



3RD QUARTER REPORT 2017-18



42 YEARS  
IN THE MAKING



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## COMPANY INFORMATION

### Board of Directors

Mr. Ebrahim Qassim	Chairman
Mr. M. Haroon Qassim	Chief Executive
Mr. Vali Muhammad A. Habib	Director
Mr. Pir Muhammad	Director
Mrs. Saadia Butt Naveed	Director
Mr. Syed Imran Chishti	Director
Mr. Muhammad Salman Qassim	Director

### Audit Committee

Mr. Pir Muhammad	Chairman
Mr. Vali Muhammad A. Habib	Member
Mr. Syed Imran Chishti	Member

### Human Resource & Remuneration Committee

Mr. Syed Imran Chishti	Chairman
Mr. Vali Muhammad A. Habib	Member
Mr. M. Haroon Qassim	Member

### Risk Management Committee

Mr. M. Haroon Qassim	Chairman
Mr. Vali Muhammad A. Habib	Member
Mr. Pir Muhammad	Member

### Company Secretary & CFO

Mr. M. Zaid Kaliya

### Head of Internal Audit

Mr. M. Shakeel Dhanani

### Legal Advisors

M/s. Lubna Pervez & Associates

### External Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants

### Internal Auditors

A. F. Ferguson & Co.  
Chartered Accountants

### Bankers

Meezan Bank Limited  
Bank Al-Habib Limited - Islamic Banking  
Habib Metropolitan Bank Limited - Islamic Banking  
Habib Metropolitan Bank Limited

### Registrar & Share Registration Office

Central Depository Company of Pakistan  
CDC House,  
Shahrah-e-Faisal,  
Karachi.

### Registered Office

37-G, Block 6,  
P.E.C.H.S.,  
Karachi.

### Factory

Plot No. 368/4 & 5  
Landhi Industrial Area  
Baldia Road,  
Karachi.

### Email & URL

mail@shield.com.pk  
www.shield.com.pk



## DIRECTORS' REVIEW

On behalf of the Board of Directors, it is our pleasure to present the un-audited financial statements for the period ended March 31, 2018.

	March, 2018 (Rupees)	March, 2017 (Rupees)
<b>Financial Summary</b>		
Net Sales	1,245,673,691	1,223,826,321
Profit for the period	32,065,367	38,563,448
Un-appropriated profit brought forward	248,810,363	222,151,550
Profit available for appropriation	261,375,730	241,214,998
Earnings per share	8.22	9.89

Net Sales for the nine months recorded an increase of 1.79% over the same period last year, from Rs. 1.22 billion to Rs. 1.25 billion. Selling and distribution expenses increased by Rs. 35 million; Admin expenses increased by Rs. 9 million and Other operating expenses increased by Rs. 8 million. Finance cost of the Company increased by Rs. 4.70 million as assets procured by the Company were financed by Diminishing Musharakah. As a result, Earnings per share stood at Rs. 8.22 per share as compared to Rs. 9.89 per share of last year.

New tagline of Baby care products 'Language of motherhood' (Mamta ki Zaban) is launched. In baby care, we have improved packaging of products to give a contemporary look. New sales initiatives were also taken including Online sales and Door to door sales. Your management is doing its best to achieve sustainable growth in sales by execution of aggressive and focused advertisement and promotion plans in the last quarter of current financial year.

The Board of Directors would like to express their gratitude to all employees for their committed efforts, loyalty and dedications.

On behalf of the Board



M. Haroon Qassim  
Chief Executive



Vali Muhammad A. Habib  
Director

Karachi: April 13, 2018



## ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 مارچ 2018 کو ختم ہونے والی مدت کے غیر آڈٹ شدہ اکاؤنٹس کی تفصیلات پیش کر رہے ہیں۔

2017 مارچ (روپے)	2018 مارچ (روپے)	سرمائے کا خلاصہ
1,223,826,321	1,245,673,691	نیٹ سیلز
38,563,448	32,065,367	نوامی منافع
222,151,550	248,810,363	سابقہ غیر استعمال شدہ منافع
241,214,998	261,375,730	استعمال کے لیے دستیاب منافع
9.89	8.22	فی شیئر بنیادی آمدنی

