



# Shield<sup>®</sup> SETTING NEW MILESTONES

FIRST QUARTER REPORT | 25



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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. Muhammad Rafique Umer Afinwala	Director
Mr. Abdul Ghaffar Umer Kapadia	Director
Mrs. Saadia Naveed	Director
Mr. Mohammad Salman Qassim	Director

## Audit Committee

Mr. Muhammad Rafique Umer Afinwala	Chairman
Mr. Vali Muhammad A. Habib	Member
Mr. Abdul Ghaffar Umer Kapadia	Member

## Human Resource & Remuneration Committee

Mr. Abdul Ghaffar Umer Kapadia	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. Muhammad Rafique Umer Afinwala	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, we present the un-audited condensed interim financial statements for the period ended September 30, 2024.

### Financial summary

Operating Results	September 30, 2024	September 30, 2023	Increase / (Decrease)
	(Rupees)	(Rupees)	
Net Sales	719,914,590	1,242,108,224	(42.04%)
Gross Profit	167,251,373	364,800,898	(54.15%)
Gross Profit %	23.23%	29.37%	(614 bps)
Selling and Distribution Expenses	158,277,000	230,001,235	(31.18%)
Administrative Expenses	16,059,884	16,037,131	0.14%
Finance Costs	48,829,782	76,852,860	(36.46%)
(Loss) / Profit After Tax	(57,902,343)	16,764,845	(445.38%)
(Loss) / Earnings per Share	(14.85)	4.30	(445.38%)

Net sales of the Company decreased by 42.04%, gross profit in value terms decreased by Rs. 197.55 million. Though sales decreased as compared to last year same quarter but it has increased by 16.29% as compared to last quarter of financial year 2023-24 representing a recovery. Although policy rate has reduced in phases in the first quarter of financial year 2024-25 which is a sign of macroeconomic stability, but its impact in terms of improvement in demand is still to be seen. To improve the financial performance, the Company has curtailed costs, resulting in a reduction in selling and distribution expenses by 31.18%. Finance cost also reduced by 36.46% due to Sponsors' loan which has resulted in reduction in borrowing and lower policy rate during the quarter under consideration. Company incurred loss after taxation of Rs. 57.9 million as compared to profit after taxation of Rs. 16.76 million in the corresponding quarter last year, resulting in loss per share of Rs. 14.85 as compared to profit per share of Rs. 4.3.

Business challenges still persist, being higher electricity cost, low buying powers of the consumers, etc., but on the other side there are some good signs as well, such as, increase in exports and remittances and country achieving current account surplus.

We remain committed to overcome the economic and business challenges with a focus on sustainable growth and long-term stability.

The Board of Directors would like to express their gratitude to all customers, financial institutions, staff members, suppliers and shareholders who have been associated with the Company for their continued support and cooperation.

On behalf of the Board



Muhammad Haroon Qassim  
Chief Executive



Muhammad Rafique Umer Afinwala  
Director

Karachi: October 28, 2024

## ڈائریکٹرز کا جائزہ

ہم بورڈ آف ڈائریکٹرز کی جانب سے ۳۰ ستمبر ۲۰۲۳ کو ختم ہونے والی مدت کے لیے غیر آڈٹ شدہ مختصر عبوری مالیاتی گوشوارے پیش کر رہے ہیں۔

### سرمائے کا خلاصہ

اضافہ/ (کمی)	ستمبر ۲۰۲۳ (روپے)	ستمبر ۲۰۲۲ (روپے)	عملداری نتائج
(42.04%)	1,242,108,224	719,914,590	خالص سیلز
(54.15%)	364,800,898	167,251,373	مجموعی منافع
(614 bps)	29.37%	23.23%	مجموعی فیصدی منافع
(31.18%)	230,001,235	158,277,000	فروخت اور تقسیم کاری کے اخراجات
0.14%	16,037,131	16,059,884	انتظامی اخراجات
(36.46%)	76,852,860	48,829,782	مالیاتی لاگت
(445.38%)	16,764,845	(57,902,343)	بعد از ٹیکس (نقصان) منافع
(445.38%)	4.30	(14.85)	فی شیئر (نقصان) آمدنی

