



Purpose led, future fit

ANNUAL REPORT 2020



Unilever
Consumer Care
Limited



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General Information

Board of Directors

Mr. Masud Khan, Chairman
Mr. Khan Salahuddin Mohammad Minhaj, Managing Director
Mr. Hasnain Thoufiq Ahmed, Finance Director
Mr. Kedar Lele, Non-Executive Director
Mr. Md. Zahidul Islam Malita, Non-Executive Director
Mr. S.O.M. Rashedul Quayum, Non-Executive Director
Mr. Md. Abul Hossain, Non-Executive Director
Mr. Mohsin Uddin Ahmed, Independent Director
Mr. Reazul Haque Chowdhury, Independent Director

Audit Committee Members

Mr. Mohsin Uddin Ahmed, Chairman
Mr. Reazul Haque Chowdhury, Member
Mr. Md. Abul Hossain, Member
Mr. Md. Zahidul Islam Malita, Member

Nomination and Remuneration Committee Members

Mr. Reazul Haque Chowdhury, Chairman
Mr. Mohsin Uddin Ahmed, Member
Mr. Md. Abul Hossain, Member
Mr. Md. Zahidul Islam Malita, Member

Company Secretary

Mr. Md. Naharul Islam Molla

Head of Internal Audit

Mr. Prasenjit Dev, ACA

Leadership Team

Mr. Khan Salahuddin Mohammad Minhaj, Managing Director
Mr. Hasnain Thoufiq Ahmed, Finance Director
Mr. Aditya Kumar, Marketing Director
Mr. Md. Naharul Islam Molla, Regulatory Affairs Head and Company Secretary
Ms. Shamima Akhter, Head of Corporate Affairs, Partnership and Communications
Mr. Dev Anand Paul, General Sales Operations Head
Mr. Mohammed Saiful Islam, Human Resources Lead
Ms. Ishrat Ahmed, Senior Legal Counsel and Compliance Manager
Mr. Imtiaz Mahmud, Supply Chain Lead

Registered Office

Fouzderhat Industrial Area
North Kattali, Chattogram-4217

Corporate Office

House 2A, Road 138
Gulshan 1, Dhaka 1212
Telephone: +880 2 222298871-4
Website: <https://www.unilever.com/UCL-bd.html>

Investors' Relation

Telephone: +880 2 222298871-4 Extension: 135
E-mail: UCL.Bangladesh-info@unilever.com

Statutory Auditors

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Compliance Auditors

MABS & J Partners
Chartered Accountants

Tax Advisor

A. Qasem & Co.
Chartered Accountants

Bankers

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank Limited
Citi Bank N.A.
Sonali Bank Limited

Insurers

Reliance Insurance Limited
Green Delta Insurance Company Limited
Pioneer Insurance Company Limited
MetLife

Legal Advisors

Syed Ishtiaq Ahmed and Associates
Tanjib-Ul Alam and Associates
Dr. Kamal Hossain and Associates
Rahman & Rabbi Legal

GlaxoSmithKline
Bangladesh
Limited
is now



Unilever
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Table of Contents



COMPANY AT A GLANCE

08

Our Story
Our Stance-Positive Nutrition
Growing with Purpose
Our Strategy
Our People
Notice of 48th Annual General Meeting
47th Annual General Meeting Moments
Glimpses of Extraordinary General Meeting
Chairman's Statement in English
Chairman's Statement in Bangla



BUSINESS ACTIVITIES

20

Marketing
Supply Chain & Manufacturing
Human Resources
Customer Development
Finance
Product Details
Our Responsibilities towards Sustainable Bangladesh
Safety, Health & Environment (SHE)



CORPORATE GOVERNANCE

38

Corporate Governance Framework
Report of Corporate Governance
Risk Management at Unilever
Internal Control Framework
Board of Directors
Audit Committee Report
Nomination and Remuneration Committee Report
Dividend Distribution Policy
Leadership Team



BUSINESS REVIEW

64

Director's Report to the Shareholders in English
Director's Report to the Shareholders in Bangla
Management Discussion and Analysis
Key Operating and Financial Data
Key Performance Indicators
Analysis of Revenue
Value Added Statement
Shareholding Information
Certificate of Compliance
Corporate Governance Compliance Status
CEO and CFO's Certification



FINANCIAL STATEMENTS

104

Independent Auditor's Report to the Shareholders
Statement of Financial Position
Statement of Profit and Loss
Statement of Changes in Equity
Statement of Cash Flows
Notes to the Financial Statements
Proxy Form







Purpose led, future fit

Bangladesh has come a long way in the fifty years since its liberation. From building a country from the ground up to becoming a model of development for the world, the progress has been nothing less than remarkable and Unilever is proud to be in the journey every step of the way. Although tackling hunger and fighting poverty were the initial challenges of a newly liberated nation, the vision for the future has evolved. In our pursuit to make sustainable living commonplace, and ensuring a prosperous future, we want to invest in Bangladesh's biggest asset—the people. Thus, ensuring the nutritional wellbeing of all in a sustainable and lasting way is at the heart of everything we do.

To build a future-fit enterprise, we're integrating technology into all of our processes. To satisfy changing consumer needs, we are continually innovating across the purpose-led portfolio. We are focusing on building our capabilities in channels of the future that are growing fast and driving profitability for the business. We manage our business with agility and resilience to deliver consistent, competitive, profitable and responsible growth.

Our Story



Unilever Consumer Care Limited (formerly GlaxoSmithKline Bangladesh Limited) has been operating in Bangladesh since 1974. Throughout its remarkable journey of over four decades in this country, the company has made a lasting impression on the people of the country by introducing high-quality, international standard products, creating lovable brands, and fostering a positive corporate image.

Unilever Consumer Care Limited (UCL) stands strongly and maintains a leading position in the Health Food Drink Category of Bangladesh. Our portfolio includes international brands Horlicks, Maltova, Boost and Glaxose D. We are proud of our brands which touch the lives of our consumers, including Horlicks, which is one of the top brands of the country, among all categories.

With our recent integration with Unilever, one of the largest global players in the Fast-Moving Consumer Goods (FMCG) industry, we now dream of reaching newer heights, creating sustainable value for our stakeholders, and achieving a better future for us all. As the most admired player in the health and nutrition industry of Bangladesh, we aspire to dedicate ourselves in fighting malnutrition of all sorts in Bangladesh, in line with Unilever's global sustainability agenda.





Our Stance- Positive Nutrition

As a part of the greater Unilever family, Unilever Consumer Care Limited (UCL) is committed to ensuring 'Positive Nutrition' and achieving the Sustainable Development Goals (SDG) of Zero Hunger and Good Health and Wellbeing. We believe in creating meaningful changes in the business process to create a lasting impact for our stakeholders while achieving superior business results. At Unilever, we believe that everyone deserves the right to nutrition. With the vision of ensuring wellbeing for all, our nutrition brands aspire to be the best in delivering superior value, and, in doing so, creating a world built on possibilities and potential.

Nutritious, attainable, and convenient food is the aim of our Food and Refreshments portfolio, which includes a variety of brands that provide customers with affordable and healthy

options. As a company, we are proud to take a stand and advocate for 'Positive Nutrition' as our commitment towards the planet and society.

Through the wide range of products, we are empowering people to choose more nutritious foods and drinks. We are also taking action to encourage people to make better food choices, for example through our evidence-based, behaviour-change programmes and responsible marketing. We also believe advocacy is important in promoting wider changes, so we are looking at the bigger picture too, and working with others to make our food behaviour more sustainable.



Growing with Purpose

With a population of over 160 million with over 2000 USD per capita income and 6%+ GDP growth, Bangladesh is one of the most lucrative growth drivers due to the scale and proximity of the market. Unilever, as a company, believes in long-term development and is working with the ambition to become the global champion of sustainable growth. Extending the global strategy in Bangladesh, Unilever identified nutrition integrable into its high growth portfolio diversification strategy. The Company's main focus is to build a profitable and sustainable nutrition business in Bangladesh and support the government's national

agenda to combat malnutrition in all its forms. UCL has been the undisputed leader in the Health Food and Drinks category, with iconic brands such as Horlicks and Boost, and a product portfolio supported by strong nutritional claims.

Our strategy to empower people all over the world, including Bangladesh, to develop healthy habits and choose more nutritious diets will include incorporating the following aspects into our actions-



Convenience

We want to make it easier for people to live well by eating delicious, better-for-you food. Our health drinks are all fortified with critical micro nutrients – the much-loved Horlicks Classic, for instance, contains 23 vital nutrients. These are scientifically proven to support an individual's growth and development and to help reduce micronutrient insufficiency in the diet. Horlicks continues to be one of the top brands in Bangladesh across all categories, due to the brand's consistent delivery of its promise of nutrition to the consumers. The Horlicks range caters to the nutrition needs of different consumers, from children to adults. In addition, we provide our products across a full range of price and pack sizes, from small sachets to larger family packs. The convenience of introducing variation in packaging, such as sachets, allow us to continue to provide consumers to buy quality products in small amounts.



Affordable and Accessible options

For many people in Bangladesh, proper nutrition is still out of reach. Cheaper food products are often associated with less healthy offerings. We want to break this paradigm and ensure all have access to affordable, tasty and nutritious food. This is critical as incomes become more and more polarised and inequalities still exist in terms of accessibility. Using our insight-driven, region-specific go-to-market strategy, we aim to make our products more accessible, for all.



Reaching the 'last mile'

Conflicting and contradictory health issues like malnourishment on one hand, and social and environmental issues like food poverty on the other – are part of a complex, interdependent system. And they're all issues that need to be addressed. We are working with governments, NGOs and others to improve the situation and advocating transformational change. To reach people in remote areas, we use innovative 'last mile' distribution channels to get our products into consumers' hands where we develop a network of small-scale retailers (Pollydut) to help us improve access to quality, affordable products.



Responsible Marketing

We are creating innovative routes to market through accelerating eCommerce and developing new eB2B platforms, such as Ushop and driving leadership through applying shopper insight and intelligence. We engage with bodies such as the Bangladesh Food Safety Authority (BFSA) and Bangladesh Standards and Testing Institution (BSTI) on issues like nutrition labelling, product reformulation and responsible advertising.

Our Strategy

Our Company has a clear and compelling strategy (the Compass) that is driven by purpose and focuses on achieving consistent, competitive, profitable and responsible growth. Everything we do helps us create value

for all our stakeholders. We have six groups of stakeholders, each one as important as the next. The way we do business creates value for them all.

Improve people's health, confidence and well-being

With brands that combine superior experiences, bold innovation and a strong sustainable living purpose

Improve the health of the planet

With brands that regenerate nature, fight climate change, and conserve resources for future generations

Contribute to a fairer and more socially inclusive world

With brands that champion human rights, stand up for equality and distribute value fairly

Deliver long-term, superior value

By reshaping our portfolio, and being a fast, low cost and fully digitised Company

Serve people everywhere

Through data-driven relationships and channel availability

Use our scale for good

By building trust through transparency and new purpose-led business models



Create capability through lifelong learning

By inspiring and enabling people to never stop growing and take charge of their well-being

Unlock capacity for growth

By being truly agile, always simplifying and leading for an inclusive future of work

Deepen our culture of pioneering

By driving performance through leadership and innovation in all we do

Underpinned by our values

Integrity

We do the right thing in every decision we make, supporting Unilever's long-term success

Respect

We treat people with dignity, honesty and fairness, and celebrate the diversity of people

Responsibility

We take care of the people, we serve and the world in which we operate

Pioneering

We have a passion for leading our industry, winning in the market, and intelligent risk-taking

For the benefit of our stakeholders



Consumers



Our people



Society



Planet



Customers



Shareholders



Our People

Unilever has built itself as one of the most respected companies in the world with the help of the people who make the company. We are a community shaped and led by its people, who operate creatively within a framework of shared values and business goals.

Hence it gives great priority to the professional fulfilment and development of the people in this community. Through this, Unilever has established itself as a school where business leaders are upskilling on specific skills that include quality, manufacturing process, sales and marketing process, new ages skills including digital and data analytics as well leadership ethos in line with Unilever Standards of Leadership (SOL). With our focus on unlocking capacity through agility and digital transformation, UCL will contribute to building a purpose-led, future-fit organization and growth culture.

Notice of 48th Annual General Meeting

Notice is hereby given that the 48th Annual General Meeting ("AGM") of Unilever Consumer Care Limited ("Company") will be held on Thursday, 29th April 2021 at 11:00 a.m. The AGM will be conducted virtually by using **Digital Platform** through the following link <https://unilevercl.bdvirtualagm.com> (in pursuance to the Bangladesh Securities and Exchange Commission's Directive BSEC/CMRRCD/2009-193/12 dated March 23, 2021) to transact the following businesses:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st December 2020 together with the Directors' Report and the Auditors' Report thereon.
2. To approve dividend for the year ended 31st December 2020.
3. To elect/re-elect Directors in the vacancies caused under Article 85 and 89 of the Articles of Association of the Company.
4. To appoint Statutory Auditors for the year 2021 and to fix their remuneration.
5. To appoint Corporate Governance Compliance Auditor for the year 2021 and to fix their remuneration.
6. To approve the re-appointment of an Independent Director.
7. To approve the "Inter-Company Supply Agreement" with Unilever India Exports Limited (related party) for purchase of products amounting to 10% or above of the revenue for the immediately preceding financial year.

By order of the Board



Md. Naharul Islam Molla
Company Secretary

Dhaka, 07 April 2021

Notes:

1. The Shareholders whose names appeared on the Member or Depository Register as on "Record Date" i.e. 23rd March 2021 are eligible to participate in the 48th AGM and receive dividend.
2. Pursuance to Article 71 of Articles of Association of the Company, a Shareholder entitled to attend and vote at the AGM may appoint a Proxy to attend and vote in his/her stead. The "Proxy Form", duly filled, signed and stamped at BDT 20 must be sent through email at UCL.Bangladesh-info@unilever.com not later than 48 hours before commencement of the AGM.
3. Pursuance to Article 70 of Articles of Association of the Company, Corporate Shareholder of the Company, by resolution of its Directors or other governing body authorize such person as is thinks fit, to act as its representative at the AGM.
4. The Shareholders will be able to submit their questions/comments and also vote electronically 24 hours before commencement of the AGM and during the AGM. For logging in to the system, the Shareholders need to put their 16-digit Beneficial Owner ("BO") account number or Folio number by visiting the link <https://unilevercl.bdvirtualagm.com>
5. The detailed procedures to participate in the virtual AGM along with link will be emailed to the Shareholders' email address as available in their BO account maintained with the Depository and also be available in Company's website at www.unilever.com/UCL-bd.html
6. For any technical difficulties may experience in joining the virtual AGM, Shareholders may contact cell number +8801678006132.
7. The Annual Report 2020 containing necessary statements and reports will be emailed to the Shareholders' email address in soft form and also be available in Company's website.

47th Annual General Meeting Moments



Glimpses of Extraordinary General Meeting





Message from the Chairman

Dear Shareholders,

On behalf of the Board, I am very happy to present you the performance summary of the company in 2020.

2020 was an eventful year for us; both as a company and society at large. The COVID-19 pandemic had left a lasting mark in all our lives and impacted the livelihood of people. As a result of the pandemic, our economy experienced a major slowdown, which had an adverse impact on the disposable income of our customer groups, resulting in lower consumer demand. Moreover, due to global trade disruption, we could not import DMI (Dry Mix Ingredient) and other materials for our Health Food Drinks in sufficient quantities, resulting in lower production. As an overall impact, our revenue saw a 14% decline.

Our most popular product, Horlicks is traditionally considered as a nutritional booster during any illness. While making price correction decisions, we felt that increasing the price of such products would limit the reach of our products to low-income groups. Rather, we introduced Horlicks in 500g value pack at an affordable price so that even the low-income group can have access to high-quality nutrition products during this challenging time. Despite our best efforts to drive growth through more coverage and cost cutting measures, our profit for the year was reduced by 51%. Demand drop during the first half of the year, increase in DMI import duty from 15% to 25%, price inflation of key imported raw materials and production disruption due to DMI shortage during the second half of the year were the key reasons behind profit decline. However, on behalf of the board, we are proposing a 440% cash dividend for the year 2020.

Since the announcement of the general holiday by the Government and even before that, our priority was to ensure safety of all our employees and stakeholders while keeping our operation running. We were amongst the first organizations in Bangladesh to adopt Work from Home (WFH) arrangement even before the announcement of the general holiday. Throughout the year, we prioritized safety and wellbeing of our employees through different initiatives. We also extended our support to communities through our different social commitment initiatives including donating safety equipment to the Ministry of Health and Family Welfare and supporting the income-affected marginalized people through partnership with different organizations including hospitals and nationally reputed social organizations.

2020 was also a significant year for us as we have not only changed the name of the company but also have associated ourselves with one of the biggest global names in the FMCG space, Unilever. You all are aware that our company has been operating in Bangladesh for over four decades and have become one of the key players in the consumer healthcare industry through our powerful brands.

However, since the discontinuation of pharmaceutical business, our ambition was to grow our consumer healthcare product business in a profitable and sustainable manner. Bangladesh has 160 million people with an increasing awareness level on health and nutrition with growing per capita income, the growth

opportunity of this market is enormous. As the leading player in the consumer healthcare business, we have strong brands and local expertise whereas Unilever has strong manufacturing and distribution footprint, which would complement our growth aspiration. Our association with Unilever has helped us to utilize our channels effectively and increase market coverage and penetration along with having a newly re-defined purpose - support national agenda to combat malnutrition in all its forms. As UCL, we will continue to drive business with our consumer healthcare brands- Horlicks, Boost, Maltova, and Glaxose D. Only the oral care brand Sensodyne is no longer part of our portfolio.

Despite the pandemic, we have continued to expand and strengthen our business. Through Packaging Innovation, Price Correction, Higher Coverage, and Market Development initiatives, we successfully managed to increase our household penetration by 1.5%. The growth was ensured through carefully designed Brand Building campaigns, especially in digital media. To make your company future-fit, we have invested in technology and digitalization. This year, we started to collaborate with different e-commerce platforms and provided our consumers more options to avail our products. We started a new market development initiative from Horlicks with the objective to increase nutritional awareness. As part of that initiative, we started visiting rural households and educating people about improved nutrition. We have invested behind green technology at production level to reduce our carbon footprint and we would continue to invest behind innovations and initiatives that would help us fulfill our commitment towards sustainability

and environmental preservation, which is net carbon neutrality by 2039. Through these initiatives, we are looking to build an organization that is driven by purpose and ready for the future.

I am thankful to all our customers, business partners, regulators, the Government, and, most importantly, you, our shareholders, for trusting us during 2020. 2021 will be an even more important year as we are experiencing an economic turnaround. 2021 is also the 50th year of Bangladesh as an independent nation. As a company, we are committed to the people of Bangladesh. According to UNICEF, 1 out of every 4 children in Bangladesh is suffering from nutrition related complications, specially stunting. Together, we want to change the nutrition situation of Bangladesh by ensuring accessibility and affordability of quality nutritional products, for everyone. That will be the pledge of your company during the landmark golden jubilee year of Bangladesh. We hope that we will be able to achieve it together with your support.



Masud Khan, FCA

Chairman

Unilever Consumer Care Limited

চেয়ারম্যান মহোদয়ের বিবৃতি

প্রিয় শেয়ারহোল্ডার,

২০২০ সালে কোম্পানির কার্যক্রমের একটি সংক্ষিপ্ত বিবরণী পরিচালনা পর্ষদের পক্ষ থেকে আপনাদের সামনে উপস্থাপন করতে পেরে আমি আনন্দিত।

২০২০ সাল কোম্পানি এবং সার্বিক ভাবে আমাদের সকলের জন্য অত্যন্ত ঘটনাবহুল একটি বছর। কোভিড-১৯ মহামারী আমাদের জীবনে কিছু দীর্ঘ মেয়াদি প্রভাব ফেলেছে এবং মানুষের জীবিকা নির্বাহকে কঠিন করে তুলেছে। মহামারীর ফলস্বরূপ আমাদের দেশের অর্থনীতি গত বছর একটি মন্দা পাল করেছিল, যা আমাদের ভোক্তাদের আয়ের উপর বিরূপ প্রভাব ফেলেছিল। আয় কমে যাওয়ার ফলে ভোক্তাদের মধ্যে আমাদের পণ্যের চাহিদা হ্রাস পায়। মহামারীর কারণে বিশ্বের বানিজ্য ব্যবস্থা ব্যাহত হয়, যার কারণে আমরা আমাদের হেলথ ফুড ড্রিঙ্ক উৎপাদনের জন্য পর্যাপ্ত পরিমাণে ডিএমআই (ড্রাই মিক্স ইনগ্রিডিয়ারেন্ট) এবং অন্যান্য উপকরণ আমদানি করতে পারিনি। ফলস্বরূপ মহামারীর সার্বিক প্রভাব হিসেবে আমাদের আয় ১৪% হ্রাস পেয়েছে।

আমাদের সবচেয়ে জনপ্রিয় পণ্য "হরলিক্স" ঐতিহ্যগতভাবেই অসুস্থতার সময় একটি ইমিউন বুস্টার বা রোগ প্রতিরোধ ক্ষমতাকে বৃদ্ধিকারী হিসেবে বিবেচিত হয়। মূল্য সংশোধনের সিদ্ধান্ত নেওয়ার ক্ষেত্রে গত বছর আমাদের একটি মূল বিবেচনা ছিল যে, এই শ্রেণীর পণ্যের দাম বাড়ানো হলে আমাদের পণ্যগুলি স্বল্প আয়ের মানুষের ক্রয় ক্ষমতার মধ্যে থাকবে না। অধিকন্তু আমরা গত বছর অত্যন্ত সাশ্রয়ী মূল্যের ৫০০ গ্রাম ড্যানু প্যাক হরলিক্স বাজারে নিয়ে আসি। অধিক কভারেজ এবং ব্যয় সংকোচনের মাধ্যমে প্রবৃদ্ধি বজায় রাখার সর্বাত্মক প্রচেষ্টা সত্ত্বেও আমাদের মুনাফা এই বছরে ৫৯% হ্রাস পেয়েছে। বছরের প্রথমার্ধের ভোক্তা চাহিদা হ্রাস এবং বছরের দ্বিতীয়ার্ধে ডিএমআই এর শুল্ক ১৫% থেকে ২৫% বৃদ্ধি, মূল্যস্ফীতি এবং বিশ্ব বানিজ্য ব্যবস্থা ব্যাহত হওয়ার কারণে সঠিক পরিমানে ডিএমআই আমদানি করতে না পারার কারণে উৎপাদন ব্যাহত হওয়া আমাদের মুনাফা হ্রাসের মূল কারণ ছিল। তবে আমরা ব্যয় কমান এবং দক্ষতা বৃদ্ধির মাধ্যমে ব্যবসা চলমান রাখতে কঠোর পরিশ্রম করেছি। সার্বিক পরিস্থিতি বিবেচনায়, পরিচালনা পর্ষদের পক্ষ থেকে আমরা ২০২০ সালের জন্য ৪৪০% নগদ লভ্যাংশের প্রস্তাব দিচ্ছি।

বিগত বছরে সরকার কর্তৃক সাধারণ ছুটি ঘোষণার আগে থেকেই আমাদের অগ্রাধিকার ছিল আমাদের সকল কর্মী এবং অংশীদারদের নিরাপত্তা নিশ্চিত করে আমাদের অপারেশন চলমান রাখা। বাংলাদেশের যে কয়েকটি প্রতিষ্ঠান সরকার কর্তৃক সাধারণ ছুটি ঘোষণার পূর্বেই ওয়ার্ক ফরম হোম কার্টামো গ্রহণ করেছিল, আমরা তাদের মধ্যে একটি প্রতিষ্ঠান। বছরজুড়ে বিভিন্নভাবে আমরা আমাদের কর্মীদের সুরক্ষা এবং নিরাপত্তাকে প্রাধান্য দিয়েছি। এছাড়া আমরা সরকারের স্বাস্থ্য ও পরিবার কল্যাণ মন্ত্রণালয়কে অতি প্রয়োজনীয় নিরাপত্তা সরঞ্জাম প্রদান এবং হাসপাতাল সহ বিভিন্ন সামাজিক সংগঠনের সঙ্গে অংশীদারিত্বের মাধ্যমে দেশের কমিউনিটির জন্য কাজ করেছি।

২০২০ সাল আমাদের জন্য আরও একটি কারণে উল্লেখযোগ্য ছিল। এবছর আমরা আমাদের কোম্পানির নাম পরিবর্তনের সাথে আমরা ফাস্ট মুভিং কনজুমার গুডস (এফএমসিজি) খাতের অন্যতম শীর্ষ বৈশ্বিক কোম্পানি ইউনিলিভারের সাথে যুক্ত হয়েছি। আপনারা জানেন আমাদের কোম্পানি চার দশকেরও বেশি সময় ধরে বাংলাদেশে কার্যক্রম পরিচালনা করে আসছে। আমাদের ফার্মাসিউটিক্যাল ব্যবসা বন্ধ হওয়ার পর থেকেই আমরা আমাদের কনজুমার হেলথকেয়ার ব্যবসা টেকসই ও লাভজনক করার সর্বাত্মক চেষ্টা করছিলাম। বাংলাদেশ ১৬ কোটিরও বেশি মানুষের একটি দ্রুত বর্ধনশীল অর্থনীতির দেশ এবং এদেশের মানুষের মধ্যে সুস্বাস্থ্য ও পুষ্টি নিয়ে সচেতনতা ক্রমাগত বৃদ্ধি পাচ্ছে যা আমাদের বিশ্লেষণ অনুযায়ী একটি দ্রুত বর্ধনশীল, বিশাল সম্ভাবনাময় বাজার।

আমাদের চার দশকের অভিজ্ঞতা এবং বিশ্বমানের জনপ্রিয় ব্র্যান্ডের সাথে ইউনিলিভারের উৎপাদন ও বিতরণ সক্ষমতার সংযুক্তি কেবল আমাদের চ্যানেলগুলিকে কার্যকরভাবে ব্যবহার করতে এবং কভারেজ বাড়িয়ে তুলতেই সহায়তা করেনি, একই সাথে আমাদের সবার জন্য একটি নতুন লক্ষ্যও সামনে নিয়ে এসেছে - তা হচ্ছে, সকল ধরনের অসুস্থি সংক্রান্ত সমস্যার বিরুদ্ধে চলমান জাতীয় প্রচেষ্টায় অবদান রাখা। ইউসিএল হিসাবে আমরা আমাদের কনজুমার হেলথকেয়ার ব্র্যান্ডগুলি - হরলিক্স, কুস্ট, মালটোজা এবং গ্ল্যাক্সকোস ডি দিয়ে ব্যবসা চালিয়ে যাব। কেবল ওরাল কেয়ার ব্র্যান্ড সেলোডেন আর আমাদের পোর্টফোলিওর অংশ নয়।

২০২০ সালে মহামারী সত্ত্বেও, আমরা আমাদের ব্যবসা প্রসারিত এবং জোরদার করার চেষ্টা করেছি। উদ্ভাবনী প্যাকেজিং, মূল্য সংশোধন, অধিক বিস্তৃত কভারেজ এবং বাজার সৃষ্টির মাধ্যমে আমরা সফলভাবে আমাদের হাউজহোল্ড পেনিট্রেশন ১.৫% বৃদ্ধি করতে পেরেছি। বিশেষত ডিজিটাল মিডিয়া ব্যবহার করে ডিজাইন করা আকর্ষণীয় ব্র্যান্ড বিল্ডিং ক্যাম্পেইনর মাধ্যমে এই বৃদ্ধি ত্বরান্বিত করা হয়েছে। কোম্পানিকে ভবিষ্যত উপযোগী করে গড়ে তুলতে আমরা প্রযুক্তি এবং ডিজিটালাইজেশনে বিনিয়োগ করেছি। এই বছর, আমরা বিভিন্ন ই-কমার্স প্ল্যাটফর্মের সাথে কাজ করতে শুরু করেছি এবং আমাদের পণ্যগুলি ভোক্তাদের নিকট পৌঁছে দেওয়ার বিকল্প হিসেবে বিভিন্ন নতুন চ্যানেল তৈরি করাছি। আমরা হরলিক্স থেকে একটি নতুন বাজারের উন্নয়নের অংশ হিসেবে প্রান্তিক অঞ্চলের মানুষের বাড়িতে গিয়ে তাদেরকে খাদ্যের পুষ্টিগুণ সম্পর্কে অবগত করে তোলার কার্যক্রম হাতে নিয়েছি।

আমরা আমাদের কার্বন ফুটপ্রিন্ট হ্রাস করতে উৎপাদন প্রক্রিয়ায় গ্রিন টেকনোলজি বা সবুজ প্রযুক্তির পিছনে বিনিয়োগ করেছি এবং আমরা ভবিষ্যতে নতুন উদ্ভাবন এবং এ জাতীয় উদ্যোগের পিছনে বিনিয়োগ করবো যা টেকসই উন্নয়ন এবং পরিবেশ সংরক্ষণের প্রতি আমাদের প্রতিশ্রুতি পূরণে ভূমিকা রাখবে, যা হচ্ছে ২০৩৯ সালের মধ্যে নেট জিরো কার্বন। এই উদ্যোগগুলির মাধ্যমে আমরা এমন একটি কোম্পানি তৈরি করতে চাইছি যা উদ্দেশ্য ও লক্ষ্য দ্বারা পরিচালিত এবং ভবিষ্যতের জন্য প্রস্তুত।

আমি আমাদের সমস্ত গ্রাহক, ব্যবসায়িক অংশীদার, নিয়ন্ত্রক, সরকার এবং সবচেয়ে গুরুত্বপূর্ণভাবে আপনারা, আমাদের শেয়ারহোল্ডারদের প্রতি ২০২০ সালের এই দুর্য়োগময় সময়ে আমাদের ওপর বিশ্বাস রাখার জন্য ধন্যবাদ জ্ঞাপন করছি। ২০২১ সাল আমাদের জন্য আরও বেশি গুরুত্ববহু বছর হবে কারণ, বাংলাদেশ ২০২৯ সালে একটি স্বাধীন দেশ হিসেবে ৫০তম বছরে পদার্পণ করছে। আমরা কোম্পানি হিসাবে সবসময়ই বাংলাদেশের জনগণের কাছে প্রতিশ্রুতিবদ্ধ। ইউনিসেফের মতে, বাংলাদেশে প্রতি চার জন শিশুর মধ্যে একজন খর্বাকৃতি সহ নানা ধরনের পুষ্টি সম্পর্কিত জটিলতায় ভুগছে। আমরা একসাথে, সবার ক্রয়ক্ষমতার নাগালে, সরবরাহ ও গুণগত মান নিশ্চিতকরণের মাধ্যমে, বাংলাদেশের পুষ্টির অবস্থা পরিবর্তন করতে চাই। বাংলাদেশের সুবর্ণজয়ন্তীর বছরে এটা হবে আপনার কোম্পানির অঙ্গীকার। আশা করি আপনার সমর্থনে আমরা একসাথে এই লক্ষ্যে পৌঁছাতে সক্ষম হব।

মাসুদ খান, এফ সি এ

চেয়ারম্যান

ইউনিলিভার কনজুমার কেয়ার লিমিটেড

Improving nutritional wellbeing

Despite many achievements in social development, malnutrition remains one of the most pressing issues nationally. Therefore, we strive to ensure that nutritional wellbeing is at the front and centre of everything we do. We are committed to work towards building a sustainable future and contribute in the endeavor of achieving SDG goals of eradicating hunger and ensuring good health and wellbeing as part of our core global commitment.





Horlicks

Horlicks

Horlicks



BUSINESS ACTIVITIES

23	Marketing
26	Supply Chain & Manufacturing
27	Human Resources
29	Customer Development
31	Finance
32	Product Details
34	Our Responsibilities for Sustainable Bangladesh
37	Safety, Health & Environment (SHE)

Marketing

Horlicks: Creating Accessible Nutrition for All

Horlicks continues its endeavor to ensure accessible and affordable nutrition choice for everyone across Bangladesh. The BDT 10 sachet is available across Bangladesh, ensuring affordable nutrition for all. Along with the BDT 10 sachet, a new pack – the 500g Super Value Pack at BDT 295 was launched in June 2020.



Launch of Horlicks New Price Campaign

Horlicks launched a mega campaign which included offering lower prices across all key packs. During the sudden unforeseen situation which the whole country started to experience in 2020, to help provide higher value to customers and make Horlicks more affordable, prices were revised for all core Horlicks packs. The awareness of this initiative was generated through 360-degree marketing initiatives – TVC, Digital and Trade Visibility.

Horlicks Immunity Campaign

Everyone has been concerned about their health. One key aspect has been the endeavor towards developing good immunity. Various nutrients help with immunity, such as Vitamin C, Vitamin D and Zinc. Horlicks is enriched with 23 vital nutrients, including Vitamin C, Vitamin D and Zinc which help with immunity. The awareness for this campaign was undertaken through comprehensive digital engagement as well as a TVC.



Horlicks New Pack Design Launch

Horlicks launches its new pack design in 2020. The new pack has hit the markets – with a sleeker and bolder pack design.



Junior Horlicks

Junior Horlicks had a successful 2020 in spite of a major external shock brought by the pandemic. The brand grew sustainably where Household Penetration grew to a three-year high. This was driven by increased consumption as consumers continued to put their trust in Junior Horlicks when it comes to ensuring nutrition for their family.

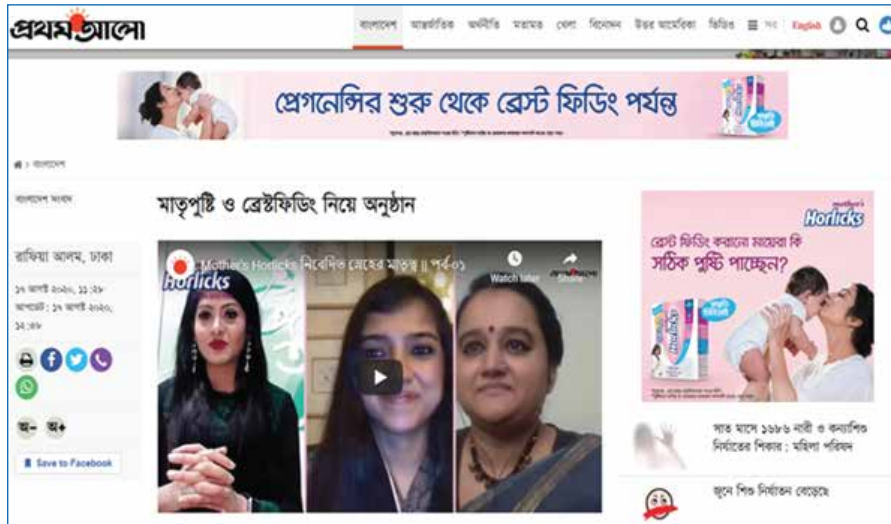


Deployment of the right marketing mix was the growth driver in 2020. A price correction was taken which improved the price-value equation for consumers and a thoroughly consumer tested campaign was launched which also resonated with them and helped build brand salience.

Digital presence was ramped up disproportionately in line with rapidly changing consumer media habits this year. The product packaging was also changed in late 2020 where an attractive and refreshing pack design was adopted. Lastly, we were able to build top visibility and distribution in the latter part of the year in key channels nationally. We are more confident than ever for a very promising 2021 based on the right brand investment choices outlined in our annual plan.

Mother's Horlicks

Mother's Horlicks observed and celebrated Mother's Day 2020 by releasing a key visual video urging everyone to support pregnant women with nutrition and care during these unprecedented times of global pandemic and also partnered with Daraz Bangladesh, a leading e-commerce website in arranging a Mother's Day Brand Week. Also, the brand celebrated World Breastfeeding Week 2020, in partnership with the leading national daily, Prothom Alo to host digital webinars and web articles featuring expert Key Opinion Leaders to build awareness on nutrition during pregnancy and breastfeeding period. It helped to create an interactive platform for consumers to connect with the brand in a meaningful way and also gave the consumers the opportunity to ask direct questions to experts.



Webinar named "Sneher Matritto" presented by Mother's Horlicks with Prothom Alo

Glaxose D Sponsored Dhaka Half Marathon'20

The Annual Dhaka Half Marathon (DHM) is a signature running event of Bangladesh for people of all experience levels and walks of life who want to embrace a healthy and fit lifestyle. Glaxose D sponsored the 2020 Edition where 2000+ enthusiastic marathoners brought alive the brand essence.



Glaxose D Sponsored Dhaka Half Marathon'20



Supply Chain & Manufacturing

The year 2020 has been a year of challenge, resilience, courage, and agility for UCL Supply Chain. In this year, UCL Supply Chain executed the biggest business integration of all time in the history of Bangladesh. In doing so, the function excelled in following –

- Implemented new SAP platform for Manufacturing, Supply Chain and S&D bringing in tighter control on resource management and reporting.

- While the formidable COVID-19 pandemic hit the country to force countrywide general holiday eventually impacting millions' economic and financial capacity to ensure proper daily nutrition especially in low-income groups, UCL Supply Chain displayed the right capability and tremendous agility to increase distribution of 18g value pack and ensured successful launch of 500g super value pack to the market which went hand in hand to serve the nation in midst of the pandemic making everyday essential nutrition more affordable and available to all socio-economic groups.

