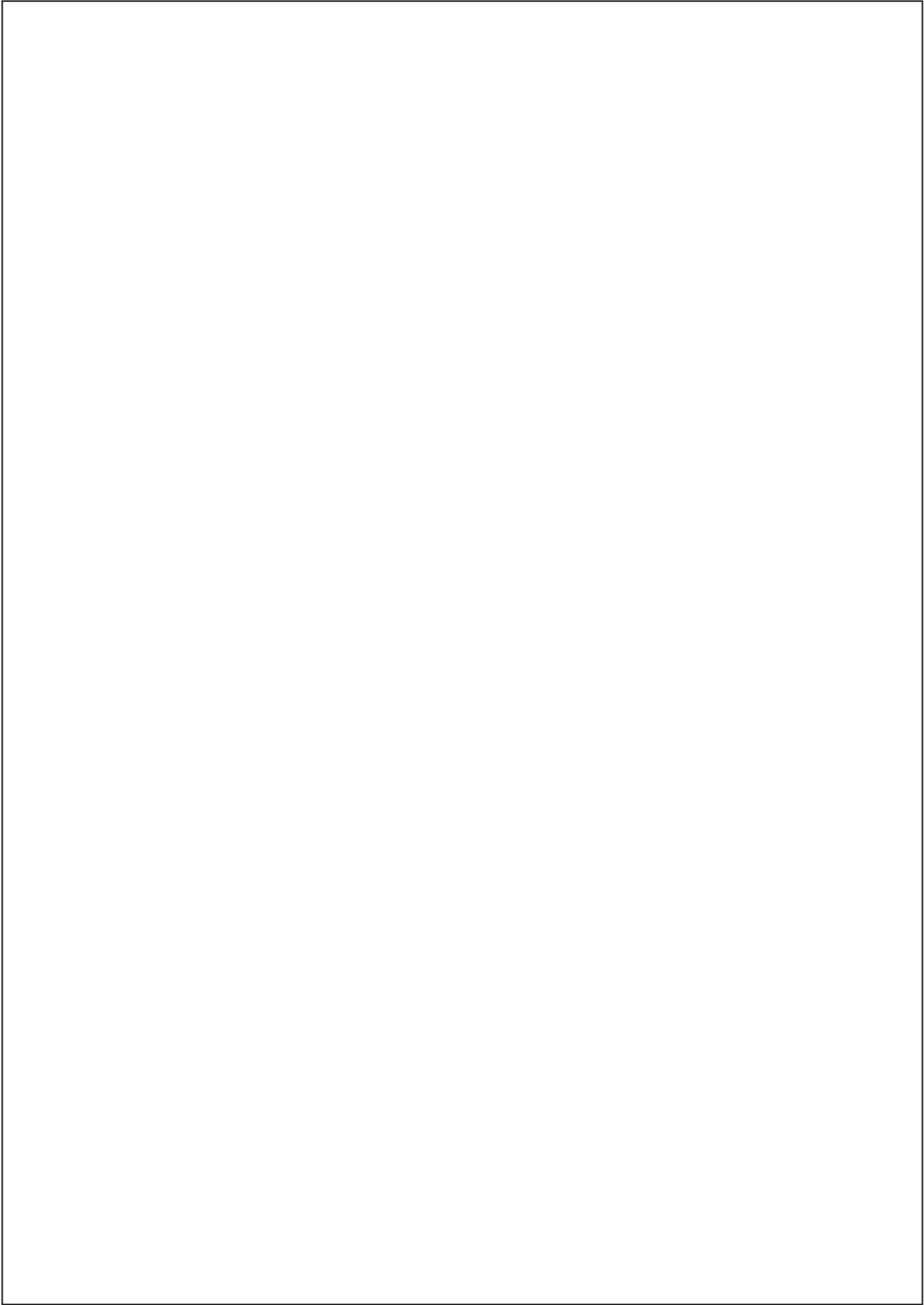






**Shield
for
Everyone**

**Half
Yearly Report
2020-21**





Shield for Stakeholders

Contents

Company Information	02
Director's Review	03
Director's Review In Urdu	04
Auditors' Review	05
Condensed Interim Statement of Financial Position	06
Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	07
Condensed Interim Statement of Cash Flows	08
Condensed Interim Statement of Changes in Equity	09
Notes to the Condensed Interim Financial Information	10

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 Butt 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

Registrar & Share Registration Office

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

Registered Office

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

Factory

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

Email & URL

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

DIRECTORS' REVIEW

On behalf of the Board of Directors, it is our pleasure to present the un-audited condensed interim financial information for the half year ended December 31, 2020.

