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# CONTENTS

COMPANY INFORMATION	02
DIRECTORS' REVIEW	03
DIRECTORS' REVIEW IN URDU	04
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION	05
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	06
CONDENSED INTERIM STATEMENT OF CASH FLOWS	07
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	08
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION	09

## COMPANY INFORMATION

### Board of Directors

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

### Audit Committee

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

### Human Resource & Remuneration Committee

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

### Risk Management Committee

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

### Chief Financial Officer

Mr. Yasir Yousuf Chhabra

### Company Secretary

Mr. Hafiz Muhammad Hasan

### Head of Internal Audit

Mr. Tariq Shahzad

### Legal Advisors

Mr. Shafqat Zaman

### External Auditors

BDO Ebrahim & Co.  
Chartered Accountants

### Internal Auditors

Yousuf Adil  
Chartered Accountants

### Bankers

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

### Registrar & Share Registration Office

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

### Registered Office

Office 1007, Business Avenue,  
Block 6, P.E.C.H.S., Shahrah-e-Faisal,  
Karachi

### Factory

Plot No. 368/4 & 5  
Landhi Industrial Area  
Baldia Road  
Karachi

### Email & URL

mail@shield.com.pk  
www.shield.com.pk

## DIRECTORS' REVIEW

On behalf of the Board of Directors, it is our pleasure to present the un-audited condensed interim financial information for the period ended March 31, 2022.

### Financial summary

Operating Results	July 21 – March 22	July 20 – March 21	Increase / (Decrease)
	(Rupees)	(Rupees)	
Net Sales	1,959,985,978	1,705,293,651	14.94%
Gross Profit	499,977,806	547,804,952	(8.73%)
Gross Profit %	25.51%	32.12%	(661 bps)
Selling and Distribution Expenses	348,417,086	234,520,010	48.57%
Administrative Expenses	43,222,412	39,850,657	8.46%
Finance Costs	59,689,127	41,381,280	44.24%
Profit Before Tax	54,989,794	211,182,223	(73.96%)
Profit After Tax	36,929,609	144,048,370	(74.36%)
Earnings per Share	9.47	36.94	(74.36%)

Challenges continued in the third quarter of the financial year 2022 as well. Net sales increased by 14.94%. Gross profit percentage dropped by 661 bps. This is primarily due to the currently prevailing supply chain crisis resulting in a sharp increase in input costs and very high freight costs. During the period under review, monetary policy rate was reviewed by the State Bank of Pakistan (SBP) and enhanced from 7% to 9.75% which also resulted in increased finance costs. Company recorded profit before tax of Rs. 54.989 million as compared to Rs. 211.182 million last year.

Business environment is very uncertain with sky rocketing inflation, challenges in ensuring availability of materials, high input costs and freight costs, currency devaluation along with challenges due to local and global political uncertainties. SBP has further substantially enhanced the monetary policy rate to 12.25% from 9.75% in April 2022 which will increase the Company's finance cost in the coming quarter. 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

Vali Muhammad A. Habib  
Director

Abdul Ghaffar Umer Kapadia  
Director

Karachi: April 27, 2022

## ڈائریکٹرز کا جائزہ

ہم بورڈ آف ڈائریکٹرز کی جانب سے ۳۱ مارچ ۲۰۲۲ کو ختم ہونے والی مدت کے لیے غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات پیش کرنے میں خوشی محسوس کر رہے ہیں۔

### سرمائے کا خلاصہ

عملداری نتائج	جولائی ۲۰۲۱ - مارچ ۲۰۲۲ (روپے)	جولائی ۲۰۲۰ - مارچ ۲۰۲۱ (روپے)	اضافہ/ (کمی)
خالص سیلز	1,959,985,978	1,705,293,651	14.94%
مجموعی منافع	499,977,806	547,804,952	(8.73%)
مجموعی فیصدی منافع	25.51%	32.12%	(661 bps)
فروخت اور تقسیم کاری کے اخراجات	348,417,086	234,520,010	48.57%
انتظامی اخراجات	43,222,412	39,850,657	8.46%
مالیاتی لاگت	59,689,127	41,381,280	44.24%
قبل از ٹیکس منافع	54,989,794	211,182,223	(73.96%)
بعد از ٹیکس منافع	36,929,609	144,048,370	(74.36%)
نی شیئر آمدنی	9.47	36.94	(74.36%)

