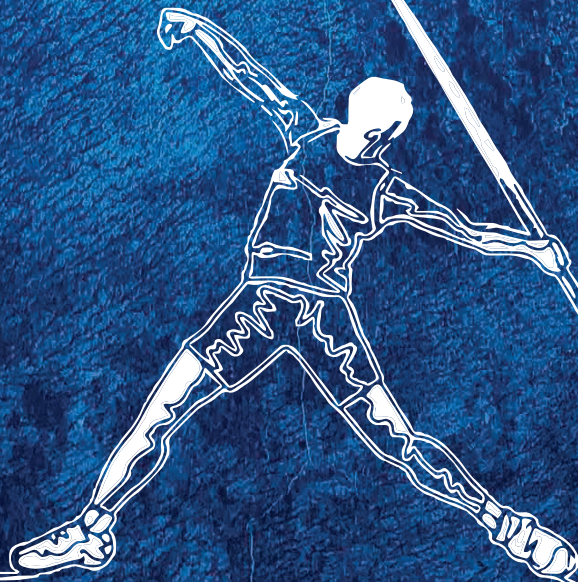


RAISING THE BAR



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COMPANY INFORMATION

Board of Directors

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

Audit Committee

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

Human Resource & Remuneration Committee

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

Risk Management Committee

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

Chief Financial Officer

Mr. Yasir Yousuf Chhabra

Company Secretary

Mr. Hafiz Muhammad Hasan

Head of Internal Audit

Mr. Tariq Shahzad

Legal Advisors

Mr. Shafqat Zaman

External Auditors

BDO Ebrahim & Co.
Chartered Accountants

Internal Auditors

Yousuf Adil
Chartered Accountants

Bankers

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

Registrar & Share Registration Office

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

Registered Office

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

Factory

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

Email & URL

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

DIRECTORS' REVIEW

On behalf of the Board of Directors, it is our pleasure to present the un-audited condensed interim financial statement for the half year ended December 31, 2022.

Financial summary

Operating Results	December, 2022	December, 2021	Increase / (Decrease)
	(Rupees)	(Rupees)	
Net Sales	2,095,245,314	1,174,053,457	78.46%
Gross Profit	485,670,669	289,269,176	67.90%
Gross Profit %	23.18%	24.64%	(146 bps)
Selling and Distribution Expenses	312,996,510	200,348,495	56.23%
Administrative Expenses	29,122,937	29,705,289	(1.96%)
Finance Costs	84,378,282	33,050,494	155.30%
Profit Before Tax	67,710,753	30,393,699	122.78%
Profit After Tax	35,745,699	20,123,271	77.63%
Earnings per Share	9.17	5.16	77.63%

The Company continued its growth trajectory by effective supply chain management. Sales of the Company increased by 78.46%, net profit after tax in value terms increased by Rs. 15.62 million in half year ended December 31, 2022. Finance cost increased due to higher borrowing rate and increased utilization of short term and long-term borrowings.

Our Country is passing through unprecedented tough time. The political uncertainty, constant depletion of foreign exchange reserves, devaluation of Pak Rupee, higher KIBOR, rising inflation rate and high fuel prices have significantly slowed down the business activities in the country. Opening of LCs has become a challenge for businesses, also businesses are facing great difficulty in getting their items cleared from port due to scarcity of dollars. The Company is committed for the sustainability of its business. However, the prolonged economic crisis may damage the sales volumes and profitability of the Company in the future periods.

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

On behalf of the Board



Mohammad Haroon Qassim
Chief Executive



Vali Muhammad A. Habib
Director

Karachi: February 22, 2023

ڈائریکٹرز کا جائزہ

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

سرمائے کا خلاصہ

عملداری نتائج	دسمبر ۲۰۲۲ (روپے)	دسمبر ۲۰۲۱ (روپے)	اضافہ/ (کمی)
خالص سیلز	2,095,245,314	1,174,053,457	78.46%
مجموعی منافع	485,670,669	289,269,176	67.90%
مجموعی فیصدی منافع	23.18%	24.64%	(146 bps)
فروخت اور تقسیم کاری کے اخراجات	312,996,510	200,348,495	56.23%
انتظامی اخراجات	29,122,937	29,705,289	(1.96%)
مالیاتی لاگت	84,378,282	33,050,494	155.30%
قبل از ٹیکس منافع	67,710,753	30,393,699	122.78%
بعد از ٹیکس منافع	35,745,699	20,123,271	77.63%
نی شیئر آمدنی	9.17	5.16	77.63%

