



BUILDING
A BRIGHTER FUTURE
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COMPANY INFORMATION

Board of Directors

Mr. Ebrahim Qassim	Chairman
Mr. Mohammad Haroon Qassim	Chief Executive
Mr. Vali Muhammad A. Habib	Director
Mr. Abdul Ghaffar Umer Kapadia	Director
Mr. Imran Chishti	Director
Mrs. Saadia Naveed	Director
Mr. Mohammad Salman Qassim	Director

Audit Committee

Mr. Abdul Ghaffar Umer Kapadia	Chairman
Mr. Vali Muhammad A. Habib	Member
Mr. Imran Chishti	Member

Human Resource & Remuneration Committee

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

Risk Management Committee

Mr. Mohammad Haroon Qassim	Chairman
Mr. Vali Muhammad A. Habib	Member
Mr. Abdul Ghaffar Umer Kapadia	Member

Chief Financial Officer

Mr. Yasir Yousuf Chhabra

Company Secretary

Mr. Hafiz Muhammad Hasan

Head of Internal Audit

Mr. Tariq Shahzad

Legal Advisors

Mr. Shafqat Zaman

External Auditors

BDO Ebrahim & Co.
Chartered Accountants

Internal Auditors

Yousuf Adil
Chartered Accountants

Bankers

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

DIRECTORS' REVIEW

On behalf of the Board of Directors, it is our pleasure to present the un-audited condensed interim financial information for the period ended September 30, 2021.

Financial summary

Operating Results	September, 2021	September, 2020	Increase / (Decrease)
	(Rupees)	(Rupees)	
Net Sales	530,429,551	537,182,332	(1.26%)
Gross Profit	141,676,175	163,399,708	(13.29%)
Gross Profit %	26.71%	30.42%	(371 bps)
Selling and Distribution Expenses	92,935,482	77,675,889	19.65%
Administrative Expenses	15,203,111	11,390,180	33.48%
Finance Costs	14,476,926	17,042,090	(15.05%)
Profit Before Tax	18,254,352	37,088,320	(50.78%)
Profit After Tax	12,741,894	21,708,341	(41.30%)
Earnings per Share	3.27	5.57	(41.30%)

First quarter of the financial year 2022 turned out to be a very challenging quarter. Net sales marginally dropped by 1.26%. Gross profit percentage dropped by 371 bps. This is primarily due to the global supply chain crisis resulting in a sharp increase in input costs coupled with exorbitant freight costs. The Company recorded profit before tax of Rs. 18.25 million as compared to Rs. 37.09 million last year mainly due to decrease in gross profit as compared to last year.

Business environment is very uncertain with sky rocketing inflation, challenges in ensuring availability of materials, exorbitant freight costs and many other challenges. Supply chain crisis is the foremost biggest challenge for the Company and the economy as a whole. State Bank of Pakistan has also increased benchmark policy rate by 25bps to 7.25%. Management is doing its best to mitigate the impact of adverse economic challenges.

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

On behalf of the Board



Mohammad Haroon Qassim
Chief Executive



Abdul Ghaffar Umer Kapadia
Director

Karachi: October 27, 2021

ڈائریکٹرز کا جائزہ

ہم بورڈ آف ڈائریکٹرز کی جانب سے ۳۰ ستمبر ۲۰۲۱ کو ختم ہونے والی مدت کے لیے غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات پیش کرنے میں خوشی محسوس کر رہے ہیں۔

سرمائے کا خلاصہ

عملداری نتائج	ستمبر ۲۰۲۱ (روپے)	ستمبر ۲۰۲۰ (روپے)	اضافہ/(کمی)
خالص سیلز	530,429,551	537,182,332	(1.26%)
مجموعی منافع	141,676,175	163,399,708	(13.29%)
مجموعی فیصدی منافع	26.71%	30.42%	(371 bps)
فروخت اور تقسیم کاری کے اخراجات	92,935,482	77,675,889	19.65%
انتظامی اخراجات	15,203,111	11,390,180	33.48%
مالیاتی لاگت	14,476,926	17,042,090	(15.05%)
قبل از ٹیکس منافع	18,254,352	37,088,320	(50.78%)
بعد از ٹیکس منافع	12,741,894	21,708,341	(41.30%)
فی شیئر آمدنی	3.27	5.57	(41.30%)