مالی سال 2022 کی تیسری سہ ماہی میں بھی چیلنجز کا سلسلہ جاری رہا۔ خالص سیلز میں 14.94% اضافہ ہوا۔ مجموعی منافع میں 661bps کی کمی واقع ہوئی۔ یہ بنیادی طور پر اس وقت مروجہ 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۔ زیر جائزہ مدت کے دوران، اسٹیٹ بینک آف پاکستان کی جانب سے مانیٹری پالیسی ریٹ کا جائزہ لیا گیا اور اسے 7% سے بڑھا کر 9.75% کر دیا گیا جس کی وجہ سے بھی مالیاتی لاگت میں اضافہ ہوا۔ کمپنی نے گزشتہ سال کے 211.182 ملین روپے کے مقابلے میں 54.989 ملین روپے کا قبل از ٹیکس منافع ریکارڈ کیا۔

کاروبار کا ماحول آسان کو چھوٹی مہنگائی، مواد کی دستیابی کو یقینی بنانے میں درپیش چیلنجز، زیادہ انپٹ لاگت اور مال برداری کے اخراجات، کرنسی کی قدر میں کمی اور مقامی اور عالمی سیاسی غیر یقینی صورت حال کی وجہ سے چیلنجز کے ساتھ بہت غیر یقینی ہے۔ اسٹیٹ بینک آف پاکستان نے اپریل 2022 میں مانیٹری پالیسی کی شرح کو 9.75% سے مزید بڑھا کر 12.25% کر دیا ہے جس سے آنے والی سہ ماہی میں کمپنی کی مالیاتی لاگت میں اضافہ ہوگا۔ انتظامیہ منفی اقتصادی چیلنجز کے اثرات کو کم کرنے کی پوری کوشش کر رہی ہے۔

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

بورڈ آف ڈائریکٹرز کی طرف سے



عبدالغفار عمر کپاڈیا  
ڈائریکٹر



ولی محمد اے حبیب  
ڈائریکٹر

کراچی: ۲۷ اپریل ۲۰۲۲

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

		March 31, 2022 (Unaudited)	June 30, 2021 (Audited)
Note		------(Rupees)-----	
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	7	952,466,372	656,221,677
Intangible asset		244,360	280,000
Investment property		115,252,875	116,631,922
Long term deposits		1,145,986	5,047,486
Investment in equity accounted associate		1,984,116	2,668,585
		1,071,093,709	780,849,670
<b>CURRENT ASSETS</b>			
Stores and spares		47,519,762	40,276,144
Stock-in-trade	8	721,419,531	453,390,070
Trade debts	9	177,266,264	151,204,854
Loans and advances		36,401,002	16,743,113
Trade deposits, prepayments and other receivable	10	11,807,166	12,457,345
Taxation - net		65,691,392	53,903,416
Cash and bank balances	11	2,608,354	3,746,928
		1,062,713,471	731,721,870
		2,133,807,180	1,512,571,540
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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		519,127,377	489,997,768
		623,127,377	593,997,768
<b>NON - CURRENT LIABILITIES</b>			
Deferred taxation		60,210,054	72,637,090
Long term financing - secured	12	376,891,802	230,801,891
Security deposit		5,400,000	5,400,000
Deferred government grant	13	-	791,086
		442,501,856	309,630,067
<b>CURRENT LIABILITIES</b>			
Trade and other payable	14	323,198,787	153,834,148
Accrued Profit	16	24,312,745	6,846,778
Current portion of long term financing - secured	12	129,447,697	135,218,883
Current portion of deferred government grant	13	1,682,996	4,184,638
Short term borrowings - secured	15	588,536,828	307,904,890
Unpaid dividend		378,753	334,227
Unclaimed dividend		620,141	620,141
		1,068,177,947	608,943,705
		2,133,807,180	1,512,571,540
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>CONTINGENCIES AND COMMITMENTS</b>			