کمپنی نے موثر سپلائی چین مینجمنٹ کے ذریعے اپنی ترقی کی رفتار کو جاری رکھا۔ خالص سیلز %78.46 سے اور بعد از ٹیکس منافع مالی طور پر 15.62 ملین روپے سے ۳۱ دسمبر ۲۰۲۲ کو ختم ہونے والی نصف سالانہ مدت میں بڑھا۔ قرض لینے کی بلند شرح اور قلیل المیعاد اور طویل المیعاد قرضوں کے بڑھتے ہوئے استعمال کی وجہ سے مالیاتی لاگت میں اضافہ ہوا۔

ہمارا ملک بے مثال مشکل وقت سے گزر رہا ہے۔ غیر یقینی سیاسی صورت حال، زرمبادلہ کے ذخائر میں مسلسل کمی، پاکستانی روپے کی قدر میں کمی، بلند KIBOR، مہنگائی کی بڑھتی ہوئی شرح اور ایندھن کی بلند قیمتوں نے ملک میں کاروباری سرگرمیاں نمایاں طور پر سست کر دی ہیں۔ ایل بیز کھلوانا کاروباری اداروں کے لیے ایک چیلنج بن گیا ہے۔ ڈالر کی قلت کے باعث کاروبار کے لیے اپنی اشیاء پورٹ سے کلیئر کرانے میں بھی شدید مشکلات کا سامنا ہے۔ کمپنی اپنے کاروبار کے استحکام کے لیے پرعزم ہے۔ تاہم، طویل معاشی بحران مستقبل کے ادوار میں کمپنی کی فروخت کے حجم اور منافع کو نقصان پہنچا سکتا ہے۔

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

بورڈ آف ڈائریکٹرز کی طرف سے

لی

ولی محمد اے حبیب
ڈائریکٹر

Ullas

محمد ہارون قاسم
چیف ایگزیکٹو

کراچی: ۲۲ فروری ۲۰۲۳

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS 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, 2022 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of cash flows, the condensed interim statement of changes in equity and notes to the condensed interim financial statement for the six-month period then ended (here-in-after referred as the "interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements 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 condensed interim financial statements 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 statements as at and for the six months' period ended December 31, 2022 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the condensed interim financial statements for the quarter ended December 31, 2022 and December 31, 2021 in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.



The engagement partner on the engagement resulting in this independent auditor's review report is Tariq Feroz Khan.

KARACHI

DATED: 22 FEB 2023

UDIN: RR202210166QniGFM5fd

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
Note		------(Rupees)-----	
ASSETS			
NON - CURRENT ASSETS			
	6	1,322,574,265	1,253,740,084
		156,375	187,126
		113,903,427	114,794,870
		1,145,986	1,145,986
		1,443,493	1,774,325
		<u>1,439,223,546</u>	<u>1,371,642,391</u>
CURRENT ASSETS			
		47,020,184	47,242,906
	7	847,097,234	775,365,798
	8	73,171,756	56,109,916
		23,171,951	21,879,827
	9	15,081,439	47,928,163
		117,530,259	77,921,296
	10	5,746,364	3,645,251
		<u>1,128,819,187</u>	<u>1,030,093,157</u>
		<u>2,568,042,733</u>	<u>2,401,735,548</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
		150,000,000	150,000,000
		39,000,000	39,000,000
		55,000,000	55,000,000
		10,000,000	10,000,000
		535,705,432	499,959,733
		<u>639,705,432</u>	<u>603,959,733</u>
NON - CURRENT LIABILITIES			
		50,353,340	42,638,676
	11	514,959,550	511,893,559
		5,400,000	5,400,000
	12	44,712,382	48,850,715
		<u>615,425,272</u>	<u>608,782,950</u>
CURRENT LIABILITIES			
	13	456,381,640	263,294,281
	15	44,754,055	38,716,123
	11	128,828,231	154,605,050
	12	7,859,977	8,322,507
	14	674,115,476	723,056,010
		352,503	378,753
		620,147	620,141
		<u>1,312,912,029</u>	<u>1,188,992,865</u>
		<u>2,568,042,733</u>	<u>2,401,735,548</u>
TOTAL EQUITY AND LIABILITIES			


CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.


Mohammad Haroon Qassim
Chief Executive


Vali Muhammad A. Habib
Director


Yasir Yousuf Chhabra
Chief Financial officer



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED) FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2022