مالی سال 2022 کی پہلی سہ ماہی انتہائی چیلنجنگ سہ ماہی رہی۔ خالص فروخت میں 1.26% کی معمولی کمی واقع ہوئی۔ مجموعی منافع میں 371bps کی کمی واقع ہوئی۔ یہ بنیادی طور پر عالمی سپلائی چین کے بحران کی وجہ سے ہے جس کے نتیجے میں ان پٹ لاگت میں تیزی سے اضافہ ہو رہا ہے اور اس کے ساتھ ساتھ مال برداری کے اخراجات بے تحاشہ بڑھ رہے ہیں۔ کمپنی نے گزشتہ سال کے 37.09 بلین روپے کے مقابلے 18.25 بلین روپے کا قبل از ٹیکس منافع ریکارڈ کیا جس کی بنیادی وجہ گزشتہ سال کے مقابلے میں مجموعی منافع میں کمی ہے۔

کاروبار کا ماحول آسمان کو چھوتی مہنگائی، مواد کی دستیابی کو یقینی بنانے میں چیلنج، بے تحاشہ مال برداری کے اخراجات اور بہت سے دوسرے چیلنجوں کے ساتھ بہت غیر یقینی ہے۔ سپلائی چین کا بحران کمپنی اور پوری معیشت کے لیے سب سے بڑا چیلنج ہے۔ اسٹیٹ بینک آف پاکستان نے بھی بیچ مارک پالیسی ریٹ کو 25bps سے بڑھا کر 7.25% کر دیا ہے۔ انتظامیہ منفی اقتصادی چیلنجوں کے اثرات کو کم کرنے کی پوری کوشش کر رہی ہے۔

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

بورڈ آف ڈائریکٹرز کی طرف سے



عبدالغفار عمر کپاڈیا
ڈائریکٹر



محمد بارون قاسم
چیف ایگزیکٹو

کراچی: ۲۷ اکتوبر ۲۰۲۱

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2021

		(Unaudited) September 30, 2021	(Audited) June 30, 2021
	Note	(Rupees)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	7	728,827,922	656,221,677
Intangible asset		351,308	280,000
Investment property		116,168,885	116,631,922
Long term deposits		1,145,986	5,047,486
Investment in equity accounted associate		2,416,286	2,668,585
		848,910,387	780,849,670
CURRENT ASSETS			
Stores and spares		41,692,045	40,276,144
Stock-in-trade	8	506,894,315	453,390,070
Trade debts	9	187,650,139	151,204,854
Loans and advances		9,713,518	16,743,113
Trade deposits, prepayments and other receivable	10	10,543,615	12,457,345
Taxation - net		55,186,111	53,903,416
Cash and bank balances	11	32,895,921	3,746,928
		844,575,664	731,721,870
TOTAL ASSETS		1,693,486,051	1,512,571,540
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 15,000,000 (June 30, 2020 : 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid-up capital 3,900,000 ordinary shares of Rs. 10/- each		39,000,000	39,000,000
Loan from Chief Executive		55,000,000	55,000,000
Capital reserve		10,000,000	10,000,000
Revenue reserves		502,739,402	489,997,768
		606,739,402	593,997,768
NON - CURRENT LIABILITIES			
Deferred taxation		70,874,625	72,637,090
Long term financing - secured	12	247,384,557	230,801,891
Security deposit		5,400,000	5,400,000
Deferred government grant	13	175,098	791,086
		323,834,280	309,630,067
CURRENT LIABILITIES			
Trade and other payable	14	223,081,882	153,834,148
Accrued Profit		9,303,752	6,846,778
Current portion of long term financing - secured	12	132,343,200	135,218,883
Current portion of deferred government grant	13	3,495,452	4,184,638
Short term borrowings - secured	15	393,736,056	307,904,890
Unpaid dividend		331,886	334,227
Unclaimed dividend		620,141	620,141
		762,912,369	608,943,705
TOTAL EQUITY AND LIABILITIES		1,693,486,051	1,512,571,540

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 28 form an integral part of these condensed interim financial information.



