

# 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 March 31, 2023.

### Financial summary

Operating Results	July 22 – March 23	July 21 – March 22	Increase / (Decrease)
	(Rupees)	(Rupees)	
Net Sales	3,185,114,345	1,959,985,978	62.51%
Gross Profit	815,719,561	499,977,806	63.15%
Gross Profit %	25.61%	25.51%	10 bps
Selling and Distribution Expenses	468,006,232	348,417,086	34.32%
Administrative Expenses	45,696,585	43,222,412	5.72%
Finance Costs	136,889,550	59,689,127	129.34%
Profit Before Tax	154,413,968	54,989,794	180.80%
Profit After Tax	103,536,299	36,929,609	180.36%
Earnings per Share	26.55	9.47	180.36%

By the grace of Allah, the Company continued its growth trajectory. Sales of the Company increased by 62.51%, net profit after tax in value terms increased by Rs. 66.61 million in nine months ended March 31, 2023. Finance cost increased by 129.34% due to significantly higher borrowing rate and increased utilization of short term and long-term borrowings.

Challenges further aggravated in the third quarter of the financial year 2023. The political uncertainty, constant depletion of foreign exchange reserves, devaluation of Pak Rupee, extremely high KIBOR, rising inflation rate and high fuel prices have significantly slowed down the business activities in the country. The Company is committed for the sustainability of its business. However, the economic crisis may damage the sales volumes and profitability of the Company in the future periods.

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: April 27, 2023

## ڈائریکٹرز کا جائزہ

ہم بورڈ آف ڈائریکٹرز کی جانب سے ۳۱ مارچ ۲۰۲۳ 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	جولائی ۲۰۲۲ - مارچ ۲۰۲۲ (روپے)	جولائی ۲۰۲۳ - مارچ ۲۰۲۳ (روپے)	اضافہ/(کمی)
خالص سیلز	1,959,985,978	3,185,114,345	62.51%
مجموعی منافع	499,977,806	815,719,561	63.15%
مجموعی فیصدی منافع	25.51%	25.61%	10 bps
فروخت اور تقسیم کاری کے اخراجات	348,417,086	468,006,232	34.32%
انتظامی اخراجات	43,222,412	45,696,585	5.72%
مالیاتی لاگت	59,689,127	136,889,550	129.34%
قبل از ٹیکس منافع	54,989,794	154,413,968	180.80%
بعد از ٹیکس منافع	36,929,609	103,536,299	180.36%
فی شیئر آمدنی	9.47	26.55	180.36%

اللہ کے فضل سے کمپنی نے اپنی ترقی کا سفر جاری رکھا۔ کمپنی کی سیلز میں 62.51% اضافہ ہوا، ۳۱ مارچ ۲۰۲۳ کو ختم ہونے والے نو مہینوں میں بعد از ٹیکس منافع میں 66.61 ملین روپے کا اضافہ ہوا۔ قرض لینے کی نمایاں بلند شرح اور قلیل المیعاد اور طویل المیعاد قرضوں کے بڑھتے ہوئے استعمال کی وجہ سے مالیاتی لاگت میں 129.34% اضافہ ہوا۔

مالی سال ۲۰۲۳ کی تیسری سہ ماہی میں چیلنجز مزید بڑھ گئے۔ سیاسی غیر یقینی صورت حال، زر مبادلہ کے ذخائر میں مسلسل کمی، پاکستانی روپے کی قدر میں کمی، انتہائی بلند KIBOR، مہنگائی کی بڑھتی ہوئی شرح اور ایندھن کی بلند قیمتوں نے ملک میں کاروباری سرگرمیاں نمایاں طور پر سست کر دی ہیں۔ کمپنی اپنے کاروبار کے استحکام کے لیے پرعزم ہے۔ تاہم، معاشی بحران مستقبل کے ادوار میں کمپنی کی فروخت کے حجم اور منافع کو نقصان پہنچا سکتا ہے۔

