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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 half year ended December 31, 2021.

Financial summary

Operating Results	December 2021	December 2020	Increase / (Decrease)
	(Rupees)	(Rupees)	
Net Sales	1,174,053,457	1,176,568,165	(0.21%)
Gross Profit	289,269,176	375,243,283	(22.91%)
Gross Profit %	24.64%	31.89%	(725 bps)
Selling and Distribution Expenses	200,348,495	163,230,339	22.74%
Administrative Expenses	29,705,289	25,289,588	17.46%
Finance Costs	33,050,494	29,940,472	10.39%
Profit Before Tax	30,393,699	133,672,172	(77.26%)
Profit After Tax	20,123,271	90,722,359	(77.82%)
Earnings per Share	5.16	23.26	(77.82%)

Challenges continued in the second quarter of the financial year 2022 as well. Net sales marginally dropped by 0.21%. Gross profit percentage dropped by 725 bps. This is primarily due to the global supply chain crisis resulting in a sharp increase in input costs and very high freight costs. The Company recorded profit before tax of Rs. 30.393 million as compared to Rs. 133.672 million last year mainly due to decrease in gross profit as compared to last year due to reason mentioned here before.

Business environment is very uncertain with unprecedented 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 275bps to 9.75%. Management is doing its best to mitigate the impact of adverse economic challenges.

On behalf of the Board



Muhammad Haroon Qassim
Chief Executive



Abdul Ghaffar Umer Kapadia
Director

Karachi: February 21, 2022

ڈائریکٹرز کا جائزہ

ہم بورڈ آف ڈائریکٹرز کی جانب سے ۳۱ دسمبر ۲۰۲۱ء کو ختم ہونے والی نصف سالانہ مدت کے لیے غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات پیش کرنے میں خوشی محسوس کر رہے ہیں۔


سرمائے کا خلاصہ


عملداری نتائج	دسمبر ۲۰۲۱ء (روپے)	دسمبر ۲۰۲۰ء (روپے)	اضافہ/ (کمی)
خالص سبز	1,174,053,457	1,176,568,165	(0.21%)
مجموعی منافع	289,269,176	375,243,283	(22.91%)
مجموعی فیصدی منافع	24.64%	31.89%	(725 bps)
فروخت اور تقسیم کاری کے اخراجات	200,348,495	163,230,339	22.74%
انتظامی اخراجات	29,705,289	25,289,588	17.46%
مالیاتی لاگت	33,050,494	29,940,472	10.39%
قبل از ٹیکس منافع	30,393,699	133,672,172	(77.26%)
بعد از ٹیکس منافع	20,123,271	90,722,359	(77.82%)
فی شیئر آمدنی	5.16	23.26	(77.82%)

مالی سال 2022 کی دوسری سہ ماہی میں بھی چیلنجز کا سلسلہ جاری رہا۔ خالص سبز میں %0.21 کی معمولی کمی واقع ہوئی۔ مجموعی منافع میں 725bps 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 بہت زیادہ مال برداری کے اخراجات ہیں۔ کمپنی نے گزشتہ سال کے 133.672 ملین روپے کے مقابلے 30.393 ملین روپے کا قبل از ٹیکس منافع ریکارڈ کیا جس کی بنیادی وجہ گزشتہ سال کے مقابلے میں مجموعی منافع میں کمی ہے جس کی وجہ یہاں پہلے بیان کی گئی۔

کاروبار کا ماحول بے مثال 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 275bps سے بڑھا کر %9.75 کر دیا ہے۔ انتظامیہ منحنی اقتصادی چیلنجوں کے اثرات کو کم کرنے کی پوری کوشش کر رہی ہے۔

بورڈ آف ڈائریکٹرز کی طرف سے


عبدالغفار عمر کیا ڈیا
ڈائریکٹر


محمد ہارون قاسم
چیف ایگزیکٹو

کراچی: ۲۱ فروری ۲۰۲۲



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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **SHIELD CORPORATION LIMITED** ("the Company") as at December 31, 2021 and the related condensed interim statement of other comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six-month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the six months period ended December 31, 2020 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarter ended December 31, 2021 and December 31, 2020 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 21 FEB 2022