کمپنی کی خالص سیلز میں 42.04% کمی واقع ہوئی، جبکہ مجموعی منافع مالیت کی مد میں 197.55 ملین روپے سے کم ہوا۔ اگرچہ سیلز پچھلے سال کی اسی سہ ماہی کے مقابلے میں کم ہوئی، لیکن یہ مالی سال 2023-24 کی آخری سہ ماہی کے مقابلے میں 16.29% سے بڑھ گئی، جو کہ ایک بحالی کی علامت ہے۔ اگرچہ مالی سال 2024-25 کی پہلی سہ ماہی میں پالیسی کی شرح میں بتدریج کمی آئی ہے، جو کہ میکرو اقتصادی استحکام کی علامت ہے، لیکن طلب میں بہتری کے لحاظ سے اس کا اثر ابھی تک دیکھنا باقی ہے۔ مالی کارکردگی کو بہتر بنانے کے لیے کمپنی نے اخراجات میں کمی کی ہے، جس کے نتیجے میں فروخت اور تقسیم کے اخراجات میں 31.18% سے کمی ہوئی۔ مالی اخراجات بھی 36.46% کم ہوئے ہیں، جو کہ اسپانسرز کے قرض کی وجہ سے قرض میں کمی اور اس سہ ماہی کے دوران پالیسی کی شرح میں کمی کی وجہ سے ہے۔ کمپنی نے 57.90 ملین روپے کا بعد از ٹیکس نقصان اٹھایا جبکہ پچھلے سال کی اسی سہ ماہی میں 16.76 ملین روپے کا بعد از ٹیکس منافع حاصل ہوا تھا۔ اس کے نتیجے میں پچھلے سال کے اسی دورانیے کی 4.30 روپے فی شیئر آمدنی کے مقابلے میں 14.85 روپے فی شیئر نقصان ہوا۔

کاروباری چیلنجز اب بھی موجود ہیں، جیسے بجلی کی زیادہ قیمت، صارفین کی کم قوت خرید وغیرہ، لیکن دوسری جانب مثبت علامات بھی ہیں، جیسے کہ برآمدات اور ترسیلات میں اضافہ اور ملک کا کرنٹ اکاؤنٹ میں سرپلس حاصل کرنا۔

ہم پائیدار ترقی اور طویل مدتی استحکام پر توجہ مرکوز کرتے ہوئے اقتصادی اور کاروباری چیلنجز پر قابو پانے کے لیے پرعزم ہیں۔

بورڈ آف ڈائریکٹرز ان تمام صارفین، مالیاتی اداروں، عملے کے اراکین، سپلائرز اور شیئر ہولڈرز کا شکریہ ادا کرنا چاہیں گے جو کمپنی کے ساتھ مسلسل تعاون اور تائید کے لیے منسلک ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے



محمد رفیق عرفینوالا  
ڈائریکٹر



محمد فاروق قاسم  
چیف ایگزیکٹو

کراچی: ۱۲۸ ستمبر ۲۰۲۳

# Condensed Interim Statement of Financial Position

As at September 30, 2024

		September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
	Note	------(Rupees)-----	
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	6	1,455,336,795	1,463,511,635
Intangible asset		28,717	47,125
Investment property		110,904,232	111,319,998
Long term deposits		1,145,986	1,145,986
		<u>1,567,415,730</u>	<u>1,576,024,744</u>
<b>CURRENT ASSETS</b>			
Stores and spares		65,033,228	68,683,793
Stock-in-trade	7	869,572,433	840,059,733
Trade debts	8	51,747,140	72,087,030
Loans and advances		14,594,204	12,772,006
Trade deposits, prepayments and other receivable	9	6,266,677	14,635,036
Taxation and levy - net		141,896,960	141,417,478
Cash and bank balances	10	10,035,444	5,622,551
		<u>1,159,146,086</u>	<u>1,155,277,627</u>
<b>TOTAL ASSETS</b>		<u>2,726,561,816</u>	<u>2,731,302,371</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
15,000,000 (June 30, 2024 : 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid-up capital			
3,900,000 (June 30, 2024: 3,900,000) ordinary shares of Rs. 10/- each		39,000,000	39,000,000
Loan from sponsors	11	665,000,000	305,000,000
Capital reserve		10,000,000	10,000,000
Revenue reserves		224,342,158	282,244,501
		<u>938,342,158</u>	<u>636,244,501</u>
<b>NON - CURRENT LIABILITIES</b>			
Deferred taxation		2,316,066	-
Long term financing - secured	12	392,637,005	429,916,555
Security deposit		5,400,000	5,400,000
Deferred government grant	13	29,967,280	31,979,797
		<u>430,320,351</u>	<u>467,296,352</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payable	14	501,152,469	559,213,016
Due to related party	15	93,436,614	236,148,435
Current portion of long term financing - secured	12	145,380,665	139,616,586
Current portion of deferred government grant	13	8,251,238	8,425,158
Short term borrowings - secured	16	565,843,024	636,035,611
Accrued Profit	17	42,956,094	47,443,034
Unpaid dividend		286,558	287,033
Unclaimed dividend		592,645	592,645
		<u>1,357,899,307</u>	<u>1,627,761,518</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,726,561,816</u>	<u>2,731,302,371</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	18		

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.



