



1st QUARTER REPORT
2018-19

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



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COMPANY INFORMATION

Board of Directors

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

Audit Committee

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

Human Resource & Remuneration Committee

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

Risk Management Committee

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

Company Secretary & CFO

Mr. M. Zaid Kaliya

Head of Internal Audit

Mr. M. Shakeel Dhanani

Legal Advisors

M/s. Lubna Pervez & Associates

External Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Internal Auditors

A.F. Ferguson & Co.
Chartered Accountants

Bankers

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

Registrar & Share Registration Office

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

Registered Office

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

Factory

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

Email & URL

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

DIRECTORS' REVIEW

On behalf of the Board of Directors, it is our pleasure to present the un-audited financial statements for the period ended 30 September 2018.

Financial Summary

Operating Results	Sep-18	Sep-17	Increase / (Decrease)
	(Rupees)	(Rupees)	
Gross Sales	440,491,735	377,385,347	16.72%
Net Sales	393,057,012	353,136,160	11.30%
Gross Profit	133,198,803	123,757,567	7.63%
Gross Profit %	33.89%	35.05%	(116 bps)
Selling and Distribution Expenses	87,044,655	85,759,147	1.50%
Administrative Expenses	16,424,513	17,430,806	(5.77%)
Operating Profit	28,593,126	19,710,531	45.07%
Profit After Tax	16,362,622	7,986,217	104.89%
Earnings per Share	4.20	2.05	104.89%

The economy remained volatile during the quarter. The State Bank of Pakistan increased bank rate by 15.38%. Despite of these challenges, the Company performance is satisfactory. Net Sales for the three months recorded an increase of 11.30% over the same period last year, from Rs. 353 million to Rs. 393 million. The Gross Profit of the Company declined by 116 bps. The Selling and distribution expenses increased by Rs. 1.23 million whereas there was a decrease in Administrative expenses by Rs. 1.01 million. The Finance cost of the Company increased by Rs. 3.03 million due to increase in bank rates and increase in utilization of Running Musharakah line. The Earnings per share increased to Rs. 4.20 per share from Rs. 2.05 per share of last year.

Your management is doing its best to achieve current year targets and sustainable growth in sales by execution of aggressive and focused advertisement and promotion plans in next quarters.

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

On behalf of the Board



M. Haroon Qassim
Chief Executive



Wali Muhammad A. Habib
Director

Karachi: 30 October 2018

ڈائریکٹرز کا جائزہ

ہم بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2018 کو ختم ہونے والی مدت کے غیر آڈٹ شدہ اکاؤنٹس کی تفصیلات پیش کرنے میں خوشی محسوس کر رہے ہیں۔

سرمائے کا خلاصہ

اضافہ / (کمی)	2017 (روپے)	2018 (روپے)	کاروباری نتائج
16.72%	377,385,347	440,491,735	مجموعی سیلز
11.30%	353,136,160	393,057,012	خالص سیلز
7.63%	123,757,567	133,198,803	مجموعی منافع
(116 bps)	35.05%	33.89%	مجموعی منافع فیصد میں
1.50%	85,759,147	87,044,655	فروخت اور تقسیم کے اخراجات
(5.77%)	17,430,806	16,424,513	انتظامی اخراجات
45.07%	19,710,531	28,593,126	عملیاتی منافع
104.89%	7,986,217	16,362,622	بعد از ٹیکس منافع
104.89%	2.05	4.20	فی شیئر آمدنی

موجودہ سال کی پہلی سہ ماہی میں معیشت بدستور غیر مستحکم رہی۔ اسٹیٹ بینک آف پاکستان نے بینک کی شرح میں 15.38% کا اضافہ کیا۔ ان مشکلات کے باوجود، کمپنی کی کارکردگی تسلی بخش رہی۔ گزشتہ سال کی پہلی سہ ماہی کے مقابلے میں موجودہ سال کی پہلی سہ ماہی کی خالص سیلز میں 11.30% کا اضافہ ریکارڈ کیا گیا جو 353 ملین روپے سے بڑھ کر 393 ملین روپے تک پہنچ گئی۔ کمپنی کے مجموعی منافع میں 116 بیسس پوائنٹس کی کمی واقع ہوئی۔ فروخت اور تقسیم کے اخراجات میں 1.23 ملین روپے کا اضافہ ہوا جبکہ انتظامی اخراجات میں 1.01 ملین روپے سے کمی واقع ہوئی۔ کمپنی کے مالی اخراجات میں 3.03 ملین روپے کا اضافہ ہوا جسکی وجہ بینک کی شرح میں اضافہ اور مشارکہ جاریہ کے استعمال میں اضافہ ہے۔ فی شیئر آمدنی 2.05 روپے سے بڑھ کر 4.20 روپے ہوگئی۔

