Shield

ANNUAL REPORT 2019

Connecting the Dots

What makes lasting relationships between consumers and Shield?

S

What cracks the code to complex marketing?

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What does it take to lead the market?

I

No matter how complex the problem,

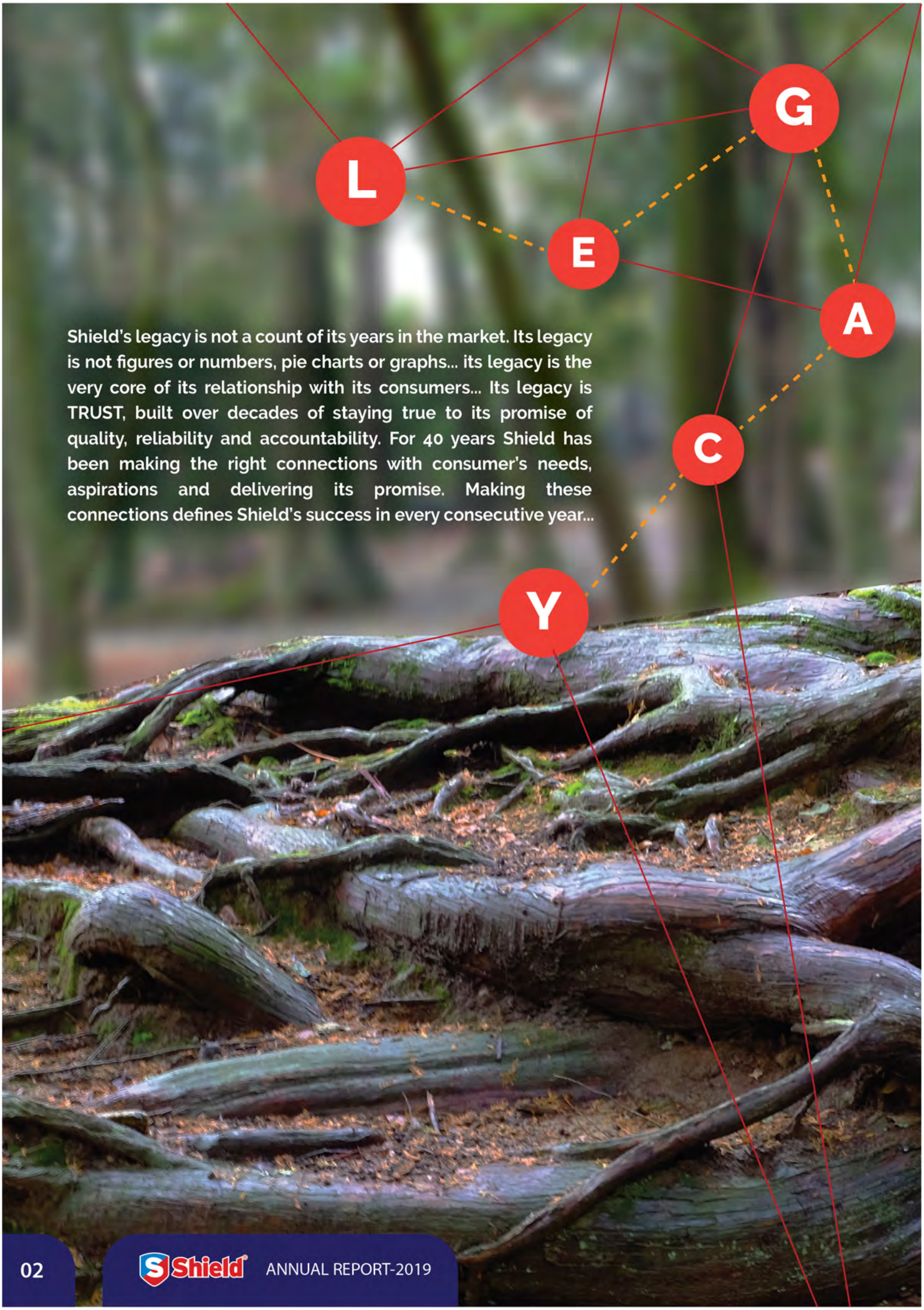
E

most often the solution is a simple connection.

L

Like joining the dots...

D



Shield's legacy is not a count of its years in the market. Its legacy is not figures or numbers, pie charts or graphs... its legacy is the very core of its relationship with its consumers... Its legacy is TRUST, built over decades of staying true to its promise of quality, reliability and accountability. For 40 years Shield has been making the right connections with consumer's needs, aspirations and delivering its promise. Making these connections defines Shield's success in every consecutive year...

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.

VALUES

Our core values help us to determine the right path and fulfill our goals by creating an unwavering guide.

People - Respect - Integrity
Achievement - Innovation
Team Work - Communication


W
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R
Shield
Lucky to LONDON
ہر ہفتے ایک خوش نصیب جیتے لندن کا ٹکٹ
اور ہر روز ایک سونے کا بسکٹ

2019 was the year of lucky winners! From weekly air tickets to London, to daily gold coins, participants bagged valuable gifts in Shield Baby Diapers 'Lucky to London' Consumer Promotion. The promotion created a hype amongst consumers and spiked sales marking another successful year for Shield Baby Diapers.

POPULAR

Limited edition Shield Champs Stationary Pouch was an instant hit with children. Packed with children's favourite toothbrushes the Stationary pouch was a gift of value and utility.


Shield
Champs
Hippo
HEALTHY TEETH
FREE STATIONERY POUCH

Shield's extensive oral care range covers the oral care needs of the entire family. Ranging from the Expert Care line to Family Care and Essential Care line, Shield toothbrushes for adults have specialized features for a wide range of oral care benefits.

Shield Champs is specially designed for our tiny tots and their little teeth. Packaged to match the colourful attractive toothbrushes, this is an eye-catching range.

ESSENTIAL CARE

SHIELD CHAMPS

EXPERT CARE

FAMILY CARE

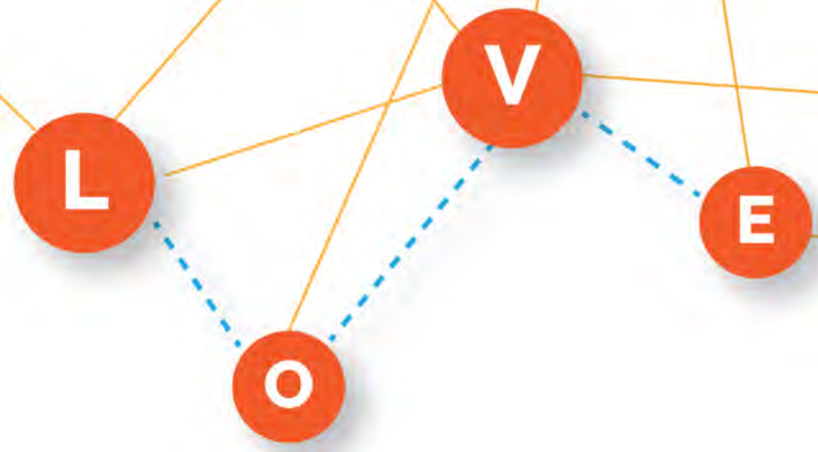
PROTECTION

مٹھاس سے ڈرنا کیسا

ہنسو... ذرا اور کھلکھلا کے

Made from natural ingredients, Shield's toothpastes carry therapeutic properties for prevention and remedy of a variety of oral ailments. Used with Shield's Toothbrushes, they are the best protection against many oral complications.

Yummy flavours of Shield Champs Toothpaste encourage children to brush regularly and independantly.

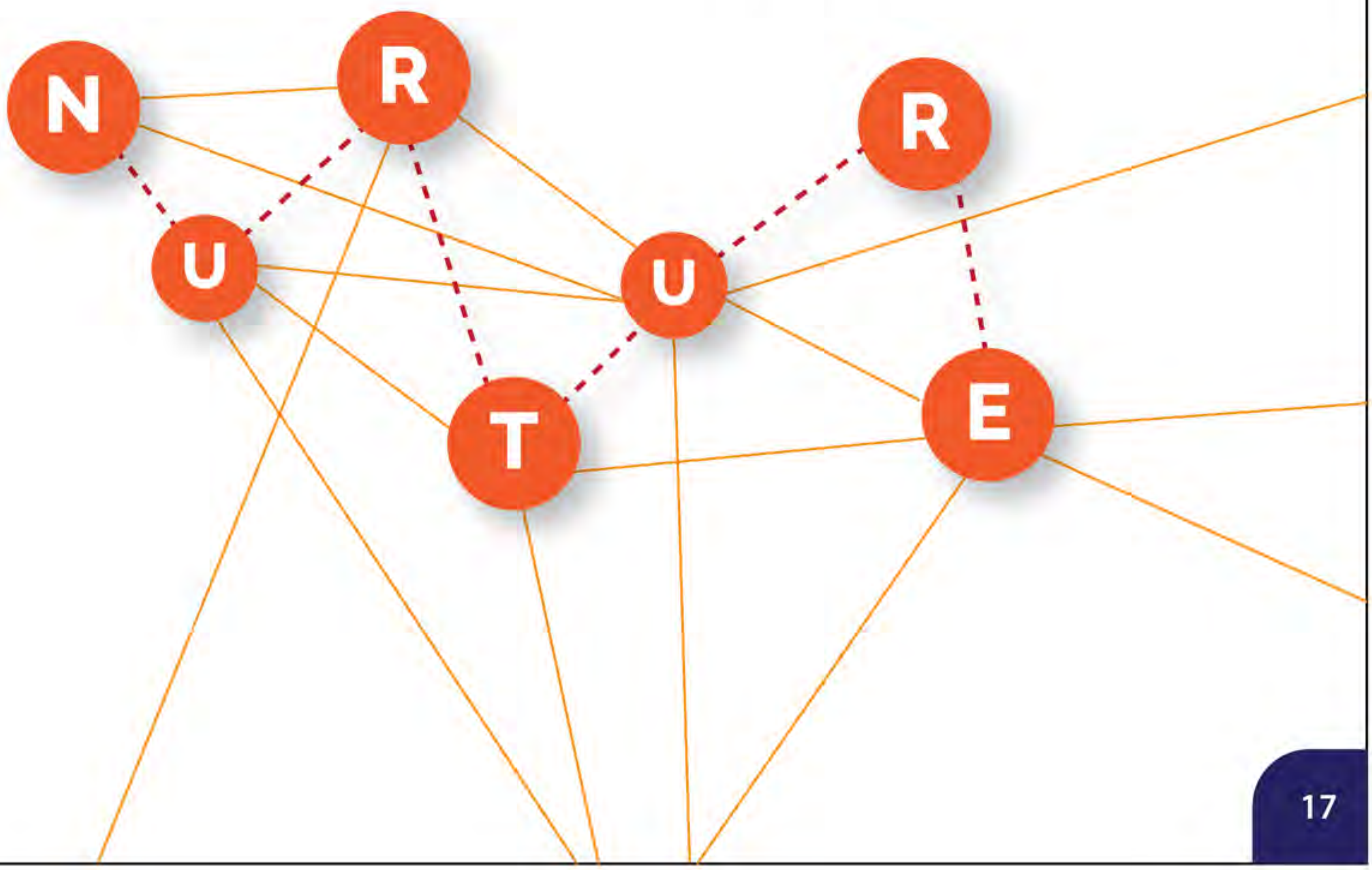


Our premium quality diapers ensure the best protection against leaks and rashes. The unique Wetness Indicator gives moms a signal when it's time to change the diaper. The super soft material and elastic leg cuffs provide comfort and protection.

ممتا کی زبان


Shield
NON-SPILL training cup
Silicone nipple
BPA FREE
BELL SHAPE feeding Bottle
for a better grip
SLIM GRIP feeding Bottle
for baby's care

Shield understands a mother's instinct to nurture her baby, and provides high quality feeding range with a variety of features. Shield Baby Feeders and Accessories have been trusted by mothers across Pakistan for decades.

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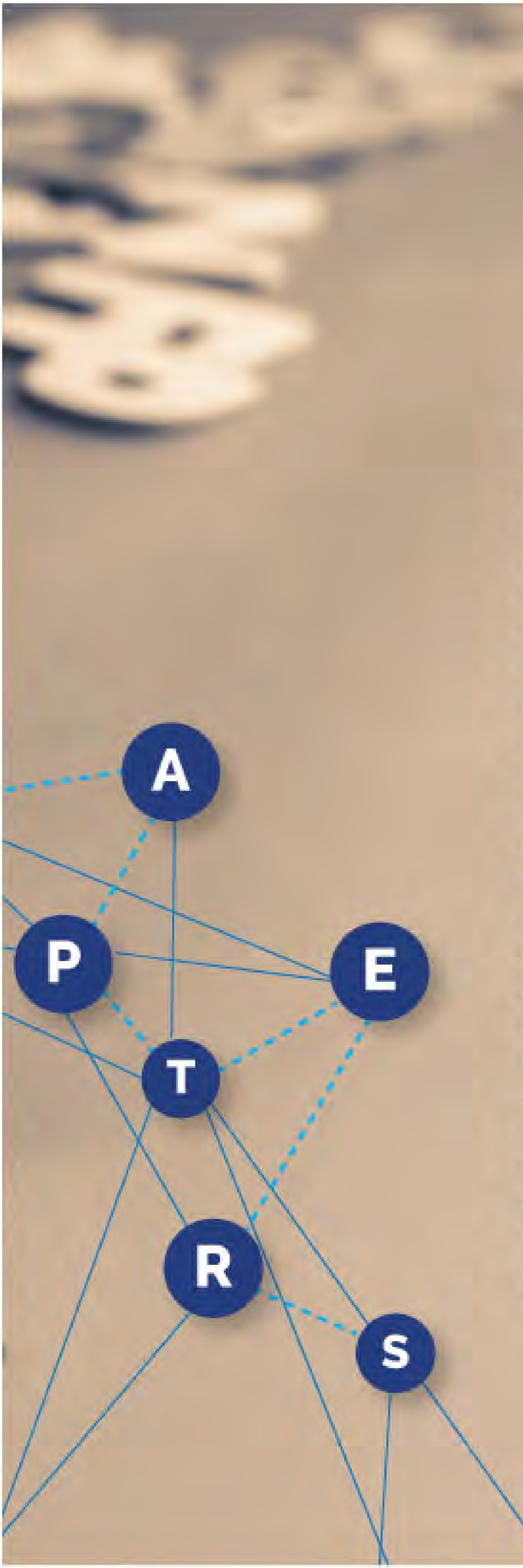

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COMPANY INFORMATION

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. Syed Imran Chishti	Chairman
Mr. Vali Muhammad A. Habib	Member
Mrs. Saadia Butt Naveed	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

Chief Financial Officer
Mr. M. Zaid Kaliya

Company Secretary
Mr. Abdul Samad Jangda

Head of Internal Audit
Mr. Yasir Yousuf Chhabra

Legal Advisors
Mr. Shafqat Zaman

External Auditors
KPMG Taseer Hadi & Co.
Chartered Accountants

Internal Auditors
Deloitte Yousuf Adil (w.e.f. 1 July 2019)
Chartered Accountants

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

Registrar & Share Registration Office
CDC Share Registrar Services Limited
CDC House, 99-B, S.M.C.H.S,
Main Shahrah-e-Faisal,
Karachi

Registered Office
Office 1007, Business Avenue,
Block 6, P.E.C.H.S., Shahrah-e-Faisal,
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 this review as required under section 192 of the Companies Act, 2017

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

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of your company has been carried out 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, 2019, overall performance and effectiveness of the Board, its members and its committees has been satisfactory. The assessment is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business and its committees. Improvement is an ongoing process leading to action plans.

For the financial year ended June 30, 2019, overall performance and effectiveness of the Board, its members and its committees has been satisfactory. The assessment is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business and its committees. Improvement is an ongoing process leading to action plans.

The Board of Directors of your Company received agendas and supporting written material including follow up materials 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. All of the directors are compliant with Director's Training Program (DTP) as required by Securities and Exchange Commission of Pakistan (SECP).

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

Ebrahim Qassim
Chairman

Dated: 03 October 2019

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 30 June 2019. The report intends to provide a quick look at Shield's management constant endeavor to maximize shareholders' value.

Financial summary

Operating Results	**2019 (Rupees)**	**2018 (Rupees)**	**Increase / (Decrease)**
Gross Sales	1,983,112,535	1,824,690,091	8.68%
Net Sales	1,778,794,872	1,678,897,969	5.95%
Gross Profit	556,737,043	611,481,320	(8.95%)
Gross Profit %	31.30%	36.42%	(512 bps)
Selling and Distribution Expenses	338,493,789	418,214,780	(19.06%)
Administrative Expenses	65,532,759	60,753,032	7.87%
Finance Costs	41,594,682	18,714,378	122.26%
Profit Before Tax	85,618,758	98,125,235	(12.75%)
Profit After Tax	24,329,724	67,903,433	(64.17%)
Earnings per Share	6.24	17.41	(64.17%)

Overview

The year 2018-19 remained a challenging year for the country. Uncertainty prevailed on economic front due to various reasons like changes in fiscal budget presented twice presented during the year, Stock market registered annual negative returns and KSE 100 index decreased from 41,911 to 33,774. Inflation rate increased from 4.5% to 14.8% and Pakistani Rupee devalued at Rs. 163 from Rs. 122 against US Dollar. Despite all these distractions, challenges & difficulties;

1. The Company achieved a gross sales of Rs. 1.98 billion in the financial year, with a growth of 8.68% over the last year. Responding to the market dynamics, the company has increased the quantum of additional discounts to trade in order to retain and increase the market share. As a result, the company achieved a net sales of Rs. 1.77 billion (in the financial year), with a growth of 5.95% over the last year.

2. Gross margin declined by 5.12% mainly due to Rupee devaluation, increase in imported raw material prices, increased custom duties and change in sales mix of the Company.

3. The Company has spent Rs. 22.57 million and Rs 57.14 million lesser as compared to the last year on Selling & distribution expenses and Advertisement respectively. The focus was on trade marketing in form of discounts which are deducted from gross sales.

4. Finance cost of the Company has increased by Rs. 22.88 million due to the increase in utilization of short term financing facilities and massive increase in Bank rate by 88.46% during the year. Loss on foreign exchange increased by Rs. 10.91 million as compared to last year.

5. The Company recorded profit before tax of Rs. 85.62 million for the year 2018-19. Income tax increased by Rs. 31.07 million. Hence, post tax earnings per share decreased to Rs. 6.24 per share from Rs. 17.41 per share of last year due to factors mentioned above.

6. The Board of Directors propose 12.5% final cash dividend i.e. Rs. 1.25 per share, amounting to Rs. 4.88 million for this financial year to be approved by the shareholders at the Annual General Meeting. The undistributed profit for the year of Rs. 19.45 million will add on in the revenue reserves of the Company.

Our Business Diversity

Shield Corporation Limited was established in 1975 and over the last 44 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 Care Range

Shield continues its legacy as a dominant player in the baby care category. Our success is built on our commitment to high quality, value for money and varied product range in the Baby Care category, which is why, more mothers place their trust in Shield than in any other Baby Care brand in Pakistan. New product development was the focus this year and the baby feeding range added a new 'Glass Feeder' with a very successful pilot launch in Karachi, Lahore and Islamabad as well as the New Born Gift Set. With the increase in demand of colored feeder Shield introduced a new range of Opaque feeders which were highly appreciated by the customers.

Shield has a comprehensive range of baby care accessories including soothers, teethers, training cups to help mothers with the various needs of the child. Shield ensures safe products for the baby's early development through ensuring food grade material usage in product range and compliance of halal standards.

Shield diapers has been the fastest growing product as a result of marketing activities run throughout the year. Shield, being the pioneer in Baby Care category, launched for the first time a consumer promotion which was never done before in the Diaper category. "Shield Lucky to London" was launched nationwide with the objective to increase the top line of Shield Baby Diaper and penetrate in the market.

Oral Care

Shield remains a key player in the Toothbrush category owing to its high brand awareness and depth of its product portfolio. Packaging for the entire range has been revamped giving it a new look and feel. The portfolio has been divided into four categories namely Champs, Essential Care, Family Care and Expert Care thus giving it a special focus. Moreover, Shield launched Mr. Tooth & Falcon toothbrushes in new hanger packaging to increase reach and trade visibility in retail channel nationwide.

Shield toothpastes are offered in two different categories which are Adult Range & Kids Range. Adult toothpastes are 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 Kids toothpastes are available in three distinct flavors namely Strawberry, Bubble Gum and Orange. With increasing awareness and growing focus on oral health of children, we foresee that this segment will continue growing over time.

Management Objectives / Strategies / Threats and Opportunities

Keeping in view growing demand of digital media, like previous year we have aggressive plans for next year to further engage online customers by different activities. To retain leadership position, focus for this year is aggressive innovation and new product development.

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 2019 was Say Ahh (Act on Mouth Health). This was the 10th consecutive year where Shield sponsored the mega event in collaboration with Dental News.

Through this activity, Shield conducted Free Dental Checkups in 48 dental colleges in 16 cities. Free samples of Shield oral care products were also given to the visitors. The event was promoted through Digital advertising and was well appreciated by the audience

Corporate Social responsibility

The management at Shield firmly believes in doing business with a purpose. Shield always seeks opportunities to add value to the lives of the people. The Company made donations amounting to Rs. 0.44 million for education and social welfare projects. Shield is also supporting the education of the children with special needs as Shield believes in giving back to the society.