Muhammad Haroon Qassim  
Chief Executive



Muhammad Rafique Umer Afinwala  
Director



Yasir Yousuf Chhabra  
Chief Financial officer

## Condensed Interim Statement of Profit or Loss (Unaudited)

For the Period Ended September 30, 2024

	Note	Three months period ended	
		September 30, 2024	September 30, 2023 (Restated)
		------(Rupees)-----	
Sales - net	19	719,914,590	1,242,108,224
Cost of sales		(552,663,217)	(877,307,326)
Gross profit		167,251,373	364,800,898
Selling and distribution expenses		(158,277,000)	(230,001,235)
Administrative and general expenses		(16,059,884)	(16,037,131)
Reversal of / (allowance for) expected credit loss	8.2	1,934,462	(164,729)
Other operating expenses		(593,603)	(11,215,541)
		(172,996,025)	(257,418,636)
		(5,744,652)	107,382,262
Other operating income		7,880,515	8,344,057
Operating profit		2,135,863	115,726,319
Finance costs	20	(48,829,782)	(76,852,860)
(Loss) / profit before income tax, final tax and minimum tax		(46,693,919)	38,873,459
Final Tax		-	(48,973)
Minimum tax differential		(8,892,358)	(6,023,066)
(Loss) / profit before income tax		(55,586,277)	32,801,420
Taxation		(2,316,066)	(16,036,575)
(Loss) / profit for the period		(57,902,343)	16,764,845
(Loss) / earnings per share - basic and diluted	21	(14.85)	4.30

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.



Muhammad Haroon Qassim  
Chief Executive



Muhammad Rafique Umer Afinwala  
Director



Yasir Yousuf Chhabra  
Chief Financial officer

## Condensed Interim Statement of Comprehensive Income (Unaudited)

For the Period Ended September 30, 2024

Note	Three months period ended	
	September 30, 2024	September 30, 2023
	------(Rupees)-----	
(Loss) / profit for the period	(57,902,343)	16,764,845
Other comprehensive income	-	-
Total comprehensive (loss) / income for the period	<u>(57,902,343)</u>	<u>16,764,845</u>

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.



Mohammad Haroon Qassim  
Chief Executive



Muhammad Rafique Umer Afinwala  
Director



Yasir Yousuf Chhabra  
Chief Financial officer



# Condensed Interim Statement of Cash Flows (Unaudited)

For the Period Ended September 30, 2024

	Note	Three months period ended	
		September 30, 2024	September 30, 2023
------(Rupees)-----			
<b>Cash flows from operating activities</b>			
Cash generated from operations	22	(166,567,503)	47,789,236
Finance costs - net		(53,316,722)	(67,423,916)
Income tax - net		(9,371,840)	(51,658,335)
Net cash used in operating activities		(229,256,065)	(71,293,015)
<b>Cash flows from investing activities</b>			
Fixed capital expenditure including work in progress		(22,411,148)	(32,683,826)
Liquidation proceeds from investment in equity accounted associate		-	994,743
Sale proceeds from disposal of operating fixed assets		-	403,935
Net cash used in investing activities		(22,411,148)	(31,285,148)
<b>Cash flows from financing activities</b>			
Long term financing - net		(33,701,908)	(26,900,344)
Loan received from sponsors	11	360,000,000	-
Short term murabaha finance and istisna finance - net		32,176,190	136,578,420
Dividend paid		(475)	-
Net cash flows generated from financing activities		358,473,807	109,678,076
Net decrease in cash and cash equivalents		106,806,594	7,099,913
Cash and cash equivalents at the beginning of the period	23	(376,699,438)	(306,035,190)
Effect of movements in exchange rates on cash held		(24,924)	-
Cash and cash equivalents at the end of the period	23	(269,917,768)	(298,935,277)

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.



