



42 YEARS  
IN THE MAKING





## The art of caring

At every step of the way, every managerial decision has incorporated our core spirit of 'Care'.



**40 YEARS IN THE MAKING!** Shield has strived for four decades to bring out the best in class products to the consumers. Being a pioneer, shield has utilized their learning and experience to innovate and deliver best quality products in the market. Our vision of making shield the market leader took roots decades ago. Now we are at a juncture where fruits of our labor are clearly visible.



## 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.



Renew,  
Rejuvenate,  
Transform

As the new year chimed in; the company set course with a renewed purpose to soar higher than it ever had in the past. Keeping up with times; in the beginning of 2017 Shield introduced its new logo. The fresh and modern outlook breathes a new air of motivation in the company.

This newness is an indication of how we aim to look into all aspects of the business with a fresh perspective.



The language  
that never  
changes

A language that never changes is the language of motherhood. This phenomenon is so unique to mothers; a special bond that nature nurtured between a mother and child. Beginning of year 2017, with a bright, ambitious team, Shield launched its good will Baby Care campaign. With the most pleasant cast, set in the beautiful location of Beirut, lead by talented director, Shield proudly presents, "Mama Ki Zaban".



## Transformed Look

As promised the change followed in all different facets of our business. In the baby care category we revamped our packaging. A lot of research and thought went into coming up with a fresh and an appealing look. We were in search of a look that set us apart from our competitors and spoke of our product's quality and high standards. The hard work paid off as the new look was well received by our consumers.



A change of flavor is what we need every now and then. After two very successful flavors in the Junior Toothpaste category, we added ORANGE flavor to the Champs range. Kids are not easy to please making it a difficult task to come up with a flavor that would appeal to the taste buds of our picky loyalists.

## A Change of Flavour



## ہنسو... ذرا اور کھلےلا کے

Shield oral care portfolio includes a diverse range of toothbrushes and toothpaste customized for individual needs. Shield Toothbrushes range starts from basic low price toothbrushes and goes up to premium high-end toothbrushes. Shield is one of Pakistan's highest selling brands of toothbrushes.



## مٹھاس سے ڈرنا کیسا

Shield is also leading the premium kids' toothbrushes category with exciting designs and eye-catching colors. In the Kid's category, Shield Champs has three flavors; Strawberry, Bubblegum and Orange.



# Shield<sup>®</sup> Baby Diapers

Shield – A name trusted by mothers for decades. Shield Baby Diaper's distinct features make it a favorite amongst mothers. Our diapers are super absorbent and have elastic band for firm grip. The unique wetness indicator shows when it is time to change the diaper.



The Shield Baby Care Range puts more within your reach and offers you more value for money. The range is functionally designed with striking colors using material guaranteed safe for babies. All the raw material imported from America and Europe is FDA compliant and certified from their reputed suppliers.

## ممتا کی زبان





# CONTENTS

Company Information	11
Chairman's Review Report	12
Directors' Report to the Shareholders	13
Key Financial Data	19
Statement of Value Added	20
Vertical Analysis	21
Horizontal Analysis	22
Operating and Financial Highlights	23
Pattern of Shareholding	25
Statement of Compliance with the Code of Corporate Governance	27
Review Report to the Members on Statement of Compliance with Code of Corporate Governance	29
Auditors' Report to the Members	30
Balance Sheet	31
Profit and Loss Account	32
Statement of Comprehensive Income	33
Cash Flow Statement	34
Statement of Changes in Equity	35
Notes to the Financial Statements	36
Notice of Meeting	54
Proxy Form	57
Proxy Form in Urdu	59
Directors' Report to the Shareholders in Urdu	67
Chairman's Review Report in Urdu	68



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

Moochhala Gangat & Co.  
Chartered Accountants

### Internal Auditors

A.F. Ferguson & Co.  
Chartered Accountants

### Bankers

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

### Registrar & Share Registration Office

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

### Registered Office

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

### Factory

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

### Email & URL

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





## CHAIRMAN'S REVIEW REPORT

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

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 benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2017, the Board's overall performance and effectiveness has been assessed as Satisfactory. The overall assessment as Satisfactory 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. 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 in sufficient 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.

I would like to thank my fellow directors who had carried their responsibilities diligently.

Karachi: September 29, 2017

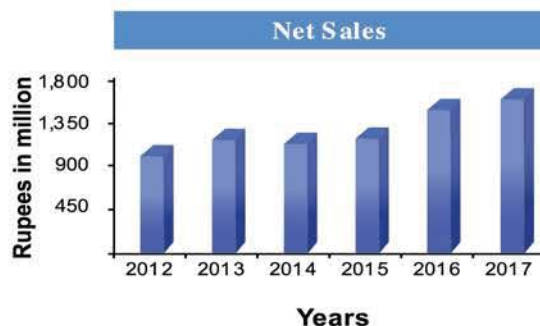
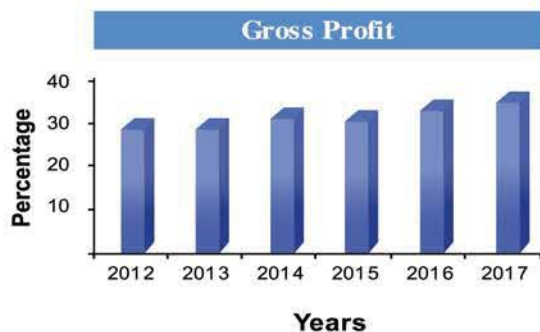


Ebrahim Qassim  
Chairman

# 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, 2017. The report intends to provide a quick look on Shield's management constant endeavor to maximize shareholders' value.

	2017 (Rupees)	2016 (Rupees)
<b>Financial summary</b>		
Sales	1,662,086,046	1,548,321,733
Profit after taxation	48,612,977	46,843,061
Unappropriated profit brought forward	202,651,550	178,271,340
Profit available for appropriation	248,810,363	222,151,550
<b>Key Performance Measures</b>		
Gross Profit Margin (%)	34.44	32.72
Basic Earnings per Share (Rs.)	12.46	12.01



## Overview


The year 2016-17 remained a challenging year for the country due to uncertainty on political front, the economy remained volatile, and exports of the country under performed.

Yet despite these difficulties, your company did not lose focus on the strategic goals and maintained the momentum of the progress.

1. The company achieved a sale of Rs. 1.66 billion in the financial year, with a growth of 7.35% over the last year.
2. Gross margin improved due to negotiation with the suppliers and vendors.
3. The company sold its existing offices and purchased new office. As a result there is an increase in depreciation, insurance and utilities expense. Further, the company continued its spending on hiring of professional staff which resulted in increase of 14.8% in Admin, Selling and distribution expense. Other income of the company increased by Rs. 20.85 million mainly due to sale of offices.
4. There is an increase in earnings per share from Rs.12.01 (last year) to Rs. 12.46 for the year 2016-17.
5. The Board of Directors proposes 50% dividend i.e. Rs. 5 per share for this financial year to be approved by the shareholders at the Annual General Meeting.

## Our Business Diversity

Shield Corporation Limited was established in 1975 and over the last 42 years Shield has strategically expanded its product portfolio in both the Baby Care and Oral Care category. These efforts have culminated in Shield retaining its Leadership status.



## Baby Feeding Products

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 product range in the Baby Care category, which is why, more mothers' place their trust in Shield than any other Baby Care brand in Pakistan.

This was an exciting year for this category with number of new launches namely; Shield Slim Grip Feeder, Shield PP Feeder & Twin Feeders promo packs for Evenflo, Deluxe Plus & Bell Shape.

## Baby Diapers

Diapers was the fastest growing category for the company this year with around 70% growth in market sales over last year. This was a result of company's willingness to invest in marketing activities to generate consumer pull for this category. Launch of XL size in the portfolio emphasizes the importance of understanding the category better with increasing user base.

## Oral Care Products

### Toothbrush

Shield remains a key player in the toothbrush category owing to its high brand awareness and depth of its product portfolio. Shield continues to offer toothbrushes ranging from essential models, such as Angular, Mr. Tooth to feature rich variants such as Sof-Tip and Dual Pro. Shield has continued its legacy of using high-quality components and food grade plastic for its entire range.

### 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

In February 2016, Shield launched Kids toothpaste in two distinct flavors namely Strawberry and Bubble Gum with the brand name of CHAMPS. A new flavor of Orange was recently added in Champs toothpaste in February 2017. With increasing awareness and growing focus on oral health of children, we foresee that this segment will continue growing over time.

## Management Objectives / Strategies / Threats and Opportunities

Looking forward, the management has resolved to not just retain their leadership status but focus on widening the gap between Shield and its competitors. The Company is also experiencing more competition, with new regional players emerging and existing brands expanding their product ranges.

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 demand generation.

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

## 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 2017 was Live Mouth Smart. This was the 7th 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 for 25,000+ patients in 17 cities. Free samples of Shield oral care products and oral health awareness brochures were also provided to the visitors. The event was promoted through digital advertising and was well appreciated by the audience.

## **Annual Calendar – Learning Tool for Children**

Theme of our annual calendar this year i.e. “Ammi kehti hain” recognizes a mother’s most primal act; to teach us how to be ourselves and how to be of value to the society at large. We aim to reinforce the lesson taught at home through this calendar.

## **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. 3.44 million for education and social welfare projects.

## **Aagahi Adult Literacy Program (ALP)**

Shield believes that an educated woman ensures a brighter future for her family. This makes the role of a woman altogether very significant and pivotal, thereby embedding education as an integral part of the family’s future. To that end, since 2011 Shield has collaborated with The Citizens Foundation (TCF) in launching and running a massive campaign by the name of Aagahi Adult Literacy Program along with National Foods Ltd. and Bayer. This unique program aims to empower women by teaching them basic literacy and numeracy skills within a span of four months.

Shield and TCF have successfully sustained this program since last 6 years now - reaching across 40 cities nationwide, transforming the lives of over 43,000 women and 200,000 family members on an average.

## **Supporting Children with special needs**

Shield is 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, several in house and outsourced training programs were conducted.

## **Capital Expenditure**

The Company has made an investment in the latest models of machines, moulds, utilities and head office amounting to Rs. 154.89 million thus helping the company 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 believes in human and environmental safety through continual improvement. The Company has been certified in ISO 14001:2004, the international standard which is related to the management system of environment.

## **Exports**

This year exports amounted to Rs. 11.18 million as against Rs. 3.06 million last year. On 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 Uganda 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 challenges of cracking global markets in such a fiercely competitive arena.

## **Contribution to the National Exchequer**

Your Company made a total contribution of Rs. 430 million to the National Exchequer on account of different government levies, including custom duty, sales tax and income tax during the year 2016-17.

## **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 eight (8) meetings of the Board of Directors were held. Attendance of each director is as follows:

Name of Directors	Meetings	
	Held	Attended
Mr. Ebrahim Qassim	8	7
Mr. M. Haroon Qassim	8	8
Mr. Vali Muhammad A. Habib	8	8
Mr. Pir Muhammad	8	7
Mrs. Saadia Butt Naveed	8	2
Mr. Syed Imran Chishti	8	4
Mr. Muhammad Salman Qassim	8	8

The Board granted leave of absence to those Directors who could not attend the Board Meetings. The election of directors was held on April 27, 2017. There was no casual vacancy occurred during the year.

## Pattern of Shareholding

The pattern of shareholdings as on June 30, 2017 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, CFO, COO, 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:

- Review quarterly, half yearly and annual financial statements of the company prior to their approval by the Board of Directors.
- Review preliminary announcements of results prior to the publication.
- At least once a year, the Audit Committee shall meet external auditors without the Chief Financial Officer and the Chief Internal Auditor.
- At least once a year, the Audit Committee shall meet the Head of Audit without the Chief Financial Officer and the external auditors.
- Recommend the appointment of external auditors to the Board of Directors and consider any questions of resignation or removal of external auditors, if any, audit fees, and provision by external auditors of any service in addition to audit of financial statements.
- Review management letter issued by the external auditors and management response thereto.
- Determination of appropriate measures to safeguard the Company's assets.
- Consideration of any other issue or matter as may be assigned to the Committee by the Board of Directors.

## Audit Committee Meetings

During the year four (4) meetings of the Audit Committee were held. Attendance of each director is as follows:

Name of Directors	Category	Meetings	
		Held	Attended
Mr. Pir Muhammad	Chairman	4	4
Mr. Vali Muhammad A. Habib	Member	4	4
Mr. Syed Imran Chishti	Member	4	2

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, out of whom two are non-executive directors with the chairman of the committee is also a non-executive director.

## Human Resource & Remuneration Committee Meetings

During the year, one (1) meeting of the Human Resource & Remuneration Committee was held to discuss and approve the matters falling under the terms of reference of the Committee. Attendance of each director is as follows:

Name	Category	Meetings Attended
Mr. Vali Muhammad A. Habib	Chairman	1
Mr. M. Haroon Qassim	Member	1
Mr. Syed Imran Chishti	Member	0

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

## External Auditors

M/s Moochhala Gangat & Co., Chartered Accountants, the auditors of the company retired. The Board of Directors, based on the recommendation of the audit committee, is considering to appoint, KPMG Taseer Hadi & Co. Chartered Accountants, as the auditors of the company for the year ending June 30, 2018 at a fee to be mutually agreed.

## 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.

## 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 Board of Directors. This entails identifying, evaluating and addressing strategic, financial, commercial and operational risks of the Company. The Company continues to follow the policy of taking selective forward exchange cover to safeguard against any adverse potential short-term foreign currency exposure. Business continuity and disaster recovery plans are in place to ensure that company's production and sales operations are not disrupted. Due to effective compliance with laws and regulations and transparent financial reporting framework compliance risk posed to the Company remains low. Litigation risks involving significant cases against the Company are handled through reputable Law firms with specialized expertise wherever required.

There was 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; there was no default occurred during the year in payments of any debt.


## Related Party Transactions

In order to comply with the requirements of listing regulations, the company presented all 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 detail of all related party transactions has been provided in the notes annexed to the financial statement.

## Statement on Corporate and Financial Reporting Framework

### Statement of Directors' Responsibilities

- 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.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- 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.
- Proper books of account of the Company have been 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 departure there from 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. Outstanding duties, statutory charges and taxes, if any, have been duly disclosed in the financial statements.
  - j. The value of investment of Provident Fund based on its audited accounts amounted to Rs. 32.76 million.
  - k. The key operating and financial data for the last six years in summarized form is annexed.
  - l. All directors of the company are compliant with the requirement of the CCG related to DTP.