- With the Supply Chain business integration , UCL Supply Chain successfully implemented a more efficient and faster distribution model which enabled a rapid increase of retail outlet coverage with faster servicing time contributing directly to the vision of making everyday nutrition more available and affordable.

- Implemented new Customer Service function which resulted in significantly more efficient, faster, and agile market servicing operations maximizing consumer and organization value.

- Executed numerous Value Engineering projects that contributed to the Organizational Sustainability Agenda, making UCL Supply Chain a trusted machine for value generation and delivery.

While doing the above, UCL Supply Chain ensured the right quality product meeting 100% compliance and consumer satisfaction resulting in the function continuing to maintain its track record of zero product recall from the market in 2020 as well.

Human Resources

With our people being an integral part in achieving our organisation's vision and strategy, in 2020, the Human Resources function focused its efforts to foster an unconditional performance culture and support the employees on their journey of continuous development.

Unilever Integration

One of the major achievements of the year 2020 was the successful and seamless integration of the people and process with Unilever's way of working. The priority considered during this transition was uninterrupted business continuity and ensuring that our people remain secured and unimpacted by the transformation process. This transition was embraced by the employees with excitement and enthusiasm.

Welcome Aboard

Integration was not the end, rather just the beginning of a journey that set everyone towards the path of growth. To better prepare for the new way of working, multiple induction and trainings were arranged for all UCL employees, designed to help them know, understand the processes and align themselves with Unilever culture and practices. This was ensured through sessions conducted on *Living Your Purpose Everyday*, *Art of Storytelling*, *Managing Your Wellbeing Amidst Chaos*, *Leading Through Uncertain Times*, *Feedback for Growth*, *HR Foundation*, *Business Integrity*, *Be Safe-Intro to Unilever Safety*, *Basic & Product Knowledge*, *Discover Your Purpose Workshop*, *Net Revenue Management (NRM) Certification Preparation* to name a few.

Health & Wellbeing

2020 also had a significant mark left on the entire world due to the global pandemic. This took the need to have even more emphasis put on employee Health & Wellbeing to new heights. The Country level Incident Management Team regularly followed up on the status of COVID-19 spread, testing capabilities and provided support to infected employees with hospitalisation, at home-care and consultation. In addition, multiple awareness sessions were arranged on managing employees' health and mental wellbeing. We are proud to be among the earliest companies to adopt an effective Work From Home (WFH) policy across the country, with agreement put in place with one of the leading healthcare providers to ensure privileged access to testing and treatment for our employees during COVID-19. Besides the healthcare partners, in-house physicians provided constant support to all employees on COVID-19 safety guidance, prevention and treatment consultation.





Emphasizing on Skill Development

In our effort towards continuous development, all employees were onboarded into Unilever's online learning platform offering thousands of courses and learning material on different functional and organisation skills. The ease of use and accessibility of this platform has enabled our colleagues to take their development into their own hand. The learning options provided by the platform are not limited to training and courses but also engaging contents such as TedTalks, articles, videos and books to dive into.

Empowering Women

We always have the ambition to go beyond supporting colleagues on the grounds of performance and development. This fueled us to endeavor into making contributions to Women Empowerment for our female workforce. The company celebrated women's day in 2020 and pledged UCL's support on the equality campaign. She4She, a Unilever employee group, works to help the women employees feel more appreciated and supports their development through counseling and networking. Moreover, She4She actively contributes to organisations who work for empowering women such as Ujjwala.

Engagement and Team Building

Before the outbreak of COVID- 19 in Bangladesh, UCL organized and facilitated various team building initiatives for the functional teams to reflect on the achievements of the previous year and align on the priorities for the year to come. Various engagement activities such – Rendezvous with LTs, CEOs Report Back, U-Fit (physical fitness session) continued throughout the year leveraging the virtual telecommunication technologies to keep the employees engaged with business and boost morale.



Customer Development (CD)

Drive Visibility

Nutrition Store (NS)- in shop visibility, is one of our key business drivers. During Q3'20, Customer Development team brought few changes in NS business modality, which included "pay for performance." These initiatives brought significant impact on our business upliftment. Those are:

- **Increased number of Nutrition Stores:** We expanded Nutrition Store from 9,000 to 16,000. Our business contribution under visibility programme rose from 26% to 33%, which ensured higher off-takes from shelf.
- **Single window displays:** Introduced one shelf displays to bring more outlets within our display programme.
- **Pay for Performance:** Introduced newly designed "Pay for Performance" modality along with the visibility programme which encouraged the traders to recommend our products to consumers.
- **SKU placement norms:** Introduced Stock Keeping Unit (SKU) wise placement norms to ensure that the high business contributing SKUs get the maximum visibility.



Customer Development Initiatives to Overcome the COVID-19 Crisis

When the general holiday was announced in March 2020, our field team experienced lots of challenges to serve the market. To ensure the safety of our workforce, we provided safety kits to everyone. Moreover, we trained them on how to manage COVID-19 through awareness programs. The Customer Development team rose up to the occasion and came up with innovative solutions to manage the "new normal" scenario.





Provide Safety Kits
for each Distributors' Filed Force (DFF)



Ensured Required Vehicle Support
For Territory Manager's and DFF's movement



Distributor's Engagement
and Delivery Vehicle arrangement

Standard Horlicks Pouch to Provide "Value for Money" to Consumers

We launched Standard Horlicks Super Value Pack during the time of COVID-19 against all odds. We crossed the milestone of 53,000 outlets within 90 days of launch by taking the following initiatives:

- Higher visibility
- Competitive pricing
- Customer upgradation (250g pack to 500g pack)
- Increased penetration in Wet Market Grocery outlets



Finance

The year 2020 was unprecedented due to COVID-19 pandemic. Despite the challenges, Finance team continued to support the business during the year. Key activities and engagements were as follows:

Successful SAP Integration

Finance team ensured the ERP migration of financial data on Unilever platform in Q3 2020 with zero adverse impact in business. We also ensured business readiness and continuity of our business legacy in Bangladesh.

Business Partnering in Critical Time

Despite of WFH policy since 17th March 2020 and limited access in corporate office, Finance team ensured smooth business partnering by maintaining 100% on-time supplier payment, 100% achievement on cash and credit collection and implemented flexible working times with efficient resource management. Despite having work from home and country wide general holiday, Finance team efficiently maintained all regulatory compliances in due time.

Support in Business Transformation

Through all collective efforts, finance team delivered the Business Model change from 2P to 3P with a seamless collaboration with supply chain, 3P manufacturer and other externals. Distribution Re-modeling was another business

milestone where Finance team efficiently collaborated with CD team and drove settlement of outgoing distributors and onboarding of new distributors with full compliance. Adoption of IFRS 16 was another big milestone that the Finance team achieved in Q4 2020. Implementation of eVAT system was another milestone of Finance team achieved in Q3 2020.

Team Engagement

At Unilever, we place great importance on people engagement, and we focused even more on this as part of our wellbeing drive amid Work from Home. Working on a virtual team can be isolating and due to the pandemic, we could take a little preparation to start the work from home, staying connected has always been a priority.

Finance team organized a virtual engagement session and proved that people's desire to make work fun cannot be fully taken by a pandemic. Besides the strategic and directional conversations led by the Finance Leadership Team, the entire team participated in multiple icebreaking and team building sessions.

During the session, 2020 Finance Priorities and Unilever Standards of Leadership were discussed in detail with an active participation of the team.



Product Details



Horlicks

Horlicks is the largest brand in the Health Food Drinks category in Bangladesh. It is enriched with 23 vital nutrients. It is clinically proven that Horlicks help with the signs of growth; helps support children's immunity, helps with healthy weight gain, healthy blood, better concentration, more muscles and more bone area. Horlicks Classic Malt is a tasty malt flavor which children love. There is also a tasty chocolate variant: Chocolate Horlicks.



Junior Horlicks

Junior Horlicks contain Vitamins, Iron, Protein, Calcium and other required minerals which along with regular diet helps in completing A-Z nutrition of growing children. It is also fortified with DHA –which is known to help in brain development and function.



Horlicks Lite

As a Health Food Drink, Horlicks Lite is a specially designed nourishment for active adults. It contains the goodness of malted barley and zero cholesterol, high protein and no added sugar. Enriched with a wide range of vital nutrients and minerals, including 6 antioxidant nutrients, it is a complete drink that will keep you going.



Women's Horlicks

Women's Horlicks is a brand which aims to bring a solution for women in their 30s having issues with nutrition for good bone health. It is a nourishing beverage that is specially formulated for women to provide 100% daily Calcium and Vitamin D, along with no added sugar, to support women's good bone health with the creative ideation of inspiring women to stand strong. It maintained a digital marketing approach to communicate with its target audience throughout the year.

Mother's Horlicks

Mother's Horlicks, a scientifically designed nutrition solution for expecting and lactating mothers, is helping mothers across the country to have the right nutrition from the beginning of their pregnancy journey. The brand's proposition is to ensure that through its nutritional values, it will help mothers to support their unborn child's healthy birth weight and brain development.



Maltova

Maltova is a brand that prides itself on the heritage of being in Bangladesh households for decades. This chocolate variant Health Food Drink is unique with its choco-caramel taste profile that makes children enjoy their daily glass of nutrition.

Boost

Boost combines yummy chocolatey taste with the goodness of Malt. The key nutrients in Boost are essential to increase stamina, and help the child prepare to go that extra mile. Boost is scientifically proven to provide 3 times more stamina in 120 days.



Glaxose D

Glaxose D, the No. 1 Glucose brand in the country contains Dextrose Monohydrate that directly mixes with bloodstream to provide instant energy. The heritage brand has been energizing Bangladesh for past 50+ years.

Our Responsibilities for Sustainable Bangladesh

UCL, as a company has a long-term legacy of supporting the community to improve their wellbeing, skill development of healthcare professionals, support marginalised communities and Ready Made Garments (RMG) workers to access better healthcare facilities, and nutritional awareness.

2020 was an extraordinary year and the community support activities this year were more than essential. We believed that it was our responsibility to reach out to as many people as possible and help them in their fight against COVID-19. Considering the scale of the challenge and in order to address it at multiple levels, UCL collaborated with the Government, health institutions, implementation partners, and civil society. Our first priority was to ensure the safety of our employees and stakeholders. The company not only considered the health and wellbeing of their employees but also considered the wellbeing of the outer core employees at different production and distribution sites. UCL ensured the safety and wellbeing of its employees and their families. Supply Chain and Sales Safety Protocols complying with World Health Organization (WHO) standards and best practices in safety management were incorporated for our operations.

We also collaborated with different public and not-for-profit stakeholders to support communities during the COVID-19 pandemic. During the first phase of the COVID-19 outbreak in Bangladesh, there was an acute shortage of safety equipment, especially among frontline healthcare professionals. During that period, UCL collected around 36,000 units of high-quality safety equipment for healthcare professionals. The safety equipment was donated to the Ministry of Health and Family Planning Welfare and was distributed among frontline healthcare professionals across the country.

Another important effort of our fight against COVID-19 was through partner organizations. In the lower-income group, most people living on daily wages or below were severely impacted during the pandemic and these people required help. We collaborated with reputed organizations including Bidyanando Foundation and CRP (Centre for the Rehabilitation of the Paralysed) to support such valuable communities by providing food and other necessary items.



However, we found another effective way to support a large number of people from vulnerable communities during COVID-19. One of our most popular products, Horlicks is traditionally considered as a Immune booster during any illness. While making price correction decisions in 2020, it was decided by the management that the affordability of the people was more important. Hence, the price of Horlicks was not increased. Rather, an affordable value pack was introduced so that even the people belonging to the lowest income group can access high-quality nutrition products at their will. The sachet offtake during that period also indicated that the intervention was required. Supporting this type of special need is a part of our global commitment to positive nutrition. In alignment with our global commitment, we're aiming to provide more than 200 billion meals globally with at least one of the five key micronutrients, vitamin A, D, iodine, iron and zinc by 2020 and UCL is committed to contributing in the cause.

As per the company's commitment to contribute to the national nutrition agenda, we have initiated a massive project to increase nutritional awareness and change the attitude towards nutrition-related issues. According to UNICEF research in 2019, around 28% of children aged 5-15 years in Bangladesh are still suffering from moderate and severe stunting while 22% of children in Bangladesh are still underweight. As per our pledge, we have initiated an awareness programme where our representatives visit rural households and educate them about the importance of



balanced and proper nutrition using different communication materials. The initiative also provides a nutritional assessment of the household members and educate them as per their need to change the nutrition behaviour and food habit of the people, and we plan to expand the programme in the coming years.

UCL also partnered with CARE to support RMG workers through CARE's Health Access and Linkage Opportunities for Readymade Garment Workers Plus (HALOW+) project. The vast majority of the 4.5 million RMG workers of Bangladesh, key drivers of the sector that contribute over 80% of export earnings of Bangladesh are rural migrated women and are adversely affected by poor health and nutrition. Due to the lack of adequate on-site health services at RMG factories, the workers depend largely on public and private facilities

COVID 19 RAPID RESPONSE

**Community
Mobilization**

**Safety Equipment
Donation**

**Price
Stabilization**



and providers. To support and address these issues, the HALOW+ initiative was taken in 2015, to establish a comprehensive health and nutrition programme delivery model for the RMG workers and their families. The initiative aimed to reach out to 50,000 RMG workers and their 200,000 family members and the project was successfully completed in September 2020.

We also collaborated with ICDDR,B to contribute to the capacity development initiatives for healthcare workers in Sylhet under the Health System Strengthening Programme. The year-long programme provided free training to 1250 healthcare workers.

As part of our global commitment to sustainability, we have taken a few aggressively ambitious targets to reduce the negative impact caused by our production process on the planet and the society and we have started to reengineer our processes accordingly. As part of that, we're

transforming our own operations and supporting systemic change beyond our business. In 2020, we have taken a new initiative to reduce plastic wastes. Under this initiative, we identified waste plastic jars and caps during our production process and initiated a reusing method. This initiative has helped us save over 150 tonnes of plastic alone in 2020. We also have started to invest behind green technology and convert our production facility into an energy-efficient one. In the coming years, we will gradually increase our focus on sustainability initiatives so that we can contribute more in terms of environmental conservation.





Safety, Health & Environment (SHE)

Safety, Health & Environment (SHE) remained as a priority to the company despite 2020 being a challenging year due to COVID-19. SHE team ensured compliance and regulatory expectation for employee wellbeing as manufacturing and supply operations continued to be stringently maintained.

UCL is committed to ensuring 'Zero Accident' by providing healthy, risk-free environment, and mental wellbeing support for its employees, service providers, and partners at the contract manufacturing site. This is achieved through adopting regular safety practices, promoting safe behaviour, closing unsafe conditions and regular review of safety status.



To ensure proper SHE risk awareness amongst the employees, more signage and posters were deployed and risk perception training and awareness programmes on the mandatory use of PPEs to reduce risk behaviour were commissioned. Fire Safety and First Aid training by external authorities were conducted and First Aid and Fire Fighting teams were prepared to respond to any untoward situation.





For everyone, through affordability & availability

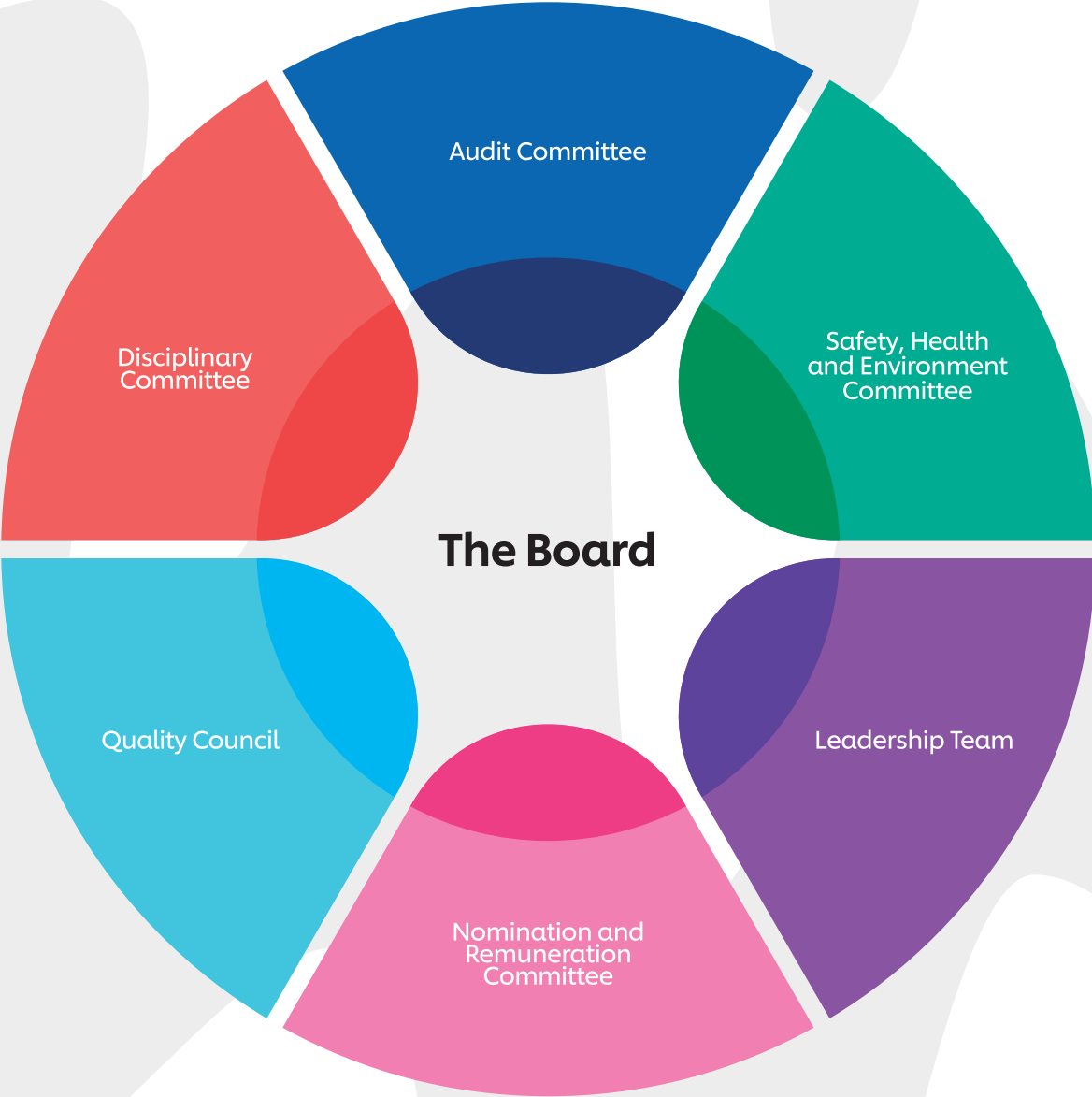
At UCL, we believe that everyone, no matter their backgrounds, deserves affordable, healthy, and nutritious food. By introducing a wide range of products fortified with essential vitamins and minerals, and also offering them in a variety of sizes including single-serving sachet packs, our customers have more choices of nutritious products at affordable prices. And through insight driven fast and efficient nationwide distribution channels, we aim to make our products available to everyone in any corner of Bangladesh.



CORPORATE GOVERNANCE

41	Corporate Governance Framework
42	Report of Corporate Governance
43	Risk Management at Unilever
45	Internal Control Framework
46	Board of Directors
52	Audit Committee Report
55	Nomination and Remuneration Committee Report
57	Dividend Distribution Policy
58	Leadership Team

Corporate Governance Framework



Report of Corporate Governance

Company's Philosophy of Governance

The Company's philosophy of Corporate Governance is aimed at assisting the management of the Company to efficiently conduct the business and meet its obligation towards the stakeholders. The governance is guided by a strong emphasis of transparency, accountability and integrity. For several years, the Company has adopted a codified Corporate Governance Charter, which is in line with the best practices and fully compliant with the relevant legal and regulatory requirements. All employees are bound by a code of conduct that sets forth the Company's policies on all important issues.

Corporate Governance Charter

The Board of Directors has adopted a Corporate Governance Charter which has been complied with throughout the year. The purpose of this charter is to codify the Company's system of corporate governance so as to assist the top management of the Company in the efficient conduct of its business and in meeting its obligations to the shareholders.

The Charter Specifics

- The Role of the Board of Directors
- Board Procedures
- Matters requiring the attention of the Company's Board
- Responsibilities of the Chairman
- Responsibilities of the Managing Director
- Responsibilities of the Finance Director
- Responsibilities of the Company Secretary
- Responsibilities of the Head of Internal Audit
- Control of Expenditure
- Relationships with other Unilever Group Companies

The Board

The Board consists of two Executive Directors and seven Non-Executive Directors, out of which two are Non-Executive Independent Directors. There is a clear division of responsibilities between the Chairman's functions and that of Managing Director. The Chairman is mainly responsible for chairing the Board Meeting as well as the General Meeting. On the other hand, the Managing Director is responsible for implementing and coordinating the Company's corporate and commercial programmes to achieve its business objectives. All Directors have full and timely access to all relevant information and independent professional advice.

Role of the Board

The Board is responsible for the strategic direction, policies and overall management of the Company. It ensures that the Company's policies and activities conform to Mission, Key Goals and Core Values. Code of Conduct, Key Strategies, Policies and Practices as set out in the statements of policies, safeguarding the assets of the Company and establishing an adequate as well as effective system of internal control.

Frequency of Meetings

The Board meets at least once a quarter. The number of meetings that were held during the financial year ended 31st December 2020 was 08.

Management and Conduct

The Board supports good Corporate Governance based on generally accepted framework. Key staff have been appointed and given specific responsibility to ensure compliance. Independence in decision without conflict of interest is considered important in discharging stewardship function of the Board of Directors. The Company therefore follows stringent policy which prohibits any financial accommodation to Directors. A Director must not put himself/herself in a position where there is an actual or potential conflict between his/her duty to the Company and his/her personal interest. A declaration to this effect will be required to be signed off. These measures ensure that any conflict of interest does not arise.

Audit Committee

The Audit Committee reviews the financial and internal reporting process, the system of internal controls, the management of risks, and the external and internal auditing process. The Committee also proposes to shareholder the appointment of the external auditors and is directly responsible for their remuneration and oversight of their work. The Audit Committee consists of two Non-Executive Independent Directors and two Non-Executive Directors, headed by an Independent Director. The Company Secretary acts as the Secretary of such Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the board in formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the Directors and top-level executives. The Committee consists of two Non-Executive Independent Directors and two Non-Executive Directors, headed by an Independent Director. The Company Secretary acts as the Secretary of such Committee.

Risk Management at Unilever

Risk management is integral to Unilever’s strategy and to the achievement of Unilever’s long-term goals. Our success as an organisation depends on our ability to identify and utilise the opportunities generated by our business and the markets we are in. In doing this we take an embedded approach to risk management which puts risk and opportunity assessment at the core of the Board’s agenda, which is where we believe it should be.

Unilever’s appetite for risk is driven by the following:

- Our growth should be consistent, competitive, profitable and responsible.
- Our actions on issues such as plastic and climate change must reflect their urgency, and not be constrained by the uncertainty of potential impacts.
- Our behaviours must be in line with our Code of Business Principles and Code Policies.
- Our ambition to continuously improve our operational efficiency and effectiveness.

Our approach to risk management is designed to provide reasonable, but not absolute, assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated.

Board of Directors of Unilever Consumer Care Limited has delegated accountability to its Audit Committee for assessing the effectiveness of management controls for significant legal, operational or compliance risks facing the company. The detailed activities of the Audit Committee are described separately in this report.

Embedded Risk Management Approach

At Unilever, we believe that effective risk management is fundamental to good management. Our risk management approach is embedded in the normal course of business. Risk management is part of everyone’s job, everyday, from country level operations to the Unilever Board. It is not managed as a separate standalone activity that is ‘delegated to others’. The diagram below summarises the structural elements of the embedded approach.



Organisation

Unilever’s organisation is designed to respond to all the key risks that we face in the short, medium and longer term and reflects all relevant external requirements in relation to good corporate governance.

Foundation

Our Corporate Mission & Purpose frame our objectives and strategy setting while our Code of Business Principles sets out the standards of behaviour that we expect all employees to adhere to. Day to day responsibility for ensuring these principles are applied throughout Unilever rests with senior management across clusters, categories, functions and operating companies.

Processes

This is about the day to day activities of all employees which contribute to the success of our area of the business - short, medium and long term. In some areas of our business, formal (including automated) processes / procedures have

been laid down in order to manage/exploit risk and optimise our business performance. In other areas, the processes are less formalised and rely more on the judgement of individual employees and managers to manage risk.

Assurance

In Unilever the key internal assurance elements of our risk management approach include self-certification checklists or independent verification processes, independent third party assurance and Group Controller’s Quarterly Risk and Control Status report that provides an updated picture of accounting and control.

Re-assurance

Corporate Audit provides an ‘independent’ perspective on the effectiveness of Unilever’s systems of internal control and risk management. External assurance is also sought from ‘specialist’ third parties on certain areas of our business – normally as a result of regulatory requirement or our desire to meet generally accepted international standards.

3 Principles of Risk Management

All Managers at Unilever are required to implement the following principles in the normal course of how they operate their parts of the business. This means that they must be embedded in all our everyday operations and activities throughout the year.

All leadership teams of operational units must complete an annual holistic risk discussion during which:

- Key business risks for which they are responsible are identified;
- How those risks are being managed is reviewed;
- Any gaps to their desired risk appetite identified.



Accountability: All managers must identify and manage risks that relate to their role.

Risk Appetite: All managers must determine the level of risk, after the implementation of controls, that they are prepared to accept such that there is not a significant threat to achieving their objectives.

Risk Mitigation: All managers must put adequate controls in place, and ensure that they are operational in order to deliver their objectives.

Principal or Key Business Risks

Our business is subject to risks and uncertainties. At a global level, we have identified the risks that are regarded as the most relevant and material to our business and performance as outlined below. As of 2020, the key risks for our business are identified in following 23 areas:

KEY BUSINESS RISK	RISK DEFINITION	KEY BUSINESS RISK	RISK DEFINITION
Brand Equity	Brands that are indistinct in the marketplace or do not generate profitable business	Product Pricing and Trade Terms	Significant loss of profitability caused by inappropriate product pricing or trade terms
Business Portfolio & Resource Allocation	A portfolio balance and allocation of resources that does not support the business strategy	Distributor Operations	Significant loss of sales and/or profit through inefficient management of distributor operations
M&A	An M&A deal that destroys shareholder value (including disposals)	Changing Customer Landscape	Significant loss of sales opportunities caused by lack of product availability in emerging and growing channels (e.g. e-commerce, Discounters)
Sustainability	Lack of ideas or implementation thereof to achieve the USLP ambition and/or inaccurate reporting of progress	IT Availability, Capability & Resilience	Critical Information and/or IT systems are not available, negatively affecting business operations
Safe & High Quality Products	Withdrawal of a product from the market due to a serious compromise of product integrity	Information Protection	Business impact due to inappropriate use, disclosure, falsification of business or personal information, or malicious disruption of IT services
Continuity of Operations	An interruption to product supply due to a disruption in supply chain operations	Business Transformation	The failure to deliver a key business transformation in terms of timescales, cost or realisation of business benefits
Security	A security breach resulting in the compromise of company assets, including the risk of harm to people	Treasury	Inability to finance Corporate objectives at any time while mitigating financial, market and credit risk
Safety	A serious safety incident that leads to loss of life or undermines confidence in work plan safety	Tax	Insufficient provisions against tax exposures or tax planning that could damage Unilever's reputation
Commodities	Commodity exposure that results in a material loss of shareholder value (beyond the benchmark for the industry)	Pensions Funding & Investment	A significant negative impact on the Group's Financial Plan from our Pension and benefits commitments
Capabilities	Securing, developing and embedding capabilities to drive our speed of response, the digital transformation and new business models	Accurate Financial Records & Reporting	Material inaccuracy in financial reporting
Code Compliance	A significant breach of our Code of Business Principles and/or Code Policies by employees or our business partners or that our Code is insufficient to instill the right behaviours	Climate Change	Environmental changes and governmental actions to reduce carbon emissions may disrupt our operations and/or reduce consumer demand for our products
		Regulatory Product Compliance	Withdrawal of a product from the market due to regulatory non-compliance

For each Key Business Risk, we have a Risk & Control Framework which includes the key control activities required to manage the risk. Globally, each Risk & Control Framework has an individual owner to do the following:

- Identify the Key Risks faced by the business.
- Set out the 'Key Controls' that should be operating in order to ensure the Key Business Risks are managed effectively and, as a result, the business has the best opportunity of achieving its objectives and maintaining its reputation.
- Identify the teams and individuals responsible for ensuring that the Key Controls are operating as required.
- Provide a useful means of reflecting on the Key Business Risks and Key Controls and assessing whether they remain relevant, effective and efficient.

Senior Management and Leadership teams are responsible for using the Risk & Control Frameworks periodically to support and facilitate discussions and reflection so that no important risks are missing and that all key business controls have been identified and are being operated as intended. The objective of the risk assessment process is to ensure that high quality discussions take place and that actions are identified and implemented in the normal course of business.

In Unilever Consumer Care Limited, we will kick off formal implementation of business risk assessment process from Q2 2021.

Internal Control Framework

A Control Framework structures the basis of internal control. It is the process that ensures we comply with laws and regulations, that our financial reporting is reliable and that our operations are run efficiently and effectively. Furthermore, a Control Framework provides the basis on which we assess our control systems and identify how to enhance them. Control Frameworks also enable us to develop our systems of internal control in a structured and effective way. They ensure that we operate within applicable legislation and enhance our ability to deliver our strategic aims and adapt to the evolving nature of our business environment.

What is Unilever's Control Framework?

The Unilever control universe is made up of various frameworks, including:

- Process Controls - Global Financial Controls Framework (GFCF)
- Access Controls – Global Access Controls Framework (GACF)
- IT General Controls Framework

This control universe can be depicted in the following diagram:



Process Controls

Global Financial Controls Framework (GFCF)

GFCF contains the financial reporting controls that operate across the core processes of our business. It sets out one set of consistent global controls which applies to all Unilever subsidiaries using SAP ERP platforms. GFCF is the mapping of specific controls to the various financial risks faced by the business. The framework is designed to establish and enhance our internal controls, setting the minimum standards that must be achieved across the business.

The GFCF allows Unilever to establish, assess and enhance our internal controls which in turn allows for more accurate financial reporting, prevention of fraud and the protection of Unilever's assets. Specifically, the framework:

- Provides clarity on roles and responsibilities across the business
- Enables a reduction and standardization of controls globally, creating efficiencies and cost savings
- Is designed to maximize the use of automated controls
- Facilitates a greater level of monitoring to enable identification of control observations

An annual assessment of our controls is carried out through the Financial Control Assessment (FCA) exercise. The objective of FCA process is to provide assurance over design and operational effectiveness of key financial

controls. The FCA provides comfort to Unilever's management that our controls over financial reporting are operating as intended. In addition to GFCF, there are other locally implemented controls which are documented in the form of Standard Operating Procedures and guidelines. Monitoring and testing of these controls are managed by the Internal Audit function and reported to both Management and the Audit Committee.

Access and IT General Controls

Global Access Controls Framework (GACF)

At Unilever, the GACF specifies a framework for access controls to counter the threat of unauthorized operations involving our key financial application systems. The GACF includes controls for processes such as new user access provisioning, removal of access for leavers, periodic user access reviews and user role management.

IT General Controls (ITGC) Framework

Our ITGC framework is designed to address the risks of key financial systems not meeting business requirements, unauthorized usage of systems and data loss from systems by prescribing appropriate IT-based controls. Both GACF and ITGC controls are maintained and monitored by our IT function.

Board of Directors





Board of Directors



Masud Khan
Chairman

Masud Khan joined the Board in April 2013 as Independent Director and became the Chairman of the Board in April 2019. He is currently working as the Chief Advisor of the Board of Crown Cement Group. He is a seasoned professional with 41 years' work experience in leading multinational and local companies in Bangladesh.

Prior to joining Crown Cement Group, he worked in LafargeHolcim Bangladesh as Chief Financial Officer for 18 years. Earlier, he worked for British American Tobacco for 20 years both at home and abroad. He is also an Independent Director of Berger Paints Bangladesh Limited, Singer Bangladesh Limited, Community Bangladesh Bank Limited and Viyellatex Limited. His remarks on industry issues are regularly followed by print and electronic media. He is also a Guest Faculty in the Institute of Chartered Accountants of Bangladesh for the past 41 years.

He did his Bachelor of Commerce with Honours from St. Xavier's College under University of Kolkata. Thereafter, he qualified with distinction both as a Chartered as well as a Cost and Management Accountant from the Indian Institutes being a silver medalist at all India level in the Chartered Accountancy Examination in the year 1977.



**Khan Salahuddin
Mohammad Minhaj**
Managing Director

KSM Minhaj was inducted to the UCL Board in June 2020. Minhaj brings with him two decades of rich FMCG experience across multiple categories, while leading both Marketing and Sales Functions as a member of the Management Committee of Unilever Bangladesh over a period of 10 years.

He started his career at Nestle Bangladesh in 2000, doing stints in Supply Chain and Brand Management before joining Unilever in 2006. He was one of the youngest Marketing Directors of the country in 2011. In 2014, Minhaj was appointed as Director, Sales and Customer Development of Unilever Bangladesh Limited.

Over the last 6 years, he has successfully transformed the function, making it future-fit by driving execution excellence, expanding distribution base, and creating a fine blend of Go-to-Market talent. He is currently non-executive Director of Unilever Bangladesh Limited Board. Minhaj is an inspiration for people across Unilever in Bangladesh and beyond. Minhaj is credited for building the country's best in class talent and establishing the winning culture that Unilever is so proud of. Earlier Minhaj did his Business Graduation from Faculty of Business Studies and MBA from IBA, University of Dhaka.



Hasnain Thoufiq Ahmed
Finance Director

Hasnain Thoufiq Ahmed was joined on the UCL Board in July 2019. As a Finance professional with diverse skills and proven business sense, Hasnain brings with him a solid 22 years of experience in Finance and Accounting field having more than 9 years International work experience in Malaysia and Myanmar. Having a high passion for new development and learning, he has a proven track record in driving structural transformation initiatives, redesign and launching new processes and solutions, developing a performance driven culture and developing new talents.

Hasnain started his career at Nestle Bangladesh and afterwards worked in renowned global organizations like British American Tobacco, Grameenphone Limited. Prior to joining in his current role as Finance Director he worked in Telenor Myanmar as Deputy CFO and Head of Business (B2B) division.

Hasnain is a Certified professional Accountant, a Fellow member of ICMAB and Associate member of ACCA (UK) and completed Bachelors and Masters of Commerce from University of Dhaka.



Kedar Lele
Non-Executive Director

Kedar Lele was inducted to the UCL Board in June 2020.

Kedar is the Chairman and Managing Director of Unilever Bangladesh leading the business operations and anchoring UBL's journey to a new era. Kedar brings over two decades of professional experience spanning Advertising, Internet Businesses and FMCG Sales & Marketing, over 15 of which he spent at Unilever. His vision for Unilever in Bangladesh is to build one of the most inspiring Unilever businesses while making a difference to the country and communities. Apart from being the Chairman of Unilever Bangladesh, he also serves as Vice President of Foreign Investors Chamber of Commerce and Industries (FICCI), Bangladesh.

Kedar is a Dean's-lister and gold medalist from Indian School of Business. He was part of the Economic Times "40 under 40" list of hottest business leaders in 2015.



Md. Zahidul Islam Malita
Non-Executive Director

Md. Zahidul Islam Malita was inducted to the UCL Board in June 2020. Zahid's 18 years career with Unilever saw him undertake different roles ranging from Global Category Finance and R&D Finance in the Headquarter (London), Category Finance Partnering, Financial Control, Management Accounting, Treasury and Internal Audit in Bangladesh operation, Corporate Finance & Customer Finance in Pakistan, and more recently Finance Director in Foods & Refreshment business in Pakistan before moving to the current role as Finance Director of Unilever Bangladesh Board. He is a highly motivated and result driven Finance professional with experience in cross functional, multi-cultural environment in Bangladesh, Pakistan and UK.

He is a Gold Medalist Chartered Accountant and holds Hons and Masters degree in Accounting from University of Dhaka.



S.O.M. Rashedul Quayum
Non-Executive Director

S.O.M. Rashedul Quayum was joined on the UCL Board in June 2020. He is an UK qualified Barrister and Advocate of the Supreme Court of Bangladesh with 20+ years of experience working for leading multinational companies, law firms as Legal Director, General Counsel, Head of Compliance, Head of Corporate Affairs, and Company Secretary. Presently he is the Legal Director and Company Secretary of Unilever Bangladesh Limited.

