



ANNUAL REPORT 2016

Unilever Pakistan Limited



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Company Information

Board of Directors

Ms. Shazia Syed
Chairperson & Chief Executive

Mr. Amar Naseer
Director

Mr. Sohail Hanif Baig
Director & CFO

Mr. Amir R. Paracha
Director

Company Secretary

Mr. Amar Naseer

Registered Office

Avari Plaza
Fatima Jinnah Road
Karachi – 75530

Auditors

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

Share Registration Office

M/s THK Associates (Pvt) Limited
1st Floor, 40-C, Block-6,
P.E.C.H.S., Karachi-75400.

Website Address

www.unilever.pk



DIRECTORS' REPORT



* اُردو کے لیے آخری صفحات ملاحظہ فرمائیے۔

Summary of Business Performance

The directors present the Annual Report together with audited financial statements of the Company for the year ended December 31, 2016.

In 2016 the business grew by 10.4%, mainly led by volume. Profit after tax grew by 30.9%.

Key Financial Highlights

	2016	2015
	Rupees in million	
Sales	77,222	69,976
Gross Profit	35,297	29,449
Profit from Operations	14,519	11,992
Profit before tax	14,234	11,605
Profit after tax	10,166	7,766

EPS (Rs.)	759*	584
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*EPS for 2016 is based on the number of shares as at year end.

Dividend

The Board of Directors has recommended a final cash dividend of Rs. 165.00 per share. With the interim dividend of Rs. 627.00 per share already paid during the year, the total dividend for the year 2016 amounts to Rs. 792.00 (2015: Rs. 586.00) per ordinary share of Rs. 50 each. Total profit distributed by way of dividend amounts to 104% (2015: 100%).

Our People

In 2016, AC Nielsen rated the Company as the No.1 Employer of Choice, a position it has now held for the 9th consecutive year. The Company leverages the global Unilever network to develop talent through E-learning and other Instructor-led programs. Personal development is facilitated by empowering the people with bigger roles and challenging assignments, as well as through coaching, mentoring and a robust appraisal system.

We strongly believe in an inclusive and a diverse work environment with more than 200 females performing various roles across the functions in the Company. When it comes to recruitment, UFLP (Unilever Future Leaders Program) is our flagship program. This year we hired 15 UFLs (Unilever Future Leaders) out of which 60% are females.

In 2016, as an extension to the Maternity and Paternity Support (MAPS) initiative, we held a parenting workshop called "ParenTalk Live" which was aimed at encouraging employees to spend quality time with their children. Several employees and their spouses attended.

Unilever Talent Hunt aims to provide a platform for the youth of the country to get the exposure they aspire for. Winners of this challenge get the opportunity to represent Unilever Pakistan internationally, at a global platform known as the Future Leaders League. In 2016, over a 1000 students participated in this competition.

Community Involvement

Unilever aims to sustain growth whilst reducing our impact on the environment and simultaneously increase our positive social impact. As a result, sustainability is integrated into our business strategy, brands and innovation to sustain and fuel our growth. We also work with our consumers, customers and suppliers, engaging employees and foster new partnerships and collaborations to ensure a bright future for our business and future generations.

The Unilever Foundation functions globally to help achieve our ambitious goals of helping one billion people worldwide to improve their health and well-being and in turn, create a sustainable and bright future with our global partners. Unilever Pakistan works with both local and global partners in order to execute its sustainability agenda.

During 2016, our main initiatives included:

i. Corporate Philanthropy: Rs. 7 million

- a) Making quality primary education accessible to the lesser privileged by supporting:
- 1) The Citizens Foundation (TCF) schools
 - 2) Government schools through Public Private Partnerships
 - 3) Community schools through employee volunteer activity

ii. Community Investment and Welfare Schemes: Rs. 215 million

- a) Lifebuoy continued to teach children the importance of washing their hands with soap on 5 key occasions through its school programme in urban and rural space. Lifebuoy increased its footprint in rural Pakistan through Unilever's Perfect Village platform as an effort to reach consumers with better health & hygiene habits.

Lifebuoy also partnered with doctHERs, a social enterprise working to setup clinics that enable patients in deserving communities get medical attention from female doctors over live video stream. In 2016, Lifebuoy set up five clinics across Karachi and Lahore.

Lifebuoy continued its support of Rahim Charan, which is near Thatta. The adopted village, with one of the highest rates of infant mortality in Pakistan, continues to benefit from initiatives such as a maternity clinic, school hygiene program and a deployment of hand pumps for easy access of water.

- b) Pond's celebrated the third year of the Miracle Journey in 2016 to celebrate the personal and professional lives of 330 women. Pond's collaborated with leading health and lifestyle experts to provide consultations for women who could not otherwise get expert advice. The brand continued its partnership with Shaukat Khanum Hospital to raise awareness about breast cancer amongst women.

- c) Fair & Lovely (FAL) Foundation continued its initiative to create equal opportunities for women in education and career by providing scholarships, vocational training and business capital. In its first year, the FAL Foundation in Pakistan has directly benefitted 60 scholars.
- d) Lifebuoy Shampoo ran a campaign on Mother's Day to raise funds for girl child education through The Citizens Foundation. This campaign generated contributions from 1 million people across Pakistan continuing education for 67 girls.
- e) Supreme Tea continued to support the medical dispensary set up in Khanewal for community health care.
- f) Blue Band continued its school programme across Pakistan to educate students on healthy eating habits, reaching 600,000 children in 2016.
- g) Wall's enhanced livelihoods of 4,058 men across the country through the Wall's trikes.
- h) Domex facilitated the construction of toilets in the community in the vicinity of our Foods and Ice Cream Factory, which benefitted 10,000 people.
- i) The Guddi Baaji programme continued to provide rural women with vocational training and basic management skills engaging an additional 500 women in 2016 as Unilever Brand Ambassadors in their villages. Over 4,400 women have directly benefited from the Guddi Baaji program since its inception.
- j) Rahbar, our small-scale distributor programme provides employment opportunities for rural men by including them in the Unilever distribution channel. We have a total of 175 Rahbars across Pakistan.

iii. Other Initiatives: Rs. 38 million

- a) We continued to help partners increase annual donations through Ramazan Zakat drives in Karachi, Lahore and Islamabad by assisting with outdoor space for their Zakat campaigns. 41 billboards in high traffic locations were provided free of cost to partners including The Citizens Foundation, Aga Khan University Hospital, Layton Rahmatullah Benevolent Trust, The Kidney Centre and SIUT.
- b) This year, we continued our partnership with Naya Jeevan to encourage third party service providers as well as distributors to provide health insurance to personnel and sales representatives along with their families.

Employee Involvement

Our people continued to uphold their commitment to creating sustainable development through volunteering and community support efforts. In 2016 alone, employees contributed Rs 1.6 million to various social organizations through the Employee Payroll Program to facilitate the delivery of quality education, health care and meals to deserving children in the country through The Citizens Foundation, Aga Khan University Hospital and the World Food Programme respectively.

In addition to corporate driven programs, employees participated in Lifebuoy's world record breaking effort on Global Handwashing Day to create awareness about the need for handwashing. Our employees also spent time in schools counselling young girls to build confidence and self-belief as well as message of body positivity and self-esteem through the Dove Day platform.

Investments in Retirement Benefits

The investments made by the staff retirement funds operated by the Company as per their financial statements as at December 31, 2016 are as follows:

	Rs. in million
The Union Pakistan Provident Fund	1,344
DC Pension Fund	981
Unilever Pension Plan	107
Unilever Gratuity Plan	2
Unilever Non Management Staff Gratuity Fund	77
Total	2,511
Total – 2015	2,320

Directors

The election of Directors was held at the AGM of 2014. The term of the present Directors will expire on April 18, 2017.

Mr. Ali Tariq, resigned from the position of Director and CFO of the Company with effect from December 31, 2016, as he moved to another position in Unilever UK. Mr. Sohail Hanif Baig has been appointed as Director and CFO, with effect from January 19, 2017 to fill the casual vacancy on the Board.

Subsidiary Companies and Consolidated Financial Statements

The consolidated financial statements of the Unilever Pakistan Limited together with its subsidiaries M/s Lever Chemicals (Pvt.) Limited, M/s Lever Associated Pakistan Trust (Pvt.) Limited and M/s Sadiq (Pvt.) Limited, have not been included in view of exemption granted by the Securities & Exchange Commission of Pakistan (the SECP) vide its letter No. CLD/CCD/Co.237(8)/6/2016/3309 dated December 28, 2016 from the requirement of Section 237 of the Companies Ordinance, 1984 (the Ordinance). None had any significant or material business transactions during the year.

Holding Company

Through its wholly owned subsidiary, Unilever Overseas Holdings Limited (UOHL), UK, Unilever PLC, a company incorporated in the United Kingdom, is the holding company, owning 99.09% of the shares in Unilever Pakistan Limited.

Auditors

The Auditors, KPMG Taseer Hadi & Co., Chartered Accountants, were appointed for the year ending December 31, 2016.

The Board has recommended the appointment of KPMG Taseer Hadi & Co., as the Auditors of the Company for the year 2017, for the Shareholders' approval at the next AGM to be held on April 14, 2017.

Reserve Appropriations

	Reserves						Total
	Share Capital	Capital			Revenue	Sub Total	
		Issued, subscribed and paid up capital	Share premium	Arising under schemes of arrangements for amalgamations	Contingency	Unappropriated profit	
	← (Rupees in thousand) →						
Balance as at January 1, 2015	669,477	-	70,929	321,471	2,144,661	2,537,061	3,206,538
Total comprehensive income for the year ended December 31, 2015							
- Profit for the year ended December 31, 2015	-	-	-	-	7,765,777	7,765,777	7,765,777
- Other comprehensive income for the year ended December 31, 2015	-	-	-	-	22,076	22,076	22,076
	-	-	-	-	7,787,853	7,787,853	7,787,853
Transactions with owners of the Company							
Dividend for the year ended December 31, 2014							
- On cumulative preference shares @ 5% per share	-	-	-	-	(239)	(239)	(239)
- Final dividend on ordinary shares @ Rs. 127.28 per share	-	-	-	-	(1,692,044)	(1,692,044)	(1,692,044)
Dividend for the year ended December 31, 2015							
- First interim dividend on ordinary shares @ Rs. 423.00 per share	-	-	-	-	(5,623,307)	(5,623,307)	(5,623,307)
Balance as at December 31, 2015	669,477	-	70,929	321,471	2,616,924	3,009,324	3,678,801
Total comprehensive income for the year ended December 31, 2016							
- Profit for the year ended December 31, 2016	-	-	-	-	10,165,756	10,165,756	10,165,756
- Other comprehensive income for the year ended December 31, 2016	-	-	-	-	(7,393)	(7,393)	(7,393)
	-	-	-	-	10,158,363	10,158,363	10,158,363
Transactions with owners of the Company							
- Issue of ordinary shares	4,748	1,419,592	-	-	-	1,419,592	1,424,340
Dividend for the year ended December 31, 2015							
- On cumulative preference shares @ 5% per share	-	-	-	-	(239)	(239)	(239)
- Final dividend on ordinary shares @ Rs. 163.00 per share	-	-	-	-	(2,166,901)	(2,166,901)	(2,166,901)
Dividend for the year ended December 31, 2016							
- First interim dividend on ordinary shares @ Rs. 627.00 per share	-	-	-	-	(8,394,793)	(8,394,793)	(8,394,793)
Balance as at December 31, 2016	674,225	1,419,592	70,929	321,471	2,213,354	4,025,346	4,699,571

Acknowledgement

Our people are the key driver of sustained growth. The directors acknowledge their valuable contribution. We would also like to express thanks to our consumers and customers for the trust shown in our brands. We are also grateful to our shareholders for their support and confidence in our management.

Amidst these challenges, our strength lies in strong brand equities, innovative products, research and development capability and global expertise. Our aim is to continue to provide better value to consumers. To achieve this, we will continue to attract, develop and retain the best talent in the country.

On behalf of the Board

Business Risk and Future Outlook

The operating environment remains challenging. Economic conditions, counterfeits and evasion of taxes, especially in the tea category, continue to pose a threat.

Karachi
March 2, 2017

Shazia Syed
Chairperson & Chief Executive

Performance Indicators for 6 years

	2016	2015	2014	2013	2012	2011
	← (Rupees in million) →					
FINANCIAL POSITION						
Balance Sheet						
Property, plant and equipment	12,399	10,695	9,180	7,865	7,226	5,717
Other non-current assets	844	1,272	1,645	2,052	1,356	1,530
Current assets	22,653	17,761	17,021	12,087	9,855	8,619
Total assets	35,896	29,728	27,846	22,004	18,437	15,866
Share capital - ordinary	669	664	664	664	664	664
Share capital - preference	5	5	5	5	5	5
Reserves	4,025	3,010	2,537	2,389	4,608	3,404
Total equity	4,699	3,679	3,206	3,058	5,277	4,073
Surplus on revaluation of fixed assets	-	-	-	-	-	12
Non-current liabilities	1,112	864	776	912	1,093	835
Current liabilities	30,084	25,185	23,874	18,034	12,067	10,946
Total liabilities	31,196	26,049	24,650	18,946	13,160	11,781
Total equity and liabilities	35,895	29,728	27,856	22,004	18,437	15,866
Net current (liabilities) / assets	(7,431)	(7,424)	(6,853)	(5,947)	(2,212)	(2,327)
OPERATING AND FINANCIAL TRENDS						
Profit and Loss						
Net sales	77,222	69,976	65,705	60,535	59,741	51,876
Cost of sales	(41,926)	(40,527)	(39,281)	(36,114)	(38,068)	(33,792)
Gross profit	35,296	29,449	26,424	24,422	21,673	18,084
Operating profit	14,519	11,992	9,400	9,223	8,495	6,456
Profit before tax	14,234	11,605	9,019	8,905	8,065	5,925
Profit after tax	10,166	7,766	6,302	6,117	5,502	4,094
Cash ordinary dividends*	10,158	7,788	6,292	6,068	5,490	4,081
Capital expenditure	3,097	2,556	2,464	1,548	2,190	2,023
Cash Flows						
Operating activities	13,226	9,743	10,055	11,053	6,338	4,659
Investing activities	(2,683)	(1,984)	(2,054)	(1,466)	(2,028)	(1,948)
Financing activities	(6,644)	(6,379)	(4,254)	(6,080)	(4,390)	(3,507)
Cash and cash equivalents at the end of the year	13,117	9,218	7,838	4,091	586	665