	Note	Six months ended		Quarter ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		----- (Rupees) -----		----- (Rupees) -----	
Sales - net	17	2,095,245,314	1,174,053,457	1,162,041,507	643,623,906
Cost of sales		(1,609,574,645)	(884,784,281)	(904,348,552)	(496,030,905)
Gross profit		485,670,669	289,269,176	257,692,955	147,593,001
Selling and distribution expenses		(312,996,510)	(200,348,495)	(156,305,665)	(107,413,013)
Administrative and general expenses		(29,122,937)	(29,705,289)	(14,800,190)	(14,501,918)
Other operating expenses		(12,048,675)	(12,333,121)	(2,819,866)	(4,912,988)
		(354,168,122)	(242,386,905)	(173,925,721)	(126,827,919)
		131,502,547	46,882,271	83,767,234	20,765,082
Other operating income		20,917,320	17,034,469	10,013,311	10,168,341
Operating profit before finance costs		152,419,867	63,916,740	93,780,545	30,933,423
Share of loss on investment in associate		(330,832)	(472,547)	(114,770)	(220,248)
Finance costs	18	(84,378,282)	(33,050,494)	(43,539,759)	(18,573,568)
Profit before taxation		67,710,753	30,393,699	50,126,016	12,139,607
Taxation		(31,965,054)	(10,270,428)	(16,339,536)	(4,757,970)
Profit for the period		35,745,699	20,123,271	33,786,480	7,381,637
Earnings per share - basic and diluted	19	9.17	5.16	8.66	1.89

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.



Mohammad Haroon Qassim
Chief Executive



Vali Muhammad A. Habib
Director



Yasir Yousuf Chhabra
Chief Financial officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE SIX MONTHS AND QUARTER ENDED DECEMBER 31, 2022

	Six months ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- (Rupees) -----		----- (Rupees) -----	
Profit for the period	35,745,699	20,123,271	33,786,480	7,381,637
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>35,745,699</u>	<u>20,123,271</u>	<u>33,786,480</u>	<u>7,381,637</u>

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.



 Mohammad Haroon Qassim
 Chief Executive



 Vali Muhammad A. Habib
 Director



 Yasir Yousuf Chhabra
 Chief Financial officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

	Note	Six months period ended	
		December 31, 2022	December 31, 2021
------(Rupees)-----			
Cash flows from operating activities			
Cash generated from / (used in) operations	20	332,367,035	(30,564,467)
Finance costs - net		(78,340,350)	(25,641,636)
Income tax - net		(63,859,353)	(28,220,042)
Net cash flows generated from / (used in) operating activities		190,167,332	(84,426,145)
Cash flows from investing activities			
Fixed capital expenditure including work in progress		(111,955,081)	(225,957,569)
Addition in intangible assets		(90,401)	(128,700)
Sales proceeds from disposal of property, plant and equipment		12,170	1,089,875
Net cash used in investing activities		(112,033,312)	(224,996,394)
Cash flows from financing activities			
Long term financing diminishing musharakah - net		(27,311,691)	83,723,388
Short term murabaha finance and istisna finance - net		8,050,309	203,779,635
Dividend paid		(26,244)	(7,755,334)
Net cash flows (used in) / generated from financing activities		(19,287,626)	279,747,689
Net increase / (decrease) in cash and cash equivalents		58,846,394	(29,674,850)
Cash and cash equivalents at the beginning of the period		(237,351,184)	(175,022,493)
Exchange gain		245,562	-
Cash and cash equivalents at the end of the period	21	(178,259,228)	(204,697,343)

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.



Mohammad Haroon Qassim
Chief Executive



Vali Muhammad A. Habib
Director



Yasir Yousuf Chhabra
Chief Financial officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

	Issued, subscribed and paid-up capital	Loan from Chief Executive	Reserve				Total
			Capital reserve	Revenue reserves		Sub total	
			Share Premium	General	Unappropriated profit		
----- (Rupees) -----							
Balance as at July 1, 2021 (Audited)	39,000,000	55,000,000	10,000,000	55,000,000	434,997,768	499,997,768	593,997,768
Total comprehensive income for the period ended December 31, 2021							
Profit for the period	-	-	-	-	20,123,271	20,123,271	20,123,271
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	20,123,271	20,123,271	20,123,271
Transactions with owners							
Final dividend for the year ended June 30, 2021 @ 2.00 per share	-	-	-	-	(7,800,000)	(7,800,000)	(7,800,000)
Balance as at December 31, 2021 (Un-audited)	39,000,000	55,000,000	10,000,000	55,000,000	447,321,039	512,321,039	606,321,039
Balance as at July 1, 2022 (Audited)	39,000,000	55,000,000	10,000,000	55,000,000	444,959,733	509,959,733	603,959,733
Total comprehensive Income for the period ended December 31, 2022							
Profit for the period	-	-	-	-	35,745,699	35,745,699	35,745,699
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	35,745,699	35,745,699	35,745,699
Balance as at December 31, 2022 (Un-audited)	39,000,000	55,000,000	10,000,000	55,000,000	480,705,432	545,705,432	639,705,432

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.



