



32ND ANNUAL REPORT 2024-25 (2081-82)





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1. Basis of Preparation and Presentation

The terms 'UNL', 'the Company', 'your Company', 'we', 'our', and 'us' refer to Unilever Nepal Limited. Our Integrated Annual Report encompassing the Statutory Reports, (page nos. 78 to 92), contains information about us, how we create value for our stakeholders and how we run our business. It includes our strategy, business model, market outlook and key performance indicators. The Report of Board of Directors and the Management Discussion and Analysis includes details of our performance (page no. 30 to 39). Our Corporate Governance actions, as well as our approach to sustainability and risk management (page no. 66 to 76), contains an analysis of steps taken in Corporate Governance including information as required under the Securities Board of Nepal (Listing Obligations and Disclosure Requirements) Securities Registration and Issue Regulation, 2073, Directives related to Corporate Governance for Listed Companies, 2074 and our Financial Statements and Notes are on pages 78 to 128. The Integrated Annual Report, Statutory Reports and Financial Statements have been approved by Board of Directors.

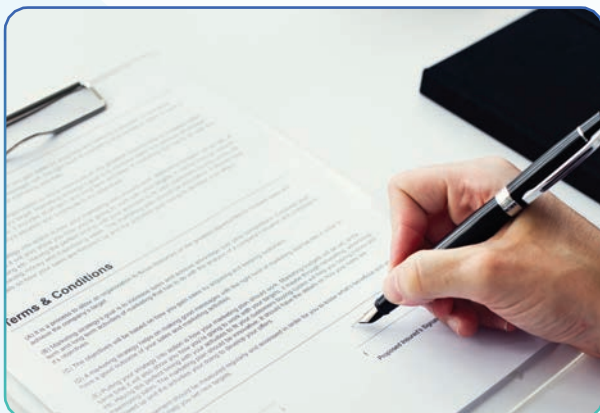
Standards & Frameworks

The auditors have audited the financial statements of Unilever Nepal Limited (the Company), which comprise the statement of financial position as at 32nd Asadh 2082 (16th July, 2025), Statement of Profit & Loss, Statement of other comprehensive income, the Statement of Changes in Equity, the Statement of Cash flows for the year ended, and the Notes to Financial Statements, including a summary of significant accounting policies.



Accountability Statement

To ensure the integrity of facts and information, the Board of Directors and Management of the Company have reviewed the Integrated Annual Report. Further, the Board of Directors confirms that



the Integrated Annual Report, taken as a whole, is fair, balanced and provides necessary information to stakeholders on the Company's performance, business model, and strategy, together with a description of the material risks and opportunities.



Forward-looking Statement

Statements in this Integrated Annual Report, particularly those that relate to the Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, generally identified by words such as 'may', 'believe', 'outlook', 'plan', 'anticipate', 'continue', 'estimate', and 'expect', may constitute forward-looking statements within the meaning of applicable laws and regulations. Such statements are necessarily dependent on projection and trends and constitute our current expectations based on reasonable assumptions. However, the actual results might differ from those expressed or implied in such forward-looking statements due to risks, uncertainties, and other external factors.

Materiality Determination

This Integrated Annual Report provides fair and balanced information about the relevant matters that substantively affect the Company's ability to create value both positively and negatively, including risks and opportunities and favorable and unfavorable performance or prospects. To identify material information or matters, we have taken a holistic perspective by regularly engaging with the various key stakeholders.



Assurance by Independent Auditor

The enclosed standalone and consolidated Financial Statements of your Company have been audited by Independent Auditors CSC & Co. Chartered Accountants. The auditors are independent of the Company in accordance with the code of ethics for professional accountants issued by the Institute of Chartered Accountants of Nepal (ICAN) together with the ethical requirements that are relevant to audit of the financial statements under the provisions of the Companies Act, 2063. The auditors have conducted the audit in accordance with Nepal Standards on Auditing (NSAs). In Auditor's Opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 32nd Ashad 2082 (16th July 2025), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Reporting Element

Financial Information

Status of Assurance

CSC & Co. Chartered Accountants

Non-Financial Performance

Compliance with Conditions of Corporate Governance as stipulated under NEPSE	CSC & Co. Chartered Accountants
Company Secretarial Audit	CSC & Co. Chartered Accountants
Plastics recovery, recycling audit assurance	PKF TR Upadhyya & Co.
Other Non-Financial Performance information	Internally reviewed and assured by the management of the company

Sustainable Development Goals



2. Corporate Overview

UNL at a glance



Consumers

We believe **8/10 households** in Nepal use one or more of **our brands**

33 SKUs imparting global experience localized

Two Brands exceeding **NPR. 100 Crs**
(Sunsilk and Glow & Lovely)



Customers

45,318 Retailers
reached across Nepal

18,967 Retailers use our
e-B2B App - **Shikar**

Real Time order tracking



Suppliers & Business Partners

132+ Suppliers

NPR. 440 Crore material spends

26,662 MT annual
manufacturing footprint





Our People

30% Gender Balance

100% Insurance - upto 5 family members **Upto 350k coverage**

Creche Facility

Stand By **Medical Professional Nutritionist and EAP**

12+ OJP across departments

3 months+ apprenticeship



Planet & Safety

1,857 MT Plastics collected annually and **79%** of it **recycled**

NDPE cleared sourcing

90% of renewable energy used for manufacturing **33,959 KL** recycled water usage

1 Million lives touched by CSR

58% reduction in CO₂ emission



Shareholders

NPR 825 Crs Turnover
(7 bps growth)

NPR 197 Crs Profit after Tax
(41 bps margin growth)

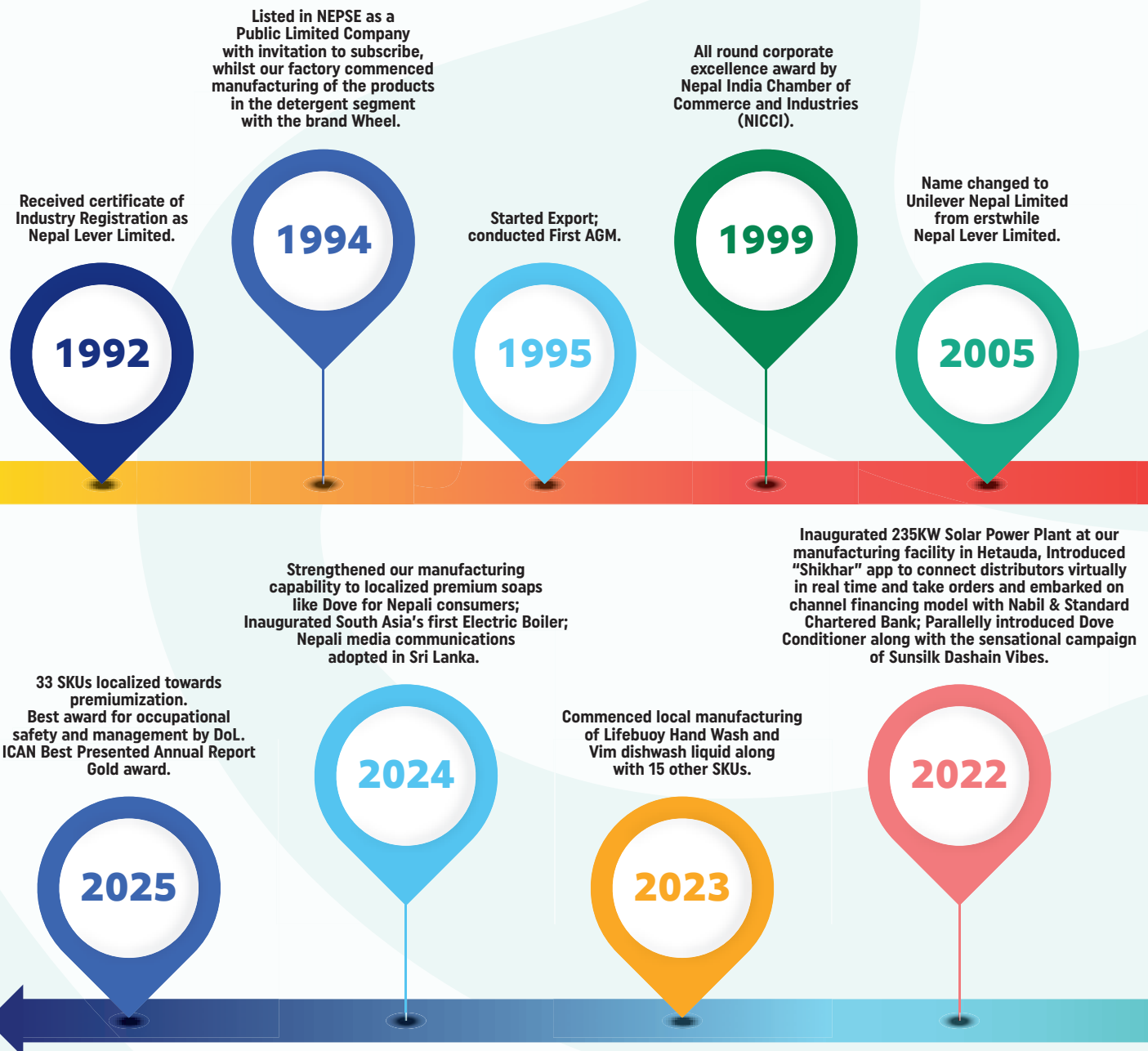
NPR 1,842/- Dividend per Share
(747 bps growth)



About the company

Unilever Nepal Limited (UNL) is one of the largest Fast-Moving Consumers Good (FMCG) manufacturing organization based here in Nepal with operations spanning over 32 years. **We believe what's good for Nepal, is good for us.** We are a company of brands and people driven by our purpose of making sustainable living a commonplace. We believe that 8 out of 10 households here in Nepal consume at least one of our brands every day to feel good, look good and to get more out of life; giving us a unique opportunity to add vitality to life and create a brighter future. We consistently cater to the evolving aspirations of Nepalese consumers through a strong focus on innovations. Keeping the needs of our consumers at the heart of our operations, we ensure that we deliver value to them through our unmissably superior brands while actively connecting with them via impactful, social first marketing initiatives. We are strengthening our presence across channels of the future while leveraging our distinctive capabilities to create long-term value for all our stakeholders.

This year, we have localized 33 SKUs of global premium brands with a strong focus on catering to the Nepalese community with best in world formulations across Hair Care, Skin Care, Oral Care, Home Care Categories. We manufacture approximately 27,000MT each year, which is made available to our consumers through 45,000+ retail outlets and unique digital B2B platforms like Shikhar that serve across Nepal. As we embark on our journey of Unlocking Aspirations we are supported by our two foundational pillars: Sustainability and Culture, while being guided by our core values of Integrity, Respect, Responsibility and Pioneering. Our best in class governance and reporting culture has been recognized as National Best Presented Annual Report (BPA) 2024 and Best Managed Industry For Operation and Safety 2024 which underscores our commitment to responsible practices and our people, positioning us as a leader in the industry.



32 Years of Doing Well by Doing Good

On 21st June, 1992, the Company was incorporated in Nepal and has travelled the past three decades alongside the country, working towards creating a better future every day, helping people look good, feel good, and get more out of life.

Pepsodent Toothpaste (Herbal Variant) launched and the roll out of Perfect Store Execution, aiming to improve brand visibility at the point of purchase and outlets.

2010

National Excellence Award by Federation of Nepalese Chambers of Commerce and Industries (FNCCI).

2013

Localized Dove Shampoo as our first step to Premiumize consumers using shampoos.

2014

Awarded the Environment Friendly Industry by the Ministry of Forest and Environment.

2017

Expanded capacity to support Hair and Oral Care categories focusing on quality and productivity.

2020

Launched Vim Anti Smell Bars for consumers.

2021

Added Ponds face wash and Ponds Age Miracle cream towards the local portfolio.

2019

Migrated into SAP ERP systems as part of South Asia Rollout, Local manufacturing commenced for Ponds Bright Beauty cream & Vaseline Lotions.

2018

Leveraging our Core: Strengthening Market Leadership

Our strengths manifest in our long-term performance – competitive, resilient and consistent. We are market leaders in majority of the categories we operate in. Underlying this performance are our strengths - deep consumer insights, focus on innovation, design-for-value, diverse product portfolio, extensive distribution network and digital transformation, that enable us to continue shaping consumer preferences across the country.



Begin with Consumers

Consumers are at the heart of everything we do. Over the years, we have developed a culture of deep consumer intimacy, enabled by robust insights infrastructure and thousands of man-hours spent across the organization in listening, speaking to and learning from consumers.

Sunsilk continues to reign as a power brand in the hair care category, and with the launch of Sunsilk Onion Shampoo, we've taken that legacy a bold step further. This innovation is a tribute to our relentless drive to never settle—always listening, always evolving to meet the needs of our consumers. With a growing shift toward natural oil-based hair care, Sunsilk Onion Shampoo has made significant strides by offering a premium experience at a competitive price point. It's not just a product—it's a promise to deliver top-tier nourishment and care, locally crafted for the modern consumer who seeks both efficacy and value.



Disrupt with Innovation

Innovation is critical for our growth, enabling us to adapt to changing markets, stay competitive, and create new value for consumers. We have access to the oldest and largest R&D centers worldwide. Best in class scientists proudly work with us to create breakthrough platforms.

Pond's Superlight Gel stands as a shining example of Unilever's transcendent vision—where science meets skincare in every drop. This product is more than just a formulation; it's a reflection of decades of global expertise and top-tier investment in consumer sensory innovation. As our consumers shifted away from heavy cream-based products, Pond's Superlight Gel captured that momentum with a lightweight, non-clogging texture that feels natural on the skin yet delivers powerful protection. It's designed for the fast-paced, on-the-go lifestyle, offering a refreshing experience that doesn't compromise on efficacy. This is skincare reimagined—light, smart, and deeply effective.

Design-for-Value

We realise that 'value' continues to be an important driver of choice for consumers. Our design-for-value framework optimizes three interdependent variables:

- What do consumers value in a product and will they pay for it?
- How does product design influence supply chain costs?
- What are the price points that we will need to unlock?

Vim Dishwashing Liquid continues to redefine excellence in the home care category, standing as a proud milestone in our journey toward premiumization. More than just a superior cleaning solution, Vim embodies innovation that goes beyond product quality—delivering real value through thoughtful design. This year, we introduced a transformative upgrade to our bottling apparatus, making it more intuitive, consumer-friendly, and budget-conscious. With enhanced squeeze control, consumers now enjoy greater ease and efficiency, putting the power of precision in their hands. This marks one of Unilever Nepal's pioneering experiments in designing for value—an exciting step forward in our commitment to elevate everyday experiences through purposeful innovation.



Build Unbeatable Portfolio

Our portfolio of brands continue to be our biggest asset. Straddling the price-benefit pyramid, we are able to serve the ever-evolving needs of all our consumers.

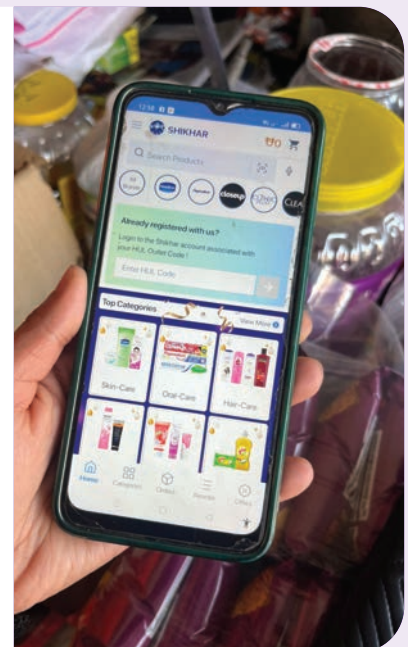
Our hair care range continues to shine as a beacon of Unilever's core values—anchored in consumer centricity and everyday relevance. With a deep understanding of evolving consumer aspirations, our brands have masterfully blended innovation with premiumization to create a portfolio that's not just accessible, but aspirational. From bustling cities to remote corners of the country, our diverse range of bottles and sachets meets consumers where they are—both in lifestyle and price point. Each product is thoughtfully designed to cater to daily hair care needs while reflecting the dreams and diversity of our consumers across geographies and generations. It's more than just hair care—it's a brand experience that's truly unmissable.



Make Distinctive Moats

Brilliant execution underpins our strengths. We own 1 factory and partner with 2 contract manufacturing units. We reach 45,000+ outlets in this country, ensuring that our products are available wherever our consumers are present. Our strong savings program optimizes cost across all lines of our P&L, generating fuel for growth for the organization. This technological backbone empowers us to optimize resource utilization, accelerate decision-making, and adapt swiftly to market dynamics, ensuring maximum operational efficiency. For instance, Shikhar, our e-B2B app saw an increase of 8% usage as well as our distribution management system has evolved to be a strong source of competitive advantage.

Unilever navigates through the anchors of consumer insight and experiences. We have onboarded the globally recognized entity, **Kantar**, to provide us with a detailed and unparalleled view of the ever-changing dynamics of the market. This collaboration ensures that we remain at the forefront of understanding consumer behavior and market trends, allowing us to make informed decisions that drive our success.



ASPIRE

Unlocking aspirations

OUR FINANCIAL AMBITION

Consistent and Superior EPS Growth

Three strategic thrusts

FOCUS

Focus on maximizing organizational growth through portfolio segmentation into Core, Future Core and Market Makers

EXCEL

Excel in five pillars that are critical for driving demand

ACCELERATE

Accelerate future-proofing of distinctive capabilities that keep us ahead in a fast-changing world

Supported by two foundational pillars

SUSTAINABILITY

Leveraging our proven models to focus on four areas that need action



CLIMATE



NATURE



PLASTICS



LIVELIHOODS

CULTURE

Four key behaviours that will power our priorities

CARE DEEPLY

FOCUS ON WHAT COUNTS

STAY THREE STEPS AHEAD

DELIVER WITH EXCELLENCE

FOCUS TO TRANSFORM PORTFOLIO

Segmenting our portfolio into Core, Future Core and Market Makers on the basis of future growth potential and premiumization index, enabling sharper prioritization of resources.



Core

Keeping the core contemporary and healthy to meet evolving consumer needs



Future Core

Upgrading consumers with our aspirational brands that are at the sweet spot of premiumization



Market Makers

Powering new segments and solving unmet consumer needs

EXCEL IN DEMAND DRIVERS

Pivoting investments to five drivers of demand in the evolving operating context

Unmissable Brand Superiority

Elevating brand experience by focusing on parameters that really matter to our consumers

Multi-year Market Making

Fueling category creation in six segments of choice with a proven market-making model

Social-first Demand Generation

Embedding our brands into culture with data-driven insights and tech-enabled deployment models

Channels of the Future

Investing in category captaincy in modern trade and e-commerce

Winning Across Nepal

De-averaging the country by affluent agglomerations in top cities and villages

ACCELERATE AND STRENGTHEN OUR DISTINCTIVE MOATS

Pivoting investments to five drivers of demand in the evolving operating context



Disruptive Science & Technology



Lean and Agile Supply Chain

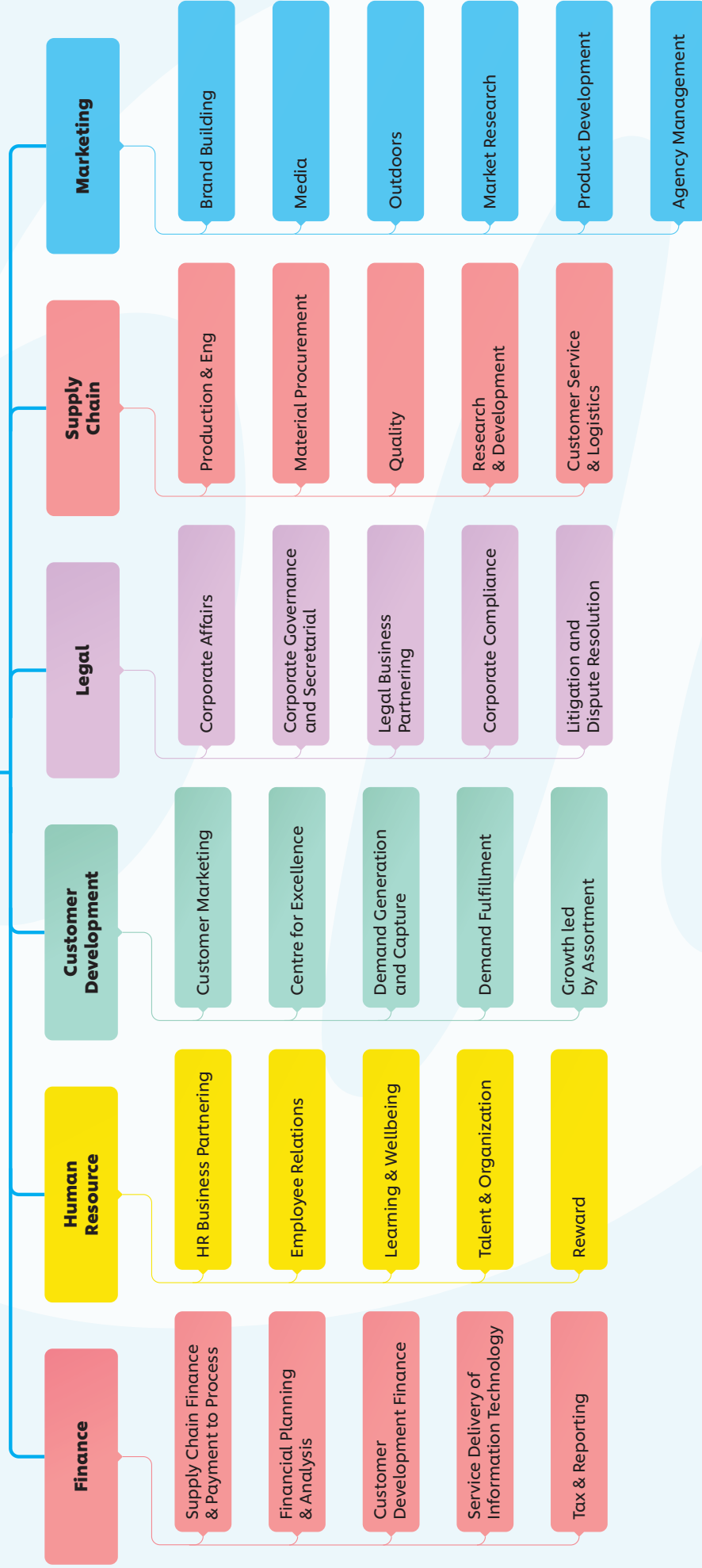


Digitised Distributive Trade



Net Productivity

Managing Director



Localization

Dove Bar White
1 June 2024



Clinic Plus
Egg Pro Shampoo
30 July 2024



Clear Shampoo
CSM Sachet
13 August 2024



Dove Hair Conditioner
Daily Shine
27 March 2025



Pepsodent Whitening
30 March 2025



Sunsilk Rosemary
1 April 2025



Lifebuoy
Turmeric & Honey
25 August 2025



Vaseline
Light Hydrate
30 July 2025



Lux Fragrant Skin
30 July 2025



Pond's Super Light Gel
25 September 2024



Pond's Light Moisturizer
4 October 2024



Dove Bar Pink
25 November 2024



Sunsilk Black Access Pack
16 April 2025



Glow & Lovely SPF 30
11 June 2025



Clear Anti Hair Fall Shampoo
19 June 2025



Vaseline Sun Protect SPF 30
3 July 2025



Lux Soft Skin
30 June 2025



Clear Cool Sports Menthol Shampoo
22 June 2025



Board of Directors



Mr. Yogesh Kumar Mishra
Chairman

Mr. Yogesh Kumar Mishra is the Executive Director, Supply Chain of Hindustan Unilever Limited. Prior, Yogesh, was Vice President, Beauty & Personal Care for Supply Chain, Unilever, South Asia. He has been pivotal in stepping up agility in the supply chain by using a segmented approach through transformational initiatives such as nano-factory and integrated manufacturing. Before this, he was General Manager of Operations, Home Care, based in Mumbai. Yogesh joined the company in 1990 and over the last 32 years at Unilever, he has done a variety of roles across manufacturing, quality, planning and technology with a strong performance record in both Beauty & Personal Care and Home Care divisions. In addition, he has been instrumental in driving the WIMI (Winning in Many Indias) agenda through debottlenecking, efficiency improvement, and network optimizations. Yogesh is passionate about bringing the best in people and is driven by his purpose, 'Be the beacon of continuous excellence for people'. He has completed his engineering from HBTU, Kanpur.



Mr. Amlan Mukherjee
Managing Director & CEO

Mr. Amlan Mukherjee has been working as the Managing Director of Unilever Nepal Limited (UNL) starting April 2020. He has 33 years of industry experience spanning General Management, Brand Management, Sales & Marketing in different capacities in Global roles, in South Asia. His educational qualification is Bachelor of Commerce from Kolkata University followed by Business Management Executive program sponsored by Hindustan Unilever Limited (HUL). His rich and extensive experiences of handling large businesses from scratch, leading complex M&As etc. help him to fulfill his responsibilities accurately and impactfully.



Mr. Ravi Bhakta Shrestha
Promoter Director

Mr. Ravi Bhakta Shrestha is a Promoter Director of UNL, representing the local Joint Venture Company, M/S Sibkrim Holdings Private Limited (Now I.J. Group Holdings Pvt. Ltd.). He is the Chairman of the I.J. Group, one of the leading business houses in Nepal. Previously, Mr. Shrestha was President of the Federation of Nepalese Chamber of Commerce and Industry (FNCCI). He is Chairman of I. J. Charitable Trust that contributes to the health and education sector under CSR. Mr. Shrestha is a Graduate in Business Administration. He has previously served as a member of the "Industry and Trade Promotion Council", chaired by the Rt. Honorable Prime Minister. He has been decorated with Prasadha Prabal Gorkha Dakshin Bahu 'Second' by the Government of Nepal, "Lifetime Achievement Award" by Nepal Chamber of Commerce, Knight Officer of the Order of Merit of the Republic of Italy, and the Certificate of Merit by the Government of the Republic of Korea.



Mr. Subhas Bajracharya
Independent Director,
Chair of Audit Committee

Mr. Subhas Bajracharya is an Electrical Engineering graduate (1985) from Birla Institute of Technology, Mesra, India. He is owner and Managing Director of NH Nepal Pvt. Ltd. Mr. Bajracharya has done series of assignments in Nepal Telecom from 1986 till 2008. He has served as CEO in Smart Telecom (2008-13), a start-up private Telecom company in Nepal. Mr. Bajracharya is also Executive Director in Nexhop Limited, UAE since 2013.

Directors



Mr. Ravishankar A.
Director (Nominee, Hindustan Unilever Limited)

Mr. Ravishankar A. is a seasoned finance leader at Unilever with over two decades of experience across a wide spectrum of finance roles. In his current role as Vice President Finance for the Beauty & Wellbeing business at Hindustan Unilever Limited (HUL), Ravi leads the finance function for a €1.5 billion business. He has played a pivotal role in partnering the creation of strategic roadmap for the business including portfolio transformation, driving operational rigour, and allocating resources to support these strategic objectives. Prior to this, Ravi served as Group Finance Controller and Head of Investor Relations at HUL. In this capacity, he led enterprise-wide programmes to elevate the quality of financial reporting and controls, while strengthening HUL's engagement with the investor community. Ravi's career spans diverse geographies including India, the United Kingdom, and Switzerland, where he has led and collaborated with multicultural teams. Ravi holds a degree in Electronics Engineering and an MBA from the Indian Institute of Management, Lucknow.



Ms. Harman Dhillon
Director (Nominee, Hindustan Unilever Limited)

Ms. Harman Dhillon is the Executive Director, Beauty & Wellbeing at Hindustan Unilever Ltd. She assumed her current role in 2024, focusing on transforming the Beauty & Wellbeing sector through strategic acquisitions and premium-led growth. She has a history of building successful purpose-driven brands across South Asia, North America, and Europe, with previous roles at Hindustan Unilever Limited (HUL) including Head of Skin Care & Colour Cosmetics and VP Hair Care. She revitalized brands like Lakmé and Pond's, launched successful campaigns for brands like Dove and Clinic Plus, and drove market leadership in the Hair Care category. Her leadership has earned her multiple prestigious awards, and she has served on the jury for the Cannes Glass Lions. Ms. Dhillon has received widespread recognition, appearing on lists such as BW Businessworld's Most Influential Women (2025), Economic Times Women Ahead (2023), and Economic Times Under 40 (2020). She serves on the boards of several companies, including Unilever Nepal Limited and Lakmé Lever Private Limited. She holds a Bachelor of Commerce from Shri Ram College of Commerce and an MBA from FMS, Delhi, joining HUL in 2006.



Dr. Vivek Mittal
Director (Nominee, Hindustan Unilever Limited)

Dr. Vivek Mittal is the Executive Director of Legal and Corporate Affairs at Hindustan Unilever Limited (HUL). Before joining HUL, Dr. Mittal served as Global General Counsel at Dr Reddy's Laboratories Limited, where he was responsible for legal, ethics, compliance, and data privacy risks. He has over 25 years of experience building dynamic legal teams across industries in reputed companies, including Danaher Corporation, Lupin Limited, Reliance, Radico Khaitan, India Bulls Group, Caparo India Operations, and Mount Shivalik Industries. Dr. Mittal is a prominent industry leader who is actively engaged with various bodies and forums. He serves on esteemed committees, including the Federation of Indian Chambers of Commerce and Industry (FICCI) Task Force on Inbound and Outbound Investments and the Confederation of Indian Industry (CII) Task Force on Judicial Reform. He holds a Ph.D., a law degree (LL.B), and a post-graduate degree in commerce (M.Com). He is a member of the Institute of Company Secretaries of India (ICSI).

Our Value Creation Model

Capitals	Inputs
 <p>Intellectual Capital Powered by pioneering research and deep consumer insights, our intellectual capital drives breakthrough innovations that meet evolving consumer needs</p>	Access to 50+ global Brands
 <p>Social & Relationship Capital Through meaningful partnerships built on integrity and shared purpose, we nurture lasting trust with stakeholders, creating resilient ecosystems that thrive on collective aspirations.</p>	NPR 1 Crs+ Total CSR spends 130+ Distributors
 <p>Manufactured Capital State-of-the-art factories, advanced digital supply chains and agile logistics position us to deliver quality products nationwide.</p>	NPR 155 Crs Total Property, Plant, and Equipment
 <p>Human Capital Our diverse and empowered workforce drives innovation, inclusion and continuous learning, propelling us towards a future-ready organisation</p>	3500+ Hours of learning in the year 20+ Equitable work policies
 <p>Natural Capital We are committed to protecting and regenerating natural resources, embedding sustainable practices across our operations and fostering a healthier planet for future generations.</p>	90% renewable energy consumption 79% plastics recycled
 <p>Financial Capital Our strong financial foundation fuels strategic investments, enabling sustained value creation.</p>	NPR 523 Crs Net worth NPR 19 Crs Trade working capital*

* Working capital, excluding cash and bank balance sheets and current investments.

Our Strategic Objectives



FOCUS



EXCEL



ACCELERATE

Core Business Activities

Consumer Insights

We constantly track changing consumer sentiments and trends to deeply understand and respond to evolving preferences.

1

Innovation

These insights are leveraged by our R&D and marketing teams to innovate, develop and deliver superior, relevant products.

2

Sourcing

We procure large volumes of sustainable raw materials and packaging to ensure consistent product quality and operational efficiency.

3

Manufacturing

Our advanced manufacturing facilities integrate cutting-edge technology to convert materials into products we sell.

4



Enabling Functions

- Human Resources
- Information Technology
- Procurement
- Finance
- Facility Management
- Legal
- Regulatory Support

Output (Products)



Maximising organisational growth via portfolio segmentation, enabling crafting of tailored strategies

Dialling up demand by pioneering new markets, social-first mindset and unlocking future channels

Strengthening agile, digitally-enabled distinctive capabilities to generate long-term value

Consumer Use

We deliver products that enrich daily lives, fulfilling consumer aspirations and enhancing wellbeing.

8



7

Sales

Our products are widely accessible across multiple channels, both offline and online platforms, ensuring we are available wherever our consumers are.

6

Marketing

We engage consumers through targeted, social and digital-first marketing strategies, strengthening brand visibility and identity.

5

Logistics

Our extensive and digitised logistics network allows for timely and efficient product distribution across millions of retail outlets.

Executive Oversight

- Strategic Planning
- Governance
- Performance Monitoring
- ESG
- Resource Allocation
- Risk Management
- CSR



Outcomes

33 SKUs localized under premium categories

8 out of 10 Households use one or more of UNL brands

45,000+ outlets serviced

93% Employee Net Promoter Score

30% Gender Balance Ratio

29.2% increase in capex investment

25 soulmates enrolled

500+ Trees planted

1 Million lives touched by CSR

58% reduction in CO₂ emission

NPR 276 Crs Cash Generated from Operations, before taxes

44.2% ROCE

Stakeholders



Consumers

We aim to provide superior quality products and brands that cater to the needs of increasingly discerning consumers.



Customers

We partner with traditional trade distributors, retailers, organised trade and digital commerce marketplaces to foster mutual and sustainable growth.



Our People

We foster a culture of empowerment and continuous development while rewarding people fairly, enabling personal and professional growth.



Suppliers & Partners

We engage with suppliers and business partners collaboratively with shared goals to cultivate innovation and efficiency



Planet & Society




By embedding sustainable practices and contributing to the wellbeing of society, we aid a fairer and more socially inclusive world.




Shareholders

We aim to deliver consistent, competitive performance and drive long-term value creation for our shareholders.