* This includes interim and proposed final dividend for the year 2016

Performance Indicators for 6 years

	Unit	2016	2015	2014	2013	2012	2011
FINANCIAL RATIOS							
Profitability Ratios							
Gross profit margin	%	46	42	40	40	36	35
Net profit to sales	%	13	11	10	10	9	8
EBITDA margin to sales	%	20	18	15	16	15	13
Operating leverage ratio	Times	2.12	4.36	0.17	8.55	2.36	1.32
Pre tax return on equity	%	303	315	281	291	153	145
Post tax return on equity	%	216	211	197	200	104	101
Return on capital employed	%	243	226	201	147	117	103
Liquidity Ratios							
Current ratio	Times	0.75	0.71	0.71	0.67	0.82	0.79
Quick / acid test ratio	Times	0.54	0.50	0.50	0.30	0.30	0.30
Cash to current liabilities	Times	0.44	0.37	0.33	0.25	0.05	0.09
Cash flow from operations to sales	Times	0.17	0.14	0.15	0.18	0.11	0.09
Capital Efficiency Ratios							
Inventory turnover	Days	54	45	46	43	59	49
Debtors turnover	Days	6	7	5	5	6	5
Creditor turnover ratio	Days	(251)	(218)	(213)	(170)	(108)	(98)
Total assets turnover	%	215	235	236	278	324	327
Property, plant and equipment turnover	Times	6	7	7	8	8	9
Operating cycle	Days	(191)	(166)	(162)	(122)	(43)	(44)
Investment / Market Ratios							
Earnings per share (EPS)*	Rs.	759	584	474	460	413	308
Dividend payout ratio - earnings	Times	1.00	1.00	1.00	0.99	1.00	1.00
Dividend payout ratio - par value	Times	15.17	11.72	9.47	9.14	8.26	6.14
Dividend cover ratio	Times	1.00	1.00	1.00	1.01	1.00	1.00
Cash dividend	Rs.	759	586	473	457	413	307
Capital Structure Ratios							
Financial leverage ratio	Times	-	-	-	0.11	-	0.07
Interest cover ratio	Times	117	72	62	70	130	124

*EPS for 2016 is based on the number of shares as at year end.

Pattern of Shareholding

as at December 31, 2016

Number of Shareholders	Shareholding		Total Shares Held*
	From	To	
1467	1	100	36,663
175	101	500	33,567
24	501	1,000	17,841
17	1,001	5,000	27,109
1	5001	10,000	7000
1	13,345,001	13,350,000	13,314,480
<u>1685</u>			<u>13,436,660</u>

Shareholders' Category	Number of Shareholders	Number of Shares Held	Percentage
Associated Companies and related parties*	1	13,314,480	99.09
Directors, Executives and their spouses*	4	128	0.00
ICP/NBP Trustees	3	62	0.00
Banks and Financial Institutions*	3	348	0.00
General Public			
a. Local*	1,630	101,800	0.76
b. Foreign*	17	11,531	0.09
Others	21	3,915	0.03
Foreign Companies *	6	4,396	0.03
Totals	<u>1685</u>	<u>13,436,660</u>	<u>100.00</u>

Shareholders holding 5% or more voting rights:

	Shares Held	Percentage
Unilever Overseas Holdings Ltd.	13,314,480	99.09

* Includes Voting Preference Shares

FINANCIAL STATEMENT 2016



Auditors' Report to the Members

We have audited the annexed balance sheet of Unilever Pakistan Limited ("the Company") as at December 31, 2016 and the related profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, 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 2016 and of the profit, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, 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.

Dated: March 2, 2017
Karachi

KPMG Taseer Hadi & Co.

Chartered Accountants

Mohammad Mahmood Hussain

Balance Sheet

as at December 31, 2016

	Note	2016 (Rupees in thousand)	2015
ASSETS			
Non-current assets			
Property, plant and equipment	5	12,399,018	10,695,123
Intangibles - computer software	6	439,497	547,882
Long term investments	7	95,202	95,202
Long term loans	8	143,627	148,904
Long term deposits and prepayments	9	165,298	479,779
		13,242,642	11,966,890
Current assets			
Stores and spares	11	587,770	553,225
Stock in trade	12	5,735,157	4,549,472
Trade debts	13	1,276,189	1,323,516
Sales tax receivable		210,293	213,309
Loans and advances	14	127,329	219,091
Short term deposits and prepayments	15	911,100	853,754
Other receivables	16	194,475	99,141
Taxation-net	17	492,827	712,696
Non-current assets held for sale	18	-	18,096
Cash and bank balances	19	13,117,416	9,218,321
		22,652,556	17,760,621
Total assets		35,895,198	29,727,511

Balance Sheet

as at December 31, 2016

	Note	2016 (Rupees in thousand)	2015
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	20	674,225	669,477
Reserves	21	4,025,346	3,009,324
		4,699,571	3,678,801
LIABILITIES			
Non-current liabilities			
Deferred taxation	22	817,398	587,946
Staff retirement benefits	10	294,687	276,025
		1,112,085	863,971
Current liabilities			
Trade and other payables	23	29,265,049	24,494,998
Provisions	25	818,493	689,741
		30,083,542	25,184,739
Total liabilities		31,195,627	26,048,710
Total equity and liabilities		35,895,198	29,727,511
Contingencies and commitments	26		

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

Shazia Syed
Chairperson and Chief Executive

Sohail Hanif Baig
Director and Chief Financial Officer

Profit and Loss Account

for the year ended December 31, 2016

	Note	2016 ← (Rupees in thousand) →	2015
Sales	27	77,222,102	69,975,714
Cost of sales	28	(41,925,593)	(40,526,631)
Gross profit		35,296,509	29,449,083
Distribution costs	29	(18,379,360)	(15,455,443)
Administrative expenses	30	(2,153,485)	(1,993,991)
Other operating expenses	31	(1,152,467)	(869,510)
Other income	32	907,831	861,750
		14,519,028	11,991,889
Finance cost	33	(285,299)	(386,455)
Profit before taxation		14,233,729	11,605,434
Taxation	34	(4,067,973)	(3,839,657)
Profit after taxation		10,165,756	7,765,777
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
(Loss) / gain on remeasurements of post employment defined benefit obligations	10	(10,561)	31,537
Impact of deferred tax		3,168	(9,461)
		(7,393)	22,076
Items that may be subsequently reclassified to profit or loss		-	-
Total comprehensive income		10,158,363	7,787,853

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

Shazia Syed

Chairperson and Chief Executive

Sohail Hanif Baig

Director and Chief Financial Officer

Cash Flow Statement

for the year ended December 31, 2016

	2016	2015
	← (Rupees in thousand) →	
Cash flows from operating activities		
Profit before taxation	14,233,729	11,605,434
Adjustments for non-cash charges and other items		
Depreciation	1,210,167	1,038,782
Amortisation of intangible - computer software	108,385	108,395
Loss / (gain) on disposal of property, plant and equipment	88,487	(201,855)
Dividend income	(12)	(12)
Mark-up on short term borrowings and bills payable	124,114	165,565
Provision / (reversal) for fixed assets to be written off	85,098	(12,564)
Provision for staff retirement benefits	34,045	39,081
Provision for share based compensation	89,282	89,215
Return on savings accounts	(386,684)	(267,594)
	1,352,882	959,013
	15,586,611	12,564,447
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(34,545)	14,096
Stock in trade	(1,185,685)	462,786
Trade debts	47,327	(351,111)
Sales tax receivable	3,016	(65,628)
Loans and advances	91,762	41,272
Short term deposits and prepayments	(57,346)	70,840
Other receivables	(95,334)	(11,901)
	(1,230,805)	160,354
Increase in current liabilities		
Trade and other payables	2,297,852	309,492
Provisions	128,752	102,049
	2,426,604	411,541
	1,195,799	571,895
Cash generated from operations (carried forward)	16,782,410	13,136,342

Cash Flow Statement

for the year ended December 31, 2016

Note	2016 ← (Rupees in thousand) →	2015
Cash generated from operations (brought forward)	16,782,410	13,136,342
Mark-up paid	(124,114)	(165,565)
Income tax paid	(3,615,485)	(3,344,494)
Staff retirement benefits - contributions paid	(25,944)	(31,870)
Share based compensation - paid	(110,566)	(126,856)
Decrease / (increase) in long term loans	5,277	(7,882)
Decrease in long term deposits and prepayments	314,481	283,167
Net cash from operating activities	13,225,059	9,742,842
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,097,024)	(2,556,083)
Proceeds on disposal of property, plant and equipment	27,405	216,180
Return on savings accounts	386,684	356,330
Dividend received	12	12
Net cash used in investing activities	(2,682,923)	(1,983,561)
Cash flows from financing activities		
Proceeds from issue of right shares	1,424,340	-
Dividends paid	(8,068,381)	(6,378,797)
Net cash used in financing activities	(6,644,041)	(6,378,797)
Net increase in cash and cash equivalents	3,899,095	1,380,484
Cash and cash equivalents at beginning of the year	9,218,321	7,837,837
Cash and cash equivalents at end of the year	13,117,416	9,218,321

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

Shazia Syed

Chairperson and Chief Executive

Sohail Hanif Baig

Director and Chief Financial Officer

Statement of Changes in Equity

for the year ended December 31, 2016

	SHARE CAPITAL	RESERVES			SUBTOTAL		TOTAL
		Share premium	Arising under schemes of arrangements for amalgamations	Contingency	Unappropriated profit		
	Issued, subscribed and paid up capital						
	(Rupees in thousand)						
Balance as at January 1, 2015	669,477	-	70,929	321,471	2,144,661	2,537,061	3,206,538
Total comprehensive income for the year ended December 31, 2015							
- Profit for the year ended December 31, 2015	-	-	-	-	7,765,777	7,765,777	7,765,777
- Other comprehensive income for the year ended December 31, 2015	-	-	-	-	22,076	22,076	22,076
	-	-	-	-	7,787,853	7,787,853	7,787,853
Transactions with owners of the Company							
Dividend for the year ended December 31, 2014							
- On cumulative preference shares @ 5% per share	-	-	-	-	(239)	(239)	(239)
- Final dividend on ordinary shares @ Rs. 127.28 per share	-	-	-	-	(1,692,044)	(1,692,044)	(1,692,044)
Dividend for the year ended December 31, 2015							
- First interim dividend on ordinary shares @ Rs. 423.00 per share	-	-	-	-	(5,623,307)	(5,623,307)	(5,623,307)
Balance as at December 31, 2015	669,477	-	70,929	321,471	2,616,924	3,009,324	3,678,801
Total comprehensive income for the year ended December 31, 2016							
- Profit for the year ended December 31, 2016	-	-	-	-	10,165,756	10,165,756	10,165,756
- Other comprehensive income for the year ended December 31, 2016	-	-	-	-	(7,393)	(7,393)	(7,393)
	-	-	-	-	10,158,363	10,158,363	10,158,363
Transactions with owners of the Company							
- Issue of ordinary shares	4,748	1,419,592	-	-	-	1,419,592	1,424,340
Dividend for the year ended December 31, 2015							
- On cumulative preference shares @ 5% per share	-	-	-	-	(239)	(239)	(239)
- Final dividend on ordinary shares @ Rs. 163.00 per share	-	-	-	-	(2,166,901)	(2,166,901)	(2,166,901)
Dividend for the year ended December 31, 2016							
- First interim dividend on ordinary shares @ Rs. 627.00 per share	-	-	-	-	(8,394,793)	(8,394,793)	(8,394,793)
Balance as at December 31, 2016	674,225	1,419,592	70,929	321,471	2,213,354	4,025,346	4,699,571

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

Shazia Syed
Chairperson and Chief Executive

Sohail Hanif Baig
Director and Chief Financial Officer

Notes to and Forming Part of the Financial Statements

for the year ended December 31, 2016

1. THE COMPANY AND ITS OPERATIONS

Unilever Pakistan Limited ("the Company") is a public unlisted company incorporated in Pakistan under the Companies Ordinance, 1984. The Company manufactures and markets home and personal care products, beverages, ice cream and spreads. The registered office of the Company is situated at Avari Plaza, Fatima Jinnah Road, Karachi.

The Company is a subsidiary of Unilever Overseas Holdings Limited, UK, whereas its ultimate parent company is Unilever PLC, UK.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards which became effective during the year

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

- IFRS 14 - Regulatory Deferral Accounts
- Amendments to IFRS 11 - Accounting for Acquisition of Interest in Joint Operations
- Amendments to IFRS 10, 12 and IAS 28: Investment Entities (Applying the Consolidation Exception)
- Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation
- Agriculture: Bearer Plants (Amendment to IAS 16 and IAS 41)
- Amendments to IAS 27 - Equity Method in Separate Financial Statements
- Disclosure Initiatives - Amendments to IAS 1
- Annual Improvements Cycle to IFRS 2012-2014 Cycle - various standards

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

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after January 1, 2017. These are not expected to have a material impact on the financial statements of the Company:

- Amendments to IAS 12 'Income Taxes'
- Amendments to IAS 7 'Statement of Cash Flows'
- Amendments to IFRS 2 'Share-based Payment'
- Amendments to IAS 40 'Investment Property'
- IFRS 12 'Disclosure of Interests in Other Entities'
- Amendments to IAS 28 'Investments in Associates and Joint Ventures'
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'

2.3 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Unilever group comprising the Company and its subsidiaries M/s Lever Chemicals (Pvt.) Limited, M/s Lever Associated Pakistan Trust (Pvt.) Limited and M/s Sadiq (Pvt.) Limited, have not been prepared in view of exemption granted by the Securities & Exchange Commission of Pakistan (the SECP) vide its letter No. CLD/CCD/Co.237/(8)/6/2016-3309 dated December 28, 2016 from the requirement of Section 237 of the Companies Ordinance, 1984 (the Ordinance).

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

3.1 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any, except capital work in progress which is stated at cost. 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 balance sheet date.

Maintenance and normal repairs are charged to profit and loss account as and when incurred; also individual assets costing up to Rs. 10,000 are charged to profit and loss account. Major renewals and improvements are capitalised 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 recognised in the profit and loss account.

3.2 Intangible assets

Intangible assets having definite useful life are stated at cost less accumulated amortisation and impairment, if any. 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 recognised 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.

