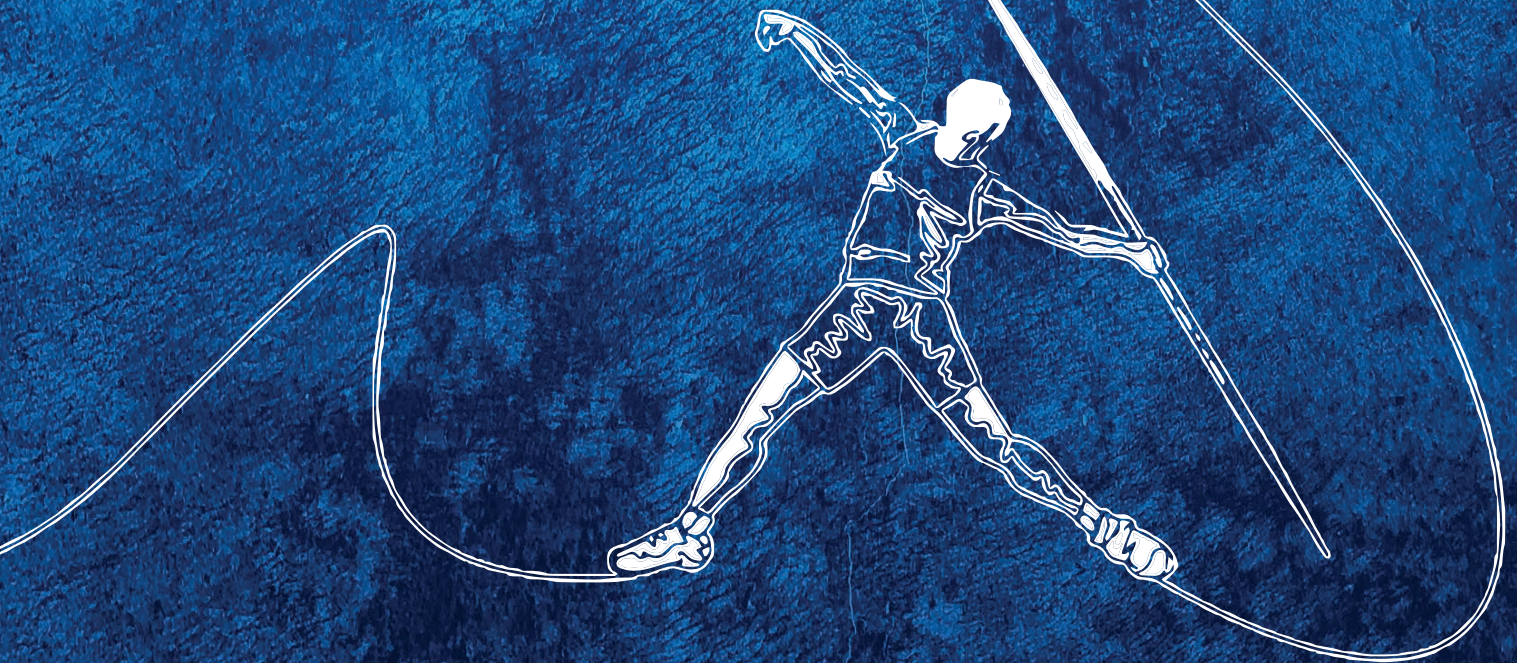


# RAISING THE BAR





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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 statements for the period ended September 30, 2022.

### Financial summary

Operating Results	September, 2022	September, 2021	Increase / (Decrease)
	(Rupees)	(Rupees)	
Net Sales	933,203,807	530,429,551	75.93%
Gross Profit	227,977,714	141,676,175	60.91%
Gross Profit %	24.43%	26.71%	(228 bps)
Selling and Distribution Expenses	156,690,845	92,935,482	68.60%
Administrative Expenses	14,322,747	15,203,371	(5.79%)
Finance Costs	40,838,523	14,476,926	182.09%
Profit Before Tax	17,584,737	18,254,092	(3.67%)
Profit After Tax	1,959,219	12,741,634	(84.62%)
Earnings per Share	0.50	3.27	(84.62%)

Uncertainty and challenges prevailing in quarter 3 and quarter 4 of the financial year 2022 continued in the first quarter of financial year 2023 as well. Net sales increased by 75.93% due to a combination of price increase and volume increase. Gross profit percentage decreased mainly due to substantial rupee devaluation. Increase in finance cost is due to increase in policy rate and increased utilization of short-term and long-term financing facilities. The Company earned profit after tax of Rs. 1.96 million as compared to 12.74 million of last year.

