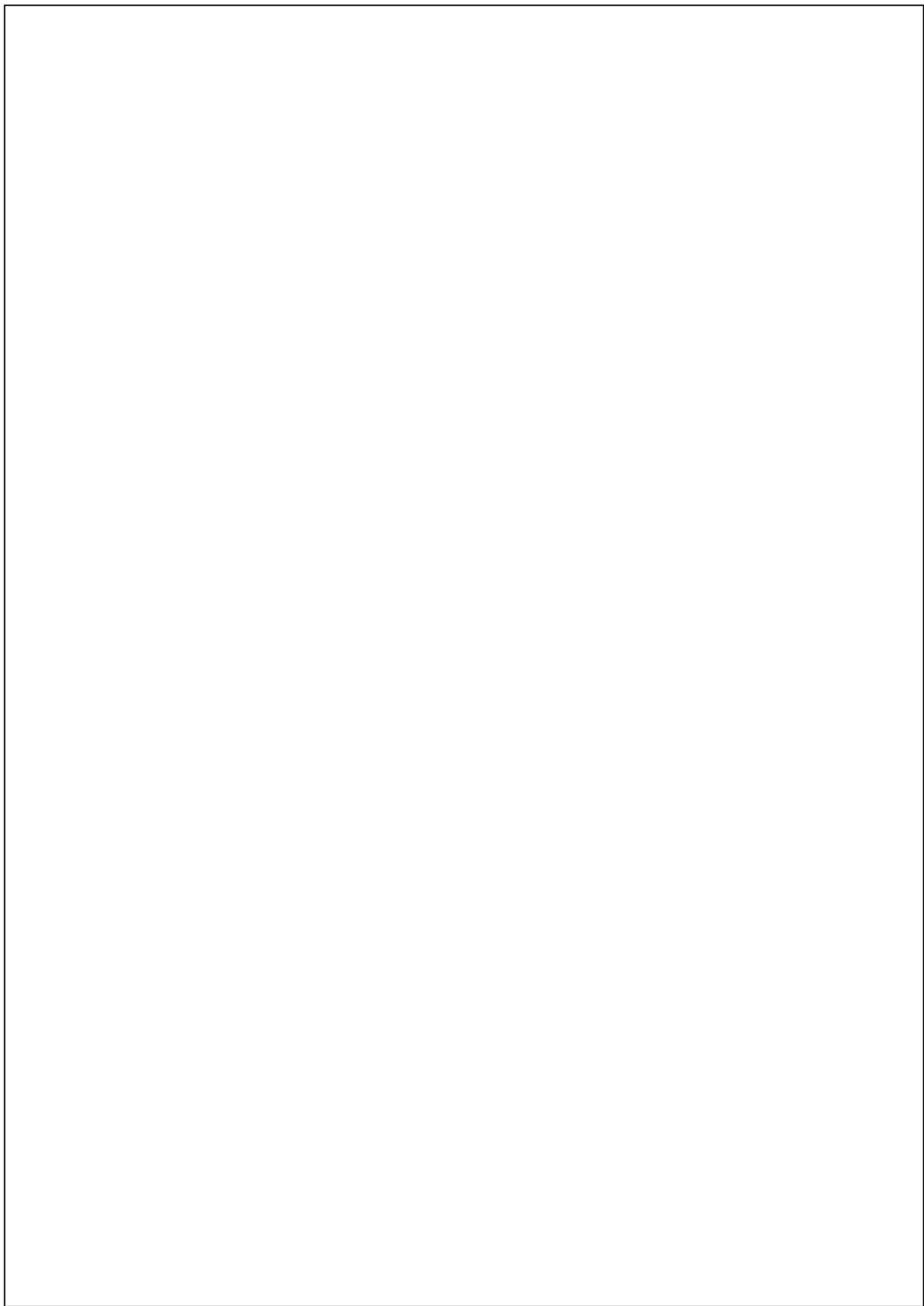





**Shield
for
Everyone**

**Third
Quarter Report
2020-21**





Shield for Stakeholders

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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. Inran Chishti	Director
Mrs. Saadia Butt Naveed	Director
Mr. Mohammad Salman Qassim	Director

Audit Committee

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

Human Resource & Remuneration Committee

Mr. Inran 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

Deloitte Yousuf Adil
Chartered Accountants

Bankers

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

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, 2021.