### **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 consumers.

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 demand 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: September 29, 2017

# KEY FINANCIAL DATA

## SIX YEARS AT A GLANCE

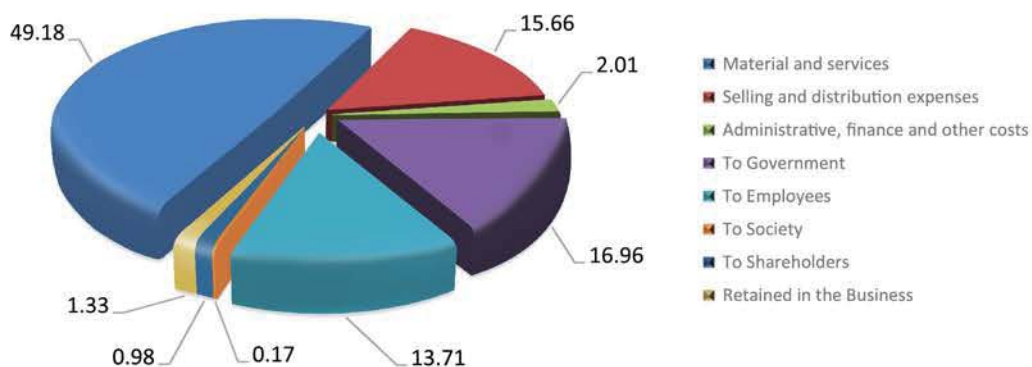
	2017	2016	2015	2014	2013	2012
----- Rupees -----						
<b>Balance Sheet</b>						
Paid up capital	39,000,000	39,000,000	39,000,000	39,000,000	39,000,000	39,000,000
Reserves & un-appropriated profit	313,810,363	287,151,550	262,771,340	221,898,887	206,707,659	175,014,956
Shareholders equity	352,810,363	326,151,550	301,771,340	260,898,887	245,707,659	214,014,956
Non-current liabilities	158,763,249	81,256,965	133,645,829	173,414,761	169,408,658	151,347,826
Current liabilities	319,528,953	304,303,856	248,174,014	298,946,554	279,587,956	265,885,604
Total equity and liabilities	831,102,565	711,712,371	683,591,183	733,260,202	694,704,273	631,248,386
Non-current assets	448,958,966	362,438,408	359,184,840	368,867,966	353,369,271	288,275,357
Current assets	382,143,599	349,273,963	324,406,343	364,392,236	341,335,002	342,973,029
Total assets	831,102,565	711,712,371	683,591,183	733,260,202	694,704,273	631,248,386
<b>Profit and Loss Account</b>						
Sales	1,662,086,046	1,548,321,733	1,248,961,378	1,174,856,539	1,218,938,348	1,061,000,021
Cost of sales	1,089,614,042	1,041,712,545	870,750,560	809,115,849	870,451,155	757,080,081
Gross profit	572,472,004	506,609,188	378,210,818	365,740,690	348,487,193	303,919,940
Selling and distribution expenses	427,702,275	388,299,071	257,653,951	273,859,529	259,808,886	215,302,475
Administrative and general expenses	64,192,530	39,901,493	37,485,364	28,490,558	23,222,673	21,982,857
Other operating expenses	6,455,334	5,081,446	5,244,569	3,187,096	3,226,148	3,296,250
Other operating income	22,972,424	2,119,332	1,751,491	1,742,636	2,409,116	1,403,383
Operating profit	97,094,289	75,446,510	79,578,425	61,946,143	64,638,602	64,741,741
Finance costs	11,167,225	7,754,789	15,747,185	23,968,150	19,411,909	20,266,243
Profit before taxation	85,927,064	67,691,721	63,831,240	37,977,993	45,226,693	44,475,498
Taxation	37,314,087	20,848,660	16,181,426	14,815,428	5,751,979	7,031,676
Profit after taxation	48,612,977	46,843,061	47,649,814	23,162,565	39,474,714	37,443,822

# 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:

	2017		2016	
	Rupees	%	Rupees	%
<b>Revenue Generated</b>				
Total revenue	1,981,855,381	100.00	1,824,291,846	100.00
<b>Revenue Distributed</b>				
Material and services	974,712,682	49.18	937,688,346	51.40
Selling and distribution expenses	310,407,772	15.66	299,894,282	16.44
Administrative, finance and other costs	39,843,352	2.01	22,076,503	1.21
Income tax	37,314,087	1.88	20,848,660	1.14
Worker's welfare fund	2,014,052	0.10	1,589,662	0.09
Sales tax	296,796,911	14.98	273,850,781	15.01
<b>To Government</b>	336,125,050	16.96	296,289,103	16.24
Salaries, wages and other benefits	271,494,077	13.71	221,054,579	12.12
<b>To Employees</b>	271,494,077	13.71	221,054,579	12.12
Donations	3,440,000	0.17	3,700,000	0.20
<b>To Society</b>	3,440,000	0.17	3,700,000	0.20
Cash dividend *	19,500,000	0.98	19,500,000	1.07
<b>To Shareholders</b>	19,500,000	0.98	19,500,000	1.07
<b>Retained in the Business</b>	26,332,448	1.33	24,089,033	1.32
	1,981,855,381	100.00	1,824,291,846	100.00

\* Represents final cash dividend @ Rs. 5 per share proposed by the Board of Directors subsequent to the year end.



## VERTICAL ANALYSIS

	2017	2016	2015	2014	2013	2012
<b>Balance Sheet Analysis (%)</b>						
Non-current assets	54.02	50.92	52.54	50.31	50.87	45.67
Current assets	45.98	49.08	47.46	49.69	49.13	54.33
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	42.45	45.83	44.15	35.58	35.37	33.90
Non-current liabilities	19.10	11.42	19.55	23.65	24.39	23.98
Current liabilities	38.45	42.75	36.30	40.77	40.24	42.12
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	65.56	67.28	69.72	68.87	71.41	71.36
Gross profit	34.44	32.72	30.28	31.13	28.59	28.64
Selling and distribution expenses	25.73	25.08	20.63	23.31	21.31	20.29
Administrative and general expenses	3.86	2.58	3.00	2.43	1.91	2.07
Other operating expenses	0.39	0.33	0.42	0.27	0.26	0.31
Other operating income	1.38	0.14	0.14	0.15	0.20	0.13
Operating profit	5.84	4.87	6.37	5.27	5.30	6.10
Finance costs	0.67	0.50	1.26	2.04	1.59	1.91
Profit before taxation	5.17	4.37	5.11	3.23	3.71	4.19
Taxation	2.25	1.35	1.30	1.26	0.47	0.66
Profit after taxation	2.92	3.03	3.82	1.97	3.24	3.53

# HORIZONTAL ANALYSIS

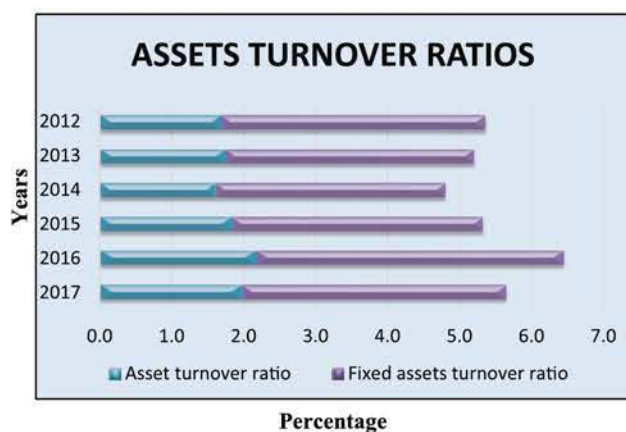
	2017	2016	Change from preceeding year		2013	2012
			2015	2014		
<b>Balance Sheet Analysis (%)</b>						
Non-current assets	23.87	0.91	(2.63)	4.39	22.58	(1.30)
Current assets	9.41	7.67	(10.97)	6.76	(0.48)	3.99
Total assets	16.78	4.11	(6.77)	5.55	10.05	1.51
Share capital and reserves	8.17	8.08	15.67	6.18	14.81	18.59
Non-current liabilities	95.38	(39.20)	(22.93)	2.36	11.93	7.65
Current liabilities	5.00	22.62	(16.98)	6.92	5.15	(11.61)
Total equity and liabilities	16.78	4.11	(6.77)	5.55	10.05	1.51

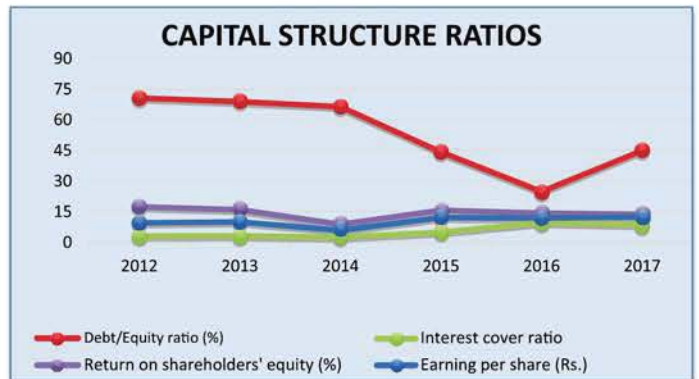
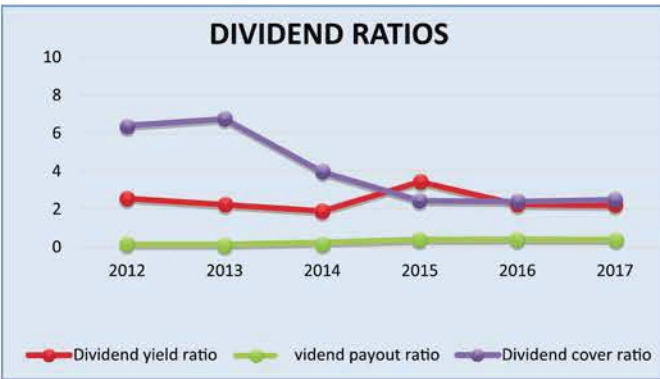
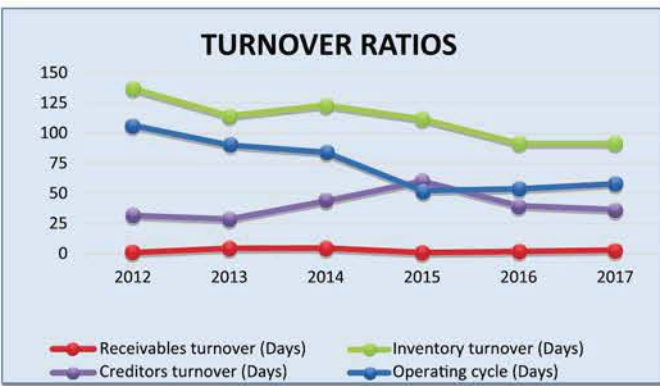
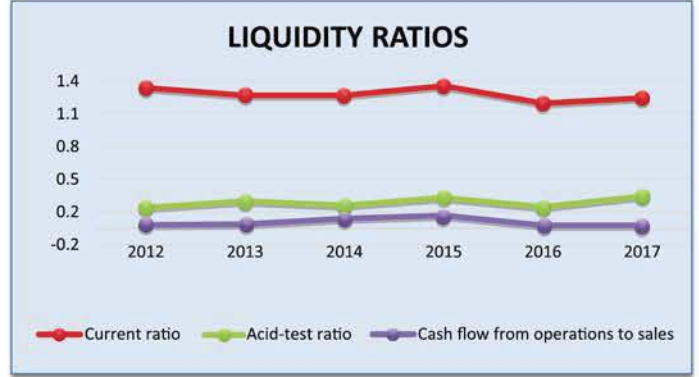
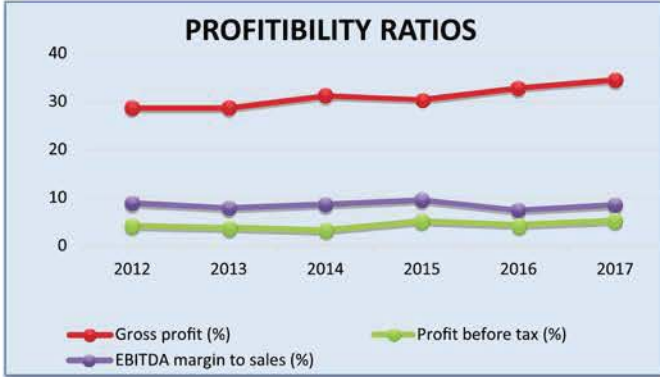
## Profit and Loss Account Analysis (%)

	2017	2016	Change from preceeding year		2013	2012
			2015	2014		
Net sales	7.35	23.97	6.31	(3.62)	14.89	27.85
Cost of sales	4.60	19.63	7.62	(7.05)	14.97	21.32
Gross profit	13.00	33.95	3.41	4.95	14.66	47.64
Selling and distribution expenses	10.15	50.71	(5.92)	5.41	20.67	63.93
Administrative and general expenses	60.88	6.45	31.57	22.68	5.64	26.83
Other operating expenses	27.04	(3.11)	64.56	(1.21)	(2.13)	10.19
Other operating income	983.95	21.00	0.51	(27.66)	71.66	(6.56)
Operating profit	28.69	(5.19)	28.46	(4.17)	(0.16)	16.25
Finance costs	44.00	(50.75)	(34.30)	23.47	(4.22)	32.19
Profit before taxation	26.94	6.05	68.07	(16.03)	1.69	10.19
Taxation	78.98	28.84	9.22	157.57	(18.20)	(28.41)
Profit after taxation	3.78	(1.69)	105.72	(41.32)	5.42	22.61

# OPERATING & FINANCIAL HIGHLIGHTS

	2017	2016	2015	2014	2013	2012
<b>Profitability Ratios</b>						
Gross profit (%)	34.44	32.72	30.28	31.13	28.59	28.64
Profit before tax (%)	5.17	4.37	5.11	3.23	3.71	4.19
EBITDA margin to sales (%)	8.48	7.31	9.44	8.57	7.81	8.81
<b>Liquidity Ratios</b>						
Current ratio	1.20	1.15	1.31	1.22	1.22	1.29
Acid-test ratio	0.30	0.20	0.28	0.21	0.25	0.19
Cash flow from operations to sales	0.03	0.03	0.12	0.09	0.04	0.03
<b>Activity / Turnover Ratios</b>						
Receivables turnover (Days)	2.93	1.74	0.85	4.53	4.38	1.20
Inventory turnover (Days)	91.33	91.73	111.72	123.13	114.35	136.92
Creditors turnover (Days)	36.43	39.81	60.22	43.62	28.62	31.65
Operating cycle (Days)	57.83	53.66	52.35	84.05	90.11	106.47
Receivables turnover (Times)	124.61	210.40	443.80	83.12	86.02	314.88
Inventory turnover (Times)	4.00	3.99	3.27	2.96	3.19	2.67
Creditors turnover (Times)	10.02	9.19	6.06	8.37	12.75	11.57
Asset turnover ratio	2.00	2.18	1.83	1.60	1.75	1.68
Fixed assets turnover ratio	3.70	4.27	3.48	3.19	3.45	3.68
<b>Investment/Market Ratios</b>						
Book value per share (Rs.)	90.46	83.63	77.38	66.90	63.00	54.88
Market value per share - year end - (Rs.)	635.00	599.00	245.50	303.33	180.00	129.51
Price earnings ratio	50.94	49.87	20.09	51.07	17.78	13.49
Dividend yield ratio	0.79	0.83	2.04	0.49	0.83	1.16
Dividend payout ratio	0.40	0.42	0.41	0.25	0.15	0.16
Dividend cover ratio	2.49	2.40	2.44	3.96	6.75	6.40
Dividend per share (%)	50.00	50.00	50.00	15.00	15.00	15.00
<b>Capital Structure Ratios</b>						
Debt/Equity ratio (%)	45.00	24.91	44.29	66.47	68.95	70.72
Interest cover ratio	8.69	9.73	5.05	2.58	3.33	3.19
Return on shareholders' equity (%)	13.78	14.36	15.79	8.88	16.07	17.50
Earning per share (Rs.)	12.46	12.01	12.22	5.94	10.12	9.60





# PATTERN OF SHAREHOLDING

## Pattern of Shareholding as at June 30, 2017

Number of Shareholders	Shareholding		Total Share Held
	From	To	
175	1	100	4,034
72	101	500	20,313
17	501	1,000	12,034
18	1,001	5,000	38,377
4	5,001	15,000	35,030
1	55,001	60,000	55,250
1	155,001	160,000	156,000
3	300,001	350,000	972,648
3	410,001	470,000	1,291,649
1	550,001	560,000	556,050
1	750,001	760,000	758,615
<b>296</b>			<b>3,900,000</b>

## Categories of Shareholders as at June 30, 2017

Category No.	Categories of Shareholders	No of Shares Held	Category Wise No. of Folios / CDC Account	Category Wise Shares	Percentage
1.	Individuals	993,025	282	993,025	25.46
2.	Joint Stock Companies	3,111	4	3,111	0.08
3.	Directors, Chief Executive Officer and their Spouse		10	2,903,864	74.46
	1. Mr. Ebrahim Qassim	556,050			
	2. Mr. M. Haroon Qassim	462,509			
	3. Mr. Vali Muhammad A. Habib	55,250			
	4. Mr. Pir Muhammad	500			
	5. Mrs. Saadia Butt Naveed	650			
	6. Mr. Syed Imran Chishti	500			
	7. Mr. Muhammad Salman Qassim	417,430			
	8. Mrs. Kulsum Bano	758,615			
	9. Mrs. Zohra Bano	346,840			
	10. Mrs. Wazira Parveen	305,520			
		<b>3,900,000</b>	<b>296</b>	<b>3,900,000</b>	<b>100.00</b>

## SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE COMPANY

Total paid-up capital of the Company

3,900,000 Shares

5% of the paid-up capital of the Company

195,000 Shares

Name(s) of Shareholder(s)	Description	No. of Shares Held	Percentage
Mr. Ebrahim Qassim	Falls In Category # 3	556,050	14.26%
Mr. M. Haroon Qassim	Falls In Category # 3	462,509	11.86%
Mr. Muhammad Jamil Qassim	Falls In Category # 1	411,710	10.56%
Mr. Muhammad Salman Qassim	Falls In Category # 3	417,430	10.70%
Mrs. Kulsum Bano	Falls In Category # 3	758,615	19.45%
Mrs. Zohra Bano	Falls In Category # 3	346,840	8.89%
Mrs. Saba Qassim	Falls In Category # 1	320,288	8.21%
Mrs. Wazira Parveen	Falls In Category # 3	305,520	7.83%
		<b>3,578,962</b>	<b>91.76%</b>

### Financial Calender

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

For the financial year 2017-18, financial results will be announced as per the following tentative schedule.

