



ANNUAL REPORT
2018

The most
powerful
language
in the
world
has no
words...





mother's Love
is shield



Vision

To become the best personal and household care company and amongst the most trusted names in product categories we decide to be in.



Mission

To be the best consumer products company by focusing on quality, consumer needs and marketing excellence, while maintaining an ethical code of conduct, showing care and compassion towards employees, being fair to all stakeholders, and symbolizing responsible corporate citizenship.



a mother's Love
reflects
in the choices
she makes
for her child



Shield®, the pride of Pakistan is a home grown company with roots going back to 1980s, enjoys a strong heritage. Taken over in the November of 2002 by PREMIER GROUP of COMPANIES, Shield® has been successful in establishing itself as the leader in Oral and Baby care. Shield® has a very promising future with new products and new divisions. Something Shield® will offer to all its consumers.

A local company with an image of an MNC, Shield® continuously strives to develop new products and services through extensive research and development, it is a company that listens to its customers and adapts itself accordingly and has contributed tremendously in the lives of mothers by providing them the best quality product to take care of their children. Tailored for absolute consumer satisfaction now and in the future, Shield® is proud of its heritage.

History



made with Love,
made to care





A New Look

With a focus on maintaining the standards of high quality, Shield® has revamped the packaging of its oral care line. The changes are in line with Shield's constant evolution and commitment to progress.

The colorful and eye-catching packs now have a striking shelf presence. Category designs make it easier for consumers to choose between the different toothbrush ranges. Individual designs emphasize on the product features.



ہنسو... ذرا اور کھلے لہلا کے



مٹھاس سر ڈرنا کیسا

Oral Care

Family health begins with oral care! The diverse range of Shield's toothbrushes and toothpastes cover oral care needs of the entire family. The adult toothpaste range includes the benefits of natural ingredients.

Children can choose fun flavors from the Champs® range. Making brushing time fun for kids.



Our diapers provide carefree playtime and a peaceful night's sleep every day. The gel locking technology of our diapers ensures super absorption. Shield® diapers unique wetness indicator shows when it is time to change the diaper.

Shield's wide range of feeding bottles and accessories are trusted by mothers for it's quality. The functional designs cover the needs of the growing child. Patterns and bold colors making feeding time fun.

Baby Care

ممتا کی زبان





mothers
and
shield,
speaking
the same
Language

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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. M. Haroon Qassim	Member
Mr. Vali Muhammad A. Habib	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 Limited
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

CHAIRMAN'S REVIEW REPORT

I am pleased to present Chairman's Review report as required under section 192 of the Companies Act, 2017.

Overall, the Board is working well given its organizational model and board structure, with Board members having the appropriate range of skills, knowledge and experience, as well as the degree of diversity, necessary to enable it to effectively govern the business.

During the year, Risk Management Committee was formed which has been given task to


- monitor and review of all material controls including but not limited to financial, operational and compliance;
- ensure that risk mitigation measures are robust and integrity of financial information is ensured; and
- ensure that appropriate extent of disclosure of the Company's risk frame work and internal control system is made in Director's report.

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of Shield Corporation Limited has been carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and bench marked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2018, overall performance and effectiveness of the Board, its members and its committees has been assessed as Satisfactory. The assessment is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business and its committees. Improvement is an ongoing process leading to action plans.

The Board of Directors of your Company received agendas and supporting written material including follow up materials insufficient time prior to the board and its committee meetings. The board meets frequently enough to adequately discharge its responsibilities. The non executive and independent directors are equally involved in important decisions. All of the directors are compliant with Director's Training Program (DTP) as required by Securities and Exchange Commission of Pakistan (SECP).

I would like to thank my fellow directors who had carried their responsibilities diligently and look forward to their contribution in future.



Ebrahim Qassim
Chairman

Dated: 6 September 2018

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of Shield Corporation Limited are pleased to present the annual report and the audited financial statements for the financial year ended June 30, 2018. The report intends to provide a quick look at Shield's management constant endeavor to maximize shareholders' value.

Financial summary

Operating Results	2018	2017	Increase / (Decrease)
	(Rupees)	(Rupees)	
Gross Sales	1,824,690,091	1,724,925,837	5.78%
Net Sales	1,678,897,969	1,662,086,046	1.01%
Gross Profit	611,481,320	573,429,063	6.64%
Gross Profit %	36.42%	34.50%	192 bps
Selling and Distribution Expenses	418,214,780	427,702,275	(2.22%)
Administrative Expenses	60,753,032	65,149,589	(6.75%)
Operating Profit	116,839,613	97,094,289	20.34%
Profit After Tax	67,903,433	48,612,977	39.68%
Earnings per Share	17.41	12.46	39.68%

Overview

The year 2017-18 remained a challenging year for the country. Uncertainty prevailed on political front due to general elections & the stock market registered annual negative returns. The economy remained volatile and exports of the country performed abysmally. This scenario led to devaluation of Pakistani Rupee three times in a year which was about 16% and casted a significant impact on consumer buying power. To make matters worse, State Bank of Pakistan increased bank rate by 16.74% & Moody down graded Pakistan rating from Stable to Negative.

Despite all these distractions & difficulties, your company did not lose strategic focus on the promised goals and maintained the momentum of the progress.

1. The company achieved a gross sale of Rs. 1.84 billion in the financial year, with a growth of 5.78% over the last year. Responding to the market dynamics, the company has increased the quantum of additional discounts to trade in order to retain and increase the market share. As a result, the company achieved a net sale of Rs. 1.67 billion (in the financial year), with a growth of 1.01% over the last year.
2. Gross margin has slightly improved due to improved negotiation with the suppliers and vendors.
3. The company has spent Rs. 13.88 million less as compared to the last year in Admin, Selling and distribution expenses. During the year, spending on human resources has increased by Rs. 47.43 million as the company continued its spending on hiring of professional staff. However, the company has also spent Rs. 52.60 million less on Advertisement from the last year due to the change in market dynamics. The focus was on trade marketing in form of discounts which are deducted from gross sales.
4. Finance cost of the company has increased by Rs. 7.55 million due to the increase in utilization of Running Musharakah and increase in KIBOR during the year. Further, SBP has imposed 100% cash margin on imports of finished goods that resulted in increase in utilization of financing facilities.
5. There is an increase in earnings per share from Rs. 12.46 (last year) to Rs. 17.41 for the year 2017-18.
6. The Board of Directors propose 35% final cash dividend i.e. Rs. 3.50 per share, amounting to Rs. 13.65 million for this financial year, to be approved by the shareholders at the Annual General Meeting.
7. The undistributed profit for the year of Rs. 54.25 million will add on in the revenue reserves of the Company.

Our Business Diversity

At Shield we believe that more diverse we are, the better we can serve our customer through innovation. Shield Corporation Limited was established in 1975 and over the last 43 years Shield has strategically expanded its product portfolio in both segments i.e. the Baby Care and Oral Care category. All this effort has paid us off in spades & has enviously earned us Leadership status.

Baby Feeding Products Range

Shield continues its legacy as a dominant Market Leader in the baby care category. Our success is built on our commitment to high quality, value for money and diverse product range in the Baby Care category, which is why, mothers place their trust in Shield than any other Baby Care brand in Pakistan.

New tagline of Shield Baby care products '**Language of Motherhood**' (**Mumta ki Zaban**) that was launched during the year helped developed an emotional connect with mothers. Moreover; we have improved the packaging of the products to give it a contemporary look. This was followed by an advertising campaign on both traditional and digital media. This improved the brand image and strengthened the leadership position of Shield in baby care.

Baby Diapers

Diapers have been the fastest growing category with 19.5% growth over last year. This burgeoning growth was a result of increase in marketing activities on mass media as well as on ground. Packaging for the entire range was changed for a fresher look at the start of the year that made it stand out from rest of the players on the shelves. There also has been a special focus on trial generation through consistent consumer promotions and on ground activities.

Oral Care Products Range

Toothbrush

Shield remains a key player in the Toothbrush category owing to its high brand awareness and depth of its product portfolio. A lot of activities like door to door selling etc. were undertaken to generate trials and convert consumers who were using competitors' products.

Packaging for the entire range has been changed giving it a new look and a new feel. The portfolio has been divided into three categories for adults namely Expert Care, Family Care, Essential Care and one category for kids with the name of Champs that carries a special focus.

Toothpaste

Shield toothpaste is available in two distinct flavors; Cinnamon and Peppermint. With its improved formulation, it is competing against several multi-national and local family-toothpaste brands. Toothpaste category has a substantial potential for growth.

Shield Champs Toothpaste

Shield Kids toothpaste is available in three distinct flavors namely Strawberry, Bubble Gum and Orange. With increasing awareness and growing focus on oral health of children, we foresee that this segment will continue to grow over the period of time.

Management Objectives / Strategies / Threats and Opportunities

Looking forward, the management is firm in its belief that it will not only retain its leadership status but also focus on widening the gap between Shield and its competitors. The Company is being confronted with increased competition as new players entering the market and existing brands expanding their product range.

Keeping in mind the management's vision and competitive activity, Shield's strategy is two pronged:

1. Continue its focus on innovation and new product development.
2. Extensive marketing investment in brand building and trial generation.

The management is confident that this will be a winning combination, ensuring Shield's undisputed leadership.

There has been a lot of attention on trade marketing activities focusing all channels thus engaging traders consistently throughout the year. Keeping in view growing demand on online, we have been consistently engaging online customers by offering them lucrative deals.

World Oral Health Day

World Oral Health Day (WOHD) is celebrated every year on 20th March. It is an international day to promote worldwide awareness on the issues related to oral health. Theme for WOHD 2018 was “**Think Mouth Think Health**”. This was the 8th consecutive year where Shield sponsored the mega event in collaboration with Dental News and Pakistan Dental Association.

Through this activity, Shield conducted free dental checkups in 36 dental colleges in 17 cities. Free samples of Shield oral care products were also given to the visitors. Essay competition highlighting the importance of dental health was also conducted in leading schools. The event was promoted through Digital advertising and was well appreciated by the audience.

Annual Calendar – The Art of Caring

In order to reinforce Shield as a caring brand, theme of our annual calendar this year was “The Art of Caring”. Shield with 43 years of legacy cares for its customers like a mother cares for her family thus honoring role of mothers in the life of their children. The calendar touched upon the art of happiness, having fun, smiling, soothing and learning to grow.

Corporate Social responsibility

The management at Shield firmly believes in doing business with a purpose. Shield always seeks opportunities to add value to the lives of the people. The Company made donations amounting to Rs. 0.5 million for education and social welfare projects. Shield is also supporting the education of the children with special needs as Shield believes in giving back to the society.

Corporate Vision & Mission

Your management is trying its best to make your company, a leading household name in Pakistan while supporting families in safeguarding their health and make it a symbol of dynamism & an epitome of corporate responsibility.

Human Resource Management

Shield believes in a culture of continuous development and to create an environment which supports sustainable high performance. The Human Resource Department plays a key role in helping the Company to deal with a fast changing competitive environment and the greater demand for quality employees. Shield HR is engaged not only in identifying and developing the talents of the individuals, but also enhancing the capabilities of human capital of the Company. During the year, the Company has discontinued gratuity benefits for all its permanent employees with effect from 30 September 2017. Significance of training can never be overstated & at Shield we take it very seriously. To that end, several in house and outsourced training programs were conducted. The Company has introduced a performance bonus benefit policy for all its permanent employees with effect from 1 July 2017.

Annual Sales Conference

Annual sales conference was held in Karachi with the theme Wow & Win. Objective was to instill a winning culture and develop a road map for each department based on continuous learning and execution excellence.

Capital Expenditure

The Company has made an investment in the latest models of machines, moulds and utilities, amounting to Rs. 36.88 million in order to remain competitive and technically sound. As explained earlier, to hold the leadership position it is imperative that we keep investing judiciously in plant and machinery to ensure long term competitiveness and product innovation. The Company also believes in human and environmental safety through continual improvement. The Company has been certified in ISO 14001:2004, the international standard for management system of environment.

Exports

This year exports grew by 55% from Rs. 11.18 million to Rs. 17.33 million. In terms of exports, the company is moving in the right direction but there is a lot to achieve. We are actively working in various markets, i.e. Afghanistan, EU and Africa where we are building our network with distributors in a bid to increase sales next year. We are confident that going forward we will increase our export base despite the tough challenges in global market.

Contribution to the National Exchequer

Your Company made a total contribution of Rs. 462 million to the National Exchequer on account of different government levies, including custom duty, sales tax and income tax during the year 2017-18.

Corporate Governance

The Company has fully complied with the requirements of the Code of Corporate Governance as contained in the Listing Regulations of the Pakistan Stock Exchange Limited. A statement to this effect is annexed with this report.

Board Meetings

During the year six (6) meetings of the Board of Directors were held. Attendance of each director is as follows:

Name of Directors	Meetings	
	Held	Attended
Mr. Ebrahim Qassim	6	4
Mr. M. Haroon Qassim	6	6
Mr. Vali Muhammad A. Habib	6	6
Mr. Pir Muhammad	6	6
Mrs. Saadia Butt Naveed	6	1
Mr. Syed Imran Chishti	6	4
Mr. Muhammad Salman Qassim	6	6

The Board granted leave of absence to those Directors who could not attend the Board Meetings. No casual vacancy occurred during the year.

Pattern of Shareholding

The pattern of shareholdings as on 30 June 2018 and its disclosure, as required by the Code of Corporate Governance is annexed with this report.

The board has reviewed the threshold for disclosure of interest by executives holding of Company's shares which include CEO, COO, CFO, Head of Internal Audit and Company Secretary. The Directors, CEO, COO, Head of Internal Audit, Company Secretary and CFO, their spouses and minor children did not carry out any trade in the shares of the Company.

Audit Committee

The Committee comprises of three non-executive directors, of whom two are independent directors. An independent director is the chairman of the Audit Committee. The Audit Committee meets at least four times a year. The Head of the Internal Audit acts as secretary to the Audit Committee. The brief terms of reference of the Audit Committee are as follows:

- Determination of appropriate measures to safeguard the Company's assets;
- Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors.
- Review of preliminary announcements of results prior to external communication and publication;
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- Review of management letter issued by external auditors and management's response thereto;
- Ensuring coordination between the internal and external auditors of the Company;
- Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- Review of the Company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;

- Instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
- Determination of compliance with relevant statutory requirements;
- Monitoring compliance with these regulations and identification of significant violations thereof;
- Review of arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- Recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the Audit Committee and where it acts otherwise it shall record the reasons thereof.
- Consideration of any other issue or matter as may be assigned by the board of directors.

Audit Committee Meetings

During the year five (5) meetings of the Audit Committee were held. Attendance of each member is as follows:

Name of Directors	Category	Meetings	
		Held	Attended
Mr. Pir Muhammad	Chairman	5	5
Mr. Vali Muhammad A. Habib	Member	5	5
Mr. Syed Imran Chishti	Member	5	4

The Audit Committee granted leave of absence to those members who could not attend the Audit Committee Meetings.

Human Resource & Remuneration Committee

The board has formed a Human Resource and Remuneration Committee. It comprises of three members whom one is chief executive, one is non-executive director and one is independent director who is also chairman of the Committee. Human Resource & Remuneration Committee meets at least once a year. The terms of reference of the Human Resource & Remuneration Committee are as follows:

- Recommending to the board for consideration and approval of a policy framework that determines remuneration of directors (both executive and non-executive) and members of senior management which include Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;
- Undertaking annually a formal process of evaluation of performance of the board as a whole and its committees;
- Recommending human resource management policies to the board;
- Recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;
- Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.

Human Resource & Remuneration Committee Meetings

During the year, two (2) meetings of the Human Resource & Remuneration Committee were held to discuss and approve the matters falling under the terms of reference of the Committee. Attendance of each member is as follows:

Name	Category	Meetings	
		Held	Attended
Mr. Syed Imran Chishti	Chairman	2	1
Mr. M. Haroon Qassim	Member	2	2
Mr. Vali Muhammad A. Habib	Member	2	2

The Human Resource & Remuneration Committee granted leave of absence to those members who could not attend the meetings.

Risk Management Committee

The Board of Directors of the Company has established a Risk Management Committee comprising of three members, as recommended by Listed Companies (Code of Corporate Governance) Regulations, 2017. The Committee includes one Executive Director, one Non-Executive Director and one Independent Director. The terms of reference of the Risk Management Committee are as follows:

- Monitoring and review of all material controls (financial, operational, compliance);
- Ensuring that risk mitigation measures are robust and integrity of financial information is ensured; and
- Appropriate extent of disclosure of company's risk framework and internal control system in Directors report.

Risk Management Committee Meetings

During the year, one (1) meeting of the Risk Management Committee was held to discuss and approve the matters falling under the terms of reference of the Committee. Attendance of each member is as follows:

Name	Category	Meetings	
		Held	Attended
Mr. M. Haroon Qassim	Chairman	1	1
Mr. Pir Muhammad	Member	1	1
Mr. Vali Muhammad A. Habib	Member	1	1

Risk Management

The Company's activities expose it to a variety of risks. The Company's overall risk management program focuses on minimizing potential adverse effects on the Company's performance. The overall risk management of the Company is carried out by the Company's Senior Management Team and the results are shared with the Risk Management Committee and the Board of Directors. This entails identifying, evaluating and addressing strategic, financial, commercial, operational and compliance-related risks of the Company as mentioned below:

1. Strategic Risks

Risk	Mitigating Strategy
The Company may lose its market leader position in Baby care segment.	The risk is mitigated by aggressive marketing, continuous improvement in product quality and packaging.
IT security risk.	IT controls and firewalls are in place to prevent unauthorized access to confidential / proprietary information. Regular system updates, IT audits and trainings are conducted to monitor and minimize the risk of breaches, errors or other irregularities.

2. Financial Risks

Risk	Mitigating Strategy
Fluctuations in foreign currency rates.	The Company is trying to increase its exports to mitigate currency fluctuation risk.
Customers will default in payments to the company.	Most of our sales are either against cash or advance. For credit sales, credit limits have been assigned to customers.
Insufficient cash available to pay liabilities resulting in a liquidity problem.	The Company has a proactive cash management system. Committed credit lines from banks are also available to bridge a liquidity gap, if any.

3. Commercial Risks

Risk	Mitigating Strategy
Increasing production and distribution costs result in decrease in profits of the Company.	Increase in levies, duties, regulatory duties and other costs are beyond the control of the Company. The Company, however, is committed to improve operational efficiencies and implement effective cost controls to mitigate this risk to the maximum possible extent. The Company considers increase in price as a last option.
Raw material cost component is a major part of the overall cost of production of the Company. Suppliers may increase the cost of products supplied in view of international economic conditions including rising costs of international fuel prices.	The Company examines raw material prices offered by various suppliers on a regular basis to compare and control its purchasing cost. Moreover, it has strategic relationships with key international raw material suppliers which benefit the company in price negotiation and prompt material delivery.

4. Operational risk

Risk	Mitigating Strategy
Increase in employee turnover at critical positions.	The Company has a culture of employee training and development, continuously promoting and rotating employees within the departments. Formal work procedures and work instructions are also in place, which provide guidance on any process undertaken by a new employee.
Risk of major accidents impacting employees, records and property.	Implementation of standardized operating procedures, employee trainings and operational discipline.
The Company may not be able to operate at an optimal capacity due to the unavailability of electricity.	The Company has standby generators to be used in case of electricity failure.
Volatile law and order situation affecting the Country's economy.	This risk cannot be mitigated through internal strategies.

5. Compliance risk

Risk	Mitigating Strategy
Modifications in the legal framework by regulatory bodies.	Rigorous checks on latest updates in regulatory framework are carried out to prevent any breach of law. Trainings are conducted to keep employees abreast of all latest developments in laws and regulations.

Subsequent Events

There were no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statement relates and the date of the report.

External Auditors

The present auditors, M/s KPMG Taseer Hadi & Co. Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The directors endorse recommendation of the Audit Committee for the re-appointment of M/s KPMG Taseer Hadi & Co. Chartered Accountants as auditors of the Company for the year ending 30 June 2019 on such terms and conditions and remuneration as to be decided.

Internal Auditors

The Internal Audit Function is outsourced to M/s. A.F. Fergusons & Co., Chartered Accountants & reports to Head of Internal Audit and the Boards' Audit Committee. It reviews the system of internal controls and conduct the internal audit process.

Impact of Company Business on Environment

The Company is committed to reducing its impact on the environment through its compliance & surveillance of EMS ISO 14001.

Each department has developed a environmental evaluation chart which covers following environmental aspects.

1. Pollution:

- We keep checks on air emission, liquid effluents, solid waste, noise and land decay. The annual audits are conducted from renowned labs for validation.
- Preventing pollution and reducing consumption of resources through waste management strategies that promote waste minimization re-use, recovery and recycling, as appropriate.
- All of our materials are either recycled at our factory or sold to outside vendors for recycling purpose. We don't dispose of any material.

2. Natural Resources.

- Use of natural resources are monitored like electricity, Natural gas, oil, diesel and water. We continue to invest in technologies that keep on replacing our existing machines with more energy efficient versions.

3. Emergency Condition:

- Emergency readiness is practiced through monthly fire drills. Train all of our staff on our environmental program and empower them to contribute and participate.

Hence, our commitment to the environment extends to our customers, our staff, and the community in which we operate.

Related Party Transactions

In order to comply with the requirements of listing regulations, the company presented related party transactions before the audit committee and Board for their review and approval. These transactions were approved by the Audit Committee and Board of Directors in their respective meetings. The details of related party transactions have been provided in the notes annexed to the financial statement.