3.3 Investments

All investments are initially measured at cost, which is the fair value of the consideration given. These investments are subsequently measured at fair value, amortised cost or cost, as the case may be.

i. In subsidiaries

These are stated at cost.

ii. In unlisted entity not being subsidiary

These are valued at cost and are classified under investment available-for-sale.

3.4 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and 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.

3.4.1 Current

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

3.4.2 Deferred

Deferred tax is recognised using the balance sheet 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 recognised 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 recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. 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 realised.

3.5 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised 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.

3.6 Staff retirement benefits

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

3.6.1 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 recognised as employee benefit expense when they are due. Prepaid contributions are recognised 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 gross salary and 10% of basic salary plus cost of living allowance in respect of management employees and unionised 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 January 1, 2009; and
- b) permanent employees who joined on or before December 31, 2008 and opted for DC Pension plan in lieu of future benefits under the existing pension, management gratuity and pensioners' medical plans.

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

3.6.2 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 recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the 'Projected Unit Credit Method'. When the calculation results in a potential asset for the Company, the recognised 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 plan.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds or the market rates on government bonds. 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 following schemes:

- i) Funded pension scheme for 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, 2016, using the 'Projected Unit Credit Method'.
- ii) Funded gratuity scheme for 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, 2016, using the 'Projected Unit Credit Method'.
- iii) 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, 2016, using the 'Projected Unit Credit Method'.
- iv) Pensioners' medical plan, which is a book reserve plan. The plan reimburses actual medical expenses as defined in the plan.

The defined benefit plans (i), (ii) and (iv) above are available only to those management employees who joined on or before December 31, 2008 and not opted for DC Pension scheme.

The amount arising as a result of remeasurements are recognised in the Balance Sheet immediately, with a charge or credit to other comprehensive income in the periods in which they occur.

Past-service costs are recognised immediately in profit and loss account.

3.6.3 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 recognised in profit or loss in the period in which they arise.

The Company provides long term service awards for staff completing specified years of service. All full-time permanent employees are eligible for these awards. Contributions are made on the basis of actuarial valuation. The latest actuarial valuation was carried out as at December 31, 2016.

3.7 Stores and spares

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

3.8 Stock in trade

Stock in trade is valued at the lower of cost and net realisable 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 realisable 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 recognised in the profit and loss account.

3.9 Trade and other receivables

Trade and other receivables are initially recognised at fair value of consideration receivable. Debts considered irrecoverable are written off and provision is made against those considered doubtful of recovery.

3.10 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.

3.11 Impairment

3.11.1 Financial assets

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 recognised as an expense in the profit and loss account. When a subsequent event causes the amount of impairment loss to decrease, this reduction is reversed through the profit and loss account.

3.11.2 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 recognised as an expense in the profit and 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 amortisation, if no impairment loss had been recognised. Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

3.12 Operating lease / Ijarah

Leases in which a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Payments made under operating leases and Ijarah contracts are charged to profit and loss on a straight-line basis over the period of the lease.

3.13 Trade and other payables

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

3.14 Borrowings and their cost

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

Borrowing costs are recognised 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 capitalised as part of the cost of that qualifying asset.

3.15 Provisions

Provisions, if any, are recognised 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, etc. and are recognised in the period in which the Company becomes legally or constructively committed to incur.

3.16 Financial assets and liabilities

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instruments. The Company derecognises 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 derecognised from the balance sheet 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 de-recognition of the financial assets and liabilities is taken to profit and loss account.

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost, as the case may be.

3.17 Derivative financial instruments

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

3.18 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 balance sheet 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 recognised in the profit and loss account.

3.19 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable for goods sold, net of discounts and sales tax and is recognised on the following basis:

- sale of goods is recognised when significant risks and rewards are transferred;
- dividend income is recognised when the Company's right to receive the payment is established; and
- return on savings accounts and deposit accounts is recognised on time proportion basis, taking effect of the effective interest rate.

3.20 Dividend and appropriations

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

3.21 Share based payment

The cost of awarding shares of group companies to employees is reflected by recording a charge in the profit and loss account equivalent to the fair value of shares over the vesting period, corresponding liability created is reflected in the 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 recognised in profit or loss.

3.22 Offsetting

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 recognised amounts and the Company intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

3.23 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets or investment property, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property plant and equipment, are no longer amortised or depreciated.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the approved accounting standards 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. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

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.

i) 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.

ii) Defined benefit plans

The Company has adopted certain actuarial assumptions as disclosed in note 10 to the financial statements for valuation of present value of defined benefit obligations and fair value of plan assets, based on actuarial advice.

iii) 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 balance sheet date and reliable estimate can be made of the likely outcome. The nature of these costs is such that judgement 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 provision for doubtful 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.

	Note	2016 (Rupees in thousand)	2015
5. PROPERTY, PLANT AND EQUIPMENT			
Operating assets - at net book value	5.1	10,477,452	8,810,522
Capital work in progress - at cost	5.2	1,921,566	1,884,601
		12,399,018	10,695,123

5.1 Operating assets

	Land		Buildings		Plant and machinery	Electrical, mechanical and office equipment	Furniture and fittings	Motor vehicles	TOTAL
	Freehold	Leasehold	On freehold land	On leasehold land					
(Rupees in thousand)									
Net carrying value basis									
Year ended December 31, 2016									
Opening net book value (NBV)	25,194	209	1,188,213	119,645	6,967,059	451,094	39,892	19,216	8,810,522
Additions (at cost)	-	-	602,728	-	2,301,003	126,388	8,823	21,117	3,060,059
Disposals (at NBV)	-	-	(7,402)	-	(84,242)	(5,640)	(576)	(4)	(97,864)
Reversal / (charge) of provision for fixed assets to be written off	-	-	-	31,954	(127,268)	8,053	2,283	(120)	(85,098)
Depreciation charge	-	(4)	(46,696)	(5,072)	(1,084,779)	(57,878)	(4,777)	(10,961)	(1,210,167)
Closing net book value (NBV)	<u>25,194</u>	<u>205</u>	<u>1,736,843</u>	<u>146,527</u>	<u>7,971,773</u>	<u>522,017</u>	<u>45,645</u>	<u>29,248</u>	<u>10,477,452</u>
Gross carrying value basis									
At December 31, 2016									
Cost	25,194	529	2,094,093	202,881	14,559,694	727,196	80,987	92,646	17,783,220
Provision for fixed assets to be written off	-	-	(2,286)	(9,907)	(326,971)	(2,483)	(221)	(100)	(341,968)
Accumulated depreciation	-	(324)	(354,964)	(46,447)	(6,260,950)	(202,696)	(35,121)	(63,298)	(6,963,800)
Net book value (NBV)	<u>25,194</u>	<u>205</u>	<u>1,736,843</u>	<u>146,527</u>	<u>7,971,773</u>	<u>522,017</u>	<u>45,645</u>	<u>29,248</u>	<u>10,477,452</u>
Net carrying value basis									
Year ended December 31, 2015									
Opening net book value (NBV)	25,575	213	917,708	119,645	6,340,465	389,334	44,136	31,267	7,868,343
Additions (at cost)	-	-	313,851	-	1,556,621	111,729	521	-	1,982,722
Disposals (at NBV)	(381)	-	(2,485)	-	(11,459)	-	-	-	(14,325)
Reversal / (charge) of provision for fixed assets to be written off	-	-	-	-	12,564	-	-	-	12,564
Depreciation charge	-	(4)	(40,861)	-	(931,132)	(49,969)	(4,765)	(12,051)	(1,038,782)
Closing net book value (NBV)	<u>25,194</u>	<u>209</u>	<u>1,188,213</u>	<u>119,645</u>	<u>6,967,059</u>	<u>451,094</u>	<u>39,892</u>	<u>19,216</u>	<u>8,810,522</u>
Gross carrying value basis									
At December 31, 2015									
Cost	25,194	529	1,502,294	202,881	12,697,878	636,169	79,744	82,092	15,226,781
Provision for fixed assets to be written off	-	-	(2,286)	(41,861)	(199,703)	(10,536)	(2,504)	20	(256,870)
Accumulated depreciation	-	(320)	(311,795)	(41,375)	(5,531,116)	(174,539)	(37,348)	(62,896)	(6,159,389)
Net book value (NBV)	<u>25,194</u>	<u>209</u>	<u>1,188,213</u>	<u>119,645</u>	<u>6,967,059</u>	<u>451,094</u>	<u>39,892</u>	<u>19,216</u>	<u>8,810,522</u>
Depreciation rate									
% per annum									
	-	1.05	2.5	2.5	7 to 33	7 to 25	7	20 to 25	

2016 2015
← (Rupees in thousand) →

5.2 Capital work in progress – at cost

Civil works	-	5,059
Plant and machinery	1,921,566	1,879,542
	1,921,566	1,884,601

6. INTANGIBLES - Computer Software

Net carrying value basis

Opening net book value (NBV)	547,882	656,277
Amortisation charge	(108,385)	(108,395)
Closing net book value (NBV)	439,497	547,882

Gross carrying value basis

Cost	1,276,220	1,276,220
Accumulated amortisation	(836,723)	(728,338)
Net book value (NBV)	439,497	547,882

Remaining useful life in years	4	5
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7. LONG TERM INVESTMENTS

Investments in related parties

In unquoted wholly owned subsidiary companies - at cost

Lever Chemicals (Private) Limited

9,500,000 fully paid ordinary shares of Rs. 10 each

	95,000	95,000
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Levers Associated Pakistan Trust (Private) Limited

100 fully paid ordinary shares of Rs. 10 each

	1	1
--	----------	---

Sadiq (Private) Limited

100 fully paid ordinary shares of Rs. 10 each

	1	1
--	----------	---

Investment available for sale - at cost

Futehally Chemicals (Private) Limited

2,000 6% redeemable cumulative preference shares of Rs. 100 each

	200	200
	95,202	95,202

	Note	2016 ← (Rupees in thousand) →	2015
8. LONG TERM LOANS - considered good			
Executives	8.1	200,290	211,567
		200,290	211,567
Recoverable within one year	14	(56,663)	(62,663)
Long term portion		143,627	148,904

8.1 The above loans under the terms of employment have been given interest free to facilitate purchase of houses and vehicles repayable in monthly installments over a period of five years.

	2016 ← (Rupees in thousand) →	2015
9. LONG TERM DEPOSITS AND PREPAYMENTS		
Security deposits	22,644	23,702
Prepaid rent	145,579	459,002
	168,223	482,704
Less: Provision for doubtful deposits	(2,925)	(2,925)
	165,298	479,779

10. STAFF RETIREMENT BENEFITS

10.1 As stated in note 3.6.2, the Company operates four defined benefit plans (The Plans) namely approved funded defined benefit pension scheme for management employees, approved funded defined benefit gratuity scheme for management employees, approved funded defined benefit pension scheme for non-management employees and unfunded medical scheme for members of its pension fund subject to minimum service of prescribed period in the respective trust deed. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at December 31, 2016.

10.2 Plan assets held in trust are governed by local regulations which mainly includes Trust Act, 1882, Companies Ordinance, 1984, Income Tax Rules, 2002 and Rules under the trust deed of The Plans. Responsibility for governance of The Plans, 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.

10.3 The latest actuarial valuation of the Fund as at December 31, 2016 was carried out using the 'Projected Unit Credit Method'. Details of the Fund as per the actuarial valuation are as follows:

	Pension Fund		Gratuity Funds				Pensioners' Medical Plan	
	2016	2015	Management Staff Gratuity Fund		Non - Management Staff Gratuity Fund		2016	2015
			2016	2015	2016	2015		
	← (Rupees in thousand) →							
10.4 Balance sheet reconciliation								
Fair value of plan assets	(107,707)	(129,293)	(2,120)	(4,309)	(76,541)	(76,745)	-	-
Present value of defined benefit obligations	140,217	133,489	8,696	9,453	97,903	90,036	234,239	253,394
Recognised liability / (asset)	32,510	4,196	6,576	5,144	21,362	13,291	234,239	253,394
10.5 Movement in the fair value of plan assets								
Fair value as at January 1	129,293	133,873	4,309	(4,139)	76,745	58,186		
Interest income	11,091	13,312	285	(8)	7,294	6,526		
Remeasurement	(13,889)	7,701	(15)	327	(11,744)	9,747		
Employer contributions	-	893	2,406	10,197	9,430	7,608		
Benefits paid	(18,788)	(26,486)	(4,865)	(2,068)	(5,184)	(5,322)		
Fair value as at December 31	107,707	129,293	2,120	4,309	76,541	76,745		
10.6 Movement in the present value of defined benefit obligations								
Obligation as at January 1	133,489	144,065	9,453	8,649	90,036	71,543	253,394	264,014
Current service cost	458	400	492	464	8,330	6,387	426	539
Interest cost	11,479	14,390	649	837	8,089	7,577	22,791	28,317
Remeasurement loss / (gain) due to:								
Change in financial assumptions	7,090	5,225	-	232	-	5,155	-	-
Experience adjustments	6,489	(4,105)	2,966	1,339	(3,368)	4,696	(28,263)	(26,304)
Benefits paid	(18,788)	(26,486)	(4,864)	(2,068)	(5,184)	(5,322)	(14,109)	(13,172)
Obligation as at December 31	140,217	133,489	8,696	9,453	97,903	90,036	234,239	253,394
10.7 (Income) / expense recognised in profit and loss account								
Current service cost	458	400	492	464	8,330	6,387	426	539
Interest (income) / cost	389	1,078	365	845	795	1,051	22,790	28,317
(Income) / expense for the year	847	1,478	857	1,309	9,125	7,438	23,216	28,856
10.8 Remeasurements recognised in Other Comprehensive Income								
Remeasurement loss / (gain) due to:								
Change in financial assumptions	7,089	5,225	-	232	-	5,155	-	-
Experience adjustments	6,489	(4,105)	2,966	1,339	(3,368)	4,696	(28,263)	(26,304)
Remeasurement of fair value of plan assets	13,889	(7,701)	15	(327)	11,744	(9,747)	-	-
Remeasurements	27,467	(6,581)	2,981	1,244	8,376	104	(28,263)	(26,304)

Pension Fund		Gratuity Funds				Pensioners' Medical Plan	
		Management Staff Gratuity Fund		Non - Management Staff Gratuity Fund			
2016	2015	2016	2015	2016	2015	2016	2015
← (Rupees in thousand) →							

10.9 Net recognised liability / (asset)

Net (asset) / liability at beginning of the year	4,196	10,192	5,144	12,788	13,291	13,357	253,394	264,014
(Income) / charge for the year	847	1,478	857	1,309	9,125	7,438	23,216	28,856
Employer contributions / benefits paid	-	(893)	(2,406)	(10,197)	(9,430)	(7,608)	(14,108)	(13,172)
Remeasurements recognised in Other Comprehensive Income	27,467	(6,581)	2,981	1,244	8,376	104	(28,263)	(26,304)
Recognised liability / (asset) as at December 31	32,510	4,196	6,576	5,144	21,362	13,291	234,239	253,394

10.10 Plan assets comprises of following:

Government bonds	26,022	138,000	1,495	6,857	28,930	34,383	
National Saving certificates	41,337	-	-	-	38,388	35,186	
Shares	18,590	-	-	-	8,711	7,185	
Cash at bank	2,460	6,696	625	2,500	512	4,158	
Other assets	19,298	(15,403)	-	(5,048)	-	(4,168)	
Total as at December 31	107,707	129,293	2,120	4,309	76,541	76,744	

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

10.12 Principal actuarial assumptions used are as follows:

	2016	2015
Discount rate and expected return on plan assets	8.25%	9.25%
Future salary increases	6.25%	7.25%
Future pension increases	0.00%	0.00%
Medical cost trend rates	3.00%	4.00%

10.13 In case of the funded plans, 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 2016 consists of government bonds and national saving certificates. The Company believes that government bond offer the best returns over the long term with an acceptable level of risk. All equity securities have quoted prices in active markets.