Muhammad Haroon Qassim  
Chief Executive



Muhammad Rafique Umer Afinwala  
Director



Yasir Yousuf Chhabra  
Chief Financial officer

# Condensed Interim Statement of Changes in Equity (Unaudited)

For the Period Ended September 30, 2024

	Issued, subscribed and paid-up capital	Loan from sponsors	Reserve			Sub total	Total
			Capital reserve	Revenue reserves			
			Share Premium	General	Unappropriated profit		
----- (Rupees) -----							
<b>Balance as at July 1, 2023</b>	39,000,000	55,000,000	10,000,000	55,000,000	589,923,888	654,923,888	748,923,888
<b>Total comprehensive income for the period ended September 30, 2023</b>							
Profit for the period	-	-	-	-	16,764,845	16,764,845	16,764,845
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	16,764,845	16,764,845	16,764,845
<b>Balance as at September 30, 2023</b>	<u>39,000,000</u>	<u>55,000,000</u>	<u>10,000,000</u>	<u>55,000,000</u>	<u>606,688,733</u>	<u>671,688,733</u>	<u>765,688,733</u>
<b>Balance as at July 1, 2024</b>	39,000,000	305,000,000	10,000,000	55,000,000	227,244,501	292,244,501	636,244,501
<b>Total comprehensive loss for the period ended September 30, 2024</b>							
Loss for the period	-	-	-	-	(57,902,343)	(57,902,343)	(57,902,343)
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	(57,902,343)	(57,902,343)	(57,902,343)
<b>Transactions with owners</b>							
Loan received during the period	-	360,000,000	-	-	-	-	360,000,000
<b>Balance as at September 30, 2024</b>	<u>39,000,000</u>	<u>665,000,000</u>	<u>10,000,000</u>	<u>55,000,000</u>	<u>169,342,158</u>	<u>234,342,158</u>	<u>938,342,158</u>

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.



Mohammad Haroon Qassim  
Chief Executive



Muhammad Rafique Umer Afinwala  
Director



Yasir Yousuf Chhabra  
Chief Financial officer

# Notes to the Condensed Interim Financial Statements

For the Period Ended September 30, 2024

## 1 STATUS AND NATURE OF BUSINESS

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

## 2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

## 3 BASIS OF PREPARATION

### 3.1 Statement of compliance

These condensed interim financial statements of the Company for the period ended September 30, 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

3.1.1 These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

3.1.2 The comparative statement of financial position presented in these condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended June 30, 2024, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes thereto for the period ended September 30, 2024 have been extracted from the condensed interim financial statements of the Company for the period ended September 30, 2023.

## 4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2024.

### 4.1 Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2024, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

#### 4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are not effective for the Company's current accounting period. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

### 5 ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2024.

		September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
	Note	------(Rupees)-----	
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.1	1,441,300,784	1,437,964,645
Capital work in progress	6.2	14,036,011	25,546,990
		<u>1,455,336,795</u>	<u>1,463,511,635</u>
<b>6.1 Operating fixed assets</b>			
Opening net book value		1,437,964,645	1,306,264,286
Additions / transfers during the period / year at cost	6.1.1	33,922,127	252,500,978
		1,471,886,772	1,558,765,264
Disposals during the period / year at net book value	6.1.1	-	(1,104,583)
Depreciation charge for the period / year		(30,585,988)	(119,696,036)
		(30,585,988)	(120,800,619)
Closing net book value		<u>1,441,300,784</u>	<u>1,437,964,645</u>

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

	September 30, 2024 (Unaudited)		June 30, 2024 (Audited)	
	Additions (at cost)	Disposals (at net book value)	Additions (at cost)	Disposals (at net book value)
	------(Rupees)-----			
Building	476,740	-	80,397,910	-
Plant and machinery	32,254,247	-	167,771,798	1,077,817
Office equipments	1,120,790	-	2,075,200	26,766
Furniture and fittings	-	-	649,809	-
Computers	70,350	-	1,606,261	-
	<u>33,922,127</u>	<u>-</u>	<u>252,500,978</u>	<u>1,104,583</u>

		September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
	Note	------(Rupees)-----	
<b>6.2 Capital work in progress</b>			
Plant and machinery		3,116,434	20,688,571
Advances to suppliers		10,919,576	4,858,419
	6.2.1	<u>14,036,010</u>	<u>25,546,990</u>
6.2.1 Movement of carrying amount is as follows:			
Opening balance		25,546,990	68,743,323
Additions (at cost) during the period / year		11,626,157	185,209,857
		<u>37,173,147</u>	<u>253,953,180</u>
Transfer to operating fixed assets during the period / year		(23,137,136)	(228,406,190)
Closing balance		<u>14,036,011</u>	<u>25,546,990</u>
<b>7 STOCK-IN-TRADE</b>			
Manufacturing:			
Raw and packing materials			
in hand		476,415,389	424,336,623
in transit		67,398,626	35,964,309
		<u>543,814,015</u>	<u>460,300,932</u>
Work-in-process		66,801,209	85,761,711
Finished goods		261,039,438	293,170,904
Less: Provision for NRV	7.1	(18,547,937)	(16,765,064)
		<u>242,491,501</u>	<u>276,405,840</u>
Trading:			
in hand		16,613,233	17,802,337
Less: Provision for NRV	7.2	(147,525)	(211,087)
		<u>16,465,708</u>	<u>17,591,250</u>
in transit		-	-
		<u>16,465,708</u>	<u>17,591,250</u>
		<u>869,572,433</u>	<u>840,059,733</u>
<b>8 TRADE DEBTS</b>			
(Unsecured - considered good)			
Due from associated undertakings	8.1	3,938	17,956
Others		51,743,202	72,069,074
		<u>51,747,140</u>	<u>72,087,030</u>
(Unsecured - considered doubtful)			
Considered doubtful		7,608,435	9,542,897
Allowance for expected credit loss	8.2	(7,608,435)	(9,542,897)
		<u>51,747,140</u>	<u>72,087,030</u>
8.1 This comprises of amounts receivable from:			
Memon Medical Institute		3,938	17,956
		<u>3,938</u>	<u>17,956</u>