Muhammad Haroon Qassim
Chief Executive



Abdul Ghaffar Umer Kapadia
Director



Yasir Yousuf Chhabra
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

	Note	Three months period ended	
		September 30, 2021	September 30, 2020
		(Rupees)	
Sales - net	17	530,429,551	537,182,332
Cost of sales		(388,753,376)	(373,782,624)
Gross profit		141,676,175	163,399,708
Selling and distribution expenses		(92,935,482)	(77,675,889)
Administrative and general expenses		(15,203,371)	(11,390,180)
Other operating expenses		(7,420,133)	(25,196,679)
Other operating income		6,866,128	5,212,382
		(108,692,858)	(109,050,366)
Operating profit before finance costs		32,983,317	54,349,342
Share of loss on equity accounted associate		(252,299)	(218,932)
Finance costs	18	(14,476,926)	(17,042,090)
Profit before taxation		18,254,092	37,088,320
Taxation		(5,512,458)	(15,379,979)
Profit for the period		12,741,634	21,708,341
Other comprehensive income		-	-
Total comprehensive income for the period		12,741,634	21,708,341
Earnings per share - basic and diluted	19	3.27	5.57

The annexed notes from 1 to 28 form an integral part of these condensed interim financial information.



Muhammad Haroon Qassim
Chief Executive



Abdul Ghaffar Umer Kapadia
Director



Yasir Yousuf Chhabra
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASHFLOWS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

	Note	Three months period ended	
		September 30, 2021	September 30, 2020
		(Rupees)	
Cash flows from operating activities			
Cash flow generated from operations	20	43,433,948	139,876,611
Finance costs paid		(12,019,952)	(26,880,029)
Income tax - net		(8,557,618)	(4,685,806)
Net cash generated from operating activities		22,856,378	108,310,776
Cash flows from investing activities			
Fixed capital expenditure including work in progress		(92,580,280)	(29,238,348)
Addition in intangible assets		(128,699)	-
Sales proceeds from disposal of property, plant and equipment		770,959	-
Net cash used in investing activities		(91,938,020)	(29,238,348)
Cash flows from financing activities			
Long term financing diminishing musharakah - net		12,401,809	72,342,217
Short term murabaha / istisna finance - net		87,427,631	(107,337,128)
Dividend paid		(2,341)	-
Net cash generated / (used in) from financing activities		99,827,099	(34,994,911)
Net increase in cash and cash equivalents		30,745,457	44,077,517
Cash and cash equivalents at the beginning of the period		(175,022,493)	(181,537,563)
Cash and cash equivalents at the end of the period	21	(144,277,036)	(137,460,046)

The annexed notes from 1 to 28 form an integral part of these condensed interim financial information.



Muhammad Haroon Qassim
Chief Executive



Abdul Ghaffar Umer Kapadia
Director



Yasir Yousuf Chhabra
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2021

Issued, subscribed and paid-up capital	Loan from Chief Executive and Director	Reserve				Sub total	Total
		Capital reserve	Revenue reserves				
		Share Premium	General	Unappropriated profit			

----- (Rupees) -----

Balance as at July 1, 2020	39,000,000	110,000,000	10,000,000	55,000,000	279,892,995	344,892,995	493,892,995
Total comprehensive income for the period ended September 30, 2020							
Profit for the period	-	-	-	-	21,708,341	21,708,341	21,708,341
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	21,708,341	21,708,341	21,708,341
Balance as at September 30, 2020	<u>39,000,000</u>	<u>110,000,000</u>	<u>10,000,000</u>	<u>55,000,000</u>	<u>301,601,336</u>	<u>366,601,336</u>	<u>515,601,336</u>
Balance as at July 1, 2021	39,000,000	55,000,000	10,000,000	55,000,000	434,997,768	499,997,768	593,997,768
Total comprehensive Income for the period ended September 30, 2021							
Profit for the period	-	-	-	-	12,741,634	12,741,634	12,741,634
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	12,741,634	12,741,634	12,741,634
Balance as at September 30, 2021	<u>39,000,000</u>	<u>55,000,000</u>	<u>10,000,000</u>	<u>55,000,000</u>	<u>447,739,402</u>	<u>512,739,402</u>	<u>606,739,402</u>

The annexed notes from 1 to 28 form an integral part of these condensed interim financial information.