Business environment still remains challenging mainly due to macroeconomic and politics uncertainties in local and international level. Stable currency is pivotal to secure the bottom line of businesses. 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



Vali Muhammad A. Habib  
Director

Karachi: October 27, 2022

## ڈائریکٹرز کا جائزہ

ہم بورڈ آف ڈائریکٹرز کی جانب سے ۳۰ ستمبر ۲۰۲۲ کو ختم ہونے والی مدت کے لیے غیر آڈٹ شدہ مختصر عبوری مالیاتی گوشوارے پیش کرنے میں خوشی محسوس کر رہے ہیں۔

### سرمائے کا خلاصہ

عملداری نتائج	ستمبر ۲۰۲۲ (روپے)	ستمبر ۲۰۲۱ (روپے)	اضافہ/(کمی)
خالص فروخت	933,203,807	530,429,551	75.93%
مجموعی منافع	227,977,714	141,676,175	60.91%
مجموعی فیصدی منافع	24.43%	26.71%	(228 bps)
فروخت اور تنظیم کاری کے اخراجات	156,690,845	92,935,482	68.60%
انتظامی اخراجات	14,322,747	15,203,371	(5.79%)
مالیاتی لاگت	40,838,523	14,476,926	182.09%
قبل از ٹیکس منافع	17,584,737	18,254,092	(3.67%)
بعد از ٹیکس منافع	1,959,219	12,741,634	(84.62%)
فی شیئر آمدنی	0.50	3.27	(84.62%)

مالی سال 2022 کی سہ ماہی ۳۱ ستمبر ۲۰۲۲ اور سہ ماہی ۴ میں موجود غیر یقینی صورت حال اور چیلنجز مالی سال 2023 کی پہلی سہ ماہی میں بھی جاری رہے۔ قیمت میں اضافے اور حجم میں اضافے کے امتزاج کی وجہ سے خالص فروخت میں 75.93% اضافہ ہوا۔ مجموعی فیصدی منافع بنیادی طور پر روپے کی قدر میں کمی کی وجہ سے کم ہوا۔ مالیاتی لاگت میں اضافہ پالیسی کی شرح میں اضافے اور قلیل المیعاد اور طویل المیعاد سرمایہ کاری کی سہولیات کے استعمال میں اضافے کی وجہ سے ہے۔ کمپنی نے بعد از ٹیکس منافع پچھلے سال کے 12.74 ملین روپے کے مقابلے میں 1.96 ملین روپے کمایا۔

مقامی اور بین الاقوامی سطح پر میکرو اکنامک اور سیاسی غیر یقینی صورت حال کی وجہ سے کاروباری ماحول اب بھی مشکل ہے۔ مستحکم کرنسی کاروبار کی بوٹم لائن کو محفوظ بنانے کے لیے اہم ہے۔ انتظامیہ منفی اقتصادی چیلنجوں کے اثرات کو کم کرنے کی پوری کوشش کر رہی ہے۔