10.14 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 balance sheet date.

The Company's contribution to the pension and gratuity funds in 2017 is expected to amount to Rs. 5.65 million and Rs. 16.38 million respectively.

The actuary conducts separate valuations for calculating contribution rates and the Company contributes to the pension and 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, 2016.

10.15 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%	(36,242)	42,562
Future salary increases	1.00%	14,369	(12,120)
Future pension increases	1.00%	8,437	(7,653)

If life expectancy increases by 1 year, obligation increases by Rs. 20.06 million.

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

The effects of a 1% movement in the assumed medical cost trend rate are as follows:

	Increase (Rupees in thousand)	Decrease
Effect on the defined benefit obligations	21,330	(18,660)

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

10.16 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.

10.17 During the year the Company contributed Rs. 76.44 million (2015: Rs. 72.12 million) to the provident fund and Rs. 114.66 million (2015: Rs. 91.82 million) to the DC pension fund.

10.18 The weighted average duration of the defined benefit obligation is 9.1 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
	← (Rupees in thousand) →				
Retirement benefit plans	48,719	45,297	144,169	226,870	465,055

11. STORES AND SPARES

Stores
Spares (including in transit Rs. 8.30 million;
2015: Rs. 3.50 million)

Provision for slow moving and obsolete
stores and spares

Note

← 2016 2015
(Rupees in thousand) →

125,611	130,523
514,947	504,549
640,558	635,072
(52,788)	(81,847)
587,770	553,225

11.1

11.1 The Company made a provision of Rs. 72.03 million for obsolescence (2015: reversal of Rs. 22.20 million) and has written off inventory amounting to Rs. 101.09 million (2015: nil) by utilising the provision during the year.

12. STOCK IN TRADE

Raw and packing materials at cost (including
in transit Rs. 776.40 million; 2015: Rs. 759.00 million)
Provision for obsolescence

Work in process

Finished goods (including in transit Rs. 34.84 million;
2015: Rs. 15.70 million)
Provision for obsolescence

← 2016 2015
(Rupees in thousand) →

3,016,728	2,475,903
(79,013)	(80,567)
2,937,715	2,395,336
332,325	214,079
2,574,618	2,063,488
(109,501)	(123,431)
2,465,117	1,940,057
5,735,157	4,549,472

12.1 Stock in trade includes Rs. 3.17 billion (2015: Rs. 2.91 billion) held with third parties.

- 12.2** The Company made a provision of Rs. 137.37 million for obsolescence (2015: Rs. 150.98 million) and has written off inventory amounting to Rs. 152.85 million (2015: Rs. 231.94 million) by utilising the provision during the year.

	Note	2016 ← (Rupees in thousand) →	2015
13. TRADE DEBTS			
Considered good		1,276,189	1,323,516
Considered doubtful		55,594	54,879
		<u>1,331,783</u>	<u>1,378,395</u>
Provision for doubtful debts	13.1	(55,594)	(54,879)
		<u>1,276,189</u>	<u>1,323,516</u>

- 13.1** The Company made a provision of Rs. 0.72 million (2015: Rs. 7.08 million).

- 13.2** As of December 31, 2016 trade debts of Rs. 293.89 million (2015: Rs. 168.66 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The age analysis of these trade debts is as follows:

	Note	2016 ← (Rupees in thousand) →	2015
Up to 3 months		266,938	168,658
More than 3 months to not later than 6 months		26,953	-
		<u>293,891</u>	<u>168,658</u>

14. LOANS AND ADVANCES

Considered good

Current portion of loans to executives	8	56,663	62,663
Advances to:			
Executives	14.1	7,357	47,327
Suppliers and others		63,309	109,101
		<u>127,329</u>	<u>219,091</u>

Considered doubtful

Advances to suppliers and others		5,225	8,596
		<u>132,554</u>	<u>227,687</u>
Provision for doubtful advances to suppliers and others		(5,225)	(8,596)
		<u>127,329</u>	<u>219,091</u>

- 14.1 The advances to executives are given to meet business expenses and are settled as and when the expenses are incurred.

	Note	2016 ← (Rupees in thousand) →	2015
15. SHORT TERM DEPOSITS AND PREPAYMENTS			
Trade and margin deposits		52,492	48,566
Prepayments			
- Rent		395,084	348,308
- Advertisement	15.1	363,875	307,507
- Others		99,649	149,373
		911,100	853,754

- 15.1 This includes media bulk discount on airing TV Commercials amounting to Rs. 362.76 million (2015: Rs. 306.24 million).

	Note	2016 ← (Rupees in thousand) →	2015
16. OTHER RECEIVABLES			
Receivable from related parties			
Defined contribution plans		-	14,005
Defined benefit plans		-	24,619
Associated undertakings	16.1	64,887	62,188
Receivable from Workers' Profit Participation Fund	23.4	76,778	-
Others		66,744	12,263
		208,409	113,075
Provision for doubtful receivables		(13,934)	(13,934)
		194,475	99,141

- 16.1 As of December 31, 2016, receivables from associated undertaking of Rs. 48.29 million (2015: Rs. 10.58 million) were past due. The age analysis of these receivables is as follows:

	2016 ← (Rupees in thousand) →	2015
Up to 3 months	42,423	4,699
More than 3 months to not later than 6 months	1,588	-
More than 6 months but not later than 1 year	-	-
More than 1 year	4,279	5,883
	48,290	10,582
17. TAXATION-NET		
Payments / deductions at source	4,328,180	4,449,119
Provision for taxation	(3,835,353)	(3,736,423)
	492,827	712,696

This represents excess of payments over provision for taxes.

18. NON-CURRENT ASSETS HELD FOR SALE

In previous years, certain assets (property, plant and equipment) held with third party were classified as held for sale due to discontinuation of production. The said assets were disposed off during the current year against sales proceeds of Rs. 9.41 million. The resulting loss is included in other operating expenses.

19. CASH AND BANK BALANCES	Note	2016 ← (Rupees in thousand) →	2015
With banks on:			
current accounts		345,722	687,438
savings accounts	19.1	12,770,927	8,529,984
Cash in hand		767	899
		<u>13,117,416</u>	<u>9,218,321</u>

19.1 Mark-up on savings accounts was at the rates ranging from 4.50% to 5.35% (2015: 4.00% to 6.00%) per annum.

20. SHARE CAPITAL

2016 ← Number of shares →	2015	2016 ← (Rupees in thousand) →	2015
Authorised share capital			
47,835	47,835		
		4,783	4,783
15,904,330	15,904,330	795,217	795,217
15,952,165	15,952,165	<u>800,000</u>	<u>800,000</u>
Issued, subscribed and paid up capital			
5% cumulative preference shares of Rs. 100 each			
Shares allotted:			
43,835	43,835	4,383	4,383
4,000	4,000	400	400
47,835	47,835	<u>4,783</u>	<u>4,783</u>
Ordinary shares of Rs. 50 each			
Shares allotted:			
562,660	467,704	28,133	23,385
4,979,208	4,979,208	248,961	248,961
7,846,957	7,846,957	392,348	392,348
<u>13,388,825</u>	<u>13,293,869</u>	<u>669,442</u>	<u>664,694</u>
		<u>674,225</u>	<u>669,477</u>

At December 31, 2016, Unilever Overseas Holdings Limited, UK, a wholly owned subsidiary of Unilever PLC, UK held 13,280,145 ordinary shares (2015: 13,181,326 ordinary shares) and 34,335 preference shares (2015: 33,735 preference shares) of Unilever Pakistan Limited.

	Note	2016 ← (Rupees in thousand) →	2015
21. RESERVES			
Capital reserves			
Share premium		1,419,592	-
Arising under schemes of arrangements			
for amalgamations	21.1	70,929	70,929
Contingency	26.1.1	321,471	321,471
		<u>1,811,992</u>	<u>392,400</u>
Revenue reserve			
Unappropriated profit		2,213,354	2,616,924
		<u>4,025,346</u>	<u>3,009,324</u>

- 21.1** This represents amounts of Rs. 18.36 million and Rs. 52.57 million that arose under schemes of arrangement for amalgamations of former Mehran International (Private) Limited, former Ambrosia International Limited and former Pakistan Industrial Promoters (Private) Limited with the Company.

	2016 ← (Rupees in thousand) →	2015
22. DEFERRED TAXATION		
Credit balance arising in respect of:		
- accelerated tax depreciation allowances	1,407,487	1,154,426
	<u>1,407,487</u>	<u>1,154,426</u>
Debit balance arising in respect of:		
- provision for retirement benefits	(86,240)	(82,808)
- share-based compensation	(42,512)	(49,965)
- provision for stock in trade and stores and spares	(70,617)	(88,612)
- provision for doubtful debts	(16,270)	(17,012)
- provision for property, plant and equipment	(100,077)	(77,061)
- provision for restructuring	(18,711)	(18,372)
- provision for cess and marking fee	(220,822)	(188,550)
- others	(34,840)	(44,100)
	<u>(590,089)</u>	<u>(566,480)</u>
	<u>817,398</u>	<u>587,946</u>

	Note	2016 ← (Rupees in thousand) →	2015
23. TRADE AND OTHER PAYABLES			
Creditors		3,824,846	5,118,260
Bills payable	23.1	2,180,226	1,710,656
Forward foreign exchange contract		8,109	16,552
Accrued liabilities		9,281,615	7,306,907
Employee retirement benefit funds		26,497	-
Dividend payable	23.2	7,497,393	5,018,872
Unclaimed dividend		372,652	357,621
Royalty and technical services fee		4,214,695	3,870,196
Advance payment from customers		309,566	295,740
Sindh sales tax on services		56,948	41,712
Punjab sales tax on services		49,131	26,702
Workers' Welfare Fund	23.3	303,759	249,322
Workers' Profits Participation Fund	23.4	-	254,399
Security deposits from dealers	23.5	26,417	25,867
Liability for share-based compensation plans	23.6	145,267	166,551
Withholding tax payable		965,876	33,373
Others		2,052	2,268
		29,265,049	24,494,998

23.1 The rates of mark-up for bills payable range between KIBOR to KIBOR + 0.4% per annum.

23.2 This represents payable in respect of first interim dividend declared for the year ended December 31, 2016.

	Note	2016 ← (Rupees in thousand) →	2015
23.3 Workers' Welfare Fund			
Balance as at January 1		249,322	207,708
Allocation for the year		290,701	221,993
		540,023	429,701
Payments made during the year		(236,264)	(180,379)
Balance as at December 31		303,759	249,322
23.4 Workers' Profit Participation Fund			
Balance as at January 1		254,399	484,650
Allocation for the year		765,003	638,654
		1,019,402	1,123,304
Paid to trustees of the fund		(1,467,628)	(500,000)
Refunded by / (payments made on behalf of) the fund		371,448	(368,905)
Balance as at December 31		(76,778)	254,399

23.5 This represents security deposits obtained against freezer cabinets placed with dealers.

23.6 Share-based compensation plans

As at December 31, 2016 Company had share-based compensation plans in the form of performance shares.

Performance share awards are made under the Management Co-Investment Plan (MCIP) and the Global Share Incentive Plan (GSIP). The MCIP allows Company's eligible managers to invest up to 60% of their annual bonus in shares in Unilever NV and Unilever PLC and to receive a corresponding award of performance-related shares. Under GSIP, the Company's eligible managers (key management personnel) receive annual awards of Unilever NV and Unilever PLC shares. The awards of both plans will vest after three years depending on the satisfaction of performance conditions.

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

A summary of the status of the Performance Share Plans as at December 31, 2016 and 2015 and changes during the years ended on these dates is presented below:

	2016 (Number of shares)	2015
Outstanding at January 1	36,079	70,381
Awarded	17,556	16,853
Vested	(5,725)	(44,127)
Forfeited	(2,794)	(7,028)
Outstanding at December 31	45,116	36,079
Share price		
Unilever NV	€ 39.08	€ 40.11
Unilever PLC	£ 32.73	£ 29.05

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

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

	2016 (Rupees in thousand)	2015
Ultimate parent	3,744,648	3,441,874
Parent company	7,497,393	5,018,872
Associated companies	536,311	1,762,516

23.8 During the year, the Company has deducted Rs. 27.00 million (2015: Rs. 16.80 million) from the remuneration of key management personnel in respect of their participation in the MCIP.

24. SHORT TERM BORROWINGS

Running finance under mark-up arrangements - secured

The facilities for running finance available from various banks amount to Rs. 5.31 billion (2015: Rs. 4.54 billion). The rates of mark-up range between KIBOR to KIBOR + 0.75% per annum (2015: KIBOR to KIBOR + 1% per annum).

The arrangements are secured by way of pari-passu charge against hypothecation of Company's stock in trade.

The facilities for opening letters of credit and guarantees as at December 31, 2016 amounted to Rs. 13.15 billion (2015: Rs. 12.87 billion), of which the amount remaining unutilised at the year end was Rs. 7.94 billion (2015: Rs. 5.50 billion).