He has completed his LLB (Hons) and Postgraduate Diploma in Law from the University of Northumbria, UK and holds MBA from North South University. He is life member of the Honorable Society of Lincoln's Inn, UK, member of Bar Council of UK., Bangladesh Supreme Court Bar Association, Dhaka Bar Association, Dhaka Tax Bar, Bangladesh Bar Council; executive committee member of IPAB; member of Legal sub-committee of MCCI, FICCI and enrolled as an Advocate in the Supreme Court of Bangladesh.

Board of Directors



Md. Abul Hossain
Non-Executive Director

Md. Abul Hossain was joined on the UCL Board in August 2019 as nominated Director by the Investment Corporation of Bangladesh (ICB). He has been the Managing Director of ICB since 21 August 2019, the core public sector investment bank of the Country. Mr. Hossain has more than 30 years of diversified experience in investment banking, specialized and commercial banking, islamic banking, asset management and IT. He started his career as a System Analyst and Senior Principal Officer of ICB in 1998 and served different positions in the same organization. Prior to his joining in ICB, he acted as the Managing Director of Karmasangsthan Bank. He also served as the Managing Director (Additional Charge) and Deputy Managing Director of Bangladesh Krishi Bank. Mr. Hossain has been contributing his professional expertise as the Chairman of ICB Capital Management Ltd. Apart from that he is now serving as the Director of British American Tobacco Bangladesh, Standard Bank, National Tea Company (NTC), Apex Tannery, United Power Generation & Distribution (UPGDCL), Apex Footwear, Ratanpur Steel Re-rolling Mills Limited (RSRM), Heidelberg Cement Bangladesh and Padma Bank.



Mohsin Uddin Ahmed
Independent Director

Mohsin Uddin Ahmed joined the Board in February 2018 as Independent Director. Mohsin is currently the Chief Executive Officer (CEO) of New Zealand Dairy Bangladesh Limited. He was the Managing Director of LINDE Bangladesh Limited. Prior to joining LINDE Bangladesh, Mohsin was the President at Emami Group for its SAARC Countries' business operations. He started his career with British American Tobacco Bangladesh where he spent about five years in various roles under Trade Marketing and Distribution function. He was also the Sales Director of Nestle Bangladesh from 2003 to 2011. He was expatriated to Nestle Maghreb region (Morocco, Algeria & Tunisia) as Regional Sales Development Manager in Morocco. He started his early career in Unilever and worked in various capacities under Sales Operations and later in 2011 rejoined Unilever as Customer Development Director. He was also the Member of Unilever Bangladesh Board of Directors.

He holds a Master's degree in Applied Physics & Electronics from the University of Dhaka.



Reazul Haque Chowdhury
Independent Director

Reazul Haque Chowdhury was inducted to the Board as an Independent Director in April 2019. Currently, he is the Group Managing Director & CEO of Runner Automobiles Limited, prior to which, he was the Regional Director of Avery Dennison RBIS South Asia. He was also the Managing Director of Reckitt Benckiser Thailand Cluster (Thailand, Philippines & Indo-China). Mr. Chowdhury started his career at British American Tobacco as Territory Sales Manager. As a Business Manager, he has more than 28 years of wide experience in General Management, Sales, Brand Marketing, Trade Marketing and Shopper Marketing in the FMCG industry in South Asia and East Asia. He gathered significant experience in FMCG business management by working in increasingly senior positions in British American Tobacco, Customer Management Director in Unilever and Managing Director, Reckitt Benckiser Bangladesh, Reckitt Benckiser Sri Lanka Cluster and Reckitt Benckiser Thailand Cluster. He is also the member of multiple boards as Independent Director and member of Audit Committee and NRC. Currently, he sits in the Board of Hemas Bangladesh Limited, Evercare Hospital and Singer Bangladesh Limited as Independent Director. Mr. Chowdhury has a Bachelor (Hons.) and Master's degree in Marketing from Dhaka University. He also is a graduate in Advanced Management from INSEAD, Fontainebleau, France.

Company Secretary



Md. Naharul Islam Molla

Regulatory Affairs Head and
Company Secretary

Md. Naharul Islam Molla is the Regulatory Affairs Head and Company Secretary of Unilever Consumer Care Ltd. He has 24 years of professional experience in Food, Nutrition and Consumer Health Care sector. He joined the company in May 2016 and lead Regulatory and Corporate Affairs function of Bangladesh, Myanmar & Nepal for the Consumer Healthcare business as Director - Regulatory and Corporate Affairs. Nahar was inducted to the Company Board in December 2018.

Prior to UCL, he spent 19 years in Nestlé Bangladesh in various management positions including Expert Marketing, Business Excellence, Scientific Relations and Code Compliance.

He did both his graduation and post-graduation from Geology Department, University of Dhaka.

Audit Committee Report

The Audit Committee, appointed by and responsible to the Board of Directors of Unilever Consumer Care Limited (the “Company” hereafter), is constituted according to the internal control framework of the Company and as per Corporate Governance Code of the Bangladesh Securities and Exchange Commission (“BSEC”).

The Audit Committee comprises of four members, all of whom are non-executive directors. The Chairman of the Committee is appointed by the Board of Directors and is a non-executive independent director. The Company Secretary functions as the Secretary of the Committee. Meetings of the Committee are attended by the Finance Director, Head of Internal Audit and the External Auditors on invitation. All members of the Committee are financially literate and able to interpret financial statements and assess the adequacy of the internal control processes.

The terms of reference of the Audit Committee have been determined by the Board in accordance with the Audit Committee Charter.

Role of the Committee

The Audit Committee’s role flows directly from the Board’s oversight function and it is authorized by the Board to investigate any activity within its terms of reference. The Committee reports regularly to the Board on the performance of the activities it has been assigned. The Committee’s main responsibilities include:

Financial Reporting

To review the quarterly, half-yearly and annual financial statements of the Company along with management representatives, focusing particularly on any significant changes to accounting policies and practices before submission to the Board for approval. Particular focus is given on:

- Any significant changes to accounting policies and practices;
- Significant adjustments arising from audits;
- Compliance with applicable Financial Reporting Standards and other legal and regulatory requirements;
- The going concern assumption.

Related Party Transactions

To review any related party transactions and conflict of interest situations that may arise within the Company, including any transaction, procedure or course of conduct that may raise questions of management integrity.

Audit Reports

- To prepare the annual Audit Committee report and submit to the Board which includes summary of its activities and review the Board’s statements on compliance with the BSEC Codes of Corporate Governance for inclusion in the Annual Report;
- To review the internal Audit Committee Charter and make necessary revisions for the year. The Committee should determine that all responsibilities outlined in the charter have been carried out. In addition, the charter is reviewed and proposed updates presented to the Board for approval.

Internal Control

- To consider annually the Risk Management Framework adopted within the Company and to be satisfied that the methodology deployed allows the identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner.
- To consider whether internal control strategies recommended by internal and external auditors have been implemented timely by the management thereby ensuring that the system of internal control is soundly embedded, effectively administered and regularly monitored.
- To review the extent of compliance with established internal policies, standards, plans and procedures.
- To recommend to the Board steps to improve the system of internal control derived by the Committee from the findings of the internal and external auditors.

Internal Audit

- Monitor / evaluate whether internal audit functions are conducted independently from the management and ensure that Internal Auditors have open access to all activities, records, property and personnel necessary to perform its duties.
- Review and assess the annual internal audit plan and evaluate its consistency with the Risk Management Framework used.
- Review that findings and recommendations made by the Internal Auditors for removing the irregularities and ensure that appropriate action is being taken.
- Recommend any broader reviews deemed necessary as a consequence of the issues or concerns identified and raise/ensure special audit where necessary.
- Review the efficiency and effectiveness of internal audit function. Evaluate status reports from the Internal Audit and ensure that appropriate tracking is maintained on the action points agreed upon in order to implement the audit recommendations.

External Audit

- To review the external auditor’s audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and coordination of the external auditor;
- To review any matters concerning the appointment and re-appointment, audit fee and resignation or dismissal of the external auditor;
- To review and evaluate factors related to the independence of the external auditor and assist them in preserving their independence;
- To be advised of and decide to or not to make significant use of the external auditor in performing non-audit services within the Company, considering both the types of services rendered and the fees, so that its position as auditor is not deemed to be compromised;
- To review the external auditor’s findings arising from audits, particularly any comments and responses in management letters as well as the assistance given by the employees of the Company in order to be satisfied that appropriate action is being taken.

Other Matters

To act on any other matters as may be directed by the Board.

Activities Carried Out During the Year

In accordance with the "Audit Committee Charter", governed by the BSEC notification on Corporate Governance, the Audit Committee carried out its duties to work upon areas that were raised for consideration and discussed to evaluate issues related to key events of annual financial reporting cycle.

During the year 2020, the Audit Committee carried out the following activities:

1. Financial Reporting Assurance

- Reviewed the quarterly and annual financial statements of the Company, in light of the financial performance;
- Assessed compliance with applicable Financial Reporting Standards and other legal and regulatory requirements;
- Assessed the external auditor's report on all critical accounting policies, significant judgment and practices used by the company in producing the financial statements.

2. Internal Control and Risk Management Process

- Appraised on the Risk management and Internal Control framework of the Company;
- Reviewed the implementation status of financial internal controls that address risks related to business processes.

3. Internal Audit and Compliance

- Reviewed the Audit Committee Charter of the Company;
- Appraised and approved the Internal Audit Activity Charter;
- Assessed and endorsed the annual Internal Audit Plan 2020 in consideration of major risks of the Company;
- Reviewed all major findings arising from internal audit and monitored the corresponding management action to improve the controls.

4. External Audit

- Evaluated the eligibility for re-appointment of Statutory (external) Auditors and recommended the selection to the Board;
- Reviewed the scope of the services to be provided by the external auditors and did not approve any non-audit services to the external auditors;
- Reviewed the external auditors' findings, areas of concerns and the management's response thereto and is satisfied that the external auditors remain independent and that appropriate action is being taken on time.



The Committee is of the opinion that adequate risk management and controls are in place to provide reasonable assurance that the company's assets are safeguarded and that the financial position of the company is adequately managed.

The minutes of the Audit Committee meetings are placed subsequently to the Board for approval on regular basis which contains all issues along with various suggestions and recommendations to the Management and the Board.

Meetings and Attendance

In the year 2020, the Audit Committee met four times. The details of attendance of each member of the Audit Committee meetings in 2020 are as follows:

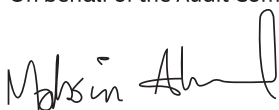
Name	Representation in Board	Representation in Audit Committee	Date of joining the Committee	No. of meetings in 2020	
				Held	Attended
Mr. Mohsin Uddin Ahmed	Independent Non-Executive Director	Chairman	1st December 2018	4	4
Mr. Reazul Huq Chowdhury	Independent Non-Executive Director	Member	10th April 2019	4	4
Mr. Abul Hossain	Nominated Non-Executive Director	Member	21st August 2019	4	4
Mr. Md. Zahidul Islam Malita	Nominated Non-Executive Director	Member	01st October 2020	1	1

Mr. Hasnain Ahmed attended all meetings as Finance Director in 2020 to provide clarifications on all Company financial matters.

Mr. Nahar Islam, Company Secretary, attended all meetings in 2020 in the role of Secretary of the Audit Committee.

Internal Audit Manager has attended all meetings of the Committee as Head of Internal Audit function during the year. Also, as other invitees External Auditor attended in one meeting to present the statutory Audit report and Management Letter for 2019 to the Committee.

On behalf of the Audit Committee



Mohsin Uddin Ahmed
Chairman
Audit Committee

Dhaka, 28 February 2021

Nomination and Remuneration Committee Report

The Nomination and Remuneration Committee (“Committee”) constituted by the Board of Directors (“Board”) of the Unilever Consumer Care Limited (“Company”) as a Sub-Committee of the Board which is in pursuance with the Bangladesh Securities and Exchange Commission’s Notification No. BSEC/CMRRCD/2006-158/207 /Admin/80 dated 3rd June 2018 (Corporate Governance Code), issued by Bangladesh Securities and Exchange Commission (“BSEC”).

The Committee comprises of four members, headed by an Independent Director and all of whom are Non-Executive Directors. The Company Secretary functions as the Secretary of the Committee.

The “Terms of Reference” of the Committee has been determined by the Board in accordance with the Corporate Governance Code.

Major Responsibilities of the Committee

The Committee is independent and responsible or accountable to the Board and to the Shareholders. The responsibilities of the Committee are as follows:

- Oversee and recommend a policy to the Board relating to the nomination criteria for determining qualifications, positive attributes, experiences and Independence of Directors and top-level executives.
- Assist the Board as required to identify individuals who are qualified to become Directors and who may be appointed in top-level executive position in accordance with the nomination criteria laid down and recommend their appointment/ re-appointment and removal to the Board.
- Oversee and recommend to the Board the policy on Board’s diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- Review the Code of Conduct of Board on a periodic basis and recommend any amendments for Board consideration.
- Identifying the company’s needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.
- Developing, recommending and reviewing annually the company’s human resources and training policies.
- Oversee and recommend a policy to Board relating to the remuneration of the Directors and top- level executives, considering the following:
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the company successfully,
 - The relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
 - Remuneration to Directors and top-level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- Assist the Board to formulate the criteria for evaluation of performance of the Board including Independent Directors.
- Recommend a report to the Board on activities of the Committee carried out during the financial year.

Nomination of Directors and Top-Level Executives

The Committee ensures that the procedures for nomination and appointment of Directors and Top-Level Executives are taken place in transparent, rigorous, and nondiscriminatory way. The Committee recommends the appointment of Directors and Top-Level Executives to Board, upon considering the integrity, qualification, expertise, positive attributes, experience, and independence (in case of Independent Director) of the person identified for appointment. As an equal employment opportunity employer, the Company takes pride in actively promoting diversity. The Board places great emphasis on ensuring its membership reflecting diversity in broader sense. The Committee assess the appropriate mix of age, gender, experience, ethnicity, educational background, nationality and other relevant personal attributes, skills, experience, and expertise required on the Board.



Remuneration for Directors and Top-Level Executives

The Reward philosophy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and reinforces the performance culture of the Company. The intent of Company's compensation policy is to ensure that the principles of Reward philosophy are followed in entirety, thereby facilitating the Company to recruit, retain and motivate the best talent. The ultimate objective is to gain competitive advantage by creating a reward proposition that inspires employees to deliver Company's promise to shareholders & consumers and to achieve superior operational results.

Executive Directors' and Top-Level Executives' compensation are benchmarked externally to ensure their total rewards package is competitive. Company's compensation policy defines the composition of Executive Directors' and Top-Level Executives' compensation package which comprises with fixed and incentive pay. The incentives are also tied in with Company's business performance.

Non-Executives Directors and Independent Directors are offered to receive reasonable remuneration from the Company as attendance fees.

Evaluation of the Board and Independent Directors

The performance of the Board and Independent Directors shall be evaluated on an annual basis, compiled on the reviews / feedback from the Directors themselves. The Board as a whole shall discuss and analyze its own performance during the year together with suggestions for improvement thereon. The evaluation process involves obtaining viewpoints from the Directors on the performance of the Board and Independent Directors through the use of pre-set questionnaire.

Activities Carried Out During the Year

In line with "Terms of Reference", the Committee carried out the following activities during the year 2020:

- Recommended a report to the Board on activities of the Committee carried out during the financial year 2019.
- Recommended the appointment of Directors to Board in accordance with the nomination criteria.
- Recommended the appointment of Top-Level Executive to Board in accordance with the nomination criteria.
- Reviewed the Company's existing Human Resources and Training policies.
- Oversaw the Company's Incentive Plan.
- Reviewed the "Code of Business Conduct and Ethics for Members of the Board of Directors" and recommended it to Board for approval with required amendments.
- Reviewed the "Terms of Reference" of Committee and recommended it to Board for approval with required amendments.

The minutes of the Committee meetings were presented at the next Board meeting following the Committee meeting.

Meeting and Attendance

In the year 2020, the Committee met three times. The details of attendance of each member of the Committee meetings are as follows:

Name	Representation in Board	Representation in Audit Committee	Date of joining the Committee	No. of meetings in 2020	
				Held	Attended
Mr. Reazul Haque Chowdhury	Non-Executive Independent Director	Chairman	10th April 2019	3	3
Mr. Mohsin Uddin Ahmed	Non-Executive Independent Director	Member	1st December 2018	3	3
Mr. Md. Abul Hossain	Nominated Non-Executive Director	Member	21st August 2019	3	3
Mr. Md. Zahidul Islam Malita	Nominated Non-Executive Director	Member	1st October 2020	1*	1

* One meeting of the Committee was held after inclusion of Md. Zahidul Islam Malita as Committee member.

Representatives from Human Resources Department were attended the meetings to give clarifications on agenda of the meetings.

On behalf of the Committee



Reazul Haque Chowdhury
Chairman

Nomination and Remuneration Committee
Date: 14 March 2021

Dividend Distribution Policy

1. Introduction

In compliance with the Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2021-386/03 dated 14th January 2021, the issuers of listed securities are required to formulate and disclose its Dividend Distribution Policy. Accordingly, the Board of Directors of Unilever Consumer Care Limited (herein after referred to as "the Company") has formulated and approved this Dividend Distribution Policy (herein after referred to as "the Policy").

2. Objective

The objective of this Policy is to provide clarity to stakeholders on the dividend distribution framework to be adopted by the Company. The Board of Directors shall recommend dividend in compliance with this Policy, the Articles of Association of the Company, the provisions of the Companies Act, 1994, relevant Directives / Orders published by the Bangladesh Securities and Exchange Commission and other applicable legal provisions.

3. Dividend Payout

The Company's Dividend Distribution Policy shall ensure that it returns cash from operations that is more than its immediate and foreseeable needs back to the shareholders over the long-term. The Company believes in continuous shareholder value enhancement and seeks to pay an attractive, sustainable and growing dividend to the shareholders of the Company.

The Board of Directors may, after considering the situation prevalent at the relevant point in time, propose if the dividend needs to be declared and if so, the rate at which it needs to be declared. The Board of Directors may consider declaration of both interim dividend and final dividend where interim dividend will be based on the performance of the Company during the period and final dividend will be based on the performance of the full year.

The Dividend recommended by the Board of Directors shall be subject to approval of the shareholders at the Annual General Meeting. Provided that no dividend shall be approved at the Annual General Meeting more than the amount recommended by the Board of Directors.

Dividend will be recommended out of the current year's Profit after Tax of the Company. In certain circumstances including but not limited to loss after tax in any particular financial year, the Board of Directors may consider utilizing retained earnings for recommendation of dividends, subject to applicable legal provisions.

In general, the actual quantum of dividend pay-out on a yearly basis will be dependent on the following factors:

3.1. Internal Factors

- Existing and expected underlying financial performance
- Cash flow and liquidity position
- Capital expenditure and investment plans
- Acquisitions and Disposals
- Restructuring activities
- Interim Dividend, if any, already declared during the year
- Future requirement of funds

3.2. External Factors

- Macro-economic environment
- Market conditions and consumer trends
- Changes in regulatory requirements
- Shareholder expectations

As such, any amount retained will be utilized for securing the long-term growth objectives of the Company, as may be approved by the Board of Directors, including but not limited to:

- Issuance of Bonus Shares
- Inorganic growth opportunities, including Merger and Acquisition
- Any other factors the Board of Directors deems proper, just and ensuring the law of the land.

4. Dividend Pay Out Method and Timing

The Company shall distribute declared and duly approved dividend to all shareholders in a timely manner and in line with Bangladesh Securities and Exchange Commission directions (as issued time to time) and any other applicable local laws, rules, and regulations.

5. Unclaimed Dividend

Any unclaimed or unsettled dividend shall be managed in line with Bangladesh Securities and Exchange Commission directions (as issued time to time) and any other applicable local laws, rules, and regulations.

6. Review

This Policy is issued with the consent of the Board of Directors of the Company and can be amended only with the authority of the Board of Directors as may be deemed appropriate by the Board of Directors of the Company.

7. Disclosure

This Dividend Distribution Policy (as amended from time to time) will be available on the Company's website and in the annual report.

Leadership Team





Leadership Team



**Khan Salahuddin
Mohammad Minhaj**
Managing Director

KSM Minhaj was inducted to the UCL Board in June 2020. Minhaj brings with him two decades of rich FMCG experience across multiple categories, while leading both Marketing and Sales Functions as a member of the Management Committee of Unilever Bangladesh over a period of 10 years.

He started his career at Nestlé Bangladesh in 2000, doing stints in Supply Chain and Brand Management before joining Unilever in 2006. He was one of the youngest Marketing Directors of the country in 2011. In 2014, Minhaj was appointed as Director, Sales and Customer Development of Unilever Bangladesh Limited.

Over the last 6 years, he has successfully transformed the function, making it future-fit by driving execution excellence, expanding distribution base, and creating a fine blend of Go-to-Market talent. He is currently non-executive Director of Unilever Bangladesh Limited Board. Minhaj is an inspiration for people across Unilever in Bangladesh and beyond. Minhaj is credited for building the country's best in class talent and establishing the winning culture that Unilever is so proud of. Earlier Minhaj did his Business Graduation from Faculty of Business Studies and MBA from IBA, University of Dhaka.



**Hasnain
Thoufiq Ahmed**
Finance Director

Hasnain Thoufiq Ahmed joined UCL (ex GSK) in June 2019 as Finance Director. As a Finance professional with diverse skills and proven business sense, Hasnain brings with him a solid 22 years of experience in Finance and Accounting field having more than 9 years International work experience in Malaysia and Myanmar.

Hasnain started his career at Nestlé Bangladesh and afterwards worked in renowned global organizations like British American Tobacco (BAT), Grameenphone Ltd. Prior to joining in his current role as Finance Director, he worked in Telenor Myanmar as Deputy CFO and Head of Business (B2B) division.

Hasnain is a Certified professional Accountant, a Fellow member of ICMAB and Associate member of ACCA (UK) and completed Bachelors and Masters of Commerce from University of Dhaka.



Aditya Kumar
Marketing Director

As Marketing Head, Aditya is responsible for the overall marketing activities of the Company. Aditya joined Unilever in Bangladesh to lead the integration of GSK-CH with Unilever and post that joined in 2020 as Marketing lead of the Company. Aditya joined Unilever in India in 2009 and started his career in sales in General Trade and Modern Trade. Post that he led marketing in various foods brands of Unilever in South Asian countries. Aditya has completed his MBA (post-graduation) from XLRI Jamshedpur, India.



**Md. Naharul Islam
Molla**

Regulatory Affairs Head
and Company Secretary

Md. Naharul Islam Molla is the Regulatory Affairs Head and Company Secretary of Unilever Consumer Care Ltd. He has 24 years of professional experience in Food, Nutrition and Consumer Health Care sector. He joined UCL (ex GSK) in May 2016 and lead Regulatory and Corporate Affairs function of Bangladesh, Myanmar & Nepal for the Consumer Healthcare business as Director - Regulatory and Corporate Affairs. He did both his graduation and post-graduation from Geology Department, University of Dhaka.



Shamima Akhter

Head – Corporate Affairs,
Partnerships and
Communications

As head of Corporate Affairs for Unilever in Bangladesh, Shamima looks after corporate affairs, partnerships for sustainability initiatives and company communications.

Shamima joined Unilever in 2019 and with 17 years of work experience, she has worked at global brands like Coca-Cola, Grameenphone, technology start-up QUBEE, USAID and UNDP.

Shamima holds a Master's Degree in Development Studies from North South University and Masters of Arts (Gender Studies) from the University of Dhaka.

Leadership Team



As General Sales Operations Head, Dev Paul is responsible for the Customer Development function of UCL Bangladesh. He has over 25 years of experience in commercial function, worked across different geographies and performed multiple roles. He joined the Nutrition team in 2013 as Sales Operations Manager and led multiple initiatives in GTM, Capability development, Sales automation, Visibility, Out of Home and Sales integration. He took over the current role from 1st November 2018 and had completed his EMBA from IBS, Hyderabad, India.



Saiful is a passionate HR professional who has more than 13 years of diverse experience in Telecommunications, Pharmaceuticals and FMCG industries. He started his career as Management Trainee at Warid Telecom (later Airtel) in 2008. He has worked in multiple roles in various stints at Airtel and was a key member in facilitating the transition from Warid to Airtel post acquisition. He joined the company in 2016 as HR Manager CH and Rewards Lead and took over as Country HR Head for Bangladesh, Nepal & Myanmar in February 2019.

He was member of the leadership team for transitioning GSK to Unilever in Bangladesh and setting up a new organization for company's retained business. Saiful completed his MBA degree from American International University – Bangladesh.



Ishrat Ahmed

Senior Legal Counsel
and Compliance Manager

Ishrat joined Unilever Bangladesh Ltd. as the Lead Counsel for the Acquisition of GSK Bangladesh Limited. After successful completion of the acquisition, she was appointed as the Senior Legal Counsel and Compliance Manager of UCL.

Ishrat comes with 10+ years of experience as Senior Legal Counsel of British American Tobacco, HSBC and She was the Head of Legal for Siemens Bangladesh Limited. She started her career with Dr. Kamal Hossain & Associates and has also worked as an Associate in Amir & Amir Law Associates. She has contributed to various projects of World Bank on a pro-bono basis.

A Barrister-at-Law (UK), a lawyer in Australia and Advocate of Supreme Court of Bangladesh. She has received various awards for outstanding performance as a contributor to the business that she served. She has studied in University of London and Griffith University, Australia and completed her Bar Vocational Course and LLM from the City, University of London.



Imtiaz Mahmud

Supply Chain Lead

Imtiaz joined the company supply chain in 2012. In his current role, he is responsible for UCL's supply chain operation.

Prior to joining UCL, he was at British American Tobacco Bangladesh. In his career, he moved across different roles within supply chain.

Imtiaz did his BSc. in Computer Science and Engineering from Ahsanullah University of Science and Technology.

Making ourselves ready for the future through digitalisation

The future is digital. Artificial Intelligence (AI), the Internet of Things (IoT), and social media are redefining how consumers interact with our brands and products. New technology is making the production lines more efficient and cost-effective, and digital channels are strengthening the bond between consumers, the company, and its products through precision target marketing. Hence, it is more important than ever before to equip ourselves with the right tools and mindset to excel in the digital era.







BUSINESS REVIEW

67	Director's Report to the Shareholders in English
73	Director's Report to the Shareholders in Bangla
78	Management Discussion and Analysis
80	Key Operating and Financial Data
81	Key Performance Indicators
82	Analysis of Revenue
83	Value Added Statement
85	Shareholding Information
86	Certificate of Compliance
87	Corporate Governance Compliance Status
103	CEO and CFO's Certification

Directors Report to the Shareholders for the year ended 2020

Dear Shareholders,

The Board of Directors has the pleasure of presenting the Directors' Report and Auditor's Report together with the audited financial statements of Unilever Consumer Care Limited ("Company") for the year ended 31 December 2020.

The Directors' Report has been prepared in accordance with Corporate Governance Code issued by Bangladesh Securities & Exchange Commission ("BSEC") vide its Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018 and Section 184 of the Companies Act 1994. This report is being presented to the Shareholders at the Forty-Eight Annual General Meeting of the Company scheduled on 29 April 2021.

Our Business and Activities

Unilever Consumer Care Limited (previously known as GlaxoSmithKline Bangladesh Limited) was incorporated on 25 February 1974 as a public limited Company and is listed with Dhaka Stock Exchange Limited since 1976. On 30 June 2020, 81.98% of shares of the Company were acquired by Unilever Overseas Holdings B.V., UK as part of the Share Purchase Agreement signed between SETFIRST Limited and Unilever NV (Unilever NV nominated Unilever Overseas Holdings B.V., UK as the buyer of the shares). Consequently, the Company became a subsidiary of Unilever Overseas Holdings B.V., UK and the name of the Company changed to Unilever Consumer Care Limited upon securing necessary approvals from relevant regulatory bodies of the Country.

The principal activities of the Company include manufacturing and marketing of consumer healthcare products under the brands' names Horlicks, Boost, Maltova, and Glaxose D. Majority of the products are manufactured in Bangladesh through third-party manufacturing arrangements.

Oral Healthcare ("OHC") brand Sensodyne is no longer part of the Company's portfolio as the brand owner withdrew the authorization of marketing and distribution of this brand by the Company.

Industry Outlook and Possible Future Developments

Overall, Fast Moving Consumer Goods ("FMCG") market, grew by 6% in 2020 in value. Major contributions came from Non-food Category which grew by 14%, while Food Category grew by only 2%. Non-food Category growth was fueled by the increase in demand for home and personal care products during the pandemic.

At Unilever, operating principle throughout the world is focused around sustainable value creation while delivering superior business results. The Company will continue to focus on serving top-quality nutrition products through its numerous iconic brands while adopting changes in packaging, product, pricing, and communication to be more relevant to its consumers. This will ensure consistent, competitive, profitable and responsible growth for the Company.

With rising income and increasing health awareness, there is a sustained opportunity to increase the penetration level of

the Health Food Drink ("HFD") and Glucose category in the future, by offering a range of relevant solutions at affordable price points. A key area of focus would be leveraging the strength of distribution channels in reaching consumers effectively with impactful innovations to meet new and evolving consumer needs.

Business Performance through Sustainable Value Creation

The Company focused heavily on its consumer healthcare business throughout 2019 and 2020 after discontinuing the pharmaceuticals business in Bangladesh since October 2018. In 2020, driving affordability through the right pack-price introduction, generating demand through brand building interventions were rolled out along with a strong focus on commercial excellence.

The Company, through in-depth market analysis, identified availability and affordability as key intervention areas to address. Thus, the focus was to reach more consumers through targeted, stronger, and deeper product distribution strategy along with convenient smaller packs at attractive price points. To complement customer development and channel strategy, it also came up with consumer-focused brand-building campaigns for Horlicks. Mother's Horlicks and Junior Horlicks campaigns thereby ensuring that the consumers are aware of its innovations which is relevant for them. The Company also invested heavily in innovative digital communication and distribution channels to ensure a superior consumer experience at an optimized cost. As an outcome, the flagship brand Horlicks managed to increase its penetration to 13.9% in 2020 vs 12.4% in 2019, led by double-digit growth in small packs consumption.

However, due to the unprecedented COVID-19 outbreak, the Company's operation was severely impacted by raw materials shortages, especially the Dry Mix Ingredients ("DMI"), which is a core ingredient of the HFD segment resulting in a short supply of finished goods in the market. Moreover, sales of Glaxose D also suffered mainly as the consumption triggers were missing during peak session. As a result, overall revenue in 2020 has declined by 14%.

Financial Performance

Based on the business performance in a challenging year, the Directors are pleased to report the financial results of the Company for the year ended 31 December 2020

Particulars	BDT crore		
	2020	2019	vs 2019
Revenue	346.9	404.2	-14%
Cost of Sales	187.6	181.1	4%
Gross Profit	159.3	223.1	-29%
Gross Margin	45.9%	55.2%	-9%
Profit from Operations	53.5	107.1	-50%
Profit before Tax	66.7	117.9	-43%
Income Tax Expenses	17.0	16.2	5%
Profit/(loss) from Discontinued Operations	3.2	-3.1	
Profit after Tax	52.9	98.6	-46%
% to Turnover	15.3%	24.4%	-9%

Cost of Goods Sold

The cost of goods sold increased by 28.6% during 2020 due to DMI price inflation at 11%, DMI duty increased from 15% to 25% together with one-off release in 2019.

Gross Profit Margin

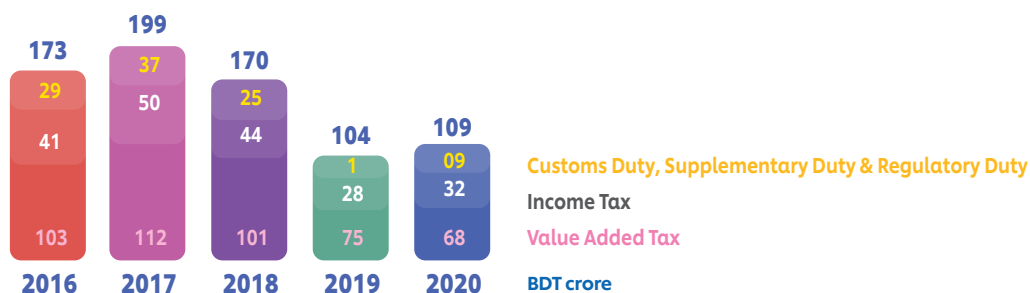
Gross profit declined by 29% mainly due to sales loss caused by COVID impact and increased Cost of Goods Sold.

Net Profit Margin

Profit after tax has declined by 46% due to lower gross profit, one-off write-off of ERP system, new Royalty, and Technical fees partly offset by cost savings from marketing and operating expenses.

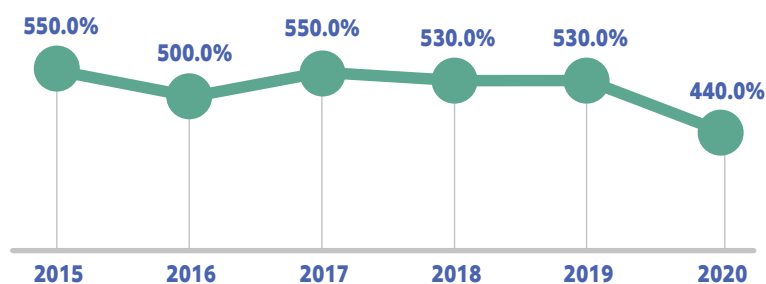
Contribution to National Exchequer

Since its incorporation in Bangladesh, the Company has always made a significant contribution to the National Exchequer in the form of duties and taxes. During the year 2020, the Company contributed a sum of BDT 109.4 Crore which is a 5% increase in 2020 vs prior year.



Distribution to Equity Shareholders

In consideration of the above business and financial performance, the Board of Directors recommended a final dividend of 440% i.e., BDT 44 per share of BDT 10 each for the year 2020. The recommended dividend, if approved by the Shareholders at the Annual General Meeting, will involve a cash outflow of BDT 53 Crore.



Key Operating and Financial Data

The summarized key operating and financial data for the five years (2016-2020) is presented below: (The detail version is presented in Annexure-II).

	BDT crore				
Particulars	2020	2019	2018	2017	2016
Revenue	346.9	404.2	481.7	465.7	628.4
Cost of Sales	187.6	181.1	256.7	243.3	383.4
Gross Profit	159.3	223.1	224.9	222.4	245.0
Operating Expenses	105.7	116.0	106.6	114.1	161.9
Profit from Operations	53.5	107.1	118.3	108.3	83.1
Finance Income	17.5	16.9	11.7	6.4	6.1
Finance Expense	0.7	-	0.1	0.1	0.2
Profit before WPPF & Taxation	70.3	123.9	130.0	114.6	89.0
Contribution to WPPF	3.7	6.0	-	5.0	4.5
Profit before Tax	66.7	117.9	130.0	109.6	84.6
Income Tax Expenses	17.0	16.2	(9.7)	27.8	20.1
Profit/(Loss) from Discontinued Operation	3.2	(3.1)	(203.2)	(14.8)	-
Profit after Tax	52.9	98.6	(63.5)	66.9	64.5

Board of Directors

As of 31st December 2020, there were nine members on the Board. The Board comprises of Executive and Non-Executive Directors. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions. Two Directors, including the Managing Director, are Executive Directors. There are seven Non-Executive Directors, out of which two are Independent Directors.

Board of Directors Meeting and Attendance

During the year 2020, 08 (Eight) meetings were held. The following table shows the composition of the Board and members attendance at the Board meetings :

Name of Directors	Number of Meetings	Meetings Attended	Remarks
Mr. Masud Khan (Chairman)	08	08	Among the eight meetings, he participated in five meetings as a nominated Director of Setfirst Limited. On 30 June 2020, he resigned and then has been appointed as a nominated Director of Unilever Overseas Holdings B.V.
Mr. Khan Salahuddin Mohammad Minhaj (Managing Director)	03	03	Appointed with effect from 30th June 2020, as nominated by Unilever Overseas Holdings B.V.
Mr. Hasnain Thoufiq Ahmed (Finance Director)	08	08	Among the eight meetings, he participated in five meetings as a nominated Director of Setfirst Limited. On 30 June 2020, he resigned and then has been appointed as a nominated Director of Unilever Overseas Holdings B.V.
Mr. Kedar Lele (Non-Executive Director)	03	03	Appointed with effect from 30th June 2020, as nominated by Unilever Overseas Holdings B.V.
Mr. Md. Zahidul Islam Malita (Non-Executive Director)	03	03	Appointed with effect from 30th June 2020, as nominated by Unilever Overseas Holdings B.V.
Mr. S.O.M. Rashedul Quayum (Non-Executive Director)	03	03	Appointed with effect from 30th June 2020, as nominated by Unilever Overseas Holdings B.V.
Mr. Md. Abul Hossain (Non-Executive Director)	08	08	Existing
Mr. Mohsin Uddin Ahmed (Independent Director)	08	08	Existing
Mr. Reazul Haque Chowdhury (Independent Director)	08	07	Existing
Mr. Prashant Pandey	05	05	Resigned with effect from 30th June 2020.
Mr. Zahedur Rahman	05	05	Resigned with effect from 30th June 2020.
Mr. Mohammad Naharul Islam Molla	05	05	Resigned with effect from 30th June 2020.
Mr. Nitin Mathur	02	02	Resigned with effect from 30th June 2020 (Appointed with effect from 10th June 2020).
Mr. Devashish Dasgupta	02	00	Resigned with effect from 1st April 2020.