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

بورڈ آف ڈائریکٹرز کی طرف سے

لی

ولی محمد اے حبیب  
ڈائریکٹر

Ullas

محمد ہارون قاسم  
چیف ایگزیکٹو

کراچی: ۲۷ اکتوبر ۲۰۲۲

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022

		(Unaudited) September 30, 2022	(Audited) June 30, 2022
	Note	------(Rupees)-----	
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	7	1,302,170,291	1,253,740,084
Intangible asset		129,263	187,126
Investment property		114,349,149	114,794,870
Long term deposits		1,145,986	1,145,986
Investment in equity accounted associate		1,558,263	1,774,325
		1,419,352,952	1,371,642,391
<b>CURRENT ASSETS</b>			
Stores and spares		47,042,714	47,242,906
Stock-in-trade	8	853,270,344	775,365,798
Trade debts	9	105,618,402	56,109,916
Loans and advances		17,958,099	21,879,827
Trade deposits, prepayments and other receivables	10	21,683,123	47,928,163
Taxation - net		107,639,032	77,921,296
Cash and bank balances	11	8,477,656	3,645,251
		1,161,689,370	1,030,093,157
		2,581,042,322	2,401,735,548
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
15,000,000 (June 30, 2022 : 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid-up capital			
3,900,000 (June 30, 2022: 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		501,918,952	499,959,733
		605,918,952	603,959,733
<b>NON - CURRENT LIABILITIES</b>			
Deferred taxation		44,307,532	42,638,676
Long term financing - secured	12	527,947,270	511,893,559
Security deposit		5,400,000	5,400,000
Deferred government grant	13	46,790,164	48,850,715
		624,444,966	608,782,950
<b>CURRENT LIABILITIES</b>			
Trade and other payable	14	372,973,483	263,294,281
Accrued Profit	16	45,935,959	38,716,123
Current portion of long term financing - secured	12	146,182,511	154,605,050
Current portion of deferred government grant	13	8,012,255	8,322,507
Short term borrowings - secured	15	776,601,546	723,056,010
Unpaid dividend		352,509	378,753
Unclaimed dividend		620,141	620,141
		1,350,678,404	1,188,992,865
		2,581,042,322	2,401,735,548
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>CONTINGENCIES AND COMMITMENTS</b>			
	17		

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.



Mohammad Haroon Qassim  
Chief Executive



Vali Muhammad A. Habib  
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, 2022

		Three months period ended	
		September 30, 2022	September 30, 2021
	Note	(Rupees)	
Sales - net	18	933,203,807	530,429,551
Cost of sales		(705,226,093)	(388,753,376)
Gross profit		227,977,714	141,676,175
Selling and distribution expenses		(156,690,845)	(92,935,482)
Administrative and general expenses		(14,322,747)	(15,203,371)
Provision recorded for expected credit losses		(342,216)	(298,514)
Other operating expenses		(8,886,593)	(7,121,619)
		(180,242,401)	(115,558,986)
		47,735,313	26,117,189
Other operating income		10,904,009	6,866,128
Operating profit before finance costs		58,639,322	32,983,317
Share of loss on equity accounted associate		(216,062)	(252,299)
Finance costs	19	(40,838,523)	(14,476,926)
Profit before taxation		17,584,737	18,254,092
Taxation		(15,625,518)	(5,512,458)
Profit for the period		1,959,219	12,741,634
Other comprehensive income		-	-
Total comprehensive income for the period		1,959,219	12,741,634
Earnings per share - basic and diluted	20	0.50	3.27

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.



Mohammad Haroon Qassim  
Chief Executive



Vali Muhammad A. Habib  
Director



Yasir Yousuf Chhabra  
Chief Financial officer

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Note	Three months period ended	
		September 30, 2022	September 30, 2021
		------(Rupees)-----	
<b>Cash flows from operating activities</b>			
Cash generated from operations	21	92,103,487	43,433,948
Finance costs - net		(33,618,687)	(12,019,952)
Income tax - net		(43,674,398)	(8,557,618)
Net cash flows from operating activities		14,810,402	22,856,378
<b>Cash flows from investing activities</b>			
Fixed capital expenditure including work in progress		(69,001,639)	(92,580,280)
Addition in intangible assets		-	(128,699)
Sales proceeds from disposal of property, plant and equipment		12,170	770,959
Net cash used in investing activities		(68,989,469)	(91,938,020)
<b>Cash flows from financing activities</b>			
Long term financing - net		5,260,369	12,401,809
Short term murabaha finance and istisna finance - net		57,986,733	87,427,631
Dividend paid		(26,244)	(2,341)
Net cash flows from financing activities		63,220,858	99,827,099
Net increase in cash and cash equivalents		9,041,791	30,745,457
Cash and cash equivalents at the beginning of the period		(237,351,184)	(175,022,493)
Effect of movements in exchange rates on cash held		231,811	-
Cash and cash equivalents at the end of the period	22	(228,077,582)	(144,277,036)

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.