		September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
	Note	------(Rupees)-----	
8.2	Allowance for expected credit loss		
	Opening balances	9,542,897	6,840,633
	(Reversal of) / allowance for expected credit loss	(1,934,462)	2,702,264
	Closing balances	<u>7,608,435</u>	<u>9,542,897</u>

## 9 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	LC and LG margin	5,000,000	5,000,000
	Security deposits	255,996	200,996
	Prepayments	1,010,681	1,323
	Sales Tax adjustable	-	9,432,717
		<u>6,266,677</u>	<u>14,635,036</u>

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

## 10 CASH AND BANK BALANCES

	Cash in hand		
	Local currency	197,633	144,320
	Foreign currency	852,317	843,660
		<u>1,049,950</u>	<u>987,980</u>
	Cash at bank		
	Current account	8,985,494	4,634,571
		<u>10,035,444</u>	<u>5,622,551</u>

10.1 This includes balances amounting to Rs. 3.494 million (June 30, 2024: Rs. 3.923 million) with Shariah compliant banks.

## 11 LOAN FROM SPONSORS

The Company had obtained a long term interest free loan from the Sponsors which at the reporting date amounts to Rs. 665 million (June 30, 2024: Rs. 305 million). This loan is unsecured with no maturity period and repayable at the discretion of the Company. The loan has been classified as per the requirements of International Financial Reporting Standards (IFRS) and the requirements of Technical Release (TR-32) issued by the Institute of Chartered Accountants of Pakistan. The breakup is as follows.

		September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
	Note	------(Rupees)-----	
	Chairman	155,000,000	-
	Chief Executive	285,000,000	225,000,000
	Director	225,000,000	80,000,000
		<u>665,000,000</u>	<u>305,000,000</u>

12 LONG TERM FINANCING - SECURED

	Installment payable	Repayment period	Profit rate	Note	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
					----- (Rupees) -----	
<b>Shariah Arrangements</b>						
Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	0.75% above 6 months KIBOR	12.1	9,649,686	12,062,108
Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	1% above 6 months KIBOR	12.1	17,012,972	21,266,215
Bank Al-Habib Limited - Islamic banking	Quarterly	2022-27	1% above 6 months KIBOR	12.1	5,296,500	5,826,150
Bank Al-Habib Limited - Islamic banking	Quarterly	2022-27	1% above 6 months KIBOR	12.1	2,826,474	3,109,121
Bank Al-Habib Limited - Islamic banking	Quarterly	2023-28	1% above 6 months KIBOR	12.1	4,762,750	5,080,267
Bank Al-Habib Limited - Islamic banking	Quarterly	2024-28	1% above 6 months KIBOR	12.1	43,175,250	43,175,250
Bank Al-Habib Limited - Islamic banking	Quarterly	2024-28	1% above 6 months KIBOR	12.1	16,626,672	16,626,672
Bank Al-Habib Limited - Islamic banking	Quarterly	2024-28	1% above 6 months KIBOR	12.1	9,287,467	9,287,467
Bank Al-Habib Limited - Islamic banking	Quarterly	2024-28	1% above 6 months KIBOR	12.1	3,281,716	3,281,716
Bank Al-Habib Limited - Islamic banking	Quarterly	2024-28	1% above 6 months KIBOR	12.1	8,456,400	8,456,400
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.2	884,698	1,327,046
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.2	3,639,630	4,549,537
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	12.2	1,366,137	1,639,363
Meezan Bank Limited	Quarterly	2019-25	1.2% above 3 months KIBOR	12.2	1,244,654	1,493,583
Meezan Bank Limited	Quarterly	2019-25	4% above SBP 3 months KIBOR	12.3	15,351,295	20,468,396
Bank Al falah Limited	Quarterly	2023-32	4% above SBP Rate	12.4	5,200,349	5,356,456
Bank Al falah Limited	Quarterly	2023-31	4% above SBP Rate	12.4	2,458,974	2,539,664
Bank Al falah Limited	Quarterly	2024-32	4% above SBP Rate	12.4	12,633,299	12,983,208
Bank Al falah Limited	Quarterly	2024-32	4% above SBP Rate	12.4	114,625,004	117,476,998
Bank Al-Habib Limited - Islamic banking	Quarterly	2023-31	1% above 6 months KIBOR	12.5	260,237,743	273,527,524
					538,017,670	569,533,141
<b>Shariah Arrangements</b>						
<b>Less: Current portion shown under current liabilities</b>						
Bank Al-Habib Limited - Islamic banking				12.1 & 12.5	(100,915,867)	(98,017,497)
Meezan Bank Limited				12.2 & 12.3	(21,964,250)	(27,523,699)
Bank Al falah Limited				12.4	(22,500,548)	(14,075,390)
					(145,380,665)	(139,616,586)
					<b>392,637,005</b>	<b>429,916,555</b>