17

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

### Statement under section 232(1) of the Companies Act, 2017

As the Chief Executive Officer is for the time being not in Pakistan, therefore, this condensed interim financial information has been signed by two directors of the Company as required under section 232(1) of the Companies Act, 2017.



Vali Muhammad A. Habib  
Director



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 MARCH 31, 2022**

	Note	Nine months period ended		Three months period ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
(Rupees)					
Sales - net	18	1,959,985,978	1,705,293,651	785,932,521	528,725,486
Cost of sales		(1,460,008,172)	(1,157,488,699)	(575,223,891)	(356,163,817)
Gross profit		499,977,806	547,804,952	210,708,630	172,561,669
Selling and distribution expenses		(348,417,086)	(234,520,010)	(148,068,591)	(71,289,671)
Administrative and general expenses		(43,222,412)	(39,850,657)	(13,517,123)	(14,561,069)
Other operating expenses		(16,683,738)	(38,136,107)	(4,350,617)	(6,308,551)
		(408,323,236)	(312,506,775)	(165,936,331)	(92,159,292)
		91,654,570	235,298,177	44,772,299	80,402,377
Other operating income		23,708,820	17,893,300	6,674,351	8,768,119
Operating profit before finance costs		115,363,390	253,191,478	51,446,650	89,170,497
Share of loss on equity accounted associate		(684,469)	(627,975)	(211,922)	(219,638)
Finance costs	19	(59,689,127)	(41,381,280)	(26,638,633)	(11,440,808)
Profit before taxation		54,989,794	211,182,223	24,596,095	77,510,051
Taxation		(18,060,185)	(67,133,853)	(7,789,757)	(24,184,040)
Profit for the period		36,929,609	144,048,370	16,806,338	53,326,011
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		36,929,609	144,048,370	16,806,338	53,326,011
Earnings per share - basic and diluted	20	9.47	36.94	4.31	13.67

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

**Statement under section 232(1) of the Companies Act, 2017**

As the Chief Executive Officer is for the time being not in Pakistan, therefore, this condensed interim financial information has been signed by two directors of the Company as required under section 232(1) of the Companies Act, 2017.



Vali Muhammad A. Habib  
Director



Abdul Ghaffar Umer Kapadia  
Director



Yasir Yousuf Chhabra  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2022**

	Note	Nine months period ended	
		March 31, 2022	March 31, 2021
------(Rupees)-----			
<b>Cash flows from operating activities</b>			
Cash generated from operations	21	27,393,431	289,032,902
Finance costs paid		(42,223,160)	(53,113,110)
Income tax - net		(42,275,197)	(1,813,245)
Net cash (used in) / generated from operating activities		(57,104,926)	234,106,548
<b>Cash flows from investing activities</b>			
Fixed capital expenditure including work in progress		(355,007,884)	(60,057,616)
Addition in intangible assets		(128,700)	-
Sales proceeds from disposal of property, plant and equipment		1,200,475	3,646,433
Net cash used in investing activities		(353,936,109)	(56,411,183)
<b>Cash flows from financing activities</b>			
Long term financing - net		137,025,997	67,343,587
Short term murabaha / istisna finance - net		215,620,670	(208,955,477)
Dividend paid		(7,755,474)	(13,124)
Net cash generated from / (used in) financing activities		344,891,193	(141,625,014)
Net (decrease) / increase in cash and cash equivalents		(66,149,842)	36,070,350
Cash and cash equivalents at the beginning of the period		(175,022,493)	(181,537,563)
Cash and cash equivalents at the end of the period	22	(241,172,335)	(145,467,213)

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

**Statement under section 232(1) of the Companies Act, 2017**

As the Chief Executive Officer is for the time being not in Pakistan, therefore, this condensed interim financial information has been signed by two directors of the Company as required under section 232(1) of the Companies Act, 2017.