Financial summary

Operating Results	July 20 – March 21	July 19 – March 20	Increase / (Decrease)
	(Rupees)	(Rupees)	
Net Sales	1,705,293,651	1,326,425,770	28.56%
Gross Profit	547,804,952	344,042,700	59.23%
Gross Profit %	32.12%	25.94%	619 bps
Selling and Distribution Expenses	234,520,010	206,860,719	13.37%
Administrative Expenses	39,850,657	47,404,854	(15.94%)
Finance Costs	41,381,280	77,016,506	(46.27%)
Profit Before Tax	211,182,223	20,517,703	929.27%
Profit/(Loss) After Tax	144,048,370	(7,599,778)	1,995.43%
Earnings/(Loss) per Share	36.94	(1.95)	1,995.43%

The Company achieved 28.56% growth in net sales. Gross Profit margin increased due to sales increase, favourable product mix and input material pricing. The Finance cost of the Company decreased by Rs. 35.64 million. The Company recorded profit before tax of Rs. 211.18 million for the nine months period. The Company recorded Earnings per share of Rs. 36.94 as compared to Loss per share of Rs. 1.95 of last year for the nine months period.

Uncertainty due to the existence of Covid-19 still persists. Despite anticipated pressure on margins due to increase in cost of raw materials, your management is doing its best to achieve sustainable growth in sales by execution of focused promotion plans and profitable sales mix in the next quarter of current financial year.

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

On behalf of the Board



Mohammad Haroon Qassim
Chief Executive



Abdul Ghaffar Umer Kapadia
Director

ڈائریکٹرز کا جائزہ

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

سرمائے کا خلاصہ

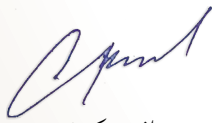
اضافہ/ (کمی)	جولائی ۲۰۱۹ - مارچ ۲۰۲۰ (روپے)	جولائی ۲۰۲۰ - مارچ ۲۰۲۱ (روپے)	عملداری نتائج
28.56%	1,326,425,770	1,705,293,651	خالص سیلز
59.23%	344,042,700	547,804,952	مجموعی منافع
619 bps	25.94%	32.12%	مجموعی فیصدی منافع
13.37%	206,860,719	234,520,010	فروخت اور تقسیم کاری کے اخراجات
(15.94%)	47,404,854	39,850,657	انتظامی اخراجات
(46.27%)	77,016,506	41,381,280	مالیاتی لاگت
929.27%	20,517,703	211,182,223	قبل از ٹیکس منافع
1,995.43%	(7,599,778)	144,048,370	بعد از ٹیکس منافع / (نقصان)
1,995.43%	(1.95)	36.94	فی شیئر آمدنی / (نقصان)

کمپنی نے خالص سیلز میں 28.56% اضافہ حاصل کیا۔ سیلز میں اضافے، سازگار مصنوعات کے انعطافات اور اینپٹ مادی قیمتوں کے باعث مجموعی منافع کے مارجن میں اضافہ ہوا۔ کمپنی کی مالیاتی لاگت میں 35.64 ملین روپے کمی ہوئی۔ کمپنی نے نومبر کی مدت کیلئے 211.18 ملین روپے کا قبل از ٹیکس منافع ریکارڈ کیا۔ کمپنی نے گزشتہ سال کے نومبر کے 1.95 روپے فی شیئر نقصان کے مقابلے میں اس سال 36.94 روپے فی شیئر آمدنی ریکارڈ کی۔

کووڈ-19 کی وجہ سے غیر یقینی صورت حال برقرار ہے۔ خام مال کی قیمت میں اضافے کی وجہ سے مارجن پر متوقع دباؤ کے باوجود آپ کی انتظامیہ سیلز میں پائیدار ترقی کے حصول کیلئے اپنی بہترین کوششیں کر رہی ہے جس کے لیے رواں مالی سال کی اگلی سہ ماہی میں منافع بخش فروخت کے انعطافات اور پرموشنز کے منظم منصوبوں پر عمل درآمد کیا جائے گا۔

