due to working capital changes		
Decrease / (Increase) in current assets		
Stores and spares	(23,782)	(91,465)
Stock in trade - net	(96,773)	60,683
Trade debts	413,068	(358,994)
Loans and advances	(55,402)	(747)
Trade deposits and short term prepayments	(62,987)	19,588
Sales tax refundable	(9,446)	(141,524)
Other receivables	(25,456)	15,086
	139,222	(497,373)
Increase / (Decrease) in current liabilities		
Trade and other payables	(113,375)	1,428,137
Provisions	2,686	13,715
	(110,689)	1,441,852
Cash generated from operations (carried forward)	4,313,854	4,105,679

Statement of Cash Flows

For the year ended December 31, 2020

	Note	2020 (Rupees in thousand)	2019
Cash generated from operations (brought forward)		4,313,854	4,105,679
Mark up paid		(44,452)	(101,232)
Income tax paid		(361,469)	(371,205)
Staff retirement benefits - contributions paid		(1,493)	(3,905)
Decrease in long term loans		1,786	6,181
Net cash from operating activities		3,908,226	3,635,518
Cash flows from investing activities			
Purchase of property, plant and equipment		(363,548)	(1,069,366)
Proceeds from disposal of property, plant and equipment		-	810
Return received on savings accounts		99,015	3,762
Net cash used in investing activities		(264,533)	(1,064,794)
Cash flows from financing activities			
Lease liability payments		(36,076)	(35,503)
Proceeds from long term financing		23,660	-
Dividends paid		(3,390,721)	(2,021,704)
Net cash used In financing activities		(3,403,137)	(2,057,207)
Net increase in cash and cash equivalents		240,556	513,517
Cash and cash equivalents at beginning of the year		689,339	175,822
Cash and cash equivalents at end of the year	42	929,895	689,339

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

Amir R. Paracha
Chief Executive Officer

Farheen Salman
Director

Aly Yusuf
Director and Chief Financial Officer

Statement of Changes in Equity

For the year ended December 31, 2020

	SHARE CAPITAL	CAPITAL		RESERVES		SUB TOTAL		TOTAL
	Issued, subscribed and paid up capital	Share Premium	Special	General	Unappropriated Profit			
	(Rupees in thousand)							
Balance as at January 1, 2019	63,699	1,296,499	628	138	531,599	1,828,864		1,892,563
Transactions with owners of the Company - Distribution								
Final dividend for the year ended December 31, 2018 @ Rs. 76 per share	-	-	-	-	(484,113)	(484,113)		(484,113)
First Interim dividend for the year ended December 31, 2019 @ Rs. 88 per share	-	-	-	-	(560,551)	(560,551)		(560,551)
Second Interim dividend for the year ended December 31, 2019 @ Rs 63 per share	-	-	-	-	(401,304)	(401,304)		(401,304)
Third Interim dividend for the year ended December 31, 2019 @ Rs 93 per share	-	-	-	-	(592,401)	(592,401)		(592,401)
Total comprehensive income for the year								
- Profit for year ended December 31, 2019	-	-	-	-	2,452,938	2,452,938		2,452,938
- Other Comprehensive income for the year ended December 31, 2019	-	-	-	-	(2,935)	(2,935)		(2,935)
	-	-	-	-	2,450,003	2,450,003		2,450,003
Balance as at December 31, 2019	63,699	1,296,499	628	138	943,233	2,240,498		2,304,197
Final dividend for the year ended December 31, 2019 @ Rs. 142 per share	-	-	-	-	(904,533)	(904,533)		(904,533)
First Interim dividend for the year ending December 31, 2020 @ Rs. 130 per share	-	-	-	-	(828,094)	(828,094)		(828,094)
Second Interim dividend for the year ending December 31, 2020 @ Rs. 141 per share	-	-	-	-	(898,163)	(898,163)		(898,163)
Third Interim dividend for the year ending December 31, 2020 @ Rs. 120.52 per share	-	-	-	-	(767,706)	(767,706)		(767,706)
Total comprehensive income for the period								
- Profit for the year ended December 31, 2020	-	-	-	-	3,837,412	3,837,412		3,837,412
- Other Comprehensive income for the year ended December 31, 2020	-	-	-	-	4,581	4,581		4,581
	-	-	-	-	3,841,993	3,841,993		3,841,993
Balance as at December 31, 2020	63,699	1,296,499	628	138	1,386,730	2,683,995		2,747,694

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

Notes to and forming part of the Financial Statements

For the year ended December 31, 2020

1. THE COMPANY AND ITS OPERATIONS

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

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

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

Factory

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

Sales Offices

- 4th Floor, Siddiqui Center, Abdali Masjid Road, Multan.
- 12 - D East, SNC Centre, 1st Floor, Blue Area, Islamabad.
- Shahpur Interchange, 14KM Multan Road, Lahore.
- Beacon Impex Plaza, Bilal Road, New Civil Lines, Faisalabad.
- 4th Floor, Shafi Court Building, Mereweather Road, Karachi.
- Plot #A/51-B SITE Area, Hyderabad.

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Changes in accounting standards, interpretations and pronouncements

a) Changes in accounting policy resulting from adoption of new standard during the year

The following new or amended standards and interpretations became effective during the year which are not considered to be relevant to the Company's financial statements:

- Amendment to IFRS 3 'Business Combinations'
- Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to IFRS 9 'Financial instruments', IFRS 7 'Financial instruments: disclosure' and IAS 39 'Financial Instruments: Recognition and Measurement'

b) 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 01 January 2021. Management is in the process of evaluating the impact of these amendments and new standards:

- Amendments to IFRS 16 'Leases'
- Amendment to IFRS 9 'Financial Instruments', IFRS 7 'Financial Instruments: Disclosure' & IAS 39 'Financial Instruments', IFRS 4 'Insurance Contracts': Recognition and Measurement

2.3 Effects on accounting policies during the year due to COVID-19

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closure of non-essential services and factories have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Life in Pakistan is getting largely back to normal, or perhaps, adapting to the new normal, and the last vestiges of partial lockdown restrictions are being lifted. Offices, restaurants, schools and universities have reopened with strict SOPs in place including social distancing, wearing face masks and sanitization protocols. Based on management's assessment, COVID-19 does not have a significant impact on the Company considering demand from its customers, availability of imports and measures taken by Government to support the industry in which the Company operates.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, plant and equipment

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

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

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

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

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 account on a straight-line basis over the lease term.

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

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

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

4.3 Intangible assets

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

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

4.4 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the statement of profit or loss account, 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 tax is recognized using the financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit at the time of the transaction. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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, 2020, 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 account.

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 account 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, 2020.

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 account.

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 account.

4.9 Trade and other receivables

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. Assets considered irrecoverable are written off. Actual credit loss over past years is used to base the calculation of provision for doubtful debts as per IFRS 9 'Financial Instruments'.

4.10 Cash and cash equivalents

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

4.11 Impairment

4.11.1 Financial assets

In addition to the impairment of financial assets under expected credit loss method under IFRS 9, a financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The Company considers evidence of impairment for receivable and other financial assets at specific asset levels. Losses are recognized as an expense in the statement of profit or loss account. When a subsequent event causes the amount of impairment loss to decrease, this reduction is reversed through the statement of profit or loss account.

4.11.2 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 account 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.

4.12 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.

4.13 Borrowings and their cost

Borrowings are recorded initially at fair value, net of transaction cost incurred.

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that qualifying asset.

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 Financial assets and liabilities

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, 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.

Financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. 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 account or other comprehensive income.

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI or FVTPL and financial liabilities are classified as measured at amortised cost or FVTPL.

4.16 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 account.

4.17 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.

4.18 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 account.

4.19 Revenue recognition

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

4.19.1 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 account 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 account.

4.22 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.

4.23 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.

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

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 a higher degree of judgment or complexity, or areas where assumptions and estimates are 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	2020 (Rupees in thousand)	2019
Operating assets	6.1	3,530,582	3,198,712
Capital work in progress	6.3	201,546	455,748
		3,732,128	3,654,460

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 value basis								
Year ended December 31, 2020								
Opening Net Book Value (NBV)	8,179	919,591	-	2,184,132	63,074	23,736	-	3,198,712
Additions (at cost)	-	175,822	-	381,681	48,055	10,106	-	615,664
Disposals								
Cost	-	-	-	705	-	76	-	781
Accumulated depreciation	-	-	-	(705)	-	(76)	-	(781)
Disposals (NBV)	-	-	-	-	-	-	-	-
Depreciation charge	-	(34,314)	-	(238,783)	(8,024)	(2,673)	-	(283,794)
Closing NBV	8,179	1,061,099	-	2,327,030	103,105	31,169	-	3,530,582
Gross carrying value basis								
At December 31, 2020								
Cost	8,179	1,338,130	14,918	3,588,163	185,641	47,988	1,405	5,184,424
Provision for impairment of fixed assets	-	(39,963)	-	(27,313)	(620)	(86)	-	(67,982)
Accumulated depreciation	-	(237,068)	(14,918)	(1,233,820)	(81,916)	(16,733)	(1,405)	(1,585,860)
Closing NBV	8,179	1,061,099	-	2,327,030	103,105	31,169	-	3,530,582
Net carrying value basis								
Year ended December 31, 2019								
Opening Net Book Value (NBV)	8,179	480,826	-	1,181,139	54,358	3,663	-	1,728,165
Additions (at cost)	-	465,835	-	1,169,679	11,349	22,139	-	1,669,002
Disposals								
Cost	-	-	-	53,067	1,625	210	-	54,902
Accumulated depreciation	-	-	-	(36,088)	(1,600)	(210)	-	(37,898)
Reversal of provision for impairment of fixed assets	-	-	-	(16,979)	(25)	-	-	(17,004)
Disposals (NBV)	-	-	-	-	-	-	-	-
Depreciation charge	-	(24,678)	-	(183,972)	(2,255)	(2,131)	-	(213,036)
Net charge of provision for impairment of fixed assets	-	(2,392)	-	17,286	(378)	65	-	14,581
Closing NBV	8,179	919,591	-	2,184,132	63,074	23,736	-	3,198,712
Gross carrying value basis								
At December 31, 2019								
Cost	8,179	1,162,308	14,918	3,207,187	137,586	37,958	1,405	4,569,541
Provision for impairment of fixed assets	-	(39,963)	-	(27,313)	(620)	(86)	-	(67,982)
Accumulated depreciation	-	(202,754)	(14,918)	(995,742)	(73,892)	(14,136)	(1,405)	(1,302,847)
Closing NBV	8,179	919,591	-	2,184,132	63,074	23,736	-	3,198,712
Depreciation rate % per annum	-	2.5	25	7 to 10	10 to 25	20	20	