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

بورڈ آف ڈائریکٹرز کی طرف سے

لی

ولی محمد اے حبیب  
ڈائریکٹر

Ullas

محمد ہارون قاسم  
چیف ایگزیکٹو

کراچی: ۲۷ اپریل ۲۰۲۳

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
Note		------(Rupees)-----	
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
	Property, plant and equipment	1,352,855,685	1,253,740,084
	Intangible asset	138,366	187,126
	Investment property	113,467,395	114,794,870
	Long term deposits	1,145,986	1,145,986
	Investment in associate	1,286,707	1,774,325
		<u>1,468,894,139</u>	<u>1,371,642,391</u>
<b>CURRENT ASSETS</b>			
	Stores and spares	58,001,939	47,242,906
	Stock-in-trade	834,242,127	775,365,798
	Trade debts	111,240,676	56,109,916
	Loans and advances	31,539,598	21,879,827
	Trade deposits, prepayments and other receivable	14,805,254	47,928,163
	Taxation - net	121,879,018	77,921,296
	Cash and bank balances	5,223,940	3,645,251
		<u>1,176,932,552</u>	<u>1,030,093,157</u>
		<u>2,645,826,691</u>	<u>2,401,735,548</u>
<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	603,496,032	499,959,733
		<u>707,496,032</u>	<u>603,959,733</u>
<b>NON - CURRENT LIABILITIES</b>			
	Deferred taxation	56,067,938	42,638,676
	Long term financing - secured	491,460,635	511,893,559
	Security deposit	5,400,000	5,400,000
	Deferred government grant	42,590,195	48,850,715
		<u>595,518,768</u>	<u>608,782,950</u>
<b>CURRENT LIABILITIES</b>			
	Trade and other payable	476,951,569	263,294,281
	Accrued Profit	38,748,406	38,716,123
	Current portion of long term financing - secured	114,745,632	154,605,050
	Current portion of deferred government grant	8,137,755	8,322,507
	Short term borrowings - secured	703,255,960	723,056,010
	Unpaid dividend	352,509	378,753
	Unclaimed dividend	620,060	620,141
		<u>1,342,811,891</u>	<u>1,188,992,865</u>
		<u>2,645,826,691</u>	<u>2,401,735,548</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>CONTINGENCIES AND COMMITMENTS</b>			
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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 (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

	Note	Nine months period ended		Quarter ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		----- (Rupees) -----		----- (Rupees) -----	
Sales - net	17	3,185,114,345	1,959,985,978	1,089,869,031	785,932,521
Cost of sales		(2,369,394,784)	(1,460,008,172)	(759,820,139)	(575,223,891)
Gross profit		815,719,561	499,977,806	330,048,892	210,708,630
Selling and distribution expenses		(468,006,232)	(348,417,086)	(155,009,722)	(148,068,591)
Administrative and general expenses		(45,696,585)	(43,222,412)	(16,573,648)	(13,517,123)
Other operating expenses		(39,081,444)	(16,683,738)	(27,032,769)	(4,350,617)
		(552,784,261)	(408,323,236)	(198,616,139)	(165,936,331)
		262,935,300	91,654,570	131,432,753	44,772,299
Other operating income		28,855,836	23,708,820	7,938,516	6,674,351
Operating profit before finance costs		291,791,136	115,363,390	139,371,269	51,446,650
Share of loss on investment in associate		(487,618)	(684,469)	(156,786)	(211,922)
Finance costs	18	(136,889,550)	(59,689,127)	(52,511,268)	(26,638,633)
Profit before taxation		154,413,968	54,989,794	86,703,215	24,596,095
Taxation		(50,877,669)	(18,060,185)	(18,912,615)	(7,789,757)
Profit for the period		103,536,299	36,929,609	67,790,600	16,806,338
Earnings per share - basic and diluted	19	26.55	9.47	17.38	4.31

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 COMPREHENSIVE INCOME (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