	Note	2016 ← (Rupees in thousand) →	2015
25. PROVISIONS			
Sindh Infrastructure Cess	25.1 & 26.1.1	703,404	591,592
PSI marking fee	25.2	51,152	36,908
Restructuring	25.3	63,937	61,241
		818,493	689,741
25.1 Sindh Infrastructure Cess			
Balance as at January 1		591,592	507,213
Charge for the year		223,624	168,758
Payments made		(111,812)	(84,379)
Balance as at December 31		703,404	591,592
25.2 PSI marking fee			
Balance as at January 1		36,908	36,896
Provision during the year		45,235	9,613
Utilised during the year		(30,991)	(9,601)
Balance as at December 31		51,152	36,908
25.3 Restructuring			
Balance as at January 1		61,241	43,583
Provision during the year		72,173	66,325
Utilised during the year		(69,477)	(48,667)
Balance as at December 31		63,937	61,241

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 Government of Sindh through Finance Act, 1994 levied fee for services rendered in respect of development and maintenance of infrastructure on the import and export of goods. A number of persons and companies, including Unilever Pakistan Limited (the Company) filed constitutional petitions against the levy of such fee in the High Court of Sindh and the Court granted stay for the payment of the fee. During the year 2001, the Government of Sindh introduced Cess in place of infrastructure fee with retrospective effect. As a result, petitions became infructuous and a fresh suit was filed by the Company to challenge the levy. A stay against recovery of the aforesaid levy of Cess was also obtained from the Court. In 2003, the High Court of Sindh decided the issue against the Company. Against this order an intra court appeal was filed with the High Court of Sindh. The appeal was disposed of in August 2008, whereby the levy imposed and collected with effect from December 28, 2006 was declared valid and all imposition and collection before such date as invalid. The Court further ordered that all bank guarantees / securities furnished for transactions before December 28, 2006 stand discharged and are liable to be returned back and those furnished in respect of transactions after December 28, 2006 are liable to be encashed. The Company as well as the Government of Sindh filed appeals in the Supreme Court of Pakistan against the said order. The appeals were heard by the Supreme Court in May 2011, and it was noted that the Government of Sindh had again enacted Infrastructure Fee through Act of 2009 with retrospective effect which had not been challenged in the last appeals. Accordingly, the Supreme Court allowed the petitioners to file fresh petitions at the High Court of Sindh. Accordingly, fresh petition was filed by the Company in the High Court of Sindh in May 2011. A provision amounting to Rs. 1,387.64 million concerning the levy with respect from December 28, 2006 has been recognised in the financial statements. Moreover, the Company has paid an amount of Rs. 684.26 million under protest against the said order.

As a matter of prudence, a total of Rs. 321.47 million as at December 31, 2016 (2015: Rs. 321.47 million) out of the revenue reserves has been earmarked as contingency reserve for the levy uptill December 2006.

26.2 Commitments

26.2.1 Aggregate commitments outstanding for capital expenditures as at December 31, 2016 amounted to Rs. 1.73 billion (2015: Rs. 0.83 billion).

26.2.2 Commitments for rentals under operating lease agreements / Ijarah contracts as at December 31, 2016 are as follows:

	2016	2015
	← (Rupees in thousand) →	
Not later than one year	153,491	200,207
Over one year to five years	265,041	411,256
	<u>418,532</u>	<u>611,463</u>

	Note	2016 ← (Rupees in thousand) →	2015
27. SALES			
Gross sales		103,346,184	93,285,839
Sales tax		(15,685,628)	(14,151,395)
		87,660,556	79,134,444
Rebates and allowances		(10,438,454)	(9,158,730)
		77,222,102	69,975,714
28. COST OF SALES			
Material cost		34,889,636	33,297,930
Manufacturing charges paid to third parties		1,790,446	1,726,697
Stores and spares consumed		435,992	233,410
Staff costs	28.1	2,489,335	2,316,415
Provision / (reversal) for fixed assets to be written off		85,098	(12,564)
Utilities		546,170	536,013
Depreciation		1,161,345	986,843
Repairs and maintenance		211,568	266,779
Rent, rates and taxes		14,956	27,097
Ujrah payments		43,499	38,653
Amortisation of computer software		58,311	58,318
Travelling and entertainment		48,352	47,327
Stationery and office expenses		51,827	44,859
Expenses on information technology		6,476	5,627
Other expenses		79,198	71,485
Charges by related party	28.2	2,660	15,923
		41,914,869	39,660,812
Opening work in process		214,079	298,984
		42,128,948	39,959,796
Closing work in process		(332,325)	(214,079)
Cost of goods manufactured		41,796,623	39,745,717
Opening stock of finished goods		1,940,057	1,966,563
Purchase of finished goods		654,030	754,408
Closing stock of finished goods		(2,465,117)	(1,940,057)
		41,925,593	40,526,631

2016 2015
← (Rupees in thousand) →

28.1 Staff costs

Salaries and wages	2,386,074	2,219,935
Medical	43,046	43,640
Pension costs - defined benefit plan	167	291
Gratuity costs - defined benefit plan	3,151	2,760
Pensioners' medical plan	4,582	5,696
Provident fund cost - defined contribution plan	20,926	19,397
Pension fund cost - defined contribution plan	31,389	24,696
	2,489,335	2,316,415

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

Note 2016 2015
← (Rupees in thousand) →

29. DISTRIBUTION COSTS

Staff costs	29.1	1,361,165	1,172,993
Provision for restructuring	29.3	86,340	66,325
Advertisement and sales promotion		9,849,335	8,024,260
Outward freight and handling		1,825,641	1,834,808
Royalty and technical fee		4,627,667	3,706,991
Utilities		18,941	47,838
Depreciation		29,790	20,776
Repairs and maintenance		56,653	49,371
Rent, rates and taxes		62,912	102,552
Ujrah payments		68,195	60,988
Amortisation of computer software		23,520	23,524
Travelling and entertainment		149,228	133,438
Stationery and office expenses		39,644	41,975
Expenses on information technology		7,457	30
Provision for doubtful debts - trade		715	7,077
Other expenses		113,511	119,374
Charges by related party	29.2	58,646	43,123
		18,379,360	15,455,443

2016 2015
← (Rupees in thousand) →

29.1 Staff costs

Salaries and wages	1,188,101	1,019,050
Medical	16,548	13,707
Share based compensation	29,463	29,441
Pension costs - defined benefit plan	456	795
Gratuity costs - defined benefit plan	4,576	4,010
Pensioners' medical plan	12,480	15,513
Provident fund cost - defined contribution plan	43,816	39,801
Pension fund cost - defined contribution plan	65,725	50,676
	1,361,165	1,172,993

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

29.3 This includes amount of Rs. 14.20 million payable to associated company in respect of restructuring payment for shared resources.

Note 2016 2015
← (Rupees in thousand) →

30. ADMINISTRATIVE EXPENSES

Staff costs	30.1	793,262	742,599
Utilities		38,781	50,072
Depreciation		19,032	31,163
Repairs and maintenance		59,633	60,290
Rent, rates and taxes		331,656	242,629
Ujrah payments		51,802	39,022
Amortisation of computer software		26,554	26,553
Travelling and entertainment		50,092	73,610
Stationery and office expenses		27,227	59,137
Expenses on information technology		438,652	477,858
Legal, professional and other consultancy charges		195,400	89,394
Auditors' remuneration	30.2	5,079	5,095
Other expenses		115,093	94,093
Charges by related party	30.3	1,222	2,476
		2,153,485	1,993,991

2016 2015
← (Rupees in thousand) →

30.1 Staff costs

Salaries and wages	667,502	615,871
Medical	28,055	27,566
Share based compensation	59,819	59,774
Pension costs - defined benefit plan	225	392
Gratuity costs - defined benefit plan	2,256	1,977
Pensioners' medical plan	6,152	7,647
Provident fund cost - defined contribution plan	11,701	12,921
Pension fund cost - defined contribution plan	17,552	16,451
	793,262	742,599

30.2 Auditors' remuneration

Audit fee	4,367	4,367
Other certifications	380	395
Out of pocket expenses	332	333
	5,079	5,095

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

Note

2016 2015
← (Rupees in thousand) →

31. OTHER OPERATING EXPENSES

Donations		8,276	8,863
Workers' Profit Participation Fund	23.4	765,003	638,654
Workers' Welfare Fund	23.3	290,701	221,993
Loss on disposal of property, plant and equipment		88,487	-
		1,152,467	869,510

	Note	2016 ← (Rupees in thousand) →	2015
32. OTHER INCOME			
Income from financial assets			
Dividend income		12	12
Return on savings accounts		386,684	267,594
Income from non-financial assets			
Scrap sales		114,649	125,371
Profit on disposal of property, plant and equipment		-	201,855
Others			
Service fee	32.1	278,893	266,918
Liabilities no longer payable written back		127,593	-
		<u>907,831</u>	<u>861,750</u>

32.1 This includes amount charged by the Company for certain management and other services rendered to its related party - Unilever Pakistan Foods Limited, in accordance with the Service Agreement between the two companies.

	2016 ← (Rupees in thousand) →	2015
33. FINANCE COST		
Mark-up on short term borrowings and bills payable	124,114	165,565
Bank charges	85,574	74,545
Exchange loss	67,502	129,793
Loss on recognition of forward foreign exchange contract	8,109	16,552
	<u>285,299</u>	<u>386,455</u>

	2016 ← (Rupees in thousand) →	2015
34. TAXATION		
Current year		
-Current tax		
Pakistan	3,756,792	2,984,502
Azad Kashmir	68,269	53,896
-Deferred tax - charge	232,620	103,234
	<u>4,057,681</u>	<u>3,141,632</u>
Prior year		
	<u>10,292</u>	698,025
	<u>4,067,973</u>	<u>3,839,657</u>

34.1 In 2016, the government enacted a change in the national income tax rate from 32% to 31%.

	Note	2016 ← (Rupees in thousand) →	2015
34.2 Relationship between tax expense and accounting profit			
Accounting profit before tax		<u>14,233,729</u>	<u>11,605,434</u>
Tax at the applicable tax rate of 31% (2015: 32%)		4,412,456	3,713,739
Tax effect of credits		(366,853)	(245,941)
Tax effect of final tax		(68,029)	(288,152)
Effect of tax rate change		(26,720)	(74,775)
Tax effect of prior years		10,292	698,025
Others		106,827	36,761
Tax expense for the year		<u>4,067,973</u>	<u>3,839,657</u>
35. CASH AND CASH EQUIVALENTS			
Cash and bank balances	19	<u>13,117,416</u>	<u>9,218,321</u>

36. RELATED PARTY TRANSACTIONS

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:

Relationship with the Company	Nature of transactions	2016	2015
		← [Rupees in thousand] →	
i. Ultimate parent company	Royalty and technical fee	4,627,667	3,706,991
ii. Associated companies	Purchase of goods	13,644,703	14,647,850
	Sale of goods	88,982	37,737
	Fee for providing of services to related party	278,893	339,572
	Fee for receiving of services from related party	288,815	513,663
	Contribution to:		
	- Defined Contribution plans	191,109	163,942
	- Defined Benefit plans	34,045	39,081
	Settlement on behalf of:		
	- Defined Contribution plans	381,021	539,522
- Defined Benefit plans	13,654	46,373	
iii. Key management personnel	Salaries and other short-term employee benefits	101,666	185,764
	Post-employment benefits	9,951	13,391

Royalty and technical fee are paid in accordance with the agreements duly acknowledged by the State Bank of Pakistan. Technical fee agreement is in the process of renewal and the Company has accrued the charges for technical fee for the period on the basis of subject agreement duly approved by the Board which is in the process of submission to the State Bank of Pakistan for approval. The purchase and sale of goods and services from related parties are made on agreed terms and conditions.

The Company has entered into agreements with its associate, Unilever Pakistan Foods Limited to share various administrative and other resources. The charges by and service fee from the associate have been disclosed in notes 28, 29, 30 and 32.

The related party status of outstanding balances as at December 31, 2016 is included in other receivables and trade and other payables respectively. These are settled in the ordinary course of business.

Arrangements with ultimate parent company and an associated company for granting of their shares to employees of Unilever Pakistan Limited are disclosed in note 23.6.

37. REMUNERATION OF EXECUTIVE DIRECTORS AND CHIEF EXECUTIVE

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

	EXECUTIVE DIRECTORS		CHIEF EXECUTIVE	
	2016	2015	2016	2015
	← (Rupees in thousand) →			
Managerial remuneration and allowances	58,619	37,339	27,326	73,756
Share based compensation	26,740	22,629	20,820	14,407
Retirement benefits	7,793	4,345	2,158	4,362
Medical expenses	547	257	-	425
Other expenses	1,950	1	-	-
	<u>95,649</u>	<u>64,571</u>	<u>50,304</u>	<u>92,950</u>
Number of persons	<u>5</u>	<u>3</u>	<u>1</u>	<u>2</u>

In addition to this, a lump sum amount of Rs. 399.00 million (2015: Rs. 229.76 million) on account of variable pay has been accounted for in the financial statements for the current year payable in 2017 after verification of target achievement.

Out of the variable pay recognised for 2015 and 2014 following payments were made:

	Paid in 2016 relating to 2015	Paid in 2015 relating to 2014
	(Rupees in thousand)	
Executive Directors	13,775	12,214
Chief Executive	1,946	24,793
Executives	179,532	193,676
Other employees	3,368	2,805
	<u>198,621</u>	<u>233,488</u>

The Executive Directors and Chief Executive of the Company are provided with free use of cars and household equipments.

38. CAPACITY

	Annual Capacity		Actual Production	
	2016	2015	2016	2015
	← Metric Tons →			
Own manufacture				
Home and Personal Care	259,500	258,000	189,741	169,282
Beverages	40,228	40,228	33,459	31,296
	← Million Litres →			
Ice Cream	69.0	64.0	48.6	41.1

The current capacity was under utilised on account of lower demand.