Mohammad Haroon Qassim  
Chief Executive



Vali Muhammad A. Habib  
Director



Yasir Yousuf Chhabra  
Chief Financial officer

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2022

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

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

<b>Balance as at July 1, 2021</b>	39,000,000	55,000,000	10,000,000	55,000,000	434,997,768	499,997,768	593,997,768
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**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

<b>Balance as at September 30, 2021</b>	39,000,000	55,000,000	10,000,000	55,000,000	447,739,402	512,739,402	606,739,402
-----------------------------------------	------------	------------	------------	------------	-------------	-------------	-------------

<b>Balance as at July 1, 2022</b>	39,000,000	55,000,000	10,000,000	55,000,000	444,959,733	509,959,733	603,959,733
-----------------------------------	------------	------------	------------	------------	-------------	-------------	-------------

**Total comprehensive Income for the  
period ended September 30, 2022**

Profit for the period	-	-	-	-	1,959,219	1,959,219	1,959,219
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	1,959,219	1,959,219	1,959,219

<b>Balance as at September 30, 2022</b>	39,000,000	55,000,000	10,000,000	55,000,000	446,918,952	511,918,952	605,918,952
-----------------------------------------	------------	------------	------------	------------	-------------	-------------	-------------

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.



Mohammad Haroon Qassim  
Chief Executive



Wali Muhammad A. Habib  
Director



Yasir Yousuf Chhabra  
Chief Financial officer

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2022 (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 repealed 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 statements of the Company for the period ended September 30, 2022 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 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.

These condensed interim financial statements do 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, 2022 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 statements have been extracted from the annual audited financial statements of the Company for the year ended June 30, 2022, 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 statements for the period ended September 30, 2021.

### 3.2 Basis of measurement

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

### 3.3 Functional and presentation currency

These condensed interim financial statements 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 statements are the same as those adopted in the preparation of the annual financial statements for the year ended June 30, 2022.

#### 5 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS, AND ASSUMPTIONS

The preparation of condensed interim financial statements 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 provision for taxation for the period ended September 30, 2022, have been made using the estimated tax rate applicable for the year ending June 30, 2023.

	Note	(Unaudited) September 30, 2022	(Audited) June 30, 2022
		----- (Rupees) -----	
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	7.1	841,638,676	675,592,687
Capital work in progress	7.2	460,531,615	578,147,397
		<u>1,302,170,291</u>	<u>1,253,740,084</u>
<b>7.1 Operating fixed assets</b>			
Opening net book value		675,592,687	653,332,458
Additions during the period / year at cost		186,617,424	100,077,620
		<u>862,210,111</u>	<u>753,410,078</u>
Disposals during the period / year at NBV		60,605	6,878,862
Depreciation charge for the period / year		<u>20,510,830</u>	<u>70,938,529</u>
		<u>(20,571,435)</u>	<u>(77,817,391)</u>
Closing net book value		<u>841,638,676</u>	<u>675,592,687</u>

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

	(Unaudited) September 30, 2022		(Audited) June 30, 2022	
	Additions (at cost)	Disposals (at net book value)	Additions (at cost)	Disposals (at net book value)
	----- (Rupees) -----			
Building on leasehold land	-	-	3,434,800	-
Plant and machinery	183,298,582	-	83,891,006	6,401,241
Office equipments	2,888,212	55,776	5,733,122	66,157
Furniture and fittings	33,930	-	3,332,392	271,663
Computers	396,700	4,829	3,686,300	139,801
	<u>186,617,424</u>	<u>60,605</u>	<u>100,077,620</u>	<u>6,878,862</u>

		(Unaudited) September 30, 2022	(Audited) June 30, 2022
		------(Rupees)-----	
<b>7.2 Capital work in progress</b>			
Plant and machinery		3,669,272	179,450,507
Building on leasehold land		378,890,782	319,963,012
Advances to suppliers		77,971,561	78,733,878
	7.2.2	<u>460,531,615</u>	<u>578,147,397</u>
7.2.1 Movement of carrying amount is as follows:			
Opening balance		578,147,397	2,889,219
Additions (at cost) during the period / year	7.2.2	61,758,940	641,206,020
		<u>639,906,337</u>	<u>644,095,239</u>
Transfer to operating fixed assets during the period / year		(179,374,722)	(65,947,842)
Closing balance		<u>460,531,615</u>	<u>578,147,397</u>
7.2.2 This includes borrowing cost capitalised during the period amounting to Rs. 13.791 million (2022: Rs. 13.397 million). The profit rate used to determine the amount of borrowing cost was 16.49% per annum.			