Mohammad Haroon Qassim
Chief Executive



Vali Muhammad A. Habib
Director



Yasir Yousuf Chhabra
Chief Financial officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

1 STATUS AND NATURE OF BUSINESS

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

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

These condensed interim financial statements of the Company for the Six month ended December 31, 2022 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

- 3.1.1 These condensed interim financial statements 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.
- 3.1.2 These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.
- 3.1.3 The comparative statement of financial position presented in these condensed interim financial statements as at June 30, 2022 have been extracted from the annual audited financial statements of the Company for the year ended June 30, 2022, whereas the comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes thereto for the six month period ended December 31, 2021 have been extracted from the condensed interim financial information of the company for the six month period ended, which were subjected to a review but not audited.
- 3.1.4 The figures of the condensed interim profit or loss and other comprehensive income for the quarter ended December 31, 2022 and December 31, 2021 included in these condensed interim financial statements was neither subjected to review nor audited.

3.2 Basis of measurement

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

3.3 Functional and presentation currency

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

4 SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

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

4.1 Initial application of standards, amendments or an interpretation to existing standards

a) 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 July 01, 2022, 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.

b) 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 mandatory for the Company's accounting periods beginning on or after January 1, 2023, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

5 ESTIMATES AND JUDGEMENTS

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

6 PROPERTY, PLANT AND EQUIPMENT

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
Note		------(Rupees)-----	
	Operating fixed assets	832,163,088	675,592,687
	Capital work in progress	490,411,177	578,147,397
		<u>1,322,574,265</u>	<u>1,253,740,084</u>

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
	Note	------(Rupees)-----	
6.1 Operating fixed assets			
Opening net book value		675,592,687	653,332,458
Additions / Transfers during the period / year at cost	6.1.1	199,691,302	100,077,620
		<u>875,283,989</u>	<u>753,410,078</u>
Disposals during the period / year at net book value		60,605	6,878,862
Depreciation charge for the period / year		43,060,296	70,938,529
		<u>(43,120,901)</u>	<u>(77,817,391)</u>
Closing net book value		<u>832,163,088</u>	<u>675,592,687</u>

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

	(Unaudited) December 31, 2022		(Audited) June 30, 2022	
	Additions (at cost)	Disposals (at net book value)	Additions (at cost)	Disposals (at net book value)
	------(Rupees)-----			
Building	-	-	3,434,800	-
Plant and machinery	190,640,280	-	83,891,006	6,401,241
Office equipments	3,633,867	55,776	5,733,122	66,157
Furniture and fittings	1,049,246	-	3,332,392	271,663
Computers	1,344,900	4,829	3,686,300	139,801
Motor vehicles	3,023,009	-	-	-
	<u>199,691,302</u>	<u>60,605</u>	<u>100,077,620</u>	<u>6,878,862</u>

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
	Note	------(Rupees)-----	
6.2 Capital work in progress			
Capital work in progress	6.2.1	490,411,177	578,147,397
6.2.1 Movement of carrying amount is as follows:			
Opening balance		578,147,397	2,889,219
Additions (at cost) during the period / year		101,770,015	641,206,020
		<u>679,917,412</u>	<u>644,095,239</u>
Transfer to operating fixed assets during the period / year		(189,506,235)	(65,947,842)
Closing balance	6.2.2	<u>490,411,177</u>	<u>578,147,397</u>

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

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
	Note	------(Rupees)-----	
7	STOCK-IN-TRADE		
	Manufacturing:		
	Raw and packing materials		
	in hand	457,990,020	510,378,288
	in transit	188,800,218	120,834,744
		<u>646,790,238</u>	<u>631,213,032</u>
	Work-in-process	36,306,054	32,863,802
	Finished goods	7.1 138,699,989	81,904,932
	Trading:		
	in hand	7.1 25,298,109	14,585,778
	in transit	2,844	14,798,254
		<u>847,097,234</u>	<u>775,365,798</u>

7.1 This includes finished goods with cost of Rs. 84.242 million (2022: 12.617 million) which are being carried at their net realizable value of Rs. 75.239 million (2022: 10.061 million).

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
	Note	------(Rupees)-----	
8	TRADE DEBTS		
	(Unsecured - considered good)		
	Due from associated undertakings	8.1 3,803,905	3,615,613
	Others	69,367,851	52,494,303
		<u>73,171,756</u>	<u>56,109,916</u>
	(Unsecured - considered doubtful)		
	Considered doubtful	2,660,092	3,047,304
	Allowance for expected credit losses	(2,660,092)	(3,047,304)
		<u>73,171,756</u>	<u>56,109,916</u>

8.1 Due from associated undertakings

Premier Sales (Private) Limited	3,746,857	2,794,307
Memon Medical Institute	48,858	43,144
Zaman Textile Mills (Private) Limited	8,190	8,190
EHC (Private) Limited	-	769,972
	<u>3,803,905</u>	<u>3,615,613</u>