6.2 The depreciation charge for the year has been allocated as follows:

	Note	2020 (Rupees in thousand)	2019
Cost of sales	27	275,280	207,497
Distribution costs	28	5,676	4,474
Administrative expenses	29	2,838	1,065
		283,794	213,036

6.3 Capital work in progress – at cost

	2020 (Rupees in thousand)	2019
Plant and machinery	188,061	336,252
Civil works	3,527	111,374
Advances to suppliers	9,958	8,122
	201,546	455,748

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	717300 sq. feet

7. LEASES

7.1 Right of use of asset	Note	Building	Plant and Machinery	Motor vehicles	Total
		(Rupees in Thousand)			
As at January 1, 2019		17,228	12,452	5,173	34,853
Addition		-	10,789	-	10,789
Depreciation expense		(7,951)	(13,924)	(5,173)	(27,048)
As at December 31, 2019		9,277	9,317	-	18,594
Addition		-	17,590	-	17,590
Depreciation expense	7.2	(7,951)	(15,662)	-	(23,613)
As at December 31, 2020		1,326	11,245	-	12,571

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

	Note	2020 (Rupees in thousand)	2019
Cost of sales	27	15,662	19,097
Distribution costs	28	7,951	7,951
		23,613	27,048

7.3 Lease Liabilities

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

	2020 (Rupees in thousand)	2019
As at January 1	30,392	55,106
Additions	17,590	10,789
Accretion of interest	1,374	4,429
Payments	(37,450)	(39,932)
As at December 31	11,906	30,392
Current	11,519	30,392
Non - Current	387	-
	11,906	30,392

Company has used incremental borrowing rate as its discount rate.

8. INTANGIBLE ASSETS

Gross carrying value basis	2020 (Rupees in thousand)	2019
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 amortization and impairment	(172,602)	(172,602)
Net book value	81,637	81,637

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

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

For impairment testing, the estimated recoverable amount has been determined using the discounted cash flows for a period of five years. 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 11.06% (2019: 13.25%), a pre-tax measure based on government bonds rate. The valuation exceeds the carrying amount sufficiently such that a reasonably possible change to key assumptions is unlikely to result in an impairment of Glaxose-D.

9. LONG TERM LOANS AND ADVANCES - considered good

	Note	2020 (Rupees in thousand)	2019
Executives	9.1	6,147	9,276
Recoverable within one year	13	(2,776)	(4,119)
		3,371	5,157

	2020 (Rupees in thousand)	2019
9.1 Reconciliation of carrying amount of loans to executives:		
- Opening balances	9,276	17,309
- Disbursements	-	3,817
- Repayments	(3,129)	(11,850)
	6,147	9,276

9.2 Loans to employees have been provided to facilitate purchase of houses and vehicle in accordance with the Company's policy which are repayable over a period of five years and are interest free.

9.3 The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 8.94 million (2019: Rs. 16.75 million).

	2020 (Rupees in thousand)	2019
10. STORES AND SPARES		
Stores	19,490	19,603
Spares (including in transit Rs. 1.75 million (2019: Rs. 1.89 million))	150,405	125,362
	169,895	144,965
Provision for obsolescence	(5,593)	(4,445)
	164,302	140,520

	2020 (Rupees in thousand)	2019
11. STOCK IN TRADE		
Raw and packing materials (including in transit Rs. 62.3 million; 2019: Rs. 118.46 million)	620,203	611,435
Provision for obsolescence	(27,146)	(55,528)
	593,057	555,907
Work in process	31,071	25,022
Finished goods	417,767	362,286
Provision for obsolescence	(42,771)	(40,864)
	374,996	321,422
	999,124	902,351

11.1 Stock in trade includes Rs. 416.15 million (2019: Rs. 368.47 million) held with third parties.

11.2 The Company made a provision of Rs. 45.6 million (2019: Rs. 65.92 million) for obsolescence and has written off inventory of Rs. 72.1 million (2019: Rs. 69.44 million) by utilizing the provision during the year.

		2020 (Rupees in thousand)	2019
12. TRADE DEBTS			
Trade debts		514,264	915,024
Less: Allowance for impairment		(59,050)	(46,742)
		455,214	868,282
12.1	The Company has charged a provision of Rs. 35.12 million (2019: Rs. 20.06 million) and has written off debtors of Rs. 22.81 million (2019: Rs. 0.98 million) during the year .		
12.2	As of December 31, 2020, trade debts of Rs. 3.6 million (2019: Rs. 26.51 million) were past due but not materially impaired. These relate to independent customers for whom there is no recent history of default.		
13. LOANS AND ADVANCES - considered good			
Current portion of loans to executives		2,776	4,119
Advances to:			
- executives		-	864
- other employees		-	214
- suppliers and others		66,480	8,657
		66,480	9,735
		69,256	13,854
	Note	2020	2019
		(Rupees in thousand)	
14. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits	14.1	48,736	394
Prepayments	14.2	28,659	14,014
		77,395	14,408
14.1	Trade deposits with respect to payments made to custom authorities.		
14.2	Primarily consists of media bulk discount on airing TV commercials.		
	Note	2020	2019
		(Rupees in thousand)	
15. OTHER RECEIVABLES			
Workers' Profit Participation Fund	15.1	4,177	251
Others	15.2	53,329	31,799
		57,506	32,050

	2020 (Rupees in thousand)	2019
15.1 Workers' Profit Participation Fund		
Balance as at January 1	251	44,766
Allocation for the year	(191,871)	(128,559)
	(191,620)	(83,793)
Paid to the fund	196,048	128,810
Refunded by the fund	(251)	(44,766)
Balance as at December 31	4,177	251

- 15.2** This includes an amount of Rs. 27.51 million pertaining to associated undertakings out of which Rs.26.13 fall under the age bracket of more than six months but not later than one year and the remaining assets falling under the age bracket of greater than 2 years is Rs 1.38 million. The maximum amount due from associated undertakings during the year was Rs. 5.041 million.

	Note	2020 (Rupees in thousand)	2019
16. CASH AND BANK BALANCES			
With banks on:			
- savings accounts	16.1	661,375	324,184
- current accounts	16.2	268,342	400,219
		929,717	724,403
Cash in hand		178	153
		929,895	724,556

- 16.1** Mark-up on savings accounts was at rates ranging from 6.21% to 12.86% per annum (2019: 8.00% to 12.80% per annum).
- 16.2** This includes an amount of Rs. 114.66 million (2019 Rs. 157.59 million) in respect of cash margin on imports kept with commercial banks.

17. SHARE CAPITAL

		2020	2019
		(Rupees in thousand)	
Authorised share capital			
Number of shares			
<u>20,000,000</u>	Ordinary shares of Rs. 10 each	<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid up capital			
Number of shares			
1,451,659	Ordinary shares of Rs. 10 each allotted:	14,516	14,516
24,196	for consideration paid in cash	242	242
4,894,095	for consideration other than cash	48,941	48,941
<u>6,369,950</u>	as bonus shares	<u>63,699</u>	<u>63,699</u>

- 17.1** As at December 31, 2020, Conopco Inc. USA, subsidiary of Unilever P.L.C., held 4.88 million (2019: 4.88 million) ordinary shares of Rs. 10 each.

18. RESERVES**Note**

RESERVES		2020	2019
		(Rupees in thousand)	
Capital reserves			
- Share premium	18.1	1,296,499	1,296,499
- Special		628	628
		1,297,127	1,297,127
Revenue reserves			
- General		138	138
- Unappropriated profit		1,386,730	943,233
		1,386,868	943,371
		2,683,995	2,240,498

- 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. Actuarial valuation of the plan is carried out every year and the latest actuarial valuation was carried out as at December 31, 2020.