Un-Audited Financial Results for First Quarter	Last week of October, 2017
Reviewed Half yearly Financial Results	Third week of February, 2018
Un-Audited Financial Results for Third Quarter	Last week of April, 2018
Audited Annual Results for the year ended June 30, 2018	Second week of September, 2018

# STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (the CCG) contained in Chapter 5.19 of Rule Book of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:


1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes


Category	Names
Independent Directors	Mr. Pir Muhammad Mr. Syed Imran Chishti
Executive Directors	Mr. M. Haroon Qassim Mr. Muhammad Salman Qassim
Non-Executive Directors	Mr. Ebrahim Qassim Mr. Vali Muhammad A. Habib Mrs. Saadia Butt Naveed

The independent directors meets the criteria of independence under clause 5.19.1(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFII or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. The election of directors was held during the year in which seven directors were elected for a term of three years. No casual vacancy occurred in the Board of directors during the year ended June 30, 2017.
5. 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.
6. 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.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.
8. 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 and the board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The board ensures arrangement of orientation courses for its directors to apprise them of their duties and responsibilities. All directors of the company are compliant with the requirement of the CCG related to DTP.
10. There has been no new appointment during the year. The board has approved the terms and conditions including remuneration of Head of Internal Audit, CFO and Company Secretary of the Company.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.



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12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
  13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholdings.
  14. The company has complied with all the corporate and financial reporting requirements of the CCG.
  15. The board has formed an Audit Committee. It comprises three members, of whom two are independent directors and the chairman of the committee is an independent director.
  16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
  17. The Board has formed a Human Resources and Remuneration Committee. It comprises three members, out of whom two are non-executive directors, of whom one is an independent director and the chairman of the committee is non-executive director.
  18. The board has outsourced the internal audit function to A.F. Ferguson & Co., Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
  19. 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, 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.
  20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
  21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
  22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
  23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
  24. We confirm that all other material principles enshrined in the CCG have been complied with.

  
M. Haroon Qassim  
Chief Executive

  
Vali Muhammad A. Habib  
Director

Karachi: September 29, 2017

## REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE


We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the "code") prepared by the Board of Directors of Shield Corporation Limited (the "Company") for the year ended June 30, 2017 to comply with the requirements of Listing Regulations No. 5.19 of the Pakistan Stock Exchange where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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 any procedures to determine 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 best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.



Moochhala Gangat & Co.  
Chartered Accountants

Name of the engagement partner:  
Mr. Hussaini Fakhruddin

Karachi  
Date: 28 SEP 2017

## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **SHIELD CORPORATION LIMITED** as at **June 30, 2017** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- (a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied.
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017 and of the profit, its cash flows and changes in equity for the year then ended; and
- (d) In our opinion Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted and deposited by the company in the Central Zakat Fund established under section 7 of that ordinance.

  
**Moochhala Gangat & Co.**  
Chartered Accountants  
Engagement partner: Hussaini Fakhruddin  
Karachi  
Date: 26 SEP 2017

# BALANCE SHEET AS AT JUNE 30, 2017

	Note	2017 (Rupees)	2016 (Rupees)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	444,273,154	357,303,783
Intangible assets - software	5	66,667	-
Long term deposits		4,522,500	4,584,300
Long term loans and advances	6	96,645	550,325
		448,958,966	362,438,408
<b>Current Assets</b>			
Store and spares		17,631,931	14,097,129
Stock-in-trade	7	269,903,709	275,374,607
Trade debtors - unsecured, considered good	8	15,977,758	10,699,836
Loans and advances	9	19,595,723	9,280,935
Deposits and short term prepayments	10	1,396,874	580,906
Taxation	11	56,548,899	38,217,170
Cash and bank balances	12	1,088,705	1,023,380
		382,143,599	349,273,963
<b>Total Assets</b>		<b>831,102,565</b>	<b>711,712,371</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorised Capital 15,000,000 (2016: 15,000,000) ordinary shares of Rs.10/- each		150,000,000	150,000,000
Issued, subscribed & paid-up capital	13	39,000,000	39,000,000
Reserves	14	65,000,000	65,000,000
Accumulated profit		248,810,363	222,151,550
		352,810,363	326,151,550
<b>Non-Current Liabilities</b>			
Deferred liabilities	15	81,763,249	79,616,719
Long term financing - secured	16	77,000,000	1,640,246
		158,763,249	81,256,965
<b>Current Liabilities</b>			
Trade and other payables	17	108,289,727	123,220,314
Accrued mark-up		1,736,227	886,391
Current portion of long term financing	16	23,640,246	14,585,987
Short term bank finances - secured	18	146,939,698	147,348,583
Provision for taxation		38,923,055	18,262,581
		319,528,953	304,303,856
<b>Contingencies and Commitments</b>			
	19	-	-
<b>Total Equity and Liabilities</b>		<b>831,102,565</b>	<b>711,712,371</b>

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

  
M. Haroon Qassim  
Chief Executive

  
Wali Muhammad A. Habib  
Director

  
M. Zaid Kaliya  
Chief Financial Officer

# PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees)	2016 (Rupees)
Net sales	20	1,662,086,046	1,548,321,733
Cost of sales	21	(1,089,614,042)	(1,041,712,545)
Gross profit		572,472,004	506,609,188
Selling and distribution expenses	22	(427,702,275)	(388,299,071)
Administrative and general expenses	23	(64,192,530)	(39,901,493)
Other operating expenses	24	(6,455,334)	(5,081,446)
Other operating income	25	22,972,424	2,119,332
Operating profit		97,094,289	75,446,510
Finance costs	26	(11,167,225)	(7,754,789)
Profit before taxation		85,927,064	67,691,721
Taxation	27	(37,314,087)	(20,848,660)
Profit after taxation		48,612,977	46,843,061
Earning per share - basic and diluted	28	12.46	12.01

The annexed notes 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 COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees)	2016 (Rupees)
Profit after taxation		48,612,977	46,843,061
<b>Other comprehensive loss</b>			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be subsequently reclassified to profit or loss:			
Remeasurement of net defined benefit liability		(3,556,760)	(4,357,134)
Deferred tax on remeasurement of net defined benefit liability		1,102,596	1,394,283
		(2,454,164)	(2,962,851)
<b>Total comprehensive income for the year</b>		<b>46,158,813</b>	<b>43,880,210</b>

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

  
M. Haroon Qassim  
Chief Executive

  
Vali Muhammad A. Habib  
Director

  
M. Zaid Kaliya  
Chief Financial Officer



# CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2017

	2017 (Rupees)	2016 (Rupees)
<b>Cash Generated from Operations</b>		
Profit before taxation	82,370,304	67,691,721
Adjustments for:		
Depreciation	43,841,099	37,200,367
Amortization	33,333	546,214
Provision for gratuity	16,814,589	9,483,730
(Gain) / Loss on disposal of property, plant & equipment	(20,912,444)	74,718
Finance costs	11,167,225	7,754,789
Profit before working capital changes	50,943,802	55,059,818
(Increase) / Decrease in Current Assets:		
Stores and spares	(3,534,802)	(6,734,180)
Stock -in -trade	5,470,898	(28,603,175)
Trade debtors	(5,277,922)	(7,123,457)
Loans and advances	(10,314,788)	(2,912,558)
Deposits and short term prepayments	(815,968)	(178,656)
	(14,472,582)	(45,552,026)
Increase / (Decrease) in Current liabilities		
Trade & other payables	(15,013,868)	(7,885,638)
Cash generated from operations	103,827,656	69,313,875
Payments for:		
Gratuity	(10,009,250)	(9,963,550)
Long term deposits	61,800	(27,000)
Long term loans and advances	453,680	65,802
Finance costs	(10,317,389)	(8,460,530)
Taxes	(38,541,555)	(8,034,199)
Net cash from operating activities ( A )	45,474,942	42,894,398
<b>Cash Flow From Investing Activities</b>		
Fixed capital expenditure including capital work-in-progress	(149,500,981)	(41,206,769)
Sales proceeds from disposal of property, plant & equipment	39,502,955	93,100
Net cash used in investing activities ( B )	(109,998,026)	(41,113,669)
<b>Cash Flow From Financing Activities</b>		
Dividend paid	(19,416,719)	(19,383,325)
Long term financing - diminishing musharakah receipts	110,000,000	-
Long term financing - diminishing musharakah payments	(25,585,987)	(30,278,063)
Loan repaid to director	-	(30,500,000)
Net cash generated from / (used in) financing activities ( C )	64,997,294	(80,161,388)
Net (decrease) / increase in cash and cash equivalents(A+B+C)	474,210	(78,380,659)
Cash and cash equivalents at the beginning of the year	(146,325,203)	(67,944,544)
Cash and cash equivalents at the end of the year	(145,850,993)	(146,325,203)
<b>Cash and Cash Equivalents</b>		
Cash and bank balances	1,088,705	1,023,380
Short term bank finances	(146,939,698)	(147,348,583)
	(145,850,993)	(146,325,203)

The annexed notes 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 JUNE 30, 2017

	Share Capital (Rupees)	Capital Reserve	Revenue Reserve		Total (Rupees)
		Share Premium (Rupees)	General Reserve (Rupees)	Unappropriated Profit (Rupees)	
Balance as at July 01, 2015	39,000,000	10,000,000	55,000,000	197,771,340	301,771,340
Final dividend for the year ended June 30, 2015 - @ Rs. 5.00 per share	-	-	-	(19,500,000)	(19,500,000)
Profit for the year ended June 30, 2016	-	-	-	46,843,061	46,843,061
Other comprehensive loss for the year ended June 30, 2016	-	-	-	(2,962,851)	(2,962,851)
Balance as at June 30, 2016	39,000,000	10,000,000	55,000,000	222,151,550	326,151,550
Balance as at July 01, 2016	39,000,000	10,000,000	55,000,000	222,151,550	326,151,550
Final dividend for the year ended June 30, 2016 - @ Rs. 5.00 per share	-	-	-	(19,500,000)	(19,500,000)
Profit for the year ended June 30, 2017	-	-	-	48,612,977	48,612,977
Other comprehensive loss for the year ended June 30, 2017	-	-	-	(2,454,164)	(2,454,164)
Balance as at June 30, 2017	39,000,000	10,000,000	55,000,000	248,810,363	352,810,363

The annexed notes 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 JUNE 30, 2017

## 1 Status and Nature of Business

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

## 2 Basis of Preparation

### 2.1 Statement of Compliance

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

### 2.2 Accounting Convention

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies herein below.

### 2.3 Initial Application of Standards, Amendments or an Interpretation to Existing Standards

The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

#### 2.3.1 Amendments to published standards effective in current year

The following standards, amendments and interpretations are effective for the year ended June 30, 2017. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

#### Amendments / Interpretation

	Effective date (accounting periods beginning on or after)
IAS 16 - Property, Plant and Equipment	June 30, 2016
IAS 38 - Intangible Assets	June 30, 2016
IAS 19 - Employees Benefits	June 30, 2016
IAS 34 - Interim Financial Reporting	June 30, 2016
IAS 01 - Presentation of Financial Statements	June 30, 2016

#### 2.3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

## Standards / Amendments / Interpretation

	<b>Effective date (accounting periods beginning on or after)</b>
Amendments to IFRS 9 'Financial Instruments' - Clarification on the classification and measurement of financial assets and liabilities.	January 1, 2018
Amendments to IFRS 15 'Revenue From Contracts with Customers' - Recognition and measurement of revenue from contracts.	January 1, 2018
Amendments to IFRS 16 'Lease' - Recognition of leases on balance sheet.	January 1, 2019
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative.	January 1, 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealized losses.	January 1, 2017
Amendments to IFRIC 22 'Foreign Currency Transactions' - Clarification on the date of foreign currency transactions.	January 1, 2018

### 3 Summary of Significant Accounting Policies

#### 3.1 Property, Plant and Equipment

##### 3.1.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation provided on a diminishing balance method at the rates mentioned in the relevant note except for lease hold land which is amortized 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.

Gain and loss on disposal of assets are included in the income currently.

##### 3.1.2 Capital work in progress

These are stated at cost incurred to date less impairment in value if any. It normally consists of expenditure incurred and advances made in respect of operating fixed assets in the course of their completion.

##### 3.1.3 Subsequent costs

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

##### 3.1.4 Impairment of asset

The carrying amount of the company's assets are reviewed at each balance sheet date to identify circumstances indicating concurrence of impairment loss or reversal of previous impairment losses. If any such indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversal of impairment losses are recognized in the profit and loss account. Reversal of impairment loss is restricted to the original cost of the asset.

##### 3.1.5 Intangible assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

##### 3.1.6 Ijarah

Transactions in which a significant portion of the risks and rewards of ownership are retained with the Mujir (lessors) are classified as Ijarah. Ujrah payments under an Ijarah are recognized as an expense in the income statement on a straight-line basis over the Ijarah term.

### 3.2 Stores and Spares

Stores and spares are valued at lower of cost and net realisable value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

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

### 3.3 Stock in Trade

Stock in trade is valued at the lower of cost and net realizable value.

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

Raw and packing material except in transit/bond	at purchase cost on weighted average basis.
Finished goods and work in process	average production cost which includes cost of :
	- Direct material
	- Direct expense
	- Overheads

Items in transit/bond are valued at cost comprising invoice value plus other charges incurred thereon upto the balance sheet date.