گذشتہ سال کے مقابلے میں موجودہ سال کے 9 ماہ کی نیٹ سیلز میں 1.79% کا اضافہ ریکارڈ کیا گیا جو 1.22 بلین روپے سے بڑھ کر 1.25 بلین روپے ہو گیا۔ موجودہ سال کے 9 ماہ میں کمپنی کے فروخت اور تقسیم کے اخراجات میں 35 بلین روپے کا اضافہ ہوا۔ انتظامی اخراجات میں 9 بلین روپے اور دیگر آپریٹنگ اخراجات میں 8 بلین روپے کا اضافہ ہوا۔ مالی اخراجات میں 4.70 بلین روپے کا اضافہ ہوا جس کی وجہ کمپنی کی جانب سے شرکت متناقصہ کے ذریعے اثاثوں کی خریداری ہے۔ جس کے نتیجے میں فی شیئر آمدنی 9.89 روپے سے کم ہو کر اس سال 8.22 روپے ہو گئی ہے۔

بے پی کیئر مصنوعات کی نئی ٹیک لائن 'ممتا کی زبان' متعارف کرائی گئی ہے۔ بے پی کیئر مصنوعات کو نیا انداز دینے کیلئے پیکیجنگ کو بہتر کیا گیا ہے۔ سیلز میں اضافے کیلئے نئے اقدامات کئے گئے ہیں جس میں آن لائن سیلز اور ڈور ٹو ڈور سیلز شامل ہیں۔

آپ کی مینجمنٹ موجودہ سال کی سیلز میں پائیدار اضافے کے لیے اپنی بہترین کوششیں کر رہی ہے، جس کے لیے اگلی سہ ماہی میں تشہیر اور پروموشنز کے منظم منصوبوں پر جارحانہ انداز میں عمل درآمد کیا جائے گا۔

بورڈ آف ڈائریکٹرز تمام ملازمین کا ان کی پر عزم کوششوں، وفاداری اور لگن پر شکرگزار کی کا اظہار کرتا ہے۔

بورڈ آف ڈائریکٹرز کی طرف سے

لی  
ولی محمد اے حبیب  
ڈائریکٹر


Ullas  
ایم ہارون قاسم  
چیف ایگزیکٹو

کراچی: 13 اپریل 2018


## CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2018

	Note	Unaudited 31 March 2018	Audited 30 June 2017
(Rupees)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	410,382,180	444,273,154
Intangible assets - software		41,667	66,667
Long term deposits		4,811,390	4,522,500
Long term loans and advances		-	96,645
		<u>415,235,237</u>	<u>448,958,966</u>
<b>Current assets</b>			
Stores and spares		16,601,519	17,631,931
Stock-in-trade		302,261,175	269,903,709
Trade debtors - unsecured, considered good	7	77,939,671	15,977,758
Loans and advances		18,746,410	19,595,723
Deposits and short term prepayments	8	7,055,644	1,396,874
Taxation		55,363,764	56,548,899
Cash and bank balances		1,250,853	1,088,705
		<u>479,219,036</u>	<u>382,143,599</u>
<b>Total Assets</b>		<u><u>894,454,273</u></u>	<u><u>831,102,565</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised Capital			
15,000,000 ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed & paid-up capital			
3,900,000 ordinary shares of Rs. 10/- each		39,000,000	39,000,000
Capital reserve		10,000,000	10,000,000
Revenue reserves		316,375,730	303,810,363
		<u>365,375,730</u>	<u>352,810,363</u>
<b>Non-current liabilities</b>			
Deferred taxation		34,594,060	27,432,379
Deferred liability - staff gratuity	9	-	54,330,870
Long term financing - secured	10	60,500,000	77,000,000
		<u>95,094,060</u>	<u>158,763,249</u>
<b>Current liabilities</b>			
Trade and other payables		191,726,207	108,289,727
Accrued mark-up		1,649,276	1,736,227
Current portion of long term financing	10	22,000,000	23,640,246
Short term bank finances - secured	11	196,436,177	146,939,698
Provision for taxation		22,172,823	38,923,055
		<u>433,984,483</u>	<u>319,528,953</u>
<b>Contingencies and commitments</b>			
	12	-	-
<b>Total equity and liabilities</b>		<u><u>894,454,273</u></u>	<u><u>831,102,565</u></u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

  
M. Haroon Qassim  
Chief Executive

  
Vali Muhammad A. Habib  
Director

  
M. Zaid Kaliya  
Chief Financial Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Unaudited)  
FOR THE NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2018