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, 2020 was carried out using the 'Projected Unit Credit Method'. Details of the Fund as per the actuarial valuation are as follows:

		2020	2019
	Note	Funded Gratuity	
		(Rupees in thousand)	
19.4 Reconciliation			
Present value of defined benefit obligation at December 31	19.5	(55,710)	(51,686)
Fair value of plan assets at December 31	19.6	29,983	27,545
Deficit		(25,727)	(24,141)
19.5 Movement in the present value of defined benefit obligation			
Balances as at January 1		51,685	40,098
Benefits paid by the plan		(1,563)	(1,385)
Current service costs		5,142	4,262
Interest cost		6,109	5,221
Remeasurement on obligation		(5,663)	3,489
Balance as at December 31		55,710	51,685
19.6 Movement in the fair value of plan assets			
Fair value of plan assets at January 1		27,545	26,098
Benefits paid by the plan		(1,563)	(1,385)
Interest income		3,212	3,477
Remeasurement on plan assets		789	(645)
Fair value of plan assets at December 31		29,983	27,545
19.7 Expense recognised in statement of profit or loss			
Current service cost		5,142	4,262
Net interest cost		2,897	1,744
Expense recognised in statement of profit or loss account		8,039	6,006
19.8 Remeasurements recognised in Other Comprehensive Income			
Experience loss / (gain)		(5,663)	3,489
Remeasurement of fair value of plan assets		(789)	645
Remeasurements		(6,452)	4,134

	2020	2019
	Funded Gratuity	
	(Rupees in thousand)	
19.9 Net recognised liability		
Net liability at January 1	24,140	14,000
Charge for the year	8,039	6,006
Contribution made during the year to the Fund	-	-
Remeasurements recognised in Other Comprehensive Income	(6,452)	4,134
Recognised liability / (asset) as at December 31	25,727	24,140
19.10 Plan assets comprise of following:		
Government Bonds	13,304	9,809
National Savings	12,673	11,914
Shares	7,323	7,556
Cash at bank	752	773
Due to the Company	(4,069)	(2,507)
Total as at December 31	29,983	27,545
19.11 Actuarial assumptions		
Discount rate at December 31	10.00%	12.00%
Future salary increases	8.00%	10.00%

19.12 Mortality was assumed to be 70% of the EFU(61-66) Table.

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 2020 consists of Government bonds, National Savings and shares. The Company believes that national saving and shares offer the best returns over the long term with an acceptable level of risk.

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 2021 is expected to amount to Rs. 11.4 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, 2020.

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 December 31	1.00 %	(6,353)	7,519
Future salary increases	1.00 %	7,594	(6,516)
Future pension increases		-	-

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

The sensitivity analysis 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 Company's contributions towards the Rafhan Best Foods Limited Employees Gratuity Fund for the year ended December 31, 2020 amounted to Rs. Nil (2019: Nil).

19.18 The weighted average duration of the defined benefit obligation is 13.9 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
At December 31, 2020	(Rupees in thousand)				
Retirement benefit plans	640	632	11,356	28,680	41,308

19.19 The Company also operates a couple of defined contribution plans which receives fixed contributions. The expense recognized in the current year in relation to these contributions was Rs. 15.88 million (2019: Rs. 21.52 million).

20. LONG TERM BORROWING

During the year the Company entered into 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 amounted to Rs. 149 million out of which Rs. 23.66 million were utilized as at year end. The loan carries mark-up at the rate of 3.65% per annum.

21. DEFERRED TAXATION	Note	2020 (Rupees in thousand)	2019
Credit balance arising in respect of:			
- accelerated tax depreciation allowance		377,609	328,572
- amortization of right-of-use of asset		3,567	5,242
- amortization of intangible assets		23,170	22,742
		404,346	356,556
Debit balance arising in respect of:			
- provision for stock in trade		(21,430)	(28,290)
- allowance for impairment of trade debts		(17,124)	(13,390)
- provision for restructuring		(519)	(2,785)
- provision for staff retirement benefits		-	(6,067)
- amortization of lease liability		(3,378)	(8,568)
- other provisions		(845)	(16,917)
		(43,296)	(76,017)
		361,050	280,539

22. TRADE AND OTHER PAYABLES

Creditors		932,470	811,244
Bills payable	22.1	587,124	568,105
Forward foreign exchange contract		341	16,868
Accrued liabilities		1,634,325	1,375,487
Royalty and technology fee		735,608	1,214,062
Contract liabilities	22.5	102,650	63,399
Withholding tax		9,117	91,094
Workers' Welfare Fund	22.2	97,538	67,860
Payable to Employee Retirement Benefit funds		4,493	4,512
Liability for share-based compensation	22.3	7,120	11,169
Others		1,563	1,924
		4,112,349	4,225,724

22.1 Bills payable represents inland letters of credit under vendor financing arrangements which includes interest cost as per the Company's negotiated rates.

22.2 Workers' Welfare Fund

	2020	2019
	(Rupees in thousand)	
Balance as at January 1	67,860	72,894
Charge for the year	79,185	49,508
	147,045	122,402
Payment during the year	(49,507)	(54,542)
Balance as at December 31	97,538	67,860

22.3 Share based compensation plans

As at December 31, 2020 Company had share-based compensation plans in the form of performance shares.

Performance share awards are made under the Management Co-Investment Plan (MCIP). The MCIP allows Company's eligible managers to invest up to 100% of their annual bonus in shares in Unilever NV and Unilever PLC and to receive a corresponding award of performance-related shares. The awards of the plans will vest after four years depending on the satisfaction of performance conditions.

The performance conditions of MCIP are underlying sales growth, operating cash flow and underlying operating margin improvement.

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, 2020 and 2019 and changes during the years ended on these dates is presented below:

	2020	2019
	(Numbers of shares)	
Outstanding at January 1	472	252
Awarded	277	479
Vested	(137)	(172)
Forfeited	-	(87)
Outstanding at December 31	612	472
Share price		
Unilever PLC Netherlands	€ 49.76	€ 51.23
Unilever PLC United Kingdom	£ 43.92	£ 43.50

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

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

	2020	2019
	(Rupees in thousand)	
Holding company	10,891	26,202
Other related parties	1,043,631	1,163,888

22.5 Contract liabilities amounting to Rs 56.39 million as of the beginning of the year has been recognized as revenue for the year ended 31 December 2020.

23. PROVISIONS	Note	2020	2019
		(Rupees in thousand)	
Sindh Infrastructure Cess	23.1	62,520	51,428
Restructuring	23.2	1,829	15,823
Stamp Duty	23.3	43,391	37,803
		107,740	105,054

23.1 Sindh Infrastructure Cess

Balance as at January 1	51,428	40,684
Charge for the year	11,092	10,744
Balance as at December 31	62,520	51,428

23.2 Restructuring

Balance as at January 1	15,823	12,852
Provision during the year	1,829	42,884
Payments / reversals during the year	(15,823)	(39,913)
Balance as at December 31	1,829	15,823

23.2.1 This represents reversals amounting to Rs. 12.8 million and payment of Rs. 3 million.

23.3 Stamp Duty

	2020	2019
	(Rupees in thousand)	
Balance as at January 1	37,803	33,278
Charge for the year	5,588	4,525
Balance as at December 31	43,391	37,803

24. SHORT TERM BORROWINGS

Running finance under mark-up arrangements

The facilities for running finance available from various banks amount to Rs. 3.636 billion (2019: Rs. 3.575 billion). The rates of mark-up range between 1-month KIBOR - 0.3% to 3-month KIBOR + 0.5% per annum (2019: 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. 5.061 billion (2019: Rs. 4.946 billion).

The facilities for opening letters of credit and guarantees as at December 31, 2020 amounted to Rs. 5.925 billion (2019: Rs. 5.375 billion) of which the amount that remained unutilized at year end was Rs. 4.485 billion (2019: Rs. 3.948 billion).

25. CONTINGENCY AND COMMITMENTS

There were no contingencies as at December 31, 2020.

25.1 Commitments

Aggregate commitments outstanding for capital expenditure as at December 31, 2020 amounted to Rs. 295.51 million (2019: Rs. 653.1 million).

26. SALES

2020
2019
(Rupees in thousand)

Gross sales	21,357,698	18,374,511
Sales tax	(2,895,069)	(2,452,779)
	18,462,629	15,921,732
Returns, rebates and allowances	(2,889,882)	(2,630,308)
	15,572,747	13,291,424

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

Products used by entities	1,681,653	2,194,254
Products used by end consumers	13,891,094	11,097,170
	15,572,747	13,291,424

26.2 Revenue from one customer approximates 14.31% (2019: 13.23%) of the total revenue of the Company.

	Note	2020 (Rupees in thousand)	2019
27. COST OF SALES			
Raw and packing materials consumed		7,126,455	6,266,087
Manufacturing charges paid to third party	27.2	85,456	58,898
Stores and spares consumed		69,252	47,204
Staff costs	27.2	671,920	557,376
Utilities	27.2	197,958	192,625
Depreciation		275,280	207,497
(Reversal against) / provision for impairment of fixed assets		2,086	(14,581)
Repairs and maintenance		10,927	46,652
Rent, rates and taxes		446	1,764
Travelling and entertainment		5,128	7,253
Insurance		12,173	12,993
Stationery and office expenses		9,553	14,204
Other expenses		52,098	10,071
Technology charges		48,410	36,744
Charges by related party	27.1	129,828	116,387
		8,696,970	7,561,174
Opening work in process		25,022	25,021
Closing work in process		(31,071)	(25,022)
Cost of goods manufactured		8,690,921	7,561,173
Opening stock of finished goods		321,422	371,747
Purchase of finished goods		256,831	177,503
Closing stock of finished goods		(374,996)	(321,422)
		8,894,178	7,789,001

27.1 This represents amount charged to the Company for certain management and other services received from its associated undertaking - Unilever Pakistan Limited.

27.2 This includes amount of depreciation for rights-of-use assets.

	Note	2020 (Rupees in thousand)	2019
28. DISTRIBUTION COST			
Staff costs		106,274	161,047
Advertisement and sales promotion		794,460	873,163
Outward freight and handling		388,366	306,359
Royalty, technology fee and related duties	28.1	574,341	573,626
Travelling and entertainment		11,851	21,731
Rent, rates and taxes	28.3	7,951	7,951
Depreciation		5,676	4,474
Repairs and maintenance		1,376	2,189
Stationery and office expenses		1,080	958
Technology charges		48,190	36,810
Other expenses		24,587	37,862
Charges by related party	28.2	310,029	268,052
		2,274,181	2,294,222

- 28.1** This includes amount payable to Conopco Inc. (Holding Company) and Unilever Plc (Associated Company).
- 28.2** This represents amount charged to the Company for certain management and other services received from its associated undertaking - Unilever Pakistan Limited.
- 28.3** This includes amount of depreciation for rights-of-use assets.