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

بورڈ آف ڈائریکٹرز کی طرف سے



عبدالغفار عمر کپاڈیا
ڈائریکٹر



محمد ہارون قاسم
چیف ایگزیکٹو

کراچی: ۲۰ اپریل ۲۰۲۱

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

		(Unaudited) March 31, 2021	(Audited) June 30, 2020
	Note	(Rupees)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	7	770,953,279	784,876,532
Intangible asset		326,667	466,667
Long term deposits		5,372,930	5,372,930
Investment in equity accounted associate		2,867,684	3,495,659
		<u>779,520,560</u>	<u>794,211,788</u>
CURRENT ASSETS			
Stores and spares		38,067,550	31,299,080
Stock-in-trade	8	456,580,283	452,376,885
Trade debts	9	81,568,990	43,734,368
Loans and advances		17,926,902	12,331,436
Trade deposits, prepayments and other receivable	10	13,760,731	1,595,440
Taxation - net		67,443,436	107,091,713
Cash and bank balances	11	14,281,108	1,460,494
		<u>689,629,000</u>	<u>649,889,416</u>
TOTAL ASSETS		<u>1,469,149,560</u>	<u>1,444,101,204</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
15,000,000 (June 30, 2020 : 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid-up capital			
3,900,000 ordinary shares of Rs. 10/- each		39,000,000	39,000,000
Loan from Chief Executive and Director		110,000,000	110,000,000
Capital reserve		10,000,000	10,000,000
Revenue reserves		478,941,365	334,892,995
		<u>637,941,365</u>	<u>493,892,995</u>
NON - CURRENT LIABILITIES			
Deferred taxation		68,237,731	42,565,400
Long term financing - secured	12	257,803,824	303,453,486
Deferred government grant	13	747,993	2,862,788
		<u>326,789,548</u>	<u>348,881,674</u>
CURRENT LIABILITIES			
Trade and other payable	14	145,436,958	113,502,722
Short term borrowings - secured	15	209,749,053	441,954,267
Accrued Profit		7,035,636	18,767,466
Current portion of long term financing - secured	12	137,175,570	23,179,838
Current portion of deferred government grant	13	3,996,318	2,884,006
Unpaid dividend		338,822	351,946
Unclaimed dividend		686,290	686,290
		<u>504,418,647</u>	<u>601,326,535</u>
TOTAL EQUITY AND LIABILITIES		<u>1,469,149,560</u>	<u>1,444,101,204</u>

CONTINGENCIES AND COMMITMENTS

16


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



Chief Executive



Director



Chief Financial officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2021

	Note	Nine Months Period Ended		Three Months Period Ended	
		March 31 2021	March 31 2020	March 31 2021	March 31 2020
		(Rupees)		(Rupees)	
Sales - net	17	1,705,293,651	1,326,425,770	528,725,486	383,945,214
Cost of sales		(1,157,488,699)	(982,383,070)	(356,163,817)	(296,266,714)
Gross profit		547,804,952	344,042,700	172,561,669	87,678,500
Selling and distribution expenses		(234,520,010)	(206,860,719)	(71,289,671)	(63,970,853)
Administrative and general expenses		(39,850,657)	(47,404,854)	(14,561,069)	(13,643,639)
Other operating expenses		(38,136,107)	(1,013,427)	(6,308,551)	1,354,005
		235,298,177	88,763,700	80,402,377	11,418,013
Other operating income		17,893,300	9,050,174	8,768,119	4,917,014
Operating profit before finance costs		253,191,478	97,813,874	89,170,497	16,335,027
Share of loss on equity accounted associate		(627,975)	(279,665)	(219,638)	(93,222)
Finance costs	18	(41,381,280)	(77,016,506)	(11,440,808)	(27,374,985)
Profit / (Loss) before taxation		211,182,223	20,517,703	77,510,051	(11,133,180)
Taxation		(67,133,853)	(28,117,481)	(24,184,040)	(11,386,207)
Profit / (Loss) for the period		144,048,370	(7,599,778)	53,326,011	(22,519,387)
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss) for the period		144,048,370	(7,599,778)	53,326,011	(22,519,387)
Earnings / (loss) per share - basic and diluted	19	36.94	(1.95)	13.67	(5.77)