9 **TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

LC margin	10,000,700	2,214,665
Security deposits	9.1 468,996	1,460,276
Prepayments	3,566,163	281,551
Sales Tax adjustable	-	42,926,091
Sales tax refundable	1,045,580	1,045,580
	<u>15,081,439</u>	<u>47,928,163</u>

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

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
	Note	----- (Rupees) -----	
10 CASH AND BANK BALANCES			
Cash in hand			
Local currency		204,553	239,529
Foreign currency		715,836	619,997
		920,389	859,526
Cash at bank			
Current account	10.1	4,825,975	2,785,725
		5,746,364	3,645,251

10.1 This includes balances amounting to Rs. 3.019 million (2022: Rs. 1.505 million) with Shariah compliant banks.

11 LONG TERM FINANCING - SECURED

	Installment payable	Repayment period	Profit rate	Note	(Unaudited) December 31, 2022	(Audited) June 30, 2022
					----- (Rupees) -----	
Shariah Arrangements						
Bank Al-Habib Limited - Islamic banking	Quarterly	2017-22	0.50% above 6 months KIBOR	11.1 & 11.2	-	11,000,000
Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	0.75% above 6 months KIBOR	11.1 & 11.2	26,536,637	31,361,480
Bank Al-Habib Limited - Islamic banking	Quarterly	2019-25	1% above 6 months KIBOR	11.1 & 11.2	46,785,674	55,292,160
Bank Al-Habib Limited - Islamic banking	Quarterly	2022-27	1% above 6 months KIBOR	11.2	9,004,050	9,533,700
Bank Al-Habib Limited - Islamic banking	Quarterly	2022-27	1% above 6 months KIBOR	11.2	4,805,005	5,370,300
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	11.1 & 11.3	3,981,134	4,865,829
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	11.1 & 11.3	10,008,979	11,828,792
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	11.1 & 11.3	3,278,719	3,825,169
Meezan Bank Limited	Quarterly	2019-25	1.2% above 3 months KIBOR	11.1 & 11.3	2,987,157	3,485,012
Meezan Bank Limited	Quarterly	2019-25	1% above 3 months KIBOR	11.1 & 11.4	51,171,002	61,405,206
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	11.3	1,245,728	2,076,218
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	11.3	1,981,704	3,302,836
Meezan Bank Limited	Quarterly	2020-23	1% above 3 months KIBOR	11.3	705,982	1,176,636
Meezan Bank Limited	Quarterly	2020-23	3 months KIBOR	11.3	1,025,330	1,708,888
Bank Al falah Limited	Quarterly	2023-32	4% above SBP Rate	11.6	5,475,561	5,376,247
Bank Al falah Limited	Quarterly	2023-31	4% above SBP Rate	11.6	2,731,670	2,700,817
Bank Al falah Limited	Quarterly	2024-32	4% above SBP Rate	11.6	12,562,942	12,282,103
Bank Al falah Limited	Quarterly	2024-32	4% above SBP Rate	11.6	106,657,468	103,434,252
Bank Al-Habib Limited - Islamic banking	Quarterly	2022-29	1% above 6 months KIBOR	11.7	340,240,664	299,632,458
					631,185,406	629,658,103

	Installment payable	Repayment period	Profit rate	Note	(Unaudited) December 31, 2022	(Audited) June 30, 2022
					(Rupees)	
Non shariah Arrangements						
Habib Metropolitan Bank	Quarterly	2021-22	2% above SBP Rate	11.5	12,602,375	36,840,506
					643,787,781	666,498,609
Less: Current portion shown under current liabilities						
Shariah Arrangements						
Bank Al-Habib Limited - Islamic banking				11.2 & 11.7	(83,051,572)	(83,186,835)
Meezan Bank Limited				11.3 & 11.4	(32,924,793)	(34,577,709)
Bank Al falah Limited				11.6	(249,491)	-
					(116,225,856)	(117,764,544)
Non shariah Arrangements						
Habib Metropolitan Bank				11.5	(12,602,375)	(36,840,506)
					(128,828,231)	(154,605,050)
					514,959,550	511,893,559