Statement on Corporate and Financial Reporting Framework

Statement of Directors' Responsibilities

- a. The Board regularly reviews the company's strategic direction. Annual plans and performance targets for business are set by the Chief Executive and are reviewed by the Board in the light of Company's overall objectives. The Board is committed to maintain the high standards of good corporate governance. The Company has been in compliance with the provisions set out by the Securities & Exchange Commission of Pakistan and amended listing rules of Pakistan Stock Exchange.
- b. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- c. The financial statements, prepared by the management of the company, fairly present its state of affairs, the results of its operations, comprehensive income, cash flows and changes in equity.
- d. Proper books of account of the Company are maintained.
- e. Appropriate accounting policies have consistently been applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- f. The financials are prepared in accordance with International Financial Reporting Standards, as applicable in Pakistan and any deviation has been adequately disclosed and explained.
- g. The Company maintains a sound internal control system, which gives reasonable assurance against any material misstatement or loss. The internal control system is regularly reviewed. This has been formalized by the Board's Audit Committee and is updated as and when needed.
- h. There are no significant doubts upon the company's ability to continue as a going concern.
- i. There is no default in payment of any debt during the year 2017-18.
- j. Outstanding duties, statutory charges and taxes, if any, have been duly disclosed in the financial statements.
- k. The value of investment of Provident Fund based on its audited accounts amounted to Rs. 35.47 million.

- l. The key operating and financial data for the last six years in summarized form is annexed.
- m. All directors of the company are compliant with the requirement of the Code of Corporate Governance related to Directors Training Program.

Future Outlook

We at Shield believe in constant growth and success. Therefore, we are actively on a quest to identify new product categories. These new categories will be supplementary to the existing categories and will help in leveraging Shield's brand power.

The inflation, anticipated increase in regulatory/custom duty and resultant increase in commodity prices are anticipated to build pressure on margins of the Company. The Company plans to manage it with competitive pricing strategy, building on our distribution led competitive edge and investment in new technology to enhance the quality and consumer base.


Your management realizes that our baby care category is going strong and we must capitalize and sustain this effort so we continue to lead in this area. Export market is currently being explored and developed, to create a new platform where the team can meet demands of the challenging market.

Acknowledgement

We would like to place on record appreciations and thanks to:

- Our colleagues on the board for their valuable guidance and support.
- Our valued customers and consumers who have shown trust in our products and continued to provide sustained support in ensuring the progress of the Company.
- Our employees for their tireless efforts, commitment and dedication.
- Our esteemed suppliers, bankers and all stakeholders who are helping and contributing towards the continued growth of our Company.

On behalf of Board of Directors


M. Haroon Qassim
Chief Executive


Vali Muhammad A. Habib
Director

Karachi: 6 September 2018

KEY FINANCIAL DATA

SIX YEARS AT A GLANCE

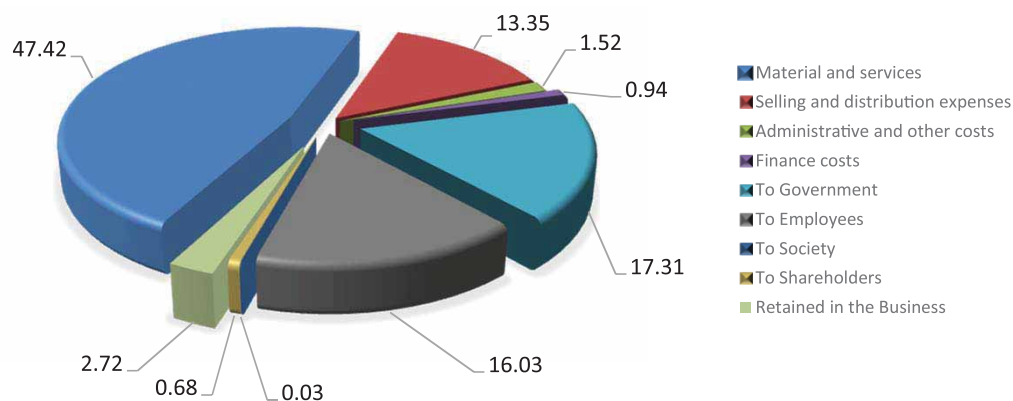
	2018	2017	2016	2015	2014	2013
----- Rupees -----						
Balance Sheet						
Paid up capital	39,000,000	39,000,000	39,000,000	39,000,000	39,000,000	39,000,000
Reserves & un-appropriated profit	<u>362,213,796</u>	<u>313,810,363</u>	<u>287,151,550</u>	<u>262,771,340</u>	<u>221,898,887</u>	<u>206,707,659</u>
Shareholders equity	401,213,796	352,810,363	326,151,550	301,771,340	260,898,887	245,707,659
Non-current liabilities	87,783,652	158,763,249	81,256,965	133,645,829	173,414,761	169,408,658
Current liabilities	<u>361,847,395</u>	<u>280,605,898</u>	<u>304,303,856</u>	<u>248,174,014</u>	<u>298,946,554</u>	<u>279,587,956</u>
Total equity and liabilities	<u><u>850,844,843</u></u>	<u><u>792,179,510</u></u>	<u><u>711,712,371</u></u>	<u><u>683,591,183</u></u>	<u><u>733,260,202</u></u>	<u><u>694,704,273</u></u>
Non-current assets	445,980,397	448,958,966	362,438,408	359,184,840	368,867,966	353,369,271
Current assets	<u>404,864,446</u>	<u>343,220,544</u>	<u>349,273,963</u>	<u>324,406,343</u>	<u>364,392,236</u>	<u>341,335,002</u>
Total assets	<u><u>850,844,843</u></u>	<u><u>792,179,510</u></u>	<u><u>711,712,371</u></u>	<u><u>683,591,183</u></u>	<u><u>733,260,202</u></u>	<u><u>694,704,273</u></u>
Profit and Loss Account						
Sales - net	1,678,897,969	1,662,086,046	1,548,321,733	1,248,961,378	1,174,856,539	1,218,938,348
Cost of sales	<u>1,067,416,649</u>	<u>1,088,656,983</u>	<u>1,041,712,545</u>	<u>870,750,560</u>	<u>809,115,849</u>	<u>870,451,155</u>
Gross profit	611,481,320	573,429,063	506,609,188	378,210,818	365,740,690	348,487,193
Selling and distribution expenses	418,214,780	427,702,275	388,299,071	257,653,951	273,859,529	259,808,886
Administrative and general expenses	60,753,032	65,149,589	39,901,493	37,485,364	28,490,558	23,222,673
Other operating expenses	17,587,559	6,455,334	5,081,446	5,244,569	3,187,096	3,226,148
Other operating income	<u>1,913,664</u>	<u>22,972,424</u>	<u>2,119,332</u>	<u>1,751,491</u>	<u>1,742,636</u>	<u>2,409,116</u>
Operating profit before finance costs	116,839,613	97,094,289	75,446,510	79,578,425	61,946,143	64,638,602
Finance costs	<u>18,714,378</u>	<u>11,167,225</u>	<u>7,754,789</u>	<u>15,747,185</u>	<u>23,968,150</u>	<u>19,411,909</u>
Profit before taxation	98,125,235	85,927,064	67,691,721	63,831,240	37,977,993	45,226,693
Taxation	<u>30,221,802</u>	<u>37,314,087</u>	<u>20,848,660</u>	<u>16,181,426</u>	<u>14,815,428</u>	<u>5,751,979</u>
Profit for the year	<u><u>67,903,433</u></u>	<u><u>48,612,977</u></u>	<u><u>46,843,061</u></u>	<u><u>47,649,814</u></u>	<u><u>23,162,565</u></u>	<u><u>39,474,714</u></u>

STATEMENT OF VALUE ADDED

The statement below shows the amount of the revenue generated by the Company during the year and the way this revenue has been distributed:

	2018		2017	
	Rupees	%	Rupees	%
Revenue Generated				
Total revenue	1,994,317,572	100.00	1,981,855,381	100.00
Revenue Distributed				
Material and services	945,798,400	47.42	973,755,623	49.13
Selling and distribution expenses	266,252,491	13.35	310,407,772	15.66
Administrative and other costs	30,254,942	1.52	29,026,665	1.47
Finance costs	18,714,378	0.94	11,167,225	0.56
Income tax	30,221,802	1.52	37,314,087	1.88
Worker's welfare fund	1,447,505	0.07	2,014,052	0.10
Sales tax	313,505,939	15.72	296,796,911	14.98
To Government	345,175,246	17.31	336,125,050	16.96
Salaries, wages and other benefits	319,718,682	16.03	272,100,598	13.74
To Employees	319,718,682	16.03	272,100,598	13.74
Donations	500,000	0.03	3,440,000	0.17
To Society	500,000	0.03	3,440,000	0.17
Cash dividend *	13,650,000	0.68	19,500,000	0.98
To Shareholders	13,650,000	0.68	19,500,000	0.98
Retained in the Business	54,253,433	2.72	26,332,448	1.33
	1,994,317,572	100.00	1,981,855,381	100.00

* Represents final cash dividend @ Rs. 3.50 per share proposed by the Board of Directors subsequent to the year end.



VERTICAL ANALYSIS

	2018	2017	2016	2015	2014	2013
Balance Sheet Analysis (%)						
Non-current assets	52.42	56.67	50.92	52.54	50.31	50.87
Current assets	47.58	43.33	49.08	47.46	49.69	49.13
Total assets	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>
Share capital and reserves	47.15	44.54	45.83	44.15	35.58	35.37
Non-current liabilities	10.32	20.04	11.42	19.55	23.65	24.39
Current liabilities	42.53	35.42	42.75	36.30	40.77	40.24
Total equity and liabilities	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Profit and Loss Account Analysis (%)

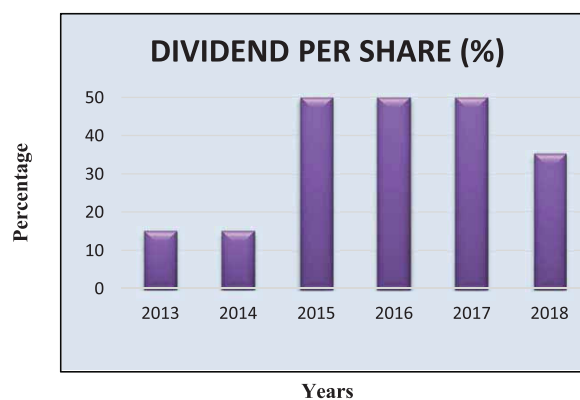
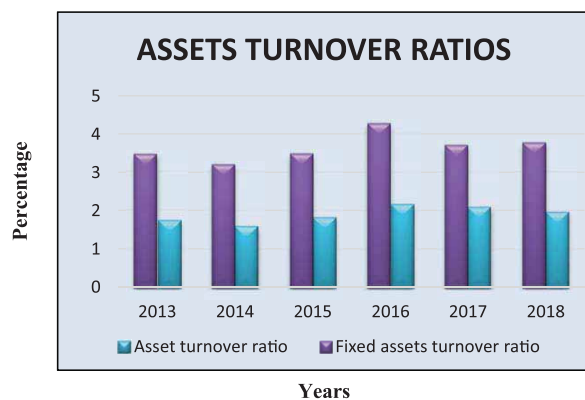
Net sales	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	63.58	65.50	67.28	69.72	68.87	71.41
Gross profit	36.42	34.50	32.72	30.28	31.13	28.59
Selling and distribution expenses	24.91	25.73	25.08	20.63	23.31	21.31
Administrative and general expense	3.62	3.92	2.58	3.00	2.43	1.91
Other operating expenses	1.05	0.39	0.33	0.42	0.27	0.26
Other operating income	0.11	1.38	0.14	0.14	0.15	0.20
Operating profit	6.96	5.84	4.87	6.37	5.27	5.30
Finance costs	1.11	0.67	0.50	1.26	2.04	1.59
Profit before taxation	5.84	5.17	4.37	5.11	3.23	3.71
Taxation	1.80	2.25	1.35	1.30	1.26	0.47
Profit after taxation	4.04	2.92	3.03	3.82	1.97	3.24

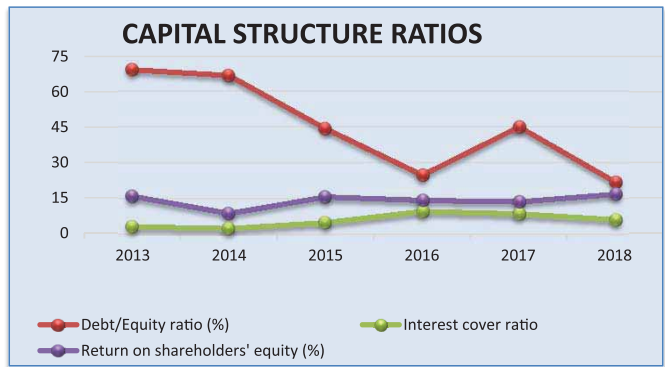
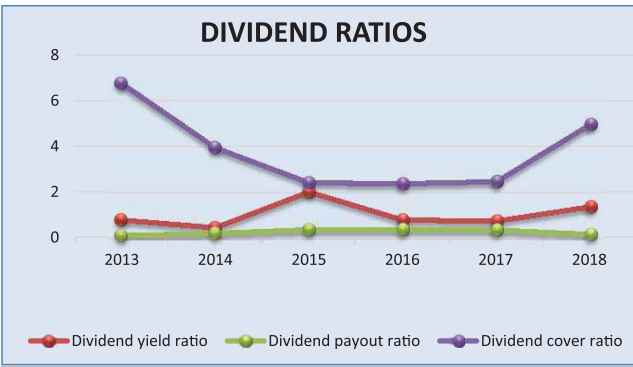
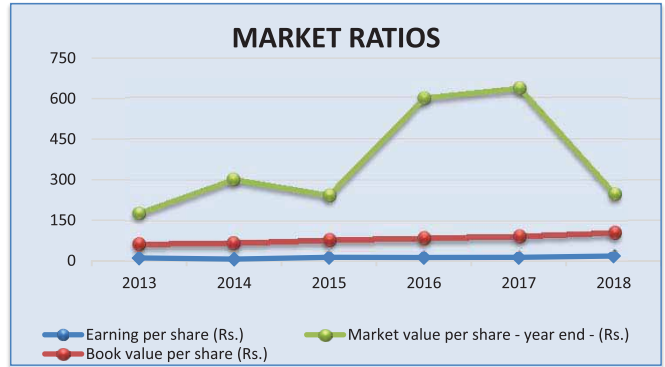
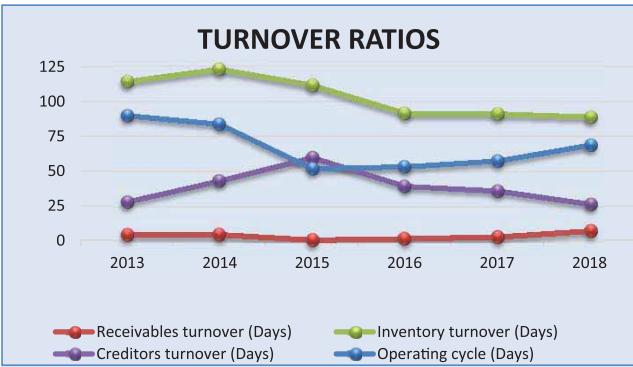
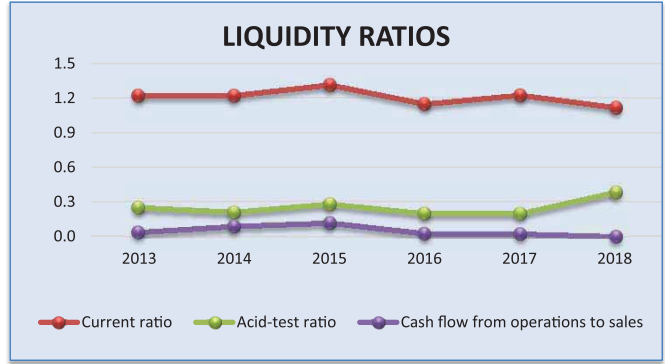
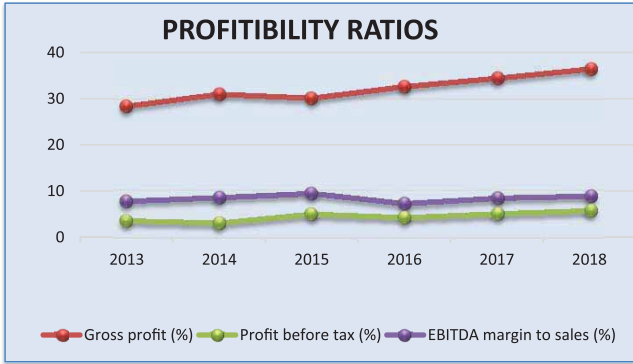
HORIZONTAL ANALYSIS

	Change from preceeding year					
	2018	2017	2016	2015	2014	2013
Balance Sheet Analysis (%)						
Non-current assets	(0.66)	23.87	0.91	(2.63)	4.39	22.58
Current assets	17.96	(1.73)	7.67	(10.97)	6.76	(0.48)
Total assets	<u>7.41</u>	<u>11.31</u>	<u>4.11</u>	<u>(6.77)</u>	<u>5.55</u>	<u>10.05</u>
Share capital and reserves	13.72	8.17	8.08	15.67	6.18	14.81
Non-current liabilities	(44.71)	95.38	(39.20)	(22.93)	2.36	11.93
Current liabilities	28.95	(7.79)	22.62	(16.98)	6.92	5.15
Total equity and liabilities	<u>7.41</u>	<u>11.31</u>	<u>4.11</u>	<u>(6.77)</u>	<u>5.55</u>	<u>10.05</u>
Profit and Loss Account Analysis (%)						
Net sales	1.01	7.35	23.97	6.31	(3.62)	14.89
Cost of sales	(1.95)	4.51	19.63	7.62	(7.05)	14.97
Gross profit	6.64	13.19	33.95	3.41	4.95	14.66
Selling and distribution expenses	(2.22)	10.15	50.71	(5.92)	5.41	20.67
Administrative and general expenses	(6.75)	63.28	6.45	31.57	22.68	5.64
Other operating expenses	172.45	27.04	(3.11)	64.56	(1.21)	(2.13)
Other operating income	(91.67)	983.95	21.00	0.51	(27.66)	71.66
Operating profit	20.34	28.69	(5.19)	28.46	(4.17)	(0.16)
Finance costs	67.58	44.00	(50.75)	(34.30)	23.47	(4.22)
Profit before taxation	14.20	26.94	6.05	68.07	(16.03)	1.69
Taxation	(19.01)	78.98	28.84	9.22	157.57	(18.20)
Profit after taxation	39.68	3.78	(1.69)	105.72	(41.32)	5.42

OPERATING & FINANCIAL HIGHLIGHTS

	2018	2017	2016	2015	2014	2013
Profitability Ratios						
Gross profit (%)	36.42	34.50	32.72	30.28	31.13	28.59
Net profit (%)	4.04	2.92	3.03	3.82	1.97	3.24
Profit before tax (%)	5.84	5.17	4.37	5.11	3.23	3.71
EBITDA margin to sales (%)	8.89	8.48	7.31	9.44	8.57	7.81
Operating leverage ratio (Times)	20.11	3.91	(0.22)	4.51	1.15	(0.01)
Return on capital employed (%)	25.61	22.59	23.02	25.02	17.42	18.85
Liquidity Ratios						
Current ratio	1.12	1.22	1.15	1.31	1.22	1.22
Acid-test ratio	0.38	0.20	0.20	0.28	0.21	0.25
Cash to current liabilities	0.35	0.39	0.34	0.30	0.34	0.73
Cash flow from operations to sales	0.00	0.03	0.03	0.12	0.09	0.04
Activity / Turnover Ratios						
Asset turnover ratio	1.97	2.10	2.18	1.83	1.60	1.75
Fixed assets turnover ratio	3.76	3.70	4.27	3.48	3.19	3.45
Receivables turnover (Days)	7.08	2.93	1.74	0.85	4.53	4.38
Inventory turnover (Days)	89.09	91.33	91.73	111.72	123.13	114.35
Creditors turnover (Days)	27.02	36.43	39.81	60.22	43.62	28.62
Operating cycle (Days)	69.15	57.83	53.66	52.35	84.04	90.11
Receivables turnover (Times)	51.53	124.61	210.40	443.80	83.12	86.02
Inventory turnover (Times)	4.10	4.00	3.99	3.27	2.96	3.19
Creditors turnover (Times)	13.51	10.02	9.19	6.06	8.37	12.75
Investment/Market Ratios						
Earning per share (Rs.)	17.41	12.46	12.01	12.22	5.94	10.12
Price earnings ratio	14.36	50.94	49.87	20.09	51.07	17.78
Price to book ratio	2.43	7.02	7.16	3.17	4.53	2.86
Dividend yield ratio	1.40	0.79	0.83	2.04	0.49	0.83
Dividend payout ratio	0.20	0.40	0.42	0.41	0.25	0.15
Dividend cover ratio	4.97	2.49	2.40	2.44	3.96	6.75
Dividend per share (%)	35.00	50.00	50.00	50.00	15.00	15.00
Book value per share (Rs.)	102.88	90.46	83.63	77.38	66.90	63.00
Market value per share - year end - (Rs.)	250.00	635.00	599.00	245.50	303.33	180.00
Capital Structure Ratios						
Debt/Equity ratio (%)	21.88	45.00	24.91	44.29	66.47	68.95
Financial leverage ratio	0.74	0.70	0.50	0.38	0.74	1.00
Interest cover ratio	6.24	8.69	9.73	5.05	2.58	3.33
Return on shareholders' equity (%)	16.92	13.78	14.36	15.79	8.88	16.07





PATTERN OF SHAREHOLDING

Held by the shareholders as on 30 June 2018

Number of Shareholders	Shareholding		Total Shares Held
	From	To	
229	1	100	7,904
135	101	500	40,058
29	501	1,000	21,919
32	1,001	5,000	65,777
9	5,001	60,000	185,380
3	300,001	350,000	972,648
3	410,001	470,000	1,291,649
2	550,001	760,000	1,314,665
442			3,900,000

Categories of Shareholders	No of Shares Held	%
Directors, Chief Executive Officer and their Spouses	2,903,864	74.46
Associated Companies, undertakings and related parties	-	-
Executives	-	-
Public Sector Companies and Corporations	-	-
Banks, development finance institutions, non-banking finance companies	-	-
Insurance companies, takaful, modarabas and pension funds	-	-
Mutual Funds	-	-
Shareholders holding 10% & more	2,606,314	66.83
General Public		
a. Local	992,625	25.45
b. Foreign	-	-
Others	3,511	0.09

NOTE: Some of the shareholders are reflected in more than one category

DETAILS OF PATTERN OF SHAREHOLDING

SHAREHOLDER'S CATERGORY	NO. OF SHARES HELD	%
I) DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSES		
Mr. Ebrahim Qassim	556,050	14.26
Mr. M. Haroon Qassim	462,509	11.86
Mr. Vali Muhammad A. Habib	55,250	1.42
Mr. Pir Muhammad	500	0.01
Mrs. Saadia Butt Naveed	650	0.02
Mr. Syed Imran Chishti	500	0.01
Mr. Muhammad Salman Qassim	417,430	10.70
Mrs. Kulsum Bano	758,615	19.45
Mrs. Zohra Bano	346,840	8.89
Mrs. Wazira Parveen	305,520	7.83
	2,903,864	74.46
II) ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	-	-
III) EXECUTIVES	-	-
IV) PUBLIC SECTOR COMPANIES AND CORPORATIONS	-	-
V) BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES	-	-
VI) INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS	-	-
VII) MUTUAL FUNDS	-	-
VIII) SHAREHOLDERS HOLDING 5% OR MORE		
Mr. Ebrahim Qassim	556,050	14.26
Mr. M. Haroon Qassim	462,509	11.86
Mr. Muhammad Salman Qassim	417,430	10.70
Mr. Muhammad Jamil Qassim	411,710	10.56
Mrs. Kulsum Bano	758,615	19.45
Mrs. Zohra Bano	346,840	8.89
Mrs. Wazira Parveen	305,520	7.83
Mrs. Saba Qassim	320,288	8.21
	3,578,962	91.77
IX) OTHERS AND GENERAL PUBLIC	996,136	25.54

Financial Calender

The Company follows the period of July 01 to June 30 as the financial year

For the financial year 2018-19, financial results will be announced as per the following tentative schedule.