		(Unaudited) September 30, 2022	(Audited) June 30, 2022
		------(Rupees)-----	
<b>8 STOCK-IN-TRADE</b>			
Manufacturing:			
Raw and packing materials			
in hand		544,179,448	510,378,288
in transit		168,684,538	120,834,744
		<u>712,863,986</u>	<u>631,213,032</u>
Work-in-process		30,973,634	32,863,802
Finished goods	8.1	76,379,564	81,904,932
Trading:			
in hand	8.1	31,132,123	14,585,778
in transit		1,921,037	14,798,254
		<u>853,270,344</u>	<u>775,365,798</u>
8.1 This includes finished goods with cost of Rs. 14.686 million (2022: 12.617 million) which are being carried at their net realizable value of Rs. 11.288 million (2022: 10.061 million).			

		(Unaudited) September 30, 2022	(Audited) June 30, 2022
		------(Rupees)-----	
<b>9 TRADE DEBTS</b>			
(Unsecured - considered good)			
Due from associated undertakings	9.1	49,004,432	3,615,613
Others		56,613,970	52,494,303
		<u>105,618,402</u>	<u>56,109,916</u>
(Unsecured - considered doubtful)			
Considered doubtful		3,389,520	3,047,304
Allowance for expected credit losses		(3,389,520)	(3,047,304)
		<u>105,618,402</u>	<u>56,109,916</u>

Note

			(Unaudited) September 30, 2022	(Audited) June 30, 2022
Note			(Rupees)	
9.1	This comprises of amounts receivable from:			
	Premier Sales (Private) Limited		48,337,583	2,794,307
	Memon Medical Institute		48,858	43,144
	Zaman Textile Mills (Private) Limited		8,190	8,190
	EHC (Private) Limited		609,801	769,972
			<u>49,004,432</u>	<u>3,615,613</u>

## 10 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	LC margin	10.1	251,300	2,214,665
	Security deposits		881,519	1,460,276
	Prepayments		5,325,111	281,551
	Sales Tax adjustable		14,179,613	42,926,091
	Sales tax receivable		1,045,580	1,045,580
			<u>21,683,123</u>	<u>47,928,163</u>

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

			(Unaudited) September 30, 2022	(Audited) June 30, 2022
Note			(Rupees)	
11	CASH AND BANK BALANCES			
	Cash in hand			
	Local currency		223,119	239,529
	Foreign currency		675,660	619,997
			<u>898,779</u>	<u>859,526</u>
	Cash at bank			
	Current account	11.1	7,578,877	2,785,725
			<u>8,477,656</u>	<u>3,645,251</u>

11.1 This includes balances amounting to Rs. 4.777 million (2022: Rs. 1.505 million) with Shariah compliant banks.

## 12 LONG TERM FINANCING - SECURED

	Installment payable	Repayment period	Profit rate	Note	(Unaudited) September 30, 2022	(Audited) June 30, 2022
					(Rupees)	
<b>Shariah Arrangements</b>						
Bank Al-Habib Limited - Islamic banking	Quarterly	2017-22	0.50% above 6 months KIBOR	12.1 & 12.2	5,500,000	11,000,000
Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	0.75% above 6 months KIBOR	12.1 & 12.2	28,949,059	31,361,480
Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	1% above 6 months KIBOR	12.1 & 12.2	51,038,917	55,292,160
Bank Al-Habib Limited - Islamic banking	Quarterly	2022-27	1% above 6 months KIBOR	12.2	9,533,700	9,533,700
Bank Al-Habib Limited - Islamic banking	Quarterly	2022-27	1% above 6 months KIBOR	12.2	5,370,300	5,370,300
Meezan Bank Limited	Quarterly	2019-25	3 months KIBOR	12.1 & 12.3	4,423,481	4,865,829