- 11.1 As per State Bank of Pakistan relief package, all of the principal payments under diminishing musharakah arrangements were deferred by one year. Consequently, the term for all of arrangements is increased by a year.
- 11.2 The Company has long term loans arrangement with Bank Al-Habib Limited - Islamic banking for an amount of Rs. 141.552 million (June 30, 2022: Rs. 251.552 million). The term of the loan was 5 years from the date of disbursement, repayable in 20 equal quarterly installments. During the period, the Company had made repayment of Rs. 25.426 million (June 30, 2022: Rs. 48.663 million) on which, profit was 11.74% to 17.00% (June 30, 2022: 8.10% to 12.22%) per annum. The Company had total facility of Rs. 249.667 million. Islamic finance under this diminishing musharakah is secured by an equitable mortgage of head office property, first exclusive charge of particular machinery of the Company and personal guarantee of Chairman of the Board of Directors.
- 11.3 The Company has a long term loan arrangement with Meezan Bank Limited for an amount of Rs. 53.796 million (June 30, 2022: Rs. 53.796 million). The term of the loan was from 2 to 5 years from the date of disbursement, repayable in 8 to 20 equal quarterly installments. During the period, the Company had made repayment of Rs. 7.055 million (June 30, 2022: Rs. 19.863 million) on which, profit was 13.01% to 17.08% (June 30, 2022: 8.39% to 12.60%) per annum. The Company had total facility of Rs. 95 million. Islamic finance under this diminishing musharakah is secured by a first exclusive charge over particular machinery of the Company.
- 11.4 The Company has a long term loan arrangement with Meezan Bank Limited of an amount of Rs. 102.342 million (June 30, 2022: Rs. 102.342 million). The term of the loan was 5 years from the date of disbursement, repayable in 20 equal quarterly installments started from August 2019. During the period, the Company had made repayment of Rs. 10.234 million (June 30, 2022: Rs. 20.468 million) on which, profit was 15.85% to 16.97% (June 30, 2022: 8.58% to 11.57%) per annum. The Company had total facility of Rs. 125 million. Islamic finance under this diminishing musharakah is secured by a first exclusive charge of Baby Care machine and personal guarantee of Chairman of the Board of Directors and Chief Executive Officer.
- 11.5 The Company has a long term loan arrangement with Habib Metropolitan Bank Limited of an amount of Rs. 100.819 million (June 30, 2022: Rs. 100.819 million). The term of the loan was 2 years from the date of disbursement, repayable in 8 equal quarterly installments started from April 2021. During the period, the Company had made repayment of Rs. 25.205 million (June 30, 2022: Rs. 50.410 million) on which, profit was 2% per annum. The Company had total facility of Rs. 107 million obtained specifically for payment of salaries and is secured by Pari Passu charge over movables and receivables (stock and receivables) of the Company with 25% margin for Rs. 142.667 million.

- 11.6 The Company has a long term loan arrangement with Bank Al Falah Limited (BAFL) of an amount of Rs. 180.00 million (June 30, 2022: Rs. 180 million). The term of the loan was 10 years including 2 years grace period from the date of disbursement, repayable in 32 equal quarterly installments. The Company had total facility of Rs. 180 million. SBP-ITERF Scheme is secured by first exclusive charge over specific plant and 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 Private Limited for Rs. 60 million, and personal guarantee of Chairman of the Board of Directors for Rs. 225 million.
- 11.7 The Company has entered a long term loan arrangement with Bank Al-Habib Limited - Islamic banking of an amount of Rs. 361.643 million (June 30, 2022: Rs. 299.632 million). 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. 21.402 million (June 30, 2022: Rs. Nil) on which, profit was 11.78% to 16.92% (June 30, 2022: Nil) per annum. The Company has total facility of Rs. 450.000 million. Islamic finance under this diminishing musharakah is secured by equitable mortgage of factory property and personal guarantee of Chairman of the Board of Directors.

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
	Note	------(Rupees)-----	
12 DEFERRED GOVERNMENT GRANT			
Government grant	12.1	52,572,359	57,173,222
Less: Current portion shown under current liabilities		<u>(7,859,977)</u>	<u>(8,322,507)</u>
		<u>44,712,382</u>	<u>48,850,715</u>

- 12.1 The Company had availed long term finance facility as described in note 11.6 to the financial statements. 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'.

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
	Note	------(Rupees)-----	
13 TRADE AND OTHER PAYABLES			
Creditors		275,910,790	199,571,843
Accrued liabilities		114,163,248	41,356,103
Workers' profit participation fund		3,385,538	539,840
Workers' Welfare fund.		1,095,463	445,155
Advances from customers - unsecured		61,826,601	21,381,340
		<u>456,381,640</u>	<u>263,294,281</u>

14 SHORT TERM BORROWINGS - SECURED

From banking companies - secured

Islamic mode

Murabaha finance

Running musharakah

Istisna financing

	14.1	471,048,939	453,771,071
		184,005,592	240,996,435
		19,060,945	28,288,504
		<u>674,115,476</u>	<u>723,056,010</u>

14.1 This represent short term financing i.e. murabaha, istisna and running musharakah obtained under profit arrangements and are secured against hypothecation of moveable fixed assets and hypothecation of current assets of the Company. The Company has murabaha financing facility of Rs. 825 million (June 30, 2022: Rs. 825 million) out of which Rs. 225 million (June 30, 2022: Rs. 225 million) is interchangeable with running musharakah & Rs. 475 million (June 30, 2022: Rs. 475 million) with istisna. In addition, the Company has running musharakah facility of Rs. 100 million (June 30, 2022: Rs. 100 million). During the period, profit rate on such arrangements ranged between KIBOR + 0.50% to KIBOR + 0.75% (June 30, 2022: KIBOR + 0.50% to KIBOR + 0.75%) per annum.