	Nine months period ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- (Rupees) -----		----- (Rupees) -----	
Profit for the period	103,536,299	36,929,609	67,790,600	16,806,338
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>103,536,299</u>	<u>36,929,609</u>	<u>67,790,600</u>	<u>16,806,338</u>

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 NINE MONTHS PERIOD ENDED MARCH 31, 2023

		Nine months period ended	
		March 31, 2023	March 31, 2022
	Note	------(Rupees)-----	
<b>Cash flows from operating activities</b>			
Cash generated from operations	20	477,384,980	27,393,431
Finance costs - net		(136,857,267)	(42,223,160)
Income tax - net		(81,406,129)	(42,275,197)
Net cash flows generated from / (used in) operating activities		259,121,584	(57,104,926)
<b>Cash flows from investing activities</b>			
Fixed capital expenditure including work in progress		(171,478,122)	(355,007,884)
Addition in intangible assets		(90,399)	(128,700)
Sales proceeds from disposal of property, plant and equipment		94,573	1,200,475
Net cash used in investing activities		(171,473,948)	(353,936,109)
<b>Cash flows from financing activities</b>			
Long term financing diminishing musharakah - net		(66,737,614)	137,025,997
Short term murabaha finance and istisna finance - net		(32,782,813)	215,620,670
Dividend paid		(26,325)	(7,755,474)
Net cash flows (used in) / generated from financing activities		(99,546,752)	344,891,193
Net decrease in cash and cash equivalents		(11,899,116)	(66,149,842)
Cash and cash equivalents at the beginning of the period		(237,351,184)	(175,022,493)
Exchange gain		495,042	-
Cash and cash equivalents at the end of the period	21	(248,755,258)	(241,172,335)

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 NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Issued, subscribed and paid-up capital	Loan from Chief Executive	Reserve			Sub total	Total
			Capital reserve	Revenue reserves			
			Share Premium	General	Unappropriated profit		
----- (Rupees) -----							
<b>Balance as at July 1, 2021 (Audited)</b>	39,000,000	55,000,000	10,000,000	55,000,000	434,997,768	499,997,768	593,997,768
<b>Total comprehensive income for the period ended March 31, 2022</b>							
Profit for the period	-	-	-	-	36,929,609	36,929,609	36,929,609
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	36,929,609	36,929,609	36,929,609
<b>Transactions with owners</b>							
Final dividend for the year ended June 30, 2021 @ 2.00 per share	-	-	-	-	(7,800,000)	(7,800,000)	(7,800,000)
<b>Balance as at March 31, 2022 (Un-audited)</b>	<b>39,000,000</b>	<b>55,000,000</b>	<b>10,000,000</b>	<b>55,000,000</b>	<b>464,127,377</b>	<b>529,127,377</b>	<b>623,127,377</b>
<b>Balance as at July 1, 2022 (Audited)</b>	39,000,000	55,000,000	10,000,000	55,000,000	444,959,733	509,959,733	603,959,733
<b>Total comprehensive income for the period ended March 31, 2023</b>							
Profit for the period	-	-	-	-	103,536,299	103,536,299	103,536,299
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	103,536,299	103,536,299	103,536,299
<b>Balance as at March 31, 2023 (Un-audited)</b>	<b>39,000,000</b>	<b>55,000,000</b>	<b>10,000,000</b>	<b>55,000,000</b>	<b>548,496,032</b>	<b>613,496,032</b>	<b>707,496,032</b>

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

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

## 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 statements of the Company for the nine month ended March 31, 2023 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;
- 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.

3.1.1 These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2022. 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.

3.1.2 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 together with the notes thereto have been extracted from the condensed interim financial statements of the company for the nine month period ended March 31, 2022.