Financial summary

Operating Results	December 2020	December 2019	Increase / (Decrease)
	(Rupees)	(Rupees)	
Net Sales	1,176,568,165	942,480,556	24.84%
Gross Profit	375,243,283	256,364,200	46.37%
Gross Profit %	31.89%	27.20%	469 bps
Selling and Distribution Expenses	163,230,339	142,889,866	14.24%
Administrative Expenses	25,289,588	33,761,215	(25.09%)
Finance Costs	29,940,472	49,641,521	(39.69%)
Profit Before Tax	133,672,172	31,650,883	322.33%
Profit After Tax	90,722,359	14,919,609	508.07%
Earnings per Share	23.26	3.83	508.07%

The growth continued and the Company achieved 24.84% growth in net sales. Gross Profit margin increased due to favorable product mix and input material pricing. The Finance cost of the Company decreased by Rs. 19.70 million. The Company recorded profit before tax of Rs. 133.67 million for the half year. The Earnings per share increased to Rs. 23.26 per share from Rs. 3.83 per share over the same period last year.

SBP has maintained policy rate at 7%. However, uncertainty due to the existence of Covid-19 still persists. 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 quarters 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 دسمبر ۲۰۲۰ کو ختم ہونے والی نصف سالانہ مدت کے لیے غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات پیش کرنے میں خوشی محسوس کر رہے ہیں۔

سرمائے کا خلاصہ


عملداری نتائج	دسمبر ۲۰۲۰ (روپے)	دسمبر ۲۰۱۹ (روپے)	اضافہ/ (کمی)
خالص سیلز	1,176,568,165	942,480,556	24.84%
مجموعی منافع	375,243,283	256,364,200	46.37%
مجموعی فیصدی منافع	31.89%	27.20%	469 bps
فروخت اور تنصیم کاری کے اخراجات	163,230,339	142,889,866	14.24%
انتظامی اخراجات	25,289,588	33,761,215	(25.09%)
مالیاتی لاگت	29,940,472	49,641,521	(39.69%)
قبل از ٹیکس منافع	133,672,172	31,650,883	322.33%
بعد از ٹیکس منافع	90,722,359	14,919,609	508.07%
فی شیئر آمدنی	23.26	3.83	508.07%


نمو جاری رہی اور کمپنی نے خالص سیلز میں 24.84% اضافہ حاصل کیا۔ سازگار مصنوعات کے انطلاقات اور اینپٹ مادی قیمتوں کے باعث مجموعی منافع کے مارجن میں اضافہ ہوا۔ کمپنی کی مالیاتی لاگت میں 19.70 ملین روپے کی کمی ہوئی۔ کمپنی نے پہلی ششماہی کیلئے 133.67 ملین روپے کا قبل از ٹیکس منافع ریکارڈ کیا۔ فی شیئر آمدنی پہلی ششماہی میں گزشتہ سال کی 3.83 روپے سے بڑھ کر 23.26 روپے ہو گئی۔

اسٹیٹ بینک آف پاکستان نے پالیسی شرح کو 7% پر برقرار رکھا ہے۔ تاہم کووڈ-19 کی دوسری لہر کی وجہ سے غیر یقینی صورت تاحال برقرار ہے۔ 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 ماہیوں میں منافع بخش فروخت کے انطلاقات اور پروموشنز کے منظم منصوبوں پر عمل درآمد کیا جائے گا۔

بورڈ آف ڈائریکٹرز تمام ملازمین کا ان کی پر عزم 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: ۲۳ فروری ۲۰۲۱

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **SHIELD CORPORATION LIMITED** ("the Company") as at December 31, 2020 and the related condensed interim statement of other comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six-month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

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

Other Matter

The figures for the quarter ended December 31, 2020 and December 31, 2019 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 23 FEB 2021



CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

		(Unaudited) December 31, 2020	(Audited) June 30, 2020
	Note	(Rupees)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	7	772,489,312	762,126,973
Capital work in progress	8	9,044,137	22,749,559
		781,533,449	784,876,532
Intangible asset		373,333	466,667
Long term deposits		5,372,930	5,372,930
Investment in equity accounted associate		3,087,322	3,495,659
		790,367,034	794,211,788
CURRENT ASSETS			
Stores and spares		33,727,566	31,299,080
Stock-in-trade	9	393,092,771	452,376,885
Trade debts	10	93,613,965	43,734,368
Loans and advances		15,413,825	12,331,436
Trade deposits, prepayments and other receivables	11	10,402,719	1,595,440
Taxation - net		78,064,674	107,091,713
Cash and bank balances	12	1,148,761	1,460,494
		625,464,281	649,889,416
		1,415,831,315	1,444,101,204
TOTAL ASSETS			
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		425,615,354	334,892,995
		584,615,354	493,892,995
NON - CURRENT LIABILITIES			
Deferred taxation		66,415,822	42,565,400
Long term financing - secured	13	278,310,592	303,453,486
Deferred government grant	14	1,544,190	2,862,788
		346,270,604	348,881,674
CURRENT LIABILITIES			
Trade and other payable	15	139,557,485	113,502,722
Short term borrowings - secured	16	213,807,565	441,954,267
Accrued Profit	17	9,033,642	18,767,466
Current portion of long term financing - secured	13	116,924,015	23,179,838
Current portion of deferred government grant	14	4,597,538	2,884,006
Unpaid dividend		338,822	351,946
Unclaimed dividend		686,290	686,290
		484,945,357	601,326,535
		1,415,831,315	1,444,101,204
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	18		

The annexed notes from 1 to 31 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 DECEMBER 31, 2020

	Note	Six Months Period Ended		Three Months Period Ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
		(Rupees)		(Rupees)	
Sales - net	19	1,176,568,165	942,480,556	639,385,833	495,897,839
Cost of sales		(801,324,882)	(686,116,356)	(427,542,258)	(379,871,936)
Gross profit		375,243,283	256,364,200	211,843,575	116,025,903
Selling and distribution expenses		(163,230,339)	(142,889,866)	(85,554,450)	(81,875,541)
Administrative and general expenses		(25,289,588)	(33,761,215)	(13,899,408)	(17,007,982)
Other operating expenses		(31,827,556)	(2,367,432)	(6,630,877)	780,483
		(220,347,483)	(179,018,513)	(106,084,735)	(98,103,040)
		154,895,800	77,345,687	105,758,840	17,922,863
Other operating income		9,125,181	4,133,160	3,912,799	2,088,416
Operating profit before finance costs		164,020,981	81,478,847	109,671,639	20,011,279
Share of loss on equity accounted associate		(408,337)	(186,443)	(189,405)	(186,443)
Finance costs	20	(29,940,472)	(49,641,521)	(12,898,382)	(28,231,780)
Profit / (loss) before taxation		133,672,172	31,650,883	96,583,852	(8,406,944)
Taxation		(42,949,813)	(16,731,274)	(27,569,834)	1,875,014
Profit / (loss) for the period		90,722,359	14,919,609	69,014,018	(6,531,930)
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss) for the period		90,722,359	14,919,609	69,014,018	(6,531,930)
Earnings per share - basic and diluted	21	23.26	3.83	17.70	(1.67)

The annexed notes from 1 to 31 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 DECEMBER 31, 2020

		Six months period ended	
		December 31, 2020	December 31, 2019
	Note	(Rupees)	
Cash flows from operating activities			
Cash flow generated from / (used in) operations	22	240,639,711	(10,854,023)
Long term deposit		-	(61,540)
Finance costs paid		(39,674,296)	(36,626,190)
Income tax - net		9,927,649	(34,831,851)
Net cash flow generated from / (used in) operating activities		210,893,064	(82,373,604)
Cash flows from investing activities			
Fixed capital expenditure including work in progress		(52,687,621)	(221,482,097)
Sales proceeds from disposal of property, plant and equipment		646,433	264,833
Net cash used in investing activities		(52,041,188)	(221,217,264)
Cash flows from financing activities			
Long term financing diminishing musharakah - net		68,996,217	124,608,189
Loan obtained from Chief Executive and Director		-	88,300,000
Short term murabaha finance - net		(130,087,591)	103,673,149
Dividend paid		(13,124)	(4,843,962)
Net cash (used in) / generated from financing activities		(61,104,498)	311,737,376
Net increase in cash and cash equivalents		97,747,378	8,146,508
Cash and cash equivalents at the beginning of the period		(181,537,563)	(185,460,400)
Cash and cash equivalents at end of the period	23	(83,790,185)	(177,313,892)