Muhammad Haroon Qassim
Chief Executive



Abdul Ghaffar Umer Kapadia
Director



Yasir Yousuf Chhabra
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UNAUDITED)

1 STATUS AND NATURE OF BUSINESS

Shield Corporation Limited (the Company) was incorporated on January 10, 1975 as a public limited company in Pakistan under the Companies Act, 1913 (now Companies Act, 2017) and is quoted on Pakistan Stock Exchange Limited. The Company started its commercial production on November 26, 1975 and is mainly engaged in the manufacturing, trading and sales of oral care, baby care and hygiene products.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at office No. 1007, 10th Floor, Business Avenue, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi. The manufacturing facility of the Company is located at Landhi Industrial Area, Karachi.

3 BASIS OF PREPARATION

3.1 Statement of compliance

This condensed interim financial information of the Company for the three months period ended September 30, 2021 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- 'International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard 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 the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2021 which have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative statement of financial position presented in these condensed interim financial information have been extracted from the annual audited financial statements of the Company for the year ended June 30, 2021, whereas the comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the three months period ended September 30, 2020.

3.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except as disclosed otherwise. This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

3.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional and presentation currency.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those adopted in the preparation of the annual financial statements for the year ended June 30, 2021.

5 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS, AND ASSUMPTIONS

The preparation of condensed interim financial information in conformity with accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

6 TAXATION

The provisions for taxation for the three months quarter ended September 30, 2021, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate is 29% for the Tax Year 2022 as stipulated through Finance Act 2019.

	Note	(Unaudited) September 30, 2021	(Audited) June 30, 2021
(Rupees)			
7 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	644,548,289	653,332,458
Capital work in progress	7.2	84,279,633	2,889,219
		728,827,922	656,221,677

7.1 Following are the operating fixed assets added at cost and disposed off at net book value during the period ended:

	(Unaudited) September 30, 2021			(Audited) June 30, 2021		
	Additions (at cost)	Disposals (at net book value)	Impairment net of disposal	Additions (at cost)	Disposals (at net book value)	Impairment net of disposal
----- (Rupees) -----						
Building on leasehold land	-	-	-	406,977	-	-
Plant and machinery	8,121,842	3,214,774	-	93,162,386	14,951,793	3,766,189
Office equipments	1,332,523	66,157	-	2,151,515	-	-
Furniture and fittings	983,500	10,056	-	1,950,992	-	-
Computers	752,000	-	-	1,306,999	31,192	-
Motor vehicles	-	-	-	-	154,046	-
	11,189,865	3,290,987	-	98,978,869	15,137,031	3,766,189

7.2 Additions in capital work-in-progress during the period amounted to Rs. 84.28 Million (June 30, 2021: Rs. 2.89 million).

8	STOCK-IN-TRADE	Note	(Unaudited)	(Audited)
			September 30, 2021	June 30, 2021
			(Rupees)	
Manufacturing:				
Raw and packing materials				
	in hand		258,594,619	244,187,424
	in transit		88,849,571	66,596,552
			347,444,189	310,783,976
	Work-in-process		26,250,016	29,113,198
	Finished goods	8.1	115,301,871	99,340,160
Trading:				
	in hand	8.1	10,042,178	6,296,676
	in transit		7,856,060	7,856,060
			506,894,315	453,390,070

8.1 This includes finished goods with cost of Rs. 46.892 million (June 30, 2021: 46.794 million) which are being carried at their net realizable value of Rs. 43.518 million (June 30, 2021: 42.706 million).

9 TRADE DEBTS

(Unsecured - considered good)

Due from associated undertakings

Others

9.1	149,129,123	125,814,755
	38,521,016	25,390,099
187,650,139		151,204,854

(Unsecured - considered doubtful)

Others

Allowance for expected credit losses

	1,815,224	1,516,710
	(1,815,224)	(1,516,710)
187,650,139		151,204,854

9.1 This comprises of amounts receivable from:

Premier Sales (Private) Limited

Scitech Health (Private) Limited

Memon Medical Institute

Zaman Textile Mills (Private) Limited

EHC (Private) Limited

	149,019,682	125,109,422
	-	5,581
	93,061	83,373
	16,380	16,380
	-	599,999
149,129,123		125,814,755