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



Chief Executive



Director



Chief Financial officer

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

	Note	Nine Months Period Ended	
		March 31 2021	March 31 2020
		(Rupees)	
Cash flows from operating activities			
Cash flow generated from operations	20	289,032,902	43,930,564
Long term deposit		-	(61,540)
Finance costs paid		(53,113,110)	(68,826,599)
Income tax - net		(1,813,245)	(44,035,863)
Net cash generated from / (used in) operating activities		234,106,548	(68,993,438)
Cash flows from investing activities			
Fixed capital expenditure including work in progress		(60,057,616)	(230,620,334)
Sales proceeds from disposal of property, plant and equipment		3,646,433	264,833
Net cash used in investing activities		(56,411,183)	(230,355,501)
Cash flows from financing activities			
Long term financing diminishing musharakah - net		67,343,587	102,408,299
Loan obtained from Chief Executive and Director		-	88,300,000
Short term murabaha finance - net		(208,955,477)	44,493,073
Dividend paid		(13,124)	(4,844,283)
Net cash (used in) / generated from financing activities		(141,625,014)	230,357,089
Net increase / (decrease) in cash and cash equivalents		36,070,350	(68,991,850)
Cash and cash equivalents at the beginning of the period		(181,537,563)	(185,460,400)
Cash and cash equivalents at the end of the period	21	(145,467,213)	(254,452,250)


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



Chief Executive



Director



Chief Financial officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2021

Issued, subscribed and paid-up capital	Loan from Chief Executive and Director	Reserve				Sub total	Total
		Capital reserve	Revenue reserves				
		Share Premium	General	Unappropriated profit			
(Rupees)							
Balance as at July 1, 2019	39,000,000	21,700,000	10,000,000	55,000,000	303,221,403	368,221,403	428,921,403
Total comprehensive Income for the period ended March 31, 2020							
Loss for the period	-	-	-	-	(7,599,778)	(7,599,778)	(7,599,778)
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	(7,599,778)	(7,599,778)	(7,599,778)
Transactions with owners							
Dividend for the year June 30, 2019 - Final ' @ Rs. 1.25 per share	-	-	-	-	(4,875,000)	(4,875,000)	(4,875,000)
Loan received during the period	-	88,300,000	-	-	-	-	88,300,000
	-	88,300,000	-	-	(4,875,000)	(4,875,000)	83,425,000
Balance as at March 31, 2020	39,000,000	110,000,000	10,000,000	55,000,000	290,746,625	355,746,625	504,746,625
Balance as at July 1, 2020	39,000,000	110,000,000	10,000,000	55,000,000	279,892,995	344,892,995	493,892,995
Total comprehensive Income for the period ended March 31, 2021							
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
Balance as at March 31, 2021	39,000,000	110,000,000	10,000,000	55,000,000	423,941,365	488,941,365	637,941,365

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



Chief Executive



Director



Chief Financial officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED MARCH 31, 2021 (Unaudited)

1 STATUS AND NATURE OF BUSINESS

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

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

This condensed interim financial information of the Company for the Nine months period ended March 31, 2021 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2020 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, 2020, whereas the comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the Nine months period ended March 31, 2020.

3.2 Basis of measurement

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

3.3 Functional and presentation currency

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of 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, 2020.

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 judgements 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 nine months and quarter ended March 31, 2021, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate is 29% for the Tax Year 2021 as stipulated through Finance Act 2019.

	Note	(Unaudited) March 31, 2021	(Audited) June 30, 2020
(Rupees)			
7 PROPERTY, PLANT & EQUIPMENT			
Operating fixed assets	7.1	769,802,278	762,126,973
Capital work in progress	7.2	1,151,001	22,749,559
		<u>770,953,279</u>	<u>784,876,532</u>

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

	Unaudited March 31, 2021			Audited June 30, 2020		
	Additions (at cost)	Disposals (at net book value)	Impairment net of disposal	Additions (at cost)	Disposals (at net book value)	Impairment net of disposal
(Rupees)						
Building on leasehold land	406,977	-	-	3,730,960	-	-
Plant and machinery	77,330,082	5,189,954	15,663,986	221,752,040	191,232	-
Furniture & fixtures	2,067,271	-	-	5,541,515	-	-
Office equipments	996,645	-	-	1,892,728	136,520	-
Computers	855,199	31,192	-	-	116,157	-
Vehicles	-	154,046	-	-	-	-
	<u>81,656,174</u>	<u>5,375,192</u>	<u>15,663,986</u>	<u>232,917,243</u>	<u>443,909</u>	<u>-</u>

7.2 Additions in capital work-in-progress during the period amounted to Rs. 45.50 Million (June 30, 2020: Rs. 215.00 million).