### 3.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except as disclosed otherwise.

### 3.3 Functional and presentation currency

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

## 4 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2022.

## 5 ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2022.

	Note	(Unaudited) March 31, 2023	(Audited) June 30, 2022
------(Rupees)-----			
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.1	1,273,398,449	675,592,687
Capital work in progress	6.2	79,457,236	578,147,397
		<u>1,352,855,685</u>	<u>1,253,740,084</u>
<b>6.1 Operating fixed assets</b>			
Opening net book value		675,592,687	653,332,458
Additions / Transfers during the period / year at cost	6.1.1	670,168,285	100,077,620
		<u>1,345,760,972</u>	<u>753,410,078</u>
Disposals during the period / year at net book value		1,276,158	6,878,862
Depreciation charge for the period / year		71,086,365	70,938,529
		<u>(72,362,523)</u>	<u>(77,817,391)</u>
Closing net book value		<u>1,273,398,449</u>	<u>675,592,687</u>

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

	(Unaudited) March 31, 2023		(Audited) June 30, 2022	
	Additions (at cost)	Disposals (at net book value)	Additions (at cost)	Disposals (at net book value)
------(Rupees)-----				
Building	463,322,908	-	3,434,800	-
Plant and machinery	194,836,770	1,207,214	83,891,006	6,401,241
Office equipments	4,416,270	64,115	5,733,122	66,157
Furniture and fittings	2,895,128	-	3,332,392	271,663
Computers	1,674,200	4,829	3,686,300	139,801
Motor vehicles	3,023,009	-	-	-
	<u>670,168,285</u>	<u>1,276,158</u>	<u>100,077,620</u>	<u>6,878,862</u>

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
	Note	------(Rupees)-----	
<b>6.2 Capital work in progress</b>			
Capital work in progress	6.2.1	79,457,236	578,147,397
6.2.1 Movement of carrying amount is as follows:			
Opening balance		578,147,397	2,889,219
Additions (at cost) during the period / year		153,641,951	641,206,020
		731,789,348	644,095,239
Transfer to operating fixed assets during the period / year	6.2.2	(652,332,112)	(65,947,842)
Closing balance		79,457,236	578,147,397

6.2.2 This includes borrowing cost capitalised during the period amounting to Rs. 26.397 million (June 30, 2022: Rs. 13.397 million). The profit rate used to determine the amount of borrowing cost ranged between 11.78% to 16.92% per annum.

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
	Note	------(Rupees)-----	
<b>7 STOCK-IN-TRADE</b>			
Manufacturing:			
Raw and packing materials			
in hand		482,709,613	510,378,288
in transit		142,144,344	120,834,744
		624,853,957	631,213,032
Work-in-process		68,454,972	32,863,802
Finished goods	7.1	116,643,758	81,904,932
Trading:			
in hand	7.1	20,799,993	14,585,778
in transit		3,489,447	14,798,254
		834,242,127	775,365,798

7.1 This includes finished goods with cost of Rs. 8.727 million (June 30, 2022: 12.617 million) which are being carried at their net realizable value of Rs. 7.212 million (June 30, 2022: 10.061 million).

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
	Note	------(Rupees)-----	
<b>8 TRADE DEBTS</b>			
(Unsecured - considered good)			
Due from associated undertakings	8.1	49,011,460	3,615,613
Others		62,229,216	52,494,303
		111,240,676	56,109,916
(Unsecured - considered doubtful)			
Considered doubtful		3,474,576	3,047,304
Allowance for expected credit losses		(3,474,576)	(3,047,304)
		111,240,676	56,109,916

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
	Note	------(Rupees)-----	
8.1	Due from associated undertakings		
	Premier Sales (Private) Limited	48,957,180	2,794,307
	Memon Medical Institute	46,090	43,144
	Zaman Textile Mills (Private) Limited	8,190	8,190
	EHC (Private) Limited	-	769,972
		49,011,460	3,615,613

## 9 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	LC and LG margin	9,460,400	2,214,665
	Security deposits	1,453,996	1,460,276
	Prepayments	2,845,278	281,551
	Sales Tax adjustable	-	42,926,091
	Sales tax refundable	1,045,580	1,045,580
		14,805,254	47,928,163

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

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
	Note	------(Rupees)-----	
10	<b>CASH AND BANK BALANCES</b>		
	Cash in hand		
	Local currency	160,614	239,529
	Foreign currency	715,836	619,997
		876,450	859,526
	Cash at bank		
	Current account	4,347,490	2,785,725
		5,223,940	3,645,251

10.1 This includes balances amounting to Rs. 2.547 million (June 30, 2022: Rs. 1.505 million) with Shariah compliant banks.