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

### 3.4 Staff Benefits

#### 3.4.1 Compensated absences

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

#### 3.4.2 Post retirement benefits

##### 3.4.2.1 Defined benefit plan - Gratuity Scheme

The company has established separate unfunded gratuity schemes for its management and non-management staff who completes qualifying period of service. Contributions under the schemes are made on the basis of actuarial valuation using Projected Unit Credit Method, related detail of which are given in note 15.1 to the financial statements.

The amount arising as a result of remeasurement are recognized in the balance sheet immediately, with a change or credit to other comprehensive income in the periods in which they occur. Past-service cost are recognized immediately in profit and loss account.

Projected unit credit method, using following significant assumptions, is used for determining the liability.

	2017	2016
	-----	-----
	% -----	
Discount rate	9.25%	9.50%
Expected rate of salary increase	8.25%	8.50%

The expected gratuity cost comprising of service cost and net interest for the next one year works out to Rs. 14,115,115. This is the amount by which the net defined benefit liability is expected to increase. The amount of remeasurements to be recognised in other comprehensive income for the year ending June 30, 2018 will be worked out as at the next valuation.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		-----Rupees-----	
Discount rate	1%	48,552,866	61,121,598
Salary growth rate	1%	61,366,049	48,260,570
Withdrawal rate	10%	54,484,617	54,207,813

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

The above mortality rates assumed were based on the SLIC (2001-2005) mortality table.

The average duration of the defined benefit obligation is 11.5 years.

### 3.4.2.2 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. The company has 122 employees as at June 30, 2017 (2016: 115 employees) and average number of employees during the year was 118 (2016: 113 employees).

	2017 (Rupees)	2016 (Rupees)
<b>Details of provident fund:</b>		
Size of the fund	32,760,133	26,135,798
Cost of Investment	24,966,378	23,375,729
Fair value of Investment	32,760,133	26,135,798
Percentage of Investment	100%	100%
<b>Break up of investments:</b>		
Banks	3,531,905	1,948,515
Mutual Funds	12,728,228	12,687,283
Bank Certificates	16,500,000	11,500,000
	<u>32,760,133</u>	<u>26,135,798</u>
<b>Break up of investments (Percentage):</b>		
Banks	10.78%	7.46%
Mutual Funds	38.85%	48.54%
Bank Certificates	50.37%	44.00%
	<u>100.00%</u>	<u>100.00%</u>

The figures for 2017 are based on the audited financial statements of the Provident Fund. The investments out of provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

## 3.5 Taxation

### 3.5.1 Current

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

### 3.5.2 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 temporary differences. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefits will be realized.

## 3.6 Trade and Other Payables

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



### 3.7 Foreign Currencies Translations

Pakistan rupee (PKR) is the functional currency of the Company. 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 and loss account.

### 3.8 Trade Debts

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.

### 3.9 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 on the following basis:

Sales are recorded as revenue when the title of the goods is transferred to the customer which normally corresponds with the dispatch of goods to customers.

### 3.10 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 out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

### 3.11 Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents include cash in hand and with bank and short term finances. The fair value of cash and cash equivalents approximates their carrying amount.

### 3.12 Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the asset.

### 3.13 Related Party Transactions

Transaction with related parties are carried out on commercial terms and conditions.

### 3.14 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 and 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.

### 3.15 Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are off set and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously and the same is required or permitted by IAS / IFRS or interpretations thereof.

### 3.16 Proposed Dividends and Transfer between Reserves

Dividend distribution to the Company's share holders is recognized as a liability in the period in which dividends are approved. Transfer between reserves made subsequent to the balance sheet date is considered as non-adjusting event and is recognized in the financial statement in the period in which such transfer are made.

	Note	2017 (Rupees)	2016 (Rupees)
<b>4 Property, plant and equipment</b>			
Operating fixed assets	4.1	443,510,654	351,097,413
Capital work in progress	4.4	762,500	6,206,370
		<u>444,273,154</u>	<u>357,303,783</u>

#### 4.1 Operating fixed assets

Description	Leasehold land	Factory building on leasehold land	Office premises	Plant & machinery	Furniture & fixtures	Office equipments	Computer equipments	Vehicles	Total
<b>COST</b>									
Balance as at July 01, 2015	4,923,000	147,583,069	9,518,856	440,217,064	9,054,620	4,367,719	3,705,875	10,222,404	629,592,607
Transferred from CWIP	-	-	-	22,637,407	-	-	-	-	22,637,407
Additions	-	-	10,224,500	2,216,000	-	351,963	676,529	-	13,468,992
Disposals	-	-	-	-	-	(89,000)	(295,350)	(344,000)	(728,350)
<b>Balance as at June 30, 2016</b>	<b>4,923,000</b>	<b>147,583,069</b>	<b>19,743,356</b>	<b>465,070,471</b>	<b>9,054,620</b>	<b>4,630,682</b>	<b>4,087,054</b>	<b>9,878,404</b>	<b>664,970,656</b>
Balance as at July 01, 2016	4,923,000	147,583,069	19,743,356	465,070,471	9,054,620	4,630,682	4,087,054	9,878,404	664,970,656
Transferred from CWIP	-	-	-	10,210,599	-	-	-	-	10,210,599
Additions	-	-	129,147,945	8,182,693	1,557,797	2,588,705	3,203,125	-	144,680,265
Disposals	-	-	(19,743,356)	(3,502,236)	(4,180,000)	(959,559)	(721,764)	-	(29,106,915)
<b>Balance as at June 30, 2017</b>	<b>4,923,000</b>	<b>147,583,069</b>	<b>129,147,945</b>	<b>479,961,527</b>	<b>6,432,417</b>	<b>6,259,828</b>	<b>6,568,415</b>	<b>9,878,404</b>	<b>790,754,605</b>
<b>IMPAIRMENT</b>									
Balance as at July 01, 2015	-	-	-	356,375	-	-	-	-	356,375
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at June 30, 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>356,375</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>356,375</b>
Balance as at July 01, 2016	-	-	-	356,375	-	-	-	-	356,375
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at June 30, 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>356,375</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>356,375</b>
<b>DEPRECIATION</b>									
Balance as at July 01, 2015	828,657	69,655,553	3,040,251	190,256,598	2,935,787	1,199,282	1,708,762	7,252,143	276,877,033
Charge for the year	49,230	7,792,751	767,984	26,324,446	611,883	383,709	683,111	587,253	37,200,367
Disposals	-	-	-	-	-	(50,173)	(223,177)	(287,182)	(560,532)
<b>Balance as at June 30, 2016</b>	<b>877,887</b>	<b>77,448,304</b>	<b>3,808,235</b>	<b>216,581,044</b>	<b>3,547,670</b>	<b>1,532,818</b>	<b>2,168,696</b>	<b>7,552,214</b>	<b>313,516,868</b>
Balance as at July 01, 2016	877,887	77,448,304	3,808,235	216,581,044	3,547,670	1,532,818	2,168,696	7,552,214	313,516,868
Charge for the year	49,230	7,013,477	8,643,640	25,529,662	536,211	570,434	1,033,207	465,238	43,841,099
Disposals	-	-	(5,244,578)	(2,431,822)	(1,949,288)	(375,763)	(468,940)	-	(10,470,391)
<b>Balance as at June 30, 2017</b>	<b>927,117</b>	<b>84,461,781</b>	<b>7,207,297</b>	<b>239,678,884</b>	<b>2,134,593</b>	<b>1,727,489</b>	<b>2,732,963</b>	<b>8,017,452</b>	<b>346,887,576</b>
<b>CARRYING AMOUNT - 2016</b>	<b>4,045,113</b>	<b>70,134,765</b>	<b>15,935,121</b>	<b>248,133,052</b>	<b>5,506,950</b>	<b>3,097,864</b>	<b>1,918,358</b>	<b>2,326,190</b>	<b>351,097,413</b>
<b>CARRYING AMOUNT - 2017</b>	<b>3,995,883</b>	<b>63,121,288</b>	<b>121,940,648</b>	<b>239,926,268</b>	<b>4,297,824</b>	<b>4,532,339</b>	<b>3,835,452</b>	<b>1,860,952</b>	<b>443,510,654</b>
<b>RATE OF DEPRECIATION (%)</b>	<b>1%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>10% &amp; 30%</b>	<b>30%</b>	<b>20%</b>	

	Note	2017 (Rupees)	2016 (Rupees)
<b>4.2 Depreciation has been charged to:</b>			
Cost of sales	21	33,791,025	35,469,354
Selling and distribution expenses	22	5,583,499	758,582
Administrative and general expenses	23	4,466,575	972,431
		<u>43,841,099</u>	<u>37,200,367</u>

### 4.3 Detail of disposal of fixed assets

Detail of operating assets sold are as follows

Particulars	Original cost (Rupees)	Accumulated depreciation (Rupees)	Written down value (Rupees)	Sales proceeds (Rupees)	Profit/ (loss) (Rupees)	Sold to	Mode of disposal
Office Premises	2,500,000	1,466,436	1,033,564	11,107,500	10,073,936	Pharmevo (Pvt) Ltd.	Negotiation
"	7,018,856	2,747,240	4,271,616	9,405,000	5,133,384	Pharmevo (Pvt) Ltd.	Negotiation
"	10,224,500	1,030,902	9,193,598	15,577,500	6,383,902	Pharmevo (Pvt) Ltd.	Negotiation
Machinery	251,345	189,522	61,823	4,148	(57,675)	M. Pervaiz	Negotiation
"	251,345	189,522	61,823	4,148	(57,675)	M. Pervaiz	Negotiation
"	251,345	189,522	61,823	4,147	(57,676)	M. Pervaiz	Negotiation
"	281,981	204,916	77,065	4,653	(72,412)	M. Pervaiz	Negotiation
"	517,485	236,540	280,945	8,539	(272,406)	M. Pervaiz	Negotiation
"	517,485	236,540	280,945	8,539	(272,406)	M. Pervaiz	Negotiation
"	446,900	323,768	123,132	137,508	14,376	M. Pervaiz	Negotiation
Furniture & Fixtures	2,500,000	1,400,212	1,099,788	1,483,972	384,184	Pharmevo (Pvt) Ltd.	Negotiation
"	1,500,000	483,088	1,016,912	890,383	(126,529)	Pharmevo (Pvt) Ltd.	Negotiation
"	88,000	21,329	66,671	52,236	(14,435)	Pharmevo (Pvt) Ltd.	Negotiation
Office Equipment	195,000	48,963	146,037	163,088	17,051	Pharmevo (Pvt) Ltd.	Negotiation
Items having book value of less than Rs. 50,000 each	2,506,673	1,691,904	814,769	651,594	(163,175)	Various	Various
<b>June 30, 2017</b>	<b>29,050,915</b>	<b>10,460,404</b>	<b>18,590,511</b>	<b>39,502,955</b>	<b>20,912,444</b>		
June 30, 2016	728,350	560,532	167,818	93,100	(74,718)		

Note 2017 (Rupees) 2016 (Rupees)

### 4.4 Capital work in progress

The following is a statement of capital work in progress:

#### Plant & Machinery

Balance as at July 01	6,206,370	1,106,000
Capital expenditure incurred during the year	4,766,729	27,737,777
Transfers to operating fixed assets	(10,210,599)	(22,637,407)
Balance as at June 30	762,500	6,206,370

### 5 Intangible Assets - Software

#### Cost

Opening balance	4,127,334	4,127,334
Additions	100,000	-
<b>Closing Balance</b>	<b>4,227,334</b>	<b>4,127,334</b>

#### Amortization

Opening balance	4,127,334	3,581,120
Charge for the year	5.1 33,333	546,214
<b>Closing Balance</b>	<b>4,160,667</b>	<b>4,127,334</b>

#### Carrying amount

	66,667	-
<b>Amortization Rate (%)</b>	<b>33.33%</b>	<b>33.33%</b>

### 5.1 Amortization for the year has been allocated as under:

Cost of sales	21 11,111	182,072
Selling and distribution expenses	22 11,111	182,071
Administrative and general expenses	23 11,111	182,071
	33,333	546,214

	Note	2017 (Rupees)	2016 (Rupees)
<b>6 Long term loans and advances</b>			
<b>Loan - secured and considered good</b>			
Employees	6.1	96,645	550,325
<b>Reconciliation:</b>			
Opening		1,814,657	3,448,206
Add: disbursement during the year		1,984,000	4,364,001
		3,798,657	7,812,207
Less: repayment during the year		(2,667,794)	(5,997,550)
		1,130,863	1,814,657
Less: Current portion receivable within one year		(1,034,218)	(1,264,332)
		96,645	550,325
<b>6.1</b> These loans are interest free and have been given to executives and other employees of the company for purchase of house, vehicles or for personal use in accordance with their terms of employment. These loans are to be repaid over a period of two years in equal monthly installments. Any outstanding loan due from an employee at the time of leaving the service of the Company is adjustable against final settlement.			
<b>6.2</b> 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.			
<b>6.3</b> Maximum aggregate amount of loan due from employees at any time during the year was Rs. 2.41 million (2016: Rs. 4.81 million).			
<b>7 Stock-in-trade</b>			
<b>Manufacturing:</b>			
Raw and packing materials			
- in hand		107,673,952	122,776,268
- in transit		46,216,568	11,048,724
Work-in-process		10,501,331	12,995,456
Finished goods		79,782,495	89,964,453
<b>Trading:</b>			
- in hand		19,905,660	32,911,888
- in transit		5,823,703	5,677,818
		269,903,709	275,374,607
<b>8 Trade debtors - unsecured, considered good</b>			
Trade debts include Rs.3.39 million (2016 : 2.89 million) due from related parties, the maximum aggregate month end balance due from related parties during the year was Rs. 148.74 million (2016: Rs. 166.37 million)			
<b>9 Loans and Advances</b>			
<b>Loan - secured and considered good</b>			
Current portion of long term loans and advances to employees		1,034,218	1,264,332
<b>Advances - unsecured and considered good</b>			
Suppliers		683,584	731,943
Others		17,877,921	7,284,660
	9.1	19,595,723	9,280,935
<b>9.1</b> This represents markup free loans and advances.			
<b>10 Deposits and short term prepayments</b>			
Deposits		1,077,937	336,350
Short term prepayments		318,937	244,556
	10.1	1,396,874	580,906
<b>10.1</b> Deposits and short term prepayments do not carry any markup.			
<b>11 Taxation</b>			
Income tax			
- advance		49,656,406	23,842,565
- refunds due from government		6,892,493	14,374,605
		56,548,899	38,217,170