The annexed notes from 1 to 31 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 DECEMBER 31, 2020

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) -----							
39,000,000	21,700,000	10,000,000	55,000,000	303,221,403	368,221,403	428,921,403	
-	-	-	-	14,919,609	14,919,609	14,919,609	
-	-	-	-	-	-	-	
-	-	-	-	14,919,609	14,919,609	14,919,609	
-	-	-	-	(4,875,000)	(4,875,000)	(4,875,000)	
-	88,300,000	-	-	-	-	88,300,000	
-	88,300,000	-	-	(4,875,000)	(4,875,000)	83,425,000	
39,000,000	110,000,000	10,000,000	55,000,000	313,266,012	378,266,012	527,266,012	
39,000,000	110,000,000	10,000,000	55,000,000	279,892,995	344,892,995	493,892,995	
-	-	-	-	90,722,359	90,722,359	90,722,359	
-	-	-	-	-	-	-	
-	-	-	-	90,722,359	90,722,359	90,722,359	
39,000,000	110,000,000	10,000,000	55,000,000	370,615,354	435,615,354	584,615,354	

The annexed notes from 1 to 31 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 DECEMBER 31, 2020

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

This condensed interim financial information of the Company for the half year ended December 31, 2020 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.

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, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2019.

3.2 Basis of measurement

This condensed interim financial information have been prepared under the historical cost convention except as disclosed otherwise. These 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 this 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 judgments that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

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

6 TAXATION

The provisions for taxation for the half year and quarter ended December 31, 2020, 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.

		(Unaudited) December 31, 2020	(Audited) June 30, 2020
		(Rupees)	
7	OPERATING FIXED ASSETS	Note	
	Opening net book value (NBV)		762,126,973
	Additions during the period / year at cost	7.1	66,393,043
			828,520,016
	Disposals during the period / year at NBV	7.1	5,221,147
	Impairment (Net off disposals)	7.1	15,663,986
	Depreciation charge for the period / year		35,145,571
			(56,030,704)
	Closing net book value (NBV)		772,489,312

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

	(Unaudited) December 31, 2020			(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	-	-	-	3,730,960	-	-
Plant and machinery	63,368,657	5,189,955	15,663,986	221,752,040	191,232	-
Furniture & fittings	1,475,972	-	-	5,541,515	-	-
Office equipments	905,215	-	-	1,892,728	136,520	-
Computers	643,199	31,192	-	-	116,157	-
	66,393,043	5,221,147	15,663,986	232,917,243	443,909	-

	Note	(Unaudited) December 31, 2020	(Audited) June 30, 2020
		(Rupees)	
8 CAPITAL WORK IN PROGRESS			
Plant and machinery		7,624,964	10,511,453
Advances to suppliers		1,419,173	12,238,106
	8.1	9,044,137	22,749,559
8.1 Movement of carrying amount is as follows:			
Opening balance		22,749,559	10,438,519
Additions (at cost) during the period / year		42,527,051	215,007,933
		65,276,610	225,446,452
Transfer to operating fixed assets during period / year		(56,232,473)	(202,696,893)
Closing balance		9,044,137	22,749,559

9 STOCK-IN-TRADE

Manufacturing:

Raw and packing materials

in hand

in transit

Work-in-process

Finished goods

Trading:

in hand

9.1

9.2

266,540,541	368,201,325
40,427,962	2,812,801
306,968,503	371,014,126
20,931,379	17,609,185
53,020,174	49,062,083
12,172,715	14,691,491
393,092,771	452,376,885

- 9.1 This includes finished goods with cost of Rs. 3.303 million (June 2020: Rs. 18.564 million) which are being carried at their net realizable value of Rs. 2.768 million (June 2020: Rs. 17.203 million).
- 9.2 This includes trading goods with cost of Rs. 0.101 million (June 2020: Rs. 0.375 million) which are being carried at their net realizable value of Rs. 0.096 million (June 2020: Rs. 0.275 million).