39. PROVIDENT FUND RELATED DISCLOSURE

The following information is based on un-audited financial statements of the fund as at December 31, 2016:

	2016 ← (Rupees in thousand) →	2015
Size of the fund - total assets	1,343,875	1,203,226
Fair value of investments	1,343,738	1,111,425
Percentage of investments made	99.99%	92.37%

39.1 The cost of above investments amounted to Rs. 1,109.16 million (2015: Rs. 952.77 million).

39.2 The break-up of fair value of investments is as follows:

	2016 (Percentage)	2015	2016 ← (Rupees in thousand) →	2015
National savings schemes	39.31%	43.09%	528,194	478,963
Government securities	39.42%	42.24%	529,768	469,448
Equity securities	21.27%	14.67%	285,776	163,008
Unit trust schemes	0.00%	0.00%	-	6
	100.00%	100.00%	1,343,738	1,111,425

39.3 The investments out of provident fund have been made in accordance with the provision of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

40. NUMBER OF EMPLOYEES

	2016	2015
Number of employees at year end	1,704	1,755
Average number of employees	1,730	1,762

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

41.1 Financial risk factors

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

41.2 Financial assets and liabilities by category and their respective maturities

	Interest bearing			Non-interest 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							
<i>Loan and receivables - not measured at fair value</i>							
Loans to executives	-	-	-	56,663	143,627	200,290	200,290
Deposits	-	-	-	52,492	22,644	75,136	75,136
Trade debts	-	-	-	1,276,189	-	1,276,189	1,276,189
Other receivables	-	-	-	194,475	-	194,475	194,475
Cash and bank balances	12,770,927	-	12,770,927	346,489	-	346,489	13,117,416
<i>Available for sale - not measured at fair value</i>							
Long term investments at cost	-	-	-	-	200	200	200
December 31, 2016	12,770,927	-	12,770,927	1,926,303	166,471	2,092,779	14,863,706
December 31, 2015	8,529,984	-	8,529,984	2,222,223	267,808	2,490,031	11,020,015
FINANCIAL LIABILITIES							
At amortised cost							
<i>Other financial liabilities - not measured at fair value</i>							
Trade and other payables	2,180,226	-	2,180,226	25,193,253	-	25,193,253	27,373,479
<i>Derivative financial liability - measured at fair value</i>							
Forward foreign exchange contract	-	-	-	8,109	-	8,109	8,109
December 31, 2016	2,180,226	-	2,180,226	25,201,362	-	25,201,362	27,381,588
December 31, 2015	4,004,916	-	4,004,916	19,588,834	-	19,588,834	23,593,750
ON BALANCE SHEET GAP							
December 31, 2016	10,590,701	-	10,590,701	(23,275,054)	166,471	(23,108,583)	(12,517,882)
December 31, 2015	4,525,068	-	4,525,068	(17,366,611)	267,808	(17,098,803)	(12,573,735)
OFF BALANCE SHEET ITEMS							
Letters of credit / guarantee:							
December 31, 2016							5,206,580
December 31, 2015							7,947,766

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

For valuation of derivative (forward foreign exchange contract: refer note 23) 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 recognised at the reporting date if counter parties failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of the total financial assets of Rs. 14.86 billion (2015: Rs. 11.02 billion) the financial assets that are subject to credit risk amounted to Rs. 1.48 billion.

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, 2016 trade debts of Rs. 293.89 million (2015: Rs. 168.66 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.

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

Loans 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 that 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.

The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of financing through banking arrangements.

(iii) Market risk

Market risk is the risk that changes in foreign exchange rate and 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 optimising returns.

a) Foreign exchange risk

Foreign exchange risk arises mainly where receivables and payables exist in foreign currency. As at December 31, 2016, financial assets of Rs. 42.77 million (2015: Rs. 48.89 million) and financial liabilities of Rs. 1.99 billion (2015: Rs. 3.54 billion) were in foreign currency which were exposed to foreign currency risk.

The foreign currency assets are approx. 97% in USD and 3% in EURO. The foreign currency liabilities are approx. 68% in USD and 24% in EURO and 8% in other currencies.

As at December 31, 2016, if the Pakistan Rupee had weakened / strengthened by 6% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 78.47 million (2015: Rs. 172.37 million), mainly as a result of foreign exchange losses / gains on translation of US Dollar denominated financial assets and liabilities.

As at December 31, 2016, if the Pakistan Rupee had weakened / strengthened by 6% against Euro with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 26.92 million (2015: Rs. 30.63 million), mainly as a result of foreign exchange losses / gains on translation of Euro denominated financial assets and liabilities.

As at December 31, 2016, if the Pakistan Rupee had weakened / strengthened by 6% against Pound Sterling with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 4.29 million (2015: Rs. 2.88 million), mainly as a result of foreign exchange losses / gains on translation of Pound Sterling denominated financial assets and liabilities.

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

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, 2016, the Company had variable interest bearing financial assets of Rs. 12.77 billion (2015: Rs. 8.53 billion) and financial liabilities of Rs. 2.18 billion (2015: Rs. 1.71 billion), 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. 211.80 million (2015: Rs. 13.64 million) lower / higher.

42. CAPITAL RISK MANAGEMENT

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

The gearing ratio as at December 31, 2016 and 2015 were as follows:

	2016 ← (Rupees in thousand) →	2015
Total borrowings	-	-
Cash and bank	(13,117,416)	(9,218,321)
Net (cash surplus) / debt	(13,117,416)	(9,218,321)
Total equity	4,699,571	3,678,801
Total capital	4,699,571	3,678,801
Gearing ratio	-	-

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

43. MONOPOLY CONTROL AUTHORITY ORDER

With respect to the Monopoly Control Authority's [MCA] (now Competition Commission of Pakistan) Order, dated December 19, 2006, terminating the non-competition agreement and requiring the Company to refund the amount of Rs. 250 million to Dalda Foods (Private) Limited (DFL) within fifteen days of receipt of the Order, the management, based on legal advice, is of the view that the agreement between the Company and DFL is not in violation of Monopolies and Restrictive Trade Practices Ordinance, 1970. The Company filed an appeal in the High Court of Sindh against the Order which was admitted and the operation of MCA's order was stayed. At present, the appeal is pending for hearing.

44. PROPOSED AND DECLARED DIVIDENDS

On 5% cumulative preference shares

At the Board meeting held on March 2, 2017, dividend in respect of 2016 of Rs. 239 thousand has been declared (2015: Rs. 239 thousand).

On ordinary shares

At the Board meeting held on March 2, 2017, a final dividend in respect of 2016 of Rs. 165.00 per share amounting to a total dividend of Rs. 2.21 billion is proposed (2015: Rs. 163.00 per share amounting to a total dividend of Rs. 2.17 billion).

The Board of Directors in its meeting held on December 6, 2016 declared cash dividend in respect of nine months period ended September 30, 2016 of Rs. 627.00 per share amounting to Rs. 8.39 billion (Interim cash dividend for the nine months period ended September 30, 2015 of Rs. 423.00 per share amounting to Rs. 5.62 billion).

These financial statements do not reflect the proposed final dividend on ordinary shares and the dividend declared on cumulative preference shares as payable, which will be accounted for in the statement of changes in equity as an appropriation from the unappropriated profit in the year ending December 31, 2017.

45. DATE OF AUTHORISATION

These financial statements were authorised for issue on March 2, 2017 by the Board of Directors of the Company.

46. GENERAL

For the purpose of better presentation, certain figures have been reclassified in the financial statements.

Shazia Syed

Chairperson and Chief Executive

Sohail Hanif Baig

Director and Chief Financial Officer

Notice of Annual General Meeting

Notice is hereby given that the 68th Annual General Meeting of Unilever Pakistan Limited will be held at The Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton Block 8, Karachi, on Friday, April 14, 2017, at 10:30 a.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Company's Financial Statements for the year ended December 31, 2016, together with the Reports of the Auditors and Directors thereon.
2. To approve and declare dividend (2016) on the Ordinary Shares of the Company.
The Directors have recommended a final cash dividend of 330% (i.e. Rs. 165.00 per share) on the Ordinary Shares. Together with the Interim dividend of 1254% (i.e. Rs. 627.00 per ordinary share), already paid, the total dividend for 2016 will thus amount to 1584% (i.e. Rs. 792.00 per Ordinary share).
3. To appoint Auditors for the ensuing year, and to fix their remuneration.
Messrs KPMG Taseer Hadi & Co., Chartered Accountants, retire and being eligible have offered themselves for re-appointment.
4. To elect Directors of the Company for a three year term. The Board of Directors in the meeting held on March 02, 2017, fixed the number of Directors at four (4). The term of the office of the following four (4) Directors will expire on April 18, 2017.

- | | |
|------------------------|--------------------------|
| 1. Ms. Shazia Syed | 2. Mr. Sohail Hanif Baig |
| 3. Mr. Amir R. Paracha | 4. Mr. Amar Naseer |

By Order of the Board

Karachi
March 21, 2017

Amar Naseer
Director & Company Secretary

Notes:

1. Share Transfer Books will be closed from April 08, 2017 to April 14, 2017 (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 THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, KARACHI-75400 by the close of the business on April 07, 2017 will be treated in time for the purpose of payment of Final Dividend to the transferees and for ascertaining the entitlement of shareholders for the purpose of attending the Annual General Meeting.
2. All Members/Shareholders (whether holding Preference or Ordinary Shares) are entitled to attend and vote at the meeting. A Member may appoint a proxy who need not be a Member of the Company.

3. For Appointing Proxies:

i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

ii) 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

iii) 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 (Avari Plaza, Fatima Jinnah Road, Karachi-75530) at least 48 hours before the time of the Meeting.

4. For Attending the Meeting:

The Individuals (Member/Proxy), shall authenticate his / her identity by showing his / her original valid Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.

5. Election of Directors:

The number of Directors to be elected at the Annual General Meeting has been fixed by the Board of Directors, same as previous, at Four (4) at its meeting held on March 02, 2017.

Any person (including a retiring director) who seeks to contest election for directorship of the Company shall file with the Company at its registered office:

i) A Notice of his/her intention to offer himself for election 14 days before the date of the above said Annual General Meeting, in terms of Section 178(3) of the Companies Ordinance 1984;

ii) Form 28 (consent to Act as Director) prescribed under the Companies Ordinance 1984;

iii) Detailed profile along with office address;

iv) Declaration in respect of the eligibility criteria as set out in the Companies Ordinance 1984 to act as director of the Company; and

iv) Attested copy of valid CNIC and NTN

6. The Individual Members who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) to the Company / Share Registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar, M/s THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, KARACHI-75400. The Corporate Entities are requested to provide their National Tax Number (NTN). Please give Folio Number with the copy of CNIC / NTN details. Further, mentioning of CNIC number in the Annual Return "Form A" is also an obligatory requirement, which is required to be filed with SECP under Section 156 of the Companies Ordinance 1984.

7. (i) The Government of Pakistan through Finance Act, 2014 has made certain amendments in Section 150 of the Income Tax Ordinance 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the Companies. Now these rates as per the Finance Act 2016 are as under:

(a) For Filers of Income Tax Return	12.5%
(b) For Non-Filers of Income Tax Return	20.0%

To enable the Company to make tax deduction on the amount of cash dividend @ 12.5% instead of 20.0% 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 for entitlement to payment of Dividend i.e. April 08, 2017, otherwise tax on their cash dividend will be deducted @ 20.0% instead of 12.5%.

- (ii) For any query/problem/information, the investor may contact the Share Registrar: Mr. Tauqir Ahmed Abidi, Assistant Manager, telephone number: 111-000-322 (107), e-mail address: tauqir@thk.com.pk or Mr. Masood Ahmed, Manager, telephone number: 111-000-322 (124) or +92-21-34168270 e-mail address: masood_ahmed@thk.com.pk; and /or the Company: Ms. Wajiha Khan, telephone number: +92- 21-35660062 e-mail address: wajiha.khan@unilever.com.

- (iii) The corporate shareholders should send a copy of their NTN certificate to the Company or its Share Registrar M/s THK Associates (Private) Limited if it has not yet been provided. 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 THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, KARACHI-75400, in writing, otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint -Holder(s).

8. According to the SECP circular No. 8(4) SM/CDC 2008 of April 05, 2013, Shareholders are entitled to receive their cash dividend directly in their bank accounts instead of receiving the dividend warrants physically. Shareholders having physical holding and desiring to avail this option may submit the prescribed Dividend Mandate Form, to the Company's Share Registrar. The dividend mandate form is attached in the Annual Report and is also available on Company's website.
9. The annual report of the company for the year ended 31 December 2016 has been placed on the company's website.
10. Any change of address of Members should be immediately notified to the Company's Share Registrars, M/s THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, KARACHI-75400

Procedure for Election of Directors:

According to the Company's Articles of Association and the Companies Ordinance 1984, the following procedure is to be followed for nomination and election of Directors:

1. The election of four (4) Directors will be for a term of three year, commencing from April 19, 2017.
2. The Directors shall be elected from persons who offer themselves for election and are not ineligible under Section 187 of the Companies Ordinance 1984.
3. Any person wishing to stand for election (including a retiring Director) is required to file with the Company (not later than 14 days before the election date), a notice of his intention to stand for election, along with duly completed and signed Form 28 giving his consent to act as Director of the Company if elected, and certify that he is not ineligible to become a Director.
4. The Company will file the candidates' consents with the Registrar of Companies and notify their names in the Press at least seven days prior to the general meeting.
5. A person may withdraw his candidature any time before the election is held.
6. If the number of candidates equals the number of vacancies, no voting will take place and all the candidates will be deemed to have been elected.
7. In case of voting, a Member shall have votes equal to the number of shares held by him multiplied by four (i.e. the number of Directors to be elected).
8. A Member may cast vote/s in favour of a single candidate or for as many of the candidates and in such proportion as the Member may choose.
9. The person receiving the highest number of votes will be declared elected, followed by the next highest, and so on, till all the vacancies are filled.

Dividend Mandate Form

THK ASSOCIATES (PVT) LIMITED

1ST FLOOR, 40-C, BLOCK-6,

P.E.C.H.S,

KARACHI-75400.

Date: ___ / ___ / ___

I / We, Mr. / Ms. / Mrs. / M/s, _____, holding CNIC No. / Passport No. / NTN _____ and being the registered shareholder of **Unilever Pakistan Limited** hereby authorize the Company to **directly credit** in my bank account cash dividend, if any declared by the Company in future, instead of issuance of dividend warrant. Following are my details to facilitate the aforementioned request:

SHAREHOLDER'S INFORMATION & BANK DETAILS	
Name of Shareholder	
Folio No.	
CNIC No. / NTN / Passport No. (please attach an attested photocopy)	
Title of Bank Account	
Bank Account Number (COMPLETE)	
Bank's Name	
Bank's Branch Name	
Branch Code	
Address of Bank Branch	
Telephone Number (Landline)	
Mobile Number	

It is stated that the above-mentioned information is correct and that I will intimate the changes in the above mentioned information to the Company and its share registrar as soon as these occur.