UDIN: RR202110067FazG2Roct

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

		December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	Note -----	(Rupees) -----	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	7	841,402,553	656,221,677
Intangible asset		300,966	280,000
Investment property		115,705,847	116,631,922
Long term deposits		1,145,986	5,047,486
Investment in equity accounted associate		2,196,038	2,668,585
		<u>960,751,390</u>	<u>780,849,670</u>
CURRENT ASSETS			
Stores and spares		45,945,651	40,276,144
Stock-in-trade	8	614,435,327	453,390,070
Trade debts	9	173,123,219	151,204,854
Loans and advances		13,294,203	16,743,113
Trade deposits, prepayments and other receivables	10	23,227,215	12,457,345
Taxation- net		64,175,648	53,903,416
Cash and bank balances	11	1,208,766	3,746,928
		<u>935,410,029</u>	<u>731,721,870</u>
		<u>1,896,161,419</u>	<u>1,512,571,540</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
15,000,000 (June 30, 2021 : 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		502,321,039	489,997,768
		<u>606,321,039</u>	<u>593,997,768</u>
NON - CURRENT LIABILITIES			
Deferred taxation		64,959,708	72,637,090
Long term financing - secured	12	307,373,232	230,801,891
Security deposit		5,400,000	5,400,000
Deferred government grant	13	-	791,086
		<u>377,732,940</u>	<u>309,630,067</u>
CURRENT LIABILITIES			
Trade and other payable	14	210,684,903	153,834,148
Short term borrowings - secured	15	538,821,213	307,904,890
Accrued profit	16	14,255,636	6,846,778
Current portion of long term financing - secured	12	144,815,959	135,218,883
Current portion of deferred government grant		2,530,695	4,184,638
Unpaid dividend		378,893	334,227
Unclaimed dividend		620,141	620,141
		<u>912,107,440</u>	<u>608,943,705</u>
		<u>1,896,161,419</u>	<u>1,512,571,540</u>
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	17		

The annexed notes from 1 to 30 form an integral part of this 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 DECEMBER 31, 2021**

	Note	Six months period ended		Three months period ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		(Rupees)		(Rupees)	
Sales - net	18	1,174,053,457	1,176,568,165	643,623,906	639,385,833
Cost of sales		(884,784,281)	(801,324,882)	(496,030,905)	(427,542,258)
Gross profit		289,269,176	375,243,283	147,593,001	211,843,575
Selling and distribution expenses		(200,348,495)	(163,230,339)	(107,413,013)	(85,554,450)
Administrative and general expenses		(29,705,289)	(25,289,588)	(14,501,918)	(13,899,408)
Other operating expenses		(12,333,121)	(31,827,556)	(4,912,988)	(6,630,877)
		(242,386,905)	(220,347,483)	(126,827,919)	(106,084,735)
		46,882,271	154,895,800	20,765,082	105,758,840
Other operating income		17,034,469	9,125,181	10,168,341	3,912,799
Operating profit before finance costs		63,916,740	164,020,981	30,933,423	109,671,639
Share of loss on equity accounted associate		(472,547)	(408,337)	(220,248)	(189,405)
Finance costs	19	(33,050,494)	(29,940,472)	(18,573,568)	(12,898,382)
Profit before taxation		30,393,699	133,672,172	12,139,607	96,583,852
Taxation		(10,270,428)	(42,949,813)	(4,757,970)	(27,569,834)
Profit for the period		20,123,271	90,722,359	7,381,637	69,014,018
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		20,123,271	90,722,359	7,381,637	69,014,018
Earnings per share - basic and diluted	20	5.16	23.26	1.89	17.70

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.



Muhammad Haroon Qassim
Chief Executive



Abdul Ghaffar Umer Kapadia
Director



Yasir Yousuf Chhabra
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE PERIOD ENDED DECEMBER 31, 2021

	Note	Six months period ended	
		December 31, 2021	December 31, 2020
(Rupees)			
Cash flows from operating activities			
Cash (used in) / generated from operations	21	(30,564,467)	240,639,711
Finance costs paid		(25,641,636)	(39,674,296)
Income tax - net		(28,220,042)	9,927,649
Net cash (used in) / generated from operating activities		(84,426,145)	210,893,064
Cash flows from investing activities			
Fixed capital expenditure including work in progress		(225,957,569)	(52,687,621)
Additions in intangible assets		(128,700)	-
Sales proceeds from disposal of property, plant and equipment		1,089,875	646,433
Net cash used in investing activities		(224,996,394)	(52,041,188)
Cash flows from financing activities			
Long term financing diminishing musharakah - net		83,723,388	68,996,217
Short term murabaha / istisna finance - net		203,779,635	(130,087,591)
Dividend paid		(7,755,334)	(13,124)
Net cash generated from / (used in) financing activities		279,747,689	(61,104,498)
Net (decrease) / increase in cash and cash equivalents		(29,674,850)	97,747,378
Cash and cash equivalents at the beginning of the period		(175,022,493)	(181,537,563)
Cash and cash equivalents at end of the period	22	(204,697,343)	(83,790,185)