	Note	2017 (Rupees)	2016 (Rupees)		
<b>12 Cash and bank balances</b>					
In hand		460,976	384,323		
At bank in current accounts	12.1	627,729	639,057		
		<u>1,088,705</u>	<u>1,023,380</u>		
12.1 This represents markup free balance in bank accounts.					
<b>13 Issued, subscribed and paid up capital</b>					
Ordinary shares of Rs. 10 each					
<b>2017</b>	<b>2016</b>				
3,000,000	3,000,000	Issued for cash	30,000,000		
900,000	900,000	Issued as bonus shares	9,000,000		
<u>3,900,000</u>	<u>3,900,000</u>		<u>39,000,000</u>		
			<u>39,000,000</u>		
<b>14 Reserves</b>					
Movement in and composition of reserves is as follows					
<b>Capital</b>					
Share premium		10,000,000	10,000,000		
<b>Revenue</b>					
General reserve		55,000,000	55,000,000		
		<u>65,000,000</u>	<u>65,000,000</u>		
<b>15 Deferred liabilities</b>					
Gratuity	15.1	54,330,870	47,525,531		
Deferred taxation	15.2	27,432,379	32,091,188		
		<u>81,763,249</u>	<u>79,616,719</u>		
<b>15.1 Gratuity</b>					
<b>Movement in net liability recognized</b>					
Opening net liability		47,525,531	43,648,217		
Expense charge for the year	15.1.1	13,257,829	9,483,730		
Remeasurement loss on obligation		3,556,760	4,357,134		
		<u>64,340,120</u>	<u>57,489,081</u>		
Benefits paid during the year		(10,009,250)	(9,963,550)		
Closing net liability		<u>54,330,870</u>	<u>47,525,531</u>		
<b>15.1.1 Charge for / (Income from) the defined benefit plan</b>					
Current service cost		9,218,343	5,617,086		
Interest cost		4,039,486	3,866,644		
Expense for the year		<u>13,257,829</u>	<u>9,483,730</u>		
<b>15.1.2 Historical information</b>					
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	-----Rupees-----				
Present value of defined benefit obligation	54,330,870	47,525,531	43,648,217	34,018,681	27,063,452
Fair value of plan assets	-	-	-	-	-
Deficit in the plan	54,330,870	47,525,531	43,648,217	34,018,681	27,063,452
Unrecognized actuarial gain / (loss)	-	-	-	-	-
Liability in balance sheet	<u>54,330,870</u>	<u>47,525,531</u>	<u>43,648,217</u>	<u>34,018,681</u>	<u>27,063,452</u>
Remeasurement loss on obligation	<u>3,556,760</u>	<u>4,357,134</u>	<u>1,410,650</u>	<u>3,077,447</u>	<u>2,972,324</u>
<b>15.1.3 Number of employees</b>				<b>2017</b>	<b>2016</b>
Total number of employees as at June 30,				122	115
Average number of employees during the year				<u>118</u>	<u>113</u>

				Note	2017 (Rupees)	2016 (Rupees)
<b>15.2 Deferred taxation</b>						
The liability for deferred taxation comprises of timing differences related to:						
Accelerated tax depreciation					47,803,728	45,932,052
Provision for gratuity					(20,371,349)	(13,840,864)
					<u>27,432,379</u>	<u>32,091,188</u>
<b>16 Long term financing - secured</b>						
	<b>Installment payable</b>	<b>Repayment period</b>	<b>Mark-up rate</b>			
<b>Diminishing musharakah arrangements</b>						
Bank Al-Habib Limited - Islamic banking	Quarterly	2017-21	0.50% above 6 months KIBOR	16.1	99,000,000	-
Habib Metropolitan Bank Limited - Islamic banking	Semi Annually	2012-17	1.25% to 2.5% above 6 months KIBOR	16.2	-	8,025,002
Bank Al-Habib Limited - Islamic banking	Quarterly	2015-17	0.75% above 6 months KIBOR	16.2	1,640,246	8,201,231
<b>Less: Current portion shown under current liabilities</b>						
Bank Al-Habib Limited - Islamic banking				16.1	(22,000,000)	-
Bank Al-Habib Limited - Islamic banking				16.2	(1,640,246)	(6,560,985)
Habib Metropolitan Bank Limited - Islamic banking				16.2	-	(8,025,002)
					<u>(23,640,246)</u>	<u>(14,585,987)</u>
					<u>77,000,000</u>	<u>1,640,246</u>
<b>16.1</b>	Islamic finance under diminishing musharakah is secured by a mortgage of head office property.					
<b>16.2</b>	Islamic finance under diminishing musharakah is secured by a first exclusive charge over particular machinery of the company.					
<b>17 Trade and other payables</b>						
Creditors					67,283,329	97,842,293
Accrued liabilities					29,731,397	16,081,205
Workers' welfare fund					1,687,687	1,298,485
Workers' profit participation fund				17.1	4,441,282	3,417,066
Unclaimed dividend					730,957	647,676
Sales tax payable					4,288,975	3,807,489
Others					126,100	126,100
					<u>108,289,727</u>	<u>123,220,314</u>
<b>17.1 Workers' profit participation fund</b>						
Balance at the beginning of the year					3,417,066	3,352,341
Interest on funds utilized					256,032	104,074
Allocation for the year					4,441,282	3,417,066
					<u>8,114,380</u>	<u>6,873,481</u>
Payments					(3,673,098)	(3,456,415)
Balance at the end of the year					<u>4,441,282</u>	<u>3,417,066</u>
<b>18 Short term bank finances - secured</b>						
Murabaha finance				18.1	90,698,740	32,012,812
Running musharakah				18.2	56,240,958	115,335,771
					<u>146,939,698</u>	<u>147,348,583</u>



**18.1** 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. 220 million (2016: Rs. 220 million) at a profit rate ranging from relevant KIBOR + 0.20% to 0.75% (2016: KIBOR + 0.45% to 0.75%) per annum.

**18.2** This represent running musharakah obtained under profit arrangements and are secured against hypothecation of moveable fixed assets of the Company. The Company enjoys a total facility of Rs. 80 million (2016: Rs. 80 million) at a profit rate of relevant KIBOR + 0.50% (2016: KIBOR + 0.75% ) per annum.

## 19 Contingencies & Commitments

### 19.1 Contingencies:

**19.1.1** Contingent liability in respect of guarantees and counter guarantees as at June 30, 2017 was Rs. 7.59 million (2016 : Rs. 7.64 million). Out of this Rs. 2.5 million (2016: Rs. 2.55 million) represents the gurantee issued to Pakistan State Oil against commercial and fleet cards for fuel / diesel and Rs. 5 million (2016: Rs. 5 million) represents guarantee provided in relation to defending a trade mark in the Honorable High Court of Sindh for Rs. 42 million (2016: Rs. 42 million). The management is hopeful that case will be decided in Company's favour, as such no provision has been made in these financial statements.

**19.1.2** The Company has filed a constitutional petition in Honorable High Court of Sindh against registration of FIR by tax authorities for alleged in admissibility of input tax on the ground that the suppliers were not bonafide suppliers amounting to Rs. 1.3 million (2016: Rs. 1.3 million). The Honorable High Court Sindh in its judgement has given detailed guideline to FBR determining the procedure to follow in this case. The matter is pending with Special Judge of Custom Court. The management based on entity's legal counsel is hopeful that the case will be decided in Company's favour and hence no provision has been made in these financial statements.

**19.1.3** The Company has issued post dated cheques in favour of collector of customs amounting to Rs. 0.13 million (2016: Rs. 6.06 million) under SRO 565 (I) / 2006 dated June 5, 2006 for there duction of duty as an indemnity guarantee. The collector of customs will refund these cheques upon satisfactory compliance of the requirements of SRO.

**19.1.4** The company has filed a suit for infringement and passing off its Trade Mark Shield against Dalda foods (Private) Limited in which earlier interim stay was granted which was later on confirmed by Honorable High Court of Sindh. 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. Shield Corporation Limited 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 company's favour.

**19.1.5** The Company has filed a constitutional petition in Honourable High Court of Sindh against impugned recovery notice for Rs. 2.5 million of Karachi Municipal Corporation (KMC) on account of Municipal Utility Charges Tax (MUCT) arrears. Based on the Company's legal counsel view, they have fair case in hand and aforesaid demand raised by the KMC suffers prima facie legal inconsistency. Accordingly the management is hopeful for the favourable outcome of the court case and hence no provision has been made in these financial statements.

### 19.2 Commitments:

**19.2.1** The company has letter of credit commitments for purchases amounting to Rs. 54.75 million (2016: Rs. 37.23 million) .

**19.2.2** The company has letter of credit and other commitments for capital expenditures amounting to Rs. 26.78 million (2016: Rs. 2.81million).

**19.2.3** The company has commitments in respect of rent of diminishing musharakah as follows:

	Note	2017 (Rupees)	2016 (Rupees)
Later than one year but not later than three years		9,626,163	12,158
Not later than one year		6,073,392	628,324
		15,699,555	640,482

	Note	2017 (Rupees)	2016 (Rupees)
<b>20 Net sales</b>			
Sales - local (including trading sales)		2,021,722,748	1,862,509,474
Sales tax		(296,796,911)	(273,850,781)
		<u>1,724,925,837</u>	<u>1,588,658,693</u>
Discounts		(74,022,016)	(43,393,987)
		<u>1,650,903,821</u>	<u>1,545,264,706</u>
Sales - export		11,182,225	3,057,027
		<u>1,662,086,046</u>	<u>1,548,321,733</u>
<b>21 Cost of sales</b>			
Raw & packaging materials consumed	21.1	654,594,668	684,672,977
<b>Other costs</b>			
Salaries, wages and benefits	21.2	114,901,360	104,024,199
Fuel and power		38,681,391	44,277,423
Stores and spares consumed	21.3	12,363,127	6,738,445
Depreciation	4.2	33,791,025	35,469,354
Amortization of intangible assets	5.1	11,111	182,072
Repairs and maintenance		11,832,934	10,014,474
Traveling and conveyance		2,191,978	463,842
Rent, rates and taxes		186,550	196,368
Insurance		2,856,759	3,668,756
Freight		62,953	56,530
Printing and stationery		470,014	418,117
Postage, telegram and telephone		969,593	794,273
Legal and professional		957,059	767,876
Others		2,389,504	1,561,925
		<u>221,665,358</u>	<u>208,633,654</u>
Opening Inventory of work in process		12,995,456	14,671,443
Closing Inventory of work in process		(10,501,331)	(12,995,456)
		<u>878,754,151</u>	<u>894,982,618</u>
Opening Inventory of finished goods (including trading goods)		122,876,341	111,610,011
Purchases of trading goods		187,671,705	157,996,257
Closing Inventory of finished goods (including trading goods)		(99,688,155)	(122,876,341)
		<u>1,089,614,042</u>	<u>1,041,712,545</u>
<b>21.1 Raw &amp; packaging materials consumed</b>			
Opening stock		122,776,268	91,808,704
Purchases		639,492,352	715,640,541
		<u>762,268,620</u>	<u>807,449,245</u>
Closing stock		(107,673,952)	(122,776,268)
		<u>654,594,668</u>	<u>684,672,977</u>
<b>21.2</b> This includes Rs. 8,711,816 (2016: Rs. 6,956,843) in respect of retirement benefits.			
<b>21.3 Stores and spares consumed</b>			
Opening stock		14,097,129	7,362,949
Purchases		15,897,929	13,472,625
		<u>29,995,058</u>	<u>20,835,574</u>
Closing stock		(17,631,931)	(14,097,129)
		<u>12,363,127</u>	<u>6,738,445</u>





	Note	2017 (Rupees)	2016 (Rupees)
<b>22 Selling and distribution expenses</b>			
Salaries and other benefits	22.1	117,294,503	88,404,789
Traveling and conveyance		33,779,504	28,130,388
Depreciation	4.2	5,583,499	758,582
Amortization of intangible assets	5.1	11,111	182,071
Advertisement and sales promotion		226,503,054	233,499,510
Postage, telegram and telephone		3,081,678	2,151,634
Vehicle repair and maintenance		1,905,422	1,095,511
Printing & stationery		716,308	531,987
Insurance		215,120	46,640
Freight		34,503,005	29,176,275
Legal and professional		2,528,924	3,310,650
Others		1,580,147	1,011,034
		<u>427,702,275</u>	<u>388,299,071</u>
<b>22.1</b> This includes Rs. 3,782,813 (2016: Rs. 3,943,030) in respect of retirement benefits.			
<b>23 Administrative and general expenses</b>			
Salaries and other benefits	23.1	34,856,932	25,208,525
Repairs and maintenance		9,987,490	2,185,090
Depreciation	4.2	4,466,575	972,431
Amortization of intangible assets	5.1	11,111	182,071
Traveling and conveyance		215,740	271,988
Postage, telegram and telephone		920,190	710,691
Rent, rates and taxes		305,979	130,346
Insurance		827,242	508,866
Electricity and water charges		1,742,056	734,989
Printing and stationery		1,168,469	704,158
Legal and professional		2,451,503	1,754,758
Security charges		942,486	674,003
Fees and subscription		1,611,110	698,509
Director meeting fees		320,000	300,000
Others		312,697	553,818
Charity and donations	23.2	3,440,000	3,700,000
Auditors' remuneration	23.3	612,950	611,250
		<u>64,192,530</u>	<u>39,901,493</u>
<b>23.1</b> This include Rs. 5,078,225 (2016: Rs. 2,746,081) in respect of retirement benefits.			
<b>23.2</b> The directors or their spouses have no interest in the donation made during the year.			
<b>23.3 This includes:</b>			
Annual audit fee		540,000	540,000
Half yearly review fee		30,950	29,250
Compliance with corporate governance review fee		27,000	27,000
Out of pocket		15,000	15,000
		<u>612,950</u>	<u>611,250</u>
<b>24 Other operating expenses</b>			
Workers' profit participation fund		4,441,282	3,417,066
Workers' welfare fund - current		1,687,687	1,298,485
Workers' welfare fund - prior		326,365	291,177
Loss on disposal of fixed assets	4.3	-	74,718
		<u>6,455,334</u>	<u>5,081,446</u>
<b>25 Other operating income</b>			
Gain on disposal of fixed assets		20,912,444	-
Export rebate		62,972	56,378
Scrap sales		1,997,008	2,062,954
		<u>22,972,424</u>	<u>2,119,332</u>

	Note	2017 (Rupees)	2016 (Rupees)
<b>26 Finance costs</b>			
Profit on short term bank finances		5,977,855	4,655,640
Interest on WPPF	17.1	256,032	104,074
Rent on diminishing musharakah		4,495,845	2,598,989
Guarantee commission		147,492	124,260
Bank charges		290,001	271,826
		<u>11,167,225</u>	<u>7,754,789</u>
<b>27 Taxation</b>			
Current		38,923,055	27,385,317
Prior		1,947,247	3,249,254
Deferred		(3,556,215)	(9,785,911)
		<u>37,314,087</u>	<u>20,848,660</u>
<b>27.1 Relationship between tax expense and accounting profit</b>			
Profit before taxation		<u>85,927,064</u>	<u>67,691,721</u>
Corporate tax rate		31%	32%
Tax on accounting profit		26,637,390	21,661,351
Tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes		21,116,248	5,091,678
Tax effect of income assessed under final tax regime		(12,386,798)	(9,153,623)
Effect of change in prior years' tax		1,947,247	3,249,254
Tax charge		<u>37,314,087</u>	<u>20,848,660</u>
<b>28 Earnings per share - basic &amp; diluted</b>			
Profit after taxation		<u>48,612,977</u>	<u>46,843,061</u>
Number of ordinary shares		<u>3,900,000</u>	<u>3,900,000</u>
Basic earnings per share		<u>12.46</u>	<u>12.01</u>

28.1 A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2016 and 2017 which would have any effect on the earnings per share if the option to convert is exercised.

## 29 Emoluments of chief executive, directors and executives

The aggregate amount charged in these financial statements for the remuneration of the chief executive, directors and executives were as under:

	2017				2016			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	----- Rupees -----				----- Rupees -----			
Managerial Remuneration	-	-	62,861,993	62,861,993	-	-	42,469,450	42,469,450
Gratuity	-	-	5,318,275	5,318,275	-	-	3,282,600	3,282,600
Provident fund	-	-	2,618,882	2,618,882	-	-	2,453,213	2,453,213
Meeting fees	-	320,000	-	320,000	-	300,000	-	300,000
Other benefits	-	-	12,329,935	12,329,935	-	-	8,600,949	8,600,949
	-	320,000	83,129,085	83,449,085	-	300,000	56,806,212	57,106,212
<b>No. of persons</b>	<b>1</b>	<b>6</b>	<b>35</b>	<b>42</b>	<b>1</b>	<b>6</b>	<b>27</b>	<b>34</b>

29.1 Chief Executive and Executive Director are provided with free use of cars owned and maintained by the company and some other benefits in accordance with the company policy and have not drawn any remuneration.