8 STOCK-IN-TRADE

		(Unaudited) March 31, 2021	(Audited) June 30, 2020
(Rupees)			
Manufacturing:			
Raw and packing materials			
in hand		294,543,910	368,201,325
in transit		37,979,077	2,812,801
		<u>332,522,987</u>	<u>371,014,126</u>
Work-in-process		22,896,619	17,609,185
Finished goods	8.1	85,232,924	49,062,083
Trading:			
in hand	8.2	15,927,753	14,691,491
		<u>456,580,283</u>	<u>452,376,885</u>

8.1 This includes finished goods with cost of Rs. 13.520 million (June 2020: Rs. 18.564 million) which are being carried at their net realizable value of Rs. 12.324 million (June 2020: Rs. 17.203 million).

8.2 This includes finished goods with cost of Rs. 0.046 million (June 2020: Rs. 0.375 million) which are being carried at their net realizable value of Rs. 0.045 million (June 2020: Rs. 0.275 million).

		(Unaudited) March 31, 2021	(Audited) June 30, 2020
9 TRADE DEBTS			
(Unsecured - considered good)			
Due from associated undertakings	9.1	35,092,731	12,633,008
Others		46,476,259	31,101,360
		<u>81,568,990</u>	<u>43,734,368</u>
(Unsecured - considered doubtful)			
Others		3,576,516	4,807,189
Allowance for expected credit losses		(3,576,516)	(4,807,189)
		<u>81,568,990</u>	<u>43,734,368</u>

9.1 This comprises of amounts receivable from:

Premier Agencies		-	12,425,861
Premier Sales (Private) Limited		34,768,875	-
Pharmewo (Private) Limited		27,000	13,500
Scitech Health (Private) Limited		5,581	139,500
Memon Medical Institute		83,373	37,767
Zaman Textile Mills (Private) Limited		16,380	16,380
Ehad Healthcare		191,522	-
		<u>35,092,731</u>	<u>12,633,008</u>

10 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

LC margin		5,817,800	-
Security deposits	10.1	1,768,996	493,996
Prepayments		1,387,629	55,864
Sales tax receivable		1,045,580	1,045,580
Sales tax adjustable		3,740,726	-
		<u>13,760,731</u>	<u>1,595,440</u>

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

11 CASH AND BANK BALANCES

Cash in hand			
Local currency		232,008	160,502
Foreign currency		512,790	533,740
		<u>744,798</u>	<u>694,242</u>
Cash at bank			
Current account	11.1	13,536,310	766,252
		<u>14,281,108</u>	<u>1,460,494</u>

11.1 This includes balances amounting to Rs. 0.174 million (June 2020: Rs. 0.559 million) with Shariah compliant banks.

12 LONG TERM FINANCING - SECURED

	Installment payable	Repayment period	Profit rate	Note	(Unaudited) March 31, 2021	(Audited) June 30, 2020
					(Rupees)	
Shariah Arrangements						
Bank Al-Habib Limited - Islamic banking	Quarterly	2017-22	0.50% above 6 months KIBOR	12.1 & 12.2	38,500,000	38,500,000
Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	0.75% above 6 months KIBOR	12.1 & 12.2	41,011,167	41,011,167
Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	1% above 6 months KIBOR	12.1 & 12.2	76,558,376	76,558,376
Meezan Bank Limited	Quarterly	2019-21	1% above 3 months KIBOR	12.1 & 12.3	2,470,490	2,470,490
Meezan Bank Limited	Quarterly	2019-22	1% above 3 months KIBOR	12.1 & 12.3	4,377,510	4,377,510
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	7,077,570	7,077,570
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	15,468,421	15,468,421
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	5,191,301	5,191,301
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.1 & 12.3	4,729,660	4,729,660
Meezan Bank Limited	Quarterly	2019-25	1.2% above 3 months KIBOR	12.1 & 12.4	86,990,710	86,990,710
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	4,152,436	-
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	6,605,674	-
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	2,353,271	-
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	12.3	3,417,776	-
					298,904,362	282,375,205
Non shariah Arrangements						
Habib Metropolitan Bank Limited	Quarterly	2021-22	2% above SBP Rate	12.5	96,074,747	44,258,119
					394,979,108	326,633,324
Less: Current portion shown under current liabilities						
Shariah Arrangements						
Bank Al-Habib Limited - Islamic banking				12.2	(46,250,237)	(9,753,243)
Meezan Bank Limited				12.3 & 12.4	(40,515,518)	(7,175,981)
					(86,765,755)	(16,929,224)
Non shariah Arrangements						
Habib Metropolitan Bank Limited				12.5	(50,409,529)	(6,250,614)
					257,803,824	303,453,486