The annexed notes from 1 to 30 form an integral part of this 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 DECEMBER 31, 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 December 31, 2020							
Profit for the period	-	-	-	-	90,722,359	90,722,359	90,722,359
Other comprehensive income for the period	-	-	-	-	-	-	-
Balance as at December 31, 2020	39,000,000	110,000,000	10,000,000	55,000,000	370,615,354	435,615,354	584,615,354
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 December 31, 2021							
Profit for the period	-	-	-	-	20,123,271	20,123,271	20,123,271
Other comprehensive income for the period	-	-	-	-	-	-	-
Transactions with owners							
Final dividend for the year ended June 30, 2021 @ 2.00 per share	-	-	-	-	(7,800,000)	(7,800,000)	(7,800,000)
Balance as at December 31, 2021	39,000,000	55,000,000	10,000,000	55,000,000	447,321,039	512,321,039	606,321,039

The annexed notes from 1 to 30 form an integral part of this 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 DECEMBER 31, 2021

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

These condensed interim financial information are unaudited but subject to the limited scope review by auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

These condensed interim financial information of the Company for the half year ended December 31, 2021 have 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.

These 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, condensed interim statement of 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 half year ended December 31, 2020.

3.2 Basis of measurement

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

3.3 Functional and presentation currency

These condensed interim financial information have been presented in Pak ("Rupees" or "Rs"), which is the functional and presentation currency of the Company.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial information are the same as those adopted in the preparation of the annual financial statements for the period 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 half year and quarter ended December 31, 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 2021.

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees) -----	-----
7 PROPERTY, PLANT AND EQUIPMENTS			
Operating fixed assets	7.1	634,679,487	653,332,458
Capital work in progress	7.2	206,723,066	2,889,219
		<u>841,402,553</u>	<u>656,221,677</u>
7.1 OPERATING FIXED ASSETS			
Fixed Assets			
Opening net book value		653,332,458	762,126,973
Additions during the period / year at cost	7.1.1	22,123,881	98,978,869
		<u>675,456,339</u>	<u>861,105,842</u>
Disposals during the period / year at NBV	7.1.1	6,739,060	15,137,031
Transfer to investment property during the period /year		-	116,631,922
Impairment net of disposal		-	3,766,189
Depreciation charge for the period / year		34,037,792	72,238,242
		<u>(40,776,852)</u>	<u>(207,773,384)</u>
Closing net book value		<u>634,679,487</u>	<u>653,332,458</u>

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

	(Unaudited) December 31, 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	3,434,800	-	-	406,977	-	-
Plant and machinery	10,808,795	6,401,240	-	93,162,386	14,951,793	3,766,189
Furniture & fittings	2,071,229	271,663	-	1,950,992	-	-
Office equipments	3,266,507	66,157	-	2,151,515	-	-
Motor vehicles	-	-	-		154,046	
Computers	2,542,550	-	-	1,306,999	31,192	-
	<u>22,123,881</u>	<u>6,739,060</u>	<u>-</u>	<u>98,978,869</u>	<u>15,137,031</u>	<u>3,766,189</u>

	Note	(Unaudited) December 31, 2021	(Audited) June 30, 2021
		----- (Rupees) -----	
7.2 CAPITAL WORK IN PROGRESS			
Capital work in progress		206,723,066	2,889,219
	7.2.1	<u>206,723,066</u>	<u>2,889,219</u>

7.2.1 Movement of carrying amount is as follows:

Opening balance	2,889,219	22,749,559
Additions (at cost) during the period / year	212,589,921	46,212,034
	215,479,140	68,961,593
Transfer to operating fixed assets during period / year	(8,756,074)	(66,072,374)
Closing balance	<u>206,723,066</u>	<u>2,889,219</u>

8 STOCK-IN-TRADE

Manufacturing:			
Raw and packing materials			
in hand		346,554,989	244,187,424
in transit		101,518,761	66,596,552
		448,073,750	310,783,976
Work-in-process		34,795,558	29,113,198
Finished goods	8.1	105,935,136	99,340,160
Trading:			
in hand		25,630,883	6,296,676
in transit		-	7,856,060
		<u>614,435,327</u>	<u>453,390,070</u>

8.1 This includes finished goods with cost of Rs. 17.789 million (June 30 2021: 46.794 million) which are being carried at their net realizable value of Rs. 16.250 million (June 30 2021: 42.706 million).