	Installment payable	Repayment period	Profit rate	Note	(Unaudited) September 30, 2022	(Audited) June 30, 2022
					(Rupees)	
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	10,918,886	11,828,792
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	3,551,943	3,825,169
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	3,236,083	3,485,012
Meezan Bank Limited	Quarterly	2019-25	1.2% above 3 months KIBOR	12.1 & 12.4	56,288,106	61,405,206
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	1,660,975	2,076,218
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	2,642,269	3,302,836
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	941,309	1,176,636
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	1,367,110	1,708,888
Bank Al falah Limited	Quarterly	2023-32	4% above SBP Rate	12.6	5,425,297	5,376,247
Bank Al falah Limited	Quarterly	2023-31	4% above SBP Rate	12.6	2,716,105	2,700,817
Bank Al falah Limited	Quarterly	2024-32	4% above SBP Rate	12.6	12,420,347	12,282,103
Bank Al falah Limited	Quarterly	2024-32	4% above SBP Rate	12.6	105,040,721	103,434,252
Bank Al-Habib Limited - Islamic banking	Quarterly	2022-29	1% above 6 months KIBOR	12.7	338,305,304	299,632,458
					649,329,912	629,658,103
<b>Non shariah Arrangements</b>						
Habib Metropolitan Bank	Quarterly	2021-22	2% above SBP Rate	12.5	24,799,869	36,840,506
					674,129,781	666,498,609
<b>Less: Current portion shown under current liabilities</b>						
<b>Shariah Arrangements</b>						
Bank Al-Habib Limited - Islamic banking				12.2 & 12.7	(86,728,133)	(83,186,835)
Meezan Bank Limited				12.3 & 12.4	(34,577,709)	(34,577,709)
Bank Al falah Limited				12.6	(76,800)	-
					(121,382,642)	(117,764,544)
<b>Non shariah Arrangements</b>						
Habib Metropolitan Bank				12.5	(24,799,869)	(36,840,506)
					<b>527,947,270</b>	<b>511,893,559</b>

- 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 long term loans arrangement with Bank Al-Habib Limited - Islamic banking for an amount of Rs. 251.552 million (June 30, 2022: Rs. 251.552 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. 12.166 million (June 30, 2022: Rs. 48.663 million) on which, profit was 15.88% to 12.03% (June 30, 2022: 8.10% to 12.22%) per annum. The Company had 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. 53.796 million (June 30, 2022: Rs. 53.796 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. 3.527 million (June 30, 2022: Rs. 19.863 million) on which, profit was 13.01% to 16.15% (June 30, 2022: 8.39% to 12.60%) per annum. The Company had 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, 2022: 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, 2022: Rs. 20.468 million) on which, profit was 15.85% (June 30, 2022: 8.58% to 11.57%) per annum. The Company had 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 a long term loan arrangement with Habib Metropolitan Bank Limited of an amount of Rs. 100.819 million (June 30, 2022: 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, 2022: Rs. 50.410 million) on which, profit was 2% per annum. The Company had 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 a long term loan arrangement with Bank Al Falah Limited of an amount of Rs. 180.00 million (June 30, 2022: Rs. 180 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 had 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. 349,006 million (June 30, 2022: Rs. 299,632). The term of the loan was 8 years including 1 year grace period from the date of disbursement, repayable in 28 equal quarterly installments. During the period, the Company had made repayment of Rs. 10.701 million (June 30, 2022: Rs. Nil) on which, profit was 8.60% to 11.78% (June 30, 2022: Nil) per annum. The Company has total facility of Rs. 450,000 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) September 30, 2022	(Audited) June 30, 2022
Note		------(Rupees)-----	
<b>13</b>	<b>DEFERRED GOVERNMENT GRANT</b>		
	Government grant	54,802,419	57,173,222
	Less: Current portion shown under current liabilities	(8,012,255)	(8,322,507)
		<u>46,790,164</u>	<u>48,850,715</u>

- 13.1 The Company had availed long term finance facility as described in note 12.5 & 12.6 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'.