- 12.1 As per State Bank of Pakistan relief package, all of the principal payments under diminishing musharakah arrangements were deferred by one year. Consequently, the term for all of arrangements is increased by a year.
- 12.2 The Company has a long term loan arrangement with Bank Al-Habib Limited - Islamic banking for an amount of Rs. 239.99 million (June 30, 2020: Rs. 236.64 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. 3.34 million (June 30, 2020: Rs. 25.57 million), profit was 7.63% to 14.45% (June 30, 2020: 13.57% to 15.08%) per annum. The Company has total facility of Rs. 416.47 million. Islamic finance under this diminishing musharakah is secured by a equitable mortgage of head office property, first exclusive charge of particular machinery of the Company and personal guarantee of Chairman of the Board of Directors.
- 12.3 The Company has a long term loan arrangement with Meezan Bank Limited for an amount of Rs. 79.84 million (June 30, 2020: Rs. 61.66 million). The term of the loan is from 2 to 5 years from the date of disbursement, repayable in 8 to 20 equal quarterly installments. During the year, the Company had made repayment of Rs. 1.65 million (June 30, 2020: Rs. 16.31 million), profit was 7.86% to 11.94% (June 30, 2020: 12.15% to 14.91%) 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. 102.34 million. The term of the loan is 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 Nil (June 30, 2020: Rs. 15.35 million), profit was 8.27% to 9.37% (June 30, 2020: 12.29% to 15.11%) 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. 100.81 (June 30, 2020: Rs. 50.00 million). The term of the loan was 2 years from the date of disbursement, repayable in 8 equal quarterly installments started from April 2021. The Company has total facility of Rs. 107 million. SBP-Refinance Scheme is secured by Pari Passu charge over Movable & Receivables (Stock & Receivables) of the company with 25% margin for Rs. 142.667 million.

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
13 DEFERRED GOVERNMENT GRANT	(Rupees)	
Government grant	4,744,311	5,746,794
Less: Current portion shown under current liabilities	(3,996,318)	(2,884,006)
	<u>747,993</u>	<u>2,862,788</u>

	Note	(Unaudited) March 31, 2021	(Audited) June 30, 2020
14 TRADE AND OTHER PAYABLES		(Rupees)	
Creditors		64,063,112	62,461,909
Accrued liabilities		41,123,486	8,957,302
Retention money		-	24,382
Sales tax payable		-	24,287,632
Workers' welfare fund		4,322,657	-
Workers' profit participation fund		11,277,590	-
Advances from customers - unsecured		24,650,113	17,771,497
		<u>145,436,958</u>	<u>113,502,722</u>
15 SHORT TERM BORROWINGS - SECURED			
From banking companies - secured			
Islamic mode			
Murabaha finance		50,000,733	144,005,933
Running musharakah		159,748,321	182,998,057
Istisna financing		-	114,950,277
	15.1	<u>209,749,053</u>	<u>441,954,267</u>

15.1 This represent short term financing i.e. murabaha, istisna and running musharakah obtained under profit arrangements and are secured against hypothecation of moveable fixed assets and hypothecation of current assets of the Company. The Company has murabaha financing facility of Rs. 600 million (June 30, 2020: Rs. 600 million) out of which Rs. 225 million (June 30, 2020: Rs. 225 million) is interchangeable with running musharakah & Rs. 223.13 million (June 30, 2020: Rs. 223.13 million) with istisna. In addition, the Company has running musharakah facility of Rs. 50 million (June 30, 2020 Rs. 50 million). During the period, profit rate on such arrangements ranged between KIBOR + 0.50% to KIBOR + 0.85% (June 30, 2020: KIBOR + 0.30% to KIBOR + 0.75%) per annum.