Corporate Vision & Mission

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

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. Significance of training can never be overstated & at Shield we take it very seriously. To that end, several in house and outsourced training programs were conducted.

Capital Expenditure

The Company has made an investment in property, plant & equipment including but not limited to the latest models of machines, moulds and utilities, amounting to Rs. 201 million in order to remain competitive, technically sound and to reduce reliance on imports. As explained earlier, to hold the leadership position it is imperative that we keep investing judiciously in latest technology to ensure long term competitiveness and product innovation. The Company also believes in human and environmental safety through continual improvement. The Company has been certified in ISO 9001:2015 and 14001:2004, the international standards for management system of management and environment.

Exports

This year exports declined to Rs. 5.30 million. In terms of exports, there is a lot to achieve. We are actively working in various markets, i.e. Afghanistan, EU and Africa where we are building our network with distributors in a bid to increase sales next year. We are confident that going forward we will increase our export base despite the tough challenges in global market.

Contribution to the National Exchequer

Your Company made a total contribution of Rs. 593 million to the National Exchequer on account of different government levies, including custom duty, regulatory duty, sales tax and income tax during the year 2018-19.

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.

Composition of the Board

The board consists of 6 male and 1 female directors with following composition:

Independent directors	2
Other non-executive directors	3
Executive directors	2
Total number of directors	**7**

Board Meetings

During the year seven (7) meetings of the Board of Directors were held. Attendance of each director is as follows:

Name of Directors	Meetings	
	Held	Attended
Mr. Ebrahim Qassim	7	6
Mr. M. Haroon Qassim	7	7
Mr. Vali Muhammad A. Habib	7	7
Mr. Pir Muhammad	7	7
Mrs. Saadia Butt Naveed	7	3
Mr. Syed Imran Chishti	7	2
Mr. Muhammad Salman Qassim	7	7

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

Remuneration Policy of Non-Executive Directors

The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company is determined by the Board from time to time.

Pattern of Shareholding

The pattern of shareholdings as on 30 June 2019 and its disclosure, as required by the Code of Corporate Governance is annexed with this report.

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

Audit Committee

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

- Determination of appropriate measures to safeguard the Company's assets;
- Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors.

- Review of preliminary announcements of results prior to external communication and publication;
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- Review of management letter issued by external auditors and management's response thereto;
- Ensuring coordination between the internal and external auditors of the Company;
- Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- Review of the Company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;
- Instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
- Determination of compliance with relevant statutory requirements;
- Monitoring compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017 and identification of significant violations thereof;
- Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- Recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
- Consideration of any other issue or matter as may be assigned by the board of directors.

Audit Committee Meetings

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

Name of Directors	Category	Meetings	
		Held	Attended
Mr. Pir Muhammad	Chairman	5	5
Mr. Vali Muhammad A. Habib	Member	5	5
Mr. Syed Imran Chishti	Member	5	3

Mr. Pir Muhammad has resigned from Audit Committee on 25 April 2019. Ms. Saadia Naveed has joined as the member of the Audit Committee and Mr. Imran Chisti became the chairman of the Audit Committee. The Audit Committee granted leave of absence to those members who could not attend the Audit Committee Meetings.

Human Resource & Remuneration Committee

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

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

Human Resource & Remuneration Committee Meetings

During the year, three (3) meetings of the Human Resource & Remuneration Committee were held to discuss and approve the matters falling under the terms of reference of the Committee. Attendance of each member is as follows:

Name	Category	Meetings	
		Held	Attended
Mr. Syed Imran Chishti	Chairman	3	1
Mr. M. Haroon Qassim	Member	3	3
Mr. Vali Muhammad A. Habib	Member	3	3

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

Risk Management Committee

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

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

Risk Management Committee Meetings

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

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

Risk Management

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

1. Strategic Risks

Risk	Mitigating Strategy
The Company may lose its market share of Baby Care products due to change in customer preferences.	The Company is investing in new technology to produce products which compliments customer preferences.
IT security risk.	IT controls and firewalls are in place to prevent unauthorized access to confidential / proprietary information. Regular system updates, IT audits and trainings are conducted to monitor and minimize the risk of breaches, errors or other irregularities.

2. Financial Risks

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

3. Commercial Risks

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

4. Operational risk

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

5. Compliance risk

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

Subsequent Events

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

External Auditors

M/s. KPMG Taseer Hadi & Co. Chartered Accountants, the auditors of the Company has retired. The Board of Directors based on recommendation of the Audit Committee considered and approved appointment of M/s. BDO Ebrahim & Co. Chartered Accountants, as auditors of the Company for the year ending 30 June 2020 on such terms and conditions and remuneration as to be decided.

Internal Auditors

The Internal Audit Function is outsourced to M/s. A.F. Fergusons & Co., Chartered Accountants and reports to Head of Internal Audit and the Boards' Audit Committee. It reviews the system of internal controls and conduct the internal audit process. The Board of Directors on recommendation of the Audit Committee has decided to appoint M/s. Deloitte Yousuf Adil Chartered Accountants as internal auditors for the year 2019-20.

Impact of Company Business on Environment

The Company is committed to reducing its impact on the environment through its compliance & surveillance of EMS ISO 14001. Each department has developed an environmental evaluation chart which covers following environmental aspects.

1. Pollution:

- We keep checks on air emission, liquid effluents, solid waste, noise and land decay. The annual audits are conducted from renowned labs for validation.
- Preventing pollution and reducing consumption of resources through waste management strategies that promote waste minimization re-use, recovery and recycling, as appropriate.

- All of our materials are either recycled at our factory or sold to outside vendors for recycling purpose. We don't dispose of any material.

2. Natural Resources.

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

3. Emergency Condition:

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

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

Related Party Transactions

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

Statement on Corporate and Financial Reporting Framework

Statement of Directors' Responsibilities

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

Future Outlook

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

There seems no respite from economic vows in short term. There will be more stringent policies coming in due to IMF extended fund arrangement. The tight budgetary measures have negative impacts on sales. The inflation, spike in bank rates, anticipated increase in regulatory/custom duty and resultant increase in commodity prices, abolishment of tax credits on investments in new plant and machinery are anticipated to build pressure on margins of the Company. On the other hand, there is tense situation at LOC due to adverse relations of Indo-Pak due to Indian unilateral actions of changing the status of occupied Kashmir. The Company plans to manage it with competitive pricing strategy, building on our distribution led competitive edge and investment in new technology to enhance the quality and consumer base.

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

Acknowledgement

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

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

On behalf of Board of Directors

M. Haroon Qassim	Vali Muhammad A. Habib
Chief Executive	Director

Karachi: 03 October 2019

KEY FINANCIAL DATA

SIX YEARS AT A GLANCE

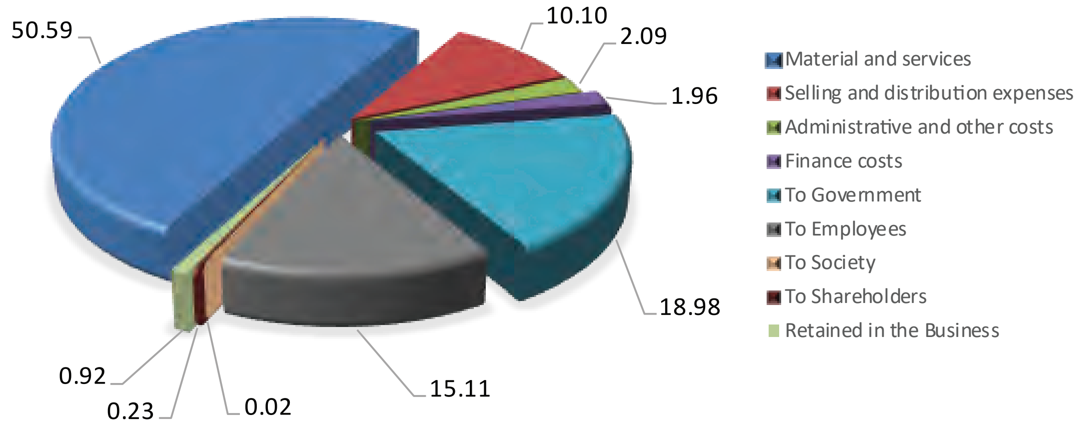
	2019	2018	2017	2016	2015	2014
	Rupees					
Balance Sheet						
Paid up capital	39,000,000	39,000,000	39,000,000	39,000,000	39,000,000	39,000,000
Reserves & un-appropriated profit	368,221,403	362,213,796	313,810,363	287,151,550	262,771,340	221,898,887
Shareholders equity	407,221,403	401,213,796	352,810,363	326,151,550	301,771,340	260,898,887
Non-current liabilities	143,837,534	87,783,652	158,763,249	81,256,965	133,645,829	173,414,761
Current liabilities	567,890,669	361,847,395	280,605,898	304,303,856	248,174,014	298,946,554
Total equity and liabilities	1,118,949,606	850,844,843	792,179,510	711,712,371	683,591,183	733,260,202
Non-current assets	616,677,147	445,980,397	448,958,966	362,438,408	359,184,840	368,867,966
Current assets	523,972,459	404,864,446	343,220,544	349,273,963	324,406,343	364,392,236
Total assets	1,140,649,606	850,844,843	792,179,510	711,712,371	683,591,183	733,260,202
Profit and Loss Account						
Sales - net	1,778,794,872	1,678,897,969	1,662,086,046	1,548,321,733	1,248,961,378	1,174,856,539
Cost of sales	1,222,057,829	1,067,416,649	1,088,656,983	1,041,712,545	870,750,560	809,115,849
Gross profit	556,737,043	611,481,320	573,429,063	506,609,188	378,210,818	365,740,690
Selling and distribution expenses	338,493,789	418,214,780	427,702,275	388,299,071	257,653,951	273,859,529
Administrative and general expenses	65,532,759	60,753,032	65,149,589	39,901,493	37,485,364	28,490,558
Impairment loss on trade receivables	1,544,424	284,573	-	-	-	-
Other operating expenses	26,001,455	17,302,986	6,455,334	5,081,446	5,244,569	3,187,096
Other operating income	2,048,824	1,913,664	22,972,424	2,119,332	1,751,491	1,742,636
Operating profit before finance costs	127,213,440	116,839,613	97,094,289	75,446,510	79,578,425	61,946,143
Finance costs	41,594,682	18,714,378	11,167,225	7,754,789	15,747,185	23,968,150
Profit before taxation	85,618,758	98,125,235	85,927,064	67,691,721	63,831,240	37,977,993
Taxation	61,289,034	30,221,802	37,314,087	20,848,660	16,181,426	14,815,428
Profit for the year	24,329,724	67,903,433	48,612,977	46,843,061	47,649,814	23,162,565

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:

	2019		2018	
	Rupees	%	Rupees	%
Revenue Generated				
Total revenue	2,120,457,132	100.00	1,994,317,572	100.00
Revenue Distributed				
Material and services	1,072,804,319	50.59	945,798,400	47.42
Selling and distribution expenses	214,117,570	10.10	266,252,491	13.35
Administrative and other costs	44,252,207	2.09	30,254,942	1.52
Finance costs	41,594,682	1.96	18,714,378	0.94
Income tax	61,289,034	2.89	30,221,802	1.52
Worker's welfare fund	1,657,618	0.08	1,447,505	0.07
Sales tax	339,613,436	16.01	313,505,939	15.72
To Government	402,560,088	18.98	345,175,246	17.31
Salaries, wages and other benefits	320,303,574	15.11	319,718,682	16.03
To Employees	320,303,574	15.11	319,718,682	16.03
Donations	440,000	0.02	500,000	0.03
To Society	440,000	0.02	500,000	0.03
Cash dividend *	4,875,000	0.23	13,650,000	0.68
To Shareholders	4,875,000	0.23	13,650,000	0.68
Retained in the Business	19,509,692	0.92	54,253,433	2.72
	2,120,457,132	100.00	1,994,317,572	100.00

* Represents final cash dividend @ Rs. 1.25 per share proposed by the Board of Directors subsequent to the year end.



VERTICAL ANALYSIS

Balance Sheet Analysis (%)	2019	2018	2017	2016	2015	2014
Non-current assets	54.06	52.42	56.67	50.92	52.54	50.31
Current assets	45.94	47.58	43.33	49.08	47.46	49.69
Total assets	100.00	100.00	100.00	100.00	100.00	100.00
Share capital and reserves	36.39	47.15	44.54	45.83	44.15	35.58
Non-current liabilities	12.85	10.32	20.04	11.42	19.55	23.65
Current liabilities	50.75	42.53	35.42	42.75	36.30	40.77
Total equity and liabilities	100.00	100.00	100.00	100.00	100.00	100.00

Profit and Loss Account Analysis (%)

	2019	2018	2017	2016	2015	2014
Net sales	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	68.70	63.58	65.50	67.28	69.72	68.87
Gross profit	31.30	36.42	34.50	32.72	30.28	31.13
Selling and distribution expenses	19.03	24.91	25.73	25.08	20.63	23.31
Administrative and general expenses	3.68	3.62	3.92	2.58	3.00	2.43
Impairment loss on trade receivables	0.09	0.02	-	-	-	-
Other operating expenses	1.46	1.03	0.39	0.33	0.42	0.27
Other operating income	0.12	0.11	1.38	0.14	0.14	0.15
Operating profit	7.15	6.96	5.84	4.87	6.37	5.27
Finance costs	2.34	1.11	0.67	0.50	1.26	2.04
Profit before taxation	4.81	5.84	5.17	4.37	5.11	3.23
Taxation	3.45	1.80	2.25	1.35	1.30	1.26
Profit after taxation	1.37	4.04	2.92	3.03	3.82	1.97

HORIZONTAL ANALYSIS

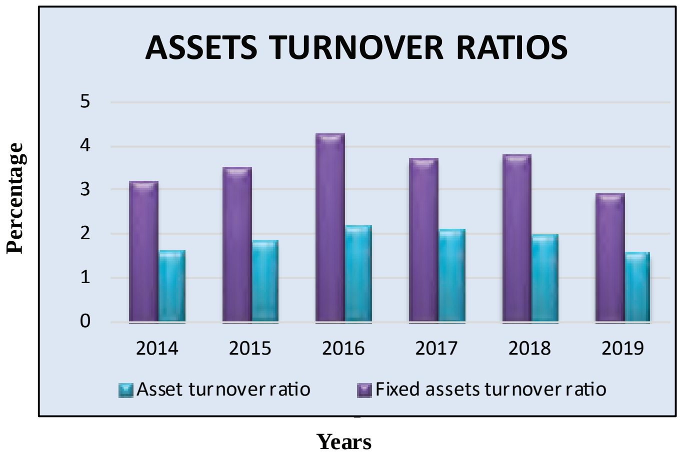
Balance Sheet Analysis (%)	Change from preceeding year					
	2019	2018	2017	2016	2015	2014
Non-current assets	38.27	(0.66)	23.87	0.91	(2.63)	4.39
Current assets	29.42	17.96	(1.73)	7.67	(10.97)	6.76
Total assets	34.06	7.41	11.31	4.11	(6.77)	5.55
Share capital and reserves	1.50	13.72	8.17	8.08	15.67	6.18
Non-current liabilities	63.85	(44.71)	95.38	(39.20)	(22.93)	2.36
Current liabilities	56.94	28.95	(7.79)	22.62	(16.98)	6.92
Total equity and liabilities	31.51	7.41	11.31	4.11	(6.77)	5.55

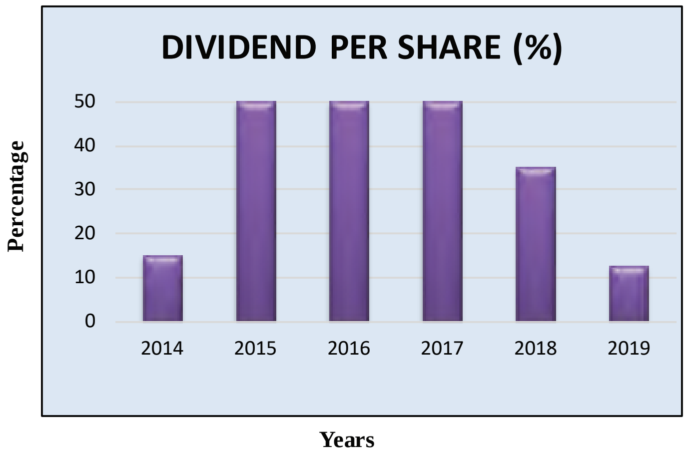
Profit and Loss Account Analysis (%)

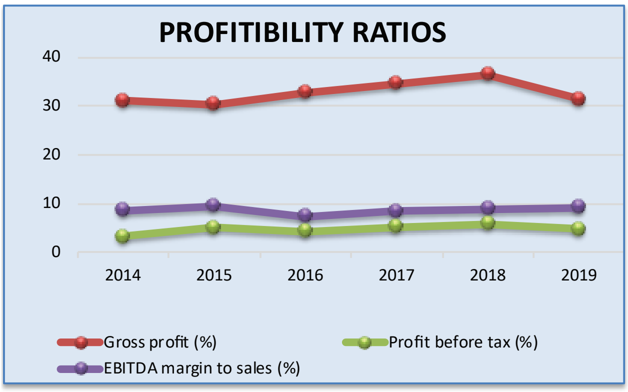
	2019	2018	2017	2016	2015	2014
Net sales	5.95	1.01	7.35	23.97	6.31	(3.62)
Cost of sales	14.49	(1.95)	4.51	19.63	7.62	(7.05)
Gross profit	(8.95)	6.64	13.19	33.95	3.41	4.95
Selling and distribution expenses	(19.06)	(2.22)	10.15	50.71	(5.92)	5.41
Administrative and general expenses	7.87	(6.75)	63.28	6.45	31.57	22.68
Impairment loss on trade receivables	442.72	100.00	-	-	-	-
Other operating expenses	50.27	168.04	27.04	(3.11)	64.56	(1.21)
Other operating income	7.06	(91.67)	983.95	21.00	0.51	(27.66)
Operating profit	8.88	20.34	28.69	(5.19)	28.46	(4.17)
Finance costs	122.26	67.58	44.00	(50.75)	(34.30)	23.47
Profit before taxation	(12.75)	14.20	26.94	6.05	68.07	(16.03)
Taxation	102.80	(19.01)	78.98	28.84	9.22	157.57
Profit after taxation	(64.17)	39.68	3.78	(1.69)	105.72	(41.32)

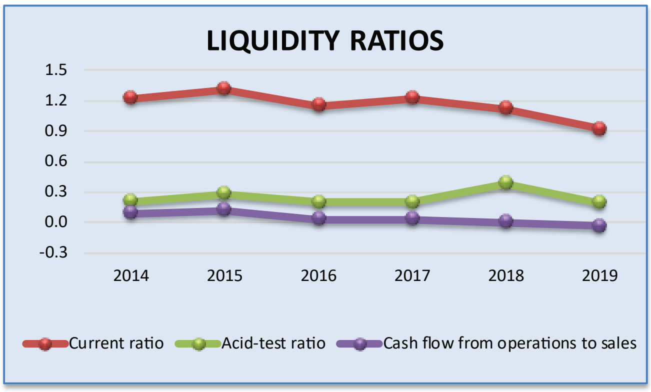
OPERATING & FINANCIAL HIGHLIGHTS

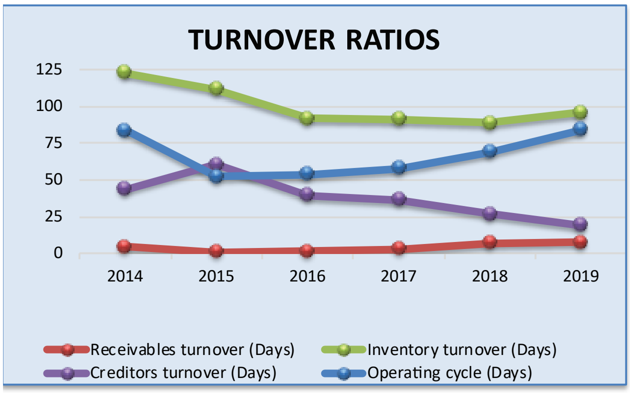
	2019	2018	2017	2016	2015	2014
Profitability Ratios						
Gross profit (%)	31.30	36.42	34.50	32.72	30.28	31.13
Net profit (%)	1.37	4.04	2.92	3.03	3.82	1.97
Profit before tax (%)	4.81	5.84	5.17	4.37	5.11	3.23
EBITDA margin to sales (%)	9.25	8.89	8.48	7.31	9.44	8.57
Operating leverage ratio (Times)	1.49	20.11	3.91	(0.22)	4.51	1.15
Return on capital employed (%)	24.32	25.61	22.59	23.02	25.02	17.42
Liquidity Ratios						
Current ratio	0.92	1.12	1.22	1.15	1.31	1.22
Acid-test ratio	0.19	0.38	0.20	0.20	0.28	0.21
Cash to current liabilities	0.27	0.35	0.39	0.34	0.30	0.34
Cash flow from operations to sales	(0.04)	0.00	0.03	0.03	0.12	0.09
Activity / Turnover Ratios						
Asset turnover ratio	1.56	1.97	2.10	2.18	1.83	1.60
Fixed assets turnover ratio	2.88	3.76	3.70	4.27	3.48	3.19
Receivables turnover (Days)	7.40	7.08	2.93	1.74	0.85	4.53
Inventory turnover (Days)	96.10	89.09	91.33	91.73	111.72	123.13
Creditors turnover (Days)	19.08	27.02	36.43	39.81	60.22	43.62
Operating cycle (Days)	84.42	69.15	57.83	53.66	52.35	84.04
Receivables turnover (Times)	49.30	51.53	124.61	210.40	443.80	83.12
Inventory turnover (Times)	3.80	4.10	4.00	3.99	3.27	2.96
Creditors turnover (Times)	19.13	13.51	10.02	9.19	6.06	8.37
Investment/Market Ratios						
Earning per share (Rs.)	6.24	17.41	12.46	12.01	12.22	5.94
Price earnings ratio	30.97	14.36	50.94	49.87	20.09	51.07
Price to book ratio	1.76	2.43	7.02	7.16	3.17	4.53
Dividend yield ratio	0.65	1.40	0.79	0.83	2.04	0.49
Dividend payout ratio	0.20	0.20	0.40	0.42	0.41	0.25
Dividend cover ratio	4.99	4.97	2.49	2.40	2.44	3.96
Dividend per share (%)	12.50	35.00	50.00	50.00	50.00	15.00
Book value per share (Rs.)	109.98	102.88	90.46	83.63	77.38	66.90
Market value per share - year end - (Rs.)	193.25	250.00	635.00	599.00	245.50	303.33
Capital Structure Ratios						
Debt/Equity ratio (%)	35.32	21.88	45.00	24.91	44.29	66.47
Financial leverage ratio	1.32	0.74	0.70	0.50	0.38	0.74
Interest cover ratio	3.06	6.24	8.69	9.73	5.05	2.58
Return on shareholders' equity (%)	5.97	16.92	13.78	14.36	15.79	8.88