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

### 30 Transactions with related parties

The related parties comprise holding company, fellow subsidiaries, 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. Amounts due from and to related parties are shown under receivables and payables. Other significant transactions with related parties are as follows:

Relationship	Nature of transactions	2017 (Rupees)	2016 (Rupees)
Associated undertaking	Sale of goods - Premier Agencies	1,619,705,221	1,523,868,212
Staff retirement funds	Contribution to employees provident fund	4,315,026	4,162,224
Associated undertaking	Sale of goods - Memon Medical Institute	63,848	35,733
Associated undertaking	Sale of fixed assets - Pharnevo (Pvt) Ltd.	39,391,237	-
Director	Repayment of loan by company to directors	-	30,500,000
Key management Personnel	Remuneration and benefits	25,679,416	18,108,787

30.1 Balances of related parties as at June 30, 2017 are included in the respective notes to the financial statements. These are settled in the ordinary course of business. The receivables and payables are mainly unsecured in nature and bear no interest.

### 31 Capacity and production

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

### 32 Operating segments

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is generally evaluated based on certain key performance indicators including business volume and gross profit. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

#### Segment information

	2017			2016		
	Oral care	Baby care	Total	Oral care	Baby care	Total
Sales	230,673,835	1,431,412,211	1,662,086,046	265,692,511	1,282,629,222	1,548,321,733
Cost of sales	(179,462,711)	(910,151,331)	(1,089,614,042)	(201,784,693)	(839,927,852)	(1,041,712,545)
Gross profit	51,211,124	521,260,880	572,472,004	63,907,818	442,701,370	506,609,188
Selling and distribution expenses	(65,881,341)	(361,820,934)	(427,702,275)	(91,983,294)	(296,315,777)	(388,299,071)
Administrative and general expenses	(9,920,309)	(54,272,221)	(64,192,530)	(7,033,865)	(32,867,628)	(39,901,493)
Other operating expenses	(997,607)	(5,457,727)	(6,455,334)	(950,833)	(4,130,613)	(5,081,446)
Other operating income	3,550,156	19,422,268	22,972,424	396,566	1,722,766	2,119,332
Finance costs	(1,725,782)	(9,441,443)	(11,167,225)	(1,451,064)	(6,303,725)	(7,754,789)
Profit / (loss) before taxation	(23,763,759)	109,690,823	85,927,064	(37,114,672)	104,806,393	67,691,721

#### Information about major customer

Sales amounting to Rs. 1,619,705,221 have been made to Premier Agencies.

### 33 Financial instruments and related disclosures

#### 33.1 Financial risk management

The Board of Directors of the company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

##### 33.1.1 Credit risk

#### Exposure to credit risk

Credit risk is the risk of financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the trade debts, loans and advances, deposits and other receivables. The carrying amount to financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

Long term deposits	4,522,500	4,584,300
Long term loans and advances	96,645	550,325
Trade debtors - unsecured, considered good	15,977,758	10,699,836
Loans and advances	19,595,723	9,280,935
Deposits and short term prepayments	1,396,874	580,906
Cash and bank balances	1,088,705	1,023,380
	<u>42,678,205</u>	<u>26,719,682</u>

33.1.1.1 The maximum exposure to credit risk for trade debts amounting to Rs. 16.52 million (2016: Rs. 10.69 million), at the balance sheet date by geographic region is as follows:

	2017 (Rupees)	2016 (Rupees)
Domestic	15,977,758	10,699,836
	<u>15,977,758</u>	<u>10,699,836</u>

33.1.1.2 The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows:

Distributor / Wholeseller	3,391,615	2,893,929
End-user customers	12,586,143	7,805,907
	<u>15,977,758</u>	<u>10,699,836</u>

33.1.1.3 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.

33.1.1.4 The aging analysis of related party balance in trade debtors is not presented as there is no overdue balance from the related party as at June 30, 2017.

### 33.1.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The table below analyzes the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows as the impact of discounting is not significant.

	2017			
	Carrying amount	Less than one year	Two to five years	More than five years
	----- Rupees -----			
Long term financing - secured	77,000,000	-	77,000,000	-
Trade and other payables	108,289,727	108,289,727	-	-
Accrued mark-up	1,736,227	1,736,227	-	-
Current portion of long term financing	23,640,246	23,640,246	-	-
Short term bank finances - secured	146,939,698	146,939,698	-	-
	<u>357,605,898</u>	<u>280,605,898</u>	<u>77,000,000</u>	<u>-</u>

	2016			
	Carrying amount	Less than one year	Two to five years	More than five years
	----- Rupees -----			
Long term financing - secured	1,640,246	-	1,640,246	-
Trade and other payables	123,220,314	123,220,314	-	-
Accrued mark-up	886,391	886,391	-	-
Current portion of long term financing	14,585,987	14,585,987	-	-
Short term bank finances - secured	147,348,583	147,348,583	-	-
	<u>287,681,521</u>	<u>286,041,275</u>	<u>1,640,246</u>	<u>-</u>

### 33.1.3 Market risk

#### 33.1.3.1 Price risk

The Company is neither exposed to equity securities price risk nor commodity price risk.

#### 33.1.3.2 Cash flow and fair value interest/mark-up rate risk

Interest/mark-up rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest/mark-up rates. The Company's interest/mark-up rate risk arises from long and short term financings.

At the balance sheet date, the interest rate profile of the Company's significant interest bearing financial instruments was:

**Fixed rate instruments**

Financial Assets

Financial Liabilities

- Short term bank finances - murabaha finance

Net Exposure

**Floating rate instruments**

Financial Assets

Financial Liabilities

- Long term financing - diminishing musharakah

- Short term financing - diminishing musharakah

- Short term bank finances - running musharakah

Net Exposure

Total Net Exposure

**2017**  
**(Rupees)**

**2016**  
**(Rupees)**

-	-
(90,698,740)	(32,012,812)
<u>(90,698,740)</u>	<u>(32,012,812)</u>
-	-
(77,000,000)	(1,640,246)
(23,640,246)	(14,585,987)
(56,240,958)	(115,335,771)
<u>(156,881,204)</u>	<u>(131,562,004)</u>
<u>(156,881,204)</u>	<u>(131,562,004)</u>
<u>(247,579,944)</u>	<u>(163,574,816)</u>

**33.1.3.3 Foreign exchange risk**

Foreign exchange risk is the risk of loss through change in foreign exchange rates. The Company is exposed to foreign exchange risk, which is very insignificant thus foreign exchange risk is minimal.

**33.2 Fair value estimation of financial assets and liabilities**

The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair value.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. However, the company does not hold any quoted financial instruments.

The financial instruments that are not traded in active market are carried at cost and are tested for impairment according to IAS 39 'Financial instruments: Recognition and Measurement'.

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

**33.3 Financial instruments by category**

2017		2016	
At fair value through profit or loss	Loans and receivables	At fair value through profit or loss	Loans and receivables
Rupees		Rupees	
-	4,522,500	-	4,584,300
-	96,645	-	550,325
-	15,977,758	-	10,699,836
-	1,034,218	-	1,264,332
-	1,077,937	-	336,350
-	1,088,705	-	1,023,380
-	<u>23,797,763</u>	-	<u>18,458,523</u>

**33.3.1 Financial assets as per balance sheet**

Long term deposits

Long term loans and advances

Trade debtors - unsecured, considered good

Loans and advances

Deposits and other receivables

Cash and bank balances

**33.3.2 Financial liabilities at amortized cost as per balance sheet**

Deferred liabilities - gratuity

Long term financing - secured

Trade and other payables

Accrued mark-up

Current portion of long term financing

Short term bank finances - secured

**2017**  
**(Rupees)**

**2016**  
**(Rupees)**

54,330,870	47,525,531
77,000,000	1,640,246
97,871,783	114,697,274
1,736,227	886,391
23,640,246	14,585,987
146,939,698	147,348,583
<u>401,518,824</u>	<u>326,684,012</u>

### 33.4 Capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue bonus / new shares and other measures commensurate to the circumstances.

### 34 Accounting estimates and judgements

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### 34.1 Trade debtors

The Company reviews its receivables against provision required on an ongoing basis. The provision is made after taking into consideration the expected recoveries, if any;

#### 34.2 Income taxes

In making the estimates for income taxes currently payable by the company the management considers the current income tax law and decisions of appellate authorities on certain issues in the past.

#### 34.3 Defined retirement benefit scheme

The company operates an unfunded gratuity scheme for all its permanent employees. For detail of estimates of liability in respect of staff retirement gratuity refer note 3.4.2.1.

#### 34.4 Provision for obsolete stock

The management continuously reviews its inventory for existence of any items which may have become obsolete. These estimates are based on historical experience and are continuously reviewed.

#### 34.5 Impairment of assets

In accordance with the accounting policy, the management carries out the annual assessment to ascertain whether any of the company's assets are impaired. This assessment may change due to technological developments.

#### 34.6 Depreciable amount and useful lives of fixed assets

In accordance with the accounting policy, the management carries out the annual assessment of depreciable amount and useful lives of fixed assets. The company seeks advice from the technical department in this regard.

### 35 Reclassification

Following major corresponding figures have been reclassified for better presentation:

From	To	Nature	Rupees
Administrative and general expenses	Selling and distribution expenses	Printing and stationery	531,987

### 36 Events after the balance sheet date

The Board of Directors have proposed a final cash dividend for the year ended June 30, 2017 of Rs. 5 (2016: Rs 5) per share, amounting to Rs. 19.50 million (2016: Rs 19.50 million) at their meeting held on September 29, 2017 for approval of the members at the Annual General Meeting to be held on October 27, 2017. These financial statements do not include the effect of the above appropriations which will be accounted for in the period in which they are approved.

The Board of Directors in their meeting held on September 29, 2017 have proposed sufficient cash dividend for the year ended June 30, 2017. Accordingly, no provision for tax on undistributed profit under section 5A of the Income Tax Ordinance, 2001 has been recognised in these financial statements for the year ended June 30, 2017.

### 37 Authorisation of financial statements and appropriations

These financial statements were authorised for issue on September 29, 2017 by the Board of Directors.

### 38 General

Figures have been rounded off to the nearest rupee.

  
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 46th Annual General Meeting of the shareholders of the company will be held on Friday, October 27, 2017 at 3:00 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 Extra Ordinary General Meeting held on April 27, 2017.
2. To receive, consider and adopt the audited Financial Statements for the year ended June 30, 2017 along with Auditors' and Directors' reports thereon.
3. To consider & approve the final dividend of Rs. 5/- (50%) per share as recommended by the Board of Directors.
4. To appoint KPMG Taseer Hadi & Co., Chartered Accountants as External Auditors of the Company for the year ending June 30, 2018 and fix their remuneration.

## Special Business

5. To approve transmission of annual audited financial statements, auditor's report and directors' report etc. ('Annual Audited Accounts') along with notice of general meeting to the shareholders of Shield Corporation Limited through CD/DVD/USB at their registered addresses as allowed by the Securities and Exchange Commission of Pakistan (SECP) and if thought fit to pass the following resolution as ordinary resolution:

**“RESOLVED THAT** transmission of annual audited financial statements, auditor's report and directors' report etc. ('Annual Audited Accounts') along with notice of general meeting to the shareholders of Shield Corporation Limited through CD/DVD/USB at their registered addresses in soft form i.e. CD/DVD/USB as notified by SECP vide its SRO No. 470(I)/2016 dated May 31, 2016 be and is hereby approved”.

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.

By order of the Board  
M. Zaid Kaliya  
Company Secretary

Karachi: October 3, 2017

## Notes:

1. The share transfer book of the Company will remain closed from 13-10-2017 to 27-10-2017 (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 March 31, 2016 read with SRO 19(I)/2014 dated January 10, 2014 and SRO 831(1) 2012 dated July 05, 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. Pursuant to the provisions of the Finance Act 2017 effective from July 1, 2017, 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%.

6. Shareholders are therefore 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.
7. 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).

8. CDC Account Holders will further have to follow the under mentioned guideline as laid down in circular 1 dated January 26, 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.
9. Pursuant to Para 3(a) of SRO 634(I)/2014 dated July 10, 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 46th Annual General Meeting of Shield Corporation Limited to be held on October 27, 2017.

### Agenda Item No. 5

#### **Transmission of Annual Audited Financial Statements through CD/DVD/USB:**

The SECP through SRO 470(I)/2016 dated May 31, 2017 has allowed companies to circulate the annual balance sheet and profit and loss account, auditor's report and directors' report etc. ("annual audited accounts") along with notice of general meeting to its shareholders in electronic form through CD/DVD/USB at their registered address. This would result in timely delivery of Annual Audited Accounts to the shareholders. The Company has placed on its website i.e. [www.shield.com.pk](http://www.shield.com.pk) a standard request form containing postal and email address of Company Secretary/Share Registrar, so that shareholders may request a hard copy of the Annual Audited Accounts. The Company will provide one hard copy free of cost to the requesting shareholder at their registered address within one week of the request.

#### **Interest of Directors:**

The directors of the Company have no direct or indirect interest in the above mentioned Special Business.



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**AFFIX  
CORRECT  
POSTAGE**

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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**AFFIX  
CORRECT  
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Company Secretary  
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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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- f- فنانشل انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کے مطابق تیار کیے جاتے ہیں، جیسے کہ پاکستان میں قابل اطلاق ہیں اور ان سے کسی بھی نوعیت کے انحراف کو مناسب انداز میں ظاہر اور واضح کیا گیا ہے۔
- g- کمپنی نے بہت جامع اور مکمل انٹرنل کنٹرول سسٹم برقرار رکھا ہوا ہے، جس سے کسی بھی 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۔
- h- کمپنی کی قابلیت کے حوالے سے حالیہ تشریح کی کسی بھی صورت حال کے بارے میں کوئی قابل ذکر شک موجود نہیں ہے۔
- i- کسی بھی قسم کے بقایا جات، قانونی الزامات اور ٹیکسز اگر کوئی ہوں، انہیں فنانشل اسٹیٹمنٹس میں واضح کر دیا گیا ہے۔
- j- پروویڈنٹ فنڈ کی سرمایہ کاری کی رقم آڈٹ شدہ اکاؤنٹس کی 32.76 ملین روپے مالیت کی بنیاد پر ہے۔
- K- گذشتہ 6 سال کے لیے ایم آئی پی ٹیگ اور فنانشل ڈیٹا کا خلاصہ ایک فارم کی شکل میں ساتھ منسلک ہے۔
- l- کمپنی کے تمام ڈائریکٹرز DTP سے متعلق CCG کی شرائط اور ضروریات کے ساتھ مطابقت رکھتے ہیں۔

### مستقبل کا منظر نامہ

شیلڈ میں ہم مسلسل ترقی اور کامیابی پر یقین رکھتے ہیں۔ اسی لیے ہم نئی پروڈکٹ کیٹیگریز کی نشان دہی کے لیے پوری سرگرمی اور دلچسپی کے ساتھ کام کر رہے ہیں۔ ان نئی کیٹیگریز سے موجودہ کیٹیگریز کو استحکام ملے گا اور شیلڈ کی برانڈ پاور کو فائدہ پہنچانے میں مددگار ثابت ہوں گی۔

افراط زر میں اضافے، کسٹم و دیگر محصولات میں متوقع اضافہ اور اس کے نتیجے میں اشیائے صرف کی قیمتوں میں اضافے سے کمپنی کے منافع جات پر دباؤ کی توقع ہے جس کا مقابلہ کمپنی مسابقتی قیمتوں کی حکمت عملی، ڈسٹری بیوشن میں مسابقتی برتری اور نئی ٹیکنالوجی میں سرمایہ کاری کے ذریعے کریں گی۔