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

16.1.1 Except for as stated below, there is no significant change in the status of contingencies as set out in the Company's annual financial statements for the year ended June 30, 2020:

- (a) During the period the High Court of Sindh disposed off the suit filed by Beecham Group Plc in favor of the Company. The suit was for permanent injunction, restraining infringement, passing off the trademark "Flex". Consequently, the Company has received back the bank guarantee of Rs. 5 million submitted as per the order of the High Court of Sindh.
- (b) During the period the High Court of Sindh decided in favor of the Company the constitutional petition filed by the Company against Federation of Pakistan, National Electric Power Regulatory Authority and K-Electric Limited through judgement dated September 28, 2020. The petition challenged the retrospective ISPA levy amounting to Rs. 5.166 million that was related to the period from July 2019 to December 2019.

Subsequently, K-Electric Limited has filed CPLA against the judgement in the Supreme Court of Pakistan at Islamabad. Based on the Company's legal counsel advice, the management of the Company is confident that the matter will be decided in favor of the Company, therefore no provision has been made in this condensed interim financial information.

16.2 Commitments

16.2.1 The Company has letter of credit commitments for purchases amounting to Rs. 74.42 million (June 30, 2020: Rs. 18.509 million).

16.2.2 The Company has letter of credit and other commitments for capital expenditures amounting to Rs. 3.64 million (June 30, 2020: Rs. 42.291 million).

	Unaudited		Unaudited	
	Nine Months Period Ended		Three Months Period Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Rupees)		(Rupees)	
17 SALES - NET				
Sales Local	2,089,837,445	1,679,068,035	630,030,368	487,492,171
Sales tax	(306,369,091)	(246,311,570)	(92,217,202)	(71,488,010)
	1,783,468,354	1,432,756,465	537,813,166	416,004,161
Discounts	(82,655,369)	(107,001,092)	(9,087,680)	(32,058,947)
	1,700,812,985	1,325,755,373	528,725,486	383,945,214
Sales Export	4,480,666	670,397	-	-
	1,705,293,651	1,326,425,770	528,725,486	383,945,214
17.1 Summary of export sales				
Mozambique	4,377,896	670,397	-	-
Ireland	102,770	-	-	-
	4,480,666	670,397	-	-

	Unaudited		Unaudited	
	Nine Months Period Ended		Three Months Period Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Rupees)		(Rupees)	
18 FINANCE COSTS				
Shariah Arrangement				
Profit on short term borrowings	16,370,105	44,963,573	3,600,769	16,445,901
Rent on diminishing musharakah	19,398,745	31,634,320	5,823,894	10,761,233
Guarantee commission	22,075	7,743	8,753	6,464
Bank charges	446,468	361,171	112,473	149,066
	36,237,393	76,966,807	9,545,889	27,362,664
Non-Shariah Arrangement				
Interest on WPPF	-	34,503	-	-
Interest on salary refinancing	5,085,275	-	1,894,605	-
Guarantee commission	41,310	-	208	-
Bank charges	17,301	15,196	105	12,321
	41,381,280	77,016,506	11,440,808	27,374,985

	Unaudited		Unaudited	
	Nine Months Period Ended		Three Months Period Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Number of shares)		(Number of shares)	
19 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit / (loss) for the period	144,048,370	(7,599,778)	53,326,011	(22,519,387)
Weighted average number of ordinary shares in issue during the period	3,900,000	3,900,000	3,900,000	3,900,000
Earnings / (loss) per share basic and diluted	36.94	(1.95)	13.67	(5.77)

Unaudited
Nine Months Period Ended

	March 31, 2021	March 31, 2020
--	---------------------------	---------------------------

(Rupees)

20 CASH FLOW FROM OPERATIONS

Profit before taxation		211,182,223	20,517,703
Adjustments for:			
Depreciation		52,941,691	49,634,752
Impairment net of disposal		15,663,986	-
Amortization		140,000	46,667
Share of loss on equity accounted associate		627,975	279,664
Reversal for expected credit losses		(1,230,673)	-
Loss on disposal of property, plant and equipment		1,728,759	179,075
Provision against slow moving stores and Spares		1,681,919	-
Finance costs	18	41,381,280	77,016,506
Changes in:			
Stores and spares		(8,450,389)	(7,985,451)
Stock-in-trade		(4,203,398)	(135,248,350)
Trade receivables		(36,603,949)	(5,382,736)
Loans and advances		(5,595,466)	(9,703,119)
Trade deposits and short term prepayments		(12,165,291)	2,276,999
Sales tax receivable		-	4,654,867
Trade and other payables		31,934,236	47,643,987
Cash flows generated from operations		289,032,902	43,930,564