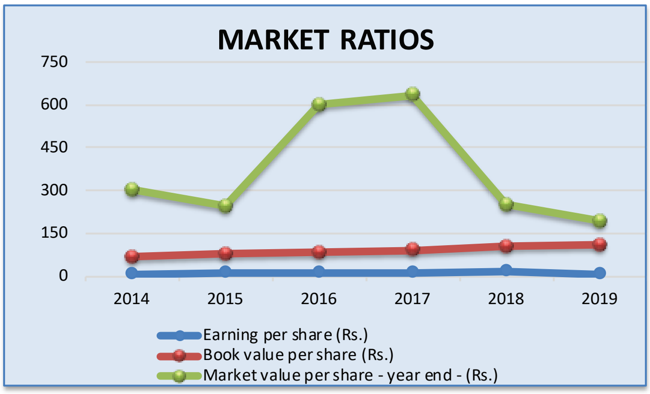


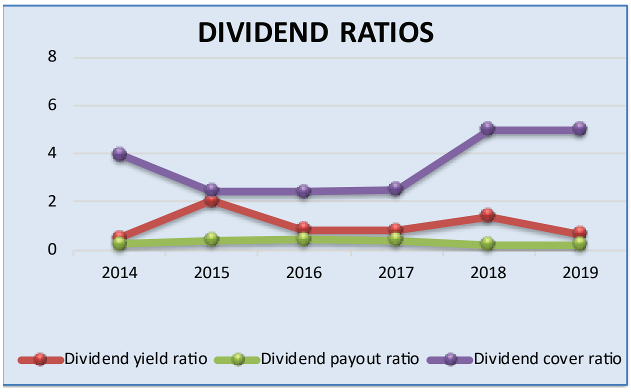


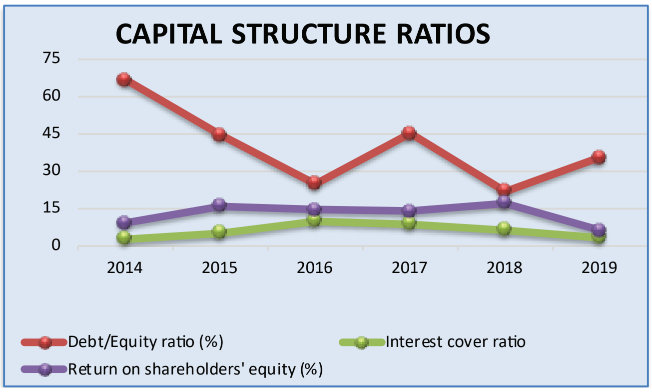

PROFITIBILITY RATIOS
40
30
20
10
0
2014
2015
2016
2017
2018
2019
Gross profit (%)
Profit before tax (%)
EBITDA margin to sales (%)


LIQUIDITY RATIOS
1.5
1.2
0.9
0.6
0.3
0.0
-0.3
2014
2015
2016
2017
2018
2019
Current ratio
Acid-test ratio
Cash flow from operations to sales


TURNOVER RATIOS
125
100
75
50
25
0
2014
2015
2016
2017
2018
2019
Receivables turnover (Days)
Inventory turnover (Days)
Creditors turnover (Days)
Operating cycle (Days)


MARKET RATIOS
750
600
450
300
150
0
2014
2015
2016
2017
2018
2019
Earning per share (Rs.)
Book value per share (Rs.)
Market value per share - year end - (Rs.)


DIVIDEND RATIOS
8
6
4
2
0
2014
2015
2016
2017
2018
2019
Dividend yield ratio
Dividend payout ratio
Dividend cover ratio


CAPITAL STRUCTURE RATIOS
75
60
45
30
15
0
2014
2015
2016
2017
2018
2019
Debt/Equity ratio (%)
Interest cover ratio
Return on shareholders' equity (%)

PATTERN OF SHAREHOLDING

Held by the shareholders as on 30 June 2019

Number of Shareholders	Shareholding		Total Shares Held
	From	To	
211	1	100	7,083
103	101	500	30,514
23	501	1,000	17,384
29	1,001	5,000	58,277
7	5,001	85,000	207,780
3	300,001	350,000	972,648
3	410,001	470,000	1,291,649
2	550,001	760,000	1,314,665
381			3,900,000

Categories of Shareholders	No of Shares Held	%
Directors, Chief Executive Officer and their Spouses	2,903,864	74.46
Associated Companies, undertakings and related parties	-	-
Executives	-	-
Public Sector Companies and Corporations	-	-
Banks, development finance institutions, non-banking finance companies	-	-
Insurance companies, takaful, modarabas and pension funds	-	-
Mutual Funds	-	-
Shareholders holding 10% & more	2,606,314	66.83
General Public		
a. Local	993,825	25.48
b. Foreign	-	-
Others	2,311	0.06

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

DETAILS OF PATTERN OF SHAREHOLDING

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

Financial Calender

The Company follows the period of July 01 to June 30 as the financial year
For the financial year 2019-20, financial results will be announced as per the following tentative schedule.

Un-Audited Financial Results for First Quarter	Last week of October, 2019
Reviewed Half yearly Financial Results	Third week of February, 2020
Un-Audited Financial Results for Third Quarter	Third week of April, 2020
Audited Annual Results for the year ended 30 June 2020	Second week of September, 2020

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

FOR THE YEAR ENDED 30 JUNE 2019

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

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

a) Male: 6
b) Female: 1

2. The composition of Board is as follows:

a) Independent Directors:
Mr. Pir Muhammad
Mr. Syed Imran Chishti

b) Other Non-executive Directors:
Mr. Ebrahim Qassim
Mr. Vali Muhammad A. Habib
Mrs. Saadia Butt Naveed

c) Executive Directors
Mr. M. Haroon Qassim
Mr. Muhammad Salman Qassim

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. All directors of the Company are compliant with the requirement of the Regulation related to Directors' Training Program. The Board ensures arrangement of orientation course for its directors to apprise them of their duties and responsibilities at the beginning of their term. No training session for directors was held during the year.

10. The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remunerations and terms and conditions of employment and complied with relevant requirements of the Regulations. During the year, the Company Secretary has resigned for which the Board has approved the appointment of new Company Secretary including his remunerations and terms and conditions of employment. During the year, the Head of Internal Audit has resigned for which the Board has approved the appointment of new Head of Internal Audit including his remunerations and terms and conditions of employment.

11. CFO and Chief Executive Officer (CEO) duly endorsed the financial statements before approval of the Board.

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

Audit Committee:
Mr. Syed Imran Chishti – Chairman
Mr. Vali Muhammad A. Habib
Mrs. Saadia Butt Naveed

HR and Remuneration Committee:
Mr. Syed Imran Chishti – Chairman
Mr. M. Haroon Qassim
Mr. Vali Muhammad A. Habib

Risk Management Committee:
Mr. M. Haroon Qassim – Chairman
Mr. Vali Muhammad A. Habib
Mr. Pir Muhammad

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

14. During the financial year ended 30 June 2019, the frequency of meetings of the committees were as per following:

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

15. The Board has outsourced the internal audit function to M/s. A.F. Fergusons & Co., Chartered Accountants who are considered suitably qualified and experienced for the purpose. For the year 2019-20, the internal audit function has been outsourced to M/s. Deloitte Yousuf Adil Chartered Accountants who are considered suitably qualified and experienced for the purpose.

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

17. The Company continued to presented the details of all related party transactions as disclosed in the financial statements before the Board Audit Committee and upon their recommendation to the Board for review and approval. The Company also has in place a process to identify the related parties and related transactions entered into with them. However, full compliance of the requirements as laid down in Section 208 of the Companies Act, 2017 is dependent on clarification from SECP with respect to definition of related parties.

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

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

M. Haroon Qassim
Chief Executive Officer

Vali Muhammad A. Habib
Director

Karachi: 03 October 2019

KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants
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Karachi 75530 Pakistan
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INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Shield Corporation Limited

Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("the Regulations") prepared by the Board of Directors of **Shield Corporation Limited** ("the Company") for the year ended 30 June 2019 to comply with the requirements of regulation 40 of the Regulations.

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

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

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

KPMG Taseer Hadi & Co.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2019.

Karachi

Date: 04 October 2019

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants
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+92 (21) 35685847, Fax +92 (21) 35685095

INDEPENDENT AUDITORS' REPORT

To the members of Shield Corporation Limited

Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of Shield Corporation Limited (the Company), which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter:

S.No.	Key audit matter	How the matter was addressed in our audit
1.	**Revenue Recognition**	
	Refer notes 4.12, 11, 25 and 41 to the financial statements. The Company generates revenue from sale of goods mainly to domestic customers through a related party distributor. We identified revenue recognition as key audit matter because of the potential risk that revenue transactions may not be recognized in the appropriate accounting period.	Our audit procedures in relation to recognition of revenue, amongst others, included the following: • obtaining an understanding of and testing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period; • assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting and reporting standards as applicable in Pakistan; • comparing, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; and • inspecting, on a sample basis, credit notes issued to record discounts on sales before and after the reporting date with underlying documentation to assess whether discounts have been recognized in the appropriate accounting period.

2	**Capitalization of Property, Plant and Equipment** Refer notes 4.1,5, and 5.1 to the financial statements. The Company has made significant capital expenditure amounting to Rs 209.400 million during the year. We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on result for the year.	Our audit procedures in respect of capitalizations of property, plant and equipment, amongst others, included the following: • understanding the design and implementation of management controls over capitalization and performing tests of control over authorization of capital expenditure and accuracy of its recording in the system; • testing, on sample basis, the costs of capital expenditure with supporting documentation and contracts; • assessing the nature of costs incurred for the capital expenditure through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the accounting policy and applicable accounting standards; and • inspecting supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the useful life assigned by management including testing the calculation of related depreciation.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Company's Annual Report 2019, but does not include the financial statements and our auditors' report thereon.

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

KPMG Taseer Hadi & Co.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 4 October 2019

Karachi.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 (Rupees)	2018 (Rupees)
ASSETS			
Non-current assets			
Property, plant and equipment	5	607,865,757	441,122,786
Intangible assets	6	-	33,334
Long term deposits		4,811,390	4,811,390
Investment in equity accounted investee	7	4,000,000	-
Long term loans and advances	8	-	12,887
		616,677,147	445,980,397
Current assets			
Stores and spares	9	23,141,602	16,130,493
Stock-in-trade	10	392,317,143	251,156,278
Trade receivables	11	22,974,273	49,187,628
Loans and advances	12	2,796,152	10,573,209
Trade deposits, prepayments and other receivables	13	14,482,717	43,358,383
Taxation - net	14	66,716,590	33,201,277
Cash and bank balances	15	1,543,982	1,257,178
		523,972,459	404,864,446
Total assets		1,140,649,606	850,844,843
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Capital			
15,000,000 (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	16	39,000,000	39,000,000
Loan from a director	17	21,700,000	-
Capital reserve	18	10,000,000	10,000,000
Revenue reserves		358,221,403	352,213,796
Total Shareholder's equity		428,921,403	401,213,796
Non-current liabilities			
Deferred taxation	19	49,575,079	32,783,652
Long term financing - secured	20	94,262,455	55,000,000
		143,837,534	87,783,652
Current liabilities			
Trade and other payables	21	81,356,129	113,943,844
Accrued profit	22	13,112,552	3,304,180
Current portion of long term financing	20	91,497,270	22,000,000
Short term borrowings - secured	23	380,917,201	221,708,152
Unpaid dividend		321,227	204,944
Unclaimed dividend		686,290	686,275
		567,890,669	361,847,395
Total liabilities		711,728,203	449,631,047
Contingencies and Commitments	24	-	-
Total equity and liabilities		1,140,649,606	850,844,843

The annexed notes from 1 to 47 form an integral part of these financial statements.

M. Haroon Qassim	Vali Muhammad A. Habib	M. Zaid Kaliya
Chief Executive	Director	Chief Financial Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 (Rupees)	2018 (Rupees)
Sales - net	25	1,778,794,872	1,678,897,969
Cost of sales	26	(1,222,057,829)	(1,067,416,649)
Gross profit		556,737,043	611,481,320
Selling and distribution expenses	27	(338,493,789)	(418,214,780)
Administrative and general expenses	28	(65,532,759)	(60,753,032)
Impairment loss on trade receivables	11	(1,544,424)	(284,573)
Other operating expenses	29	(26,001,455)	(17,302,986)
		(431,572,427)	(496,555,371)
		125,164,616	114,925,949
Other operating income	30	2,048,824	1,913,664
Operating profit before finance costs		127,213,440	116,839,613
Finance costs	31	(41,594,682)	(18,714,378)
Profit before taxation		85,618,758	98,125,235
Taxation	32	(61,289,034)	(30,221,802)
Profit for the year		24,329,724	67,903,433
Other comprehensive income		-	-
Total comprehensive income for the year		24,329,724	67,903,433
Earnings per share - basic and diluted	33	6.24	17.41

The annexed notes from 1 to 47 form an integral part of these financial statements.

M. Haroon Qassim	Vali Muhammad A. Habib	M. Zaid Kaliya
Chief Executive	Director	Chief Financial Officer

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 (Rupees)	2018 (Rupees)
Cash flows from operating activities			
Cash flow from operations	34	57,414,071	117,782,875
Payment for gratuity	21	(10,669,400)	(53,143,637)
Payment for long term deposits		-	(288,890)
Loan to employees -net		(26,217)	83,758
Finance costs paid		(31,786,310)	(17,146,425)
Income tax paid		(78,012,920)	(40,445,962)
Net cash (used in) / from operating activities		(63,080,776)	6,841,719
Cash flows from investing activities			
Fixed capital expenditure including capital work in progress		(209,400,060)	(41,368,231)
Investment in equity accounted investee	7	(4,000,000)	-
Sales proceeds from disposal of property, plant and equipment	5.4	415,329	3,253,934
Net cash (used in) investing activities		(212,984,731)	(38,114,297)
Cash flows from financing activities	34.1		
Long term financing diminishing musharakah - net		108,759,725	(23,640,246)
Loan proceeds from a director		21,700,000	-
Short term murabaha - net		60,866,536	42,347,543
Dividend paid		(13,533,702)	(19,339,738)
Net cash from / (used in) financing activities		177,792,559	(632,441)
Net (decrease) in cash and cash equivalents		(98,272,948)	(31,905,019)
Cash and cash equivalents at the beginning of the year		(87,404,691)	(55,152,253)
Effect of movements in exchange rates on cash held		217,239	(347,419)
Cash and cash equivalents at end of the year	35	(185,460,400)	(87,404,691)

The annexed notes from 1 to 47 form an integral part of these financial statements.

M. Haroon Qassim	Vali Muhammad A. Habib	M. Zaid Kaliya
Chief Executive	Director	Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Issued, subscribed and paid-up capital	Loan from a director	Capital reserve	Revenue reserves		Total
			Share premium	General	Unappropriated profit	
Note	16	17	18			
	----- (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 year ended 30 June 2018						
Profit for the year	-	-	-	-	67,903,433	67,903,433
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	67,903,433	67,903,433
Transactions with owners						
Dividend for the year 30 June 2017 - Final - @ Rs. 5 per share	-	-	-	-	(19,500,000)	(19,500,000)
Balance as at 30 June 2018	**39,000,000**	**-**	**10,000,000**	**55,000,000**	**297,213,796**	**401,213,796**
Adjustment on initial application of IFRS 9, net of tax	-	-	-	-	(4,672,117)	(4,672,117)
Adjusted balance as at 01 July 2018	**39,000,000**	**-**	**10,000,000**	**55,000,000**	**292,541,679**	**396,541,679**
Total comprehensive income for the year ended 30 June 2019						
Profit for the year	-	-	-	-	24,329,724	24,329,724
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	24,329,724	24,329,724
Loan received during the year	-	21,700,000	-	-	-	21,700,000
Transactions with owners						
Dividend for the year 30 June 2018 - Final - @ Rs. 3.5 per share	-	-	-	-	(13,650,000)	(13,650,000)
Balance as at 30 June 2019	**39,000,000**	**21,700,000**	**10,000,000**	**55,000,000**	**303,221,403**	**428,921,403**

The annexed notes from 1 to 47 form an integral part of these financial statements.

M. Haroon Qassim	Vali Muhammad A. Habib	M. Zaid Kaliya
Chief Executive	Director	Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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. Subsequent to the year end registered office of the Company was changed to office No. 1007, 10th Floor, Business Avenue, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi.

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 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as 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 IFRS Standards or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

- Property, plant and equipment (refer note 4.1)
- Stores and spares and stock-in-trade (refer note 4.3 and 4.4)
- Investments in associate (refer note 4.8)
- Taxation (refer note 4.10)
- Impairment (refer note 4.7.1.7)
- Provisions (refer note 4.13)

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2019:

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on the Company's financial statements.

- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. Based on initial assessment the management considers that there will be no potential impact on the adoption of this standard.

- Amendment to IFRS 9 'Financial Instruments' – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 January 2019). For a debt instrument to be eligible for measurement at amortised cost or FVOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion – i.e. the cash flows are 'solely payments of principal and interest'. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on the Company's financial statements.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on the Company's financial statements.

- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on the Company's financial statements.

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this that the overall impact on standard setting may take some time to crystallise. The Company may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, the Company should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

- Annual Improvements to IFRS Standards 2015 - 2017 Cycle - the improvements address amendments to following approved accounting standards:

  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a entity increases its interest in a joint operation that meets the definition of a business. A entity remeasures its previously held interest in a joint operation when it obtains control of the business. A entity does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

  - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

- IAS 23 Borrowing Costs - the amendment clarifies that a entity treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

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

3 CHANGES IN ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented except for the change in accounting policies as stated below. A number of other new standards are effective from 1 July 2018 but they do not have a material effect on the Company's financial statements.

The Company has adopted IFRS 15 ‘Revenue from Contracts with Customers’ and IFRS 9 ‘Financial Instruments’ from 01 July 2018 which are effective for annual periods beginning on or after 01 July 2018 and for reporting period / year ending on or after 30 June 2019 respectively. The Company has also adopted consequential amendments to IAS 1 and IFRS 7 as a result of adoption of IFRS 9.

The key changes to the Company's accounting policies resulting from adoption of IFRS 15 and IFRS 9 are summarized below:

3.1 IFRS 15 ‘Revenue from Contracts with Customers’

On 28 May 2014, the International Accounting Standards Board ("IASB") issued International Financial Reporting Standards ("IFRS") 15 "Revenue From Contracts with Customers" which provides a unified five-step model for determining the timing, measurement and recognition of revenue. The focus of the new standard is to recognize revenue as performance obligations are made rather than based on the transfer of risk and rewards. IFRS 15 includes a comprehensive set of disclosure requirements including qualitative and quantitative information about contracts with customers to understand the nature, amount, timing and uncertainty of revenue. The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and the number of revenue related interpretations.

The Company is engaged in manufacturing, trading and sales of oral care and baby care products to customers which generally include single performance obligation. Management has concluded that revenue from sale of goods be recognised at the point in time when control of the asset is transferred to the customer, which is when the goods are dispatched to the customer. Invoices are generated and revenue is recognised at that point in time, as the risks of loss have been transferred to the customers. The above is generally consistent with the timing and amounts of revenue the Company recognised in accordance with the previous standard, IAS 18. Accordingly, there is no impact on comparative information.