Un-Audited Financial Results for First Quarter	Last week of October, 2018
Reviewed Half yearly Financial Results	Third week of February, 2019
Un-Audited Financial Results for Third Quarter	Third week of April, 2019
Audited Annual Results for the year ended 30 June 2019	Last week of August, 2019

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017 FOR THE YEAR ENDED JUNE 30, 2018

The Company has complied with the requirements of Code of Corporate Governance Regulations, 2017 (the Regulations) in the following manner:

1. The total number of directors are seven as per the following:

- a) Male : 6
- b) Female: 1

2. The composition of Board is as follows:

a) Independent Directors:

Mr. Pir Muhammad
Mr. Syed Imran Chishti

b) Other Non-executive Directors:

Mr. Ebrahim Qassim
Mr. Vali Muhammad A. Habib
Mrs. Saadia Butt Naveed

c) Executive Directors

Mr. M. Haroon Qassim
Mr. Muhammad Salman Qassim

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. All directors of the Company are compliant with the requirement of the Regulation related to Directors' Training Program. The Board ensures arrangement of orientation course for its directors to apprise them of their duties and responsibilities at the beginning of their term. No training session for directors was held during the year.
10. The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remunerations and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and Chief Executive Officer (CEO) duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below

a) Audit Committee:

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

b) HR and Remuneration Committee:

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

c) Risk Management Committee:

Mr. M. Haroon Qassim – Chairman
Mr. Vali Muhammad A. Habib
Mrs. Saadia Butt Naveed

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. During the financial year ended 30 June 2018, the frequency of meetings of the committee were as per following:

Audit Committee	Five meetings
HR and Remuneration Committee	Two meetings
Risk Management Committee	One meeting

15. The Board has outsourced the internal audit function to M/s. A.F. Fergusons & Co., Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. The Company has presented the details of all related party transactions before the Audit Committee and upon their recommendation to the board for review and approval. The Board has approved all the related party transactions. The definition of related party used is in accordance with the repealed Companies Ordinance, 1984 and applicable financial reporting framework as the regulations under Section 208 of the Act have not yet been announced.

19. We confirm that all other requirements of the Regulations have been complied with.


M. Haroon Qassim
Chief Executive


Vali Muhammad A. Habib
Director

Karachi: 6 September 2018



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Shield Corporation Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Shield Corporation Limited (the Company) for the year ended 30 June 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2018.

Karachi

Date: 6 September 2018


KPMG Taseer Hadi & Co.
Chartered Accountants



KPMG Taseer Hadi & Co.
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the members of Shield Corporation Limited

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of Shield Corporation Limited (the Company), which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss and 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 other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a



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whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

S.No.	Key audit matter	How the matter was addressed in our audit
1.	<p data-bbox="418 701 675 726">Revenue Recognition</p> <p data-bbox="418 737 805 793">Refer notes 6.11, 26 and 42 to the financial statements.</p> <p data-bbox="418 831 792 915">The Company generated revenue from sale of goods mainly to domestic customers.</p> <p data-bbox="418 953 831 1163">We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not being recognized in the appropriate period.</p>	<p data-bbox="857 737 1247 827">Our audit procedures in respect of recognition of revenue, amongst others, included the following:</p> <ul data-bbox="857 863 1295 1730" style="list-style-type: none"><li data-bbox="857 863 1295 1041">• obtaining an understanding of and testing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period;<li data-bbox="857 1079 1295 1226">• assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards;<li data-bbox="857 1264 1295 1478">• comparing, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; and<li data-bbox="857 1516 1295 1730">• inspecting, on a sample basis, credit notes issued to record discounts on sales before and after the reporting date with underlying documentation to assess whether discounts have been recognized in the appropriate accounting period.



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Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Company's Annual Report 2018, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are



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considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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



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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.



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Other Matters

The financial statements of the Company for the year ended 30 June 2017 were audited by another firm of Chartered Accountants who through their report dated 29 September 2017, expressed an unqualified opinion thereof.

The engagement partner on the audit resulting in this independent auditors' report is Muhammad Nadeem.

Date: 6 September 2018

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants


STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 (Rupees)	2017 (Rupees)
ASSETS			
Non-current assets			
Property, plant and equipment	7	441,122,786	444,273,154
Intangible assets	8	33,334	66,667
Long term deposits		4,811,390	4,522,500
Long term loans and advances	9	12,887	96,645
		<u>445,980,397</u>	<u>448,958,966</u>
Current assets			
Stores and spares	10	16,130,493	17,631,931
Stock-in-trade	11	251,156,278	269,903,709
Trade debtors	12	49,187,628	15,977,758
Loans and advances	13	10,573,209	19,595,723
Trade deposits and prepayments	14	43,358,383	1,396,874
Taxation - net	15	33,201,277	17,625,844
Cash and bank balances	16	1,257,178	1,088,705
		<u>404,864,446</u>	<u>343,220,544</u>
Total assets		<u>850,844,843</u>	<u>792,179,510</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Capital 15,000,000 (2017: 15,000,000) ordinary shares of Rs. 10/- each		<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed and paid-up capital 3,900,000 ordinary shares of Rs. 10/- each	17	39,000,000	39,000,000
Capital reserve	18	10,000,000	10,000,000
Revenue reserves		352,213,796	303,810,363
Total Shareholder's equity		<u>401,213,796</u>	<u>352,810,363</u>
Non-current liabilities			
Deferred taxation	19	32,783,652	27,432,379
Deferred liability - staff gratuity	20	-	54,330,870
Long term financing - secured	21	55,000,000	77,000,000
		<u>87,783,652</u>	<u>158,763,249</u>
Current liabilities			
Trade and other payables	22	113,943,844	107,558,770
Accrued profit	23	3,304,180	1,736,227
Current portion of long term financing	21	22,000,000	23,640,246
Short term bank finances - secured	24	221,708,152	146,939,698
Unpaid dividend		204,944	142,644
Unclaimed dividend		686,275	588,313
		<u>361,847,395</u>	<u>280,605,898</u>
Total liabilities		<u>449,631,047</u>	<u>439,369,147</u>
Contingencies and Commitments	25	-	-
Total equity and liabilities		<u>850,844,843</u>	<u>792,179,510</u>

The annexed notes from 1 to 48 form an integral part of these financial statements.


M. Haroon Qassim
Chief Executive


Vali Muhammad A. Habib
Director


M. Zaid Kaliya
Chief Financial Officer


STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 (Rupees)	2017 (Rupees)
Sales - net	26	1,678,897,969	1,662,086,046
Cost of sales	27	(1,067,416,649)	(1,088,656,983)
Gross profit		611,481,320	573,429,063
Selling and distribution expenses	28	(418,214,780)	(427,702,275)
Administrative and general expenses	29	(60,753,032)	(65,149,589)
Other operating expenses	30	(17,587,559)	(6,455,334)
		(496,555,371)	(499,307,198)
Other operating income	31	114,925,949	74,121,865
		1,913,664	22,972,424
Operating profit before finance costs		116,839,613	97,094,289
Finance costs	32	(18,714,378)	(11,167,225)
Profit before taxation		98,125,235	85,927,064
Taxation	33	(30,221,802)	(37,314,087)
Profit for the year		67,903,433	48,612,977
Other comprehensive income			
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Remeasurement of net defined benefit liability		-	(3,556,760)
Deferred tax on remeasurement of net defined benefit liability		-	1,102,596
		-	(2,454,164)
Total comprehensive income for the year		67,903,433	46,158,813
Earning per share - basic and diluted	34	17.41	12.46

The annexed notes from 1 to 48 form an integral part of these financial statements.


M. Haroon Qassim
Chief Executive


Vali Muhammad A. Habib
Director


M. Zaid Kaliya
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserves		Total
		Share Premium	General	Unappropriated Profit	
----- (Rupees) -----					
Balance as at 30 June 2016	39,000,000	10,000,000	55,000,000	222,151,550	326,151,550
Total comprehensive income for the year ended 30 June 2017					
Profit for the year	-	-	-	48,612,977	48,612,977
Other comprehensive loss for the year	-	-	-	(2,454,164)	(2,454,164)
Total comprehensive income for the year	-	-	-	46,158,813	46,158,813
Transactions with owners					
Dividend for the year 30 June 2016 - Final - @ Rs. 5.00 per share	-	-	-	(19,500,000)	(19,500,000)
Balance as at 30 June 2017	39,000,000	10,000,000	55,000,000	248,810,363	352,810,363
Total comprehensive income for the year ended 30 June 2018					
Profit for the year	-	-	-	67,903,433	67,903,433
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	67,903,433	67,903,433
Transactions with owners					
Dividend for the year 30 June 2017 - Final - @ Rs. 5.00 per share	-	-	-	(19,500,000)	(19,500,000)
Balance as at 30 June 2018	39,000,000	10,000,000	55,000,000	297,213,796	401,213,796

The annexed notes from 1 to 48 form an integral part of these financial statements


M. Haroon Qassim
Chief Executive


Vali Muhammad A. Habib
Director


M. Zaid Kaliya
Chief Financial Officer

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 (Rupees)	2017 (Rupees)
Cash flows from operating activities			
Cash flow from operations	35	117,435,456	103,827,656
Payment for gratuity	20	(53,143,637)	(10,009,250)
(Payment) / receipts for long term deposits		(288,890)	61,800
Long term loans and advances		83,758	453,680
Finance costs paid		(17,146,425)	(10,317,389)
Income tax paid		(40,445,962)	(38,541,555)
Net cash generated from operating activities		6,494,300	45,474,942
Cash flows from investing activities			
Fixed capital expenditure including capital work in progress		(41,368,231)	(149,500,981)
Sales proceeds from disposal of property, plant and equipment	7.4	3,253,934	39,502,955
Net cash (used in) investing activities		(38,114,297)	(109,998,026)
Cash flows from financing activities			
Long term financing - diminishing musharakah receipts	35.1	-	110,000,000
Long term financing - diminishing musharakah payments		(23,640,246)	(25,585,987)
Proceeds from murabaha finance obtained - net		42,347,543	58,685,928
Dividend paid		(19,339,738)	(19,416,719)
Net cash (used in) / generated from financing activities		(632,441)	123,683,222
Net (decrease) / increase in cash and cash equivalents		(32,252,438)	59,160,138
Cash and cash equivalents at the beginning of the year		(55,152,253)	(114,312,391)
Cash and cash equivalents at end of the year	36	(87,404,691)	(55,152,253)

The annexed notes from 1 to 48 form an integral part of these financial statements.



M. Haroon Qassim
Chief Executive



Vali Muhammad A. Habib
Director



M. Zaid Kaliya
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1 THE COMPANY AND ITS OPERATIONS

Shield Corporation Limited (the Company) was incorporated on 10 January 1975 as a public limited company in Pakistan under the Companies Act, 1913 (now Companies Act, 2017) and is quoted on Pakistan Stock Exchange. 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 Shariah Compliant Company and listed on Islamic Index.

Manufacturing facility of the Company is located at Landhi Industrial Area, Karachi. The Company started its commercial production on 26 November 1975 and is mainly engaged in the manufacturing, trading and sales of oral care and baby care products.

2 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE YEAR

2.1 During the year, the Company has changed its marketing strategy, in order to attract more customers, from advertisement and promotional schemes to giving more discounts to customers due to which the results of the Company have been improved. The Company has also discontinued gratuity benefits to all its permanent employees during the year (refer note 38).

Further, Director's report contain details about the Company's performance.

3 BASIS OF PREPARATION

3.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountant of Pakistan as are notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or IFASs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention.

3.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Company's functional currency.

4 USE OF ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively. Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements to the carrying amount of the assets and liabilities and assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment in the subsequent year are set forth below:

- Property, plant and equipment (refer note 6.1)
- Stores and spares and stock-in-trade (refer note 6.4 and 6.5)
- Taxation (refer note 6.7)
- Impairment (refer note 6.1, 6.2, 6.4 and 6.5)
- Provision (refer note 6.12)

5 NEW OR AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS, INTERPRETATION AND FORTHCOMING REQUIREMENTS

5.1 There are new and amended standards and interpretations as notified under the Companies Act, 2017 that are mandatory for accounting periods beginning 1 July 2017 but are considered not to be relevant or do not have any significant effect on the Company's financial statements and are therefore not stated in these financial statements.

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

The following IFRS as notified under the Companies Act, 2017 and the amendments and interpretations there to will be effective for accounting periods beginning on or after 1 July 2018:

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on the Company's financial statements.
- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' - effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on the Company's financial statements.
- Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit and loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on the Company's financial statements.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on the Company's financial statements.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on the Company's financial statements.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The management has completed an initial assessment of the potential impact on revenue and considered that the impact would not be significant.

- IFRS 9 'Financial Instruments' and amendment—Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The management has completed an initial assessment of changes required in classification and measurement of financial instruments on adoption of the standard and has also carried out an initial exercise to calculate impairment required under expected credit loss model. The management has completed an initial assessment of the potential impact on financial instruments and considered that the impact would not be significant.
- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The amendments are not likely to have an impact on the Company's financial statements.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on the Company's financial statements.
- Amendments to IAS 19 'Employee Benefits' - Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on the Company's financial statements.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:
 - IFRS 3 'Business Combinations' and IFRS 11 'Joint Arrangement' - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
 - IAS 12 'Income Taxes' - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
 - IAS 23 'Borrowing Costs' - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on the Company's financial statements.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

6.1 Property, Plant and Equipment

Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of materials, direct labour and any other cost directly attributable to bring the assets to a working condition for their intended use, the cost of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs, if any.

Subsequent cost

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

Depreciation

Depreciation is charged to income on a diminishing balance method at the rates mentioned in the note 7.1 except for leasehold land which is depreciated on a straight line basis. Depreciation is charged from the date the asset is put into operation and discontinued from the date the asset is retired.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if appropriate.

Capital work in progress

Capital work in progress is stated at cost less impairment, if any and consists of expenditure incurred and advances made in respect of tangible and intangible assets during the course of their construction and installation. Transfers are made to relevant assets category as and when assets are available for intended use.

Disposal

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense in the profit or loss.

Impairment

The carrying amount of property, plant and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated. The recoverable amount is the greater of its value in use and fair value less cost to sell. An impairment is recognized if the carrying amount exceeds its estimated recoverable amount.

6.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any.

Subsequent expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditures are expensed out as incurred.

Amortization

Amortization is charged to profit or loss on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Amortization on additions to intangible assets is charged from the date of use and discontinued from the date the asset is retired.

Impairment

All intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Where the carrying amount of an asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount. The carrying amount of other intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets' recoverable amount is estimated. The recoverable amount is the greater of its value in use and fair value less cost to sell. An impairment is recognized if the carrying amount exceeds its estimated recoverable amount.

6.3 Ijarah

Assets held under Ijarah financing are accounted for using the guidelines of Islamic Financial Accounting Standard-2 (IFAS2), "Ijarah". These assets are not recognized on the Company's statement of financial position and payments made under Ijarah financing are recognized in profit or loss on a straight line basis over the term of the lease.

6.4 Stores and spares

Stores, spares and loose tools are valued at lower of weighted average cost and net realizable value, less provision for impairment, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon less impairment if any.

Provision for obsolete and slow moving stores, spares and loose tools is determined based on management's estimate regarding their future usability.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to be incurred to make the sale.

6.5 Stock in trade

Stock in trade, except for stock in transit is valued at the lower of cost and net realizable value less provision for impairment, if any.

Cost incurred in bringing each product to its present location and condition are accounted for as follows.

- Raw and packing material are recorded at purchase cost on weighted average basis.
- Finished goods and work in process are valued at average production cost which includes cost of direct material, direct expenses and overheads.

Stock in transit is valued at cost comprising invoice value plus other charges incurred thereon upto the reporting date.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost necessary to be incurred to make the sale.

6.6 Employee Benefits

6.6.1 Compensated absences

The Company accounts for all accumulated compensated absences when employees render services that increase their entitlement to future compensated absences.

6.6.2 Post retirement benefits

6.6.2.1 Defined contribution plan - Provident fund

The Company operates a provident fund scheme for its permanent employees. Obligation for contributions to the fund are recognized as an expense in profit or loss when they are due. A trust has been established and its approval has been obtained from the Commissioner of Income tax. Monthly contributions are made by the Company and its employees to the fund as per Company policy.

6.6.2.2 Defined benefit plan - Gratuity scheme

The Company was providing gratuity benefits to all its permanent employees who have completed their minimum qualifying period as per the terms of employment. However, during the year, the scheme has been dissolved by the Board of Directors with effective date of 30 September 2017.

6.7 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any.

Deferred

Deferred tax is recognized using the balance sheet liability method, providing for all the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that are enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible differences, carry forward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits or taxable temporary difference will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

6.8 Trade and other payables

Liabilities for trade and other amounts payable are recognised initially at fair value and subsequently carried at amortized cost.

6.9 Foreign currencies translations

Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date except for those covered by forward contracts, which are stated at contracted rates. Foreign currency transactions are translated into Pak Rupees at the rate of exchange prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. Exchange gain and loss on translation are taken to profit or loss.

6.10 Trade debtors

Trade debts are recognized at fair value of consideration receivable. Debts considered irrecoverable are written off and provision is made against those considered doubtful of recovery.

6.11 Revenue recognition

Revenue is recognized to the extent that is probable that the future economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable.

Revenue from the sale of the products is recognised when significant risk and rewards are transferred to the buyer, that is, when the goods are dispatched.

6.12 Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made. Provision are reviewed at each reporting date and adjusted to reflect the current best estimates.

6.13 Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and call deposits. Running musharakah that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

6.14 Borrowing costs

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date the respective assets are available for intended use. All other profit, interest and other related charges are taken to profit or loss.

6.15 Other financial assets and liabilities

All other financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Any gain or loss on the recognition and derecognition of the financial assets and financial liabilities are included in the profit or loss account of the current year. All financial assets and financial liabilities, other than disclosed above, are carried at amortized cost. The fair value of these approximate their carrying amount.

6.16 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and only the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

6.17 Proposed dividends and transfer between reserves

Dividend distributions to the Company's shareholders are recognized as a liability in the period in which dividends are approved. Transfer between reserves made subsequent to the reporting date is considered as a non-adjusting event and is recognized in the period in which such transfers are made.

	Note	2018 (Rupees)	2017 (Rupees)
7 Property, plant and equipment			
Operating fixed assets	7.1	438,700,283	443,510,654
Capital work-in-progress	7.5	2,422,503	762,500
		<u>441,122,786</u>	<u>444,273,154</u>

7.1 Operating fixed assets

Description	Note	Leasehold land	Building on lease hold land	Plant & machinery	Office equipments	Furniture & fittings	Computers	Motor Vehicles	Total
Net carrying value as at 1 July 2017									
Opening net book value (NBV)		3,995,883	185,061,936	239,926,268	4,532,339	4,297,824	3,835,452	1,860,952	443,510,654
Additions / transfers		114,362,077	(114,362,077)	36,886,096	1,653,509	898,623	270,000	-	39,708,228
Disposals (at NBV)	7.4	-	-	(10,983,560)	(103,410)	-	(40,208)	(948,631)	(12,075,809)
Depreciation charge	7.2	(1,199,279)	(4,466,780)	(24,084,053)	(744,510)	(473,606)	(1,188,116)	(286,446)	(32,442,790)
Balance as at 30 June 2018 (NBV)		117,158,681	66,233,079	241,744,751	5,337,928	4,722,841	2,877,128	625,875	438,700,283
Gross carrying value as at 30 June 2018									
Cost		119,927,844	161,726,170	489,169,633	7,700,131	7,331,041	6,598,052	5,927,404	798,380,275
Accumulated depreciation and impairment		(2,769,163)	(95,493,091)	(247,424,882)	(2,362,203)	(2,608,200)	(3,720,924)	(5,301,529)	(359,679,992)
Net book value		117,158,681	66,233,079	241,744,751	5,337,928	4,722,841	2,877,128	625,875	438,700,283
Net carrying value as at 1 July 2016									
Opening net book value (NBV)		4,045,113	86,069,886	248,133,052	3,097,864	5,506,950	1,918,358	2,326,190	351,097,413
Additions / transfers		-	129,147,945	18,393,292	2,588,705	1,557,797	3,203,125	-	154,890,864
Disposals (at NBV)		-	(14,498,778)	(1,070,414)	(583,796)	(2,230,712)	(252,824)	-	(18,636,524)
Depreciation charge	7.2	(49,230)	(15,657,117)	(25,529,662)	(570,434)	(536,211)	(1,033,207)	(465,238)	(43,841,099)
Balance as at 30 June 2017 (NBV)		3,995,883	185,061,936	239,926,268	4,532,339	4,297,824	3,835,452	1,860,952	443,510,654
Gross carrying value as at 30 June 2017									
Cost		4,923,000	276,731,014	479,961,527	6,259,828	6,432,417	6,568,415	9,878,404	790,754,605
Accumulated depreciation and impairment		(927,117)	(91,669,078)	(240,035,259)	(1,727,489)	(2,134,593)	(2,732,963)	(8,017,452)	(347,243,951)
Net book value		3,995,883	185,061,936	239,926,268	4,532,339	4,297,824	3,835,452	1,860,952	443,510,654
Depreciation rate (% per annum)		1	10	10	10 & 30	10	30	20	

* Net book value of plant and machinery includes an aggregate amount of Rs. 1.83 million (2017: Rs. 0.34 million) representing net book value of capitalized spares.