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
9	TRADE DEBTS		
	(Unsecured - considered good)		
	Due from associated undertakings	136,931,956	125,814,755
	Others	36,191,263	25,390,099
		<u>173,123,219</u>	<u>151,204,854</u>
	(Unsecured - considered doubtful)		
	Considered good	1,618,675	1,516,710
	Allowance for expected credit losses	(1,618,675)	(1,516,710)
		<u>173,123,219</u>	<u>151,204,854</u>
9.1	Due from associated undertakings - (Unsecured - considered good)		
	Premier Sales (Private) Limited	136,888,632	125,109,422
	SciTech Health (Private) Limited	-	5,581
	Memon Medical Institute	35,134	83,373
	Zaman Textile Mills (Private) Limited	8,190	16,380
	EHC (Private) Limited	-	599,999
		<u>136,931,956</u>	<u>125,814,755</u>
10	TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
	LC margin	2,674,694	6,785,291
	Security deposits	1,745,276	2,453,996
	Prepayments	2,220,773	533,584
	Sales tax refundable	1,045,580	1,045,580
	Sales tax adjustable	15,540,892	1,638,894
		<u>23,227,215</u>	<u>12,457,345</u>
10.1	This represents short term deposit in the normal course of business and does not carry any interest and mark-up.		
11	CASH AND BANK BALANCES		
	Cash in hand		
	Local currency	223,662	183,298
	Foreign currency	541,663	486,570
		<u>765,325</u>	<u>669,868</u>
	Cash at bank		
	Current account	443,441	3,077,060
		<u>1,208,766</u>	<u>3,746,928</u>
11.1	This includes balances amounting to Rs. 0.225 million (June 30, 2021: Rs. 2.797 million) with Shariah compliant banks.		

12 LONG TERM FINANCING - SECURED

Shariah Arrangements	Installment payable	Repayment period	Profit rate	Note	(Unaudited)	(Audited)
					December 31, 2021	June 30, 2021
					----- (Rupees) -----	
Bank Al-Habib Limited - Islamic banking	Quarterly	2017-22	0.50% above 6 months KIBOR	12.1 & 12.2	22,000,000	33,000,000
Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	0.75% above 6 months KIBOR	12.1 & 12.2	36,186,324	41,011,167
Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	1% above 6 months KIBOR	12.1 & 12.2	63,798,647	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	1,094,374	3,283,133
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	5,750,526	6,635,222
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	13,648,607	15,468,421
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	4,371,623	4,918,075
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	3,982,873	4,480,731
Meezan Bank Limited	Quarterly	2019-25	1.2% above 3 months KIBOR	12.1 & 12.4	71,639,406	81,873,609
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	2,906,704	3,737,193
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	4,623,972	5,945,105
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	1,647,290	2,117,944
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	2,392,442	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	152,139,090	-
					391,707,978	282,779,823
Non shariah Arrangements						
Habib Metropolitan Bank	Quarterly	2023-29	2% above SBP Rate	12.5	60,481,213	83,240,951
					452,189,191	366,020,774
Less: Current portion shown under current liabilities						
Shariah Arrangements						
Bank Al-Habib Limited - Islamic banking				12.2	(48,662,659)	(48,662,659)
Meezan Bank Limited				12.3 & 12.4	(35,672,087)	(40,331,333)
					(84,334,746)	(88,993,992)
Non shariah Arrangements						
Habib Metropolitan Bank				12.5	(60,481,213)	(46,224,891)
					307,373,232	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. 24.331 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. 11.714 million (June 30, 2021: Rs. 5.364 million) on which, profit was 8.39% to 8.74% (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. 10.234 million (June 30, 2021: Rs. 5.117 million) on which, profit was 8.58% to 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 two 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. 25.205 million (June 30, 2021: Rs. 12.602 million) 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 & Receivables (Stock & Receivables) 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 ten years including two 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 million, 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. 152.139 million (June 30, 2021: Nil). The term of the loan was eight years including one 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.

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees) -----	
13 DEFERRED GOVERNMENT GRANT			
Government grant	13.1	2,530,695	4,975,724
Less: current portion shown under current liabilities		(2,530,695)	(4,184,638)
		<u>-</u>	<u>791,086</u>

- 13.1 The Company had availed long term finance facility as described in note 12.5 to the condensed interim financial information. 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'.