آپ کی منجمنٹ اس سے بخوبی آگاہ ہے کہ ہماری بے بی کیئر کیٹیگری مستحکم بنیادوں پر آگے بڑھ رہی ہے اور ہمیں اپنی کوششوں کو مسلسل جاری رکھتے ہوئے اپنے اس مقام سے فائدہ اٹھانا چاہیے تاکہ ہم اس شعبے میں اپنی برتری اسی طرح برقرار رکھ سکیں۔

نئے پلیٹ فارم بنانے کے حوالے سے ایکسپورٹ مارکیٹ میں نئے امکانات اور نئی دنیاؤں کی تلاش جاری ہے۔ جہاں ٹیم کو مارکیٹ کے چیلنجز سے نبرد آزما ہو کر مارکیٹ کی ضروریات کو پورا کرنا ہوگا۔

### اظہار تشکر

ہم باقاعدہ تعریف اور اظہار تشکر کرنا چاہتے ہیں:

- اپنے رفقاء کا جو اپنی مفید اور قیمتی رہنمائی اور مدد کے ساتھ ہمارے شانہ بشانہ ہیں۔
- اپنے قابل قدر کسٹمرز اور کنزرویٹرز کا جنہوں نے ہماری پروڈکٹس پر بھرپور اعتماد کیا اور کمپنی کی 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 شراکت داروں کا جو ہماری کمپنی کی مسلسل ترقی میں اپنی مدد اور حصہ ملا رہے ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے

ولی محمد اے حبیب  
ڈائریکٹر

ایم ہارون قاسم  
چیف ایگزیکٹو

کراچی: 29 ستمبر، 2017ء

انسانی وسائل اور مشاہرہ کمیٹی نے ان تمام ممبرز کو غیر حاضری پر رخصت دی جو انسانی وسائل اور مشاہرہ کمیٹی کی میٹنگ میں شریک ہونے سے قاصر رہے۔

## ایکسٹرنل آڈیٹرز

میسرز موچھال گنگاٹ اینڈ کو، چارٹرڈ اکاؤنٹنٹس، کمپنی کے آڈیٹر کی حیثیت سے ریٹائرڈ ہو گئے ہیں۔ بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی کی تجویز پر کے پی ایم جی تاخیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس، کو ۳۰ جون ۲۰۱۸ء کو ختم ہونے والے سال کے لئے باہمی رضامندی سے طے کی گئی فیس پر تقرری پر غور کر رہے ہیں۔

## انٹرنل آڈیٹرز

انٹرنل آڈٹ کا کام بیرونی ذرائع سے میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ 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۔

## رسک مینجمنٹ

کمپنی کی ایکٹیویٹیز پر مختلف نوعیت کے خطرات 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 بورڈ آف ڈائریکٹرز کے ساتھ شیئر کیے جاتے ہیں۔ یہ کمپنی کی املاک کی شناخت، جائزے اور حکمت عملی، فنانشل، کمرشل اور آپریشنل رسک کو کم سے کم کرنے کے لیے اقدامات کرتی ہے۔ غیر ملکی کرنسی کے لین دین کے معاملے میں کسی بھی قابل المیعا رسک سے نمٹنے کیلئے کمپنی محدود پیمانے پر فارن ایکسچینج کو حاصل کرتی ہے۔ کمپنی کے پیداواری عمل اور فروخت کی کومتاثر ہونے سے بچانے کیلئے کاروبار بلا تعطل جاری رہنے اور آفات سے نمٹنے کیلئے خصوصی منصوبہ بندی کی گئی ہے۔ کمپنی کی جانب سے تمام قواعد و ضوابط کی مکمل پاسداری اور فنانشل رپورٹنگ میں شفافیت کی وجہ سے کمپنی اس رسک سے تقریباً محفوظ ہے۔ ضرورت پڑنے پر اہم قانونی مقدمات میں ملوث ہونے کی صورت میں کمپنی کی جانب سے معروف قانونی فرمز اور ماہرین قانون سے مشاورت کی جاتی ہے۔

کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالیاتی پوزیشن اور کمنٹ پر اثر انداز ہونے والی کوئی تبدیلی واقع نہیں ہوئی۔ اس سال کے دوران کسی بھی قرض کی ادائیگی میں کوئی نادہندگی واقع نہیں ہوئی۔

## متعلقہ پارٹی ٹرانزیکشن

لسٹنگ ریگولیشنز کی ضروریات کی تعمیل کی غرض سے کمپنی تمام متعلقہ ٹرانزیکشنز ایکسٹرنل آڈٹ کمیٹی اور بورڈ کے روبرو ان کے جائزے اور منظوری کے لیے پیش کی جاتی ہیں۔ یہ ٹرانزیکشنز آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز کی اس مقصد کے لیے کی جانے والی میٹنگز میں منظور کی جاتی ہیں۔ تمام 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 کمیٹی 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 اچھی 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 مینجمنٹ 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۔
- اکاؤنٹنگ کی معقول پالیسیز کا فنانشل اسٹیٹمنٹس اور اکاؤنٹنگ کے اسٹیٹمنٹس کی تیاری میں مسلسل اطلاق کیا جاتا ہے جو کہ انتہائی مناسب اور محتاط تجاویز و فیصلوں کی بنیاد پر تیار دی گئی ہیں۔

## آڈٹ کمیٹی

کمیٹی 3 نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جن میں سے 2 آزاد ڈائریکٹرز ہیں۔ ایک آزاد ڈائریکٹر آڈٹ کمیٹی کا چیئر مین ہے۔ آڈٹ کمیٹی سال میں کم از کم 4 بار ملتی ہے۔ انٹرنل آڈٹ کا سربراہ آڈٹ کمیٹی کے سیکریٹری کے فرائض سرانجام دیتا ہے۔ آڈٹ کمیٹی کی ٹرمز آف ریفرنس درج ذیل ہیں:

- کمیٹی کے سہ ماہی، ششماہی اور سالانہ مالیاتی گوشواروں کا بورڈ آف ڈائریکٹرز کی منظوری سے قبل جائزہ لینا
- نتائج کے ابتدائی اعلانات کا ان کی اشاعت سے قبل جائزہ لینا
- آڈٹ کمیٹی، چیف فنانشل آفیسر اور چیف انٹرنل آڈیٹر کے بغیر سال میں کم از کم ایک بار ایکسٹرنل آڈیٹرز سے ملاقات کرے گی
- آڈٹ کمیٹی، چیف فنانشل آفیسر اور ایکسٹرنل آڈیٹرز کے بغیر سال میں کم از کم ایک بار ہیڈ آف آڈٹ سے ملاقات کرے گی
- بورڈ آف ڈائریکٹرز کے روبرو ایکسٹرنل آڈیٹرز کی تقرری کی تجویز اور ایکسٹرنل آڈیٹرز کے استعفیٰ یا برطرفی، اگر کوئی ہو، آڈٹ فیس اور ایکسٹرنل آڈیٹرز کی مالیاتی گوشواروں کے آڈٹ کے ساتھ کسی اور خدمت کی صورت میں متعلقہ سوالوں اور وضاحتوں کو زیر غور لانا
- ایکسٹرنل آڈیٹرز کی جانب سے جاری کیے گئے مینجمنٹ لیٹر اور اس پر مینجمنٹ کے جواب کا جائزہ لینا
- کمیٹی کے اثاثہ جات کی حفاظت کرنے کے لیے مناسب اقدامات کا تعین کرنا
- بورڈ آف ڈائریکٹرز کی جانب سے کمیٹی کو تفویض کیا گیا کوئی بھی دیگر مسئلہ یا معاملہ زیر غور لانا

## آڈٹ کمیٹی کی میٹنگز

رواں سال کے دوران آڈٹ کمیٹی کی چار (4) میٹنگز ہوئیں۔ ہر ڈائریکٹر کی حاضری ذیل کے مطابق ہے:

نام	کیٹیگری	منعقدہ	میٹنگ میں شرکت
جناب پیر محمد	چیئر مین	4	4
جناب ولی محمد اے حبیب	رکن	4	4
جناب سید عمران چشتی	رکن	4	2

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

## انسانی وسائل اور مشاہرہ کمیٹی

بورڈ نے ایک انسانی وسائل اور مشاہرہ کمیٹی تشکیل دی ہے۔ تین ارکان پر مشتمل اس کمیٹی میں 2 نان ایگزیکٹو ڈائریکٹر ہیں، جبکہ کمیٹی کے چیئر مین بھی ایک نان ایگزیکٹو ڈائریکٹر ہیں۔

## انسانی وسائل اور مشاہرہ کمیٹی کی میٹنگز

رواں سال کے دوران انسانی وسائل اور مشاہرہ 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 ذیل کے مطابق رہی:

نام	کیٹیگری	میٹنگ میں شرکت
جناب ولی محمد اے حبیب	چیئر مین	1
جناب ایم ہارون قاسم	رکن	1
جناب سید عمران چشتی	رکن	0

## مصارف اصلی

کمپنی نے خود کو مقابلے کی اس فضا میں تیار اور تیکنیکی اعتبار سے مکمل رہنے کے لیے جدید ماڈلز کی مشینوں، مولڈز، پمپٹیز اور ہیڈ آفس پر 154.89 ملین روپے مالیت کی سرمایہ کاری کی ہے۔ جیسا کہ پہلے واضح کیا گیا، لیڈرشپ پوزیشن کو برقرار رکھنے کے لیے ضروری ہے کہ ہم پلانٹ اور مشینری پر دوراندیشی کے ساتھ سرمایہ کاری کریں تاکہ طویل عرصے کے لیے مسابقتی دوڑ اور نت نئی پروڈکٹس کی جستجو اور پیداوار کو یقینی بنایا جاسکے۔ شیلڈ بہتری کے مستقل عمل کے ذریعے انسانی اور ماحولیاتی تحفظ پر یقین رکھتا ہے۔ شیلڈ ISO 14001:2004 سے سرٹیفائیڈ ہے، جو کہ ماحولیاتی مینجمنٹ سسٹم کے متعلق بین الاقوامی معیار ہے۔

## برآمدات

اس سال برآمدات 11.18 ملین روپے رہی۔ جو گذشتہ سال 3.06 ملین روپے تھی۔ برآمدات کی مد میں کمپنی درست سمت میں آگے بڑھ رہی ہے لیکن ابھی بہت کچھ حاصل کرنا ہے۔ ہم پوری محنت اور جوش و جذبے کے ساتھ مختلف مارکیٹس یعنی افغانستان، یورپی یونین اور یوگنڈا میں کام کر رہے ہیں، ہم آئندہ سال سیزل میں خاطر خواہ اضافہ کرنے کے لیے وہاں کے ڈسٹری بیوٹرز کے ساتھ اپنا نیٹ ورک مستحکم بنیادوں پر تعمیر کر رہے ہیں۔ ہمیں پورا یقین ہے کہ آنے والے دنوں میں ہم مقابلے کے اس زبردست دور میں ہرگز رستے دن کے ساتھ بدلتی ہوئی عالمی مارکیٹس کے چیلنجز کے باوجود اپنے ایکسپورٹ میں کو بڑھانے میں کامیاب ہو جائیں گے۔

## قومی خزانے میں حصہ

آپ کی کمپنی نے مختلف حکومتی ٹیکس بشمول کسٹم ڈیوٹی، سیزل ٹیکس اور آکم ٹیکس کی مد میں سال 2016-17 کے دوران قومی خزانے میں 430 ملین روپے کی مجموعی رقم جمع کرائی ہے۔

## کارپوریٹ گورننس

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

## بورڈ مینٹلز

اس سال کے دوران بورڈ آف ڈائریکٹرز کی آٹھ (8) مینٹلز کی گئیں۔ ہر ڈائریکٹر کی حاضری تفصیل ذیل کے مطابق ہے:

مینٹلز		ڈائریکٹرز کے نام
شرکت کردہ	منعقدہ	
7	8	جناب ابراہیم قاسم
8	8	جناب ایم ہارون قاسم
8	8	جناب ولی محمد اے حبیب
7	8	جناب بیڑ محمد
2	8	مسز سعیدہ بٹ نوید
4	8	جناب سید عمران چشتی
8	8	جناب محمد سلمان قاسم

بورڈ نے ان تمام ڈائریکٹرز کو غیر حاضری پر رخصت دی جو بورڈ مینٹلز میں شریک ہونے سے قاصر رہے۔ ڈائریکٹرز کے الیکشن 27 اپریل 2017 میں ہوئے اور اس سال بورڈ میں کوئی تبدیلی نہیں ہوئی۔

## شیئر ہولڈنگ کا طریقہ کار

کوڈ آف کارپوریٹ گورننس کو ملحوظ خاطر رکھتے ہوئے 30 جون 2017ء کے مطابق شیئر ہولڈنگ کے طریقہ کار اور اس کی تشہیر اس رپورٹ کے ساتھ منسلک ہے۔ بورڈ نے منافع کی تشہیر کے لیے کمپنی کے شیئر رکھنے والے ایگزیکٹوز کی جانب سے حد کا جائزہ لیا، جس میں CEO، CFO، COO، انٹرنل آڈٹ کے ہیڈ اور کمپنی سیکریٹری شامل ہیں۔ ڈائریکٹرز، COO، انٹرنل آڈٹ کے ہیڈ، کمپنی سیکریٹری اور CFO، ان کے/کی شریک حیات اور چھوٹے بچوں نے کمپنی کے شیئرز کی کوئی تجارت یا خرید و فروخت نہیں کی۔

## دانتوں کی صحت کا عالمی دن

دانتوں کی صحت کا عالمی دن (WOHD) ہر سال 20 مارچ کو منایا جاتا ہے۔ یہ ایک بین الاقوامی دن ہے جس میں دانتوں سے متعلق مسائل کی آگاہی کو عالمی سطح پر اجاگر کیا جاتا ہے۔ WOHD کی 2017 کی تقسیم Live Mouth Smart ہے۔ یہ مسلسل ساتواں سال ہے کہ شیلڈ نے ڈینٹل نیوز اور پاکستان ڈینٹل ایسوسی ایشن کے ساتھ بڑی تقریبات اسپانسر کیں۔

اس ایکٹیوٹی میں شیلڈ نے 17 شہروں میں 25000 سے زائد مریضوں کے فری ڈینٹل چیک اپس کیے۔ شیلڈ کی اورل کیئر پروڈکٹس کے مفت سمپلز اور دانتوں کی صحت سے متعلق معلوماتی بروشر بھی لوگوں میں تقسیم کیے گئے۔ اس ایونٹ کی تشہیر ڈیجیٹل ایڈورٹائزنگ کے ذریعے کی گئی اور حاضرین نے اسے خوب سراہا۔

## سالانہ کیلنڈر - بچوں کے لیے سیکھنے کا ذریعہ

اس سال ہمارے سالانہ کیلنڈر کی تقسیم ہے "امی کہتی ہیں" جس کا مقصد ایک ماں کے سب سے اہم اور قیمتی کردار کو اہمیت دینا ہے جس میں وہ ہمیں سکھاتی ہے کہ ہم کس طرح خود ایک بہتر انسان بن سکتے ہیں نہ صرف اپنی ذات کے لیے بلکہ مجموعی سطح پر پورے معاشرے کے لیے۔ ہمارا مقصد ہے کہ اس کیلنڈر کے ذریعے یہ سبق گھروں میں بار بار دہرایا جائے۔