	Note	2018 (Rupees)	2017 (Rupees)
7.2 The depreciation charge for the year has been allocated as follows:			
Cost of goods sold	27	31,370,954	33,791,025
Selling and distribution expenses	28	363,297	5,583,499
Administrative and general expenses	29	708,539	4,466,575
		<u>32,442,790</u>	<u>43,841,099</u>

7.3 Particulars of Company's immovable operating fixed assets are as follows:

Particulars	Location	Area
Building		
Office premises	PECHS, Karachi	13,165.24 Sq. fts.
Factory	Landhi Industrial Area, Karachi	95,309.00 Sq. fts.
Land		
Leasehold	Landhi Industrial Area, Karachi	12,279.00 Sq. yards
Leasehold	PECHS, Karachi	2,041.10 Sq. yards
Leasehold	Kot Lakhpat, Lahore	15 Marla 50 Sq. fts.

7.4 Details of property, plant and equipment disposed of during the year:

Description	Cost	Accumulated depreciation	Book Value	Sale proceeds	Gain / (loss)	Mode of disposal	Particular of buyers
	Rupees						
Motor Vehicle	2,102,000	1,447,857	654,143	825,000	170,857	Negotiation	Mr. Syed Faizan Ali Jafri
Machinery	2,434,118	1,691,403	742,715	164,634	(578,081)	Negotiation	Mr. M. Pervaiz
"	15,070,367	5,564,056	9,506,311	1,172,294	(8,334,017)	Negotiation	Mr. M. Pervaiz
Others	12,476,079	11,303,439	1,172,640	1,092,006	(80,634)	Various	Various
2018	32,082,564	20,006,755	12,075,809	3,253,934	(8,821,875)		
2017	29,050,915	10,460,404	18,590,511	39,502,955	20,912,444		

7.5 Capital work in progress

	Note	2018 (Rupees)	2017 (Rupees)
Advance to supplier		1,271,924	337,500
Plant and machinery		1,150,579	425,000
		<u>2,422,503</u>	<u>762,500</u>

8 INTANGIBLE ASSETS

Cost

	Note	2018 (Rupees)	2017 (Rupees)
Opening balance		4,227,334	4,127,334
Additions		-	100,000
Closing Balance		<u>4,227,334</u>	<u>4,227,334</u>

Amortization

	Note	2018 (Rupees)	2017 (Rupees)
Opening balance		4,160,667	4,127,334
Charge for the year	8.1	33,333	33,333
Closing Balance	8.2	<u>4,194,000</u>	<u>4,160,667</u>

Carrying amount

	Note	2018 (Rupees)	2017 (Rupees)
		<u>33,334</u>	<u>66,667</u>

Amortization Rate (%)

	Note	2018 (Rupees)	2017 (Rupees)
		<u>33.33%</u>	<u>33.33%</u>

8.1 The ammortization charge for the year has been allocated as follows:

	Note	2018 (Rupees)	2017 (Rupees)
Cost of goods sold	27	11,111	11,111
Selling and distribution expenses	28	11,111	11,111
Administrative and general expenses	29	11,111	11,111
		<u>33,333</u>	<u>33,333</u>

8.2 Intangible assets as at 30 June 2018 include items having an aggregate cost of Rs. 4.13 million (2017: Rs. 4.13 million) that have been fully amortized and are still in use of the Company.

9	LONG TERM LOANS AND ADVANCES	Note	2018 (Rupees)	2017 (Rupees)
	Considered good - secured			
	Due from employees	9.1	12,887	96,645
9.1	Reconciliation of carrying amount of loans			
	Opening balance		1,130,863	1,814,657
	Disbursements during the year		458,000	1,984,000
	Repayments during the year		(1,421,308)	(2,667,794)
	Closing balance		167,555	1,130,863
	Current portion receivable within one year		(154,668)	(1,034,218)
			12,887	96,645
9.2	These loans are interest free and have been given to executives and other employees of the company for purchase of vehicles or for personal use in accordance with their terms of employment and are secured against retirement benefits. These loans are to be repaid over a period of two years in equal monthly installments.			
9.3	Long term loans have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these financial statements.			
9.4	Maximum aggregate amount of loan due from employees at any time during the year was Rs. 1.02 million (2017: Rs. 2.41 million).			
10	STORES AND SPARES			
	It includes provision against slow moving stores and spares amounting to Rs. 1.08 million (2017: Nil).			
11	STOCK-IN-TRADE			
	Manufacturing:			
	Raw and packing materials			
	- in hand		147,487,967	107,673,952
	- in transit		-	46,216,568
	Work-in-process		12,282,326	10,501,331
	Finished goods	11.1	32,384,370	79,782,495
	Trading:			
	- in hand		56,243,103	19,905,660
	- in transit		2,758,512	5,823,703
			251,156,278	269,903,709
11.1	This includes finished goods with cost of Rs. 3.37 million which are being carried at their net realizable value of Rs. 2.85 million.			
12	TRADE DEBTORS			
	Related parties - unsecured			
	Premier Agencies	12.1 &	13,233,126	3,391,615
	Memon Medical Institute	12.2	186,369	34,421
			13,419,495	3,426,036
	Unsecured			
	Considered good		35,768,133	12,551,722
	Considered doubtful		284,573	-
	Provision for doubtful trade debts		(284,573)	-
			35,768,133	12,551,722
			49,187,628	15,977,758

	Note	2018 (Rupees)	2017 (Rupees)
12.1 The aging of amount due from related parties:			
Not past due		13,377,509	2,624,951
Past due 1 - 30 days		1,016	24,324
Past due 31 - 180 days		40,970	-
		<u>13,419,495</u>	<u>2,649,275</u>
12.2			
Maximum aggregate amount outstanding at any time during the year calculated by reference to month-end balance of Premier Agencies is Rs. 140.78 million (2017: Rs. 148.74 million) and Memon Medical Institute is Rs. 0.21 million (2017: 0.06 million).			
13 LOANS AND ADVANCES			
Loan - secured and considered good			
Current portion of long term loans and advances to employees		154,668	1,034,218
Advances - considered good			
Suppliers for goods and services		2,897,562	683,584
Advances to others		7,520,979	17,877,921
		<u>10,573,209</u>	<u>19,595,723</u>
14 TRADE DEPOSITS AND PREPAYMENTS			
LC margin		42,353,570	-
Security deposits		693,997	1,077,937
Prepayments		310,816	318,937
		<u>43,358,383</u>	<u>1,396,874</u>
15 TAXATION - NET			
Advance taxation		46,229,461	49,656,406
Refunds due from government		17,793,978	6,892,493
Provision for taxation	33	(30,822,162)	(38,923,055)
		<u>33,201,277</u>	<u>17,625,844</u>
15.1			
The Board of Directors of the Company has distributed sufficient cash dividend for the year ending 30 June 2018 (refer note 47) to comply with the requirements of Section 5A of the Income Tax Ordinance, 2001. Accordingly, no provision for tax on undistributed profits has been recognized in these financial statements.			
16 CASH AND BANK BALANCES			
Cash in hand			
Local currency		124,851	286,314
Foreign currency		309,875	174,662
		434,726	460,976
With banks - in current accounts	16.1	822,452	627,729
		<u>1,257,178</u>	<u>1,088,705</u>
16.1			
This includes balances amounting to Rs. 0.37 million (2017: Rs.0.14 million) with Shariah complaint banks.			
17 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
		2018	2017
		(Number of shares)	
		3,000,000	3,000,000
		900,000	900,000
		<u>3,900,000</u>	<u>3,900,000</u>
		Ordinary shares of Rs. 10 each issued for cash	30,000,000
		Ordinary shares of Rs. 10 each issued as fully paid bonus shares	9,000,000
		<u>39,000,000</u>	<u>39,000,000</u>

17.1 Percentage of shares held by Directors, Chief Executive Officer and their spouse as at 30 June 2018 is 74.46% (2017: 74.46%).

17.2 There is no shareholder agreement for voting rights, board selection, rights of first refusal and block voting.

18 CAPITAL RESERVE

It consists up of share premium reserve as per section 81 of the Companies Act 2017 this can be used for following purpose:

- to write off preliminary expenses of the Company;
- to write off expenses of, or the commission paid or discount allowed on, any issue of shares of the Company; and
- in providing for the premium payable on the redemption of any redeemable preference shares of the Company.

The Company may also use the share premium account to issue bonus shares to its members.

19 DEFERRED TAXATION	Note	2018 (Rupees)	2017 (Rupees)
Deferred tax credits / (debits) arising in respect of :			
Taxable temporary differences			
Accelerated tax depreciation / amortization		35,313,801	47,803,728
Deductible temporary differences			
Provision for gratuity		(2,211,945)	(20,371,349)
Provision against doubtful trade debts		(66,384)	-
Provision against slow moving stores and spares		(251,820)	-
		<u>32,783,652</u>	<u>27,432,379</u>
20 DEFERRED LIABILITY - STAFF GRATUITY			
Movement in net liability recognized			
Opening net liability		54,330,870	47,525,531
Expense charge for the year	20.1	9,482,167	13,257,829
Remeasurement loss on obligation		-	3,556,760
		<u>63,813,037</u>	<u>64,340,120</u>
Transferred to current liabilities		(10,669,400)	-
Benefits paid during the year		(53,143,637)	(10,009,250)
Closing net liability		<u>-</u>	<u>54,330,870</u>
20.1 Charge for the defined benefit plan			
Current service cost		9,482,167	9,218,343
Interest cost		-	4,039,486
Expense for the year		<u>9,482,167</u>	<u>13,257,829</u>
21 LONG TERM FINANCING - SECURED			
	Installment payable	Repayment period	Profit rate
Diminishing musharakah arrangements			
Bank Al-Habib Limited - Islamic banking	Quarterly	2017-21	0.50% above 6 months KIBOR
	21.1		
			77,000,000
Bank Al-Habib Limited - Islamic banking	Quarterly	2015-17	0.75% above 6 months KIBOR
	21.2		
			-
			<u>77,000,000</u>
			<u>100,640,246</u>
Less: Current portion shown under current liabilities			
Bank Al-Habib Limited - Islamic banking	21.1		
			(22,000,000)
Bank Al-Habib Limited - Islamic banking			-
			(1,640,246)
			<u>(22,000,000)</u>
			<u>(23,640,246)</u>
			<u>55,000,000</u>
			<u>77,000,000</u>

- 21.1** The Company has a long term loan arrangement with Bank Al-Habib Limited-Islamic banking for an amount of Rs. 110 million (2017: Rs. 110 million). The term of the loan is 5 years from the date of disbursement, repayable in 20 equal quarterly installments started from March 2017. During the year, the Company had made repayment of Rs. 22 million (2017: Rs. 11 million) on which, profit was 6.66% to 6.70% (2017: 6.62%) per annum. The Company has total facility of Rs. 122.07 million. Islamic finance under this diminishing musharakah is secured by a mortgage of head office property and personal guarantee of Chairman of the Board of Directors.
- 21.2** The Company had a long term loan arrangement with Bank Al-Habib Limited-Islamic banking for an amount of Rs. 16.40 million. The term of the loan was 3 years from the date of disbursement including a grace period of six months, repayable in 10 equal quarterly installments starting from ninth month from date of disbursement. During the year, the Company had made repayment of Rs. 1.64 million (2017: Rs. 6.56 million) on which profit was 6.88% (2017: 7.12% to 7.00%) per annum. Islamic finance under this diminishing musharakah was secured by a first exclusive charge over particular machinery of the Company.
- 21.3** The Company has an unavailed facility from Meezan Bank Limited amounting to Rs. 95 million. Islamic finance under this diminishing musharakah is secured by a first pari passu hypothecation charge over all present and future plant and machinery of the Company where ever situated.

22 TRADE AND OTHER PAYABLES	Note	2018 (Rupees)	2017 (Rupees)
Creditors		61,853,979	67,283,329
Accrued liabilities	22.1	24,868,111	29,731,397
Retention money		24,382	-
Gratuity payable		10,669,400	-
Sales tax payable		8,637,788	4,288,975
Workers' welfare fund		1,447,505	1,687,687
Workers' profit participation fund	22.2	5,240,671	4,441,282
Advance from customers - unsecured		1,012,408	-
Others		189,600	126,100
		<u>113,943,844</u>	<u>107,558,770</u>
22.1 Accrued liabilities			
Salaries, wages and other benefits		4,668,487	3,172,652
Expenses payable		19,617,624	25,976,745
Auditors' remuneration payable		582,000	582,000
		<u>24,868,111</u>	<u>29,731,397</u>
22.2 Workers' profit participation fund			
Opening Balance		4,441,282	3,417,066
Provision made during the year		5,240,671	4,441,282
		<u>9,681,953</u>	<u>7,858,348</u>
Interest on funds utilised in the Company's business	32	235,768	256,032
		<u>9,917,721</u>	<u>8,114,380</u>
Amounts paid to and on behalf of the fund		(4,677,050)	(3,673,098)
		<u>5,240,671</u>	<u>4,441,282</u>
23 ACCRUED PROFIT			
Profit accrued on:			
Murabaha financing		1,565,416	704,527
Running musharakah		1,378,256	599,238
Accrued rent on diminishing musharakah		360,508	432,462
		<u>3,304,180</u>	<u>1,736,227</u>
23.1 The above profit accrued is on shariah arrangement.			
24 SHORT TERM BANK FINANCES - SECURED			
Murabaha finance	24.1	133,046,283	90,698,740
Running musharakah	24.2	88,661,869	56,240,958
		<u>221,708,152</u>	<u>146,939,698</u>

- 24.1** 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. The Company enjoys a total facility of Rs. 250 million (2017: Rs. 220 million) at a profit rate ranging from relevant KIBOR + 0.30% to 0.75% (2017: KIBOR + 0.20% to 0.75%) per annum.
- 24.2** 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. The Company enjoys a total facility of Rs. 250 million (2017: Rs. 80 million) at a profit rate ranging from relevant KIBOR + 0.30% to 0.50% (2017: KIBOR + 0.50%) per annum.
- 24.3** The Company is currently availing Islamic mode of financing from the Bank Al-Habib Limited, Meezan Bank Limited, Habib Metropolitan Bank Limited. Facilities availed during the year includes letter of credit, bank guarantee, musharakah and murabaha financing.
- 24.4** The Company has an unavailed running finance facility from Habib Metropolitan Bank Limited amounting to Rs. 50 million, secured against hypothecation of current assets of the Company.

25 CONTINGENCIES AND COMMITMENTS

25.1 Contingencies:

- 25.1.1** During the year 1999, Beecham Group Plc filed a suit in Honorable High Court of Sindh against the Company for permanent injunction, restraining infringement, passing off the trademark "Flex". Beecham Group Plc also filed a JM in Honorable High Court of Sindh in 1999, for rectification of the Company's registered trademark "Shield Flex". The Company, in relation to defending the above mentioned cases and the trademark for Rs. 5 million (2017: Rs. 5 million), submitted a bank guarantee of Rs. 5 million (2017: Rs. 5 million) as per order of Honorable High Court of Sindh passed on 13 August 1999. Based on the Company's legal counsel advice, the management is hopeful that both cases will be decided in Company's favour and hence no provision has been made in these financial statements.

- 25.1.2** In addition to the aforesaid guarantee, contingent liability in respect of other guarantees as at 30 June 2018 was Rs. 4.09 million (2017: Rs. 2.59 million). Out of this, Rs. 4 million (2017 : Rs. 2.5 million) represents the guarantee issued to Pakistan State Oil against commercial and fleet cards for fuel & diesel.

- 25.1.3** The Company has filed a suit for infringement and passing off its Trade Mark Shield on 8 May 2014 against Dalda foods (Private) Limited in which earlier interim stay was granted on 9 May 2014 which was later on confirmed by Honorable High Court of Sindh on 16 September 2014. Later on Dalda foods (Private) Limited has filed an appeal against the confirmation of stay order which was granted by Honorable High Court of Sindh on 18 March 2016. The Company had filed an appeal in Honorable Supreme Court of Pakistan. The Honorable Supreme Court of Pakistan referred the case to the Honorable High Court of Sindh to form the commission for deciding the case as per merit. Based on the entity's counsel advice, the management is confident that the case will be decided in the Company's favour.

- 25.1.4** The Company has filed a constitutional petition in Honourable High Court of Sindh on 6 March 2017 against impugned recovery notice dated 20 January 2017 for Rs. 2.5 million of Karachi Municipal Corporation (KMC) on account of Municipal Utility Charges Tax (MUCT) arrears in which stay was granted by the Honorable High Court of Sindh on 7 March 2017. Based on the Company's legal counsel advice, the management is hopeful for the favourable outcome of the court case and hence no provision has been made in these financial statements.

- 25.1.5** Additional Commissioner, Punjab Revenue Authority (PRA) had issued an order dated 9 March 2017 demanded Rs. 4.17 million on account of non-withholding of sales tax on services along with default surcharge and penalty. The Company filed an appeal to Commissioner Appeals-PRA against the order. The Commissioner Appeals-PRA, vide Order in Appeal dated 5 November 2017 deleted the sales tax demand of Rs. 1.95 million along with penalty. However, the Commissioner Appeal-PRA had upheld the remaining sales tax demand of Rs. 2.22 million along with default surcharge. The Company has paid the principal demand to PRA after recovering from service providers and filed an appeal before the Appellate Tribunal-PRA for waiver of default surcharge relating thereto. Based on the Company's tax consultant advice, the management is confident that the case will be decided in the Company's favour and hence no provision has been made in these financial statements.

Commitments:

- 25.2** The Company has letter of credit commitments for purchases amounting to Rs. 72.22 million (30 June 2017: Rs. 54.75 million).
- 25.2.1** The Company has letter of credit and other commitments for capital expenditures amounting to Rs. 32.56 million (30 June 2017: Rs. 26.78 million).
- 25.2.2**

	Note	2018 (Rupees)	2017 (Rupees)
26 SALES - NET			
Sales - local		2,138,196,030	2,021,722,748
Sales tax		(313,505,939)	(296,796,911)
		<u>1,824,690,091</u>	<u>1,724,925,837</u>
Discounts		(163,124,452)	(74,022,016)
		<u>1,661,565,639</u>	<u>1,650,903,821</u>
Sales - export	26.1	17,332,330	11,182,225
		<u>1,678,897,969</u>	<u>1,662,086,046</u>
26.1 Summary of export sales during the year:			
Country	Geographical location		
Afghanistan	Asia	17,245,900	11,182,225
Ireland	Europe	86,430	-
		<u>17,332,330</u>	<u>11,182,225</u>
27 COST OF SALES			
Raw and packaging material consumed	27.1	558,587,428	654,594,668
Salaries, wages and benefits	27.2	121,618,249	114,901,360
Fuel and power		38,254,036	38,681,391
Stores and spares consumed		11,268,890	12,363,127
Depreciation	7.2	31,370,954	33,791,025
Amortization of intangible assets	8.1	11,111	11,111
Repairs and maintenance		14,354,287	11,832,934
Traveling and conveyance		1,920,300	2,191,978
Rent, rates and taxes		207,368	186,550
Insurance		2,094,484	2,856,759
Freight		121,789	62,953
Printing and stationery		398,986	470,014
Postage, telegram and telephone		1,183,968	969,593
Others		3,043,386	2,389,504
		<u>784,435,236</u>	<u>875,302,967</u>
Opening Inventory of work in process		10,501,331	12,995,456
Closing Inventory of work in process		(12,282,326)	(10,501,331)
		<u>(1,780,995)</u>	<u>2,494,125</u>
Cost of goods manufactured		<u>782,654,241</u>	<u>877,797,092</u>
Opening Inventory of finished goods (including trading goods)		99,688,155	122,876,341
Purchases of trading goods		273,701,726	187,671,705
Closing Inventory of finished goods (including trading goods)		(88,627,473)	(99,688,155)
		<u>284,762,408</u>	<u>210,859,891</u>
		<u>1,067,416,649</u>	<u>1,088,656,983</u>
27.1 Raw & packaging materials consumed			
Opening stock		107,673,952	122,776,268
Purchases		598,401,443	639,492,352
		<u>706,075,395</u>	<u>762,268,620</u>
Closing stock		(147,487,967)	(107,673,952)
		<u>558,587,428</u>	<u>654,594,668</u>