	Note	Nine months period ended		Three months period ended	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
----- (Rupees) -----					
Sales - net	13	1,245,673,691	1,223,826,321	443,405,839	494,688,409
Cost of sales		(778,844,037)	(812,341,134)	(277,078,921)	(324,047,399)
Gross profit		466,829,654	411,485,187	166,326,918	170,641,010
Selling and distribution expenses		(333,988,867)	(299,473,600)	(120,908,057)	(139,702,011)
Administrative and general expenses		(51,805,015)	(42,949,401)	(16,055,256)	(14,441,449)
Other operating expenses		(13,228,297)	(5,288,193)	(1,584,588)	(619,890)
		(399,022,179)	(347,711,194)	(138,547,901)	(154,763,350)
Other operating income		67,807,475	63,773,993	27,779,017	15,877,660
		1,478,065	1,468,799	464,869	542,068
Operating profit before finance costs		69,285,540	65,242,792	28,243,886	16,419,728
Finance costs		(12,012,542)	(7,337,002)	(3,494,179)	(3,506,033)
Profit before taxation		57,272,998	57,905,790	24,749,707	12,913,695
Taxation		(25,207,631)	(19,342,342)	(14,713,101)	(6,099,385)
Profit for the period		32,065,367	38,563,448	10,036,606	6,814,310
<b>Earning per share - basic and diluted</b>	14	<u>8.22</u>	<u>9.89</u>	<u>2.57</u>	<u>1.75</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



M. Haroon Qassim  
Chief Executive



Vali Muhammad A. Habib  
Director




M. Zaid Kaliya  
Chief Financial Officer




**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)  
FOR THE NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2018**

Note	Nine months period ended		Three months period ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	----- (Rupees) -----			
Profit for the period	32,065,367	38,563,448	10,036,606	6,814,310
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	32,065,367	38,563,448	10,036,606	6,814,310

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

  
M. Haroon Qassim  
Chief Executive

  
Vali Muhammad A. Habib  
Director

  
M. Zaid Kaliya  
Chief Financial Officer





## CONDENSED INTERIM CASH FLOW STATEMENT (Unaudited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

	31 March 2018	31 March 2017
	----- (Rupees) -----	
<b>Cash flows from operating activities</b>		
Profit before taxation for the period	57,272,998	57,905,790
<b>Adjustments for:</b>		
Depreciation	33,952,019	31,311,594
Amortization	25,000	25,000
Loss on disposal of property, plant & equipment	8,814,030	646,019
Finance costs	12,012,542	7,337,002
	<u>112,076,589</u>	<u>97,225,405</u>
<b>Changes in:</b>		
Stores and spares	1,030,412	(536,656)
Stock -in -trade	(32,357,466)	20,703,348
Trade debtors	(61,961,913)	(48,636,522)
Loans and advances	849,313	(12,628,481)
Deposits and short term prepayments	(5,658,770)	(1,782,839)
Trade & other payables	73,794,203	109,537,814
Provisions and employee benefits - staff gratuity	(44,848,870)	2,752,733
Long term deposits	(288,890)	-
Long term loans and advances	96,645	95,980
Cash (used in) / generated from operating activities	<u>42,731,253</u>	<u>166,730,782</u>
Finance costs paid	(12,099,493)	(6,784,398)
Income tax paid	(33,611,047)	(25,560,864)
	<u>(45,710,540)</u>	<u>(32,345,262)</u>
<b>Net cash (used in) / generated from operating activities</b>	(2,979,287)	134,385,520
<b>Cash flows from investing activities</b>		
Fixed capital expenditure including capital work-in-progress	(12,122,009)	(144,739,950)
Intangibles	-	(100,000)
Sales proceeds from disposal of property, plant & equipment	3,246,934	3,396,657
Net cash (used in) investing activities	<u>(8,875,075)</u>	<u>(141,443,293)</u>
<b>Cash flows from financing activities</b>		
Dividend paid	(19,339,723)	(19,413,875)
Proceeds from long term financing - diminishing musharakah	-	110,000,000
Repayment of long term financing - diminishing musharakah	(18,140,246)	(18,445,741)
Net cash (used in) / generated from financing activities	<u>(37,479,969)</u>	<u>72,140,384</u>
Net (decrease) / increase in cash and cash equivalents	(49,334,331)	65,082,611
Cash and cash equivalents at the beginning of the period	(145,850,993)	(146,325,203)
Cash and cash equivalents at the end of the period	<u>(195,185,324)</u>	<u>(81,242,592)</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