The members who could not attend the meeting were granted leave of absence.

Appointment/Reappointment of Directors

According to section 91(2) of the Companies Act, 1994 and Article 85 of The Articles of Association of the Company, one-third of the Directors excluding the Managing Director shall be retiring by rotation at every Annual General Meeting and if eligible, qualify for re-election.

Accordingly, the Director retiring by rotation is Mr. Abul Hossain who being eligible, offers himself for re-election.

According to the Article 89 of The Articles of Association of the Company, Directors appointed at Casual Vacancy or as Additional Directors shall be retiring in the ensuing Annual General Meeting and if eligible, qualify for re-election.

Accordingly, Mr. Masud Khan, Mr. Hasnain Thoufiq Ahmed, Mr. Kedar Lele, Mr. Md. Zahidul Islam Malita and Mr. S.O.M. Rashedul Quayum having been appointed to the Board since the last Annual General Meeting, shall retire and being eligible, offer themselves for re-election.

As per the stipulation of the BSEC's Corporate Governance Code, the tenure of Mr. Mohsin Uddin Ahmed as Independent Director was completed on 31 January 2021. The Board, subject to Shareholders' approval in the ensuing Annual General Meeting, has been re-appointed Mr. Mohsin Uddin Ahmed as Independent Director of the Company for another tenure of three years effective from 01 February 2021.

The brief resumes of re-electing / re-appointing Directors are given below:

Masud Khan

A brief resume of Mr. Masud Khan has been presented on Page No. 48

Hasnain Thoufiq Ahmed

A brief resume of Mr. Hasnain Thoufiq Ahmed has been presented on Page No. 48

Kedar Lele

A brief resume of Mr. Kedar Lele has been presented on Page No. 49

Md. Zahidul Islam Malita

A brief resume of Mr. Md. Zahidul Islam Malita has been presented on Page No. 49

S.O.M. Rashedul Quayum

A brief resume of Mr. S.O.M. Rashedul Quayum has been presented on Page No. 49

Md. Abul Hossain

A brief resume of Mr. Md. Abul Hossain has been presented on Page No. 50

Mohsin Uddin Ahmed

A brief resume of Mr. Mohsin Uddin Ahmed has been presented on Page No. 50

Remuneration of Directors, Including Independent Directors

During the year, the Company has paid a total of Tk. 11,00,000 as Board meeting attendance fees including AIT and VAT to the Independent and Non-Executive Directors excluding Directors who are in the employment of the Unilever Group Companies. The remuneration of the Directors has been disclosed in note 34 of the Financial Statements.

Code of Conduct

The Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee has laid down a "Code of Business Conduct and Ethics" for the members of the Board of Directors of the Company which is also readily available at Company's website www.unilever.com/UCL-bd.html. All Directors signed an annual declaration for the year 2020, confirming their compliances with this Code.

Directors' Declaration on Financial Reporting

The full financial statements are presented in a later section of the annual report, along with the full notes of disclosures. The Directors confirms the following in accordance with the requirements of Corporate Governance Code 2018 issued by BSEC dated June 03, 2018:

- The financial statement prepared by the management of the Company presents fairly its state of affairs, the result of its operations, cash flows, and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards ("IFRS") have been followed in the preparation of the financial statements and any departure there-from has been adequately disclosed;
- There is no significant variance between Quarterly Financial Performance and Annual Financial Statements;
- All deviations from the last year's operating results of the Company have been highlighted under the above point (Financial Performance);

Certification by Managing Director and Finance Director

Certification by the Managing Director and Finance Director on the financial statements is presented in Annexure-V.

Other Regulatory Declaration by Directors

- Utilization of proceeds from public issues is not applicable;
- Explanation of financial results after IPO is not applicable; Explanation for not declaring the dividend for the year is not applicable;
- No bonus share or stock dividend has been declared as interim dividend during the year;
- Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;
- During the year under review, the Company has not received any reportable complaints from its Shareholders.

Management's Discussion and Analysis

In accordance with condition no. 5(XXV) of Corporate Governance Code as issued by BSEC, Management's Discussion and Analysis reviewed by Audit Committee has been duly signed by the Managing Director and Finance Director of the company and is set out in Annexure-I.

Shareholding Pattern

The shareholding information as of 31 December 2020 and other related information are set out in Annexure-III.

Related Party Transaction

All related party commercial transactions were made on the basis of "Arm's Length Transactions". Related party transactions have been presented in note 36 of the Financial Statements.

Going Concern

The Directors believe that the company is a going concern and there are no significant doubts upon the company's ability to continue as a going concern. Accordingly, Financial statements are prepared on a going concern basis.

Risks and Concerns

The company aims at ensuring business integrity through rigorous processes and systems. The company observes group mandated control Governance Framework for financial processes, called Global Financial Control Framework ('GFCF'), which monitors and addresses financial process risks, tested both locally and globally. The Risk Management Framework is detailed out in the Corporate Governance chapter on page 43.

Internal Control

The company maintains a sound internal control approach in line with group mandated Governance Framework for financial processes, which allows to establish, assess and enhance its internal controls for more accurate financial reporting, prevention of fraud, and the protection of company assets. Besides, Control Frameworks for access to our systems and other IT-based operations are also in place to address data security risks.

The Audit Committee, on behalf of the Board of Directors, appraises the Internal Control Framework of the company. The outcomes from both internal and external audit findings are considered to assess the state of key controls. The audit observations and necessary corrective actions have been presented and reviewed by the Audit Committee on a quarterly basis. Internal audit function, as per the annual plan approved by the committee, conducted periodic process audits throughout the year to assess the effectiveness of controls. Based on the internal audit reports, process owners undertake necessary action in their respective areas and thereby strengthen the controls. This annual report further encloses a detailed discussion on the Internal Control Framework as well as activities of the Audit Committee under the Corporate Governance section.

People Update

2020 was a critical year for the Company from the people aspect due to the integration and also the COVID-19 outbreak. However, with resilience, perseverance, and a growth mindset, the Company managed to overcome the

challenges and made commendable progress.

The Human Resources team relentlessly supported the continuity of business momentum through business transformation. After the integration announcement of the Nutrition business in Bangladesh, the Company seamlessly aligned business processes and successfully onboarded all employees into Unilever's ways of working. Relentless efforts were made to ensure that the employees are provided with the best possible learning experience, career development opportunities and are made part of initiatives for their overall physical and mental wellbeing.

Due to the global pandemic, the Company put more emphasis on employee's Health and well-being more than ever.

The Country-level Incident Management Team ("IMT") regularly followed up on the status of COVID-19 spread, provided 100% testing facilities, and required medical support to the employees. The Company adopted work from home for all employees across the Country from the beginning of the pandemic.

Safety, Health & Environment ("SHE") remained as one of the Company's priorities in 2020. The Company remained committed to ensuring a 'Zero Accident' record throughout the year and provided wellbeing support for a safe and risk-free environment for its employees.

As a result of all these initiatives, the overall employee engagement score for the Company has reached an all-time high.

Business Integrity

At Unilever, we believe in growing responsibly and sustainably. Our Code of Business Principles and 24 Codes define non-negotiables for all our employees. It codifies our values, making clear what is expected from our people. Through living our Code, we bring our values and purpose to life, every day in everything we do.

Unilever also requires its third-party business partners and their employees to adhere to business principles consistent with its own. As a purpose-led company, our values are the foundation of our success and essential to achieving our ambition of making sustainable living commonplace. Living the Code means putting our values into practice and reiterate our commitment to doing good, this helps us to deliver value with values.

The Code of Business Principles and Code Policies have been implemented at Unilever Consumer Care Ltd. The Code of Business Principles is the guidebook for putting our values into practice. It sets out a clear standard of conduct to ensure that we always make the right choice, providing a framework of simple "musts" and "must not". It's a document which not only protects Unilever, and every one of us but will help us to have a meaningful impact on the lives of millions of people across our value chain.

Employees have demonstrated a very positive approach towards living the Unilever Codes and they have also adopted the new expectations of accountability, courage, development, and teamwork in their ways of work.

Breaching the Code or Code Policies could have very serious consequences for Unilever and for the individuals involved. As such, the Company has in place reporting channels through which employees can promptly raise concerns of

possible misconduct, potential conflicts, or known breaches of the Code of Conduct, company policies, and procedures. The process is maintained with the utmost confidentiality. It entails options of remaining partially or anonymous. There is zero tolerance for retaliation. At Unilever, we ensure employees can raise such concerns without risking any kind of reprisal.

Our Responsibilities for Sustainable Bangladesh

Since its inception, the Company is known for being a responsible and committed organization. After the integration with Unilever, the Company is now part of the greater global commitments of Unilever as per their guiding philosophy, Compass. With the renewed focus, the Company is in the process of incorporating purpose-led business principles at all levels.

Unilever, as a Company, wants to be a partner of sustainable growth, opportunity creation, and community empowerment. In alignment with the global commitment, the Company has leveraged its long-term partnership with CARE to support community health workers during the COVID-19 outbreak. Along with numerous other community support activities such as food distribution, the Company has supported the Ministry of Health and Family Welfare by providing 20,000 pcs of N-95 masks, 10,000 pcs of FFP2 masks and 16,000 pairs of gloves for use by front-line healthcare professionals in their fight against COVID-19.

Details of these initiatives are provided on page 34-36.

Corporate Governance Compliance Report

As part of its corporate policy, the Company always strives to maintain high standards of compliance in corporate governance. The Company's Corporate Governance Charter, outlined in the Corporate Governance section, defines how the Company will be operated and managed, and the process in place to ensure high standards of transparency, accountability, and integrity.

We are pleased to confirm that the Company has complied with all necessary guidelines in accordance with the requirements of Corporate Governance Code. The Status of Compliance on Corporate Governance Code for the year 2020 is attached in Annexure-IV of this report, along with the Certificate of Compliance required under the said code.

Statutory Auditors

The present auditors, Hoda Vasi Chowdhury & Co., Chartered Accountants, shall retire from their office in ensuing Annual General Meeting and shall have passed a consecutive period of three years as Statutory Auditors of the Company. As per law, they are not eligible for re-appointment as Statutory Auditors of the Company. The Board has recommended the appointment of Rahman Rahman Huq & Co., Chartered Accountants as the Statutory Auditors of the Company for the year 2021 subject to the approval of Shareholders in the ensuing Annual General Meeting.

Compliance Auditors

As per stipulation of the BSEC's Corporate Governance Code, Board has recommended the re-appointment of Mabs & J Partners, Chartered Accountants as Compliance Auditors for the year 2021 subject to the approval of Shareholders in ensuing Annual General Meeting.

Acknowledgement

The Board of Directors would like to thank all employees of the Company who have been championing Unilever's purpose of making sustainable living commonplace and demonstrated the values of the Company every day.

We are deeply grateful for the trust and confidence in your Company from consumers and business partners who continue to inspire us. We are honor-bound to continue to uphold this trust that we hold so dear.

Unilever Consumer Care would like to express its heartfelt thanks to all its stakeholders, including The Prime Minister's Office, Ministry of Home Affairs, Ministry of Public Administration, The Bangladesh Securities and Exchange Commission, The Dhaka Stock Exchange Limited, the Bangladesh Investment Development Authority, the Ministry of Health and Family Welfare, the Ministry of Labour, the Ministry of Food, Bangladesh Food Safety Authority ("BFSA"), Bangladesh Standard & Testing Institute ("BSTI"), the Central Depository Bangladesh Limited, Financial Institutions, Insurance Companies, National Board of Revenue ("NBR"), Utility Providers, various Government authorities and other individuals and agencies for their support during the integration process and the COVID-19 pandemic.

On behalf of the Board



Chairman

14th March 2021

শেয়ার হোল্ডারের জন্য পরিচালনা পর্ষদের প্রতিবেদন - ২০২০

প্রিয় শেয়ারহোল্ডার,

পরিচালনা পর্ষদ অত্যন্ত আনন্দের সাথে ২০২০ সালের ৩১ ডিসেম্বর সমাপ্ত বছরের জন্য ইউনিলিভার কনজুমার কেয়ার লিমিটেড (কোম্পানির) নিরীক্ষিত আর্থিক বিবরণীর সাথে পরিচালকদের প্রতিবেদন এবং নিরীক্ষকের রিপোর্ট উপস্থাপন করছে। প্রতিবেদনটি বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন ("বি.এস.ইসি") দ্বারা জারি করা কর্পোরেট গভর্নেন্স কোড (নোটিফিকেশন নং বি.এস.ইসি/সি.এম.আর.আর.সিডি/২০০৬-১৫৮/২০৭/অ্যাডমিন/৮০, ৩ জুন ২০১৮) এবং কোম্পানির আইন-১৯৯৪ সালের ৯৮৪ ধারা অনুসারে প্রস্তুত হয়েছে। প্রতিবেদনটি ২৯ এপ্রিল ২০২১ তারিখে অনুষ্ঠিত কোম্পানির আটচল্লিশতম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের নিকট উপস্থাপন করা হচ্ছে।

আমাদের ব্যবসায়িক কার্যক্রম

ইউনিলিভার কনজুমার কেয়ার লিমিটেড (পূর্বে গ্ল্যাক্সোস্মিথক্লাইন বাংলাদেশ লিমিটেড) ১৯৭৪ সালের ২৫ ফেব্রুয়ারি একটি পাবলিক লিমিটেড কোম্পানি হিসেবে যাত্রা শুরু করে। পরবর্তীতে ১৯৭৬ সালে কোম্পানি ঢাকা স্টক এক্সচেঞ্জ লিমিটেডে তালিকাভুক্ত হয়। সেটফাস্ট লিমিটেড এবং ইউনিলিভার এনভি (ইউনিলিভার ওভারসিজ হোল্ডিংস বি.ডি ইউকে মনোনীত ক্রেতা) মধ্যে সম্পাদিত শেয়ার ক্রয় চুক্তির অংশ হিসাবে ৩০ জুন ২০২০ তারিখ কোম্পানির ৮১.৯৮% শেয়ার ইউনিলিভার ওভারসিজ হোল্ডিংস বি.ডি, ইউকে ক্রয় করে। এর ফলস্বরূপ, কোম্পানিটি ইউনিলিভার ওভারসিজ হোল্ডিংস বি.ডি., এর একটি সাবসিডিয়ারিতে পরিণত হয় এবং নিয়ন্ত্রক সংস্থাপ্ত থেকে প্রয়োজনীয় অনুমোদনের প্রাপ্তির পরে এই কোম্পানির নাম ইউনিলিভার কনজুমার কেয়ার লিমিটেড করা হয়।

আমাদের কোম্পানি হরলিন্স, বুস্ট, মালটোজ এবং গ্ল্যাক্সোজ ডি ব্র্যান্ডগুলোর অধীনে হেলথ ফুড ড্রিংক (এইচএফডি) উৎপাদন ও বিপণন করে থাকে। এই ব্র্যান্ডগুলোর অধিকাংশ পণ্য থার্ড পার্টি উৎপাদন চুক্তির মাধ্যমে বাংলাদেশে উৎপাদন করা হয়।

ওরাল হেলথ কেয়ার ("ও.এইচসি") ব্র্যান্ড "সেলোডেন" এর লাইসেন্সিং সংস্থা কর্তৃক বিপণন ও বিতরণের অনুমোদন প্রত্যাহার করে নেওয়ায় ব্র্যান্ডটি বর্তমানে কোম্পানির পোর্টফোলিওর অংশ নয়।

ব্যবসার বর্তমান পরিস্থিতি এবং সম্ভাব্য ভবিষ্যত উন্নয়ন

সামগ্রিকভাবে, নিত্য ব্যবহার্য ও ভোগ্যপণ্য (এফএমসিজি) - এর বাজার ২০২০ সালে ৬% বৃদ্ধি পায়। বৈশ্বিক মহামারির কারণে নন ফুড ক্যাটাগরির পার্সোনাল এবং হোম কেয়ার প্রোডাক্ট এর চাহিদা বৃদ্ধি এফএমসিজি পণ্যের বাজার বৃদ্ধির অন্যতম কারণ। এই সময়ে, নন ফুড ক্যাটাগরির পণ্যের বাজার ১৪% বৃদ্ধি পায়, যখন ফুড ক্যাটাগরিতে বৃদ্ধির হার ছিল মাত্র ২%।

আর্থিক ফলাফল

পরিচালকবৃন্দ অত্যন্ত আনন্দের সাথে, ৩১ ডিসেম্বর ২০২০ তারিখে সমাপ্ত চ্যালেঞ্জিং একটি বছরের আর্থিক ফলাফল উপস্থাপন করছে--

বিবরণ	২০২০	২০১৯	বনাম ২০১৯
রাজস্ব	৩৪৬.৯	৪০৪.২	-১৪%
বিক্রয়লব্ধ আয়	১৮৭.৬	১৮১.৯	৪%
মোট মুনাফা	১৫৯.৩	২২৩.১	-২৯%
মোট মার্জিন	৪৫.৯%	৫২.২%	-৯%
চলমান কার্যক্রম থেকে মুনাফা	৫৩.৫	১০৭.৯	-৫০%
কর পূর্ববর্তী মুনাফা	৬৬.৭	১১৭.৯	-৪৩%
আয়কর খরচ	১৭.০	১৬.২	৫%
বন্ধ কার্যক্রম থেকে লাভ/লোকসান	৩.২	-৩.৯	-
কর পরবর্তী মুনাফা	৫২.৯	৯৮.৬	-৪৬%
% টার্নওভার	১৫.৩%	২৪.৪%	-৯%

বিশ্ব জুড়ে ইউনিলিভার ব্যবসায়িক সফলতা অর্জনের পাশাপাশি টেকসই উন্নয়নে ভূমিকা রাখতে বদ্ধপরিকর। নিকট ভবিষ্যতে গ্রাহক চাহিদা পূরণে, কোম্পানিটি নিজের বিখ্যাত ব্র্যান্ডসমূহের মাধ্যমে উন্নত পণ্য সরবরাহের পাশাপাশি প্যাকেজিং, মূল্য নির্ধারণ ও ভোক্তাদের সাথে যোগাযোগের চ্যানেলে পরিবর্তন আনবে।এরই মাধ্যমে কোম্পানি স্থায়ী, প্রতিযোগিতামূলক, লাভজনক উন্নতি নিশ্চিত করবে।

বাংলাদেশের জনগণের ক্রমবর্ধমান মাথাপিছু আয় ও স্বাস্থ্য সচেতনতা বৃদ্ধির কারণে হেলথ ফুড ড্রিংক বা এইচএফডি ও গ্লুকোজ ক্যাটাগরির পণ্যের বাজারে সাম্রয়ী মূল্যে ভাল মানের পণ্য সরবরাহের মাধ্যমে বাজার বৃদ্ধির সুযোগ রয়েছে। এ ক্ষেত্রে কোম্পানির অন্যতম লক্ষ্য থাকবে বিক্রয় এবং বিপণন ব্যবস্থার শক্তি ব্যবহার করে ভোক্তাদের কাছে কার্যকরীভাবে সঠিক পণ্য পৌঁছানো ও উদ্ভাবনের মাধ্যমে ভোক্তাদের নতুন ও পরিবর্তনশীল চাহিদা মেটানো।

টেকসই উন্নয়নের মাধ্যমে ব্যবসা বৃদ্ধি

অক্টোবর ২০১৮ তে বাংলাদেশে ফার্মাসিউটিক্যাল ব্যবসা বন্ধ করার পর কোম্পানি ২০১৯ ও ২০২০ সালে জুড়ে স্বাস্থ্য সেবা খাতে কর্মসূচি পরিচালনা করেছে। ২০২০ সালে ব্যবসায়িক উৎকর্ষ নিশ্চিত করার পাশাপাশি "রাইট প্রাইস প্যাক" লক্ষ্যের মাধ্যমে আরও বেশি ভোক্তা শ্রেণির কাছে পৌঁছানোর প্রচেষ্টা নেওয়া হয় ও ব্র্যান্ড বিভিন্ন কার্যক্রমের মাধ্যমে পণ্যের চাহিদা তৈরি করা হয়। এর পাশাপাশি কমার্শিয়াল এন্ট্রিলেজ তৈরিতে জোরালো পদক্ষেপ নেওয়া হয়।

কোম্পানির করা বিপণন সমীক্ষায় পণ্যের দাম ও পণ্যের প্রাপ্যতাকে মূল ভোক্তা চাহিদা হিসেবে চিহ্নিত করা হয়। ফলাফলস্বরূপ, অধিক গ্রাহকের কাছে পৌঁছানোর উদ্দেশ্যে আরো নির্দিষ্ট লক্ষ্যবস্ত্ত সহ, শক্তিশালী পণ্য বিতরণের কৌশল গ্রহণ করা হয় ও সাম্রয়ী মূল্যের ছোট প্যাকেজ প্রবর্তন করা হয়। গ্রাহক বৃদ্ধি ও চ্যানেল কৌশলের পাশাপাশি হরলিন্সের জন্যে গ্রাহক ব্র্যান্ড বিভিন্ন ক্যাম্পেইন শুরু করা হয়। মাদার্স হরলিন্স ও জুনিয়র হরলিন্স এর ক্যাম্পেইন ভোক্তাদের প্রাসঙ্গিক উদ্ভাবন সম্পর্কে অবগত করে। কোম্পানি সাম্রয়ী মূল্যে উন্নত গ্রাহক অভিজ্ঞতার লক্ষ্যে অভিনব আধুনিক যোগাযোগ এবং বিতরণ চ্যানেলে বিপুল বিনিয়োগ করে। এরই ফলস্বরূপ, অন্যতম ব্র্যান্ড হরলিন্সের ছোট প্যাকেজ সফলতার উপরে ভিত্তি করে ২০২০ সালের হাউসহোল্ড পেনিট্রেশন ১৩.৯% হয় যা ২০১৯ সালে ১২.৪% ছিল।

ফিন্সি কোভিড - ১৯ এর ফলে ড্রাই মিস্স ইনগ্রিডিয়েন্ট (ডি এম আই), যা এইচএফডি পণ্য উৎপাদনের অন্যতম উপাদান, সহ অন্যান্য কাঁচামালের ঘাটতির কারণে কোম্পানির উৎপাদন কার্যক্রম ব্যাপকভাবে ব্যাহত হয়। এছাড়া গ্রীষ্মকালীন সময়ে মথায় চাহিদা তৈরি না হওয়ায় গ্ল্যাক্সোজ ডিএর বিক্রি ক্ষতিগ্রস্ত হয়। সার্বিকভাবে ২০২০ সালে কোম্পানির আয় ১৪% কমে যায়।

মোট প্রান্তিক মুনাফা

মূলত করোনা মহামারি এবং বিক্রিত পণ্যের ব্যয় বৃদ্ধি পাওয়ার ফলে মোট মুনাফা ২৯% হ্রাস পেয়েছে।

নিট প্রান্তিক মুনাফা

প্রান্তিক মুনাফা হ্রাস, ইআরপি সিস্টেমের এককালীন খরচ, নতুন রহস্যলাইট এবং টেকনিকাল খরচ (বিপণন ও অন্যান্য খরচ হ্রাসের কারণে প্রায় সমন্বিত) এর কারণে কোম্পানির কর পরবর্তী মুনাফা ৪৬% হ্রাস পেয়েছে।

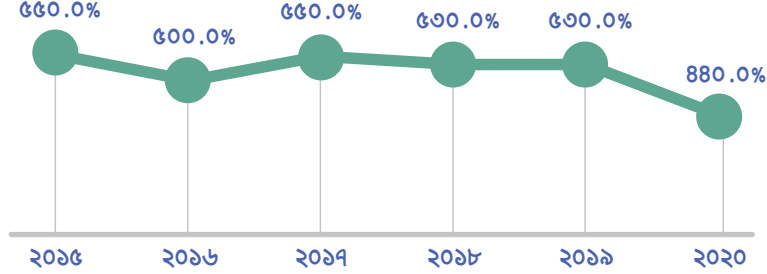
জাতীয় রাজস্বে অবদান

প্রতিষ্ঠা লাভের পর থেকে কোম্পানি সর্বদা শুরু এবং কর পরিশোধের মাধ্যমে জাতীয় রাজস্বে গুরুত্বপূর্ণ অবদান রেখে চলেছে। ২০২০ সালে জাতীয় রাজস্বে কোম্পানি ১০৯.৪ কোটি টাকার অবদান রেখেছে, যা পূর্ববর্তী বছর থেকে ৫% বেশি।



শেয়ারহোল্ডারদের লভ্যাংশ

উপযুক্ত বর্ণিত ব্যবসায়িক কার্যক্রম ও আর্থিক অবস্থা বিবেচনায়, পরিচালনা পর্ষদ ২০২০ সালের জন্য ৪৪০% ছুড়ান্ত নগদ লভ্যাংশ প্রস্তাব করেছে অর্থাৎ, ১০ টাকা মূল্যের প্রতিটি শেয়ারের জন্য শেয়ারহোল্ডারগণ ৪৪ টাকা লভ্যাংশ পাবেন। প্রস্তাবিত লভ্যাংশ কোম্পানির বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের দ্বারা অনুমোদিত হলে ৫৩ কোটি টাকার ক্যাশ আউটফ্লো হবে।



অপারেটিং এবং আর্থিক তথ্য

পাঁচ বছরের (২০১৬-২০২০) প্রধান অপারেটিং এবং আর্থিক তথ্যের সংক্ষিপ্ত বিবরণী নিচে উপস্থাপন করা হয়েছে

(বিস্তারিত সংযুক্তি-২ তে উপস্থাপিত হয়েছে)

* কোটি টাকা

বিবরণ	২০২০	২০১৯	২০১৮	২০১৭	২০১৬
রাজস্ব	৩৪৬.৯	৪০৪.২	৪৮৯.৭	৪৬৫.৭	৬২৮.৪
বিক্রিত পণ্যের ব্যয়	১৮৭.৬	১৮৯.৯	২৫৬.৭	২৪৩.৩	৩৮২.৪
মোট মুনাফা	১৫৯.৩	২২৩.৯	২২৪.৯	২২২.৪	২৪৫.০
অপারেটিং খরচ	১০৫.৭	১১৬.০	১০৬.৬	১১৪.৯	১৬৯.৯
অপারেটিং মুনাফা	৫৩.৬	১০৭.৯	১১৮.৩	১০৮.৩	৮৩.৯
আর্থিক রাজস্ব	১৭.৬	১৬.৯	১১.৭	৬.৪	৬.৯
আর্থিক খরচ	০.৭	-	০.৯	০.৯	০.২
কর ও মুদ পূর্ববর্তী মুনাফা	৭০.৩	১২৩.৯	১৩০.০	১১৪.৬	৮৯.০
ডব্লিউ পিপিএফ খরচ	৩.৭	৬.০	-	৫.০	৪.৬

বিবরণ	২০২০	২০১৯	২০১৮	২০১৭	২০১৬
কর পূর্ববর্তী মুনাফা	৬৬.৭	১১৭.৯	১৩০.০	১০৯.৬	৮৪.৬
আয়কর	১৭.০	১৬.২	(৯.৭)	২৭.৮	২০.৯
বিচ্ছিন্ন কার্যক্রমের মুনাফা/ (ক্ষতি)	৩.২	(৩.৯)	(২০৩.২)	(১৪.৮)	-
কর পরবর্তী মুনাফা	৫২.৯	৯৮.৬	(৬৩.৬)	৬৬.৯	৬৪.৬

পরিচালনা পর্ষদ

৩১ ডিসেম্বর ২০২০ তারিখে পরিচালনা পর্ষদের সদস্য সংখ্যা ৯ জন। পর্ষদ নির্বাহী এবং অ-নির্বাহী পরিচালকদের সমন্বয়ে গঠিত। অ-নির্বাহী পরিচালকরা পর্ষদের আলোচনায় স্বাধীন মতামত প্রদান করেন। ব্যবস্থাপনা পরিচালকসহ ২ জন পরিচালক নির্বাহী পরিচালকের ভূমিকা পালন করেন। পর্ষদের বাকি ৭ জন সদস্য অ-নির্বাহী পরিচালকের ভূমিকা পালন করেন, এদের মধ্যে ২ জন স্বতন্ত্র পরিচালক রয়েছেন।

পরিচালনা পর্ষদের সভা এবং উপস্থিতি

২০২০ সালে পরিচালনা পর্ষদের মোট ৮ টি সভা অনুষ্ঠিত হয়েছে। নিম্নোক্ত টেবিলে পর্ষদের গঠন এবং সদস্যদের উপস্থিতির তথ্য দেখা হয়েছে।

পরিচালকের নাম	অনুষ্ঠিত সভা	সভায় উপস্থিতি	মন্তব্য
মাসুদ খান (চেয়ারম্যান)	০৮	০৮	আটটি সভার মধ্যে তিনি সেটফাস্ট লিমিটেডের মনোনীত পরিচালক হিসাবে পাঁচটি সভায় যোগদান করেছিলেন। ২০২০ সালের ৩০ জুন তিনি এই পদ থেকে পদত্যাগ করেন এবং ইউনিলিডার ওভারসিজ হোল্ডিংস বি.ভি. এর মনোনীত পরিচালক হিসেবে যোগদান করেন।
খান সালাহউদ্দিন মোহাম্মদ মিনহাজ (ব্যবস্থাপনা পরিচালক)	০৩	০৩	২০২০ সালের ৩০ জুন ইউনিলিডার ওভারসিজ হোল্ডিংস বি.ভি. পরিচালক হিসেবে নিয়োগ দেয়।
হাসনাইন তৌফিক আহমেদ (পরিচালক, অর্থ)	০৮	০৮	আটটি সভার মধ্যে তিনি সেটফাস্ট লিমিটেডের মনোনীত পরিচালক হিসাবে পাঁচটি সভায় যোগদান করেছিলেন। ২০২০ সালের ৩০ জুন তিনি এই পদ থেকে পদত্যাগ করেন এবং ইউনিলিডার ওভারসিজ হোল্ডিংস বি.ভি. এর মনোনীত পরিচালক হিসেবে যোগদান করেন।
কেন্দার লেলে (অ নির্বাহী পরিচালক)	০৩	০৩	২০২০ সালের ৩০ জুন ইউনিলিডার ওভারসিজ হোল্ডিংস বি.ভি. পরিচালক হিসেবে নিয়োগ দেয়।
মোঃ জাহিদুল ইসলাম মালিতা (অ নির্বাহী পরিচালক)	০৩	০৩	২০২০ সালের ৩০ জুন ইউনিলিডার ওভারসিজ হোল্ডিংস বি.ভি. পরিচালক হিসেবে নিয়োগ দেয়।
এস.ও.এম. রাশেদুল কাইয়ুম (অ নির্বাহী পরিচালক)	০৩	০৩	২০২০ সালের ৩০ জুন ইউনিলিডার ওভারসিজ হোল্ডিংস বি.ভি. পরিচালক হিসেবে নিয়োগ দেয়।
মোঃ আবুল হোসেন (অ নির্বাহী পরিচালক)	০৮	০৮	বিদ্যমান
মহসিন উদ্দিন আহমেদ (স্বতন্ত্র পরিচালক)	০৮	০৮	বিদ্যমান
রোয়াজুল হক চৌধুরী (স্বতন্ত্র পরিচালক)	০৮	০৭	বিদ্যমান
প্রশান্ত পাণ্ডে	০৬	০৬	২০২০ সালের ৩০ শে জুন পদত্যাগ করেছেন।
জাহেদুর রহমান	০৬	০৬	২০২০ সালের ৩০ শে জুন পদত্যাগ করেছেন।
মোহাম্মদ নাহারুল ইসলাম মোল্লা	০৬	০৬	২০২০ সালের ৩০ শে জুন পদত্যাগ করেছেন।
নিতিন মাথুর	০২	০২	২০২০ সালের ৩০ শে জুন পদত্যাগ করেছেন।
দেবশীষ দাশগুপ্ত	০২	০২	২০২০ সালের ১ এপ্রিল পদত্যাগ করেছেন।

সদস্যরা যারা সভায় উপস্থিত ছিলেন না, তাদের ছুটি অনুমোদন করা হয়েছিল।

পরিচালকদের নিয়োগ অথবা পুনর্নিয়োগ

কোম্পানি আইন, ১৯৯৪ এর ধারা ৯৯ (২) এবং কোম্পানির আর্টিকেল অ্যাসোসিয়েশনের আর্টিকেল ৮৫ অনুসারে ব্যবস্থাপনা পরিচালক ব্যতীত এক তৃতীয়াংশ পরিচালক প্রতিটি বার্ষিক সাধারণ সভায় আবর্তনের মাধ্যমে অবসর গ্রহণ করবেন এবং পুনরায় নির্বাচনের যোগ্য হলে অংশগ্রহণ করবেন। তদনুসারে, আবর্তনের মাধ্যমে অবসর গ্রহণকারী পরিচালক জনাব আবুল হোসেন নিজেকে পুনর্নির্বাচন করার জন্য প্রস্তাব দেন। কোম্পানির আর্টিকেল অ্যাসোসিয়েশনের অনুচ্ছেদ ৮৯ অনুসারে, নৈমিত্তিক শূন্যপদে বা অতিরিক্ত পরিচালক পদে নিযুক্ত পরিচালকগণ পরবর্তী বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন এবং পুনরায় নির্বাচনের যোগ্য হলে অংশগ্রহণ করবেন। তদনুসারে, জনাব মাসুদ খান, জনাব হাসনাইন তৌফিক আহমেদ, জনাব কেদার লেলে, জনাব মোঃ জাহিদুল ইসলাম মালিতা এবং জনাব এস.ও.এম. রাশেদুল কাইয়ুম যারা গত বার্ষিক সাধারণ সভায় নিযুক্ত হয়েছিলেন, তারা অবসর গ্রহণ করবেন এবং যোগ্যতার ভিত্তিতে পুনরায় নির্বাচনের জন্য নিজেকে উপস্থাপন করবেন। বিএসইসির কর্পোরেট গভর্নেন্স কোডের শর্ত অনুসারে স্বতন্ত্র পরিচালক হিসাবে জনাব মহসিন উদ্দিন আহমেদের মেয়াদকাল ৩১ জানুয়ারী ২০২১ তারিখে শেষ হয়েছিল। বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদনের লাভের মধ্যমে বোর্ডকে ২০২১ সালের ৯ ফেব্রুয়ারি থেকে কার্যকরভাবে আরও তিন বছরের মেয়াদে জনাব মহসিন উদ্দিন আহমেদকে কোম্পানির স্বতন্ত্র পরিচালক হিসাবে পুনরায় নিয়োগ দিয়েছে।

মাসুদ খান

মাসুদ খানের সংক্ষিপ্ত বৃত্তান্ত পৃষ্ঠা নং ৪৮ এ উপস্থাপন করা হয়েছে।

হাসনাইন তৌফিক আহমেদ

হাসনাইন তৌফিক আহমেদের সংক্ষিপ্ত বৃত্তান্ত পৃষ্ঠা নং ৪৮ এ উপস্থাপন করা হয়েছে।

কেদার লেলে

কেদার লেলের সংক্ষিপ্ত বৃত্তান্ত পৃষ্ঠা নং ৪৯ এ উপস্থাপন করা হয়েছে।

মোঃ জাহিদুল ইসলাম মালিতা

মোঃ জাহিদুল ইসলাম মালিতার সংক্ষিপ্ত বৃত্তান্ত পৃষ্ঠা নং ৪৯ এ উপস্থাপন করা হয়েছে।

এস.ও.এম. রাশেদুল কাইয়ুম

এস.ও.এম. রাশেদুল কাইয়ুমের সংক্ষিপ্ত বৃত্তান্ত পৃষ্ঠা নং ৪৯ এ উপস্থাপন করা হয়েছে।

আবুল হোসেন

আবুল হোসেনের সংক্ষিপ্ত বৃত্তান্ত পৃষ্ঠা নং ৫০ এ উপস্থাপন করা হয়েছে।

মহসিন উদ্দিন আহমেদ

মহসিন উদ্দিন আহমেদের সংক্ষিপ্ত বৃত্তান্ত পৃষ্ঠা নং ৫০ এ উপস্থাপন করা হয়েছে।

পরিচালকদের সম্মানী (স্বতন্ত্র পরিচালক সহ)

ইউনিভার্সাল গ্রুপ কোম্পানিতে কর্মরত পরিচালকগণকে বাদ দিয়ে স্বতন্ত্র ও অ-নির্বাহী পরিচালকদের অগ্রিম আয়কর এবং গ্যারান্টি বোর্ডের সভায় উপস্থিতি ফি হিসাবে এগারো লক্ষ টাকা খরচ হয়েছে। আর্থিক বিবরণীর ৩৪ নং নোটে পরিচালকদের সম্মানী উল্লেখিত হয়েছে।