	Note	2020 (Rupees in thousand)	2019
29. ADMINISTRATIVE EXPENSES			
Depreciation		2,838	1,065
Travelling and entertainment		350	1,376
Auditors' remuneration	29.1	2,120	2,210
Allowance for impairment of trade debts		35,120	20,057
Legal and professional charges		11,441	13,278
Other expenses		9,007	14,098
Technology charges		25,432	19,445
Charges by related party	29.2	364,120	320,067
		450,428	391,596

29.1 Auditors' remuneration

Annual audit fee	1,000	1,000
Half yearly review	300	300
Certifications	635	765
Out of pocket expenses	185	145
	2,120	2,210

- 29.2** This represents amount charged to the Company for certain management and other services received from its associated undertaking - Unilever Pakistan Limited.

	Note	2020 (Rupees in thousand)	2019
30. OTHER OPERATING EXPENSES			
Workers' Profits Participation Fund	15.1	191,871	128,559
Workers' Welfare Fund	22.2	79,185	49,508
Donations	30.1	14,850	-
		285,906	178,067

30.1		2020	2019
Donations to following organisations and trusts exceeds Rs. 1,000,000:		(Rupees in thousand)	
	Akhuwat Corona Imdad Fund	4,835,704	-
	PM Fund	4,131,366	-
	Shaukat Khanum Memorial Trust	1,697,796	-
	The Indus Hospital	1,445,978	-
		12,110,844	-
31.	OTHER INCOME		
	Income from financial assets		
	Return on savings accounts	99,015	3,762
	Income from non-financial assets		
	Scrap sales	71,108	45,910
	Loss on disposal of property, plant and equipment	-	(16,194)
	Reversal of provision for impairment of fixed assets	-	17,004
		71,108	46,720
	Others		
	Service fee 31.1	58,220	79,944
	Exchange gain - net	(18,967)	117,010
	Others 31.2	200,078	56,903
		409,454	304,339
31.1	This includes amount charged by the Company for certain management and other services rendered to its associated undertaking - Unilever Pakistan Limited, in accordance with the Cost Sharing Service Agreement between the two companies.		
31.2	Others includes a liability written back in lieu of technology fee due to Unilever PLC for prior years as the State bank of Pakistan's approval was granted at 2% instead of 3% as per the previous agreements that were in place.		
32.		2020	2019
FINANCE COSTS		(Rupees in thousand)	
	Mark-up on short term borrowing	8,980	118,130
	Mark-up on Leases	1,374	4,429
	Bank charges	12,196	12,517
		22,550	135,076
33.	TAXATION - charge		
	Current year:		
	- Current tax	148,671	208,839
	- Deferred tax	78,725	146,023
	- Prior year tax	(9,850)	-
		217,546	354,862

33.1 Reconciliation between tax expense and accounting profit:

	2020	2019
	(Rupees in thousand)	
Accounting profit before tax	4,054,958	2,807,800
Tax at the applicable tax rate of 29% (2019: 29%)	1,176,264	814,262
Tax effect of credits	(948,183)	(475,989)
Tax effect of final tax	(23,204)	(12,128)
Tax effect of change in tax rate	-	26,797
Write down of deferred tax asset	19,113	-
Tax effect of prior years	(9,850)	-
Others	3,406	1,920
Tax expense for the year	217,546	354,862

34. BASIC AND DILUTED EARNINGS PER SHARE

	2020	2019
	(Rupees in thousand)	
Profit after taxation attributable to ordinary shareholders	3,837,412	2,452,938
Weighted average number of shares in issue during the year	(Number in thousand)	
	6,370	6,370
	(Rupees)	
Basic earnings per share	602.42	385.08

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

35. RELATED PARTY DISCLOSURES

The related parties comprise of the 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:

35.1	Relationship with the Company	Nature of transactions	2020	2019
			(Rupees in thousand)	
i)	Holding company	Royalty	2,799	2,675
ii)	Associated companies	Royalty and technology fee	375,652	571,452
		Purchase of goods & Property, Plant & Equipment	1,749,734	1,824,649
		Sale of goods	79,932	33,909
		Fee for receiving of services from related parties	949,059	837,717
		Fee for providing of services to related parties	59,418	79,944
iii)	Staff retirement funds	Contribution (from)/ to:		
		- Defined contribution plans	15,883	21,515
		Settlement on behalf of:		
		- Defined contribution plans	5,948	(7,170)
iv)	Key management personnel	Salaries and other short-term employee benefits	16,824	18,115

35.2 The following are the related parties with whom the Company had 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)	20 Pasir Panjang Rd, #06-22 Mapletree Business City, Singapore 117439	Associated Company	N/A
Unilever Bangladesh Limited (Bangladesh)	105-109, Tongi Industrial Area, Gazipur	Associated Company	N/A
Unilever Lipton Ceylon Limited (Sri Lanka)	258 M. Vincent Perera Mawatha, Colombo 01400, Sri Lanka	Associated Company	N/A
Unilever Europe BV	Weena 455, 3013 Rotterdam Netherlands	Associated Company	N/A
Conopco Inc.	800 Sylvan Avenue Englewood Cliffs, NJ 07632, United States	Holding Company	76.55%
Unilever Plc	Unilever House, 100 Victoria Embankment, London	Associated Company	N/A
Unilever Malaysia Holdings Sdn BHD	Level 33-35, Menara Telekom, Jalan Pantai Baru, Kuala Lumpur, Malaysia	Associated Company	N/A
Unilever PLC	PO BOX 544, 2400 AM Alphen aan den Rijn, The Netherlands	Associated Company	N/A

Transactions with related parties are carried out on commercial terms.

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. However, in the current year technology fee agreements are in the process of approval by the State Bank of Pakistan.

Dividend paid to the Holding Company amounts to PKR 2.632 billion (2019: Rs. 1.556 billion).

The Company has entered into agreement with its associate, Unilever Pakistan Limited to share various administrative and other resources. Service fee from the associate has been disclosed in note 31.

The related party outstanding balances as at December 31, 2020 are included in other receivables and trade and other payables respectively. These are settled in 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:

		<u>Executive Directors</u>		<u>Chief Executive</u>		<u>Executives</u>	
	Note	2020	2019	2020	2019	2020	2019
		(Rupees in thousand)					
Managerial remuneration and allowances		6,442	5,563	5,007	6,305	66,328	95,234
Retirement benefits	36.1	805	-	-	-	9,205	13,164
Other long term benefits		-	-	-	-	1,511	1,292
Medical expenses		35	-	3	-	2,038	1,662
Other expenses		37	-	30	-	950	3,925
Share based compensation		-	-	-	-	2,121	2,839
		7,319	5,563	5,040	6,305	82,153	118,116
Number of persons		2	2	1	1	23	37

In addition to this, a lump sum amount of Rs. 17.38 million (2019: Rs. 23.93 million) on account of variable pay has been accounted for in financial statements for the current year payable in 2021 after verification of target achievement.

Out of the variable pay recognized for 2019 and 2018 following payments were made:

	Paid in 2020 relating to 2019	Paid in 2019 relating to 2018
(Rupees in thousand)		
Executive Directors	1,376	2,658
Chief Executive	3,089	3,589
Executives	8,267	22,288
Other employees	-	676
	<u>12,732</u>	<u>29,211</u>

Aggregate amount charged in these financial statements for the year for fee to seven non-executive directors was Rs. 4.1 million (2019: seven non-executive directors Rs. 3.6 million).

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

In respect of full time working Directors, Chief Executive Officer 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

2020

2019

Actual production of the plant in metric tons

40,121

40,195

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

2020

2019

Total number of employees at year end

249

251

Average number of employees during the year

250

261

Total number of Factory employees as at the reporting date

228

228

Average number of Factory employees during the year

228

233

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 2020	30,392	-	943,233	973,625
Changes from financing cash flows				
Repayment of lease liabilities	(37,450)	-	-	(37,450)
Financing obtained during the year	-	23,660	-	23,660
Dividends paid	-	-	(3,390,721)	(3,390,721)
Total changes from financing activities	(37,450)	23,660	(3,390,721)	(3,404,511)
Other changes				
Interest expense	1,374	-	-	1,374
Increase in lease liabilities	17,590	-	-	17,590
Total changes	18,964	-	-	18,964
Total comprehensive income for the year	-	-	3,841,993	3,841,993
Dividend not paid during the year	-	-	(7,775)	(7,775)
Balance as at December 31, 2020	11,906	23,660	1,386,730	1,422,296

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) →							
FINANCIAL ASSETS							
Amortized Cost							
Loans and advances	-	-	-	2,776	3,371	6,147	6,147
Trade debts	-	-	-	455,214	-	455,214	455,214
Long term deposits	-	-	-	-	2,980	2,980	2,980
Trade deposits	-	-	-	48,736	-	48,736	48,736
Other receivables	-	-	-	57,506	-	57,506	57,506
Cash and bank balances	661,375	-	661,375	268,520	-	268,520	929,895
December 31, 2020	661,375	-	661,375	832,752	6,351	839,103	1,500,478
December 31, 2019	324,184	-	324,184	1,305,217	8,137	1,313,354	1,637,538
	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) →							
FINANCIAL LIABILITIES							
Derivative financial liability-measured at fair value							
Forward foreign exchange contract	-	-	-	341	-	341	341
Other financial liabilities- not measured at fair value							
Long term borrowings	-	23,660	23,660	-	-	-	23,660
Trade and other payables	587,124	-	587,124	3,303,966	-	3,303,966	3,891,090
Unpaid dividend	-	-	-	31,180	-	31,180	31,180
Unclaimed dividend	-	-	-	25,447	-	25,447	25,447
Short term borrowings	-	-	-	-	-	-	-
Accrued interest / mark up	-	-	-	620	-	620	620
Lease liability	11,519	387	11,906	-	-	-	11,906
December 31, 2020	598,643	24,047	622,690	3,361,554	-	3,361,554	3,984,244
December 31, 2019	633,714	-	633,714	3,630,393	-	3,630,393	4,264,107
ON BALANCE SHEET GAP							
FINANCIAL POSITION GAP							
December 31, 2020	62,732	(24,047)	38,685	(2,528,802)	6,351	(2,522,451)	(2,483,766)
December 31, 2019	(309,530)	-	(309,530)	(2,325,176)	8,137	(2,317,039)	(2,626,569)
NON FINANCIAL POSITION ITEMS							
Letters of credit / guarantee:							
December 31, 2020							1,439,880
December 31, 2019							1,427,450

The carrying value of financial assets and financial liabilities approximate their fair value.