	Note	2018 (Rupees)	2017 (Rupees)
27.2	Detail of salaries, wages and other benefits		
	Salaries, wages and other benefits	113,689,289	106,189,544
	Gratuity	5,374,899	6,705,189
	Provident fund contributions	2,554,061	2,006,627
		<u>121,618,249</u>	<u>114,901,360</u>
28	SELLING AND DISTRIBUTION EXPENSES		
	Salaries and other benefits	28.1 151,962,289	117,294,503
	Traveling and conveyance	34,112,244	33,779,504
	Depreciation	7.2 363,297	5,583,499
	Amortization of intangible assets	8.1 11,111	11,111
	Advertisement and sales promotion	173,903,963	226,503,054
	Postage, telegram and telephone	1,692,033	3,081,678
	Vehicle repair and maintenance	1,728,518	1,905,422
	Printing & stationery	385,645	716,308
	Insurance	171,819	215,120
	Freight	40,369,590	34,503,005
	Legal and professional	10,922,134	2,528,924
	Others	2,592,137	1,580,147
		<u>418,214,780</u>	<u>427,702,275</u>
28.1	Detail of salaries, wages and other benefits		
	Salaries, wages and other benefits	148,121,335	113,511,690
	Gratuity	1,650,538	2,734,233
	Provident fund contributions	2,190,416	1,048,580
		<u>151,962,289</u>	<u>117,294,503</u>
29	ADMINISTRATIVE AND GENERAL EXPENSES		
	Salaries and other benefits	29.1 40,897,473	35,463,453
	Repairs and maintenance	4,398,983	9,987,490
	Depreciation	7.2 708,539	4,466,575
	Amortization of intangible assets	8.1 11,111	11,111
	Traveling and conveyance	344,321	215,740
	Postage, telegram and telephone	1,322,393	920,190
	Rent, rates and taxes	310,484	305,979
	Insurance	280,439	220,721
	Electricity and water charges	2,634,979	1,742,056
	Printing and stationery	1,133,953	1,168,469
	Legal and professional	5,269,908	3,408,562
	Security charges	587,838	942,486
	Fees and subscription	1,169,811	1,611,110
	Director meeting fees	360,000	320,000
	Charity and donations	29.2 500,000	3,440,000
	Auditors' remuneration	29.3 613,350	612,950
	Others	209,450	312,697
		<u>60,753,032</u>	<u>65,149,589</u>
29.1	Detail of salaries, wages and other benefits		
	Salaries, wages and other benefits	36,697,163	30,385,228
	Gratuity	2,456,730	3,818,406
	Provident fund contributions	1,743,580	1,259,819
		<u>40,897,473</u>	<u>35,463,453</u>
29.2	The directors or their spouses have no interest in the donation made during the year.		
29.3	Auditors' remuneration		
	Annual audit fee	540,000	540,000
	Half yearly review fee	31,350	30,950
	Compliance with corporate governance review fee	27,000	27,000
	Out of pocket	15,000	15,000
		<u>613,350</u>	<u>612,950</u>

	Note	2018 (Rupees)	2017 (Rupees)
30 OTHER OPERATING EXPENSES			
Provision for:			
- Workers' Profit Participation Fund		5,240,671	4,441,282
- Workers' Welfare Fund		1,447,505	1,687,687
- Workers' Welfare Fund - prior		-	326,365
- doubtful trade debts		284,573	-
- slow moving stores and spares		1,079,504	-
Loss on foreign exchange		347,419	-
Loss on disposal of fixed assets	7.4	8,821,875	-
Others		366,012	-
		<u>17,587,559</u>	<u>6,455,334</u>
31 OTHER OPERATING INCOME			
Scrap sales		1,913,664	1,997,008
Gain on disposal of fixed assets		-	20,912,444
Export rebate		-	62,972
		<u>1,913,664</u>	<u>22,972,424</u>
32 FINANCE COSTS			
Profit on short term borrowings - Shariah arrangement		11,941,939	5,977,855
Interest on WPPF		235,768	256,032
Rent on diminishing musharakah		6,018,121	4,495,845
Guarantee commission		46,169	147,492
Bank charges		472,381	290,001
		<u>18,714,378</u>	<u>11,167,225</u>
33 TAXATION			
Current			
- for the year		30,822,162	38,923,055
- for prior years		(5,951,633)	1,947,247
		<u>24,870,529</u>	<u>40,870,302</u>
Deferred		5,351,273	(3,556,215)
		<u>30,221,802</u>	<u>37,314,087</u>
33.1 Relationship between taxation expense and accounting profit			
Profit before taxation		<u>98,125,235</u>	<u>85,927,064</u>
Tax at the applicable rate of 30% (2017: 31%)		29,437,571	26,637,390
Impact of change in tax rate		(914,413)	(1,035,200)
Tax effect of income assessed under final tax regime		8,187,196	10,755,076
Prior year tax		(5,951,633)	1,947,247
Others		(536,919)	(990,426)
		<u>30,221,802</u>	<u>37,314,087</u>

- 33.2 The income tax assessments of the Company have been finalized up to and including tax year 2016. Income tax return of 2017 has been filed which is deemed to be assessed under section 120 of Income Tax Ordinance, 2001 unless selected for amendment/audit by the taxation authorities. Sufficient provision for tax has been made in these financial statements taking into account the profit or loss for the year and various admissible and inadmissible allowances and deduction under the Income Tax Ordinance, 2001. Position of provision and assessment including returns filed and deemed assessed for last three years are as follows:

	2017	2016	2015
	(Rupees)		
Tax provision including effects of prior years	34,450,541	27,685,248	19,883,507
Tax assessed / returns filed	34,450,541	27,685,248	19,883,507
	Note	2018 (Rupees)	2017 (Rupees)

34 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation	67,903,433	48,612,977
	(Number of shares)	
Weighted average number of ordinary shares in issue during the year	3,900,000	3,900,000
	(Rupees)	
Earnings per share - basic and diluted	17.41	12.46

35 CASH FLOW FROM OPERATIONS

Profit before taxation		98,125,235	85,927,064
Adjustments for:			
Depreciation	7.2	32,442,790	43,841,099
Amortization	8.1	33,333	33,333
Provision against doubtful trade debts	30	284,573	-
Provision against slow moving stores and spares	30	1,079,504	-
Provision for gratuity	20.1	9,482,167	13,257,829
Loss / (gain) on disposal of property, plant and equipment		8,821,875	(20,912,444)
Finance costs	32	18,714,378	11,167,225
Changes in:			
- Stores and spares		421,934	(3,534,802)
- Stock-in-trade		18,462,858	5,470,898
- Trade debts		(33,209,870)	(5,277,922)
- Loans and advances		9,022,514	(10,314,788)
- Deposits and short term prepayments		(41,961,509)	(815,968)
- Trade and other payables		(4,284,326)	(15,013,868)
Cash flows from operations		117,435,456	103,827,656

35.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Long term financing 21	Short term borrowings 24	Dividend Payable	Total
Note				
Opening balance as at 1 July 2017	100,640,246	90,698,740	730,957	192,069,943
Dividend declared	-	-	19,500,000	19,500,000
Repayment of long term loans	(23,640,246)	-	-	(23,640,246)
Proceeds from short term borrowings	-	407,808,394	-	407,808,394
Repayment of short term borrowings	-	(365,460,851)	-	(365,460,851)
Dividend paid	-	-	(19,339,738)	(19,339,738)
	(23,640,246)	42,347,543	(19,339,738)	(632,441)
Closing balance as at 30 June 2018	77,000,000	133,046,283	891,219	210,937,502

	Note	2018 (Rupees)	2017 (Rupees)
36 CASH AND CASH EQUIVALENTS			
Running musharakah - secured	24	(88,661,869)	(56,240,958)
Cash and bank balances	16	1,257,178	1,088,705
		<u>(87,404,691)</u>	<u>(55,152,253)</u>

37 SEGMENT REPORTING

During the year, the management has reassessed the segment reporting process and concluded that there is no process of reviewing and monitoring of operating activities, financial results, forecast / plan for the segment and no decision is made or allocation of resources by Chief Executive or Chief Operating Officer (key decision makers). Further, there is no discrete information available specific to the segment nor the segment information presented to the Board of Directors and key decision makers. Therefore, disclosures of segment reporting has not been presented' in these financial statements.

38 STAFF RETIREMENT BENEFITS

38.1 Defined benefit plans

38.1.1 The actuarial valuation of gratuity schemes had been conducted in accordance with IAS 19, 'Employee benefits' as at 30 June 2017. During the year, the scheme has been dissolved by the Board of Directors with effective date of 30 September 2017. The projected unit credit method, using the following significant assumptions, had been used for the actuarial valuation:

	2018	2017
<i>Financial assumptions</i>		
- Discount rate used for interest cost in profit or loss charge	-	9.25%
- Discount rate used for year end obligation	-	9.25%
- Expected rate of increase in salaries	-	8.25%
<i>Demographic assumptions</i>		
- Retirement Assumption	-	Age 60
- Expected mortality for active members	-	SLIC (2001-05)

38.1.2 The amounts recognized in balance sheet are as follows:

	Note	2018 (Rupees)	2017 (Rupees)
Present value of defined benefit obligations	38.1.3	<u>-</u>	<u>54,330,870</u>

38.1.3 Movement in the net defined benefit liability / (asset)

Opening balance	54,330,870	47,525,531
Net cost charged to profit or loss	9,482,167	13,257,829
Remeasurements recognized in other comprehensive income	-	3,556,760
Benefits paid during the year	(53,143,637)	(10,009,250)
Transferred to current liabilities	(10,669,400)	-
Closing balance	<u>-</u>	<u>54,330,870</u>

38.1.4 Movement in the present value of defined benefit obligations

Present value of defined benefit obligations - 1 July	-	47,525,531
Current service cost	-	9,218,343
Interest cost	-	4,039,486
Benefits paid during the year	-	(10,009,250)
Remeasurement:		
Actuarial losses from change in financial assumption	-	3,556,760
Present value of defined benefit obligations - 30 June	<u>-</u>	<u>54,330,870</u>

	Note	2018 (Rupees)	2017 (Rupees)
38.1.5	Following amounts have been charged in the profit or loss in respect of these benefits:		
	Current service cost	9,482,167	9,218,343
	Interest cost	-	4,039,486
	Charge recognized in profit or loss	<u>9,482,167</u>	<u>13,257,829</u>
38.1.6	Following amounts of remeasurements were in the other comprehensive income in respect of these benefits:		
	Remeasurement:		
	Remeasurement loss recognised in the other comprehensive income	<u>-</u>	<u>3,556,760</u>

38.2 Defined contribution plan

The company has 97 employees (2017: 122 employees) and average number of employees during the year was 112 (2017: 118 employees).

The following information is based on the latest audited financial statements of the provident fund:

Details of Provident fund:

Size of the fund	35,477,048	32,760,133
Fair value of Investment	35,406,217	32,468,088
Percentage of Investment	99.80%	99.11%

Break up of Investments:

Mutual Funds	10,593,978	12,728,228
Cash at Bank	6,812,239	3,239,860
Investment Certificates	18,000,000	16,500,000
	<u>35,406,217</u>	<u>32,468,088</u>

Break up of investments (Percentage):

Mutual Funds	29.92%	39.20%
Cash at Bank	19.24%	9.98%
Investment Certificates	50.84%	50.82%
	<u>100.00%</u>	<u>100.00%</u>

Investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

39 FINANCIAL RISK MANAGEMENT

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Level 1 : Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The Company has not disclosed the fair values of its financial assets and financial liabilities, as these are short term in nature or repriced periodically. Therefore, there carrying amount are reasonable approximation of their fair value.

40 FINANCIAL INSTRUMENTS

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is also responsible for developing and monitoring the Company's risk management policies.

40.1 Credit risk

Credit risk represents the financial loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted / fail to discharge an obligation / commitment that it has entered into with the Company. It arises principally from trade receivables, bank balances, security deposits, profit accrued and investment in debt securities.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is as follows:

	2018 (Rupees)	2017 (Rupees)
Long term deposits	4,811,390	4,522,500
Loans and advances	167,555	1,130,863
Trade debtors	49,187,628	15,977,758
Deposits	43,047,567	1,077,937
Bank balances	822,452	627,729
Net Exposure	<u>98,036,592</u>	<u>23,336,787</u>

All the trade debtors at the reporting date represent domestic parties.

The maximum exposure to credit risk before any credit enhancements for trade debts at the reporting date by type of customer was as follows:

Distributor / Wholesaler	13,233,125	3,391,615
End-user customers / Institutions	36,239,076	12,586,143
	<u>49,472,201</u>	<u>15,977,758</u>

Based on the past experience, consideration of financial position, past track records and recoveries, the management does not expect non-performance on its credit exposure. Accordingly, the credit risk is minimal.

The ageing of trade debts at the balance sheet date is:

Not past due	29,997,797	11,826,229
Past due 1 - 30 days	9,631,815	2,389,558
Past due 31 - 180 days	8,620,918	1,645,838
Past due 181 - 360 days	937,098	115,948
Above 360 days	284,573	185
	<u>49,472,201</u>	<u>15,977,758</u>
Impairment	(284,573)	-
	<u>49,187,628</u>	<u>15,977,758</u>

Bank balances

The Company kept its funds with banks having rating from AAA to A-

Deposits

The Company has provided security deposits as per the contractual terms with counter parties as security and does not expect material loss against those deposits.

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

40.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligation arising from financial liabilities that are settled by delivering cash or another financial asset or that such obligation will have to be settled in a manner disadvantageous to the Company. The Company is not materially exposed to liquidity risk as substantially all obligation / commitments of the Company are restricted to the extent of available liquidity. In addition, the Company has obtained running musharakah facilities from various commercial banks to meet the short term liquidity commitments, if any.

The following are the contractual maturities of the financial liabilities, including estimated profit payments:

	2018					
	Carrying amount	On demand	Contractual cash flows	Less than one year	Two to five years	More than five years
	(Rupees)					
Financial liabilities						
Long term financing	77,000,000	-	77,000,000	22,000,000	55,000,000	-
Trade and other payables	102,846,143	-	102,846,143	102,846,143	-	-
Accrued profit	3,304,180	-	3,304,180	3,304,180	-	-
Short term borrowings	221,708,152	-	221,708,152	221,708,152	-	-
Unpaid dividend	204,944	204,944	-	-	-	-
Unclaimed dividend	686,275	686,275	-	-	-	-
	405,749,694	891,219	404,858,475	349,858,475	55,000,000	-
	2017					
	Carrying amount	On demand	Contractual cash flows	Less than one year	Two to five years	More than five years
	(Rupees)					
Financial liabilities						
Long term financing	100,640,246	-	100,640,246	23,640,246	77,000,000	-
Trade and other payables	101,582,108	-	101,582,108	101,582,108	-	-
Accrued profit	1,736,227	-	1,736,227	1,736,227	-	-
Short term borrowings	146,939,698	-	146,939,698	146,939,698	-	-
Unpaid dividend	142,644	142,644	-	-	-	-
Unclaimed dividend	588,313	588,313	-	-	-	-
	351,629,236	730,957	350,898,279	273,898,279	77,000,000	-

40.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates and interest rates will affect the Company's income.

40.3.1 Currency risk

The Company is exposed to currency risk on import of raw materials, stores and spares, trading goods and export of goods denominated in Euros, USD and GBP. The Company's exposure to foreign currency risk for this currencies is as follows:

	Euro		USD		GBP	
	2018	2017	2018	2017	2018	2017
Foreign creditors	134,164	29,380	120	253,735	-	-
Outstanding letters of credit	59,171	217,680	674,037	655,760	-	37,284
Net exposure	193,335	247,060	674,157	909,495	-	37,284

The following significant exchange rate has been applied :

	Average rate		Reporting date rate	
	2018	2017	2018	2017
USD to PKR	113.12	104.64	121.45	104.79
Euro to PKR	130.59	127.91	141.37	119.81
GBP to PKR	-	136.62	-	136.36

Sensitivity analysis

At the reporting date, if the PKR had strengthened by 10% against the USD, Euro and GBP with all other variables held constant, profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign creditors.

	2018 (Rupees)	2017 (Rupees)
Effect on profit or loss		
USD	1,457	2,658,890
Euro	1,896,676	352,002
	<u>1,898,133</u>	<u>3,010,892</u>

The weakening of the PKR against USD, Euro and GBP would have had an equal but opposite impact on the post tax profits.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

40.3.2 Interest rate risk

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows :

	2018 Effective interest rate (Percentage)	2017 Effective interest rate (Percentage)	2018 Carrying amount (Rupees)	2017 Carrying amount (Rupees)
Financial liabilities				
Variable rate instruments:				
Long term financing - secured	6.66 - 6.88	6.62 - 7.12	77,000,000	100,640,246
Short term bank finances - secured	6.14 - 7.01	5.98 - 6.15	221,708,152	146,939,698

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2017.

	Profit and loss 100 bp	
	Increase	Decrease
	(Rupees)	
As at 30 June 2018		
Cash flow sensitivity - Variable rate financial liabilities	<u>(2,987,082)</u>	<u>2,987,082</u>
As at 30 June 2017		
Cash flow sensitivity - Variable rate financial liabilities	<u>(2,475,799)</u>	<u>2,475,799</u>

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

41 REMUNERATION TO THE CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	Chief Executive	Chief Executive	Directors	Directors	Executives	Executives	Total	Total
	2018	2017	2018	2017	2018	2017	2018	2017
	Rupees							
Managerial Remuneration	-	-	-	-	42,526,793	62,861,993	42,526,793	62,861,993
Gratuity	-	-	-	-	2,719,974	5,318,275	2,719,974	5,318,275
Provident fund	-	-	-	-	2,500,561	2,618,882	2,500,561	2,618,882
Meeting fees	-	-	360,000	320,000	-	-	360,000	320,000
Other benefits	-	-	-	-	8,834,333	12,329,935	8,834,333	12,329,935
	-	-	360,000	320,000	56,581,661	83,129,085	56,941,661	83,449,085
No. of persons	1	1	6	6	11	35	18	42

41.1 The Chief Executive and Executive Director have not drawn any remuneration.

41.2 The Chief Executive is provided with free use of company maintained cars in accordance with his entitlements.

41.3 The Chief Executive, Executives and their families are also covered under group life and hospitalization insurance. A director is also covered under group hospitalization scheme.

41.4 Chairman of the Board, Chief Executive and Executive Director have not drawn any board and its committees attendance fees from the Company.

42 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. All transactions with related parties are under agreed terms / contractual arrangements.

42.1 Transactions during the year:

Name	Nature of relationship	Basis of relationship	Nature of transaction	2018 (Rupees)	2017 (Rupees)
Premier Agencies	Associated undertaking	Common directorship	Sale of goods - net off discount of Rs.151.90 million (2017: Rs. 61.98 million)	1,532,748,256	1,557,726,059
			Reimbursement of selling and distribution expenses	113,149,440	78,156,729
Memon Medical Institute	Associated undertaking	Common directorship	Sale of goods	495,827	63,848
Pharmevo (Pvt) Ltd.	Associated undertaking	Common directorship	Sale of fixed assets	-	39,391,237
Employees Provident Fund	Retirement benefit fund	Employees benefit fund	Contribution made	6,488,057	4,315,026
Key management personnel	Related parties	Executives	Remuneration and benefits	31,119,659	25,679,416

- 42.2** Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes.
- 42.3** Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors of the Company. There were no transactions with the key management personnel during the year other than their terms of employment / entitlements.

43 CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company's overall strategy remains unchanged from year 2017.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders or issue new shares. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

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

The Company is not subject to any externally imposed capital requirements.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total debt less cash and bank balances. Total capital is calculated as equity as shown in the balance sheet plus net debt.

43.1 Gearing ratio	Note	2018 (Rupees)	2017 (Rupees)
The gearing ratio at end of the year is calculated as follows			
Total debt	43.1.1	298,708,152	247,579,944
Less: Cash and bank balances		1,257,178	1,088,705
Net debt		<u>297,450,974</u>	<u>246,491,239</u>
Total equity	43.1.2	401,213,796	352,810,363
Total capital		<u>698,664,770</u>	<u>599,301,602</u>
Gearing ratio		<u>42.6%</u>	<u>41.1%</u>

43.1.1 Total debt is defined as long term and short term borrowings as described in notes 21 and 24 to these financial statements.

43.1.2 Total equity includes issued, subscribed and paid-up capital and reserves.

44 CAPACITY AND PRODUCTION

The production capacity of the plant cannot be determined as this depends upon relative proportion of various products and products components.

45 COMPARATIVE INFORMATION

The fourth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirements for the elements of financial statements. The preparation and presentation of these financial statements for the year ended 30 June 2018 is in accordance with requirements in Companies Act 2017. Accordingly, the corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017. Major reclassifications include unpaid dividend and unclaimed dividend of Rs. 0.21 million and Rs. 0.69 million respectively which have been reclassified from trade and other payables to face of statement of financial position separately. Further, legal and professional charges amounting to Rs. 0.96 million have been reclassified from cost of sales to administrative and general expenses.

46 GENERAL**46.1 Number of employees**

The total number of employees of the Company as at 30 June 2018 were 97 (2017: 122) and average number of employees were 112 (2017: 118) including factory employees as at 30 June 2018 were 55 (2017: 60) and average number of employees were 59 (2017: 60)

47 NON-ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors in their meeting held on 6 September 2018 have proposed a final cash dividend of Rs. 3.50 per share amounting to Rs. 13,650,000/- (2017: Rs. 5 per share amounting to Rs. 19,500,000) for approval of the members at the Annual General Meeting to be held on 23 October 2018. The financial statements for the year ended 30 June 2018 do not include the effect of the proposed cash dividend which will be accounted for in the financial statements for the year ending 30 June 2019.

48 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue in the Board of Directors meeting held on 6 September 2018.



M. Haroon Qassim
Chief Executive



Vali Muhammad A. Habib
Director



M. Zaid Kaliya
Chief Financial Officer

NOTICE OF MEETING

Notice is hereby given that the 47th Annual General Meeting of the shareholders of the company will be held on Tuesday, 23 October 2018 at 2:00 p.m. at Plot # 368/4&5, Landhi Industrial Area, Baldia Road, Karachi to transact the following business:

Ordinary Business

1. To confirm the minutes of the last Annual General Meeting held on 27 October 2017.
2. To receive, consider and adopt the audited Financial Statements for the year ended 30 June 2018 along with Auditors' and Directors' reports thereon.
3. To consider & approve the final cash dividend of Rs. 3.50/- (35%) per share as recommended by the Board of Directors.
4. To appoint auditors of the Company for the year ending 30 June 2019 and fix their remuneration.

Special Business

5. To consider and adopt with or without modification, the following Special Resolution to amend Articles of Association of the Company in accordance with the Companies Act, 2017:

Clause 85

Current Clause

The remuneration of the Directors, shall, from time to time be determined by the Company in General Meeting and in addition to such remuneration, if any, the Directors shall be entitled to be paid by the Company for any special services rendered by them to the Company, such amount for travelling and other expenses incurred by the Directors for the purpose of services rendered to the Company as the Directors may, from time to time, fix. Additionally each Director shall be paid out of the funds of the Company by way of remuneration for his services such sum as the Board may determine, for each meeting of the Board attended by him. All such amounts paid to the Directors shall be considered as part of the expenses of the Company.