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
14 TRADE AND OTHER PAYABLES		
Creditors	134,193,341	96,042,754
Accrued liabilities	55,881,396	29,742,083
Sales tax payable	-	4,197,718
Workers' Welfare Fund	788,584	4,653,372
Workers' Profit Participation Fund	1,551,630	-
Advances from customers - unsecured	18,269,952	19,198,221
	<u>210,684,903</u>	<u>153,834,148</u>
15 SHORT TERM BORROWINGS - SECURED		
From banking companies - secured		
Islamic mode		
Murabaha finance	83,984,450	85,293,936
Running musharakah	205,906,109	178,769,421
Istisna financing	248,930,654	43,841,533
15.1	<u>538,821,213</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 ACCRUED PROFIT		
Long-term financing from banks		
Shariah arrangement:		
Diminishing musharakah	4,974,186	3,300,687
Non-shariah arrangement:		
Salary refinancing	317,649	439,874
	<u>5,291,835</u>	<u>3,740,561</u>
Short-term borrowings from banks		
Murabaha financing	3,272,914	432,098
Musharakah financing	3,619,000	2,546,078
Istisna financing	2,071,887	128,041
	<u>8,963,801</u>	<u>3,106,217</u>
	<u>14,255,636</u>	<u>6,846,778</u>

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 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:

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 has filed 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.

17.2 Commitments

17.2.1 The Company has letter of credit commitments for purchases amounting to Rs. 162.611 million (June 30, 2021: Rs. 119.654 million).

17.2.2 The Company has letter of credit and other commitments for capital expenditures amounting to Rs. 191.783 million (June 30, 2021: Rs. 167.996 million).

	(Unaudited)		(Unaudited)	
	Six months period ended		Three months period ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Note	----- (Rupees) -----		----- (Rupees) -----	
18 SALES - NET				
Local sales	1,395,652,833	1,459,807,077	770,508,026	773,628,844
Sales tax	(203,315,766)	(214,151,889)	(112,230,496)	(113,502,385)
	<u>1,192,337,067</u>	<u>1,245,655,188</u>	<u>658,277,530</u>	<u>660,126,459</u>
Discounts	(26,998,940)	(73,567,689)	(23,052,932)	(22,888,574)
	<u>1,165,338,127</u>	<u>1,172,087,499</u>	<u>635,224,598</u>	<u>637,237,885</u>
Export	18.1 8,715,330	4,480,666	8,399,308	2,147,948
	<u>1,174,053,457</u>	<u>1,176,568,165</u>	<u>643,623,906</u>	<u>639,385,833</u>
18.1 Summary of export sales				
Country				
Afghanistan	8,399,308	-	8,399,308	-
Ireland	-	102,770	-	102,770
Mozambique	-	4,377,896	-	2,045,178
Uganda	316,022	-	-	-
	<u>8,715,330</u>	<u>4,480,666</u>	<u>8,399,308</u>	<u>2,147,948</u>
19 FINANCE COSTS				
Shariah Arrangement				
Profit on short term borrowings	16,189,741	12,769,336	9,765,409	4,492,022
Rent on diminishing musharakah	13,140,744	13,574,851	7,206,807	6,264,305
Guarantee commission	27,585	13,322	13,918	6,786
Bank charges	436,240	333,995	107,717	210,763
	<u>29,794,311</u>	<u>26,691,504</u>	<u>17,093,851</u>	<u>10,973,876</u>
Non-Shariah Arrangement				
Interest on salary refinance	3,143,858	3,190,670	1,457,504	1,906,628
Guarantee commission	1,477	41,102	53	1,102
Bank charges	110,848	17,196	22,160	16,776
	<u>33,050,494</u>	<u>29,940,472</u>	<u>18,573,568</u>	<u>12,898,382</u>

	(Unaudited) Six months period ended		(Unaudited) Three months period ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
20 EARNINGS PER SHARE - BASIC AND DILUTED	----- (Rupees) -----		----- (Rupees) -----	
Profit for the period	20,123,271	90,722,359	7,381,637	69,014,018
	----- (Number of shares) -----			
Weighted average number of ordinary shares in issue during the period	3,900,000	3,900,000	3,900,000	3,900,000
	----- (Rupees) -----			
Earnings per share - basic and diluted	5.16	23.26	1.89	17.70

	(Unaudited) Six months period ended		Note
	December 31, 2021	December 31, 2020	
21 CASH FLOWS FROM OPERATIONS	----- (Rupees) -----		