	(Unaudited) December 31, 2022	(Audited) June 30, 2022
------(Rupees)-----		
15 ACCRUED PROFIT		
Long-term financing from Banks		
Shariah Arrangement:		
Diminishing musharakah	16,297,329	19,827,263
Non shariah Arrangement:		
Salary refinancing	63,529	188,518
Short-term borrowings from Banks		
Murabaha financing	19,117,509	10,275,820
Musharakah financing	8,638,452	7,645,464
Istisna financing	637,236	779,058
	28,393,197	18,700,342
	44,754,055	38,716,123

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

16.1.1 Except for as stated below, there is no significant change in the status of contingencies as set out in the Company's annual financial statements for the year ended June 30, 2022:

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

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

16.2 Commitments

16.2.1 The Company has letter of credit commitments for purchases amounting to Rs. 129.146 million (June 30, 2022: Rs. 114.124 million).

16.2.2 The Company has letter of credit and other commitments for capital expenditures amounting to Rs. 4.98 million (June 30, 2022: Rs. 4.505 million).

	(Unaudited)		(Unaudited)	
	Six months period ended		Three months period ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Note	------(Rupees)-----		------(Rupees)-----	
17 SALES - NET				
Gross sales				
Local sales	2,577,115,371	1,395,652,833	1,420,727,994	770,508,026
Sales tax	(379,592,901)	(203,315,766)	(209,678,101)	(112,230,496)
	<u>2,197,522,470</u>	<u>1,192,337,067</u>	<u>1,211,049,893</u>	<u>658,277,530</u>
Discounts	(144,147,699)	(26,998,940)	(90,878,929)	(23,052,932)
	<u>2,053,374,771</u>	<u>1,165,338,127</u>	<u>1,120,170,964</u>	<u>635,224,598</u>
Export sales	17.1 41,870,543	8,715,330	41,870,543	8,399,308
	<u>2,095,245,314</u>	<u>1,174,053,457</u>	<u>1,162,041,507</u>	<u>643,623,906</u>
17.1 Information by geographical area for export sales				
Afghanistan	10,344,160	8,399,308	10,344,160	8,399,308
Mozambique	4,710,983	-	4,710,983	-
Oman	8,208,998	-	8,208,998	-
Yemen	12,652,296	-	12,652,296	-
UAE	5,954,106	-	5,954,106	-
Uganda	-	316,022	-	-
	<u>41,870,543</u>	<u>8,715,330</u>	<u>41,870,543</u>	<u>8,399,308</u>
18 FINANCE COSTS				
Shariah Arrangement				
Profit on short term borrowings	59,639,306	16,189,741	31,226,829	9,765,409
Rent on diminishing musharakah	23,127,465	13,140,744	11,590,455	7,206,807
Guarantee commission	28,977	27,585	15,310	13,918
Bank charges	154,419	436,240	114,671	107,717
	<u>82,950,167</u>	<u>29,794,311</u>	<u>42,947,265</u>	<u>17,093,851</u>
Non-Shariah Arrangement				
Interest on salary refinancing	1,157,230	3,143,858	468,419	1,457,504
Mark-up on WPPF	29,767	-	29,767	-
Guarantee commission	1,556	1,477	132	53
Bank charges	239,562	110,848	94,176	22,160
	<u>84,378,282</u>	<u>33,050,494</u>	<u>43,539,759</u>	<u>18,573,568</u>
19 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit for the period	<u>35,745,699</u>	<u>20,123,271</u>	<u>33,786,480</u>	<u>7,381,637</u>
	------(Number of Shares)-----			
Weighted average number of ordinary shares in issue during the period	<u>3,900,000</u>	<u>3,900,000</u>	<u>3,900,000</u>	<u>3,900,000</u>
	------(Rupees)-----			
Earnings per share basic and diluted	<u>9.17</u>	<u>5.16</u>	<u>8.66</u>	<u>1.89</u>