		(Unaudited) September 30, 2022	(Audited) June 30, 2022
Note		------(Rupees)-----	
<b>14</b>	<b>TRADE AND OTHER PAYABLES</b>		
	Creditors	235,774,838	199,571,843
	Accrued liabilities	96,345,768	41,356,103
	Taxes deducted at source and payable to statutory authorities	1,143,019	-
	Workers' profit participation fund	1,419,077	539,840
	Workers' Welfare fund.	652,848	445,155
	Advances from customers - unsecured	37,637,933	21,381,340
		<u>372,973,483</u>	<u>263,294,281</u>

**15 SHORT TERM BORROWINGS - SECURED**

From banking companies - secured

Islamic mode

Murabaha finance

Running musharakah

Istisna financing

	511,757,804	453,771,071
	236,555,238	240,996,435
	28,288,504	28,288,504
15.1	<u>776,601,546</u>	<u>723,056,010</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. 825 million (June 30, 2022: Rs. 825 million) out of which Rs. 225 million (June 30, 2022: Rs. 225 million) is interchangeable with running musharakah & Rs. 475 million (June 30, 2022: Rs. 475 million) with istisna. In addition, the Company has running musharakah facility of Rs. 100 million (June 30, 2022: Rs. 100 million). During the period, profit rate on such arrangements ranged between KIBOR + 0.50% to KIBOR + 0.75% (June 30, 2022: KIBOR + 0.50% to KIBOR + 0.75%) per annum.

		(Unaudited) September 30, 2022	(Audited) June 30, 2022
Note		------(Rupees)-----	
<b>16</b>	<b>ACCRUED PROFIT</b>		
	Long-term financing from Banks		
	Shariah Arrangement:		
	Diminishing musharakah	17,250,681	19,827,263
	Non shariah Arrangement:		
	Salary refinancing	127,059	188,518
	Short-term borrowings from Banks		
	Murabaha financing	17,295,024	10,275,820
	Musharakah financing	9,460,233	7,645,464
	Istisna financing	1,802,962	779,058
		28,558,219	18,700,342
		45,935,959	38,716,123

## 17 CONTINGENCIES AND COMMITMENTS

### 17.1 Contingencies

- 17.1.1 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, 2022.

### 17.2 Commitments

- 17.2.1 The Company has letter of credit commitments for purchases amounting to Rs. 221.301 million (June 30, 2022: Rs. 114.124 million).
- 17.2.2 The Company has letter of credit and other commitments for capital expenditures amounting to Rs. 5.024 million (June 30, 2022: Rs. 4.505 million).

		(Unaudited) September 30, 2022	(Unaudited) September 30, 2021
Note		------(Rupees)-----	
<b>18</b>	<b>SALES - NET</b>		
	Gross sales		
	Local sales	1,156,387,377	625,144,807
	Sales tax	(169,914,800)	(91,085,270)
		986,472,577	534,059,537
	Discounts	(53,268,770)	(3,946,008)
		933,203,807	530,113,529
	Export sales	-	316,022
		933,203,807	530,429,551
<b>18.1</b>	<b>Information by geographical area for export sales</b>		
	Uganda	-	316,022
		-	316,022

		(Unaudited) September 30, 2022	(Unaudited) September 30, 2021
	Note	----- (Rupees) -----	
<b>19</b>	<b>FINANCE COSTS</b>		
Shariah Arrangement			
Profit on short term borrowings		28,412,477	6,424,333
Rent on diminishing musharakah		11,537,010	5,933,937
Guarantee commission		13,667	13,667
Bank charges		39,748	328,523
		40,002,902	12,700,460
Non-Shariah Arrangement			
Interest on salary refinancing		688,811	1,686,354
Guarantee commission		1,424	1,424
Bank charges		145,386	88,688
		40,838,523	14,476,926
<b>20</b>	<b>EARNINGS PER SHARE - BASIC AND DILUTED</b>		
Profit for the period		1,959,219	12,741,634
		(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		0.50	3.27
		(Unaudited) September 30, 2022	(Unaudited) September 30, 2021
	Note	----- (Rupees) -----	
<b>21</b>	<b>CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation		17,584,737	18,254,092
Adjustments for:			
Depreciation		20,956,548	17,146,085
Amortization		57,863	57,391
Share of loss on equity accounted associate		216,062	252,299
Provision recorded for expected credit losses		342,216	298,514
Exchange gain		(231,811)	-
Loss on disposal of property, plant and equipment		48,435	2,520,027
Finance costs	19	40,838,523	14,476,926
Changes in:			
Stores and spares		200,192	(1,415,901)
Stock-in-trade		(77,904,546)	(53,504,245)
Trade receivables		(49,850,702)	(36,743,799)
Loans and advances		3,921,728	7,029,595
Long term deposits		-	3,901,500
Trade deposits and short term prepayments		26,245,040	1,913,730
Trade and other payables		109,679,202	69,247,734
Cash generated from operations		92,103,487	43,433,948