آپ کی انتظامیہ موجودہ سال کے اہداف اور سیلز میں پائیدار اضافہ کیلئے اپنی بہترین کوششیں کر رہی ہے جس کے لیے اگلی سہ ماہیوں میں تشہیر اور پروموشنز کے منظم منصوبوں پر جارحانہ انداز میں عمل درآمد کیا جائے گا۔

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

بورڈ آف ڈائریکٹرز کی طرف سے

ولید
ولی محمد اے حبیب
ڈائریکٹر


Ullas
ایم بارون قاسم
چیف ایگزیکٹو

کراچی: 30 اکتوبر 2018


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

		(Un-Audited) 30 September 2018	(Audited) 30 June 2018
	Note	(Rupees)	
ASSETS			
Non-current assets			
Property, plant and equipment	6	443,636,286	441,122,786
Intangible assets		25,000	33,334
Long term deposits		4,811,390	4,811,390
Long term loans and advances		-	12,887
		<u>448,472,676</u>	<u>445,980,397</u>
Current assets			
Stores and spares		16,121,174	16,130,493
Stock-in-trade	7	329,537,414	251,156,278
Trade debtors	8	35,996,331	49,187,628
Loans and advances		10,127,304	10,573,209
Trade deposits and prepayments	9	28,766,917	43,358,383
Taxation - net		53,574,124	33,201,277
Cash and bank balances	10	1,898,119	1,257,178
		<u>476,021,383</u>	<u>404,864,446</u>
Total assets		<u><u>924,494,059</u></u>	<u><u>850,844,843</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Capital			
15,000,000 (30 June 2018: 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid-up capital			
3,900,000 ordinary shares of Rs. 10/- each		39,000,000	39,000,000
Capital reserve		10,000,000	10,000,000
Revenue reserves		368,576,418	352,213,796
Total Shareholder's equity		<u>417,576,418</u>	<u>401,213,796</u>
Non-current liabilities			
Deferred taxation		34,159,660	32,783,652
Long term financing - secured	11	59,587,839	55,000,000
		<u>93,747,499</u>	<u>87,783,652</u>
Current liabilities			
Trade and other payables	12	151,241,953	113,943,844
Accrued profit		5,057,578	3,304,180
Current portion of long term financing	11	29,205,600	22,000,000
Short term bank finances - secured	13	226,773,792	221,708,152
Unpaid dividend		204,944	204,944
Unclaimed dividend		686,275	686,275
		<u>413,170,142</u>	<u>361,847,395</u>
Total liabilities		<u>506,917,641</u>	<u>449,631,047</u>
Contingencies and Commitments	14	-	-
Total equity and liabilities		<u><u>924,494,059</u></u>	<u><u>850,844,843</u></u>

The annexed notes from 1 to 23 form an integral part of these financial statements.


M. Haroon Qassim
Chief Executive


Vali Muhammad A. Habib
Director


M. Zaid Kaliya
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (Unaudited)
FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

	Note	Three months period ended	
		September, 2018	September, 2017
		(Rupees)	
Sales - net	15	393,057,012	353,136,160
Cost of sales		(259,858,209)	(229,378,593)
Gross profit		133,198,803	123,757,567
Selling and distribution expenses		(87,044,655)	(85,759,147)
Administrative and general expenses		(16,424,513)	(17,430,806)
Other operating expenses		(1,730,113)	(1,286,124)
		(105,199,281)	(104,476,077)
Other operating income		27,999,522	19,281,490
		593,604	429,041
Operating profit before finance costs		28,593,126	19,710,531
Finance costs	16	(7,051,477)	(4,019,628)
Profit before taxation		21,541,649	15,690,903
Taxation		(5,179,027)	(7,704,686)
Profit for the period		16,362,622	7,986,217
Other comprehensive income		-	-
Total comprehensive income for the period		16,362,622	7,986,217
Earnings per share - basic and diluted	17	4.20	2.05

The annexed notes from 1 to 23 form an integral part of these financial statements.