Interplay of Capitals

RECIPIENT		Intellectual	Social & Relationship	Manufactured
SOURCE	Intellectual		Empowering retailers with digital platforms like Shikhar for anytime ordering and transparency, while enabling next-day delivery through intelligent, automated warehousing systems.	Transforming production with technologies and digital interventions, while deploying digital solutions to increase efficiency, reduce wastage and enhance quality control.
	Social & Relationship	Enhancing products through consumer insights & feedback, and enriching our data lake with key stakeholder inputs to power our advanced data democratization platforms.		Entering into partnerships to achieve backward integration of raw materials and promoting sustainable practices across our supply chain systems.
	Manufactured	Accelerating R&D breakthroughs through state-of-the-art factories and equipping R&D centers with cutting-edge technology	Improving livelihoods through strategic partnerships, while fostering trust with 130+ distributors via a resilient, future-ready supply chain.	
	Human	Building a robust digital talent ecosystem through strategic partnerships while maintaining focused hiring and investments in developing digital expertise.	Enhancing productivity and awareness through comprehensive training for suppliers and distributors, and empowering women through initiatives like Soulmate and Shakti.	Creating a future-ready, efficient workforce by upskilling shopfloor employees and fostering diversity through increased female representation.
	Natural	Harnessing biotechnology as a next-gen platform to deliver breakthrough innovations, and address resource scarcity through efficient utilization, waste reduction, and circular economy models.	Building sustainable communities around manufacturing sites through supporting rural households by helping curb the effects of yearly seasonal natural calamities like flooding.	Ensuring stable, cost-efficient factory operations through local sourcing of packaging materials and enabling sustainability by powering factories with renewable energy.
	Financial	Investing in next-gen technology platforms and innovation capabilities to deliver exceptional consumer experiences while significantly reducing innovation lead time	Creating sustainable community impact through multiple CSR initiatives, while strengthening supplier and distributor relationships via regular engagement and training.	Driving end-to-end value chain transformation through digital, automation, and machine learning led solutions, with strategic investments to enable closer-to-demand production.

	Human	Natural	Financial
	Development of digital and AI led tools in areas like media deployment and forecasting to automate employee tasks while leveraging AI-powered platforms to identify personalized open opportunities across the business.	Utilizing science and technology to drive sustainable operations and delivering impactful innovations in product and packaging that reduce environmental load.	Driving sales through stronger brand equity, product superiority, and tech-led innovations, simultaneously generating savings via enhancements in product and production processes.
	Nurturing trust and collaboration through multiple initiatives, while building strong community ties that offer diverse learning opportunities and enrich employee skills and engagement	Building grassroots sustainability through local partnerships to effectively support water stewardship and natural resource conservation in our communities.	Driving sales growth through shopper-centric innovations and collaborative customer plans, resulting in 8 out of 10 households using one or more of our brands.
	Cultivating a safe, healthy, and inclusive workplace by boosting employee wellbeing and encouraging greater female participation on the shopfloor.	Aligning with net-zero goals by reducing logistical emissions through lean, close-to-demand manufacturing and minimizing packaging and material waste.	Enhancing efficiency and agility through robust cost optimization across the value chain and developing sophisticated forecasting tools to respond effectively to market fluctuations.
		Creating a foundation of shared values with our employees to drive sustainability actions through initiatives like plastic collection and cleanliness drives.	Driving sustainable and inclusive growth by uniting purpose driven talent, maintaining low attrition, and nurturing a strong leadership pipeline to ensure business continuity.
	Attracting green-conscious talent through a purpose-driven culture, and supporting their development by maintaining a healthy ecosystem essential for social and economic stability.		Optimizing resource utilization to reduce operational costs and strengthening supply chain resilience, while building circular economic practices to generate value.
	Building a future-ready organization by investing over 3,500+ hours in employee development and wellbeing, while retaining top talent through differentiated careers and rewards.	Advancing sustainable operations by accelerating renewable energy adoption, enhancing plastic recyclability, and promoting regenerative agriculture.	 connect IPS pay direct from bank

ESG Feature

Integrated Sustainability Strategy

1. Operations

Driving change through operations and workforce

- 79% of plastics recycled and reused in the course of the operation.
- Installation of electric boiler and heat pump has achieved 58% of reduction in CO₂ emissions.
- Reverse Osmosis and water use practices led to 33,959 KL of recycled water usage.
- 90% of operating energy sourced from renewable resources.

Sustainable Development Goals



2. Value Chain

Using our size and reach to influence our entire value chain—Pictures

- Our Shikhar platform – B2B Order placing platform empowers retailers like never before, enabling them to access our products with just a few clicks, independent of a salesperson's availability. This advancement is a reality we have brought to life through Shikhar. By equipping retailers with tools to check product availability, view pricing, and place orders at their convenience, we have fundamentally transformed their business operations. This strategic innovation has positively impacted 8100 retailers across Nepal, ensuring our products are consistently available on shelves to meet consumer demand. It also reinforces our position as an industry leader dedicated to pushing the boundaries of excellence.



3. Our Brand

Leveraging our purpose-led brands—Pictures

- On World Oral Health Day, we advanced the message of A Happy Mouth is a Happy Body with Pepsodent activations. Through oral hygiene workshops and dental check-up camps, in collaboration with the Dentist Association of Nepal, we garnered over 100,000 views and 5,000 engagements.
- Dove driving the agenda of empowerment as a source of confidence and not anxiety through its collaboration with SAFF Women's Championship 2024 as an official sponsor.



4. Wider Society: [Refer to page 28](#)

ESG Materiality Matrix

UNL's Double Materiality covers both impact and financial materiality. 'Impact Materiality' provides us the 'inside out' view, focusses on the actual or potential short, medium and long-term impact on people or the environment that are directly linked to a company's operations and its value chain. On the other hand, 'Financial Materiality' is the 'outside in' view and focusses on how sustainability matters, covering both material risk or opportunity that could affect our Company's financial performance and position over the short, medium and long term. Adopting Double Materiality Assessment (DMA)

is a natural step towards strengthening our sustainability strategy. DMA will help UNL drive meaningful progress, ensuring its business remains futureready while continuing to set industry benchmarks for responsible growth. We use our sustainability materiality assessment to identify priority sustainability issues across our operations and value chain so that we are able to report on the issues of most interest to our stakeholders. We have updated the double materiality assessment in financial year 2024-25 in line with our parent Hindustan Unilever's Framework.

Material Topics



Resource Use and Circularity



Inclusive Access to Essential Products



Talent Retention



Business Ethics and Conduct



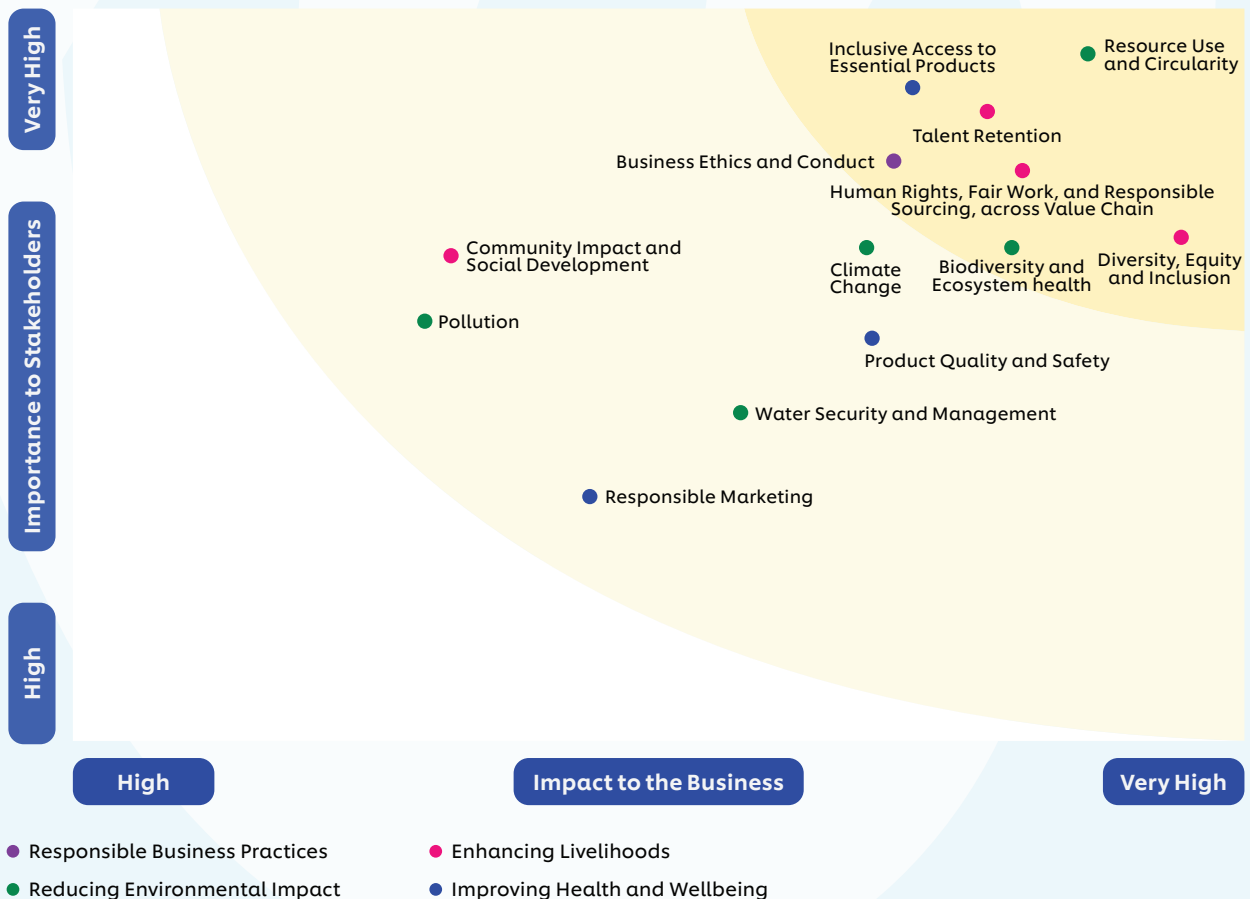
Diversity, Equity and Inclusive



Human Rights, Fair work, and Responsible Sourcing, across Value Chain



Bio-diversity and Ecosystem Health



Making Sustainable Living a Commonplace

Recycling Initiative – Solid Waste Management and Pollution Prevention

In collaboration with Avni Venture, Unilever Nepal implemented structured waste management protocols across designated urban and peri-urban zones. As part of this initiative, strategically located collection points were established for both recyclable materials and general solid waste.



Trained personnel were deployed to manage the segregation, sorting, and safe disposal of waste. During the reporting period, a total of 1,579.3 metric tonnes of waste was collected, out of which 902.9 metric tonnes were successfully recycled or recovered. This initiative not only contributed to reducing landfill dependency but also reinforced our commitment to environmental sustainability and operational efficiency.

Support for Jajarkot Earthquake Reconstruction and Victim Relief

In response to the devastating earthquake that struck Jajarkot district on 17th Baisakh 2080 (30th April 2023), Unilever Nepal extended its support to national disaster recovery efforts through a contribution to the Prime Minister's Disaster Relief Fund. This initiative was part of our broader commitment to social responsibility and humanitarian aid.



The contribution was directed towards reconstruction activities and immediate relief for affected communities. By joining hands with the Government of Nepal and other contributing organisations, Unilever Nepal reaffirmed its role as a responsible corporate citizen, standing in solidarity with those impacted by natural calamities. This initiative reflects our enduring commitment to community resilience and disaster preparedness. We remain dedicated to supporting national efforts that safeguard lives and rebuild communities in times of crisis.

Health Camp for Elderly Citizens – A Step Towards Healthier Lives

As part of our ongoing commitment to community wellbeing, Unilever Nepal organised two health camps in collaboration with the local ward office and health centre. These camps were specifically designed to support elderly citizens aged 50 and above from surrounding communities. The initiative

The initiative provided free medical consultations and health advice, enabling participants to access essential care and guidance from qualified professionals.



provided free medical consultations and health advice, enabling participants to access essential care and guidance from qualified professionals.

It marked a significant expansion in outreach and impact. The camps were held at the local government ward office and saw enthusiastic participation from the community. The presence of dedicated doctors and volunteers created a warm and supportive environment, where attendees not only received medical attention but also felt valued and cared for. This initiative reflects our belief that

giving back to society is not just a responsibility but a deeply personal commitment. By promoting health awareness and providing accessible care, we continue to uphold our values as a responsible employer and community partner. The health camps have strengthened our connection with the local population and reaffirmed our dedication to sustainable and inclusive development.

International Yoga Day – Lumbini Celebration

In partnership with the Embassy of India in Nepal and the Lumbini Development Trust, we planned and executed a large-scale celebration of the International Day of Yoga. The event included venue setup, participant registration, and security arrangements. A yoga demonstration was held for over 500 enthusiasts, with prominent guests



including the Governor of Lumbini Province, the Minister of Youth and Sports, and the Ambassador of India. Community participation and media coverage were facilitated to enhance public engagement. Yoga-related materials and wellness resources were distributed. Post-event impact assessment focused on community wellness, cultural ties, and elevating Lumbini’s profile as a destination.

Local Plantation and Infrastructure Development

Unilever Nepal continues to prioritise community development in its direct impact zones through meaningful partnerships and infrastructure support. In a landmark initiative, a formal agreement was signed with Ward No. 3 of Hetauda Sub-Metropolitan City to provide financial assistance for local infrastructure enhancement. This collaboration marked a significant milestone, as it was the first major CSR contribution to the Ward, reinforcing our long-term commitment to the communities surrounding our operations.

The support was directed towards the completion of a retaining wall for the mountain spring adjacent to our boundary wall—an essential

It has laid the foundation for ongoing collaboration, enabling Unilever Nepal to work in an amiable and constructive manner with the community.







structure for environmental protection and water management. The signing ceremony was attended by all Ward No. 3 members, the municipality secretary, the Factory Leadership Team, and other key stakeholders, symbolising a shared vision for sustainable development.

Beyond infrastructure, the initiative also included plantation development in the area. Regular follow-up and monitoring of plantation sites were conducted to assess survival rates and environmental impact, ensuring that the programme delivers lasting ecological benefits.

This project has fostered mutual trust and strengthened relationships with local government representatives and residents. It has laid the foundation for ongoing collaboration, enabling Unilever Nepal to work in an amiable and constructive manner with the community. Through this initiative, we reaffirm our role as a responsible corporate citizen, dedicated to uplifting the regions where we operate.

Trailblazing with Technology

In today's fast-evolving business environment, the concept of the intelligent enterprise is increasingly becoming a cornerstone for organizations seeking to maintain a competitive edge. At Unilever Nepal, information technology (IT) is not just an operation—it is at the heart of our business transformation journey. In alignment with Unilever's global commitments and governance through SharePoint, we continue to embed world-class IT strategies that simplify processes, enhance resilience, and unlock sustainable value for the business. Our efforts are directed towards delivering productivity, simplification, cost efficiency, transparency, compliance, and robust protection across all systems. Unilever Nepal's Factory boasts of the following with the cutting edge integration of technology to boost agility, product superiority, productivity and dynamic demand planning. This achievement has been made possible with the ever determined IT integration that Unilever Nepal has pursued throughout its operations.

 Agile Production	 Elevating Product Superiority	 Enhanced Workforce Productivity	 Dynamic Demand Planning
<p>we have established strong inbuilt mistake-proofing systems within our machinery, featuring AI-enabled cameras and the Digital Eye of Consumer (DEOC) vision systems on our manufacturing lines leading to ensuring superior service levels.</p>	<p>With Power BI real time dashboards coupled with the consumer insights with the leading consumer research institute, consumer feedbacks are accurately garnered, tracked and acted upon.</p>	<p>With extensive integration of Copilot features opening up doors to information synthesization, research and communication with substantial accuracy in reduced time, the workforce has experienced more focus on strategic plannings.</p>	<p>AI driven planning tools have shortened production rescheduling lengths, improving forecasting accuracy and reducing inventory.</p>

Disruption through IT – Our Role in Business Transformation

In 2025, IT continued to be a catalyst for business transformation. Our focus has been on simplifying processes, strengthening cyber resilience, and standardizing service governance to help the business move faster with confidence. Key milestones included digitizing employee travel and expenses, enhancing security awareness and reporting, and industrializing service introduction for core platforms that enable everyday operations.

Outcome: Measurable improvements in time savings, cost optimization, operational efficiency, security and simplification—leading to enhanced productivity across the organization.

Digital Transformation – Driving Agility and Simplification

Unilever Nepal has actively aligned with the South Asia Technology Roadmap, leveraging cutting-edge digital tools to simplify processes and improve operational agility. This strategic alignment has enabled us to connect regional priorities with local execution, ensuring that our teams benefit from globally benchmarked platforms while tailoring solutions to local needs.

Data & Analytics Foundations

Our journey begins with robust data and analytics. Through advanced onboarding of analytics platforms such as Microsoft Power BI and the Universal Data Lake (UDL), we are tightening governance over change, release, and knowledge processes before scaling further. These dashboards and data tools empower departments with real-time insights, coordinated updates,

**PAUSE
THINK
PROTECT** Beware of the
Cyber Myths



Cyber Security

Recognizing the criticality of protecting assets, operations, and data, Unilever Nepal has adopted a risk-based approach to cyber defense and resilience. Cybersecurity initiatives are embedded in daily business, enabling the company to remain protected against evolving threats while ensuring compliance with global security standards.

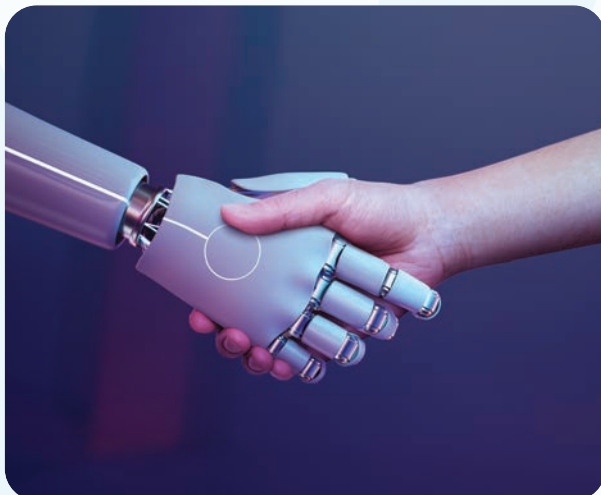
and collaboration efficiencies, in line with global standards. Customized analytics continue to enhance decision-making, simplify reporting, and improve cost coordination.

Customer Service and Distribution Transformation

We successfully upgraded customer service and distribution by migrating distributor sales and distribution applications to the cloud. This transition not only ensures legal compliance but also provides the advantages of speed, accessibility, and efficiency that web-based optimization brings. Customer data is safeguarded through multi-factor authentication (MFA)—using authenticator apps and SMS verification—to prevent unauthorized access. This initiative reflects our unwavering commitment to data protection, ensuring that technology advances for our customers are always accompanied by uncompromising security.

Ethical Use of AI and Training

As emerging technologies like AI reshape business landscapes, Unilever Nepal is committed to responsible adoption. In 2025, we continued Copilot training programs, equipping employees to use AI responsibly, ethically, and productively. Clear red and green categorization frameworks ensure transparent decision-making and safeguard against unintended risks. Our approach balances innovation with responsibility—ensuring that AI augments business outcomes while staying true to our principles of compliance, transparency, and fairness.



Network & Site Readiness

Connectivity is at the core of agility and productivity. In 2025, we finalized the Managed Wi-Fi Services Master Service Agreement, encompassing design, 24/7 monitoring, security baselines, and performance management. Implementation for Kathmandu has been sequenced in alignment with global standards. Our Nepal office now benefits from remote-hands coverage under the global Statement of Work, ensuring faster incident response and seamless change implementation. Enhanced internet services with cutting-edge load-balancing ensure secure, reliable, and future-ready connectivity.

Data Privacy & Protection

As we accelerate digitalization, we do so responsibly—upholding the interests of consumers, employees, and partners. Respect for privacy is central to our values. Guided by Unilever’s



Code Policy on Personal Data and Privacy, we treat data protection as both a compliance obligation and a human right. This commitment ensures that personal data is handled with integrity, in full compliance with applicable laws, and with unwavering respect for individual rights.

Leading with Impact

At Unilever Nepal, IT transformation is not an isolated initiative; it is part of a broader mission to create positive impact across business, stakeholders, and society. By integrating financial discipline with sustainability and ethical governance, we ensure that our technology investments not only drive efficiency but also contribute to a more inclusive and resilient future. Through productivity, simplification, transparency, cost savings, and compliance, our IT strategies enable us to lead with impact—empowering teams, protecting customers, and building a business that thrives with confidence.

3. Performance Overview

Message from Chairman

“Unilever Nepal has consistently demonstrated resilience and strategic foresight throughout its dynamic 32-year journey, navigating market shifts, political instability, and internal conflicts with unwavering commitment. Amidst these challenges, the company has successfully localized 33 new SKUs, embedding innovation both on product efficacy and use design into its product portfolio in brands like Sunsilk, Dove, Clear, Lakme, Clinic Plus, and Vim, across categories.”

Dear Shareholders,

Firstly, I express my deepest condolences for the loss of lives during the recent floods and landslides in different parts of Nepal. I also pray for the quick recovery of those who have suffered injuries during this calamity. We stand in solidarity with the affected families and communities.

At the heart of Unilever Nepal’s 33-year journey lies a simple truth: enduring businesses are built on resilience, foresight, and purpose. As we reflect on the past year and look ahead, I am reminded that our role is not only to navigate uncertainty but to shape the future with clarity and conviction.

A World in Transition – Our Strategic Response

The global economy enters 2025 with cautious optimism. Growth projections of 3.0% for 2025 and 3.1% for 2026 signal progress, yet the environment remains fragile—marked by supply chain vulnerabilities, inflationary pressures, and shifting trade dynamics. In such times, leadership demands more than adaptation; it calls for bold choices anchored in long-term value creation.

At Unilever Nepal, we have embraced this challenge by sharpening our strategic priorities:

- **Portfolio Discipline** – focusing on categories where we can lead with superiority.
- **Digital Acceleration** – embedding data, analytics, and AI into every decision.
- **Localisation with Purpose** – deepening our “Make in Nepal” agenda to strengthen self-reliance and economic resilience.

With these bold choices, we are certain that we will build a long-term sustainable business with high ambition

Building Growth Engines for the Future

Our Social-First Demand Generation strategy is redefining how we engage consumers in an era of fragmented attention. By leveraging Nepal’s digital ecosystem and platforms like Shikhar and e-commerce channels, we are creating direct, meaningful connections with millions. Partnerships such as the Pond’s Skin Institute campaign and IPL 2025 exemplify how we blend global expertise with local relevance.

Innovation remains our growth engine. Through partnerships with Kantar and investments in AI-powered insights, we are delivering science-backed, locally resonant products across our portfolio—from Sunsilk to Lux Bodywash. This is not incremental change; it is a structural shift towards agility and consumer intimacy.

Strengthening Our Competitive Moats

Our ambition is clear: to build moats that endure. We are leveraging Unilever’s global research platforms—Microbiome, Biotechnology, and Next-Generation Materials—to deliver product superiority while driving operational efficiencies. Our supply chain is becoming more agile, and initiatives like Shakti are expanding our reach to underserved markets, reinforcing our leadership in FMCG.

Performance with Purpose

Despite macroeconomic headwinds, Unilever Nepal remains the highest dividend-per-share paying company in Nepal, declaring NPR 1,842 per equity share, with EPS at NPR 2,142—a testament to disciplined execution and shareholder value creation. While growth faced temporary constraints, our fundamentals remain strong, and our strategy is designed to unlock sustainable, profitable growth.

Embedding a Winning Culture and Sustainability
Our culture is our compass. We have articulated four behaviours—Care Deeply, Focus on What Counts, Stay Three Steps Ahead, and Deliver with Excellence—that will power our priorities and shape our future.

Equally, sustainability is non-negotiable. From sourcing 90% renewable energy for our manufacturing site to recycling 79% of the 1,857 MT of plastics we collect annually, we are embedding circularity and climate responsibility into our value chain. Our CSR initiatives have touched over 1 million lives, reinforcing our belief that business must serve society.

Looking Ahead with Confidence

The road ahead will be challenging. Yet, our strategy—anchored in sharper portfolio choices, digital acceleration, localisation, and sustainability—positions us to capture emerging opportunities and deliver long-term value. We remain steadfast in our purpose: to serve with care, innovate with relevance, and grow with resilience. Short-term headwinds may arise, yet our robust fundamentals and the vast potential of long-term consumer trends place us in a strong position for sustained value creation.

On behalf of the Board, I extend my deepest gratitude to our shareholders, partners, and employees—for your trust and unwavering support. Together, we will continue to build a business that not only wins in the marketplace but also makes a meaningful difference in the lives we touch.

With appreciation and resolve,
Chairman of the Board





UNILEVER NEPAL LIMITED

Cleanse & make breakage free

Condition & Repair





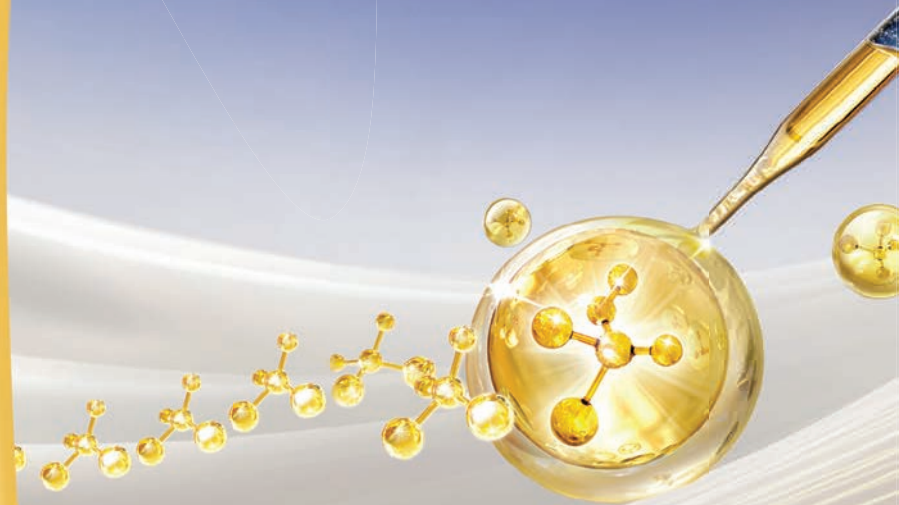
UNILEVER NEPAL LIMITED

MOISTURISED GLOW FROM 1ST USE. WITH PRO-CERAMIDES.



serum in lotion

62078712



^basis clinical study conducted in January 2024

PRO CERAMIDES



Message from the Managing Director & CEO

Dear Shareholders,

This year tested us in ways we could never have imagined. I want to begin by expressing heartfelt condolences for the tragic loss of over 70 young lives and the hundreds injured during the September 9th events, as well as the 51 lives lost in recent natural calamities. These moments of grief weigh heavily on all of us. Yet, even as we reflect on these challenges, we look ahead—with hope and determination for a stronger, more prosperous Nepal.

The past year brought significant disruptions to infrastructure, businesses, and communities. But adversity often reveals resilience. At Unilever Nepal Limited, we remained steadfast in our purpose: to serve consumers, strengthen our brands, and contribute meaningfully to national progress.

Business Landscape and Performance

While inflationary pressures eased during FY 2024–25, we faced new headwinds—tight credit access, fragmented consumer demand, and rising emigration impacting domestic consumption.

Despite these challenges, we focused on operational excellence and brand superiority. Our total revenue stood at NPR 824 crores, flat versus last year, with volumes dipping 3.7%—primarily in Oral Care and Home Care. However, we improved net margin to NPR 197 crores, a 41-basis point increase year-on-year. Nearly 35% of our portfolio delivered added consumer value through price reductions or extra volume—a conscious choice to stay consumer-first.

Policy support for local manufacturing remained limited, yet we believe this sector holds immense potential for Nepal's growth.

Despite these challenges, we focused on operational excellence and brand superiority. Our total revenue stood at NPR 824 crores, flat versus last year, with volumes dipping 3.7%—primarily in Oral Care and Home Care. However, we improved net margin to NPR 197 crores, a 41-basis point increase year-on-year. Nearly 35% of our portfolio delivered added consumer value through price reductions or extra volume—a conscious choice to stay consumer-first.

Strategic Outlook: Localization and Digital Acceleration

This year marked a milestone in Nepal's FMCG landscape: we localized 33 new SKUs across Dove, Lakme, Ponds, Clear, Clinic Plus, LUX, and VIM—reinforcing our commitment to innovation and sustainability. We refreshed iconic brands with updated formulations and packaging, ensuring relevance for a new generation of informed consumers.

Our digital-first approach accelerated through campaigns like Pond's Skin Institute: Miracles Happen, leveraging AI-driven skin analysis and influencer engagement, generating over 10 million views. Close Up's Friendship Challenge reached over 8 million impressions, while our partnership with Voice of Nepal delivered 38 million digital impressions and reached 83 million viewers. These initiatives underscore the power of social-first strategies in a rapidly evolving market.

Supply Chain and Technology

Through Shikhar, we enabled seamless order placement and tracking, strengthening customer relationships nationwide. Our IT transformation advanced with cloud migration, multi-factor authentication, and data analytics platforms like Power BI—driving speed, security, and real-time insights. AI adoption was guided by responsible frameworks and Copilot training.

Sustainability and Community Impact

Aligned with SDG 12, we implemented structured waste management protocols with Avni Venture, collecting 1,579 metric tonnes of waste—903 metric tonnes recycled or recovered. We sourced NDPE-compliant raw materials and achieved 89% renewable energy usage, 30,050 KL recycled water, and transitioned 55% of our plastic portfolio to sustainable structures.

Our community initiatives included oral health campaigns reaching 1.5 million people, disaster relief contributions, health camps for elderly citizens, and flood prevention measures near our Hetauda factory. These efforts reflect our belief in making sustainable living commonplace.

People and Integrity

Our people remain our greatest strength. We delivered 40,000 training hours through platforms like LinkedIn Learning, Udemy, and Degreed,

fostering a future-fit workforce. We champion inclusivity and continue to attract top talent through campus engagement and internships.

Business Integrity remains a cornerstone of our operations. This year, we reinforced policies on transparency, anti-bribery, and data protection through immersive sessions. Our commitment was recognized with the Best Industry in Operational Health and Safety Management Award and the Best Presented Annual Report Gold Award 2024—affirming our dedication to ethical and responsible business.

Looking Ahead

We enter the new financial year amid one of the most uncertain operating environments in recent memory. Economic headwinds, fragile consumer sentiment, and structural disruptions continue to challenge growth. A key development is India's 56th GST Council decision to revise rates effective September 22, 2025. The downward shift in MRPs has widened the price gap between imported FMCG products and those manufactured locally, making our portfolios less competitive and increasing the risk of informal "grey-channel" imports. This change adds complexity to pricing strategies and market share protection.

Compounding these pressures are projected lower GDP growth, delays in economic reforms, and muted government spending—all dampening investment inflows and consumer confidence. What was expected to be a strong festive season has turned into a period of uncertainty, with performance tracking below expectations despite a promising start in August. Operational disruptions among key partners have further strained receivables and future sales visibility.

In the near term, volatility and supply chain constraints will persist. The medium-term outlook depends on stabilization efforts and policy support to counter grey-market pressures and strengthen local manufacturing.

Despite these headwinds, our strategy remains clear: localize portfolios, stay affordable for Nepali consumers, and invest behind our brands to build trust and love. Integrated supply chains, sustainable manufacturing, and digital-first operations position us to navigate these challenges with agility.

While the road ahead is demanding, we see opportunities to innovate, deepen consumer connections, and contribute meaningfully to Nepal's economic progress. With resilience, purpose, and the collective strength of our teams and partners, we are confident in building a future that is sustainable, inclusive, and prosperous for all.

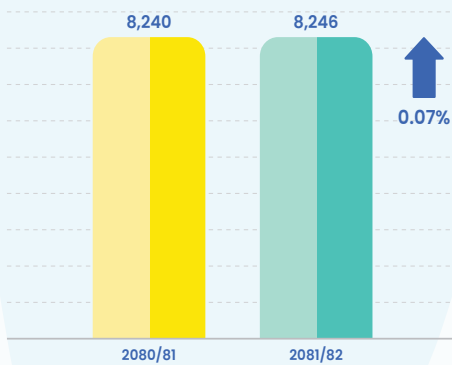
Warm Regards,
Amlan Mukherjee
Managing Director and CEO

Director's Report

While inflationary pressures showed signs of easing during the 2024–25 financial year, we were met with a different set of challenges that tested our resilience. Credit access remained constrained, making it harder for businesses and consumers alike to move forward. Consumer demand became increasingly fragmented, and the accelerating pace of emigration further dampened domestic consumption. Compounding these issues was the lack of strong policy support for local manufacturing—an area we believe holds immense potential for national growth. Our total revenue stood at NPR 824 crores—flat compared to last year. Given the tough environment, our volumes dipped by 3.7%, particularly in Oral Care and Home Care. Yet, we managed to slightly improve our net margin for the full year to NPR 197 crores, marking a 41-basis point increase year-on-year. It's also worth noting that for nearly 35% of our portfolio, we passed significant value back to our consumers—either through price reductions or added volume, which did dilute our topline marginally, but was a conscious choice to stay consumer-first.