Wali Muhammad A. Habib  
Director



Abdul Ghaffar Umer Kapadia  
Director



Yasir Yousuf Chhabra  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2022**

	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) -----								
<b>Balance as at July 1, 2020</b>	39,000,000	110,000,000	10,000,000	55,000,000	279,892,995	344,892,995	493,892,995	
<b>Total comprehensive income for the period ended March 31, 2021</b>								
Profit for the period	-	-	-	-	144,048,370	144,048,370	144,048,370	
Other comprehensive income for the period	-	-	-	-	-	-	-	
	-	-	-	-	144,048,370	144,048,370	144,048,370	
<b>Balance as at March 31, 2021</b>	39,000,000	110,000,000	10,000,000	55,000,000	423,941,365	488,941,365	637,941,365	
<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	
<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</b>	39,000,000	55,000,000	10,000,000	55,000,000	464,127,377	529,127,377	623,127,377	

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

**Statement under section 232(1) of the Companies Act, 2017**

As the Chief Executive Officer is for the time being not in Pakistan, therefore, this condensed interim financial information has been signed by two directors of the Company as required under section 232(1) of the Companies Act, 2017.



Vali Muhammad A. Habib  
Director



Abdul Ghaffar Umer Kapadia  
Director



Yasir Yousuf Chhabra  
Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED MARCH 31, 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 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 of the Company for the period ended March 31, 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 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 period ended March 31, 2021.

### 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 year ended June 30, 2021.

## 5 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS, AND ASSUMPTIONS

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

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

## 6 TAXATION

The provisions for taxation for the period and quarter ended March 31, 2022, 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) March 31, 2022	(Audited) June 30, 2021
	Note	------(Rupees)-----	
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	7.1	674,916,849	653,332,458
Capital work in progress	7.2	277,549,523	2,889,219
		<u>952,466,372</u>	<u>656,221,677</u>
<b>7.1 OPERATING FIXED ASSETS</b>			
Fixed Assets			
Opening net book value		653,332,458	762,126,973
Additions during the period / year at cost	7.1.1	80,347,580	98,978,869
		<u>733,680,038</u>	<u>861,105,842</u>
Disposals during the period / year at NBV	7.1.1	6,878,861	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		51,884,328	72,238,242
		<u>(58,763,189)</u>	<u>(207,773,384)</u>
Closing net book value		<u>674,916,849</u>	<u>653,332,458</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)			Audited		
	March 31, 2022			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	67,409,024	6,401,240	-	93,162,386	14,951,793	3,766,189
Office equipments	3,806,227	66,157	-	2,151,515	-	-
Furniture & fixtures	2,071,229	271,663	-	1,950,992	-	-
Computer equipments	3,626,300	139,801	-	1,306,999	31,192	-
Motor vehicles	-	-	-	-	154,046	-
	<u>80,347,580</u>	<u>6,878,861</u>	<u>-</u>	<u>98,978,869</u>	<u>15,137,031</u>	<u>3,766,189</u>

	Note	(Unaudited)	(Audited)
		March 31, 2022	June 30, 2021
----- (Rupees) -----			
<b>7.2 CAPITAL WORK IN PROGRESS</b>			
Capital work in progress		<u>277,549,523</u>	<u>2,889,219</u>
	7.2.1	<u>277,549,523</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		329,424,743	46,212,034
		332,313,962	68,961,593
Transfer to operating fixed assets during period / year		(54,764,439)	(66,072,374)
Closing balance		<u>277,549,523</u>	<u>2,889,219</u>

## 8 STOCK-IN-TRADE

Manufacturing:			
Raw and packing materials			
in hand		433,435,627	244,187,424
in transit		143,334,536	66,596,552
		576,770,163	310,783,976
Work-in-process		32,157,055	29,113,198
Finished goods	8.1	94,983,255	99,340,160
Trading:			
in hand	8.1	17,509,058	6,296,676
in transit			7,856,060
		<u>721,419,531</u>	<u>453,390,070</u>

8.1 This includes finished goods with cost of Rs. 29.327 million (June 30, 2021: 46.794 million) which are being carried at their net realizable value of Rs. 26.264 million (June 30, 2021: 42.706 million).