Profit before taxation	30,393,699	133,672,172
Adjustments for:		
Depreciation	34,963,708	35,145,571
Amortization	107,734	93,334
Impairment net of disposal	-	15,663,986
(Reversal) / Allowance for expected credit losses	101,965	(887,695)
Provision against slow moving stores	-	1,681,919
Loss on disposal of property, plant and equipment	5,649,185	4,574,713
Share of loss on equity accounted associate	472,547	408,337
Finance costs	33,050,494	29,940,472
	74,345,633	86,620,637
Changes in:		
Stores and spares	(5,669,507)	(4,110,405)
Stock-in-trade	(161,045,257)	59,284,114
Trade receivables	(22,020,330)	(48,991,902)
Loans and advances	3,448,910	(3,082,389)
Long term deposits	3,901,500	-
Trade deposits and short term prepayments	(10,769,870)	(8,807,279)
Sales tax receivable	-	-
Trade and other payables	56,850,755	26,054,763
	(135,303,799)	20,346,902
Cash (used in) / generated from operations	(30,564,467)	240,639,711

22 CASH AND CASH EQUIVALENTS		
Running musharakah - secured	(205,906,109)	(84,938,946)
Cash and bank balances	1,208,766	1,148,761
	(204,697,343)	(83,790,185)

23 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) Six months period ended		(Unaudited) Three months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Baby care	86.38%	87.08%	86.40%	89.00%
Oral care	13.22%	12.38%	12.93%	10.73%
Hygiene	0.40%	0.54%	0.67%	0.28%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

24 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) Six months period ended		(Unaudited) Three months period ended	
				December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
				----- (Rupees) -----		----- (Rupees) -----	
Premier Agencies	Associated undertaking	Common Director	Sale of goods / (sale return) - net off discount of Rs. nil (December 31, 2020: Rs. nil)	-	(13,558,565)	-	(3,239,638)
			Reimbursement of selling and distribution expenses	-	118,318	-	-
Premier Sales (Private) Limited	Associated undertaking	Common Director	Sale of goods - net off discount of Rs.0.014 million (31-Dec-20 Rs.62.37 million)	996,061,964	1,061,023,763	528,970,127	522,269,561
			Reimbursement of selling and distribution expenses	71,020,311	91,755,539	36,749,766	40,446,964
Memon Medical Institute	Associated undertaking	Common Director	Sale of goods	53,825	62,201	27,575	12,634
PharmEvo (Private) Limited	Associated undertaking	Common Director	Sale of goods	-	73,077	-	46,154
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	78,774	-	60,476
Nagaria Textile Mills (Private) Limited	Associated undertaking	Common Director	Warehouse rent	3,120,000	1,142,466	1,560,000	1,142,466
Employees Provident Fund	Retirement benefit fund	Employees benefit fund	Contribution made	5,119,038	3,249,236	2,638,530	1,746,424
Key Management Personnel	Related parties	Executives	Remuneration and benefits	29,287,662	20,305,273	14,977,291	11,709,156
				(Unaudited) December 31, 2021		(Audited) June 30, 2021	
				----- (Rupees) -----		----- (Rupees) -----	

24.1 Period / year end balances

Receivable from related parties	136,931,956	125,814,755
Payable to related parties	-	520,000
Loan from Chief Executive and Director	55,000,000	55,000,000

25 FINANCIAL RISK MANAGEMENT

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

(Unaudited) (Audited)
December 31, June 30,
2021 2021
----- (Rupees) -----

25.1 Financial instruments by category

Financial assets at amortized cost

Deposits	2,891,262	7,501,482
Loan to employees	1,438,584	1,092,608
Trade receivables	173,123,219	151,204,854
Cash and bank balances	1,208,766	3,746,928
	<u>178,661,831</u>	<u>163,545,872</u>

Financial liabilities at amortized cost

Long term financing (including current portion)	452,189,191	366,020,774
Trade and other payables	210,684,903	125,784,837
Accrued profit	14,255,636	6,846,778
Short term bank finances	538,821,213	307,904,890
	<u>1,215,950,943</u>	<u>806,557,279</u>

26 FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

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.

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.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Fair value measurements using quoted price (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).

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 this condensed interim financial information 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 reprice periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

27 NUMBER OF EMPLOYEES

The number of employees as at period ended December 31, 2021 was 126 (June 30, 2021: 114) and average number of employees during the period was 124 (June 30, 2021: 104).

28 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 21, 2022 by the Board of Directors of the Company.

29 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.

30 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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