M. Haroon Qassim  
Chief Executive



Vali Muhammad A. Habib  
Director



M. Zaid Kaliya  
Chief Financial Officer



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**Shield** 3RD QUARTER REPORT 2017-18


**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018**

	Issued, subscribed and paid-up capital	Capital Reserve Share Premium	Revenue Reserve		Total
			General Reserve	Unappropriated Profit	
(Rupees)					
<b>Balance as at June 30, 2016</b>	39,000,000	10,000,000	55,000,000	222,151,550	326,151,550
Dividend for the year June 30, 2016 - Final - @ Rs. 5 per share	-	-	-	(19,500,000)	(19,500,000)
Profit for the period	-	-	-	38,563,448	38,563,448
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	19,063,448	19,063,448
<b>Balance as at March 31, 2017</b>	<b>39,000,000</b>	<b>10,000,000</b>	<b>55,000,000</b>	<b>241,214,998</b>	<b>345,214,998</b>
<b>Balance as at June 30, 2017</b>	39,000,000	10,000,000	55,000,000	248,810,363	352,810,363
Dividend for the year June 30, 2017 - Final - @ Rs. 5 per share	-	-	-	(19,500,000)	(19,500,000)
Profit for the period	-	-	-	32,065,367	32,065,367
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	12,565,367	12,565,367
<b>Balance as at March 31, 2018</b>	<b>39,000,000</b>	<b>10,000,000</b>	<b>55,000,000</b>	<b>261,375,730</b>	<b>365,375,730</b>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

  
M. Haroon Qassim  
Chief Executive

  
Vali Muhammad A. Habib  
Director

  
M. Zaid Kaliya  
Chief Financial Officer



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Unaudited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

## 1 THE COMPANY AND ITS OPERATIONS

Shield Corporation Limited (the Company) was incorporated in Pakistan on January 10, 1975 and is quoted on Pakistan Stock Exchange Limited in Pakistan. The registered office of the Company is situated at 37-G, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi. The company is mainly engaged in the manufacturing, trading and sales of oral and baby care products.

## 2 BASIS OF PREPARATION

- 2.1 This condensed interim financial information of the Company for the nine months ended 31 March 2018 has been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of and directives of the Companies Act, 2017 have been followed.
- 2.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Company as at and for the year ended 30 June 2017. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.
- 2.3 This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency.
- 2.4 This condensed interim financial information is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

## 3 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of annual financial statements of the Company as at and for the year ended 30 June 2017.

## 4 NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS OF IFRSs

### 4.1 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Company's annual accounting period beginning on 01 July 2017. However, these do not have any significant impact on the Company's operations and, therefore, have not been detailed in this condensed interim financial information.

### 4.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from 01 July 2018. The management is currently assessing the impacts of these standards on the Company's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Company's annual accounting periods beginning on or after 01 July 2018. The Company is currently in the process of analysing the potential impact of changes required in classification and measurement of financial instruments and the other impact on adoption of the Standards. However, these are not expected to have any significant impacts on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

## 5 USE OF ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2017.

	Note	Unaudited 31 March 2018	Audited 30 June 2017
		(Rupees)	
<b>6 PROPERTY, PLANT &amp; EQUIPMENT</b>			
Operating fixed assets	6.1	410,382,180	443,510,654
Capital work in progress	6.3	-	762,500
		<u>410,382,180</u>	<u>444,273,154</u>
<b>6.1 Movement in operating fixed assets:</b>			
Opening - at net book value		443,510,654	351,097,413
Add: Additions during the period - at cost	6.2	12,884,509	154,890,864
		456,395,163	505,988,277
Less: Depreciation charged during the period		(33,952,019)	(43,841,099)
Less: Disposals during the period - at net book value	6.2	(12,060,964)	(18,636,524)
		(46,012,983)	(62,477,623)
Closing - at net book value		<u>410,382,180</u>	<u>443,510,654</u>

6.2 Following are the cost of operating fixed assets added and disposed off during the period ended:

	Unaudited 31 March 2018		Unaudited 31 March 2017		
	Addition (at cost)	Disposals (at net book value)	Addition (at cost)	Disposals (at net book value)	
		(Rupees)		(Rupees)	
Office Premises	-	-	129,147,945	-	
Plant & machinery	10,398,612	10,983,560	13,594,563	1,070,414	
Furniture & fixtures	898,623	-	1,467,297	2,230,712	
Office equipments	1,317,274	103,410	2,403,115	583,796	
Computer equipments	270,000	25,363	2,857,920	157,754	
Vehicles	-	948,631	-	-	
	<u>12,884,509</u>	<u>12,060,964</u>	<u>149,470,840</u>	<u>4,042,676</u>	

### 6.3 Capital work in progress

Additions in Capital work-in-progress (net of transfers) during the period is nil (2017: Rs. 0.76 million).