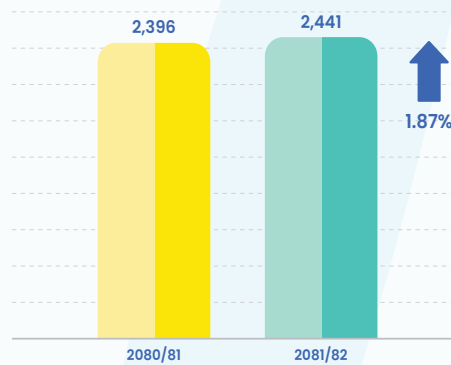
Revenue From Operation

(NPR. In Millions)



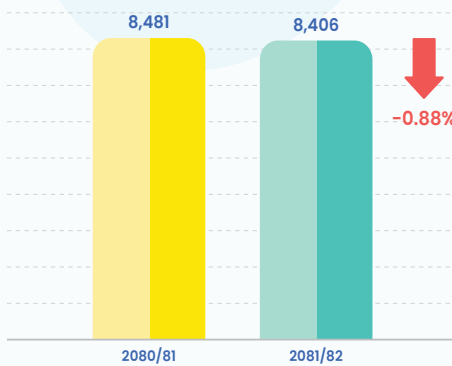
Profit before Tax

(NPR. In Millions)



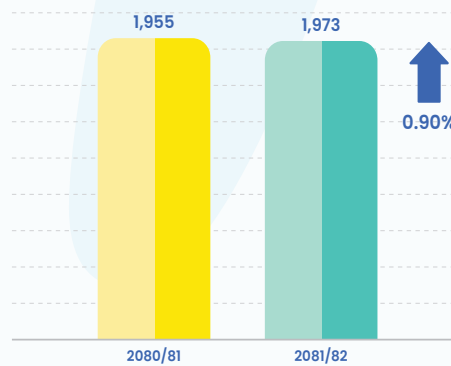
Net Revenue

(NPR. In Millions)

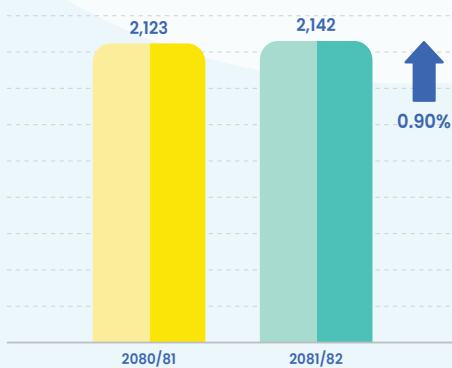


Profit after Tax

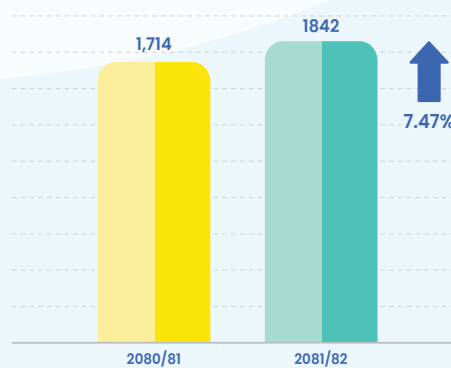
(NPR. In Millions)



EPS

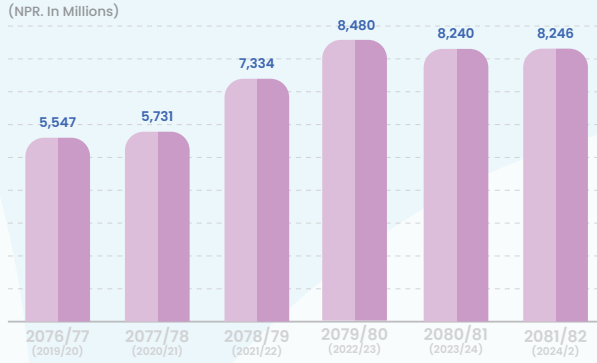


DPS

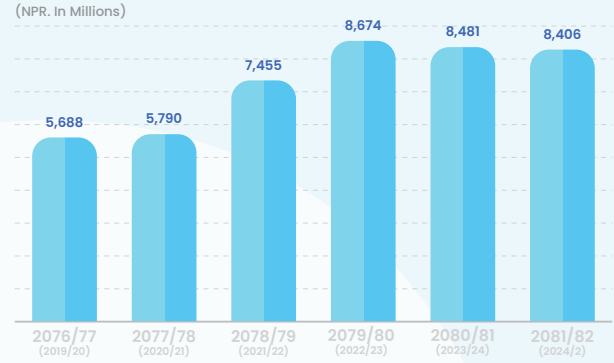


Report

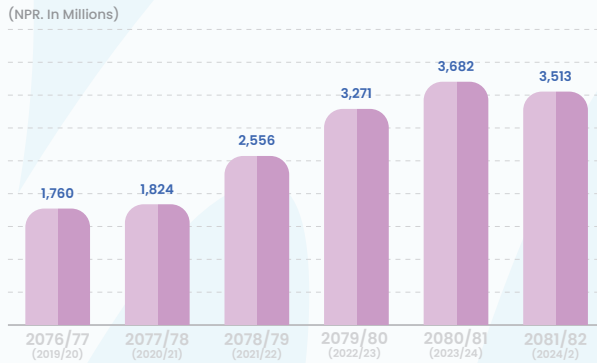
Gross Revenue



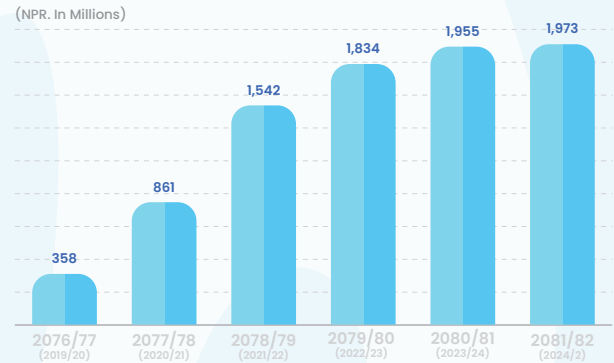
Net Revenue



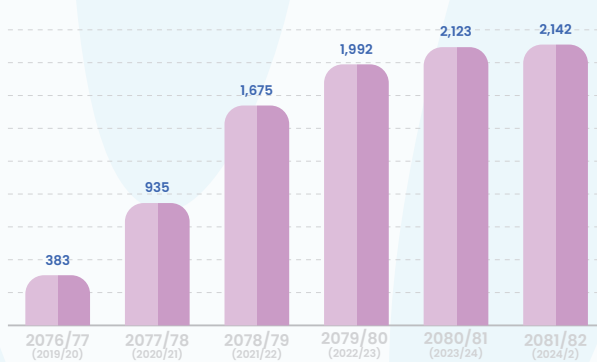
Gross Profit



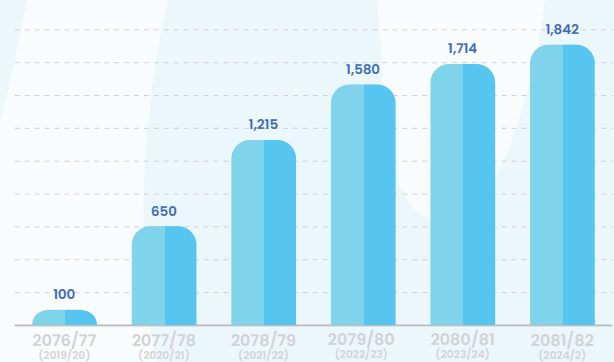
Net Profit



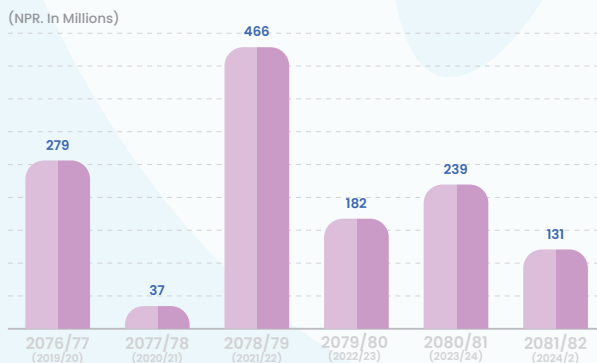
EPS



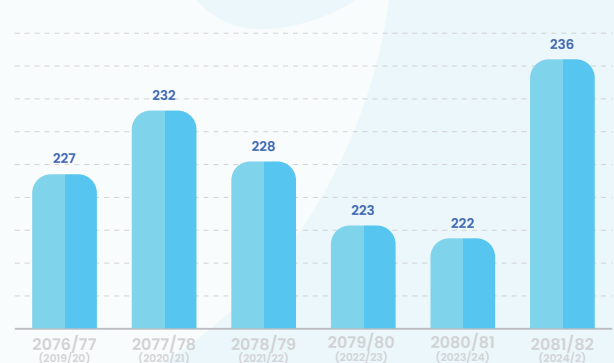
DPS



Net Capex



No. of Employees



Long Term Track Record

Ratio Analysis

Particulars	2076-77 (2019-20)	2077-78 (2020-21)	2078-79 (2021-22)	2079-80 (2022-23)	2080-81 (2023-24)	2081-82 (2024-25)
Gross Profit Ratio	32%	32%	35%	39%	45%	43%
Profit Before Tax Ratio	10%	18%	26%	26%	29%	30%
Net Profit Ratio	6%	15%	21%	22%	24%	24%
Current Ratio	1.4	1.8	2.0	2.5	2.6	2.5
Assets Turnover Ratio	1.5	1.2	1.3	1.3	1.2	1.0
Return on Equity	18%	33%	42%	42%	40%	38%
Return on Total Assets	10%	18%	27%	28%	28%	25%
Earnings Per Share	383	935	1,675	1,992	2,123	2,142
Dividend per Share	100	650	1,215	1,580	1,714	1,842
Dividend Payout Ratio	26%	70%	73%	79%	81%	86%
Market Value Per Share (NPR)	18,800	19,395	18,360	32,998	47,328	46,900
Price Earnings Ratio	49	21	11	17	22	22
Net Worth Per Share/Return on Shareholders' Fund	2,137	2,829	3,967	4,737	5,264	5,677
Return on Capital Employed	29%	38%	50%	49%	48%	44%

% of Gross Revenue

Profit & Loss

(NPR Mln)

Particulars	2076-77 (2019-20)	2077-78 (2020-21)	2078-79 (2021-22)	2079-80 (2022-23)	2080-81 (2023-24)	2081-82 (2024-25)
Revenue from Operations	5,547	5,731	7,334	8,480	8,240	8,246
Other Operating Income	141	59	121	194	241	160
Total Revenue	5,688	5,790	7,455	8,674	8,481	8,406
Gross Profit	1,760	1,824	2,556	3,271	3,682	3,513
Profit Before Tax	572	1,051	1,882	2,239	2,396	2,441
Profit After Tax	358	861	1,542	1,834	1,955	1,973
EPS	383	935	1,675	1,992	2,123	2,142

Balance Sheet

(NPR Mln)

Particulars	2076-77 (2019-20)	2077-78 (2020-21)	2078-79 (2021-22)	2079-80 (2022-23)	2080-81 (2023-24)	2081-82 (2024-25)
No. of Shares	920,700	920,700	920,700	920,700	920,700	920,700
Total Assets	3,718	4,753	5,805	6,495	7,081	7,896
Plant Property and Equipment (incl Intangibles)	1,162	1,050	1,376	1,453	1,558	1,550
ROU	-	-	215	211	220	398
Investments in Fixed Deposits	335	934	1,129	1,380	2,181	2,508
Current Assets	2,514	3,673	4,190	4,798	5,266	5,915
Share Capital	92	92	92	92	92	92
Retained Earnings & Reserves	1,876	2,513	3,560	4,269	4,754	5,135
Current Liabilities	1,736	2,005	2,077	1,922	2,037	2,344
Non-Current Liabilities	13	143	76	212	197	324
Shareholder Equity/Net Assets	1,968	2,605	3,652	4,361	4,847	5,227
Capital Employed	1,981	2,748	3,728	4,573	5,044	5,552
Market Capitalization	17,309	17,857	16,904	30,381	43,575	43,181

Vertical Analysis

STATEMENT OF PROFIT OR LOSS

For the year ended Asadh 32 2082 (16th July 2025)

Figures in NPR Mn

Particulars	2077-78 (2020-21)	%	2078-79 (2021-22)	%	2079-80 (2022-23)	%	2080-81 (2023-24)	%	2081-82 (2024-25)	%
Net Sales Revenue	5,790	100%	7,455	100%	8,674	100%	8,481	100%	8,406	100%
COGS	3,966	68%	4,899	66%	5,403	62%	4,799	57%	4,894	58%
Gross Profit	1,824	32%	2,556	34%	3,271	38%	3,682	43%	3,513	42%
Employee Benefits Expenses	381	7%	523	7%	589	7%	632	7%	625	7%
Other Expenses	391	7%	131	2%	413	5%	640	8%	403	5%
Operating Profit	1,051	18%	1,903	26%	2,269	26%	2,410	28%	2,485	30%
Finance Cost	-	0%	20	0%	30	0%	14	0%	44	1%
Profit Before Tax	1,051	18%	1,882	25%	2,239	26%	2,396	28%	2,441	29%
Income Tax Expenses										
Current Tax	173	3%	334	4%	415	5%	444	5%	463	6%
Deferred Tax	17	0%	7	0%	(10)	0%	(3)	0%	5	0%
Net Profit	861	15%	1,542	21%	1,834	21%	1,955	23%	1,973	23%

*% of Net Sales Revenue

BALANCE SHEET

For the year ended Asadh 32 2082 (16th July 2025)

Figures in NPR Mn

Particulars	2077-78 (2020-21)	%	2078-79 (2021-22)	%	2079-80 (2022-23)	%	2080-81 (2023-24)	%	2081-82 (2024-25)	%
ASSETS										
Non-Current Assets										
Property, plant and equipment	994	21%	1,342	23%	1,441	22%	1,557	22%	1,550	20%
Intangible assets	56	1%	33	1%	12	0%	1	0%	-	0%
Right of use Assets -Lease	-	0%	215	4%	211	3%	220	3%	398	5%
Deferred tax assets	31	1%	24	0%	33	1%	36	1%	32	0%
Current Assets										
Inventories	843	18%	1,123	19%	964	15%	1,020	14%	1,090	14%
Trade and other receivables	982	21%	1,359	23%	1,664	26%	1,105	16%	1,446	18%
Investments	934	20%	1,129	19%	1,380	21%	2,181	31%	2,508	32%
Cash and cash equivalents	766	16%	546	9%	755	12%	827	12%	849	11%
Bank balance other than CCE	34	1%	25	0%	27	0%	31	0%	20	0%
Current tax assets	109	2%	-	0%	-	0%	99	1%	-	0%
Prepayments	5	0%	7	0%	9	0%	3	0%	2	0%
Total Assets	4,753	100%	5,805	100%	6,495	100%	7,081	100%	7,895	100%
EQUITY AND LIABILITIES										
Equity										
Share capital	92	2%	92	2%	92	1%	92	1%	92	1%
Retirement Benefit Scheme Reserve	659	14%	781	13%	776	12%	760	11%	745	9%
Retained earnings	1,854	39%	2,779	48%	3,493	54%	3,994	56%	4,390	56%
Non-Current Liabilities										
Lease Liabilities	-	0%	55	1%	189	3%	172	2%	297	4%
Provisions	143	3%	21	0%	22	0%	25	0%	28	0%
Current Liabilities										
Trade and other payables	1,892	40%	1,801	31%	1,809	28%	1,862	26%	2,051	26%
Lease Liabilities	-	0%	179	3%	45	1%	106	1%	168	2%
Provisions	113	2%	84	1%	59	1%	69	1%	51	1%
Current tax liabilities	-	0%	13	0%	9	0%	-	0%	73	1%
Total Equity and Liabilities	4,753	100%	5,805	100%	6,495	100%	7,081	100%	7,895	100%

*% of Total Assets

Awards and Recognitions



Unilever Nepal was recognized as the Best Industry in Operational Health and Safety Management for Fiscal Year 2080-81, underscoring its commitment to workplace safety and sustainable industrial practices. The Award was presented by Director General of Department of Labour and Occupational Safety, Mr. Chakra Pani Pandey to our Factory Team.



Unilever Nepal Limited was honored with the Best Presented Annual Report Gold Award 2024 by the Institute of Chartered Accountants of Nepal, recognizing excellence in financial reporting and disclosure standards at the national level.



Unilever Nepal handed over NPR 50 lakhs to Prime Minister's Disaster Relief Fund on account of the devastating floods and landslide that hit Nepal in 2024.



Unilever Nepal's Managing Director with the team of internationally recognized U.S. Based Credit Rating Agency, on March 2024.

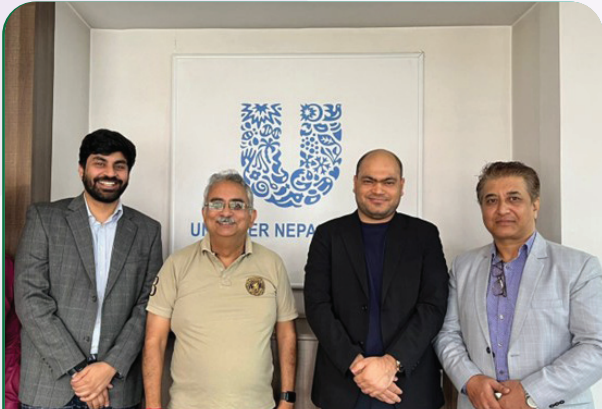
and Recogniti



Gallery of powerful engagement of Unilever Nepal's engagement, advocacy and reforms on various policy matters concerning manufacture climate and reforms.



Unilever Nepal Limited with Mr. Sushil Gyawali, Chief Executive Officer of Investment Board Nepal discussing pertinent legislative changes and reform suggestions for robust domestic economy, on March 2025



Unilever Nepal Team with the president of Nepal-India Chamber of Commerce & Industry, with Sunil KC on discussing policy directions on encouraging domestic manufacture in Nepal.



Unilever Nepal Team with the delegates from British Embassy in Nepal on discussions pertaining to broader investment climate and reforms, on December 2024



Beauty and Wellbeing

NPR 497 Crs
Turnover



Personal Care

NPR 236 Crs Turnover



Home Care

NPR 91 Crs Turnover



4.

Purpose Led Brands: Delivering Exceptional Value

Beauty & Wellbeing

Digital Footprint

Skincare Category



200MN+
Impressions

14MN+
Engagement

14MN+
Video Views

Skin Care

Our Brands

Glow & Lovely

LAKMĒ

POND'S

Vaseline

Pond's Skin Institute: Miracles Happen

In FY 2080/81, Pond's underwent a transformative relaunch under the banner of Pond's Skin Institute (PSI), signaling a bold shift from its legacy in tone management to a premium skincare master-brand rooted in expert science. The relaunch, themed "Miracles Happen", was unveiled at a landmark event in Kathmandu, bringing together dermatologists, influencers, and media to experience the brand's new identity. This



This evolution is not just cosmetic—it reflects a deeper commitment to science-backed innovation, with hero ingredients like Niacinamide, Hyaluronic Acid, and Activated Charcoal taking center stage.

evolution is not just cosmetic—it reflects a deeper commitment to science-backed innovation, with hero ingredients like Niacinamide, Hyaluronic Acid, and Activated Charcoal taking center stage. The launch of the Bright Miracle and Hydra Miracle ranges, along with the introduction of an AI Skin Expert for personalized skin analysis, positions Pond's at the forefront of modern skincare in Nepal.

This transformation is fully aligned with Unilever's global Beauty & Wellbeing strategy, which emphasizes market-making premium innovations and science-led superiority to meet the rising expectations of today's informed consumers. As consumers increasingly seek transparency, efficacy, and purpose in their skincare choices, Pond's has responded with a portfolio that is not only aspirational but also deeply functional. The brand's relaunch is a testament to our ability to reimagine core brands for the future, delivering superior experiences while staying rooted in trust and familiarity. Backed by strong media deployment and digital-first engagement, the relaunch has already begun to drive brand superiority scores and competitive growth, reinforcing Pond's as a flagship in our premium skincare journey



Event Highlights: Social First Demand Generation

- 200+ participants, including influencers, dermatologists, and media houses
- Three experience zones: Demo, Skin Analysis, and Engagement, each highlighting how it works for skin benefits.
- Launch of Bright Miracle and Hydra Miracle ranges.
- Introduction of AI Skin Expert for personalised skin analysis.

Digital Impact

- The campaign generated over 10 million views across social platforms
- Influencer-led content under #PondsMiracleMoments drove high engagement



Lakme Relaunch

In a bold move to align with the evolving aspirations of modern consumers, Lakme reinvented itself through a strategic relaunch under Unilever Nepal Limited. The brand transitioned from a traditional sunscreen offering to a comprehensive sun care proposition, reflecting a deeper understanding of consumer needs and lifestyle shifts. This transformation was anchored in a refreshed packaging design that not only elevated shelf appeal but also synchronized with Lakme's global identity refresh. The launch of Lakme Sun Expert Ultra Matte Lotion in SPF 50 and SPF 30 was executed through a two-phased digital-first campaign—#meinthesun and #stuninthesun—garnering over 52 million impressions and 3.8 million engagements in just two months. This relaunch exemplifies the power of Social First Demand Generation, reinforcing Lakme's brand equity through consistent, purposeful communication. By harmonizing Nepal's portfolio with innovations across the globe, Lakme has successfully positioned itself as a premium, future-fit brand in the sun care category.



Creating Categories of the Future

The launch of Pond's Superlight Gel and Light Moisturizer marks a pivotal moment in UNL's skincare innovation journey, rooted in deep consumer insight and a Social First strategy. The Superlight Gel introduces a cutting-edge gel-based moisturizer designed for lightweight hydration and fast absorption, while the Light Moisturizer now includes a winter cream variant tailored for seasonal skin needs. These launches respond to consumer demand for breathable, high-



performance skincare across climates and lifestyles. UNL's approach—anchored in digital listening and real-time engagement—enabled co-creation with consumers and amplified the launch through influencer-led storytelling and user-generated content. This initiative reflects Unilever's commitment to democratizing premium skincare, blending science and empathy to deliver meaningful beauty experiences in a digitally connected world.

Campaign Strategy

- Led by influencer marketing and digital amplification
- Mall and college activations with blind testing and sampling in high-footfall locations

Engagement Metrics

- Targeted 8000+ samples across Civil and Labim malls
- Content creation through testimonials and hygiene posts adapted for reels



GAL Sunscreen Launch

GAL sunscreen was introduced as a mass-market offering to meet the growing demand in the sun care segment, with a dual benefit of Sun Protect and Brightening.



Objectives

- Cater to evolving consumer needs for daily sun protection.
- Position GAL as an accessible and effective sunscreen solution.



Hair Care

Our Brands

CLINIC
PLUS+

Dove

sunsilk

CLEAR

Strong Bonds, Strong Her with Clinic Plus

At Clinic Plus, we believe that a mother's love is the strongest foundation a girl can grow from—even when it's not spoken aloud. Our recent International Mother's Day campaign in Nepal celebrated this quiet strength, portraying how mothers often express love not through words, but through everyday acts of care, protection, and support. The film beautifully captured the emotional depth of this bond, reinforcing Clinic Plus's purpose of standing beside every girl as she grows stronger—physically, emotionally, and generationally. As a brand rooted in care and resilience, Clinic Plus continues to honour the silent, yet powerful role mothers play in shaping confident daughters.



15M+
Reach

29M+
Impression

Real Beauty, Real Strength with Dove

Dove has always believed that real beauty is defined not by appearances, but by the strength, courage, and authenticity that women carry within. This Women’s Day, we brought that belief to life through a purpose-driven film featuring Nepal’s inspiring para-athlete, Palesha Goverdhan. Her journey—marked by resilience, determination,



and quiet power—reflects the very essence of real beauty. Through this campaign, Dove reaffirmed its commitment to celebrating women who rise above challenges, not just in sport, but in life. For years, Dove has prioritized purpose-led storytelling that breaks stereotypes and empowers women to embrace who they truly are. This film is yet another step in that journey.

Dove Champions Real Beauty Through Women’s Football

As the Powered By sponsor of the SAFF Women’s Championship 2024, Dove played a pivotal role in elevating the tournament’s visibility and emotional resonance. Known globally for its commitment to real beauty and self-confidence, Dove’s association with South Asia’s premier women’s football event was a natural alignment of values—celebrating strength, authenticity, and empowerment.

From the opening match to the historic final, Dove’s presence was seamlessly integrated across all touchpoints:

- Branding across stadium assets, broadcast visuals, and digital platforms ensured high-impact visibility.
- Promotional content carried Dove’s empowering message, reinforcing its support for women breaking barriers in sports.
- Social media activations helped amplify engagement among the viewers.

Complementing Dove’s emotional narrative, Lifebuoy joined the championship as the Hygiene Partner, reinforcing the importance of health and protection in high-energy sporting environments. Lifebuoy’s presence ensured:

- Hygiene messaging across stadium and broadcast assets.
- Product visibility and engagement through digital.
- A strong association with wellness, safety, and care—values that resonate deeply with athletes and fans alike.

Together, Dove and Lifebuoy added both emotional depth and functional relevance to the SAFF Women’s Championship 2024, setting a new benchmark for meaningful brand partnerships in women’s sports across the region.

Dove Nepal took a bold step in redefining beauty standards by supporting the National Women’s Football Team during the SAFF Championship, blending purpose with performance. The campaign, rooted in Dove’s global mission to celebrate real beauty, spotlighted the strength and resilience of female athletes—starting from a young age.

9.5M+
Reach

24.7M+
Impression

1.85M+
Post Engagement

400K+
Video Views

Through engaging content and authentic storytelling, Dove reinforced its commitment to purpose-led marketing, inspiring young girls to embrace their strength, confidence, and real beauty—on and off the field.

Dove Relaunch

Dove unveiled a refreshed portfolio in Nepal, featuring modernized packaging and an enhanced formulation with Bio-Protein, reinforcing its commitment to care and real beauty.



Objectives

- Elevate shelf appeal and premium perception.
- Strengthen Dove's positioning as a brand rooted in nourishment and authenticity.
- Align Nepal's portfolio with global innovation standards.



Relaunch Elements

- Packaging Upgrade: Sleek, contemporary design with improved visual cues for care and efficacy.
- Formulation Enhancement: Introduction of Bio-Protein, reinforcing Dove's promise of deep nourishment and damage repair.

Dove Empowered IPL 2025 Broadcast in Nepal with Unilever Nepal's Multi-Brand Integration The Indian Premier League (IPL) 2025, one of the world's most celebrated cricket tournaments, captivated millions of viewers in Nepal through its exclusive broadcast on Kantipur MAX TV. Spanning 74 thrilling matches from March 22 to June 3, the tournament offered an unmatched platform for premium brand visibility and consumer engagement.

At the heart of this excitement was Dove, featured prominently as the "Empowered By" partner of the IPL broadcast in Nepal. Representing Unilever Nepal's commitment to empowering beauty and confidence, Dove's presence reinforced its positioning as a brand that celebrates care, authenticity, and self-assurance.

As part of Unilever Nepal's strategic media integration, the IPL broadcast featured:

- 120 seconds of FCT per match
- 3 L-Shapes and 3 Astons per match
- Consistent visibility for Dove, Lux, Surf Excel, and Pond's across all matches

This multi-brand presence ensured high-impact exposure throughout the season, reaching diverse audiences across age groups, genders, and geographies.

Further amplifying reach, over 500 restaurants nationwide screened IPL matches, carrying all ads and branding directly to mass-market consumers in real-time.



INDIAN PREMIER LEAGUE

IPL Digital Reach

10M+
Total Views

3.6M+
Total Video Views

11K hr+
Watch Time (Hours)

1.8M+
Reach

134K+
Interactions

1M+
Total Views

36K+
Watch Hour



Unilever Nepal's extensive on-air and on-ground integration positioned its brands at the centre of the IPL experience—reinforcing their association with premium sports content, driving consistent visibility, and deepening brand affinity among cricket fans across Nepal.



Sunsilk Dashain Vibes

Following three successful years of Sunsilk Dashain Vibes, Sunsilk reimagined its celebration of girlhood as Sunsilk Vibes, expanding the campaign to embrace everyday moments alongside festive ones. This year's campaign was carried under the theme **"My Hair, My Vibes,"** encouraging participants to showcase their unique hairstyles and personal stories on social media. From playful to bold, sleek to festive, Sunsilk Vibes celebrated individuality and self-expression through hair.

The campaign concluded on January 17, 2025, with the announcement of three exceptional winners—Ms. Aakriti Aryal, Ms. Manisha Lama, and Ms. Suhana Thakur—who joined the Sunsilk Gang of Girls, standing alongside brand ambassadors Prisma and Princy.



6M+
Reach

46M+
Impression

Personal Care

Closeup Friendship Day Campaign 2024 - August

On Friendship Day, Closeup did a digital campaign with the main objective of Celebrating Friendship with Confidence associating the brand with moments of friendship and closeness with the campaign theme "Get Closer, Celebrate Friendship". Influencer collaborations were done to achieve significant engagement and brand visibility with Friendship stories contest using hashtag #CloseupBonds #CloserWithCloseup encouraging audiences to express their feelings using Closeup as a symbol of confidence to get closer. The campaign successfully built emotional connection and resonated with the audience, achieving significant reach and engagement. The campaign reinforced Closeup's brand message of fostering close relationships and celebrating meaningful connections.



8.3M
Impressions

0.7M
Engagement

0.33M
Video Views

3.4M
Reach

10
Influencer Collaborated

Oral Care

Our Brands



These influencers created Friendship Challenge videos where the duo came in front of camera, unboxed the gift box sent by Closeup and took the friendship challenge answering questions about each other from the placard.

Closeup Friendship Day Campaign 2025

It was carried under the theme “Celebrate the spirit of Friendship and Closeness”, signifying a celebration that embraced and appreciated Celebrating Friendship with Confidence. We aimed to give key message of Confidence to get closer, Celebrate friendship and Join the celebration with the main objective of encouraging audience to express their feelings by letting them share memorable moments using Closeup as a symbol of confidence to get closer with the campaign theme.

Influencer associations were done with a 2-part influencer led reel video series with short reel narration-conversation format where each video captured a relatable scenario, introduced by a narrator brought to life through character interruption, banter, and bold decisions tagging CloseupNepal with hashtag #CloserWithCloseUp encouraging audiences to express their feelings using Closeup as a symbol of confidence to get closer.

closeup UNILEVER NEPAL LIMITED

Tag the friend
whose energy always brings freshness & joy to your everyday mundane life

Something Exciting Coming Soon

16M+ Impressions	1M+ Engagements
10M+ Views	4.2M+ Reach

Influencer Collaborated **8**

closeup

Guess the Winner & The Winning Coach

ROSHAN RAI, PROSHESH PANDEY, PRAMESH RAI, ARPANA ACHARYA

Drop your guesses below and stand a chance to win a Closeup Fresh Gel Toothpaste Hamper!

Closeup presents Voice of Nepal Season 6

Closeup associated with The Voice of Nepal Season 6 as the title sponsor which was a strategic brand integration initiative designed to reinforce Closeup’s core values of confidence, freshness, and closeness by engaging with a wide audience through one of Nepal’s most popular reality TV platforms. This was one of a kind of a musical journey which was a perfect platform to establish its association with music that Closeup activates in.

The campaign ran across multiple phases of the show—auditions, battle rounds, knockouts, live shows, and the grand final with Closeup that provided maximum exposure both traditionally and digitally with integration on-screen and across digital platforms which enhanced Closeup’s brand visibility and connected with diverse audience. Through a mix of branded show segments, in-show prizes, audience engagement games, and digital activations, Closeup was positioned as a brand that celebrates confidence and helps people get closer.

The digital campaign was named “Voice sanga Najik Aau” relative to Voice of Nepal as it resonated with our audience. Our main strategy for this campaign was to integrate in the show, amplify our message, engage with our audience and drive desired results.

- The show generated a total of 38.2M Impressions digitally with over 83 million views across social platforms.
- Integration of Valentine’s Day special episode with coaches and host.
- A strong association with wellness, safety, and care—values that resonate deeply with athletes and fans alike.

Pepsodent association with World Oral Health Day 2025 (WOHD)

Pepsodent has always been a firm believer in promoting dental hygiene. This year, Pepsodent collaborated with Dental Students Society Nepal (DSSN) for World Oral Health Day, celebrated on March 20. This partnership was strategically crafted to establish Pepsodent as the go-to solution for all oral care needs, ensuring that our brand is synonymous with health and trust in the minds of consumers.



It went with the theme “A happy mouth is a happy mind” with the objective to create brand awareness for Pepsodent and how it impacts overall health; educating on oral health among general public by engaging them on brand related activity through on-ground activation as well as digital activation. For the on-ground activation, the brand associated with DSSN for Dental Awareness Program which was executed in different places that represented different communities from diverse background as below such as Specially abled Individual homes, Women’s Group, Elderly Population, Low Socio Economic Status Population, Orphanage, Street Children, Children of Imprisoned parents in Kathmandu, Lalitpur and Bhaktapur areas with a reach of 3500+ patients whereas for the digital activation, it was centered on the theme #EverySmileMatters with the objective to create brand equity and recall factor by building social media presence. For this, we added a little joy in our mornings and evenings with brushing routine. The brand collaborated with 17 influencers who encouraged people to join the movement and create their own playlist to enjoy their brushing routine every morning and night. It communicated the message that starting and ending each day with a song you love, and a few dance moves can ignite spirits. Through this Pepsodent showed a “Happy mouth can set the tone for a happy day”. The campaign successfully garnered over 0.26M engagements, reached more than 1.5M people, and achieved over 2.6M video views on Facebook and Instagram.

Skin Cleansing

Our Brands



Dove Bar Launched Locally in Nepal with Groundbreaking AR-Integrated Campaign Unilever Nepal proudly unveiled the localized Dove Bar, marking the arrival of the globally loved personal care brand now produced locally in Nepal. The launch campaign broke new ground by seamlessly integrating Print, Digital, and Television media—setting a new benchmark for innovation in brand storytelling. The highlight of the campaign was a first-of-its-kind Print Advertisement that brought the locally produced Dove TVC to life using Augmented Reality (AR). Consumers could scan the print ad to instantly experience the Dove TVC on their mobile devices, creating a powerful and immersive brand moment.