For valuation of derivative (forward foreign exchange contract : refer note 21) at reporting date, the relevant rate has been taken from financial institution and has been classified in to level 2 fair value measurement hierarchy as defined in IFRS 13.

(i) Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of total financial assets of Rs. 1,498 million (2019: Rs. 1,637.2 million), the financial assets which are subject to credit risk amounted to Rs. 461.36 million (2019: Rs. 877.6 million).

For trade debts, internal risk assessment process determines the credit quality of the customers, taking into account their financial positions, past experiences and other factors. Individual risk limits are set based on internal or external credit worthiness ratings in accordance with limits set by the management. As of December 31, 2020 trade debts of Rs.3.6 million (2019: Rs. 26.51 million) were past due but not impaired. The carrying amount of trade debts relates to a number of independent customers for whom there is no recent history of default.

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 receivables, to measure the expected credit losses, trade receivables 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 2020 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 receivables as at reporting date.

	2020			
	Gross carrying amount	Expected credit loss	Specific loss allowance	Expected credit loss rate
	(Rupees in thousand)			
Not yet due	407,071	206	-	0.1% - 0.5%
Less than 3 months	11,342	37	-	0.1% - 5%
More than 3 months to not later than 6 months	37,274	230	-	0.1% - 15%
More than 6 months to not later than 12 months	39,871	-	39,871	30% - 75%
More than one year	18,706	-	18,706	75%-100%
	<u>514,264</u>	<u>473</u>	<u>58,577</u>	
	2019			
	Gross carrying amount	Expected credit loss	Specific loss allowance	Expected credit loss rate
	(Rupees in thousand)			
Not yet due	583,937	1,379	-	0.1% - 0.5%
Less than 3 months	246,439	534	-	0.1% - 5%
More than 3 months to not later than 6 months	19,602	128	-	0.1% - 15%
More than 6 months to not later than 12 months	19,651	-	3,893	30% - 75%
More than one year	45,395	-	40,808	75%-100%
	<u>915,024</u>	<u>2,041</u>	<u>44,701</u>	

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 related parties, therefore, are not exposed to any significant credit risk.

The bank balances represent low credit risk as they are placed with banks 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, 2020, financial assets of Rs.17.75 million (2019: Rs. 107.03 million) and financial liabilities of Rs.150.30 million (2019: Rs. 175.39 million) were in foreign currency which were exposed to foreign currency risk.

All foreign currency financial assets are in USD. Foreign currency liabilities are approx. 79.25% in USD, 9.09% in GBP, 6.63% in CNY, 4.68% in EURO & 0.35% in JPY.

As at December 31, 2020, 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. 0.35 million (2019: Rs. 1.02 million), mainly as a result of foreign exchange losses / gains on translation of Euro denominated financial liabilities.

As at December 31, 2020, 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. 5.07 million (2019: Rs. 1.26 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar denominated financial liabilities.

As at December 31, 2020, if the Pakistan Rupee had weakened / strengthened by 5% against Japanese Yen with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 0.03 million (2019: Rs. Nil), mainly as a result of foreign exchange losses / gains on translation of Japanese Yen denominated financial liabilities.

As at December 31, 2020, 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. 0.50 million (2019: Rs. 2.88 million), mainly as a result of foreign exchange losses / gains on translation of CNY denominated financial liabilities.

As at December 31, 2020, 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. 0.68 million (2019: Rs. 0.77 million), mainly as a result of foreign exchange losses / gains on translation of GBP denominated financial liabilities.

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

Derivative financial liability - at fair value through profit or loss**(Rupees in Thousand)**

Opening balance as at January 1, 2020	16,868
Cumulative net loss during the year	58,219
Net realized loss during the year	(74,746)
Net unrealized Loss as at December 31, 2020	341

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, 2020, the Company had variable interest bearing financial assets of Rs. 661.4 million (2019: Rs. 324.18 million) and financial liabilities of Rs. 622.69 million (2019: Rs 633.71 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. 0.77 million (2019: 6.19 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings.

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 gearing ratios as at December 31, 2020 and 2019 were as follows:

	2020	2019
	(Rupees in thousand)	
Long - term debt	23,660	-
Cash and bank	(929,895)	(724,556)
Net (cash surplus) / debt	(906,235)	(724,556)
Total equity	2,747,694	1,892,563
Total capital	2,747,694	1,892,563
Gearing ratio	0.86%	0.00%

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****2020****2019****(Rupees in thousand)**

Cash and bank balances	16	929,895	724,556
Short term borrowings - running finance under mark up arrangements	24	-	(35,217)
		929,895	689,339

43. PROPOSED AND DECLARED DIVIDENDS

At the Board of Directors' meeting held on March 01, 2021, a final dividend of Rs. 210.89 per share amounting to Rs. 1,343 million in respect of 2020 is proposed (2019: Rs. 142 per share amounting to Rs. 905 million). This is in addition to the cumulative interim cash dividend of Rs. 391.52 per share amounting to Rs. 2,494 million (2019: Rs. 244 per share amounting to Rs. 1,554 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.

45. DATE OF AUTHORISATION

These financial statements were authorized for issue on March 01, 2021 by the Board of Directors of the Company.

Amir R. Paracha
Chief Executive Officer

Farheen Salman
Director

Aly Yusuf
Director and Chief Financial Officer

Notice of Annual General Meeting

Notice is hereby given that the 23rd Annual General Meeting of Unilever Pakistan Foods Limited will be held virtually through Zoom on Monday, April 12, 2021, at 11:00 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 2020, together with the Reports of the Auditors and Directors thereon.
2. To approve and declare dividend (2020) on the Ordinary Shares of the Company.
The Directors have recommended a final cash dividend of 2108.9% (or Rs. 210.89 per share) on the Ordinary Shares. Together with the First Interim Dividend of 1300% (or Rs. 130.00) per ordinary share, Second Interim Dividend of 1410% (or Rs. 141.00) per ordinary share and Third Interim Dividend of 1205.2% (or Rs. 120.52) per ordinary share, already paid, the total dividend for will thus amount to 6024.1% (or Rs. 602.41) 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.

By Order of the Board

Karachi
March 16, 2021

Aman Ghanchi
Company Secretary

Notes:

1. Share Transfer Books will be closed from April 06, 2021 to April 12, 2021 (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 Shahra-e-Faisal, Karachi-74400 by the close of the Business on April 05, 2021 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. The members are required to email their Name, Folio Number, Valid Email address and Number of Shares held in their name at corporate.secretarial@unilever.com or WhatsApp Number 0321-8200864. A Member may appoint a proxy who need not be a Member of the Company.
3. Duly completed instrument of proxy, and the other authority under which it is signed, or a notarially certified copy thereof, must be lodged with the Company Secretary at the Company's Registered Office (1st Floor, Avari Plaza, Fatima Jinnah Road, Karachi) at least 48 hours before the time of the meeting.
4. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:

A. For Attending the Meeting:

- i. The members are required to email their Name, Folio Number, Valid Email address and Number of Shares held in their name at corporate.secretarial@unilever.com or WhatsApp Number 0321-8200864.
- 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) along with above mentioned details shall be submitted on the email address or Whatsapp number.

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 along with valid email address for receiving the Login credentials.
 - 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. 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.
5. 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 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. 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.
 7. As per the current reports, Covid-19 is once again surging in Pakistan. Considering the safety of our shareholders, unpredictable situation of the pandemic and keeping in view the SECP Circular No. 6 of 2021 dated March 03, 2021 and to adopt a cautious approach for the respected shareholders, it has been decided that the AGM will be held through electronic means only for which all necessary facilitation will be provided.
 8. 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.
 9. (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 06, 2021 for entitlement to final dividend to be paid on April 26, 2021 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 Central Depository Company 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).

- 10.** 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.
- 11.** 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

- 12.** 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.

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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 Limited, holding _____ ordinary / preference shares hereby appoint _____ who is my _____ [state relationship (if any) with the proxy; required by Government regulations] and the son / daughter/ wife of _____ (holding _____ ordinary / preference 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 23rd Annual General Meeting of the Company to be held on April 12, 2021 and / or any adjournment thereof.

Signed this _____ day of _____ 2021.