### 7 TRADE DEBTORS - UNSECURED, CONSIDERED GOOD

Trade debts include Rs. 53.63 million (30 June 2017: 3.39 million) due from related parties.

	Note	Unaudited 31 March 2018	Audited 30 June 2017
		(Rupees)	
<b>8 DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Security deposits		488,192	1,077,937
Prepayments and other receivables	8.1	6,567,452	318,937
		<u>7,055,644</u>	<u>1,396,874</u>

8.1 Prepayments and other receivables include letter of credit margin amounting to Rs. 5.63 million (30 June 2017: Nil).



## 9 DEFERRED LIABILITY - STAFF GRATUITY

The Company had a unfunded gratuity scheme for its management and non-management staff. During the period the scheme has been dissolved by the Board of Directors with effective date of 30 September 2017, and has been replaced with a performance based bonus scheme.

	Note	Unaudited 31 March 2018	Audited 30 June 2017
		(Rupees)	
<b>9.1 Movement in net liability recognized</b>			
Opening balance		54,330,870	47,525,531
Expense charge for the year		9,494,767	13,257,829
Remeasurement loss on obligation		-	3,556,760
		63,825,637	64,340,120
Benefits paid during the period / year		(54,343,637)	(10,009,250)
Transferred to current liabilities		(9,482,000)	-
		(63,825,637)	(10,009,250)
Closing balance		-	54,330,870

## 10 LONG TERM FINANCING - SECURED

### Diminishing musharakah arrangements

	Installment payable	Repayment period	Mark-up rate			
Bank Al-Habib Limited - Islamic banking	Quarterly	2017-21	0.50% above 6 months KIBOR	<b>10.1</b>	82,500,000	99,000,000
Bank Al-Habib Limited - Islamic banking	Quarterly	2015-17	0.75% above 6 months KIBOR		-	1,640,246
<b>Less: Current portion shown under current liabilities</b>						
Bank Al-Habib Limited - Islamic banking				<b>10.1</b>	(22,000,000)	(22,000,000)
Bank Al-Habib Limited - Islamic banking					-	(1,640,246)
					(22,000,000)	(23,640,246)
					60,500,000	77,000,000

**10.1** Islamic finance under diminishing musharakah is secured by a mortgage of head office property (refer note 12.2.3).

## 11 SHORT TERM BANK FINANCES - SECURED

Murabaha finance	<b>11.1</b>	109,070,556	90,698,740
Running Musharakah	<b>11.2</b>	87,365,621	56,240,958
		196,436,177	146,939,698

**11.1** This represent murabaha finance obtained under profit arrangements and are secured against hypothecation of moveable fixed assets and hypothecation of current assets of the Company. Total facility is of Rs. 250 million (June 30, 2017: Rs. 220 million) at a profit rate ranging from relevant KIBOR + 0.20% to 0.75% (June 30, 2017: KIBOR + 0.20% to 0.75%) per annum.

**11.2** This represent running musharakah obtained under profit arrangements and are secured against hypothecation of moveable fixed assets and hypothecation of current assets of the Company. Total facility is of Rs. 200 million (June 30, 2017: Rs. 80 million) at a profit rate ranging from relevant KIBOR + 0.30% to 0.50% (June 30, 2017: KIBOR + 0.50%) per annum.

## 12 CONTINGENCIES AND COMMITMENTS

The status of contingencies as at 31 March 2018 is the same as reported in the annual financial statements for the year ended June 30, 2017, except for the following:

### 12.1 Contingencies

**12.1.1** The tax authorities had registered FIR against a large number of companies, firms and business individuals for inadmissibility of input tax on the alleged ground that the supply chain subsequently revealed that some suppliers were not bonafide. The Company has filed a constitutional petition in Honourable High Court of Sindh against FIR registered against the Company. The Honourable High Court of Sindh in its judgement has given detailed guideline to FBR determining the procedure to follow in this case. The matter is pending with Special Judge of Custom Court. The Company has deposited post dated cheques amounting to Rs. 9 million in favour of Custom Court as a security. The management based on entity's legal counsel is hopeful that the case will be decided in Company's favour and hence no provision has been made in this financial information.