আচরণবিধি

মনোনয়ন প্রদান ও সম্মানী কমিটির সুপারিশের ভিত্তিতে কোম্পানির পরিচালনা পর্ষদ কোম্পানির পরিচালনা পর্ষদের সদস্যদের জন্য একটি "ব্যবসায়িক আচরণ ও নীতিমালা" রেখেছিল যা কোম্পানির ওয়েবসাইট www.unilever.com/UCL-bd.html এ সহজেই পাওয়া যায়। সমস্ত পরিচালকগণ ২০২০ সালের জন্য একটি বার্ষিক ঘোষণায় স্বাক্ষর করার মাধ্যমে এই আচরণবিধির সাথে তাদের সম্মতি নিশ্চিত করেছেন।

আর্থিক প্রতিবেদন সংক্রান্ত পরিচালকদের ঘোষণা

প্রতিবেদনের পরবর্তী অংশে নোটসহ সম্পূর্ণ আর্থিক বিবরণী উপস্থাপন করা হয়েছে। ৩ জুন, ২০১৮ তারিখে, বিএসসি ইয়াকুত কর্পোরেট গভর্নেন্স কোড ২০১৮ অনুযায়ী পরিচালকবৃন্দ নিম্নলিখিত বিষয়গুলো নিশ্চিত করছে:

- কোম্পানির ম্যানেজমেন্ট দ্বারা প্রস্তুতকৃত আর্থিক বিবরণীতে তার কার্যকারিতা, ঐটির কার্যক্রম, নগদ প্রবাহ এবং ইকুইটিটির পরিবর্তনের ফলাফল সম্পূর্ণ নিরপেক্ষতার সাথে উপস্থাপন করা হয়েছে;
- কোম্পানির অ্যাকাউন্টগুলির সকল রেকর্ড সংরক্ষণ করা হয়েছে;
- আর্থিক বিবরণী প্রস্তুত করার ক্ষেত্রে উপযুক্ত হিসাববিজ্ঞানের নীতিগুলো ধারাবাহিকভাবে প্রয়োগ করা হয়েছে এবং অ্যাকাউন্টিংয়ের অনুমান সমূহ যুক্তিসঙ্গত এবং বিচক্ষণতার ভিত্তিতে করা হয়েছে;

- আর্থিক বিবরণী প্রস্তুত করার ক্ষেত্রে আন্তর্জাতিক আর্থিক প্রতিবেদনের মানদণ্ড ("আইএফআরএস") অনুসরণ করা হয়েছে এবং এর থেকে যে কোনও ব্যত্যয় যথাযথভাবে প্রকাশ করা হয়েছে;

- ত্রৈমাসিক আর্থিক পারফরম্যান্স এবং বার্ষিক আর্থিক বিবরণীর মধ্যে কোনও উল্লেখযোগ্য পার্থক্য নেই;

- গত বছরের অপারেশিং ফলাফল থেকে সমস্ত বিচ্ছৃতি হাইলাইট করা হয়েছে (ফাইন্যান্সিয়াল পারফরমেন্স);

ব্যবস্থাপনা পরিচালক ও অর্থ পরিচালকের প্রত্যয়ন

ব্যবস্থাপনা পরিচালক ও অর্থ পরিচালকের, আর্থিক বিবরণীর প্রত্যয়ন সংযুক্তি - ৫ এ উপস্থাপিত হয়েছে।

পরিচালকদের করা অন্যান্য নিয়ন্ত্রক ঘোষণা

- পাবলিক ইস্যু থেকে প্রাপ্ত প্রসিড প্রযোজ্য নয়;
- আইপিও পরবর্তী আর্থিক ব্যাখ্যা প্রযোজ্য নয়;
- বছরের জন্য লভ্যাংশ না ঘোষণার ব্যাখ্যা প্রযোজ্য নয় ;
- অন্তর্বর্তীকালীন লভ্যাংশ হিসেবে কোন বোনাস শেয়ার বা স্টক ডিভিডেন্ড ঘোষণা দেওয়া হয়নি;
- মেজরিটি শেয়ারহোল্ডারদের দ্বারা বা তাদের স্বার্থে মাইনরিটি শেয়ারহোল্ডারদের স্বার্থের কোন ক্ষতি হয়নি এবং কোম্পানিতে একটি কার্যকর শুদ্ধাচার ব্যবস্থা রয়েছে;
- রিপোর্ট প্রকাশ করার সময় কোম্পানির বিরুদ্ধে শেয়ারহোল্ডারদের থেকে কোন উল্লেখযোগ্য অভিযোগ আসেনি;

ব্যবস্থাপনা পর্যালোচনা ও বিশ্লেষণ

বিএসইসির ইস্যু করা কর্পোরেট গভর্নেন্স কোড এর শর্ত নং ৫(২৫) অনুসারে, নিরীক্ষা কমিটির পর্যালোচনা করা ব্যবস্থাপনা পর্যালোচনা ও বিশ্লেষণ ব্যবস্থাপনা পরিচালক ও অর্থ পরিচালক দ্বারা স্বাক্ষরিত হবার পর সংযুক্তি - ৯ এ যুক্ত করা হয়েছে।

শেয়ারহোল্ডিং প্যাটার্ন

৩১ ডিসেম্বর ২০২০ এর জন্য প্রযোজ্য শেয়ারহোল্ডার বিষয়ক ও সংশ্লিষ্ট তথ্য সংযুক্তি - ৩ এ যুক্ত করা হয়েছে।

সংশ্লিষ্ট পক্ষ লেনদেন

সকল সংশ্লিষ্ট পক্ষ বাণিজ্যিক লেনদেন "আর্মস লেংথ লেনদেন" এর ভিত্তিতে করা হয়। সংশ্লিষ্ট পার্টি লেনদেন আর্থিক বিবরণীর ৩৬ নং নোটে উপস্থাপিত হয়েছে।

গোয়িং কনসার্ন

সব পরিচালক বিশ্বাস করে কোম্পানিটি একটি গোয়িং কনসার্ন এবং এর গোয়িং কনসার্ন হিসেবে এগিয়ে যাবার ক্ষমতা নিয়েও কোন সন্দেহ নেই। তাই আর্থিক বিবরণী গোয়িং কনসার্ন এর ভিত্তিতে করা হয়েছে।

ঝুঁকি এবং উদ্বেগ

কোম্পানির উদ্দেশ্য কঠোর প্রক্রিয়া ও পদ্ধতির মাধ্যমে ব্যবসায়িক অখণ্ডতা নিশ্চিত করা আর্থিক প্রক্রিয়ায় কোম্পানি গ্রুপের ম্যাডেট করা কন্ট্রোল গভর্ন্যান্স ফ্রেমওয়ার্ক বা গ্লোবাল ফাইন্যান্সিয়াল কন্ট্রোল ফ্রেমওয়ার্ক (জিএফসএফ) পালন করে, যা লোক্যাল ও গ্লোবাল পর্যায়ে আর্থিক প্রক্রিয়ার ঝুঁকি নিরীক্ষণ ও মোকাবিলা করে। কর্পোরেট গভর্ন্যান্স চ্যাপ্টারের ৪৩ নং পৃষ্ঠায় রিস্ক ম্যানেজমেন্ট ফ্রেমওয়ার্ক নিয়ে বিস্তারিত আলোচনা করা হয়েছে।

অভ্যন্তরীণ নিয়ন্ত্রণ

আর্থিক প্রক্রিয়ার গভর্ন্যান্স ফ্রেমওয়ার্ক অনুযায়ী কোম্পানি দক্ষ অভ্যন্তরীণ নিয়ন্ত্রণ প্রক্রিয়া পরিচালনা করে, যার মাধ্যমে এমন সব প্রক্রিয়ার বাস্তবায়ন ও উন্নয়ন হয় যার মাধ্যমে যথাযথ আর্থিক প্রতিবেদন গঠন, জালিয়াতি প্রতিরোধ ও কোম্পানির সম্পদ সংরক্ষণ সম্ভব হয়। এছাড়া ডেটা নিরাপত্তা ঝুঁকি মোকাবিলা করতে আমাদের সিস্টেম ও আইটি ভিত্তিক অপারেশনের প্রবেশাধিকার নিয়ন্ত্রিত। পরিচালনা বোর্ডের পক্ষ থেকে অডিট কমিটি নিয়ন্ত্রণ কাঠামোকে নিরূপণ করে। অভ্যন্তরীণ ও বাহ্যিক অডিট ফলাফলের সাহায্যে মূল বিষয়গুলোর অবস্থা বিচার করা হয়। অডিট কমিটি ত্রৈমাসিক ভিত্তিতে অডিট পর্যবেক্ষণ ও প্রয়োজনীয় সংশোধনী পদক্ষেপ উপস্থাপন ও পর্যালোচনা করে। কমিটির বার্ষিক পরিকল্পনা অনুযায়ী অভ্যন্তরীণ অডিট ফাংশন নিয়ন্ত্রণের কার্যকারিতা বিচার করতে বছরগুলোতে পিরিয়ডিক প্রসেস অডিট পরিচালনা করে। অভ্যন্তরীণ অডিটের ভিত্তিতে প্রসেসের অধিকারীরা নিয়ন্ত্রণ শক্তিশালী করতে নিজেদের ক্ষেত্রে প্রয়োজনীয় পদক্ষেপ নেয়। এই বার্ষিক রিপোর্টের কর্পোরেট গভর্ন্যান্স সেকশনের মধ্যে অভ্যন্তরীণ কন্ট্রোল ফ্রেমওয়ার্ক ও অডিট কমিটির কার্যক্রম নিয়ে বিস্তারিত আলোচনা করা হয়েছে।

কমীদের সার্বিক অবস্থা

২০২০ কোম্পানিটির জন্য একটি গুরুত্বপূর্ণ বছর ছিল ইন্টিগ্রেশন এবং কোভিড - ১৯ মহামারীর কারণে। কিন্তু দৃঢ়তা, অধ্যবসায় ও এগিয়ে যাওয়ার মনোভাবের কারণে কোম্পানি সকল বাঁধা পেরিয়ে প্রশংসনীয় সাফল্য অর্জন করেছে। বিজনেস ট্রান্সফরমেশন এর মাধ্যমে হিউম্যান রিসোর্স টিম নিরন্তরভাবে ব্যবসা চালিয়ে নিতে সাহায্য করেছে। এইচ আর থেকে কোম্পানির ব্যবসায়িক প্রক্রিয়া ও কর্মীদের কাজের ধরণ ইউনিলিভার এর খাঁচে গড়ে তুলতে সর্বাত্মক সহযোগিতা করা হয়। কর্মীদের শেখার অভিজ্ঞতা উন্নত করা ও ক্যারিয়ার ডেভেলপমেন্ট সুযোগ নিশ্চিত করার পাশাপাশি তাদের শারীরিক ও মানসিক স্বাস্থ্যের উন্নয়নের লক্ষ্যে বিভিন্ন কার্যক্রম গ্রহণ করা হয়। মহামারীর কারণে কর্মীদের স্বাস্থ্য ও সুস্থতার দিকে কোম্পানি বিশেষ নজর দেয়। জাতীয় পর্যায়ের ইনসিডেন্ট ম্যানেজমেন্ট টিম (আইএমটি) নিয়মিতভাবে কোভিড - ১৯ এর আপডেট লক্ষ্য করে কর্মীদের জন্য শতভাগ টেস্টিং সুবিধা ও প্রয়োজনীয় স্বাস্থ্যসেবা নিশ্চিত করে। মহামারীর শুরু থেকেই কোম্পানি ওয়ার্ক ফ্রম হোম কাঠামো গ্রহণ করে। ২০২০ এ কোম্পানির অন্যতম অগ্রাধিকার ছিল হেলথ, সেফটি ও এনভায়রনমেন্ট (এস এইচ ই)। বছরজুড়ে কোম্পানি "জিরো অ্যাকসিডেন্ট" রেকর্ড নিশ্চিত করে এবং নিরাপদ ও ঝুঁকিমুক্ত পরিবেশ নিশ্চিত করতে কর্মীদের ওয়েলবিং সহযোগিতা প্রদান করেছে। এই সকল উদ্যোগের ফলে কোম্পানির সামগ্রিক জনবলের এনগেজমেন্ট স্কোর পূর্বের যেকোনো সময়ের চেয়ে বেশি হয়।

ন্যায়পরায়ণতা

ইউনিলিভার দায়িত্বশীল এবং টেকসই উন্নয়নে বিশ্বাস করে। আমাদের ব্যবসায়িক নীতিমালা এবং ২৪টি নন নেগশিয়েবল কোডগুলি আমাদের সমস্ত কর্মীদের জন্য প্রযোজ্য। এটি আমাদের মূল্যবোধগুলোকে বিধিবদ্ধ করে এবং আমাদের কর্মীদের কাছে আমাদের প্রত্যাশা তুলে ধরে। এই মূল্যবোধগুলোর চর্চা আমাদের নিজস্ব এবং পারিপার্শ্বিক জীবনমান উন্নয়নে ভূমিকা রাখে।

ইউনিলিভার এর তৃতীয় পক্ষ- ব্যবসায়িক অংশীদার এবং তাদের কর্মীদের জন্য নিজেদের ব্যবসা নীতিগুলি মেনে চলার পাশাপাশি ইউনিলিভারের নীতিগুলি মেনে চলা আবশ্যিক। একটি পারশাস লেড বা লক্ষ্য দ্বারা পরিচালিত কোম্পানি হিসাবে, আমাদের মূল্যবোধগুলো আমাদের সাফল্যের ভিত্তি এবং একটি টেকসই জীবন যাপনের পরিবেশ তৈরি করে তোলার জন্য প্রয়োজনীয়। মূল্যবোধ গুলো মেনে চলার অর্থ আমাদের কাজের মধ্যে এগুলোর চর্চা এবং ভালো কাজের প্রতিশ্রুতি এর মাধ্যমে আমাদের ড্যান্নে তৈরি করি। এই ব্যবসায়িক নীতিমালাসমূহ ইউনিলিভার কনজিউমার কেয়ার লিমিটেডে প্রয়োগ করা হয়েছে। দ্যা কোড অফ বিজনেস প্রিন্সিপাল আমাদের মূল্যবোধগুলো কাজে প্রয়োগের একটি গাইড বইয়ের মত। এটি আমাদের কাজের কাঠামোর একটি পরিষ্কার মান নিশ্চিত করে, যা সঠিক সিদ্ধান্ত গ্রহণে আমাদের সাহায্য করে। এটি আমাদের "আবশ্যিক" এবং "অনাবশ্যিক" কাজের একটি ফ্রেমওয়ার্ক প্রদান করে। এই ডকুমেন্টটি শুধুমাত্র ইউনিলিভারকে বাঁচিয়ে রাখে তা নয়, এটি সারা বিশ্বজুড়ে কয়েক মিলিয়ন মানুষের জীবনে অর্থবহ পরিবর্তন আনতে সাহায্য করেছে। আমাদের কর্মীরা ইউনিলিভারের নীতিগুলো চর্চা করার জন্য অত্যন্ত ইতিবাচক দৃষ্টিভঙ্গি প্রদর্শন করেছে এবং তারা তাদের কাজের ক্ষেত্রে নতুন প্রত্যাশা, জবাবদিহিতা, সাহস, বিকাশ এবং দলবদ্ধতা বুঝে নিয়েছে। এই নীতিগুলো উৎসাহিত করা হলে তা ইউনিলিভার এবং এর সাথে জড়িত ব্যক্তিদের জন্য কঠিন পরিণাম আনতে পারে। কোম্পানি এই সংক্রান্ত অভিযোগ বা রিপোর্ট প্রদানের জন্য সুরক্ষিত ও গোপনীয় চ্যানেল রয়েছে যার মাধ্যমে কর্মীরা তাৎক্ষণিকভাবে আচরণবিধি, কোম্পানির নীতিমালা এবং পদ্ধতিগুলির লঙ্ঘন সম্পর্কিত উদ্বেগ উপস্থাপন করতে পারে এবং এই প্রক্রিয়াটি অত্যন্ত গোপনীয়তার সাথে সম্পন্ন করা হয়ে থাকে। এক্ষেত্রে, কর্মীরা আংশিক বা সম্পূর্ণভাবে নিজেদের পরিচয় গোপন রাখতে পারে। ইউনিলিভারে আমরা নিশ্চিত করি এই প্রক্রিয়ায় অভিযোগকারী কর্মীরা যেন কোন ধরনের ক্ষতি না হয়।

টেকসই সমাজ গঠনে কর্পোরেট হিসেবে আমাদের দায়িত্বসমূহ

সৃষ্টিলব্ধ থেকেই একটি দায়িত্বশীল এবং প্রতিজ্ঞাবদ্ধ কোম্পানি হিসেবে ইউনিলিভার বৈশ্বিক ভাবে পরিচিতি লাভ করেছে। ইউনিলিভারের সাথে সংযোজনের পর থেকে কোম্পানি গাইডিং চিন্তাধারা অনুযায়ী এটি বৃহত্তর বৈশ্বিক প্রতিজ্ঞায় আবদ্ধ। নতুন উদ্যমের সাথে ব্যবসায়ের সকল স্তরে উদ্দেশ্য-ভিত্তিক নীতিগুলি সংহত করার প্রক্রিয়া চলমান রয়েছে। ইউনিলিভার একটি কোম্পানি হিসাবে টেকসই উন্নয়ন, সুযোগ সৃষ্টি এবং সামাজিক ক্ষমতায়নের অংশীদার হতে চায়। বৈশ্বিক প্রতিশ্রুতি অনুসারে, সংস্থাটি কোভিড-১৯ মহামারীর সময় কমিউনিটি স্বাস্থ্যকর্মীদের সহায়তার জন্য কেয়ারের সাথে দীর্ঘমেয়াদি অংশীদারিত্ব বজায় রেখেছে। খাদ্য বিতরণের মতো আরও অনেক সামাজিক কর্মকাণ্ডের পাশাপাশি, সংস্থাটি স্বাস্থ্য ও পরিবার কল্যাণ মন্ত্রণালয়কে ২০,০০০ এন-৯৫ মাস্ক, ১০,০০০ এফএফপি ২ মাস্ক এবং ১৬,০০০ জোড়া গ্লাভস সামনের সারির স্বাস্থ্যসেবা প্রদানকারীদের কোভিড-১৯ এর বিরুদ্ধে তাদের লড়াইয়ে সহায়তা করার উদ্দেশ্যে প্রদান করেছে। আমাদের কার্যক্রমের বিস্তারিত বিবরণ ০৪-০৬ নং পৃষ্ঠায় দেওয়া হয়েছে।

কর্পোরেট গভর্ন্যান্স কমপ্লায়েন্স রিপোর্ট

কর্পোরেট নীতির অংশ হিসেবে, কর্পোরেট গভর্ন্যান্সের ক্ষেত্রে কোম্পানি সবসময় উচ্চমানের কমপ্লায়েন্স বজায় রেখেছে। কর্পোরেট গভর্ন্যান্স বিভাগে বর্ণিত কোম্পানির কর্পোরেট গভর্ন্যান্স সনদ কোম্পানি কিভাবে পরিচালিত হবে, তার উল্লেখ করে এবং স্বচ্ছতা, জবাবদিহিতা ও সততা নিশ্চিত করে। আমরা অত্যন্ত আনন্দের সাথে জানাচ্ছি যে, কোম্পানির কর্পোরেট গভর্ন্যান্স নীতিমালার সমস্ত প্রয়োজনীয় নির্দেশিকাগুলি মেনে চলেছে। ২০২০ সালের জন্য কর্পোরেট গভর্ন্যান্স নীতিমালা সার্বিক কমপ্লায়েন্স পরিস্থিতি এই প্রতিবেদনের সংযোজন -৪-এ সংযুক্ত রয়েছে।

নিরীক্ষক

বর্তমান নিরীক্ষক (অডিটর), হুদা ডাসি চৌধুরী এড কো, চার্টার্ড অ্যাকাউন্ট্যান্টস, সাধারণ সভা সমাপ্তি সাপেক্ষে অবসর নিবেন এবং সংবিধিবদ্ধ নিরীক্ষক হিসাবে টানা তিন বছর সময়কাল পার করবেন। আইন অনুযায়ী, তাদের পুনরায় নিয়োগ লাভের সুযোগ নেই। সাধারণ সভায় শেয়ারহোল্ডারদের সন্মতি সাপেক্ষে, রহমান রহমান হুফ এড কো, চার্টার্ড অ্যাকাউন্ট্যান্টসকে ২০২১ সালের জন্য সংবিধিবদ্ধ নিরীক্ষক হিসেবে নিয়োগ দেওয়া হবে।

কমপ্লায়েন্স অডিটর

সাধারণ সভায় শেয়ারহোল্ডারদের সন্মতি সাপেক্ষে, বিএসইসি কর্পোরেট গভর্নেন্স কোড অনুযায়ী ম্যাবস এড জে পার্টনারস, চার্টার্ড অ্যাকাউন্ট্যান্টসকে ২০২১ সালের জন্য কমপ্লায়েন্স অডিটর হিসেবে নিয়োগ দেওয়া হবে।

স্বীকৃতি

পরিচালনা পর্ষদ কোম্পানির সমস্ত কর্মীদের ধন্যবাদ জানাতে চায় যারা কোম্পানির মূল্যবোধগুলির চর্চা বজায় রেখে, টেকসই জীবনযাত্রাকে সবার মাঝে ছড়িয়ে দেওয়ার লক্ষ্য অর্জনে নিরন্তর কাজ করে চলেছে। গ্রাহক এবং ব্যবসায়িক অংশীদারগণের কোম্পানির উপর অব্যাহত আস্থা ও বিশ্বাস আমাদের অনুপ্রাণিত করেছে। এর জন্য আমরা তাদের নিকট কৃতজ্ঞ। আমরা কোভিড-১৯ মহামারীর সময়ে ইউনিলিভার কনজিউমার কেয়ার লিমিটেডের কার্যক্রম পরিচালনায় সদয় ও অকুণ্ঠিত সহযোগিতার জন্য মাননীয় প্রধানমন্ত্রীর কার্যালয়, স্বরাষ্ট্র মন্ত্রণালয়, জনপ্রশাসন মন্ত্রণালয়, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ, বাংলাদেশ বিনিয়োগ উন্নয়ন কর্তৃপক্ষ, স্বাস্থ্য ও পরিবার কল্যাণ মন্ত্রণালয়, শ্রম মন্ত্রণালয়, খাদ্য মন্ত্রণালয়, বাংলাদেশ নিরাপদ খাদ্য অধিদপ্তর, বাংলাদেশ স্ট্যাটার্ড ও টেস্টিং ইন্সটিটিউট, জাতীয় রাজস্ব বোর্ড, সেন্ট্রাল ডিপোজিটারি বাংলাদেশ, ব্যাংক, বিমা ও আর্থিক প্রতিষ্ঠান, ইউটিলিটি সেবাদানকারী প্রতিষ্ঠান, অন্যান্য সরকারি প্রতিষ্ঠান সহ কোম্পানির সমস্ত কর্মীদের ধন্যবাদ জানাতে চাইবে।

পরিচালনা পর্ষদের পক্ষ থেকে

চেয়ারম্যান

২০ মার্চ, ২০২১

Management Discussion and Analysis

Annexure I

Pursuant to condition no. 1 (5) (xxv) of the Corporate Governance Code 2018 issued by Bangladesh Securities and Exchange Commission, the Management's Discussion & Analysis for the year ended 31 December 2020 is as follows:

Accounting Policies and Estimation Used for Preparation of Financial Statements

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"); the Companies Act, 1994; the Securities and Exchange Rules, 1987 and other applicable laws and regulations in Bangladesh. Cash flow from operating activities are prepared under direct method, as prescribed by the Securities and Exchange Rules, 1987. Details on accounting policies and estimates used as basis for preparation are disclosed in Note 3 of the financial statements.

Changes in Accounting Policies and Estimations

The Company implemented IFRS 16 in 2020 which will help to better represent the leased assets and liabilities and will bring greater transparency of financial obligations. Investors will be benefitted by estimating the amount of off-balance sheet obligations and will also be able to compare companies that lease assets with those that buy assets. The nature and effect of the changes due to the adoption of this new accounting standard is provided in Note 3.18 of the financial statements.

Comparison of Financial Performance, Financial Position and Cash Flows

Detailed comparison of financial performance, financial position and cash flows are presented as part of the financial statements including notes. The Directors' Report section also provides an in-depth analysis of business performance for the year 2020. Key performance indicators for last 5 years are given below:

Key Performance Indicators	2020	2019	2018	2017	2016
Revenues (Taka '000)-continuing operation	3,468,984	4,041,780	4,816,557	4,657,200	N/A
Revenues (Taka '000)-company	3,731,560	4,474,898	6,336,472	6,796,559	6,284,015
Operating Profit (Taka '000) -continuing operation	498,561	1,010,267	1,183,204	1,033,262	N/A
Operating Profit (Taka '000) -company	531,007	979,205	(848,698)	884,892	786,807
Earnings before Interest, Tax and Depreciation (Taka'000)-continuing operation	515,318	1,032,005	1,211,910	1,076,956	N/A
Earnings before Interest, Tax and Depreciation (Taka'000)-company	547,764	1,169,366	(254,023)	1,011,002	908,568
Earnings per Share (EPS) (Taka)- continuing operation	41.25	84.41	115.92	67.88	N/A
Earnings per Share (EPS)(Taka)-company	43.94	81.83	(52.75)	55.56	53.51
Net Operating Cash Flow per Share-company (Taka)	46.36	82.78	44.67	117.75	71.87

Revenue

Revenue from continuing operations declined by 14.2% resulted from sales loss of Glaxose D in the first half as the consumption triggers were missed during peak session due to COVID-19 and lower Horlicks sales due to DMI supply shortages in second half of the year caused by COVID-19.

Operating Profit

Reduction in Profit from continuing operations resulted from increase in cost of goods sold due to 11% DMI inflation, 10% duty increase for DMI and one-off reversal in 2019 offset by savings from packaging materials and operating model changes. Operating expenses reduced by 9% contributed by optimization and cost savings initiatives in marketing and administrative expenses.

Net Operating Cash Flow Per Share

NOCFPS reduced due to lower profit and higher tax payment partially offset by higher interest received.

Financial and Economic Scenario of the Country and the Global Context

The year 2020 started with great disruption unleashed by the COVID-19 pandemic. Uncertainties and panic paralysed most economic activities in both developed and developing economies for several months. Gross product across the world fell by an estimated 4.3 per cent in 2020 (source: UN website).

Bangladesh felt the heat of a looming global crisis after few months as the virus hit the country. On March 8, the authorities confirmed the maiden case of COVID-19 infection in the country and soon the country's economy came almost to a halt as the government imposed countrywide lockdown to contain the spread of the virus. During the nationwide lockdown, millions lost jobs, poverty rate doubled and many businesses folded up. Income of the vast majority of the population shrank. Exports hit rock bottom as the importing countries themselves were finding it difficult to keep their economies afloat. The country was staring at an unprecedented three-pronged crisis: health, economic and food.

To protect the people and the economy, the government rolled out a massive BDT 120,000 crore stimulus package, one of the largest in the world. Bank interest rates have been capped below single digit to help firms and businesses borrow at a record low rate. But the biggest support came from farmers who continue to feed the country and from the migrant workers who sent a record amount of remittances back home. The robust flow of remittance lifted the country's foreign exchange reserves to record highs and put the country on a firm footing.

The food production, remittance, the stimulus package, the reopening, and the uptick in domestic demand and exports put the country on the path of recovery.

Comparison of Financial Performance with Peer Industry

The Company is the only listed Company in Nutrition Food business category in Bangladesh and hence it is not possible to compare the financial and cash flow position with peer Companies.

Risks and Concerns Related to the Financial Statements

The Company has put in place a series of policies, processes and controls in relation to the financial reporting and consolidation process, which are designed to address key financial reporting risks, including risks arising from changes in the business or accounting standards. The Finance Director ensures that all information relevant to the Company audit has been provided to the Board of Directors through the Audit Committee and that reasonable steps have been taken to ensure full disclosure in response to requests for information from the external auditor.

At Unilever, a global risk and controls framework titled "Global Financial Controls Framework (GFCF)" defined to address risks related to financial reporting. GFCF outlines financial reporting controls that operate across the core processes of our business. After the business integration, the Company has adopted the GFCF framework in July 2020 and local implementation and testing of key controls has been conducted in Q4 of 2020. From 2021, an annual assessment of the design and operating efficiency of GFCF controls will be carried out comprehensively through the Financial Control Assessment ("FCA") process coordinated by global controls forum.

Further details of risk management and controls governance is provided within separate sections titled "Risk Management at Unilever" and "Internal Control Framework" in this annual report. Description of specific financial risks such as credit, liquidity, interest etc. including the approach to manage them are disclosed within Note 47 of the financial statements.

Future Plans or Projections or Forecasts

As consumers, businesses and brands evolve to a VUCA environment (Volatile, Uncertain, Changing and Ambiguous), it is imperative for businesses and brands to show high agility and adaptability while rooted in the core fundamentals which has been successful so far. The Company will continue to focus on need of top quality nutrition food products to the consumers through its numerous international brands, while adopting changes on packaging, product, pricing, communication to be more relevant to the needs of its consumers. This would ensure a 4G Growth model for the Company (Consistent, Competitive, Profitable, and Responsible).

This would be driven by activating key levers:

Purposeful Brands: The brands that our consumers love have to meaningfully solve real consumer problems and represent a cause in society. All of Unilever's brands are committed to this journey and this would be a key area of focus.

Improved Penetration: As we make the portfolio more accessible by launching lower priced SKUs, reducing prices on core and conducting nationwide sampling, the plan is to single-mindedly have a large number of households try and experience our brands. This would be ensured by building strong mental and physical reach.

Impactful Innovations: Continued focus on improving product delivery, ensuring new-age consumer needs are met and delivering the best in-class quality will be a key enabler for driving consumer preference and growth.

Design for Channel: A key area of focus would be leveraging the strength of our channels in reaching our consumer effectively. This would be through strong partner programs, leveraging portfolio and deploying customized communication.

Fuel for Growth: All the above growth levers would be accompanied with a strong savings plan. To ensure the optimal health of our business shape, inefficiencies in buying, make, marketing and distribution would be continuously acted upon while ensuring all investments are made for sustainable growth of the business.

With the above strategic thrusts, we are confident of delivering a strong 4G growth for the Company and its brands thus creating more value for our shareholders.



KSM Minhaj
Managing Director
Unilever Consumer Care Limited



Hasnain Thoufiq Ahmed
Finance Director
Unilever Consumer Care Limited

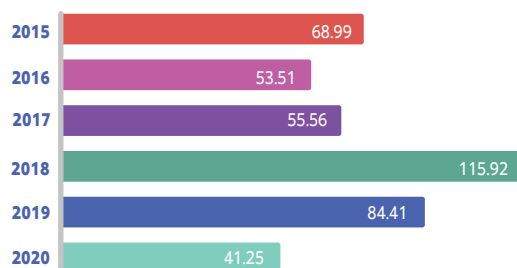
Key Operating and Financial Data

Annexure II

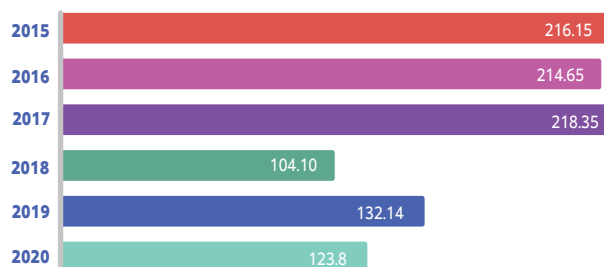
	2020	2019	2018	2017	2016
Assets Employed					
Property, Plant and Equipment	83,509	100,707	114,128	694,252	701,867
Intangible Assets	-	14,028	16,617	51,638	23,911
Right-of-use Asset	287,777	-	-	-	-
Deferred Tax Asset	29,466	40,451	150,625	-	6,235
Net Non-Current Asset	174,445	158,650	297,597	762,112	744,366
Net Current Asset	1,308,269	1,433,195	956,490	1,868,237	1,841,437
Total Assets Employed	1,709,021	1,747,031	1,535,457	3,376,240	3,317,816
Share Capital	120,465	120,465	120,465	120,465	120,465
Reserves and Surplus	1,362,249	1,471,380	1,133,620	2,509,885	2,465,338
Shareholders' Equity	1,482,714	1,591,845	1,254,085	2,630,350	2,585,803
Retirement Benefit Obligations	-	-	-	-	-
Obligation under finance lease	294,964	-	3,113	6,402	9,600
Deferred Tax Liabilities	-	-	-	17,129	-
Total Capital Employed	1,709,021	1,591,845	1,254,087	2,650,592	2,592,118
Turnover and Profit					
Sales -net of VAT and Trade Discount	3,468,984	4,041,780	4,816,557	4,657,200	6,284,015
Profit /(Loss) from Operation	498,561	1,010,267	1,183,204	1,033,262	786,808
Profit before Int.,Dep. & Tax	515,318	1,032,005	1,211,910	1,076,956	908,568
Profit /(Loss) for the year for Continuing Operation	496,886	1,016,797	1,396,421	817,674	644,554
Profit /(Loss) for the year for company	529,332	985,735	(635,480)	669,304	644,554
Ratios					
Gross profit ratio -%	45.9%	55.2%	46.7%	47.8%	39.0%
Earning per share (EPS) - BDT(Continuing)	41.25	84.41	115.92	55.56	53.51
Earning per share (EPS) - BDT (Company)	43.94	81.83	(52.75)	55.56	53.51
Price/Earning (P/E) ratio-Times (Continuing Operation)	68.11	20.81	12.51	22.85	28.65
Price/Earning (P/E) ratio-Times (Company)	63.93	21.46	(27.49)	27.92	28.65
Price/Equity Ratio -Times	281	175.63	145	155	153
Dividend per Share (DPS)-BDT	44.00	53.00	53.00	55.00	50.00
Dividend Payout - %	100.13%	65.40%	-89.46%	102.42%	93.45%
Dividend Yield - %	1.57%	3.02%	3.65%	3.55%	3.26%
Net Assets Value per Share-BDT	123.08	132.14	104.10	218.35	214.65
Net Operating Cash Flow per Share	46.36	82.78	44.67	117.74	71.86
Return on Shareholders Equity - % (Continuing Operation)	33.51%	63.88%	111.35%	31.09%	24.93%
Return on Shareholders Equity-% (Company)	35.70%	61.92%	-50.67%	25.45%	24.93%
Return on Capital Employed -%	29.17%	65.31%	-67.67%	33.34%	30.32%
Current Ratio- Times	1.45	1.49	1.29	1.52	1.67
Market Price per Share at 31 December- BDT	2,809.20	1,756.30	1,450.20	1,551.00	1,532.90
Market Capitalisation at 31 December(Mil. BDT)	33,841	21,157	17,470	18,684	18,466
Average number of Employees	145	210	771	967	940

Key Performance Indicators

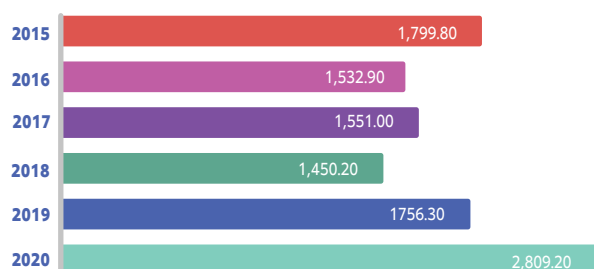
Earnings Per Share (EPS)-
Continuing Operation (BDT)



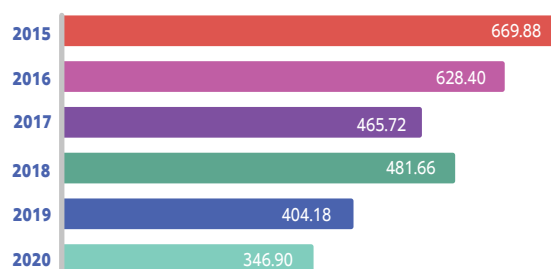
Net Assets Value Per Share - BDT



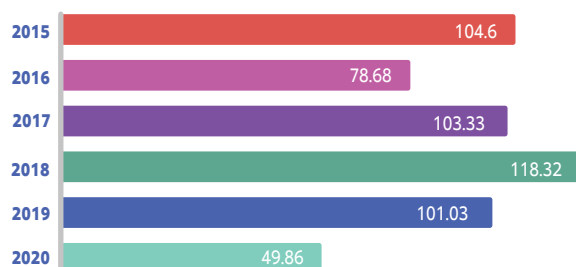
Market Price Per Share - BDT



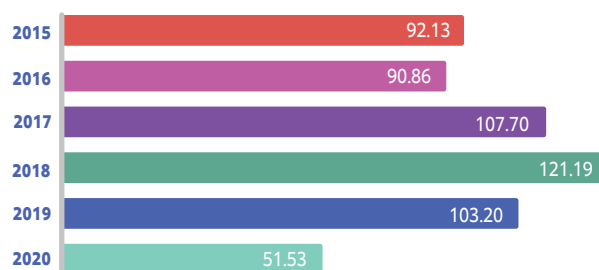
Sales - Net of Vat and Trade Discount -
BDT Crore



Profit/(Loss) from Operation - BDT Crore



EBITDA - BDT Crore



Market Share Information of Major
Categories of Products - in %

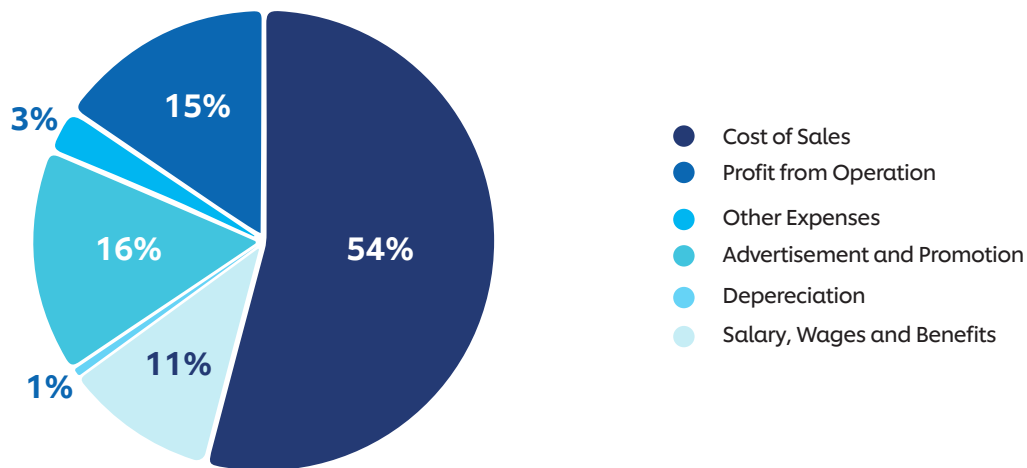
Category	2020	2019
Health Food Drink	93.20%	93.30%
Glucosxe Powder	52.90%	56.90%

Analysis of Revenue

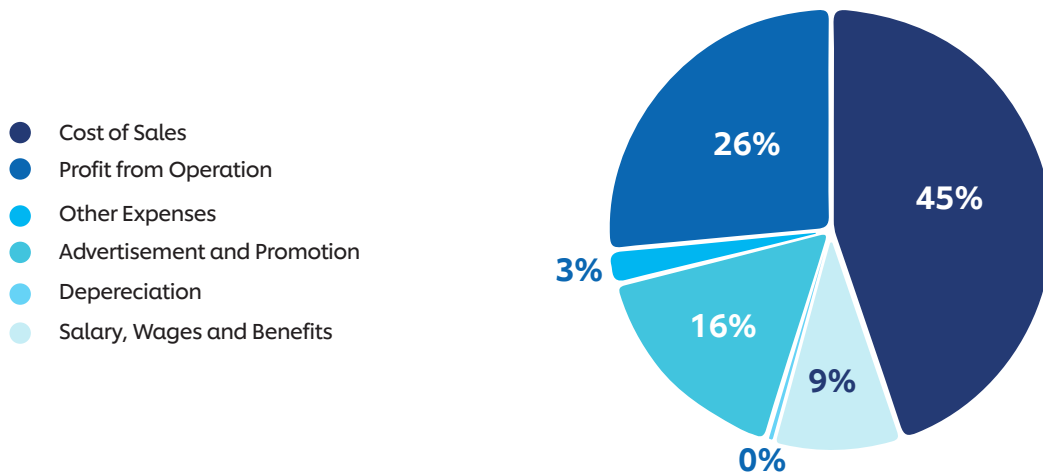
		2020		2019
Sales			3,468,984	4,041,780
Cost of Sales	54%	1,876,375	45%	1,810,943
Salary, Wages & Benefits	11%	376,286	9%	381,751
Depreciation	1%	22,507	0%	16,808
Advertisement and Promotion	16%	547,938	16%	660,234
Other Expenses	3%	110,526	3%	101,376
Profit from Operation	15%	535,352	26%	1,070,668
Total	100%		100%	

Note: Salary, wages & benefits, Depreciation and Other expenses are apportioned to continued operation

2020



2019



Value Added Statement

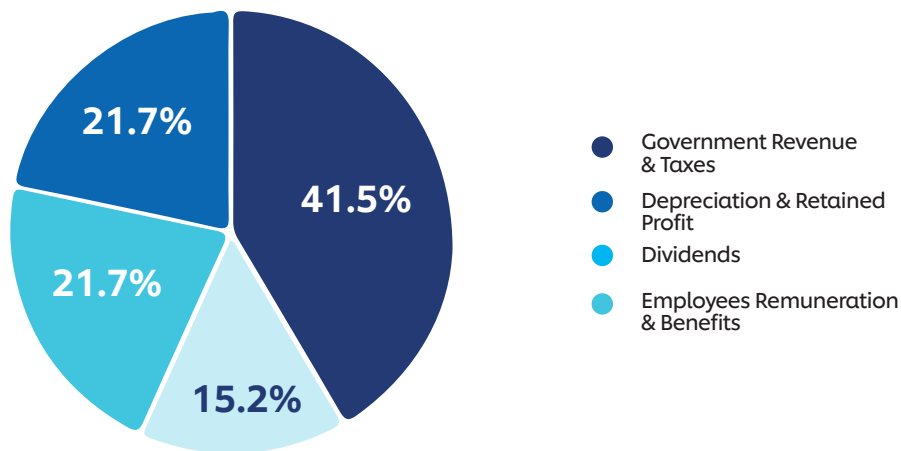
The value added statement provides a detailed account of total value addition and the distribution of the value created by the company.