		(Unaudited) March 31, 2022	(Audited) June 30, 2021
------(Rupees)-----			
<b>9</b>	<b>TRADE DEBTS</b>		
	(Unsecured - considered good)		
	Due from associated undertakings	128,730,004	125,814,755
	Others	48,536,260	25,390,099
		<u>177,266,264</u>	<u>151,204,854</u>
	(Unsecured - considered doubtful)		
	Others	1,889,526	1,516,710
	Allowance for expected credit losses	(1,889,526)	(1,516,710)
		<u>177,266,264</u>	<u>151,204,854</u>
9.1	Due from associated undertakings - (Unsecured - considered good)		
	Premier Sales (Private) Limited	128,680,560	125,109,422
	Scitech Health (Private) Limited	-	5,581
	Memon Medical Institute	31,129	83,373
	Zaman Textile Mills (Private) Limited	8,190	16,380
	EHC (Private) Limited	10,125	599,999
		<u>128,730,004</u>	<u>125,814,755</u>
<b>10</b>	<b>TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
	LC margin	2,538,994	6,785,291
	Security deposits	1,759,276	2,453,996
	Prepayments	1,838,988	533,584
	Sales tax receivable	1,045,580	1,045,580
	Tax adjustable	4,624,329	-
	Other receivable	-	1,638,894
		<u>11,807,166</u>	<u>12,457,345</u>
10.1	This represents short term deposits in the normal course of business and does not carry any interest or mark-up.		
<b>11</b>	<b>CASH AND BANK BALANCES</b>		
	Cash in hand		
	Local currency	181,497	183,298
	Foreign currency	541,663	486,570
		<u>723,160</u>	<u>669,868</u>
	Cash at bank		
	Current account	1,885,194	3,077,060
		<u>2,608,354</u>	<u>3,746,928</u>
11.1	This includes balances amounting to Rs. .631 million (June 30, 2021 Rs. 2.797 million) with Shariah compliant banks.		

12 LONG TERM FINANCING - SECURED

	Installment payable	Repayment period	Profit rate	Note	(Unaudited) March 31, 2022	(Audited) June 30, 2021
					------(Rupees)-----	
<b>Shariah Arrangements</b>						
Bank Al-Habib Limited - Islamic banking	Quarterly	2017-22	0.50% above 6 months KIBOR	12.1 & 12.2	16,500,000	33,000,000
Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	0.75% above 6 months KIBOR	12.1 & 12.2	33,773,902	41,011,167
Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	1% above 6 months KIBOR	12.1 & 12.2	59,545,403	72,305,133
Bank Al-Habib Limited - Islamic banking	Quarterly	2022-27	1% above 6 months KIBOR	12.2	9,533,700	-
Bank Al-Habib Limited - Islamic banking	Quarterly	2022-27	1% above 6 months KIBOR	12.2	5,370,300	-
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	-	3,283,133
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	5,308,178	6,635,222
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	12,738,700	15,468,421
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	4,098,397	4,918,075
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	3,733,944	4,480,731
Meezan Bank Limited	Quarterly	2019-25	1.2% above 3 months KIBOR	12.1 & 12.4	66,522,305	81,873,609
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	2,491,460	3,737,193
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	3,963,405	5,945,105
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	1,411,963	2,117,944
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	2,050,664	3,075,999
Bank Alfalah Limited	Quarterly	2024-32	4% above SBP Rate	12.6	6,705,600	2,457,600
Bank Alfalah Limited	Quarterly	2023-31	4% above SBP Rate	12.6	3,068,500	-
Bank Alfalah Limited	Quarterly	2024-32	4% above SBP Rate	12.6	16,353,075	-
Bank Al-Habib Limited - Islamic banking	Quarterly	2023-30	1% above 6 months KIBOR	12.7	204,443,474	-
					457,612,970	282,779,823
<b>Non shariah Arrangements</b>						
Habib Metropolitan Bank	Quarterly	2021-22	2% above SBP Rate	12.5	48,726,529	83,240,951
					506,339,499	366,020,774