3.2 IFRS 9 'Financial Instruments'

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements', which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss. Previously, the Company's approach was to include the impairment of trade receivables in other operating expenses. Consequently, the Company reclassified impairment losses amounting to Rs. 0.285 million, recognised under IAS 39, from 'other operating expenses' to 'impairment loss on trade receivables' in the statement of profit or loss for the year ended 30 June 2018. Additionally, the Company has adopted consequential amendments to IFRS 7 'Financial Instruments: Disclosures' that are applied to disclosures for the year ended 30 June 2019 but have not been generally applied to comparative information.

The key changes to the Company’s accounting policies resulting from its adoption of IFRS 9 are summarised below:

i. Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities therefore, its adoption did not have a significant effect on the Company’s accounting policies related to financial liabilities.

For an explanation of how the Company classifies financial assets under IFRS 9, see note 4.7.1 to the financial statements.

ii. Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized. The Company has classified its financial assets as measured at amortized cost. IFRS 9 has scoped out impairment for financial assets measured at 'fair value through profit or loss' where as for financial assets measured at amortized cost there are impairment requirements.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. Impairment losses related to trade and other receivables are presented separately in the statement of profit or loss. Trade receivables are written off when there is no reasonable expectation of recovery. Management used actual credit loss experience over past years to base the calculation of ECL on adoption of IFRS 9.

For assets in the scope of IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of IFRS 9's impairment requirements at 1 July 2018 results in an additional allowance for impairment as follows :

	Rupees
Loss allowances at 30 June 2018 under IAS 39	
Trade receivables	284,573
Additional impairment recognized 1 July 2018 on trade receivables as at 30 June 2018 (Rs. 4,672,117 net of tax)*	6,086,404
Loss allowances at 1 July 2018 under IFRS 9	6,370,977

* Deferred tax assets of Rs. 1.414 million was recognized in respect of additional impairment recognized at 1 July 2018 on trade receivables as at 30 June 2018. Resultantly, deferred tax liability decreased from Rs. 32.784 million as at 30 June 2018 to Rs. 31.370 million as at 1 July 2018.

iii. Change in classification of financial assets and financial liabilities on the date of initial application of IFRS 9

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 July 2018.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 01 July 2018 relates solely to the new impairment requirements.

	Note	Orignal classification under IAS 39	New classification under IFRS 9	Orignal Carrying Amount	Remeasuremnet	New Carrying Amount
					(Rupees)	
Financial Assets						
Long / short term deposits	(a)	Loans and receivables	Amortized cost	5,505,387	-	5,505,387
Long term loans	(a)	Loans and receivables	Amortized cost	167,555	-	167,555
Trade receivables	(a)	Loans and receivables	Amortized cost	49,187,628	(6,370,977)	42,816,651
Cash and bank balances	(a)	Loans and receivables	Amortized cost	1,257,178	-	1,257,178
				56,117,748	**(6,370,977)**	**49,746,771**
Financial liabilities						
Long term finance - secured		Amortised cost	Amortised cost	77,000,000	-	77,000,000
Trade and other payables		Amortised cost	Amortised cost	97,605,472	-	97,605,472
Accrued markup		Amortised cost	Amortised cost	3,304,180	-	3,304,180
Short term borrowings - secured		Amortised cost	Amortised cost	221,708,152	-	221,708,152
				399,617,804	**-**	**399,617,804**

(a) These financial assets were originally classified as loan and receivables under IAS 39 and are now classified as measured at amortized cost under IFRS 9.

Transition

The Company has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Therefore, differences in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in unappropriated profit as at 01 July 2018. Accordingly, the information presented for 2018 does not generally reflect the requirements of IFRS 9, but rather those of IAS 39.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise (refer note 3).

4.1 Property, plant and equipment

Operating fixed assets

Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably.

Recognition of the cost in the carrying amount of an item of property, plant and equipment ceases when the items are in the location and condition necessary for it to be capable of operating in the manner intended by the management.

Measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment includes:

(a) its purchase price including import duties, non refundable purchase taxes after deducting trade discounts and rebates;

(b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management; and

(c) borrowing costs, if any.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent cost

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

Depreciation

Depreciation is charged to income on a diminishing balance method at the rates mentioned in the note 5.1 except for lease hold land which is depreciated on a straight line basis. Depreciation is charged from the date the asset is put into operation and discontinued from the date the asset is retired.

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

Capital work in progress

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

Disposal

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

4.2 Intangible assets

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

Subsequent expenditure

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

Amortization

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

4.3 Stores and spares

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

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

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

4.4 Stock in trade

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

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

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

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

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

4.5 Impairment of non-financial assets

The carrying amounts of the Company's non financial assets, other than deferred tax assets and inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value of use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

4.6 Assets held under ijarah financing

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

4.7 Financial instruments

4.7.1 Financial assets

4.7.1.1 Classification

4.7.1.1.1 Policies applicable before 01 July 2018

The management determined the appropriate classification of its financial assets in accordance with the requirements of International Accounting Standard 39 (IAS 39) 'Financial Instruments: Recognition and Measurement' at the time of purchase of financial assets. The financial assets of the Company were categorised as follows:

a) Financial assets at fair value through profit or loss

A financial asset was classified as at fair value through profit or loss if it was classified as held for trading or was designated as such on initial recognition. Financial assets that were acquired principally for the purpose of generating profit from short-term fluctuations in prices were classified in 'financial assets at fair value through profit or loss' category.

b) Loans and receivables

These were non-derivative financial assets with fixed or determinable payments that were not quoted in an active market. The Company's loans and receivables comprised of trade debts, loans and advances, deposits, other receivables and cash and bank balances in the balance sheet.

c) **Held-to-maturity**

These were financial assets with fixed or determinable payments and fixed maturity for which the Company had the positive intent and ability to hold till maturity.

d) **Available-for-sale financial assets**

Financial assets intended to be held for an indefinite period of time, which could be sold in response to needs for liquidity or changes in equity prices, were classified as 'available for sale'. Available for sale financial instruments were those non-derivative financial assets that were designated as available for sale or were not classified either as a) financial assets at fair value through profit or loss; b) loans and receivables; or c) held to maturity.

All of the Company's financial assets were classified at amortized cost as at 30 June 2018.

4.7.1.1.2 Policies applicable from 01 July 2018

On initial recognition, a financial asset is classified as measured at: amortized cost, FVOCI; or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The company's financial assets comprise of loans and receivables, the assessment of business model for other financial assets is made on a portfolio / asset by asset basis. The information considered in making this assessment includes:

- the stated policies and objectives for the asset and the operation of those policies in practice. In particular, whether management’s strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio / asset is evaluated and reported to the Company’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company’s stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment on debt securities, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

On the basis of above assessment the Company determined that Held-to-collect business model is relevant for the Company as its financial assets comprise of only cash and cash equivalents and trade and other receivables. These financial assets are held to collect contractual cash flow.

4.7.1.2 Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

4.7.1.3 Initial recognition and measurement

All financial assets are recognised at the time the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets.

4.7.1.4 Subsequent measurement

4.7.1.4.1 Policies applicable before 01 July 2018

Subsequent to initial recognition, financial assets were valued as follows:

a) 'Financial assets at fair value through profit or loss' and 'available-for-sale'

A financial asset was classified as at fair value through profit or loss if it was classified as held for trading or was designated as such on initial recognition. Financial assets that were acquired principally for the purpose of generating profit from short-term fluctuations in prices were classified in 'financial assets at fair value through profit or loss' category.

Financial assets intended to be held for an indefinite period of time, which could be sold in response to needs for liquidity or changes in equity prices, were classified as 'available for sale'. Available for sale financial instruments were those non-derivative financial assets that were designated as available for sale or were not classified either as (a) financial assets at fair value through profit or loss; (b) loans and receivables or (c) held to maturity.

b) 'Loans and receivables' and 'held-to-maturity'

Loans and receivables and held-to-maturity financial assets were carried at amortized cost.

4.7.1.4.2 Policies applicable from 01 July 2018

Financial assets measured at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.
Debt Investments at FVOCI	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

4.7.1.5 Trade receivables, loans and advances, deposits and other receivables

4.7.1.5.1 Policies applicable before 01 July 2018

These were classified as loans and receivables and were recognised initially at fair value and subsequently measured at amortized cost or cost, as the case may be, less provision for impairment, if any. A provision for impairment was established when there was an objective evidence that the Company would not be able to collect all amounts due according to the original terms of receivables. Items considered irrecoverable were written off.

4.7.1.5.2 Policies applicable from 01 July 2018

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

4.7.1.6 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand and balances held with banks and short term running finance availed by the Company, which are payable on demand and form an integral part of the Company’s cash management.

4.7.1.7 Impairment

4.7.1.7.1 Policies applicable before 01 July 2018

A financial asset was assessed at each reporting date to determine whether there was any objective evidence that it was impaired. A financial asset was considered to be impaired if objective evidence indicated that one or more events had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets were tested for impairment on an individual basis. The remaining financial assets were assessed collectively in groups that share similar credit risk characteristics. All impairment losses were recognised in statement of profit or loss. An impairment loss was reversed if the reversal could be related objectively to an event occurring after the impairment loss was recognised.

4.7.1.7.2 Policies applicable from 01 July 2018

The Company recognizes loss allowances for ECLs in respect of financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade and other receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 240 days. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. Based on management assessment, no ECL was required, except trade receivables, since the Company's financial assets at amortized cost are generally short-term in nature and held with counterparties with low credit risk.

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets.

The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4.7.1.8 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and where the Company has transferred substantially all risks and rewards of ownership.

4.7.2 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss. Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

4.7.2.1 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognised in profit and loss account over the period of borrowings on an effective interest basis.

Borrowing costs are recognised as an expense in the period in which these are incurred, except to the extent that they are directly attributable to the acquisition or construction of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) in which case these are capitalised as part of cost of that asset.

4.7.2.2 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

4.7.3 Derivative financial instruments

Derivatives are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, when a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting or when the derivative does not qualifies for hedge accounting are measured at fair value and all changes in its fair value are recognised immediately in profit or loss.

The fair value of forward exchange contracts is estimated using appropriate valuation techniques. These are carried as assets when the fair value is positive and liabilities when the fair value is negative.

4.7.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.8 Investments in associates

Entities in which the Company has significant influence directly or indirectly but not control and which are neither subsidiaries nor joint ventures of the members of the Company are associates and are accounted for under the equity method of accounting (equity accounted investees).

These investments are initially recognized at cost. The financial statements include the associates' share of profit or loss and movements in other comprehensive income, after adjustments, if any, to align the accounting policies with those of the Company, from the date that significant influence commences until the date it ceases. Share of post acquisition profit/loss of associates is recognized in the profit or loss. Distributions received from associates reduce the carrying amount of investment. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that investment (including any long-term interests that, in substance, form part of the Company's net investment in the associate) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

The carrying amount of investments in associates is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the investments is estimated which is higher of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount and is charged to profit or loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of carrying amount that would have been determined if no impairment loss had been recognized. A reversal of impairment loss is recognized in the profit or loss.

4.9 Employee Benefits

4.9.1 Compensated absences

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

4.9.2 Post retirement benefits

4.9.2.1 Defined contribution plan - Provident fund

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

4.10 Taxation

Current

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

Deferred

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

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

4.11 Foreign currencies translations

Transactions in foreign currencies are translated into Pakistani Rupees at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into Pakistani Rupees at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the statement of profit or loss and presented with in other income / operating expenses.

4.12 Revenue recognition

4.12.1 Policies applicable before 01 July 2018

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

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

4.12.2 Policies applicable after 01 July 2018

Revenue is measured based on the consideration specified in a contract with a customer. Revenue from operations of the Company are recognized when the goods are provided, and thereby the performance obligations are satisfied. Revenue consists of baby care and oral care which generally include single performance obligation. The Company's contract performance obligations are fulfilled at the point in time when the goods are dispatched to the customer. Invoices are generated and revenue is recognised at that point in time, as the control has been transferred to the customers. Revenue is measured at fair value of the consideration received or receivable, excluding amount of sales tax. The Company assesses its revenue arrangements against specific criteria that must be met before revenue is recognised.

4.13 Provisions

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

4.14 Dividend and appropriation

Dividend distribution to the Company's shareholders and appropriation to / from reserves is recognized in the period in which these are approved.

4.15 Earnings per share

The Company presents earnings per share (EPS) for its ordinary shares. EPS is calculated by dividing profit or loss for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

	Note	2019 (Rupees)	2018 (Rupees)
5 Property, plant and equipment			
Operating fixed assets	5.1	597,427,238	438,700,283
Capital work in progress	5.6	10,438,519	2,422,503
		607,865,757	441,122,786

5.1 Operating fixed assets

Description	Note	Leasehold land	Building on lease hold land	Plant & machinery	Office equipments	Furniture and fittings	Computers	Motor Vehicles	Total
		------- (Rupees) -------							
Net carrying value as at 1 July 2018									
Opening net book value (NBV)		117,158,681	66,233,079	241,744,751	5,337,928	4,722,841	2,877,128	625,875	438,700,283
Additions / transfers		-	21,126,860	176,445,337	356,069	3,394,278	61,500	-	201,384,044
Disposals (at NBV)	5.4	-	-	(5,018,421)	(169,652)	(8,575)	(139,352)	-	(5,336,000)
Depreciation charge	5.2	(1,199,278)	(6,947,446)	(26,698,767)	(777,565)	(721,293)	(851,565)	(125,175)	(37,321,089)
Balance as at 30 June 2019 (NBV)		**115,959,403**	**80,412,493**	**386,472,900**	**4,746,780**	**7,387,251**	**1,947,711**	**500,700**	**597,427,238**
Gross carrying value as at 30 June 2019									
Cost		119,927,844	182,853,030	634,026,605	7,672,730	10,710,319	6,160,122	5,927,404	967,278,054
Accumulated depreciation and impairment		(3,968,441)	(102,440,538)	(247,553,705)	(2,925,948)	(3,323,068)	(4,212,412)	(5,426,704)	(369,850,816)
Net book value		**115,959,403**	**80,412,492**	**386,472,900**	**4,746,782**	**7,387,251**	**1,947,710**	**500,700**	**597,427,238**
Net carrying value as at 1 July 2017									
Opening net book value (NBV)		3,995,883	185,061,936	239,926,268	4,532,339	4,297,824	3,835,452	1,860,952	443,510,654
Additions / transfers		114,362,077	(114,362,077)	36,886,096	1,653,509	898,623	270,000	-	39,708,228
Disposals (at NBV)		-	-	(10,983,560)	(103,410)	-	(40,208)	(948,631)	(12,075,809)
Depreciation charge	5.2	(1,199,279)	(4,466,780)	(24,084,053)	(744,510)	(473,606)	(1,188,116)	(286,446)	(32,442,790)
Balance as at 30 June 2018 (NBV)		117,158,681	66,233,079	241,744,751	5,337,928	4,722,841	2,877,128	625,875	438,700,283
Gross carrying value as at 30 June 2018									
Cost		119,927,844	161,726,170	489,169,633	7,700,131	7,331,041	6,598,052	5,927,404	798,380,275
Accumulated depreciation and impairment		(2,769,163)	(95,493,091)	(247,424,882)	(2,362,203)	(2,608,200)	(3,720,924)	(5,301,529)	(359,679,992)
Net book value		117,158,681	66,233,079	241,744,751	5,337,928	4,722,841	2,877,128	625,875	438,700,283
Depreciation rate (% per annum)		**1**	**10**	**10**	**10 & 30**	**10**	**30**	**20**	

	Note	2019 (Rupees)	2018 (Rupees)
5.2 The depreciation charge for the year has been allocated as follows:			
Cost of sales	26	33,409,052	31,370,954
Selling and distribution expenses	27	1,907,577	363,297
Administrative and general expenses	28	2,004,460	708,539
		37,321,089	32,442,790

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

Particulars	Location	Area	
Building			
Office premises	PECHS, Karachi	13,165.24	Sq. fts.
Office premises	Business Avenue, PECHS, Karachi	1,945.00	Sq. fts.
Factory	Landhi Industrial Area, Karachi	95,309.00	Sq. fts.
Land			
Leasehold	Landhi Industrial Area, Karachi	12,279.00	Sq. yards
Leasehold	PECHS, Karachi	2,041.10	Sq. yards
Leasehold	Kot Lakhpat, Lahore	15 Marla 50 Sq. fts.	

5.4 **Details of property, plant and equipment disposed off during the year:**

Description	Cost	Accumulated depreciation	Book Value	Sale proceeds	Gain / (loss)	Mode of disposal	Particular of buyers
	---- Rupees ----						
Machinery	6,274,445	4,330,624	1,943,821	2,300	(1,941,521)	Negotiation	Mr. M. Pervaiz
"	5,090,586	3,275,084	1,815,502	2,300	(1,813,202)	Negotiation	Mr. M. Pervaiz
Others	21,121,234	19,544,557	1,576,677	410,729	(1,165,948)	Various	Various
2019	**32,486,265**	**27,150,265**	**5,336,000**	**415,329**	**(4,920,671)**		
2018	32,082,564	20,006,755	12,075,809	3,253,934	(8,821,875)		

		Note	2019 (Rupees)	2018 (Rupees)
5.5	**Details of property, plant and equipment - Acquired under Diminishing musharakah arrangements**			
	Leasehold Land		112,061,981	113,212,029
	Building on leasehold Land		7,902,077	8,780,085
	Plant and machinery		159,818,808	-
		20	279,782,866	121,992,114
5.6	**Capital work in progress**			
	Advance to suppliers		6,202,062	1,271,924
	Plant and machinery		4,236,457	1,150,579
			10,438,519	2,422,503
6	**INTANGIBLE ASSETS**			
	Cost			
	Opening balance		4,227,334	4,227,334
	Additions / disposals		-	-
	Closing Balance		4,227,334	4,227,334
	Amortization			
	Opening balance		4,194,000	4,160,667
	Charge for the year	6.1	33,334	33,333
	Closing Balance	6.2	4,227,334	4,194,000
	Carrying amount		-	33,334
	Amortization Rate		33.33%	33.33%
6.1	**The amortization charge for the year has been allocated as follows:**			
	Cost of sales	26	11,111	11,111
	Selling and distribution expenses	27	11,111	11,111
	Administrative and general expenses	28	11,112	11,111
			33,334	33,333

6.2 Intangible assets as at 30 June 2019 include items having an aggregate cost of Rs. 4.23 million (2018: Rs. 4.23 million) that have been fully amortized and are still in use of the Company.

7 **INVESTMENT IN EQUITY ACCOUNTED INVESTEE**

This represents advance payments made for the purchase of ordinary shares of Rs. 10 each of Saaf Sehatmand Services (Pvt) limited that represents 10% (i.e 400,000 shares) of the total holding of the Company and shares are yet to be issued thereagainst.

8 **LONG TERM LOANS AND ADVANCES**

		Note	2019	2018
	Considered good - secured			
	Due from employees	8.1	-	12,887
8.1	**Reconciliation of carrying amount of loans**			
	Opening balance		167,555	1,130,863
	Disbursements during the year		296,000	458,000
	Repayments during the year		(269,783)	(1,421,308)
	Closing balance		193,772	167,555
	Current portion receivable within one year		(193,772)	(154,668)
			-	12,887

8.2 These loans are interest free and have been given to executives and other employees of the company for purchase of vehicles or for personal use in accordance with their terms of employment and are secured against retirement benefits. These loans are to be repaid over a period of two years in equal monthly installments.

8.3 Long term loans have been carried at cost as the effect of carrying these balances at amortized cost would not be material in the overall context of these financial statements.

8.4 Maximum aggregate amount of loan due from employees at any time during the year was Rs. 0.399 million (2018: Rs. 1.020 million).

9 STORES AND SPARES

It includes provision against slow moving stores and spares amounting to Rs. 4.156 million (2018: Rs. 1.080 million).

	Note	2019 (Rupees)	2018 (Rupees)
10 STOCK-IN-TRADE			
Manufacturing:			
Raw and packing materials			
- in hand		266,400,674	147,487,967
- in transit		28,560,663	-
		294,961,337	147,487,967
Work-in-process		19,439,910	12,282,326
Finished goods	10.1	54,395,435	32,384,370
Trading:			
- in hand		23,520,461	56,243,103
- in transit		-	2,758,512
		23,520,461	59,001,615
		392,317,143	251,156,278

10.1 This includes finished goods with cost of Rs. 9.240 million which are being carried at their net realizable value of Rs. 8.075 million.

11 TRADE RECEIVABLES

	Note	2019	2018
Related parties - unsecured			
Premier Agencies		11,828,604	13,233,126
Pharmevo (Private) Limited		899,964	-
Scitech Health (Private) Limited		1,002,154	2,371,697
Memon Medical Institute		106,976	186,369
	11.1 & 11.2	13,837,698	15,791,192
Unsecured			
Considered good		9,136,575	33,396,436
Considered doubtful		7,915,401	284,573
Provision for doubtful trade receivables	11.3	(7,915,401)	(284,573)
		9,136,575	33,396,436
		22,974,273	49,187,628

11.1 The ageing of amount due from related parties:

	2019	2018
Not past due	11,932,641	15,093,108
Past due 1 - 30 days	902,903	401,374
Past due 31 - 180 days	1,002,154	296,710
	13,837,698	15,791,192

11.2 Maximum aggregate amount outstanding at any time during the year calculated by reference to month-end balance of Premier Agencies is Rs. 119.88 million (2018: Rs. 140.78 million), Memon Medical Institute is Rs. 0.21 million (2018: Rs. 0.21 million), Pharmevo (Private) Limited is Rs. 0.89 million (2018: Rs. 0.06 million), Scitech Health (Private) Limited is Rs. 2.99 million (2018: Rs. 2.37 million).