Value Added :	2020		2019	
	Amount	%	Amount	%
Turnover	4,291,294		5,146,133	
Less Bought in Materials & Services	1,825,033		2,150,468	
	2,466,261	93.49	2,995,665	93.52
Other income	3,637	0.14	38,991	1.22
Financial Income	168,027	6.37	168,422	5.26
	2,637,925	100	3,203,078	100

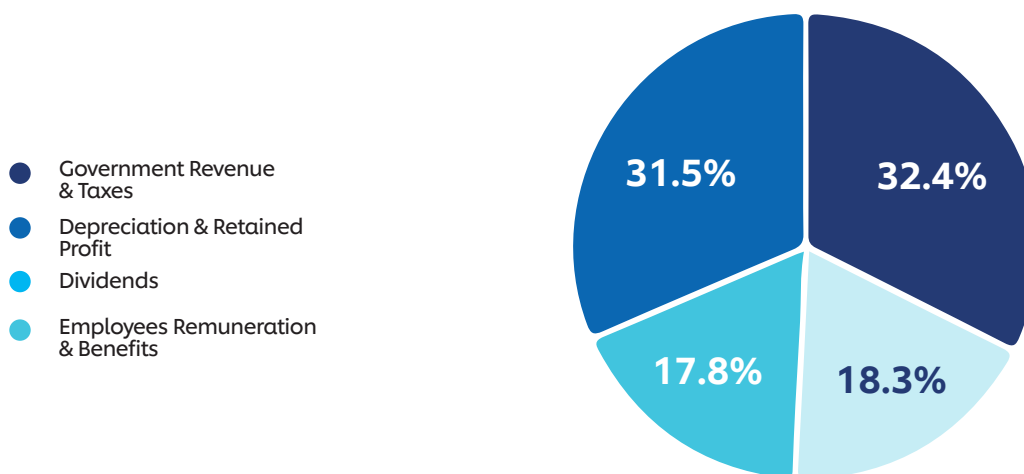
Applied to:	2020		2019	
	Amount	%	Amount	%
Government Revenue & Taxes	1,094,524	41.49	1,038,302	32.42
Employees Remuneration & Benefits	402,270	15.25	587,020	18.33
Dividends	569,731	21.60	2,195,605	68.55
	2,637,925	78.34	2,195,605	68.55
Depreciation & Retained Profit	571,400	21.66	1,007,474	31.45
	2,637,925	100	3,203,079	100

Distribution of Value Addition

2020



2019



Unilever Consumer Care Limited contributes positively to socio-economic development by empowering employees through the payment of salaries and allowances; by paying attractive and consistent dividend to the shareholders; by assisting the regulatory authorities through paying taxes & duties.

Economic Value Added (EVA)

EVA provides a measurement of a company's economic success over a period of time. It shows how well a company has added value for its investors and it can be compared against company's peers for an analysis of how well the company is operating well in its industry.

Calculation of EVA

	2020	2019
Net Operating Profit After Tax (NPAT)	529,332	93.30%
Total Capital Employed	1,709,021	1,591,845
Cost of Capital in %	37%	40%
Cost of Capital (COC)	638,463	638,463
EVA = NPAT-COC	(109,131)	347,272

Shareholding Information

Annexure III

Pattern of Shareholding

a) Parent/Subsidiary/Associated Companies and other related parties:

Name	Position	No. of shares
Unilever Overseas Holdings B.V.	Parent Company	9,875,144

b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children:

Position	No. of shares Self/Spouse/Minor Children
Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit	Nil

c) Executives (top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit):

Name	Position	No. of shares
Md. Asifur Rouf	Marketing Head	05
Mohammed Saiful Islam	HR Lead	03

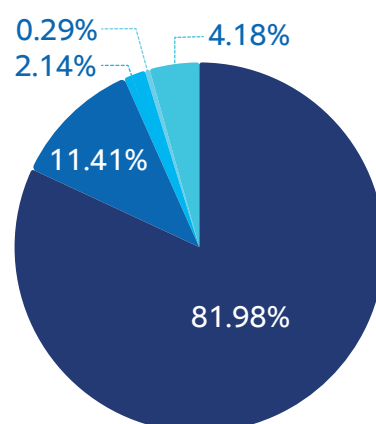
(d) Shareholders holding ten per cent (10%) or more voting interest in the Company:

Name	No. of shares	% of Holding
Unilever Overseas Holdings B.V.	9,875,144	81.98%
Investment Corporation of Bangladesh (ICB) and ICB Units and Mutual Funds	1,373,917	11.41%

(e) Shareholders holding less than ten per cent (10%) voting interest in the Company:

Name	No. of shares	% of Holding
Local Financial Institutions & other Companies	259,050	2.14%
Foreign Shareholders	35,114	0.29%
General Public	503,224	4.18%

- Unilever Overseas Holdings B.V.
- Investment Corporation of Bangladesh (ICB) and ICB Units and Mutual Funds
- Local Financial Institutions & other Companies
- Foreign Shareholders
- General Public



ম্যাবস্ এন্ড জে পার্টনার্স
MABS & J Partners
Chartered Accountants

Report to the Shareholders of Unilever Consumer Care Limited on compliance on the Corporate Governance Code

[Certificate as per condition No. 1(5)(xxvii)]

We have examined the compliance status to the Corporate Governance Code by **Unilever Consumer Care** Limited for the year ended on 31 December 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is satisfactory.



Nasir U Ahmed, FCA, FCS, ACMA (UK)
Senior Partner
MABS & J Partners
Chartered Accountants

Place: Dhaka
Dated: 18 March 2021



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web : www.mabsj.com

Corporate Governance Compliance Status

[As Per Condition No. 1(5)(XXVII)]

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.0 Board of Directors				
1(1)	Size of the Board of Directors: The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		
1.2 Independent Directors				
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		
1(2)(b)(i)	"Independent Director" means a director- who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	✓		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per Companies Act, 1994.	✓		
1.3 Qualification of Independent Director				
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
1(3)(b)(i)	Independent director shall have following qualifications: Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	✓		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or			Not Applicable
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			Not Applicable
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			Not Applicable
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			No such approval required
1.4 Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer				
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such incidence arose
1.5 The Directors' Report to Shareholders				
1(5)(i)	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994): An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			Not Applicable
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			Not Applicable
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			Not Applicable
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1.5(xxiii)(a)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by: Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1.5(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5(xxiii)(c)	Executives; and	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		
1(5)(xxiv)(a)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: A brief resume of the director;	✓		
1.5(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1(5)(xxv)(a)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on: Accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(6)	<p>Meetings of the Board of Directors:</p> <p>The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.</p>	✓		
1.7 Code of Conduct for the Chairperson, other Board members and Chief Executive Officer				
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2.0 Governance of Board of Directors of Subsidiary Company				
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			Not Applicable
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			Not Applicable
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			Not Applicable
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not Applicable

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.0 Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)				
3(1)(a)	Appointment: The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			No such incidence arose
3(2)	Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3.3 Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)				
3(3)(a)(i)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4.0	Board of Directors' Committee			
4(i)	For ensuring good governance in the company, the Board shall have at least following sub-committees: Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5.0	Audit Committee			
5(1)(a)	Responsibility to the Board of Directors: The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)(a)	Constitution of the Audit Committee: The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			No such vacancy arose
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)(a)	Chairperson of the Audit Committee: The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such incidence arose
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		
5(4)(a)	Meeting of the Audit Committee: The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)(a)	Role of Audit Committee The Audit Committee shall: Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	<p>5(5)(m) Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:</p> <p>Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results:</p> <p>Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.</p>			Not Applicable
5.6	Reporting of the Audit Committee			
5(6)(a)(i)	<p>Reporting to the Board of Directors:</p> <p>The Audit Committee shall report on its activities to the Board;</p>	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(6)(a)(ii)(a)	The Audit Committee shall immediately report to the Board on the following findings, if any: Report on conflicts of interests;			No such incidence arose
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such incidence arose
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such incidence arose
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such incidence arose
5(6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such incidence arose
5(7)	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6(1)(a)	Nomination and Remuneration Committee (NRC). Responsibility to the Board of Directors: The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(a)	Constitution of the NRC: The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			No such vacancy arose
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such appointment/ co-opt required
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)(a)	Chairperson of the NRC: The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such incidence arose
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(4)(a)	Meeting of the NRC: The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			No such incidence arose
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6(5)(a)	Role of the NRC: NRC shall be independent and responsible or accountable to the Board and to the Shareholders	✓		
6(5)(b)(i)(a)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following: The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7.0 External or Statutory Auditors				
7(1)(i)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:- Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	Internal audit services or special audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance;	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
8.0 Maintaining a website by the Company				
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9.0 Reporting and Compliance of Corporate Governance				
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

Unilever Consumer Care Limited
Declaration by CEO and CFO
As per condition No. 1(5)(XXVI) of CGC

25 February 2021
The Board of Directors
Unilever Consumer Care Limited
House: 2A, Road:138, Gulshan-1, Dhaka.

Subject: Declaration on Financial Statements for the year ended on 31 December 2020.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Unilever Consumer Care Limited for the year ended on 31 December 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that :-

- (i) We have reviewed the financial statements for the year ended on 31 December 2020 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board of Directors or its members.

Sincerely yours,



Khan Salahuddin Mohammad Minhaj
Managing Director and CEO



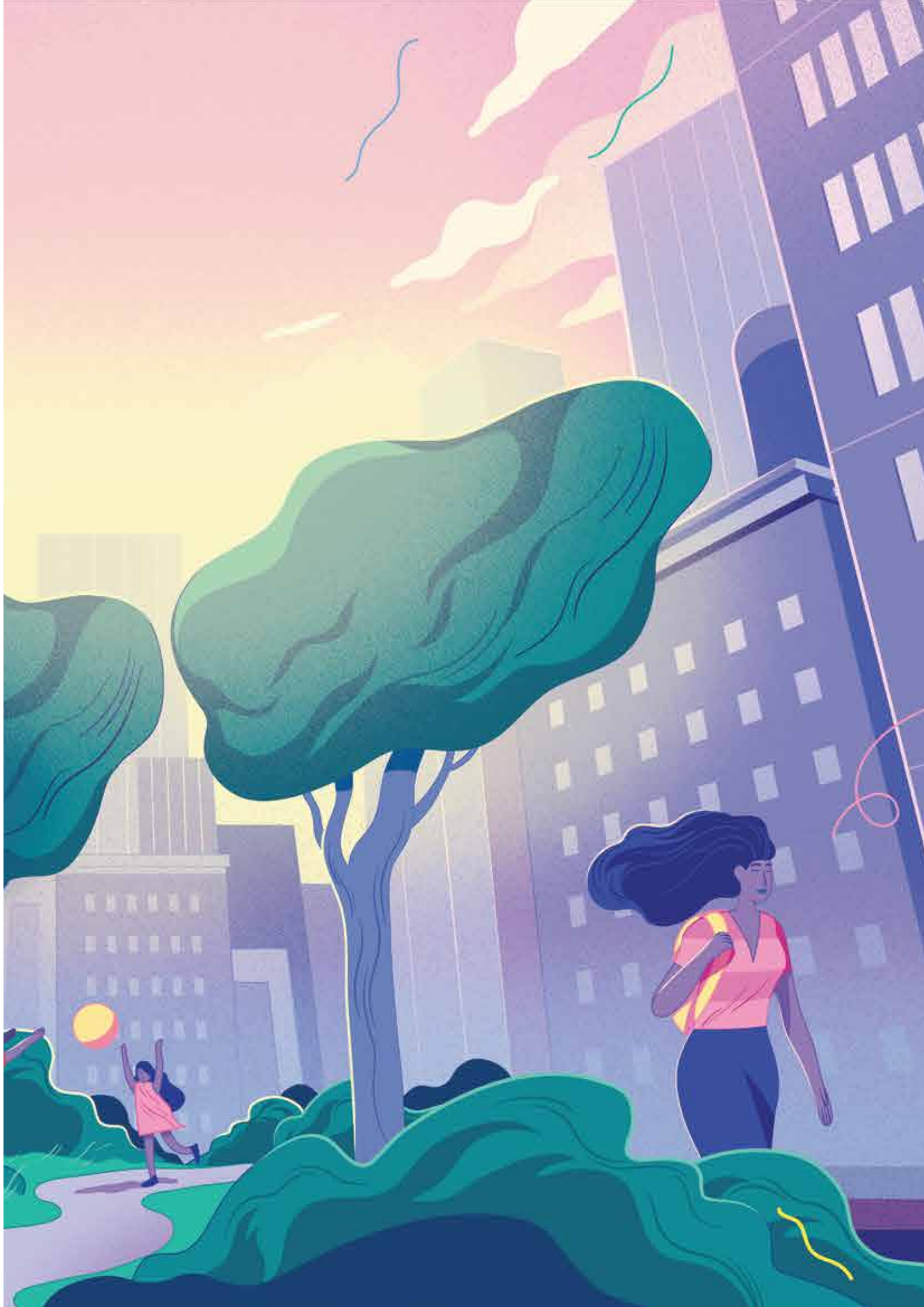
Hasnain Thoufiq Ahmed
Finance Director and CFO

Preparing everyone for creating true impact among communities

Our strategy is doing well by doing good and that requires collective effort. As communities evolve into more complex and diversified ecosystems of different generations, economic backgrounds, and culture, it is more important now than ever before to prepare ourselves and our customers to make a sustainable impact.

Through our purpose-led brands, we have developed a partnership and taken initiative to make sustainable change. In the coming year, we will continue to raise awareness on important nutrition and social issues that will help our customers lead a better and healthier life.







FINANCIAL STATEMENTS

107	Independent Auditor's Report to the Shareholders
114	Statement of Financial Position
115	Statement of Profit and Loss
116	Statement of Changes in Equity
117	Statement of Cash Flows
118	Notes to the Financial Statements
158	Proxy Form

Independent Auditors' Report

To the Shareholders of Unilever Consumer Care Limited

Report on the audit of Financial Statements

Opinion

We have audited the financial statements of Unilever Consumer Care Limited (the **Company**), which comprise the statement of financial position as at 31 December 2020, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion the accompanying financial statements give a true and fair view of the state of Company's affairs in all material respects of the financial position of the Company as at 31 December 2020, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB), Companies Act (#18) 1994, Bangladesh Securities & Exchange Rules 1987, and Other rules and regulations applicable for this Company in Bangladesh.

Basis for opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under those standards are further described in "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that, the audit evidence we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, we declare that, non-audit services as prohibited by the ethical requirements were not provided by us to the Company.

Key Audit Matters

Key matters are those matters that, in our professional judgments, were of most significant in the audit of the Company's financial statements of the current period. **Figures appearing in this report has been rounded off to nearest thousand (Taka).** These matters and any comments we make on the result of our procedure thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion of these matters. This is not a complete list of all risks identified by our audit.

Key Audit Matters

Our response to the Key Audit Matters

Transfer of SETFIRST Shares to Unilever Overseas Holdings B.V (See Note no 1.04 to the financial statements)

SETFIRST Limited (Setfirst) majority shareholder (81.98%) of the Company informed on 03 December 2018 about their intention to sell its entire shareholdings in the Company's 9,875,144 shares (the "Sale Shares") to Unilever N.V (Purchaser). The Company informed by issuing a Price Sensitive Information (PSI) on 22 March 2020 that the designated Purchaser of the "Sale Shares" changed from Unilever N.V to Unilever Overseas Holding B.V. The "Sale Shares" was conducted at prevailing market price (In the Block market) in compliance of BSEC Order No. BSEC/CMRRCD/2001-07/04 dated 19 March, 2020 through Dhaka Stock Exchange (DSE) within 30 working days as per Rule-4 of the BSEC (Substantial Acquisition of shares and Takeovers), Rules, 2018. The Board of Directors of the Company were informed vide a notification letter dated 24 June 2020 that the "Sale Shares" conditions have been fulfilled between Unilever Overseas Holding B.V and Setfirst. And this transaction has been approved by the Board of Directors of Setfirst. The Sale Shares occurred on 28 June 2020 by the City Brokerage Limited who was the common broker for both parties. The transactional amount was deposited in Non-resident Investors Taka Account (NITA) at Standard Chartered Bank which was open in accordance with Foreign Exchange Regulation Act, 1947. Further the transactional amount was remitted to SETFIRST Limited after receiving the Bangladesh Bank's approval as per Foreign Exchange Regulation Act, 1947. They also got special exemption for the tax payable on Capital gain on sale transaction from NBR vide Circular No-08.01.0000.045.10.2019.07.09/203 dated 01 January 2020 under Double Taxation Avoidance Agreement (DTAA).

Moreover, the GSK Group companies certified that they have no objection to Unilever PLC utilizing all rights, title and interest deriving from the Trademarks and Unilever PLC is free to deal in the Trademarks freely without any restriction.

Our audit procedures included, among others, considering the different types of risk associated with the share transactions:

- We have obtained and verified the relevant documents that were produced to us by the management.
- We have assessed the appropriateness of the procedure that were followed by the company as prescribed by Regulatory authority.
- We have also obtained the Tax exemption circular issued for this sale transaction.
- We have received the City Brokerage House's statement regarding the amount of Sale transaction.
- We have obtained the No Objection Certificate (NOC) from GSK PLC regarding using Trademarks.

Changes of Name (See Note no 1.05 to the financial statements)

On 30 June 2020, the newly appointed Board changed the name of the Company from "GlaxoSmithKline Bangladesh Limited" to "Unilever Consumer Care Limited" subject to obtaining approval from RJSC as per section 11 of the Companies Act, 1994, members' approval in EGM and other applicable regulatory approval. They received the name clearance certificate on 08 August 2020 following all the rules and regulations.

We understand the company followed proper procedure and we have carried out the following exercise:

- Obtained the EGM minute copy.
- Examined the application that was sent to RJSC.
- Verified and documented the name clearance certificate.

Discontinued operation (See Note no 43 to the financial statements)

During the year, the company discontinued its operation on Oral Health Care products which consists of Sensodyne paste, brush due to change in Ownership from SETFIRST Limited to Unilever Holding B.V.

We have obtained and evaluated the overall procedure of the discontinued operation.

We also obtained resolution of the board approving business discontinuation.

Revenue Recognition (See Note no 24 to the financial statements)

At year end the Company reported total revenue of Tk. 3,468,984

Revenue is measured net of discounts, commissions and rebates earned by the customers on the Company's sales. Within a number of the Company's markets, the estimation of discounts, incentives and rebates recognised based on sales made during the year is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.

There is also a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognised resulting from the pressure of local management may feel to achieve performance targets.

We have tested the design and operating effectiveness of key controls focusing on the following:

- Calculation of discounts, incentives and rebates;
- Segregation of duties in invoice creation and modification; and
- Timing of revenue recognition.

Our substantive procedures in relation to the revenue recognition comprises the following:

- Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognised in the correct period;
- Within a number of the Group's markets, comparing current year rebate accruals to the prior year and, where relevant, completing further inquiries and testing.
- Agreeing a sample of claims and rebate accruals to supporting documentation;
- Critically assessing manual journals posted to revenue to identify unusual or irregular items; and
- Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

Implementation of IFRS 16-Lease (See Note no 5 to the financial statements)

IFRS 16 – Leases' becomes effective for annual reporting beginning on or after 1 January 2019 which replaces the existing standard IAS 17. The Company decided to adopt the prospective approach for the transition accounting as they did not have any lease prior to October 2020. The application of the new lease standard resulted in the recognition, for the 01 October 2020 opening balance sheet, of right of use of asset of TK.313,088 and an increase in lease liabilities of TK. 313,088.

We considered the implementation of IFRS 16 Leases as a key audit matter, since the balances recorded are material, management had to apply several judgments and estimates such as lease term, discount rates, measurement basis among others and undertake a significant data extraction exercise to summaries the lease data for input into their lease calculation model.

Our audit procedures included the following:

1. Obtained and read the accounting policy for compliance with IFRS 16
2. Obtained listing of all contracts from the management and tested the contracts on a sample basis for impact under IFRS 16. In respect of the contracts selected for testing:
 - Obtained and read bank borrowing rates correspondences.
 - Tested the assumptions used in the calculation model for the sample contracts selected for testing
 - Performed test of details on a sample basis on different categories of lease for valuation of the right of use of asset and lease liability
 -
3. Assessed the disclosures within the financial statements.

Valuation of Inventory (See Note no 8 to the financial statements)

The Company had inventory of Tk.390,329 at 31 December 2020, held in factory and 6 depots situated at Gazipur, Bogura, Chattogram, Barisal, Khulna and Sylhet.

Inventories are valued at the lower of cost or net realizable value. As a result, the management apply judgment in determining the appropriate values for slow-moving or obsolete items.

We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:

- evaluating the design and implementation of key inventory controls operating across the Company, including those at a sample of distribution centers and warehouses;
- attending inventory counts and reconciling the count results to the inventory listings to test the completeness of data;
- comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete;
- reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; and
- challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete.

Payment of Technical Assistance Fees, Trademark and Technology Fees (See Note no 28.3 to the financial statements)

Due to changes in the ownership, the company needed to pay Technology Fees, Trademark & Technical Assistance Fee on Turnover effective from November 2020.

The agreement was made between the company and the following parties:

- Unilever Europe Business Center B.V for Technical Assistance Fee
- Unilever PLC, UK for Trademark
- Unilever PLC, UK for Technology

Our audit procedure includes:

- Obtained copy of the agreement from the company.
- Recalculated the provision made for Technology, Trademark and Technical Assistance fee
- Obtained the Board approval
- Ensuring that the payment will be made on quarterly basis through banking channel.

Measurement of deferred tax assets (See Note no 7 to the financial statements)

The Company reported net deferred tax assets totaling Tk. 29,466 as at 31 December 2020.

Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax assets.

We obtained Company's Tax Department's opinion to assess key assumptions, controls, recognition and measurement of deferred tax assets.

We also assessed the appropriateness of presentation of disclosures against IAS 12 Income Tax.

Claims, Litigations and Contingent Liabilities (See Note no 22 to the financial statements)

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

The Company has several legal proceedings, claims and government investigations and inquiries pending that expose the Company to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. The significant contingent liabilities are as follows:

- Counter Guarantee of BDT 583,000 was issued by the Company to the banks against the Bank Guarantees issued by those banks to 3rd parties.
- There is an Excise Duty claim for BDT 873,000 from respective authority on sale of certain quantity of Mycil powder affected after 10 September 1981 and the case is presently pending with the Honorable High Court Division of the Supreme Court of Bangladesh.
- The Income Tax authority issued Total demand of Tk.16,052, for the assessment year 2005-2006 and assessment year 2006-2007. The Company is contesting against the verdict of the Taxes Appellate Tribunal and submitted reference application before the Honorable High Court Division of the Supreme Court of Bangladesh.
- The VAT authority issued Total demand of Tk 60,823 for the assessment year 2010-2011.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the legal provision and contingencies process.

We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.

We enquired of the Company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.

Management's responsibilities for other information

Management is responsible for the other information. The other information comprises the information in Director's report included in the annual report but does not include in the financial statements and our auditors' report thereon.

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

Responsibilities of management and those charged with governance for the preparation of the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with applicable IFRSs and IASs, The Companies Act (#18) 1994, The Bangladesh Securities & Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

We conducted our audit in accordance with International Standards on Auditing (ISA) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit, we also:

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

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

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

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


Report on other legal and regulatory requirements

In accordance with the Companies Act (#18) 1994 and the Bangladesh Securities and Exchange Rules 1987 and relevant notification issued by Bangladesh Securities and Exchange Commission, we also report the following:

- a. 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 and made due verification thereof;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c. The statement of financial position and statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity dealt with by the report are in agreement with the books of account and returns; and
- d. The expenditure incurred was for the purposes of the Company's business.

Dhaka, 02 March, 2021

Hoda Vasi Chowdhury & Co
Chartered Accountants
DVC: 2103020137AS793927

Signed by: 
Showkat Hossain, FCA (0137)
Senior Partner

Unilever Consumer Care Limited
Statement of Financial Position
As at 31 December 2020

Taka in '000

	Note(s)	At 31 December	
		2020	2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	83,509	100,707
Right-of-use asset	5	287,777	-
Intangible assets	6	-	14,028
Deferred tax asset	7	29,466	40,451
Retirement benefit assets (pension fund)	18	-	3,464
Total Non-current assets		400,752	158,650
Current assets			
Inventories	8	390,329	11,501
Trade and other receivables	9	52,934	492,456
Intercompany receivables	10	28,318	833
Advances, deposits and prepayments	11	30,950	28,836
Cash and cash equivalents	12	3,697,148	3,796,022
Current tax asset	15	-	17,335
Current assets - discontinued operation (Pharmaceuticals)	44	-	3,117
		4,199,679	4,350,100
TOTAL ASSETS		4,600,431	4,508,750
EQUITY AND LIABILITIES			
Equity attributable to the Company's equity holders			
Share capital	19	120,465	120,465
Retained earnings	21	1,352,252	1,461,383
General reserve		5,000	5,000
Revaluation reserve	20.1	4,831	4,831
Capital reserve	20.2	166	166
Total equity		1,482,714	1,591,845
LIABILITIES			
Non-current liabilities			
Lease liability-Non current portion	17	226,307	-
		226,307	-
Current liabilities			
Trade and other payables	13	2,604,668	2,794,078
Intercompany payables	14	138,432	30,210
Current tax liabilities	15	69,219	-
Unclaimed dividend payable	16.2	10,434	10,140
Lease liability-Current Portion	17	68,657	-
Liabilities - discontinued operation (Pharmaceuticals)	44	-	82,477
		2,891,410	2,916,905
Total liabilities		3,117,717	2,916,905
TOTAL EQUITY AND LIABILITIES		4,600,431	4,508,750
Contingent Liabilities	22	78,331	78,341
Commitments	23	400,496	35,368
Net Assets Value (NAV) per Share	42	123.08	132.14

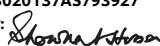
These financial statements should be read in conjunction with the annexed notes 01 to 51 and were approved by the Board of Directors on February 28, 2021 and were signed on its behalf by:


Company Secretary


Director


Managing Director

Signed in terms of our separate report of even date annexed

Hoda Vasi Chowdhury & Co
Chartered Accountants
DVC: 2103020137A5793927
Signed By: 
Showkat Hossain, FCA (0137)
Senior Partner

Dhaka, March 02, 2021

Unilever Consumer Care Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2020

Taka in '000

	Note(s)	2020	2019 (Restated)
Continuing Operation			
Revenue	24	3,468,984	4,041,780
Cost of sales	25	(1,876,375)	(1,810,943)
Gross Profit		1,592,609	2,230,837
Operating Expenses			
Selling and distribution expenses	26	(754,984)	(860,643)
Administrative expenses	27	(250,977)	(292,344)
Other (expense) / income	28	(51,296)	(7,182)
Total		(1,057,257)	(1,160,169)
Profit from operations		535,352	1,070,668
Finance income	29	174,819	168,653
Finance expense	30	(6,792)	(230)
Profit before WPPF & taxation		703,379	1,239,091
Contribution to WPPF	31	(36,791)	(60,401)
Profit before tax		666,588	1,178,690
Income tax expenses	33	(169,702)	(161,893)
Profit from continuing operations		496,886	1,016,797
Profit/(Loss) from discontinued operation (Oral Health Care)	43	32,446	73,868
Profit/(Loss) from discontinued operation (Pharmaceuticals)	44	-	(104,930)
Profit after tax		529,332	985,735
Other comprehensive income net of tax			
Re-measurement of pension fund gain/(loss)	18.2	-	(9,512)
Total other comprehensive income net of tax for the year		-	(9,512)
Total comprehensive income for the year		529,332	976,223
Profit for the year attributable to	19.6		
Setfirst Limited, UK		-	808,062
Unilever Overseas Holdings B.V, UK		433,923	-
Non-Controlling Interest		95,409	177,673
		529,332	985,735
Earning per share for profit from continuing operation			
Basic Earnings per Share (EPS)	39	41.25	84.41
Earning per share for overall profit attributable to ordinary equity holders of the company			
Basic Earnings per Share (EPS)	41	43.94	81.83

These financial statements should be read in conjunction with the annexed notes 01 to 51 and were approved by the Board of Directors on February 28, 2021 and were signed on its behalf by:

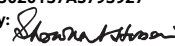

Company Secretary


Director


Managing Director

Signed in terms of our separate report of even date annexed

Dhaka, March 02, 2021

Hoda Vasi Chowdhury & Co
Chartered Accountants
DVC: 2103020137AS793927
Signed By: 
Showkat Hossain, FCA (0137)
Senior Partner

Unilever Consumer Care Limited
Statement of Changes in Equity
For the year ended 31 December 2020

Particulars	Note(s)	Taka in '000					Total equity
		Share Capital	Revaluation Reserves	Capital Reserves	General Reserves	Retained Earnings	
Balance at 01 January 2019		120,465	4,831	166	5,000	1,123,623	1,254,085
Net profit after tax						985,735	985,735
Other comprehensive income						(9,512)	(9,512)
Cash dividend for 2018	16.1					(638,463)	(638,463)
Balance at 31 December 2019		120,465	4,831	166	5,000	1,461,383	1,591,845
Balance at 01 January 2020		120,465	4,831	166	5,000	1,461,383	1,591,845
Net profit after tax						529,332	529,332
Other comprehensive income						(638,463)	(638,463)
Cash dividend for 2019	16.1					-	-
Balance at 31 December 2020		120,465	4,831	166	5,000	1,352,252	1,482,714

These financial statements should be read in conjunction with the annexed notes 01 to 51 and were approved by the Board of Directors on February 28, 2021 and were signed on its behalf by:



Director



Company Secretary



Managing Director

Unilever Consumer Care Limited
Statement of Cash Flows
For the year ended 31 December 2020

Taka in '000

	Note(s)	2020	2019
Cash flows from operating activities			
Cash receipts from customers		4,077,454	4,678,675
Payment for cost and expenses		(3,708,924)	(3,752,570)
Other income		(9,065)	4,626
Cash generated from operations		359,465	930,731
Interest received		271,564	86,343
Interest paid on lease	30	(358)	(230)
Income tax paid	15	(72,163)	(19,628)
		199,043	66,485
Net cash provided by operating activities (A)	37	558,508	997,216
Cash flows from investing activities			
Acquisition of property, plant & equipment	4	-	(18,726)
Sales proceed of property, plant & equipment	4.4	4,475	38,360
Net cash from in investing activities (B)		4,475	19,634
Cash flows from financing activities			
Dividend paid	16.3	(638,169)	(637,773)
Lease liabilities paid-Principle	17	(24,558)	(3,113)
Net cash used by financing activities (C)		(662,727)	(640,886)
Net increase/(decrease) in cash and cash equivalents D (A+B+C)		(99,744)	375,964
Cash and cash equivalents at beginning of the year (E)		3,796,022	3,419,507
Effect in foreign exchange rate on cash & cash equivalent (F)	28.2.1	870	551
Cash and cash equivalents at end of the year (D+E+F)		3,697,148	3,796,022
Represented by			
Term deposits	12	3,050,000	3,200,000
Cash in transit		-	5,481
Current account with scheduled commercial banks		647,148	590,541
		3,697,148	3,796,022
Net Operating Cash Flows Per Share (NOCFPS)	38	46.36	82.78

These financial statements should be read in conjunction with the annexed notes 01 to 51 and were approved by the Board of Directors on February 28, 2021 and were signed on its behalf by:



Company Secretary



Director



Managing Director

Unilever Consumer Care Limited

Notes to the Financial Statements As at and for the year ended 31 December 2020

1 The Company and its nature of business

1.01 The Company

Unilever Consumer Care Limited (previously known as GlaxoSmithKline Bangladesh Limited) (the Company) was incorporated on 25 February 1974 as a public limited company and is listed with Dhaka Stock Exchange Limited. On 30 June 2020, 81.98% of shares of the Company was acquired by Unilever Overseas Holdings BV, UK as part of the Share Purchase Agreement signed between SETFIRST Limited and Unilever NV (Unilever NV nominated Unilever Overseas Holdings BV, UK as buyer of the shares). Consequently, the Company become a subsidiary of Unilever Overseas Holdings BV, UK. Based on the Board Resolution dated 16 August 2020, the name of the Company was changed to Unilever Consumer Care Limited.