21 CASH AND CASH EQUIVALANTS

Running Musharakah-secured		(159,748,321)	(256,241,991)
Cash and bank Balances		14,281,108	1,789,741
		(145,467,213)	(254,452,250)

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		Unaudited	
	Nine Months Period Ended		Three Months Period Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Baby care	86.65%	86.08%	85.21%	86.31%
Oral care	12.91%	13.92%	14.58%	13.69%
Hygiene	0.45%	0.00%	0.20%	0.00%
	100.00%	100.00%	100.00%	100.00%

Baby care
Oral care
Hygiene

23 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of associated undertakings, key management personnel and post employment benefit plan. The Company in the normal course of business carries out transactions with various related parties. All transactions with related parties are under agreed terms / contractual arrangements.

Name	Nature of Relation	Basis of Relation	Nature of transaction	(Unaudited) Nine Months Period Ended		(Unaudited) Three Months Period Ended	
				March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
				(Rupees)		(Rupees)	
Premier Agencies	Associated undertaking	Common Director	Sale of goods / (sale return) - net off discount of Rs. nil (2020: Rs. 95.97 million)	(13,568,217)	1,191,125,097	(9,652)	338,695,848
			Reimbursement of selling and distribution expenses	118,318	120,960,862	-	42,157,582
Premier Sales (Private) Limited	Associated undertaking	Common Director	Sale of goods - net off discount of Rs. 62.02 million (2020: Rs. Nil)	1,514,453,195	-	453,429,432	-
			Reimbursement of selling and distribution expenses	112,134,705	-	20,379,166	-
Memon Medical Institute	Associated undertaking	Common Director	Sale of goods	75,815	230,097	13,614	16,873
PharmEvo (Private) Limited	Associated undertaking	Common Director	Sale of goods	96,154	3,407	23,077	3,407
			Purchase of Asset	311,615	2,024,901	-	-
Zaman Textile Mills (Private) Limited	Associated undertaking	Common Director	Sale of goods	14,000	-	7,000	-
Ehad Healthcare	Associated undertaking	Common Director	Sale of goods	337,644	-	337,644	-
Scitech health (Private) Limited	Associated undertaking	Common Director	Purchase of goods	126,157	160,073	47,383	24,845
Nagaria Textile Mills (Private) Limited	Associated undertaking	Common Director	Warehouse rent	2,193,828	-	1,051,362	-
Mr Muhammad Haroon Qassim	Related parties	Chief Executive	Loan received	-	71,000,000	-	-
Mr Muhammad Salman Qassim	Related parties	Director	Loan received	-	17,300,000	-	-
Employees Provident Fund	Retirement benefit fund	Employees benefit fund	Contribution made	5,179,690	4,900,833	1,930,454	1,745,878
Key Management Personnel	Related parties	Executives	Remuneration and benefits	31,311,796	19,940,164	11,006,523	5,711,869
						(Unaudited) March 31, 2021	(Audited) June 30, 2020
						Note	(Rupees)

23.1 Period / year end balances

Receivable from related parties	9	35,092,731	12,633,008
Payable to related parties		3,593,744	-
Loan from Chief Executive and Director		110,000,000	110,000,000

24 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in annual financial statements of the Company as at and for the year ended June 30, 2020

24.1 Financial instruments by category	(Unaudited) March 31, 2021	(Audited) June 30, 2020
Financial assets at amortized cost	(Rupees)	
Deposits	7,141,926	5,866,926
Loan to employees	608,888	100,000
Trade debts	81,568,990	43,734,368
Cash and bank balances	14,281,108	1,460,494
	<u>103,600,912</u>	<u>51,161,788</u>
Financial liabilities at amortized cost		
Long term financing - secured	394,979,394	326,633,324
Trade and other payables	105,186,599	71,443,593
Accrued profit	7,035,636	18,767,466
Short term borrowings - secured	209,749,053	441,954,267
	<u>716,950,682</u>	<u>858,798,650</u>

25 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

Level 1 : Fair value measurements using quoted price (unadjusted) in active markets for identical asset or liability.

Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

The carrying values of all other financial assets and liabilities reflected in this condensed interim financial information approximate their fair values.

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

26 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 20, 2021 by the Board of Directors of the Company.

27 CORRESPONDING FIGURES

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

28 GENERAL

Amounts have been rounded off to the nearest thousands of rupees unless otherwise stated.



Chief Executive



Director



Chief Financial officer



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