M. Haroon Qassim
Chief Executive



Vali Muhammad A. Habib
Director



M. Zaid Kaliya
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited) FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserves		Total
		Share Premium	General	Unappropriated Profit	
----- (Rupees) -----					
Balance as at 30 June 2017	39,000,000	10,000,000	55,000,000	248,810,363	352,810,363
Total comprehensive income for the period ended 30 September 2017					
Profit for the period	-	-	-	7,986,217	7,986,217
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	7,986,217	7,986,217
Balance as at 30 September 2017	39,000,000	10,000,000	55,000,000	256,796,580	360,796,580
Balance as at 30 June 2018	39,000,000	10,000,000	55,000,000	297,213,796	401,213,796
Total comprehensive income for the period ended 30 September 2018					
Profit for the period	-	-	-	16,362,622	16,362,622
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	16,362,622	16,362,622
Balance as at 30 September 2018	39,000,000	10,000,000	55,000,000	313,576,418	417,576,418

The annexed notes from 1 to 23 form an integral part of these financial statements.



M. Haroon Qassim
Chief Executive



Vali Muhammad A. Habib
Director



M. Zaid Kaliya
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited) FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	Note	Three months period ended	
		September, 2018	September, 2017
		(Rupees)	
Cash flows from operating activities			
Cash flow from operations	18	35,179,537	32,328,756
Payment for gratuity		(10,669,400)	(7,501,121)
Long term loans and advances		12,887	35,816
Finance costs paid		(5,298,079)	(3,901,304)
Income tax paid		(24,175,866)	(12,785,278)
Net cash generated from operating activities		(4,950,921)	8,176,869
Cash flows from investing activities			
Fixed capital expenditure including capital work in progress		(11,273,217)	(8,618,697)
Sales proceeds from disposal of property, plant and equipment		6,000	12,809
Net cash (used in) investing activities		(11,267,217)	(8,605,888)
Cash flows from financing activities			
Long term financing - diminishing musharakah payments		(5,500,000)	(7,140,246)
Long term financing - diminishing musharakah receipts		17,293,439	-
Proceeds from murabaha finance obtained - net		(5,493,785)	(36,011,291)
Net cash (used in) / generated from financing activities		6,299,654	(43,151,537)
Net (decrease) / increase in cash and cash equivalents		(9,918,484)	(43,580,556)
Cash and cash equivalents at the beginning of the period		(87,404,691)	(55,152,253)
Cash and cash equivalents at the end of the period	19	(97,323,175)	(98,732,809)

The annexed notes from 1 to 23 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 CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited) FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER, 2018

1 THE COMPANY AND ITS OPERATIONS

Shield Corporation Limited (the Company) was incorporated on 10 January 1975 as a public limited company in Pakistan under the Companies Act, 1913 (now Companies Act, 2017) and is quoted on Pakistan Stock Exchange. The registered office of the company is situated at 37-G, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi. The Company is Shariah Compliant Company and listed on Islamic Index.

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

2 BASIS OF PREPARATION

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

2.2 This condensed interim financial statements does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Company as at and for the year ended 30 June 2018. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2.3 This condensed interim financial statements is presented in Pakistan Rupees which is also the Company's functional currency.

2.4 This condensed interim financial statements is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

3 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements are same as those applied in the preparation of annual financial statements of the Company as at and for the year ended 30 June 2018.

4 NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS OF IFRSs

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

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations there to will be effective for accounting periods beginning on or after 1 July 2018 and are not likely to have an impact on the Company's financial statements.

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2.
- Transfers of Investment Property Amendments to IAS 40 'Investment Property'.
- Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'].
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'.
- IFRIC 23 'Uncertainty over Income Tax Treatments'.
- IFRS 15 'Revenue from contracts with customers'.
- IFRS 9 'Financial Instruments'.
- IFRS 16 'Leases'.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures'.
- Amendments to IAS 19 'Employee Benefits'.

- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards, these amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on the company's financial statements.

- IFRS 3 'Business Combinations' and IFRS 11 'Joint Arrangement'.
- IAS 12 'Income Taxes'.
- IAS 23 'Borrowing Costs'.