11.3 Provision for doubtful receivables

	2019	2018
Opening balance	284,573	-
Additional impairment recognised at 01 July 2018 on trade receivables as at 30 June 2018	6,086,404	-
Impairment loss on trade receivables during the year	1,544,424	284,573
	7,915,401	284,573

	Note	2019 (Rupees)	2018 (Rupees)
12 LOANS AND ADVANCES			
Loan - secured and considered good			
Current portion of long term loans and advances to employees	8.1	193,772	154,668
Advances - considered good			
Suppliers for goods and services		796,441	2,897,562
Advances to others		1,805,939	7,520,979
		2,796,152	10,573,209

	Note	2019 (Rupees)	2018 (Rupees)
13 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
LC margin		5,154,800	42,353,570
Security deposits		1,543,997	693,997
Prepayments		192,368	310,816
Sales tax receivables		7,591,552	-
		14,482,717	43,358,383
14 TAXATION - NET			
Advance taxation		77,598,633	46,229,461
Refunds due from government		25,969,324	17,793,978
Provision for taxation	32	(36,851,367)	(30,822,162)
		66,716,590	33,201,277

14.1 During the year ended 30 June 2017, Federal board of revenue had issued notice to the company for the monitoring of withholding taxes and based on tax advisor, tax proceedings finalized upto 2016 and proceedings for tax years 2017 and 2018 are in process and potential tax liability can not be estimated at the current stage of proceedings.

	Note	2019 (Rupees)	2018 (Rupees)
15 CASH AND BANK BALANCES			
Cash in hand			
Local currency		139,065	124,851
Foreign currency		578,555	309,875
		717,620	434,726
With banks - in current accounts	15.1	826,362	822,452
		1,543,982	1,257,178

15.1 This includes balances amounting to Rs. 0.105 million (2018: Rs. 0.375 million) with Shariah compliant banks.

16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2019 (Number of shares)	2018 (Number of shares)		2019 (Rupees)	2018 (Rupees)
3,000,000	3,000,000	Ordinary shares of Rs. 10 each issued for cash	30,000,000	30,000,000
900,000	900,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	9,000,000	9,000,000
3,900,000	3,900,000		39,000,000	39,000,000

16.1 Percentage of shares held by Directors, Chief Executive Officer and their spouses as at 30 June 2019 is 74.46% (2018: 74.46%).

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

17 LOAN FROM A DIRECTOR

During the year, the Company has obtained a long term interest free loan from the Chief Executive Officer for an amount of Rs. 21.7 million. This loan is unsecured with no maturity period and repayable at the discretion of the Company. The loan has been classified as per the requirements of Technical Release - TR 32 ' Accounting Directors' Loan' issued by the Institute of Chartered Accountants of Pakistan.

18 CAPITAL RESERVE

Capital reserve includes share premium reserve as per section 81 of the Companies Act, 2017 this can be used for the following purposes:

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

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

	Note	2019 (Rupees)	2018 (Rupees)
19 DEFERRED TAXATION			
Deferred tax credits / (debits) arising in respect of :			
Taxable temporary differences			
Property, plant and equipment		54,800,406	35,313,801
Deductible temporary differences			
Provisions		-	(2,211,945)
Trade and other receivables, including advances		(2,296,430)	(66,384)
Inventories		(2,928,897)	(251,820)
		49,575,079	32,783,652

20 LONG TERM FINANCING - SECURED

	Installment payable	Repayment period	Profit rate	Note	2019 (Rupees)	2018 (Rupees)
Bank Al-Habib Limited - Islamic banking	Quarterly	2017-21	0.50% above 6 months KIBOR	20.1	55,000,000	77,000,000
Meezan Bank Limited	Quarterly	2019-20	1% above	20.2	12,352,457	-
Meezan Bank Limited	Quarterly	2019-21	1% above	20.2	7,660,642	-
Meezan Bank Limited	Quarterly	2019-24	1% above	20.2	8,404,614	-
Meezan Bank Limited	Quarterly	2019-24	1.2% above	20.3	102,342,012	-
					185,759,725	77,000,000
Less: Current portion shown under current liabilities						
Bank Al-Habib Limited - Islamic banking				20.1	(55,000,000)	(22,000,000)
Meezan Bank Limited					(36,497,270)	-
					(91,497,270)	(22,000,000)
					94,262,455	55,000,000

20.1 The Company has a long term loan arrangement with Bank Al-Habib Limited - Islamic banking for an amount of Rs. 110 million (2018: Rs. 110 million). The term of the loan is 5 years from the date of disbursement, repayable in 20 equal quarterly installments started from March 2017. During the year, the Company had made repayment of Rs. 22 million (2018: Rs. 22 million) on which, profit was 7.4% to 13.55% (2018: 6.70%) per annum. The Company has total facility of Rs. 222.347 million. Islamic finance under this diminishing musharakah is secured by a equitable mortgage of head office property and personal guarantee of Chairman of the Board of Directors. This loan has been classified to current portion as per the requirements of IAS 1 'Presentation of Financial Statements' as there were certain covenants mentioned in respective loan agreement which were not met at the reporting date.

20.2 During the year, the Company has a long term loan arrangement with Meezan Bank Limited for an amount of Rs. 34.453 million. The term of the loan varies between 2 to 5 years from the date of disbursement, repayable in 8 to 20 equal quarterly installments. The Company has total facility of Rs. 95 million. Islamic finance under this diminishing musharakah is secured by a first pari passu hypothecation charge over all present and future plant and machinery of the Company where ever situated.

20.3 During the year ended 30 June 2019, the Company entered into a long term loan arrangement with Meezan Bank Limited of an amount of Rs. 102.34 million. The term of the loan is 5 years from the date of disbursement, repayable in 20 equal quarterly installments started from August 2019. The Company has total facility of Rs. 125 million. Islamic finance under this diminishing musharakah is secured by a mortgage of Baby Care Machine with 10% margin (Refer Note 5) and personal guarantee of Chairman of the Board of Directors and Chief Executive Officer.

		Note	2019 (Rupees)	2018 (Rupees)
21	**TRADE AND OTHER PAYABLES**			
	Creditors		48,078,999	61,853,979
	Accrued liabilities	**21.1**	8,748,767	24,868,111
	Retention money		24,382	24,382
	Gratuity payable		-	10,669,400
	Sales tax payable		-	8,637,788
	Workers' welfare fund		1,712,586	1,447,505
	Workers' profit participation fund	**21.2**	4,596,699	5,240,671
	Advance from customers - unsecured		18,194,696	1,012,408
	Others		-	189,600
			81,356,129	113,943,844
21.1	**Accrued liabilities**			
	Salaries, wages and other benefits		157,184	4,668,487
	Accrued expenses		7,942,335	19,617,624
	Auditors' remuneration payable		649,248	582,000
			8,748,767	24,868,111
21.2	**Workers' profit participation fund**			
	Opening Balance		5,240,671	4,441,282
	Provision made during the year		4,596,699	5,240,671
			9,837,370	9,681,953
	Interest on funds utilised in the Company's business	**31**	155,898	235,768
			9,993,268	9,917,721
	Amounts paid		(5,396,569)	(4,677,050)
			4,596,699	5,240,671
22	**ACCRUED PROFIT**			
	Profit accrued on shariah arrangements:			
	Murabaha financing		4,219,542	1,565,416
	Running musharakah		5,719,781	1,378,256
	Accrued rent on diminishing musharakah		3,173,229	360,508
			13,112,552	3,304,180
23	**SHORT TERM BORROWINGS - SECURED**			
	Murabaha finance	**23.1**	193,912,819	133,046,283
	Running musharakah	**23.2**	187,004,382	88,661,869
			380,917,201	221,708,152

23.1 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. 350 million (2018: Rs. 250 million) out of which Rs 50 million (2018: Rs 50 million) is interchangeable with running musharakah. During the year, profit rate on such arrangements ranged between KIBOR + 0.30% to KIBOR + 0.75% (2018: KIBOR + 0.30% to KIBOR + 0.75%) per annum.

23.2 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 (2018: Rs. 250 million) out of which Rs 200 million (2018: Rs 200 million) is interchangeable with murabaha finance. During the year, profit rate on such arrangements ranged between KIBOR + 0.30% to KIBOR + 0.75% (2018: KIBOR + 0.30% to KIBOR + 0.50%) per annum.

23.3 The Company is currently availing Islamic mode of financing from the Bank Al-Habib Limited, Meezan Bank Limited, Habib Metropolitan Bank Limited. Facilities availed during the year includes letter of credit, bank guarantee, musharakah and murabaha financing.

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies:

24.1.1 During the year 1999, Beecham Group Plc filed a suit in Honorable High Court of Sindh against the Company for permanent injunction, restraining infringement, passing off the trademark "Flex". Beecham Group Plc also filed a JM in Honorable High Court of Sindh in 1999, for rectification of the Company's registered trademark "Shield Flex". The Company, in relation to defending the above mentioned cases and the trademark for Rs. 42 million (2018: Rs. 42 million), submitted a bank guarantee of Rs. 5 million (2018: Rs. 5 million) as per order of Honorable High Court of Sindh passed on 13 August 1999. Based on the Company's legal counsel advice, the management is hopeful that both cases will be decided in Company's favour and hence no provision has been made in these financial statements.

24.1.2 In addition to the aforesaid guarantee, contingent liability in respect of other guarantees as at 30 June 2019 was Rs. 5.85 million (2018: Rs. 4.09 million). Out of this, Rs. 4 million (2018: Rs. 4 million) and Rs. 1.76 million (2018: Rs.NIL) represents the bank guarantee issued to Pakistan State Oil against commercial and fleet cards for fuel & diesel and to K-Electric Limited as security deposit respectively.

24.1.3 The Company has filed a suit for infringement and passing off its Trade Mark Shield on May 8, 2014 against Dalda Foods (Private) Limited and vide order dated September 16, 2014 temporary injunction till disposal of the suit was confirmed by the Court. Later on Dalda Foods (Private) Limited preferred an apeal against the confirmation of stay order which was allowed by Division Bench of Honorable High Court of Sindh on March 19, 2016. Shield Corporation Limited appealed before the Honorable Supreme Court of Pakistan. The Honorable Supreme Court of Pakistan referred the case to the Honorable High Court with direction to decide the case on merits. Based on the Company's counsel advice, the management is confident that the case is likely to be decided in the Company's favour.

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

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

24.1.6 The Company has filed a suit in Honourable High Court of Sindh on March 19, 2019 and in Court of Senior Civil Judge, Lahore on June 29, 2019 against its ex-employee, Naeem Ilyas Khanani s/o Muhammad Ilyas & others for breach of contract. The Company has claimed damages/compensation and other reliefs as the Court deems fit from the defendants.

24.2 Commitments:

24.2.1 The Company has letter of credit commitments for purchases of stock in trade and spares amounting to Rs. 62.258 million (2018: Rs. 72.222 million).

24.2.2 The Company has letter of credit and other commitments for capital expenditures amounting to Rs. 163.670 million (2018: Rs. 32.563 million).

		Note	2019 (Rupees)	2018 (Rupees)
25	**SALES - NET**			
	Local			
	Baby Care		1,573,560,264	1,424,231,885
	Oral Care		749,165,707	713,964,145
	Sales tax		(339,613,436)	(313,505,939)
			1,983,112,535	1,824,690,091
	Discounts		(209,623,358)	(163,124,452)
			1,773,489,177	1,661,565,639
	Export			
	Baby Care	**25.1**	2,846,997	4,451,838
	Oral Care	**25.1**	2,458,698	12,880,492
			5,305,695	17,332,330
			1,778,794,872	1,678,897,969

25.1 Summary of export sales during the year:

Country	Geographical location	2019 (Rupees)	2018 (Rupees)
Afghanistan	Asia	3,454,389	17,245,900
Qatar	Asia	1,851,306	-
Ireland	Europe	-	86,430
		5,305,695	17,332,330

		Note	2019 (Rupees)	2018 (Rupees)
26	**COST OF SALES**			
	Raw and packaging material consumed	**26.1**	602,140,923	558,587,428
	Salaries, wages and other benefits	**26.2**	149,253,510	121,618,249
	Fuel and power		48,823,839	38,254,036
	Stores and spares consumed		26,138,830	11,268,890
	Depreciation	**5.2**	33,409,052	31,370,954
	Amortization of intangible assets	**6.1**	11,111	11,111
	Repairs and maintenance		13,619,219	14,354,287
	Traveling and conveyance		6,078,660	1,920,300
	Rent, rates and taxes		191,050	207,368
	Insurance		2,329,442	2,094,484
	Freight		163,177	121,789
	Printing and stationery		555,518	398,986
	Postage, telegram and telephone		1,403,019	1,183,968
	Others		3,731,751	3,043,386
			887,849,101	784,435,236
	Opening Inventory of work in process		12,282,326	10,501,331
	Closing Inventory of work in process		(19,439,910)	(12,282,326)
			(7,157,584)	(1,780,995)
	Cost of goods manufactured		880,691,517	782,654,241
	Opening Inventory of finished goods (including trading goods)		88,627,473	99,688,155
	Purchases of trading goods		330,654,735	273,701,726
	Closing Inventory of finished goods (including trading goods)		(77,915,896)	(88,627,473)
			341,366,312	284,762,408
			1,222,057,829	1,067,416,649
26.1	**Raw and packaging materials consumed**			
	Opening stock		147,487,967	107,673,952
	Purchases		721,053,630	598,401,443
			868,541,597	706,075,395
	Closing stock		(266,400,674)	(147,487,967)
			602,140,923	558,587,428
26.2	**Detail of salaries, wages and other benefits**			
	Salaries, wages and other benefits		133,403,138	112,630,590
	Gratuity		-	5,374,899
	Provident fund contributions		2,753,877	2,554,061
	Full and final settlement		13,096,495	1,058,699
			149,253,510	121,618,249
27	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries, wages and other benefits	**27.1**	124,376,219	151,962,289
	Traveling and conveyance		39,672,992	34,112,244
	Depreciation	**5.2**	1,907,577	363,297
	Amortization of intangible assets	**6.1**	11,111	11,111
	Advertisement and sales promotion		116,755,409	173,903,963
	Postage, telegram and telephone		876,229	1,692,033
	Vehicle repairs and maintenance		2,249,109	1,728,518
	Printing & stationery		89,575	385,645
	Insurance		416,502	171,819
	Freight		41,516,899	40,369,590
	Legal and professional		3,738,450	10,922,134
	Others		6,883,717	2,592,137
			338,493,789	418,214,780

		Note	2019 (Rupees)	2018 (Rupees)
27.1	**Detail of salaries, wages and other benefits**			
	Salaries, wages and other benefits		116,209,459	144,623,227
	Gratuity		-	1,650,538
	Provident fund contributions		2,003,749	2,190,416
	Full and final settlement		6,163,011	3,498,108
			124,376,219	151,962,289

		Note	2019 (Rupees)	2018 (Rupees)
28	**ADMINISTRATIVE AND GENERAL EXPENSES**			
	Salaries, wages and other benefits	**28.1**	42,077,146	40,897,473
	Repairs and maintenance		5,043,110	4,398,983
	Depreciation	**5.2**	2,004,460	708,539
	Amortization of intangible assets	**6.1**	11,112	11,111
	Traveling and conveyance		428,446	344,321
	Postage, telegram and telephone		1,366,379	1,322,393
	Rent, rates and taxes		228,850	310,484
	Insurance		222,396	280,439
	Electricity and water charges		2,261,983	2,634,979
	Printing and stationery		1,234,212	1,133,953
	Legal and professional		7,574,071	5,269,908
	Security charges		547,815	587,838
	Fees and subscription		799,233	1,169,811
	Director meeting fees		380,000	360,000
	Charity and donations	**28.2**	440,000	500,000
	Auditors' remuneration	**28.3**	684,105	613,350
	Others		229,441	209,450
			65,532,759	60,753,032

		2019 (Rupees)	2018 (Rupees)
28.1	**Detail of salaries, wages and other benefits**		
	Salaries, wages and other benefits	39,880,075	35,867,210
	Gratuity	-	2,456,730
	Provident fund contributions	1,975,206	1,743,580
	Full and final settlement	221,865	829,953
		42,077,146	40,897,473

28.2 The directors or their spouses have no interest in the donation made during the year.

		2019 (Rupees)	2018 (Rupees)
28.3	**Auditors' remuneration**		
	Annual audit fee	550,000	500,000
	Half yearly review fee	31,931	29,028
	Compliance with corporate governance review fee	27,500	25,000
	Out of pocket	24,000	15,000
	Sales Tax	50,674	44,322
		684,105	613,350

		Note	2019 (Rupees)	2018 (Rupees)
29	**OTHER OPERATING EXPENSES**			
	Provision for:			
	- Workers' Profit Participation Fund		4,596,699	5,240,671
	- Workers' Welfare Fund		1,712,586	1,447,505
	- Workers' Welfare Fund - prior		(54,968)	-
	- Slow moving stores and spares		3,076,036	1,079,504
	- Provision against doubtful advances		492,375	-
	Loss on foreign exchange		11,258,056	347,419
	Loss on disposal of fixed assets	**5.4**	4,920,671	8,821,875
	Other		-	366,012
			26,001,455	17,302,986

		Note	2019 (Rupees)	2018 (Rupees)
30	**OTHER OPERATING INCOME**			
	Scrap sales		2,048,824	1,913,664
31	**FINANCE COSTS**			
	Shariah Arrangement			
	Profit on short term loans		30,090,483	11,941,939
	Rent on diminishing musharakah		10,535,949	6,018,121
	Guarantee commission		67,540	15,000
	Bank charges		693,498	459,714
			41,387,470	18,434,774
	Non - Shariah Arrangement			
	Interest on WPPF		155,898	235,768
	Guarantee commission		46,444	31,169
	Bank charges		4,870	12,667
			41,594,682	18,714,378
32	**TAXATION**			
	Current			
	- for the year		36,851,367	30,822,162
	- changes in estimates related to prior year		6,231,953	(5,951,633)
			43,083,320	24,870,529
	Deferred		18,205,714	5,351,273
		32.2	61,289,034	30,221,802

32.1 The Board of Directors of the Company has distributed sufficient cash dividend for the year ending 30 June 2019 (refer note 46) to comply with the requirements of Section 5A of the Income Tax Ordinance, 2001. Accordingly, no provision for tax on undistributed profits has been recognized in these financial statements.

		2019 (Rupees)	2018 (Rupees)
32.2	**Relationship between taxation expense and accounting profit**		
	Profit before taxation	85,618,758	98,125,235
	Tax at the applicable rate of 29% (2018: 30%)	24,829,440	29,437,571
	Tax effect of inadmissible expenses / losses		
	Impact of change in tax rate	-	(914,413)
	Tax effect of income assessed under final tax regime	38,988,892	8,187,196
	Tax credit allowed	(8,822,267)	-
	Prior year tax	6,231,953	(5,951,633)
	Others	61,016	(536,919)
		61,289,034	30,221,802
33	**EARNINGS PER SHARE - BASIC AND DILUTED**		
	Profit after taxation	24,329,724	67,903,433
		(Number of shares)	
	Weighted average number of ordinary shares in issue during the year	3,900,000	3,900,000
		(Rupees)	
	Earnings per share - basic and diluted	6.24	17.41

	Note	2019 (Rupees)	2018 (Rupees)
34 CASH FLOWS FROM OPERATIONS			
Profit before taxation		85,618,758	98,125,235
Adjustments for:			
Depreciation	**5.2**	37,321,089	32,442,790
Amortization	**6.1**	33,334	33,333
Provision against doubtful trade receivables	**11.3**	1,544,424	284,573
Provision against slow moving stores and spares	**29**	3,076,036	1,079,504
Provision for gratuity	**37.1.2**	-	9,482,167
Provision against doubtful advances	**29**	492,375	-
Exchange Loss	**29**	11,258,056	347,419
Loss / (gain) on disposal of property, plant and equipment	**5.4**	4,920,671	8,821,875
Finance costs	**31**	41,594,682	18,714,378
Changes in:			
- Stores and spares		(10,087,145)	421,934
- Stock-in-trade		(141,160,865)	18,462,858
- Trade debts		19,996,814	(33,209,870)
- Loans and advances		7,323,786	9,022,514
- Trade deposits, prepayments and other receivables		28,875,666	(41,961,509)
- Trade and other payables		(33,393,610)	(4,284,326)
Cash flows from operations		57,414,071	117,782,875

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

	Note	Long term financing 20	Loan from a Director 17	Short term borrowings 23	Dividend payable	Total
		---------- Rupees ----------				
Opening balance as at 1 July 2018		77,000,000	-	133,046,283	891,219	210,937,502
Dividend declared		-	-	-	13,650,000	13,650,000
Proceeds from long term loans		136,795,085	-	-	-	136,795,085
Loan proceeds from a director		-	21,700,000	-	-	21,700,000
Proceeds from short term borrowings		-	-	481,413,817	-	481,413,817
Repayment of long term loans		(28,035,360)	-	-	-	(28,035,360)
Repayment of short term borrowings		-	-	(420,547,281)	-	(420,547,281)
Dividend paid		-	-	-	(13,533,702)	(13,533,702)
		108,759,725	21,700,000	60,866,536	(13,533,702)	177,792,559
Closing balance as at 30 June 2019		**185,759,725**	**21,700,000**	**193,912,819**	**1,007,517**	**402,380,061**

	Note	2019 (Rupees)	2018 (Rupees)
35 CASH AND CASH EQUIVALENTS			
Running musharakah - secured	**23**	(187,004,382)	(88,661,869)
Cash and bank balances	**15**	1,543,982	1,257,178
		(185,460,400)	(87,404,691)

36 SEGMENT REPORTING

The management reassessed the segment reporting process and concluded that there was no business segment because of no operation and not material to the business operation. Currently the Company deals in baby care and oral care products which is considered as single reportable segment as there is no process of reviewing and monitoring of operating activities, financial results, forecast / plan for the segment and no decision was made or allocation of resources by Chief Executive (key decision maker) for product wise. Further, there was no discrete information available specific to the segment nor the segment information presented to the Board of Directors and key decision makers. Therefore, disclosures of segment reporting has not been presented in these financial statements.