		(Unaudited) December 31, 2020	(Audited) June 30, 2020
	Note	(Rupees)	
10 TRADE DEBTS			
(Unsecured - considered good)			
Due from associated undertakings	10.1	54,198,250	12,633,008
Others		39,415,715	31,101,360
		93,613,965	43,734,368
(Unsecured - considered doubtful)			
Others		3,919,494	4,807,189
Allowance for expected credit losses		(3,919,494)	(4,807,189)
		93,613,965	43,734,368

10.1 This comprises of amounts receivable from:

Premier Agencies	-	12,425,861
Premier Sales (Private) Limited	54,087,720	-
Pharmevo (Private) Limited	27,000	13,500
Scitech Health (Private) Limited	5,581	139,500
Memon Medical Institute	69,759	37,767
Zaman Textile Mills (Private) Limited	8,190	16,380
	54,198,250	12,633,008

11 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

LC margin	5,630,069	-
Security deposits	1,638,996	493,996
Prepayments	2,088,074	55,864
Sales tax receivable	1,045,580	1,045,580
	10,402,719	1,595,440

12 CASH AND BANK BALANCES

Cash in hand		
Local currency	233,731	160,502
Foreign currency	512,790	533,740
	746,521	694,242
Cash at bank		
Current account	12.1	402,240
		1,148,761
		766,252
		1,460,494

12.1 This includes balances amounting to Rs. 0.186 million (June 30, 2020: Rs. 0.559 million) with Shariah compliant banks.

13 LONG TERM FINANCING - SECURED

	Installment payable	Repayment period	Profit rate	Note	(Unaudited) December 31, 2020 (Rupees)	(Audited) June 30, 2020
Shariah Arrangements						
Bank Al-Habib Limited - Islamic banking	Quarterly	2017-22	0.50% above 6 months KIBOR	13.1 & 13.2	38,500,000	38,500,000
Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	0.75% above 6 months KIBOR	13.1 & 13.2	41,011,167	41,011,167
Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	1% above 6 months KIBOR	13.1 & 13.2	76,558,376	76,558,376
Meezan Bank Limited	Quarterly	2019-21	1% above 3 months KIBOR	13.1 & 13.3	2,470,490	2,470,490
Meezan Bank Limited	Quarterly	2019-22	1% above 3 months KIBOR	13.1 & 13.3	4,377,510	4,377,510
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	13.1 & 13.3	7,077,570	7,077,570
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	13.1 & 13.3	15,468,421	15,468,421
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	13.1 & 13.3	5,191,301	5,191,301
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	13.1 & 13.3	4,729,660	4,729,660
Meezan Bank Limited	Quarterly	2019-25	1.2% above 3 months KIBOR	13.1 & 13.4	86,990,710	86,990,710
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	13.3	4,567,680	-
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	13.3	7,266,240	-
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	13.3	2,588,598	-
Meezan Bank Limited	Quarterly	2020-23	3 months KIBOR	13.3	3,759,554	-
					<u>300,557,277</u>	<u>282,375,205</u>
Non-shariah Arrangements						
Habib Metropolitan Bank Limited	Quarterly	2021-22	2% above SBP Rate	13.5	94,677,330	44,258,119
					<u>395,234,607</u>	<u>326,633,324</u>
Less: Current portion shown under current liabilities						
Shariah Arrangements						
Bank Al-Habib Limited - Islamic banking				13.2	(34,084,572)	(9,753,243)
Meezan Bank Limited				13.3 & 13.4	(32,429,914)	(7,175,981)
					(66,514,486)	(16,929,224)
Non-shariah Arrangements						
Habib Metropolitan Bank Limited				13.5	(50,409,529)	(6,250,614)
					<u>278,310,592</u>	<u>303,453,486</u>

- 13.1 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.
- 13.2 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 is 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) on which, 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 office property, first exclusive charge of particular machinery of the Company and personal guarantee of Chairman of the Board of Directors.

- 13.3 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 period, the Company had made repayment of Rs. nil (June 30, 2020: Rs. 16.31 million) on which, 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.
- 13.4 The Company entered into a long term loan arrangement with Meezan Bank Limited for 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 Rs. nil (June 30, 2020: Rs. 15.35 million) on which, 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.
- 13.5 The Company has entered a long term loan arrangement with Habib Metropolitan Bank Limited of an amount of Rs. 100.81 million (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 Movables & Receivables (Stock & Receivables) of the company with 25% margin for Rs. 142.667 million.