5 USE OF ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2018.

	Note	Unaudited 30 September 2018	Audited 30 June 2018
		(Rupees)	
6 PROPERTY, PLANT & EQUIPMENT			
Operating fixed assets	6.1	440,001,001	438,700,283
Capital work in progress	6.2	3,635,285	2,422,503
		<u>443,636,286</u>	<u>441,122,786</u>

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

	Unaudited 30 September 2018		Unaudited 30 September 2017	
	Addition (at cost)	Disposals (at net book value)	Addition (at cost)	Disposals (at net book value)
	(Rupees)			
Plant & machinery	6,799,166	-	8,048,612	-
Furniture & fixtures	3,230,268	-	-	-
Office equipments	31,000	14,283	240,260	103,410
Computer equipments	-	13,262	130,000	16,597
	<u>10,060,434</u>	<u>27,545</u>	<u>8,418,872</u>	<u>120,007</u>

6.2 Capital work in progress

Additions in Capital work-in-progress (net of transfers) during the period amounted to Rs. 3.64 million (2017: Rs. 4.23 million).

	Unaudited 30 September 2018	Audited 30 June 2018
	(Rupees)	
7 STOCK-IN-TRADE		
Manufacturing:		
Raw and packing materials		
- in hand	107,368,402	147,487,967
- in transit	33,172,265	-
Work-in-process	23,315,724	12,282,326
Finished goods	69,972,903	32,384,370
Trading:		
- in hand	53,723,193	56,243,103
- in transit	41,984,927	2,758,512
	<u>329,537,414</u>	<u>251,156,278</u>

8 TRADE DEBTORS - UNSECURED, CONSIDERED GOOD

Trade debts include Rs. 0.24 million (30 June 2018: 13.42 million) due from related parties.

	Note	Unaudited 30 September 2018	Audited 30 June 2018
		(Rupees)	
9 TRADE DEPOSITS AND PREPAYMENTS			
LC margin		25,133,388	42,353,570
Security deposits		848,997	693,997
Prepayments		2,784,532	310,816
		<u>28,766,917</u>	<u>43,358,383</u>
10 CASH AND BANK BALANCES			
Cash in hand			
Local currency		191,341	124,851
Foreign currency		372,375	309,875
		<u>563,716</u>	<u>434,726</u>
With banks - in current accounts		1,334,403	822,452
		<u>1,898,119</u>	<u>1,257,178</u>
10.1	This includes balances amounting to Rs. 0.17 million (30 June 2018: 0.37 million) with Shariah compliant banks.		
11 LONG TERM FINANCING - SECURED			
Diminishing musharakah arrangements			
	Installment payable	Repayment period	Profit rate
Bank Al-Habib Limited - Islamic banking	Quarterly	2017-21	0.50% above 6 months KIBOR
			11.1
			71,500,000
Meezan Bank Limited	Quarterly	2018-20	1% above 3 months KIBOR
			11.2
			17,293,439
			-
Less: Current portion shown under current liabilities			
Bank Al-Habib Limited - Islamic banking			11.1
			(22,000,000)
Meezan Bank Limited			11.2
			(7,205,600)
			(29,205,600)
			<u>59,587,839</u>
			<u>55,000,000</u>
11.1	Islamic finance under diminishing musharakah is secured by a mortgage of head office property.		
11.2	Islamic finance under diminishing musharakah is secured by a first exclusive charge over particular machinery of the company.		
12 TRADE AND OTHER PAYABLES			
Creditors		93,046,758	61,853,979
Accrued liabilities		51,835,476	24,868,111
Retention Money		24,382	24,382
Gratuity payable		-	10,669,400
Sales tax payable		2,042,184	8,637,788
Workers' welfare fund		1,993,562	1,447,505
Workers' profit participation fund		1,385,222	5,240,671
Advance from customers - unsecured		2,696	1,012,408
Others		911,673	189,600
		<u>151,241,953</u>	<u>113,943,844</u>

	Note	Unaudited 30 September 2018	Audited 30 June 2018
		(Rupees)	
13 SHORT TERM BANK FINANCES - SECURED			
Murabaha finance	13.1	127,552,499	133,046,283
Running Musharakah	13.2	99,221,293	88,661,869
		<u>226,773,792</u>	<u>221,708,152</u>
13.1	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. 300 million (30 June 2018: Rs. 250 million) at a profit rate ranging from relevant KIBOR + 0.30% to 0.50% (30 June 2018: KIBOR + 0.30% to 0.75%) per annum.		
13.2	This represent running musharakah obtained under profit arrangements and are secured against hypothecation of moveable fixed assets and hypothecation of current assets of the Company. The Company enjoys a total facility of Rs. 250 million (30 June 2018: Rs. 250 million) at a profit rate ranging from relevant KIBOR + 0.30% to 0.50% (30 June 2018: KIBOR + 0.30% to 0.50%) per annum.		