Note	(Unaudited) March 31, 2022	(Audited) June 30, 2021
------(Rupees)-----		
<b>Less: Current portion shown under current liabilities</b>		
<b>Shariah Arrangements</b>		
Bank Al-Habib Limited - Islamic banking	12.2	(46,143,459)
Meezan Bank Limited	12.3 & 12.4	(34,577,709)
		(80,721,168)
		(88,993,992)
<b>Non shariah Arrangements</b>		
Habib Metropolitan Bank	12.5	(48,726,529)
		<b>376,891,802</b>
		<b>230,801,891</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, 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. 36.497 million (June 30, 2021: Rs. 13.099 million) on which, profit was 8.10% to 12.01% (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. 53.796 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. 16.336 million (June 30, 2021: Rs. 5.364 million) on which, profit was 8.39% to 11.87% (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. 15.351 million (June 30, 2021: Rs. 5.117 million) on which, profit was 8.58% to 9.47% (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 eight equal quarterly installments started from April 2021. During the period, the Company had made repayment of Rs. 37.807 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. 26.127 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. 204.443 million (June 30, 2021: Rs. 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.

	Note	(Unaudited) March 31, 2022	(Audited) June 30, 2021
------(Rupees)-----			
<b>13 DEFERRED GOVERNMENT GRANT</b>			
Government grant	13.1	1,682,996	4,975,724
Less: Current portion shown under current liabilities		(1,682,996)	(4,184,638)
		-	791,086
13.1	The Company had availed long term finance facility as described in note 12.5 to the financial statements. Institute of Chartered Accountants of Pakistan (ICAP) issued the guidance for accounting of said financing through circular No. 11/2020. Accordingly, the Company recognised the Deferred Government Grant in accordance with the requirements of 'IAS 20- Accounting for Government Grants and Disclosure of Government Assistance'.		
<b>14 TRADE AND OTHER PAYABLES</b>			
Creditors		215,366,509	96,042,754
Accrued liabilities		82,254,363	29,742,083
Sales tax payable		-	4,197,718
Workers' welfare fund.		1,279,914	4,653,372
Workers' profit participation fund		2,882,160	-
Advances from customers - unsecured		21,415,841	19,198,221
		323,198,787	153,834,148
<b>15 SHORT TERM BORROWINGS - SECURED</b>			
From banking companies - secured			
Islamic mode			
Murabaha finance		304,613,222	85,293,936
Running musharakah		243,780,689	178,769,421
Istisna financing		40,142,917	43,841,533
	15.1	588,536,828	307,904,890
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, 2021: Rs. 600 million) out of which Rs. 225 million (June 30, 2021: Rs. 225 million) is interchangeable with running musharakah & Rs. 475 million (June 30, 2021: Rs. 325 million) with istisna. In addition, the Company has running musharakah facility of Rs. 100 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 + 0.50% to KIBOR + 0.85%) per annum.		
<b>16 ACCRUED PROFIT</b>			
Long-term financing from Banks			
Shariah Arrangement:			
Diminishing musharakah		10,414,098	3,300,687
Non shariah Arrangement:			
Salary refinancing		248,595	439,874
Short-term borrowings from Banks			
Murabaha financing		7,027,909	432,098
Musharakah financing		5,209,134	2,546,078
Istisna financing		1,413,009	128,041
		13,650,052	3,106,217
		24,312,745	6,846,778

## 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:

- (a) 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.
- (b) During the period, the Supreme Court of Pakistan dismissed the CPLA filed by K-Electric Limited against the judgement of High Court of Sindh that was decided in favor of the Company.