		(Unaudited) September 30, 2022	(Unaudited) September 30, 2021
Note		----- (Rupees) -----	
<b>22 CASH AND CASH EQUIVALENTS</b>			
	Running musharakah - secured	(236,555,238)	(177,172,957)
	Cash and bank balances	8,477,656	32,895,921
		<u>(228,077,582)</u>	<u>(144,277,036)</u>

## 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) September 30, 2022	(Unaudited) September 30, 2021
Baby care	90.86%	86.34%
Oral care	8.27%	13.59%
Hygiene	0.87%	0.07%
	<u>100.00%</u>	<u>100.00%</u>

## 24 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of other associated companies, key management personnel, directors and post employment benefit plan. Transactions with related parties and associated undertakings are as under:

Name	Nature of relationship	Basis of relationship	Nature of transaction	(Unaudited) September 30, 2022	(Unaudited) September 30, 2021
				----- (Rupees) -----	
Premier Sales (Private) Limited	Associated undertaking	Common Director	Sale of goods - net off discount of Rs. 12.24 million (2022: Rs.nil)	791,870,016	467,091,837
			Reimbursement of selling and distribution expenses	55,939,842	34,270,545
Memon Medical Institute	Associated undertaking	Common Director	Sale of goods	5,714	26,250
EHC (Private) Limited	Associated undertaking	Key management personnel	Sale of goods	935,302	-
Scitech health (Private) Limited	Associated undertaking	Common Director	Purchase of goods	15,795	128,127
Nagaria Textile Mills (Private) Limited	Associated undertaking	Common Director	Warehouse rent	1,928,160	1,560,000
Employees provident fund	Retirement benefit fund	Employees benefit fund	Contribution made	2,685,426	2,480,508
Key management personnel	Related parties	Executives	Remuneration and benefits	15,032,729	14,310,371

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
	----- (Rupees) -----	
<b>24.1 Period / year end balances</b>		
Receivable from related parties	49,004,432	3,615,613
Payable to related parties	-	800,805
Loan from Chief Executive	55,000,000	55,000,000

## 25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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, 2022

		(Unaudited) September 30, 2022	(Audited) June 30, 2022
	Note	------(Rupees)-----	
<b>25.1 Financial instruments by category</b>			
<b>Financial assets at amortized cost</b>			
Deposits		2,027,505	2,606,262
Loan to employees		3,284,443	1,710,805
Trade debts		105,618,402	56,109,916
Cash and bank balances		8,477,656	3,645,251
		<u>119,408,006</u>	<u>64,072,234</u>
<b>Financial liabilities at amortized cost</b>			
Long term financing - secured		674,129,781	666,498,609
Trade and other payables		332,120,606	240,927,946
Accrued profit		45,935,959	38,716,123
Short term borrowings - secured		776,601,546	723,056,010
		<u>1,828,787,892</u>	<u>1,669,198,688</u>

## 26 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. At the reporting date, none of the financial instruments of the company are carried at fair value.

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 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 27, 2022 by the Board of Directors of the Company.

**28 CORRESPONDING FIGURES**

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

**29 GENERAL**

Figures have been rounded off to the nearest Pakistan rupee unless otherwise stated.



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Mohammad Haroon Qassim  
Chief Executive



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Vali Muhammad A. Habib  
Director



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Yasir Yousuf Chhabra  
Chief Financial officer



**SHIELD CORPORATION LTD.**

Office No:1007,10th Floor, Business Avenue,  
Block 6, P.E.C.H.S.,Shahrah-e-Faisal  
Karachi -75400, Pakistan.

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

Web: [www.shield.com.pk](http://www.shield.com.pk) Email:[mail@shield.com.pk](mailto:mail@shield.com.pk)

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