- 12.1 This facility has been obtained from Bank Al-Habib Limited-Islamic banking under this diminishing musharakah aggregating to Rs. 389.667 million out of which Rs. 228.094 million (June 30, 2024: Rs. 228.094 million ) utilized as at the reporting date. 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. 7.795 million (June 30, 2024: Rs. 30.547 million). The facility is secured by first exclusive charge of particular machinery of the Company and personal guarantee of chairman of the Board of Directors. The facility carries profit rates ranging from 21.76% to 22.79% (June 30, 2024: 17.44% to 24.16%) per annum.
- 12.2 This facility has been obtained from Meezan Bank Limited under this diminishing musharakah aggregating to Rs. 95 million out of which Rs. 35.614 million (June 30, 2024: Rs. 35.614 million) utilized as at the reporting date. The term of the loan was 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. 1.874 million (June 30, 2024: Rs. 9.151 million). The facility is secured by a first exclusive charge over particular machinery of the Company. The facility carries profit rate of 20.00% (June 30, 2024: 20.00%) per annum.
- 12.3 This facility has been obtained from Meezan Bank Limited under this diminishing musharakah aggregating to Rs. 125 million out of which Rs. 102.342 million (June 30, 2024: Rs. 102.342 million) utilized as at the reporting date. The term of the loan was 5 years from the date of disbursement, repayable in 20 equal quarterly installments started from August 2019. During the period, the Company had made repayment of Rs. 5.117 million (June 30, 2024: Rs. 20.468 million). The facility 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. The facility carries profit rate of 20.00% (June 30, 2024: 20.00%) per annum.
- 12.4 This facility has been obtained under the Temporary Economic Refinance Facility (TERF) from Bank Al Falah Limited under diminishing musharakah aggregating to Rs. 180 million out of which Rs. 180 million (June 30, 2024: Rs. 180 million) utilized as at the reporting date. The term of the loan was 10 years including 2 years grace period from the date of disbursement, repayable in 32 equal quarterly installments. During the period, the Company had made repayment of Rs. 5.625 million (June 30, 2024: Rs. 1.239 million). The 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.
- 12.5 This facility has been obtained from Bank Al Habib Limited - Islamic banking under this diminishing musharakah aggregating to Rs. 450 million out of which Rs. 364.955 million (June 30, 2024: Rs. 364.955 million) utilized as at the reporting date. The term of the loan was 8 years including 1 year grace period from the date of disbursement, repayable in 28 equal quarterly installments. During the period, the Company had made repayment of Rs. 13.290 million (June 30, 2024: Rs. 48.623 million). The facility is secured by a equitable mortgage of factory property and personal guarantee of Chairman of the Board of Directors. The facility carries profit rates ranging from 21.14% to 23.22% (June 30, 2024: 18.10% to 24.04%) per annum.

		September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
	Note	------(Rupees)-----	
<b>13 DEFERRED GOVERNMENT GRANT</b>			
Government grant	13.1	38,218,518	40,404,955
Less: Current portion shown under current liabilities		(8,251,238)	(8,425,158)
		<u>29,967,280</u>	<u>31,979,797</u>

- 13.1 The Company had availed long term finance facility. The 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'.