14 CONTINGENCIES AND COMMITMENTS

The status of contingencies as at 30 September 2018 is the same as reported in the annual financial statements for the year ended 30 June 2018.

14.1 Commitments

- 14.1.1** The Company has letter of credit commitments for purchases amounting to Rs. 111 million (30 June 2018: Rs. 72.22 million).
- 14.1.2** The Company has letter of credit and other commitments for capital expenditures amounting to Rs. 58 million (30 June 2018: Rs. 32.56 million).

	Unaudited Three months period ended	
	30 September 2018	30 September 2017
(Rupees)		
15 SALES - NET		
Sales - local	515,861,074	442,110,078
Sales tax	(75,369,339)	(64,724,731)
	440,491,735	377,385,347
Discounts	(49,286,029)	(24,326,519)
	391,205,706	353,058,828
Sales - export	1,851,306	77,332
	<u>393,057,012</u>	<u>353,136,160</u>
16 FINANCE COSTS		
Profit on short term borrowings - Shariah arrangements	4,142,943	2,026,345
Interest on WPPF	222,711	234,563
Rent on diminishing musharakah	2,523,554	1,650,455
Guarantee commission	11,519	-
Bank charges	150,750	108,265
	<u>7,051,477</u>	<u>4,019,628</u>

	Unaudited	
	Three months period ended	
	30 September 2018	30 September 2017
	(Rupees)	
17 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the period	16,362,622	7,986,217
	(Number of shares)	
Weighted average number of ordinary shares in issue during the period	3,900,000	3,900,000
	(Rupees)	
Earnings per share - basic and diluted	4.20	2.05
18 CASH FLOW FROM OPERATIONS		
Profit before taxation	21,541,649	15,690,903
Adjustments for:		
Depreciation	8,732,173	11,479,137
Amortization	8,333	8,333
Provision for gratuity	-	2,844,184
Loss / (gain) on disposal of property, plant and equipment	21,545	107,198
Finance costs	7,051,477	4,019,628
Changes in:		
- Stores and spares	9,319	(81,049)
- Stock-in-trade	(78,381,136)	(35,047,595)
- Trade debts	13,191,297	(1,328,506)
- Loans and advances	445,905	3,932,345
- Deposits and short term prepayments	14,591,466	(34,580,477)
- Trade and other payables	47,967,509	65,284,655
Cash flows from operations	35,179,537	32,328,756
19 CASH AND CASH EQUIVALENTS		
Running musharakah - secured	(99,221,294)	(100,107,865)
Cash and bank balances	1,898,119	1,375,056
	(97,323,175)	(98,732,809)
20 FINANCIAL RISK MANAGEMENT		

The Company's financial risk management objectives and policies are consistent with those disclosed in annual financial statements of the Company as at and the year ended 30 June 2018.

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

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

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

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

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

21 TRANSACTIONS WITH RELATED PARTIES

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

				Unaudited	
				Three months period ended	
				30 September	30 September
				2018	2017
				(Rupees)	
21.1	Transactions during the period:				
Name	Nature of relationship	Basis of relationship	Nature of transaction		
Premier Agencies	Associated undertaking	Common directorship	Sale of goods - net off discount of Rs. 44.83 million (2017: Rs. 21.85 million)	354,782,594	323,840,086
			Reimbursement of selling and distribution expenses	27,299,511	18,426,956
Memon Medical Institute	Associated undertaking	Common directorship	Sale of goods	145,413	118,689
Employees Provident Fund	Retirement benefit fund	Employees benefit fund	Contribution made	1,611,015	1,168,270
Key management personnel	Related parties	Executives	Remuneration and benefits	8,452,321	6,410,218

22 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial statements was authorized for issue in the Board of Directors meeting held on 30 October 2018.

23 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



SHIELD CORPORATION LTD.

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

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

Web: www.shield.com.pk Email: mail@shield.com.pk

 ShieldBabies |  Shieldmuskurahat