## 11 LONG TERM FINANCING - SECURED

	Installment payable	Repayment period	Profit rate	Note	(Unaudited) March 31, 2023	(Audited) June 30, 2022
					------(Rupees)-----	
<b>Shariah Arrangements</b>						
	Bank Al-Habib Limited - Islamic banking	Quarterly	2017-22	0.50% above 6 months KIBOR	11.1 & 11.2	-
	Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	0.75% above 6 months KIBOR	11.1 & 11.2	11,000,000
	Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	1% above 6 months KIBOR	11.1 & 11.2	24,124,216
	Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	1% above 6 months KIBOR	11.1 & 11.2	42,532,431
	Bank Al-Habib Limited - Islamic banking	Quarterly	2022-27	1% above 6 months KIBOR	11.2	55,292,160
	Bank Al-Habib Limited - Islamic banking	Quarterly	2022-27	1% above 6 months KIBOR	11.2	8,474,400
	Bank Al-Habib Limited - Islamic banking	Quarterly	2022-27	1% above 6 months KIBOR	11.2	9,533,700
	Bank Al-Habib Limited - Islamic banking	Quarterly	2022-27	1% above 6 months KIBOR	11.2	4,522,358
						5,370,300

	Installment payable	Repayment period	Profit rate	Note	(Unaudited) March 31, 2023	(Audited) June 30, 2022
------(Rupees)-----						
<b>Shariah Arrangements</b>						
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	11.1 & 11.3	3,538,786	4,865,829
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	11.1 & 11.3	9,099,072	11,828,792
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	11.1 & 11.3	3,005,493	3,825,169
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	11.1 & 11.3	2,738,228	3,485,012
Meezan Bank Limited	Quarterly	2019-25	1.2% above 3 months KIBOR	11.1 & 11.4	46,053,901	61,405,206
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	11.3	830,484	2,076,218
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	11.3	1,321,137	3,302,836
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	11.3	470,655	1,176,636
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	11.3	683,552	1,708,888
Bank Al falah Limited	Quarterly	2023-32	4% above SBP Rate	11.5	5,526,005	5,376,247
Bank Al falah Limited	Quarterly	2023-31	4% above SBP Rate	11.5	2,747,200	2,700,817
Bank Al falah Limited	Quarterly	2024-32	4% above SBP Rate	11.5	12,706,345	12,282,103
Bank Al falah Limited	Quarterly	2024-32	4% above SBP Rate	11.5	108,292,500	103,434,252
Bank Al-Habib Limited - Islamic banking	Quarterly	2022-29	1% above 6 months KIBOR	11.6	329,539,504	299,632,458
					606,206,267	629,658,103
<b>Non shariah Arrangements</b>						
Habib Metropolitan Bank	Quarterly	2021-22	2% above SBP Rate		-	36,840,506
					606,206,267	666,498,609
<b>Less: Current portion shown under current liabilities</b>						
<b>Shariah Arrangements</b>						
Bank Al-Habib Limited - Islamic banking				11.2 & 11.6	(83,051,572)	(83,186,835)
Meezan Bank Limited				11.3 & 11.4	(31,271,878)	(34,577,709)
Bank Al falah Limited				11.5	(422,182)	-
					(114,745,632)	(117,764,544)
<b>Non shariah Arrangements</b>						
Habib Metropolitan Bank					-	(36,840,506)
					(114,745,632)	(154,605,050)
					<b>491,460,635</b>	<b>511,893,559</b>

11.1 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.