		September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
	Note	------(Rupees)-----	
<b>14</b>	<b>TRADE AND OTHER PAYABLES</b>		
	Creditors	318,161,596	379,970,928
	Bills payable	41,747,317	35,033,486
	Accrued liabilities	89,714,067	92,760,626
	Sales tax payable	9,328,825	-
	Provident fund payable	87,742	79,236
	Contract Liability	42,112,922	51,368,740
		<u>501,152,469</u>	<u>559,213,016</u>

**15 DUE TO RELATED PARTY**

Premier Sales (Private) Limited	15.1	93,436,614	236,148,435
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15.1 The balance pertains to Premier Sales (Private) Limited, that acts as a sales distributor for the Company. It is responsible for distributing the Company's products in specified regions. In addition to the sales transactions, the Company reimburses its selling and distribution expenses, incurred in the ordinary course of business.

		September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
	Note	------(Rupees)-----	
<b>16</b>	<b>SHORT TERM BORROWINGS - SECURED</b>		
	From banking companies - secured		
	Islamic mode		
	Murabaha finance	183,920,801	123,527,977
	Running musharakah	279,953,212	382,321,989
	Istisna financing	101,969,011	130,185,645
		<u>565,843,024</u>	<u>636,035,611</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 moveable fixed assets and hypothecation of current assets of the Company. The Company has murabaha financing facility of Rs. 1,025 million (June 30, 2024: Rs. 1,025 million) out of which Rs. 300 million (June 30, 2024: Rs. 300 million) is interchangeable with running musharakah & Rs. 675 million (June 30, 2024: Rs. 675 million) with istisna. In addition, the Company has running musharakah facility of Rs. nill (June 30, 2024: Rs. 100 million). During the period, profit rate on such arrangements ranged between KIBOR + 0.50% to KIBOR + 0.75% (June 30, 2024: KIBOR + 0.50% to KIBOR + 0.75%) per annum.

		September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
		------(Rupees)-----	
<b>17</b>	<b>ACCRUED PROFIT</b>		
	Long-term financing from Banks		
	Shariah Arrangement:		
	Diminishing musharakah	22,187,347	20,331,294

	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
------(Rupees)-----		
Short-term borrowings from Banks		
Murabaha financing	8,029,261	5,767,643
Musharakah financing	10,666,853	13,345,442
Istisna financing	2,039,035	7,925,468
	20,735,149	27,038,553
Guarantee commission	33,598	73,187
	42,956,094	47,443,034

## 18 CONTINGENCIES AND COMMITMENTS

### 18.1 Contingencies

18.1.1 There is no significant change in the status of contingencies as set out in the Company's annual financial statements for the year ended June 30, 2024.

### 18.2 Commitments

18.2.1 The Company has commitments under letter of credit for purchases amounting to Rs. 49.686 million (June 30, 2024: Rs. 110.919 million).

18.2.2 The Company has letter of credit and other commitments for capital expenditures amounting to Rs. 19.747 million (June 30, 2024: Rs. 4.453 million).

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
------(Rupees)-----		
<b>19 SALES - NET</b>		
Gross sales		
Local sales	829,746,011	1,520,685,386
Sales tax	(129,724,111)	(236,466,239)
	700,021,900	1,284,219,147
Discounts	(17,650,741)	(46,078,834)
	682,371,159	1,238,140,313
Export sales	37,543,431	3,967,911
	719,914,590	1,242,108,224
19.1 Information by geographical area for export sales		
Afghanistan	15,716,141	-
Madagascar	5,655,530	-
Mozambique	-	3,500,396
Sudan	9,459,609	-
Uganda	-	467,515
UK	1,570,667	-
Uzbekistan	5,141,484	-
	37,543,431	3,967,911

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
	------(Rupees)-----	
<b>20 FINANCE COSTS</b>		
Shariah Arrangement		
Profit on short term borrowings	21,649,492	51,233,878
Rent on diminishing musharakah	26,707,674	25,297,497
Guarantee commission	83,377	76,872
Bank charges	308,210	217,326
	<b>48,748,753</b>	<b>76,825,573</b>
Non-Shariah Arrangement		
Guarantee commission	478	3,000
Bank charges	80,551	24,287
	<b>48,829,782</b>	<b>76,852,860</b>

**21 (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED**

(Loss) / profit for the period (Rupees)	(57,902,343)	16,764,845
	<b>(Number of shares)</b>	
Weighted average number of ordinary shares in issue during the period (shares)	3,900,000	3,900,000
(Loss) / earnings per share - basic (Rupees per share)	(14.85)	4.30