1.02 Registered office

The address of the Company's registered office is Fouzderhat Industrial Area, North Kattali, P.O Box No. 53. Chattogram-4217, Bangladesh.

1.03 Nature of business

The principal activities of the Company include manufacturing and marketing of consumer healthcare products including Health Food Drink and Glucose Powder. Health Food Drink and Glucose Powder are manufactured in Bangladesh through third party under contract exclusively working for the Company. The business of Oral Health Care has been discontinued since 30 June 2020.

1.04 Sale of majority shares

SETFIRST Limited (Setfirst) majority shareholder (81.98%) of the Company informed on 03 December 2018 about their intention to sell its entire shareholdings in the Company (9,875,144 shares) shares (the "Sale Shares") to Unilever N.V (Purchaser). The Company informed by issuing a PSI on 22 March 2020 that the designated Purchaser of the Sale Shares changed from Unilever N.V to Unilever Overseas Holding B.V. The "Sale Shares" was conducted at prevailing market price (In the Block market) in compliance of BSEC Order No. BSEC/CMRRCD/2001-07/04 dated 19 March, 2020 through Dhaka Stock Exchange (DSE) within 30 working days as per Rule-4 of the BSEC (Substantial Acquisition of shares and Takeovers), Rules, 2018. On June 24, 2020 the Board of Directors of the Company were informed vide a notification letter dated on the same day by Setfirst Limited that the "Sale Shares" conditions have been fulfilled between Unilever Overseas Holding B.V and Setfirst. And this transaction has been approved by the Board of Directors of Setfirst Limited. The Sale Shares occurred on 28 June, 2020 by the City Brokerage Limited who was the common broker for the both parties. The transactional amount was deposited in Non-resident Investors Taka Account (NITA) at Standard Chartered Bank Limited which was open in accordance with Foreign Exchange Regulation Act, 1947. Further the transactional amount was remitted to Setfirst after receiving the Bangladesh Bank's approval as per Foreign Exchange Regulation Act, 1947. They also got special exemption for the tax payable on Capital gain on sale transaction from NBR vide Circular No-08.01.0000.045.10.2019.07.09/203 dated 01 January 2020 under Double Taxation Avoidance Agreement (DTAA). Moreover, the GSK Group companies certified that they have no objection to Unilever PLC utilizing all rights, title and interest deriving from the Trademarks and Unilever PLC is free to deal in the Trademarks freely without any restriction. Unilever PLC confirms it will not object to other Unilever group companies to utilize the same, including without limitation Unilever Consumer Care Limited.

1.05 Changes of Name

On 30 June 2020 the newly appointed Board changed the name of the Company from "GlaxoSmithKline Bangladesh Limited" to "Unilever Consumer Care Limited" subject to obtaining approval from RJSC as per section 11 of the Companies Act, 1994, members' approval in EGM and other applicable regulatory approval.

2 Basis of preparation of Financial Statements

2.01 Principal accounting policies

The specific accounting policies have been selected and applied by the Company's management for significant transactions and events that have a material effect within the framework for preparation and presentation of Financial Statements. Financial Statements have been prepared and presented in compliance with IAS 1, Presentation of Financial Statements. The previous year's figures were re-arranged according to the same accounting policies. Accounting and valuation methods are disclosed for reasons of clarity. The Company classified the expenses using the function of expenses method as per IAS 1, Presentation of Financial Statements.

2.02 Application of standards

The following IASs and IFRSs are applicable for the preparation and presentation of these Financial Statements for the year under review.

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events after the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 19	Employee Benefits
IAS 21	The Effect of Changes in Foreign Exchange Rates
IAS 24	Related Party Disclosures
IAS 33	Earnings Per Share
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IFRS 5	Non-Current Assets Held for Sale and Discontinued Operations
IFRS 7	Financial Instruments: Disclosures
IFRS 9	Financial Instruments
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

2.03 Going Concern

The Financial Statements have been prepared on a going concern basis. The Company reviews its resources available for continuing operation to assess its financial strength. As at end of December 2020, the company has adequate resources to continue its operation for foreseeable future. As per management assessment, there is no material uncertainty related to events or conditions even considering the future impact of the COVID-19 pandemic which may cast significant doubt upon the Company's ability to continue as a going concern. For this reason the financial statements have been prepared on going concern basis.

2.04 Financial Statements

2.04.1 Composition

The Financial Statements comprise of :

- i) Statement of Financial Position;
- ii) Statement of Profit or Loss and Other Comprehensive Income;
- iii) Statement of Changes in Equity;
- iv) Statement of Cash Flows, and;
- v) Notes to the Financial Statements including a summary of significant accounting policies and other explanatory information.

2.04.2 Statement of compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by Institute of Chartered Accountants of Bangladesh (ICAB) and the relevant requirements of the Schedule to the Securities & Exchange Rules, 1987, the Listing Regulations of Dhaka Stock Exchange Limited, 1996, Companies (#18) Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax and Supplementary Duties Act 2012, Value Added Tax and Supplementary Duties Rules 2016 and Other rules and regulations as applicable for this Company.

2.04.3 Financial period

This Financial Statements cover the financial year from 01 January to 31 December 2020, with comparative figures for the financial years from 01 January to 31 December 2019.

2.04.4 Management's responsibilities

Management is responsible for the preparation and fair presentation of these financial statements in accordance with applicable International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), The Companies Act (#18) 1994, Bangladesh Securities & Exchange Commission Rules and other applicable laws and regulations and maintain such internal control as management determines necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease the operation, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the entity's financial reporting process.

2.05 Basis of measurement

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the Instituted Chartered Accountants of Bangladesh (ICAB). These Financial Statements have been prepared on accrual basis except the Statement of Cash Flows under the 'historical cost' convention except for certain fixed assets which were revalued in 1978.

2.06 Functional and presentation currency

These Financial Statements are presented in Bangladeshi Taka which is the functional and presentational currency. Figures have been rounded off to the nearest thousand Taka, unless stated otherwise.

2.07 Use of estimates and judgments

The preparation of Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that influence the application of accounting and reported amounts of assets, liabilities, income and expenses. Judgments and estimates are based on historical experiences and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual experience and result may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the significant effect on the amounts recognized in the Financial Statements are mentioned below:

	Policy	Note
Property, Plant & Equipment	3.01	4
Property, Plant & Equipment-Depreciation	3.01.3	4
Impairment of Property, Plant & Equipment	3.03	4
Impairment of Intangible Assets	3.03	6
Amortization of Intangible Assets	3.02.3	6
Measurement of Right of Use Asset	3.17.2	5
Measurement of Lease liabilities	3.17.3	17
Current tax	3.06.1	32
Deferred Tax	3.06.2	7
Employee Benefit liabilities	3.05	18

2.08 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered virus (COVID-19) and declared a global pandemic by the World Health Organization (WHO) with serious adverse impact on economy and business. Supply Chain disruptions in Bangladesh as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several area followed by a nationwide lockdown from the 26th of March 2020 announced by the Bangladesh Government, to stem the spread of COVID-19. Due to this the operations in many of UCL's manufacturing, distribution center's, warehouses and extended supply chain partner locations got temporarily disrupted.

In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment, intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, and future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

3 Summary of significant accounting policies

3.01 Property, Plant and Equipment (PPE)

3.01.1 Recognition and measurements (PPE)

Items of Property, Plant and Equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment losses, if any, as per IAS 16 Property, Plant and Equipment. The cost of PPE comprises of its purchase price, import duties, non-refundable taxes and any other cost directly attributable to bring the asset to a condition for its intended use.

Property, Plant and Equipment is stated at cost or valuation less accumulated depreciation and impairment, if any. Effective from January 2013, all personal computers (Desktop, Laptop, Note Book, and Monitor) are charged off as revenue expenditure. PC's purchased up to 31 December 2012 were capitalized and will continue to be depreciated over the remaining useful life of the PCs.

Maintenance and normal repairs are expensed as incurred while major renewals and improvements are capitalized.

3.01.2 Subsequent costs (PPE)

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to day servicing of property, plant and equipment are expensed when incurred.

3.01.3 Depreciation (PPE)

Depreciation is provided on straight line method at the annual rates shown below and leasehold land is amortized annually in such a manner that at the end of the period of lease, the land is fully amortized :

Category of PP&E	Rate (%)
Freehold buildings	2.5
Leasehold land	2.5
Plant and machinery	5, 10 & 33.33
Furniture, fixtures and equipment	10,12.5 & 15
Computers	25, 33.33 & 100
Vehicles	25

Depreciation on additions made during the year is charged from the date in which the newly acquired assets are ready for use in operation.

Depreciation on disposal of Property, Plant and Equipment is made up to the date prior to the disposal. Depreciation method, useful lives and residual values are reviewed at each reporting date.

3.01.4 Gains or losses on disposal/ derecognition (PPE)

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit or Loss and Other Comprehensive Income.

3.02 Intangible assets

3.02.1 Recognition and measurement of Intangible Assets

Intangible assets that are acquired by the company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per IAS-38 Intangible Assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

Intangible assets represent cost incurred for acquiring and developing computer software for Enterprise Resources Planning (ERP) of the company where the software supports a significant business system and the expenditure leads to the creation of a durable asset. ERP system software generally involves significant customization prior to implementation and is expected to have a useful economic life of eight years.

3.02.2 Subsequent costs of Intangible Assets

Subsequent costs are capitalized only when they increase the future economic benefits embodied in the specific intangible asset to which they relate. All other costs are recognized in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

3.02.3 Amortization of Intangible Assets

Amortization is calculated to write off the cost of the intangible assets, using the straight-line method, over their expected useful lives. The normal expected useful life of the computer software is as follows:

<u>Category of PPE</u>	<u>Years</u>
Commercial ERP	8
Software other than ERP	7

3.02.4 Gains or losses on disposal/ derecognition

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognized in the Statement of Profit or Loss and Other Comprehensive Income.

3.03 Impairment of PPE & Intangible

The carrying values of all PPE are reviewed for impairment on annual basis to assess whether there is any indication that the assets might be impaired. Any provision for impairment is charged to the Statement of Profit or Loss and Other Comprehensive Income in the year concerned.

3.04 Basis of valuation of inventories

Inventories are measured at the lower of cost and net realizable value (NRV) under IAS 2. If the NRV falls below cost, the inventory is written down to its recoverable amount and the shortfall charged to Statement of Profit or Loss and Other Comprehensive Income. Valuation method of inventories is First in, First out method (FIFO).

The cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.05 Employee Benefits

(i) Short-term benefits

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

(ii) Defined benefits plans

(a) Workers' Profit Participation Fund

The Company operates fund for workers as "Workers' Profit Participation Fund" and the Company provides 5% of its profit before charging such expense as workers' profit participation fund in accordance with "The Bangladesh Labor Act 2006" (as amended in 2013 and in 2015).

(b) Gratuity fund

The Company has a gratuity fund for its non-management employees and any other employee who might be part of any future voluntary retirement scheme as per the gratuity fund trust deed & rule. At present there is no non-management employee and the company do not have intention of offering any voluntary retirement scheme in foreseeable future.

(c) Pension fund

The Company has discontinued with the pension fund which was being operated for its eligible permanent management staff who joined on or prior to 01 September 2012.

(d) Provident fund

The Company maintains contributory recognized provident funds for its eligible permanent employees.

(e) Group Insurance

The Company has also a group life insurance scheme for its permanent employees, premium for which is charged out to Statement of Profit or Loss and Other Comprehensive Income annually as per insurance policy.

3.06 Taxation

Income tax expense represents the sum of the current tax and deferred tax. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

3.06.1 Current tax

Provision for current year's taxation is based on the elements of income and expenditure as reported in the Financial Statements and is computed in accordance with the provisions of the Finance Act 2020 or Income Tax Ordinance and Income tax Rules. Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income.

3.06.2 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts.

A deferred tax liability is recognized based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period.

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

3.07 Foreign currencies translation/transaction

Foreign currency receipts and payments during the year are translated at the exchange rate ruling on the transaction date. However, assets and liabilities at the reporting date are converted at the rate prevailing on that date.

3.08 Revenue from Contracts with Customers

Revenue is recognized when invoices for products and service are made and the significant risk and reward of ownership are transferred to the distributor, recovery of the consideration is probable, associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. The five step model has been complied in case of revenue recognition.

The five step model consists of:

1. Identification of contract(s) with a customer
2. Identification of performance obligation
3. Determination of transaction price
4. Allocation of transaction price to separate performance obligations
5. Recognition of revenue when entity satisfies performance obligations

3.09 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Financial Statements in the period in which the dividends are approved by the Company's Annual General Meeting (AGM).

3.10 Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at statement of financial position date are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes, when material.

There is no material events that had occurred after the date of statement of financial position till the date of issue of these financial statements, which could affect the figures stated in the financial statements.

The dividends for 2019 paid in 2020 were Taka 638,463 (Taka'000) (Tk 53.00 per share). A dividend, in respect of the Board of Director in their 300th meeting held on 28th February 2021 for 2020 of 440% cash dividend i.e. Tk. 44 per share of Tk. 10 each, amounting to a total dividend of Taka 530,044 (Taka'000) is to be proposed at the 48th Annual General Meeting on 29th April, 2021. These financial statements do not reflect this dividend payable.

3.11 Earnings per Share (EPS)

The Company calculates its Earnings per Share in accordance with International Accounting Standards (IAS-33) which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income.

3.11.1 Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there were no preference shares requiring returns or dividends, minority interest or extraordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

3.11.2 Basic Earnings per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

3.11.3 Diluted Earnings per Share

During the year, no diluted Earnings per Share is required to be calculated per year, as there was no scope for dilution.

3.12 Materiality and aggregation

Each material class of similar items are presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

3.13 Discontinued operation

Pharmaceutical segment of the company have been identified as discontinued operation in 2018 and financial statements have been prepared in accordance with IFRS 5 where applicable. Ref: Note - 44

Oral Healthcare segment of the company have been identified as discontinued operation from June 30, 2020 and financial statements have been prepared in accordance with IFRS 5 where applicable. Ref : Note - 43

3.14 Provision, Contingent Liabilities and Contingent Assets

Accruals and provision and contingent liabilities have been recognized according to IAS 37: Provision, Contingent Liabilities and Contingent Assets.

i) A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of obligation in compliance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

ii) Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

iii) Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

As at 31 December 2020, the company has Contingent liability and the company does not have any Contingent assets. Ref: Note - 22

3.15 Cash and Cash Equivalent

Cash and cash equivalents are cash, balances with bank and short-term deposit (three months or less from the date of placement), highly liquid investments that are readily convertible into cash without any restrictions except for the amount of WPPF and Dividend payable kept under Bank accounts with HSBC and Standard Chartered Bank.

3.16 Financial Instruments

3.16.1 Financial Assets

Non-derivative financial assets are categorized into "Financial Asset at Fair Value through Profit and Loss (FVTPL)", "Held to maturity financial assets", "loans or receivable" or "available for sale financial assets".

Short term investment are categorized as held to maturity financial assets. Short term investment are term deposits with scheduled commercial bank.

Trade receivables are categorized as loans and receivables. Trade receivables are recognized in the original invoice amount without any impact of impairment.

The Company has no other financial assets except short term investment and trade receivable.

3.16.2 Financial Liabilities

Financial liabilities are categorized into financial liabilities at fair value through profit and loss or other financial liabilities. The Company's financial liability include mainly trade and other payables.

3.17 Adoption of IFRS 16: Leases

IFRS 16: leases is effective for annual reporting periods beginning on or after 1 January 2019, the Company has chosen to apply IFRS 16 Lease on 1 October 2020 because they did not have any lease before this day. As per IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset, for a period, in exchange for consideration. The distinction between operating and finance leases is eliminated for lessees under IFRS 16, and a new lease asset (representing the right to use the leased item for the lease term) and lease liability (representing the obligation to pay rentals) are recognized for all leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lease is recognized as a liability to make lease payments (i.e., the lease liability) and an asset representing the right to lease the underlying asset during the lease term (i.e., the right-of-use asset). Lessee is required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

3.17.1 Leases

In the context of the application of IFRS 16, right-of-use assets and lease liabilities were recognized. The Company transitioned to IFRS 16 from the October 2020 as the company did not have any lease prior to this day. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

3.17.2 Right of Use Assets

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is depreciated using the straight line methods from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. In addition, the right of use asset is adjusted periodically for remeasurements of the lease liability.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date less any lease incentives received.

3.17.3 Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses government treasury bill rate of the previous quarter (the quarter ended before the lease commencement).

Lease payments included in the measurement of the lease liability comprise the following: - fixed payments, including in-substance fixed payments; - variable lease payments that depend on an index or a rate, initially measured using the index rate as the commencement date; - amounts expected to be payable under a residual value guarantee; and - the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

3.17.4 Short-term leases and leases of low-value assets

The company not applying the recognition and measurement requirements of IFRS 16 to short-term leases (leases of less than 12 months maximum duration). It also not apply the recognition and measurement requirements of IFRS 16 to leases for which the underlying asset is of low value (i.e. less than USD 5,000 when new. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

3.18 Impact analysis of adopting IFRS -16

3.18.1 Impact on Statement of Financial Position

				Taka in '000
				At 31 December 2020
	Note(s)	As reported	Adjustment	Without adoption of IFRS 16
ASSETS				
Non-current assets				
Property, plant and equipment	4	83,509	-	83,509
Right-of-use asset	5	287,777	(287,777)	-
Intangible assets	6	-	-	-
Deferred tax asset	7	29,466	(188)	29,278
Retirement benefit assets (pension fund)	18	-	-	-
Total Non-current assets		400,752	(287,965)	112,787
Current assets				
Inventories	8	390,329	-	390,329
Trade and other receivables	9	52,934	-	52,934
Intercompany receivables	10	28,318	-	28,318
Advances, deposits and prepayments	11	30,950	16,509	47,459
Cash and cash equivalents	12	3,697,148	-	3,697,148
Current tax asset	15	-	-	-
Current assets - discontinued operation (Pharmaceuticals)	44	-	-	-
		4,199,679	16,509	4,216,188
TOTAL ASSETS		4,600,431	(271,456)	4,328,975
EQUITY AND LIABILITIES				
Equity				
Share capital	19	120,465	-	120,465
Retained earnings	21	1,352,252	1,698	1,353,950
General reserve		5,000	-	5,000
Revaluation reserve	20.1	4,831	-	4,831
Capital reserve	20.2	166	-	166
Total equity		1,482,714	1,698	1,484,412
LIABILITIES				
Non-current liabilities				
Non-current liabilities	17	226,307	(226,307)	-
		226,307	(226,307)	-
Current liabilities				
Trade and other payables	13	2,604,668	17,263	2,621,931
Intercompany payables	14	138,432	-	138,432
Current tax liabilities	15	69,219	(1,886)	67,333
Unclaimed dividend payable	16.2	10,434	-	10,434
Lease liability-Current Portion	17	68,657	(62,224)	6,433
Liabilities - discontinued operation (Pharmaceuticals)	44	-	-	-
		2,891,410	(46,847)	2,844,563
Total liabilities		3,117,717	(273,154)	2,844,563
TOTAL EQUITY AND LIABILITIES		4,600,431	(271,456)	4,328,975

3.18.2 Impact on Statement of Profit or Loss and Other Comprehensive Income

		Taka in '000		
		For the year ended 31 December 2020		
	Note(s)	As reported	Adjustment	Without adoption of IFRS 16
Continuing Operation				
Revenue	24	3,468,984	-	3,468,984
Cost of sales	25	(1,876,375)	(6,434)	(1,882,809)
Gross Profit		1,592,609	(6,434)	1,586,175
Operating Expenses				
Selling and distribution expenses	26	(754,984)	-	(754,984)
Administrative expenses	27	(250,977)	(358)	(251,335)
Other (expense) / income	28	(51,296)	-	(51,296)
Total		(1,057,257)	(358)	(1,057,615)
Profit from operations		535,352	(6,792)	528,560
Finance income	29	174,819	-	174,819
Finance expense	30	(6,792)	6,792	-
Profit before WPPF & taxation		703,379	-	703,379
Contribution to WPPF	31	(36,791)	-	(36,791)
Profit before tax		666,588	-	666,588
Income tax expenses	33	(169,702)	1,698	(168,004)
Profit from continuing operations		496,886	1,698	498,584
Profit/(Loss)				
Discontinued operation (Oral Health Care)	43	32,446	-	32,446
Discontinued operation (Pharmaceuticals)	44	-	-	-
Profit after tax		529,332	1,698	531,030
Other comprehensive income net of tax				
Re-measurement of pension fund asset	18.2	-	-	-
Total other comprehensive income net of tax for the year		-	-	-
Total comprehensive income for the year		529,332	1,698	531,030

3.18.3 Impact on Statement of Cash Flows

		Taka in '000	
		For the year ended 31 December 2020	
Note(s)	As reported	Adjustment	Without adoption of IFRS 16
Cash flows from operating activities			
	4,077,454	-	4,077,454
	(3,708,924)	(24,916)	(3,733,840)
	(9,065)	-	(9,065)
	359,465	(24,916)	334,549
	271,564	-	271,564
30	(358)	358	-
15	(72,163)	-	(72,163)
	199,043	358	199,401
	558,508	(24,558)	533,950
Cash flows from investing activities			
	-	-	-
4.4	4,475	-	4,475
	4,475	-	4,475
Cash flows from financing activities			
16.3	(638,169)	-	(638,169)
17	(24,558)	24,558	-
	(662,727)	24,558	(638,169)
	(99,744)	-	(99,744)
	3,796,022	-	3,796,022
28.2.1	870	-	870
	3,697,148	-	3,697,148
12	3,050,000	-	3,050,000
	-	-	-
	647,148	-	647,148
	3,697,148	-	3,697,148

4 Property, Plant and Equipment

Ref: 3.01

4.1 The following is the Statement of Property, Plant & Equipment as at and for the year 2020

At cost	Gross book value at cost / Valuation			Depreciation			Impairment			Carrying value as at 31 Dec 2020			
	Opening	Additions	Disposals/Transfers	Closing	Opening	Charged	Adjustments	Closing	Opening		Charged	Disposals	Closing
Freehold land	221	-	-	221	-	-	-	-	-	-	-	-	221
Leasehold Land	619	-	-	619	228	112	-	340	-	-	-	-	279
Freehold buildings	142,028	-	-	142,028	77,169	3,232	-	80,401	-	-	-	-	61,627
Plant & Machinery	429,434	-	-	429,434	283,366	4,347	-	287,713	136,208	-	-	136,208	5,513
Furniture, Fixture & Equipment	296,763	-	1,779	294,984	133,172	3,608	623	136,157	151,940	-	-	151,940	6,887
Vehicles	82,394	-	10,272	72,122	73,500	3,732	9,261	67,971	-	-	-	-	4,151
	951,459	-	12,051	939,408	567,435	15,031	9,884	572,582	288,148	-	-	288,148	78,678
At valuation - in 1978													
Freehold land	4,831	-	-	4,831	-	-	-	-	-	-	-	-	4,831
Leasehold Land	12	-	-	12	12	-	-	12	-	-	-	-	-
Freehold buildings	45,747	-	-	45,747	45,747	-	-	45,747	-	-	-	-	-
Plant & Machinery	7,398	-	-	7,398	6,678	-	-	6,678	720	-	-	720	-
Furniture, Fixture & Equipment	1,491	-	-	1,491	1,466	-	-	1,466	25	-	-	25	-
	59,479	-	-	59,479	53,903	-	-	1,466	745	-	-	745	4,831
As at 31 Dec 2020	1,010,938	-	12,051	998,887	621,338	15,031	9,884	626,485	288,893	-	-	288,893	83,509

4.2 The following is the Statement of Property, Plant & Equipment as at and for the year 2019

At cost	Gross book value at cost / Valuation			Depreciation			Impairment			Carrying value as at 31 Dec 2019		
	Opening	Additions	Disposals/Transfers	Opening	Charged	Adjustment	Closing	Opening	Charged		Disposals	Closing
Freehold land	221	-	-	-	-	-	-	-	-	-	-	221
Leasehold Land	619	-	-	213	15	-	228	-	-	-	-	391
Freehold buildings	142,681	-	653	74,219	3,198	248	77,169	-	-	-	-	64,859
Plant & Machinery	867,106	5,192	442,864	570,229	4,219	291,082	283,366	288,816	-	152,608	136,208	9,860
Furniture, Fixture & Equipment	341,730	7,534	52,501	149,911	2,801	19,539	133,173	184,644	-	32,705	151,939	11,651
Vehicles	123,961	6,000	47,567	98,988	8,916	34,404	73,500	-	-	-	-	8,894
	1,476,318	18,726	543,585	893,560	19,149	345,273	567,436	473,460	-	185,313	288,147	95,876
At valuation - in 1978												
Freehold land	4,831	-	-	-	-	-	-	-	-	-	-	4,831
Leasehold Land	12	-	-	12	-	-	12	-	-	-	-	-
Freehold buildings	45,747	-	-	45,747	-	-	45,747	-	-	-	-	-
Plant & Machinery	7,398	-	-	6,678	-	-	6,678	720	-	-	720	-
Furniture, Fixture & Equipment	1,491	-	-	1,466	-	-	1,466	25	-	-	25	-
	59,479	-	-	53,903	-	-	53,903	745	-	-	745	4,831
As at 31 Dec 2019	1,535,797	18,726	543,585	947,463	19,149	345,273	621,339	474,205	-	185,313	288,892	100,707

4.3 The depreciation charge has been allocated to

	Note(s)	2020	2019
Cost of sales	25.2	5,630	4,195
Selling expenses	26	1,032	2,341
Administrative expenses	27	8,369	12,613
		15,031	19,149

(*) Plant & Machinery, Furniture, Fixture and Equipment except Freehold land, Freehold building and Vehicles of pharmaceutical operation have been impaired in 2018.

4.4 The following Property, Plant & Equipment were disposed off during the year

Taka in '000							
Items	Cost	Accumulated depreciation & Impairment	Carrying value	Sale proceeds	Profit/(Loss) on disposal	Mode of disposal	Particulars of purchasers
Furniture, Fixture & equipment	1,779	623	1,156	434	(722)	Company Policy	Management Staff
Vehicles	10,272	9,261	1,011	4,041	3,030	Company Policy	Management Staff
As at 31 Dec 2020	12,051	9,884	2,167	4,475	2,308		

Items	Cost	Accumulated depreciation & Impairment	Carrying value	Sale proceeds	Profit/(Loss) on disposal	Mode of disposal	Particulars of purchasers
Building	653	248	405	-	(405)	Company Policy	Write off
Plant & Machinery Furniture, Fixture & equipment	52,501	52,243	258	3,211	2,953	Auction	Third Party
Vehicles	442,864	443,690	(826)	11,727	12,553	Auction	Third Party
As at 31 Dec 2019	543,585	34,405	13,162	23,422	10,260	Company Policy	Management Staff
		530,586	12,999	38,360	25,361		

4.5 The disposed has been allocated to

	Notes	2020	2019
Other income	28.1 & 28.2	2,308	1,226
Other income of Discontinued operation (Pharmaceuticals)	44.4	-	24,135
		2,308	25,361

5 Right of use assets

Ref: 3.17

In 2020, The Company has taken lease of Five Warehouses, One Factory and also renewed Two lease agreement of Corporate Office in Gulshan.

	Gross book value at cost / Valuation			Depreciation			Carrying value As at 31 Dec 2020
	Opening	Additions	Closing	Opening	Charged	Closing	
Corporate Office & Warehouses	-	27,755	27,755	-	8,508	8,508	19,247
Factory premises	-	285,333	285,333	-	16,803	16,803	268,530
As at 31 Dec 2020	-	313,088	313,088	-	25,311	25,311	287,777
As at 31 Dec 2019	-	-	-	-	-	-	-

6 Intangible Assets

Ref: 3.02

6.1 Statement of Intangible Assets as at and for the year 2020

	Gross book value at cost / valuation			Amortization			Impairment			Carrying value As at 31 Dec 2020	
	Opening	Additions	Disposals/ Transfers	Opening	Charged	Disposals	Closing	Opening	Charged	Disposals	Closing
At cost											
Manufacturing ERP Software	7,654	-	7,654	7,654	-	7,654	-	-	-	-	-
Commercial ERP Software	54,520	-	54,520	13,028	1,726	14,754	-	27,465	-	27,465	-
As at 31 Dec 2020	62,174	-	62,174	20,682	1,726	22,408	-	27,465	-	27,465	-

6.2 Statement of Intangible Assets as at and for the year 2019

	Gross book value at cost / valuation		Amortization			Impairment			Carrying value As at 31 Dec 2019					
	Opening	Additions	Disposals/Transfers	Closing	Opening	Charged	Disposals	Closing	Opening	Charged	Disposals	Closing		
At cost														
Manufacturing ERP Software	7,654	-	-	7,654	7,654	-	-	7,654	-	-	-	-	-	-
Commercial ERP Software	54,520	-	-	54,520	10,438	2,589	-	13,027	27,465	-	-	27,465	-	14,028
As at 31 Dec 2019	62,174	-	-	62,174	18,092	2,589	-	20,681	27,465	-	-	27,465	-	14,028

The ERP systems used by the Company was SAP system particularly customized to be suitable for the Integrated Group Reporting Systems of GSK. The ERP system became obsolete post integration with Unilever Overseas Holdings BV on 30 June 2020. As a result, the ERP has been written off during the year. The company is now using the software supplied by Unilever Plc, UK under a Technical Fee agreement.

6.3 The amortization charge has been allocated to

	Taka in '000	
	2020	2019
Administrative expenses	1,726	2,589
	1,726	2,589

6.4 The following Intangible Assets were disposed of during the year

Items	Cost	Accumulated depreciation & impairment	Carrying value	Sale proceeds	Profit/(Loss) on disposal	Mode of disposal	Particulars of purchasers
Commercial ERP Software	54,520	42,219	12,301	-	(12,301)	Write off	NA
As at 31 Dec 2020	54,520	42,219	12,301	-	(12,301)		

7 Deferred tax liability

Taka in '000
At 31 December

7.1 Year 2020

Deferred tax relating to items of profit or loss

		Carrying amount on reporting date	Tax base	Taxable temporary difference/ (Deductible temporary difference)
Property Plant and Equipment	4	78,464	195,577	(117,113)
Provision for pension fund	18.1	-	-	-
Right of use asset	5	287,777	-	287,777
Lease liability	17.1	(288,530)	-	(288,530)
Net taxable temporary difference				(117,866)
Applicable tax rate				25.00%
Deferred tax liability relating to items of profit or loss at the end of the year (a)				(29,466)
Deferred tax liability relating to items of profit or loss at the beginning of the year				37,280
Deferred tax expense/ (income) recognized in profit or loss				7,814
<u>Deferred tax asset relating to items directly recog. nized in other comprehensive income</u>				
Actuarial gain/ (loss) directly recognized in other comprehensive income				-
Deferred tax liability/ (asset) relating to items directly recognized in other comprehensive income at the end of the year (b)				-
Deferred tax liability/ (asset) relating to items directly recognized in other comprehensive income at the beginning of the year				3,171
Deferred tax income recognized in other comprehensive income				3,171
Net Deferred tax (assets) / liability (a+b)				(29,466)

7.2 Year 2019

Deferred tax relating to items of profit or loss

Property Plant and Equipment	4 & 6	114,735	263,998	(149,263)
Provision for pension fund	18.1	142	-	142
Net taxable temporary difference				(142,121)
Applicable tax rate				25.00%
Deferred tax liability relating to items of profit or loss at the end of the year (a)				(37,280)
Deferred tax liability relating to items of profit or loss at the beginning of the year				150,626
Deferred tax expense/ (income) recognized in profit or loss				(187,906)
<u>Deferred tax asset relating to items directly recognized in other comprehensive income</u>				
Actuarial gain/ (loss) directly recognized in other comprehensive income			(116,989)	(116,989)
Applicable tax rate				25.00%
Deferred tax liability/ (asset) relating to items directly recognized in other comprehensive income at the end of the year (b)				(29,247)
Deferred tax liability/ (asset) relating to items directly recognized in other comprehensive income at the beginning of the year				26,076
Deferred tax income recognized in other comprehensive income				(3,171)
Net Deferred tax (assets) / liability (a+b)				(40,451)

10,985

7.3 Deferred tax expense/ (income) recognized 7.1- 7.2

Taka in '000

	Note (s)	As at 31st December	
		2020	2019
8 Inventories	Ref: 3.04		
Finished goods		139,552	11,501
Work in progress		7,546	-
Stock in transit		152,680	-
Raw and packing materials		90,551	-
		390,329	11,501

9 Trade and other receivables

Trade receivables-unsecured considered good		48,596	391,373
Accrued interest on FDR		4,338	101,083
		52,934	492,456

The Company changed its distribution from Single National Distributorship to multiple distributorship. Under current distribution model, significant sales is made on cash rather than on credit. As a result, the Trade Receivable as on 31 December 2020 has reduced significantly. Credit sales is allowed for a period of 2 to 3 days credit to a very limited distributors depending on their sales and payment performances.

10 Intercompany receivables 36.2.1

Receivable from Unilever Bangladesh Limited		28,318	-
Receivable from SmithKline Beecham Bangladesh Limited		-	833
		28,318	833

The receivable from Unilever Bangladesh Limited resulted from agreed settlement of project expenses incurred as part of integration post acquisition of shares. The invoice has been settled during February 2021. Receivable from SmithKline Beecham Bangladesh Limited, which was an inter-company prior to integration with Unilever OHBV, has been settled in June 2020.

11 Advances, deposits and prepayments

Advance to employees		16,434	5,274
Prepayments	11.1	10,261	19,315
Unadjusted VAT Current Account		1,879	1,879
Security deposits*		2,376	2,368
		30,950	28,836

* Security deposits have been paid for rent and utility services.

11.1 Prepayments

Vendor advance		7,379	15,933
Insurance premium		802	2,086
LC opening charges		-	496
International Club subscription		400	800
VAT Current A/C adjustable		1,680	-
		10,261	19,315

12 Cash and Cash equivalents Ref: 3.15

Term deposits		3,050,000	3,200,000
Cash in transit		-	5,481
Current account with scheduled commercial banks	12.1	647,148	590,541
		3,697,148	3,796,022

Taka in '000

	Note (s)	As at 31st December	
		2020	2019
12.1 Current account with scheduled commercial banks			
HSBC		231,213	453,815
Standard Chartered Bank Limited		406,064	110,008
Standard Chartered Bank Limited-FC Account		-	23,620
Sonali Bank Limited		9,804	3,031
Citi Bank NA		67	67
		647,148	590,541

Cash and cash equivalent balance in HSBC Bank includes WPPF payable for the year ended 2020 amounting 36,791 (BDT '000) and balance in Standard Chartered Bank includes unclaimed dividends payable amounting 10,434 (BDT '000).

Cash and cash equivalent represents cash in hand, cash at bank and short term deposits with scheduled banks. Current account balances are invested in short term deposits at competitive rates.

13 Trade and other payables

Trade payables	13.1	1,825,613	1,655,320
Advance from Customer		3,180	-
Provision	13.2	690,386	879,859
Withholding tax payable		2,711	14,251
WPPF payable	13.3	36,791	60,401
Expenses and other finance		45,987	171,233
VAT Payable		-	13,014
		2,604,668	2,794,078

13.1 Provision

Provisions for contract manufacturing	13.2.1	475,763	587,891
Provisions for distributor's claims	13.2.1	214,623	291,968
		690,386	879,859

13.1.1 Provision for contract manufacturing

As UCL engages in contract manufacturing, the company agrees to cover for probable claims, including control lapses, arising from such arrangement. UCL standing on the prudent side, makes suitable provisions to cover such claims.

13.1.2 Provision for distributor's claims

The agreement between UCL and the distributor requires UCL to give protection to its distributors from certain losses, if arise. Out of a notice from the distributor indicating a probable claim this provision was made. Management has reviewed the risk associated with this nature of claim and concluded above balance to be required for foreseeable future.