10 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

LC margin

Security deposits

Prepayments

Sales tax receivable

Other receivable

10.1	4,362,158	6,785,291
	1,108,996	2,453,996
	4,026,881	533,584
	1,045,580	1,045,580
	-	1,638,894
10,543,615		12,457,345

10.1 This represents short term deposits in the normal course of business and does not carry any interest or mark-up.

	Note	(Unaudited)	(Audited)
		September 30, 2021	June 30, 2021
(Rupees)			
11 CASH AND BANK BALANCES			
Cash in hand			
Local currency		218,094	183,298
Foreign currency		531,081	486,570
		749,175	669,868
Cash at bank			
Current account	11.1	32,146,746	3,077,060
		32,895,921	3,746,928

11.1 This includes balances amounting to Rs. 31.875 million (June 30, 2021 Rs. 2.797 million) with Shariah compliant banks.

12 LONG TERM FINANCING - SECURED

	Installment payable	Repayment period	Profit rate	Note	(Unaudited)	(Audited)
					September 30, 2021	June 30, 2021
(Rupees)						
Shariah Arrangements						
Bank Al-Habib Limited - Islamic banking	Quarterly	2017-22	0.50% above 6 months KIBOR	12.1 & 12.2	27,500,000	33,000,000
Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	0.75% above 6 months KIBOR	12.1 & 12.2	38,598,745	41,011,167
Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	1% above 6 months KIBOR	12.1 & 12.2	68,051,890	72,305,133
Meezan Bank Limited	Quarterly	2019-21	1% above 3 months KIBOR	12.1 & 12.3	-	2,470,491
Meezan Bank Limited	Quarterly	2019-22	1% above 3 months KIBOR	12.1 & 12.3	2,188,755	3,283,133
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	6,192,873	6,635,222
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	14,558,514	15,468,421
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	4,644,848	4,918,075
Meezan Bank Limited	Quarterly	2019-25	1.2% above 3 months KIBOR	12.1 & 12.3	4,231,801	4,480,731
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.4	76,756,509	81,873,609
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	3,321,949	3,737,193
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	5,284,538	5,945,105
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	1,882,617	2,117,944
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	2,734,221	3,075,999
Bank Al falah Limited	Quarterly	2023-30	4% above SBP Rate	12.6	2,457,600	2,457,600
Bank Al falah Limited	Quarterly	2023-30	4% above SBP Rate	12.6	3,068,500	-
Bank Al-Habib Limited - Islamic banking	Quarterly	2023-30	1% above 6 months KIBOR	12.7	46,310,656	-
					307,784,016	282,779,823

	Installment payable	Repayment period	Profit rate	Note	(Unaudited) September 30, 2021 (Rupees)	(Audited) June 30, 2021
Non shariah Arrangements						
Habib Metropolitan Bank	Quarterly	2023-29	2% above SBP Rate	12.5	71,943,741	83,240,951
					379,727,757	366,020,774
Less: Current portion shown under current liabilities						
Shariah Arrangements						
Bank Al-Habib Limited - Islamic banking				12.2 12.3 &	(48,662,659)	(48,662,659)
Meezan Bank Limited				12.4	(36,766,464)	(40,331,333)
					(85,429,123)	(88,993,992)
Non shariah Arrangements						
Habib Metropolitan Bank				12.5	(46,914,077)	(46,224,891)
					247,384,557	230,801,891