This multi-platform approach not only showcased Dove’s commitment to quality and care but also celebrated its local production milestone, reinforcing trust and relevance among Nepali consumers. Bringing Dove’s global promise of real beauty and gentle care to Nepal, now made locally, is a proud moment for Unilever Nepal Ltd. This launch is Unilever’s commitment to innovation, consumer connection, and local empowerment.



How do you want your skin to feel?



moisturising cream



has plant-based cleansers



pH balanced formula



no sulfate cleanser

Home Care

Fabric Wash

Our Brands



Following the relaunch of Rin Detergent Powder with Bright Lock technology and enhanced ingredients, our Home Care segment has made measurable progress in redefining laundry standards across Nepal. To amplify reach and consumer engagement, we activated Rin in 186 locations throughout the Terai region, reinforcing its positioning as a superior detergent offering brightness and fragrance. To drive accessibility and encourage consumer upgrade, we introduced a Rs. 20 access pack, enabling broader trial and adoption. This strategic move has strengthened Rin's presence in value-driven households while maintaining its premium appeal. Together, these initiatives have advanced our objective of modernizing Nepal's washing culture through quality, convenience, and innovation.

सबै किसिमको लुगामा चमक पाउन
प्रयोग गर्नुहोस् RIN



Household Care

Our Brands



Vim Liquid continues to lead the transformation of kitchen care in Nepal, offering a modern, efficient solution for dishwashing. Its lemon-powered formulation delivers superior cleaning with just one spoonful, making it a preferred choice among households. The brand's performance has consistently exceeded expectations, reinforcing its role in simplifying daily chores.

This year, we introduced a 1-litre pack to meet rising consumer demand and strengthen value delivery. Vim Liquid is not only growing as a brand but also driving overall category expansion in Nepal. Its success reflects a broader shift toward premium formats in dish care, positioning Vim Liquid as a cornerstone of our Home Care strategy.

दाग जान्छ
SHINE आउँछ



एक चम्चा Vim
सबै भाडा हुन्छ CLEAN

5. Nurturing Collaborative Partnerships

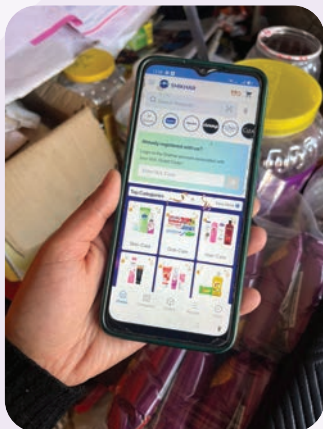
Shakti & Hub and Spoke Model

Our Shakti Program is a testament to our unwavering commitment to reaching every corner of the nation. By harnessing the power of our vast wholesaler network, we've achieved bringing our products to the most remote areas of the country covering 22 districts having limited road connectivity in hilly and mountainous terrain. This program not only boosts our turnover but also reinforces our role as a brand that truly understands and serves its people even in the remotest areas like Sankhuwasabha, Rukum and Rolpa. This bold initiative ensures that our presence is felt in every village and town, leaving no stone unturned in our quest to be a household name.

In addition to this, we have started pilot of Hub & Spoke Model of distribution in Gorkha from this year which has one of the toughest terrains in Nepal. This model will help us further improve our footprint in hills.

Shikhar Initiative

Shikhar empowers retailers like never before, as they can access our products with just a few clicks, independent of a salesperson's schedule. This is the reality we've created with Shikhar. By providing retailers with the tools to check stock availability, prices, place orders, check billing status, raise damage proposal at their convenience, we have revolutionized the way they do business. This strategic innovation has impacted near 20000 retailers across Nepal contributing 12% of the business and ensures that our products are always on the shelves, ready to meet the needs of consumers, and solidifies our status as an industry leader that is constantly pushing the boundaries of excellence.



Channel Classification

We continued redefining and reshaping our channels to meet ever changing needs of our customers. This strategic masterstroke has allowed us to tailor our offerings with precision and efficiency. By understanding the unique needs of each segment, we've crafted specialized marketing strategies that resonate deeply with our customers, leading to increased loyalty, higher sales, and an unshakable market presence. This continuous process of channel revamp is a shining example of our ability to innovate and adapt, ensuring that we stay ahead of the curve.

Branding / Visibility – Top Town Activities

We believe in the power of focus and impact. By channelling our efforts into the top 17 towns—representing 60% of the population and 70% of the GDP—we are strategically placing our brand where it matters most. This targeted approach ensures that



our brand shines brightest in the most influential markets, solidifying our position as a leader. The results speak for themselves: unparalleled visibility, enhanced brand recognition, and a direct connection with the heart of the nation.

Strengthening and Expanding Infrastructure

We've taken bold steps to fortify our infrastructure, increasing our sales force and expanding into new, untapped areas. This isn't just Sales representatives numerical growth; it's a calculated expansion that ensures we leave no market unserved. By doubling down on our commitment to service with service mix, we're not just increasing turnover—we're setting a new standard for excellence in customer service. Our strategic investments in infrastructure are laying the foundation for sustained success and market dominance.

Strengthening Distributor Relations

Our 118 distributors including both Modern Trade and General Trade are more than just partners; they are the lifeblood of our business. Recognizing this, we have strategically revised our distributor investment plans to ensure they are aligned with our ambitious growth objectives. This isn't just about securing their support; it's about forging



a path to mutual success. By nurturing these vital relationships, we ensure a seamless flow of products and services, driving our business forward with the unstoppable momentum that only true collaboration can achieve.

Distributor KYCs

In our pursuit of excellence, we leave no detail unchecked. By meticulously verifying every aspect of our frontline sales team, tracking attrition, and providing comprehensive insurance, we are safeguarding the integrity and security of our operations. 100% of our DSR KYC has been updated. This dedication to detail isn't just about reducing turnover; it's about building a resilient, motivated workforce that is empowered to deliver exceptional results. Our commitment to these processes is a testament to our relentless drive for perfection.

Festival Activation

On festive seasons, we execute customized consumer promotions across retail channels and directly engaged final consumers through active participation in Hat Bazaar areas, featuring interactive stalls and product sampling. Additionally, we collaborate on festive-themed campaigns with Nepal's leading e-commerce platforms and organize a creative display contest



across General Trade and Modern Trade. We recognize that festivals are more than cultural milestones—they are moments of emotional connection and shared joy. Our activations are thoughtfully designed to reflect this spirit, creating memorable experiences that resonate with consumers.

By aligning our brand with the vibrancy of celebration, we not only drive sales but also deepen our relationship with customers, becoming a meaningful part of their festive traditions. These initiatives exemplify our ability to connect, inspire, and lead in ways that go beyond market, including Festive Campaign partnering in Nepalese top e-commerce platforms and run creative display contest across GT and MT.

Soulmate Program: Shopper's Soulmate elevates the retail experience by deploying 25 dedicated beauty advisors across prominent cosmetic outlets within both General Trade and Modern Trade channels. Beauty advisors go beyond traditional sales roles, serving as brand ambassadors who provides personalized consultations and expert product knowledge to consumers.

In addition, this initiative creates a dynamic feedback mechanism integrated with our Strategic Sales and Brand vertical enables us to capture valuable consumer insights and facilitates the collection of meaningful consumer. By turning the point of purchase into a personalized and enriching experience, we ensure that customers leave with more than just a product—they gain confidence, satisfaction, and a meaningful connection to our brand. This innovative approach underscores our commitment to customer-centric retail and strengthens our position as a progressive leader in the beauty industry.

Channel Financing: In a world where cash flow is king, we've introduced a future-fit payment mode that ensures our financial health while supporting our partners. 11 of our Redistributor Stockists have been onboarded under CF in the first phase with plans to onboard more. This initiative is more than just a payment system—it's a strategic enabler



that keeps our operations running smoothly, allowing us to focus on what we do best: delivering exceptional products and services. By adopting this innovative approach, we are not just maintaining our momentum; we are accelerating it.

Workforce Diversity: Diversity is our strength, and we are proud to lead the way with a workforce that reflects the rich diversity of the communities we serve. With women making up 20% of our team and approx. 50% in valley region, we are fostering an environment where different perspectives drive innovation and success. Our commitment to diversity doesn't stop there; 100% of our Modern Trade operations are managed by women, underscoring our belief in the power of inclusion. This dedication to diversity is not just a corporate responsibility—it's a strategic advantage that fuels our growth and sets us apart in the market.



IKEA on Cloud: Our distribution management system RS Unify Leveredge moved to cloud with OTP security and no dependency on physical availability of database. It protects RS data eliminating the need for storing backups resulting in faster debugging and implementation of process automation. Similarly, a centralized login portal for TSOs was developed enhancing productivity by providing system accessibility consolidating all RSs mapped under them. Bills were revamped with HSN code addition to accommodate legal mandates.

6. Future-Fit Supply Chain

Unilever Nepal: Commitment to Excellence in Supply Chain Management

At Unilever Nepal, our supply chain is dedicated to delighting customers and consumers every day, everywhere. Our strategy is anchored in key consumer trends driving the markets with a focus on delivering world-class service to the Nepalese market across various business channels. Our commitment to excel strong partnerships aims to drive brand superiority and support a segmented supply chain that thrives through premiumization. We are aiming to accelerate a lean, agile supply chain powered by automation and AI tools, while upholding our core values of sustainability, safety, quality & business integrity,

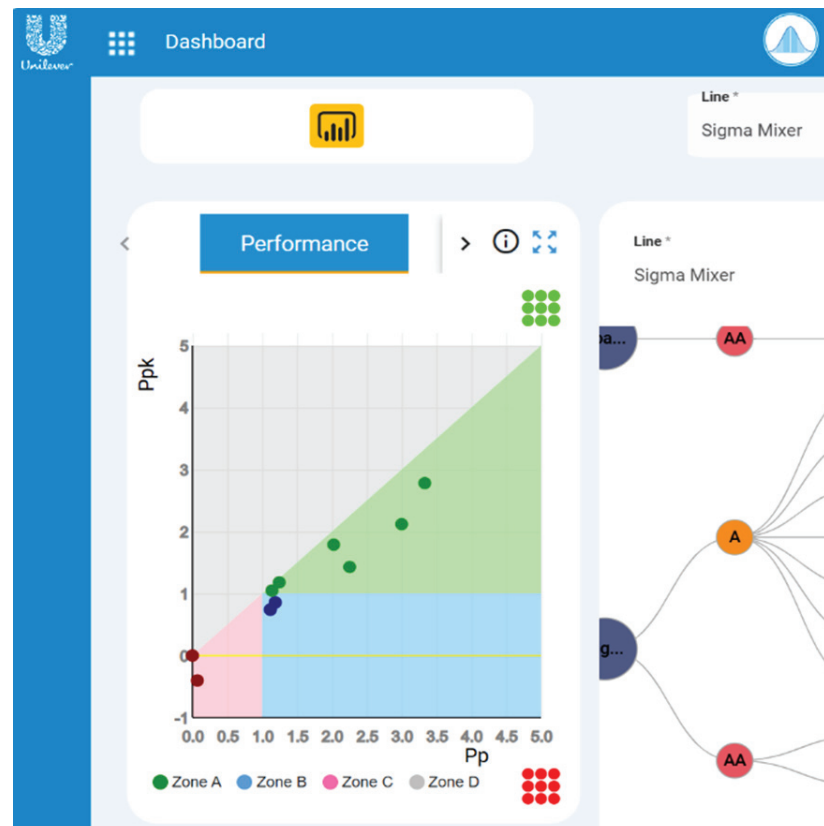
Sustainability

Unilever's global sustainability agenda centered on "Care for People & Planet." Unilver Nepal drives sustainable development in line with UN sustainability goals for climate, aiming towards net zero emission, Nature to foster a resilient regenerative ecosystem, plastic to work to end plastic waste, livelihood targeting for enhanced livelihoods for people in our value chain. Our



Quality Improvement

The availability of high-quality products and delighting our consumers has always been fundamental to our business. We are continuously striving to enhance consumer satisfaction and ensure the safety of all our products. To offer superior products aligned with the latest technology, we are consistently upgrading our manufacturing and laboratory setup. We have implemented enhanced process control systems that monitor our manufacturing processes more efficiently, assuring a superior quality of products. In addition to this, we have established strong inbuilt mistake-proofing systems within our machinery, featuring AI-enabled cameras and the Digital Eye of Consumer (DEOC) vision systems on our manufacturing lines. Site has eliminate inkjet coding in favor of laser coding, significantly improving legibility for consumers and maintaining their trust in our products. Moreover, Nepal factory has commissioned the High-Pressure Liquid Chromatography (HPLC) instrument, a first for the FMCG industry in Nepal. This development is a significant step toward building our in-house capability to estimate Sodium Benzoate, a milder preservative, in our laboratory, an enabler for consumer safety.



commitment entails multiple initiatives aimed at reducing our carbon footprint and optimizing water usage. UNL has taken key actions in renewable energy and Technology Adoption. This year, we expanded our renewable energy infrastructure by adding solar panels to our facility. We have also implemented advanced technologies, including electrical boilers, heat pumps, smart chillers, and energy-efficient motors. These upgrades have significantly reduced our CO2 emissions. Remarkably, the Unilever Nepal factory no longer utilizes fossil fuels in its processes. To further enhance our energy management, we have implemented a digital energy monitoring system. This enables real-time tracking and monitoring of energy consumption, facilitating new energy-saving opportunities. Currently, our facility

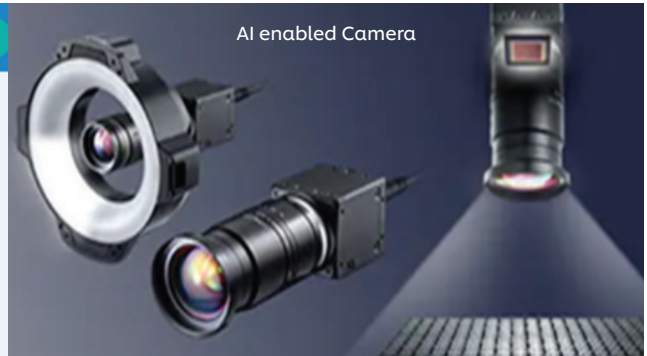
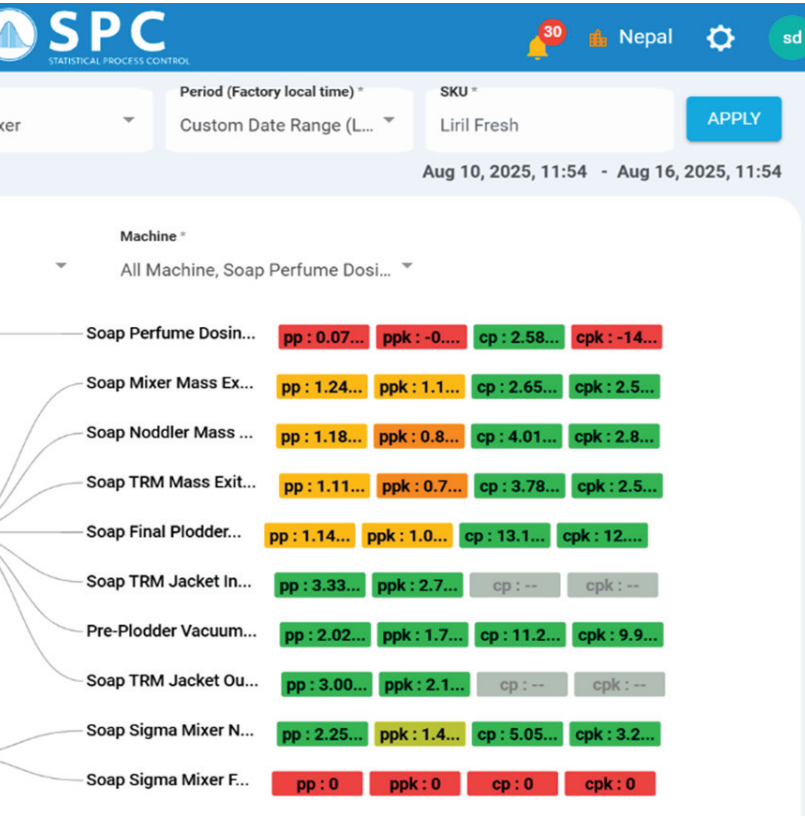


consumes diesel only on diesel generators during power cuts, and we are proud to report that 90% of our energy consumption comes from renewable sources. Our goal is to transform our site into a zero-carbon footprint facility.

Safety

Safety has always been our highest priority at Unilever Nepal. Over the past year, we have launched several initiatives to enhance workplace safety. These include the installation of reliable safety hardware on automated machines, implementation of interlocks, and advanced process controls at our factory. A country-wide safety standard framework has been established for improved governance. We have embraced digital initiatives across our factory, distribution centre, and offices. Road safety programs like the Advanced Driver Assessment System (ADAS) have been implemented

Unilver Nepal drives sustainable development in line with UN sustainability goals for climate, aiming towards net zero emission, Nature to foster a resilient regenerative ecosystem, plastic to work to end plastic waste, livelihood targeting for enhanced livelihoods for people in our value chain.



State of the art Micro biology lab

New HPLC instrument

Capacity Upgradation and Innovation Engineering excellence & Future Fit technology

Unilever Nepal is experiencing dynamic growth as we accelerate our efforts to incorporate premium global products into our local portfolio. To support this growth, we have undertaken various initiatives aimed at upgrading our manufacturing capacity, agile operation and strengthening our localized footprint for globally renowned brands such as Sunsilk, Dove, Lakme, and Clear. These enhancements have allowed us to deliver higher output from our existing asset base. Our commitment for localization at our processing and packing sites has led to the successful introduction

of over 30 new SKUs to the market, all produced at the Unilever Nepal factory. Utilizing a digital factory operating system, implementing statistical process control, along with end-of-line automation, has greatly improved Overall Equipment Efficiency (OEE). New on-going brown field project for beauty & personal care products manufacturing capability & targeted technical interventions will enable the site for agile flexible manufacturing system. This infrastructure will further enable us to drive our Make in Nepal agenda.



State of the art sachet machines for shampoo, conditioners



End of line automations for secondary packaging

Continuous Improvement

Continuous improvement & Cost optimization are a crucial aspect of our business strategy that enables us to reduce expenses while adding value, serving as a catalyst for business growth. This year, we are actively leveraging our “Symphony” program, designed to opportunity for savings in material and supply chain costs. Our goal is to deliver savings that allow us to offer the highest quality products to our consumers at the most competitive prices, even amidst ongoing inflationary pressures. Unilever Nepal works on streamlining our procurement processes and building strategic partnerships with suppliers, to secure the best raw materials at optimal prices. This not only reduces costs but also ensures consistent quality in our products. We are optimizing our supply chain operation cost to minimize waste and improve logistics through data-driven planning and advanced technology, we are able to reduce transportation costs and improve delivery times, enhancing our overall efficiency.

Journey towards excellence in servicing

At Unilever Nepal, prioritizing our customers remains at the forefront of our strategy, especially

during challenging times such as the liquidity crisis affecting our distributors and retailers. We recognize the importance of maintaining a seamless service experience, and as such, we have implemented several proactive measures to support our partners effectively.

We have increased the optimized ordering frequency of our interactions with distributors and retailers, enabling us to respond more quickly to their needs. This approach ensures that they have access to the products in demand and minimizes the risk of stockouts. By implementing a multi clubbing strategy, we are consolidating orders for multiple retailers, thereby improving efficiency in our distribution process. This not only reduces delivery costs but also enhances the availability of products in key markets. We have introduced incentive programs for our business partners to encourage them to meet demand effectively. By providing financial and logistical support, we aim to strengthen our relationships with retailers and distributors, ensuring that they are well-equipped to fulfil consumer needs.



7. Our People: Diverse, Inclusive and Performance Driven

Our People

We believe that Our People are core to the strength of our organization. Their passion, resilience, and commitment fuel our progress and define our culture. We continue to invest in creating a workplace where every individual feels empowered to grow, lead, and thrive. Along with a Diverse and Inclusive culture combined with a holistic focus on wellbeing, we are investing extensively on creating a high-performance driven workforce.

Safety & Wellbeing

At UNL, the safety and wellbeing of our employees are central to everything we do. Across our factory, offices, and sales territories, we've fostered a proactive safety culture that combines behavioral programs with smart technology. We invested in ensuring that 100% of our Customer Development employees travel in dedicated 4-wheelers driven by professionals, ensuring safe and stress-free travel. These vehicles are equipped with Advanced Driver Assistance Systems (ADAS), which provide



real-time alerts to prevent unsafe driving. Our pioneering safety efforts were recognized with a Safety Award from the Labour and Occupational Health and Safety Department, making us one of the winning entries from Bagmati Pradesh.

Our approach to wellbeing is holistic—supporting physical, mental, and emotional health. Through the Annual Health Check-Up Program, employees



receive comprehensive assessments and personalized consultations for early detection and proactive care. We've expanded OPD coverage and partnered with insurers to offer cashless hospital services across Nepal, including remote regions. The Healthier U program promotes expert-led nutrition sessions, regular consultations, and 24/7 mental health support via our Employee Assistance Program. These integrated efforts reflect our commitment to helping employees lead safer, healthier, and more fulfilling lives — at work and beyond.

Our approach to wellbeing is holistic—supporting physical, mental, and emotional health.





Attracting, Growing, and Retaining Niche Talent

We have built strong pathways for niche talent and early careers, through structured development and impactful engagement. Our partnerships across Nepal have enabled us to connect with students early, spark interest in specialized fields and bridge the gap between theory and practice. We have revamped the Management Trainee Program which accelerates high-potential graduates, preparing

them for impactful roles through targeted development and real business challenges. Our refreshed digital approach showcases employee journeys and event highlights—driving strong engagement and lasting impressions among future talent.

Building Our Winning Culture

We're building a culture where performance is powered by purpose. To support the delivery of our Growth Action Plan, we refreshed our people ambition with a strong focus on our values, people, and behaviours. In 2025, we implemented a company-wide productivity program to transform our organization into a leaner, more efficient, and more accountable enterprise. We also enhanced our reward competitiveness to ensure our compensation and benefits remain attractive and aligned with market standards. Supporting this transformation, we introduced four essential behaviours—Care Deeply, Focus on What Counts, Stay Three Steps Ahead, and Deliver with Excellence—and inducted 100% of our employees to the same. Together, these initiatives strengthen our winning culture, enabling our people to excel.



Focused Capability Development

We continue to invest in developing our workforce, ensuring we have the right capabilities for today and tomorrow. We have enhanced frontline sales skills to enable winning in the market, along with marketing capabilities through digital interventions. Technical trainings like Advanced PLC and workmen involvement in factory acceptance testing prior to machine procurement has



significantly increased operational efficiency. Our employees continue to gain international exposure through specialized programs in cybersecurity, quality management, digital transformation, and operational excellence. This has helped improve our skill mix on the shop floor and adapting to the ever-changing tech landscape.

8.

Legal Operations: Strategic Partnering

1. World Class Legal

The Legal function at Unilever Nepal acts as a strategic partner across all business areas, ensuring operational integrity, legal compliance, and ethical standards. By collaborating closely with departments such as HR, Supply Chain, Procurement, Sales, IT, Marketing, Finance, Security, and Factory Operations, Legal supports contract compliance, privacy, product standards, risk management, and regulatory alignment. The team operates through a single “front door” with structured service agreements and an escalation matrix, focusing on prevention, enabling, protection, and resolution. Key metrics include contract cycle time, training completion,

timely regulatory actions, and dispute avoidance, all contributing to responsible and sustainable business growth.

Advocacy, Representation, and Policy Reforms

The Legal and Corporate Affairs team actively engages with government and industry organizations like FNCCI and CNI to advocate for investment-friendly policies. Notably, their efforts drove amendments to the Technology Transfer Agreement definition under Nepal’s FITT Act, simplifying regulatory processes for businesses and making Nepal more attractive for foreign investment.



2. Combating Counterfeits and Protecting Intellectual Property

Unilever Nepal is committed to protecting its intellectual property and ensuring consumers receive authentic products. The company works closely with authorities and e-commerce platforms to enforce IP rights, resulting in the removal of counterfeit goods from both physical and online markets. Noteworthy is the partnership with Daraz, which led to the takedown of over 150 infringing SKUs. The team also leads IP literacy campaigns across educational institutions and enforcement bodies, raising awareness about IP rights and the risks of counterfeiting, thus fostering innovation and consumer safety.

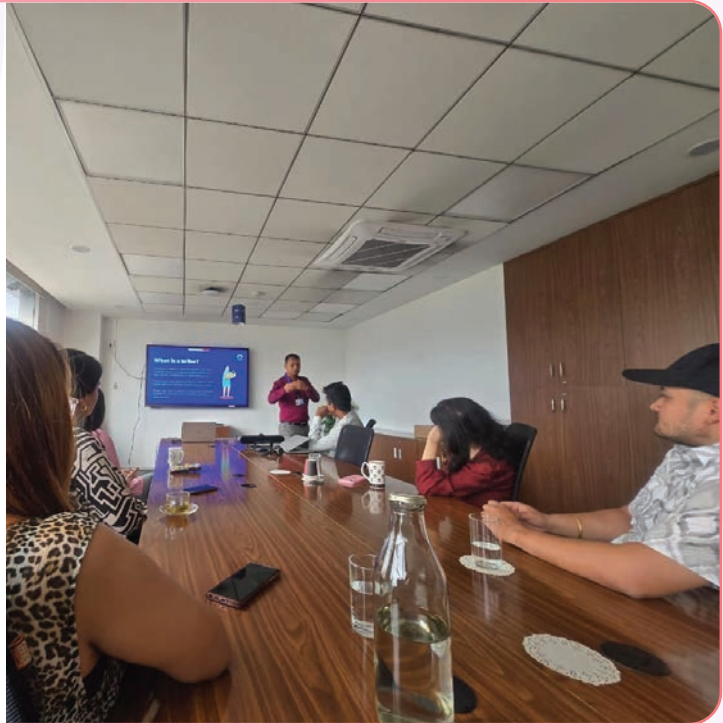


3. Litigation and Proactive Dispute Management

The Legal team monitors and manages legal threats, swiftly addressing infringements and defending the company's interests. Through diligent dispute management, due diligence, and expert representation, they secure favorable outcomes and set legal precedents. The department also oversees contract enforcement and credit recovery, ensuring that partners honor commitments and that company assets are protected. Ongoing compliance training, internal audits, and integration of legal protocols into business operations reinforce a culture of accountability and transparency.

4. Business Integrity

Unilever Nepal's Code and supporting policies guide ethical conduct for all employees. Annual mandatory training and integrity pledges ensure widespread understanding and adherence. The company maintains a zero-tolerance policy toward corruption and unethical behavior, reinforced by regular refresher sessions and external expert involvement. Responsible sourcing and business partner policies provide transparency across the supply chain. No code violations were reported this year, reflecting the organization's commitment to ethical practices and continuous improvement.



5. LCC Conclave 2025

In June 2025, the Legal team participated in the LCC Conclave alongside colleagues from India and Nepal, sharing insights on legal trends, compliance, and cross-border practices. The event focused on claim substantiation, responsible marketing, privacy, competition law, and brand protection. Outcomes included the adoption of standard templates, dispute avoidance strategies, and enhanced risk management processes. Learnings from the conclave are being integrated into internal forums and operating metrics, further supporting the company's goal of delivering growth "the right way."



9.

Governance Overview

Our commitment to integrity and top-tier governance is fundamental to our corporate behavior. We are driven by a purpose that extends beyond profit, believing that business should serve a greater good. Over the years, our Corporate Governance has evolved, deeply anchored in our core values of Integrity, Responsibility, Respect, and Pioneering. Our history is a testament to growth fueled by innovative ideas and strong values.



Integrity



Respect

Our Core Values



Responsibility



Pioneering

Corporate Governance Structure

Our Governance Structure is multi-tiered, comprising the Board of Directors, Board Committees, Managing Director (MD) and the Leadership Team.

The Board is dedicated to upholding robust Corporate Governance principles within the Company. It consistently sets high governance standards that not only comply with applicable laws but also exceed them in many aspects of our operations. The Board holds ultimate responsibility for developing strategy, managing substantial capital expenditures, shaping the Company's capital structure and financing matters, supervising policies, procedures, and internal controls, cultivating and monitoring the Company's culture, and promoting ethical behavior.



Board of Directors

The Board's primary role is to ensure the long-term sustainable success of the Company for the mutual benefit of all stakeholders.

Board Committee

The Board Committees play specialized roles of overseeing financial reporting, nominating qualified candidates, and managing risks, to enhance governance and strategic decision-making.



Audit Committee



Risk Management Committee



Asset and Liability Management Committee

Managing Director (MD) and the leadership team

The MD, supported by the leadership team, is responsible for ensuring delivery of the Company's strategy, business plans and financial performance.

Profile of Leadership Team



Ayush Sharma is a results-driven finance professional with over five years of experience at Unilever, specializing in global performance management, strategic planning, and financial transformation. Most recently served as Manager, Global Performance & Strategy based in London, overseeing a €7 billion overhead budget and driving strategic initiatives including long-term overhead reviews, CEO/CFO/Board reporting, and integration of an €800 million productivity program in collaboration with BCG. Previously he led performance management for a \$3.4 billion Beauty & Wellbeing and Personal Care business across South Asia, partnering with senior leadership on target setting, innovation funding, and digital-first brand growth. Known for a sharp strategic mindset, cross-functional collaboration, and a strong track record in delivering financial impact. Prior to Unilever, he worked in investment banking with a focus on M&A and fund-raising. Holds an MBA from the Indian School of Business (ISB), Hyderabad.



Sanjoy Bhattacharyya is Mechanical Engineer joined HUL in 2001 worked at various roles at different Business groups in Unilever, at different factories & Mumbai HO. He has vast experience in leading large, diverse cross functional team for different supply chain projects. Have garnered exposure in Long Term Manufacturing Strategy, Sustainability, ESG, Business analytics, Consumer insight, People Development. Sanjoy seeks to combine strategic and analytical thinking with strong execution focus, backed with data & science. Willing to thrive in an ever-changing, dynamic, and fast-paced environment.



Balaji Keloji joined Unilever Nepal as National Sales Head on September 1, 2025. He has been part of the Unilever Group since November 1999, serving in various roles within Customer Development and Customer Marketing. He holds a Bachelor of Commerce and an MBA from Gulbarga University, Karnataka, India. Throughout his career, he has worked across multiple geographies in Southern India, gaining deep insights in strategic planning, sales and marketing, relationship management, business development Training management. His key strengths include determination, leadership, effective communication, and a strong drive to tackle challenges.



Haroon Rashid joined the UNL team from Hindustan Unilever Limited (HUL) on the 1st of May 2025. He has been associated with Unilever since 2022 and has worked with multiple teams across Employee Relations (ER), HR for Customer Development, HR for finance and more. In his last role, he has led the HR department at HUL Chhindwara Factory, India and landed multiple progressive ER practices at the unit. During his tenure, The unit was recognized with Unilever's globally first - Platinum Certificate in Alliance for Water Stewardship (AWS), for the work done under Unilever's sustainability agenda. Haroon holds an MBA in HR from Symbiosis International University (SCMHRD - Pune) and a B.Tech in Computer Science. Prior to Unilever, he has worked in the IT as well as Ed-Tech industry.



Prakash Shetty has joined Unilever Nepal from January 2025 as Head of Supply Chain. In his previous role he was the Cluster Fulfilment Lead in West Branch of HUL. Prior to this over the last 28 years Prakash worked with HUL in Factories, Procurement, Planning, Exports, GSK Integration Team, Modern Trade and General Trade Customer service and logistics.



Govinda Shahi commenced his journey with Unilever Nepal on the 15th of February, 2013. Since joining Unilever Nepal, he has held different roles, each contributing effectively to the company's growth and success. Effective from the 1st of January 2024, he took on the role of leading the Legal, Secretarial, and Corporate Affairs functions. In recognition of his outstanding contributions during Covid-19, he was honored with the Unilever Hero Award -2021.



Audit Committee

- Accuracy, transparency, and compliance of the company Financial Statements;
- Effectiveness of the company's internal control and risk management systems;
- The company's compliance with relevant laws, regulations, and ethical standards;
- The appointment of the Statutory Auditor and oversee the auditor's independence and effectiveness.



Risk Management Committee

- Monitoring and reviewing the Risk Management Policy;
- Implementation of the risk management framework;
- Identify and assess potential risks that could impact the organization's objectives and operations;
- Strategies to mitigate or manage identified risks.



Asset and Liability Management Committee

- The company's assets to achieve optimal returns and liquidity;
- The company's liabilities to ensure they are in alignment with the company's asset structure;
- meet its financial obligations as they arise;
- The appropriate balance between assets and liabilities.