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: _____

Name: _____

CNIC #: _____

Address: _____

Signature of Member(s)

Shareholder's Folio No.: _____

and / or CDC Participant I.D. No.: _____

and Sub- Account No.: _____

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 بیکریٹری 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 کی تحویل رکھتا ہوں، میں بذریعہ ہذا
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،
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) لگا دیں] کو اپنا
پراکسی (مختار) نامزد کرتا/کرتی ہوں جو میری/ہماری جانب سے کمپنی کے 23 ویں سالانہ اجلاس عام میں شرکت کرنے اور ووٹ دینے کے اہل ہیں۔ جو کہ
12 اپریل 2021 کو یا التواء کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقدہ ہوگا۔

آج بتاریخ _____ 2021 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:

دستخط: _____
نام: _____
سی این آئی سی نمبر: _____
پتہ: _____

گواہ نمبر 2:

شیئر ہولڈر کا فولیو نمبر: _____
اد/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: _____

دستخط: _____
نام: _____
سی این آئی سی نمبر: _____
پتہ: _____

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 ریکارڈز میں ہیں۔

(iii) اپنا فولیو نمبر لکھیں۔

(iv) شیئر ہولڈر (ز) کے 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) باضابطہ مکمل شدہ پراکسی فارم کمپنی کے رجسٹرڈ آفس میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل موصول ہو جانا چاہیئے۔

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

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

کمپنی: _____

فولیو نمبر / CDS اکاؤنٹ نمبر: _____

شیئرز 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 شیئرز رجسٹر ارا 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۔

شیئرز ہولڈر کے نام
بشمول سی این آئی سی کی کاپی

نوٹ: مکمل اور دستخط شدہ یہ فارم بشمول فعال کمپیوٹرائزڈ قومی شناختی کارڈ کی کاپی (سی این آئی سی) شیئرز رجسٹر ارا ڈپارٹمنٹ، سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ، سی ڈی سی ہاؤس، بلاک 'بی'، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی، 74400 پاکستان کو بھیجینی ہوگی۔

ڈائریکٹرز کی جائزہ رپورٹ

31 دسمبر 2020 کو ختم ہونے والے سال کے لیے یونی لیور پاکستان فوڈز لمیٹڈ کی سالانہ رپورٹ اور آڈٹ شدہ مالی گوشوارے ڈائریکٹروں کی جانب سے ذیل میں پیش کیے جا رہے ہیں۔

کمپنی کی خاص خاص سرگرمیاں:

رفان، کنور، ایبز جائل، گلیکسو زڈی اور بیسٹ فوڈز کے برانڈ ناموں سے کمپنی کنزرویمر اور کرشل فوڈز پر وڈکس بناتی اور فروخت کرتی ہے۔ 2020ء میں اس کاروبار میں 17.2% اضافہ ہوا اگرچہ "کرونا کے لاک ڈاون" کی وجہ سے فوڈ سلوشنز کا بزنس بری طرح متاثر ہوا تھا۔

2020 میں قیمت فروخت میں اضافہ کی وجوہات درج ذیل ہیں:

کنور: کنور میں اضافہ خاص طور پر اس کے نمایاں برانڈز نوڈلز اور کچپ میں ہوا جس کی وجوہات میں بہتر برانڈ ایکویٹی اور شہروں میں اس کی زبردست مانگ رہی ساتھ ہی دیہات کی مارکیٹوں تک رسائی بھی کی گئی۔ ساتھ ہی اس کی نمایاں تشہیر کے لیے ڈیجیٹل ذرائع کا استعمال کیا گیا اور بڑی بڑی تقریبات کا انعقاد اور ان میں شرکت سے بھی اس کی فروخت میں اضافہ ہوا۔ "چیزی چٹ پٹا" ویڈیو کو لانچ کیا گیا جسے مارکیٹ میں بہت مقبولیت حاصل ہوئی۔

رفان: اگرچہ یہ ایک مشکل سال تھا لیکن رفان کی سیلز میں خوب اضافہ ہوا جس کی خاص وجہ یہ تھی کہ کھانے کے بعد تھوڑی سی کھائے جانے والی اضافی اشیاء (ڈیزرٹ) اور کارن آئل کی سیل بڑھی۔ یہ کامیابی قیمتوں کے تعین اور کنزرویمر پر موشنز کے ذریعے حاصل ہوئی۔

فوڈ سلوشنز: لوگوں کے کھانے سے متعلق اس بزنس میں کافی کمی دیکھنے میں آئی جس کی خاص وجوہات 'لاک ڈاون' اور گھر سے باہر کھانے پر پابندیاں تھیں۔

اس سال کا مجموعی منافع گزشتہ سال 1.49% سے بڑھ کر 42.9% ہو گیا۔ اس کی وجوہات یہ تھیں کہ لاگت میں کمی کی گئی اور اخراجات بچائے گئے۔ ای پی ایس (EPS) میں گزشتہ سال کے مقابلے میں 56.4% اضافہ ہوا جس کی وجوہات یہ تھیں کہ سیلز، منافع کے مارجن میں اضافہ ہوا اور ٹیکس کی چھوٹ ملی۔

ہماری مالیاتی کارکردگی کا خلاصہ:

2019

2020

روپے ملین میں

13,291

15,573

سیلز

5,502

6,679

مجموعی منافع

2,943

4,078

سرگرمیوں کے ذریعے منافع

2,808

4,055

ٹیکس سے پہلے منافع

2,453

3,837

ٹیکس کے بعد منافع

385.08

602.42

بنیادی ای۔ پی۔ ایس (روپے)

حصہ داروں کا منافع: (ڈیویڈنڈ)

غذاؤں کی مانگ 11.9% کے حساب سے بڑھتی جا رہی ہے اور یہ اضافہ خاص طور پر کھانے کے تیل اور کھانے کے بعد تھوڑی سی کھائی جانے والی اضافی اشیاء (Snacks) میں ہو رہا ہے۔

سرمایہ کاری:

کمپنی نے اپنی گنجائش بڑھانے اور کارکردگی بہتر کرنے کی غرض سے گزشتہ سال کے دوران 363.5 ملین روپے کی سرمایہ کاری کی۔

لیکوڈیٹی پروفائل:

کمپنی نے دوران سال جاری رہنے والی سرگرمیوں کے ذریعے 3,908 ملین روپے حاصل کیے۔ سال کے اختتام پر کمپنی کے پاس 930 ملین روپے موجود تھے۔ آپ کی کمپنی وقفے وقفے کے بعد جائزہ لے کر مالی گوشوارے تیار کرتی ہے تاکہ زیادہ سے زیادہ منافع حاصل کرنے کے لیے بہترین حکمت عملی اپنائی جائے۔

2020ء کا پہلا عبوری ڈیویڈنڈ (جو ادا کیا جا چکا ہے) 130 روپے فی شیئر تھا۔ (2019 میں یہ 88 روپے فی شیئر رہا)۔ 2020ء کا دوسرا عبوری ڈیویڈنڈ (جو ادا کیا جا چکا ہے) 141 روپے فی شیئر تھا۔ (2019 میں یہ 63 روپے فی شیئر رہا)۔ 2020ء کا تیسرا عبوری ڈیویڈنڈ (جو ادا کیا جا چکا ہے) 120.52 روپے فی شیئر تھا (2019 میں یہ 93 روپے فی شیئر رہا)۔ آخری ڈیویڈنڈ 210.89 روپے فی شیئر ہے (2019ء میں یہ 142 روپے فی شیئر رہا)۔

انڈسٹری کا جائزہ:

پاکستان میں فوڈز کی مجموعی مارکیٹ کا اندازہ 3.3 ٹریلین (3.3 trillion) روپے لگایا گیا ہے (یہ اندازہ یورو مائٹز اور کنزرویمر بینٹل نے لگایا ہے)۔ اس مارکیٹ میں کئی قومی اور ملٹی نیشنل کمپنیوں کے علاوہ بہت سی علاقائی کمپنیاں بھی شامل ہیں۔ پیکٹ میں بند

ماحول کی حفاظت:

یونی لیور پاکستان فوڈز لمیٹڈ کی مینوفیکچرنگ حکمت عملی میں یہ اہم نکتہ شامل ہے کہ مصنوعات تیار کرنے میں ماحول کی حفاظت کا خاص خیال رکھا جائے۔ اقوام متحدہ کے قابل برداشت ترقیاتی مقاصد حاصل کرنے کے ساتھ ساتھ ہماری کمپنی اپنی مصنوعات کی تیاری میں ماحول کی حفاظت کا خاص خیال رکھتی ہے۔ 2020 کے دوران ہماری کمپنی کی فیکٹریوں 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:

- ہوا کی آمدورفت اور کوئلہ گھر اور کیلینے لوڈ میجنٹ سسٹم نصب کیا گیا تاکہ توانائی کا استعمال انتہائی کم کیا جاسکے۔
- ایچ۔ پی۔ ایس۔ لائٹس کی جگہ ایل۔ ای۔ ڈی۔ لائٹس لگائی گئیں جو کم بجلی خرچ کرتی ہیں۔
- بوائلرز چلانے کیلئے ایچ۔ ایف۔ او۔ کی جگہ بہتر ایندھن استعمال کیا گیا جس سے آلودگی میں کمی واقع ہوئی۔
- کوئلہ گھر اور زمرے سے خارج ہونے والے مواد کو دوبارہ استعمال کے قابل بنانے کے لیے الٹرا وائلٹ اور الٹرا فیلٹریشن طریقے استعمال کیے گئے۔
- پانی کی پائپ لائنوں کو تبدیل کر دیا گیا جس سے پانی کے خرچ میں کمی آئی۔
- بارش کے پانی کو جمع کرنے کے ٹینکوں میں بہتری لائی گئی۔
- فیکٹریوں سے نکلنے والے بے کار مواد کو دوبارہ استعمال کے قابل بنایا گیا۔
- پروجیکٹ 'ای۔ بیگ' شروع کر دیا 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 کرۂ 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۔

معاشرے کی فلاح کے لیے سرمایہ کاری (14.9 ملین روپے):

اس آزمائش کے وقت میں قومی خدمت کو اپنی ذمہ داری سمجھتے ہوئے یونی لیور پاکستان وہ پہلی کمپنی تھی جس نے کوڈ-19 میں مالیاتی اور عطیات پر مشتمل امدادی سرگرمیوں کا آغاز کیا۔ اس سے یونی لیور کے اس عہد کی تجدید ہوتی ہے کہ ہم پاکستان میں اپنی قومی ذمہ داریوں کو نبھانے کا عزم رکھتے ہیں۔ مزید یہ کہ:

الف: بچوں کو اہم موضوعات پر تعلیم سے آراستہ کرنے کیلئے کنورسز تعلیم آباد نامی ادارے کے ساتھ پارٹنرشپ کرتے ہوئے سرمایہ فراہم کیا جس میں بچوں کو ذاتی حفاظت اور اخلاقیات کی تعلیم و تربیت فراہم کی گئی۔ اس پارٹنرشپ کے ذریعے تقریباً ایک ملین بچے مستفید ہوئے۔

ب: کنورسز نے دیہات کے نوجوانوں کو روزگار فراہم کرنے کا کام جاری رکھا۔ اس پروگرام میں لوگوں کو نوڈلز بیچنے کے لیے ہاتھ گاڑیاں فراہم کی جاتی ہیں۔ تاکہ وہ کچھ کمائی کرنے کے ساتھ ساتھ دیہات کے لوگوں کو کھانے پینے کی صحت بخش اور چٹ پٹی اشیاء فراہم کر سکیں۔ اس اقدام کی بدولت ملازمت کے مواقع فراہم کئے گئے جس سے 2 ہزار سے زائد خاندانوں کی زندگیوں میں آسانی پیدا ہوئی۔

سرمایہ کاری کے لیے حکمت عملی کافی سوچ سمجھ کر ترتیب دی جاتی ہے اور اس میں مستقبل کے ممکنہ خطرات کا خاص خیال رکھا جاتا ہے اور ضرورت سے زائد رقومات مختصر مدت کے لیے بینکوں میں رکھی جاتی 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 بنیادی 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۔

کارکردگی جانچنے کے لیے ہمارے اقدامات پانچ بنیادی نکات پر مشتمل ہوتے ہیں یعنی بامقصد برانڈ، بہتر رسائی، چینل کا ڈیزائن، موثر تبدیلیاں اور ترقی کی کوشش۔

خاص خطرات اور غیر یقینی حالات:

کمپنی کو مندرجہ ذیل خطرات کا سامنا ہے:

- کاروبار کی ترقی میں "کرونا" کی موجودہ صورت حال رکاوٹ بن رہی ہے کیوں کہ ہمارے کاروبار کی ترقی کے پلان کو خطرہ اور غیر یقینی صورتحال کا سامنا ہے جس میں ہمارا مال خریدنے والی دکانوں کی تعداد میں اضافہ کرنے اور مارکیٹ اور جنرل ٹریڈ چینلز کو گزشتہ سالوں سے تیز تر کرنے اور مصنوعات کی درجہ بندی شامل ہیں۔
- میکرو اکنامی میں بہتری ظاہر ہو رہی ہے، ٹریڈ بیلنس اور کرنٹ اکاؤنٹ میں اضافہ ہو رہا ہے لیکن درمیانی مدت اور طویل مدت والے منصوبوں کے نتائج ابھی آنا باقی ہے۔

ہمارے لوگ:

یونی لیور میں ہمارے لوگ ہماری سب سے بڑی طاقت ہیں۔ وہ کمپنی کا مشن آگے بڑھاتے ہیں اور خلوص، احترام اور سماجی ذمہ داری کے اعلیٰ ترین معیار کے مطابق اپنے آپ کو جواب دہ رکھتے ہیں۔ یہ مواقع چاہے سیکھنے کے پروگراموں سے متعلق ہوں، چاہے مشکل فرائض کی انجام دہی سے اور چاہے بہتری کے اقدامات سے۔

2020 اگرچہ ایک بے حد مشکل سال تھا۔ پھر بھی اس سال میں ہمارے لوگوں کی صلاحیتیں مزید اجاگر ہوئیں کیونکہ انہوں نے غیر یقینی حالات میں کام کرنے کا چیلنج قبول کیا۔ ہم نے اپنی سرگرمیوں میں سہولت کے بین الاقوامی معیار کا خاص خیال رکھا اور ساتھ ہی ساتھ ہم نے اپنے ملازمین کی ذہنی و جسمانی صحت کی طرف بھی توجہ دی۔ اس بات کا ثبوت یہ ہے کہ ہمارے لوگوں نے "کرونا" کی عالمی وبا سے نمٹنے کے لیے بہترین اقدامات کیے۔

انصاف، جدت اور شمولیت یونی لیور کی سب سے اہم ترجیحات ہیں۔ ملازمت دینے کے لیے ہم عورت، مرد، خواجہ سرا، عمر، نسل، مذہب اور امیر و غریب کو نہیں دیکھتے بلکہ افراد کی قابلیت کی بنیاد پر سب کو مساوی مواقع پیش کرتے ہیں۔

کام کرنے کے ابھرتے ہوئے عالمی ماحول میں ہم تیزی سے کام کرنے کی حوصلہ افزائی کرتے ہیں تاکہ افراد کی زندگیاں بہتر ہو سکیں۔

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 (Vision Zero UPFL) کا ایک اہم نکتہ سیفٹی 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۔

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 15 لاکھ روپے اکٹھا کر کے ہمارے سوشل پارٹنرز کو دیے گئے جن میں دی سٹیشن فائونڈیشن، 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۔

ریٹائرمنٹ فنڈ میں ملازمین کی سرمایہ کاری:

یونی لیور پاکستان فوڈز لمیٹڈ نے گزشتہ سال 15.88 ملین روپے اسٹاف ریٹائرمنٹ فنڈ کے لئے فراہم کئے۔ 31 دسمبر 2020ء کے مالیاتی گوشواروں کے مطابق کمپنی نے اسٹاف ریٹائرمنٹ فنڈ کے لیے جو رقم فراہم کی ان کی تفصیل درج ذیل ہے:

روپے ملین میں

پراویڈنٹ فنڈ	192
گریجویٹ فنڈ	34
ٹوٹل 2020ء	226
ٹوٹل 2019ء	210

کارپوریٹ گورننس

یونی لیور پاکستان فوڈز لمیٹڈ کی انتظامیہ کارپوریٹ گورننس کی پیروی اور بہترین تجربات پر عمل درآمد کے لئے پرعزم ہے۔ کوڈ آف کارپوریٹ گورننس کے عین مطابق کمپنی کے ڈائریکٹرز کا بیان درج ذیل ہے:

- کمپنی انتظامیہ کی جانب سے تیار کئے گئے مالیاتی گوشواروں میں کمپنی کی سرگرمیوں کے نتائج، کیش فلو اور ایکویٹی کی تبدیلیوں کو واضح انداز میں پیش کیا گیا ہے۔
- کمپنی کے مالیاتی کھاتے درست انداز میں تیار کئے گئے ہیں۔
- پاکستان میں رائج مناسب مالی پالیسیوں کے عین مطابق کمپنی کے مالی گوشواروں کی تیاری کی گئی ہے اور اس کے مالی تخمینے مناسب اور محتاط فیصلوں کی بنیاد پر لگائے گئے ہیں۔

- مالیاتی گوشواروں کی تیاری انٹرنیشنل فنانشل رپورٹنگ سسٹم (IFRS) کے مطابق کی گئی ہے اور اس سے کسی طرح کے انحراف کو مناسب طریقے سے واضح کیا گیا ہے۔

- کمپنی میں اندرونی احتساب کا نظام مستحکم ہے اور مؤثر انداز میں اس پر عمل درآمد اور اس کی نگرانی کی جاتی ہے۔

- کمپنی کے استحکام اور آگے بڑھنے کی صلاحیت پر کسی شک و شبہ کی کوئی خاص گنجائش نہیں۔

- اسٹاک ایکسچینج کے رول بک میں مفصل کارپوریٹ گورننس پر بہترین انداز میں عمل درآمد سے کسی طرح کا بھی انحراف دیکھنے میں نہیں آیا۔

- درج ذیل سے متعلق اسٹیٹمنٹ مالیاتی گوشواروں کے نوٹس کے ساتھ ہیں یا ان میں وضاحت کی گئی ہے:

- بورڈ آف ڈائریکٹرز، کمیٹیز کے اجلاسوں کی تعداد، ڈائریکٹرز کی حاضری
- گزشتہ 6 سالوں پر مشتمل اہم مالیاتی تفصیل
- پیٹرن آف شیئر ہولڈنگ

کمپنی کے ڈائریکٹرز:

مندرجہ ذیل افراد کمپنی کے ڈائریکٹرز ہیں:

- جناب کامران مرزا (بورڈ کے چیئرمین)
- جناب عامر پراچہ (سی۔ای۔او)
- جناب علی یوسف (سی۔ایف۔او)
- محترمہ فرہین سلمان عامر
- جناب ذوالفقار منٹو
- جناب محمد عادل منٹو
- جناب کمال منٹو
- جناب سرفراز احمد طرین
- جناب علی طارق
- جناب خالد منصور

ڈائریکٹروں کا چناؤ 2020ء میں ہونے والی سالانہ جنرل میٹنگ میں کیا گیا تھا۔ موجودہ ڈائریکٹروں کی مدت 19 اپریل 2023ء کو ختم ہوگی۔

انٹرنل فنانشل کنٹرولز

انٹرنل فنانشل کنٹرول کے حوالے سے ڈائریکٹرز اپنی ذمہ داریوں سے پوری طرح آگاہ ہیں۔ یہ میئنجمنٹ، اور آڈیٹرز کے ساتھ (انٹرنل اور ایکسٹرنل) بات چیت کے ذریعے رائے قائم کی ہے کہ کمپنی کی جانب سے مناسب کنٹرولز پر عمل درآمد کیا جا رہا ہے۔

بورڈ کا جائزہ

اور انڈی پینڈنٹ ڈائریکٹرز جو کمپنی کے بورڈ اور کمیٹی کی میٹنگز میں حاضر ہوتے ہیں بورڈ وقتاً فوقتاً ان کی فیس کا تعین کرتا ہے۔