- 12.1 As per State Bank of Pakistan relief package, all of the principal payments under diminishing musharakah arrangements were deferred by one year. Consequently, the term for all of arrangements is increased by a year.
- 12.2 The Company has a long term loan arrangement with Bank Al-Habib Limited - Islamic banking for an amount of Rs. 236.647 million (June 30, 2021: Rs. 239.993 million). The term of the loan was 5 years from the date of disbursement, repayable in 20 equal quarterly installments. During the period, the Company had made repayment of Rs. 12.167 million (June 30, 2021: Rs. 13.099 million) on which, profit was 8.10% to 8.65% (June 30, 2021: 7.63% to 14.45%) per annum. The Company has total facility of Rs. 359.667 million. Islamic finance under this diminishing musharakah is secured by a equitable mortgage of head office property, first exclusive charge of particular machinery of the Company and personal guarantee of Chairman of the Board of Directors.
- 12.3 The Company has a long term loan arrangement with Meezan Bank Limited for an amount of Rs. 79.844 million (June 30, 2021: Rs. 79.844 million). The term of the loan was from 2 to 5 years from the date of disbursement, repayable in 8 to 20 equal quarterly installments. During the period, the Company had made repayment of Rs. 7.092 (June 30, 2021: Rs. 5.364 million) on which, profit was 8.44% to 8.58% (June 30, 2021: 7.86% to 11.94%) per annum. The Company has total facility of Rs. 95 million. Islamic finance under this diminishing musharakah is secured by a first exclusive charge over particular machinery of the Company.
- 12.4 The Company has a long term loan arrangement with Meezan Bank Limited of an amount of Rs. 102.342 million (June 30, 2021: Rs. 102.342 million). The term of the loan was 5 years from the date of disbursement, repayable in 20 equal quarterly installments started from August 2019. During the period, the Company had made repayment of Rs. 5.117 million (June 30, 2021: Rs. 5.117 million) on which, profit was 8.63% (June 30, 2021: 8.27% to 9.37%) per annum. The Company has total facility of Rs. 125 million. Islamic finance under this diminishing musharakah is secured by a first exclusive charge of Baby Care machine and personal guarantee of Chairman of the Board of Directors and Chief Executive Officer.
- 12.5 The Company has entered a long term loan arrangement with Habib Metropolitan Bank Limited of an amount of Rs. 100.819 million (June 30, 2021: Rs. 100.819 million). The term of the loan was 2 years from the date of disbursement, repayable in 8 equal quarterly installments started from April 2021. During the period , the Company had made repayment of Rs. 12.602 million (June 30, 2021: Rs. 12.602) on which, profit was 2% per annum. The Company has total facility of Rs. 107 million obtained specifically for payment of Salaries and is secured by Pari Passu charge over Movables & Recievables (Stock & Recievables) of the company with 25% margin for Rs. 142.667 million.
- 12.6 The Company has entered a long term loan arrangement with Bank Al Falah Limited of an amount of Rs. 5.526 million (June 30, 2021: Rs. 2.458 million). The term of the loan was 10 years including 2 years grace period from the date of disbursement, repayable in 32 equal quarterly installments. The Company has total facility of Rs. 180 million. SBP-ITERF Scheme is secured by first exclusive charge over specific plant & machinery imported through BAFL with 25% margin for Rs. 60 million secured by first pari passu charge over existing and future plant and machinery of the company and cross corporate guarantee of related party PharmEvo (Pvt) Ltd for Rs. 60 millon, and personal guarantee of Chairman of the Board of Directors for Rs. 225 million.

- 12.7 The Company has entered a long term loan arrangement with Bank Al-Habib Limited - Islamic banking of an amount of Rs. 46,310 million (June 30, 2021: Rs. Nil). The term of the loan was 08 years including 01 Year grace period from the date of disbursement, repayable in 28 equal quarterly installments. The Company has total facility of Rs. 300 million. Islamic finance under this diminishing musharakah is secured by equitable mortgage of factory property and personal guarantee of Chairman of the Board of Directors.

	Note	(Unaudited) September 30, 2021	(Audited) June 30, 2021
(Rupees)			
13 DEFERRED GOVERNMENT GRANT			
Government grant	13.1	3,670,550	4,975,724
Less: Current portion shown under current liabilities		(3,495,452)	(4,184,638)
		<u>175,098</u>	<u>791,086</u>

- 13.1 The Company had availed long term finance facility as described in note 12.5 to the financial statements. Institute of Chartered Accountants of Pakistan (ICAP) issued the guidance for accounting of said financing through circular No. 11/2020. Accordingly, the Company recognised the Deferred Government Grant in accordance with the requirements of 'IAS 20- Accounting for Government Grants and Disclosure of Government Assistance'.