Attendance of Non-Executive Director at Board and Committee Meeting

SN	Date	Board Meeting	ACM	RCM	Presence		
					Ravi Bhakta Shrestha	Subhash Bajracharya	Rabindra Bhakta Shrestha
1	8 AUG 24	184 th	-	-	No	Yes (1)	Yes (1)
2	25 SEP 24	185 th	72 nd	-	No	Yes (2)	Yes (2)
3	27 JAN 25	186 th	73 rd	6 th	No	Yes (3)	Yes (3)
4	3 MAR 25	187 th	-	-	No	Yes (1)	Yes (1)
5	16 APR 25	188 th	74 th	-	Yes (2)	Yes (2)	No
6	9 JUL 25	189 th	75 th	7 th	Yes (3)	Yes (3)	Yes (As an invitee) (1)
TOTAL		6	4	2	5	12	8

Board Key Discussions and Features

86% Non Executive Director



Topics	No. of Decisions	%
• Financial Review	6	18
• Strategy	4	12
• Governance	9	26
• People and Talent	3	9
• Operation and Function	7	21
• Sustainability and Risk Management	5	15
Total	34	100

Expertise Diversity



● Finance ● Marketing ● Sales ● Investment

Tenure



● 1-3 Years ● 4-8 Years ● Above 8 Years

Business Integrity and Compliance

We expect everyone at UNL to be an ambassador of our high ethical standards – what we call ‘Business Integrity.’ Behaving with integrity is part of who we are. We have strong values and clear policies and standards to ensure our employees not only do things right but also do the right thing. Our Code of Business Principles is a simple ethical statement of how we should operate. It sets out a clear standard of conduct to ensure that we make the right choice always. The Code and Code Policies provide a framework of simple ‘Musts’ and ‘Must Nots’ designed to be readily applied by employees in their day-to-day work. They are mandatory for all employees and others working for UNL.



BUSINESS INTEGRITY
IT'S HOW WE WORK

100% training on the Code of Business Principles

0% Workplace Harassment

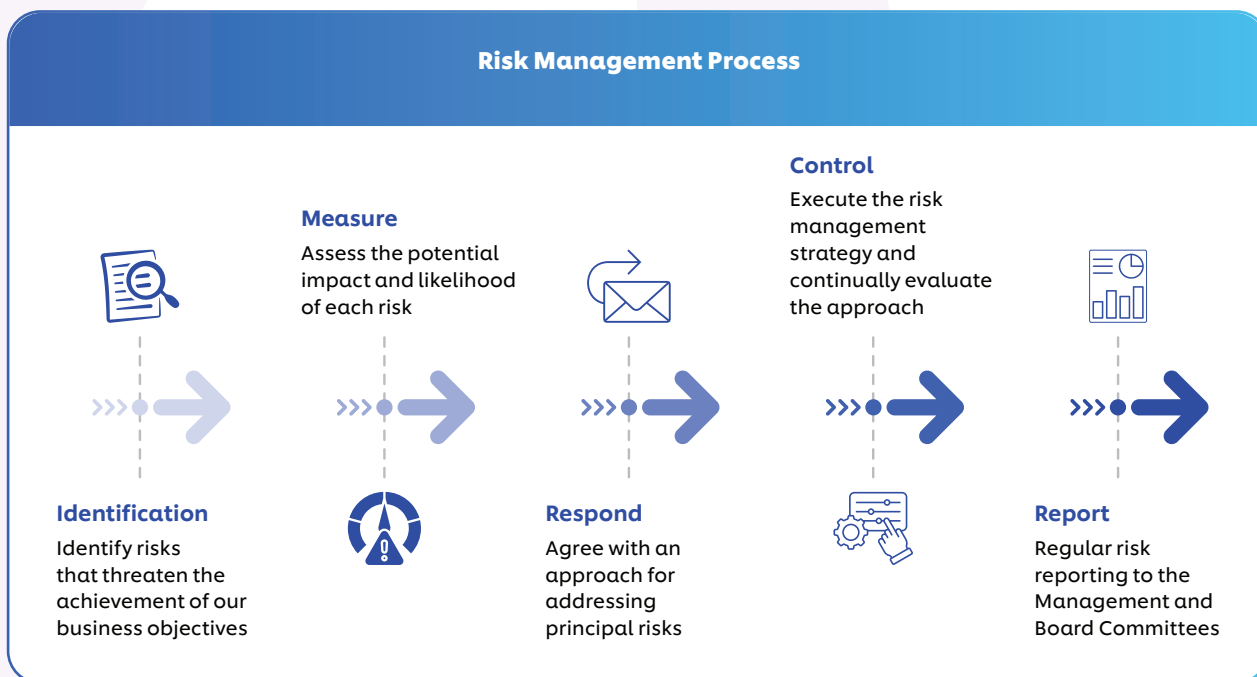
Zero Tolerance to Bribery, Corruption

Policy of Non Retaliation

Business Integrity Committee









Risk Governance Structure






A dynamic risk management approach






The risk landscape continuously changes, influenced by global economic shifts, regulatory changes, and technological advancement. We proactively refine our risk mitigation strategies through periodic risk reviews and internal audits to assess and update our principal risks. We invest in future-ready business models, focusing on sustainable innovations, resilient supply chains and digital-first consumer brands to navigate uncertainties effectively. Our robust crisis management and business continuity planning ensure swift response mechanisms to safeguard our people, operations, and financial stability. By embedding risk management at the core of our decision-making, we enhance our agility, maintain a forward-focused approach, and strengthen resilience, enabling us to unlock aspirations and create enduring value for our stakeholders.




Principle Risks and Mitigation Strategies





Brand Preference	Category of Risk: Market Risk	Level of Change : Increased
<p>Consumer preferences are changing unprecedentedly, driven by various factors, including digital engagement, sustainability consciousness, health awareness, and the growing demand for personalised experiences.</p> <p>As new market entrants intensify competition, staying ahead requires more than innovation—it demands a deep understanding of consumer aspirations and the ability to translate them into purpose-driven brand propositions.</p> <p>Our brands are not just products but enablers of aspirations, shaping lifestyles and enhancing livelihoods. We continuously strive to strengthen brand preference in an era of limitless choices. Failure to adapt, innovate, and resonate with evolving consumer expectations can lead to a loss of brand equity, erosion of market share, and a diminished competitive advantage.</p> <p>Capitals Impacted</p> <ul style="list-style-type: none">  Manufactured Capital  Intellectual Capital  Social Relationship Capital <p>SDGs Impacted</p> <ul style="list-style-type: none">  3 GOOD HEALTH AND WELL-BEING  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	<p>To unlock aspirations, we integrate consumer insights, innovation, and purpose-led strategies into our brand-building approach:</p> <ol style="list-style-type: none"> 1. Insight-Led Brand Evolution: We leverage analytics to track external market trends and shifting consumer behaviour and craft relevant brand experiences. Our R&D function actively identifies ways to translate trends in consumer preferences into new technologies that can be incorporated into future products. 2. Innovation & Sustainability at the Core: Developing functional and sustainable products that align with emerging consumer values. 3. Purpose-Driven Storytelling: Embedding inclusivity and purpose into brand narratives to forge deeper emotional connections. 4. Omnichannel Consumer Engagement: Creating personalised, digital-first interactions that seamlessly integrate across online and offline platforms. 5. Agility & Future - Ready Brand Positioning: Continuously adapting packaging, messaging, and innovation pipelines to stay ahead of market trends. 	





Legal and Regulatory Risk	Category of Risk: Compliance and Regulatory Risk	Level of Change : No Change
<p>Nepal's regulatory landscape is undergoing rapid changes, encompassing taxation laws, metrology laws, consumer protection, advertising, environmental regulation and corporate governance. These changes can impact business continuity, financial performance, and corporate reputation if not managed effectively.</p> <p>Additionally, heightened enforcement measures and the global shift towards sustainability and responsible business practices add complexity to compliance.</p> <p>We regard compliance as a critical enabler of trust, resilience, and enduring value, transcending mere obligation to ensure our growth is responsibly governed. By staying updated with regulatory changes and embedding governance excellence into our operations, we ensure that we continue to unlock aspirations with integrity and accountability.</p> <p>Capitals Impacted</p> <ul style="list-style-type: none">  Financial Capital  Social Relationship Capital <p>SDGs Impacted</p> <ul style="list-style-type: none">  16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	<p>We adopt a proactive, structured, and technology-driven approach to regulatory compliance, providing agility, risk mitigation, and operational resilience:</p> <ol style="list-style-type: none"> 1. Real-Time Regulatory Monitoring and Compliance: team tracks evolving laws and integrates changes into our business operations. 2. Governance & Risk Management: Periodic audits and compliance reviews ensure that the highest statutory and corporate governance standards are followed. 3. Regulatory Advocacy & Industry Collaboration: Engaging with policy makers and industry associations to recommend new and changing regulations while keeping the multistakeholder model at the centre. 4. Embedding Compliance Culture Across the Organisation: Regular training programmes and leadership engagement reinforce a culture of accountability and adherence at all levels. 	





Supply Chain	Category of Risk: Operational Risk	Level of Change : No Change
<p>A robust, agile, and sustainable supply chain is the backbone of UNL's ability to serve millions of consumers efficiently. However, geopolitical uncertainties, climate-related disruptions, raw material volatility, and logistics constraints pose significant challenges to business continuity, cost efficiency, and service reliability. The global trade landscape is evolving, bringing new regulations, inflationary pressures, and increased risks associated with supplier dependencies and transportation networks.</p> <p>To unlock aspirations, we are transforming our supply chain into a future-ready, technology-driven, and sustainable ecosystem, ensuring that we deliver trusted products with speed, efficiency, and environmental Responsibility.</p> <p>Capitals Impacted</p> <ul style="list-style-type: none">  Financial Capital  Manufactured Capital <p>SDGs Impacted</p> 	<p>We focus on building resilience and agility across our supply chain through:</p> <ol style="list-style-type: none"> 1. Diversified & Sustainable Sourcing: Strengthening multi-geography supplier partnerships to reduce dependencies while enhancing local procurement and sustainability efforts. 2. Agility in Manufacturing & Logistics: Deploying technology-driven demand forecasting, automated production systems, and digital supply chain tracking to optimise efficiency and minimise lead times. 3. Cost & Commodity Price Management: Proactively managing commodity price fluctuations through forward buying and diversified sourcing to stabilise costs. 4. Business Continuity & Risk Preparedness: Implementing contingency planning, alternative material sourcing, and flexible production capabilities to ensure seamless supply chain operations. 	






Business Transformation	Category of Risk: Strategic and Operational Risk	Level of Change : Increased
<p>The successful execution of transformation projects is key to maintaining a competitive advantage, driving synergies, and future-proofing our business. As consumer expectations shift, regulatory landscapes evolve, and digital innovations accelerate, our ability to adapt, innovate, and execute transformation with precision and agility is critical to delivering long-term business success.</p> <p>At UNL, transformation is more than change - it is about unlocking new possibilities, localizing, premiumization by shaping the future of business and empowering aspirations.</p> <p>Capitals Impacted</p> <ul style="list-style-type: none">  Manufactured Capital  Intellectual Capital  Human Capital  Financial Capital <p>SDGs Impacted</p> 	<p>To ensure the success of our transformation journey, we follow a structured, disciplined, and technology-driven approach with a focus on:</p> <ol style="list-style-type: none"> 1. Strategic Portfolio Expansion & Business Optimisation: Continuously evaluating localization and new business models to align with our long-term growth vision and consumer aspirations. 2. Strong Governance & Leadership Oversight: Dedicated steering committees and leadership teams drive transformation initiatives with rigorous governance frameworks and execution excellence. 3. Digital Transformation & Process Innovation: Our business's digitalisation is led by a dedicated specialist team and representatives from all parts of the Company to ensure an integrated and holistic approach. This enhances efficiency and data-driven decision-making. 4. Agile Workforce & Capability Building: Investing in upskilling, reskilling, and leadership development to empower employees and build a workforce ready for the future. 5. New Ways of Working & Business Model Evolution: Exploring innovative go-to-market strategies, B2B models, and sustainability-driven business practices to stay ahead of industry shifts. 	






Macro-economic Volatility	Category of Risk: Market & Economy Risk	Level of Change : No Change
<p>Rising inflation, liquidity crunch, government instability, currency fluctuations, shifts in disposable income, and global supply chain disruptions can affect product demand and profitability. Additionally, geopolitical instability and regulatory changes across global trade policies introduce further complexities in maintaining cost efficiencies and stable operations.</p> <p>Capitals Impacted</p> <ul style="list-style-type: none">  Manufactured Capital  Financial Capital <p>SDGs Impacted</p> 	<p>To navigate economic volatility and sustain long-term growth, we employ a flexible and responsive business model that allows us to:</p> <ol style="list-style-type: none"> 1. Portfolio Diversification & Adaptive Pricing Strategies: A well-balanced product portfolio ensures that we cater to premium and value-conscious consumers, adjusting pricing strategies based on market conditions. 2. Agility in Market Response & Consumer Insights: Real-time data analytics and predictive modelling help us anticipate demand fluctuations and swiftly adapt marketing and product strategies. 3. Cost Optimisation & Financial Planning: To safeguard profitability, we continuously reassess investment priorities, optimise costs, and implement supply chain efficiencies. 4. Strengthening Local Sourcing & Supply Chain Resilience: By diversifying supplier networks, localising packaging material procurement, and enhancing distribution networks, we mitigate risks arising from global trade disruptions. 5. Leveraging Digital & e-commerce Growth: The rise of digital commerce and direct-to-consumer channels helps us remain resilient against traditional retail slowdowns and expand access to our brands. 	




Plastic Packaging	Category of Risk: Environmental & Regulatory Risk	Level of Change : No Change
<p>Plastic packaging ensures product safety and convenience, but its environmental impact and evolving regulations necessitate a strategic shift towards circular economy principles.</p> <p>With increasing consumer demand for sustainable products, government regulations, and rising costs of alternative materials, the challenge lies in reducing our dependence on virgin plastic, increasing recyclability, and innovating packaging solutions that do not compromise quality and affordability while continuously striving to achieve this goal.</p> <p>Capitals Impacted</p> <ul style="list-style-type: none">  Nature Capital  Social and Relationship Capital <p>SDGs Impacted</p>  	<p>We have embedded sustainability at the core of our packaging strategy, focusing on three key pillars:</p> <ol style="list-style-type: none"> 1. Regulatory Advocacy & Industry Collaboration: We work closely with government bodies, industry leaders, and policymakers to develop harmonised plastic waste management regulation and improved recycling infrastructure. 2. Plastic Collection and Recovery Initiatives: Through partnerships with NGOs, waste management firms, and circular economy innovators, we drive initiatives for waste collection, segregation, and safe disposal. These efforts ensure that we recover, which boosts recycling. 3. Innovation in Sustainable Packaging: Our R&D teams are actively working on plastics, focusing on principles that reduce plastic, eliminate plastic, and develop better plastics while exploring alternative materials to reduce dependence on virgin plastic without compromising product integrity and quality. 	

Systems and Information	Category of Risk: Operational Risk	Level of Change : Increased
<p>As we deepen our digital engagement with consumers, suppliers and partners, the threat landscape continues to evolve with increasing risk of cyberattacks, data breaches, and system disruptions. Unauthorised access, misuse of sensitive data, and disruptions in IT infrastructure could impact business operations, hinder sales, disrupt supply chains, and compromise consumer trust.</p> <p>Moreover, the growing reliance on third-party technology providers and cloud-based solutions introduces additional complexities in managing IT security. As we continue to unlock aspirations through digital transformation, safeguarding our IT ecosystem remains a top strategic priority.</p> <p>Capitals Impacted</p> <ul style="list-style-type: none">  Intellectual Capital  Financial Capital <p>SDGs Impacted</p> <ul style="list-style-type: none">   	<p>We have embedded advanced cybersecurity measures and risk monitoring into its digital infrastructure to protect systems, data, and business continuity. Our key focus areas include:</p> <ol style="list-style-type: none"> 1. Cloud-Based Resilience & Data Protection: Embracing a cloud-first strategy, all critical systems and data are hosted on our earmarked estate for Unilever. This setup features real-time data replication, multi-level redundancy, and disaster recovery mechanisms, ensuring business continuity with minimal downtime and data loss. 2. Enterprise Architecture and Financial Information Safeguards: Our enterprise architecture is developed in line with a robust technology roadmap, ensuring vendor stability and long-term scalability. Systems handling financially sensitive information are governed by differentiated access protocols and reinforced controls. 3. Access Control & Regulatory Compliance: We implement stringent access controls, encryption mechanisms, monitoring systems and follow Privacy Risk Assessment in compliance with evolving data privacy laws and protection of business and personal information. 4. Employee Awareness & Cybersecurity Training: We conduct periodic IT security trainings, phishing simulations, and awareness programmes to keep employees vigilant and prepared against cyber threats. 5. Automation & AI Risk Management: By integrating AI, machine learning, and robotics process automation, we are enhancing our risk detection and mitigation frameworks to identify and address vulnerabilities in automated systems. 	

Quality and Safety	Category of Risk: Operational Risk	Level of Change : No Change
<p>Ensuring product integrity, safety, and transparency is a top priority for us. The risks associated with raw material contamination, product defects, human errors, equipment malfunctions, or labelling inaccuracies can have far-reaching consequences—impacting consumer health, brand reputation, and regulatory compliance. Any failure to maintain high safety standards could erode consumer trust, disrupt operations, and lead to potential liabilities. In an era of heightened consumer awareness, delivering safe, high-quality products is essential to unlocking aspirations.</p> <p>Capitals Impacted</p> <ul style="list-style-type: none">  Manufactured Capital  Social Relationship Capital <p>SDGs Impacted</p> <ul style="list-style-type: none">   	<p>Level of Change:</p> <p>To ensure best-in-class product safety, we have embedded stringent quality control protocols, risk management frameworks, and supplier compliance mechanisms across its value chain:</p> <ol style="list-style-type: none"> 1. End-to-End Quality Control & Risk Mitigation: Comprehensive quality assurance measures, from product design to the retail shelf, ensure that any safety risks are identified and mitigated early. 2. Manufacturing and Supply Chain Safety Standards: Conducting regular inspections, sampling, and monitoring across production facilities, warehouses, and market shelves to maintain the highest safety benchmarks. 3. Supplier Quality & Certification Protocols: All key suppliers are externally certified, and continuous quality assessments ensure that raw materials meet our rigorous safety and regulatory standards. 4. Transparent and Accurate Product Labelling: Strict data compliance mechanisms, in accordance with applicable regulations and our labelling policies, ensure that on-pack ingredient labelling provides consumers with clear, accurate, and compliant information to make informed choices. 5. Regulatory Compliance and Continuous Improvement: We adhere to rigorous safety protocols and industry and regulatory standards. <p>We also have ongoing audits and updates to quality frameworks to stay ahead of emerging safety risks.</p>	

Talent	Category of Risk: Operational Risk	Level of Change : No Change
<p>We understand that employee wellbeing, equipping our workforce with future-ready skills, and adopting an agile and inclusive culture are essential for sustained growth. With rapid digitalisation and shifting consumer demands, the risk of talent shortages and skill gaps poses significant challenges. Attracting, developing, and retaining top talent ensures that we remain competitive, innovative, and adaptable in a dynamic global market.</p> <p>Our commitment to building a purpose-driven, skilled, and diverse workforce in an interweaving ecosystem physical and virtual workspaces and hybrid working methods remain stronger as we unlock aspirations.</p> <p>Capitals Impacted</p> <ul style="list-style-type: none">  Human Capital  Social and Relationship Capital <p>SDGs Impacted</p> <ul style="list-style-type: none">  5 GENDER EQUALITY  8 DECENT WORK AND ECONOMIC GROWTH  10 REDUCED INEQUALITIES 	<p>To enhance workforce capabilities, attract top talent, and strengthen leadership development, we focus on:</p> <ol style="list-style-type: none"> 1. Employee Safety & Wellbeing: Ensuring the highest safety standards, mental wellbeing programmes, and hybrid work infrastructure to support employees across all operations. 2. Upskilling and Reskilling for Future-Ready Talent: We invest in continuous learning, leadership development, and digital skills enhancement to equip our workforce for evolving business needs. 3. Agile & Flexible Ways of Working: Implementing dynamic talent allocation, cross-functional mobility, and flexible work arrangements to drive speed, simplicity, and efficiency. 4. Attracting & Retaining Top Talent: Leveraging our strong employer brand, leadership training programmes, and structured career growth plans to engage, develop, and retain high-performing professionals. 5. Diversity, Equity, and Inclusion (DEI): Committed to building an inclusive and diverse workforce, fostering gender parity, equal opportunities, and leadership representation from diverse backgrounds. 6. Targeted Development & Talent Initiatives: Our integrated management development process involves regular performance reviews guided by standard leadership competencies. We upskill and reskill employees for future roles, adopt flexible talent strategies, and deploy targeted programmes to attract and retain top and niche talent, actively monitoring diversity in our talent pool. 	

Ethics	Category of Risk: Governance Risk	Level of Change : No Change
<p>Ethics are the foundation of our reputation, stakeholder trust, and long-term success. As a market leader, how we function, engage with society, and contribute to sustainable growth is constantly under scrutiny. Ensuring we act with integrity, fairness, and transparency is critical to maintaining consumer trust, regulatory compliance, and corporate responsibility.</p> <p>A breach of ethical conduct—within our organisation or by extended enterprises—can have far-reaching consequences, impacting our reputation, business performance, and stakeholder confidence. This highlights the importance of integrating ethical decision-making throughout our operations, encompassing all employees, suppliers, distributors, and partners. As we unlock our potential, we remain committed to responsible business practices that create positive social and environmental impacts.</p> <p>SDGs Impacted</p> <ul style="list-style-type: none">  5 GENDER EQUALITY  8 DECENT WORK AND ECONOMIC GROWTH  10 REDUCED INEQUALITIES  12 RESPONSIBLE CONSUMPTION AND PRODUCTION  16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	<p>To maintain ethical leadership, prevent misconduct, and ensure compliance, we have implemented a robust governance framework that focuses on:</p> <ol style="list-style-type: none"> 1. The Code of Business Principles & Policies: Governing ethical conduct for employees, suppliers, distributors, and third-party partners, ensuring alignment with legal, regulatory, and corporate responsibility standards. 2. Proactive Compliance & Ethical Risk Monitoring: Regular audits, whistleblower mechanisms, and compliance reporting help identify, address, and prevent breaches before they escalate. We also have detailed safety standards and monitor safety incidents at the highest level. 3. Strong Board & Leadership Oversight: The Management Committee and relevant Board Committees review ethical risk management, ensuring continuous improvement in policies, training, and compliance initiatives. 4. The Responsible Partner Policy: Strengthening ethical standards across the supply chain by enforcing human rights protection and mandatory workplace health and safety requirements for suppliers. 5. Ethics Training & Awareness programmes: Continuous employee education, leadership training, investigator workshops reinforce ethical decision-making across all business functions. 6. Brands with Purpose: Many of our brands are actively driving social equity, fairness, and sustainability initiatives, ensuring that our ethical commitments extend beyond corporate policies to tangible impact. 	

Climate Change	Category of Risk: Environmental & Regulatory Risk	Level of Change : No Change
<p>Climate change influences everything from raw material sourcing and supply chain operations to consumer behaviour. Extreme weather events, water scarcity and shifting seasonal patterns pose direct challenges to our operations.</p> <p>Additionally, we have a conscious consumption agenda across consumer segments and evolving government policies on carbon emissions. Failing to address these challenges could disrupt operations, impact profitability, weaken brand trust and be detrimental to our reputation and growth in the long term.</p> <p>However, we view sustainability as a core driver of our long-term vision, embedding climate resilience and environmental stewardship throughout every facet of our operations in keeping with our commitment to unlock aspirations responsibly.</p> <p>Capitals Impacted</p> <p> Manufactured Capital</p> <p> Natural Capital</p> <p>SDGs Impacted</p> 	<p>To mitigate risks and drive long-term value creation, we have embedded climate action into its core business strategy with a focus on:</p> <ol style="list-style-type: none"> 1. Decarbonising Operations & Supply Chains: We are committed to reducing carbon emissions across our value chain, optimising energy efficiency, and integrating renewable energy solutions in our manufacturing and logistics. 2. Sustainable Sourcing & Circular Economy Practices: Ensuring deforestation-friendly supply chains, responsibly sourced raw materials, and waste reduction initiatives to minimise environmental impact. We are working with farmers to help them adopt more regenerative agricultural practices that reduce environmental impact. 4. Weather-Adaptive Portfolio & Seasonal Resilience: We adjust our product portfolios to counter extreme seasonal swings, ensuring our offerings remain relevant across unpredictable climate patterns. 5. Regulatory Readiness & Policy Advocacy: We monitor governmental developments around actions to combat climate change and balance sustainability with economic growth. 	

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BRIGHT LOCK
TECHNOLOGY

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10. Notices and Corporate Governance Report

NOTICE OF THE 32nd ANNUAL GENERAL MEETING OF UNILEVER NEPAL LIMITED

It is hereby notified to all the shareholders that, the 32nd (Thirty-second) Annual General Meeting (AGM) of Unilever Nepal Limited (UNL) will be held on Tuesday, 11 November 2025 (25 Kartik 2082) at 04:30 P.M. (NST) to transact the following business. The venue for the meeting shall be The Everest Hotel, New Baneshwor, Kathmandu.

Ordinary Business

1. To receive and adopt the Profit and Loss Accounts 2081/82 (16th July 2024 to 16th July 2025), Balance Sheet, Cash Flow Statement and Reports of the Board of Directors and Auditors for the period ended 16th July 2025 (32nd Asar 2082).
2. To appoint Auditors and to fix their remuneration for the year beginning 17th July 2025 (1st Shrawan 2082).
3. To approve the Dividend as per the recommendations of the Board of Directors.
4. To pass resolution for financial contributions to Social and Community projects under the UNL corporate social responsibility initiatives.
5. Any other matter(s) with the permission of the Chair.

Special Agenda

WHEREAS, It is recorded that the name of the founding shareholder has been changed from Sibkrim Holdings Private Limited to I.J. Group Holdings Private Limited **IT IS HEREBY RESOLVED TO APPROVE** the amendment of the Memorandum of Association, Articles of Association, including but not limited to the provisions as below and other relevant documents as required, filing corresponding three column statements, and updating them with the regulatory bodies, as per Section 21 of the Companies Act 2063 and Rule 52 of the Articles of Association of the Company:

Clause 8.1 of Memorandum of Association

"Hindustan Unilever Limited, I.J. Group Holdings Pvt. Ltd., and those who subscribe the shares allocated for subscription by the general public shall be the shareholders of this Company."

Clause 8.2 of Memorandum of Association

"The percentage of shareholding shall be as follows, which cannot be altered except as provided by the Company.

- Group 'A': Hindustan Unilever Limited, 80 percent shares.
- Group 'B': I.J. Group Holdings Pvt. Ltd., 5 percent shares.
- Group 'C': Shares for subscription by the general public, 15 percent shares."

"Provided, however, that the ownership of Group 'B' i.e. I.J. Group Holdings Pvt. Ltd. shall always vest in Mr. Ravi Bhakta Shrestha and his relatives. In cases where the shareholder of Group 'B' relinquishes his shares or Mr. R.B. Shrestha or his relatives ceases to control I.J. Group Holdings Pvt. Ltd., the shares of Group 'B' shall devolve on Group 'C' and the shares shall be allocated to the general public pursuant to Section 8.3 of this Memorandum of Association."

Rule 9.1 of Articles of Association

"Hindustan Unilever Limited, I.J. Group Holdings Pvt. Ltd. and those who subscribe the shares allocated for subscription by the general public shall be the shareholders of this Company."

Rule 9.2 of Articles of Association

"The percentage of shareholding shall be as follows, which cannot be altered except as provided by the Company.

- Group "A": Hindustan Unilever Limited , 80 percent shares.
- Group "B": I.J. Group Holdings Pvt. Ltd., 5 percent shares.
- Group "C": Shares for subscription by the general public, 15 percent shares."

Rule 61.1 of Articles of Association

"Number of Directors in the Board shall be 8 (Eight) comprising the following:

- Up to 5 (five) person form Group 'A' i.e. Hindustan Unilever Limited.
- 1 (One) person from Group 'B' i.e.' I.J. Group Holdings Pvt. Ltd.
- 1 (One) person from Group 'C' i.e. General Public Shareholders.
- 1 (One) Independent Director appointed pursuant to this Articles on the recommendation of the board of directors."

Rule 61.2 of Articles of Association

"The persons hereinafter named shall be the First Directors of the Company:

- Five persons from Group 'A' i.e. Hindustan Lever Limited.
- One person from Group 'B' i.e. I.J. Group Holdings Pvt. Ltd."

Date: 17th October 2025

Registered Office : Hetauda-3, Basamadi, Makwanpur, Bagmati Province, Nepal

For Unilever Nepal Limited
Govinda Bahadur Shahi
Company Secretary

Additional Disclosure as per section 109(4) of the Companies Act, 2063

1. Review of the transactions of the Previous Year:
As covered above under the "Financial Highlights".
2. Impact, if any, caused on the transactions of the Company from National & International Situations: As covered above under the "Managerial Statements".
3. Achievements in the current year at the date of report and opinions of the Board of Directors on matters to be done in the future:
As covered above under the "Financial Highlights" and "Looking ahead" section.
4. Industrial or Professional Relations of the company:
During the year, the relationships of your Company with its employees were harmonious resulting in no strike.
5. Alterations in the Board of Directors and the reasons therefore:
Mr. Yogesh Kumar Mishra replaced Mr. Dev Bajpai and assumed the chairmanship of the Company effective from 1st January 2025. Dr. Vivek Mittal assumed the role of Nominee Director (representing Hindustan Unilever Limited) effectively from 27th May 2025.
6. Major things affecting the transactions:
As covered above under "Managerial Statements".
7. If there are any remarks in the Audit Report, the comments of the Board of Directors on such remarks:
None.
8. Amount recommended for the payment by way of Dividend:
Board of Directors has proposed the dividend of Rs. 1842 per share to the shareholders of the company for the fiscal year 2081-82.
9. In the event of forfeiture of shares, details regarding the number of forfeited shares, face value of such shares, total amount received by your Company for such shares prior to the forfeiture thereof, proceeds of sale of such shares after the forfeiture thereof, and refund of amount, if any, made for such forfeited shares:
No shares have been forfeited till date.
10. Progress of transactions of the Company and of its subsidiary company(ies) in the previous financial year and, review of the situation existing at the end of that financial year:
The company has no subsidiaries.

11. Major transactions completed by the company and its subsidiary company(ies) in the financial year and any material changes taken place in the transaction of the company during that period:
None
12. Information provided to the company by its substantial shareholders in the previous financial year:
Hindustan Unilever Limited, which is the majority shareholder, provided the company with all information related to new product innovations, marketing mix, information on price movements of commodities, system related information and technology, etc. No information was provided to the company by any other substantial shareholder.
13. Details of shareholding taken by the directors and officers of the Company in the previous financial years and in the event of their involvement in share transactions of the company, details of information received by the company from them in that respect:
No sales and purchase of shares by Directors and officers.
14. Details of disclosures made about the personal interest of any director and his/her close relative in any agreement related to the Company during the previous year:
None
15. In the event that the Company has bought its own shares (buyback), the reasons for such buyback, number & face value of such shares and amount paid by the Company for such buy-back:
The company did not buy back its own shares during the year.
16. Details of internal control systems: -
The internal control system of the company conforms to global standards and follows Unilever's international guidelines. This includes:
- Operation Manuals, procedures, and guidelines for systematic conduct of operations.
 - Financial policy and accounting guidelines.
 - Global Framework Financial Control (GFCF) audit carried out by B.K. Agrawal, Chartered Accountants, Nepal.
 - Periodic review of internal control systems by Management and Audit Committee.
- Total Management expenses during the year: -

	NPR in Lakhs
Employee expenses during the fiscal year	1,510
Administrative expenses during the fiscal year	328

17. Name list of the members of Audit committee, remuneration, Allowances and facilitates received by them, details of the functions performed by that committee and details of suggestions, if any, made by that committee:

Name		Remuneration
Mr. Subhas Bajracharya	Chairman	**
Mr. Ravi Bhakta Shrestha	Member	**
Mr. Ravishankar Ambalaparambil	Member	-
Ms. Harman Dhillon	Member	-
Dr. Vivek Mittal (Joined from 27th May 2025)	Member	-

- During the year, the Audit Committee reviewed the internal audit report and the actions initiated for resolving the issues. The audit committee also reviewed the Business Risks status and reviewed the actions initiated by Management to mitigate & address such Business Risks. The audit committee reviewed annual accounts, significant accounting policies & notes to accounts, additional disclosure as per section 109(4) of the Companies Act, 2063 and preliminary statutory audit report issued by Statutory Auditors (CSC & Co.) and recommended their adoption by the Board of Directors.
 - (**) During the year, a total amount of NPR 364,500/- was paid as meeting fees to Mr. Ravi Bhakta Shrestha, Rabindra Bhakta Shrestha & Mr. Subhas Bajracharya. Moreover, travel expenses of these Audit Committee members for attending the Audit Committee meetings are borne by the company whenever required.
18. Amount receivable by the company from Directors, Managing Director, substantial shareholders and their close relatives and associated firms, companies, etc.:
Nil.

19. Remuneration, allowances, and facilities given to Directors, Managing Director, Chief Executive Officer and Officials during the year:

NPR/ Lakhs

S.N.	Particulars	Directors	MD	Managers/Officers/Staff
1.	Meeting Fee	3.645	-	-
2.	Salary & Allowances	-	626.44	2,558.44
3.	Car Facility	No	Yes	Yes
4.	Accommodation	No	Yes	Note (b)
5.	Insurance Coverage	No	No	Yes
6.	Number of Persons	7	1	235

Notes:

- a) Office car with driver, fuel, cost of electricity to charge EV (if applicable) and maintenance are provided to the Managing Director, Supply Chain Head, Chief Financial Manager and IT Manager, Factory Manager, HR Head and National Sales Head.
- b) Unfurnished /Furnished rented accommodation or HRA provided to Expatriate Managers as per terms and conditions of employment of the individuals.
- c) Travel expenses of the Directors, whenever required for attending the Board meetings, are borne by the company.
20. Unclaimed Dividends:
Total unclaimed dividend is NPR 196.27 lakhs as on 32 Ashad, 2082.
21. Details of sale and purchase of properties pursuant to Section 141:
Nil.
22. Details of transactions carried on between the associated companies pursuant to Section 175:
Refer Note 2.2.19 of the financial statement.
23. Any other matters required to be disclosed in the director's report by the Companies Act, 2063 or other laws in force: -
None
25. Other relevant issues: -
No

Declaration by the company

The above report has been approved by the Board of Directors in its meeting held on 7th Ashoj 2082 (23rd September 2025).