- 11.2 The Company has long term loans arrangement with Bank Al-Habib Limited - Islamic banking for an amount of Rs. 141.552 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. 32.904 million (June 30, 2022: Rs. 48.663 million) on which, profit was 11.74% to 17.00% (June 30, 2022: 8.10% to 12.22%) per annum. The Company had total facility of Rs. 249.667 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.
- 11.3 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. 10.582 million (June 30, 2022: Rs. 19.863 million) on which, profit was 13.01% to 18.06% (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.
- 11.4 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. 15.351 million (June 30, 2022: Rs. 20.468 million) on which, profit was 15.85% to 16.97% (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.
- 11.5 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.
- 11.6 The Company has entered a long term loan arrangement with Bank Al-Habib Limited - Islamic banking of an amount of Rs. 361.643 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. 32.103 million (June 30, 2022: Rs. Nil) on which, profit was 11.78% to 18.10% (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) March 31, 2023	(Audited) June 30, 2022
	Note	------(Rupees)-----	
<b>12 DEFERRED GOVERNMENT GRANT</b>			
Government grant	12.1	50,727,950	57,173,222
Less: Current portion shown under current liabilities		(8,137,755)	(8,322,507)
		42,590,195	48,850,715

- 12.1 The Company had availed long term finance facility as described in note 11.5 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'.

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
	Note	------(Rupees)-----	
<b>13</b>	<b>TRADE AND OTHER PAYABLES</b>		
	Creditors	296,344,890	199,571,843
	Accrued liabilities	113,588,690	41,356,103
	Workers' profit participation fund	7,713,450	539,840
	Workers' Welfare fund.	2,612,094	445,155
	Advances from customers - unsecured	56,692,445	21,381,340
		<u>476,951,569</u>	<u>263,294,281</u>

**14** **SHORT TERM BORROWINGS - SECURED**

From banking companies - secured

Islamic mode

Murabaha finance

Running musharakah

Istisna financing

14.1

336,798,870	453,771,071
253,979,198	240,996,435
112,477,892	28,288,504
<u>703,255,960</u>	<u>723,056,010</u>

14.1 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) March 31, 2023	(Audited) June 30, 2022
		------(Rupees)-----	
<b>15</b>	<b>ACCRUED PROFIT</b>		
	Long-term financing from Banks		
	Shariah Arrangement:		
	Diminishing musharakah	19,558,904	19,827,263
	Non shariah Arrangement:		
	Salary refinancing	-	188,518
	Short-term borrowings from Banks		
	Murabaha financing	10,105,258	10,275,820
	Musharakah financing	6,920,592	7,645,464
	Istisna financing	2,163,652	779,058
		<u>19,189,502</u>	<u>18,700,342</u>
		<u>38,748,406</u>	<u>38,716,123</u>

## 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, 2022:

16.1.1.1 Additional Commissioner, Inland Revenue (FBR) issued an amended assessment order dated December 23, 2022 for the tax year 2019 through which tax liability of Rs. 1.82 million on various issues of the Income Tax Ordinance, 2001, was created. The Company has filed an appeal to Commissioner Inland Revenue (Appeals) against the order. Based on the Company's tax consultant advice, the management is of the opinion that the case will be decided in the Company's favour and hence no provision has been made in these financial statements.

16.1.1.2 The Company filed a constitutional petition in Supreme Court of Pakistan on February 3, 2022 against The Province of Sindh, The Director General, Excise and Taxation Department Sindh and District Excise, Excise & Taxation Department challenging the impugned judgement dated October 4, 2021 passed by the High Court of Sindh that was related to levy of Sindh Development and Maintenance of Infrastructure Cess. The Supreme Court of Pakistan granted relief by suspending the operation of the judgement of the High Court of Sindh and recovery of the impugned levy through interim order dated September 9, 2022. The Company has submitted bank guarantees of Rs. 5 million till March 31, 2023 as per the directions of the Supreme Court of Pakistan.