37 STAFF RETIREMENT BENEFITS

37.1 Defined benefit plans

37.1.1 The actuarial valuation of gratuity schemes had been conducted in accordance with IAS 19, 'Employee benefits' as at 30 June 2017. During the year ended 30 June 2018, the scheme was dissolved by the Board of Directors with effective date of 30 September 2017.

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

	Note	2019 (Rupees)	2018 (Rupees)
Opening balance		-	54,330,870
Net cost charged to profit or loss		-	9,482,167
Remeasurements recognized in other comprehensive income		-	-
Benefits paid during the year		-	(53,143,637)
Transferred to current liabilities		-	(10,669,400)
Closing balance		-	-

37.1.3 Following amounts have been charged in the profit or loss in respect of these benefits:

	2019 (Rupees)	2018 (Rupees)
Current service cost	-	9,482,167
Interest cost	-	-
Charge recognized in profit or loss	-	9,482,167

38 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value hierarchy

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).

	2019						
	Carrying Amount			Fair value			
	Amortised cost	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees)						
On-balance sheet financial instruments							
Financial assets not measured at fair value							
Deposits	6,355,387	-	6,355,387	-	-	-	-
Loan to employees	193,772	-	193,772	-	-	-	-
Trade receivables	22,974,273	-	22,974,273	-	-	-	-
Cash and Bank balances	1,543,982	-	1,543,982	-	-	-	-
	31,067,414	-	31,067,414	-	-	-	-
Financial liabilities not measured at fair value							
Long term financing	-	185,759,725	185,759,725	-	-	-	-
Trade and other payables	-	56,852,148	56,852,148	-	-	-	-
Accrued profit	-	13,112,552	13,112,552	-	-	-	-
Short term bank finances	-	380,917,201	380,917,201	-	-	-	-
	-	636,641,626	636,641,626	-	-	-	-

	2018						
	Carrying Amount			Fair value			
	Loan and receivables	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees) ----------						
On-balance sheet financial instruments							
Financial assets not measured at fair value							
Deposits	5,505,387	-	5,505,387	-	-	-	-
Loan to employees	167,555	-	167,555	-	-	-	-
Trade receivables	49,187,628	-	49,187,628	-	-	-	-
Cash and Bank balances	1,257,178	-	1,257,178	-	-	-	-
	56,117,748	-	56,117,748	-	-	-	-

	Carrying Amount			Fair value			
	Loan and receivables	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees) ----------						
Financial liabilities not measured at fair value							
Long term financing	-	77,000,000	77,000,000	-	-	-	-
Trade and other payables	-	97,605,472	97,605,472	-	-	-	-
Accrued profit	-	3,304,180	3,304,180	-	-	-	-
Short term bank finances	-	221,708,152	221,708,152	-	-	-	-
	-	399,617,804	399,617,804	-	-	-	-

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

39 FINANCIAL INSTRUMENTS

The Company finances its operations through short term borrowing, long term financing and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize the below risks.

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

The Board of Directors are responsible for developing and monitoring the Company’s risk management policies. The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

39.1 Credit risk

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

Exposure to credit risk

Credit risk of the Company arises principally from the trade debts and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2019 (Rupees)	2018 (Rupees)
Deposits		6,355,387	5,505,387
Loans and advances		193,772	167,555
Trade receivables		22,974,273	49,187,628
Bank balances		826,362	822,452
		30,349,794	55,683,022

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

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

Distributor / Wholesaler	9,886,953	13,233,125
End-user customers / Institutions	13,087,320	36,239,076
	22,974,273	49,472,201

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

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

Not past due	18,637,319	29,997,797
Past due 1 - 30 days	2,546,378	9,631,815
Past due 31 - 180 days	1,882,336	8,620,918
Past due 181 - 360 days	4,118,671	937,098
Above 360 days	3,704,970	284,573
	30,889,674	49,472,201
Impairment	(7,915,401)	(284,573)
	22,974,273	49,187,628

Bank balances

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

Deposits

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

Concentration of credit risk

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

39.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities 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, by having credit lines available as disclosed in note 20 and 25 to these financial statements. The Company ensures that it has sufficient cash on demand to meet expected working capital requirements. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

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

	Note	2019 Carrying amount	On demand	Contractual cash flows	Less than one year	Two to five years	More than five years
		(Rupees)					
Non-derivative financial liabilities							
Long term financing	20	185,759,725	55,000,000	130,759,725	91,497,270	94,262,455	-
Trade and other payables		56,852,148	-	56,852,148	56,852,148	-	-
Accrued profit		13,112,552	-	13,112,552	13,112,552	-	-
Short term borrowings		380,917,201	-	380,917,201	380,917,201	-	-
		636,641,626	55,000,000	581,641,626	542,379,171	94,262,455	-

	2018 Carrying amount	On demand	Contractual cash flows	Less than one year	Two to five years	More than five years
	(Rupees)					
Non-derivative financial liabilities						
Long term financing	77,000,000	-	77,000,000	22,000,000	55,000,000	-
Trade and other payables	97,605,472	-	97,605,472	97,605,472	-	-
Accrued profit	3,304,180	-	3,304,180	3,304,180	-	-
Short term borrowings	221,708,152	-	221,708,152	221,708,152	-	-
	399,617,804	-	399,617,804	344,617,804	55,000,000	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of profit rate effective as at 30 June 2019. The rate of profit have been disclosed in notes 20 and 23 to these financial statements.

39.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

39.3.1 Currency risk

The Company is exposed to currency risk on foreign creditors and short term borrowings that are denominated in a currency other than the respective functional currency of the Company. The Company's exposure to foreign currency risk is as follows:

	Euro 2019	Euro 2018	USD 2019	USD 2018	JPY 2019	JPY 2018
Foreign creditors	-	134,164	70,875	120	-	-
Outstanding letters of credit	-	59,171	686,411	674,037	112,603,530	-
Net exposure	-	193,335	757,286	674,157	112,603,530	-

The following significant exchange rate has been applied :

	Average rate 2019	Average rate 2018	Reporting date rate 2019	Reporting date rate 2018
USD to PKR	170.20	113.12	160.05	121.45
Euro to PKR	198.99	130.59	182.32	141.37
JPY to PKR	1.62	-	1.49	-

Sensitivity analysis

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

	2019 (Rupees)	2018 (Rupees)
Effect on profit or loss		
USD	12,120,522	1,457
Euro	-	1,896,676
JPY	16,743,019	-
	28,863,541	1,898,134

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

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

39.3.2 Interest rate risk

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

	2019	2018	2019	2018
	Effective interest rate (Percentage)		Carrying amount (Rupees)	
Financial liabilities				
Variable rate instruments:				
Long term financing - secured	7.44 - 13.53	6.66 - 6.88	185,759,725	77,000,000
Short term bank finances - secured	6.94 - 13.55	6.14 - 7.01	380,917,201	221,708,152

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2019.

	Profit or loss 100 bp Increase	Decrease
	(Rupees)	
As at 30 June 2019		
Cash flow sensitivity - Variable rate financial liabilities	5,666,769	(5,666,769)
As at 30 June 2018		
Cash flow sensitivity - Variable rate financial liabilities	(2,987,082)	2,987,082

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

40 REMUNERATION TO THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	Rupees							
Managerial Remuneration	-	-	-	-	43,185,102	42,077,957	43,185,102	42,077,957
Gratuity	-	-	-	-	-	2,719,974	-	2,719,974
Provident fund	-	-	-	-	2,604,275	2,500,561	2,604,275	2,500,561
Meeting fees	-	-	380,000	360,000	-	-	380,000	360,000
Full and final settlement	-	-	-	-	19,179,952	544,343	19,179,952	544,343
Other benefits	-	-	-	-	8,824,370	8,738,826	8,824,370	8,738,826
	-	-	380,000	360,000	73,793,699	56,581,661	74,173,699	56,941,661
No. of persons	1	1	4	4	16	11	21	16

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

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

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

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

41 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings, key management personnel and post employment benefit plan. The Company in the normal course of business carries out transactions with various related parties. All transactions with related parties are under agreed terms / contractual arrangements.

41.1 Transactions during the year:

Name	Nature of relationship	Basis of relationship	Nature of transaction	2019 (Rupees)	2018 (Rupees)
Premier Agencies	Associated undertaking	Common directorship	Sale of goods - net off discount of Rs. 190.63 million (2018: Rs. 151.9 million)	1,611,892,242	1,532,748,256
			Reimbursement of selling and distribution expenses	114,525,934	113,149,440
Scitech Health (Pvt) Ltd.	Associated undertaking	Common directorship	Sale of goods - net off discount of Rs. 0.68 million (2018: Rs. Nil)	(1,065,358)	2,244,366
Memon Medical Institute	Associated undertaking	Common directorship	Sale of goods	442,990	495,827
Pharmevo (Pvt) Ltd.	Associated undertaking	Common directorship	Sale of goods	769,200	-
			Purchase of fixed asset	1,730,684	-
Employees Provident Fund	Retirement benefit fund	Employees benefit fund	Contribution made	6,732,832	6,488,057
Loan from a director	Related parties	Executives	Amount received from Chief executive	21,700,000	-
Key management personnel	Related parties	Executives	Remuneration and benefits	36,595,071	31,119,659

41.2 Contributions to the employee retirement benefit funds are made in accordance with the terms of employee retirement benefit schemes.

41.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors of the Company. There were no transactions with the key management personnel during the year other than their terms of employment / entitlements except as disclosed in note 40.

42 CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company's overall strategy remains unchanged from year 2018.

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

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

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

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

		Note	2019 (Rupees)	2018 (Rupees)
42.1	**Gearing ratio**			
	The gearing ratio at end of the year is calculated as follows			
	Total debt	**42.1.1**	566,676,926	298,708,152
	Less: Cash and bank balances		1,543,982	1,257,178
	Net debt		565,132,944	297,450,974
	Total equity	**42.1.2**	428,921,403	401,213,796
	Total capital		994,054,347	698,664,770
	Gearing ratio		56.9%	42.6%

42.1.1 Total debt is defined as long term and short term borrowings as described in notes 20 and 23 to these financial statements.

42.1.2 Total equity includes issued, subscribed and paid-up capital, reserves and loan from a director.

43 CAPACITY AND PRODUCTION

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

44 COMPARATIVE INFORMATION

Certain comparative amounts have been reclassified or re-presented in order to give better presentation and accordingly comparatives have been rearranged.

45 GENERAL

45.1 Number of employees

The total number of employees of the Company as at 30 June 2019 were 99 (2018: 97) and average number of employees were 102 (2018: 112).

46 NON-ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors in their meeting held on 3 October 2019 have proposed a final cash dividend of Rs. 1.25 per share amounting to Rs. 4,875,000 (2018: Rs. 3.5 per share amounting to Rs. 13,650,000) for approval of the members at the Annual General Meeting to be held on 25 October 2019. The financial statements for the year ended 30 June 2019 do not include the effect of the proposed cash dividend which will be accounted for in the financial statements for the year ending 30 June 2020.

47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue in the Board of Directors meeting held on 3 October 2019.

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 48th Annual General Meeting of the shareholders of the Company will be held on Friday, 25 October 2019 at 3:15 p.m. at Plot # 368/4&5, Landhi Industrial Area, Baldia Road, Karachi to transact the following business:

Ordinary Business

1. To confirm the minutes of the last Annual General Meeting held on 23 October 2018.

2. To receive, consider and adopt the audited Financial Statements for the year ended 30 June 2019 along with Auditors' and Directors' reports thereon.

3. To consider & approve the final cash dividend of Rs. 1.25/- (12.50%) per share as recommended by the Board of Directors.

4. To appoint auditors of the Company for the year ending 30 June 2020 and fix their remuneration.

By order of the Board

Abdul Samad Jangda
Company Secretary

Karachi: 03 October 2019

Notes:

1. The share transfer book of the Company will remain closed from 19-10-2019 to 25-10-2019 (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. 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. CDC Share Registrar Services 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.

4. Under the provisions of Section 242 of the Companies Act, 2017 and the Companies (Distribution of Dividends) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. Shareholders who have not yet submitted their International Bank Account Number (IBAN) are requested to fill in Electronic Credit Mandate Form available on the Company's website; www.shield.com.pk and send it duly signed along with a copy of CNIC to the Registrar of the Company in case of physical shares. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services.
5. As per provisions of Section 244 of the Companies Act, 2017, any dividend and / or share certificate which are remained unclaimed or unpaid for a period of three years from the date these have become due and payable, the Company shall be liable to deposit those unclaimed / unpaid amounts with the Federal Government as per the directives to be issued by SECP from time to time.

6. In accordance with SRO 470(I)/2016 dated 31st May 2016, SECP has allowed the companies to circulate the annual audited financial statements to its members through CD / DVD / USB instead of transmitting the hard copies at their registered addresses. The Company has obtained shareholders' approval in its 46th Annual General Meeting held on 27 October 2017. Accordingly, the Annual Report of the Company for the year ended 30 June 2019 is being dispatched to the shareholders through DVD. Shareholders may request the Company Secretary or share registrar of the Company for transmitting the hard copy of annual audited accounts by filing a 'Standard Request Form' available on Company's website and the same will be provided at his / her registered address, free of cost, within one week of receipt of request.

7. As per section 72 of the Companies Act, 2017 every existing Company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Securities and Exchange Commission of Pakistan, within a period not exceeding four years from the commencement of the Companies Act, 2017. The shareholders having physical shareholding may please be open CDC sub-account with any of the brokers or investors account directly with CDC to place their physical shares into script-less form.

8. Shareholders can also avail video conference facility, in this regard, please fill the following and submit to registered address of the Company 10 days before holding of the Annual General Meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

   I/We ________________of __________being a member of Shield Corporation Limited, holding ______ordinary shares as per Registered Folio / CDC Account No. ______________hereby opt for video conference facility at ______________.

   ______________________ ______________________

   Name and signature Date

   The Company will intimate members regarding venue of video conference facility at least 7 days before the date of General Meeting along with complete information necessary to enable them to access such facility.

9. Pursuant to the provisions of the Finance Act 2019 effective from 1 July 2019, 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) For Active Taxpayer 15%
   2) For Non-active Taxpayer 30%

   To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, 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 @ 30% instead of 15%.

10. Shareholders are advised to ensure that they have provided their CNIC / NTN to their respective Participant / CDC Investor Account Services (if shareholding in Book Entry Form) or Company's Share Registrar (if shareholding in Physical Form) for checking the tax status as per the ATL issued by FBR from time to time.

11. Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on ‘Active Taxpayer/Non-active Taxpayer’ 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).

12. Shareholders can exercise their right to poll subject to meeting of requirement of Section 143 to 145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.

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

A. For Attending the Meeting

i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

ii. In case of corporate entity, the Board of Directors’ resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies

i. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned in the form.

iii. Attested copies of CNIC or passport of beneficial owner and the proxy shall be furnished with the proxy form.

iv. The proxy shall produce his / her original CNIC or passport at the time of the meeting. In case of corporate entity, the Board of Directors’ resolution / power of attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

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

The Company Secretary
Shield Corporation Limited
Office No 1007, 10th Floor, Business Avenue,
Block 6, P.E.C.H.S., Shahrah-e-Faisal,
Karachi-74500, Pakistan

Proxy Form

I/We

………...…

of ……………………………..………………………………………………… being a member of Shield Corporation Limited and holder of ……………….. ordinary shares hereby appoint ….……………………………………….………of ……………………………………….. or failing ……………………………......... of ……………………………. who is also a member of Shield Corporation Limited , as my / our proxy to attend vote for me / us and on my/our behalf at the 48th Annual General Meeting of the Company to be held on Friday, October 25, 2019 and at any adjournment thereof.

As witness my/our hand(s) this ________________ day of ________________, 2019;

Signed in the presence of:

Affix
Revenue
Stamp

_____________________ _____________________

(Signature of Witness1)
Name:
CNIC No:

					-							-	

(Signature of Witness 2)
Name:
CNIC No:

					-							-	

____________________________ ____________________________

(Name in Block Letters) Signature of the Shareholder's

Folio No. / CDC Account No.________________

Notes:

1. Member is requested:
   a) to affix Revenue Stamp at the place indicated above
   b) to sign in the same style of signature as registered with the Company.
   c) to write down his/her Folio Number.
2. For the appointment of the above proxy to be valid, this instrument must be received at registered office of the Company at Office No 1007, 10th Floor, Business Avenue, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi at least forty-eight hours before the time fixed for the meeting.
3. Any alteration made in this instrument of proxy should be initialed by the person who signs it.
4. In case of Joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders, and for this purpose the seniority will be determined by the order in which the names stand in the Register of Members.
5. The proxy must be member of the Company

For CDC Account Holder / Corporate Entities:
In addition to the above, the following requirements have to be met:

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

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Company Secretary
Shield Corporation Limited
Office No 1007, 10th Floor, Business Avenue,
Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-74500, Pakistan
Tel: [92-21] 34385003-4 Fax: [92-21] 34556344

مختارنامہ (پراکسی فارم)

کمپنی سیکریٹری
شیلڈ کارپوریشن لمیٹڈ
آفس 1007، بزنس ایونیو، بلاک 6
پی، ای، سی، ایچ، ایس، شاہراہِ فیصل
کراچی، 74500، پاکستان

میں/ہم...بحیثیت رکن شیلڈ کارپوریشن لمیٹڈ اور حامل
(نام وپتہ)
....عام حصص..
(نام وپتہ)
....کو یا ان کی غیر حاضری کی صورت میں ....
(نام وپتہ)

کو جو کہ خود بھی شیلڈ کارپوریشن لمیٹڈ کے رکن ہیں، ۲۵ اکتوبر ۲۰۱۹ء کو ہونے والے سالانہ اجلاس عام میں شرکت کرنے اور میرے/ ہمارے ایما پر حق رائے دہی استعمال کرنے کے لیے یا کسی بھی التوا کی صورت میں اپنا/ ہمارا پراکسی (مختار) مقرر کرتا ہوں۔

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

محصول ٹکٹ
چسپاں کریں

پہلے گواہ کے دستخط .... دوسرے گواہ کے دستخط ....

نام:..................................... نام:.....................................

CNIC نمبر: | | | | | |-| | | | | | | |-| | CNIC نمبر: | | | | | |-| | | | | | | |-| |

نام :..................................... شیئر ہولڈر کے دستخط ....

فولیو نمبر یا ڈی سی اکاؤنٹ نمبر : ....