Checked and verified by:

Mr. Ayush Sharma

Chief Financial Officer and IT Manager

Mr. Yogesh Kumar Mishra

Chairman

Mr. Amlan Mukherjee

Managing Director

Mr. Ravi Bhakta Shrestha

Director

Mr. Subhas Bajracharya

Independent Director

Mr. Ravishankar A.

Director

Ms. Harman Dhillon

Director

Dr. Vivek Mittal

Director

Disclosure under Rule 26(2) of Securities Registration and Issue Regulation, 2073

1. Report of the Board of Directors

Covered in Directors Report of this Annual Report

2. Auditor's Report

Included in Annual Report

3. Audited Financial Reports

- Balance Sheet, Profit and Loss Account, and Cash Flow Statement and related Audit Report Attached Schedules. Included in Annual Report, Audit Report Attached

4. Legal Proceedings

None of the active litigations of the company is affecting the market value of share as provided under rule 26(5) of Securities Registration and Issue regulation 2073.

5. Analysis of Stock Performance of the Body Corporate

- Management's view on the performance of the stock of the body corporate in the Stock Exchange: *Price and transactions of the Company's shares are being determined by the open share market operations through a duly established Stock Exchange. Management's view on this is neutral.*
- High, Low and Closing price of the stocks of the company during each quarter of the preceding year along with total volume of trading of shares and number of days traded.

Quarter	Maximum Price (in NPR)	Minimum Price (in NPR)	No. of trade	Closing Price
Q1	56,806	46,000	7,612	49,250
Q2	50,597	43,800	4,907	44,900
Q3	47,940	44,803	2,555	46,603
Q4	47,620	45,250	4,616	46,887

6. Problems and Challenges

Internal

1. Rise in cost of operations with inflation, credit constraints and lowering demand.

External

1. Fluctuation in foreign currency exchange rates impacting raw materials and packaging materials cost.
2. Rise in cost of operations due to increase in commodity prices and energy price hikes caused by inflationary pressures.

Strategy

1. Proactively monitor the internal, external environment and consumer behaviour patterns.
2. Innovations and productivity/Savings program across all areas to fuel profit and growth.

7. Corporate Governance

Management's initiatives towards good corporate governance shall be described:

- *Incorporated in detail under Corporate Governance section in this Annual Report.*

Date: 23rd September 2025

Govinda Bahadur Shahi
Company Secretary
Unilever Nepal Limited
Kathamandu, Baneshwor

Disclosure under Rule 20(4) of the Directives Related to Corporate Governance for Listed Companies, 2074

The Board of Directors had approved the financial reports and corporate governance report as per the prescribed law on the 23rd September 2025 and the signed copy of same has been sent to the Securities Board of Nepal for recording.

Brief Excerpts of the Corporate Governance Report

1. Compliance to the Directions and Directives issued by the regulatory body from time to time and all the requirements of prevailing Acts and Regulations including Directions:
 - Complied
2. Compliance to the terms and conditions prescribed by the regulator at the time of issuing license:
 - Complied
3. Compliance to the directions given by the regulatory body during review, inspection and supervision:
 - Complied

Compliance Officer
Govinda Bahadur Shahi
Unilever Nepal Limited
Kathmandu

Date: 23rd September 2025

Certified By
Bikesh Madhikarmi
CSC & Co.
Chartered Accountants

Date: 23rd September 2025

11. Stakeholder Engagement & Review

Stakeholders are integral to our Company's long-term value creation, forming the cornerstone of our value-creation model. Engaging with stakeholders fosters trust, builds strong relationships, and provides invaluable insights that inform strategic decision-making. By understanding and addressing their needs and concerns,

We mitigate risks and create a sustainable and mutually beneficial ecosystem. We are committed to maintaining transparent, consistent and meaningful communication with our stakeholders to ensure their interests are aligned with our long-term goals.

Consumers

By placing our consumers at the heart of our business, we not only meet their needs but also build lasting relationships based on trust and satisfaction. Understanding and serving their evolving needs is at the core of our business strategy.

Customers

Our customers are crucial partners in delivering value to our consumers. We work closely with them to ensure efficiency and excellence, fostering mutual growth and success. We are digitising traditional trade, fostering strong relationships with organised trade, and expanding on digital commerce platforms

Suppliers & Business Partners

Our suppliers & business partners are integral to building an agile and lean supply chain. Through strong, collaborative relationships, we ensure quality, efficiency, and sustainability in our operations.

Our People

Our employees are our greatest asset. We are committed to creating a supportive and inclusive workplace where everyone can thrive. Investing in our people through training, development, and wellbeing initiatives has helped us attract, develop and retain top talent.

Planet & Society

We are dedicated to making a positive impact on the planet & society. Our commitment to environmental, social, and governance principles ensures that we operate responsibly and sustainably, benefitting both society and the environment.

Shareholders

Shareholders provide the capital and confidence that fuel our growth. We prioritise their interests by delivering consistent financial performance, strategic growth and long-term value.





Consumers



Key Interests	<ul style="list-style-type: none"> • Products that meet highest quality and safety standards • Value for money products, across demographics and income levels • New products that meet evolving consumer needs and preferences • Ease in availability of products across online and offline channels • Honest labelling, ethical practices, and active communication about the Company's values and efforts
Engagement Objectives	<ul style="list-style-type: none"> • Leverage data and feedback to innovate, improve and tailor products to consumer expectations • Build an emotional resonance with consumers through purpose-driven branding and community initiatives • Educate consumers about healthy choices and sustainable consumption habits • Enhance consumer experience by ensuring seamless purchasing, usage and service experiences across touchpoints
How We Engage	<ul style="list-style-type: none"> • Market research and feedback through surveys, interviews, and focus group discussion • In-person consumer connects for feedback and consumer perception understanding • Active engagement on social medial platforms through influencer collaborations responding to consumer queries and sharing regular Company updates • Advertisement and direct communication • Consumer grievance redressal mechanism through the Levercare helpline centre • Market development activities involving product trials and testing



Customers



Key Interests	<ul style="list-style-type: none"> • Ensuring margins and profitability for the customers • Consistent and reliable supply of products • Innovative product offerings to meet market trends and consumer preferences • Training and knowledge sharing • Ease of doing business
Engagement Objectives	<ul style="list-style-type: none"> • Ensure an uninterrupted supply chain that bridges the three verticals of demand generation, demand capture and demand fulfilment • Drive product availability through efficient supply chain management and strategic retailer partnerships • Build long term trust-based relationships that result in mutual growth • Gather and analyse customer feedback to generate actionable insights for product and service enhancements • Equip customers with tools, training, and marketing support to help them grow their business • Collaborate on performance reviews, deliver targeted improvement suggestions, and support digital transformation efforts to build future-proof capabilities
How We Engage	<ul style="list-style-type: none"> • Strategic interactions to discuss performance, address issues, and plan future activities • Training sessions to update customers on new products, market trends, and best practices • Regular sales representative visits focussing on understanding needs and strengthening partnerships • Joint Business Planning session with modern trade and e-commerce partners • Co-create compelling promotional campaigns • Levercare helpline centre for raising queries and concerns



Our People



Key Interests	<ul style="list-style-type: none"> • Opportunities for professional growth, training, and advancement within the Company • A safe and healthy work environment • Fair compensation • Discover meaningful purpose at work • Diversity, Equity and Inclusion
Engagement Objectives	<ul style="list-style-type: none"> • Create a positive work environment that fosters loyalty and reduces attrition • Encourage diversity, equity, and inclusion to ensure all employees feel valued and respected • Provide training and development opportunities to help employees enhance their skills and advance their careers • Implement policies and practices that prioritise the health and safety of employees • Establish programmes to recognise and reward employee achievements and contributions
How We Engage	<ul style="list-style-type: none"> • UniVoice: Annual employee engagement survey • Annual CEO review to discuss the Company's performance and strategic priorities for the coming year • UniPulse: Consistent employee engagement surveys • Regular team meetings, townhalls, and one-on-one sessions to build trust and transparency • Workshops, e-learning modules, and leadership programmes to enhance skills and capabilities • Health camps, mental health support, and recreational activities to promote holistic wellbeing • Awards, incentives, and public acknowledgment of outstanding contributions • Regular performance review and feedback sessions • Robust whistle-blowing policy empowering employees to speak up



Shareholders



Key Interests	<ul style="list-style-type: none"> • Long-term value creation • Clear and timely disclosure of financial performance, business strategies and risks • Strong governance practices, compliance with laws, and ethical business conduct • Consistent financial growth and capital appreciation • Maintaining and strengthening the Company's position in market • Business resilience and agility
Engagement Objectives	<ul style="list-style-type: none"> • Engage shareholders as long-term partners in the Company's vision and growth trajectory • Provide transparent, accurate and comprehensive updates on financial and strategic performance • Share key business strategy, performance, and sustainability updates, seeking stakeholder insights and collaborative feedback Incorporate shareholder feedback to generate actionable insights for strategic refinement and enhanced decision-making Build investor confidence through robust corporate governance, ethical practices and proactive risk management
How We Engage	<ul style="list-style-type: none"> • Annual General Meeting • Quarterly earnings calls • Capital Markets Day • Investor and analyst meetings • Management participation in investor events and conferences • Engagement via email • Meeting arranged by Stakeholders Relationship Committee



Planet & Safety



Key Interests	<ul style="list-style-type: none"> • Address long term material risks such as climate change and issue of plastic waste • Protect and regenerate nature • Enhance livelihoods of people within our value chain and those in communities in which we operate • Ensure strong governance practices, compliance with laws, and ethical business conduct • Further strengthen the Company's position as a responsible business
Engagement Objectives	<ul style="list-style-type: none"> • Drive collective action from Government, industry and civil society • Strengthen consumer trust in business as a responsible corporate • Generate insights that can be used to implement initiatives that drive positive action • Create strategy for implementing action across our focus areas of Climate, Nature, Plastics and Livelihoods
How We Engage	<ul style="list-style-type: none"> • Regular agendas of sustainability in the committee meetings consisting of independent directors • Regular interaction with local stakeholders • Liaise with partners and suppliers through Clean Future initiative



Suppliers & Business Partners



Key Interests	<ul style="list-style-type: none"> • Fair and transparent business practices, including equitable contract terms and ethical sourcing • Reliable and stable business partnerships that promote mutual growth • Shared commitments on responsible sourcing, circular economy and resource efficiency • Knowledge and infrastructure support
Engagement Objectives	<ul style="list-style-type: none"> • Ensure reliable supply of quality materials • Promote ethical and sustainable practices • Ensure supply chain efficiency and reliability • Develop strong, long-term relationships • Equip suppliers and business partners with tools and training to help them grow their business
How We Engage	<ul style="list-style-type: none"> • Regular meetings to address operational challenges, review performance and align on goals • Collaborative workshops to address supply chain bottlenecks or explore cost optimisation opportunities • Structured feedback collection to identify challenges and areas of improvement • Regular third-party audits of supplier facilities to ensure compliance with quality standards

Investor's Relationship

Your company is one of the highest priced companies in the Nepal Stock Exchange that has delivered consistent high returns to its shareholders. The stock prices of the company have consistently remained high, despite the massive slide in the NEPSE Index. The company's consistent strong performance over the years has established it as a leading driver of the manufacturing sector index.

Share Holding Structure of UNL

Paid-up share capital of Unilever Nepal Limited is NPR, 9,20,70,000 /- with the majority shares ie.85% held by Promoters which includes 80% of Hindustan Unilever Limited and 5% of Sibkrim Holdings Pvt. Limited (Now, I.J. Group Holdings Pvt. Ltd.) and 15% by general public shareholders.



Shareholder Engagement & Communication

Your Company regularly interacts with its shareholders and investors through results announcements, annual report and company website. The Annual General Meeting gives the shareholders an opportunity to come in direct communication with the Board of Directors and the Management. During this meeting, the Board engages with shareholders and answers their queries on varied subjects. Your Company has a designated e-mail address for shareholders. The Company Secretary regularly engages with the shareholders to resolve queries, grievances, if any, and provides guidance to shareholders for any Company-related matters. In order to strengthen our relationship with shareholders and provide efficient services to the shareholders, Laxmi Sunrise Capital Limited has been re-appointed as "Registrar to Shares". Effective communication of information is an essential component of Corporate Governance. With this the company regularly interacts with shareholders through multiple channels of communication such as annual report and media notices. The Quarterly Report of the Company's performance are published in national daily. The Quarterly and Annual Financial Reports are reported to regulatory authorities like Securities Board of Nepal (SEBON) and Nepal Stock Exchange (NEPSE).

Contribution to National Economy

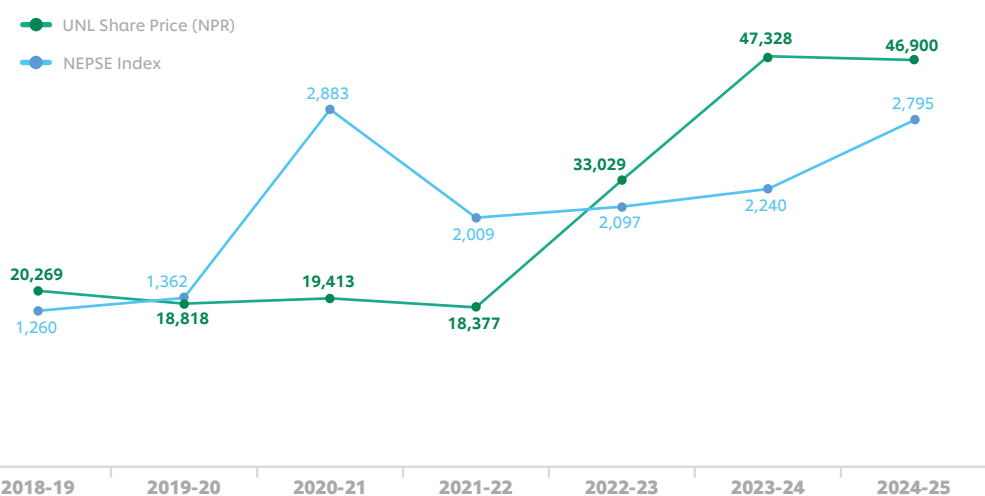
UNL ranks among the country's top contributors to tax revenue. Its income has experienced substantial growth, increasing from Rs. 5,754 million in FY 2075-76 to Rs. 8,246 million in the current year. Despite the economic slow down in the country, it's revenue has slightly increased by 0.07% vs the revenue of FY 2080/81. The tax contributions from all its business operations to the national treasury have also slightly grown. In the fiscal year 2081/82, the company's income tax payment alone reached NPR 417 million, reflecting a 34% increase over the past four years. When considering all taxes combined, including Income Tax, VAT, Excise, Custom Duty, and deductible taxes, the company has contributed over NPR 2,647 million in the current financial year, 2081/82.

Particulars	2077-78 (2020-21)	2078-79 (2021-22)	2079-80 (2022-23)	2080-81 (2023-24)	2081-82 (2024-25)
Total Revenue	5,790	7,455	8,674	8,481	8,406
● Duties					
● Excise	310	427	497	489	469
● VAT	763	1,021	1,188	1,163	1,155
● Custom	270	378	437	370	412
● TDS	180	119	234	207	194
● Income Tax	165	288	368	405	417
Total Tax	1,687	2,233	2,723	2,634	2,646

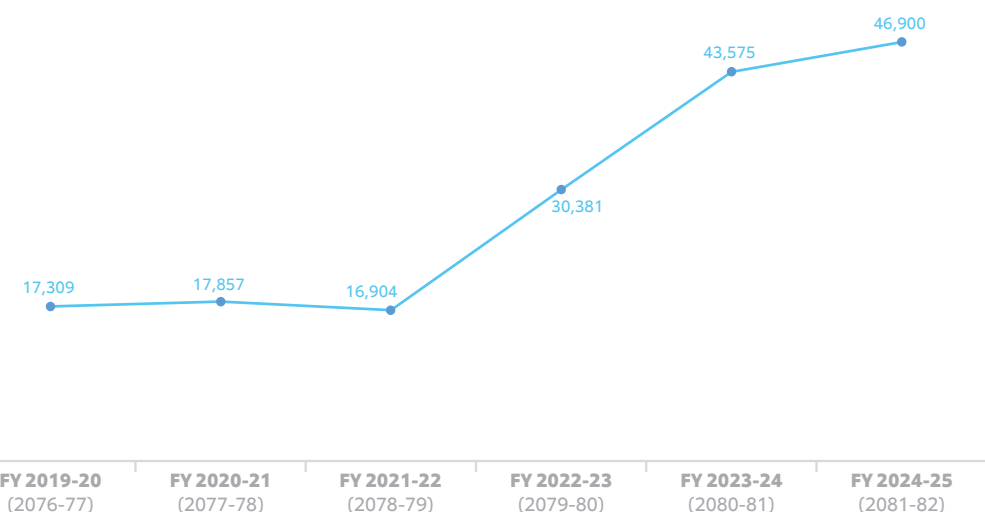
Share Market Information

UNL has consistently stood out as a leading company in the Nepal Stock Exchange. Despite fluctuations in the overall market, UNL's stock has demonstrated exceptional resilience and sustained growth. As of 16th July 2025, UNL's share price stands at Rs. 46,900, reflecting a substantial rise from Rs. 20,269 in FY 2018-19. Over the past few years, even as the NEPSE Index moved from 1,260 in FY 2018-19 to 2,795 in FY 2024-25, UNL's share price has reached and maintained record highs, underscoring investor confidence in the company's strong fundamentals. This year, UNL achieved another remarkable milestone by announcing its highest-ever dividend payout in company history. With a market capitalization of Rs. 43.18 billion, UNL's consistent performance and financial strength reaffirm its status as one of the most reliable and dominant players in Nepal's manufacturing sector.

NEPSE Index vs. UNL Share Price

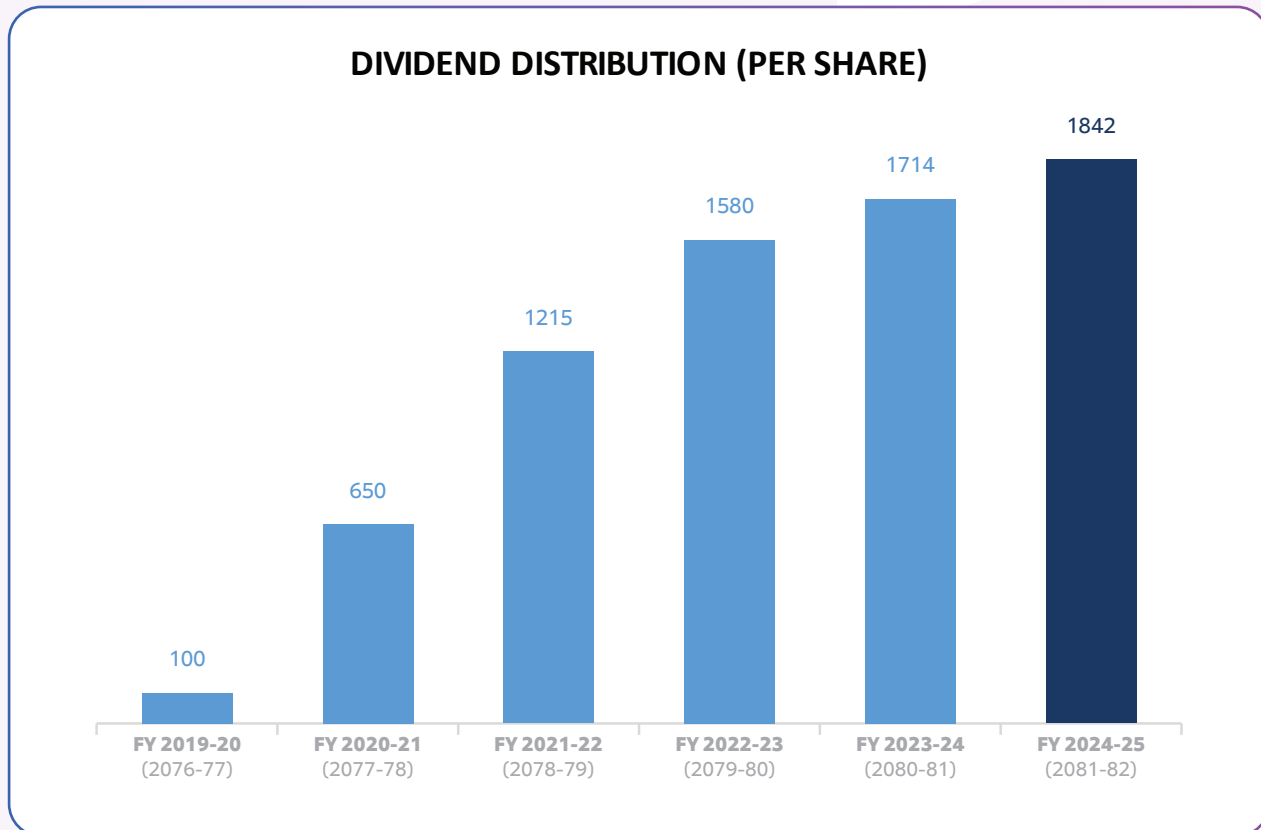


UNL Market Capitalization (MIn)



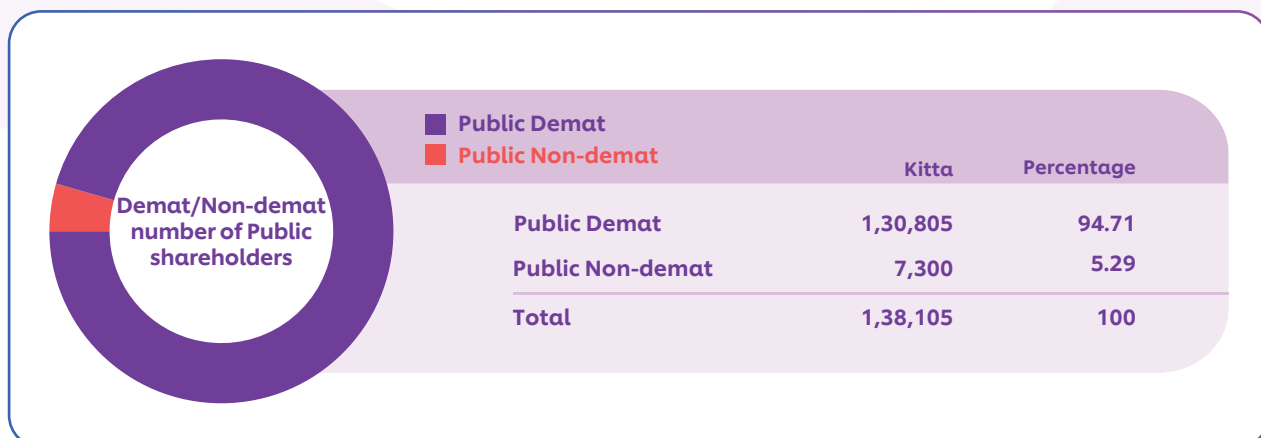
Dividend Distribution

The Board of Directors always believe in returning the value created from company's strong operations to its shareholders and have remained committed to high dividend payout policy for the upcoming future. The Board at their meeting held on 23rd September 2025 recommended final dividend of NRs. 1,842/- per share on each equity share for the financial year that ended on 16th July 2025.



Unclaimed Dividend/Unpaid Dividend

In accordance with the provisions of Companies Act, 2006 (including amendment) and Investor Protection Fund Operation and Management Procedures, 2016, dividend not encashed/claimed within 5 years from the date of declaration are to be transferred to Investor Protection Fund.

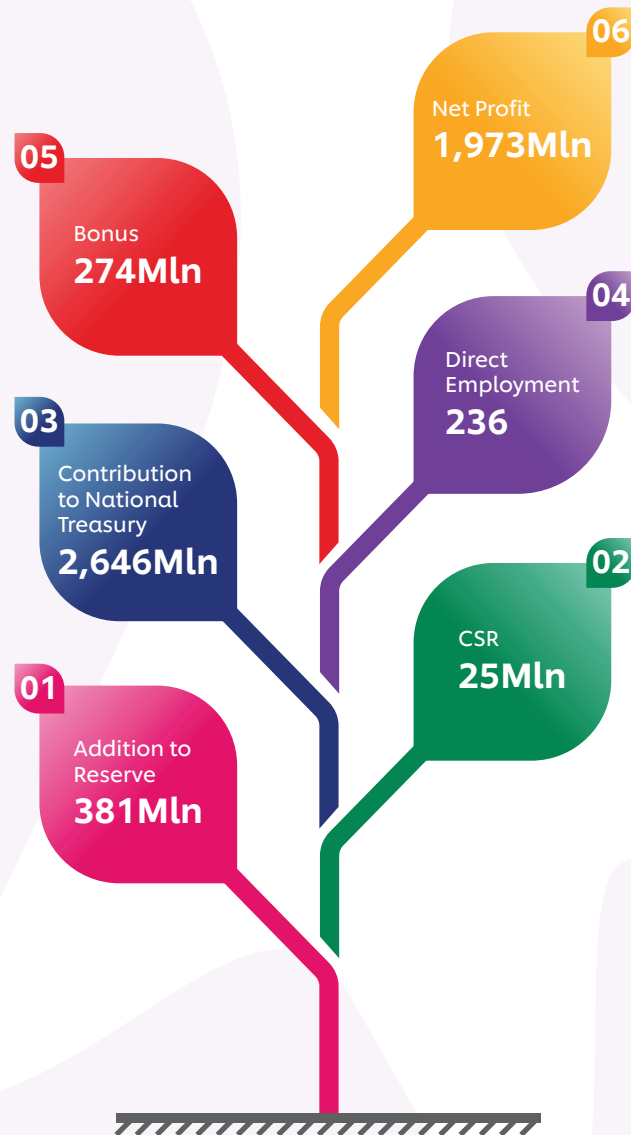


The Total Unclaimed dividend as on Ashad 32, 2082 (July 16, 2025) remained 30.52 Mln. The details of unclaimed dividends can be obtained from our Share Registrar, M/s Laxmi Sunrise Capital Limited. Share Dematerialization Update of shares available in public

Statement of Value Added

Value Created: Your Company creates value for its stakeholders and business by efficiently managing and maximizing the returns on all capital resources.

Value Shared with: By running a sustainable and responsible business, we create value which is subsequently retained by our business, making it stronger and shared with all our stakeholders.



The value we created for



Consumers

We offer a range of products to satisfy evolving consumer preferences and active, healthy lifestyles.



Customers

Our efforts to produce products efficiently and responsibly builds value for our customers' businesses.



Employees

Developing, recognizing and rewarding our people secures a skilled and motivated workforce.



Shareholders

Through the process of managing all inputs to our business well, we create profits which benefit shareholders through dividend payments and share value.



Communities

When our business is sustainable and responsible, the communities where we operate benefit through job creation, tax payments to governments, useful products and services and minimization of environmental impact.



Suppliers & Business Partners

As we create value, we support business throughout our value chains and support job creation beyond our business.

Redressal of Shareholder's Complaint

Any complaints or queries or correspondence can be filed at Laxmi Sunrise Capital Limited, Share Registrar or to Company Secretary/Compliance Officer in the address mentioned below:

Laxmi Sunrise Capital Limited

Kamalpokhari, Kathmandu, Nepal

Tel: 977-01-4528550, 4528660

Email: info@lscapital.com.np

RTA/RTS extension No.: 113, 116

Company Secretary

Mr. Govinda Bahadur Shahi

Email: Unl.shareholdersconnect@unilever.com

Phone no: 977-1-4785963 / 9801133857

Financial Statement

Financial Statement



Independent Auditor's Report

To the Shareholders of Unilever Nepal Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of of Unilever Nepal Limited ("the Company"), which comprise the statement of financial position as at 32 Ashad 2082 (16 July 2025), the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 32 Ashad 2082 (16 July 2025), and its financial performance and cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

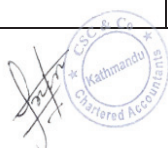
Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Institute of Chartered Accountant of Nepal's (ICAN) Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended on 32 Ashad 2082(16 July 2025).These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matters
<p>Recognition and Measurement of Revenue (Refer Note 2.2.17 and Note 17 of the financial statements.)</p> <p>Revenue from sale of goods (hereinafter referred to as Revenue") is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods.</p> <p>Discounts and incentives under various schemes are material and have arrangements with varying terms Measurement of estimated discounts and incentives' accruals relating to these schemes requires judgement and as required by NFRS 15. Revenue from Contracts with Customers, such estimated discounts and incentives have to be shown separately as they are unfulfilled performance obligations.</p> <p>The audit focused on accurate measurement of revenue because of:</p>	<p>Our audit procedures:</p> <ul style="list-style-type: none"> We assessed the Company's revenue recognition and measurement policies including those relating to discounts and incentives for sales. We obtained an understanding, assessed and tested the operating effectiveness of internal control relating to the identification, recognition and measurement of discounts and incentives for schemes. We performed test of details, on a sample basis, and inspected the underlying documents relating to sales and accrual of discounts and incentives, subsequent claims accounted by the company to assess the appropriateness of accruals outstanding as at year end. We performed detailed analysis of revenue analytical testing with monthly sales



Key Audit Matters	How our audit addressed the key audit matters
<ul style="list-style-type: none"> inherent risk involved around revenue recognition and measurement as the performance of the company highly depends on the revenue, and the requirement of financial reporting framework to defer revenue in relation to unfulfilled performance obligations of contract with customers at the end of the reporting period. 	<p>information filed with tax authorities, testing the timing of its recognition and accuracy of the amounts recognized and sample verification of the supporting information of the revenue transactions.</p> <ul style="list-style-type: none"> We tested cut-off date sales transaction as well as subsequent receipts after the year end date. We examined the contracts entered with customer and reviewed the management's estimate relating to unfulfilled performance obligations relating to the sales made during the year. We assessed the adequacy of the disclosures in respect of revenue to be disclosed as per NFRS 15. <p>Our results No material exceptions were noted</p>

Other Information

The management is responsible for the other information presented in the Unilever Nepal Limited Annual Report 2081-2082 (2024-2025) together with the Financial Statements. This report is expected to be made available to us after the date of this auditor's report. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Financial Reporting Standards (NFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

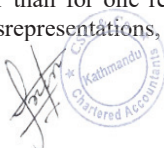
Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Unilever Nepal Limited's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Unilever Nepal Limited's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Unilever Nepal Limited 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 auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- In our opinion, the statement of financial position, profit or loss, other comprehensive income, changes in equity and cash flows have been prepared in accordance with the provisions of Companies Act 2063 and conform to the books of accounts of the Company and the books of accounts and records are properly maintained in accordance with the prevailing laws.
- During the course of our audit, we did not come across the cases where the Board of Directors or the representative or any employee of the Company has acted deliberately contrary to the provisions of the law or caused loss or damage to the Company or misappropriated funds of the Company, nor have we been informed of any such case by the management.
- We have not come across any accounting fraud, so far as it appeared from our examination of the books of accounts.



Bikesh Madhikarmi
Partner

Place: Kathmandu

Date: September 23, 2025

UDIN: 251010CA01391mcJWR

Unilever Nepal Limited

Statement of Financial Position

As at 32 Ashad 2082 (16 July 2025)

Figures in NPR.

	Note	As at 32 Ashad 2082	As at 31 Ashad 2081
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	1,549,765,497	1,557,347,354
Intangible assets	4	390,825	547,913
Right of use Assets -Lease	5	398,358,260	220,028,970
Deferred tax assets	13	31,613,590	36,392,476
Total Non-Current Assets		1,980,128,172	1,814,316,713
Current Assets			
Inventories	7	1,090,092,977	1,019,640,460
Financial assets			
Trade and other receivables	8	1,446,323,969	1,105,057,979
Investments	6	2,508,013,699	2,181,235,143
Cash and cash equivalents	9	849,139,639	827,193,141
Bank balance other than CCE	10	19,795,744	31,332,569
Other current assets			
Current Tax Assets	24	-	99,112,710
Prepayments		2,049,135	2,857,291
Total current assets		5,915,415,163	5,266,429,293
Total assets		7,895,543,335	7,080,746,006
EQUITY AND LIABILITIES			
Equity			
Share capital	11	92,070,000	92,070,000
Retirement Benefit Scheme Reserve	12	745,400,512	760,286,146
Retained earnings	12	4,389,671,346	3,994,166,372
Total Equity		5,227,141,858	4,846,522,518
Liabilities			
Non-Current Liabilities			
Lease Liabilities	14	296,812,838	171,718,326
Provisions	15	27,606,933	25,268,344
Total Non-Current Liabilities		324,419,771	196,986,670
Current Liabilities			
Financial liabilities			
Trade and other payables	16	2,051,392,801	1,862,166,556
Lease Liabilities	14	168,116,709	105,851,091
Provisions	15	51,601,438	69,219,171
Current Tax Liabilities	24	72,870,758	-
Total Current Liabilities		2,343,981,706	2,037,236,818
Total Liabilities		2,668,401,477	2,234,223,488
Total Equity and Liabilities		7,895,543,335	7,080,746,006

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

Yogesh Kumar Mishra
Chairman

Ravi Bhakta Shrestha
Director

Amlan Mukherjee
Managing Director

Bikesh Madhikarmi
Partner
CSC & Co.
Chartered Accountants

Ravishankar Ambalaparambil
Director

Subhas Bajracharya
Independent Director

Ayush Sharma
CFO and IT Manager

Dr. Vivek Mittal
Director

Harman Dhillon
Director

Govinda Bahadur Shahi
Company Secretary

Date : 23 September, 2025
Place: Kathmandu, Nepal

Unilever Nepal Limited
Statement of Profit or Loss
For the year ended 32 Ashad 2082 (16 July 2025)

Figures in NPR.