### 17.2 Commitments

17.2.1 The Company has letter of credit commitments for purchases amounting to Rs. 145.456 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. 168.838 million (June 30, 2021: Rs. 167.996 million).

	Note	(Unaudited)		(Unaudited)	
		Nine months period ended		Three months period ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		------(Rupees)-----		------(Rupees)-----	
<b>18 SALES - NET</b>					
Sales Local		2,321,818,213	2,089,837,445	926,165,380	630,030,368
Sales tax		(338,748,351)	(306,369,091)	(135,432,585)	(92,217,202)
		1,983,069,862	1,783,468,354	790,732,795	537,813,166
Discounts		(31,799,214)	(82,655,369)	(4,800,274)	(9,087,680)
		1,951,270,648	1,700,812,985	785,932,521	528,725,486
Sales Export	18.1	8,715,330	4,480,666	-	-
		<u>1,959,985,978</u>	<u>1,705,293,651</u>	<u>785,932,521</u>	<u>528,725,486</u>
18.1 Summary of export sales					
<b>Country</b>					
Afghanistan		8,399,308	-	-	-
Ireland		-	102,770	-	-
Mozambique		-	4,377,896	-	-
Uganda		316,022	-	-	-
		<u>8,715,330</u>	<u>4,480,666</u>	<u>-</u>	<u>-</u>
<b>19 FINANCE COSTS</b>					
Shariah Arrangement					
Profit on short term borrowings		30,395,328	16,370,105	14,205,587	3,600,769
Rent on diminishing musharakah		24,146,994	19,398,745	11,006,250	5,823,894
Guarantee commission		40,955	22,075	13,370	8,753
Bank charges		721,597	446,468	285,357	112,473
		<u>55,304,874</u>	<u>36,237,393</u>	<u>25,510,564</u>	<u>9,545,889</u>
Non-Shariah Arrangement					
Interest on salary refinancing		4,240,152	5,085,275	1,096,294	1,894,605
Guarantee commission		2,477	41,310	1,000	208
Bank charges		141,624	17,301	30,775	105
		<u>59,689,127</u>	<u>41,381,280</u>	<u>26,638,633</u>	<u>11,440,808</u>

	(Unaudited) Nine months period ended		(Unaudited) Three months period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>20 EARNINGS PER SHARE - BASIC AND DILUTED</b>	----- (Rupees) -----		----- (Rupees) -----	
Profit for the period	36,929,609	144,048,370	16,806,338	53,326,011
	----- (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	9.47	36.94	4.31	13.67

	Note	(Unaudited) Nine months period ended	
		March 31, 2022	March 31, 2021
<b>21 CASH FLOW FROM OPERATIONS</b>		----- (Rupees) -----	
Profit before taxation		54,989,794	211,182,223
Adjustments for:			
Depreciation		53,263,375	52,941,691
Amortization		164,340	140,000
Impairment net of disposal		-	15,663,986
Share of loss on equity accounted associate		684,469	627,975
Allowance / (reversal) for expected credit losses		372,816	(1,230,673)
Loss on disposal of property, plant and equipment		5,678,386	1,728,759
Provision against slow moving stores and spares		-	1,681,919
Finance costs	19	59,689,127	41,381,280
Changes in:			
Stores and spares		(7,243,618)	(8,450,389)
Stock-in-trade		(268,029,461)	(4,203,398)
Trade debts		(26,434,226)	(36,603,949)
Loans and advances		(19,657,889)	(5,595,466)
Long term deposits		3,901,500	-
Trade deposits and short term prepayments		650,179	(12,165,291)
Trade and other payables		169,364,639	31,934,236
<b>Cash flows generated from operations</b>		<u>27,393,431</u>	<u>289,032,902</u>