14 TRADE AND OTHER PAYABLES

Creditors	149,567,338	96,042,754
Accrued liabilities	33,715,723	29,742,083
Sales tax payable	7,390,967	4,197,718
Workers' welfare fund.	5,129,556	4,653,372
Workers' profit participation fund	912,718	-
Advances from customers - unsecured	26,365,581	19,198,221
	<u>223,081,882</u>	<u>153,834,148</u>

15 SHORT TERM BORROWINGS - SECURED

From banking companies - secured		
Islamic mode		
Murabaha finance	128,880,034	85,293,936
Running musharakah	177,172,957	178,769,421
Istisna financing	87,683,066	43,841,533
	<u>393,736,056</u>	<u>307,904,890</u>

- 15.1 This represent short term financing i.e. murabaha, istisna and 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 has murabaha financing facility of Rs. 600 million (June 30, 2021: Rs. 600 million) out of which Rs. 225 million (June 30, 2021: Rs 225 million) is interchangeable with running musharakah & Rs. 325 million (June 30, 2021: Rs. 325 million) with istisna. In addition, the Company has running musharakah facility of Rs. 50 million (June 30, 2021: Rs. 50 million). During the period, profit rate on such arrangements ranged between KIBOR + 0.50% to KIBOR + 0.75% (June 30, 2021: KIBOR + 0.30% to KIBOR + 0.85%) per annum.

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

16.1.1 Except for as stated below, there is no significant change in the status of contingencies as set out in the Company's annual financial statements for the year ended June 30, 2021:

(a) Subsequent to the period end, the Company received an assessment order from Deputy Commissioner Inland Revenue (FBR) for the tax year 2018 through which demand of Rs. 13.62 million on various issues of the Sales Tax Act, 1990 is created. The Company is in the process of filing an appeal to Commissioner Inland Revenue (Appeals) against the order. The management is hopeful that the case will be decided in Company's favour and hence does not require recording of any provision.

16.2 Commitments

16.2.1 The Company has letter of credit commitments for purchases amounting to Rs. 245.248 million (June 30, 2021: Rs. 119.654 million).

16.2.2 The Company has letter of credit and other commitments for capital expenditures amounting to Rs. 197.968 million (June 30, 2021: Rs. 167.996 million).

	Note	(Unaudited) September 30, 2021	(Unaudited) September 30, 2020
(Rupees)			
17 SALES - NET			
Sales Local		625,144,807	686,178,233
Sales tax		(91,085,270)	(100,649,504)
		534,059,537	585,528,729
Discounts		(3,946,008)	(50,679,115)
		530,113,529	534,849,614
Export			
Sales Export	17.1	316,022	2,332,718
		530,429,551	537,182,332
17.1 Information by geographical area for export sales			
Country			
Mozambique		-	2,332,718
Uganda		316,022	-
		316,022	2,332,718

18 FINANCE COSTS

Shariah Arrangement			
Profit on short term borrowings		6,424,333	8,277,314
Rent on diminishing musharakah		5,933,937	7,310,546
Guarantee commission		13,667	6,536
Bank charges		328,523	123,232
		12,700,460	15,717,628
Non-Shariah Arrangement			
Interest on salary refinancing		1,686,354	1,284,042
Guarantee commission		1,424	40,000
Bank charges		88,688	420
		14,476,926	17,042,090

(Unaudited) (Unaudited)
September 30, 2021 September 30, 2020
(Rupees)

19 EARNINGS PER SHARE - BASIC AND DILUTED

Profit for the period	12,741,634	21,708,341
	(Number of shares)	
Weighted average number of ordinary shares in issue during the period	3,900,000	3,900,000
Earnings per share basic and diluted	3.27	5.57

(Unaudited) (Unaudited)
September 30, 2021 September 30, 2020
(Rupees)

20 CASH FLOW FROM OPERATIONS

	Note	
Profit before taxation		18,254,092 37,088,320
Adjustments for:		
Depreciation		17,146,085 17,415,668
Amortization		57,391 46,667
Impairment net of disposal		- 20,853,940
Share of loss on equity accounted associate		252,299 218,932
Allowance / (reversal) for expected credit losses		298,514 (1,760,234)
Loss on disposal of property, plant and equipment		2,520,027 -
(Reversal) / provision against slow moving stores and spares		- 1,681,920
Finance costs	18	14,476,926 17,042,090
Changes in:		
Stores and spares		(1,415,901) (2,301,848)
Stock-in-trade		(53,504,245) 22,959,927
Trade debts		(36,743,799) 2,155,664
Loans and advances		7,029,595 4,436,778
Long term deposits		3,901,500 -
Trade deposits and short term prepayments		1,913,730 (9,875,602)
Trade and other payables		69,247,734 29,914,389
Cash flows generated from operations		43,433,948 139,876,611