13.2 WPPF payable

Opening balance		60,401	-
Addition during the year	31	36,791	60,401
		97,192	60,401
Paid during the year		(60,401)	-
		36,791	60,401

13.2.1 Allocation of WPPF payable

Prior year liability during the year		-	-
		36,791	60,401
		36,791	60,401

Taka in '000

	Note(s)	At 31 December	
		2020	2019
14 Intercompany payables	36.2.2		
Unilever India Export Limited		105,323	-
Unilever Europe Business Center B.V		12,039	-
Unilever PLC, UK		21,070	-
SmithKline Beecham Bangladesh Limited		-	30,210
		138,432	30,210
<p>Payable to Unilever India Export Limited represents payable against import of Dry Mix Ingredients (DMI) outstanding as on 31 Dec 2020. Payable to Unilever Europe Business Center B.V stands for accrual for Technical Assistance Fee. Payable to Unilever PLC is for Trademark and Technology Fee. Payable to SmithKline Beecham Bangladesh Limited, which was an inter-company prior to June 2020, has been settled in June 2020.</p>			
15 Current tax liabilities/(assets)			
Opening balance		(17,335)	(46,254)
Charge during the year	32	158,717	48,547
		141,382	2,293
Paid during the year		(72,163)	(19,628)
		69,219	(17,335)
16 Dividend			
Shareholding details		Final for 2019	Final for 2018
16.1 Dividend Declared			
a. Setfirst Limited, UK GBP 4,459,380.56 [2018: GBP 4,385,887.98]		523,384	523,384
b. Investment Corporation of Bangladesh (ICB) & ICB Unit & ICB Mutual Fund		77,106	81,400
c. General Public		16,167	11,298
d. Shadharan Bima Corporation		4,051	4,051
e. Other local financial /securities companies		17,755	18,330
Total Declared Dividend		638,463	638,463
16.2 Unclaimed dividend payable			
Opening		10,140	9,450
Add during the year		962	746
Paid during the year		(668)	(56)
		10,434	10,140
16.3 Dividend paid during the year			
Opening balance of unclaimed dividend		10,140	9,450
Dividend declared for the year	16.1	638,463	638,463
Closing balance of unclaimed dividend	16.2	(10,434)	(10,140)
		638,169	637,773
17 Lease liability			
Opening balance		-	-
Addition during the year		313,088	-
Paid lease liability during the year		(24,558)	-
Closing balance		288,530	-

		Taka in '000	
		Note(s)	At 31 December
		2020	2019
17.1	Amount payable under lease:		
	Lease liability-Current Portion	62,223	-
	Lease liability-Non current portion	226,307	-
		288,530	-
17.2	Total Lease liability - Current Portion		
	Lease liability -Current Portion	17.1 62,223	-
	Lease Interest liability	30 6,434	-
		68,657	-
18	Retirement benefit obligations/(assets)		
	Net pension fund	18.1 -	(3,464)
		-	(3,464)
18.1	Pension fund		
	Net pension fund		
	Defined benefit obligation (a)	-	823
	Plan assets (b)	-	(4,287)
	Net funded status	-	(3,464)
<p>The actuarial valuation of pension fund was carried out at May 31, 2019. The Projected Unit Credit Method, using the following significant financial assumptions has been used for the actuarial valuation:</p>			
		%	%
	Discount rate	-	5
	Expected rate of increase in salaries	-	7
	Expected rate of return on plan assets	-	5
	Age difference between member and spouse	-	10 years
Movement in the present value of defined benefit obligation			
	Opening balance	823	234,939
	Current service cost	-	559
	Interest cost	-	4,895
	Actuarial (gain)/ loss on obligations	-	7,294
	Benefits paid	(823)	(246,864)
	Present value of defined benefit obligation (a)	-	823
	Opening balance	4,287	251,165
	Expected return on plan assets	-	5,233
	Actuarial gain/(loss)	-	(5,389)
	Contribution by employer	-	142
	Surplus transferred to company	(4,287)	(246,864)
	Fair value of plan assets (b)	-	4,287
18.2	Net actuarial gain/ (loss)		
	Actuarial gain/ (loss) on obligations	18.1 -	(7,294)
	Actuarial gain/ (loss) on fair value of plan assets	18.1 -	(5,389)
		-	(12,683)
	Deferred tax on actuarial gain/ (loss)	7 -	3,171
		-	(9,512)

The fund has been closed to new entrants since 1 September 2012. Subsequently the Trustee Board decided to close the fund by settling the dues to existing pensioners. Actuarial valuation of the liability of each individual member was performed resulting in Tk. 3.4 million surplus. Consent of all members were obtained but three who could not be traced. The company paid off the benefits to the all the pensioners who provided their consent regarding winding off of the Fund. The remaining liability of Tk. 823,000 of three members are retained as liability in the Company's books of account to settle whenever claimed. The surplus of Tk. 3.4 million returned to Company's account. The fund has been closed upon giving notification to National Board of Revenue (NBR).

		Taka in '000	
		At 31 December	
		2020	2019
19	Share capital (Ordinary shares)		
19.1	Authorized		
	20,000,000 Shares of Tk 10 each	200,000	200,000
19.2	Issued, subscribed and fully paid-up		
	No of Shares		
	<i>Issued for cash</i>		
	350 Shares of Tk 10 each in 1974	4	4
	4,943,949 Shares of Tk 10 each as rights issue	49,440	49,440
	4,944,299	49,444	49,444
	<i>Issued for consideration other than cash</i>		
	3,787,650 Shares of Tk 10 each in 1974	37,876	37,876
	3,314,500 Shares of Tk 10 each as bonus issue	33,145	33,145
	7,102,150	71,021	71,021
	12,046,449	120,465	120,465

19.3 Position of shares holding Ref: 1.04

The composition of share holders at 31 December were:

	2020		2019		2020		2019	
	% of Holdings	No. of Shares	% of Holdings	No. of Shares				
a. Setfirst Limited, UK	0.00%	-	81.98%	9,875,144	-		98,751	
b. Unilever Overseas Holdings B.V.	81.98%	9,875,144	0.00%	-	98,751		-	
c. Investment Corporation of Bangladesh (ICB) & ICB Unit and Mutual Funds	11.41%	1,373,917	12.68%	1,527,581	13,739		15,276	
d. Shadharan Bima Corporation	0.63%	76,437	0.63%	76,437	764		764	
e. Local Financial Institutions & other Companies	1.52%	182,613	2.46%	296,231	1,826		2,962	
f. General Public	4.18%	503,224	1.88%	226,122	5,032		2,261	
g. Foreign Shareholders	0.29%	35,114	0.37%	44,934	351		449	
	100%	12,046,449	100%	12,046,449	120,463		120,463	

In 2019, Foreign Shareholders were reported under General Public category. In 2020, number of Foreign Shareholders are reported under separate category while restating 2019's numbers.

19.4 Classification of shareholders by holding

Holdings (shares)	2020			2019		
	No. of holders	Total no of shares	% of holding	No. of holders	Total no of shares	% of holding
Less than 500	2656	124,221	1.03	1,166	75,553	0.63
500 - 5,000	107	121,347	1.01	111	154,270	1.28
5,001- 10,000	8	66,715	0.55	7	51,268	0.43
10,001 -20,000	3	45,806	0.38	8	105,480	0.88
20,001- 30,000	2	44,728	0.37	3	68,249	0.57
30,001 - 40,000	-	-	-	3	101,757	0.84
40,001 - 50,000	1	46,751	0.39	1	46,751	0.39
50,001 -100,000	3	232,956	1.93	2	171,956	1.43
100,001 - 1,000,000	2	461,672	3.83	2	368,912	3.06
Over 1,000,000	2	10,902,253	90.50	2	10,902,253	90.50
	2,784	12,046,449	100.00	1,305	12,046,449	100.00

19.5 No. of shares held by the members of the Company Executive Committee

No. of shares held by the members of the Company Executive Committee

No. of shares	
2020	2019
NIL	NIL

19.6 Profit attributable to

Setfirst Limited, UK
Unilever Overseas
Holdings B.V.
Non Controlling
Interest

In terms of share percentage holding	
%	%
2020	2019
0.00%	81.98%
81.98%	0.00%
18.02%	18.02%
100%	100%

Taka in '000	
At 31 December	
2020	2019
-	808,062
433,923	-
95,409	177,673
529,332	985,735

Note(s)	Taka in '000	
	2020	2019

20 Reserves

20.1 Revaluation reserve

Opening balance
Transfer for depreciation charged including impairment
Closing balance

4.1	4,831	4,831
	-	-
	4,831	4,831

The balance represents surplus arising from the revaluation of fixed assets (land) carried out in 1978.

20.2 Capital reserve

Opening balance
Provided during the year

Adjusted during the year

166	166
-	-
166	166
-	-
166	166

This is the balance of surplus of assets over liabilities as at 28 February 1974 after issue of shares there against.

Taka in '000

As at 31st December

21 Retained earnings

	Note(s)	2020	2019
Opening Balance		1,461,383	1,123,623
Net profit after tax transferred from Income statement		529,332	985,735
Other comprehensive income	18.2	-	(9,512)
Cash dividend for 2019 (2018: Tk. 638,463 BDT'000)	16.1	(638,463)	(638,463)
		1,352,252	1,461,383

22 Contingent liabilities

a. Guarantees issued by the Company's scheduled bank to third parties on counter - indemnities given by the Company against the bank's limit of Tk. 20 million.			
	<i>Less than 1 year</i>	496	14
	<i>1 to 5 years</i>	87	579
		583	593
b. Excise duty on sale of certain quantity of Mycil powder effected after 10 September 1981 which would be payable if the case presently pending with the hon'ble High Court Division of the Supreme Court of Bangladesh is decided against the Company.		873	873
c. The income tax authority imposed total demand of Tk 16.05 million for the assessment years 2005-2006 and 2006-2007. The Company does not accept such demand as its obligations. Reference applications have been placed before the High Court Division against the decision of the Taxes Appellate Tribunal.		16,052	16,052
d. The Chattogram local VAT authority imposed total demand of Tk 60,822,774 for the audit year 2010-2011 as short fall of payment of VAT on sales.		60,823	60,823
		78,331	78,341

Management conducted an extensive review of all pending litigations and claims. Based on the current development and merit thereon, Management doesn't foresee any liability for the VAT claim amounting 60,82 (BDT '000) and efforts will continue with VAT authority for a formal closure.

23 Commitments

a. Capital expenditure			
Contracted but not provided for in these accounts		-	-
Authorized but not contracted		-	-
b. L/C outstanding		400,496	35,368
		400,496	35,368

Taka in '000

24 Revenue

Ref: 3.08

	Unit	Quantity		2020	2019
		2020	2019		
Powder Product	Ton	7,231	7,395	3,468,984	4,041,780
				3,468,984	4,041,780

Revenue figure for 2019 has been restated to reflect continued business operation's revenue.

In 2019, Total revenue was 4,474,898 (BDT'000) of which 4,041,780 (BDT'000) was related to continued operation and the rest 433,118 (BDT'000) was related to discontinued operation-Oral Health Care, Ref: Note - 43

Revenue represents product invoiced during the year to customers / distributor net of value added tax, rebates, all discounts and commission.

25 Cost of sales

Opening stock of finished goods

Manufactured products		18	6,423
Imported products		11,482	15,093
		11,500	21,516

Addition during the year

Manufactured during the year	25.1	1,892,415	1,789,812
Imported during the year		112,012	11,115
		2,004,427	1,800,927

Closing stock of finished goods

Manufactured products		136,709	18
Imported products		2,843	11,482
		139,552	11,500
Cost of sales		1,876,375	1,810,943

Increase in Cost of Sales is mainly driven by increased price of Dry Mix Ingredients (DMI) and skimmed milk powder, increased duty on DMI (from 15% to 25%). Moreover, there was one-off release in COGS line during 2019 as disclosed in the Financial Statements of 2019.

Cost of sales figure for 2019 has been restated to reflect continued business operation's cost. In 2019, Total cost of sales was 2,010,657 (BDT'000) of which 1,810,943 (BDT'000) was related to continued operation and the rest 199,714 (BDT'000) which included in 359,250 (BDT'000) was related to discontinued operation-Oral Health Care , Ref: Note - 43.5

25.1 Cost of products manufactured during the year

Raw materials consumed			
Imported		1,285,457	1,128,902
Indigenous		34,902	35,722
Packing material - indigenous		237,505	295,950
Manufacturing overhead	25.2	334,551	329,238
		1,892,415	1,789,812

25.2 Manufacturing overhead

Conversion cost		234,295	292,615
Salary & wages		55,746	32,428
Depreciation on RoU	5	16,803	-
Depreciation on PPE	4.3	5,630	4,195
Warehousing & Logistics		22,077	-
		334,551	329,238

Increase in Salary & wages are reclassification from administrative expenses for the people cost who are involved in supply chain activities. Warehousing and logistics cost were introduced in 2020 due to distribution model change. However, it has not affected the gross margin as the sales price has also improved due to changes in distribution model.

Taka in '000

26 Selling and distribution expenses

	Note(s)	2020	2019
Salaries, wages and welfare		160,198	134,801
Retirement benefit expense		3,606	3,572
Fuel and utilities		1,227	2,309
Repairs and maintenance		63	-
Insurance		495	384
Depreciation on PPE	4.3	1,032	2,341
Rents, rates and taxes		3,821	1,650
Travel, training and conference		27,020	41,249
Entertainment		1,384	1,993
Vehicle expenses		5,016	7,588
Information and communication expenses		3,184	4,522
Advertisement and promotion		547,938	660,234
		754,984	860,643

In 2019, Selling and distribution expenses were Tk.990,476(BDT'000) of which 860,643(BDT'000) was related to continued operation and 129,833 (BDT'000) which included in 359,250 (BDT'000) was related to discontinued operation-Oral Health Care, Ref: Note - 43.5

27 Administrative expenses

Salaries, wages and welfare		153,558	208,109
Retirement benefit expense		3,178	2,841
Fuel and utilities		2,182	3,206
Repairs and maintenance		5,476	6,843
Insurance		3,285	3,141
Depreciation on PPE	4.3	8,369	12,613
Amortization	6.3	1,726	2,589
Depreciation on ROU	5	8,508	-
Rents, rates and taxes *		38,645	25,447
Travel, training and conference		5,693	11,441
Entertainment		308	12
Motor running expenses		2,758	1,946
Information and communication expenses		2,295	3,574
Directors' fee		1,100	514
Professional fees and consultancy fees		12,610	8,382
Auditor's remuneration	27.1	660	670
Advertisement and promotion		626	1,016
		250,977	292,344

* Rent, rates and taxes include Subscription and Membership fees

Taka in '000

	Note(s)	2020	2019
27.1 Auditors' remuneration			
Audit fee		660	600
Audit of provident, pension and workers' profit participation & welfare funds and special certifications*		-	70
		660	670

*Audit of provident, pension and workers' profit participation & welfare funds and special certifications are done on actual payment basis.

In 2019, Administrative expenses were Tk.322,047(BDT'000) of which 292,344 (BDT'000) was related to continued operation was and 29,703 (BDT'000) which included in 359,250 (BDT'000) was related to discontinued operation-Oral Health Care Ref: Note 43.5

28 Other income / (expense)

Other income	28.1	4,960	1,822
Other expenses	28.2	(56,256)	(9,004)
		(51,296)	(7,182)

28.1 Other income

Profit on sales of PPE	4.4	3,030	1,226
Scarp sales		502	596
Management fee		383	-
Income from Provident Fund (forfeited balances of beneficiaries)		1,045	-
		4,960	1,822

28.2 Other expenses

Realized & unrealized exchange (gain)/loss	28.2.1	(870)	786
Loss on Sale of PPE	4.4	722	-
Loss on intangible asset write off	6.4	12,301	-
Technical Assistance Fees, Trademark and Technology Fees	28.3	33,108	-
Professional fees and consultancy fee		10,995	8,218
		56,256	9,004

Professional fees and consultancy fees include restructuring project related expenses. Considering the one-off nature, this have been presented in Other expense.

28.2.1 Realized & unrealized exchange (gain)/loss

Realized exchange (gain)/loss			1,337
Unrealized exchange (gain)/loss		(870)	(551)
		(870)	786

28.3 Technical Assistance Fees, Trademark and Technology Fees

Technical Assistance Fees-Unilever Europe Business Center B.V		12,039	-
Trademark-Unilever PLC, UK		9,030	-
Technology-Unilever PLC, UK		12,039	-
		33,108	

Technical Assistance Fees, Trademark and Technology Fees are under agreement between Unilever Europe Business Center B.V, Unilever PLC, UK and the Company effective from November 2020. Unilever Europe Business Center B.V stands for Technical Assistance Fees, Unilever PLC for Trademark and for Technology Fees.

Taka in '000

	Note(s)	2020	2019
29 Finance income			
Term deposit and special notice deposit		174,819	168,567
Housing loan to employees		-	86
		174,819	168,653
30 Finance expenses			
Interest expenses on Lease		6,792	230
Paid during the year		(358)	(230)
	17.2	6,434	-
31 Contribution to WPPF			
Profit before taxation & WPPF		703,379	1,239,091
Profit/(Loss) from discontinued operation (Pharmaceuticals)		-	(104,930)
Profit/(Loss) from discontinued operation (Oral Health Care)		32,446	73,868
Profit before contribution to WPPF and Income Tax		735,825	1,208,029
WPPF (5 % of Profit before Income Tax)		36,791	60,401
32 Computation of total Income Tax liability			
Profit before tax (entity- Continue and Discontinue operation)		699,034	1,147,628
Add: Addable/Inadmissible items		251,492	171,445
		950,526	1,319,073
Less : Admissible items		(315,659)	158,120
Taxable income		634,867	1,160,953
Less: Set off of last year loss		-	(932,148)
		634,867	228,805
Less: Set off of unabsorbed depreciation		-	(34,614)
		634,867	194,191
Applicable tax rate		25.00%	25.00%
a. Tax charge		158,717	48,547
b. Minimum tax @ 0.60% of gross receipts as per section 82C (4) (b) (i) of ITO 1984		3,911,339	4,645,373
		0.60%	0.60%
		23,468	27,872
c. Tax deducted at source as per section 82C & sub section 2 (a)		72,163	19,628
Applicable Income tax expenses (Higher of a or b or c)	33	158,717	48,547

33 Income tax expense

Taka in '000

	Note(s)	2020	2019
Current tax	32	158,717	48,547
Deferred tax	7.3	10,985	113,346
		169,702	161,893

33.1 Reconciliation of effective tax rate

	Note(s)	Percentage		Taka	
		2020	2019	2020	2019
Profit before tax				666,588	1,178,690
Current tax expense	33	23.81%	4.12%	158,717	48,547
Deferred tax expense		1.65%	9.62%	10,985	113,346
Total tax expense		25.46%	13.74%	169,702	161,893
Expected income tax using tax rate applicable		25.00%	25.00%	166,647	294,672
Set off of prior year loss		0.00%	-20.51%	-	(241,690)
Tax on non deductible expenses		0.46%	9.24%	3,055	108,911
Total		25.46%	13.74%	169,702	161,893
Represented by:					
Effective current tax		23.81%	4.12%	158,717	48,547
Effective deferred tax		1.65%	9.62%	10,985	113,346
		25.46%	13.74%	169,702	161,893

34 Remuneration of Directors, Managers and Officers

Taka in '000

	2020			2019		
	Directors	Managers & Officers	Total	Directors	Managers & Officers	Total
Remuneration	76,718	245,433	322,151	88,139	364,577	452,716
Housing:						
Rent	3,074	33,446	36,520	7,105	40,102	47,207
Utilities	378	3,591	3,969	1,374	3,146	4,520
	3,452	37,037	40,489	8,479	43,248	51,727

Taka in '000

	2020			2019		
	Directors	Managers & Officers	Total	Directors	Managers & Officers	Total
Contribution to retirement benefit scheme	1,672	14,412	16,084	773	16,669	17,442
Leave passage	1,689	9,251	10,940	1,203	12,783	13,986
Medical	178	11,069	11,247	345	14,405	14,750
Other	300	1,625	1,925	506	6,438	6,944
	3,839	36,357	40,196	2,827	50,295	53,122
Total	84,009	318,827	402,836	99,445	458,120	557,565
Number	4	141	145	4	175	179

34.1 The Company based on respective employment terms having specified limits provides the following benefits:

- Directors: The expatriate Managing Director (for up to June 2020) and the other Executive Directors were provided with free furnished accommodation and full time vehicle. Executive Directors were provided with a full time vehicle with a driver's costs and certain house furniture and equipment or applicable allowance.
- The number of employees (including the executive directors) reflected is the average number of employees engaged during the year.
- There were changes in board composition in June 2020 where 3 (three) Executive Directors including managing director have resigned and were replaced by new Managing Director and 3 (three) Non-Executive Directors from 30 June 2020.
- Remuneration of Chairman of the Company is included in Director's remuneration
- Overall remuneration expenses has been decreased by 28% over last year due to fall in average number of employees by 34
- All the managers, in defined grades, are provided with full time car and certain house furniture and equipment.

35 Number of employees engaged

The company employed a weighted average of 145 (2019 : 179) permanent employees and a varying number of temporary workers throughout the year. As at 31 December 2020, 137 permanent employees were engaged. All permanent employees receive total remuneration in excess of Tk. 36,000 per annum.

36 Related Party Disclosures

During the year, the Company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The name of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of IAS-24: Related Party Disclosures.

36.1 Parent and ultimate controlling party

During 2020, a majority of the Company's shares were acquired by Unilever Overseas Holdings B.V, UK (who is a subsidiary of Unilever Plc, UK) from Setfirst Limited. As a result, the new ultimate controlling party of the Company is Unilever Overseas Holdings B.V, UK. The previous ultimate controlling party was Setfirst Limited, UK.

36.2 Intercompany Balances

36.2.1 Intercompany Receivable

Ref:10

Name of the party	Nature of Transaction	Opening Balance as on 31.12.2019	New Transaction during the year	Settlement during the year	Closing Balance as on 31.12.2020
GlaxoSmithKline Services Unlimited, UK	1. Settlement of last year receivable 2. Employee hosting service fees	-	3,586	(3,586)	-
GlaxoSmithKline Biologicals SA	Employee hosting service fees	-	5,297	(5,297)	-
SmithKline Beecham Bangladesh (Pvt.) Limited	Inter Company Services	833	336	(1,169)	-
Unilever Bangladesh Limited	Cost reimbursement	-	28,318	-	28,318
Total Intercompany Receivable		833			28,318

36.2.2 Intercompany Payable

Ref: 14

Name of the party	Nature of Transaction	Opening Balance as on 31.12.2019	New Transaction during the year	Settlement during the year	Closing Balance as on 31.12.2020
SmithKline Beecham Bangladesh (Pvt.) Limited	Inter Company Services	30,210	-	(30,210)	-
Burroughs Wellcome & Co. (Bangladesh) Ltd.	Purchased of Finished Goods	-	176,903	(176,903)	-
Unilever India Export Limited	Purchased of raw materials	-	256,930	(151,607)	105,323
Unilever Europe Business Center B.V	Technical assistance fee	-	12,039	-	12,039
Unilever PLC	Trademark and Technology Fee	-	21,070	-	21,070
Total Intercompany Payable		30,210			138,432

37 Reconciliation of net operating cash flow

Taka in '000

	Note(s)	2020	2019
Profit after tax		529,332	985,735
Finance income	29	(174,819)	(168,653)
Finance expense	30	6,792	230
Income tax expense	33	169,702	161,893
Profit before interest and taxes		531,007	979,205
Adjustment for:			
Depreciation / Amortization	4, 5 & 6	42,068	21,739
(Gain)/Loss on sale of fixed assets	4.4 & 6.4	9,993	(25,361)
Actuarial loss	18.2	-	(12,683)
		52,061	(16,305)
Net cash flow before changes in working capital		583,068	962,900
Changes in:			
Inventory	8	(378,828)	49,585
Trade and other receivables		313,178	311,523
Trade and other payables		(157,953)	(393,277)
		(223,603)	(32,169)
Cash generated from operating activities		359,465	930,731
Interest received		271,564	86,343
Interest paid on finance lease	30	(358)	(230)
Income tax paid	15	(72,163)	(19,628)
Net cash generated by operating activities		199,043	66,485
Net cash provided by operating activities		558,508	997,216

38 Net operating Cash Flows per share

Net cash from operating activities (a)	558,508	997,216
Weighted average number of ordinary shares (b) ('000)	12,046	12,046
Net operating Cash Flows per share (a/b)	46.36	82.78

38.1 Clarification on significant changes in Net-Operating Cash Flow per Share (NOCFPS)

NOCFPS reduced in 2020 due to lower profit and higher tax payment partially offset by higher interest received.

39 Earning per Share for profit from continuing operation

Profit from continuing operations (a)	496,886	1,016,797
Weighted average number of ordinary shares (b) ('000)	12,046	12,046
Basic Earnings per Share (a/b)	41.25	84.41

40 Expenditure incurred in foreign currency

Foreign travel for the Company's business	154	2,615
	154	2,615

41 Earnings per Share from overall operation

There is no dilutive effect on the basic Earnings per Share of the Company, which is based on:

Overall Profit for the year attributable to the ordinary shareholders (a)
Weighted average number of ordinary shares (numbers in thousand '000) (b)

Basic Earnings per Share (Taka) (a/b)

Diluted Earnings per Share (Taka)

No Diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under required.

	Taka in '000	
Note(s)	2020	2019
	529,332	985,735
	12,046	12,046
	43.94	81.83

41.1 Clarification on significant changes in Earnings per Share (EPS)

EPS in 2020 decreased due to reduction in profit for the period. The reduction in profit mainly resulted from lower sales revenue impacted by COVID-19, higher inflation in key raw materials' price and 10% increase duty on Dry Mix Ingredients (15% to 25%), partly offset by savings from marketing and operating expenses.

42 Net Assets Value (NAV) per Share

Total assets

Total liabilities

Net assets (a)

Weighted average number of ordinary shares ('000) (b)

Net Assets Value (NAV) per Share (a/b)

	Taka in '000	
Note(s)	2020	2019
	4,600,431	4,508,750
	(3,117,717)	(2,916,905)
	1,482,714	1,591,845
	12,046	12,046
	123.08	132.14

42.1 Clarification on significant changes in Net Asset Value (NAV) per Share

Reduction in 2020 NAV resulted mainly due to reduction in cash balance resulted from lower profit. The reduction in profit mainly resulted from lower sales revenue impacted by COVID-19, higher inflation in key raw materials' price and 10% increase duty on Dry Mix Ingredients (15% to 25%), partly offset by savings from marketing and operating expenses.

43 Discontinued operation (Oral Health Care)

43.1 Description

Unilever Overseas Holding B.V acquired the shares of the Company from Setfirst as part of the global deal for divesting the Nutrition portfolio of Unilever Consumer Care Limited. The deal is only applicable for Health Food Drink and Glucose Powder and not for any product of Oral Health Care category. As a result, the portfolio of Paste and Brush business of the Company has been discontinued post integration with Unilever effective from 1st July 2020.

43.2 Financial performance and cash flow information

The financial performance and cash flow information presented are for the year ended 31 December 2020 and the year ended 31 December 2019.

Revenue	43.3	262,576	433,118
Other income	43.4	-	-
Cost and expenses	43.5	(230,130)	(359,250)
Profit/(Loss) before income tax		32,446	73,868
Profit/(Loss) from discontinued operation		32,446	73,868
Net Cash flow from operating activities		32,446	73,868
Net Cash flow from investing activities		-	-
Net Cash flow from financing activities		-	-
Net increase in cash generated by discontinued operation		32,446	73,868

Income tax on discontinued operation has been considered at entity level under the Note 32
Cash receipt from customer includes 32,446 (BDT '000) as a cash receipt from Oral Health Care operation.

43.3 Revenue

Local	262,576	433,118
Export	-	-
	262,576	433,118

43.4 Other income

	Note(s)	2020	2019
Profit on disposal of Property, Plant & Equipment		-	-
Scrap sales and other income		-	-
		-	-

43.5 Cost and expenses

		Taka in '000	
	Note(s)	2020	2019
Cost of sales excluding overhead		145,866	199,714
Salaries, wages and welfare		23,260	36,746
Retirement benefit expense		470	687
Fuel and utilities		223	591
Repairs and maintenance		589	733
Insurance		352	378
Rents, rates and taxes		3,133	2,904
Travel, training and conference		2,643	5,646
Entertainment		171	215
Motor running expenses		667	1,022
Information and communication expenses		454	868
Professional fees and consultancy fees		541	-
Promotional and distribution expenses		51,761	109,746
		230,130	359,250

Cost of sales and Promotional and distribution expenses are directly attributable to OHC business. Other items of expenses (operating expenses) are allocated between HFD & IPD and OHC in proportion to their sales contribution. The justification of allocating the operating expenses is that the Company employed common infrastructure facility to run the businesses of HFD, IPD and OHC. As a result, there are elements of expenses that cannot be directly identifiable to be attributable to each category.

44 Discontinued operation (Pharmaceuticals)

44.1 Description

The following assets and liabilities were related to the discontinued operation as at 31 December 2020. In July 2018 the Board of Directors proposed to close the manufacturing and commercial operations of the pharmaceutical business of the Company. Subsequently the proposal was approved at the Extra Ordinary General Meeting (EGM) held on 14th October 2018.

Majority of the Company's dues to and from other parties were settled during 2018. The Company continued the settlement process throughout 2019 and part of 2020 by ensuring sufficient appropriate accuracy. During the year 2020, all the dues have been settled with respective party which resulted in following status of the discontinued operation..

44.2 Financial performance and cash flow information

The financial performance and cash flow information presented are for the year ended 31 December 2020 and the year ended 31 December 2019.

		Taka in '000	
	Note(s)	2020	2019
Revenue	44.3	-	-
Other income	44.4	-	37,169
Cost and expenses	44.5	-	(142,099)
Profit/(Loss) before income tax		-	(104,930)
Income tax expenses*		-	-
Profit/(Loss) from discontinued operation		-	(104,930)
Net Cash flow from operating activities		-	(110,175)
Net Cash flow from investing activities		-	24,135
Net Cash flow from financing activities		-	-
Net increase in cash generated by discontinued operation		-	(86,040)
*Income tax on discontinued operation has been considered at entity level under the Note 32			
44.3 Revenue			
Local		-	-
Export		-	-
Total		-	-
44.4 Other income			
Profit on disposal of Property, Plant & Equipment	4.5	-	24,135
Scrap sales and other income		-	13,034
		-	37,169
44.5 Cost and expenses			
Cost of sales excluding overhead		-	94,236
Employee benefit including severance pay		-	42,791
Repair maintenance and other expenses		-	(7,096)
Travel and conference		-	3,282
Promotional and distribution expenses		-	(388)
Professional and consultancy fees		-	2,170
Rent and office expenses		-	8,340
Promo Support		-	(1,237)
		-	142,098

The following assets and liabilities were related to the discontinued operation as at 31 December 2020

Taka in '000

	Note(s)	2020	2019
Asset related to discontinued operation			
Inventories	44.6	-	-
Trade and other receivables	44.7	-	3,117
Total asset related to discontinued operation		<u>-</u>	<u>3,117</u>
Liabilities related to discontinued operation			
Trade and other payables	44.8	-	82,477
Obligation under finance lease		-	-
Total liabilities related to discontinued operation		<u>-</u>	<u>82,477</u>
		<u>-</u>	<u>(79,360)</u>
44.6 Inventory			
Raw materials		-	-
Finished goods		-	-
		<u>-</u>	<u>-</u>
44.7 Trade and other receivables			
Trade receivables		-	-
Intercompany receivables		-	2,982
Loan to employees		-	-
Prepayments		-	135
		<u>-</u>	<u>3,117</u>
44.8 Trade and other payables			
Trade payables		-	216
Expenses and other finance		-	82,261
		<u>-</u>	<u>82,477</u>

Cash received from customer includes 3,117 (BDT '000) as a cash receipt from pharmaceutical operation. Cash paid to cost and expenses includes 19,832 (BDT '000) as a cash paid from pharmaceutical operation and rest of the amount are transferred to other payable under continue operation.

45 Remittances of foreign currency

Dividend	16.1	<u>523,384</u>	<u>523,384</u>
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Dividends were remitted through banking channel after receiving due permission from Bangladesh bank and also NBR in respect of payment of due tax on dividend.

46 Financial risk management objectives and policies

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies. The Company has also formed 'Risk Management & Compliance Board (RMCB)'.

The objective of the RMCB is to review and assess the quality and effectiveness of the risk management system and ensure that the risk policies are effectively managed and incorporated in the management structure of the Company. It also oversees the risk management strategies to achieve current and accurate compliance with operational and legal requirements and identification of foreseeable trends that could significantly impact the Company's overall business objectives.

47 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. It mainly comprises of trade receivables, advances to suppliers, trade deposits and bank balances. The Company's maximum exposure to credit risk at the reporting date is as follows:

		Taka in '000	
	Note(s)	2020	2019
Advances to employees	11	16,434	5,274
Advances to suppliers	11.1	7,379	15,933
Security deposits	11	2,376	2,368
Trade receivables	9	48,596	391,373
Cash and cash equivalent	12	3,697,148	3,796,022
		3,771,933	4,210,970

Analysis of trade receivables as on 31 December 2020:	< 30 days	> 30 days	Total
Expected loss rate	0%	0%	-
Gross carrying amount	-	-	-
Loss allowance provision	-	-	-

* The past due amount has been realized in January 2020

48 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The table below summarizes the maturity profile of the Company's financial liabilities as at the reporting date.

Financial liabilities	Taka in '000		
	Less than 1 year	Greater than 1 year	Carrying amount
2020			
Finance lease	62,223	226,307	288,530
Trade and other payables	2,604,668	-	2,604,668
2019			
Finance lease	-	-	-
Trade and other payables	2,794,078	-	2,794,078

Maintaining sufficient cash, the availability of funding through an adequate amount of committed bank facilities, the Company manages the liquidity risk.

48.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and other price risks. The objective of market risk management is to manage and control market risk exposures within an acceptable range.

48.1.1 Foreign currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to Company's operating activities with the foreign suppliers.

The Company's exposure to foreign currency risk in major currencies at their gross values is as follows:

	Note	Taka in '000	
		2020	2019
Trade and other receivables	USD	-	-
	GBP	-	-
Cash and bank balances	USD	-	-
	GBP	-	-
Trade and other payables	USD	-	-
	GBP	-	-

The Company did not experience with any unusual profit or loss causing from foreign exchange fluctuation till date. The following is the demonstration of the sensitivity to a reasonably possible change in exchange rate of all currencies applied to assets and liabilities as at reporting date represented in foreign currencies, with all other variables held constant, of the Company's profit/loss before tax.

Change in exchange rate	1%	1%
Effect on profit/loss before tax (Taka'000)	-	-

48.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's short-term deposits and running finances.

At the reporting date, the average interest rate of the Company's interest bearing financial instruments was as follows:

	Effective rates %		Amount in '000	
	2020	2019	2020	2019
Financial assets - Term deposit	1.7- 4%	3.1 - 9%	3,050,000	3,200,000
Financial liabilities	0.00%	0.00%	-	-

The Company's policy is to keep its short-term running finances at the lowest level by effectively keeping the positive bank balances. Further, the Company also minimizes the interest rate risk by investing in fixed rate investments like term deposit receipts.

48.1.3 Other price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The Company is not exposed to any equity price risk, as the Company does not have any investment in equity shares. The Company also is not exposed to commodity price risk.

49 Revenue from contract with customer

The Company has recognized the following amount in the statement of profit and loss and other comprehensive income

	Taka in '000	
	2020	2019
Revenue from contract with customer	3,731,560	4,474,898

Segregation of revenue from contracts with customer

	Taka in '000		
	Powder	Oral	Total
2020			
Revenue from external customer	3,468,984	262,576	3,731,560
Timing of revenue recognition at a point in time			-
2019			
Revenue from external customer	4,041,780	433,118	4,474,898
Timing of revenue recognition at a point in time			-

Contract assets and liabilities

The Company has recognized no contract assets and liabilities.

Accounting policy

The Company sells a number of oral and healthcare products to distributor. Sales are recognized when products are delivered to distributor and there is no unfulfilled obligation that affects the recognition of sales and revenue.

50 Comparatives

Previous year's figures and account titles in the Financial Statements have been rearranged and reclassified, and restated wherever necessary for the purpose of comparison, however creating any impact on the profit and value of assets and liabilities as reported in the Financial Statements for the current year. Revenue under *note - 24*, Cost of sales under *note - 25*, Selling and distribution expenses under *note - 26* and administrative expenses under *note - 27* figure for 2019 have been restated to reflect continued business operation.

51 General

(i) Previous year's figures and phrases have been rearranged and reclassified, and restated, wherever considered necessary to conform to the current year's presentation.

(ii) Figures in the Financial Statements have been rounded off to the nearest Thousand Taka unless stated otherwise.



Company Secretary



Director



Managing Director



Unilever Consumer Care Limited

Registered Office: Fouzderhat Industrial Area, North Kattali, Chattogram
Corporate Office: House: 2A, Road: 138, Gulshan: 1, Dhaka 1212

PROXY FORM

I/We, the undersigned being a Shareholder of above-named Company hereby appoint

Mr. _____

of _____

another Shareholder of the Company, whom failing Mr. _____

of _____

another Shareholder of the Company, as my proxy to vote and act for me, and on my behalf, at the 48th Annual General Meeting of the Company to be held on **Thursday, the 29th April, 2021** at 11:00 a.m. through Digital Platform and at any adjournment thereof.

Dated this _____ day of _____ 2021

(Signature of the Proxy)

Dated:

Signature of the Shareholders)

Dated:

Folio No / BO ID :

Note:

A Shareholder entitled to attend and vote at the Annual General Meeting may appoint a Proxy, another Shareholder of the Company to attend and vote in his/her stead. The "Proxy Form", duly filled, signed and stamped at BDT 20 must be sent through email at UCL.bangladesh-info@unilever.com not later than 48 hours before the time appointed for the meeting.



**Unilever
Consumer Care
Limited**