**12.1.2** During the period, the Company has filed a constitutional petition in Honourable High Court of Sindh challenging the amendments in the Employees' Old-Age Benefits Act, 1976 enhancing the wage limits for the purpose of Contribution with retrospective effect against which the Honourable High Court of Sindh has issued Stay Order. Based on the Company's legal counsel view, the case will be decided in favour of the Company and hence no provision has been made in this financial information.

### 12.2 Commitments

**12.2.1** The Company has letter of credit commitments for purchases amounting to Rs. 109.11 million (June 30, 2017: Rs. 54.75 million).

**12.2.2** The Company has letter of credit and other commitments for capital expenditures amounting to Rs. 33.15 million (June 30, 2017: Rs. 26.78 million).

**12.2.3** The Company has commitments in respect of rent of diminishing musharakah as follows:

	Unaudited 31 March 2018	Audited 30 June 2017
	(Rupees)	
Not later than one year	4,978,284	6,073,392
Later than one year but not later than three years	6,098,927	9,626,163
	11,077,211	15,699,555

	Unaudited Nine months period ended		Unaudited Three months period ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	----- Rupees -----			

## 13 SALES - NET

Sales - local	1,593,516,742	1,480,877,100	586,498,442	576,922,468
Sales tax	(233,658,928)	(218,072,123)	(86,304,979)	(85,376,549)
	1,359,857,814	1,262,804,977	500,193,463	491,545,919
Discount	(115,447,658)	(46,321,477)	(56,787,624)	(516,872)
	1,244,410,156	1,216,483,500	443,405,839	491,029,047
Sales - export	1,263,535	7,342,821	-	3,659,362
	1,245,673,691	1,223,826,321	443,405,839	494,688,409



	Unaudited		Unaudited	
	Nine months period ended		Three months period ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
----- Rupees -----				
<b>14 EARNINGS PER SHARE - BASIC AND DILUTED</b>				
Profit for the period	32,065,367	38,563,448	10,036,606	6,814,310
----- (Number of shares) -----				
Weighted average number of ordinary shares in issue during the period	3,900,000	3,900,000	3,900,000	3,900,000
----- Rupees -----				
Earnings per share - basic and diluted	8.22	9.89	2.57	1.75

	Unaudited	
	Nine months period ended	
	31 March 2018	31 March 2017
(Rupees)		
<b>15 CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	1,250,853	919,091
Short term bank finances - secured	(196,436,177)	(82,161,683)
	(195,185,324)	(81,242,592)

#### 16 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings, key management personnel and post employment benefit plan. The Company in the normal course of business carries out transactions with various related parties. Other significant transactions with related parties are as follows:

##### 16.1 Transactions during the period:


Relationship	Nature of transactions		
Associated undertaking	Sale of goods - Premier Agencies	1,255,346,651	1,187,622,325
Staff retirement funds	Contribution to employees provident fund	4,938,975	3,237,195
Associated undertakings	Sale of goods - Memon Medical Institute	351,443	7,450
Associated undertakings	Sale of goods - SciTech Health (Pvt) Ltd.	437,966	-
Associated undertakings	Sales of fixed assets - Pharmevo (Pvt) Ltd.	-	3,301,237
Key management personnel	Remuneration and benefits	23,608,588	18,679,079

#### 17 DATE OF AUTHORIZATION FOR ISSUE


This condensed interim financial information was authorized for issue in the Board of Directors meeting held on April 13, 2018.

#### 18 GENERAL

Figures have been rounded off to the nearest rupee.

  
M. Haroon Qassim  
Chief Executive

  
Wali Muhammad A. Habib  
Director

  
M. Zaid Kaliya  
Chief Financial Officer



**SHIELD CORPORATION LTD.**

37-G, Block-6, P.E.C.H.S., Karachi - 75400, Pakistan.

Tel: [92-21] 34385003-4 Fax: [92-21] 34556344

Web: [www.shield.com.pk](http://www.shield.com.pk) Email: [mail@shield.com.pk](mailto:mail@shield.com.pk)

 ShieldBabies |  Shieldmuskurahat