### 16.2 Commitments

16.2.1 The Company has letter of credit commitments for purchases amounting to Rs. 161.911 million (June 30, 2022: Rs. 114.124 million).

16.2.2 The Company has letter of credit and other commitments for capital expenditures amounting to Rs. 9.848 million (June 30, 2022: Rs. 4.505 million).

	Note	(Unaudited) Nine months period ended		(Unaudited) Quarter ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		------(Rupees)-----		------(Rupees)-----	
<b>17 SALES - NET</b>					
Gross sales					
Local sales		3,985,410,539	2,321,818,213	1,408,295,168	926,165,380
Sales tax		(591,805,873)	(338,748,351)	(212,212,972)	(135,432,585)
		<u>3,393,604,666</u>	<u>1,983,069,862</u>	<u>1,196,082,196</u>	<u>790,732,795</u>
Discounts		(250,360,864)	(31,799,214)	(106,213,165)	(4,800,274)
		<u>3,143,243,802</u>	<u>1,951,270,648</u>	<u>1,089,869,031</u>	<u>785,932,521</u>
Export sales	17.1	41,870,543	8,715,330	-	-
		<u>3,185,114,345</u>	<u>1,959,985,978</u>	<u>1,089,869,031</u>	<u>785,932,521</u>

17.1 Information by geographical area for export sales

Afghanistan	10,344,160	8,399,308	-	-
Mozambique	4,710,983	-	-	-
Sudan	8,208,998	-	-	-
UAE	5,954,106	-	-	-
Uganda	-	316,022	-	-
Yemen	12,652,296	-	-	-
	<u>41,870,543</u>	<u>8,715,330</u>	<u>-</u>	<u>-</u>

	Nine months period ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	------(Rupees)-----		------(Rupees)-----	
<b>18 FINANCE COSTS</b>				
Shariah Arrangement				
Profit on short term borrowings	85,901,687	30,395,328	26,262,381	14,205,587
Rent on diminishing musharakah	49,292,904	24,146,994	26,165,439	11,006,250
Guarantee commission	57,224	40,955	28,247	13,370
Bank charges	190,524	721,597	36,105	285,357
	<u>135,442,339</u>	<u>55,304,874</u>	<u>52,492,172</u>	<u>25,510,564</u>
Non-Shariah Arrangement				
Interest on salary refinancing	1,158,611	4,240,152	1,381	1,096,294
Mark-up on WPPF	29,767	-	-	-
Guarantee commission	1,556	2,477	-	1,000
Bank charges	257,277	141,624	17,715	30,775
	<u>136,889,550</u>	<u>59,689,127</u>	<u>52,511,268</u>	<u>26,638,633</u>
<b>19 EARNINGS PER SHARE - BASIC AND DILUTED</b>				
Profit for the period	<u>103,536,299</u>	<u>36,929,609</u>	<u>67,790,600</u>	<u>16,806,338</u>
	------(Number of Shares)-----			
Weighted average number of ordinary shares in issue during the period	<u>3,900,000</u>	<u>3,900,000</u>	<u>3,900,000</u>	<u>3,900,000</u>
	------(Rupees)-----			
Earnings per share basic and diluted	<u>26.55</u>	<u>9.47</u>	<u>17.38</u>	<u>4.31</u>
			(Unaudited) March 31, 2023	(Unaudited) March 31, 2022
<b>20 CASH GENERATED FROM OPERATIONS</b>			------(Rupees)-----	
Profit before taxation			154,413,968	54,989,794
Adjustments for:				
Depreciation			72,413,838	53,263,375
Amortization			139,159	164,340
Share of loss on equity accounted associate			487,618	684,469
Allowance for expected credit losses			427,272	372,816
Gain on foreign exchange			(495,042)	-
Loss on disposal of property, plant and equipment			1,181,585	5,678,386
Finance costs		18	136,889,550	59,689,127
Changes in Working Capital:				
Stores and spares			(10,759,033)	(7,243,618)
Stock-in-trade			(58,876,329)	(268,029,461)
Trade receivables			(55,558,032)	(26,434,226)
Loans and advances			(9,659,771)	(19,657,889)
Long term deposits			-	3,901,500
Trade deposits and short term prepayments			33,122,909	650,179
Trade and other payables			213,657,288	169,364,639
Cash generated from operations			<u>477,384,980</u>	<u>27,393,431</u>