	Note	(Unaudited) December 31, 2020	(Audited) June 30, 2020
		(Rupees)	
14 DEFERRED GOVERNMENT GRANT			
Government grant		6,141,728	5,746,794
Less: Current portion shown under current liabilities		(4,597,538)	(2,884,006)
		<u>1,544,190</u>	<u>2,862,788</u>
15 TRADE AND OTHER PAYABLES			
Creditors		68,725,427	62,461,909
Accrued liabilities		36,474,633	8,957,302
Retention money		24,382	24,382
Sales tax payable		364,707	24,287,632
Workers' welfare fund		2,727,998	-
Workers' profit participation fund		7,178,941	-
Advances from customers - unsecured		24,061,397	17,771,497
		<u>139,557,485</u>	<u>113,502,722</u>
16 SHORT TERM BORROWINGS - SECURED			
From banking companies - secured			
Islamic mode			
Murabaha finance		128,868,619	144,005,933
Running musharakah		84,938,946	182,998,057
Istisna financing		-	114,950,277
	16.1	<u>213,807,565</u>	<u>441,954,267</u>

- 16.1 This represent short term financing i.e. murabaha, istisna and running musharakah obtained under profit arrangements and are secured against hypothecation of movable 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 and Rs. 223.13 million (June 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 + 0.30% to KIBOR + 0.85% (June 30, 2020: KIBOR + 0.30% to KIBOR + 0.75%) per annum.

	Note	(Unaudited) December 31, 2020 (Rupees)	(Audited) June 30, 2020
17 ACCRUED PROFIT			
Long-term financing from Banks			
Shariah Arrangement:			
Diminishing musharakah		4,153,770	5,253,518
Non shariah Arrangement:			
Salary refinancing		506,850	90,562
		4,660,620	5,344,080
Short-term borrowings from Banks			
Murabaha financing		2,888,182	5,753,187
Musharakah financing		1,484,840	6,041,584
Istisna financing		-	1,628,615
		4,373,022	13,423,386
		9,033,642	18,767,466

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

- 18.1.1 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.

18.2 Commitments

- 18.2.1 The Company has letter of credit commitments for purchases amounting to Rs. 126.55 million (June 30, 2020: Rs. 18.509 million).
- 18.2.2 The Company has letter of credit and other commitments for capital expenditures amounting to Rs. 4.71 million (June 30, 2020: Rs. 42.291 million).

			(Unaudited)		(Unaudited)	
			Six months period ended		Three months period ended	
			December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
			(Rupees)		(Rupees)	
19	SALES - NET	Note				
	Sales Local		1,459,807,077	1,191,575,864	773,628,844	631,040,003
	Sales tax		(214,151,889)	(174,823,560)	(113,502,385)	(92,520,467)
			1,245,655,188	1,016,752,304	660,126,459	538,519,536
	Discounts		(73,567,689)	(74,942,145)	(22,888,574)	(43,292,094)
			1,172,087,499	941,810,159	637,237,885	495,227,442
	Sales Export	19.1	4,480,666	670,397	2,147,948	670,397
			1,176,568,165	942,480,556	639,385,833	495,897,839
19.1	Sumamry of export sales					
	Country					
	Mozambique		4,377,896	670,397	2,045,178	670,397
	Ireland		102,770	-	102,770	-
			4,480,666	670,397	2,147,948	670,397
20	FINANCE COSTS					
	Shariah Arrangement					
	Profit on short term borrowings		12,769,336	28,517,672	4,492,022	16,554,646
	Rent on diminishing musharakah		13,574,851	20,873,087	6,264,305	11,545,958
	Guarantee commission		13,322	1,279	6,786	1,279
	Bank charges		333,995	212,105	210,763	150,440
			26,691,504	49,604,143	10,973,876	28,252,323
	Non-Shariah Arrangement					
	Interest on WPPF		-	34,503	-	(21,543)
	Interest on salary refinancing		3,190,670	-	1,906,628	-
	Guarantee commission		41,102	-	1,102	-
	Bank charges		17,196	2,875	16,776	1,000
			29,940,472	49,641,521	12,898,382	28,231,780
21	EARNINGS PER SHARE - BASIC AND DILUTED					
	Profit / (loss) for the period		90,722,359	14,919,609	69,014,018	(6,531,930)
			(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 / (loss) per share basic and diluted		23.26	3.83	17.70	(1.67)