Suggested Amendment

The remuneration and benefits of the Directors and Chief Executive, shall, from time to time be determined by the Board of Directors of the Company and in addition to such remuneration, if any, the Directors and Chief Executive shall be entitled to be paid by the Company for any special services rendered by them to the Company, such amount for travelling and other expenses incurred by the Directors and Chief Executive for the purpose of services rendered to the Company as the Directors may, from time to time, fix. Additionally each Director shall be paid out of the funds of the Company by way of remuneration for his services such sum as the Board may determine, for each meeting of the Board and its committees attended by him. All such amounts paid to the Directors shall be considered as part of the expenses of the Company.

A statement under section 134(3) of the Companies Act, 2017 pertaining to Special Business along with the ordinary resolutions proposed to be passed, are being sent to the shareholders with the Notice.

Karachi: 6 September 2018

By order of the Board
M. Zaid Kaliya
Company Secretary

1. The share transfer book of the Company will remain closed from 09-10-2018 to 23-10-2018 (both days inclusive) for the purpose of determining the entitlement for the Dividend.
2. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend, speak and vote on his / her behalf. Forms of Proxy must be deposited at the registered office of the Company not less than 48 hours before the time of the meeting.

3. In accordance with the notification of the Securities and Exchange Commission of Pakistan vide Notification SRO 275(I)/2016 dated 31 March 2016 read with SRO 19(I)/2014 dated 10 January 2014 and SRO 831(1) 2012 dated 5 July 2012, dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. Accordingly, members who have not yet submitted copy of their valid CNIC/NTN (in case of corporate entities) are requested to submit the same to the Registrar of the Company M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400, with members' folio no. mentioned thereon for updating record.
4. Shareholders (non CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Registrar of the Company M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi. All the Shareholders holding their shares in book entry form are requested to please update their addresses and Zakat status with their respective Participants. This will assist in the prompt receipt of Dividend.
5. Under the provisions of Section 242 of the Companies Act, 2017 and the Companies (Distribution of Dividends) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. Shareholders who have not yet submitted their International Bank Account Number (IBAN) are requested to fill in Electronic Credit Mandate Form available on the Company's website; www.shield.com.pk and send it duly signed along with a copy of CNIC to the Registrar of the Company in case of physical shares. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services.
6. Pursuant to Section 134(1)(b) of the Companies Act, 2017, if the Company receives a request from member(s) holding an aggregate ten percent (10%) or more shareholding residing at another city, such member(s) may request a video conferencing facility for the purposes of participating in the meeting at such a location by sending a request to the Company at least 10 (ten) days prior to the date of meeting, the Company will arrange video conference facility in that city subject to the availability of such facility in that city. To avail such facility, please submit the following form with the requisite information at the registered office of the Company:

I/we _____ of _____ being a member of Shield Corporation Limited, holding _____ ordinary shares as per register Folio/ CDC Account No. _____ hereby opt for video conference facility at _____.	
_____	_____
Name and signature	Date
The Company will intimate members regarding venue of video conference facility at least 7 days before the date of General Meeting along with complete information necessary to enable them to access such facility.	

7. Pursuant to the provisions of the Finance Act 2018 effective from 1 July 2018, the rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 have been revised as follows:
 - 1) Rate of tax deduction for filer @ 15%
 - 2) Rate of tax deduction for non-filers @ 20%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 20%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 20% instead of 15%.
8. Shareholders are advised to ensure that they have provided their CNIC/NTN to their respective Participant/CDC Investor Account Services (if shareholding in Book Entry Form) or Company's Share Registrar (if shareholding in Physical Form) for checking the tax status as per the ATL issued by FBR from time to time.
9. Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as Joint-holder (s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Company Name	Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The required information must reach our Share Registrar within 10 days of this notice, otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

10. CDC Account Holders will further have to follow the under mentioned guideline as laid down in circular 1 dated 26 January 2000 issued by SECP.

A. For Attending the Meeting

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned in the form.
- iii. Attested copies of CNIC or passport of beneficial owner and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or passport at the time of the meeting. In case of corporate entity, the Board of Directors' resolution/power of attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

11. Pursuant to Para 3(a) of SRO 634(I)/2014 dated 10 July 2014 issued by the SECP the financial statements and reports have been placed on website of the Company.

Statement of Material Facts

Statement under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning the special business to be transacted at 47th Annual General Meeting of Shield Corporation Limited to be held on 23 October 2018.

Agenda Item No. 5

Remuneration of Directors and Chief Executive:

In order to update the Articles of Association of the Company, the Board of Directors has recommended to the members of the Company to approve amendments in clause 85 of Articles of Association.

Interest of Directors:

The directors of the Company have no direct or indirect interest in the above mentioned Special Business to the extent that they are the members of the Company.

The Company Secretary
Shield Corporation Limited
37-G, Block 6, P.E.C.H.S.
Karachi-74500, Pakistan

Proxy Form

I/We _____ of _____ being a member of Shield Corporation Limited and holder of _____ ordinary shares hereby appoint _____ of _____ or failing _____ of _____

who is also a member of Shield Corporation Limited , as my / our proxy to attend vote for me / us and on my / our behalf at the 47th Annual General Meeting of the Company to be held on Tuesday, 23 October 2018 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____, 2018

Signed in the presence of:

(Signature of Witness 1)

Name:

CNIC No:

					-												-		
--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	---	--	--

(Signature of Witness 2)

Name:

CNIC No:

					-												-		
--	--	--	--	--	---	--	--	--	--	--	--	--	--	--	--	--	---	--	--

Five Rupees
Revenue
Stamp

(Name in Block Letters)

Folio No. / CDC Account No. _____

Signature of the Shareholder

Notes:

- 1. Member is requested:
 - a) to affix Revenue Stamp of Rs.5/- at the place indicated above
 - b) to sign in the same style of signature as registered with the Company.
 - c) to write down his/her Folio Number.
- 2. For the appointment of the above proxy to be valid, this instrument must be received at registered office of the Company at 37-G, Block 6, P.E.C.H.S., Karachi at least forty eight hours before the time fixed for the meeting.
- 3. Any alteration made in this instrument of proxy should be initialed by the person who signs it.
- 4. In case of Joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders, and for this purpose the seniority will be determined by the order in which the names stand in the Register of Members.
- 5. The proxy must be member of the Company

For CDC Account Holder / Corporate Entities:

In addition to the above, the following requirements have to be met:

- 1. The proxy must be witnessed by two persons whose names, addresses and CNIC shall be mentioned on the form.
- 2. Attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- 3. The proxy shall produce his/her original CNIC or Passport at the time of meeting.
- 4. In case of corporate entity, the Board of Directors resolution/power of attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the company.

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Company Secretary
SHIELD CORPORATION LIMITED
37-G, Block-6, P.E.C.H.S., Karachi - 75400, Pakistan.
Tel: [92-21] 34385003-4 Fax: [92-21] 34556344

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مختار نامہ (پراکسی فارم)

کمپنی سیکریٹری

شیلڈ کارپوریشن لمیٹڈ

جی۔ 37، بلاک نمبر 6، پی۔ ای۔ سی۔ ایچ۔ ایس۔

کراچی، 74500، پاکستان

میں/ہم..... بحیثیت رکن شیلڈ کارپوریشن لمیٹڈ اور حامل
(نام و پتہ)

..... عام حصص
(نام و پتہ)

..... کو یا ان کی غیر حاضری کی صورت میں
(نام و پتہ)

کو جو کہ خود بھی شیلڈ کارپوریشن لمیٹڈ کے رکن ہیں، ۲۳ اکتوبر ۲۰۱۸ء کو ہونے والے سالانہ اجلاس عام میں شرکت کرنے اور میرے/ہمارے ایما پر حق رائے دہی استعمال کرنے کے لیے یا کسی
بھی التوا کی صورت میں اپنا/ہمارا پراکسی (مختار) مقرر کرتا ہوں/کرتے ہیں۔

آج بروز..... بتاریخ..... میرے/ہمارے دستخط ان کی موجودگی میں کیے گئے:

پہلے گواہ کے دستخط..... دوسرے گواہ کے دستخط.....
نام:..... نام:
.....

شمارہ CNIC:..... شمارہ CNIC:.....

نام:..... نام:
فولیو نمبر یا سی ڈی سی اکاؤنٹ نمبر..... شیز ہولڈرز کے دستخط.....
نوٹس:

- 1- رکن سے درخواست ہے کہ
(ا) 5 روپے کا محصول ٹکٹ اوپر مخصوص جگہ پر لگانے
(ب) بالکل وہی دستخط کریں جیسے کہ کمپنی کے رجسٹر میں کیے گئے ہیں
(ج) اپنا فولیو نمبر لکھیں
- 2- درج بالا پراکسی کی تقرری کے موثر ہونے کے لیے ضروری ہے کہ یہ فارم میننگ شروع ہونے سے 48 گھنٹے قبل کمپنی کے رجسٹر ڈ آفس جی۔ 37، بلاک نمبر 6، پی۔ ای۔ سی۔ ایچ۔ ایس۔ کراچی
کو موصول ہو جائے۔
- 3- اس مختار نامہ (پراکسی فارم) میں کسی بھی قسم کی تبدیلی و ترمیم کا مجاز وہی فرد ہے جس نے اس پر دستخط کیے ہیں۔
- 4- جوائنٹ ہولڈرز ہونے کی صورت میں سینئر رکن اپنا ووٹ کا خواہ خود اندراج کرے یا مختار کار کے ذریعے، یہ تسلیم کر لیا جائے گا کہ دوسرے جوائنٹ ہولڈرز کے ووٹ خارج ہو گئے ہیں۔ اس
حوالے سے سینئر ہونے کا تعین ممبر رجسٹر میں درج ناموں کی ترتیب کے حساب سے کیا جائے گا۔
- 5- مختار کار کا کمپنی کارکن ہونا ضروری ہے۔

سی ڈی سی اکاؤنٹ ہولڈرز کے لیے/کارپوریٹ ادارے

درج بالا کے علاوہ ذیل کی شرائط و ضوابط پر بھی پورا اترنا ضروری ہے:

- 1- مختار نامہ (پراکسی فارم) پر گواہ کے طور پر دو افراد کے دستخط ہونے چاہئیں، اور ان کے نام، پتے اور قومی شناختی کارڈ نمبر فارم میں درج ہوں۔
- 2- مختار نامہ (پراکسی فارم) کے ساتھ پینشنیری (مستفید ہونے والے فرد) اور مختار کار کے شناختی کارڈ یا پاسپورٹ کی نقول موجود ہوں۔
- 3- مختار کار کو اجلاس کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔
- 4- کارپوریٹ ادارہ ہونے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی کے دستخط، اگر پہلے فراہم نہ کیے گئے ہوں، مختار نامہ (پراکسی فارم) کے ہمراہ کمپنی میں جمع کرانا ہوں گے۔

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Company Secretary
SHIELD CORPORATION LIMITED
37-G, Block-6, P.E.C.H.S., Karachi - 75400, Pakistan.
Tel: [92-21] 34385003-4 Fax: [92-21] 34556344

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K- پروویڈنٹ فنڈ کی سرمایہ کاری کی رقم اس کے آڈٹ شدہ اکاؤنٹس کے مطابق 35.47 ملین روپے ہے۔

I- گذشتہ 6 سال کا ایم آپریننگ اور فنانشل ڈیٹا کا خلاصہ ساتھ منسلک ہے۔

m- کمپنی کے تمام ڈائریکٹرز، ڈائریکٹرز ٹریننگ پروگرام سے متعلق کوڈ آف کارپوریٹ گورننس کی شرائط اور ضروریات کے ساتھ مطابقت رکھتے ہیں۔

مستقبل کا منظر نامہ

ہم شیڈ میں مستقل ترقی اور کامیابی پر یقین رکھتے ہیں۔ اسی لیے ہم نئی پروڈکٹ کیٹیگریز کی شناخت اور نشاندہی کے لیے سرگرم رہتے ہیں۔ یہ نئی کیٹیگریز موجودہ کیٹیگریز کے لیے ضمنی اضافہ ثابت ہوں گی اور شیڈ کی برانڈ پاؤ کو فائدہ پہنچانے کا سبب بنیں گی۔

افراط زر، ریگولیٹری/کسٹم ڈیوٹی میں متوقع اضافہ اور کموڈٹی کی قیمتوں کے نتیجے میں اضافہ سے کمپنی کے منافع میں دباؤ بڑھنے کا اندیشہ ہے۔ کمپنی اس پر قابو پانے کے لیے مسابقتی قیمتوں کی حکمت عملی، ڈسٹری بیوشن میں مسابقتی برتری اور معیار اور کنزیومرز کو بڑھانے کے لیے نئی ٹیکنالوجی میں سرمایہ کاری جیسے منصوبوں پر عمل پیرا ہے۔

آپ کی مینجمنٹ اس بات کا مکمل ادراک رکھتی ہے کہ بے کیئر کیٹیگری مضبوط بنیادوں پر آگے بڑھ رہی ہے اور ہمیں لازمی طور پر اسے فائدہ اٹھانے اور اس میدان میں اپنی برتری جاری رکھنے کے لیے اپنی کوششوں کو برقرار رکھنا ہوگا۔

ایک نیا پلیٹ فارم تیار کرنے کے حوالے سے برآمدات کی مارکیٹ فی الوقت دریافت اور نشوونما کے عمل سے گزر رہی ہے، جہاں ٹیم کو ایک چیلنج سے بھرپور مارکیٹ کا سامنا ہو سکتا ہے۔

اظہار تشکر

ہم باقاعدہ تعریف اور اظہار تشکر کرنا چاہتے ہیں:

- اپنے بورڈ کے رفقاء کی قابل قدر رہنمائی اور حمایت پر مشکور ہیں
- اپنے قابل قدر گاہکوں اور صارفین کا جنھوں نے ہماری پروڈکٹس پر بھرپور اعتماد کیا اور کمپنی کی پائیدار ترقی میں اپنی حمایت اور تعاون کو یقینی بنایا۔
- اپنے ملازمین کا، جو اپنی پر عزم کوششوں، وفاداری اور لگن کا مظاہرہ کر رہے ہیں۔
- اپنے قابل احترام سپلائرز، بینکرز، اور تمام اسٹیک ہولڈرز کا جو ہماری کمپنی کی مسلسل ترقی میں اپنی مدد اور حصہ مل رہے ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے

ولی محمد اے حبیب
ڈائریکٹر

ایم ہارون قاسم
چیف ایگزیکٹو

کراچی: 6 ستمبر 2018ء

- ماہانہ فارڈرز کے ساتھ ایمرجنسی میں تیار رہنے کی مشق کی جاتی ہے۔ تمام اسٹاف کو اپنے ماحولیاتی پروگرام کی تربیت دی جاتی ہے اور انہیں اس میں شریک ہونے اور حصہ لینے کے قابل بنایا جاتا ہے۔
- غرض کہ، ماحول کی بہتری سے وابستہ ہمارا عزم ہمارے دائرہ عمل یعنی ہمارے صارفین، اسٹاف اور کمیونٹی تک وسعت اختیار کرتا ہے۔

متعلقہ پارٹی ٹرانزیکشنز

لسٹنگ ریگولیشنز کی ضروریات کی تعمیل کی غرض سے کمپنی متعلقہ پارٹی ٹرانزیکشنز آڈٹ کمیٹی اور بورڈ کے روبروان کے جائزے اور منظوری کے لیے پیش کی گئیں۔ یہ ٹرانزیکشنز آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز کی اس مقصد کے لیے کی جانے والی میٹنگز میں منظور کی گئیں۔ متعلقہ پارٹی ٹرانزیکشنز کی تفصیلات مالیاتی گوشواروں کے منسلک نوٹس میں فراہم کر دی گئی ہیں۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک پر بیان

ڈائریکٹرز کی ذمہ داریوں کا بیان

- بورڈ کمپنی کی حکمت عملی کی سمت کا مسلسل جائزہ لیتا رہتا ہے۔ چیف ایگزیکٹو کی جانب سے بزنس کے فروغ کے لیے طے کیے گئے سالانہ منصوبوں اور کارکردگی کے اہداف پر کمپنی کے مجموعی مقاصد کی روشنی میں بورڈ نظر ثانی کرتا ہے۔ بورڈ کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو برقرار رکھنے کے لیے پرعزم ہے۔ کمپنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کی ترمیم شدہ لسٹنگ رولز کی دفعات سے ہم آہنگ ہے اور مکمل تعمیل کرتی ہے۔
- کارپوریٹ گورننس کے لیے بہترین طریقوں پر عمل کے سلسلے میں لسٹنگ ریگولیشنز میں درج تفصیلات سے کسی بھی مرحلے پر روگردانی نہیں کی گئی ہے۔
- کمپنی کی بینکنگ کی جانب سے تیار کیے گئے فنانشل اسٹیٹمنٹس میں معاملات کی اصل حالت، آپریشنز کے نتائج، جامع اور مکمل آمدنی، کیش کی روانی اور ایکویٹی میں ہونے والی تبدیلیاں واضح طور پر عیاں کی گئی ہیں۔
- کمپنی کے اکاؤنٹ کی باقاعدہ بکس مرتب کی گئی ہیں۔
- فنانشل اسٹیٹمنٹس کی تیاری کیلئے اکاؤنٹنگ کی معقول پالیسیز کا اطلاق کیا جاتا ہے اور اکاؤنٹنگ تخمینے انتہائی مناسب اور محتاط فیصلوں کی بنیاد پر مبنی ہیں۔
- فنانشل انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کے مطابق تیار کیے جاتے ہیں، جو کہ پاکستان میں قابل اطلاق ہیں اور ان سے کسی بھی نوعیت کے انحراف کو مناسب انداز میں ظاہر اور واضح کیا گیا ہے۔
- کمپنی نے بہت جامع اور مکمل انٹرنل کنٹرول سسٹم برقرار رکھا ہوا ہے، جس سے فنانشل اسٹیٹمنٹس میں کسی بھی غیر ارادی یا ارادتا غلط بیانی یا نقصان کے خلاف معقول یقین دہانی حاصل ہو جاتی ہے۔ انٹرنل کنٹرول سسٹم کا مسلسل جائزہ لیا جاتا رہتا ہے۔ اسے بورڈ کی آڈٹ کمیٹی باضابطہ دیکھتی ہے اور ضرورت کے مطابق اپ ڈیٹ کیا جاتا ہے۔
- کمپنی کی قابلیت اور صلاحیت سے متعلق کسی بھی معاملے میں کسی شک و شبہ کی گنجائش نہیں ہے۔
- سال کے دوران کسی بھی واجب الادا قرض کی ادائیگی کے حوالے سے کسی ناہندگی کا سامنا نہیں ہوا۔
- کسی بھی قسم کے بقایا جات، قانونی الزامات ٹیکسیز اگر کوئی ہوں، انہیں فنانشل اسٹیٹمنٹس میں واضح کر دیا گیا ہے۔

5- کمپلائنس کے خطرات

خطرات

ریگولیشنری باڈیز کے ذریعے قانونی فریم ورک میں ترامیم

اثرات کو کم کرنے کی حکمت عملی

کسی بھی قانون شکنی سے محفوظ رہنے کے لیے ریگولیشنری فریم ورک میں کی گئی تازہ ترین اپ ڈیٹس پر نگاہ رکھی جاتی ہے۔ ملازمین کو قوانین اور قواعد و ضوابط میں کی جانے والی حالیہ تبدیلیوں سے ہر لمحہ آگاہ رکھنے کے لیے ٹریننگز کرائی جاتی ہیں۔

بعد کے واقعات

کمپنی کے مالیاتی سال کے اختتام سے اس رپورٹ کے درمیان کوئی اہم تبدیلی یا کمٹمنٹ نہیں ہوئی جس کا اثر اس سال کے مالیاتی نتائج پر اثر انداز ہو۔

ایکسٹرنل آڈیٹرز

میسرز کے پی ایم جی تاثیر ہادی اینڈ کوچارٹرز اکاؤنٹنٹس، کمپنی کے آڈیٹرز کی حیثیت سے ریٹائر ہوئے ہیں اور دوبارہ تقرری کے اہل ہیں۔ بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی کی تجویز پر میسرز کے پی ایم جی تاثیر ہادی اینڈ کوچارٹرز اکاؤنٹنٹس، کی 30 جون 2019ء کو ختم ہونے والے سال کے لیے باہمی رضامندی سے طے کی گئی فیس پر تقرری کی سفارش کرتا ہے۔

انٹرنل آڈیٹرز

انٹرنل آڈٹ کا کام میسرز اے ایف فرگوسن اینڈ کو، چارٹرز اکاؤنٹنٹس سے کروایا جاتا ہے اور انٹرنل آڈٹ کے سربراہ اور بورڈ کی آڈٹ کمیٹی کو رپورٹ کیا جاتا ہے۔ یوں انٹرنل کنٹرولز کے نظام اور انٹرنل آڈٹ کے طریقہ کار کا جائزہ لیا جاتا ہے۔

بزنس کے ماحول پر اثرات

کمپنی EMS ISO 14001 کی کمپلائنس اور سرویلنس کے ذریعے ماحول پر پڑنے والے اثرات کو کم سے کم کرنے کے لیے پرعزم ہے۔ ہر شعبے میں ماحولیاتی تنقیص کے لیے چارٹ کی نشاندہی کی گئی ہے جس میں درج ذیل ماحولیاتی امور کا احاطہ کیا گیا ہے:

1- آلودگی

- ہم ہوا کے اخراج، خارج شدہ مائع مادوں، سولڈ ویسٹ، شور اور زمین کی خرابی کی نگرانی و جانچ کرتے رہتے ہیں۔ معروف لیبارٹریز سے سالانہ بنیادوں پر توثیق کے لیے آڈٹس کرائے جاتے ہیں۔
- ویسٹ مینجمنٹ کی حکمت عملیوں کے ذریعے آلودگی سے بچاؤ اور وسائل کی کھپت کو کم کیا جاتا ہے، ان طریقوں سے مناسب حد تک نکلنے والے کچرے اور فضلے وغیرہ کے اخراج کے دوبارہ استعمال کو کم سے کم کرنے، ریکوری اورری سائیکلنگ کو فروغ ملتا ہے۔
- ہمارے تمام میٹیریلز ہماری فیکٹری ہی میں ری سائیکل کیے جاتے ہیں یا باہر کے ویڈرز کو ری سائیکلنگ کے لیے فروخت کیے جاتے ہیں۔ ہم کسی بھی میٹیریل کو ڈسپوز آف نہیں کرتے۔