<b>22 CASH AND CASH EQUIVALANTS</b>			
Running Musharakah-secured		(243,780,689)	(159,748,321)
Cash and bank Balances		2,608,354	14,281,108
		<u>(241,172,335)</u>	<u>(145,467,213)</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) Nine months period ended		(Unaudited) Three months period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Baby care	87.24%	86.65%	88.56%	85.21%
Oral care	12.13%	12.90%	10.47%	14.59%
Hygiene	0.63%	0.45%	0.97%	0.20%
	<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) Nine months period ended		(Unaudited) Three months period ended	
				March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
				----- (Rupees) -----		----- (Rupees) -----	
Premier Agencies	Associated undertaking	Common Director	Sale of goods / (sale return) - net off discount of Rs. nil (31-Mar-21 Rs. nil)	-	(13,568,217)	-	(9,652)
			Reimbursement of selling and distribution expenses	-	118,318	-	-
Premier Sales (Private) Limited	Associated undertaking	Common Director	Sale of goods - net off discount of Rs.0.024 million (31-Mar-21 Rs.62.02 million )	1,653,719,061	1,514,453,195	657,657,097	453,429,432
			Reimbursement of selling and distribution expenses	127,745,322	112,134,705	56,725,011	20,379,166
Memon Medical Institute	Associated undertaking	Common Director	Sale of goods	56,499	75,815	2,674	13,614
PharmEvo (Private) Limited	Associated undertaking	Common Director	Sale of goods	-	96,154	-	23,077
			Purchase of goods	-	311,615	-	311,615
Zaman Textile Mills (Private) Limited	Associated undertaking	Common Director	Sale of goods	-	14,000	-	7,000
Ehad Healthcare	Associated undertaking	Key Management Personnel	Sale of goods	-	337,644	-	337,644
EHC (Private) Limited	Associated undertaking	Key Management Personnel	Sale of goods	8,654	-	8,654	-
Scitech health (Private) Limited	Associated undertaking	Common Director	Sale of goods	-	-	-	-
			Purchase of goods	128,127	126,157	-	47,383
Nagaria Textile Mills (Private) Limited	Associated undertaking	Common Director	Warehouse rent	4,925,440	2,193,828	1,805,440	1,051,362
Employees Provident Fund	Retirement benefit fund	Employees benefit fund	Contribution made	7,653,604	5,179,690	2,534,566	1,930,454
Key Management Personnel	Related parties	Executives	Remuneration and benefits	43,379,753	31,311,796	14,092,091	11,006,523

### 24.1 Period / year end balances

	(Unaudited) March 31, 2022	(Audited) June 30, 2021
----- (Rupees) -----		
Receivable from related parties	128,730,004	125,814,755
Payable to related parties	-	520,000
Loan from Chief Executive	55,000,000	55,000,000

	(Unaudited) March 31, 2022	(Audited) June 30, 2021
------(Rupees)-----		

## 25 FINANCIAL RISK MANAGEMENT

The Company's financial risk management

### 25.1 Financial instruments by category

#### Financial assets at amortized cost

Deposits	2,905,262	7,501,482
Loan to employees	1,729,057	1,092,608
Trade debts	177,266,264	151,204,854
Cash and bank balances	2,608,354	3,746,928
	184,508,937	163,545,872

#### Financial liabilities at amortized cost

Long term financing - secured	506,339,499	366,020,774
Trade and other payables	323,198,787	125,784,837
Accrued profit	24,312,745	6,846,778
Short term borrowings - secured	588,536,828	307,904,890
	1,442,387,859	806,557,279

## 26 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.

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 repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

## 27 NUMBER OF EMPLOYEES

The number of employees as at period ended March 31, 2022 were 124 (June 30, 2021: 114) and average number of employees during the period were 124 (June 30, 2021: 104).

**28 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue on April 27, 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.



Vali Muhammad A. Habib  
Director



Abdul Ghaffar Umer Kapadia  
Director



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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