		Unaudited	
		Six months period ended	
		December 31, 2020	December 31, 2019
	Note	(Rupees)	
22 CASH FLOWS FROM OPERATIONS			
Profit before taxation		133,672,172	31,650,883
Adjustments for:			
Depreciation		35,145,571	31,648,705
Impairment net of disposal		15,663,986	-
Amortization		93,334	-
Share of loss on equity accounted associate		408,337	186,443
(Reversal) / Allowance for expected credit losses		(887,695)	-
Loss on disposal of property, plant and equipment		4,574,713	179,075
Provision against slow moving stores and spares		1,681,919	-
Finance costs	20	29,940,472	49,641,521
		86,620,637	81,655,744
Changes in:			
Stores and spares		(4,110,405)	(5,252,039)
Stock-in-trade		59,284,114	(116,139,837)
Trade receivables		(48,991,902)	(386,453)
Loans and advances		(3,082,389)	(4,341,425)
Trade deposits and short term prepayments		(8,807,279)	(13,765,963)
Sales tax receivable		-	(6,463,113)
Trade and other payables		26,054,763	22,188,180
Cash flow generated from / (used in) operations		240,639,711	(10,854,023)

23 CASH AND CASH EQUIVALENTS

Running Musharakah-secured	(84,938,946)	(178,755,378)
Cash and bank Balances	1,148,761	1,441,486
	(83,790,185)	(177,313,892)

24 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)	
	Six months period ended		Three months period ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Baby care	87.08%	85.98%	89.00%	85.66%
Oral care	12.38%	14.02%	10.73%	14.34%
Hygiene	0.54%	0.00%	0.28%	0.00%
	100.00%	100.00%	100.00%	100.00%

25 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Name	Nature of Relation	Basis of Relation	Nature of transaction	(Unaudited) Six months period ended		(Unaudited) Three months period ended	
				December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
				(Rupees)		(Rupees)	
Premier Agencies	Associated undertaking	Common Director	Sale of goods / (sale return) - net off discount of Rs. nil (2019: Rs. 28.10 million)	(13,558,565)	852,429,249	(3,239,638)	452,032,440
			Reimbursement of selling and distribution expenses	118,318	78,803,280	-	43,672,293
Premier Sales (Private) Limited	Associated undertaking	Common Director	Sale of goods - net off discount of Rs. 62.37 million (2019: Rs. Nil)	1,061,023,763	-	522,269,561	-
			Reimbursement of selling and distribution expenses	91,755,539	-	40,446,964	-
Memon Medical Institute	Associated undertaking	Common Director	Sale of goods	62,201	213,224	12,634	147,658
PharmEvo (Private) Limited	Associated undertaking	Common Director	Sale of goods	73,077	-	46,154	-
Zaman Textile Mills (Private) Limited	Associated undertaking	Common Director	Sale of goods	7,000	-	-	-
Scitech Health (Private) Limited	Associated undertaking	Common Director	Purchase of goods	78,774	-	60,476	-
Nagaria Textile Mills (Private) Limited	Associated undertaking	Common Director	Warehouse rent	1,142,466	-	1,142,466	-
Mr Muhammad Haroon Qassim	Related parties	Chief Executive	Loan received	-	71,000,000	-	51,000,000
Mr Muhammad Salman Qassim	Related parties	Director	Loan received	-	17,300,000	-	-
Employees Provident Fund	Retirement benefit fund	Employees benefit fund	Contribution made	3,249,236	3,154,955	1,746,424	1,556,730
Key Management Personnel	Related parties	Executives	Remuneration and benefits	20,305,273	14,228,295	11,709,156	7,215,865

(Unaudited)
December 31,
2020

(Audited)
June 30,
2020

(Rupees)

25.1 Period / year end balances

Receivable from related parties	10	54,198,250	12,633,008
Payable to related parties		3,373,986	-
Loan from Chief Executive and Director		110,000,000	110,000,000

26 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

26.1 Financial instruments by category

Financial assets at amortized cost

Deposits	7,011,926	5,866,926
Loan to employees	-	100,000
Trade debts	93,613,965	43,734,368
Cash and bank balances	1,148,761	1,460,494
	<u>101,774,652</u>	<u>51,161,788</u>

	(Unaudited) December 31, 2020	(Audited) June 30, 2020
	(Rupees)	
Financial liabilities at amortized cost		
Long term financing - secured	395,234,607	326,633,324
Trade and other payables	105,224,442	71,443,593
Accrued profit	9,033,642	18,767,466
Short term borrowings - secured	213,807,565	441,954,267
	723,300,256	858,798,650

27 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.