2- قدرتی وسائل

- قدرتی وسائل جیسے بجلی، قدرتی گیس، تیل، ڈیزل اور پانی کے استعمال کا باقاعدہ نگرانی اور جانچ کی جاتی ہے۔ ہم ایسی ٹیکنالوجیز کے حصول کے لیے سرمایہ کاری جاری رکھے ہوئے ہیں، جو توانائی کے استعمال کے حوالے سے زیادہ کارگر ہوں اور جنہیں ہم اپنی موجودہ مشینوں سے بدل سکیں۔

2- مالی خطرات

خطرات

غیر ملکی کرنسی کی شرح میں اتار چڑھاؤ۔

اثرات کو کم کرنے کی حکمت عملی
کمپنی غیر ملکی کرنسی کی شرح میں اتار چڑھاؤ کے خطرات کم کرنے کے لیے اپنی برآمدات میں اضافہ کرنے کی کوشش کر رہی ہے۔

ہماری زیادہ تر سیلز کیش یا ایڈوانس کی صورت میں ہوتی ہیں۔ کریڈٹ سیلز کے لیے گاہکوں کیلئے کریڈٹ لمٹس مقرر کی گئی ہیں۔

کمپنی کا ایک فعال کیش مینجمنٹ سسٹم ہے۔ اگر کوئی لیکویڈٹی فرق ہو تو اسے پورا کرنے کے لیے بینک کی طرف سے کمپیڈ کریڈٹ لائنز دستیاب ہیں۔

صارفین کمپنی کو ادائیگی کے لیے نادر ہندہ ہو جائیں۔

واجبات کی ادائیگی کے لیے مناسب کیش کی عدم دستیابی کی وجہ سے لیکویڈٹی کے مسائل کا سامنا

3- کمرشل خطرات

خطرات

پروڈکشن اور ڈسٹری بیوشن کے اخراجات میں اضافے کے نتیجے میں کمپنی کے منافع میں کمی۔

اثرات کو کم کرنے کی حکمت عملی
محصولات، ڈیویڈنڈ، ریگولیٹری ڈیویڈنڈ اور دیگر اخراجات کمپنی کے کنٹرول سے باہر ہوتے ہیں۔ البتہ کمپنی ممکنہ حد تک اس خطرے کو کم سے کم کرنے کے لیے آپریشنل امور سے متعلق صلاحیتوں میں بہتری اور اخراجات پر موثر انداز میں قابو پانے کے لیے اقدامات پر عزم ہے۔ کمپنی قیمتوں میں اضافے کو آخری آپشن تصور کرتی ہے۔

کمپنی کی قیمت خرید کا موازنہ اور قابو کرنے کے لیے مختلف سپلائرز کی جانب سے دی گئی خام مال کی قیمتوں کا تجزیہ مستقل بنیادوں پر کرتی ہے۔ مزید برآں یہ بین الاقوامی خام مال سپلائرز کے ساتھ حکمت عملی پر مبنی باہمی تعلق ہے جس سے کمپنی کو قیمتوں میں نڈاکرات اور میٹریل کی فوری ڈیلیوری کے فائدے مل جاتے ہیں۔

خام مال کا لاگتی جزو کمپنی کی مجموعی پیداوری لاگت کا اہم حصہ ہے۔ بین الاقوامی اقتصادی حالات بشمول تیل کی عالمی سطح پر بڑھتی ہوئی قیمتوں کی وجہ سے سپلائرز، فراہم کردہ مصنوعات کی قیمتوں میں اضافہ۔

4- آپریشنل خطرات

خطرات

اہم پوزیشنز پر ملازمین کے ٹران اوور میں اضافہ۔

اثرات کو کم کرنے کی حکمت عملی
کمپنی میں ملازمین کی تربیت اور ترقی دینے کا کلچر موجود ہے، ملازمین کو مختلف شعبوں میں ترقی دینے اور شعبے تبدیل کرنے کا عمل تسلسل کے ساتھ جاری رہتا ہے۔ کام کرنے کے باقاعدہ طریقہ کار اور ہدایات موجود ہیں، جس سے کسی بھی نئے ملازم کو کوئی طریقہ عمل اختیار کرنے سے پہلے رہنمائی حاصل ہوتی ہے۔

آپریٹنگ کے معیاری طریقہ کار، ملازمین کی تربیت اور آپریشنز سے متعلق نظم و نسق کو نافذ کیا جاتا ہے۔ بجلی جانے کی صورت میں کمپنی کے پاس استعمال کے لیے اسٹینڈ بائے جنریٹرز موجود ہیں۔

بڑے حادثات کے خطرات کے ملازمین، ریکارڈز اور پراپرٹی پر اثرات۔

کمپنی بجلی کی عدم دستیابی کی وجہ سے زیادہ سے زیادہ گنجائش کو آپریٹ کرنے کے قابل نہیں رہے۔

یہ خطرات اندرونی حکمت عملیوں کے ذریعے کم نہیں کیا جاسکتے۔

امن و امان کی غیر مستحکم صورت حال ملک کی معیشت پر اثرات۔

رسک مینجمنٹ کمیٹی

کمپنی کے بورڈ آف ڈائریکٹرز نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کی تجویز کے تحت تین ممبران پر مشتمل ایک رسک مینجمنٹ کمیٹی تشکیل دی ہے۔ اس کمیٹی میں ایک ایگزیکٹو ڈائریکٹر، ایک نان ایگزیکٹو ڈائریکٹر اور ایک خود مختار ڈائریکٹر شامل ہیں۔ رسک مینجمنٹ کمیٹی کی ٹرمز آف ریفرنس درج ذیل ہیں:

- تمام اہم کنٹرول (مالی، آپریشنل، کمپلائنس) کی نگرانی اور جائزہ
- اس بات کو یقینی بنانا کہ خطرات کو کم سے کم کرنے کے لیے ٹھوس اقدامات اور مالیاتی معلومات کی اخلاقی رفعت یقینی بنائی جائے اور
- ڈائریکٹرز پورٹ میں کمپنی کے رسک فریم ورک اور انٹرنل کنٹرول سسٹم کے مناسب ڈسکو ذر کو یقینی بنایا جائے

رسک مینجمنٹ کمیٹی کی میٹنگز

رواں سال کے دوران رسک مینجمنٹ کمیٹی کی ایک (1) میٹنگ منعقد ہوئی، جس میں کمیٹی کے ٹرمز آف ریفرنس کے تحت آنے والے معاملات پر بحث کے بعد ان کی منظوری دی گئی۔ ہر ڈائریکٹر کی حاضری درج ذیل رہی:

نام	کیٹیگری	میٹنگز منعقدہ	شرکت کردہ
جناب ایم ہارون قاسم	چیئر مین	1	1
جناب پیر محمد	رکن	1	1
جناب ولی محمد اے حبیب	رکن	1	1

رسک مینجمنٹ

کمپنی کی سرگرمیوں کو مختلف نوعیت کے خطرات لاحق ہیں۔ مجموعی طور پر کمپنی کے رسک مینجمنٹ پروگرام کی بنیادی توجہ اسی نکتے پر مرکوز ہے کہ کمپنی کی کارکردگی پر اثر انداز ہونے والے ممکنہ منفی عوامل کو کم سے کم کیا جائے۔ کمپنی کی تمام رسک مینجمنٹ، کمپنی کی سینئر مینجمنٹ ٹیم کے ذریعے کی جاتی ہے اور اس کے نتائج سے رسک مینجمنٹ کمیٹی اور بورڈ آف ڈائریکٹرز کو آگاہ کیا جاتا ہے۔ یہ کمپنی کی املاک کی شناخت، جائزے اور حکمت عملی، فنانس، کمرشل، آپریشنل اور کمپلائنس رسک کو کم سے کم کرنے کے لیے جو اقدامات کرتی ہے وہ ذیل میں بیان کیے گئے ہیں:

1- حکمت عملی سے متعلق خطرات

خطرات

کمپنی بے بی کیبر سیگمنٹ میں اپنا قائدانہ مقام کھوسکتی ہے۔

اثرات کو کم کرنے کی حکمت عملی

اس خطرے کو جارحانہ مارکیٹنگ، مصنوعات کے معیار میں مسلسل بہتری اور ریڈرز کو زیادہ سے زیادہ منافع دے کر کم کیا جاتا ہے۔

خفیہ/مالکانہ معلومات کو غیر متعلقہ اور غیر مجاز رسائی سے محفوظ رکھنے کے لیے آئی ٹی کنٹرولز اور فائر والز کے ذریعے موثر بنایا جاتا ہے۔ خلاف ورزیوں، غلطیوں اور بے قاعدگیوں کے خطرات کی نگرانی اور ان کی کم سے کم کرنے کے لیے مستقل بنیادوں پر سسٹم اپ ڈیٹس، آئی ٹی آڈٹس اور ریٹنگز کرائی جاتی ہیں۔

آئی ٹی سیکورٹی رسک۔

آڈٹ کمیٹی کی میٹنگز

رواں سال کے دوران آڈٹ کمیٹی کی پانچ (5) میٹنگز ہوئیں۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے:

نام	کیٹیگری	میٹنگز	
		منعقدہ	شرکت کردہ
جناب پیڑم	چیئرمین	5	5
جناب ولی محمد اے حبیب	رکن	5	5
جناب سید عمران چشتی	رکن	5	4

آڈٹ کمیٹی نے ان تمام ممبرز کو غیر حاضری پر رخصت دی جو آڈٹ کمیٹی کی میٹنگز میں شریک ہونے سے قاصر رہے۔

ہیومن ریورس اور مشاہرہ کمیٹی

بورڈ نے ایک ہیومن ریورس اور مشاہرہ کمیٹی تشکیل دی ہے۔ تین ارکان پر مشتمل اس کمیٹی میں چیف ایگزیکٹو، ایک نان ایگزیکٹو ڈائریکٹر اور ایک خود مختار ڈائریکٹر شامل ہیں جو اس کمیٹی کے چیئرمین بھی ہیں۔ ہیومن ریورس اینڈ مشاہرہ کمیٹی سال میں کم از کم ایک بار ملتی ہے۔ ہیومن ریورس اینڈ مشاہرہ کمیٹی کی ٹرمز آف ریفرنس درج ذیل ہیں:

- ڈائریکٹرز (ایگزیکٹو اور نان ایگزیکٹو دونوں ڈائریکٹرز) اور سینئر مینجمنٹ کے ممبرز جن میں چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری اور انٹرنل آڈٹ کے سربراہ شامل ہیں، کے مشاہروں کا تعین کرنے کی غرض سے جائزے اور منظوری کے لیے ایک پالیسی فریم ورک بورڈ کے سامنے پیش کرنا
- بورڈ کی بحیثیت مجموعی اور اس کی کمیٹیوں کی کارکردگی کا سالانہ جائزہ
- ہیومن ریورس مینجمنٹ کی پالیسیز کی بورڈ کو تجویز دینا
- بورڈ کو چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری اور انٹرنل آڈٹ کے سربراہ کے انتخاب، جائزہ و تعین، ڈیولپمنٹ، معاوضے (بشمول ریٹائرمنٹ کے فوائد) کی تجاویز دینا
- جہاں ریورس اور مشاہرہ کے مشیروں کی تقرری عمل میں آتی ہے، کمیٹی بھی ان کے کوائف اور اسناد سے آگاہ رہے گی اور ان کی جانب ایک اقرار بھی کیا جائے گا آیا کہ ان کا کمپنی کے ساتھ اور کوئی تعلق نہیں

ہیومن ریورس اور مشاہرہ کمیٹی کی میٹنگز

رواں سال کے دوران ہیومن ریورس اور مشاہرہ کمیٹی کی دو (2) میٹنگز منعقد ہوئیں، جس میں کمیٹی کے ٹرمز آف ریفرنس کے تحت آنے والے معاملات پر بحث کے بعد ان کی منظوری دی گئی۔ ہر ڈائریکٹر کی حاضری درج ذیل رہی:

نام	کیٹیگری	میٹنگز	
		منعقدہ	شرکت کردہ
جناب سید عمران چشتی	چیئرمین	2	1
جناب ایم ہارون قاسم	رکن	2	2
جناب ولی محمد اے حبیب	رکن	2	2

ہیومن ریورس اور مشاہرہ کمیٹی نے ان تمام ممبرز کو غیر حاضری پر رخصت دی جو ہیومن ریورس اور مشاہرہ کمیٹی کی میٹنگز میں شریک ہونے سے قاصر رہے۔

آڈٹ کمیٹی

آڈٹ کمیٹی 3 نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جن میں سے 2 خود مختار ڈائریکٹرز ہیں۔ ایک خود مختار ڈائریکٹر آڈٹ کمیٹی کا چیئر مین ہے۔ آڈٹ کمیٹی سال میں کم از کم 4 بار اجلاس کرتی ہے۔ انٹرنل آڈٹ کا سربراہ آڈٹ کمیٹی کے سیکریٹری کے فرائض سرانجام دیتا ہے۔ آڈٹ کمیٹی کی تفصیلی شرائط درج ذیل ہیں:

- کمپنی کے اثاثہ جات کی حفاظت کے لیے مناسب اقدامات کرنے کا عزم
- بورڈ آف ڈائریکٹرز کی منظوری سے قبل، کمپنی کے سالانہ اور عبوری مالیاتی گوشواروں کا جائزہ
- بیرونی اشاعت سے قبل نتائج کے ابتدائی اعلانات کا جائزہ
- بیرونی آڈٹ میں سہولت فراہم کرنا اور آڈٹرز کے ساتھ عبوری اور حتمی آڈٹ میں سامنے آنے والے اہم مشاہدات اور کوئی ایسا معاملہ جسے آڈٹرز نمایاں کرنا چاہیں، پر گفتگو کرنا (مینجمنٹ کی غیر حاضری میں، جہاں ضروری ہو)
- بیرونی آڈٹرز کی جانب سے جاری کیے گئے انتظامی خط اور اس پر انتظامیہ کے رد عمل کا جائزہ
- کمپنی کے اندرونی اور بیرونی آڈٹرز کے مابین ہم آہنگی کو یقینی بنانا
- انٹرنل آڈٹ، آڈٹ پلان، رپورٹنگ فریم ورک اور طریقہ کار کی گنجائش اور حد کا جائزہ اور یہ یقینی بنانا کہ انٹرنل آڈٹ فنکشن مناسب وسائل کا حامل ہے اور کمپنی میں انتہائی مؤثر انداز سے موجود ہے
- اندرونی تحقیقات میں سامنے آنے والی جعل سازی، بدعنوانی اور اختیارات کے غلط استعمال جیسی سرگرمیوں کے حوالے سے نمایاں معاملات اور اس پر مینجمنٹ کے رد عمل پر غور و خوض
- انٹرنل کنٹرول سسٹمز بشمول مالی اور آپریشنل کنٹرولز کو یقینی بنانا، ساتھ ہی بروقت اور مناسب انداز سے خرید و فروخت، رسیدیں اور ادائیگیوں، اثاثہ جات اور ذمہ داریوں اور رپورٹنگ کا طریقہ کار انتہائی مناسب اور موثر ہے
- بورڈ آف ڈائریکٹرز کی تصدیق اور انٹرنل آڈٹ رپورٹس سے قبل، انٹرنل کنٹرول سسٹمز پر کمپنی کے اسٹیٹمنٹ کا جائزہ
- چیف ایگزیکٹو آفیسر کی مشاورت سے خاص پروجیکٹس کے قیام، روپے کی قدر کے حوالے سے مطالعہ یا بورڈ کی جانب سے نشاندہی کیے گئے کسی بھی معاملے کی دیگر تحقیقات کرنا اور ایکسٹرنل آڈٹرز یا کسی اور ایکسٹرنل باڈی سے متعلق ریٹینشن کے کسی بھی معاملے پر غور و خوض
- متعلقہ قانونی ضروریات کی مطابقت کا تعین
- لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کے اصول و ضوابط اور اس حوالے سے نمایاں خلاف ورزیوں کی نشاندہی کے ساتھ مطابقت کا جائزہ
- عملے اور انتظامیہ کے لیے انتظامات کا جائزہ لینا تاکہ آڈٹ کمیٹی کو اعتماد کے ساتھ رپورٹ کیا جائے جس کے تحت اگر کوئی مالیاتی یا کسی اور معاملے سے متعلق اصل اور متوقع غلطیوں اور اس کے ازالے اور کمی کے لیے اقدامات کرنا
- بورڈ آف ڈائریکٹرز کو ایکسٹرنل آڈٹرز کی تقرری، ان کے اخراج، آڈٹ فیس، ایکسٹرنل آڈٹرز کی جانب سے ان کے مالیاتی گوشواروں کے ساتھ ساتھ کمپنی کو فراہم کی گئی کسی اور خدمت کا جائزہ لینے کی سفارش کرنا۔ بورڈ آف ڈائریکٹرز آڈٹ کمیٹی کی تجاویز پر مناسب طریقے سے غور کرے گا اور جہاں ضروری ہو اس پر عمل بھی کیا جائے گا بصورت دیگر یہ وجوہات کو ریکارڈ کرے گا
- کسی اور مسئلے یا معاملے پر غور و خوض، جو بورڈ آف ڈائریکٹرز کی جانب سے متعین کیا جاسکتا ہے

برآمدات

اس سال برآمدات میں 55% اضافہ ہوا جو 11.18 بلین روپے سے بڑھ کر 17.33 بلین روپے ہو گئی۔ برآمدات کے حوالے سے کمپنی درست سمت میں آگے بڑھ رہی ہے، مگر ابھی بہت کچھ حاصل کرنا ہے۔ ہم پوری محنت اور جوش و جذبے کے ساتھ مختلف مارکیٹس جیسے افغانستان، یورپی یونین اور افریقہ میں کام کر رہے ہیں، جہاں ہم ڈسٹری بیوٹرز کے ساتھ اپنا نیٹ ورک استوار کر رہے ہیں تاکہ آئندہ سال کیلے میں خاطر خواہ اضافہ ہو۔ ہمیں اپنی اس پیش قدمی سے پورا یقین ہے کہ ہماری برآمدات میں اضافہ ہوگا گوکہ انتہائی سخت مسابقت کی صورت حال میں عالمی مارکیٹ میں نئے رجحانات اور انقلابی اقدامات کرنا کسی چیلنج سے کم نہیں۔

قومی خزانے میں حصہ

آپ کی کمپنی نے مختلف حکومتی ٹیکسز بشمول ڈیوٹی، سیلز ٹیکس اور انکم ٹیکس کی مدد میں سال 2017-18 کے دوران قومی خزانے میں 462 بلین روپے کی مجموعی رقم جمع کرائی ہے۔

کارپوریٹ گورننس

کمپنی لسٹنگ ریگولیشن آف پاکستان اسٹاک ایکسچینج لمیٹڈ میں درج کوڈ آف کارپوریٹ گورننس کے مطالبات کی مکمل تعمیل کرتی ہے۔ اس حوالے سے اس رپورٹ کے ساتھ ایک اسٹیٹمنٹ منسلک ہے۔

بورڈ میٹنگز

اس سال کے دوران بورڈ آف ڈائریکٹرز کی چھ (6) میٹنگز کی گئیں۔ ہر ڈائریکٹر کی حاضری تفصیل درج ذیل رہی:

میٹنگز	منعقدہ	شرکت کردہ	ڈائریکٹرز کے نام
	6	4	جناب ابراہیم قاسم
	6	6	جناب ایم ہارون قاسم
	6	6	جناب ولی محمد اے حبیب
	6	6	جناب پیر محمد
	6	1	مسز سعیدہ بٹ نوید
	6	4	جناب سید عمران چشتی
	6	6	جناب محمد سلمان قاسم

بورڈ نے ان تمام ڈائریکٹرز کو غیر حاضری پر رخصت دی جو بورڈ میٹنگز میں شریک ہونے سے قاصر رہے۔ پورے سال کے دوران بورڈ ممبران میں کوئی تبدیلی نہیں ہوئی۔

شیئر ہولڈنگ کا طریقہ کار

کوڈ آف کارپوریٹ گورننس کو ملحوظ خاطر رکھتے ہوئے 30 جون 2018ء کے مطابق شیئر ہولڈنگ کے طریقہ کار اور اس کی تشہیر اس رپورٹ کے ساتھ منسلک ہے۔ بورڈ نے مفاد کی تشہیر کے لیے کمپنی کے شیئر رکھنے والے ایگزیکٹوز کی جانب سے حد کا جائزہ لیا، جس میں چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، انٹرنل آڈٹ کے ہیڈ اور کمپنی سیکریٹری شامل ہیں۔

ڈائریکٹرز، چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، انٹرنل آڈٹ کے ہیڈ، کمپنی سیکریٹری، چیف فنانشل آفیسر، ان کے/کی شریک حیات اور چھوٹے بچوں نے کمپنی کے شیئرز کی کوئی تجارت یا خرید و فروخت نہیں کی۔

سالانہ کیلنڈر۔ خیال رکھنے کا فن

شیلڈ ایک ایسا برانڈ ہے جو ہمیشہ خیال رکھنے کے اصول پر عمل پیرا رہتا ہے۔ اپنی اسی سوچ کو مزید فروغ دیتے ہوئے اس سال کے سالانہ کیلنڈر کا موضوع "The Art of Caring" یعنی "خیال رکھنے کا فن" رکھا گیا۔ شیلڈ نے اپنے صارفین کا خیال رکھنے کی 43 سالہ شناخت کو بالکل اسی طرح برقرار رکھا ہے جیسے ایک ماں اپنے خاندان کا خیال رکھتی ہے اور یہی اپنے بچوں کی زندگی میں ماؤں کا قابل فخر کردار ہوتا ہے۔ کیلنڈر میں خوشیوں، پر لطف زندگی، مسکراہٹوں، آرام و سکون اور آگے بڑھنے کے اصولوں کو سمویا گیا ہے۔