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
	------(Rupees)-----	
<b>22 CASH GENERATED FROM OPERATIONS</b>		
(Loss) / profit before taxation	(46,693,919)	38,873,459
Adjustments for:		
Depreciation	31,001,754	28,454,456
Amortization	18,408	18,408
(Reversal of) / allowance for expected credit loss	8.2 (1,934,462)	164,729
Exchange loss	24,924	-
(Gain) on disposal of property, plant and equipment	-	(233,384)
Finance costs	20 48,829,782	76,852,860
Changes in:		
Stores and spares	3,650,565	(2,052,684)
Stock-in-trade	(29,512,700)	(230,622,431)
Trade receivables	22,274,352	16,651,628
Loans and advances	(1,822,198)	(11,547,235)
Trade deposits and short term prepayments	8,368,359	2,027,318
Trade and other payables	(58,060,547)	129,202,112
Due to related party	(142,711,821)	-
Cash generated from operations	<b>(166,567,503)</b>	<b>47,789,236</b>

		September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
	Note	------(Rupees)-----	
<b>23 CASH AND CASH EQUIVALENTS</b>			
Running musharakah - secured	16	(279,953,212)	(303,872,900)
Cash and bank balances	10	10,035,444	4,937,623
		<u>(269,917,768)</u>	<u>(298,935,277)</u>

## 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 :

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Baby care	87.32%	90.95%
Oral care	10.77%	8.46%
Hygiene	1.91%	0.59%
	<u>100.00%</u>	<u>100.00%</u>

		September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
	Note	------(Rupees)-----	
<b>25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES</b>			
<b>25.1 Financial instruments by category</b>			
<b>Financial assets at amortized cost</b>			
Deposits		1,401,982	1,346,982
Loan to employees		642,844	777,646
Trade debts	8	51,747,140	72,087,030
Cash and bank balances	10	10,035,444	5,622,551
		<u>63,827,410</u>	<u>79,834,209</u>
<b>Financial liabilities at amortized cost</b>			
Long term financing - secured	12	538,017,670	569,533,141
Trade and other payables	14	449,710,722	507,844,276
Accrued profit	17	42,956,094	47,443,034
Short term borrowings - secured	16	565,843,024	636,035,611
		<u>1,596,527,510</u>	<u>1,760,856,062</u>

## 26 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices.
- Level 3: Inputs for the asset or liability that are not based on observable market data ( that is, unadjusted) inputs.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. At the reporting date, none of the financial instruments of the company are carried at fair value.

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

## 27 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of other associated companies, key management personnel, directors and post employment benefit plan. Transactions with related parties and associated undertakings other than those disclosed elsewhere in the financial statements are as under:

### 27.1 Transactions

Name	Nature of relationship	Basis of relationship	Nature of transaction	September 30,	September 30,
				2024 (Unaudited)	2023 (Unaudited)
				------(Rupees)-----	
Premier Sales (Private) Limited	Associated undertaking	Common Director	Sale of goods - net off discount of Rs. 0.017 million	492,049,524	643,434,443
			(September 30, 2023: Rs. 0.061 million)		
			Reimbursement of selling and distribution expenses	67,582,271	78,671,318
			Sindh sales tax on distribution services	52,436	-
Memon Medical Institute	Associated undertaking	Common Director	Sale of goods	3,938	18,861
Mr. Ebrahim Qassim	Related parties	Chairman	Loan received	155,000,000	-
Mr. Mohammad Haroon Qassim	Related parties	Chief Executive	Loan received	60,000,000	-
Mr. Mohammad Salman Qassim	Related parties	Director	Loan received	145,000,000	-
Employees provident fund	Retirement benefit fund	Employees benefit fund	Contribution made	3,050,553	2,968,822
Key management personnel	Related parties	Executives	Remuneration and benefits	10,308,740	11,239,787

27.2 The Company does not have any shareholding in above related parties as on September 30, 2024 (June 30, 2024: Nil).

	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
	------(Rupees)-----	
<b>27.3 Period / year end balances</b>		
Receivable from related parties (refer note 8.1)	3,938	17,956
Payable to related parties (refer note 15)	93,436,614	236,148,435
Loan from Sponsors (refer note 11)	665,000,000	305,000,000

27.4 The transactions with related parties are conducted at terms agreed and as approved by the Company's Board of Directors.

## 28 SUBSEQUENT EVENTS

On October 22, 2024 the Board of Directors' have approved the sale of investment property to a related party, Pharmevo (Private) Limited for a consideration of Rs. 400 million.

## 29 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 28, 2024 by the Board of Directors of the Company.

## 30 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made other than those mentioned in these financial statements.

## 31 GENERAL

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



\_\_\_\_\_  
Muhammad Haroon Qassim  
Chief Executive



\_\_\_\_\_  
Muhammad Rafique Umer Afinwala  
Director



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

# Shield®

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