آڈیٹرز

KPMG Taseer Hadi & Co. چارٹرڈ اکاؤنٹنٹس کو اختتام سال برائے 31 دسمبر 2020 میں بطور آڈیٹر تقرر کیا گیا تھا۔

بورڈ نے KPMG Taseer Hadi & Co. کو سال 2021 کے لئے کمپنی کے آڈیٹرز کے طور پر تقرری کی سفارش کی ہے۔

ہولڈنگ کمپنی

اپنی مکمل ماتحت کمپنی Conopco Inc. امریکہ کے توسط سے یونی لیور پی۔ ایل۔ سی۔ یونی لیور پاکستان فوڈز لمیٹڈ میں 76.5% حصص رکھتی ہے۔ یہ یونی لیور کی واحد بیرون کمپنی ہے۔

بعد کے واقعات:

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

کوڈ آف کارپوریٹ گورننس اور کمپنیز ایکٹ 2017 کی ہدایات کے تحت بورڈ، اس کی کمیٹیوں اور بورڈ کے ڈائریکٹرز کی انفرادی کارکردگی کا جائزہ پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (PICG) کے زیر انتظام لیا گیا تاکہ شفافیت کو یقینی بنایا جاسکے۔

بورڈ کو اس کی ذیلی کمیٹیوں بشمول آڈٹ کمیٹی اور ہیومن اینڈ ریسورس کمیٹیوں نے مدد فراہم کی۔ ان ذیلی کمیٹیوں نے سال کے دوران کارپوریٹ گورننس کے قواعد و ضوابط کے تحت اپنے اجلاسوں کا انعقاد کیا۔ یہاں یہ ضروری ہے کہ کمیٹیوں (آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمونیشن کمیٹی) کی جانب سے بہتری کے شعبوں کی نشاندہی اور سفارشات برائے عملی اقدامات کے لیے ان کے اہم کردار کو سراہا جائے۔ ہم آئندہ بھی تمام اسٹیک ہولڈرز کے مفاد میں بہترین انتظامی اقدامات پر عمل درآمد کو یقینی بنائیں گے۔

ڈائریکٹرز ریمونیشن پالیسی

ڈائریکٹرز کی فیس بورڈ کی منظوری سے ادا کی جاتی ہے کمپنی نے اس سلسلے میں کمپنیز ایکٹ 2017 اور CCG کے مطابق ایک رسمی پالیسی کی منظوری دی ہے۔ نان ایگزیکٹو

محفوظ اثاثے

	Share Capital		Reserves			Total	
	Capital		Revenue			Sub Total	
	Issued, subscribed and paid up capital	Share Premium	Special	General	Un-appropriated Profit		
	(Rupees in thousand)						
Balance as at December 31, 2019	63,699	1,296,499	628	138	943,233	2,240,498	2,304,197
Total comprehensive income for the period	-	-	-	-	3,841,993	3,841,993	3,841,993
Profit for the year ended							
December 31, 2020	-	-	-	-	3,837,412	3,837,412	3,837,412
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	4,581	4,581	4,581
Final dividend for the year ended							
December 31, 2019 @ Rs. 142 per share	-	-	-	-	(904,533)	(904,533)	(904,533)
First Interim dividend for the year ending							
December 31, 2020 @ Rs. 130 per share	-	-	-	-	(828,094)	(828,094)	(828,094)
Second Interim dividend for the year ending							
'December 31, 2020 @ Rs. 141 per share	-	-	-	-	(898,163)	(898,163)	(898,163)
Third Interim dividend for the year ending							
December 31, 2020 @ Rs. 120.52 per share	-	-	-	-	(767,706)	(767,706)	(767,706)
Balance as at December 31, 2020	63,699	1,296,499	628	138	1,386,730	2,683,995	2,747,694

اعتراف:

یونی لیور پاکستان فوڈز لمیٹڈ کی مسلسل ترقی میں کمپنی کے لوگوں کا 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 شیئر ہولڈرز کا بھی شکریہ ادا کرتے ہیں۔

مستقبل کا اندازہ:

”کرونا“ کی وجہ سے عالمی طور پر مشکلات میں اضافہ ہوا ہے اور اس لئے دنیا بھر کے اداروں کی ترقی اور مالی حالت متاثر ہوئی ہے۔ پاکستان بھی اس مشکل کی لپیٹ میں آیا، جبکہ اس کے ساتھ ساتھ ہم اپنے مخصوص اور پرانے مالی چینجز کا مقابلہ بھی کرتے رہے۔ مالی اور عملی طور پر اس مشکل ماحول میں آپ کی کمپنی کوشش کر کے بہتر نتائج پیش کرے گی کیونکہ ہماری انتظامیہ نے عہد کیا ہوا ہے کہ وہ یونی لیور کی عالمی مہارت کے ساتھ اس ماحول سے نچنے لگی اور ہم اپنی مصنوعات میں اعلیٰ تبدیلیاں لانے کے لیے کام کر رہے ہیں۔ نئے چیزیں چٹ پٹا نوڈل کے مختلف حصے کا آغاز ہمارے نوڈلر پورٹ فولیو کو مزید بڑھاوا دیتا ہے اور یہ کمپنی کی جدت کی طرف مسلسل کوششوں کا مظہر ہے۔ ہمیں اعتماد ہے کہ صارفین کی روزمرہ کی ضروریات پوری کرنے اور تمام متعلقین کے مفاد کے لیے ہماری یہ کوششیں مددگار ثابت ہوں گی۔

بورڈ کی جانب سے
آپ سب کا شکریہ

کامران مرزا
چیئر مین
کراچی
یکم مارچ 2021ء

عامر پراچہ
چیف ایگزیکٹو آفیسر
کراچی
یکم مارچ 2021ء

چیئر مین کا جائزہ

بزنس اور انڈسٹری کا جائزہ

31 دسمبر 2020 کو ختم ہونے والے سال کے لیے بورڈ کی جانب سے چیئر مین کی جائزہ رپورٹ پیش کرتے ہوئے مجھے خوش محسوس ہو رہی ہے۔ کمپنی مسلسل مثبت نتائج دے رہی ہے اور اس نے عالمی وباء ”کرونا“ کے باوجود مختلف مصنوعات میں اپنی مارکیٹ لیڈر کی حیثیت برقرار رکھی ہے۔

ہمیں مکمل ”لاک ڈاؤن“ کا سامنا بھی کرنا پڑا جس کی وجہ سے ہماری فوڈ سلوشنز کا بزنس بری طرح متاثر ہوا لیکن اپنے پختہ عہد، صارفین کے اعتماد اور پورے ملک میں ہماری اشیاء کی دستیابی کی بناء پر ہم نے اعلیٰ کارکردگی اور مسلسل ترقی کو یقینی بنایا۔

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۔

مصنوعات کے حجم میں اضافے اور قیمتوں میں مناسب تبدیلی کے ذریعے 2020 میں کاروبار میں 17.2% کا اضافہ ہوا۔ کنور اور رفان میں اضافے کی وجہ یہ تھی کہ ہم نے ان مصنوعات میں جدت پیدا کی اور سبزلز کے نئے طریقے اختیار کیے۔ سرمایہ لگا کر مارکیٹنگ کے نئے طریقے شروع کرنے سے ہماری مصنوعات نے طاقت پکڑی اور صارفین کو اپنی طرف متوجہ کیا۔

مزید برآں ہماری ای پی ایس (EPS) میں 56.4% اضافہ ہمارے اس عزم کا ثبوت ہے کہ ہم اپنے تمام متعلقین کے مفاد کے لیے کام کرتے رہیں گے۔

بورڈ کی کارکردگی اور اس کے نتائج

کوڈ آف کارپوریٹ گورننس اور کمپنیز ایکٹ 2017ء کے مطابق، بورڈ اور اس کی کمیٹیوں اور ڈائریکٹروں کو پی۔ آئی۔ سی۔ جی۔ (PICG) کے ذریعے جانچا گیا تاکہ شفافیت یقینی بنائی جاسکے۔ اس جانچ کے ذریعے بورڈ کی ہر سال کی کارکردگی میں اضافہ ظاہر ہوا۔

اس کام میں بورڈ کی ذیلی کمیٹیوں نے بورڈ کی مدد کی۔ ان ذیلی کمیٹیوں میں آڈٹ کمیٹی اور اینڈ آر (HR & R) کمیٹی شامل تھیں۔ کوڈ آف کارپوریٹ گورننس کے قواعد و ضوابط کے مطابق ان سب کمیٹیوں نے اپنی میٹنگز منعقد کیں۔

یہاں یہ ضروری ہے کہ ہم ان ذیلی کمیٹیوں 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

کمپنی اپنی مصنوعات کی فروخت میں زبردست اضافہ کرنے کی کوشش کرے گی۔ اس مقصد کے لیے وہ اپنی اہم مصنوعات کو ترقی دے گی۔ نئی نئی اور پسندیدہ مصنوعات پیش کرے گی، مقابلے کا ماحول سامنے رکھ کر مارکیٹ کی ضروریات کو دیکھے گی۔ اس کے ساتھ ساتھ کمپنی دیہی گھرانوں میں اپنی رسائی بڑھائے گی۔ کمپنی کا عزم ہے کہ اپنے کام کرنے کے طریقوں میں اعلیٰ درجہ کی بہتری لائے، ذمہ دارانہ ویلیو چین (Value Chain) اور قابل بھروسہ مصنوعات کے ذریعے اپنے تمام متعلقین کی زندگیاں خوش گوار بنائے۔

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 ”کرونا“ کی عالمی وباء کی وجہ سے پیدا ہونے والے مشکل حالات اور کام کرنے کے طریقوں میں تبدیلی کے باوجود اپنی قیمتی خدمات فراہم کیں۔ 2020ء 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۔

کامران مرزا

بورڈ چیئر مین

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