28 NUMBER OF EMPLOYEES

The number of employees as at period ended December 31, 2020 were 113 (June 30,2020: 94) and average number of employees during the period were 95 (June 30,2020: 95).

29 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 23, 2021 by the Board of Directors of the Company.

30 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.

31 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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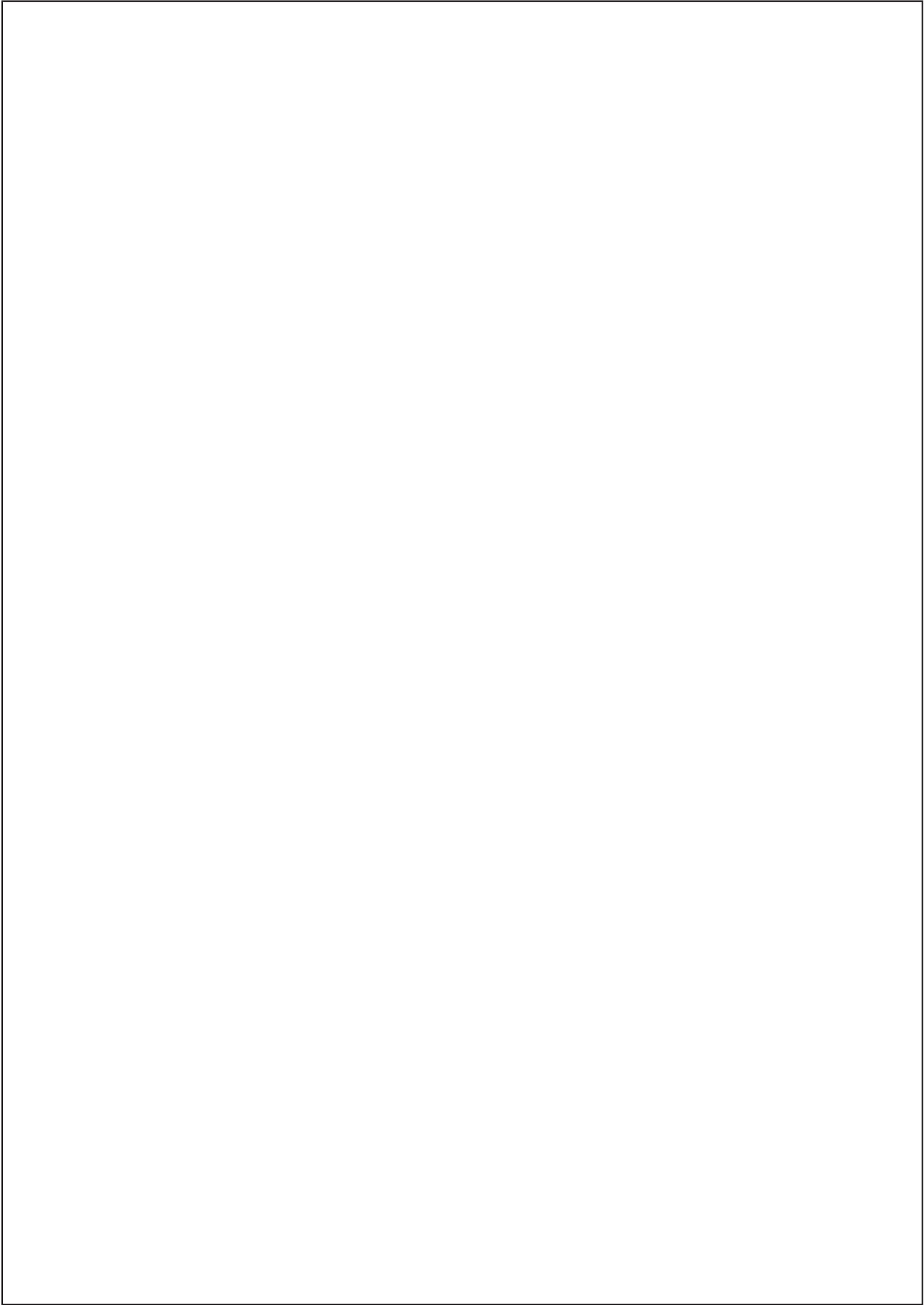


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