Signature of Member: _____

Name: _____

(PLEASE WRITE NAME IN BLOCK LETTERS)

منافع منقسمہ مینڈیٹ فارم

ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ
 پہلی منزل C-40، بلاک-6،
 پی. ای. سی. ایچ. ایس،
 کراچی-75400

تاریخ: _____ \ _____ \ _____

میں/ہم/میں/مس/میں/میسرز _____ بطور یوٹی لیمٹڈ کے رجسٹرڈ شیئر ہولڈر
 سی این آئی سی نمبر/ پاسپورٹ نمبر/ این ٹی این _____
 بذریعہ ہذا کمپنی کو یہ اختیار تفویض کرتا/ کرتی ہوں کہ اگر کمپنی کی جانب سے مستقبل میں کوئی نقد منافع منقسمہ دیا جائے تو ڈیویڈنڈ وارنٹ جاری کرنے کے بجائے اسے براہ
 راست میرے بینک اکاؤنٹ میں کریڈٹ کروا دیا جائے۔ مذکورہ بالا درخواست پر عمل درآمد کے لیے میری تفصیلات درج ذیل ہیں:

شیئر ہولڈر کی معلومات اور بینک کی تفصیلات	
شیئر ہولڈر کا نام	
فولیو نمبر	
CNIC نمبر/ این ٹی این/ پاسپورٹ نمبر (براہ مہربانی تصدیق شدہ کاپی منسلک کریں)	
بینک اکاؤنٹ کا نام (ٹائٹل)	
بینک اکاؤنٹ نمبر (مکمل)	
بینک کا نام	
بینک کی برانچ کا نام	
برانچ کوڈ	
بینک کی برانچ کا پتہ	
ٹیلی فون نمبر (لینڈ لائن)	
موبائل نمبر	

میں یہ اقرار کرتا/ کرتی ہوں کہ مندرجہ بالا فراہم کردہ معلومات درست ہیں اور مذکورہ بالا تفصیلات میں کسی بھی قسم کی تبدیلی کی صورت میں، جیسے ہی وہ واقع ہوں، میں
 کمپنی اور اس کے شیئر رجسٹرار کو فوری طور پر تحریری صورت میں مطلع کروں گا/ کروں گی۔

ممبر کا دستخط: _____

نام: _____

Form for Deduction of Tax on Dividend Income

THK ASSOCIATES (PVT) LIMITED

1ST FLOOR, 40-C, BLOCK-6,

P.E.C.H.S,

KARACHI-75400.

Date: ____ / ____ / ____

Please further note that under Section 150 of the Income Tax Ordinance, 2001 and pursuant to Finance Act 2016 withholding tax on dividend income will be deducted for 'Filer' and 'Non-Filer' shareholders @ 12.5 and 20% respectively. 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 accounts.

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 our Share Registrar, THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi-75400, in writing.

Following are the details of Principal/Joint holder(s) of the shares of **Unilever Pakistan Limited**; including their proportion of shareholding:

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)

It is stated that the above-mentioned information is correct and that I will intimate the changes in the above mentioned information to the Company and its share registrar as soon as these occur.

Signature of Member: _____

Name: _____

(PLEASE WRITE NAME IN BLOCK LETTERS)

Signature of Joint-Holder 1:

Name: _____

(PLEASE WRITE NAME IN BLOCK LETTERS)

Signature of Joint-Holder 2:

Name: _____

(PLEASE WRITE NAME IN BLOCK LETTERS)

منافع منقسمہ کی آمدنی پر ٹیکس کٹوتی کا فارم

ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ

پہلی منزل C-40، بلاک -6،

پی. ای. سی. ایچ. ایس،

کراچی -75400

تاریخ: _____

آپ کو مزید یاد دہانی کرائی جاتی ہے کہ انکم ٹیکس کے آرڈیننس 2001 کے سیکشن 150 کے تحت اور فنانس ایکٹ 2016 کے مطابق منافع منقسمہ کی آمدنی پر وہ ہولڈنگ ٹیکس ”فائلر“ اور ”نان فائلر“ شیئر ہولڈرز سے بالترتیب 12.5% اور 20% کے حساب سے وصول کیا جائے گا۔

فیڈرل بورڈ آف ریونیو کی وضاحت کے مطابق پرنسپل شیئر ہولڈر اور جوائنٹ شیئر ہولڈر (ز) کی صورت میں وہ ہولڈنگ ٹیکس کا تعین علیحدہ علیحدہ ان کے فائلر/نان فائلر کی بنیاد پر اور جوائنٹ اکاؤنٹ میں ان کی شیئر ہولڈنگ کے تناسب کے اعتبار سے کیا جائے گا۔

ایسے تمام شیئر ہولڈرز جن کے اکاؤنٹ جوائنٹ شیئر ہولڈر (ز) کے ساتھ ہیں ان سے درخواست کی جاتی ہے کہ وہ اکاؤنٹ میں پرنسپل اور جوائنٹ شیئر ہولڈر (ز) کے شیئرز کے تناسب کی تفصیلات شیئر رجسٹرار ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل C-40، بلاک -6، پی. ای. سی. ایچ. ایس، کراچی -75400 کو تحریری طور پر فراہم کریں۔

پرنسپل اور جوائنٹ شیئر ہولڈر (ز) کے یونی لیور پاکستان لمیٹڈ میں شیئرز کی تفصیلات بمعہ ان کے شیئر ہولڈنگ کے تناسب سے درج ذیل ہیں۔

جوائنٹ شیئر ہولڈر (ز)		پرنسپل شیئر ہولڈر		مجموعی شیئرز	فولیو/ CDS اکاؤنٹ نمبر
نام اور CNIC نمبر	شیئر ہولڈنگ کا تناسب (شیئرز کی تعداد)	نام اور CNIC نمبر	شیئر ہولڈنگ کا تناسب (شیئرز کی تعداد)		

میں یہ اقرار کرتا/کرتی ہوں کہ مندرجہ بالا فراہم کردہ معلومات درست ہیں اور مذکورہ بالا تفصیلات میں کسی بھی قسم کی تبدیلی کی صورت میں، جیسے ہی وہ واقع ہوں، میں کمپنی اور اس کے شیئر رجسٹرار کو فوری طور پر تحریری صورت میں مطلع کروں گا/کروں گی۔

ممبر کا دستخط: _____

نام: _____

جوائنٹ شیئر ہولڈر کا دستخط: _____

جوائنٹ شیئر ہولڈر کا دستخط: _____

نام: _____

نام: _____

Form of Proxy

The Secretary
Unilever Pakistan 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 Mr./Ms. _____ having CNIC No. _____ who is my _____ [state relationship (if any) with the proxy; required by Government regulations] and the son / daughter/ wife of _____, (holding _____ordinary / 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 68th Annual General Meeting of the Company to be held on April 14, 2017 and / or any adjournment thereof.

Signed this _____ day of _____ 2017.

Witness 1:

Signature: _____

Name: _____

CNIC #: _____

Address : _____

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

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

Signature of Member(s)

Witness 2:

Signature: _____

Name: _____

CNIC #: _____

Address : _____

Shareholder's Folio No.: _____

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

and Sub- Account No.: _____

Shareholder's CNIC #: _____

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 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.
- Shareholders or their Proxies should bring their original valid Computerized National Identity Card or original Passport for their identification. CDC shareholders should bring their Participant's ID Number and their Account Number.
- Detailed procedure is given in the Notes to the Notice of AGM.

پراکسی فارم

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

میں/ہم _____ ولد/خاوند _____
یونی لیور پاکستان لمیٹڈ کا شیئر ہولڈر ہوں اور _____ عمومی/ترجیحی شیئرز کی تحویل رکھتا ہوں، میں بذریعہ ہذا
جناب/محترمہ _____ ولد/خاوند _____،
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/ترجیحی شیئرز،
فویو نمبر _____ کے تحت رکھتے ہیں [یہ حکومتی ضابطوں کے تحت درکار ہے، پراکسی کے 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 68 ویں سالانہ اجلاس عام میں شرکت کرنے اور ووٹ دینے کے اہل ہیں۔ جو کہ
14 اپریل 2017 کو یا التواء کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقد ہوگا۔

آج بتاریخ _____ 2017 کو دستخط کیا۔

گواہ نمبر 1:

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

5 روپے کارسیدی ٹکٹ
چسپاں کر کے دستخط کریں

ممبر (ز) کا/کے دستخط:

دستخط: _____

نام: _____

سی این آئی سی نمبر: _____

پتہ: _____

گواہ نمبر 2:

دستخط: _____

نام: _____

سی این آئی سی نمبر: _____

پتہ: _____

نوٹ:

(1) ممبر سے درخواست ہے کہ:

- درج بالا واضح کردہ جگہ پر 5 روپے کارسیدی ٹکٹ چسپاں کریں۔
- رسیدی ٹکٹ پر دستخط کریں جیسے کہ کمپنی کے ریکارڈ میں ہیں۔
- اپنا فویو نمبر لکھیں۔
- شیئر ہولڈر (ز) کے کارآمد سی این آئی سی / پاسپورٹ / بورڈ کی قرارداد اور پراکسی کے کارآمد سی این آئی سی کی تصدیق شدہ کاپی فارم کے ساتھ منسلک کریں۔

- باضابطہ مکمل شدہ پراکسی فارم کمپنی کے رجسٹرڈ آفس میں اجلاس کے وقت سے 48 گھنٹے قبل موصول ہو جانا چاہیے۔
- شیئر ہولڈر (ز) اور ان کے پراکسیز سے درخواست ہے کہ سالانہ اجلاس میں شرکت کے وقت شناخت کے لیے وہ اپنا اصل کارآمد شناختی کارڈ یا اصل کارآمد پاسپورٹ دکھائیں۔ CDC شیئر ہولڈرز CDC میں شرکت کا آئی ڈی نمبر اور اکاؤنٹ نمبر بھی ہمراہ لائیں۔
- تفصیلی طریقہ کار سالانہ اجلاس عام کی اطلاع کے نوٹس میں درج ہے۔

ہمارے ملازمین کا مستحکم ترقی میں اہم کردار ہے اور ہمارے ڈائریکٹرز ان کی کاوشوں کو تسلیم کرتے ہیں۔ ہم اپنے تمام کنزیومرز اور صارفین کا ہماری برانڈز پر بھروسہ کرنے کیلئے شکریہ ادا کرتے ہیں۔ ہم اپنے شیئر ہولڈرز کے بھی ان کی سپورٹ اور ہماری انتظامیہ پر اعتماد کرنے کیلئے مشکور ہیں۔

کاروباری خطرات اور مستقبل پر نظر:

مشکل اقتصادی و انتظامی حالات، ٹیکس چوری اور جعلی اشیاء سے کمپنی کو خصوصاً چائے کے شعبہ کو خطرات لاحق ہیں۔

ان چیلنجز کے باوجود ہماری قوت ایک مضبوط برانڈ، جدید اشیاء، تحقیق و نشوونما کی قابلیت اور عالمی مہارت کی بدولت اٹوٹ ہے۔ ہمارا مقصد مستقل طور پر اپنے کنزیومرز کو بہتر پروڈکٹ فراہم کرنا ہے۔ اسے حاصل کرنے کیلئے ہم مستقل طور پر ملک میں بہترین ٹیلنٹ پر انحصار کریں گے۔

برائے بورڈ

شازیہ سید

چیئر پرسن و چیف ایگزیکٹو

کراچی

بتاریخ: 2 مارچ 2017

ڈائریکٹرز کا انتخاب 2014 کی AGM میں کیا گیا تھا اور موجودہ ڈائریکٹرز کی مدت 18 اپریل 2017 کو ختم ہوگی۔

محترم علی طارق کمپنی کے سی ایف او اور ڈائریکٹر کے عہدہ سے 31 دسمبر 2016 کو مستعفی ہوئے اور وہ یونی لیور U.K. میں دوسری ذمہ داری سنبھالیں گے۔ محترم سہیل حنیف بیگ کو 19 جنوری 2017 سے ان کی جگہ پر بطوری ایف او اور بورڈ میں ڈائریکٹر منتخب کیا گیا۔

ملحقہ کمپنیز اور مقررہ مالیاتی گوشوارے:

مقررہ مالیاتی گوشوارے جو کہ کمپنی اور اس کے متعلقین میسرز لیور کیملز (پرائیویٹ) لمیٹڈ، میسرز لیور ایسوسی ایٹڈ پاکستان ٹرسٹ (پرائیویٹ) لمیٹڈ اور میسرز صادق (پرائیویٹ) لمیٹڈ جنہیں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے لیٹرنمبر CLD/CCD/Co.237(8)/6/2016/3309 مورخہ 28 دسمبر 2016 کے تحت دیئے گئے آئٹمی کی وجہ سے شامل نہیں کیا گیا ہے جو کہ کمپنیز آرڈیننس 1984 کے سیکشن 237 کے تحت ضروری تھی۔ اس سال کے دوران ان متعلقہ کمپنیوں میں کوئی اہم کاروباری پیش رفت نہیں ہوئی۔

ہولڈنگ کمپنی:

اپنی تمام متعلقین کے توسط سے یونی لیور اور سیزر ہولڈنگ لمیٹڈ (UOHL) UK، یونی لیور PLC، جو.ک. U.K. میں قائم شدہ ہے وہ ایک ہولڈنگ کمپنی ہے اور یونی لیور پاکستان لمیٹڈ میں اس کے 99.09% حصص ہیں۔

آڈیٹرز:

آڈیٹرز KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کا تقرر 31 دسمبر 2016 تک کیا گیا تھا۔

بورڈ نے KPMG تاثیر ہادی اینڈ کمپنی کی سال 2017 کے لئے کمپنی کے آڈیٹرز کے طور پر تقرر کی سفارش کی ہے جس کا انحصار اگلی ہونے والی میٹنگ 14 اپریل 2017 میں شیئر ہولڈرز کی منظوری سے ہوگا۔

(ب) رواں سال بھی ہم نے اپنی شراکت داری نیا چیون کے ساتھ جاری رکھی تاکہ تھرڈ پارٹی سروس فراہم کرنے والوں اور ڈسٹری بیوٹرز کی حوصلہ افزائی کی جائے تاکہ وہ اپنے ملازمین اور ہمارے سیلز کے نمائندوں کو صحت کے بیمہ کا تحفظ فراہم کر سکیں۔