		(Unaudited) December 31, 2022	(Unaudited) December 31, 2021
	Note	------(Rupees)-----	
20 CASH FLOWS FROM OPERATIONS			
Profit before taxation		67,710,753	30,393,699
Adjustments for:			
Depreciation		43,951,737	34,963,708
Amortization		121,152	107,734
Share of loss on equity accounted associate		330,832	472,547
(Reversal) / allowance for expected credit losses		(387,212)	101,965
Gain on foreign exchange		(245,561)	-
Loss on disposal of property, plant and equipment		48,435	5,649,185
Finance costs	18	84,378,282	33,050,494
Changes In Working Capital			
Increase / decrease in current assets			
Stores and spares		222,722	(5,669,507)
Stock-in-trade		(71,731,436)	(161,045,257)
Trade receivables		(16,674,628)	(22,020,330)
Loans and advances		(1,292,124)	3,448,910
Long term deposits		-	3,901,500
Trade deposits and short term prepayments		32,846,724	(10,769,870)
Increase in current liabilities			
Trade and other payables		193,087,359	56,850,755
Cash generated from / (used in) operations		<u>332,367,035</u>	<u>(30,564,467)</u>
21 CASH AND CASH EQUIVALENTS			
Running musharakah - secured		(184,005,592)	(205,906,109)
Cash and bank balances		5,746,364	1,208,766
		<u>(178,259,228)</u>	<u>(204,697,343)</u>
22 ENTITY-WIDE INFORMATION			

The Company constitutes of a single reportable segment, the principal classes of products of which are oral care, baby care and hygiene products. The Company's principal classes of products accounted for the following percentages of sales :

	(Unaudited)		(Unaudited)	
	Six months period ended		Three months period ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Baby care	88.64%	86.38%	86.90%	86.40%
Oral care	10.09%	13.22%	11.52%	12.93%
Hygiene	1.27%	0.40%	1.58%	0.67%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

23 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of other associated companies, key management personnel, directors and post employment benefit plan. Transactions with related parties and associated undertakings are as under:

Name	Nature of relationship	Basis of relationship	Nature of transaction	Six months period ended		Three months period ended	
				(Unaudited) December 31, 2022	(Unaudited) December 31, 2021	(Unaudited) December 31, 2022	(Unaudited) December 31, 2021
				------(Rupees)-----		------(Rupees)-----	
Premier Sales (Private) Limited	Associated undertaking	Common Director	Sale of goods - net off discount of Rs. 62.25 million (31-Dec-21: Rs.0.014 million)	1,640,440,007	996,061,964	848,569,991	528,970,127
			Reimbursement of selling and distribution expenses	112,237,057	71,020,311	56,297,215	36,749,766
Memon Medical Institute	Associated undertaking	Common Director	Sale of goods	5,714	53,825	-	27,575
EHC (Private) Limited	Associated undertaking	Key management personnel	Sale of goods	5,422,452	-	4,487,150	-
Scitech health (Private) Limited	Associated undertaking	Common Director	Purchase of goods	15,795	128,127	-	-
Nagaria Textile Mills (Private) Limited	Associated undertaking	Common Director	Warehouse rent	2,570,880	3,120,000	642,720	1,560,000
Employees provident fund	Retirement benefit fund	Employees benefit fund	Contribution made	5,691,532	5,119,038	3,006,106	2,638,530
Key management personnel	Related parties	Executives	Remuneration and benefits	31,565,135	29,287,662	16,532,406	14,977,291
				(Unaudited) December 31, 2022	(Audited) June 30, 2022		
				------(Rupees)-----			
23.1	Period / year end balances						
	Receivable from related parties			3,803,905	3,615,613		
	Payable to related parties			-	800,805		
	Loan from Chief Executive			55,000,000	55,000,000		

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
		------(Rupees)-----	
24.1	Financial instruments by category		
Financial assets at amortized cost			
	Deposits	1,614,982	2,606,262
	Loan to employees	3,178,695	1,710,805
	Trade receivables	73,171,756	56,109,916
	Cash and bank balances	5,746,364	3,645,251
		<u>83,711,797</u>	<u>64,072,234</u>
Financial liabilities at amortized cost			
	Long term financing (including current portion)	643,787,781	666,498,609
	Trade and other payables	390,074,038	240,927,946
	Accrued profit	44,754,055	38,716,123
	Short term bank finances	674,115,476	723,056,010
		<u>1,752,731,350</u>	<u>1,669,198,688</u>

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

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

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

26 NUMBER OF EMPLOYEES

The number of employees as at period ended December 31, 2022 was 130 (June 30, 2022: 127) and average number of employees during the period was 126 (June 30, 2022: 124).

27 CORRESPONDING FIGURES

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

28 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 22, 2023 by the Board of Directors of the Company.

29 GENERAL

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



Mohammad Haroon Qassim
Chief Executive



Vali Muhammad A. Habib
Director



Yasir Yousuf Chhabra
Chief Financial officer



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