	Note	For the year 2081/82	For the year 2080/81
Revenue from operations	17	8,245,734,742	8,239,838,658
Other income	18	160,585,807	240,723,248
TOTAL INCOME		8,406,320,549	8,480,561,906
EXPENSES			
Cost of materials consumed	19	3,695,704,294	3,857,114,100
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	20	43,340,818	(54,479,183)
Employee benefits expenses	21	625,242,147	631,825,106
Depreciation and amortisation expenses	3, 4, 5	308,172,538	341,218,044
Finance Cost	22	44,285,974	14,139,726
Other expenses	23	1,249,011,559	1,295,029,037
TOTAL EXPENSES		5,965,757,330	6,084,846,830
Profit before tax		2,440,563,219	2,395,715,076
Income Tax Expense	24	(467,983,337)	(440,671,643)
Profit from continuing operations		1,972,579,882	1,955,043,433
Net Profit for the year		1,972,579,882	1,955,043,433
Basic and Diluted Earnings per share	26	2,142	2,123

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

Yogesh Kumar Mishra
Chairman

Ravi Bhakta Shrestha
Director

Amlan Mukherjee
Managing Director

Bikesh Madhikarmi
Partner
CSC & Co.
Chartered Accountants

Ravishankar Ambalaparambil
Director

Subhas Bajracharya
Independent Director

Ayush Sharma
CFO and IT Manager

Dr. Vivek Mittal
Director

Harman Dhillon
Director

Govinda Bahadur Shahi
Company Secretary

Date : 23 September, 2025
Place: Kathmandu, Nepal

Unilever Nepal Limited
Statement of Other Comprehensive Income
For the year ended 32 Ashad 2082 (16 July 2025)

Figures in NPR.

	Note	For the year 2081/82	For the year 2080/81
Net Profit for the year as per Statement of Profit or Loss		1,972,579,882	1,955,043,433
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial Gain on defined benefit pension schemes	27	1,210,713	844,342
Deferred Tax on Actuarial Gain		(205,821)	(143,538)
Other comprehensive gain for the year, net of tax		1,004,892	700,804
Total comprehensive gain for the year, net of tax		1,973,584,774	1,955,744,237

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

Yogesh Kumar Mishra
Chairman

Ravi Bhakta Shrestha
Director

Amlan Mukherjee
Managing Director

Bikesh Madhikarmi
Partner
CSC & Co.
Chartered Accountants

Ravishankar Ambalaparambil
Director

Subhas Bajracharya
Independent Director

Ayush Sharma
CFO and IT Manager

Dr. Vivek Mittal
Director

Harman Dhillon
Director

Govinda Bahadur Shahi
Company Secretary

Date : 23 September, 2025
Place: Kathmandu, Nepal

Unilever Nepal Limited
Statement of Changes in Equity
For the year ended 32 Ashad 2082 (16 July 2025)

Figures in NPR.

	Share Capital	Retirement Benefit Scheme Reserve	Retained Earnings	Total
Balance at 31 Ashad 2080	92,070,000	775,703,501	3,493,128,135	4,360,901,636
Profit for the year	-	-	1,955,043,434	1,955,043,434
Adjustment for NFRS-16	-	-	-	-
Other comprehensive income	-	-	700,804	700,804
Total comprehensive income	-	-	1,955,744,238	1,955,744,238
Dividends to shareholders	-	-	(1,454,706,000)	(1,454,706,000)
Retirement Benefit Payments	-	(15,417,355)	-	(15,417,355)
Balance at 31 Ashad 2081	92,070,000	760,286,146	3,994,166,373	4,846,522,519
Profit for the year	-	-	1,972,579,882	1,972,579,882
Other comprehensive income	-	-	1,004,892	1,004,892
Total comprehensive income	-	-	1,973,584,774	1,973,584,774
Dividends to shareholders	-	-	(1,578,079,800)	(1,578,079,800)
Retirement Benefit Payments	-	(14,885,634)	-	(14,885,634)
Balance at 32 Ashad 2082	92,070,000	745,400,512	4,389,671,347	5,227,141,858

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

Yogesh Kumar Mishra
Chairman

Ravi Bhakta Shrestha
Director

Amlan Mukherjee
Managing Director

Bikesh Madhikarmi
Partner
CSC & Co.
Chartered Accountants

Ravishankar Ambalaparambil
Director

Subhas Bajracharya
Independent Director

Ayush Sharma
CFO and IT Manager

Dr. Vivek Mittal
Director

Harman Dhillon
Director

Govinda Bahadur Shahi
Company Secretary

Date : 23 September, 2025
Place: Kathmandu, Nepal

Unilever Nepal Limited
Statement of Cash Flows
For the year ended 32 Ashad 2082 (16 July 2025)

Figures in NPR.

	Note	As at 32 Ashad 2082	As at 31 Ashad 2081
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		1,972,579,882	1,955,043,433
Adjustment for:			
Income tax during the year	24	467,983,337	440,671,643
Depreciation on property, plant and equipment	3	138,438,703	122,021,306
Amortization of Intangible Assets	4	142,557	11,745,057
Depreciation on Right of Use-Lease	5	169,591,278	207,451,680
Allowance for inventory obsolescence	7	(2,577,879)	(6,782,792)
Provision for employee benefits	15	1,785,534	2,501,857
Other provisions	15	(16,059,786)	10,878,879
Provision for Bonus	21	273,912,819	268,879,358
Finance income	18	(96,665,024)	(154,058,414)
Fixed Assets write off	23	10,962,064	10,444,411
Right of Use-Lease write off	5	9,292,799	10,981,524
Finance Cost	22	44,285,974	14,139,726
Working capital adjustments:			
(Increase)/ decrease in Trade & Other receivables	8	(341,265,990)	558,685,338
(Increase)/ decrease in prepayments		808,156	5,697,845
(Increase)/ decrease in Inventories	7	(67,874,637)	(49,254,028)
Increase / (decrease) in trade and other payables	16	195,081,438	30,118,730
Cash generated from operations		2,760,421,225	3,439,165,553
Bonus paid		(268,879,358)	(251,300,691)
Income Tax paid		(293,118,853)	(551,962,927)
Net cash flows from Operating Activities		2,198,423,013	2,635,901,935
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from sale of Property, Plant and Equipment		-	79,882
Interest Received		95,386,469	147,838,634
Acquisition of Property, plant and Equipment	3	(139,906,509)	(249,352,210)
Purchase of Intangibles	4	-	-
Decrease/(increase) in Right of Use-Lease		(357,213,366)	(227,106,052)
Adjustment in Plant, Property & Equipment		-	-
Decrease/(increase) in Investment on fixed deposits		(325,500,000)	(795,300,000)
Decrease/(increase) in Bank balance other than CCE		11,536,826	(4,584,348)
Net cash flows from Investing Activities		(715,696,580)	(1,128,424,094)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1,588,968,457)	(1,449,719,465)
Increase/(Decrease) in lease liability		143,074,156	29,582,380
Transferred to Retirement benefit Scheme Reserve		-	-
Payment from Retirement Benefit Scheme Reserve		(14,885,634)	(15,417,355)
Net cash flows from Financing Activities		(1,460,779,935)	(1,435,554,440)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		21,946,498	71,923,401
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	9	827,193,141	755,269,740
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9	849,139,639	827,193,141

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

Yogesh Kumar Mishra
Chairman

Ravi Bhakta Shrestha
Director

Amlan Mukherjee
Managing Director

Bikesh Madhikarmi
Partner
CSC & Co.
Chartered Accountants

Ravishankar Ambalaparambil
Director

Subhas Bajracharya
Independent Director

Ayush Sharma
CFO and IT Manager

Dr. Vivek Mittal
Director

Harman Dhillon
Director

Govinda Bahadur Shahi
Company Secretary

Date : 23 September, 2025
Place: Kathmandu, Nepal

Unilever Nepal Limited
Notes to Financial Statements
For the year ended 32 Ashad 2082 (16 July 2025)

1. Corporate information

Unilever Nepal Limited ("Company") is a public limited company, incorporated under the Company Act, 2063 of Nepal and listed in the Nepal Stock Exchange Ltd. The registered office of the Company and the principal place of business are located at Hetauda-3, Basamadi, Makwanpur, Nepal.

The main objectives of the Company are to manufacture, sell and distribute Detergents, Scourers, Laundry Soaps, Toilet Soaps, Personal and Beauty Care Products and Food Products.

2. Significant Accounting Policies

2.1. Basis of Preparation

2.1.1. Statement of compliance

The financial statements have been prepared in accordance with applicable Nepal Financial Reporting Standards (NFRS) as pronounced by The Institute of Chartered Accountants of Nepal (ICAN). The Financial Statements have also been prepared in accordance with the relevant presentational requirements of the Companies Act, 2063 of Nepal.

Standards Issued but not yet effective

Following the 334th Council Meeting held on 11 September 2024, the application of Nepal Financial Reporting Standards 2024 (NFRS 2024) is mandatory for the reporting periods beginning on or after 17 July 2025 (1st Shrawan 2082). These standards reflect the latest changes in financial reporting requirements and are consistent with International Financial Reporting Standards (IFRS 2024), ensuring alignment with international reporting practices. The NFRS 2024 consists of the Preface and Conceptual Framework, 17 Nepal Financial Reporting Standards, 25 Nepal Accounting Standards, 15 IFRICs, and 5 SICs, which form an integral part of the standards.

The company is in the process of assessing the implementation of the Nepal Financial Reporting Standards 2024 (NFRS 2024). The implementation plan includes reviewing current accounting policies, upgrading financial systems, and providing training to key personnel.

2.1.2. The Financial Statements are authorized for issue by the Board of Directors on 23 September 2025 (7 Ashoj, 2082).

2.1.3. Going concern

The financial statements are prepared on the assumption that the Company is a going concern.

2.1.4. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Defined benefit scheme, retirement scheme, surpluses and deficits are measured at fair value.

2.1.5. Critical accounting estimates

The preparation of the financial statements in conformity with Nepal Financial Reporting Standards requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The Company makes certain estimates and assumptions regarding future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year primarily include: -

a) Provision for employee benefits

The cost of the defined benefit plans and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds. The mortality rate is based on publicly available Nepal Assured Lives Mortality tables for the country. Those mortality tables tend to

change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country. Further details about Employee benefit obligations are given in note 2.2.14, note 15 and note 27.

b) Recognition of deferred tax

Deferred tax is recognized for taxable temporary differences.

The Company has based its assumptions and estimates on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Further details about deferred tax are given in note 2.2.15 and note 13.

c) Provision for depreciation and amortization

Depreciation and amortization are calculated over the estimated useful lives of the assets. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company has based its assumptions and estimates on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.1.6. Functional and presentation currency

The financial statements are prepared in Nepalese Rupees (NPR), which is the Company's functional currency.

2.1.7. Capital management

For the purpose of the Company's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the company.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to the shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company aims to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods.

No changes were made in the objectives, policies or processes for managing capital during the years ended 32 Ashad, 2082 and 31 Ashad, 2081.

2.2. Significant accounting policies and other explanatory notes

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated. The presentation of financial statements requires the use of certain accounting estimates. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are disclosed.

2.2.1. Impairment of non-financial assets (excluding inventories and deferred tax assets)

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e., the higher of value in use and fair value less costs to sell), the asset is written down accordingly. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An assessment is also done for whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have been decreased. If any such indication exists, the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to

the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

Impairment loss or reversal are included in profit or loss, except to the extent they reverse gains/loss previously recognized in other comprehensive income.

2.2.2. Foreign currency transactions

Transactions entered into by the Company in a currency other than the currency of the primary economic environment in which it operates are recorded at the rates ruling when the transactions occur. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit or Loss. Unsettled foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in the statement of profit or loss.

The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the firm commitments. The Company does not enter any derivative instruments for trading or speculative purposes. Differences between the forward exchange rates and the exchange rates at the end of the reporting date are recognized as income or expense at the end of the reporting date. Profit/loss arising on cancellation or renewal of forward exchange contracts is recognized as income/expense for the period.

2.2.3. Property, plant and equipment

Items of property, plant and equipment are initially measured at cost. Cost includes the purchase price and other directly attributable costs up to the commissioning/ available for use of property, plant and equipment. Cost also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequently, property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Assets not ready for the intended use on the reporting date are disclosed as "Capital work-in-progress".

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and recognized immediately in statement of profit or loss.

2.2.4. Depreciation

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write-off their depreciable amount over the expected useful economic lives.

Depreciation is provided on a pro-rata basis on the straight-line method based on the estimated useful life of the assets determined by the management.

The estimated useful lives and corresponding rates at which the assets are depreciated are as follows:

Particulars	Useful Life (Years)	Depreciation Rate (%)
Building		
Permanently owned Property	40.00	2.50
Leasehold property	9.00	11.11
Plant and Machinery	14.29	7.00
Office Equipment	14.29	7.00
Furniture and Fixtures	14.29	7.00
Computer Accessories	4.00	25.00

2.2.5. Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The total cash outflow for lease is NPR 143,074,156 for the year ended 32 Ashad, 2082. Interest on lease liabilities is NPR 44,285,974.

The company's lease mainly comprises buildings and motor vehicles. The company leases building for residential, manufacturing and warehousing facilities.

There is no major difference between the company's estimate of increase in assets and liabilities on account of adopting the standard on lease compared to the lease liability and right of use asset accounted as at 32 Ashad, 2082.

Further details about right-of-use assets and lease liabilities are given in note 5 and note 14, respectively.

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

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

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

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

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options which the Company is reasonably certain to exercise.

Variable lease payments that don't depend on an index or rate are not included in the measurement of the lease liability and the ROU asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occur and are included in the line "other expense" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

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

The company has elected not to recognize right-of-use assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.2.6. Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

Purchased computer software licenses are capitalized on the basis of cost incurred to acquire and bring to use the software. These costs less estimated residual value is amortized over the estimated useful life of 5 years. Residual value of intangibles is estimated to be nil.

2.2.7. Production at third party manufacturing locations

The Company has made arrangements for manufacturing its licensed products with other third-party manufacturers against payment at a fixed rate as processing charges. The purchase value of materials, conversion cost paid to such manufacturers and stock of inventories (material as well as finished goods) related to such activities have been accounted for in the books of the Company.

2.2.8. Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method, less impairment. The losses arising from impairment are recognized in the statement of profit or loss.

2.2.9. Inventories

Inventories are initially recognized at cost and subsequently at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and condition is accounted as follows:

Raw Material	At actual cost on weighted average basis
Packing Material	At actual cost on weighted average basis
Promotional Material	At actual cost on weighted average basis
Finished goods	At the cost of raw materials, packing materials, a proportionate share of fixed and variable production overheads incurred in bringing the inventories to their present location and condition.
Work in Progress	At the cost of raw materials, packing materials, a proportionate share of fixed and variable production overheads incurred in bringing the inventories to their present location and condition.
Consumables & Spares	At actual cost on weighted average basis.
Goods in Transit	At actual cost

Full provision is made for an obsolete stock that cannot be used or is damaged or defective or cannot be sold in the market. Provision is adjusted in the statement of profit or loss to the extent of usage of obsolete inventory in the period of its usage.

2.2.10. Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statements, cash and cash equivalents consist of cash in hand and balance in banks.

2.2.11. Impairment of financial assets

The carrying amounts of the Company's financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

2.2.12. Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of financial liability or financial asset. The Company's equity shares are classified as equity instruments.

2.2.13. Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

The Company classifies an asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The Company classifies a liability as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2.14. Employment benefits

The Company has schemes of employment benefits namely Social Security Fund, other retirement benefit and accumulated leave payable as per the employee service manual in accordance with Social Security Act, 2075 and Labor Act, 2074.

- **Defined contribution schemes**

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into state managed retirement benefit schemes and will have no legal or constructive obligation to pay further contributions, if any, if the state managed funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss in the financial year to which they relate.

The Company is registered in the Social Security Fund (SSF) and the Social Security Fund Contribution at the rate of 31% of basic salary for all the retirement benefits (Provident fund, Social security tax, Gratuity and Medical Insurance to the staff) are deposited therein on monthly basis.

Contributions to provident and pension funds of managers seconded from Hindustan Unilever Limited are paid into the provident/pension fund maintained by Hindustan Unilever Limited. Contributions to defined contribution schemes such as provident fund are charged to the statement of profit or loss as incurred.

- **Defined benefit schemes - Other retirement benefits scheme**

The Company provides defined benefits in the form of other retirement benefits. The Company's liability towards such defined benefit plans is determined based on valuations, as at the reporting date, made by an independent actuary using the projected unit credit method discounted to its present value using yields available on Government bonds.

Interest is calculated by applying the discount rate to the defined benefit obligation. The Company recognizes the following changes in the defined benefit obligation to the statement of profit or loss:

- Service costs comprising current service costs and past-service costs
- Interest expenses

Any changes in the liabilities over the year due to changes in assumptions or experience within the scheme, are recognized in other comprehensive income in the period in which they arise.

The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

Other retirement benefit is an unfunded scheme where a fixed amount is paid at the time of the separation. This fixed amount to be paid is determined on basis of years of service and is only applicable to the shop floor workmen who have completed at least 5 years of service.

- **Other long-term employment benefits**

Employees have a statutory entitlement to payment of 90 days' cash equivalent of accumulated un-availed home leave and accumulated leave excess of 90 days will be encashed while in service. Also, employees have a statutory entitlement to payment of 45 days' cash equivalent of accumulated sick leave and accumulated sick leave excess of 45 days will be encashed while in service. The obligation is calculated using the projected unit credit method and is discounted to its present value using yields available on Government bonds. Service cost, interest cost and actuarial gain/loss are recognized in the statement of profit or loss.

- **Housing Fund Reserve**

Appropriation for Employees housing for the purpose of construction of staff quarters were provided up to the financial year 2073-74 as per section 41(2) of the Labor Act 2048. After the enactment of the amended Labour Act, 2074 effective from Bhadra 19, 2074, provision for the allocation of employees housing reserve was discontinued, so the Company has not made such allocation from the financial year 2074-75.

Since, the amount had been accumulated under Housing Reserve over the years, Labour Relations Committee ("LRC") had resolved the "Retirement benefit scheme" towards utilization of the accumulated housing fund (formed under Section 41 of the erstwhile Labour Act, 2048) during the financial year 2077-78.

During the current year, payment of NPR 14,885,634 (FY 2080-81: NPR 15,417,355) has been made to eligible employees out of Retirement Benefit Scheme Reserve.

2.2.15. Taxation

- **Income tax**

Income tax on the profit or loss for the year comprises current taxes and deferred taxes. Income tax is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly to equity.

- **Current tax**

Current tax is the expected tax payable on the taxable income for the year using tax rates at the balance sheet date and any adjustment to tax payable in respect of previous years.

Income tax rates applicable to the company:

- Income from manufacturing and sale of goods: 20% (2080/81: 20%)

The Company has availed the rebate of 15% on tax liabilities on income from manufacturing and sale of goods under section 11 (3 chha) of the Income Tax Act, 2058 and thus the tax rate applicable to the Company on income from manufacturing and sale of goods is 17% after availing the rebate.

- **Deferred tax**

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of the carrying amount of assets and liabilities using tax rates at the balance sheet date.

The principal temporary difference arises from depreciation of fixed assets, provision for post-retirement benefit and other employee benefits, provision for CSR, allowance for inventory obsolescence, provision for doubtful debt and other provisions.

2.2.16. Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently carried at amortized cost. The carrying amount is considered as approximate fair value due to short maturity of these instruments.

2.2.17. Revenue recognition

The following specific criteria are used for the purpose of recognition of revenue.

- **Sale of goods**

Revenue from sale of goods is recognized when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates, price reduction, and indirect coverage subsidy, rebates, Incentives, sales taxes and excise duties (on goods manufactured and outsourced). Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognized to the extent that it is highly probable a significant reversal will not occur. Our customers have the contractual right to return goods only when authorized by the Company. An estimate is made of goods that will be returned and a liability is recognized for this amount using a best estimate based on accumulated experience.

- **Interest income**

Interest income is recognized on the time proportion basis.

- **Measurement of Revenue**

Revenue is measured at fair value of the consideration received or receivable.

2.2.18. Expenses

- **Staff bonus**

Staff bonus is accounted for in accordance with the provisions of the Bonus Act, 2030. The Company has calculated and charged the staff bonus as below: -

Particulars	Amount in NPR
Profit before tax (PBT)	2,440,563,219
Add: Bonus allocation included in PBT	273,912,819
Add: CSR allocation as per Industrial Enterprise Act 2076	24,652,154
PBT for bonus calculation	2,739,128,192
Bonus @ 10%	273,912,819

- **Provision for Corporate Social Responsibilities (CSR)**

CSR expenses is accounted as per Industrial Enterprises Act 2076 (the "Act") introduced with effect from February 11, 2020, repealing the Industrial Enterprises Act 2073 (the "Previous Act"). Section 54 of the Industrial Enterprises Act 2076 makes it mandatory to allocate 1% of the annual net profit to be utilized towards corporate social responsibility (the "CSR Requirement").

The fund created for CSR is to be utilized on the basis of annual plans and programs but in the sectors that are prescribed in the rules framed under the Act. The progress report of the utilization of the fund collected for CSR is required to be submitted to the relevant government authorities within six months from expiry of the financial year.

The Company has calculated, and allocated CSR as required by Industrial Enterprises Act 2019 (2076 BS) as below: -

Particulars	Amount in NPR
Profit before tax (PBT)	2,440,563,219
Add: CSR allocation as per Industrial Enterprise Act 2076	24,652,154
PBT for CSR provision	2,465,215,373
CSR allocation as per Industrial Enterprise Act @ 1%	24,652,154

- Auditors' remuneration and expenses**

Particulars	Amount in NPR
Statutory audit fees	600,000
Tax audit fees	250,000
Group reporting audit fees	200,000
Quarterly limited review	115,000
Labor audit fees	66,000
Corporate Governance Report	50,000
Total	1,281,000

2.2.19. Related party transactions

- Relationship**

The Company is controlled by Hindustan Unilever Limited which owns 80% of the Company's shares. Sibkrim Holdings Pvt Ltd. (Now, I.J. Group Holdings Pvt Ltd.) holds 5% of the Company's shares and the remaining 15% of shares are widely held by the general public.

Relationship	Related Parties
Holding Company	Hindustan Unilever Ltd.
Ultimate Holding Company	Unilever PLC
Fellow and Group Subsidiaries	Unilever India Export Limited PT. Unilever Oleochemical, Indonesia Unilever UKCR limited, UK Unilever N.V, Netherland Unilever Europe Business Centre B.V., Netherland Unilever Asia Pte. Ltd. Unilever Global IP Ltd. Unilever Bangladesh Ltd.
Significant Influence	Sibkrim Holdings Pvt Ltd. (Now, I.J. Group Holdings Pvt Ltd.)
Key Management Personnel	Yogesh Kumar Mishra – Chairman Amlan Mukherjee – Managing Director Ravi Bhakta Shrestha - Director Subhash Bajracharya – Independent Director Rabindra Bhakta Shrestha - Alternate Director Ravishankar A. - Director Harman Dhillon - Director Dr. Vivek Mittal - Director

- Transactions with key management personnel**

Key management personnel compensation

Particulars	Current Year (NPR)	Previous Year (NPR)
Short-term employee benefits	62,510,120	58,692,902
Dividend	13,094,960	12,071,200
Post-employment benefits	Nil	Nil
Other long-term benefits	Nil	Nil
Termination benefits	Nil	Nil
Share based payment	Nil	Nil

Note: - The amounts disclosed in the table (excluding Dividend) are the amounts recognized as an expense during the reporting period related to key management personnel. Also, the liabilities for leave encashment are provided on an actuarial basis for the Company, so the amounts pertaining to the leave encashment of key management personnel are not included above.

- Other related party transactions

(Amount in NPR.)

Particulars	Transactions		Outstanding Balance		
	Current Year	Previous Year	Current Year	Previous Year	
Holding company (HUL)	Royalty	150,789,311	151,647,087	130,527,268	128,900,024
	Dividend	1,262,463,840	1,163,764,800	425,387	425,387
	SAP Implementation Cost	-	-	1,565,739	1,565,739
Ultimate holding company (Unilever PLC)	Royalty	-	-	-	59,059,107
	Royalty Unilever Global IP Ltd.	75,803,051	31,641,982	89,090,192	26,895,685
	Purchase of Raw Materials from PT. Unilever Oleochemical	488,108,307	99,082,341	56,767,264	69,226,342
	Debit note for Training program to Marketers from Unilever UKCR limited, UK	-	-	1,425,236	1,425,236
	Debit note for IC GM Talent Pool from Unilever UKCR limited, UK	-	-	280,910	280,910
	Debit note for Senior Strategic Leadership Virtual Program from Unilever UKCR limited, UK	-	387,099	1,167,632	1,167,632
	Cross charges for 2024 MF-India Group B-saurav.karanjeet- Unilever UKCR limited, UK	524,904	-	456,439	-
	Cross charges for 2024-Smart-India 2- Unilever UKCR limited, UK	214,867	-	182,637	-
	Purchase of Cartonning machine from Unilever Bangladesh	7,808,174	-	-	-
	Credit Note for Raw Materials from Unilever Asia Pte Ltd.	-	-	-	(12,894)
	Unilever Asia Pte Ltd. for Labasa Farabi Rebate	-	(1,791,521)	-	-
	International Assignee Cross Charge from Unilever N.V, Netherland	7,952,931	4,685,775	33,542,909	26,782,917
	Relatives of Key Management Personnel	Dividend	11,560,930	10,657,100	-
Dividend		78,903,990	72,735,300	-	-

Note: The opening balances of royalty has been reclassified from Unilever PLC to Unilever Global IP Ltd. as per invoices and agreements.

- Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivable or payables. For the year ended 32 Ashad 2082 and 31 Ashad 2081, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

2.2.20. Provisions and contingencies

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. These are reviewed at each year end date and adjusted to reflect the best current estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

All the contingent liabilities and the guarantees given by the Company to third parties are disclosed in the notes to the financial statements.

- Contingent liabilities:

- Unexpired letters of credits and acceptance

Unexpired irrevocable letter of credit NPR 279,530,687 and acceptance outstanding NPR 101,195,769. (FY 2080-81: NPR 273,180,065 and NPR 71,164,640 respectively).

b) Income tax matters

The Large Taxpayers Office ("LTO") has opened self-assessment returns filed by the Company for the financial years 2065-66, 2066-67, 2067-68, 2068-69, 2069-70, 2070-71, 2071-72, 2072-73, 2073-74, 2074-75, 2075-76, 2076-77 and 2077-78. The Company has received the final assessment order from the Administrative Review for the financial years 2066-67, 2067-68, 2068-69, 2069-70, 2071-72 and 2072-73 and has gone into appeal with Revenue Tribunal for the disputed matters. Details of the same are presented herewith:

(Amount in NPR.)

Fiscal Year	Case Pending At	Additional Demand	Recognized as Contingent Liability
2008-09 (2065/66)	Administrative Review, IRD	4,526,110	2,700,307
2009-10 (2066/67)	*RT verdict in favor, pending at Supreme Court	73,890,673	109,109,746
2010-11 (2067/68)	*RT verdict in favor, pending at Supreme Court	82,039,678	143,567,936
2011-12 (2068/69)	*RT verdict in favor, pending at Supreme Court	74,268,437	123,488,906
2012-13 (2069/70)	*RT verdict in favor, pending at Supreme Court	21,827,906	20,635,700
2013-14 (2070/71)	Administrative Review, IRD	68,031,475	89,660,562
2014-15 (2071/72)	*RT verdict in favor, pending at Supreme Court	73,586,797	47,957,184
2015-16 (2072/73)	*RT verdict in favor, pending at Supreme Court	34,538,942	52,022,946
2016-17 (2073/74)	Administrative Review, IRD	29,675,105	43,028,902
2017-18 (2074/75)	Administrative Review, IRD	43,677,078	58,158,006
2018-19 (2075/76)	Administrative Review, IRD	35,262,783	43,031,480
2019-20 (2076/77)	Administrative Review, IRD	27,800,000	30,927,500
2020-21 (2077/78)	Administrative Review, IRD	185,488,875	185,488,875
Total		754,613,859	949,778,050

c) Value Added Tax (VAT) Matters

The Company has filed appeals with the Director General of IRD for Administrative Review on the additional demand raised by the LTO on account of VAT for the financial years 2065-66, 2073-74, 2077-78. The Company has received the final assessment order from Administrative Review on account of VAT for the financial years 2067-68, 2071-72 and 2072-73 and has gone into appeal with Revenue Tribunal for the disputed matters. Details of the same are presented below:

(Amount in NPR.)

Fiscal Year	Case Pending At	Additional Demand	Recognized as Contingent Liability
2008-09 (2065/66)	Administrative Review, IRD	2,134,087	4,890,224
2010-11 (2067/68)	*RT verdict in favor, pending at Supreme Court	186,290	274,902
2014-15 (2071/72)	*RT verdict in favor, pending at Supreme Court	577,186	1,032,539
2015-16 (2072/73)	*RT verdict in favor, pending at Supreme Court	8,524,924	15,716,845
2016-17 (2073/74)	Administrative Review, IRD	5,802,408	9,655,569
2020-21 (2077/78)	Administrative Review, IRD	104,661,045	104,661,045
Total		121,885,930	136,231,124

* Revenue Tribunal has ruled in Favor of UNL on 14 litigations from FY 2009 to 2016 across Income tax, VAT and TDS. Consequently, the total exposure of NPR 49.8 Crores recorded as a contingent liability in our books is now closer to being derecognized, although for the cases ruled in favor of UNL, the department has appealed to the Supreme Court.

* However, 3 points regarding TDS resulted in an unfavorable decision. Out of the total TDS exposure of NPR 42.5 Crores, NPR 31.2 Crores has been ruled in favor of UNL. Regarding the remaining 3 points where the Tribunal ruled against, the exposure amounts to NPR 10.1 Crores, with corresponding provisions made in our books. For the cases ruled against, UNL has appealed to Supreme Court.

d) Bank guarantee issued on behalf of the Company

The Company has taken following bank guarantees:

Issued to	Purpose	Amount in NPR	Beginning on	Valid till
Department of Customs	Exim code certificate	300,000	16 July 2023	17 July 2025
Green Hands Nepal (P.) Ltd.	Construction of Godown	7,920,000	20 February 2025	07 January 2026

2.2.21. Commitments

The capital commitment (net of advances) on account of capital works are as:

(Amount in NPR.)

Area	FY 2081-82	FY 2080-81
SAP Automation	-	356,203
Capex for Safety Infrastructure	-	1,980,153
Capex Sachet Innovations	-	3,038,617
11 KVA Line & Electricity	2,874,823	2,590,868
Oral Capacity Creation	-	1,559,696
Capex for Heat Pump	-	421,132
GAL Sun Cream	1,409,182	-
Localization of Dove	3,549,435	10,271,902
Localization of Ponds SuperLight Gel	-	1,618,232
Supplementary Capex for Heat Pump	-	1,845,718
HP-Laptop & Desktop	-	-
EOL Automation Soap Banding	847,924	-
B&W Capacity Increase	155,297,579	-
Others	1,511,409	1,476,091
Total Capital Commitments	165,490,352	25,158,612

2.2.22. Royalty

Royalty payable to Hindustan Unilever Limited, India and Unilever Global IP Ltd (Previously with Unilever PLC Ltd) for use of trademark of certain products has been accrued based on approval received from the Department of Industry/ Nepal Government.

2.2.23. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals of accruals of past or future cash receipts or payments. The cash flows from regular revenue generating & investing activities of the company are segregated.

2.3. Financial risk management objectives and policies

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's Board and senior management has overall responsibility for the establishment and oversight of the Company's risk management. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Risk management is done by the Company's management that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees on policies for managing each of these risks which are summarized below:

2.3.1. Market risk

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- Currency risk.
- Commodity price risk; and
- Interest rate risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimizing returns. The Company's exposure to, and management of, these risks is explained below: -

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY
1. CURRENCY RISK	
<ul style="list-style-type: none"> The Company is subject to the risk that changes in foreign currency values impact the Company's imports of raw material and property, plant and equipment. As at 32 Ashad 2082, there is no unhedged exposure to the Company on holding financial assets (trade receivables) and liabilities (trade payables) other than in their functional currency. 	<ul style="list-style-type: none"> The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro. The aim of the Group's approach to the management of currency risk is to leave the Company with no material residual risk. This aim has been achieved in all years presented. The Company manages currency exposures within prescribed limits, through the use of forward exchange contracts. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.
2. COMMODITY PRICE RISK	
<ul style="list-style-type: none"> The Company is exposed to the risk of changes in commodity prices in relation to the purchase of its raw materials especially vegetable oils/Linear Alkyl Benzene Sulphonic Acid. 	<ul style="list-style-type: none"> The objective of the Company is to minimize the impact of commodity price fluctuations. The Company has undertaken various cost savings programs along with judicious pricing, without compromising on the competitiveness of brand investments, both in terms of technology as well as advertising and promotion.
3. INTEREST RATE RISK	
<ul style="list-style-type: none"> Investment in fixed deposits at fixed rates exposes the Company to fair value interest rate risk. 	<ul style="list-style-type: none"> The Company invests in the term deposits for a period of less than one year and there is no significant fair value interest rate risk pertaining to the said deposits.

The detail of forward exchange contracts outstanding as at the reporting date are as under:

Currency exchange	USD/NPR		EURO/NPR	
	FY 2081-82	FY 2080-81	FY 2081-82	FY 2080-81
Number of Buy contracts	22	-	-	-
Aggregate "buy" foreign currency	6,840,930	-	-	-
Utilization of Forward contract	5,395,311	-	-	-
Outstanding Balance as on closing date	1,445,618	-	-	-

2.3.2. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a monetary loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and its financing activities, including deposits with banks and financial institutions.