ملازمین کی شرکت:

ہمارے ملازمین اپنی رفاہی کوششوں اور رضا کارانہ اقدامات کے ذریعے مستحکم ترقی کے قیام کے عزم پر یقین رکھتے ہیں۔ سال 2016 میں ایمپلائئی پے رول پروگرام کے تحت 1.6 ملین روپے مختلف سماجی اداروں کو مدد کی گئی تاکہ مستحق بچوں کو معیاری تعلیم صحت اور کھانہ فراہم کیا جاسکے، اس سلسلے میں سٹیژن فاؤنڈیشن، آغا خان یونیورسٹی ہسپتال اور ورلڈ فوڈ پروگرام سے تعاون کیا گیا۔

ان کارپوریٹ پروگراموں کے علاوہ ہمارے ملازمین نے ہاتھ دھونے کے عالمی دن کے موقع پر لائف بوائے کی جانب سے عالمی ریکارڈ توڑنے کے پروگرام میں شرکت کرتے ہوئے ہاتھ دھونے کی اہمیت کو اجاگر کیا۔ ہمارے ملازمین نے اسکولز میں جا کر بچوں کو پر اعتماد بننے اور اپنے آپ پر یقین پیدا کرنے کے لئے کاؤنسلنگ کے سلسلے میں اپنا وقت دیا اور Dove ڈے پلیٹ فارم کے ذریعے اعتماد اور خود پر یقین کے پیغامات دیئے گئے۔

ریٹائرمنٹ فنڈ میں ملازمین کی سرمایہ کاری:

مالیاتی گوشوارے برائے سال ختم شدہ 31 دسمبر 2016 کے تحت اسٹاف ریٹائرمنٹ فنڈ سے درج ذیل سرمایہ کاری کی ہے:

ملین روپے	یونین پاکستان پراویڈنٹ فنڈ
1,344	DC پنشن فنڈ
981	یونیورسٹی پنشن پلان
107	یونیورسٹی گریجویٹ پلان
2	یونیورسٹی گریجویٹ پلان
77	یونیورسٹی گریجویٹ پلان
2,511	ٹوٹل:
2,320	ٹوٹل - 2015

(ٹ) سپریم چائے مستقل طور پر کمیونٹی ہیلتھ کے لئے خانیوال میں قائم میڈیکل ڈسپنسری کے ساتھ سپورٹ کر رہا ہے۔

(ث) بلوچستان نے 2016 میں بھی اپنا اسکول پروگرام جاری رکھا اور پورے پاکستان میں طالب علموں کو صحت مند کھانے کے بارے میں آگہی کے سفر میں 600,000 بچوں کو آگاہ کیا۔

(ج) Wall's نے ٹرائیکس کے ذریعے پورے ملک میں 4,058 افراد کو روزگار کے مواقع فراہم کئے۔

(چ) ڈومیکس نے ہمارے نوڈز اور اسٹاکس کریم فیکٹری سے ملحقہ علاقوں میں بیت الخلا تعمیر کروائے جن سے 10,000 افراد فائدہ اٹھا رہے ہیں۔

(ح) گڈی باجی پروگرام کے تحت دیہی خواتین کو پیشہ ورانہ تربیت اور بنیادی میجمنٹ کی آگہی کا سفر جاری ہے اور 2016 میں 500 مزید خواتین کو ان کے گاؤں میں یونیورسٹی برانڈ ایپسیڈ کی حیثیت سے متعین کیا ہے۔ گڈی باجی پروگرام اپنے قیام سے اب تک 4400 خواتین کو بلاواسطہ طور پر فائدہ پہنچا چکا ہے۔

(خ) رہبر، یہ ڈسٹری بیوٹرز پروگرام جو کہ چھوٹے پیمانے پر دیہی علاقوں کے رہنے والے مرد حضرات کو یونیورسٹی بیوشن چینل میں ملازمت کے مواقع فراہم کرتا ہے۔ پاکستان بھر سے ہمارے 175 رہبر مصروف عمل ہیں۔

iii. دیگر اقدامات: مبلغ 38 ملین روپے

(ا) ہم نے اپنے شراکت داروں کے ساتھ تعاون کرتے ہوئے کراچی، لاہور اور اسلام آباد میں رمضان زکوٰۃ کے توسط سے سالانہ عطیات میں اضافہ کے لئے مدد دی۔ ان شرکاء میں سٹیژن فاؤنڈیشن، آغا خان یونیورسٹی ہسپتال، لیٹن رحمۃ اللہ بیوولینٹ ٹرسٹ، دی کڈنی سینٹر اور SIUT شامل ہیں جن کے ساتھ 41 بل بورڈز کی مفت فراہمی سے مدد کی گئی۔

لائف بوائے یونیورسٹی پر فیکلٹی اور لیٹ فارم کے ذریعے پاکستان کے دیہی علاقوں میں اپنا دائرہ وسیع کر رہا ہے تاکہ بہتر صحت اور حفظان صحت کی عادات کو فروغ ملے۔

لائف بوائے نے "doctHERs" کے ساتھ بھی شراکت داری کی۔ "doctHERs" ایسے کلینک قائم کرنے جا رہا ہے جو لائیو ویڈیو اسٹریم کے ذریعے خواتین ڈاکٹرز کے توسط سے پسماندہ علاقوں میں طبی آگہی دیں گے۔ 2016 میں لائف بوائے نے کراچی اور لاہور میں پانچ کلینک قائم کئے۔

لائف بوائے نے رحیم چرن (جو کہ ٹھٹھہ کے نزدیک گاؤں ہے جہاں پر پاکستان میں بچوں کی موت کا تناسب زیادہ ہے) میں اپنا تعاون جاری رکھا۔ میٹریٹھ کلینک، اسکول ہائی جین پروگرام اور پانی کی آسان رسائی کے لئے ہینڈ پمپ لگانے کے کام بھی لائف بوائے کے توسط سے جاری ہیں۔

(ب) پونڈز 2016 میں Ponds Miracle Journey کے توسط سے مستقل تیسرے سال بھی اپنے سفر پر رواں دواں ہے اور اس کے ذریعے 330 خواتین کی ذاتی اور پیشہ ورانہ زندگیوں کے بارے میں اہتمام کر رہا ہے۔ پونڈز نے ممتاز ہیلتھ اور لائف اسٹائل ایکسپرٹس سے شراکت کے ذریعے ان خواتین کو رہنمائی بخشی جن کے لئے اس کا حصول ناممکن تھا۔ پونڈز نے شوکت خانم ہسپتال کے ساتھ بھی شراکت داری جاری رکھی تاکہ خواتین میں چھاتی کے کینسر کے متعلق آگاہی پیدا ہو سکے۔

(پ) فیئر اینڈ لولی (FAL) فاؤنڈیشن جو کہ مستقل طور پر تعلیم میں خواتین کے لئے مساوی مواقع پیدا کر رہی ہے اور اس کا لرشپ، پیشہ ورانہ تربیت اور کاروباری سرمایہ فراہم کر رہی ہے۔ رواں سال میں پاکستان میں FAL فاؤنڈیشن نے بلوچستان، سندھ، گلگت بلتستان اور خیبر پختونخوا میں 60 اسکالرز کو فائدہ پہنچایا۔

(ت) لائف بوائے شیمپونے ماؤں کے عالمی دن پر ایک مہم کے ذریعے عطیات جمع کی تاکہ دی سٹیژن فاؤنڈیشن کے توسط سے بچیوں کی تعلیم میں مدد کی جاسکے۔ اس مہم میں پاکستان بھر سے دس لاکھ افراد نے تعاون کیا جس سے 67 بچیوں کی تعلیم جاری ہے۔

یونیورسٹی پاکستان لمیٹڈ ماحول پر مبنی اثرات میں کمی اور معاشرے پر مثبت اثرات میں اضافے سے مستحکم ترقی کی خواہاں ہے۔ اس کے پیش نظر، ہماری کاروباری منصوبہ بندی، برانڈ اور جدت کو جاری رکھنے اور ترقی کو قائم رکھنے میں "Sustainability" کا اہم کردار ہے۔ ہم اپنے صارفین، کسٹمرز اور سپلائرز کے ساتھ کام کرتے ہوئے، اپنی اور اپنے ملازمین کی ان کے ساتھ شراکت عمل سے مستقبل کے لیے نئی شراکت داری اور الحاق پر یقین رکھتے ہیں تاکہ اس تعلق سے ہماری آنے والی نسلوں کے لیے روشن مستقبل کی راہ ہموار ہو۔

یونیورسٹی فاؤنڈیشن عالمی طور پر ایک بلین افراد کو موثر طور پر تعاون فراہم کرنے کے لئے قائم کی گئی ہے تاکہ ان کی صحت بہتر ہو اور وہ ترقی کی راہ میں اپنا کردار ادا کر سکیں۔ یونیورسٹی پاکستان لوکل اور بیرون ملک شراکت داروں کے ساتھ کام کر رہا ہے تاکہ "Sustainability" کے ایجنڈے پر عمل ہو سکے۔

2016 کے دوران ہمارے اہم اقدامات بشمول:

i. کارپوریٹ سماجی بھلائی: مبلغ 7 ملین روپے

(ا) پرائمری تعلیم کے معیار کو بہتر بنانا تاکہ پسماندہ علاقوں کو مدد مل سکے جو کہ درج ذیل ہے:

- 1) سٹیژن فاؤنڈیشن اسکولز (TCF)
- 2) سرکاری اسکولز جو متوسط پبلک پرائیویٹ پارٹنرشپ
- 3) ملازمین کی رضا کارانہ سرگرمی کے ذریعے کیونٹی اسکولز

ii. کیونٹی میں سرمایہ کاری اور فلاحی کام: مبلغ 215 ملین روپے

(ا) لائف بوائے مستقل طور پر 15 اہم مواقع پر بچوں کو صابن سے اپنے ہاتھوں کو دھونے کی اہمیت کے بارے میں بتا رہا ہے جو کہ ان کے اسکول پروگرام کے توسط سے دیہی اور شہری علاقوں میں منعقد کیا جا رہا ہے۔

ڈائریکٹرز کی جائزہ رپورٹ برائے سال 2016

ہماری کاروباری کارکردگی کا خلاصہ:

ہمارے ملازمین:

سال 2016 میں ایمپلائز آف چوائس (پسنیدہ آجر) کے حوالے سے AC نیلسن کی طرف سے ہمیں پہلی پوزیشن سے سرفراز کیا گیا جو مسلسل نو سال سے ہم جیت رہے ہیں۔

کمپنی، یونی لیور کے عالمی نیٹ ورک کا سہارا لیتے ہوئے، ای-لرننگ اور انسٹرکٹرز کی نگرانی میں کرائے گئے پروگرام کا اہتمام کر کے ٹیلنٹ کو فروغ دیتی ہے۔ ملازمین کی ذاتی صلاحیتوں میں اضافے کے لئے انہیں بڑے کردار اور مشکل امور کی تفویض کے ساتھ تربیت، نگرانی اور بہترین اپریلز سسٹم وضع کردہ ہے۔

ہم کام کرنے کے لیے شراکت اور ڈائیورسٹی پر یقین رکھتے ہیں۔ یہی وجہ ہے کہ 200 سے زائد خواتین کمپنی کے مختلف امور میں اپنا کردار ادا کر رہی ہیں۔ نئے ملازمین کو بھرتی کرنے کے سلسلے میں ہمارا UFLPI (یونی لیور فیوچر لیڈرز پروگرام) نمایاں ہے۔ اس سال ہم نے 15 UFLs (یونی لیور فیوچر لیڈرز) بھرتی کئے جن میں 60 فیصد خواتین ہیں۔

2016 میں میٹرنٹی اور پیٹرنٹی سپورٹ (MAPS) اقدام کی توسیع کے طور پر ہم نے پیئرنگ ورکشاپ بنام ’پیئرنگ ٹاک لائیو‘ کا اہتمام کیا جس کا مقصد اپنے ملازمین کو اپنے بچوں کے ساتھ معیاری وقت گزارنے کی آگہی دینا تھا۔ اس ورکشاپ سے بیشتر ملازمین نے استفادہ کیا۔

یونی لیور ٹیلنٹ ہنٹ ملکی نوجوانوں کو اپنے خواہشات پوری کرنے کے لیے ایک پلیٹ فارم فراہم کرتا ہے۔ اس پروگرام کے تحت مقابلے میں جیتنے والے نوجوانوں کو ایک عالمی پلیٹ فارم بنام فیوچر لیڈرز لیگ میں یونی لیور پاکستان کو پیش کرنے کا موقع ملتا ہے۔ 2016 میں اس مقابلے میں ایک ہزار سے زائد طلباء نے حصہ لیا۔

ڈائریکٹرز نے کمپنی کی سالانہ رپورٹ برائے 31 دسمبر 2016 بشمول کمپنی کے تشخیص شدہ مالیاتی گوشوارے پیش کئے ہیں۔

سال 2016 میں کاروبار نے 10.4 فیصد ترقی کی جس کی بنیادی وجہ حجم میں اضافہ ہے۔ ہمارے بعد از ٹیکس منافع میں 30.9 فیصد اضافہ رہا۔

اہم مالیاتی جھلکیاں:

2015	2016	
		روپے ملین میں
69,976	77,222	سیلز
29,449	35,297	مجموعی منافع
11,992	14,519	آپریٹنگ منافع
11,605	14,234	قبل از ٹیکس منافع
7,766	10,166	بعد از ٹیکس منافع
584	759*	فی حصص منافع (Rs.)

* رواں سال کافی حصص منافع، سال کے اختتامی حصص پر نکالا گیا ہے۔

منافع منقسمہ (ڈیویڈنڈ):

کمپنی کے بورڈ آف ڈائریکٹرز نے حتمی نقد منافع منقسمہ مبلغ 165 روپے فی حصص کی سفارش کی ہے جبکہ دوران سال عبوری منافع 627 روپے فی حصص پہلے ہی دیا جا چکا ہے اس حساب سے 2016 کے لئے کل ڈیویڈنڈ 792 روپے (2015: 586 روپے) فی آرڈنری شیئر بحساب 50 روپے فی شیئر بنتا ہے۔ ڈیویڈنڈ کی صورت میں کل منافع منقسمہ 104 فیصد بنتا ہے۔ (2015: 100 فیصد)

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