21 CASH AND CASH EQUIVALANTS

Running Musharakah-secured	(177,172,957)	(139,021,150)
Cash and bank Balances	32,895,921	1,561,104
	(144,277,036)	(137,460,046)

22 ENTITY-WIDE INFORMATION

The Company constitutes of a single reportable segment, the principal classes of products of which are oral care, baby care and hygiene products.

The Company's principal classes of products accounted for the following percentages of sales :

	(Unaudited) September 30, 2021	(Unaudited) September 30, 2020
Baby care	86.34%	85.33%
Oral care	13.59%	13.84%
Hygiene	0.07%	0.83%
	100.00%	100.00%

23 TRANSACTIONS AND BALANCES 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.

Name	Nature of Relation	Basis of Relation	Nature of transaction	(Unaudited) Three months period ended	
				September 30, 2021	September 30, 2020
				----- (Rupees) -----	
Premier Agencies	Associated undertaking	Common Director	Sale of goods / (sale return) - net off discount of Rs. nil (30-Sep-20: Rs. nil)	-	(10,318,927)
			Reimbursement of selling and distribution expenses	-	157,220
Premier Sales (Private) Limited	Associated undertaking	Common Director	Sale of goods - net off discount of Rs. nil (30-Sep-20: Rs. 45.51 million)	467,091,837	493,248,622
			Reimbursement of selling and distribution expenses	34,270,545	51,308,575
Memon Medical Institute	Associated undertaking	Common Director	Sale of goods	26,250	49,567
PharmEvo (Private) Limited	Associated undertaking	Common Director	Sale of goods	-	26,923
Zaman Textile Mills (Private) Limited	Associated undertaking	Common Director	Sale of goods	-	7,000
Scitech health (Private) Limited	Associated undertaking	Common Director	Purchase of goods	128,127	18,299
Nagaria Textile Mills (Private) Limited	Associated undertaking	Common Director	Warehouse rent	1,560,000	-
Employees Provident Fund	Retirement benefit fund	Employees benefit fund	Contribution made	2,480,508	1,502,812
Key Management Personnel	Related parties	Executives	Remuneration and benefits	14,310,371	8,596,117

23.1 Period / year end balances	(Unaudited)	(Audited)
	September 30, 2021	June 30, 2021
	(Rupees)	
Receivable from related parties	149,129,123	125,814,755
Payable to related parties	520,000	520,000
Loan from Chief Executive	55,000,000	55,000,000

24 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in annual financial statements of the Company as at and for the year ended June 30, 2021

24.1 Financial instruments by category

Financial assets at amortized cost

Deposits	2,254,982	7,501,482
Loan to employees	860,372	1,092,608
Trade debts	187,650,139	151,204,854
Cash and bank balances	32,895,921	3,746,928
	223,661,414	163,545,872

Financial liabilities at amortized cost

Long term financing - secured	247,384,557	366,020,774
Trade and other payables	223,081,882	125,784,837
Accrued profit	9,303,752	6,846,778
Short term borrowings - secured	393,736,056	307,904,890
	873,506,247	806,557,279

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is 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.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices.
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

As of the reporting date, none of the financial instruments of the company are carried at fair value.

The carrying values of all other financial assets and liabilities reflected in these financial statements approximate their fair values.

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

26 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 27, 2021 by the Board of Directors of the Company.

27 CORRESPONDING FIGURES

Corresponding figures have been rearranged and regrouped, wherever necessary for the purpose of comparison and better presentation. However, no significant rearrangement and regrouping has been made during the period.

28 GENERAL

Amounts have been rounded off to the nearest Pakistani rupee unless otherwise stated.



Muhammad Haroon Qassim
Chief Executive



Abdul Ghaffar Umer Kapadia
Director



Yasir Yousuf Chhabra
Chief Financial Officer






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