- **Trade receivables**

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed, and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored and shipments to all customers are covered by bank guarantees.

- **Cash deposits**

Credit risk from balances with banks and financial institutions is managed by maintaining the balances with highly reputed commercial banks only.

- **Investment in fixed deposits**

Credit risk for investments in fixed deposits is managed by depositing the amount with highly reputed commercial banks only.

2.3.3. Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could create potential business continuity risk.

The Company maintained a cautious funding strategy, with a positive cash balance throughout the year ended 32 Ashad, 2082 and 31 Ashad, 2081. This was the result of cash delivery from the business. Cash flow

from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis.

The Company's finance department regularly monitors the cash position to ensure it has sufficient cash on-going basis to meet operational needs. Any short-term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, are retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits to optimize its cash returns on investments. The said investments are made in instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

2.4. Segment reporting

The Company has only one business segment i.e., dealing in Fast-moving consumer goods (FMCG). The FMCG business mainly consists of products like detergents, scourers, laundry soaps, toilet soaps, skin care creams, other personal products and food products.

The volume of production and sales of food products as compared to other products is insignificant, hence it is not treated as a separate segment. Except for food products, all other products have similar risks and returns because of similar nature of products, common consumer segments, similar production processes and common distribution channel. The chief operating decision maker and all functional managers reviews the operating results of the business as a whole. Further, internal organizational and management structure of the Company is not based on product differentiation.

2.5. Events after reporting Period

On 8th of September 2025, one of the Company's significant customers suffered major loss from fire during Nepal's Gen Z protests.

The incident occurred after the reporting date and does not provide evidence of conditions existing as of 16 July 2025. Accordingly, this is treated as a non-adjusting event based on NAS 10.

As at the date of authorization of these financial statements, 23 September 2025, the management has not identified any material impairment of trade receivables pertaining to the customer. This assessment is based on the existence of a valid bank guarantee (BG) securing the outstanding balance, as well as the substantial recovery of dues after the reporting period.

The Company continues to actively monitor the customer's financial position and recovery trajectory. Should any adverse developments arise, management shall implement appropriate credit risk mitigation measures in accordance with the Company's established financial policies and applicable accounting standards.

3. Property, plant and equipment

Cost	Land	Buildings	Plant & Machinery	Office Equipment	Furniture and Fixture	Computers	Capital Work in Progress	Total
Balance at 31 Shrawan 2080	5,615,140	264,267,521	1,318,103,412	36,191,513	81,088,207	27,341,243	301,567,747	2,034,174,783
Additions	-	-	-	-	-	-	249,352,210	249,352,210
Transfer to PPE	-	56,025,707	388,757,673	270,000	2,158,470	9,024,508	(456,236,358)	0
Transfer to Intangible	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
Disposals	-	-	(14,142,450)	(134,180)	(5,413,202)	(16)	-	(19,689,848)
Balance at 31 Ashad 2081	5,615,140	320,293,228	1,692,718,635	36,327,333	77,833,475	36,365,735	94,683,599	2,263,837,145
Additions	-	-	-	-	-	-	139,906,509	139,906,509
Transfer to PPE	-	22,142,691	76,274,501	-	-	13,853,826	(112,271,018)	(0)
Transfer to Intangible	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
Disposals	-	(620,349)	(61,589,246)	(4,881,933)	(1,835,285)	(14,602,756)	-	(83,529,569)
Balance at 32 Ashad 2082	5,615,140	341,815,570	1,707,403,890	31,445,400	75,998,190	35,616,805	122,319,090	2,320,214,085
Depreciation and impairment losses								
Balance at 31 Shrawan 2080	-	132,079,724	423,851,850	9,608,159	6,014,347	22,079,960	-	593,634,040
Charge for the year	-	14,812,349	99,624,868	1,977,071	898,959	4,708,059	-	122,021,306
Transfer to PPE	-	-	-	-	-	-	-	-
Disposals	-	-	(6,917,127)	(131,188)	(2,117,224)	(16)	-	(9,165,555)
Balance at 31 Ashad 2081	-	146,892,073	516,559,591	11,454,042	4,796,082	26,788,003	-	706,489,791
Charge for the year	-	15,988,352	114,525,403	1,790,292	882,046	5,252,610.00	-	138,438,703
Transfer to PPE	-	-	-	-	-	-	-	-
Disposals	-	(511,098)	(55,915,686)	(2,976,031)	(1,045,230)	(14,031,861)	-	(74,479,906)
Balance at 32 Ashad 2082	-	162,369,327	575,169,308	10,268,303	4,632,898	18,008,752	-	770,448,588
Net book value								
At 31 Ashad 2080	5,615,140	132,187,797	894,251,562	26,583,354	75,073,860	5,261,283	301,567,747	1,440,540,743
At 31 Ashad 2081	5,615,140	173,401,155	1,176,159,044	24,873,291	73,037,393	9,577,732	94,683,599	1,557,347,354
At 32 Ashad 2082	5,615,140	179,446,243	1,132,234,582	21,177,097	71,365,292	17,608,053	122,319,090	1,549,765,497
Gross carrying amount of any fully depreciated property, plant and equipments that are still in use	-	-	11,398,000	64,635	117,500	6,311,777	-	17,891,912

Property, Plant and Equipment under construction

The net book value of capital work in progress of NPR 122.3 million includes amount majorly related to Localisation of DOVE 100 Gms (White & Pink) Bars (NPR 40.22 million), B&W Capacity Increase (NPR 26.37 million), Oral VLP Launch (NPR 8.68 million), 11 KVA Line & Elec. Eff. Improvement Nepal (NPR 19.55 million), Sachet Innovation BC (NPR 15.22 million) and Capex for Additional Air compressor-Nepal (NPR 10.71 million). The cost of the assets will be depreciated once the machine is installed and available for use.

4. Intangible Assets

	Computer Software	Total
Cost		
Balance at 31 Ashad 2080	116,790,431	116,790,431
Additions - Externally acquired	-	-
Disposals	-	-
Balance at 31 Ashad 2081	116,790,431	116,790,431
Additions - Externally acquired	-	-
Disposals	(2,194,130)	(2,194,130)
Balance at 32 Ashad 2082	114,596,301	114,596,301
Amortisation and impairment Issues		
Balance at 31 Ashad 2080	104,497,461	104,497,461
Charge for the year	11,745,057	11,745,057
Disposals	-	-
Balance at 31 Ashad 2081	116,242,518	116,242,518
Charge for the year	142,557	142,557
Disposals	(2,179,599)	(2,179,599)
Balance at 32 Ashad 2082	114,205,476	114,205,476
Net book value		
At 31 Ashad 2080	12,292,970	12,292,970
At 31 Ashad 2081	547,913	547,913
At 32 Ashad 2082	390,825	390,825
Gross carrying amount of any fully amortised intangibles that are still in use	97,775,896	97,775,896

5. Right of Use Assets-Lease

	Total
Cost	
Balance at 31 Ashad 2080	530,340,629
Additions	227,106,052
Disposals	(279,346,794)
Balance at 31 Ashad 2081	478,099,887
Additions	357,213,366
Disposals	(128,000,212)
Balance at 32 Ashad 2082	707,313,041
Accumulated Depreciation	
Balance at 31 Ashad 2080	318,984,507
Additions	159,360,395
Disposals	(268,365,270)
NFRS 16 Lease Adjustment	48,091,285
Balance at 31 Ashad 2081	258,070,917
Additions	169,591,278
Disposals	(118,707,414)
NFRS 16 Lease Adjustment	308,954,781
Balance at 32 Ashad 2082	211,356,122
Net book value	
Balance at 31 Ashad 2080	398,358,260
Balance at 31 Ashad 2081	211,356,122
Balance at 32 Ashad 2082	220,028,970

6. Investments

	Maturity Period	Interest rate	As at 32 Ashad 2082	As at 31 Ashad 2081
Fixed Deposits in Banks				
Principal	1 Year	7.99% to 10.03%: PY	-	13,000,000
	Upto 6 months	3% to 3.5%: CY 4.25% to 6.10%: PY	2,500,000,000	2,161,500,00
Interest Accrued			8,013,699	6,735,143
Total			2,508,013,699	2,181,235,143

Of the total investment in fixed deposits, Nil (2080-81: NPR.13,000,000) has been pledged with a bank for the purpose of extending housing loans to the employees.

7. Inventories

	As at 32 Ashad 2082	As at 31 Ashad 2081
Raw materials	307,293,525.58	210,358,873
Packing materials	160,552,059	156,113,468
Work-in-process	85,122,851	123,150,395
Finished goods	412,954,878	418,268,152
Goods in transit	98,563,690	97,842,087
Stores and Spares	51,026,775.12	41,906,166
Less: Allowance for Obsolescence	(25,420,801.90)	(27,998,681)
Total	1,090,092,977	1,019,640,460

Inventories and Trade receivables are pledged against outstanding Letter of Credit as detailed in note no. 2.2.20.

The allowance for Obsolescence has been created for stocks which has been expired or damaged or unusable for any reasons and based on the book value of that inventory.

8. Trade and Other Receivables

	As at 32 Ashad 2082	As at 31 Ashad 2081
Trade receivables		
Secured Receivables	873,757,966	772,699,403
Unsecured Receivables	334,910,911	156,307,138
	1,208,668,877	929,006,541
Loans and Advances to Employee	-	1,210,377
Advance to suppliers	120,484,337	112,619,421
Advance to Custom Office	96,578,257	41,606,708
VAT and Custom Deposits	5,990,519	5,990,519
Other deposit	14,601,979	14,624,413
Total	1,446,323,969	1,105,057,979

- The fair values of all the above financial assets are equal to their carrying amounts.
- All the trade receivables secured against bank guarantees are classified under secured trade receivables.
- Inventories and Trade receivables are pledged against outstanding Letter of Credit as detailed in note no. 2.2.20.
- Trade receivables are non-interest bearing within the credit period ranging from 21 to 35 days. After credit period interest is charged at the rate 15% p.a.
- Provision for doubtful debts of NPR 414,702,989 has been provided as at Ashad 32, 2082 (NPR 395,469,521 as at Ashad 31, 2081) against the total receivables of NPR 414,702,989 from Elida based on the Global Policy pertaining to the impairment of financial assets revised guidance effective from 1 January 2018 for recognition of aged debts. During current year, NPR 19,233,468 (2080-81: 2,498,145) has been recognized as additional provision against the Elida receivables.
- For other trade receivables, provision for doubtful debts as at Ashad 32, 2082 is NPR 45,445,018 (NPR 44,813,289 as at Ashad 31, 2081).

9. Cash and Cash Equivalents

	As at 32 Ashad 2082	As at 31 Ashad 2081
Cash at banks	849,139,639	827,193,141
Total	849,139,639	827,193,141

10. Bank balance other than CCE

	As at 32 Ashad 2082	As at 31 Ashad 2081
Unpaid dividend account	19,795,744	30,688,082
Housing loan account	-	644,487
Total	19,795,744	31,332,569

11. Share Capital

	As at 32 Ashad 2082	As at 31 Ashad 2081
a) Authorised Shares		
Ordinary shares of Rs. 100 each	2,140,000,000	2,140,000,000
b) Ordinary shares subscribed and paid-up capital	Ordinary share	Ordinary Share capital
31 Ashadh 2080	920,700	92,070,000
Share Issue	-	-
31 Ashadh 2081	920,700	92,070,000
Share Issue	-	-
32 Ashadh 2082	920,700	92,070,000

Of which:

- 736,560 shares held by Hindustan Unilever Limited, Mumbai, India
- 46,035 shares held by Sibkrim Holdings Pvt. Ltd. (Now, I.J. Group Holdings Pvt. Ltd.)
- 138,105 shares held by the general public

12. Retained Earnings and Reserves

	Retirement Benefit Scheme Reserve	Retained Earnings	Total
Balance at 31 Ashad 2080	775,703,501	3,493,128,135	4,268,831,636
Profit for the year	-	1,955,043,433	1,955,043,433
NFRS 16 Adjustment	-	-	-
Other comprehensive income	-	700,804	700,804
Retirement Benefit Payments	(15,417,355)	-	(15,417,355)
Dividends to shareholders	-	(1,454,706,000)	(1,454,706,000)
Balance at 31 Ashad 2081	760,286,146	3,994,166,372	4,754,452,519
Profit for the year	-	1,972,579,882	1,972,579,882
NFRS 16 Adjustment	-	-	-
Other comprehensive income	-	1,004,892	1,004,892
Retirement Benefit Payments	(14,885,634)	-	(14,885,634)
Dividends to shareholders	-	(1,578,079,800)	(1,578,079,800)
Balance at 32 Ashad 2082	745,400,512	4,389,671,346	5,135,071,859

a) Retained earnings

All other net gains and losses and transactions with owners (e.g. dividends) not recognized elsewhere.

b) Retirement Benefit Scheme Reserve

Appropriation for Employees housing for the purpose of construction of staff quarters were provided up to the financial year 2073-74 as per section 41(2) of the Labour Act 2048. After the enactment of the amended Labour Act, 2074 effective from Bhadra 19, 2074, provision for the allocation of employees housing reserve was discontinued, so the Company has not made such allocation from financial year 2074-75.

Since, the amount had been accumulated under Housing Reserve over the years, Labour Relations Committee ('LRC') had resolved the "Retirement benefit scheme" towards utilization of the accumulated housing fund (formed under Section 41 of the erstwhile Labour Act, 2048) during the FY 2077-78. Accordingly, the total accumulated balance of Employees Housing Reserve as on 1 Shrawan 2077 (16 July 2020) amounted to NPR 796,059,325 had been transferred to Retirement Benefit Scheme Reserve in the FY 2077-78 (2020-21).

During the current year, payment of NPR 14,885,634 (FY 2080-81: NPR15,417,355) has been made to eligible employees out of Retirement Benefit Scheme Reserve.

13. Deferred Tax Asset/ (Liabilities)

Deferred tax is calculated on temporary differences using a tax rate of 17% (2080-81: 17%). Deferred tax Asset have been recognized in respect of all temporary differences that results in income tax payable in future periods.

Reconciliation of deferred tax assets	As at 32 Ashad 2082	As at 31 Ashad 2081
Opening Balance as on 1 Shrawan	36,392,476	33,283,151
Tax income/(expense) during the period recognized in profit or loss and OCI	(4,778,886)	3,109,324
Closing balance as on 31 Ashad, 2081	31,613,590	36,392,476

Details of the deferred tax asset, amounts recognized in profit or loss and amounts recognized in other comprehensive income are as follows:

Particulars	Asset/ (Liability)		Charged/Credited to Profit or Loss and OCI	
	2081-82	2080-81	2081-82	2080-81
Fixed Assets	(79,829,525)	(70,554,112)	(9,230,670)	(11,904,108)
Intangible assets	(66,440)	(44,743)	(66,440)	823,358
Right of use Assets -Lease	(59,612,938)	(37,404,925)	(22,208,013)	(1,474,384)
Lease Liabilities	70,274,125	47,186,801	23,087,324	7,432,757
Allowance for Obsolescence	4,321,537	9,806,330	4,024,976	719,242
Provision for leave encashment	3,480,683	3,061,457	419,226	442,729
Provision for other retirement benefits	2,561,176	4,733,815	(2,172,639)	1,331,733
Provision for CSR expenses	6,769,507	4,759,776	(2,009,731)	(1,153,075)
Provision for doubtful debts	70,274,125	74,848,077	3,377,083	6,891,071
Total	18,172,250	36,392,476	(4,778,886)	3,109,324

14. Lease Liabilities

	Non-Current		Current	
	As at 32 Ashad 2082	As at 31 Ashad 2081	As at 32 Ashad 2082	As at 31 Ashad 2081
Lease Liabilities	296,812,838	171,718,326	168,116,709	105,851,091
Total	296,812,838	171,718,326	168,116,709	105,851,091

15. Provisions

Provision for employee benefits	Non-Current		Current	
	As at 32 Ashad 2082	As at 31 Ashad 2081	As at 32 Ashad 2082	As at 31 Ashad 2081
Provision for Other Retirement Benefits (Refer Note 27)	7,515,039	7,829,705	85,975	451,809
Provision for Retirement Benefit Scheme	-	-	-	-
Provision for Leave Encashment	20,091,894	17,438,639	382,709	569,930
Other Provisions				
Provision for CSR expenses (Refer Note 2.2.18)	-	-	39,820,631	25,460,600
Miscellaneous provisions (Refer Note A below)	-	-	11,312,123	42,736,832
Total	27,606,933	25,268,344	51,601,438	69,219,171

Miscellaneous provisions

Miscellaneous provisions primarily includes provision for settlement of ongoing cases of VAT and other matters that are considered as weak and provisions for settlement with third party based on the best estimates of probable liability along with the provision for Variable Performance Pay.

The table below gives information about movement in other provisions:

	Provision for CSR expenses		Miscellaneous Provision	
	As at 32 Ashad 2082	As at 31 Ashad 2081	As at 32 Ashad 2082	As at 31 Ashad 2081
At the beginning of the year	25,460,600	21,130,759	42,736,832	36,888,598
Recognized during the year	24,652,154	24,199,142	16,315,275	20,950,702
Utilized during the year	(10,292,123)	(19,869,301)	(40,911,033)	(11,628,302)
Reversed during the year	-	-	(6,828,951)	(3,474,166)
At the end of the year	39,820,631	25,460,600	11,312,123	42,736,832
Current portion	39,820,631	25,460,600	11,312,123	42,736,832
Non - current portion	-	-	-	-

16. Trade and Other Payables

	As at 32 Ashad 2082	As at 31 Ashad 2081
Creditors for Goods and Services	583,655,818	396,257,345
Creditors for Expenses and Other Liabilities	583,873,867	623,473,932
Advance from Customers	8,461,965	1,837,416
Bonus payable	273,912,819	268,879,358
Employee related accruals	37,559,328	24,950,220
Royalty Payable	219,617,460	214,854,816
Audit fees payable	1,081,000	1,035,333
Others Payable	197,417,023	205,612,489
TDS Payable	19,617,742	28,832,599
Excise duty payable	40,422,731	34,984,256
VAT Payable	66,145,899	30,932,987
Unclaimed Dividend	19,627,149	30,515,805
Total	2,051,392,801	1,862,166,556

- The fair values of all the above financial liabilities are equal to their carrying amounts.
- Trade payables (other than creditors for goods and services) are non-interest bearing and are normally settled on 30 to 60 days terms .

17. Revenue from Operations

	For the year 2081-82	For the year 2080-81
Sale of goods	9,212,927,972	9,029,451,135
Less: Discount and Incentives	(967,193,230)	(789,612,477)
Total	8,245,734,742	8,239,838,658

No individual customer accounted for more than 10% of the gross sale of goods during the year.

18. Other Income

	For the year 2081-82	For the year 2080-81
Sale of Scrap	13,101,005	14,154,345
Interest Income on bank deposits	96,665,024	154,058,414
Interest on overdue from customer	50,819,778	72,510,489
Total	160,585,807	240,723,248

19. Cost of Materials Consumed

	For the year 2081-82	For the year 2080-81
Raw materials consumed	2,564,131,570	2,717,622,340
Packing materials consumed	1,080,508,758	1,088,701,795
Allowance for Inventory Obsolescence	51,063,966	50,789,965
Total	3,695,704,294	3,857,114,100

20. Changes in inventories of finished goods

(Including stock-in-trade) and work-in-progress)

	For the year 2081-82	For the year 2080-81
Opening inventories		
Finished goods	418,268,152	443,201,333
Work-in-progress	123,150,395	43,738,031
Closing inventories		
Finished goods	(412,954,878)	(418,268,152)
Work-in-progress	(85,122,851)	(123,150,395)
Total	43,340,818	(54,479,183)

21. Employee benefits expenses

	For the year 2081-82	For the year 2080-81
Salaries and wages	311,045,260	324,989,087
Leave expenses	5,475,378	5,305,866
Staff Bonus (Refer Note 2.2.18)	273,912,819	268,879,358
Contribution to provident, gratuity and other funds	17,553,322	16,176,338
Defined benefits plan expenses (Refer Note 27)	1,570,213	1,689,659
Workmen and staff welfare expenses	15,685,155	14,784,798
Total	625,242,147	631,825,106

22. Finance Cost

	For the year 2081-82	For the year 2080-81
Interest cost on lease -NFRS 16	44,285,974	14,139,726
Total	44,285,974	14,139,726

23. Other Expenses

	For the year 2081-82	For the year 2080-81
Advertising and sales promotion	386,281,569	457,715,446
AGM Expenses	1,375,771	1,851,711
Audit Fees & Expenses	1,281,000	1,277,000
Board Meeting Expenses	364,500	621,000
Carriage and freight	172,056,276	176,613,832
CSR Expenses (Refer Note 2.2.18)	24,652,154	24,199,142
Electricity, Fuel & Water	36,932,323	41,307,144
Fixed Assets Write off	10,962,064	10,444,411
Foreign exchange gain/(loss)	5,192,920	1,719,843
Insurance	36,575,953	33,180,316
Processing charges	13,557,874	47,557,459
Legal and Professional Services	157,492,975	108,748,153
Quality Control Charges	2,899,914	3,190,541
Repairs to building	1,873,670	2,398,358

	For the year 2081-82	For the year 2080-81
Repairs to plant and equipment	50,796,995	38,939,453
Royalty Expenses	226,592,362	183,289,069
Security Expenses	22,993,656	34,988,892
Telephone Expenses	8,686,887	5,486,614
Travelling, Conveyance and Accommodation Expenses	38,245,680	44,438,175
Other Expenses	30,331,818	34,348,014
Provision for doubtful debt	19,865,198	42,714,464
Total	1,249,011,559	1,295,029,037

24. Income Tax

	For the year 2081-82	For the year 2080-81
Current tax expense		
Current tax on profits for the year	413,133,635	418,736,463
Adjustment for under provision in prior periods	50,276,638	25,188,042
Total current tax	463,410,273	443,924,505
Deferred tax expense		
Origination and reversal of temporary differences	4,573,064	(3,252,862)
Recognition of previously unrecognized deferred tax assets	-	-
Total tax expense for the year	467,983,337	440,671,643

Reconciliation of current tax expense and the accounting profit multiplied by Company's tax rate for 2081-82 and 2080-81:

	For the year 2081-82	For the year 2080-81
Accounting profit before income tax excluding Elida service income and trading profit	2,440,563,218.97	2,395,715,076
Other service income	-	-
At Company's statutory income tax rate of 17% for normal operation and 25% for service income and trading profit (2080-81: 17% and 25%)	414,895,747.22	407,271,563
Adjustment for NFRS 16 Impact	958,737.00	5,998,916
Adjustment in respect of Repair & Maintenance allowed upto 7% of respective depreciation base of the pool of the assets	-	-
Adjustment in respect of Depreciation allowed as per the rate prescribed under Income Tax Act	(9,274,796.23)	(12,856,280)
Adjustment in respect of Inventory	(438,241.49)	(1,153,075)
Adjustment in respect of Foreign exchange gain/loss	882,796.29	264,735
Adjustment in respect of provision for leave encashment	419,225.78	442,729
Adjustment in respect of provision for other retirement benefits	(2,172,639.51)	1,331,733
Adjustment in respect of CSR provisions	2,441,205.40	719,242
Adjustment in respect of other provisions	-	-
Adjustment for Fixed Assets written off	-	1,775,551
Other non-deductible expenses for tax purposes	2,044,517.59	8,050,278
Adjustment for Provision for doubtful debt	3,377,083.71	6,891,071
Adjustment for current year cases and Prior period tax	50,276,637.77	25,188,042
Total	463,410,273.54	443,924,505
Income tax expense reported in the statement of profit or loss	463,410,273	443,924,505

Current tax (assets)/liabilities

	As at 32 Ashad 2082	As at 31 Ashad 2081
Income Tax Liability	4,493,303,722	4,009,706,269
Less: Advance Income Tax	(4,420,432,963)	(4,108,818,979)
Total	72,870,759	(99,112,710)

25. Declared Dividends and Proposed Dividends

Declared and approved for during the year	Year Ended 2081/82	Year Ended 2080/81
Dividends on ordinary shares:		
Proposed dividend for 2080-81: NPR.1,714 per share (2079-80: NPR. 1,580 per share)	1,578,079,800	1,454,706,000
Proposed for approval at the annual general meeting (not recognised as a liability as at balance sheet date):		
Dividends on ordinary shares: Proposed dividend for 2081-82: NPR.1,842 (2080-81: NPR. 1,714 per share)	1,695,929,400	1,578,079,800

26. Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to ordinary and potential equity holders of the company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Continuing Operations 2082	Continuing Operations 2081
Numerator		
Profit for the year and earnings used in basic EPS	1,972,579,882	1,955,043,433
Add: Interest on convertible debt	-	-
Less: Tax effect of above items	-	-
Earnings used in diluted EPS	1,972,579,882	1,955,043,433
Denominator		
Weighted average number of shares used in basic EPS	920,700	920,700
Convertible debt	-	-
Employee share options	-	-
Contingent share consideration on business combinations	-	-
Weighted average number of shares used in diluted EPS	920,700	920,700
Basic and diluted earnings per share	2,142	2,123

27. Post employment benefit plans

Defined benefit plans only consist of other retirement benefit plan and following tables summarise the components of net benefit expense recognised in the statement of income and amounts recognised in the statement of financial position:

	Benefit cost charged to income statement				Re-measurement gain/(losses) in OCI				
	Balance at 1 Shrawan 2081	Service cost	Past Service cost	Net Interest	Sub-total included in profit or loss	Benefits paid	Experience adjustments	Sub-total included in OCI	Balance at 32 Ashad 2082
2081-82 changes in the defined benefit obligation and Fair value of plan assets									
Other retirement Benefit obligation	8,281,514	871,677	-	698,536	1,570,213	(1,040,000)	(1,210,713)	(1,210,713)	7,601,014
Benefit Liability	8,281,514	871,677	-	698,536	1,570,213	(1,040,000)	(1,210,713)	(1,210,713)	7,601,014
2080-81 changes in the defined benefit obligation and Fair value of plan assets									
Other retirement Benefit obligation	8,383,947	977,753	-	711,906	1,689,659	(947,750)	(844,342)	(844,342)	8,281,514
Benefit Liability	8,383,947	977,753	-	711,906	1,689,659	(947,750)	(844,342)	(844,342)	8,281,514

The principal assumptions used in determining post-employment benefit obligations for the Company's plans are shown below:

	As at 32 Ashad 2082	As at 31 Ashad 2081
Discount rate	7.99%	9.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

A quantitative sensitivity analysis for significant assumption at the end of the reporting period is as shown below:

Assumptions	0.5%	0.5%
Sensitivity Level	Increase	Decrease
Impact on Defined benefit obligation - Other retirement benefits	(288,098)	(253,168)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Defined benefit obligation - other retirement benefit	As at 32 Ashad 2082	As at 31 Ashad 2081
Within the next 12 months (next annual reporting period)	85,975	451,809
Between 2 and 5 years	2,335,505	2,742,652
Between 6 and 10 years	7,327,518	7,906,567
Weighted average duration of the above defined benefit obligation	13.98 Years	11.51 Years

Report as per Section 78 of the Companies Act, 2063

The following particulars, unless specified, are as per the records/accounts of the company as of 32 Ashad 2082 (16 July 2025).

- No. of Shares Allotted
As of today, the company has 920,700 shares of NPR 100 each.
- No. of fully paid up and not paid up shares out of the total allotted shares
All shares are fully paid up.
- Details of Directors, Managing Directors, Auditors, Chief Executive, Managers and amount paid towards their remuneration, allowances and facilities

Particulars	Remuneration Facilities	Allowances
Mr. Yogesh Kumar Mishra, Chairman Mr. Ravishankar Ambalaparambil, Director Dr. Vivek Mittal, Director Ms. Harman Dhillon, Director	These directors are not paid any remuneration or sitting fees. Traveling and Hotel & Lodging expenses for attending Board Meetings are borne by the Company whenever required.	
Mr. Ravi Bhakta Shrestha, Director Mr. Subhas Bajracharya, Independent Director	Sitting fees are paid at NPR 13,500/- per meeting. The total meeting fees paid during the year 2081/82 is NPR 3.645 lakhs. Travel expenses for attending board meetings are borne by the Company whenever required.	
Amount paid towards remuneration, allowances and facilities to the Managing Director & Other Managers	NPR 1,510 lakhs (Remuneration and Allowances)	NPR 328 lakhs Facilities as per Note k-(i) & (ii) below
CSC & Co. Chartered Accountants Auditors	NPR 6.0 lakhs	"Reimbursement of traveling and out of pocket expenses are done on actual basis. Tax audit fees, labor audit fees & fees for audit of financial statement for consolidation purpose to be submitted to Hindustan Unilever Limited are paid separately."

- Names of the individual and body corporate shareholders holding five percent or more shares of the paid up capital and the details of shares and debentures held by such shareholders

	Percentage	No. of Shares	No. of Debentures
Hindustan Unilever Ltd., India	80%	736,560	NIL
Sibkrim Land & Ind. Co. Pvt. Ltd. (Now, I.J. Group Holdings Pvt. Ltd.)	5%	46,035	NIL

- Total amount received from sale of shares and details of shares bought by the company or details of new shares or debentures issued by the company in the related financial year.
Nil.
Note: Amount of NPR 92,070,000 received against shares issued in the year 1995. There is no fresh issue of shares, and the company has not purchased any shares and debentures during the current fiscal year.
- The amount of outstanding dues to the company from directors, principal shareholders or their close relatives
Nil.
- Details of payment made or to be made against the sale of shares or for any other matter
Nil.
- Loan obtained from banks and financial institutions and total amount of principal and interest outstanding
Nil.

- i) Details of any amount claimed to be receivable by the company or payable by the company to any other person to details of, lawsuits, if any, ongoing in this respect

Particulars	Amount in NPR
Additional demands raised by the Tax Authorities on Income Tax Matters for which the company has filed appeals and pending decision from various appellate authorities	185,488,875
Additional demands raised by the Tax Authorities on VAT Matters for which the company has filed appeals and pending decision from various appellate authorities	104,661,045

- j) Number of employees or workers of the company at managerial and other level

Managers / Employees / Workmen	236
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- k) Number of foreign citizens working at managerial or other level and the detail of remuneration and facilities provided to them

Total No. of Staff	Remuneration (NPR)	Allowance (NPR)	Facility
Managers/Other = 12 Nos.	486.82 lakhs	594.44 lakhs	As per Note below

Notes:

- i) Office car with driver, fuel and maintenance are provided to the Managing Director, Supply Chain Manager, Finance Manager, Factory Manager, Legal Manager and Sales Manager.
- ii) Unfurnished/ Furnished rented accommodation or HRA is provided to expatriate Managers/Others level as per the terms and conditions of their employment.
- l) Details of any agreement for a period longer than one year entered into between the company and any foreign entity or person with regard to investment, management or technical service or any other matters and the details of any dividend, commission, fees, charges, royalty amount etc. paid pursuant to such agreement in the related financial year
- The company has agreements with Unilever Global IP Ltd.-UK and Hindustan Unilever Ltd, India so as to use their trademarks in local manufacturing and marketing.
 - Against the use of such brand name and formulation, the company has to pay royalty at 3 percent of net sales (i.e., turnover) of those products to Unilever PLC, UK and Hindustan Unilever Ltd, India.
 - During the year, a total amount of NPR 590.59 lakhs (net of TDS) towards royalty payment to Unilever PLC, UK.
 - During the year, a total amount of NPR 1,289 lakhs (net of TDS) towards royalty payment to Hindustan Unilever Ltd, India.
 - During the year, a total amount of NPR 11,993.41 lakhs (net of TDS) has been paid towards Dividend to Hindustan Unilever Ltd, India.
 - In respect of management of the company, the principal shareholder Hindustan Unilever Limited, India deposes Managers including the Managing Director whose remunerations are paid by the company.
 - The company has entered into Business Process Outsourcing (BPO) Framework agreement with Capgemini Technology Services India Limited. During the year, a total amount of NPR 290.99 lakhs (net of TDS) has been paid towards the services received and total liabilities amounting to NPR 24.02 lakhs is provided towards service charges payable to Capgemini Technology Service India Limited.
 - The company has entered into Business Process Outsourcing (BPO) Framework agreement with IBM India Private Limited. During the year, a total amount of NPR 21.18 lakhs (net of TDS) has been paid towards the services received and total liabilities amounting NPR Nil lakhs is provided towards service charges payable to IBM India Private Limited.
- Other than this, there are no other agreements entered into with foreign entities for investment, management or technical services or any matters, and accordingly has not paid any dividend, commission, fees or charges.

m) Details of management expenses of the company in a financial year

	NPR in Lakhs
Employee expenses during the fiscal year	1,510
Administrative expenses during the fiscal year	328

n) The amount of dividend unclaimed by the shareholders

As per the books of the company, NPR 196.27 lakh is outstanding as unclaimed dividend as of 32 Ashad 2082 (16 July 2025).

o) Company has fully observed this Act and the prevailing law:

Yes

p) Any other necessary matters:

Nil

Declaration by the company

The above report has been approved by the Board of Directors in its meeting held on 7th Ashoj 2082 (23rd September 2025).

Certified By

Mr. Yogesh Kumar Mishra
Chairman

Mr. Amlan Mukherjee
Managing Director

Mr. Ravi Bhakta Shrestha
Director

Mr. Subhas Bajracharya
Independent Director

Mr. Ravishankar A.
Director

Ms. Harman Dhillon
Director

Dr. Vivek Mittal
Director

Mr. Ayush Sharma
Chief Finance Officer

Auditor's Certification
As per our report of even date
For: CSC & Co.
Chartered Accountants

Bikesh Madhikarmi
Partner



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