نوٹس:

1۔ رکن سے درخواست ہے کہ
(ا) محصول ٹکٹ اوپر مخصوص جگہ پر لگائیں
(ب) بالکل وہی دستخط کریں جیسے کہ کمپنی کے رجسٹر میں کیے گئے ہیں
(ج) اپنا فولیو نمبر لکھیں

2۔ درج بالا پراکسی کی تقرری کے موثر ہونے کے لیے ضروری ہے کہ یہ فارم کو میٹنگ شروع ہونے سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس 1007، بزنس ایونیو، بلاک 6، پی، ای، سی، ایچ، ایس، شاہراہِ فیصل کراچی کو موصول ہوجائے۔

3۔ اس مختارنامہ (پراکسی فارم) میں کسی بھی قسم کی تبدیلی و ترمیم کا مجاز وہی فرد ہے جس نے اس پر دستخط کیے ہیں۔

4۔ جوائنٹ ہولڈرز ہونے کی صورت میں سینئر رکن اپنا ووٹ کا خواہ خود اندراج کرے یا مختار کار کے ذریعے، یہ تسلیم کرلیا جائے گا کہ دوسرا جوائنٹ ہولڈرز کے ووٹ خارج ہوگئے ہیں۔ اس حوالے سے سینئر ہونے کا تعین رجسٹر میں درج ناموں کی ترتیب کے حساب سے کیا جائے گا۔

5۔ مختار کار کا کمپنی کا رکن ہونا ضروری ہے۔

سی ڈی سی اکاؤنٹ ہولڈرز کے لیے/ کارپوریٹ ادارے

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

1۔ مختارنامہ (پراکسی فارم) پر گواہ کے طور پر دو افراد کے دستخط ہونے چاہئیں، اور ان کے نام، پتے اور قومی شناختی کارڈ نمبر فارم میں درج ہوں

2۔ مختارنامہ (پراکسی فارم) کے ساتھ بینفشیری (مستفید ہونے والے فرد) اور مختار کار کے شناختی کارڈ یا پاسپورٹ کی نقول موجود ہوں

3۔ مختار کار کو میٹنگ کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا

4۔ کارپوریٹ ادارہ ہونے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی کے دستخط، اگر پہلے فراہم نہ کیے گئے ہوں، مختارنامہ (پراکسی فارم) کے ہمراہ کمپنی میں جمع کرانا ہوں گے۔

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Company Secretary

Shield Corporation Limited

Office No 1007, 10th Floor, Business Avenue,
Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-74500, Pakistan
Tel: [92-21] 34385003-4 Fax: [92-21] 34556344

اظہارِ تشکر

ہم باقاعدہ تعریف اور اظہارِ تشکر کرنا چاہتے ہیں:

- اپنے بورڈ کے رفقاء کی قابل قدر رہنمائی اور حمایت پر مشکور ہیں
- اپنے قابل قدر کسٹمرز اور کنزیومرز کا جنھوں نے ہماری پروڈکٹس پر بھرپور اعتماد کیا اور کمپنی کی پائیدار ترقی میں اپنی حمایت اور تعاون کو یقینی بنایا۔
- اپنے ملازمین کا، جو اپنی پرعزم کوششوں، وفاداری اور لگن کا مظاہرہ کرر ہے ہیں۔
- اپنے قابل احترام سپلائیرز، بینکرز، اور تمام اسٹیک ہولڈرز کا جو ہماری کمپنی کی مسلسل ترقی میں اپنی مدد اور حصہ ملا رہے ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے

ایم ہارون قاسم	ولی محمد اے حبیب
چیف ایگزیکٹو	ڈائریکٹر

کراچی: 3 اکتوبر 2019ء

c- 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۔

d- کمپنی کے اکاؤنٹ کی باقاعدہ بکس مرتب کی گئی ہیں۔

e- فنانشل اسٹیٹمنٹس کی تیاری کیلئے اکاؤنٹنگ کی معقول پالیسیز کا اطلاق کیا جاتا ہے اور اکاؤنٹنگ تخمینے انتہائی مناسب اور محتاط فیصلوں کی بنیاد پر مبنی ہیں۔

f- فنانشلز انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کے مطابق تیار کیے جاتے ہیں، جو کہ پاکستان میں قابل اطلاق ہیں اور ان سے کسی بھی نوعیت کے انحراف کو مناسب انداز میں ظاہر اور واضح کیا گیا ہے۔

g- کمپنی نے بہت جامع اور مکمل انٹرنل کنٹرول سسٹم برقرار رکھا ہوا ہے، جس سے فنانشل اسٹیٹمنٹ میں کسی بھی غیر ارادی یا ارادتاً 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 اور صلاحیت سے متعلق کسی بھی معاملے میں کسی شک وشبہ کی گنجائش نہیں ہے۔

i- سال کے دوران کسی بھی واجب الادا قرض کی ادائیگی کے حوالے سے کسی نادہندگی کا سامنا نہیں ہوا۔

j- کسی بھی قسم کے بقایاجات، قانونی الزامات ٹیکسز اگر کوئی ہوں، انہیں فنانشل اسٹیٹمنٹس میں واضح کر دیا گیا ہے۔

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

l- گذشتہ 6 سال کے لیے اہم آپریٹنگ اور فنانشل ڈیٹا کا خلاصہ ساتھ منسلک ہے۔

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

مستقبل کا منظرنامہ

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

مستقبل قریب میں ملک کی معیشت میں بہتری کے آثار نظر نہیں آرہے ہیں۔ آئی ایم ایف کی جانب سے فنڈ کے توسیعی انتظام کی وجہ سے مزید اور زیادہ سخت پالیسیز آئیں گی۔ بجٹ کے سخت اقدامات کی وجہ سے سیلز پر منفی اثرات پڑے ہیں۔ افراطِ زر، بینک کے نرخوں میں اضافہ، ریگولیٹری/کسٹم ڈیوٹی میں متوقع اضافہ اور نتیجتاً کموڈیٹی کی قیمتوں میں اضافہ، نئے پلانٹ اور مشینری میں سرمایہ کاری پر ٹیکس کریڈٹ کے خاتمے سے کمپنی کے منافع میں دباؤ بڑھنے کا اندیشہ ہے۔ جبکہ دوسری جانب مقبوضہ کشمیر کی حیثیت بدلنے کے لیے بھارت کے یکطرفہ اقدام کے نتیجے میں پاک بھارت تعلقات خراب ہونے سے لائن آف کنٹرول پر صورت حال کشیدہ ہے۔

کمپنی صورتحال میں مسابقتی قیمتوں کی حکمت عملی، ڈسٹری بیوشن میں مسابقتی برتری اور معیار اور کنزیومرز کو بڑھانے کے لیے نئی ٹیکنالوجی میں سرمایہ کاری جیسے منصوبوں پر عمل پیرا ہے۔

آپ کی مینجمنٹ اس بات کا مکمل ادراک رکھتی ہے کہ بے بی کیئر کیٹیگری مضبوط بنیادوں پر آگے بڑھ رہی ہے اور ہمیں لازمی طور پر اس سے فائدہ اٹھانے اور اس میدان میں اپنی برتری جاری رکھنے کے لیے اپنی کوششوں کو برقرار رکھنا ہوگا۔ ایک نیا پلیٹ فارم تیار کرنے کے حوالے سے برآمدات کی مارکیٹ فی الوقت دریافت اور نشو ونما کے عمل سے گزر رہی ہے، جہاں ٹیم کو ایک چیلنج سے بھرپور مارکیٹ کا سامنا ہو سکتا ہے۔

کمپنی بزنس کے ماحول پر اثرات

کمپنی EMS ISO 14001 کی کمپلائنس اور سرویلنس کے ذریعے ماحول پر پڑنے والے اثرات کو کم سے کم کرنے کے لیے پرعزم ہے۔

ہر شعبے میں ماحولیاتی تشخیص کے لیے چارٹ کی نشاندہی کی گئی ہے جس میں درج ذیل ماحولیاتی امور کا احاطہ کیا گیا ہے:

1۔ آلودگی

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

2۔ قدرتی وسائل

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

3۔ ایمرجنسی حالات

- ماہانہ فائر ڈرلز کے ساتھ ایمرجنسی میں تیار رہنے کی مشق کی جاتی ہے۔ تمام اسٹاف کو اپنے ماحولیاتی پروگرام کی تربیت دی جاتی ہے اور انہیں اس میں شریک ہوتے اور حصہ لینے کے قابل بنایا جاتا ہے۔

غرض کہ، ماحول کی بہتری سے وابستہ ہمارا عزم ہمارے دائرہ عمل یعنی ہمارے صارفین، اسٹاف اور کمیونٹی تک وسعت اختیار کرتا ہے۔

متعلقہ پارٹی ٹرانزیکشنز

لسٹنگ ریگولیشنز کی ضروریات کی تعمیل کی غرض سے کمپنی تمام متعلقہ پارٹی ٹرانزیکشنز آڈٹ کمیٹی اور بورڈ کے روبرو ان کے جائزے اور منظوری کے لیے پیش کی گئیں۔ یہ ٹرانزیکشنز آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز کی اس مقصد کے لیے کی جانے والی میٹنگز میں منظور کی گئیں۔ 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

a۔ بورڈ کمپنی کی حکمت عملی کی سمت کا مسلسل جائزہ لیتا رہتا ہے۔ چیف ایگزیکٹو کی جانب سے بزنس کے فروغ کے لیے طے کیے گئے سالانہ منصوبوں اور کارکردگی کے اہداف پر کمپنی کے مجموعی مقاصد کی روشنی میں بورڈ نظر ثانی کرتا ہے۔ بورڈ کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو برقرار رکھنے کے لیے پرعزم ہے۔ کمپنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کی ترمیم شدہ لسٹنگ رولز کی دفعات سے ہم آہنگ ہے اور مکمل تعمیل کرتی ہے۔

b۔ 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۔

4۔آپریشنل خطرات

خطرات	اثرات کو کم کرنے کی حکمت عملی
اہم پوزیشنز پر ملازمین کے ٹرن اوور میں اضافہ ہوجاتا ہے۔	کمپنی میں ملازمین کی تربیت اور ترقی دینے کا کلچر موجود ہے، ملازمین کو مختلف شعبوں میں ترقی دینے اور شعبے تبدیل کرنے کا عمل تسلسل کے ساتھ جاری رہتا ہے۔ کام کرنے کے باقاعدہ طریقہ کار اور ہدایات موجود ہیں، جس سے کسی بھی نئے ملازم کو کوئی طریقہ عمل اختیار کرنے سے پہلے رہنمائی حاصل ہوتی ہے۔
بڑے حادثات کے خطرات کے ملازمین، ریکارڈز اور پراپرٹی پر اثرات۔	آپریٹنگ کے معیاری طریقہ کار، ملازمین کی تربیت اور آپریشنز سے متعلق نظم و نسق کو نافذ کیا جاتا ہے۔
کمپنی بجلی کی عدم دستیابی کی وجہ سے زیادہ سے زیادہ گنجائش کو آپریٹ کرنے کے قابل نہ رہے۔	بجلی جانے کی صورت میں کمپنی کے پاس استعمال کے لیے اسٹینڈ بائے جنریٹرز موجود ہیں۔
امن و امان کی غیر مستحکم صورت حال ملک کی معیشت پر اثرات۔	یہ خطرات اندرونی حکمت عملیوں کے ذریعے کم نہیں کیا جاسکتے۔

5۔ کمپلائنس کے خطرات

خطرات	اثرات کو کم کرنے کی حکمت عملی
ریگولیٹری باڈیز کے ذریعے قانونی فریم ورک میں ترامیم	کسی بھی قانون شکنی سے محفوظ رہنے کے لیے ریگولیٹری فریم ورک میں کی گئی تازہ ترین اپ ڈیٹس پر نگاہ رکھی جاتی ہے۔ ملازمین کو قوانین اور قواعد وضوابط میں کی جانے والی حالیہ تبدیلیوں سے ہر لمحہ آگاہ رکھنے کے لیے ٹریننگز کرائی جاتی ہیں۔

بعد کے واقعات

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

بیرونی آڈیٹرز

میسرز کے پی ایم جی تاثیر ہادی اینڈ کو چارٹرڈ اکاؤنٹنٹس، کمپنی کے آڈیٹرز کی حیثیت سے ریٹائر ہوئے ہیں۔ بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی کی تجویز پر میسرز بی ڈی او ابراہیم اینڈ کو چارٹرڈ اکاؤنٹنٹس، کی 30 جون 2020ء کو ختم ہونے والے سال کے لیے باہمی رضامندی سے طے کی گئی فیس پر تقرری کی سفارش کرتا ہے۔

اندرونی آڈیٹرز

انٹرنل آڈٹ کی خدمات میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس سے لی جاتی ہیں اور انٹرنل آڈٹ کے سربراہ اور بورڈ کی آڈٹ کمیٹی کو رپورٹ پیش کی جاتی ہے۔

یوں انٹرنل کنٹرولز کے نظام اور انٹرنل آڈٹ کے طریقہ کار کا جائزہ لیا جاتا ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر سال 20-2019 کے لیے ڈیلوئٹ یوسف عادل چارٹرڈ اکاؤنٹنٹس کی انٹرنل آڈیٹر کی حیثیت سے تقرری کرنے کا فیصلہ کیا ہے۔

1۔ حکمت عملی سے متعلق خطرات

خطرات

صارفین کی ترجیح میں تبدیلی کی صورت میں کمپنی بے بی کیئر مصنوعات میں اپنا مارکیٹ شیئر کھوسکتی ہے۔

آئی ٹی سیکورٹی رِسک

اثرات کو کم کرنے کی حکمت عملی

کمپنی صارفین کی ضرورت اور پسند کے مطابق مصنوعات فراہم کرنے کے مقصد کے تحت نئی ٹیکنالوجی کو استعمال کرنے کے لیے سرمایہ کاری کر رہی ہے۔

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

2۔ مالی خطرات

خطرات

غیر ملکی کرنسی کی شرح میں اتار چڑھاؤ۔

صارفین کمپنی کو ادائیگی کے لیے نادہندہ ہوجائیں۔

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

اثرات کو کم کرنے کی حکمت عملی

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

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

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

3۔ کمرشل خطرات

خطرات

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

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

اثرات کو کم کرنے کی حکمت عملی

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

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

نام	کیٹگری	میٹنگز	
		منعقدہ	شرکت کردہ
جناب سید عمران چشتی	چیئرمین	3	1
جناب ایم ہارون قاسم	رکن	3	3
جناب ولی محمد اے حبیب	رکن	3	3

ہیومن ریسورس اور مشاہرہ کمیٹی نے ان تمام ارکان کو غیر حاضری پر رخصت دی جو کہ میٹنگز میں شریک ہونے سے قاصر رہے۔

رسک مینجمنٹ کمیٹی

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

- تمام میٹریلز کنٹرولز کی نگرانی اور جائزہ (فنانشل، آپریشنل، کمپلائنس)
- اس بات کو یقینی بنانا کہ خطرات کو کم سے کم کرنے کے لیے ٹھوس اقدامات اور مالیاتی معلومات کی سالمیت یقینی بنائی جاتی ہے اور
- ڈائریکٹر رپورٹ میں کمپنی کے رِسک فریم ورک اور انٹرنل کنٹرول سسٹم کو مناسب حد تک ظاہر کرنا

رسک مینجمنٹ کمیٹی کی میٹنگز

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

نام	کیٹگری	میٹنگز	
		منعقدہ	شرکت کردہ
جناب ایم ہارون قاسم	چیئرمین	1	1
جناب پیر محمد	رکن	1	1
جناب ولی محمد اے حبیب	رکن	1	1

رِسک مینجمنٹ

کمپنی کی ایکٹیوٹیز سے مختلف نوعیت کے خطرات واضح ہو کر سامنے آئے 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 رِسک مینجمنٹ کمیٹی اور بورڈ آف ڈائریکٹرز کے ساتھ شیئر کیے جاتے ہیں۔ یہ کمپنی کی املاک کی شناخت، جائزے اور حکمت عملی، فنانشل، کمرشل، آپریشنل اور کمپلائنس رِسک کو کم سے کم کرنے کے لیے جو اقدامات کرتی ہے وہ ذیل میں بیان کیے گئے ہیں:

آڈٹ کمیٹی کی میٹنگز

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

نام	کیٹیگری	میٹنگز منعقدہ	میٹنگز شرکت کردہ
جناب پیر محمد	چیئرمین	5	5
جناب ولی محمد اے حبیب	رکن	5	5
جناب سید عمران چشتی	رکن	5	3

جناب پیر محمد صاحب نے آڈٹ کمیٹی سے 25 اپریل 2019 کو استعفیٰ دیا انکی جگہ محترمہ سعدیہ نوید آڈٹ کمیٹی کے رکن کی حیثیت سے شامل ہوئی ہیں اور جناب عمران چشتی آڈٹ کمیٹی کے چیئرمین مقرر ہوئے۔ آڈٹ کمیٹی نے ان تمام ارکان کو غیر حاضری پر رخصت دی جو آڈٹ کمیٹی کی میٹنگز میں شریک ہونے سے قاصر رہے۔

ہیومن ریسورس اور مشاہرہ کمیٹی

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

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

ہیومن ریسورس اور مشاہرہ کمیٹی کی میٹنگز

رواں سال کے دوران ہیومن ریسورس اور مشاہرہ کمیٹی کی تین (3) میٹنگز منعقد ہوئیں، جس میں کمیٹی کے ٹرمز آف ریفرنس کے تحت آنے والے معاملات پر بحث کے بعد ان کی منظوری دی گئی۔ ہر رکن کی حاضری ذیل کے مطابق رہی:

آڈٹ کمیٹی

آڈٹ کمیٹی 3 نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جن میں سے ایک خودمختار ڈائریکٹر ہیں۔ خودمختار ڈائریکٹر آڈٹ کمیٹی کے چیئرمین ہیں۔ آڈٹ کمیٹی سال میں کم از کم 4 بار اجلاس کرتی ہے۔ انٹرنل آڈٹ کا سربراہ آڈٹ کمیٹی کے سیکریٹری کے فرائض سرانجام دیتا ہے۔ آڈٹ کمیٹی کی ٹرمز آف ریفرنس کی تفصیل درج ذیل ہے:

- کمپنی کے اثاثہ جات کی حفاظت کے لیے مناسب اقدامات کرنے کا عزم
- بورڈ آف ڈائریکٹرز کی منظوری سے قبل، کمپنی کے سالانہ اور عبوری مالیاتی گوشواروں کا جائزہ
- بیرونی اشاعت سے قبل نتائج کے ابتدائی اعلانات کا جائزہ
- بیرونی آڈٹ میں سہولت فراہم کرنا اور آڈیٹرز کے ساتھ عبوری اور حتمی آڈٹ میں سامنے آنے والے اہم مشاہدات اور کوئی ایسا معاملہ جسے آڈیٹرز نمایاں کرنا چاہیں، پر گفتگو کرنا (مینجمنٹ کی غیر حاضری میں، جہاں ضروری ہو)
- بیرونی آڈیٹرز کی جانب سے جاری کیے گئے انتظامیہ خط اور اس پر انتظامیہ کے ردعمل کا جائزہ
- کمپنی کے اندرونی اور بیرونی آڈیٹرز کے درمیان ہم آہنگی کو یقینی بنانا
- انٹرنل آڈٹ، آڈٹ پلان، رپورٹنگ فریم ورک اور طریقہ کار اور حد کا جائزہ اور یہ یقینی بنانا کہ انٹرنل آڈٹ فنکشن مناسب وسائل کا حامل ہے اور کمپنی میں انتہائی موثر انداز سے موجود ہے۔
- اندرونی تحقیقات میں سامنے آنے والی جعل سازی، بدعنوانی اور اختیارات کے غلط استعمال جیسی سرگرمیوں کے حوالے سے نمایاں معاملات اور اس پر مینجمنٹ کے رد عمل پر غور وخوص
- انٹرنل کنٹرول سسٹمز بشمول مالی اور آپریشنل کنٹرولز کو یقینی بنانا، ساتھ ہی بروقت اور مناسب انداز سے خرید و فروخت، رسیدیں اور ادائیگیاں، اثاثہ جات اور ذمہ داریاں اور رپورٹنگ کا طریقہ کار انتہائی مناسب اور موثر ہے۔
- بورڈ آف ڈائریکٹرز کی تصدیق اور اندرونی آڈٹ رپورٹس سے قبل، انٹرنل کنٹرول سسٹمز پر کمپنی کے بیان کا جائزہ
- چیف ایگزیکٹو آفیسر کی مشاورت سے خاص پروجیکٹس کے قیام، روپے کے حوالے سے مطالعہ یا بورڈ کی جانب سے نشاندہی کیے گئے کسی بھی معاملے کی تحقیقات کرنا اور ایکسٹرنل آڈیٹرز یا کسی اور ایکسٹرنل باڈی سے متعلق ریمیٹنس کے کسی بھی معاملے پر غور وخوص
- متعلقہ قانونی ضروریات کی مطابقت کا تعین
- لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2018 کے اصول و ضوابط اور اس حوالے سے نمایاں خلاف ورزیوں کی نشاندہی کے ساتھ مطابقت کا جائزہ
- عملے اور انتظامیہ کے لیے انتظامات کا جائزہ لینا تا کہ آڈٹ کمیٹی کو اعتماد کے ساتھ رپورٹ جس کے تحت اگر کوئی مالیاتی یا کسی اور معاملے سے متعلق اصل یا متوقع غلطیوں اور اس کے ازالے اور کمی کے لیے اقدامات کرنا
- بورڈ آف ڈائریکٹرز کو ایکسٹرنل آڈیٹرز کی تقرری، ان کے اخراج، آڈٹ فیس، ایکسٹرنل آڈیٹرز کی جانب سے ان کے مالیاتی گوشواروں کے ساتھ ساتھ کمپنی کو فراہم کی گئی اور خدمت کا جائزہ لینے کی سفارش کرنا۔ بورڈ آف ڈائریکٹرز آڈٹ کمیٹی کی تجاویز پر مناسب طریقے سے غور کرے گا اور جہاں ضروری ہوا اس پر عمل بھی کیا جائے گا بصورت دیگر یہ وجوہات کو ریکارڈ کرے گا۔
- کسی اور مسئلے یا معاملے پر غور وخوص، جو بورڈ آف ڈائریکٹرز کی جانب سے متعین کیا جاسکتا ہے۔

بورڈ کی تشکیل

بورڈ درج ذیل کے ساتھ 6 حضرات اور 1 خاتون پر مشتمل ہے۔

خودمختار ڈائریکٹرز	2
دیگر نان ایگزیکٹیو ڈائریکٹرز	3
ایگزیکٹیو ڈائریکٹرز	2

بورڈ میٹنگز

اس سال کے دوران بورڈ آف ڈائریکٹرز کی سات (7) میٹنگز کی گئیں۔ ہر ڈائریکٹر کی حاضری تفصیل ذیل کے مطابق ہے:

ڈائریکٹرز کے نام	میٹنگز	
	منعقدہ	شرکت کردہ
جناب ابراہیم قاسم	7	6
جناب ایم ہارون قاسم	7	7
جناب ولی محمد اے حبیب	7	7
جناب پیر محمد	7	7
مسز سعدیہ بٹ نوید	7	3
جناب سید عمران چشتی	7	2
جناب محمد سلمان قاسم	7	7

بورڈ نے ان تمام ڈائریکٹرز کو غیر حاضری پر رخصت دی جو بورڈ میٹنگز میں شریک ہونے سے قاصر رہے۔ پورے سال کے دوران کوئی بھی اتفاقی یا عارضی جگہ خالی نہیں ہوئی۔

نان ایگزیکٹیو ڈائریکٹرز کے لیے مشاہرے کی پالیسی

کمپنی کے بورڈ اور کمیٹی اجلاسوں میں شرکت کے لیے نان ایگزیکٹیو ڈائریکٹرز اور خودمختار ڈائریکٹرز کے مشاہرے کا تعین بورڈ کی طرف سے وقتاً فوقتاً کیا جاتا ہے۔

شیئر ہولڈنگ کا طریقہ کار

کوڈ آف کارپوریٹ گورننس کو ملحوظ خاطر رکھتے ہوئے 30 جون 2019ء 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 چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانشل آفیسر، انٹرنل آڈٹ کے ہیڈ اور کمپنی سیکریٹری شامل ہیں۔ ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، انٹرنل آڈٹ کے ہیڈ، کمپنی سیکریٹری، چیف فنانشل آفیسر، ان کے/کی شریک حیات اور چھوٹے بچوں نے کمپنی کے شیئرز کی کوئی تجارت یا خرید و فروخت نہیں کی۔

ہیومن ریسورس مینجمنٹ

شیلڈ ایک ایسے کلچر پر یقین رکھتا ہے جس میں مسلسل ترقی کا عمل جاری رہے اور ایسا ماحول بنے جو پائیدار بنیادوں پر اعلیٰ ترین کارکردگی کے لیے مددگار ہو۔ موجودہ دور میں تیزی سے بدلتے ہوئے مقابلے کے رجحان میں بہترین قابلیت وصلاحیت کے حامل ملازمین کی ضرورت کو پورا کرنے کے لیے کمپنی کا ہیومن ریسورس ڈیپارٹمنٹ کلیدی کردار ادا کرتا ہے۔ شیلڈ کا ہیومن ریسورس صرف انفرادی سطح پر قابل افراد کی دریافت وشناخت اور ان کی صلاحیت میں اضافے کے لیے ہی کام نہیں کرتا بلکہ یہ کمپنی کی افرادی قوت میں ضروری صلاحیتوں کو بھی بڑھا رہا ہے۔ ٹریننگز کی اہمیت سے کبھی انکار نہیں کیا جا سکتا اور شیلڈ یہ کام بہت سنجیدگی سے کرتا ہے۔ کمپنی کے اندر اور بیرونی ذرائع کی مدد سے کئی ٹریننگ پروگرامز منعقد کیے گئے۔

خرچ کیا گیا سرمایہ

مقابلے کی اس فضا میں تیار ٹیکنیکی اعتبار سے مکمل اور درآمدات پر انحصار کم کرنے کے لیے کمپنی نے خود کو جدید ماڈلز کی مشینوں، مولڈز اور یوٹیلیٹیز تک محدود نہ رکھتے ہوئے پراپرٹی، پلانٹس اور ایکوپمنٹس پر بھی 201 ملین روپے مالیت کی سرمایہ کاری کی ہے۔ جیسا کہ پہلے واضح کیا گیا قائدانہ مقام کو برقرار رکھنے کے لیے ضروری ہے کہ ہم جدید ٹیکنالوجی پر دور اندیشی کے ساتھ سرمایہ کاری کریں تاکہ طویل عرصے کے لیے مسابقتی دوڑ اور نت نئی مصنوعات کی جستجو اور پیداوار کو یقینی بنایا جا سکے۔ کمپنی مستقل بہتری کے ذریعے انسانوں اور ماحول کے تحفظ پر یقین رکھتی ہے۔ کمپنی ISO 9001:2015 اور ISO 14001:2004 سرٹیفائیڈ ہے۔ یہ مینجمنٹ اور ماحول کے شعبے میں مینجمنٹ سسٹم کے بین الاقوامی معیارات ہیں۔

برآمدات

اس سال کمپنی کی برآمدات 5.30 ملین روپے ہیں۔ برآمدات کی مد میں ابھی بہت کچھ حاصل کرنا ہے۔ ہم پوری محنت اور جوش وجذبے کے ساتھ مختلف مارکیٹس جیسے افغانستان، یورپی یونین اور افریقہ میں کام کر رہے ہیں، جہاں ہم ڈسٹری بیوٹرز کے ساتھ اپنا نیٹ ورک استوار کر رہے ہیں تاکہ آئندہ سال سیلز میں خاطر خواہ اضافہ ہو۔ ہمیں اپنی اس پیش قدمی سے پورا یقین ہے کہ عالمی مارکیٹ میں سخت چیلنجز کے باوجود ہماری ایکسپورٹ بیس میں اضافہ ہوگا۔

قومی خزانے میں حصہ

آپ کی کمپنی نے مختلف حکومتی ٹیکسز بشمول کسٹم ڈیوٹی، ریگیولیٹری ڈیوٹی، سیلز ٹیکس اور انکم ٹیکس کی مد میں سال 19-2018 کے دوران قومی خزانے میں 593 ملین روپے کی مجموعی رقم جمع کرائی ہے۔

کارپوریٹ گورننس

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

سے ایک نیا انداز اور احساس نمایاں ہوا۔ پورٹ فولیو کو خاص اہمیت دیتے ہوئے چار کیٹیگریز میں تقسیم کیا گیا ہے جن کے نام چیمپس، اسینشل کیئر، فیملی کیئر اور ایکسپرٹ کیئر ہیں۔ مزید برآں شیلڈ نے ملک بھر میں ریٹیل چینلز میں ٹریڈ کو نمایاں کرنے اور رسائی میں اضافے کے لیے مسٹر ٹوتھ اور فیلکن ٹوتھ برشز کو نئی ہینگر پیکیجنگ میں لانچ کیا۔ شیلڈ ٹوتھ پیسٹ بڑوں اور بچوں کی دو مختلف کیٹیگریز ایڈلٹ رینج اور کڈز رینج میں موجود ہیں۔ بڑوں کے ٹوتھ پیسٹ دارچینی اور پودینہ کے 2 منفرد ذائقوں میں دستیاب ہیں۔ اس کی بہتر فارمولیشن نے اسے کئی ملٹی نیشنل اور لوکل فیملی ٹوتھ پیسٹ برانڈز سے مقابلے پر لا کھڑا کیا ہے۔ ٹوتھ پیسٹ کیٹیگری میں مزید آگے بڑھنے اور ترقی کی کافی گنجائش اور مواقع موجود ہیں۔ شیلڈ کڈز ٹوتھ پیسٹ اسٹرابری، ببل گم اور اورنج کے تین منفرد فلیورز میں دستیاب ہیں۔ بچوں کے دانتوں کی صحت کی جانب بڑھتی ہوئی توجہ اور آگاہی سے ہمارا یہ اندازہ ہے کہ یہ سیگمنٹ وقت کے ساتھ ترقی کرتا رہے گا۔

مینجمنٹ کے مقاصد/حکمتِ عملیاں/خطرات اور مواقع

ڈیجیٹل میڈیا کے استعمال میں مسلسل اضافے کو پیشِ نظر رکھتے ہوئے ہمارے پاس آن لائن کسٹمرز کو مختلف سرگرمیوں کے ذریعے مزید راغب کرنے کی غرض سے گذشتہ سال کی طرح آئندہ سال کے لیے بھی جارحانہ منصوبے ہیں۔ اپنی لیڈر شپ پوزیشن کو برقرار رکھنے کے لیے اس سال جارحانہ جدت اور نئی مصنوعات کی تیاری پر اپنی توجہ مرکوز رکھنا ہے۔

دانتوں کی صحت کا عالمی دن

دانتوں کی صحت کا عالمی دن (ورلڈ اورل ہیلتھ ڈے: WOHD) ہر سال 20 مارچ کو منایا جاتا ہے۔ یہ ایک بین الاقوامی دن ہے جو پوری دنیا میں دانتوں کی صحت سے متعلق مسائل کی آگاہی کو فروغ دینے کے لیے منایا جاتا ہے۔ WOHD کی سال 2019 کی تھیم ہے آہ کہو (منہ کی صحت کا خیال رکھیں)۔ یہ مسلسل دسواں سال تھا کہ شیلڈ نے ڈینٹل نیوز کے ساتھ مل کر میگا ایونٹ اسپانسر کیا ہے۔

اس سرگرمی میں شیلڈ نے ملک کے 16 شہروں کے 48 ڈینٹل کالجز میں دانتوں کا مفت معائنہ کیا۔ شیلڈ اورل کیئر پروڈکٹس کے مفت سیمپلز بھی صارفین کو دیے جاتے ہیں۔ اس سرگرمی کی ڈیجیٹل ایڈورٹائزنگ کے ذریعے تشہیر کی گئی جسے لوگوں نے بھرپور انداز میں سراہا۔

کارپوریٹ سماجی ذمہ داری

شیلڈ کی انتظامیہ اس بات پر پختہ یقین رکھتی ہے کہ کاروبار کو ایک واضح مقصد کے ساتھ کیا جائے۔ شیلڈ ہمیشہ ہی ایسے مواقع تلاش کرتا ہے جس سے لوگوں کی زندگی کے معیار میں اضافہ ہو۔ کمپنی نے تعلیم اور سماجی بہبود کے منصوبوں پر لگ بھگ 0.44 ملین روپے کے عطیات دیے ہیں۔ شیلڈ سماج کو فائدہ پہنچانے اور واپس لوٹانے کے فلسفے پر یقین رکھتا ہے، اسی سوچ کے پیشِ نظر ضرورت مند اسپیشل بچوں کی تعلیم کے لیے معاونت کر رہا ہے۔

کارپوریٹ وژن اور مشن

آپ کی مینجمنٹ آپ کی کمپنی کو پاکستان میں ایک مقبول اور نمایاں ہاؤس ہولڈ نام دینے کے لیے اپنی تمام تر کوششیں بروئے کار لا رہی ہے، جس کے لیے وہ فیملیز کو ان کی صحت کی حفاظت کرنے کا 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۔ کمپنی کا وژن ہے کہ زندگیوں میں پیار اور خوشی کے ذریعے تبدیلی لائی جائے۔

3۔ کمپنی نے سیلنگ اینڈ ڈسٹری بیوشن اور اشتہارات کی مد میں گذشتہ سال کے مقابلے میں بالترتیب 22.57 ملین روپے اور 57.14 ملین روپے کم خرچ کیے۔ ڈسکاؤنٹس کی شکل میں ٹریڈ مارکیٹنگ پر توجہ مرکوز رکھی گئی جس کی کٹوتی مجموعی سیلز سے کی جاتی ہے۔

4۔ رواں سال کے دوران سرمایہ کاری کی قلیل مدتی سہولتوں کے استعمال میں اضافے اور بینک کی شرح میں 88.46% اضافے کی وجہ سے کمپنی کے مالیاتی اخراجات میں 22.88 ملین روپے کا اضافہ ہوا۔ زرمبادلہ کے نقصان کی مد میں گزشتہ سال کے مقابلے میں اس سال 10.91 ملین روپے کا اضافہ ہوا۔

5۔ کمپنی نے سال 19-2018 کے لیے 85.62 ملین روپے کا قبل از ٹیکس منافع ریکارڈ کیا۔ انکم ٹیکس میں 33.66 ملین روپے کا اضافہ ہوا۔ لہٰذا بعد از ٹیکس فی شیئر آمدنی گذشتہ سال کی 17.41 روپے سے گھٹ کر 6.24 روپے ہوگئی جس کی وجہ اوپر بیان کردہ عوامل ہیں۔

6۔ بورڈ آف ڈائریکٹرز نے موجودہ مالی سال کے لیے 12.50% حتمی کیش ڈیویڈنڈ یعنی 1.25 روپے فی شیئر تجویز کیا ہے جس کی مالیت 4.88 ملین روپے ہے جو کہ شیئر ہولڈرز کی جانب سے سالانہ اجلاسِ عام میں منظور ہونا ہے۔ اس سال 19.45 ملین روپے کا غیر منقسم منافع کمپنی کے ریونیوز خائر میں اضاضہ ہوگا۔

ہمارے کاروبار کی وسعت

شیلڈ کارپوریشن لمیٹڈ 1975 میں قائم ہوئی اور گذشتہ 44 سال سے زائد عرصے میں شیلڈ نے ایک مربوط حکمت عملی کے تحت اپنی مصنوعات کے پورٹ فولیو بے بی کیئر اینڈ اورل کیئر دونوں کیٹیگریز کو نمایاں وسعت دی ہے۔ ان کوششوں کے نتیجے میں شیلڈ اپنے قائدانہ مقام کو برقرار رکھنے میں کامیاب رہا ہے۔

بے بی کیئر

شیلڈ نے بے بی کیئر کیٹیگری میں ایک نمایاں کھلاڑی کی حیثیت سے اپنی شناخت کو بدستور برقرار رکھا ہے۔ ہماری کامیابی کی بنیاد اعلیٰ معیار، مناسب قیمت اور بے بی کیئر کیٹیگری میں مصنوعات کی مختلف اور وسیع رینج ہے، یہی وجہ ہے کہ زیادہ تر مائیں پاکستان میں کسی بھی دوسرے بے بی کیئر برانڈ کے مقابلے میں شیلڈ پر بھروسہ کرتی ہیں۔ اس سال نئی مصنوعات کی تیاری کو اہمیت دی گئی اور بے بی فیڈنگ رینج میں ایک نئی ''گلاس فیڈرز'' شامل کی گئی جسے کراچی، لاہور اور اسلام آباد میں انتہائی کامیابی سے آزمائشی بنیادوں پر متعارف کیا گیا، ساتھ ہی نومولود بچوں کے لیے ایک گفٹ سیٹ بھی تیار کیا گیا۔ رنگین فیڈرز کی بڑھتی ہوئی طلب کو دیکھتے ہوئے شیلڈ نے رنگین فیڈرز کی ایک نئی رینج متعارف کی جسے صارفین نے بہت زیادہ پسند کیا۔

شیلڈ بے بی کیئر سے جڑی دیگر چیزوں کی ایک وسیع رینج رکھتا ہے جن میں سُودھرز، ٹیتھرز، ٹریننگ کپس شامل ہیں جو ماؤں کے لیے بچوں کی کئی ضرورتیں پوری کرنے میں مددگار ہیں۔ بچے کی ابتدائی نشوونما کو پیش نظر رکھتے ہوئے شیلڈ محفوظ مصنوعات کو یقینی بناتا ہے اور اس مقصد کے لیے اپنی مصنوعات کی تیاری میں فوڈ گریڈ میٹریل کا استعمال اور حلال معیارات پر عمل کرتا ہے۔

شیلڈ ڈائپرز سب سے زیادہ تیزی سے بڑھنے والی پروڈکٹ ہے۔ یہ پورے سال کے دوران مارکیٹنگ ایکٹوٹیز میں اضافے کے سبب سے ممکن ہوا۔ شیلڈ نے بے بی کیئر کیٹیگری میں پائنیئر ہونے کی حیثیت سے صارفین کے لیے پہلی بار ایک کنزیومر پروموشن لانچ کی جو کہ اس سے قبل ڈائپر کیٹیگری میں نہیں کی گئی تھی۔ ''شیلڈ لکی ٹو لندن'' کو پورے ملک میں لانچ کیا گیا جس کا مقصد شیلڈ بے بی ڈائپر کو نمایاں کرنا اور مارکیٹ میں قدم جمانا تھا۔

اورل کیئر

شیلڈ ٹوتھ برش کیٹیگری میں اپنے برانڈ کی آگاہی اور پروڈکٹ پورٹ فولیو میں وسعت کی وجہ سے بدستور ایک نمایاں مقام پر فائز ہے۔ پوری رینج کی پیکیجنگ کو تبدیل کیا گیا جس

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

شیلڈ کارپوریشن لمیٹڈ کے ڈائریکٹرز 30 جون 2019 کو ختم ہونے والے مالی سال کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے پیش کرنے میں خوشی محسوس کررہے ہیں۔ یہ رپورٹ شیئر ہولڈرز کے سرمائے کی قدر میں اضافے کے حوالے سے مینجمنٹ کی مسلسل کوششوں کا ایک سرسری جائزہ ہے۔

سرمائے کا خلاصہ

عملداری نتائج	2019 (روپے)	2018 (روپے)	اضافہ/(کمی)
مجموعی سیلز	1,983,112,535	1,824,690,091	8.68%
خالص سیلز	1,778,794,872	1,678,897,969	5.95%
مجموعی منافع	556,737,043	611,481,320	(8.95%)
مجموعی فیصدی منافع	31.30%	36.42%	(512 bps)
فروخت اور تقسیم کاری کے اخراجات	338,493,789	418,214,780	(19.06%)
انتظامی اخراجات	65,532,759	60,753,032	7.87%
عملیاتی منافع/آپریٹنگ کا منافع	41,594,682	18,714,378	122.26%
قبل از ٹیکس منافع	85,618,758	98,125,235	(12.75%)
بعد از ٹیکس منافع	24,329,724	67,903,433	(64.17%)
فی شیئر آمدنی	6.24	17.41	(64.17%)

جائزہ

سال 2018-19 ملک کے لیے ایک پُر آزمائش سال رہا۔ کئی وجوہات کی بنا پر معاشی افق پر غیر یقینی صورت حال برقرار رہی جیسے مالیاتی بجٹ سال میں تین بار پیش کیا گیا۔ اسٹاک مارکیٹ میں سالانہ منفی منافع رجسٹر ہوا اور KSE-100 انڈیکس 41,911 سے کم ہو کر 33,774 پر آ گیا۔ افراطِ زر کی شرح 4.50% سے بڑھ کر 14.80% ہو گئی اور پاکستانی روپیہ کی قدر ڈالر کے مقابلے میں گھٹ کر 122 روپے فی ڈالر سے 163 روپے فی ڈالر ہو گئی۔

ان تمام آزمائشوں اور مشکلات کے باوجود:

1۔ کمپنی نے موجودہ مالی سال میں 1.98 بلین روپے کی سیلز کا مجموعی ہدف حاصل کیا ہے جو کہ گذشتہ سال کے مقابلے میں 8.68% اضافہ ہے۔ مارکیٹ کی محرکات کے پیش نظر کمپنی نے مارکیٹ شیئر میں اضافے اور تجارت کے تسلسل کو برقرار رکھنے کے لیے اضافی رعایتوں کی مقدار بڑھائی نتیجتاً کمپنی نے خالص سیلز 1.77 بلین روپے ریکارڈ کی جو کہ پچھلے سال کے مقابلے میں 5.95% اضافہ ہے۔

2۔ روپے کی قدر میں کمی، درآمدی خام مال کی قیمتوں میں اضافے، کسٹم ڈیوٹیز کے بڑھنے اور کمپنی کے سیلز مکس میں تبدیلی کی وجہ سے مجموعی منافع میں 5.12% کمی واقع ہوئی۔

چیئرمین کی جائزہ رپورٹ

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

مجموعی طور پر بورڈ اپنے تنظیمی ڈھانچے اور اسٹرکچر کی بنا پر اچھے طریقے سے کام کر رہا ہے۔ بورڈ اراکین مناسب صلاحیت، علم اور تجربے کے حامل ہیں جو کہ کاروبار کو مؤثر طریقے سے چلانے کیلئے انتہائی ضروری ہے۔ کوڈ آف کارپوریٹ گورننس کے تقاضے کے تحت آپ کی کمپنی کے ڈائریکٹرز کا سالانہ جائزہ لیا جاتا ہے جس کا مقصد اس بات کو یقینی بنانا ہے کہ کمپنی کے لیے متعین کیے گئے اہداف ومقاصد سے وابستہ توقعات کے حوالے سے بورڈ کی مجموعی کارکردگی اور اثرات کو مقررہ معیار کے مطابق پرکھا جائے۔

30 جون 2019ء کو ختم ہونے والے مالی سال کے لیے بورڈ، اس کے ارکان اور اس کی کمیٹیوں کی مجموعی کارکردگی اور کام پر اثرات تسلی بخش رہے ہیں۔ مجموعی جائزہ جن بنیادوں پر قابل اطمینان رہا ان لازمی اجزاء میں سوچ، مقصد اور اقدار، حکمت عملی کے حوالے سے منصوبہ بندی میں مصروفیت، پالیسیز کی تشکیل، آرگنائزیشن کی کاروباری سرگرمیوں کی نگرانی، فنانشل ریسورس مینجمنٹ کی نگرانی، مؤثر مالیاتی نگرانی، تمام ملازمین کے ساتھ برابری کا سلوک اور بورڈ کے امور اور اس کی کمیٹیوں کی مؤثر کارکردگی شامل ہیں۔ بہتری ایک مسلسل جاری رہنے والا عمل ہے جو منصوبوں کی عملی تشکیل کی صورت میں ہی سامنے آتا ہے۔

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

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

ابراہیم قاسم
چیئرمین

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