کارپوریٹ سماجی ذمہ داری

شیلڈ کی انتظامیہ اس بات پر پختہ یقین رکھتی ہے کہ کاروبار کو ایک واضح مقصد کے ساتھ کیا جائے۔ شیلڈ ہمیشہ ہی ایسے مواقع تلاش کرتا ہے جس سے لوگوں کی معیار زندگی میں اضافہ ہو۔ کمپنی نے تعلیم اور سماجی بہبود کے منصوبوں پر لگ بھگ پانچ لاکھ روپے کے عطیات دیے ہیں۔ شیلڈ سماج کو فائدہ پہنچانے اور واپس لوٹانے کے فلسفے پر یقین رکھتا ہے، اسی سوچ کے پیش نظر اسپیشل بچوں کی تعلیمی ضروریات پوری کرنے میں معاونت کر رہا ہے۔

کارپوریٹ وژن اور مشن

آپ کی انتظامیہ آپ کی کمپنی کو پاکستان میں ایک مقبول اور نمایاں باؤس ہولڈنگ نام دینے کے لیے اپنی تمام تر کوششیں بروئے کار لارہی ہے، جس کے لیے وہ دانتوں کی حفاظت کے حوالے سے فیملی کو شعور اور سہولت فراہم کر رہی ہے۔ جو کمپنی کے ہر دم متحرک رہنے کی ایک علامت اور اس کی کارپوریٹ ذمہ داری کا نچوڑ ہے۔

ہیومن ریسورس مینجمنٹ

شیلڈ ایک ایسے کلچر پر یقین رکھتا ہے جس میں مسلسل ترقی کا عمل جاری رہے اور ایسا ماحول بنے جو پائیدار بنیادوں پر اعلیٰ ترین کارکردگی کے لیے مددگار ہو۔ موجودہ دور میں تیزی سے بدلتے ہوئے مقابلے کے رجحان میں بہترین قابلیت و صلاحیت کے حامل ملازمین کی ضرورت کو پورا کرنے کے لیے کمپنی کا ہیومن ریسورس ڈپارٹمنٹ کلیدی کردار ادا کرتا ہے۔ شیلڈ کا ہیومن ریسورس ڈپارٹمنٹ نہ صرف انفرادی سطح پر قابل افراد کی دریافت و شناخت اور ان کی صلاحیت میں اضافے کے لیے ہی کام نہیں کرتا بلکہ یہ کمپنی کی افرادی قوت میں ضروری صلاحیتوں کو بھی بڑھا رہا ہے۔ 30 ستمبر 2017 سے کمپنی نے اپنے تمام مستقل ملازمین کے لیے گریجویٹ کے فوائڈ ختم کر دیے ہیں۔ شیلڈ کی نظر میں تربیت کی بہت اہمیت ہے اسی لئے کمپنی کے اندر اور بیرونی ذرائع کی مدد سے کئی ٹریننگ پروگرامز منعقد کیے گئے ہیں۔ یکم جولائی 2017 سے کمپنی نے اپنے تمام مستقل ملازمین کے لیے کارکردگی کی بنیاد پر بونس دینے کی پالیسی متعارف کی ہے۔

سالانہ سیلز کانفرنس

سالانہ سیلز کانفرنس "Wow & Win" عنوان کے تحت اس سال کراچی میں منعقد کی گئی۔ اس کا مقصد ڈپارٹمنٹ کی سطح پر سیکھنے کے تسلسل اور اس پر عمل درآمد کی مہارت کے لیے جیت کے کلچر اور مستقبل کے لائحہ عمل کو ذہن نشین کرانا تھا۔

خرچ کیا گیا سرمایہ

کمپنی نے خود کو مقابلے کی اس فضا میں تیار اور ٹیکنیکی اعتبار سے مکمل رہنے کے لیے جدید ماڈلز کی مشینوں، مولڈز اور یوٹیلٹی پر 36.88 ملین روپے مالیت کی سرمایہ کاری کی ہے۔ جیسا کہ پہلے واضح کیا گیا، قائدانہ مقام کو برقرار رکھنے کے لیے ضروری ہے کہ ہم پلانٹ اور مشینری پر دوہرا اندیشی کے ساتھ سرمایہ کاری کریں تاکہ طویل عرصے کے لیے مسابقتی دوڑ اور نئی پروڈکٹس کی جستجو اور پیداوار کو یقینی بنایا جاسکے۔ کمپنی مستقل بہتری کے ذریعے انسانوں اور ماحول کے تحفظ پر یقین رکھتی ہے۔ کمپنی ISO 14001:2004 سرٹیفائیڈ ہے۔ یہ ایک بین الاقوامی معیار ہے جو کہ ماحول کے مینجمنٹ سسٹم سے تعلق رکھتا ہے۔

پوری رینج کی پیکینگ کو تبدیل کیا گیا جس سے ایک نیا انداز اور احساس نمایاں ہوا۔ پورٹ فولیو میں بڑوں کے لیے تین مختلف اقسام رکھی گئی ہیں جن کے نام ایکسپرٹ کیئر، فیملی کیئر اور ایسنشل کیئر ہیں جبکہ بچوں کے لیے چیپس کے نام سے کیٹیگری کو خاص اہمیت دی گئی ہے۔

ٹوتھ پیسٹ

شیلڈ ٹوتھ پیسٹ دارچینی اور پودینہ کے 2 منفرد انقوں میں دستیاب ہیں، اس کی بہتر فارمولیشن نے اسے کئی ملٹی نیشنل اور لوکل فیملی ٹوتھ پیسٹ برانڈز کے مقابلے پر لاکھڑا کیا ہے۔ ٹوتھ پیسٹ کیٹیگری میں مزید آگے بڑھتے اور ترقی کی کافی گنجائش اور مواقع موجود ہیں۔

شیلڈ چیپس ٹوتھ پیسٹ

شیلڈ کڈز ٹوتھ پیسٹ اسٹرابری، ہبل گم اور اورنج کے تین منفرد فلیورز میں دستیاب ہیں۔ بچوں کے دانتوں کی صحت کی جانب بڑھتی ہوئی توجہ اور آگاہی سے ہمارا یہ اندازہ ہے کہ یہ سیگمنٹ وقت کے ساتھ ترقی کرتا رہے گا۔

بینجمنٹ کے مقاصد/حکمت عملیاں/خطرات اور مواقع

مستقبل پر نظر رکھتے ہوئے انتظامیہ نہ صرف اپنے قائدانہ مقام کو برقرار رکھنے بلکہ شیلڈ اپنے مقابل دیگر کمپنیز سے اپنی سبقت بڑھانے کے لیے پرعزم ہے۔ مارکیٹ میں نئے پلیئرز کی آمد اور موجودہ برانڈز کی پروڈکٹ رینج میں وسعت کی وجہ سے کمپنی کو مقابلے کی صورت حال میں مزید اضافے کا سامنا ہے۔

انتظامیہ کی سوچ اور مسابقتی سرگرمیوں کو پیش نظر رکھتے ہوئے شیلڈ نے دو طرفہ حکمت عملی وضع کی ہے:

1- جدت اور نئی مصنوعات کی تیاری پر اپنی توجہ مرکوز رکھی جائے۔

2- برانڈ کی مستحکم تشکیل اور زیادہ سے زیادہ صارفین تک رسائی کے لیے مارکیٹنگ کے شعبے میں وسیع پیمانے پر سرمایہ کاری کرنا۔

انتظامیہ پر اعتماد ہے کہ یہ حکمت عملی کامیاب ثابت ہوگی اور اس امر کو بھی یقینی بنا رہا ہے کہ اس سے لیڈرشپ کے لیے کوئی نیا چیلنج سامنے نہیں آئے گا۔

پورے سال کے دوران تمام چینلز پر مارکیٹنگ کی سرگرمیوں پر خاص توجہ مرکوز رکھی گئی۔ انٹرنیٹ پر خریداری کو پیش نظر رکھتے ہوئے ہم اپنے آن لائن صارفین کو مختلف منافع بخش ڈیڈسٹینٹل بنیادوں پر دے رہے ہیں۔

دانتوں کی صحت کا عالمی دن

دانتوں کی صحت کا عالمی دن (ورلڈ اورل ہیلتھ ڈے: WOHD) ہر سال 20 مارچ کو منایا جاتا ہے۔ یہ ایک بین الاقوامی دن ہے جو پوری دنیا میں دانتوں کی صحت سے متعلق مسائل کی آگاہی کو فروغ دینے کے لیے منایا جاتا ہے۔ WOHD کی سال 2018 کا عنوان ”منہ کا خیال، صحت کا خیال“ تھا۔ یہ مسلسل آٹھواں سال ہے کہ شیلڈ ڈینٹل نیوز اور پاکستان ڈینٹل ایسوسی ایشن کے ساتھ مل کر بڑے ایونٹس اسپانسر کرتا آ رہا ہے۔

اس سرگرمی میں شیلڈ نے ملک کے 17 مختلف شہروں کے 36 ڈینٹل کلینرز میں دانتوں کا مفت معائنہ کیا۔ شیلڈ اورل کیئر پروڈکٹس کے مفت سمپلز بھی صارفین کو دیے گئے۔ دانتوں کی صحت کی اہمیت کو اجاگر کرنے کے لیے نمایاں اسکولوں میں مضمون نویسی کے مقابلے بھی منعقد کیے۔ اس ایونٹ کی ڈیجیٹل ایڈورٹائزنگ کے ذریعے تشہیر کی جاتی ہے جسے لوگوں کی جانب سے بھرپور پذیرائی حاصل ہوتی ہے۔

- 3- کمپنی نے انتظامی امور، فروخت اور ڈسٹری بیوشن کے اخراجات میں گذشتہ سال کے مقابلے میں 13.88 ملین روپے کم خرچ کیے ہیں۔ کمپنی پیشروانہ عملے کی خدمات حاصل کرنے لیے مستقل بنیادوں پر اخراجات کر رہی ہے اس لئے اس سال کے دوران ہیومن ریسورس کے اخراجات میں 47.43 ملین روپے کا اضافہ ہوا۔ جبکہ مارکیٹ کی حرکیات اور رجحانات میں تبدیلی کو مد نظر رکھتے ہوئے کمپنی نے اشتہارات کی مد میں گذشتہ سال کے مقابلے میں 52.60 ملین روپے کم خرچ کیے۔ ڈسکاؤنٹس کی شکل میں ٹریڈ مارکیٹنگ پر توجہ مرکوز رکھی گئی جس کی کٹوتی مجموعی سیلز سے کی جاتی ہے۔
- 4- اس سال کے دوران مشارکہ جاریہ کے استعمال میں اضافے اور KIBOR بڑھنے کی وجہ سے کمپنی کے مالیاتی اخراجات میں 7.55 ملین روپے کا اضافہ ہوا۔ مزید یہ کہ اسٹیٹ بینک آف پاکستان نے تیار مال کی درآمدات پر 100% کیش مارجن لاگو کر دیا جس کے نتیجے میں مالیاتی سہولتوں کے استعمال میں اضافہ ہوا۔
- 5- گذشتہ سال کی 12.46 روپے فی شیئر آمدنی، سال 2017-18 میں بڑھ کر 17.41 روپے ہو گئی۔
- 6- بورڈ آف ڈائریکٹرز نے موجودہ مالی سال کے لیے 35% یعنی 3.5 روپے ڈیویڈنڈ فی شیئر تجویز کیا ہے۔ جس کی کل مالیت 13.65 ملین روپے ہے جو کہ شیئر ہولڈرز کی جانب سے سالانہ اجلاس عام میں منظور ہونا ہے۔
- 7- اس سال 54.25 ملین روپے کا غیر منقسم منافع کمپنی کے ریونیوز خاثر میں اضافہ کرے گا۔

ہمارے کاروبار کی وسعت

شیلڈ کارپوریشن لمیٹڈ 1975 میں قائم ہوئی اور گذشتہ 43 سال سے زائد عرصے میں شیلڈ نے ایک مربوط حکمت عملی کے تحت اپنی مصنوعات کے پورٹ فولیو کی دونوں اقسام بے بی کیئر اور اول کیئر کو نمایاں وسعت دی ہے۔ ان کوششوں کے نتیجے میں شیلڈ اپنے قائدانہ مقام کو برقرار رکھنے میں کامیاب رہا ہے۔

بے بی فیڈنگ پروڈکٹ ریٹج

شیلڈ نے بے بی کیئر کیٹیگری میں مارکیٹ لیڈر کی حیثیت سے اپنی شناخت کو بدستور برقرار رکھا ہے۔ ہماری کامیابی کی بنیاد اعلیٰ معیار، مناسب قیمت اور بے بی کیئر کیٹیگری میں مصنوعات کی ریٹج ہے، یہی وجہ ہے زیادہ تر مائیں پاکستان میں کسی بھی دوسری بے بی کیئر کیٹیگری کے مقابلے میں شیلڈ پر بھروسہ کرتی ہیں۔

شیلڈ بے بی کیئر مصنوعات کے لیے نئی Tagline ”ممتا کی زبان“ کو اس سال متعارف کیا گیا۔ اپنی مصنوعات کو موجودہ دور کے حساب سے نیا انداز دینے کے لیے ہم نے پیکیجنگ کو مزید بہتر کیا ہے۔ جس کے لیے دونوں روایتی اور ڈیجیٹل میڈیا پر ایک اشتہاراتی مہم بھی چلائی گئی۔ یہ اقدامات برانڈ کی ساکھ مزید بہتر بنانے اور بے بی کیئر میں شیلڈ کے قائدانہ مقام کو برقرار رکھنے کے لیے کیے گئے۔

بے بی ڈائپر

ڈائپر گذشتہ سال کے دوران 19.5% کے نمایاں اضافے کے ساتھ سب سے زیادہ تیزی سے بڑھنے والی کیٹیگری ہے۔ یہ ذرائع ابلاغ کے ساتھ ساتھ آن گراؤنڈ مارکیٹنگ ایکٹیویٹیز میں اضافے کی وجہ سے ممکن ہوا۔ پوری ریٹج کی پیکیجنگ سال کے آغاز میں تبدیل کر دی گئی تھی جس کے نتیجے میں دیگر کمپنیوں کے مقابلے میں شیلڈ ڈائپر شیلیف پر سب سے نمایاں نظر آئے۔ صارفین کی زیادہ سے زیادہ توجہ حاصل کرنے اور رسائی کے لیے مستقل بنیادوں پر کمزور پروموشنز اور آن گراؤنڈ سرگرمیوں کا سلسلہ جاری رہا۔

اول کیئر پروڈکٹ ریٹج

ٹوتھ برش

شیلڈ ٹوتھ برش کیٹیگری میں اپنے برانڈ کی آگاہی اور پروڈکٹ پورٹ فولیو میں وسعت کی وجہ سے بدستور ایک نمایاں مقام پر فائز ہے۔ گھر گھر جا کر فروخت کرنے اور دیگر سرگرمیوں کے ذریعے ان صارفین کو بھی شیلڈ کی طرف مائل کیا گیا جو کہ مد مقابل دیگر کمپنیوں کی مصنوعات استعمال کر رہے تھے۔

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

شیلڈ کارپوریشن لمیٹڈ کے ڈائریکٹرز 30 جون 2018 کو ختم ہونے والے مالی سال کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے پیش کرنے میں خوشی محسوس کر رہے ہیں۔ یہ رپورٹ شیئر ہولڈرز کے سرمائے کی قدر میں اضافے کے حوالے سے مینجمنٹ کی مسلسل کوششوں کا ایک سرسری جائزہ ہے۔

سرمائے کا خلاصہ

اضافہ/ (کمی)	2017 (روپے)	2018 (روپے)	کاروباری نتائج
5.78%	1,724,925,837	1,824,690,091	مجموعی سیلز
1.01%	1,662,086,046	1,678,897,969	خالص سیلز
6.64%	573,429,063	611,481,320	مجموعی منافع
192 bps	34.50%	36.42%	مجموعی منافع فیصد میں
(2.22%)	427,702,275	418,214,780	فروخت اور ڈسٹری بیوشن کے اخراجات
(6.75%)	65,149,589	60,753,032	انتظامی اخراجات
20.34%	97,094,289	116,839,613	عملیاتی منافع
39.68%	48,612,977	67,903,433	بعد از ٹیکس منافع
39.68%	12.46	17.41	فی شیئر آمدنی

جائزہ

سال 2017-18 ملک کے لیے بدستور ایک پُر آزمائش سال رہا۔ انتخابات کی وجہ سے سیاسی اُفق پر غیر یقینی صورت حال کا سامنا رہا اور اسٹاک مارکیٹ کے نتائج بھی منفی رہے۔ معیشت مسلسل غیر مستحکم اور ملکی برآمدات کی کارکردگی توقعات سے کم رہی۔ نتیجتاً ایک سال میں پاکستانی روپے کی قدر میں تین بار کمی آئی جو تقریباً 16% ہے اور جس سے صارف کی قوت خرید پر نمایاں اثرات ظاہر ہوئے۔ اسٹیٹ بینک آف پاکستان نے بینک کی شرح میں 16.74% تک اضافہ کیا ہے۔ مزید برآں Moody نے پاکستان کی ریٹنگ کو مستحکم سے منفی کا درجہ دے دیا ہے۔

ان تمام مشکلات کے باوجود آپ کی کمپنی نے حکمت عملی کے تحت متعین کردہ مقاصد سے غفلت نہیں برتی اور ترقی کی رفتار کو برقرار رکھا ہے۔

1- کمپنی نے موجودہ مالی سال میں 1.84 بلین روپے کی مجموعی سیلز کی جو کہ گذشتہ سال کے مقابلے میں 5.78% زیادہ ہے۔ مارکیٹ کی حرکیات کے پیش نظر کمپنی نے مارکیٹ شیئر میں اضافے اور تجارت کے تسلسل کو برقرار رکھنے کے لیے اضافی رعایت کی مقدار بڑھائی نتیجتاً کمپنی نے خالص سیلز 1.67 بلین روپے ریکارڈ کی جو کہ پچھلے سال کے مقابلے میں 1.01% زیادہ ہے۔

2- ترسیل اور فروخت کنندگان کے ساتھ بہتر مذاکرات کی وجہ سے مجموعی منافع میں معمولی بہتری دیکھی گئی۔

چیئر مین کی جائزہ رپورٹ

میرے لیے کمپنیز ایکٹ 2017 کی شق 192 کے تحت چیئر مین کی جائزہ رپورٹ پیش کرنا باعث مسرت ہے۔

مجموعی طور پر بورڈ اپنے تنظیمی ڈھانچے اور اسٹرکچر کی بنا پر اچھے طریقے سے کام کر رہا ہے۔ بورڈ اراکین مناسب صلاحیت، علم اور تجربے کے حامل ہیں جو کہ کاروبار کو مؤثر طریقے سے چلانے کیلئے انتہائی ضروری ہے۔

رواں سال کے دوران رسک مینجمنٹ کمیٹی کی تشکیل کی گئی جسے درج ذیل کام سونپے گئے:


- تمام اہم کنٹرول (مالی، آپریشنل، کمپلائنس) کی نگرانی اور جائزہ
- اس بات کو یقینی بنانا کہ خطرات کو کم سے کم کرنے کے لیے ٹھوس اقدامات اور مالیاتی معلومات کی اخلاقی رفعت یقینی بنائی جائے اور
- ڈائریکٹرز رپورٹ میں کمپنی کے رسک فریم ورک اور انٹرنل کنٹرول سسٹم کے مناسب ڈسکلوژر کو یقینی بنایا جائے

کوڈ آف کارپوریٹ گورننس کے تقاضے کے تحت شیلڈ کارپوریشن لمیٹڈ کے ڈائریکٹرز کا سالانہ جائزہ لیا جاتا ہے۔ اس جائزے کا مقصد اس بات کو یقینی بنانا ہے کہ کمپنی کے لیے متعین کیے گئے اہداف و مقاصد سے وابستہ توقعات کے حوالے سے بورڈ کی مجموعی کارکردگی اور اثرات کو ناپا اور مقررہ معیار کے مطابق پر رکھا جائے۔

30 جون 2018ء کو ختم ہونے والے مالی سال کے لیے بورڈ، اس کے ارکان اور اس کی کمیٹیوں کی مجموعی کارکردگی اور کام پر اثرات تسلی بخش رہے ہیں۔ مجموعی جائزہ جن بنیادوں پر قابل اطمینان رہا ان لازمی اجزاء میں وزن، مشن اور اقدار، حکمت عملی کے حوالے سے منصوبہ بندی میں مصروفیت، پالیسیز کی تشکیل، آرگنائزیشن کی کاروباری سرگرمیوں کی نگرانی، فنانشل ریورس مینجمنٹ کی نگرانی، موثر مالیاتی نگرانی، تمام ملازمین کے ساتھ برابری کا سلوک اور بورڈ کے امور اور اس کی کمیٹیوں کی موثر کارکردگی شامل ہیں۔ بہتری ایک مسلسل جاری رہنے والا عمل ہے جو منصوبوں کی عملی تشکیل کی صورت میں ہی سامنے آتا ہے۔

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کو ایجنڈے اور ضروری تحریری مواد بشمول فولو اپ میٹریل بورڈ اور اس کی کمیٹی میٹنگز شروع ہونے سے مناسب وقت قبل موصول ہو جاتا ہے۔ بورڈ اپنی ذمہ داریوں سے مناسب انداز سے عہدہ برآ ہونے کے لیے گاہے بگاہے اجلاس منعقد کرتا ہے۔ اہم فیصلوں میں نان ایگزیکٹو اور آڈائریکٹرز بھی برابری کی بنیاد پر شامل ہوتے ہیں۔ تمام ڈائریکٹرز، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے ڈائریکٹرز ٹریننگ پروگرام (DTP) کے تقاضے کو مکمل کر چکے ہیں۔

میں اپنے ساتھی ڈائریکٹرز کا شکر گزار ہوں جنہوں نے اپنی ذمہ داریاں محنت اور جانفشانی سے سرانجام دی ہیں اور مستقبل میں بھی ان کی معاونت کی توقع رکھتا ہوں۔


ابراہیم قاسم
چیئر مین








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