## کارپوریٹ سماجی ذمہ داری

شیلڈ کی سٹیجمنٹ 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 زندگی کے معیار میں اضافہ ہو۔ کمپنی نے تعلیم اور سماجی بھلائی کے منصوبوں میں 3.44 ملین روپے کے عطیات کئے۔

## آگاہی ایڈلٹ لٹریسی پروگرام (ALP)

شیلڈ کا یقین ہے کہ ایک پڑھی لکھی عورت اپنے خاندان کے روشن مستقبل کی ضمانت ہے۔ اس حوالے سے تعلیم کو لازمی قرار دیتے ہوئے کسی بھی خاندان کا مستقبل بنانے کے لیے ایک عورت کا کردار انتہائی قابل ذکر اور اہم ہو جاتا ہے۔ اس مقصد کے لیے شیلڈ کا 2011ء سے سٹیجمنٹ فاؤنڈیشن (TCF) کے ساتھ اشتراک عمل ہے، تب سے آگاہی ایڈلٹ لٹریسی پروگرام کے نام سے ایک بڑی کمپین لانچ کرنے کے بعد کامیابی سے چلا رہی ہے۔ جس میں نیشنل نوڈز لمیٹڈ اور بائز کا تعاون بھی حاصل ہے۔ اس منفرد پروگرام میں عورتوں کو بااختیار بنانے کے مقصد کے تحت انہیں صرف 4 مہینے کے مختصر وقت میں بنیادی تعلیم اور حساب کتاب کے لیے اعداد کی پہچان سکھائی جاتی ہے۔

شیلڈ اور TCF اس پروگرام کو گذشتہ 6 سال سے پوری کامیابی سے چلا رہے ہیں۔ ملک بھر کے 40 سے زائد شہروں تک رسائی حاصل کرتے ہوئے، ایک اوسط اندازے کے مطابق 43,000 سے زائد عورتوں اور 200,000 فیملی ممبرز کی زندگیوں میں مثبت تبدیلیاں لائے ہیں۔

## خاص بچوں کی مدد

شیلڈ معاشرے کو فائدہ پہنچانے اور واپس لوٹانے کے فلسفے پر یقین رکھتا ہے۔ اپنی اسی سوچ کے پیش نظر شیلڈ خاص بچوں کی تعلیم کے میدان میں مدد کر رہا ہے۔

## کارپوریٹ وژن اور مشن

آپ کی سٹیجمنٹ آپ کی کمپنی کو پاکستان میں ایک مقبول اور نمایاں باؤس ہولڈنگ نام دینے کے لیے اپنی تمام تر کوششیں بروئے کار لا رہی ہے، جس کے لیے وہ دانتوں کی حفاظت کے حوالے سے فیملیز 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۔

## انسانی وسائل کا انتظام

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 پورے کرنے کے لیے انسانی وسائل کا ڈیپارٹمنٹ کلیدی کردار ادا کرتا ہے۔ شیلڈ کا انسانی وسائل کا ڈیپارٹمنٹ 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 کی صلاحیتوں کو بھی بڑھا رہا ہے۔ رواں سال کے دوران کمپنی کے اندر اور بیرونی ذرائع کی مدد سے کئی ترقیاتی پروگرامز منعقد کیے گئے ہیں۔

## ہمارے کاروبار کی وسعت

شیلڈ کارپوریشن لمیٹڈ 1975 میں قائم ہوئی اور گذشتہ 42 سال کے عرصے میں شیلڈ نے ایک جامع حکمت عملی کے تحت اپنے پروڈکٹ پورٹ فولیو کو بے کیئر اور اول کیئر دونوں کیٹیگری میں وسعت دی ہے۔ یہ انہی کوششوں کا نتیجہ ہے کہ شیلڈ اپنی لیڈرشپ پوزیشن برقرار رکھے ہوئے ہے۔

## بے بی فیڈنگ مصنوعات

شیلڈ نے بے بی کیئر کیٹیگری میں مارکیٹ لیڈر کی حیثیت سے اپنے مقام کو مستقل بنیادوں پر برقرار رکھا ہے۔ ہماری کامیابی معیاری بلندی، بیسوں کے صحیح بدل اور بے بی کیئر کیٹیگری میں پروڈکٹ رینج کے لیے ہمارے پختہ عزم کے ساتھ وابستہ ہے، یہی وجہ ہے کہ زیادہ تر مائیں پاکستان میں کسی بھی بے بی کیئر برانڈ کے مقابلے میں شیلڈ پر ہی بھروسہ کرتی ہیں۔

اس کیٹیگری میں کئی نئی پروڈکٹس کی لانچ کی وجہ سے یہ سال بہت پر جوش رہا۔ ان پروڈکٹس میں شیلڈ سلم گرپ فیڈر، شیلڈ پی پی فیڈر، ایون فلو، ڈیکس پلس اور نیل شیب کے ٹوئن فیڈرز پروموٹیکس شامل ہیں۔

## بے بی ڈائیز

ڈائیز اس سال کمپنی کی سب سے تیزی سے بڑھتی ہوئی کیٹیگری رہی، گزشتہ سال کی نسبت مارکیٹ کی فروخت میں تقریباً 70% کا اضافہ ہوا۔ یہ کمپنی کے ان ارادوں کا نتیجہ ہے، جسکی وجہ سے مارکیٹنگ ایکٹیویٹیز میں سرمایہ کاری کے ذریعے اس نے اس کیٹیگری میں صارفین کی توجہ حاصل کی۔ پورٹ فولیو میں ایکسٹرا لارج سائز کی لانچ سے صارفین کی بڑھتی ہوئی تعداد کے پیش نظر کیٹیگری کو بہتر طور پر سمجھنے کی اہمیت پر زور انداز میں سامنے آئی ہے۔

## اورل کیئر مصنوعات

### ٹوتھ برش

برانڈ کی زیادہ سے زیادہ آگاہی اور اپنے وسیع پورٹ فولیو کی بنا پر شیلڈ ٹوتھ برش کیٹیگری میں ایک اہم کھلاڑی کی حیثیت سے اپنا مقام برقرار رکھے ہوئے ہے۔ شیلڈ ٹوتھ برش کی رینج میں ضروری ماڈلز مسلسل پیش کر رہا ہے جیسے Dual Pro، Soft-Tip، Mr. Tooth، Angular کے مختلف انداز کے ٹوتھ برش موجود ہیں۔ شیلڈ اپنی مکمل رینج کے لیے اعلیٰ معیار کے اجزاء اور فوڈ گریڈ پلاسٹک کے استعمال کے حوالے سے اپنی روایت اور پیمانے لیکر چل رہی ہے۔

### ٹوتھ پیسٹ

شیلڈ ٹوتھ پیسٹ دارچینی اور پیمپر منٹ کے 2 منفرد فلیورز میں دستیاب ہیں، اس کی بہتر فارمولیشن نے اسے کئی ملٹی پل پینل اور لوکل فیملی ٹوتھ پیسٹ برانڈز کے مقابلے پر لاکھڑا کیا ہے۔ ٹوتھ پیسٹ کیٹیگری میں مزید آگے بڑھنے اور ترقی کی کافی گنجائش اور مواقع موجود ہیں۔

### شیلڈ Champs ٹوتھ پیسٹ

فروری 2016ء میں کمپنی نے اسٹرابیری اور نیل گم کے دو منفرد فلیورز میں بچوں کے ٹوتھ پیسٹ برانڈ، CHAMPS کے نام سے لانچ کیے۔ جبکہ حال ہی میں فروری 2017 میں اورنج کے ایک نئے فلیور کا بھی اضافہ کیا گیا ہے۔ آگاہی میں اضافے اور بچوں کے دانتوں کی صحت پر بڑھتی ہوئی توجہ سے ہمارا یہ اندازہ ہے کہ یہ سیکمنٹ وقت کے ساتھ ساتھ ترقی کرے گا۔

## بینجمنٹ کے مقاصد/ حکمت عملیاں/ خطرات اور مواقع

بینجمنٹ نے آگے کی جانب پیش قدمی جاری رکھتے ہوئے یہ طے کیا ہے کہ نہ صرف ساری توجہ اپنی لیڈرشپ حیثیت کو برقرار رکھنے ہی پر مرکوز کی جائے بلکہ شیلڈ اور اس کے مقابلے پر موجود کھلاڑیوں کے درمیان فاصلہ مزید بڑھایا جائے۔ کمپنی کو نئے ریجنل کھلاڑیوں کی آمد اور موجودہ برانڈز کی پروڈکٹ رینج میں وسعت کی وجہ سے زیادہ مقابلے کا سامنا بھی کرنا پڑ رہا ہے۔

بینجمنٹ کی سوچ اور مسابقتی سرگرمی کو ذہن میں رکھتے ہوئے شیلڈ کی حکمت عملی کے دو نمایاں نقطہ نظر ہیں:

1- اپنی توجہ جدت اور نئی پروڈکٹ کی ڈیولپمنٹ پر مستقل بنیادوں پر مرکوز رکھی جائے۔

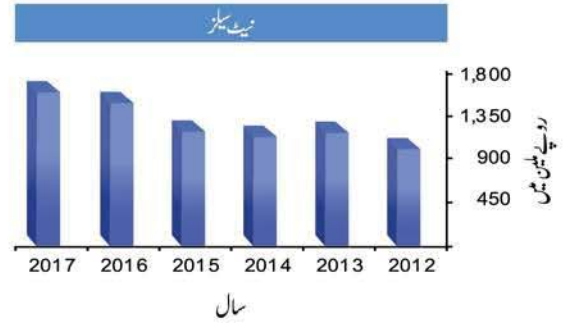
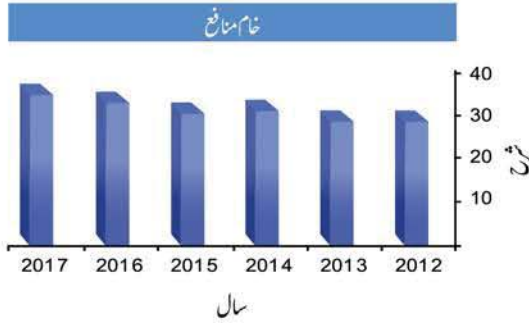
2- مارکیٹنگ کے شعبے میں برانڈ کو بنانے اور طلب پیدا کرنے کے حوالے سے وسیع پیمانے پر سرمایہ کاری کی جائے۔

بینجمنٹ کو یقین ہے کہ یہ حکمت عملیاں کامیاب ثابت ہوں گی اور شیلڈ کی لیڈرشپ پوزیشن کو کسی بھی چیلنج کا سامنا نہیں کرنا پڑیگا۔

## ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

شیڈ کا رپورٹیشن لمیٹڈ کے ڈائریکٹرز 30 جون، 2017ء 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 کے حوالے سے شیڈ کی مینجمنٹ کی مسلسل کوششوں کا ایک سرسری جائزہ ہے۔

مالیاتی اعداد و شمار کا خلاصہ	2016 (روپے)	2017 (روپے)
سیلز	1,548,321,733	1,662,086,046
بعد از ٹیکس منافع	46,843,061	48,612,977
سابقہ غیر استعمال شدہ منافع	178,271,340	202,651,550
استعمال کے لیے دستیاب منافع	222,151,550	248,810,363
کارکردگی کے اہم اعداد و شمار		
خام منافع کی شرح (%)	32.72	34.44
فی شیئر بنیادی آمدنی (روپے)	12.01	12.46



### جائزہ

سیاسی محاذ پر غیر یقینی صورت حال کی وجہ سے 2016-17 بدستور ایک چیلنجنگ سال رہا، معیشت کی غیر مستحکم صورت حال برقرار رہی اور ملکی برآمدات کی کارکردگی بھی متاثر کن نہیں رہی۔

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 1.66 بلین روپے کی سیلز کا ہدف حاصل کیا ہے جو کہ گذشتہ سال کے مقابلے میں 7.35% زیادہ ہے۔

2- سپلائرز اور وینڈرز کے ساتھ مذاکرات کی وجہ سے خام منافع میں بہتری واقع ہوئی۔

3- کمپنی نے اپنے موجودہ دفاتر فروخت کر کے نیا دفتر خریدا ہے۔ جس کے نتیجے میں قدر میں کمی، انشورنس اور یٹیلیٹی کے اخراجات میں اضافہ ہوا۔ مزید یہ کہ کمپنی پر فیشنل اسٹاف کی تقرری کی مد میں تسلسل کے ساتھ

اخراجات کر رہی ہے نتیجتاً ایڈمن، سیلنگ اور ڈسٹری بیوشن کے اخراجات میں 14.8% اضافہ ہوا ہے۔ خاص طور پر دفاتر کی فروخت کے باعث کمپنی کی دیگر آمدنی میں 20.85 بلین روپے اضافہ ہوا۔

4- کمپنی کی فی شیئر آمدنی (گذشتہ سال) کے 12.01 سے بڑھ کر سال 2016-17 میں 12.46 روپے ہو گئی۔

5- بورڈ آف ڈائریکٹرز نے موجودہ مالی سال کے لیے شیئر ہولڈرز کی جانب سے سالانہ اجلاس عام میں منظوری کیلئے 50% ڈویڈنڈ یعنی 5 روپے فی شیئر تجویز کیا ہے۔

## چیئر مین کی جائزہ رپورٹ

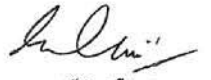
میرے لیے کمپنیز ایکٹ 2017 کی شق 192 کے تحت چیئر مین کی جائزہ رپورٹ پیش کرنا باعث مسرت ہے۔

شیلڈ کا پوریشن لمیٹڈ کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ کوڈ آف کارپوریٹ گورننس کے تحت کیا گیا ہے۔ اس جائزے کا مقصد اس امر کو یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور افادیت کو کمپنی کے مختص کردہ مقاصد کے تناظر میں پرکھا جاسکے۔

مالی سال برائے 30 جون، 2017 کے لیے بورڈ کی مجموعی کارکردگی اور افادیت اطمینان بخش قرار پائی ہے۔ مجموعی جائزے کا اطمینان بخش ہونا ضروری اجزاء کے انفرادی جائزے پر منحصر ہے جن میں دورانہدیشی، نصب العین اور اقدار، حکمت عملی کے بنانے میں کردار، پالیسی کی تشکیل، کمپنی میں جاری کاروباری سرگرمیوں کی نگرانی، مالیاتی وسائل کے انتظام کی نگرانی، موثر مالی نگرانی، بورڈ کے کاروبار کو پورا کرنے میں ملازمین کے ساتھ منصفانہ سلوک اور بورڈ کی سرگرمیوں کو موثر انداز سے پورا کرنا شامل ہیں۔ بہتری ایک مستقل جاری رہنے والا عمل ہے جس کی مدد سے عملی منصوبہ بندیوں کو ممکن بنایا جاتا ہے۔

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کو اور اس کی کمیٹی کی ملاقاتوں میں ایجنڈا مع دیگر ضروری دستاویزات قبل از وقت موصول ہوئے۔ بورڈ ضروری سرگرمیوں اور ذمہ داریوں کو موثر طریقے سے انجام دینے کے لیے باقاعدگی سے ملاقات کرتا ہے۔ نان ایگزیکٹو اور آزاد ڈائریکٹرز بھی اہم فیصلوں میں برابری کی بنیاد پر شامل ہوتے ہیں۔

میں اپنے ساتھی ڈائریکٹرز کا شکر گزار ہوں جنہوں نے اپنی ذمہ داریاں جانفشانی سے سرانجام دی ہیں۔

  
ابراہیم قاسم  
چیئر مین








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