	(Unaudited) March 31, 2023	(Unaudited) March 31, 2022
<b>21 CASH AND CASH EQUIVALENTS</b>	Note -----(Rupees)-----	
Running musharakah - secured	(253,979,198)	(243,780,689)
Cash and bank balances	5,223,940	2,608,354
	<u>(248,755,258)</u>	<u>(241,172,335)</u>

## 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) Nine months period ended		(Unaudited) Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Baby care	89.22%	87.24%	90.31%	88.56%
Oral care	9.18%	12.13%	7.46%	10.47%
Hygiene	1.60%	0.63%	2.23%	0.97%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

## 23 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	Nine months period ended		Quarter ended	
				(Unaudited) March 31, 2023	(Unaudited) March 31, 2022	(Unaudited) March 31, 2023	(Unaudited) March 31, 2022
				----- (Rupees) -----			
Premier Sales (Private) Limited	Associated undertaking	Common Director	Sale of goods - net off discount of Rs. 97.25 million (31-Mar-22: Rs.0.024 million)	2,155,077,664	1,653,719,061	514,637,657	657,657,097
			Reimbursement of selling and distribution expenses	153,919,940	127,745,322	41,682,883	56,725,011
Memon Medical Institute	Associated undertaking	Common Director	Sale of goods	39,884	56,499	34,170	2,674
EHC (Private) Limited	Associated undertaking	Key management personnel	Sale of goods	5,422,452	8,654		8,654
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	2,570,880	4,925,440		1,805,440
Employees provident fund	Retirement benefit fund	Employees benefit fund	Contribution made	8,545,802	7,653,604	2,854,270	2,534,566
Key management personnel	Related parties	Executives	Remuneration and benefits	41,998,434	43,379,753	10,433,299	14,092,091
				(Unaudited) March 31, 2023	(Audited) June 30, 2022		
<b>23.1 Period / year end balances</b>				----- (Rupees) -----			
Receivable from related parties				49,011,460	3,615,613		
Payable to related parties				-	800,805		
Loan from Chief Executive				55,000,000	55,000,000		

## 24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended June 30, 2022.

	(Unaudited) March 31, 2023	(Audited) June 30, 2022
	------(Rupees)-----	
<b>24.1 Financial instruments by category</b>		
<b>Financial assets at amortized cost</b>		
Deposits	2,599,982	2,606,262
Loan to employees	2,535,235	1,710,805
Trade debts	111,240,676	56,109,916
Cash and bank balances	5,223,940	3,645,251
	<u>121,599,833</u>	<u>64,072,234</u>
<b>Financial liabilities at amortized cost</b>		
Long term financing (including current portion)	606,206,267	666,498,609
Trade and other payables	409,933,580	240,927,946
Accrued profit	38,748,406	38,716,123
Short term bank finances	703,255,960	723,056,010
	<u>1,758,144,213</u>	<u>1,669,198,688</u>

## 25 FAIR VALUE MEASUREMENT 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.

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

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

## 26 NUMBER OF EMPLOYEES

The number of employees as at period ended March 31, 2023 were 127 (June 30, 2022: 127) and average number of employees during the year were 126 (June 30, 2022: 124).

## 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 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 27, 2023 by the Board of Directors of the Company.

**29 GENERAL**

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



\_\_\_\_\_  
Mohammad Haroon Qassim  
Chief Executive



\_\_\_\_\_  
Vali Muhammad A. Habib  
Director



\_\_\_\_\_  
Yasir Yousuf Chhabra  
Chief Financial officer



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